



CITY OF
LA QUINTA

2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

La Quinta
— CALIFORNIA —



Prepared by:
Finance Department



City of La Quinta, California

Annual Comprehensive Financial Report
Year Ended June 30, 2021

Prepared By: Finance Department

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June 30, 2022

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

It is with great pleasure that we present to you the Annual Comprehensive Financial Report (ACFR) of the City of La Quinta for the fiscal year ending June 30, 2021. The ACFR has been prepared by the Finance Department for the benefit of City Council members, citizens, investors, grantors, employees, and others who may have an interest in the financial well-being of the City.

The ACFR 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 analysis is presented in the Management's Discussion and Analysis section (MD&A) that immediately follows the independent auditor's report. The MD&A provides an overview and analysis of the basic financial statements and complements this transmittal.

Responsibility for both the accuracy and the completeness of all disclosures rests with the City of La Quinta. 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 ACFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP). The City's financial reporting is based upon all Governmental Accounting Standards Board (GASB) Statements; these pronouncements are the most authoritative source for governmental GAAP. The City is responsible for ensuring an adequate internal control structure is in place. The internal control structure is subject to constant evaluation by the management of the City and annual review by independent auditors. Reviews determine the adequacy of the internal control structure, as well as to determine if the City complied with applicable laws and regulations. In reviewing internal control structures, the cost of a control should not exceed the benefits to be derived, hence the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

Eide Bailly LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2021. This is the most favorable conclusion. The independent auditor's report is located at the front of the financial section.

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 has a permanent population of approximately 42,000, within a boundary of 36 square miles. Each year nearly 18,000 seasonal residents also call La Quinta home from October through May. A natural paradise in the Coachella Valley, the City is nestled between the Santa Rosa and San Bernardino Mountains, is an integral part of the Coachella Valley's world-renowned resort and retirement area, and is known for its championship golf, festivals and community events, health and wellness, stunning views and spectacular trails.

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, serves a two-year term, and represents the City at many public functions; 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 and also serve as the Board of Directors of the Housing and Finance Authorities.

The Council appoints the City Manager, who in turn appoints the Directors of the various departments except for the City Attorney who is appointed by the Council. The Finance Director also serves as the City/Housing Authority Treasurer and the City Manager is also the Executive Director of the Housing Authority.

The City provides a range of services, which include street and infrastructure construction and maintenance; community development and planning; affordable housing programs; 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's annual operating and capital improvement budgets are adopted by resolutions for the fiscal year that begins July 1st. Separate resolutions are adopted by the City Council and Board of Directors of the Housing and Finance Authorities.

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

According to the State of California Employment Development Department, the unadjusted unemployment rate for La Quinta was 6.5%, which was lower than unadjusted rates for Riverside County's at 7.3% and higher than the statewide average of 5.4%. Current unemployment rates are greatly impacted by lingering effects of COVID-19, particularly in the hospitality industry.

The City's dominant industries are tourism, recreation, and retail, with the following being 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.

Throughout the year La Quinta hosts a variety of multi-generational open-air events and shines in the national spotlight as the area's only PGA golf tour event in the region with the American Express Golf Tournament. The City also co-hosts Ironman 70.3 Indian Wells La Quinta, which brings over 3,000 athletes and supporters from all over the world to the Coachella Valley. The City's cultural diversity, values, unique characteristics and attributes are commemorated through artists who showcase their high-quality artwork at the annual fine art event, La Quinta Art Celebration, which is ranked number one in the United States by ArtFair Sourcebook's Top 100 Fine Art Events.

Substantially or completed projects during 2020/21 included Grocery Outlet and Los Arcos Mexican cuisine in the La Quinta Village shopping center, Lifestream and Nothing Bundt Cakes in the Washington Park Center, Café California and Arroyo's Café in Old Town La Quinta, and Nativa Silver & Crystals, Happy Tea Café, Sato's Snacks and Extra Space Storage along the Highway 111 corridor.

Long-term Financial Planning

Sound financial governance and prudent planning 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. La Quinta has taken a

proactive approach to rising pension and public safety costs by building its reserve categories and paying down the City's pension obligations. The City also continues to collaborate with Riverside County and other regional cities on police services to identify long-term savings.

The City ensures that its long-range goals are met through a variety of Boards and Commissions. Each is comprised of Council-appointed residents, may include a City Council representative, and are supported by City staff. In addition, the City has adopted various financial policies and practices with the goal of sustaining a fiscally resilient government over the long-term, assuring fiscal sustainability, as well as increasing transparency and encouraging public engagement.

In 2020/21, the General Fund's overall fund balance increased by almost \$18.9 million when compared to the ending balance in 2019/20, mainly due to revenue increases surpassing budget projections in areas such as transient occupancy taxes and sales tax. As of June 30, 2021, all four of the City's reserve categories (Cash Flow Reserve, Natural Disaster, Economic Disaster, and Capital Replacement) are fully funded to policy targets.

In June 2021 the City Council adopted a balanced budget without the use of reserves for fiscal year 2021/22. The adopted budget had operating revenues exceeding expenses by \$62,840. The 2021/22 budget included sustained funding for essential services, such as police, fire, and maintenance of critical infrastructure.

La Quinta has cultivated a sound foundation of General Fund revenues including sales tax, transient occupancy 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 but has also secured additional property tax revenue from the County for fire and library services.

The Future

The City has a mixture of housing and commercial developments under construction. Larger residential developments underway include Carmela, Coral Mountain, Andalusia, PGA West, Tradition, Hideaway, Madison Club, and Rancho Santana and commercial developments include luxury Montage and lifestyle Pendry hotels, Pavilion Palms, and The Peak mixed use development.

Approved housing developments on the horizon include Centre at La Quinta, Palo Verde, Piazza Serena and Diamante. In addition, the City is acquiring land for potential affordable

housing developments to further the City's goals of fostering mixed-use development, affordable housing, and multi-modal transportation, and development of the Highway 111 Corridor as outline in the General Plan.

The Highway 111 Corridor Plan (Plan) continues to be a priority with daily traffic exceeding 40,000 vehicles, and accounting for nearly 80% of the City's annual sales tax revenue. The two mile-long, 400-acre regional commercial hub at the center of the City, is being evaluated to create a more connected and walkable environment through the implementation of form-based code (FBC). FBC is anticipated to reshape the corridor by adding mixed-use and infill development and incorporating ever-evolving shopping trends.

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 ACFR for the fiscal year ended June 30, 2020. This was the twenty-fourth consecutive year that the City received this prestigious award. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR.

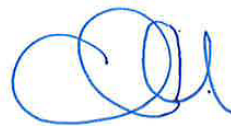
A Certificate of Achievement is valid for one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to the City Council and the Financial Advisory Commission for their ongoing oversight of the financial affairs of the City and their prudent fiscal, economic, and land use policy and direction. We also thank City staff with special appreciation to the Finance Department for their continued effort to provide accurate financial data and the preparation of this report.

Respectfully Submitted,



Jon McMillen, City Manager



Claudia Martinez, Finance Director

City of La Quinta

List of Principal Officers

June 30, 2021

CITY COUNCIL

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

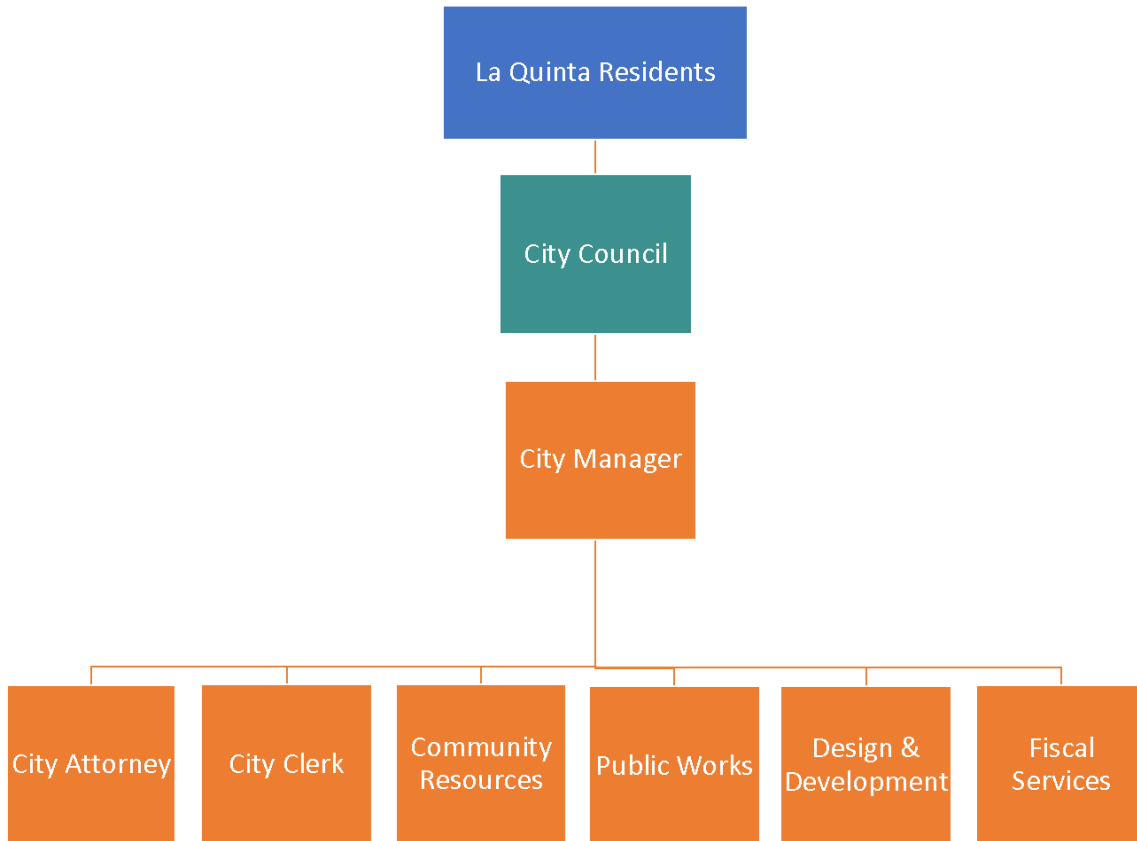
ADMINISTRATION

Jon McMillen, City Manager
Claudia Martinez, Finance Director/ City Treasurer
Christopher Escobedo, Community Resources Director
Danny Castro, Design and Development Director
Bryan McKinney, Public Works Director/ City Engineer
Gilbert Villalpando, Director (Business Unit/Housing Development)
Monika Radeva, City Clerk
William H. Ihrke, City Attorney



CITY OF LA QUINTA LA QUINTA, CALIFORNIA

ORGANIZATIONAL CHART



For listing of staffing by department and total number of employees, see Statistical Section - Full Time City Employees by Function.



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, 2020

Christopher P. Morill

Executive Director/CEO



Independent Auditor's 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the City's proportionate share of the net pension liability, schedule of pension plan contributions, schedule of changes in the net OPEB liability/(asset) and related ratios, schedule of OPEB contributions, and the budgetary comparison schedules for the General Fund and Housing Authority special revenue fund and the related notes, as listed on the table of contents, 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 June 30, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Rancho Cucamonga, California
June 30, 2022

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MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

This narrative provides an overview and analysis of the City of La Quinta's (City) financial activities for the fiscal year ending June 30, 2021. 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 thousand dollars and dates are represented by fiscal year.



HIGHLIGHTS

At the close of 2020/21 (June 30, 2021):

- The total assets and deferred outflows of the City exceeded its total liabilities and deferred inflows at the close of the fiscal year 2020/21 by \$771,890,000 (*net position*). Of this amount, \$163,256,000 (*unrestricted net position*) may be used to meet ongoing obligations and approximately \$561,921,000 or 73% was invested in capital assets and is not available to meet ongoing obligations.
- Governmental activities total net position increased by \$30,605,000 and the Business-Type total net position increased by \$228,000 which is attributable to the SilverRock Golf Course.
- Governmental funds (General Fund, Housing Authority, Capital Improvement Fund, sixteen (15) non-major special revenue funds, nine (10) non-major capital projects funds, and one (1) non-major debt service fund) had a combined ending fund balance of \$185,847,000, an increase of \$21,685,000. The increase in fund balance can be attributed to taxes, including transient occupancy tax and sales tax, exceeding the original budget projections by \$12,920,000 coupled with expenditures savings from the original budget projections in the General Fund totaling \$1,464,000, proceeds from the sale of land totaling \$1,219,000, grant reimbursements for capital project costs from prior years and an extraordinary gain related to the Successor Agency loans totaling \$740,000.
- The unassigned General Fund balance comprised \$24,242,000, or 17%, of the total \$142,317,000 balance and represented 49% of total final General Fund budgeted expenses including transfers and multi-year capital projects.
- Total governmental activities long-term liabilities increased by \$951,000 from \$15,061,000 to \$16,012,000. This increase is largely attributed to an increase of \$1,044,000 in the City's net pension liability. (Note 5)

OVERVIEW

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 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-nine (29) 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 three (3) major governmental funds: the General Fund, the Housing Authority special revenue fund, and the Capital Improvement capital project fund. Data from the other twenty-six (26) 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 in the Combining and Individual Fund Statements and Schedules section of the report.

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 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, 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 and Schedules section of the report.

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 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) the Supplemental Pension Trust fund which accounts for the Defined Contribution Pension Trust established to provide supplemental retirement benefits for employees, and (2) Successor Agency of the Former RDA Private-Purpose Trust Fund which provides for activities associated with the dissolution of the former Redevelopment Agency.

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 Financial Statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with non-major governmental funds and internal service 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 is 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$771,890,000 at the close of the 2020/21, which is \$30,833,000 more than the previous year. Increases were reflected in all three categories: capital assets, restricted, and unrestricted net position for governmental activities.

The largest portion of the City's Net Position (\$561,921,000 or 73% for 2020/21 and \$549,490,000 or 74% for 2019/20) 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.

City of La Quinta Net Position

	Governmental Activities			Business-Type Activities			Total by Fiscal Year		
	2020	2021	% Change	2020	2021	% Change	2020	2021	% Change
Current and other assets	\$ 219,549,201	\$ 244,089,333	11%	\$ 242,326	\$ 1,000,641	313%	\$ 219,791,527	\$ 245,089,974	12%
Capital assets	509,777,422	519,203,177	2%	39,712,955	42,717,914	8%	549,490,377	561,921,091	2%
Total Assets	729,326,623	763,292,510	5%	39,955,281	43,718,555	9%	769,281,904	807,011,065	5%
Deferred outflows of resources	3,426,624	4,373,009	28%	-	-	0%	3,426,624	4,373,009	28%
Current liabilities	18,385,081	22,278,089	21%	375,426	631,891	68%	18,760,507	22,909,980	22%
Non-current liabilities	15,108,481	16,012,465	6%	-	-	0%	15,108,481	16,012,465	6%
Total Liabilities	33,493,562	38,290,554	14%	375,426	631,891	68%	33,868,988	38,922,445	15%
Deferred inflows of resources	1,062,516	572,557	-46%	-	-	0%	1,062,516	572,557	-46%
Net Position:									
Net investment in capital assets	509,777,422	519,203,177	2%	39,712,955	42,717,914	8%	549,490,377	561,921,091	2%
Restricted	46,001,248	46,711,801	2%	-	-	0%	46,001,248	46,711,801	2%
Unrestricted	142,418,499	162,887,430	14%	3,145,820	368,750	-88%	145,564,319	163,256,180	12%
Total Net Position	\$ 698,197,169	\$ 728,802,408	4%	\$ 42,858,775	\$ 43,086,664	1%	\$ 741,055,944	\$ 771,889,072	4%

An additional portion of the City's net position (\$46,712,000 or 6% in 2021 and \$46,001,000 or 7% in 2020) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$163,256,000 (21%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2020/21, the City had positive balances in all three categories of net position for the governmental and business-type activities.

Governmental Activities

Governmental activities net position increased by \$30,605,000 accounting for a positive 4% 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		
	2020	2021	Change	2020	2021	Change	2020	2021	Change
PROGRAM REVENUES:									
Charges for Services	\$ 3,584,923	\$ 4,705,011	\$ 1,120,088	\$ 2,746,748	\$ 3,509,096	\$ 762,348	\$ 6,331,671	\$ 8,214,107	\$ 1,882,436
Operating Grants and Contributions	7,817,482	4,413,523	(3,403,959)	-	-	-	7,817,482	4,413,523	(3,403,959)
Capital Grants and Contributions	9,613,752	15,770,048	6,156,296	-	-	-	9,613,752	15,770,048	6,156,296
GENERAL REVENUES & TRANSFERS									
Property Taxes	16,710,544	16,893,629	183,085	-	-	-	16,710,544	16,893,629	183,085
Other Taxes	30,253,291	39,178,741	8,925,450	-	-	-	30,253,291	39,178,741	8,925,450
Investment Income	5,110,358	1,427,664	(3,682,694)	9,356	13,081	3,725	5,119,714	1,440,745	(3,678,969)
Motor Vehicle In Lieu	4,290,417	4,376,455	86,038	-	-	-	4,290,417	4,376,455	86,038
Miscellaneous	1,404,143	1,457,788	53,645	-	-	-	1,404,143	1,457,788	53,645
TOTAL REVENUES	78,784,910	88,222,859	9,437,949	2,756,104	3,522,177	766,073	81,541,014	91,745,036	10,204,022
EXPENSES:									
General Government	9,877,251	8,106,209	(1,771,042)	-	-	-	9,877,251	8,106,209	(1,771,042)
Public Safety	24,009,725	24,429,310	419,585	-	-	-	24,009,725	24,429,310	419,585
Planning & Development	5,845,836	6,508,522	662,686	-	-	-	5,845,836	6,508,522	662,686
Community Services	11,362,950	6,958,234	(4,404,716)	-	-	-	11,362,950	6,958,234	(4,404,716)
Public Works	32,248,031	11,438,197	(20,809,834)	-	-	-	32,248,031	11,438,197	(20,809,834)
Interest on Long-Term Debt	98,049	42,081	(55,968)	-	-	-	98,049	42,081	(55,968)
Golf Course	-	-	-	4,148,190	4,169,286	21,096	4,148,190	4,169,286	21,096
TOTAL EXPENSES	83,441,842	57,482,553	(25,959,289)	4,148,190	4,169,286	21,096	87,590,032	61,651,839	(25,938,193)
Excess or Deficiency before Transfers & Extraordinary Items	(4,656,932)	30,740,306	35,397,238	(1,392,086)	(647,109)	744,977	(6,049,018)	30,093,197	36,142,215
TRANSFERS & EXTRAORDINARY ITEMS:									
Extraordinary Gain on Dissolution of RD	867,792	739,933	(127,859)	-	-	-	867,792	739,933	(127,859)
Transfers	(635,200)	(875,000)	(239,800)	635,200	875,000	239,800	-	-	-
Increase in Net Position	(4,424,340)	30,605,239	35,029,579	(756,886)	227,891	984,777	(5,181,226)	30,833,130	36,014,356
Net Position - Beginning	702,621,509	698,197,169	(4,424,340)	43,615,661	42,858,773	(756,888)	746,237,170	741,055,942	(5,181,228)
NET POSITION - ENDING	\$ 698,197,169	\$ 728,802,408	\$ 30,605,239	\$ 42,858,775	\$ 43,086,664	\$ 227,889	\$ 741,055,944	\$ 771,889,072	\$ 30,833,128

Governmental revenues overall increased by \$9,438,000 with the largest increase of \$8,925,000 being other taxes (transient occupancy taxes and sales tax combined) followed by an increase of \$6,156,000 in capital grants and contributions (intergovernmental reimbursements for various construction projects). These increases were offset by decreases totaling \$3,404,000 and \$3,683,000 for operating grants and contributions and investment income revenues, respectively.

- Expenses for Governmental Activities decreased by \$25,959,000 (a 31% decrease when compared to 2019/20). The \$20,810,000 decrease in Public Works reflects multiple projects in construction phase delayed due to COVID-19 during 2020/21. Other decreases in General Government and Community Services totaling \$6,176,000 were the result of budgetary reductions made in anticipation of the financial impacts of COVID-19. As noted earlier Governmental Activities include 29 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.
- The General Fund contributed \$875,000 to the business-type activities of the golf course. Funds were utilized to support operations per the adjusted budget.

Business-Type Activities

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

Charges for services primarily consisted of green fees which totaled \$3,509,000, \$762,000 higher than the previous year, with golf course expenses of \$4,169,000, which were \$21,000 or approximately 1% more than the previous year. Increases in revenues resulted from the golf course reopening as COVID-19 restrictions on outdoor activities were lifted by the State of California.

In 2020/21, the General Fund transferred \$875,000 to the SilverRock Golf Fund to support operations. After this transfer, the net position increased by \$228,000.

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 2020/21, the City's governmental funds reported combined ending fund as follows:

City of La Quinta Governmental Fund Balances

Category	General Fund	Percent	All Other Funds	Percent	Total Funds	Percent
Nonspendable	\$ 29,499,520	21%	\$ 1,019	0.002%	\$ 29,500,539	16%
Restricted	11,381,922	8%	46,711,801	107%	58,093,723	31%
Committed	37,209,870	26%	-	0%	37,209,870	20%
Assigned	39,983,678	28%	-	0%	39,983,678	22%
Unassigned	24,241,553	17%	(3,182,262)	-7%	21,059,291	11%
TOTAL	\$ 142,316,543	100%	\$ 43,530,558	100%	\$ 185,847,101	100%

Governmental fund balances ended the year totaling \$185,847,000, an increase of \$21,685,000 in comparison with the prior years' ending balance of \$164,163,000. These collective fund balances include the General Fund, Housing Authority, Financing Authority, Capital Improvement Fund, and various Special Revenue and Capital Improvement funds.

Nonspendable

Nonspendable fund balance totaled \$29,501,000 or 16%; this represents amounts that are not available to pay for operating expenditures because they are in the form of land and receivables.

Restricted

Restricted fund balance totaled \$58,094,000 or 31%; these amounts represent funds with external limitations on spending. Significant restrictions include: Section 115 trust of \$11,382,000 restricted for pension liabilities; Library and Museum totaling \$8,989,000 which represents property tax increment money that can only be used for library and museum services; Measure A funding of \$3,199,000 which can only be used for transportation; Economic Development funding of \$3,050,000 that can only be used for future economic development in the City; Transportation capital project fund of \$2,266,000 in developer fees that are restricted for the acquisition, construction and improvement of the City's infrastructure.

Committed

\$37,210,000 (20%) are committed fund balances which are the result of self-imposed limitations established by the City Council. The City adopted a Reserve Policy in May 2018 which established General Fund committed reserve categories including: Natural Disaster Reserve, Economic Disaster Reserve, Cash Flow Reserve, and Capital Replacement Reserve.

Assigned

Assigned funds are constrained by the City's intent to use them for specific purposes and represent a total of \$39,984,000 (22%) of the total fund balance. \$13,431,000 represents funds for approved multi-year capital projects that were not spent by the end of the year, therefore they are carried overs until the projects are completed. Available Measure G sales tax revenue ended the year at \$15,129,000 and \$11,424,000 represents funds held in trust with the County of Riverside for fire services.

Unassigned

The remaining fund balance or \$21,059,000 represents unassigned fund balances or the residual net resources after taking into consideration the other classifications. The Capital Improvement Fund accounted for \$1,377,000 of the negative \$3,182,000 balance of all other funds. The remaining negative balance was largely attributed to the Library Development Impact Fee Fund. This amount represents an advance due to the Redevelopment (RDA) Successor Agency and is included in the Successor Agency of the former RDA as a receivable.

General Fund

The General Fund is the City's chief operating fund. At the end of 2020/21, the unassigned fund balance was \$24,242,000 while total fund balance was \$142,317,000.

The General Fund balance increased by \$18,983,000 in 2020/21. Key factors were:

- A year-over-year decrease of \$1,988,000 in non-spendable is attributed the 2020/21 Redevelopment Agency loan repayment of \$2,591,000 offset by interest earnings of \$592,000 resulted in a net decrease of \$1,999,000 in Due from Other Governments. The outstanding loan balance of \$30,088,278 is recognized as 80% in the General Fund and 20% in the Housing Authority Fund.
- Restricted reserves are limited to funds held in a Section 115 Pension Trust set aside to fund the City's pension obligations. The trust was initially established in 2018/19 with \$6,540,000 and in 2020/21 additional contributions coupled with investment gains caused the trust to increase by \$1,132,000.
- Committed reserves increased by \$7,091,000. The increase resulted from an increase of \$3,460,000 in the Capital Replacement Reserves and \$4,200,000 in the Economic Disaster Reserve.
- An increase of \$7,601,000 in assigned reserves was primarily due to an increase in the Measure G sales tax reserve (\$6,392,000). 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 assistance (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, 2021 is \$11,424,000.
- Actual expenses were \$1,426,000 lower than the final budget of which \$1,209,000 was carried over into 2021/22 for continuing appropriations related to operations. Funds not being carried over are recognized as Unassigned Fund Balance in the General Fund. CIP revenue commitments totaling \$13,431,000 are reflected in assigned reserves and operational carryovers are noted in committed reserves.

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 increased by \$988,000 to end the year at \$23,807,000.

Capital Improvement Fund

The Capital Improvement Fund is primarily used to record the expenditures for capital projects. The fund had thirty-eight (38) active Capital Improvement Projects budgeted during 2020/21. The five most active projects were:

- SilverRock Infrastructure Improvements (\$5,010,000)
- La Quinta Village Complete Streets (\$3,024,000)
- SilverRock Event Site (\$2,326,000)
- La Quinta X-Park (\$2,028,000)
- Washington Street at Fred Waring Street Improvements (\$1,264,000)

These projects, along with others, leveraged State or Federal grant funds or were significantly supported with Measure G sales tax revenues.

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

Most General Fund revenues experienced positive variances when compared to the final budget. Revenue appropriations and transfers increased by \$6,960,000 between the original (\$50,726,000) and final amended budget (\$57,686,000). The category representing the largest variances is taxes which represents 77% of all General Fund revenues. Taxes includes the three largest funding sources for the City – sales taxes \$23,324,000, property taxes \$16,894,000, and transient occupancy taxes (TOT) \$11,847,000. Combined, these top three revenues account for \$52,065,000 or 93% of all taxes.

The Extraordinary Item includes \$592,000 to record the annual former Redevelopment Agency loan repayment interest earned in 2020/21. The loan repayments are structured to pay all principal first, then interest. Each year the City records the payment received and interest earned in accordance with the State Department of Finance approved loan repayment schedule. Loan repayments are not budgeted; these funds are recognized in unassigned reserves and reduce non-spendable reserves each year. 80% of the extraordinary gain is recognized in the General Fund and 20% in the Housing Authority Fund.

Expenditure appropriations and transfers out decreased by \$37,800 between the original (\$49,118,000) and final amended budget (\$49,080,000) and was related to minor changes in estimates from the time the budget was adopted to the end of the fiscal year.

CAPITAL ASSET AND LONG TERM LIABILITIES ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2021, were \$561,921,000 (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 increased by \$9,152,000 in 2020/21 primarily due to an increase in construction in progress and the completion of projects that began in previous years.

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	
	2020	2021	2020	2021	2020	2021
Land	\$ 66,810,841	\$ 66,901,495	\$ 39,712,955	\$ 39,712,955	\$ 106,523,796	\$ 106,614,450
Buildings & Improvements	37,098,256	34,781,617	3,127,733	2,913,188	40,225,989	37,694,805
Equipment & Furniture	1,590,589	1,580,195	151,187	91,771	1,741,776	1,671,966
Vehicles	715,710	617,648	-	-	715,710	617,648
Software	-	-	-	-	-	-
Infrastructure	378,965,718	381,409,739	-	-	378,965,718	381,409,739
Construction in Progress	24,596,308	33,912,483	-	-	24,596,308	33,912,483
TOTAL	\$509,777,422	\$519,203,177	\$ 42,991,875	\$ 42,717,914	\$552,769,297	\$561,921,091

Major capital asset events under Governmental Activities included the following:

- Recording infrastructure improvements, street improvements, street right of way, street sidewalks and curbs and gutters, traffic signals, street medians, and construction in progress.

Business-Type Activities

The Golf Course capital asset balance at June 30, 2021, was \$42,718,000, net of accumulated depreciation. The balance decrease of \$274,000 reflects accumulated depreciation expensed in 2020/21.

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

Long-Term Liabilities

At the end of 2020/21, the City governmental activities had total outstanding long-term liabilities of \$16,012,000, which is \$951,000 greater than the previous year. Of the total amount, \$460,000 represents capital leases and \$950,000 in employee compensated absences. The increase of \$1,044,000 in the Net Pension Liability is described in Note 8 and the obligation is not reduced by the Pension Trust balance of \$11,382,000 until funds are remitted to CalPERS.

City of La Quinta Outstanding Long-Term Liabilities

Governmental Activities				
Debt Type:	2020		2021	
Capital Leases	\$	761,790	\$	459,275
Compensated Absences		888,491		950,309
Net OPEB (Asset) Liability		(47,052)		100,570
Net Pension Liability		13,458,200		14,502,311
TOTAL	\$	15,061,429	\$	16,012,465

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

REQUEST 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, Claudia Martinez, Finance Director/City Treasurer, 78-495 Calle Tampico, La Quinta, CA, 92253, by telephone at 760-777-7055, or by email at finance@laquintaca.gov.

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City of La Quinta, California
Statement of Net Position
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments	\$ 159,296,943	\$ 658,182	\$ 159,955,125
Restricted cash and investments	11,381,922	-	11,381,922
Receivables			
Accounts	1,431,989	-	1,431,989
Taxes	7,054,395	-	7,054,395
Notes and loans	22,685,507	-	22,685,507
Accrued interest	4,761,626	210	4,761,836
Prepaid costs	248,188	-	248,188
Deposits	47,964	250,000	297,964
Due from other governments	31,777,147	-	31,777,147
Inventories	-	92,249	92,249
Land held for resale	5,403,652	-	5,403,652
Capital assets not being depreciated	386,671,331	39,712,955	426,384,286
Capital assets, net of depreciation	<u>132,531,846</u>	<u>3,004,959</u>	<u>135,536,805</u>
Total assets	<u>763,292,510</u>	<u>43,718,555</u>	<u>807,011,065</u>
Deferred Outflows of Resources			
Deferred amounts related to OPEB	292,929	-	292,929
Deferred amounts related to pensions	<u>4,080,080</u>	<u>-</u>	<u>4,080,080</u>
Total deferred outflows of resources	<u>4,373,009</u>	<u>-</u>	<u>4,373,009</u>
Liabilities			
Accounts payable	11,204,884	596,391	11,801,275
Accrued liabilities	436,338	-	436,338
Unearned revenue	1,450,898	-	1,450,898
Deposits payable	7,724,459	35,500	7,759,959
Due to other governments	1,461,510	-	1,461,510
Noncurrent liabilities			
Due within one year	498,576	-	498,576
Due in more than one year	<u>15,513,889</u>	<u>-</u>	<u>15,513,889</u>
Total liabilities	<u>38,290,554</u>	<u>631,891</u>	<u>38,922,445</u>
Deferred Inflows of Resources			
Deferred amounts related to OPEB	41,158	-	41,158
Deferred amounts related to pensions	<u>531,399</u>	<u>-</u>	<u>531,399</u>
Total deferred inflows of resources	<u>572,557</u>	<u>-</u>	<u>572,557</u>
Net Position			
Net investment in capital assets	519,203,177	42,717,914	561,921,091
Restricted for			
Planning and development projects	24,751,443	-	24,751,443
Public safety	931,352	-	931,352
Public works	5,196,324	-	5,196,324
Capital projects	3,018,894	-	3,018,894
Community services	12,813,788	-	12,813,788
Unrestricted	<u>162,887,430</u>	<u>368,750</u>	<u>163,256,180</u>
Total net position	<u>\$ 728,802,408</u>	<u>\$ 43,086,664</u>	<u>\$ 771,889,072</u>

City of La Quinta, California
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government				
General government	\$ 8,106,209	\$ 1,541,535	\$ 28,515	\$ 4,329,434
Public safety	24,429,310	770,760	7,292	159,921
Planning and development	6,508,522	710,529	153,032	1,497,994
Community services	6,958,234	178,554	897,343	-
Public works	11,438,197	1,503,633	3,327,341	9,782,699
Interest on long-term debt	42,081	-	-	-
Total governmental activities	<u>57,482,553</u>	<u>4,705,011</u>	<u>4,413,523</u>	<u>15,770,048</u>
Business-Type Activities				
Golf Course	<u>4,169,286</u>	<u>3,509,096</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 61,651,839</u>	<u>\$ 8,214,107</u>	<u>\$ 4,413,523</u>	<u>\$ 15,770,048</u>

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

Net Position at End of Year

City of La Quinta, California
Statement of Activities
Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,206,725)	\$ -	\$ (2,206,725)
(23,491,337)	-	(23,491,337)
(4,146,967)	-	(4,146,967)
(5,882,336)	-	(5,882,336)
3,175,476	-	3,175,476
(42,081)	-	(42,081)
<u>(32,593,971)</u>	<u>-</u>	<u>(32,593,971)</u>
-	(660,190)	(660,190)
<u>(32,593,971)</u>	<u>(660,190)</u>	<u>(33,254,161)</u>
16,893,629	-	16,893,629
11,847,139	-	11,847,139
23,323,549	-	23,323,549
2,055,505	-	2,055,505
383,551	-	383,551
1,568,997	-	1,568,997
4,376,455	-	4,376,455
1,427,664	13,081	1,440,745
1,457,788	-	1,457,788
739,933	-	739,933
(875,000)	875,000	-
<u>63,199,210</u>	<u>888,081</u>	<u>64,087,291</u>
30,605,239	227,891	30,833,130
<u>698,197,169</u>	<u>42,858,773</u>	<u>741,055,942</u>
<u>\$ 728,802,408</u>	<u>\$ 43,086,664</u>	<u>\$ 771,889,072</u>

City of La Quinta, California
Balance Sheet – Governmental Funds
June 30, 2021

	General	Special Revenue Fund Housing Authority	Capital Projects Fund Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 110,782,834	\$ 15,598,797	\$ 1,809,494	\$ 21,588,356	\$ 149,779,481
Restricted cash and investments	11,381,922	-	-	-	11,381,922
Receivables					
Accounts	730,310	166,658	28,925	500,000	1,425,893
Taxes	6,384,346	-	-	670,049	7,054,395
Notes and loans	-	22,685,507	-	-	22,685,507
Accrued interest	39,782	4,709,317	-	8,718	4,757,817
Prepaid costs	25,246	-	-	1,019	26,265
Deposits	-	47,964	-	-	47,964
Due from other governments	24,189,749	6,017,655	527,974	1,041,769	31,777,147
Due from other funds	401,669	-	-	-	401,669
Land held for resale	5,403,652	-	-	-	5,403,652
Total assets	\$ 159,339,510	\$ 49,225,898	\$ 2,366,393	\$ 23,809,911	\$ 234,741,712
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 8,410,697	\$ 17,910	\$ 2,331,760	\$ 349,975	\$ 11,110,342
Accrued liabilities	391,692	18,181	-	25,233	435,106
Unearned revenues	39,101	-	1,411,797	-	1,450,898
Deposits payable	7,699,783	24,676	-	-	7,724,459
Due to other governments	2,721	-	-	1,458,789	1,461,510
Due to other funds	-	26,777	-	374,892	401,669
Total liabilities	16,543,994	87,544	3,743,557	2,208,889	22,583,984
Deferred Inflows of Resources					
Unavailable revenue	478,973	25,331,654	-	500,000	26,310,627
Fund Balances					
Nonspendable					
Prepaid costs	25,246	-	-	1,019	26,265
Land held for resale	5,403,652	-	-	-	5,403,652
Due from successor agency	24,070,622	-	-	-	24,070,622
Restricted for					
Planning and development projects	-	23,806,700	-	944,743	24,751,443
Public safety	-	-	-	931,352	931,352
Community services	-	-	-	12,813,788	12,813,788
Public works	-	-	-	5,196,324	5,196,324
Capital projects	-	-	-	3,018,894	3,018,894
Section 115 trust	11,381,922	-	-	-	11,381,922
Committed to					
Natural Disaster Reserve	10,000,000	-	-	-	10,000,000
Economic Downturn Reserve	11,000,000	-	-	-	11,000,000
Cash Flow Reserve	5,000,000	-	-	-	5,000,000
Capital Replacement Reserve	10,000,000	-	-	-	10,000,000
Carryovers	1,209,870	-	-	-	1,209,870
Assigned for					
Public safety	11,423,931	-	-	-	11,423,931
Sales Tax Reserve	15,128,658	-	-	-	15,128,658
Capital projects	13,431,089	-	-	-	13,431,089
Unassigned	24,241,553	-	(1,377,164)	(1,805,098)	21,059,291
Total fund balance	142,316,543	23,806,700	(1,377,164)	21,101,022	185,847,101
Total liabilities, deferred inflows of resources and fund balances	\$ 159,339,510	\$ 49,225,898	\$ 2,366,393	\$ 23,809,911	\$ 234,741,712

City of La Quinta, California
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances of governmental funds		\$ 185,847,101
Capital assets net of accumulated depreciation have not been not been included as current financial resources in governmental fund activity		505,612,664
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Capital lease payable	\$ (41,225)	
Compensated absences	(950,309)	
Net OPEB liability	(100,570)	
Net pension liability	<u>(14,502,311)</u>	(15,594,415)
Deferred outflows related to pensions		4,080,080
Deferred outflows related to OPEB		292,929
Deferred inflows related to pensions		(531,399)
Deferred inflows related to OPEB		(41,158)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities		26,310,627
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>22,825,979</u>
Net Position of Governmental Activities		<u><u>\$ 728,802,408</u></u>

City of La Quinta, California
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2021

	General	Special Revenue Fund Housing Authority	Capital Projects Fund Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 51,515,854	\$ -	\$ -	\$ 1,977,932	\$ 53,493,786
Assessments	-	-	-	984,435	984,435
Licenses and permits	2,020,596	-	-	-	2,020,596
Intergovernmental	8,551,964	-	11,991,234	5,177,130	25,720,328
Charges for services	964,710	-	-	-	964,710
Use of money and property	1,569,149	1,048,695	-	(16,362)	2,601,482
Fines and forfeitures	779,606	-	-	-	779,606
Contributions from other agencies	-	-	-	-	-
Developer participation	-	-	171,134	1,673,531	1,844,665
Miscellaneous	642,949	1,820	-	1,011	645,780
Total revenues	66,044,828	1,050,515	12,162,368	9,797,677	89,055,388
Expenditures					
Current					
General government	8,463,130	-	-	1,100	8,464,230
Public safety	24,285,517	-	-	143,793	24,429,310
Planning and development	2,997,459	851,820	1,086,169	1,609,029	6,544,477
Community services	3,186,042	300,000	-	2,097,378	5,583,420
Public works	1,930,838	-	-	3,356,442	5,287,280
Capital outlay	440,489	-	17,764,845	14,051	18,219,385
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	15,133	15,133
Total expenditures	41,303,475	1,151,820	18,851,014	7,236,926	68,543,235
Excess (Deficiency) of Revenues over (under) Expenditures	24,741,353	(101,305)	(6,688,646)	2,560,751	20,512,153
Other Financing Sources (Uses)					
Proceeds from sale of land	-	1,219,485	-	-	1,219,485
Transfers in	-	-	8,976,267	1,805,000	10,781,267
Transfers out	(6,350,423)	(278,062)	-	(4,939,796)	(11,568,281)
Total other financing sources (uses)	(6,350,423)	941,423	8,976,267	(3,134,796)	432,471
Extraordinary Item					
Successor Agency loan	591,946	147,987	-	-	739,933
Net Changes in Fund Balances	18,982,876	988,105	2,287,621	(574,045)	21,684,557
Fund Balances, Beginning of Year	123,333,667	22,818,595	(3,664,785)	21,675,067	164,162,544
Fund Balances, End of Year	\$ 142,316,543	\$ 23,806,700	\$ (1,377,164)	\$ 21,101,022	\$ 185,847,101

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
 Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds \$ 21,684,557

Governmental funds report capital projects (outlays) as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay, net of adjustments for deletions	\$ 18,060,055	
Expenditures classified in various functions are reclassified as capital additions	880,731	
Depreciation Expense, net of adjustments for deletions	(8,715,074)	10,225,712

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.

Capital lease activity	24,713
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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.	(61,818)
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Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, OPEB expense is measured as the change in OPEB liability and the amortization of deferred outflows and inflows of resources related to OPEB. This amount represents the net change in OPEB related amounts.	(25,672)
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Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in pension liability and the amortization of deferred outflows and inflows of resources related to pension. This amount represents the net change in pension related amounts.	270,283
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Revenues reported as unavailable revenue in the governmental funds are recognized as operating contributions and grants in the statement of activities.	(2,127,743)
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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.	615,207
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Change in net position of governmental activities	\$ 30,605,239
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City of La Quinta, California
Statement of Net Position – Proprietary Funds
June 30, 2021

	Business-Type Activities Enterprise Funds Golf Course	Governmental Activities Internal Service Funds
Assets		
Current		
Pooled cash and investments	\$ 658,182	\$ 9,517,462
Receivables		
Accounts	-	6,096
Accrued interest	210	3,809
Prepaid costs	-	221,923
Deposits	250,000	-
Inventories	92,249	-
Total current assets	1,000,641	9,749,290
Noncurrent		
Capital assets not being depreciated	39,712,955	5,904,644
Capital assets, net of depreciation	3,004,959	7,685,869
Total noncurrent assets	42,717,914	13,590,513
Total assets	43,718,555	23,339,803
Liabilities		
Current		
Accounts payable	596,391	94,542
Accrued liabilities	-	1,232
Deposits payable	35,500	-
Current portion of capital leases	-	227,109
Total current liabilities	631,891	322,883
Noncurrent Liabilities		
Long-term portion of capital leases	-	190,941
Total liabilities	631,891	513,824
Net Position		
Net investment in capital assets	42,717,914	13,172,463
Unrestricted	368,750	9,653,516
Total net position	\$ 43,086,664	\$ 22,825,979

City of La Quinta, California
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds Golf Course	Governmental Activities - Internal Service Funds
Operating Revenues		
Sales and service charges	\$ 3,509,096	\$ 3,715,309
Operating Expenses		
Administration and general	-	236,523
Fuel and oil	-	80,734
Maintenance and parts	-	116,728
Contract services	3,763,946	495,172
Software and supplies	-	1,170,502
Depreciation expense	273,961	961,234
Other	131,379	-
Total operating expenses	4,169,286	3,060,893
Operating Loss	(660,190)	654,416
Nonoperating Revenues (Expenses)		
Interest revenue	13,081	14,503
Miscellaneous revenues	-	14,129
Interest expense	-	(26,948)
Total nonoperating revenues (expenses)	13,081	48,777
Income (Loss) Before Transfers	(647,109)	703,193
Transfers in	875,000	-
Transfers out	-	(87,986)
Total transfers	875,000	(87,986)
Changes in Net Position	227,891	615,207
Net Position, Beginning of the Year	42,858,773	22,210,772
Net Position at End of Year	\$ 43,086,664	\$ 22,825,979

City of La Quinta, California
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities- Enterprise Funds Golf Course	Governmental Activities- Internal Service Funds
Operating Activities		
Cash received from customers and users	\$ 3,507,486	\$ -
Cash received from interfund services provided	-	3,709,214
Cash payments to suppliers for goods and services	(3,623,683)	(1,984,710)
Cash payments to employees for services	-	(1)
Net Cash from (used for) Operating Activities	<u>(116,197)</u>	<u>1,724,503</u>
Non-Capital Financing Activities		
Cash transfers out	-	(87,986)
Cash transfers in	875,000	-
Repayment of advance from other funds	(116,541)	-
Net Cash from (used for) Non-Capital Financing Activities	<u>758,459</u>	<u>(87,986)</u>
Capital and Related Financing Activities		
Proceeds from capital debt	-	-
Capital contributions	-	10,130
Acquisition and construction of capital assets	-	(161,281)
Interest paid on capital debt	-	(26,944)
Capital lease	-	(277,801)
Proceeds from sales of capital assets	-	47,093
Net Cash used for Capital and Related Financing Activities	<u>-</u>	<u>(408,803)</u>
Investing activities		
Interest received on investments	<u>13,700</u>	<u>27,803</u>
Net Increase (Decrease) in Cash and Cash Equivalents	655,962	1,255,517
Cash and Cash Equivalents at Beginning of Year	<u>2,220</u>	<u>8,261,945</u>
Cash and Cash Equivalents at End of Year	<u>\$ 658,182</u>	<u>\$ 9,517,462</u>

City of La Quinta, California
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2021

	Business-Type Activities- Enterprise Funds Golf Course	Governmental Activities- Internal Service Funds
Reconciliation of Operating (Loss) to Net Cash used for Operating Activities		
Operating (loss)	\$ (660,190)	\$ 654,416
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities:		
Depreciation	273,961	961,234
Changes in		
Accounts receivable	-	(6,096)
Inventories	13,567	-
Prepaid costs	-	237,178
Accounts payable	258,075	(122,089)
Accrued liabilities	(1,610)	(140)
Net Cash from (used for) Operating Activities	\$ (116,197)	\$ 1,724,503

City of La Quinta, California
Statement of Fiduciary Net Position
June 30, 2021

	Pension Trust Fund	Private-Purpose Trust Fund
	Supplemental Pension Plan	Successor Agency of the former RDA
Assets		
Pooled cash and investments	\$ 94,749	\$ 26,279,132
Receivables		
Notes and loans	-	1,013,494
Accrued interest	38	9,536
Prepaid asset	-	328,108
Due from other governments	-	1,458,790
Restricted assets		
Cash and investments with fiscal agent	-	1,421
Total assets	94,787	29,090,481
Deferred Outflows of Resources		
Deferred charge on refunding	-	16,891,504
Total deferred outflows of resources	-	16,891,504
Liabilities		
Accounts payable	-	8,238
Accrued interest	-	901,766
Long-term liabilities		
Due in one year	-	15,288,610
Due in more than one year	-	201,046,319
Total liabilities	-	217,244,933
Net Position (Deficit)		
Restricted for pensions	\$ 94,787	
Held in trust		\$(171,262,948)

City of La Quinta, California
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2021

	Pension Trust Fund	Private-Purpose Trust Fund
	Supplemental Pension Plan	Successor Agency of the Former RDA
Additions		
Taxes	\$ -	\$ 20,798,995
Net investment income	(246)	(156,886)
Other revenues	5,000	2,526,381
Total additions	4,754	23,168,490
Deductions		
Administrative expenses	12,833	452,932
Contractual services	-	7,536,784
Interest and fiscal charges	-	7,512,870
Land Acquisition	-	5,813,436
Total deductions	12,833	21,316,022
Extraordinary Item		
Successor Agency loan principal	-	(739,933)
Changes in Net Position	(8,079)	1,112,535
Net Position/(Deficit) - Beginning of the Year	102,866	(172,375,483)
Net Position/(Deficit) - End of the Year	\$ 94,787	\$ (171,262,948)

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Note 1 - Summary of Significant Accounting Policies

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. The activities of the Financing Authority are recorded in the debt service fund. 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. The activities of the Housing Authority are recorded in the Housing Authority Special Revenue Fund. Separate financial statements of the Housing Authority are not prepared.

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.

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.

The government-wide financial statements are reported using the *economic resources measurement focus* basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the related cash flows. Property taxes are recognized in the year they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the providers are met.

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.

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 another 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*.

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.

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:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Funds – These funds account for financial resources that are restricted, committed, or assigned to expenditures for capital outlay.

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 and operated park equipment and facilities. 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.

Fiduciary Funds:

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 Successor Agency to the Former Redevelopment 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows 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.

The City pools cash and investments of all funds, except for assets held within the Section 115 trust and amounts 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 month end 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.

Restricted Section 115 Trust Cash and Investments

All assets in the Section 115 Trust are irrevocably dedicated to funding obligations of the City's pension beneficiaries, other post-employment beneficiaries or costs of administering the Trust. The funds are not considered plan assets of either the pension plan or OPEB plan and are therefore considered restricted assets of the City.

Inventory

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

Prepaid Costs

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 sixty 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

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 other post-employment benefits. See Notes 8 and 9 for more information about deferred outflows of pensions and post-employment benefits, respectively. The Private Purpose Trust Fund- Successor Agency of the former RDA recorded deferred outflows of resources related to debt refundings. See Note 17 for more information on the deferred outflows of resources related to debt refundings.

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 and OPEB. See Notes 8 and 9 for more information about deferred inflows of pensions and post-employment benefits, respectively.

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.

Fund Balance

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

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 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 – government-wide and proprietary fund financial statements

Sometimes the City 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.

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, liabilities, and deferred outflows/inflows of resources 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.

New Accounting Pronouncements

Adopted in the Current Year

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, 2019. The City has implemented this Statement effective July 1, 2020.

GASB Statement No. 90 – In September 2018, the GASB issued 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, 2019. The City has implemented this Statement effective July 1, 2020.

GASB Statement No. 98 – In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replaces instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City implemented this statement effective July 1, 2020.

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. 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 June 15, 2021, or FY 2021/2022. The City has not determined the effect on the financial statements.

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, 2020, or FY 2021/2022. The City has not determined the effect on the financial statements.

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issues and eliminate diversity in practice. The Statement is effective for reporting periods beginning after December 15, 2021, or FY 2022/2023. The City has not determined the effect on the financial statements.

GASB Statement No. 92 – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021, or FY 2021/2022. The City has not determined the effect on the financial statements.

GASB Statement No. 93 – In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021, or FY 2021/2022. The City has not determined the effect on the financial statements.

GASB Statement No. 94 – In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022, or FY 2022/2023. The City has not determined the effect on the financial statements.

GASB Statement No. 96 – In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022, or FY 2022/2023. The City has not determined the effect on the financial statements.

GASB Statement No. 97 – In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021, or FY 2021/2022. The City has not determined the effect on the financial statements.

Note 2 - Cash and Investments

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 159,955,125
Restricted cash and investments	11,381,922
Statement of Fiduciary Net Position	
Cash and investments	26,373,881
Cash and investments with fiscal agent	<u>1,421</u>
Total cash and investments	<u><u>\$ 197,712,349</u></u>

Cash and investment as of June 30, 2021, consist of the following:

Cash on hand	\$ 3,300
Deposits with financial institutions	15,809,663
Investments	<u>181,899,386</u>
Total cash and investments	<u><u>\$ 197,712,349</u></u>

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.

Investment Types	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	N/A	N/A
U.S. Agency Securities	5 years	N/A	20 million
Local Agency Bonds	5 years	N/A	N/A
California Local Agency Obligations	5 years	N/A	N/A
Commercial Paper	270 days	25%	10% of any outstanding issue
Certificates of Deposit	5 years	30%	250,000
Negotiable Certificates of Deposits	5 years	30%	250,000
Corporate Notes	5 years	30%	5 million
Investment Pools (Riverside County Pool)	N/A	N/A	N/A
Money Market Mutual Funds	N/A	20%	10% of City funds
Local Agency Investment Fund (LAIF)	N/A	N/A	LAIF Limit
Investment Agreements	92 days	20%	N/A

Investments Authorized by the City Section 115 Trust

Investments of the Trust are governed by the provisions of the City of La Quinta Section 115 Trust Agreement, rather than the general provisions of the California Government Code or the City’s investment policy.

Investments authorized for funds held in the Section 115 Trust include Equity and Fixed Income Mutual Funds. The strategic range allowed for Equity and Fixed Income Mutual Funds is 20%-40% and 500%-80%, respectively. There are no limitations on the maximum amount that can be invested in one issuer or the maximum maturity of an investments.

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	\$ 32,746,450	\$ 6,671,184	\$ 16,186,603	\$ 9,888,663
Federal agency securities				
Federal Farm Credit Bank	8,435,920	1,002,750	4,361,565	3,071,605
Federal National Mortgage Association	5,501,570	-	1,014,380	4,487,190
Federal Home Loan Mortgage Corp	3,952,934	-	-	3,952,934
Federal Home Loan Bank	4,293,225	-	528,180	3,765,045
U.S. Treasury Notes	10,000,895	2,515,145	1,022,850	6,462,900
Corporate Notes	2,940,984	1,006,425	1,441,054	493,505
Local Agency Investment Fund	77,517,066	77,517,066	-	-
CAMP	13,854,441	13,854,441	-	-
Riverside County Pool	11,423,931	11,423,931	-	-
Section 115 Trust				
Equity Mutual Funds	3,677,129	3,677,129	-	-
Fixed Income Mutual Funds	7,553,420	7,553,420	-	-
Held by Fiscal Agent				
Money Market Mutual Funds	1,421	1,421	-	-
Total	\$ 181,899,386	\$ 125,222,912	\$ 24,554,632	\$ 32,121,842

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:

Investment Type	Total	AAA	AA+	AA	AA-
Federal Agency Securities	\$ 22,183,649	\$ -	\$ 22,183,649	\$ -	\$ -
Corporate Notes	2,940,984	906,449	500,040	514,540	1,019,955
CAMP	13,854,441	13,854,441	-	-	-
Total	<u>38,979,074</u>	<u>\$ 14,760,890</u>	<u>\$ 22,683,689</u>	<u>\$ 514,540</u>	<u>\$ 1,019,955</u>
<i>Exempt from Credit Risk disclosure:</i>					
U.S. Treasury Notes	10,000,895				
<i>Not rated:</i>					
Certificates of Deposit	32,746,450				
Local Agency Investment Pool	77,517,066				
Riverside County Pool	11,423,931				
Section 115 Trust:					
Equity Mutual Funds	3,677,129				
Fixed Income Mutual Funds	7,553,420				
Held by Fiscal Agent:					
Money Market Mutual Funds	<u>1,421</u>				
Total investments	<u>\$ 181,899,386</u>				

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 Farm Credit Bank	Federal Agency Securities	\$ 8,435,920	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 City utilizes delivery versus payment for investment purchases, which requires investments to be received prior to delivery of cash payment. 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, or by letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured public deposits.

As a public funds depository Wells Fargo and Bank of the West 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.

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. The Riverside County Pooled Investment Fund is not registered with the Securities and Exchange Commission and is not rated.

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. LAIF is not registered with the Securities and Exchange Commission and is not rated.

Investment in California Asset Management Program

The City is a voluntary participant in the California Asset Management Program (CAMP) that is regulated by the California Government Code Section 53601 (p) and managed by a Board of Trustees comprised of finance directors and treasurers of California public agencies that are members of the Joint Powers Authority. 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 CAMP. CAMP is not registered with the Securities and Exchange Commission.

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. Investments categorized as Level 2 are valued using the market approach and quoted market prices.

The City has the following recurring fair value measurements as of June 30, 2021:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments			
U.S. Treasury Notes	\$ 10,000,895	\$ 10,000,895	\$ -
Federal Agency Securities	22,183,649	-	22,183,649
Corporate Notes	2,940,984	-	2,940,984
Certificates of Deposit	32,746,450	-	32,746,450
Section 115 Trust			
Equity Mutual Funds	3,677,129	3,677,129	-
Fixed Income Mutual Funds	7,553,420	7,553,420	-
	<u>79,102,527</u>	<u>\$ 13,678,024</u>	<u>\$ 57,871,083</u>
Investments with uncategorized inputs			
Local Agency Investment Fund	77,517,066		
CAMP	13,854,441		
Riverside County Pool	11,423,931		
Held by Fiscal Agent			
Money Market Mutual Funds	<u>1,421</u>		
	<u>\$ 181,899,386</u>		

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. As of June 30, 2021, the outstanding principal balance is \$2,035,388 and the outstanding interest is \$3,132,282.

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, 2021, the outstanding principal balance is \$20,628,343 and the outstanding interest balance is \$1,571,029.

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 \$21,776 at June 30, 2021.

Note 4 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2021, is as follows:

	Balance at July 01, 2020	Additions	Deletions	Transfers	Balance at June 30, 2021
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 66,810,841	\$ -	\$ 1,249,239	\$ 1,339,893	66,901,495
Right of way	285,857,353	-	-	-	285,857,353
Construction-in-progress	24,596,308	19,406,067	264,206	(9,825,686)	33,912,483
Total capital assets, not being depreciated	<u>377,264,502</u>	<u>19,406,067</u>	<u>1,513,445</u>	<u>(8,485,793)</u>	<u>386,671,331</u>
Capital assets, being depreciated					
Buildings and improvements	74,501,368	-	-	239,074	74,740,442
Equipment and furniture	4,251,642	301,909	93,818	-	4,459,733
Vehicles	1,707,414	105,628	65,512	-	1,747,530
Infrastructure	227,891,159	-	-	8,246,719	236,137,878
Total capital assets, being depreciated	<u>308,351,583</u>	<u>407,537</u>	<u>159,330</u>	<u>8,485,793</u>	<u>317,085,583</u>
Less accumulated depreciation for					
Buildings and improvements	37,403,112	2,555,713	-	-	39,958,825
Equipment and furniture	2,661,053	352,866	134,381	-	2,879,538
Vehicles	991,704	177,730	39,552	-	1,129,882
Infrastructure	134,782,794	5,802,698	-	-	140,585,492
Total accumulated depreciator	<u>175,838,663</u>	<u>8,889,007</u>	<u>173,933</u>	<u>-</u>	<u>184,553,737</u>
Total capital assets, being depreciated, net	<u>132,512,920</u>	<u>(8,481,470)</u>	<u>(14,603)</u>	<u>8,485,793</u>	<u>132,531,846</u>
Governmental activities capital assets, net	<u>\$ 509,777,422</u>	<u>\$ 10,924,597</u>	<u>\$ 1,498,842</u>	<u>\$ -</u>	<u>519,203,177</u>

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

General governments	\$	370,469
Planning & development		24,630
Community services		1,410,739
Public works		6,121,935
Internal service funds		961,234
		<u>8,889,007</u>
	\$	<u>8,889,007</u>

Capital asset activity for business-type activities for the year ended June 30, 2021, is as follows:

	Balance at July 01, 2020	Additions	Deletions	Balance at June 30, 2021
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	1,621,723	-	-	1,621,723
Software	20,255	-	-	20,255
Total capital assets, being depreciated	8,278,443	-	-	8,278,443
Less accumulated depreciation for				
Buildings and improvements	3,508,732	214,545	-	3,723,277
Equipment and furniture	1,470,536	59,416	-	1,529,952
Software	20,255	-	-	20,255
Total accumulated depreciation	4,999,523	273,961	-	5,273,484
Total capital assets, being depreciated, net	3,278,920	(273,961)	-	3,004,959
Business-type activities capital assets, net	\$ 42,991,875	\$ (273,961)	\$ -	\$ 42,717,914

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

Golf Course	\$	273,961
		<u>273,961</u>

Note 5 - Changes in Long-Term Liabilities – Governmental Activities

Changes in Long-Term Liabilities

The following is a summary of changes in governmental long-term liabilities of the City for the fiscal year ended June 30, 2021:

	Balance at July 01, 2020	Additions	Deletions	Balance June 30, 2021	Due within One year
Governmental Activities					
Compensated absences payable	\$ 888,491	\$ 950,309	\$ 888,491	\$ 950,309	\$ 252,322
Copier lease payable	65,938	-	24,713	41,225	19,145
Fleet vehicle lease	533,174	-	210,381	322,793	182,254
Public works building lease	45,073	-	33,819	11,254	11,254
Intelesysone phone system	117,605	-	33,602	84,003	33,601
Net OPEB (asset)/liability	(47,052)	147,622	-	100,570	-
Net pension liability	13,458,200	1,044,111	-	14,502,311	-
	<u>\$ 15,061,429</u>	<u>\$ 2,142,042</u>	<u>\$ 1,191,006</u>	<u>\$ 16,012,465</u>	<u>\$ 498,576</u>

Compensated absences, the net OPEB liability, and the net pension liability have been typically liquidated from the General Fund. A description of the City's net pension liability is detailed at Note 8. A description of the City's net OPEB (asset)/liability is detailed at Note 10.

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.

On July 1, 2018, the City leased additional copiers for \$85,428 maturing in monthly increments of \$1,794, with interest payable monthly at 9.5 percent.

The minimum future lease obligations and the net present value of the lease payments as of June 30, 2021, are as follows:

Year Ending June 30,	Total
2022	\$ 22,208
2023	21,528
2024	3,560
Total Payments	47,296
Less amount representing interest	(6,071)
Outstanding Principal	\$ 41,225

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. Pool vehicles are also included in the replacement program and are utilized by multiple departments. In fiscal year 2016-17, 16 vehicles were replaced with five-year leases ranging from \$22,453 to \$35,578. In fiscal year 2017-18, 11 vehicles were replaced with five-year leases ranging from \$26,926 to \$42,233. In fiscal year 2018-19, an additional six vehicles were replaced with five-year leases ranging from \$22,460 to \$35,103 for a total of 33 vehicles. In fiscal year 2019-20, one additional vehicle was replaced with a five-year lease for \$28,172. 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, 2021, are as follows:

Year Ending June 30,	Total
2022	\$ 182,254
2023	115,393
2024	25,146
Outstanding Principal	\$ 322,793

Public Works Building Lease

In September of 2019, the City entered into a two year lease agreement with Pacific Mobile Structures for a new public works trailer while the Corporate Yard improvements are underway. As this time the Public Works maintenance trailer was 32 years old and had exceeded its useful life. The minimum future lease obligations and the net present value of the lease payments as of June 30, 2021 are as follows:

Year Ending June 30,	Total
2022	\$ 11,254
Outstanding Principal	\$ 11,254

Inteleysone Phone System

In January 2019, the City entered into a five year lease agreement with Inteleysone for a new phone system to replace the City's unified communications and VoIP phone systems, which was installed in 2007, and was at the end of its support lifecycle, and its hardware was no longer supported. The minimum future lease obligations and the net present value of the lease payments as of June 30, 2021 are as follows:

Year Ending June 30,	Total
2022	\$ 33,601
2023	33,601
2024	16,801
Outstanding Principal	\$ 84,003

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		
	Housing Authority Fund	Non-Major Governmental	Total
General Fund	\$ 26,777	\$ 374,892	\$ 401,669

Interfund balances reflect short term borrowings for deficit cash balances at June 30, 2021.

Note 7 - Interfund Transfers

Transfers In	Transfer Out				Total
	General Fund	Housing Authority Fund	Non-Major Governmental	Internal Service Fund	
Capital Improvements Fund	\$ 3,670,423	\$ 278,062	\$ 4,939,796	\$ 87,986	\$ 8,976,267
Non-major Governmental Funds	1,805,000	-	-	-	1,805,000
Golf Course Fund	875,000	-	-	-	875,000
Total	\$ 6,350,423	\$ 278,062	\$ 4,939,796	\$ 87,986	\$ 11,656,267

- a. \$3,670,423 was transferred from the General Fund to the Capital Improvement Fund to fund various capital projects.
- b. \$278,062 was transferred from the Housing Authority Fund to the Capital Improvement Fund to fund various capital projects.
- c. \$4,939,796 was transferred to the Capital Improvement Fund from various non-major funds to support capital project operations and expenses.
- d. \$87,986 was transferred to the Capital Improvement Fund from the Internal Service Funds to support various capital projects and preventative maintenance.
- e. \$1,805,000 was transferred from the General Fund to various non-major funds to support various administrative operations and expenses within the City.
- f. \$875,000 was transferred from the General Fund to the Golf Course Fund to subsidize operations.

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.

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, 2020 are summarized as follows:

	Tier I	Tier II	PEPRA
Hire date	On and after December 16, 1983	On and after December 17, 2012	On and after 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	12.361%	8.794%	7.732%

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 30th 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 \$2,581,158 for the year ended June 30, 2021.

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

As of June 30, 2021, the City reported a liability of \$14,502,311 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2019 and 2020 is as follows:

Proportion- June 30, 2019	0.13134 %
Proportion- June 30, 2020	0.13329 %
Change- Increase (Decrease)	0.00195 %

For the year ended June 30, 2021, the City recognized pension expense of \$2,310,874.

At June 30, 2021, the City reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,581,158	\$ -
Changes in assumptions	-	103,436
Differences between expected and actual experience	747,347	-
Net difference between projected and actual earnings on pension plan investments	430,814	28,508
Change in employer's proportion	320,761	-
Difference between the city's contribution and proportionate share of contributions	-	399,455
Total	\$ 4,080,080	\$ 531,399

The \$2,581,158 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, 2022. 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,
2022	\$ 63,175
2023	383,605
2024	314,112
2025	206,631
Total	\$ 967,523

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Fund

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	Strategic Allocation	Real Return Years 1 - 10	Real Return Years 11+
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100%</u>		

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% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability	<u>\$ 21,660,051</u>	<u>\$ 14,502,311</u>	<u>\$ 8,588,095</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 Plan

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, 2021, there was one plan member. There are no required contributions by plan members. During the 2020-2021 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' \$139/month for the calendar year 2020 and \$143/month for calendar year 2021, 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.

The City participates in the 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.

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.

Employees Covered by Benefit Terms

At June 30, 2020, the most recent valuation date, the following current and former employees were covered by the benefit terms of the plan:

Active employees	94
Inactive employees or beneficiaries currently receiving benefits	24
	24
Total	118

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, 2021, the City made no contributions to the CERBT trust.

Net OPEB Liability/(Asset)

Actuarial Assumptions – The net OPEB liability/(asset) in the June 30, 2020 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
Actuarial Assumptions	
Discount Rate	5.50%
Inflation	2.25%
Investment Rate of Return	5.50%
Mortality	(1)
Healthcare Trend Rate	6.7% for fiscal year 2021, gradually decreasing over several decades to an ultimate rate of 3.8% in fiscal year 2076 and later years.

(1) Derived using CalPERS Membership Data for all Funds

Mortality rates were based on the CalPERS December 2017 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, 2020 valuation were based on the results of an actuarial experience study for the period.

Change of Assumptions

The discount rate and long-term expected rate of return on OPEB plan investments of 5.50 percent used for the June 30, 2020 valuation was decreased from 6.0 percent used for the June 30, 2019 valuation. The inflation assumption was changed from 2.50 percent used for the June 30, 2020 valuation to 2.25 percent used for the June 30, 2019 valuation. Additionally, healthcare trend rates were reset to reflect updated cost increase expectations.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50 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.

Changes in Net OPEB Liability:

The changes in the net OPEB liability/(asset) for the Plan as of the measurement date June 30, 2020 are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
Balance at June 30, 2020	\$ 1,580,740	\$ 1,627,792	\$ (47,052)
Changes in the year			
Service cost	88,219	-	88,219
Interest	97,183	-	97,183
Differences between expected and actual experience	103,495	-	-
Changes of assumptions	44,464	-	44,464
Net investment income	-	88,052	(88,052)
Employer contributions	-	98,490	(98,490)
Benefit payments	(98,490)	(98,490)	-
Administrative expense	-	(803)	803
Net changes	<u>234,871</u>	<u>87,249</u>	<u>147,622</u>
Balance at June 30, 2021	<u>\$ 1,815,611</u>	<u>\$ 1,715,041</u>	<u>\$ 100,570</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50 percent) or 1-percentage-point higher (6.50 percent) than the current discount rate:

	<u>1% Decrease (4.50%)</u>	<u>Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Net OPEB Liability/(Asset)	<u>\$ 326,302</u>	<u>\$ 100,570</u>	<u>\$ (88,148)</u>

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.7 percent decreasing to 2.8 percent) or 1-percentage-point higher (7.7 percent decreasing to 4.8 percent) than the current healthcare cost trend rates:

	<u>1% Decrease (5.7% decreasing to 2.8%)</u>	<u>Current Trend Rate (6.7% decreasing to 3.8%)</u>	<u>1% Increase (7.7% decreasing to 4.8%)</u>
Net OPEB Liability/(Asset)	<u>\$ (119,451)</u>	<u>\$ 100,570</u>	<u>\$ 371,004</u>

For the year ended June 30, 2021, the City recognized OPEB expense of \$115,619. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 89,947	\$ -
Changes in assumptions	39,904	41,158
Difference between expected and actual liability	141,388	-
Net difference between projected and investment earnings	21,690	-
Total	\$ 292,929	\$ 41,158

The \$89,947 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows or deferred inflows of resources related to OPEB will be recognized in as OPEB expense as follows:

Year Ended June 30,	
2022	\$ 27,058
2023	27,058
2024	15,388
2025	18,498
2026	16,578
Thereafter	57,244
Total	\$ 161,824

Note 11 - Section 115 Trust

In the fiscal year 2019, the City Council approved the creation of a Section 115 Trust Agreement with U.S Bank National Association, and Public Agency Retirement Services (PARS), Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the City’s pension and OPEB obligations. Contributions to the Section 115 Trust are irrevocable, the assets are dedicated to providing benefits to plan member, and the assets are protected from creditors of the City. The purpose of the creation of the section 115 Trust was to address the City’s pension obligations by accumulating assets to reduce the net pension liability. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore considered restricted assets of the City rather than pension plan assets. Accordingly, the Section 115 Trust’s assets are recorded as restricted for pension benefits in the City’s General Fund rather than assets of the pension plan during the measurement of the net pension liability. The assets held in trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

The balance in the Trust for the fiscal year ended June 30, 2021 was \$11,381,922. The City currently funds its OPEB obligations through the CERBT program, and although the Section 115 Trust is able to accept OPEB funds, the City has no immediate plans to fund OPEB obligations through the Section 115 Trust.

Note 12 - 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 (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority 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 California JPIA 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

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 \$100,000 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 \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 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. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance.

Workers' Compensation

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 \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance – The City of La Quinta participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of La Quinta. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million term.

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 \$71,236,403. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Special Event Tenant User Liability Insurance – The City of La Quinta further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of La Quinta according to a schedule. The City of La Quinta then pays for the insurance. The insurance is facilitated by the Authority.

Earthquake and Flood Insurance – The City of La Quinta purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of La Quinta property currently has earthquake protection in the amount of \$25,000,000. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance – The City of La Quinta purchases crime insurance coverage from Travelers Casualty and Surety Company of America. The policy covers theft, forgery, identity fraud, computer crime, and monetary fraud with a single loss limit of \$1,000,000 and a deductible of \$5,000 per occurrence.

Cyber Incident Insurance – The City of La Quinta purchases Cyber Incident Response insurance coverage through the Authority. The maximum single limit of insurance is \$1,000,000

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 13 - Fund Balance

Fund Balance Commitments

In the governmental fund financial statements, 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, 2021, the City has committed \$10,000,000 for this purpose.

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, 2021, the City has committed \$11,000,000.

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, 2021.

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, 2021, the City has committed \$10,000,000.

Committed to Fiscal Year 2020-2021 carryovers totaled \$1,209,870 at June 30, 2021.

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, 2021 is \$11,423,931.

Assigned to capital projects is comprised of carryover balances for capital projects. The capital project carryover balances as of June 30, 2021 are \$13,431,089. Accumulated resources related to the City’s sales tax Measure G is \$28,559,747 as of June 30, 2021.

Deficit Fund Balance

At June 30, 2021, the following funds had deficit fund balances:

Major Capital Projects Funds	
Capital Improvement	\$ (1,377,164)
Nonmajor Capital Projects Funds	
Parks and Recreation	(346,309)
Library Development	(1,458,789)

Note 14 - 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, 2022. 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. During the fiscal year, the reserve allocation was suspended. For the fiscal year ending June 30, 2021, the Golf Course had a loss before transfers of \$647,109.

Note 15 - Construction Commitments

Various construction projects were in progress at June 30, 2021. 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, 2021, with an estimated cost to complete.

Project Name	Project Number	Contract Amount	Expenditures to date as of June 30, 2021	Remaining Commitments
Capital Improvement Fund				
Dune Palms Road Street Improvements	091004	\$ 2,650,000	\$ (2,602,450)	\$ 47,550
Dune Palms Bridge Improvement	111205	18,176,565	(3,123,872)	15,052,693
SilverRock Infrastructure Improvements	141513	7,860,041	(5,954,888)	1,905,154
LQ Village Complete Streets- Road Diet Proj	151603	12,567,196	(11,955,639)	611,557
La Quinta X Park	151609	4,636,639	(3,657,379)	979,260
Citywide Drainage Enhancements	151612	9,025,846	(8,560,082)	465,764
HSIP Traffic Signal Interconnect Network	201602	2,268,323	(1,931,568)	336,755
La Quinta Landscape Renovation Improvement	201603	8,554,792	(3,346,849)	5,207,943
Civic Center Campus Lake/Irrigation Conver	201606	675,270	(151,007)	524,263
Silverrock Event Space	201608	7,304,503	(7,001,406)	303,097
Washington Street at Fred Waring Dr	201701	1,860,744	(1,591,719)	269,025
Eisenhower Retention Basin Landscape	201704	750,000	(365,961)	384,039
Ave 53 Jefferson St Roundabout	201709	2,101,617	(220,160)	1,881,457
Cove Public Restroom	201801	590,000	(516,459)	73,541
Corporate Yard Admin Offices & Crew	201805	411,013	(55,773)	355,240
Village Art Plaza Promenade & Cultural Campus	201901	610,000	(3,845)	606,155
Avenue 50 Bridge Spanning The Evacuation Channel	201902	16,349,000	(8,869)	16,340,131
LQ Skate Park Conver to Other Activity	201903	263,000	-	263,000
Hwy 111 Corridor Area Plan Implementation	201905	1,250,000	(331,204)	918,796
Fire Station 70 Revitalization	201907	684,000	(590,994)	93,006
Citywide Catch Basin Modification	201908	250,000	-	250,000
Citywide Misc ADA Improvements	201909	228,673	(214,098)	14,575
Washington St at Ave 50/Calle Tampico	201923	195,400	(20,745)	174,655
Monroe Street Pavement Rehab (Ave 52)	202001	941,000	(52,583)	888,417
Citywide Miscellaneous ADA improvements	202002	184,000	(143,027)	40,973
Citywide Public Safety Camera System	202003	1,372,296	(1,257,350)	114,946
SilverRock Retention Basin Soil Stabilization	202007	437,250	(33,297)	403,954
Jefferson St/I-10 (contribution costs)	999902	788,297	(753,310)	34,987
General Fund				
SilverRock Event Space Modular Build	201806	927,097	(920,398)	6,699

Note 16 - 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 California Department of Tax and Fee Administration 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, 2021, the City made \$295,727 in reimbursement payments to the owner leaving an outstanding balance of \$104,273.

Note 17 - 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).

Cash and Investments

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

Cash and investments pooled with the City	\$ 26,279,132
Cash and investments with fiscal agent	<u>1,421</u>
	<u>\$ 26,280,553</u>

See note 2 for required cash and investments disclosures.

Loans Receivable

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, 2021 is \$1,013,494.

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, 2021, is \$1,458,790.

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, 2020	Additions	Deductions	Balance June 30, 2021
Deferred charge on refunding	\$ 9,715,975	\$ 10,391,710	\$ 3,216,181	\$ 16,891,504

Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2021, follows:

	Balance at July 1, 2020	Additions	Repayments	Balance June 30, 2021	Due within One year
Tax allocation bonds	\$ 176,900,000	\$ 156,915,000	\$ 146,155,000	\$ 187,660,000	\$ 11,985,000
City loans	32,587,178	739,933	3,238,833	30,088,278	3,303,610
Unamortized premiums/ discounts	9,827,234	-	11,240,583	(1,413,349)	-
Total	\$ 219,314,412	\$ 157,654,933	\$ 160,634,416	\$ 216,334,929	\$ 15,288,610

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.

During the current year, the Agency issued Tax allocation Refunding Bonds, Series 2021A to refund the 2013A Tax Allocation Bonds. As of June 30, 2021, the 2013A Tax Allocation bonds were defeased.

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.

During the current year, the Agency issued Tax allocation Refunding Bonds, Series 2021A to refund the 2013B Tax Allocation Bonds. As of June 30, 2021, the 2013B Tax Allocation bonds were defeased.

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.

During the current year, the Agency issued Tax allocation Refunding Bonds, Series 2021A to refund the 2014 Tax Allocation Refunding Bonds. As of June 30, 2021, the 2014 Tax Allocation Refunding bonds were defeased.

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, 2021, is \$29,380,000 with an unamortized discount of \$196,811.

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.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,395,000	\$ 1,118,840	\$ 2,513,840
2023	1,430,000	1,079,255	2,509,255
2024	1,465,000	1,035,479	2,500,479
2025	1,510,000	988,315	2,498,315
2026	1,565,000	937,680	2,502,680
2027-2031	8,695,000	3,780,171	12,475,171
2032-2036	11,455,000	1,781,109	13,236,109
2037-2040	1,865,000	134,565	1,999,565
	<u>\$ 29,380,000</u>	<u>\$ 10,855,414</u>	<u>\$ 40,235,414</u>

2021 Series A

On April 14, 2021, the Agency issued \$156,915,000 in Series 2021 A Tax Allocation Refunding Bonds to refund the Series 2013 A and B and Series 2014 A Tax Allocation Bonds.

The bonds are payable in annual installments ranging from \$4,785,000 to \$13,610,000 until maturity on September 1, 2034. Interest is payable semiannually on March 1 and September 1 of each year, at a rate of 2.774%. Bonds outstanding at June 30, 2021 were \$156,915,000. The principal and interest on the bonds are payable solely from the pledged tax revenues allocated to the Successor Agency from the project areas.

These bonds resulted in a full defeasance of the 2013 A and B and 2014 A Tax Allocation Bonds, and the related liability has been removed from the financial statement of the City. The refunding resulted in a deferred loss of \$10,391,710.

Future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 10,590,000	\$ 2,181,901	\$ 12,771,901
2023	11,760,000	2,449,336	14,209,336
2024	11,790,000	2,405,638	14,195,638
2025	11,845,000	2,338,010	14,183,010
2026	11,920,000	2,227,650	14,147,650
2027-2031	62,415,000	8,088,657	70,503,657
2032-2035	36,595,000	1,488,380	38,083,380
	<u>\$ 156,915,000</u>	<u>\$ 21,179,572</u>	<u>\$ 178,094,572</u>

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, 2021, principal and interest due to the City of La Quinta was \$30,088,278, and is included as part of the due from other governments balance in the City's General and the Housing Authority Funds.

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.

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 \$218,329,986 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 \$20,798,995 and the debt service obligation on the bonds was \$17,340,464.

Insurance

The Successor Agency of the Former Agency is covered under the insurance policy of the City of La Quinta at June 30, 2021.

Note 18 - Extraordinary Item

Annual loan repayments of the loan between the City and the Successor Agency are first applied to principal then interest and when received are allocated 80 percent General Fund and 20 percent Housing Authority Fund. The interest accrued on the adjusted principal amount is reflected as an extraordinary gain by the City and an extraordinary loss in the Successor Agency. 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, 2021 was \$13,749,183.

Note 19 - Subsequent Events

Highway 111 Bridge Funding:

In November 2020, Caltrans advised the City that the Highway Bridge Planning (HBP) Funding Program had been oversubscribed for FY 2020/21 and 2021/22 and there is no additional programming capacity for projects already in construction or ready to advertise.

At the direction of the City Council in June 2021, the City agreed to provide 'at risk' advance funding using the Advance Construction Procedure outlined in Section 3.7 of the Caltrans Local Procedures Manual, and Caltrans approved the City's request.

The environmental, engineering/design and right-of-way phases are complete and are fully funded. The construction phase which includes construction, construction engineering, and contingency is estimated at \$20,869,098. The HBP Funding will ultimately contribute 88.53% or up to \$14,936,122 toward eligible (Construction Phase) costs. This is the amount the City is required to advance. Staff and the Finance Advisory Committee (FAC) recommend using a combination of Unassigned Reserves and Measure G Reserves for this advance funding due to their current balances. The City anticipates these funds to be reimbursed within two to five fiscal years. Council approved the use of Measure G reserves in the amount of \$7,468,061 and Unassigned reserves in the amount of \$7,468,061, for a total of \$14,936,122.

American Rescue Plan Act Funds

As part of its budget process, the U.S. Department of Treasury allocated \$9,987,009 of American Rescue Plan Act (ARPA) Funds to the City. Allocations to the City started in July 2021 for \$4,993,504. Further, the Department of Treasury will allocate the second tranche of \$4,993,505 in ARPA funding to the City in August 2022.

City of La Quinta, California
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 123,333,667	\$ 123,333,667	\$ 123,333,667	\$ -
Resources (Inflows)				
Taxes	38,596,000	44,878,000	51,515,854	6,637,854
Licenses and permits	1,136,800	1,186,800	2,020,596	833,796
Intergovernmental	8,479,700	9,343,634	8,551,964	(791,670)
Charges for services	785,500	575,000	964,710	389,710
Use of money and property	845,000	845,000	1,569,149	724,149
Fines and forfeitures	290,000	264,000	779,606	515,606
Miscellaneous	593,100	593,100	642,949	49,849
Extraordinary Item	-	-	591,946	591,946
Amounts available for appropriations	<u>174,059,767</u>	<u>181,019,201</u>	<u>189,970,441</u>	<u>8,951,240</u>
Charges to Appropriation (Outflows)				
General government				
Legislative	292,900	292,900	233,536	59,364
City manager	707,000	767,000	669,516	97,484
City attorney	565,000	565,000	457,354	107,646
Marketing	1,129,800	1,110,300	1,105,482	4,818
Human resources	264,400	304,400	215,250	89,150
City clerk	593,400	639,100	494,175	144,925
Fiscal services	1,393,400	1,423,400	1,304,354	119,046
Central services	2,250,700	2,497,200	3,152,513	(655,313)
The Hub customer services	1,089,500	908,300	830,950	77,350
Public safety				
Police	17,506,700	17,204,700	16,479,907	724,793
Code compliance	1,352,200	1,196,800	1,138,317	58,483
Fire	8,021,700	9,165,422	6,667,293	2,498,129
Planning and development				
Current planning	519,100	513,900	520,084	(6,184)
Public buildings	1,321,700	1,140,700	1,119,814	20,886
Building & safety	939,000	777,100	717,998	59,102
Administration	665,600	519,300	639,563	(120,263)
Community services				
Community services admin	700,600	700,600	699,784	816
Wellness center	735,800	543,800	495,567	48,233
Recreation programs/special events	501,600	438,700	208,500	230,200
Park maintenance	1,899,500	1,670,800	1,782,191	(111,391)
Public works				
Administration	722,800	719,200	509,466	209,734
Development services	389,600	390,200	354,895	35,305
Maintenance/operations - street	489,100	484,300	425,743	58,557
Engineering services	830,700	999,000	640,734	358,266
Capital outlay	156,000	156,000	440,489	(284,489)
Transfers out	4,080,000	3,951,900	6,350,423	(2,398,523)
Total charges to appropriations	<u>49,117,800</u>	<u>49,080,022</u>	<u>47,653,898</u>	<u>1,426,124</u>
Budgetary Fund Balance, June 30	<u>\$ 124,941,967</u>	<u>\$ 131,939,179</u>	<u>\$ 142,316,543</u>	<u>\$ 10,377,364</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Housing Authority
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 22,818,595	\$ 22,818,595	\$ 22,818,595	\$ -
Resources (Inflows)				
Use of money and property	235,300	205,300	1,048,695	843,395
Extraordinary item	-	1,061,456	147,987	(913,469)
Miscellaneous	313,000	670,000	1,820	(668,180)
Amounts available for appropriations	<u>23,366,895</u>	<u>24,755,351</u>	<u>24,017,097</u>	<u>(738,254)</u>
Charges to Appropriation (Outflows)				
Planning and development	822,300	1,270,062	851,820	418,242
Community services	250,000	300,000	300,000	-
Transfer out	-	-	278,062	(278,062)
Total charges to appropriations	<u>1,072,300</u>	<u>1,570,062</u>	<u>1,429,882</u>	<u>140,180</u>
Budgetary Fund Balance, June 30	<u>\$ 22,294,595</u>	<u>\$ 23,185,289</u>	<u>\$ 22,587,215</u>	<u>\$ (598,074)</u>

City of La Quinta, California
 Schedule of Proportionate Share of the Net Pension Liability – Miscellaneous Plan
 Last 10 Years*

	2015	2016	2017	2018	2019	2020	2021
Proportion of the net pension liability	0.1034%	0.1260%	0.1257%	0.1272%	0.1287%	0.13134%	0.13329%
Proportionate share of the net pension liability	\$ 6,433,391	\$ 8,651,290	\$ 10,874,098	\$ 12,612,523	\$ 12,403,691	\$ 13,458,200	\$ 14,502,311
Covered payroll	\$ 5,421,945	\$ 5,480,758	\$ 5,569,002	\$ 5,739,416	\$ 6,064,875	\$ 6,669,204	\$ 7,066,830
Proportionate share of the net pension liability as a percentage of covered payroll	118.65%	157.85%	195.26%	219.75%	204.52%	201.80%	205.22%
Plan fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%	75.30%	75.30%	77.71%

* - Fiscal year 2015 was the first year of implementation, therefore, only seven 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
Schedule of Pension Plan Contributions – Miscellaneous Plan
Last 10 Years*

	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contributions - miscellaneous	\$ 728,073	\$ 797,603	\$ 949,231	\$ 1,061,439	\$ 1,284,275	\$ 1,479,137	\$ 2,581,158
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>	<u>(1,284,275)</u>	<u>(1,479,137)</u>	<u>(2,581,158)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,480,758	\$ 5,569,002	\$ 5,739,416	\$ 6,064,875	\$ 6,669,204	\$ 7,066,830	\$ 6,238,425
Contributions as a percentage of covered payroll	13.28%	14.32%	16.54%	17.50%	19.26%	20.93%	41.38%

* - Fiscal year 2015 was the first year of implementation, therefore, only seven 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
Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios
Last 10 Years*

	2019	2020	2021
Total OPEB Liability			
Service cost	\$ 93,438	\$ 85,174	\$ 88,219
Interest	100,177	93,071	97,183
Differences between expected and actual experience	71,533	-	103,495
Changes of assumptions	(44,229)	(14,219)	44,464
Benefit payments	(86,570)	(98,584)	(98,490)
Net Change in Total OPEB Liability	134,349	65,442	234,871
Total OPEB liability - beginning	1,380,949	1,515,298	1,580,740
Total OPEB liability - ending	<u>\$ 1,515,298</u>	<u>\$ 1,580,740</u>	<u>\$ 1,815,611</u>
Plan Fiduciary Net Position (FNP)			
Employer contributions	\$ 1,609,970	\$ 98,584	\$ 98,490
Net investment income	(1,680)	106,805	88,052
Benefit payments	(86,570)	(98,584)	(98,490)
Administrative expense	(406)	(327)	(803)
Net Change in Plan Fiduciary Net Position	1,521,314	106,478	87,249
Plan Fiduciary Net Position- Beginning of Year	-	1,521,314	1,627,792
Plan Fiduciary Net Position- End of Year	<u>\$ 1,521,314</u>	<u>\$ 1,627,792</u>	<u>\$ 1,715,041</u>
Net OPEB liability/(asset) - End of Year	<u>\$ (6,016)</u>	<u>\$ (47,052)</u>	<u>\$ 100,570</u>
Fiduciary Net Position as a percentage of the Total OPEB Liability	100.4%	103.0%	94.5%
Covered-employee payroll	6,064,875	6,669,204	7,066,830
Net OPEB liability/(asset) as a percentage of covered-employee payroll	-0.1%	-0.7%	1.4%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation.

Changes in Assumptions

The discount rate and long-term expected rate of return changed from 6.00 percent used for the June 30, 2019 measurement date to 5.50 percent used for the June 30, 2020 measurement date.

The inflation assumption was changed from 2.50 percent used for the June 30, 2019 measurement date to 2.25 percent used for the June 30, 2020 measurement date.

For the June 30, 2020 measurement date, healthcare trend rates were reset to reflect updated cost increase expectations.

City of La Quinta, California
 Schedule of OPEB Contributions
 Last 10 Years*

	2019	2020	2021
Actuarially determined contribution (ADC)	\$ 88,280	\$ 90,229	\$ 86,939
Contributions in relation to the (ADC)	98,584	98,490	89,947
Contribution deficiency (excess)	(10,304)	(8,261)	(3,008)
Covered payroll	\$ 6,669,204	\$ 7,066,830	\$ 6,238,425
Contributions as a percentage of payroll	1.5%	1%	1%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions reported.

Methods and assumptions used to determined contribution rates:

Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	Level percent of payroll
Amortization period	19 years
Asset valuation method	Market value
Inflation	2.25%
Healthcare Trend Rate	7% in the first year, trending down to 4% over 58 years.
Investment rate of return	5.50%
Retirement age	55
Mortality	Derived using CalPERS Membership Data for all Funds

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation.

Note 1 - 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.

The City did not adopt a budget for the Transportation Uniform Mitigation Fee Special Revenue Fund.

Budget Basis of Accounting

Budget for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Expenditures in Excess of Appropriations

The following funds had expenditures in excess of appropriations for the year ended June 30, 2021:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Planning and Development	\$ 2,951,000	\$ 2,997,459	\$ (46,459)
Capital Outlay	156,000	440,489	(284,489)
Transfers Out	3,951,900	6,350,423	(2,398,523)
South Coast Air Quality			
Planning and Development	48,900	57,413	(8,513)
SLESA			
Public Safety	100,000	101,530	(1,530)
Law Enforcement			
Public Safety	24,600	42,263	(17,663)
Measure A			
Public Works	-	8,770	(8,770)
Parks and Recreation			
Transfers out	959,713	962,469	(2,756)

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Supplementary Information

June 30, 2021

City of La Quinta, California

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.

Lighting and Landscaping 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.

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

Measure A Fund – In 1988, Riverside County voters approved a half cent sales tax, known as Measure A, to fund a variety of highway improvements, local street and road maintenance, commuter assistance and specialized highway transit projects. This fund is used to collect this tax and pursuant to the provision of Measure A, it is restricted for local street and road expenditures.

Economic Development Fund – To account for the revenues and expenditures related to proceeds from sale of City owned land and future economic development.

AB 1379 Fund – To account for the revenues and expenditures related to the annual business license accessibility fee to be used for expenses enhancing accessibility requirements.

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.

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.

Maintenance Facilities DIF, 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 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 – This fund is used to account for the debt service that will be used for the principal and interest payments of the Financing Authority's outstanding debt and any related reporting requirements.

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	State Gas Tax	Library and Museum	Federal Assistance	SLESA	Lighting and Landscaping
Assets					
Pooled cash and investments	\$ 1,348,555	\$ 8,148,426	\$ 4,969	\$ 298,050	\$ 528,572
Receivables					
Accounts	-	-	-	-	-
Taxes	73,478	-	-	-	42,593
Accrued interest	536	3,263	117	119	212
Prepaid costs	-	1,019	-	-	-
Due from other governments	63,882	950,702	-	-	-
Total assets	\$ 1,486,451	\$ 9,103,410	\$ 5,086	\$ 298,169	\$ 571,377
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 9,230	\$ 111,424	\$ -	\$ 32,694	\$ 72,138
Accrued liabilities	13,452	2,542	-	-	9,239
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	22,682	113,966	-	32,694	81,377
Deferred Inflow of Resources					
Unavailable revenues	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid costs	-	1,019	-	-	-
Restricted for					
Planning and development projects	-	-	-	-	-
Public safety	-	-	-	265,475	-
Community services	-	8,988,425	5,086	-	-
Public works	1,463,769	-	-	-	490,000
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,463,769	8,989,444	5,086	265,475	490,000
Total liabilities and fund balances	\$ 1,486,451	\$ 9,103,410	\$ 5,086	\$ 298,169	\$ 571,377

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds				
	Quimby	La Quinta Public Safety Officer	Art in Public Places	South Coast Air Quality	AB 939
Assets					
Pooled cash and investments	\$ -	\$ 49,549	\$ 764,308	\$ 39,854	\$ 802,513
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	-	20	306	16	321
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	13,500	13,685
Total assets	\$ -	\$ 49,569	\$ 764,614	\$ 53,370	\$ 816,519
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 20,846	\$ 9,866
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	20,846	9,866
Deferred Inflow of Resources					
Unavailable revenues	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	-	-	-	32,524	806,653
Public safety	-	49,569	-	-	-
Community services	-	-	764,614	-	-
Public works	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	49,569	764,614	32,524	806,653
Total liabilities and fund balances	\$ -	\$ 49,569	\$ 764,614	\$ 53,370	\$ 816,519

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds					Capital Projects Funds
	Law Enforcement	Measure A	Economic Development	AB 1379	Transportation Uniform Mitigation Fee	Maintenance Facilities DIF
Assets						
Pooled cash and investments	\$ 450,038	\$ 2,644,231	\$ 3,055,953	\$ 52,006	\$ 89,104	\$ 46,996
Receivables						
Accounts	-	-	500,000	-	-	-
Taxes	-	553,978	-	-	-	-
Accrued interest	180	1,059	1,224	21	-	19
Prepaid costs	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$ 450,218	\$ 3,199,268	\$ 3,557,177	\$ 52,027	\$ 89,104	\$ 47,015
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 2,587	\$ -	\$ 7,510	\$ 933	\$ 81,647	\$ -
Accrued liabilities	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	28,583	-	-	-	-	-
Total liabilities	31,170	-	7,510	933	81,647	-
Deferred Inflow of Resources						
Unavailable revenues	-	-	500,000	-	-	-
Fund Balances						
Nonspendable						
Prepaid costs	-	-	-	-	-	-
Restricted for						
Planning and development projects	-	-	-	51,094	7,457	47,015
Public safety	419,048	-	-	-	-	-
Community services	-	-	3,049,667	-	-	-
Public works	-	3,199,268	-	-	-	-
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	419,048	3,199,268	3,049,667	51,094	7,457	47,015
Total liabilities and fund balances	\$ 450,218	\$ 3,199,268	\$ 3,557,177	\$ 52,027	\$ 89,104	\$ 47,015

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2021

	Capital Projects Funds				
	Infrastructure	Civic Center	Transportation	Parks and Recreation	Library Development
Assets					
Pooled cash and investments	\$ 19,391	\$ 498,420	\$ 2,265,582	\$ -	\$ -
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	8	200	907	-	-
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 19,399	\$ 498,620	\$ 2,266,489	\$ -	\$ -
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	1,458,789
Due to other funds	-	-	-	346,309	-
Total liabilities	-	-	-	346,309	1,458,789
Deferred Inflow of Resources					
Unavailable revenues	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	-
Capital projects	19,399	498,620	2,266,489	-	-
Unassigned	-	-	-	(346,309)	(1,458,789)
Total fund balances	19,399	498,620	2,266,489	(346,309)	(1,458,789)
Total liabilities and fund balances	\$ 19,399	\$ 498,620	\$ 2,266,489	\$ -	\$ -

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2021

	Capital Projects Funds				Debt Service Fund	Total Governmental Funds
	Community Center	Street Facility	Park Facility	Fire Facility	Financing Authority	
Assets						
Pooled cash and investments	\$ 234,292	\$ 43,270	\$ 5,996	\$ 197,181	\$ 1,100	\$ 21,588,356
Receivables						
Accounts	-	-	-	-	-	500,000
Taxes	-	-	-	-	-	670,049
Accrued interest	94	17	-	79	-	8,718
Prepaid costs	-	-	-	-	-	1,019
Due from other governments	-	-	-	-	-	1,041,769
Total assets	<u>\$ 234,386</u>	<u>\$ 43,287</u>	<u>\$ 5,996</u>	<u>\$ 197,260</u>	<u>\$ 1,100</u>	<u>\$ 23,809,911</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,100	\$ 349,975
Accrued liabilities	-	-	-	-	-	25,233
Unearned revenues	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	1,458,789
Due to other funds	-	-	-	-	-	374,892
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>2,208,889</u>
Deferred Inflow of Resources						
Unavailable revenues	-	-	-	-	-	500,000
Fund Balances						
Nonspendable						
Prepaid costs	-	-	-	-	-	1,019
Restricted for						
Planning and development projects	-	-	-	-	-	944,743
Public safety	-	-	-	197,260	-	931,352
Community services	-	-	5,996	-	-	12,813,788
Public works	-	43,287	-	-	-	5,196,324
Capital projects	234,386	-	-	-	-	3,018,894
Unassigned	-	-	-	-	-	(1,805,098)
Total fund balances	<u>234,386</u>	<u>43,287</u>	<u>5,996</u>	<u>197,260</u>	<u>-</u>	<u>21,101,022</u>
Total liabilities and fund balances	<u>\$ 234,386</u>	<u>\$ 43,287</u>	<u>\$ 5,996</u>	<u>\$ 197,260</u>	<u>\$ 1,100</u>	<u>\$ 23,809,911</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds				
	State Gas Tax	Library and Museum	Federal Assistance	SLESA	Lighting and Landscaping
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	984,435
Intergovernmental	1,648,708	2,974,364	293,162	156,727	-
Use of money and property	7,827	12,048	3,471	1,890	(2,629)
Developer participation	-	-	-	-	-
Miscellaneous	-	1,011	-	-	-
Total revenues	<u>1,656,535</u>	<u>2,987,423</u>	<u>296,633</u>	<u>158,617</u>	<u>981,806</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	101,530	-
Planning and development	-	-	-	-	-
Community services	-	2,047,533	-	-	-
Public works	937,025	-	-	-	2,010,646
Capital outlay	-	551	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>937,025</u>	<u>2,048,084</u>	<u>-</u>	<u>101,530</u>	<u>2,010,646</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>719,510</u>	<u>939,339</u>	<u>296,633</u>	<u>57,087</u>	<u>(1,028,840)</u>
Other Financing Sources (Uses)					
Transfers in	50,000	-	-	-	871,000
Transfers out	<u>(299,384)</u>	<u>-</u>	<u>(286,276)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(249,384)</u>	<u>-</u>	<u>(286,276)</u>	<u>-</u>	<u>871,000</u>
Net Change in Fund Balances	470,126	939,339	10,357	57,087	(157,840)
Fund Balances, Beginning of Year	<u>993,643</u>	<u>8,050,105</u>	<u>(5,271)</u>	<u>208,388</u>	<u>647,840</u>
Fund Balances, End of Year	<u>\$ 1,463,769</u>	<u>\$ 8,989,444</u>	<u>\$ 5,086</u>	<u>\$ 265,475</u>	<u>\$ 490,000</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds				
	Quimby	La Quinta Public Safety Officer	Art in Public Places	South Coast Air Quality	AB 939
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 60,486
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	66,268	10,303
Use of money and property	(21,813)	12	956	151	(168)
Developer participation	57,228	-	84,977	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>35,415</u>	<u>12</u>	<u>85,933</u>	<u>66,419</u>	<u>70,621</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	57,413	53,932
Community services	-	-	49,845	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	13,500	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>63,345</u>	<u>57,413</u>	<u>53,932</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>35,415</u>	<u>12</u>	<u>22,588</u>	<u>9,006</u>	<u>16,689</u>
Other Financing Sources (Uses)					
Transfers in	-	2,000	50,000	-	-
Transfers out	(1,600,989)	-	-	-	-
Total other financing sources (uses)	<u>(1,600,989)</u>	<u>2,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(1,565,574)	2,012	72,588	9,006	16,689
Fund Balances, Beginning of Year	<u>1,565,574</u>	<u>47,557</u>	<u>692,026</u>	<u>23,518</u>	<u>789,964</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 49,569</u>	<u>\$ 764,614</u>	<u>\$ 32,524</u>	<u>\$ 806,653</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds					Capital Projects Fund
	Law Enforcement	Measure A	Economic Development	AB 1379	Transportation Uniform Mitigation Fee	Maintenance Facilities DIF
	Revenues					
Taxes	\$ -	\$ 1,917,446	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-	-
Intergovernmental	10,486	-	-	17,112	-	-
Use of money and property	(10,397)	23,217	(21,876)	227	(4,040)	691
Developer participation	-	-	-	-	-	46,324
Miscellaneous	-	-	-	-	-	-
Total revenues	89	1,940,663	(21,876)	17,339	(4,040)	47,015
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	42,263	-	-	-	-	-
Planning and development	-	-	1,494,374	3,310	-	-
Community services	-	-	-	-	-	-
Public works	-	8,770	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	42,263	8,770	1,494,374	3,310	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	(42,174)	1,931,893	(1,516,250)	14,029	(4,040)	47,015
Other Financing Sources (Uses)						
Transfers in	332,000	-	500,000	-	-	-
Transfers out	(1,085,899)	(260,085)	-	-	-	-
Total other financing sources (uses)	(753,899)	(260,085)	500,000	-	-	-
Net Change in Fund Balances	(796,073)	1,671,808	(1,016,250)	14,029	(4,040)	47,015
Fund Balances, Beginning of Year	1,215,121	1,527,460	4,065,917	37,065	11,497	-
Fund Balances, End of Year	\$ 419,048	\$ 3,199,268	\$ 3,049,667	\$ 51,094	\$ 7,457	\$ 47,015

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2021

Capital Projects Funds					
	Infrastructure	Civic Center	Transportation	Parks and Recreation	Library Development
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	(9)	2,828	(5,543)	(5,939)	-
Developer participation	-	194,521	693,586	328,072	61,531
Miscellaneous	-	-	-	-	-
Total revenues	<u>(9)</u>	<u>197,349</u>	<u>688,043</u>	<u>322,133</u>	<u>61,531</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	400,001	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	15,133
Total expenditures	<u>-</u>	<u>-</u>	<u>400,001</u>	<u>-</u>	<u>15,133</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(9)</u>	<u>197,349</u>	<u>288,042</u>	<u>322,133</u>	<u>46,398</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(343,055)	(962,469)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(343,055)</u>	<u>(962,469)</u>	<u>-</u>
Net Change in Fund Balances	(9)	197,349	(55,013)	(640,336)	46,398
Fund Balances, Beginning of Year	19,408	301,271	2,321,502	294,027	(1,505,187)
Fund Balances, End of Year	<u>\$ 19,399</u>	<u>\$ 498,620</u>	<u>\$ 2,266,489</u>	<u>\$ (346,309)</u>	<u>\$ (1,458,789)</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Capital Projects Funds				Debt Service Fund	Total Governmental Funds
	Community Center	Street Facility	Park Facility	Fire Facility	Financing Authority	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,977,932
Assessments	-	-	-	-	-	984,435
Intergovernmental	-	-	-	-	-	5,177,130
Use of money and property	752	62	(47)	867	1,100	(16,362)
Developer participation	142,520	4,095	320	60,357	-	1,673,531
Miscellaneous	-	-	-	-	-	1,011
Total revenues	143,272	4,157	273	61,224	1,100	9,797,677
Expenditures						
Current						
General government	-	-	-	-	1,100	1,100
Public safety	-	-	-	-	-	143,793
Planning and development	-	-	-	-	-	1,609,029
Community services	-	-	-	-	-	2,097,378
Public works	-	-	-	-	-	3,356,442
Capital outlay	-	-	-	-	-	14,051
Debt service						
Interest and fiscal charges	-	-	-	-	-	15,133
Total expenditures	-	-	-	-	1,100	7,236,926
Excess (Deficiency) of Revenues over (under) Expenditures	143,272	4,157	273	61,224	-	2,560,751
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	1,805,000
Transfers out	(101,639)	-	-	-	-	(4,939,796)
Total other financing sources (uses)	(101,639)	-	-	-	-	(3,134,796)
Net Change in Fund Balances	41,633	4,157	273	61,224	-	(574,045)
Fund Balances, Beginning of Year	192,753	39,130	5,723	136,036	-	21,675,067
Fund Balances, End of Year	\$ 234,386	\$ 43,287	\$ 5,996	\$ 197,260	\$ -	\$ 21,101,022

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 State Gas Tax
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 993,643	\$ 993,643	\$ 993,643	\$ -
Resources (Inflows)				
Intergovernmental	1,719,400	1,732,800	1,648,708	(84,092)
Use of money and property	9,000	9,000	7,827	(1,173)
Transfers in	50,000	50,000	50,000	-
Amounts available for appropriations	<u>2,772,043</u>	<u>2,785,443</u>	<u>2,700,178</u>	<u>(85,265)</u>
Charges to Appropriation (Outflows)				
Public works	980,200	1,062,200	937,025	125,175
Transfers out	795,100	1,226,569	299,384	927,185
Total charges to appropriations	<u>1,775,300</u>	<u>2,288,769</u>	<u>1,236,409</u>	<u>1,052,360</u>
Budgetary Fund Balance, June 30	<u>\$ 996,743</u>	<u>\$ 496,674</u>	<u>\$ 1,463,769</u>	<u>\$ 967,095</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Library and Museum
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,050,105	\$ 8,050,105	\$ 8,050,105	\$ -
Resources (Inflows)				
Intergovernmental	2,727,000	2,727,000	2,974,364	247,364
Use of money and property	80,000	80,000	12,048	(67,952)
Miscellaneous revenue	1,500	200	1,011	811
Amounts available for appropriations	<u>10,858,605</u>	<u>10,857,305</u>	<u>11,037,528</u>	<u>180,223</u>
Charges to Appropriation (Outflows)				
Community services	1,710,100	2,313,100	2,047,533	265,567
Capital Outlay	5,000	5,000	551	4,449
Total charges to appropriations	<u>1,715,100</u>	<u>2,318,100</u>	<u>2,048,084</u>	<u>270,016</u>
Budgetary Fund Balance, June 30	<u>\$ 9,143,505</u>	<u>\$ 8,539,205</u>	<u>\$ 8,989,444</u>	<u>\$ 450,239</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Federal Assistance
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (5,271)	\$ (5,271)	\$ (5,271)	\$ -
Resources (Inflows)				
Intergovernmental	141,900	147,472	293,162	145,690
Use of money and property	-	-	3,471	3,471
Amounts available for appropriations	<u>136,629</u>	<u>142,201</u>	<u>291,362</u>	<u>149,161</u>
Charges to Appropriation (Outflows)				
Public Works	20,000	20,000	-	20,000
Transfers out	<u>121,900</u>	<u>301,339</u>	<u>286,276</u>	<u>15,063</u>
Total charges to appropriations	<u>141,900</u>	<u>321,339</u>	<u>286,276</u>	<u>35,063</u>
Budgetary Fund Balance, June 30	<u>\$ (5,271)</u>	<u>\$ (179,138)</u>	<u>\$ 5,086</u>	<u>\$ 184,224</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 SLESA
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 208,388	\$ 208,388	\$ 208,388	\$ -
Resources (Inflows)				
Intergovernmental	100,000	100,000	156,727	56,727
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>1,890</u>	<u>890</u>
Amounts available for appropriations	<u>309,388</u>	<u>309,388</u>	<u>367,005</u>	<u>57,617</u>
Charges to Appropriation (Outflows)				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>101,530</u>	<u>(1,530)</u>
Budgetary Fund Balance, June 30	<u>\$ 209,388</u>	<u>\$ 209,388</u>	<u>\$ 265,475</u>	<u>\$ 56,087</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Lighting and Landscaping
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 647,840	\$ 647,840	\$ 647,840	\$ -
Resources (Inflows)				
Assessments	996,000	976,100	984,435	8,335
Use of money and property	10,000	10,000	(2,629)	(12,629)
Transfers in	871,000	871,000	871,000	-
Amounts available for appropriations	<u>2,524,840</u>	<u>2,504,940</u>	<u>2,500,646</u>	<u>(4,294)</u>
Charges to Appropriation (Outflows)				
Public works	<u>1,876,600</u>	<u>2,126,600</u>	<u>2,010,646</u>	<u>115,954</u>
Budgetary Fund Balance, June 30	<u>\$ 648,240</u>	<u>\$ 378,340</u>	<u>\$ 490,000</u>	<u>\$ 111,660</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Quimby
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,565,574	\$ 1,565,574	\$ 1,565,574	\$ -
Resources (Inflows)				
Use of money and property	30,000	30,000	(21,813)	(51,813)
Developer participation	50,000	50,000	57,228	7,228
Amounts available for appropriations	<u>1,645,574</u>	<u>1,645,574</u>	<u>1,600,989</u>	<u>(44,585)</u>
Charges to Appropriation (Outflows)				
Transfers out	<u>-</u>	<u>2,781,625</u>	<u>1,600,989</u>	<u>1,180,636</u>
Budgetary Fund Balance, June 30	<u>\$ 1,645,574</u>	<u>\$ (1,136,051)</u>	<u>\$ -</u>	<u>\$ 1,136,051</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Public Safety
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 47,557	\$ 47,557	\$ 47,557	\$ -
Resources (Inflows)				
Use of money and property	600	600	12	(588)
Transfers in	2,000	2,000	2,000	-
Amounts available for appropriations	<u>50,157</u>	<u>50,157</u>	<u>49,569</u>	<u>(588)</u>
Budgetary Fund Balance, June 30	<u>\$ 50,157</u>	<u>\$ 50,157</u>	<u>\$ 49,569</u>	<u>\$ (588)</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Art in Public Places
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 692,026	\$ 692,026	\$ 692,026	\$ -
Resources (Inflows)				
Use of money and property	6,000	6,000	956	(5,044)
Developer participation	55,000	65,000	84,977	19,977
Transfer In	50,000	50,000	50,000	-
Amounts available for appropriations	<u>803,026</u>	<u>813,026</u>	<u>827,959</u>	<u>14,933</u>
Charges to Appropriation (Outflows)				
Community services	60,000	60,000	49,845	10,155
Capital outlay	50,000	50,000	13,500	36,500
Transfers out	-	615,700	-	615,700
Total charges to appropriations	<u>110,000</u>	<u>725,700</u>	<u>63,345</u>	<u>662,355</u>
Budgetary Fund Balance, June 30	<u>\$ 693,026</u>	<u>\$ 87,326</u>	<u>\$ 764,614</u>	<u>\$ 677,288</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 South Coast Air Quality
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,518	\$ 23,518	\$ 23,518	\$ -
Resources (Inflows)				
Intergovernmental	52,000	52,000	66,268	14,268
Use of money and property	1,000	1,000	151	(849)
Amounts available for appropriations	76,518	76,518	89,937	13,419
Charges to Appropriation (Outflows)				
Planning and development	42,200	48,900	57,413	(8,513)
Budgetary Fund Balance, June 30	\$ 34,318	\$ 27,618	\$ 32,524	\$ 4,906

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 AB 939
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 789,964	\$ 789,964	\$ 789,964	\$ -
Resources (InFlows)				
Taxes	61,000	61,000	60,486	(514)
Intergovernmental	-	-	10,303	10,303
Use of money and property	15,000	15,000	(168)	(15,168)
Amounts available for appropriations	<u>865,964</u>	<u>865,964</u>	<u>860,585</u>	<u>(5,379)</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>100,000</u>	<u>250,000</u>	<u>53,932</u>	<u>196,068</u>
Budgetary Fund Balance, June 30	<u>\$ 765,964</u>	<u>\$ 615,964</u>	<u>\$ 806,653</u>	<u>\$ 190,689</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Law Enforcement
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,215,121	\$ 1,215,121	\$ 1,215,121	\$ -
Resources (Inflows)				
Intergovernmental	17,000	24,600	10,486	(14,114)
Use of money and property	10,100	10,100	(10,397)	(20,497)
Transfer In	-	332,000	332,000	-
	<u>1,242,221</u>	<u>1,581,821</u>	<u>1,547,210</u>	<u>(34,611)</u>
Amounts available for appropriations				
Charges to Appropriation (Outflows)				
Public safety	17,000	24,600	42,263	(17,663)
Transfers out	1,000,000	1,372,296	1,085,899	286,397
	<u>1,017,000</u>	<u>1,396,896</u>	<u>1,128,162</u>	<u>268,734</u>
Total Charges to Appropriations				
Budgetary Fund Balance, June 30	<u>\$ 225,221</u>	<u>\$ 184,925</u>	<u>\$ 419,048</u>	<u>\$ 234,123</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Measure A
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,527,460	\$ 1,527,460	\$ 1,527,460	\$ -
Resources (Inflows)				
Taxes	1,299,000	1,499,000	1,917,446	418,446
Use of money and property	<u>20,000</u>	<u>20,000</u>	<u>23,217</u>	<u>3,217</u>
Amounts available for appropriations	<u>2,846,460</u>	<u>3,046,460</u>	<u>3,468,123</u>	<u>421,663</u>
Charges to Appropriation (OutFlows)				
Public Works	-	-	8,770	(8,770)
Transfers out	<u>1,263,900</u>	<u>2,455,084</u>	<u>260,085</u>	<u>2,194,999</u>
Total charges to appropriations	<u>1,263,900</u>	<u>2,455,084</u>	<u>268,855</u>	<u>2,186,229</u>
Budgetary Fund Balance, June 30	<u><u>\$ 1,582,560</u></u>	<u><u>\$ 591,376</u></u>	<u><u>\$ 3,199,268</u></u>	<u><u>\$ 2,607,892</u></u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Economic Development
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,065,917	\$ 4,065,917	\$ 4,065,917	\$ -
Resources (Inflows)				
Use of money and property	40,000	40,000	(21,876)	(61,876)
Transfer in	-	609,100	500,000	(109,100)
Amounts available for appropriations	<u>4,105,917</u>	<u>4,715,017</u>	<u>4,544,041</u>	<u>(170,976)</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>10,000</u>	<u>1,630,500</u>	<u>1,494,374</u>	<u>136,126</u>
Budgetary Fund Balance, June 30	<u>\$ 4,095,917</u>	<u>\$ 3,084,517</u>	<u>\$ 3,049,667</u>	<u>\$ (34,850)</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 AB 1379
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 37,065	\$ 37,065	\$ 37,065	\$ -
Resources (Inflows)				
Intergovernmental	18,000	18,000	17,112	(888)
Use of money and property	200	200	227	27
Amounts available for appropriations	<u>55,265</u>	<u>55,265</u>	<u>54,404</u>	<u>(861)</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>4,400</u>	<u>4,400</u>	<u>3,310</u>	<u>1,090</u>
Budgetary Fund Balance, June 30	<u>\$ 50,865</u>	<u>\$ 50,865</u>	<u>\$ 51,094</u>	<u>\$ 229</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Capital Improvement
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (3,664,785)	\$ (3,664,785)	\$ (3,664,785)	\$ -
Resources (Inflows)				
Intergovernmental	12,535,500	38,324,315	11,991,234	(26,333,081)
Developer participation	-	1,072,681	171,134	(901,547)
Transfers in	6,522,800	35,453,956	8,976,267	(26,477,689)
Amounts available for appropriations	<u>15,393,515</u>	<u>71,186,167</u>	<u>17,473,850</u>	<u>(53,712,317)</u>
Charges to Appropriation (Outflows)				
Planning and development	1,505,000	2,719,380	1,086,169	1,633,211
Capital outlay	17,553,300	68,919,366	17,764,845	51,154,521
Total charges to appropriations	<u>19,058,300</u>	<u>71,638,746</u>	<u>18,851,014</u>	<u>52,787,732</u>
Budgetary Fund Balance, June 30	<u>\$ (3,664,785)</u>	<u>\$ (452,579)</u>	<u>\$ (1,377,164)</u>	<u>\$ (924,585)</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Infrastructure
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,408	\$ 19,408	\$ 19,408	\$ -
Resources (Inflows)				
Use of money and property	<u>200</u>	<u>200</u>	<u>(9)</u>	<u>(209)</u>
Amounts available for appropriations	<u>19,608</u>	<u>19,608</u>	<u>19,399</u>	<u>(209)</u>
Charges to Appropriation (Outflows)				
Transfers out	<u>-</u>	<u>22,618</u>	<u>-</u>	<u>22,618</u>
Budgetary Fund Balance, June 30	<u><u>\$ 19,608</u></u>	<u><u>\$ (3,010)</u></u>	<u><u>\$ 19,399</u></u>	<u><u>\$ 22,409</u></u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Civic Center
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 301,271	\$ 301,271	\$ 301,271	\$ -
Resources (Inflows)				
Use of money and property	-	2,000	2,828	828
Developer participation	110,000	110,000	194,521	84,521
Amounts available for appropriations	411,271	413,271	498,620	85,349
Budgetary Fund Balance, June 30	\$ 411,271	\$ 413,271	\$ 498,620	\$ 85,349

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Transportation
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,321,502	\$ 2,321,502	\$ 2,321,502	\$ -
Resources (Inflows)				
Use of money and property	30,000	30,000	(5,543)	(35,543)
Developer participation	350,000	350,000	693,586	343,586
Amounts available for appropriations	<u>2,701,502</u>	<u>2,701,502</u>	<u>3,009,545</u>	<u>308,043</u>
Charges to Appropriation (Outflows)				
Public works	400,000	400,000	400,001	1
Transfers out	893,000	1,557,670	343,055	1,214,615
Total charges to appropriations	<u>1,293,000</u>	<u>1,957,670</u>	<u>743,056</u>	<u>1,214,616</u>
Budgetary Fund Balance, June 30	<u>\$ 1,408,502</u>	<u>\$ 743,832</u>	<u>\$ 2,266,489</u>	<u>\$ 1,522,659</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Parks and Recreation
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 294,027	\$ 294,027	\$ 294,027	\$ -
Resources (Inflows)				
Use of money and property	4,000	4,000	(5,939)	(9,939)
Developer participation	<u>300,000</u>	<u>300,000</u>	<u>328,072</u>	<u>28,072</u>
Amounts available for appropriations	<u>598,027</u>	<u>598,027</u>	<u>616,160</u>	<u>18,133</u>
Charges to Appropriation (Outflows)				
Transfers out	<u>-</u>	<u>959,713</u>	<u>962,469</u>	<u>(2,756)</u>
Budgetary Fund Balance, June 30	<u>\$ 598,027</u>	<u>\$ (361,686)</u>	<u>\$ (346,309)</u>	<u>\$ 15,377</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Library Development
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,505,187)	\$ (1,505,187)	\$ (1,505,187)	\$ -
Resources (Inflows)				
Developer participation	45,000	45,000	61,531	16,531
Amounts available for appropriations	(1,460,187)	(1,460,187)	(1,443,656)	16,531
Charges to Appropriation (Outflows)				
Debt service				
Interest and fiscal charges	30,000	30,000	15,133	14,867
Budgetary Fund Balance, June 30	\$ (1,490,187)	\$ (1,490,187)	\$ (1,458,789)	\$ 31,398

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Community Center
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 192,753	\$ 192,753	\$ 192,753	\$ -
Resources (Inflows)				
Use of money and property	1,500	1,500	752	(748)
Developer participation	<u>15,000</u>	<u>75,000</u>	<u>142,520</u>	<u>67,520</u>
Amounts available for appropriations	<u>209,253</u>	<u>269,253</u>	<u>336,025</u>	<u>66,772</u>
Charges to Appropriation (Outflows)				
Transfers out	<u>-</u>	<u>101,639</u>	<u>101,639</u>	<u>-</u>
Budgetary Fund Balance, June 30	<u>\$ 209,253</u>	<u>\$ 167,614</u>	<u>\$ 234,386</u>	<u>\$ 66,772</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Street Facility
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 39,130	\$ 39,130	\$ 39,130	\$ -
Resources (Inflows)				
Use of money and property	-	-	62	62
Developer participation	17,000	2,000	4,095	2,095
Amounts available for appropriations	56,130	41,130	43,287	2,157
Budgetary Fund Balance, June 30	<u>\$ 56,130</u>	<u>\$ 41,130</u>	<u>\$ 43,287</u>	<u>\$ 2,157</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Park Facility
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,723	\$ 5,723	\$ 5,723	\$ -
Resources (Inflows)				
Use of money and property	100	100	(47)	(147)
Developer participation	7,000	400	320	(80)
Amounts available for appropriations	12,823	6,223	5,996	(227)
Charges to Appropriation (Outflows)				
Transfers out	-	5,600	-	5,600
Budgetary Fund Balance, June 30	\$ 12,823	\$ 623	\$ 5,996	\$ 5,373

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Fire Facility
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 136,036	\$ 136,036	\$ 136,036	\$ -
Resources (Inflows)				
Use of money and property	500	500	867	367
Developer participation	<u>55,000</u>	<u>55,000</u>	<u>60,357</u>	<u>5,357</u>
Amounts available for appropriations	<u>191,536</u>	<u>191,536</u>	<u>197,260</u>	<u>5,724</u>
Budgetary Fund Balance, June 30	<u>\$ 191,536</u>	<u>\$ 191,536</u>	<u>\$ 197,260</u>	<u>\$ 5,724</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Debt Service Fund
 Financing Authority
 Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>1,100</u>	<u>100</u>
Amounts available for appropriations	<u>1,000</u>	<u>1,000</u>	<u>1,100</u>	<u>100</u>
Charges to Appropriation (Outflows)				
General government	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
Budgetary Fund Balance, June 30	<u><u>\$ (100)</u></u>	<u><u>\$ (100)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100</u></u>

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 good 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 and operated park equipment and facilities.

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, 2021

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
Assets					
Current					
Pooled cash and investments	\$ 3,638,607	\$ 1,835,005	\$ 3,681,352	\$ 362,498	\$ 9,517,462
Receivables					
Accounts	-	-	-	6,096	6,096
Accrued interest	1,457	735	1,474	143	3,809
Prepaid costs	-	113,691	-	108,232	221,923
Total current assets	3,640,064	1,949,431	3,682,826	476,969	9,749,290
Noncurrent					
Capital assets - net of accumulated depreciation	1,136,452	346,109	12,107,952	-	13,590,513
Total assets	4,776,516	2,295,540	15,790,778	476,969	23,339,803
Liabilities					
Current					
Accounts payable	60,265	31,780	2,315	182	94,542
Accrued liabilities	-	1,233	-	(1)	1,232
Current portion of capital leases	193,508	33,601	-	-	227,109
Total current liabilities	253,773	66,614	2,315	181	322,883
Noncurrent					
Long-term portion of capital leases	140,538	50,403	-	-	190,941
Total liabilities	394,311	117,017	2,315	181	513,824
Net Position					
Net investment in capital assets	802,406	262,105	12,107,952	-	13,172,463
Unrestricted	3,579,799	1,916,418	3,680,511	476,788	9,653,516
Total net position	\$ 4,382,205	\$ 2,178,523	\$ 15,788,463	\$ 476,788	\$ 22,825,979

City of La Quinta, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2021

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
Operating Revenues					
Sales and service charges	\$ 871,500	\$ 1,716,309	\$ 200,000	\$ 927,500	\$ 3,715,309
Operating Expenses					
Administration and general	27,476	43,631	-	165,416	236,523
Fuel and oil	80,734	-	-	-	80,734
Maintenance and parts	116,728	-	-	-	116,728
Contract services	-	443,381	51,791	-	495,172
Software and supplies	-	470,908	-	699,594	1,170,502
Depreciation expense	313,217	128,667	519,350	-	961,234
Total operating expenses	538,155	1,086,587	571,141	865,010	3,060,893
Operating Income (Loss)	333,345	629,722	(371,141)	62,490	654,416
Nonoperating Revenue (Expenses)					
Interest revenue	2,716	8,558	(1,762)	4,991	14,503
Miscellaneous revenue	-	-	10,129	4,000	14,129
Interest expense	(26,948)	-	-	-	(26,948)
Gain on disposal of capital assets	21,268	25,825	-	-	47,093
Total nonoperating revenues	(2,964)	34,383	8,367	8,991	48,777
Income (Loss) Before Transfers	330,381	664,105	(362,774)	71,481	703,193
Transfers in	-	-	-	-	-
Transfers out	-	-	(87,986)	-	(87,986)
Changes in Net Position	330,381	664,105	(450,760)	71,481	615,207
Net Position					
Beginning of Year	4,051,824	1,514,418	16,239,223	405,307	22,210,772
End of Year	\$ 4,382,205	\$ 2,178,523	\$ 15,788,463	\$ 476,788	\$ 22,825,979

City of La Quinta, California
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Governmental Activities - Internal Service Funds				
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	Totals
Operating Activities					
Cash received from interfund services provided	\$ 871,500	\$ 1,716,309	\$ 200,000	\$ 921,405	\$ 3,709,214
Cash paid to suppliers for goods and services	(307,840)	(1,007,003)	(80,994)	(588,873)	(1,984,710)
Cash paid to employees for services	-	-	-	(1)	(1)
Net Cash from Operating Activities	563,660	709,306	119,006	332,531	1,724,503
Non-Capital Financing Activities					
Cash transfers out	-	-	(87,986)	-	(87,986)
Net Cash from (used for) Non-Capital Financing Activities	-	-	(87,986)	-	(87,986)
Capital and Related Financing Activities					
Capital contributions	-	-	10,130	-	10,130
Acquisition and construction of capital assets	(28,161)	(120,994)	(12,126)	-	(161,281)
Interest paid on capital debt	(26,944)	-	-	-	(26,944)
Capital lease	(244,200)	(33,601)	-	-	(277,801)
Proceeds from sales of capital assets	21,268	25,825	-	-	47,093
Net Cash from (used for) Capital and Related Financing Activities	(278,037)	(128,770)	(1,996)	-	(408,803)
Investing Activities					
Interest received	6,570	9,798	2,554	8,881	27,803
Net Change in Cash and Cash Equivalents	292,193	590,334	31,578	341,412	1,255,517
Cash and Cash Equivalents, Beginning of Year	3,346,414	1,244,671	3,649,774	21,086	8,261,945
Cash and Cash Equivalents, End of Year	\$ 3,638,607	\$ 1,835,005	\$ 3,681,352	\$ 362,498	\$ 9,517,462
Reconciliation of operating income to net cash from (used for) operating activities					
Operating income (loss)	\$ 333,345	\$ 629,722	\$ (371,141)	\$ 62,490	\$ 654,416
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities					
Depreciation	313,217	128,667	519,350	-	961,234
Changes in					
Prepaid costs	-	(38,778)	-	275,956	237,178
Accounts receivable	-	-	-	(6,096)	(6,096)
Accounts payable	(82,902)	(10,166)	(29,203)	182	(122,089)
Accrued liabilities	-	(139)	-	(1)	(140)
Net Cash from Operating Activities	\$ 563,660	\$ 709,306	\$ 119,006	\$ 332,531	\$ 1,724,503

Statistical Section

June 30, 2021

City of La Quinta, California

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	125
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	137
Debt Capacity 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 use additional debt in the future.	147
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	154
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	157

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

CITY OF LA QUINTA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental Activities					
Net investment in capital assets	\$ 534,388,479	\$ 529,681,342	\$ 527,614,666	\$ 523,495,389	\$ 516,499,682
Restricted	26,585,382	49,598,397	53,669,248	62,472,221	61,148,731
Unrestricted	89,832,811	83,399,745	83,907,046	74,362,189	84,439,071
Total Governmental Activities Net Position	650,806,672	662,679,484	665,190,960	660,329,799	662,087,484
Business-Type Activities					
Net investment in capital assets	42,105,683	41,741,443	41,354,565	44,118,111	43,898,784
Restricted	-	-	-	-	-
Unrestricted	(4,745,892)	(4,750,604)	(4,674,666)	(4,892,647)	(5,086,906)
Total Business-Type Activities Net Position	37,359,791	36,990,839	36,679,899	39,225,464	38,811,878
Primary Government					
Net investment in capital assets	576,494,162	571,422,785	568,969,231	567,613,500	560,398,466
Restricted	26,585,382	49,598,397	53,669,248	62,472,221	61,148,731
Unrestricted	85,086,919	78,649,141	79,232,380	69,469,542	79,352,165
Total Primary Government Net Position	688,166,463	699,670,323	701,870,859	699,555,263	700,899,362

Source: City of La Quinta

2017	2018	2019	2020	2021	
					Governmental Activities:
\$ 517,039,487	\$ 510,913,594	\$ 519,221,969	\$ 509,777,422	\$ 519,203,177	Net investment in capital assets
38,824,860	39,204,789	44,815,499	46,001,248	46,711,801	Restricted
118,125,125	130,950,644	138,584,041	142,418,499	162,887,430	Unrestricted
673,989,472	681,069,027	702,621,509	698,197,169	728,802,408	Total Governmental Activities Net Position
					Business-Type Activities:
43,836,868	43,585,880	43,375,536	39,712,955	42,717,914	Net investment in capital assets
-	-	-	-	-	Restricted
(5,140,966)	(5,203,212)	240,125	3,145,820	368,750	Unrestricted
38,695,902	38,382,668	43,615,661	42,858,775	43,086,664	Total Business-Type Activities Net Position
					Primary Government:
560,876,355	554,499,474	562,597,505	549,490,377	561,921,091	Net investment in capital assets
38,824,860	39,204,789	44,815,499	46,001,248	46,711,801	Restricted
112,984,159	125,747,432	138,824,166	145,564,319	163,256,180	Unrestricted
712,685,374	719,451,695	746,237,170	741,055,944	771,889,072	Total Primary Government Net Position

CITY OF LA QUINTA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 6,183,712	\$ 4,511,023	\$ 4,830,239	\$ 5,166,732	\$ 5,645,004
Public safety	20,815,454	21,047,691	21,169,423	21,636,149	22,067,603
Planning and development	6,378,352	2,274,541	3,098,015	2,212,013	3,359,732
Community services	5,093,402	4,986,104	4,130,085	5,992,362	6,214,098
Public works	13,288,521	11,803,133	12,610,994	18,116,732	12,157,245
Contribution to other agencies	-	-	-	-	-
Interest on long-term debt	3,021,496	447,048	405,977	340,716	343,129
Total governmental activities expenditures	54,780,937	45,069,540	46,244,733	53,464,704	49,786,811
Business-type activities:					
Golf course	4,085,282	4,208,855	4,971,977	5,053,360	4,373,586
Total business-type activities expenditures	4,085,282	4,208,855	4,971,977	5,053,360	4,373,586
Total Primary Government Expenditures	58,866,219	49,278,395	51,216,710	58,518,064	54,160,397
Program Revenues					
Governmental activities:					
Charges for services:					
General government	86,869	38,812	71,042	121,140	192,538
Public safety	1,020,822	927,604	1,412,819	1,655,421	1,378,704
Planning and development	68,470	112,695	595,980	489,589	467,053
Community services	247,397	245,392	1,224,719	307,869	386,824
Public works	1,080,744	1,209,438	1,195,703	1,197,069	1,134,630
Operating grants and contributions	11,289,673	28,068,940	14,587,153	16,829,107	12,213,338
Capital grants and contributions	9,990,793	-	3,981,286	3,536,444	1,076,145
Total governmental activities program revenues	23,784,768	30,602,881	23,068,702	24,136,639	16,849,232
Business-type activities:					
Charges for services:					
Golf course	3,871,898	3,736,879	3,481,424	3,561,857	3,621,495
Capital grants and contributions	-	-	-	2,872,122	-
Total business-type activities program revenues	3,871,898	3,736,879	3,481,424	6,433,979	3,621,495
Total Primary Government Program Revenues	27,656,666	34,339,760	26,550,126	30,570,618	20,470,727
Net Revenues (Expenditures):					
Governmental activities	(30,996,169)	(14,466,659)	(23,176,031)	(29,328,065)	(32,937,579)
Business-type activities	(213,384)	(471,976)	(1,490,553)	1,380,619	(752,091)
Total Net Revenues (Expenditures)	(31,209,553)	(14,938,635)	(24,666,584)	(27,947,446)	(33,689,670)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	21,370,476	7,043,604	9,193,753	8,776,491	8,798,296
Tax increment	-	-	-	-	-
Transient occupancy taxes	5,446,883	5,980,684	6,307,737	6,637,183	7,835,745
Sales tax	7,713,741	7,833,545	8,786,819	8,873,008	9,107,046
Franchise taxes	1,687,440	1,669,476	1,688,263	1,861,453	1,799,938
Business license taxes	293,592	292,966	307,654	306,087	334,465
Other taxes	428,963	518,778	580,834	530,336	516,964
Motor vehicle in lieu, unrestricted	3,173,826	3,157,330	3,291,042	3,486,367	3,651,549
Investment income	1,925,255	1,605,718	2,190,357	1,981,343	2,390,468
Gain (loss) on sale of capital assets	-	28,551	-	-	-
Miscellaneous	268,644	192,509	243,498	296,346	376,193
Special Item (interfund loan payoff)	-	-	-	-	-
Extraordinary gain/loss on dissolution of RDA	158,654,715	(2,189,984)	(6,402,450)	-	-
Transfers	-	-	(500,000)	(247,739)	(115,400)
Total governmental activities	200,963,535	26,133,177	25,687,507	32,500,875	34,695,264
Business-type activities:					
Investment income	1,075	2,225	1,567	2,043	4,282
Miscellaneous	-	100,799	678,046	915,164	218,823
Transfers	-	-	500,000	247,739	115,400
Total business-type activities	1,075	103,024	1,179,613	1,164,946	338,505
Total Primary Government	200,964,610	26,236,201	26,867,120	33,665,821	35,033,769
Changes in Net Position					
Governmental activities	169,967,366	11,666,518	2,511,476	3,172,810	1,757,685
Business-type activities	(212,309)	(368,952)	(310,940)	2,545,565	(413,586)
Total Primary Government	169,755,057	11,297,566	2,200,536	5,718,375	1,344,099

Source: City of La Quinta

For fiscal 2018/19, there is a one-time entry for an interfund loan noted as a 'special item' under governmental activities and 'miscellaneous' under business type activities. This is also discussed in the Notes to Basic Financial Statements section of the 2018/19

TABLE 2

2017	2018	2019	2020	2021	
					Expenditures:
					Governmental activities:
\$ 5,565,727	\$ 8,869,174	\$ 9,085,863	\$ 9,877,251	\$ 8,106,209	General government
23,378,824	22,508,088	23,164,976	24,009,725	24,429,310	Public safety
2,882,321	4,352,134	5,913,321	5,845,836	6,508,522	Planning and development
6,584,268	9,231,268	6,202,084	11,362,950	6,958,234	Community services
10,927,160	15,580,975	4,430,519	32,248,031	11,438,197	Public works
-	-	-	-	-	Contribution to other agencies
309,463	1,468,971	210,941	98,049	42,081	Interest on long-term debt
49,647,763	62,010,610	49,007,703	83,441,842	57,482,553	Total governmental activities expenditures
					Business-type activities:
3,965,644	4,318,463	4,558,922	4,148,190	4,169,286	Golf course
3,965,644	4,318,463	4,558,922	4,148,190	4,169,286	Total business-type activities expenditures
53,613,407	66,329,073	53,566,625	87,590,032	61,651,839	Total Primary Government Expenditures
					Program Revenues:
					Governmental activities:
					Charges for services:
504,127	883,153	516,115	615,348	1,541,535	General government
341,368	367,848	376,249	367,277	770,760	Public safety
564,327	724,499	636,683	799,040	710,529	Planning and development
453,098	442,656	479,542	366,896	178,554	Community services
741,703	1,054,902	1,119,816	1,436,362	1,503,633	Public works
6,187,803	4,259,916	5,623,509	7,817,482	4,413,523	Operating grants and contributions
3,316,153	4,455,060	5,462,395	9,613,752	15,770,048	Capital grants and contributions
12,108,579	12,188,034	14,214,310	21,016,157	24,888,582	Total governmental activities program revenues
					Business-type activities:
					Charges for services:
3,446,340	3,567,718	3,773,396	2,746,748	3,509,096	Golf course
-	-	-	-	-	Capital grants and contributions
3,446,340	3,567,718	3,773,396	2,746,748	3,509,096	Total business-type activities program revenues
15,554,919	15,755,752	17,987,706	23,762,905	28,397,678	Total Primary Government Program Revenues
					Net Revenues (Expenditures):
(37,539,184)	(49,822,576)	(34,793,394)	(62,425,685)	(32,593,971)	Governmental activities
(519,304)	(750,745)	(785,526)	(1,401,442)	(660,190)	Business-type activities
(38,058,488)	(50,573,321)	(35,578,920)	(63,827,127)	(33,254,161)	Total Net Revenues (Expenditures)
					General Revenues and Other Changes in Net Position:
					Governmental activities:
					Taxes:
15,521,335	15,887,015	16,423,843	16,710,544	16,893,629	Property taxes
-	-	-	-	-	Tax increment
9,433,970	10,752,788	11,230,915	8,079,394	11,847,139	Transient occupancy taxes
10,060,305	18,956,985	20,905,243	19,136,015	23,323,549	Sales tax
1,815,491	1,977,179	2,032,848	1,996,593	2,055,505	Franchise taxes
365,451	345,187	418,707	378,744	383,551	Business license taxes
585,333	718,472	713,237	662,545	1,568,997	Other taxes
3,813,213	3,941,348	4,086,536	4,290,417	4,376,455	Motor vehicle in lieu, unrestricted
442,710	803,654	5,150,613	5,110,358	1,427,664	Investment income
-	-	-	-	-	Gain (loss) on sale of capital assets
460,614	649,566	394,347	1,404,143	1,457,788	Miscellaneous
7,344,050	3,624,121	993,148	867,792	739,933	Special Item (interfund loan payoff)
(401,300)	(434,000)	(450,000)	(635,200)	(875,000)	Extraordinary gain/loss on dissolution of RDA
49,441,172	57,222,315	56,345,876	58,001,345	63,199,210	Transfers
					Total governmental activities
					Business-type activities:
2,028	3,511	14,958	9,356	13,081	Investment income
-	-	5,553,561	-	-	Miscellaneous
401,300	434,000	450,000	635,200	875,000	Transfers
403,328	437,511	6,018,519	644,556	888,081	Total business-type activities
49,844,500	57,659,826	62,364,395	58,645,901	64,087,291	Total Primary Government
					Changes in Net Position
11,901,988	7,399,739	21,552,482	(4,424,340)	30,605,239	Governmental activities
(115,976)	(313,234)	5,232,993	(756,886)	227,891	Business-type activities
11,786,012	7,086,505	26,785,475	(5,181,226)	30,833,130	Total Primary Government

CITY OF LA QUINTA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
General government	\$ 6,183,712	\$ 4,511,023	\$ 4,830,239	\$ 5,166,732	\$ 5,645,004
Public safety	20,815,454	21,047,691	21,169,423	21,636,149	22,067,603
Planning and development	6,378,352	2,274,541	3,098,015	2,212,013	3,359,732
Community services	5,093,402	4,986,104	4,130,085	5,992,362	6,214,098
Public works	13,288,521	11,803,133	12,610,994	18,116,732	12,157,245
Contribution to other agencies	-	-	-	-	-
Interest on long-term debt	3,021,496	447,048	405,977	340,716	343,129
Total Governmental Activities Expenditures	54,780,937	45,069,540	46,244,733	53,464,704	49,786,811
Program Revenues					
Charges for services:					
General government	86,869	38,812	71,042	121,140	192,538
Public safety	1,020,822	927,604	1,412,819	1,655,421	1,378,704
Planning and development	68,470	112,695	595,980	489,589	467,053
Community services	247,397	245,392	1,224,719	307,869	386,824
Public works	1,080,744	1,209,438	1,195,703	1,197,069	1,134,630
Operating grants and contributions	11,289,673	28,068,940	14,587,153	16,829,107	12,213,338
Capital grants and contributions	9,990,793	4,115,238	3,981,286	3,536,444	1,076,145
Total Governmental Activities Program Revenue	23,784,768	34,718,119	23,068,702	24,136,639	16,849,232
Net Revenues (Expenditures)	(30,996,169)	(10,351,421)	(23,176,031)	(29,328,065)	(32,937,579)
General Revenues and Other Changes in Net Position					
Taxes:					
Property taxes	21,370,476	7,043,604	9,193,753	8,776,491	8,798,296
Tax increment	-	-	-	-	-
Transient occupancy taxes	5,446,883	5,980,684	6,307,737	6,637,183	7,835,745
Sales tax	7,713,741	7,833,545	8,786,819	8,873,008	9,107,046
Franchise tax	1,687,440	1,669,476	1,688,263	1,861,453	1,799,938
Business license taxes	293,592	292,966	307,654	306,087	334,465
Other tax	428,963	518,778	580,834	530,336	516,964
Motor vehicle in lieu, unrestricted	3,173,826	3,157,330	3,291,042	3,486,367	3,651,549
Investment income	1,925,255	1,605,718	2,190,357	1,981,343	2,390,468
Gain (loss) on sale of capital assets	-	28,551	-	-	376,193
Miscellaneous	268,644	192,509	243,498	296,346	-
Special item (interfund loan payoff)					
Extraordinary gain/loss on dissolution of RDA	158,654,715	(2,189,984)	(6,402,450)	-	-
Transfers	-	-	(500,000)	(247,739)	(115,400)
Total Governmental Activities	200,963,535	26,133,177	25,687,507	32,500,875	34,695,264
Changes in Net Position	169,967,366	15,781,756	2,511,476	3,172,810	1,757,685

Source: City of La Quinta

2017	2018	2019	2020	2021	
\$ 5,565,727	\$ 8,869,174	\$ 9,085,863	\$ 9,877,251	\$ 8,106,209	Expenditures:
23,378,824	22,508,088	23,164,976	24,009,725	24,429,310	General government
2,882,321	4,352,134	5,913,321	5,845,836	6,508,522	Public safety
6,584,268	9,231,268	6,202,084	11,362,950	6,958,234	Planning and development
10,927,160	15,580,975	4,430,519	32,248,031	11,438,197	Community services
-	-	-	-	-	Public works
-	-	-	-	-	Contribution to other agencies
309,463	1,468,971	210,941	98,049	42,081	Interest on long-term debt
49,647,763	62,010,610	49,007,703	83,441,842	57,482,553	Total Governmental Activities Expenditures
					Program Revenues:
					Charges for services:
504,127	883,153	516,115	615,348	1,541,535	General government
341,368	367,848	376,249	367,277	770,760	Public safety
564,327	724,499	636,683	799,040	710,529	Planning and development
453,098	442,656	479,542	366,896	178,554	Community services
741,703	1,054,902	1,119,816	1,436,362	1,503,633	Public works
6,187,803	4,259,916	5,623,509	7,817,482	4,413,523	Operating grants and contributions
3,316,153	4,455,060	5,462,395	9,613,752	15,770,048	Capital grants and contributions
12,108,579	12,188,034	14,214,310	21,016,157	24,888,582	Total Governmental Activities Program Revenues
(37,539,184)	(49,822,576)	(34,793,394)	(62,425,685)	(32,593,971)	Net Revenues (Expenditures)
					General Revenues and Other Changes in Net Position:
					Taxes:
15,521,335	15,887,015	16,423,843	16,710,544	16,893,629	Property taxes
-	-	-	-	-	Tax increment
9,433,970	10,752,788	11,230,915	8,079,394	11,847,139	Transient occupancy taxes
10,060,305	18,956,985	20,905,243	19,136,015	23,323,549	Sales tax
1,815,491	1,977,179	2,032,848	1,996,593	2,055,505	Franchise tax
365,451	345,187	418,707	378,744	383,551	Business license taxes
585,333	718,472	713,237	662,545	1,568,997	Other tax
3,813,213	3,941,348	4,086,536	4,290,417	4,376,455	Motor vehicle in lieu, unrestricted
442,710	803,654	5,150,613	5,110,358	1,427,664	Investment income
460,614	649,566	394,347	1,404,143	1,457,788	Gain (loss) on sale of capital assets
-	-	-	-	-	Miscellaneous
-	-	(5,553,561)	-	-	Special item (interfund loan payoff)
7,344,050	3,624,121	993,148	867,792	739,933	Extraordinary gain/loss on dissolution of RDA
(401,300)	(434,000)	(450,000)	(635,200)	(875,000)	Transfers
49,441,172	57,222,315	56,345,876	58,001,345	63,199,210	Total Governmental Activities
11,901,988	7,399,739	21,552,482	(4,424,340)	30,605,239	Changes in Net Position

CITY OF LA QUINTA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Golf course	\$ 4,085,282	\$ 4,208,855	\$ 4,971,977	\$ 5,053,360	\$ 4,373,586
Total Business-Type Activities Expenditures	4,085,282	4,208,855	4,971,977	5,053,360	4,373,586
Program revenues					
Charges for services:					
Golf course	3,871,898	3,736,879	3,481,424	3,561,857	3,621,495
Capital grants and contributions	-	-	-	2,872,122	-
Total Business-Type Activities Program Revenues	3,871,898	3,736,879	3,481,424	6,433,979	3,621,495
Net Revenues (Expenditures)	(213,384)	(471,976)	(1,490,553)	1,380,619	(752,091)
General Revenues and Other Changes in Net Position					
Investment income	1,075	2,225	1,567	2,043	4,282
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	-	100,799	678,046	915,164	218,823
Transfers	-	-	500,000	247,739	115,400
Capital contributions	-	-	-	-	-
Total Business-Type Activities	1,075	103,024	1,179,613	1,164,946	338,505
Changes in Net Position	(212,309)	(368,952)	(310,940)	2,545,565	(413,586)

Source: City of La Quinta

2017	2018	2019	2020	2021	
\$ 3,965,644	\$ 4,318,463	\$ 4,558,922	\$ 4,148,190	\$ 4,169,286	Expenditures:
					Golf course
3,965,644	4,318,463	4,558,922	4,148,190	4,169,286	Total Business-Type Activities Expenditures
					Program revenues:
					Charges for services:
3,446,340	3,567,718	3,773,396	2,746,748	3,509,096	Golf course
-	-	-	-	-	Capital grants and contributions
3,446,340	3,567,718	3,773,396	2,746,748	3,509,096	Total Business-Type Activities Program Revenues
(519,304)	(750,745)	(785,526)	(1,401,442)	(660,190)	Net Revenues (Expenditures)
					General Revenues and Other Changes in Net Position:
2,028	3,511	14,958	9,356	13,081	Investment income
-	-	-	-	-	Gain (loss) on sale of capital assets
-	-	5,553,561	-	-	Miscellaneous
401,300	434,000	450,000	635,200	875,000	Transfers
-	-	-	-	-	Capital contributions
403,328	437,511	6,018,519	644,556	888,081	Total Business-Type Activities
(115,976)	(313,234)	5,232,993	(756,886)	227,891	Changes in Net Position

CITY OF LA QUINTA

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

	Fiscal Year				
	2012	2013	2014	2015	2016(1)
General fund					
Nonspendable:					
Prepaid costs	\$ 27,481	\$ 11,786	\$ 1,500	\$ 15,653	\$ 204,589
Land held for resale	8,320,000	8,320,000	8,320,000	8,320,000	8,320,000
Advances to other funds	15,417,929	15,509,691	15,163,183	14,943,098	14,974,800
Deposits	118,516	4,830	4,830	33,985	-
Due from Other Governments	-	41,378,966	34,976,516	26,715,575	25,105,681
Restricted for:					
Debt service	173,426	-	-	-	-
Section 115 Trust (Note 11)					
Committed:					
Emergency Reserve ⁽²⁾	17,516,295	16,034,995	16,034,995	15,372,600	15,576,000
Natural Disaster Reserve ⁽²⁾					
Economic Disaster Reserve ⁽²⁾					
Post retirement health benefits ⁽³⁾	1,523,401	1,523,401	1,523,401	1,523,401	1,523,400
Capital Replacement Reserve ⁽²⁾	-	2,848,737	1,507,429	1,727,390	2,302,000
Cash Flow Reserve ⁽²⁾	-	-	2,836,820	3,843,150	3,894,000
Pension Trust ⁽⁴⁾	-	-	-	-	-
Carryovers	-	-	356,438	476,400	4,274,046
Other	-	-	-	-	-
Assigned:					
Continuing appropriations	1,041,172	1,013,533	209,000	-	-
Public Safety (Note 13b)	-	-	-	-	-
Sales Tax Reserve (Note 13b)	-	-	-	-	-
Capital Projects (Note 13b)	-	-	-	-	-
Unassigned	47,737,861	5,926,651	10,699,641	13,837,312	13,822,012
Total general fund	91,876,081	92,572,590	91,633,753	86,808,564	98,565,571
All other governmental funds					
Nonspendable:					
Prepaid costs	12,875	10,310	-	-	8,422
Notes and loans	2,065,611	2,062,589	-	-	-
Advances to other funds	-	-	-	-	-
Deposits	13,600	13,600	-	-	-
Restricted:					
Planning and development projects	10,767,199	3,730,533	5,970,006	13,108,499	18,211,200
Public safety	245,187	258,968	274,274	301,843	189,988
Community services	11,162,057	11,626,441	12,459,516	10,711,704	9,872,124
Public works	145,823	262,754	1,571,163	1,129,697	1,250,827
Capital Projects	4,089,156	1,392,581	1,590,168	3,873,699	3,597,221
Debt service	2,534	2,234	-	-	-
Assigned:					
Continuing appropriations	-	-	-	-	-
Unassigned	(13,248,593)	(13,179,196)	(12,370,462)	(12,703,744)	(11,655,344)
Total all other governmental funds	15,255,449	6,180,814	9,494,665	16,421,698	21,474,438
Total Governmental Funds	107,131,530	98,753,404	101,128,418	103,230,262	120,040,009

Notes:

⁽¹⁾In Fiscal Year 2016-17, the City recognized property tax held by the County of Riverside as available to fund current obligations and as adjusted up by 8,569,043 to 98,565,571. See Note 19 for FY 2016-17

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

⁽³⁾In Fiscal Year 2017-18 the City opened a trust for Other Post Employment Benefits (OPEB), and this reserve was deposited into the tru

⁽⁴⁾In Fiscal Year 2018-19 the City opened a trust for Pension Benefits, and this reserve was deposited into the trust. See Note 11.

Source: City of La Quinta

2017	2018	2019	2020	2021	
					General fund:
					Nonspendable:
\$ 10,578	\$ 90,657	\$ 37,182	\$ 14,065	\$ 25,246	Prepaid costs
8,320,000	8,320,000	5,730,990	5,403,652	5,403,652	Land held for resale
15,022,660	14,954,085	-	-	-	Advances to other funds
-	-	-	-	-	Deposits
29,154,040	29,611,707	27,915,770	26,069,742	24,070,622	Due from Other Governments
-	-	-	-	-	Restricted for:
-	-	-	-	-	Debt service
-	-	6,540,000	10,249,738	11,381,922	Section 115 Trust (Note 11)
-	-	-	-	-	Committed:
16,534,000	-	-	-	-	Emergency Reserve ⁽²⁾
-	7,400,000	10,000,000	10,000,000	10,000,000	Natural Disaster Reserve ⁽²⁾
-	8,140,000	11,000,000	6,800,000	11,000,000	Economic Disaster Reserve ⁽²⁾
1,523,400	-	-	-	-	Post retirement health benefits ⁽³⁾
-	5,000,000	5,000,000	6,540,000	10,000,000	Capital Replacement Reserve ⁽²⁾
4,134,000	5,000,000	5,000,000	5,000,000	5,000,000	Cash Flow Reserve ⁽²⁾
-	2,000,000	-	-	-	Pension Trust ⁽⁴⁾
120,000	2,186,500	745,300	1,778,800	1,209,870	Carryovers
-	-	-	-	-	Other
-	-	-	-	-	Assigned:
-	-	-	-	-	Continuing appropriations
9,371,699	9,754,327	9,864,841	10,491,654	11,423,931	Public Safety (Note 13b)
-	5,169,970	7,721,975	8,736,219	15,128,658	Sales Tax Reserve (Note 13b)
6,322,570	4,996,815	11,853,162	13,155,144	13,431,089	Capital Projects (Note 13b)
16,949,526	19,199,506	16,228,627	19,094,651	24,241,553	Unassigned
107,462,473	121,823,567	117,637,847	123,333,665	142,316,543	Total general fund
					All other governmental funds:
					Nonspendable:
10,349	-	386	2,875	1,019	Prepaid costs
-	-	-	-	-	Notes and loans
-	-	-	-	-	Advances to other funds
-	-	-	-	-	Deposits
					Restricted:
22,664,093	22,607,600	22,996,435	23,680,641	24,751,443	Planning and development projects
83,506	342,919	1,391,721	1,607,101	931,352	Public safety
10,040,222	10,016,652	13,775,710	14,376,472	12,813,788	Community services
1,546,505	2,033,627	2,667,401	3,208,072	5,196,324	Public works
4,490,534	4,203,991	3,904,492	3,128,962	3,018,894	Capital Projects
-	-	-	-	-	Debt service
-	-	-	-	-	Assigned:
-	-	-	-	-	Continuing appropriations
(11,423,008)	(11,347,062)	(1,852,211)	(5,175,243)	(3,182,262)	Unassigned
27,412,201	27,857,727	42,883,934	40,828,880	43,530,558	Total all other governmental funds
134,874,674	149,681,294	160,521,781	164,162,545	185,847,101	Total Governmental Funds

such the General Fund fund balance was

ncy Reserves are now split into Natural
were added.
st. See Note 10.

CITY OF LA QUINTA

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 53,632,023	\$ 23,506,679	\$ 27,192,089	\$ 26,678,471	\$ 28,057,989
Assessments	950,292	954,058	951,181	940,221	944,050
Licenses and permits	482,831	566,510	953,540	1,356,978	1,161,820
Intergovernmental	15,875,582	15,464,942	16,506,666	15,702,943	14,960,676
Charges for services	635,111	625,813	1,238,277	1,341,438	1,332,541
Use of money and property	1,914,518	1,582,762	2,175,048	1,950,957	7,475,742
Contributions, fines, and forfeitures	303,773	18,377,253	838,972	1,956,452	28,459
Developer participation	903,144	1,226,825	3,059,254	2,803,681	1,441,075
Miscellaneous	276,327	491,267	575,001	580,843	992,282
Total Revenues	74,973,601	62,796,109	53,490,028	53,311,984	56,394,634
Expenditures					
Current:					
General government	4,881,922	4,587,888	4,068,827	5,050,425	5,267,024
Public safety	19,669,517	20,168,038	21,189,086	21,664,472	22,125,962
Planning and development	4,314,646	27,514,768	1,748,477	2,097,525	3,294,259
Community services	4,086,686	4,411,536	4,011,432	4,798,123	4,983,038
Public works	6,192,733	5,067,370	4,617,050	5,283,309	4,101,210
Capital projects	13,335,989	8,622,783	7,974,747	11,097,186	7,209,874
Debt service:					
Principal retirement	7,066,726	556,871	558,019	594,383	632,615
Interest and fiscal charges	6,701,079	437,678	411,010	348,334	346,137
Payment to bond escrow	-	-	-	-	-
Payments under pass-through obligations	16,755,441	-	-	-	-
Total Expenditures	83,004,739	71,366,932	44,578,648	50,933,757	47,960,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,031,138)	(8,570,823)	8,911,380	2,378,227	8,434,515
Other financing sources (uses):					
Issuance of tax allocation bonds	-	-	-	-	-
Issuance of revenue bonds	-	-	-	-	-
Proceeds from sale of land	-	-	-	-	-
Transfers in	12,554,752	29,841,053	4,201,763	12,037,331	6,420,538
Transfers out	(12,580,120)	(29,841,053)	(4,335,679)	(12,322,714)	(6,614,349)
Other debts issued	-	-	-	-	-
Capital leases	-	71,045	-	9,000	-
Proceeds from sale of capital assets	875,275	121,652	-	-	-
Total Other Financing Sources (Uses)	849,907	192,697	(133,916)	(276,383)	(193,811)
Extraordinary gain/loss on dissolution of RDA	(79,058,255)	-	(6,402,450)	-	-
Special item (interfund loan payoff)	-	-	-	-	-
Net Change in Fund Balances	(86,239,486)	(8,378,126)	2,375,014	2,101,844	8,240,704
Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾	43.7%	1.6%	2.6%	2.2%	2.4%

Notes:

⁽¹⁾ The capitalizable expenditures were derived from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds and Note 4, Capital Assets.

TABLE 6

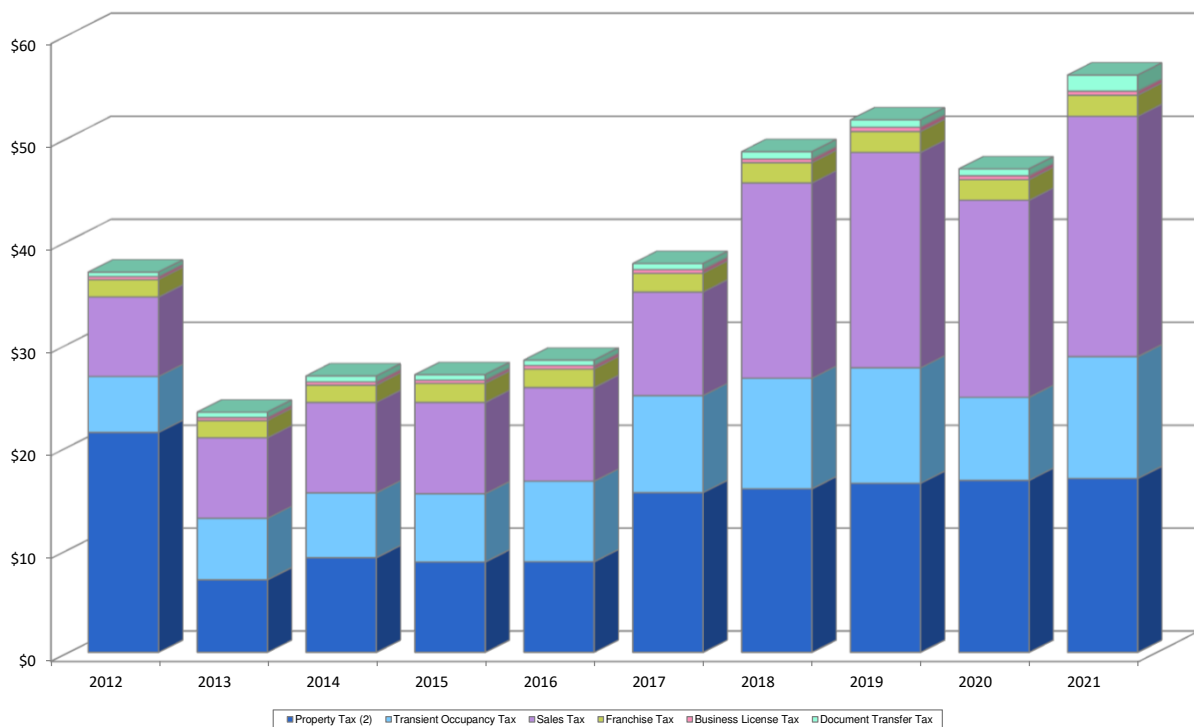
	2017	2018	2019	2020	2021	
						Revenues:
\$	41,832,117	\$ 44,931,250	\$ 48,462,493	\$ 44,881,038	\$ 53,493,786	Taxes
	953,699	950,541	961,633	957,017	984,435	Assessments
	1,118,911	1,394,820	1,555,026	1,913,519	2,020,596	Licenses and permits
	4,870,334	12,555,259	14,075,980	17,107,595	25,720,328	Intergovernmental
	1,021,336	1,279,864	1,170,825	1,179,592	964,710	Charges for services
	4,659,301	2,388,683	4,824,651	5,219,088	2,601,482	Use of money and property
	348,345	375,390	375,491	665,193	779,606	Contributions, fines, and forfeitures
	1,042,568	1,534,628	2,231,471	1,863,587	1,844,665	Developer participation
	289,047	1,196,057	2,425,675	1,371,095	645,780	Miscellaneous
	56,135,658	66,606,492	76,083,245	75,157,724	89,055,388	Total Revenues
						Expenditures
						Current:
	5,845,197	7,737,111	10,129,408	7,732,495	8,464,230	General government
	23,377,755	22,508,088	23,164,976	24,009,725	24,429,310	Public safety
	2,549,779	4,310,589	6,415,466	5,436,281	6,544,477	Planning and development
	4,626,401	5,236,083	5,944,200	6,159,707	5,583,420	Community services
	4,025,958	4,146,135	4,219,461	5,421,606	5,287,280	Public works
	6,859,428	9,015,861	9,096,460	23,150,511	18,219,385	Capital projects
						Debt service:
	651,625	666,988	650,000	-	-	Principal retirement
	307,600	1,460,371	178,080	28,868	15,133	Interest and fiscal charges
	-	-	-	-	-	Payment to bond escrow
	-	-	-	-	-	Payments under pass-through obligations
	48,243,743	55,081,226	59,798,051	71,939,193	68,543,235	Total Expenditures
	7,891,915	11,525,266	16,285,194	3,218,531	20,512,153	Excess (Deficiency) of Revenues Over (Under) Expenditures
						Other financing sources (uses):
	-	-	-	-	-	Issuance of tax allocation bonds
	-	-	-	-	-	Issuance of revenue bonds
	-	-	-	-	1,219,485	Proceeds from sale of land
	21,503,514	7,432,340	12,942,596	16,467,409	10,781,267	Transfers in
	(21,904,814)	(7,775,107)	(13,826,890)	(16,912,971)	(11,568,281)	Transfers out
	-	-	-	-	-	Other debts issued
	-	-	-	-	-	Capital leases
	-	-	-	-	-	Proceeds from sale of capital assets
	(401,300)	(342,767)	(884,294)	(445,562)	432,471	Total Other Financing Sources (Uses)
	7,344,050	3,624,121	993,148	867,792	739,933	Extraordinary gain/loss on dissolution of RDA
	-	-	(5,553,561)	-	-	Special item (interfund loan payoff)
	14,834,665	14,806,620	10,840,487	3,640,761	21,684,557	Net Change in Fund Balances
	2.5%	3.26%	2.03%	0.06%	0.03%	Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾

**Tax Revenue by Source
Last Ten Fiscal Years**

Fiscal Year	Property Tax ⁽²⁾	Tax Increment ⁽¹⁾	Transient Occupancy Tax	Sales Tax	Franchise Tax	Business License Tax	Document Transfer Tax	Total
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
2019	16,423,843	-	11,230,915	20,905,243	2,032,848	418,707	713,237	51,724,793
2020	16,710,544	-	8,079,394	19,136,015	1,996,593	378,744	662,545	46,963,835
2021	16,893,629	-	11,847,139	23,323,549	2,055,505	383,551	1,568,997	56,072,370

Tax Revenue by Source

(Excluding Tax Increment)
(in millions)



Notes:

⁽¹⁾ 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.

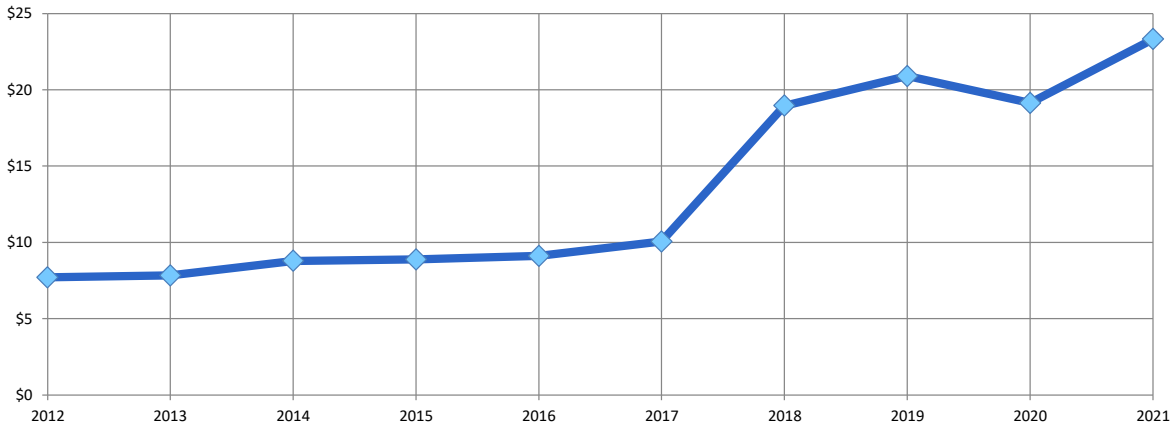
⁽²⁾ Starting in 2017, the revenue collected by the County that is remitted to the City for fire services is included in the property tax number.

Source: City of La Quinta

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

Fiscal Year 2020-21		Fiscal Year 2011-12	
Business Name ⁽¹⁾	Business Category	Business Name ⁽¹⁾	Business Category
Best Buy	Electronics/Appliance Stores	Arco AM/PM	Service Stations
BevMo	Convenience Stores/Liquor	Bed Bath & Beyond	Home Furnishings
Circle K	Service Stations	Best Buy	Electronics/Appliance Stores
Costco	Discount Dept. Stores	BevMo	Convenience Stores/Liquor
Floor & Décor	Building Materials	Chevrolet Cadillac of La Quinta	New Motor Vehicle Dealers
G&M Oil	Service Stations	Circle K	Service Stations
Genesis/Hyundai of La Quinta	New Motor Vehicle Dealers	Costco	Discount Dept. Stores
Hobby Lobby	Specialty Stores	G & M Oil	Service Stations
Home Depot	Building Materials	Hyundai of La Quinta	New Motor Vehicle Dealers
In N Out Burgers	Quick-Service Restaurants	Home Depot	Building Materials
Kohl's	Department Stores	Kohl's	Department Stores
La Quinta Chevrolet & Cadillac	New Motor Vehicle Dealers	La Quinta Resort & Club	Hotels-Liquor
La Quinta Resort & PGA West	Hotels-Liquor	Lowe's	Building Materials
Lowe's	Building Materials	Lumpy's Discount Golf	Sporting Goods/Bike Stores
Marshalls	Family Apparel	Marshalls	Family Apparel
McDonald's	Quick-Service Restaurants	Ralphs	Grocery Stores
PGA West Private	Leisure/Entertainment	Ross	Family Apparel
Ross	Family Apparel	Stater Bros	Grocery Stores
Stater Bros	Grocery Stores	Stein Mart	Department Stores
Target	Discount Dept. Stores	Target	Discount Dept. Stores
TJ Maxx	Family Apparel	Torre Nissan	New Motor Vehicle Dealers
Torre Nissan	New Motor Vehicle Dealers	Tower Mart	Service Stations
Tower Mart	Service Stations	USA Gas	Service Stations
Vons	Grocery Stores	Vintners Shell Station	Service Stations
Walmart Supercenter	Discount Dept. Stores	Walmart Supercenter	Discount Dept. Stores
Percent of Fiscal Year Total Paid by Top 25 Accounts: 67.71%		Percent of Fiscal Year Total Paid by Top 25 Accounts: 70.10%	

Combined Sales Tax Revenue
(in millions)



Notes:

⁽¹⁾ 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 Top 25 business listings by local Measure G, see next page. Sales tax revenue chart includes total remitted for both.

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

Fiscal Year 2020-21		Fiscal Year 2011-12	
Business Name ⁽¹⁾	Business Category	Business Name	Business Category
Amazon Fulfillment Services	General Merchandise		
Amazon MFA	General Merchandise		
Best Buy	Electronics/Appliance Stores		
Bestbuy Com	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		
Floor & Décor	Building Materials		
Hobby Lobby	Specialty Stores		
Home Depot	Building Materials		
In N Out Burger	Quick-Service Restaurants		
Kohl's	Department Stores		
La Quinta Chevrolet & Cadillac	New Motor Vehicle Dealers		
La Quinta Resort & PGA West	Hotels-Liquor		
Lowe's	Building Materials		
Marshalls	Family Apparel		
Mathis Brothers Furniture	Home Furnishings		
PGA West Private	Leisure/Entertainment		
Ross	Family Apparel		
Target	Discount Dept Stores		
TJ Maxx	Family Apparel		
Tower Mart	Service Stations		
Vons	Grocery Stores		
Walmart Supercenter	Discount Dept. Stores		
Percent of Fiscal Year Total Paid by Top 25 Accounts:		46.66%	

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

Notes:

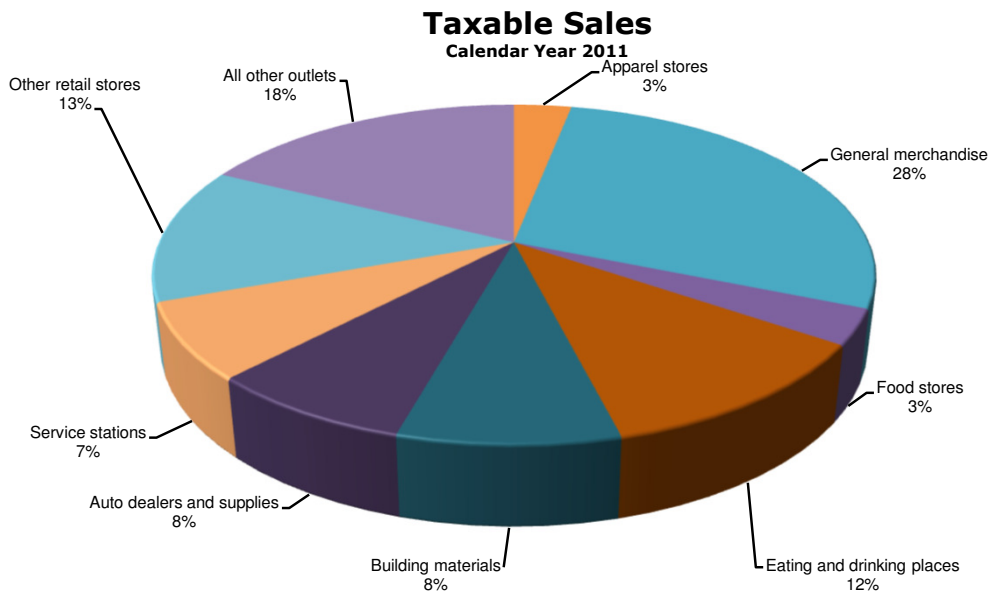
⁽¹⁾ Firms are listed alphabetically. State law does not allow for the disclosure of the sales tax revenue amounts by account.

Source: HdL, Coren & Cone

CITY OF LA QUINTA

**Taxable Sales by Category ⁽¹⁾
Last Ten Calendar Years
(in thousands)**

	Calendar Year				
	2011	2012	2013	2014	2015
Apparel stores	\$ 23,223	\$ 24,430	\$ 25,741	\$ 25,461	\$ 25,115
General merchandise	211,249	220,970	223,324	216,871	208,189
Food stores	25,197	25,854	26,394	25,748	22,845
Eating and drinking places	86,433	94,859	97,662	101,647	106,216
Building materials	62,879	65,445	68,606	73,087	75,658
Auto dealers and supplies	58,938	62,668	72,839	84,826	87,440
Service stations	54,342	56,001	52,093	47,541	40,777
Other retail stores	97,477	99,028	100,811	101,721	105,284
All other outlets	132,417	130,421	142,049	150,746	155,173
Total	752,155	779,676	809,519	827,648	826,697



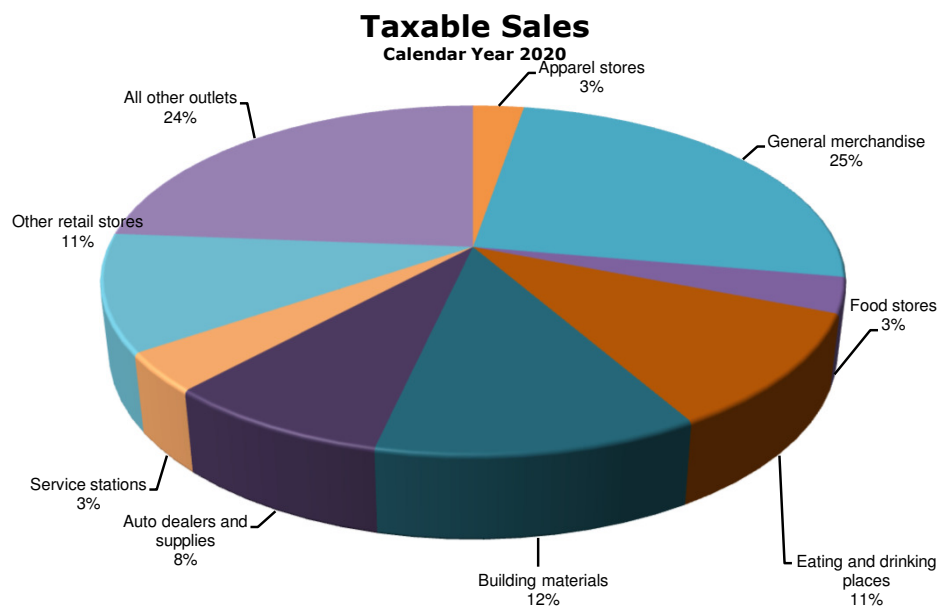
Notes:

⁽¹⁾ Due to confidentiality issues preventing the disclosure of the 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

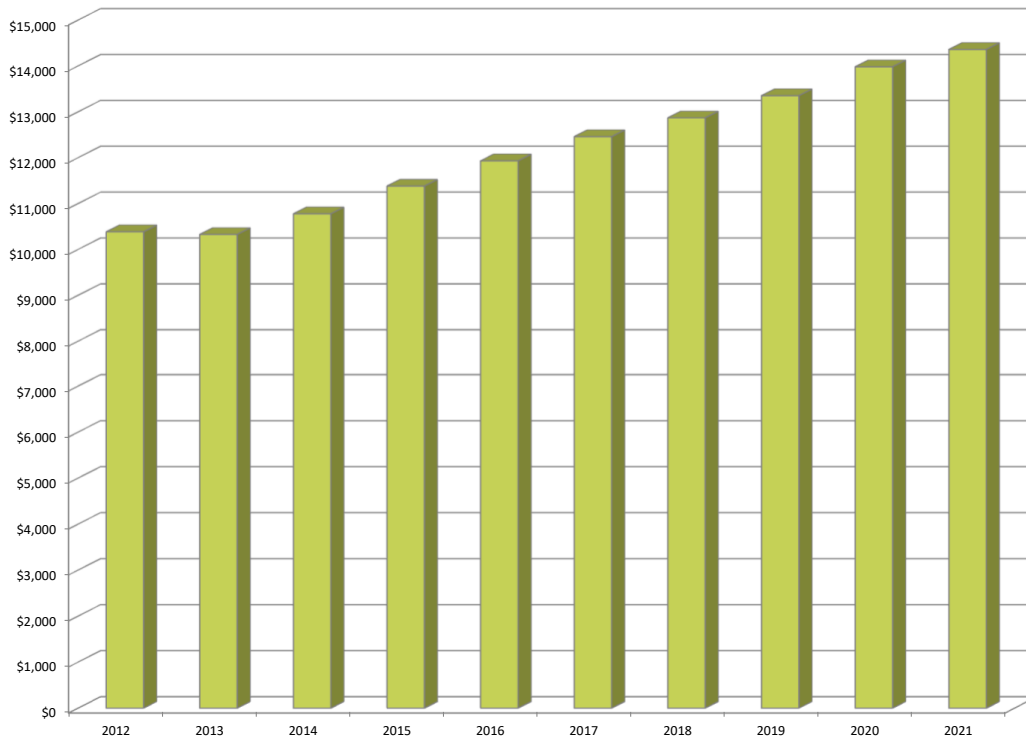
2016	2017	2018	2019	2020	
\$ 26,280	\$ 31,822	\$ 34,508	\$ 33,937	\$ 24,929	Apparel stores
206,808	222,767	232,147	235,969	235,841	General merchandise
25,359	25,964	26,126	26,191	30,610	Food stores
115,974	117,064	122,255	132,184	100,187	Eating and drinking places
78,299	83,383	86,569	89,036	111,231	Building materials
83,010	81,264	82,702	85,401	78,189	Auto dealers and supplies
34,566	37,558	42,164	42,998	33,742	Service stations
107,648	104,834	114,980	111,239	101,620	Other retail stores
172,135	180,360	210,360	220,260	222,916	All other outlets
850,079	885,016	951,811	977,215	939,265	Total



**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 ⁽⁴⁾	Other ⁽¹⁾	Unsecured Property ⁽²⁾	Home Owner Exemption ⁽⁵⁾	Taxable Assessed Value	Direct Rate ⁽³⁾
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
2019	11,869,224,686	1,288,839,436	61,861,498	85,526,307	95,584,154	(49,298,200)	13,351,737,881	1.0000
2020	12,394,924,833	1,292,239,063	91,242,090	139,850,650	110,001,629	(47,938,800)	13,980,319,465	1.0000
2021	12,962,202,378	755,379,455	62,798,676	537,520,834	89,135,215	(47,271,000)	14,359,765,558	1.0000

**Taxable Assessed Value
(in millions)**



Notes:

⁽¹⁾ Other includes dry farm, government owned, institutional, irrigated, miscellaneous, recreational, vacant, cross reference, and unknown. Starting in 2016, prior years 2007 through 2015 were adjusted to match current reporting categories for consistency.

⁽²⁾ Prior years 2012 through 2015 adjusted to match current reporting for consistency.

⁽³⁾ 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 only the data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

⁽⁴⁾ In 2016 (and going forward) data will be obtained from California Municipal and The Auditor-Controller's Office. The existing column headers were slightly modified to accommodate the property type classifications. The column labeled agriculture was formerly "industrial".

⁽⁵⁾ Prior to 2015, this column also included Exempt Property Valuations

Source: Cal Muni; County of Riverside Assessor Combined Tax Rolls Equalized Auditor and Assessor's Net; Riverside County Auditor-Controller

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

	City Non-Project Area										Redevelopment Project Area	
	2012 ⁽⁴⁾	2013 ⁽⁴⁾	2014 ⁽⁴⁾	2015 ⁽⁴⁾	2016 ⁽⁴⁾	2017 ⁽⁴⁾	2018	2019	2020	2021	PA1 2012 ⁽²⁾	PA2 2012 ⁽²⁾
Direct Rates:												
City of La Quinta	0.0760	0.0760	0.0760	0.0760	0.0760	0.0760	0.0760	0.0646	0.0646	0.0646	0.0524	0.0019
ERAF Share of La Quinta General Fund								0.0113	0.0113	0.0113		
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	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	0.3059
County of Riverside	0.1957	0.1958	0.1958	0.1958	0.1958	0.1958	0.1958	0.0978	0.0978	0.0978	0.2683	0.2511
ERAF Share of County								0.0980	0.0980	0.0980		
County Free Library	0.0252	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0294	0.0286
County Structure Fire Protection	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0633	0.0616
Coachella Valley Unified School District	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322	0.4322	0.0000	0.0000
Desert Sands Unified School	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3905	0.1930
Desert Community College District	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0812	0.0401
Riverside County Office of Education	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0380	0.0442	0.0218
Riverside County Regional Park & Open Spa	0.0040	0.0039	0.0039	0.0039	0.0039	0.0040	0.0040	0.0040	0.0040	0.0040	0.0000	0.0000
CV Public Cemetery	0.0032	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031	0.0032	0.0032	0.0032	0.0037	0.0001
CV Mosquito & Vector Control	0.0127	0.0127	0.0127	0.0127	0.0126	0.0126	0.0126	0.0126	0.0127	0.0127	0.0148	0.0141
Desert Recreation District	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0223	0.0059
Coachella Valley Water District	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0295	0.0740
CV Resource Conservation	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0004	0.0000
CVWD Improvement District 1	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0000	0.0005
CVWD Storm Water Unit	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0000	0.0014
Total Direct Rate ⁽³⁾	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Tax Rate Area	020-005	020-005	020-005	020-005	020-005	020-160	020-160	020-160	020-160	020-160	020-089	020-144
Overlapping Rates ⁽⁴⁾:												
Coachella Valley Unified School District	0.0749	0.0797	0.1492	0.1492	0.1322	0.1660	0.1761	0.1495	0.1488	0.1455	0.0749	0.0933
Desert Sands Unified School	0.1147	0.1116	0.1095	0.1098	0.1092	0.0860	0.0725	0.0742	0.0738	0.0739	0.1147	0.1004
Coachella Valley Water District	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0800	0.0860
Desert Community College District	0.0200	0.0200	0.0200	0.0233	0.0209	0.0204	0.0403	0.0398	0.0398	0.0395	0.0200	0.0200
Total Overlapping Rate	0.2895	0.2912	0.3787	0.3823	0.3622	0.3724	0.3889	0.3635	0.3624	0.3589	0.2895	0.2996
Total Direct and Overlapping Rate	1.2895	1.2912	1.3787	1.3823	1.3622	1.3724	1.3889	1.3635	1.3625	1.3589	1.2895	1.2996

Notes:

⁽¹⁾ Direct rate from Tax Rate Area (TRA) 020-160 and overlapping rates provided by HdL, Coren & Cone; data source Riverside County Assessor 2011/12-2020/21 Annual Tax Increment (Rate) Tables.

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

⁽³⁾ 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.

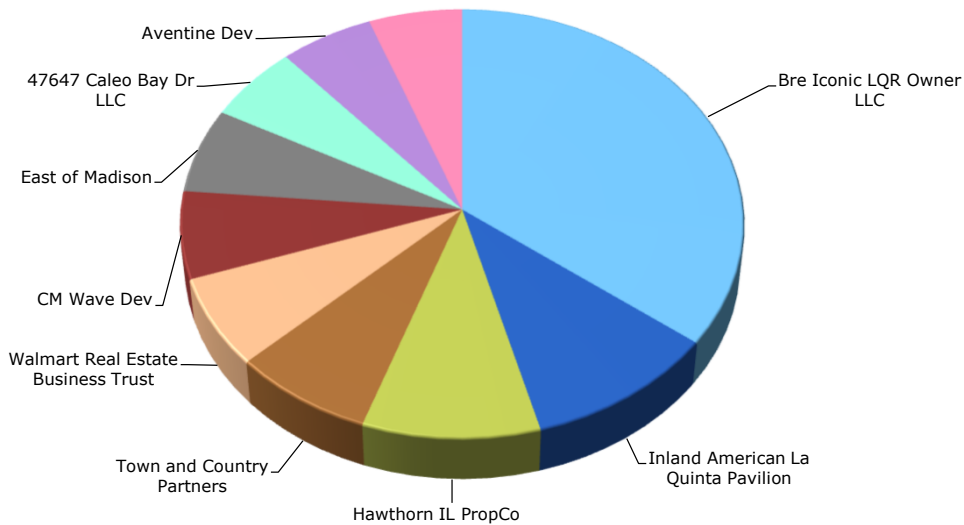
⁽⁴⁾ Overlapping rates are based upon a single tax rate area only.

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

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

Taxpayer	Fiscal Year 2020-21			Fiscal Year 2011-12		
	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 LLC	1	\$ 167,964,353	1.17%		-	0.00%
Inland American La Quinta Pavilion	2	50,248,920	0.35%	5	\$ 42,548,545	0.41%
Hawthorn IL PropCo	3	45,760,953	0.32%		-	0.00%
Town and Country Partners	4	36,473,497	0.25%		-	0.00%
Walmart Real Estate Business Trust	5	32,199,420	0.22%	9	29,352,870	0.28%
CM Wave Dev	6	31,315,597	0.22%		-	0.00%
East of Madison	7	30,389,563	0.21%	4	43,291,518	0.42%
47647 Caleo Bay Dr LLC	8	27,473,475	0.19%		-	0.00%
Aventine Dev	9	27,380,407	0.19%		-	0.00%
Hanes Villaggio	10	27,308,637	0.19%		-	0.00%
KSL Desert Resort		-	-	1	140,972,125	1.36%
T D Desert Development		-	-	2	97,885,896	0.94%
MSR Resort Golf Course		-	-	3	55,063,175	0.53%
Coral Option I		-	-	6	42,113,733	0.41%
WRM La Quinta		-	-	7	37,973,210	0.37%
Griffin Ranch		-	-	8	35,404,218	0.34%
TD Desert Development LP		-	-	10	25,918,559	0.25%
Total		\$ 476,514,822	3.32%		550,523,849	5.30%

**Principal Property Tax Payers
(FY 2020-21)**



(1) Taxable valuations include secured and unsecured

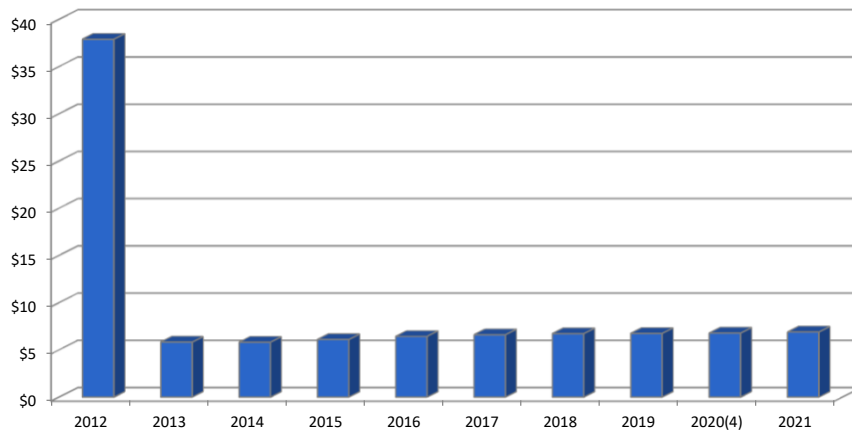
Source:

HdL, Coren & Cone; Riverside County Assessor 2011/12 and 2020/21 Combined Tax Rolls and the SBE Non-Unitary Tax Roll (Preliminary)

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year ⁽¹⁾	Collections within the Fiscal Year of Levy		Collections in Subsequent Years ⁽²⁾	Total Collections to Date	
		Amount	Percent of Levy		Amount ⁽³⁾	Percent of Levy
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%
2019	6,934,311	6,736,814	97.15%	126,876	6,863,690	98.98%
2020 ⁽⁴⁾	7,058,939	6,777,777	96.02%	156,792	6,934,570	98.24%
2021	7,139,091	6,891,637	96.53%	106,190	6,997,827	98.02%

**Property Tax Collections
(in millions)**



Notes:

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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.

⁽⁴⁾ The statement of original charge that was posted on the the Auditor-Controller (ACO) website had not been updated at time of publishing the 19/20 CAFR. The number reported in the 'taxes levied' column has now been adjusted to accurately reflect the ACO number, which subsequently changed the percent collected as well.

Source: City of Riverside Auditor-Controller's Office

CITY OF LA QUINTA

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

	Fiscal Year Ended				
	2012	2013	2014	2015	2016
Governmental Activities:					
Reimbursement Agreement	\$ -	\$ -	\$ -	\$ -	\$ -
Capital leases	40,090	71,045	129,063	103,869	155,395
USDA Loan	-	702,105	686,345	668,933	649,698
Provident Savings Loan	-	1,441,096	1,405,755	1,367,344	1,325,596
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 ⁽²⁾	-	-	-	-	-
2011 Local Agency Revenue Bonds ⁽²⁾	-	-	-	-	-
City Hall Lease Revenue Bonds	3,895,000	3,425,000	2,930,000	2,405,000	1,850,000
Unamortized Discount and Issuance Costs	-	-	-	-	-
Total Governmental	3,935,090	5,639,246	5,151,163	4,545,146	3,980,689
Business-type Activities:					
Capital Leases	169,084	43,736	-	-	-
Total Business-Type Activities	169,084	43,736	-	-	-
Total Primary Government	4,104,174	5,682,982	5,151,163	4,545,146	3,980,689
Population - State Department of Finance January 1	38,075	38,401	39,032	39,694	39,977
Number of Households	23,528	23,612	23,871	24,150	24,432
Median Household Income	104,045	111,077	109,365	97,526	99,157
Percentage of Personal Income	0.17%	0.22%	0.20%	0.19%	0.16%
Debt Per Capita	108	148	132	115	100

Notes:

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

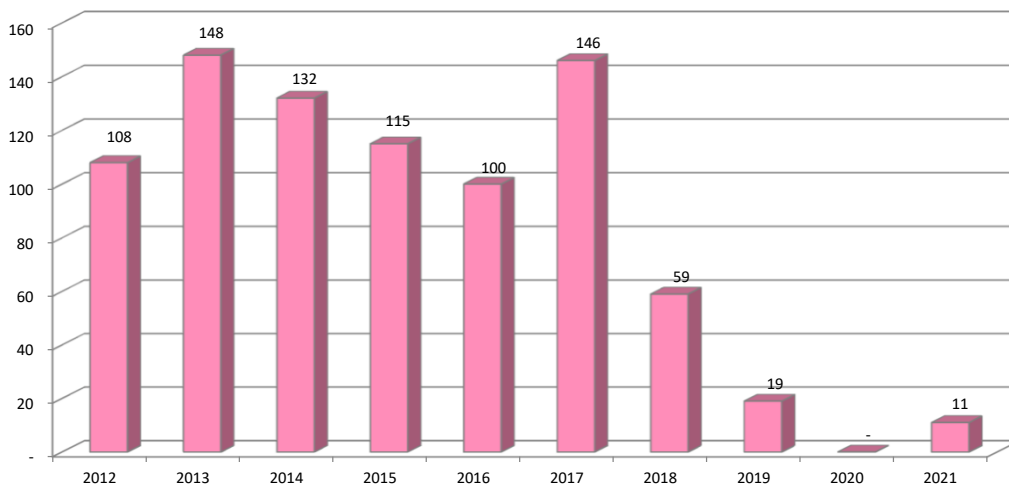
⁽²⁾ The debt service payment for the 2004 and 2011 Lease Revenue Bonds are made from Redevelopment Project Area 1 & 2 low & moderate income tax increment.

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

2017	2018	2019	2020	2021	
					Governmental Activities:
\$ -	\$ -	\$ -	\$ -	\$ -	- Reimbursement Agreement
530,163	667,035	757,971	761,790	459,275	Capital leases
628,448	-	-	-	-	- USDA Loan
1,280,221	-	-	-	-	- Provident Savings Loan
2,250,000	1,125,000	-	-	-	- 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 ⁽²⁾
-	-	-	-	-	- 2011 Local Agency Revenue Bonds ⁽²⁾
1,265,000	650,000	-	-	-	- City Hall Lease Revenue Bonds
-	-	-	-	-	- Unamortized Discount and Issuance Costs
5,953,832	2,442,035	757,971	761,790	459,275	Total Governmental
					Business-type Activities:
-	-	-	-	-	- Capital Leases
-	-	-	-	-	Total Business-Type Activities
5,953,832	2,442,035	757,971	761,790	459,275	Total Primary Government

40,677	41,204	40,389	40,660	41,247	Population - State Department of Finance January 1
24,544	24,643	24,764	24,957	25,177	Number of Households
104,749	107,447	117,802	120,097	121,816	Median Household Income
0.23%	0.09%	0.03%	0.00%	0.01%	Percentage of Personal Income
146	59	19	-	11	Debt Per Capita

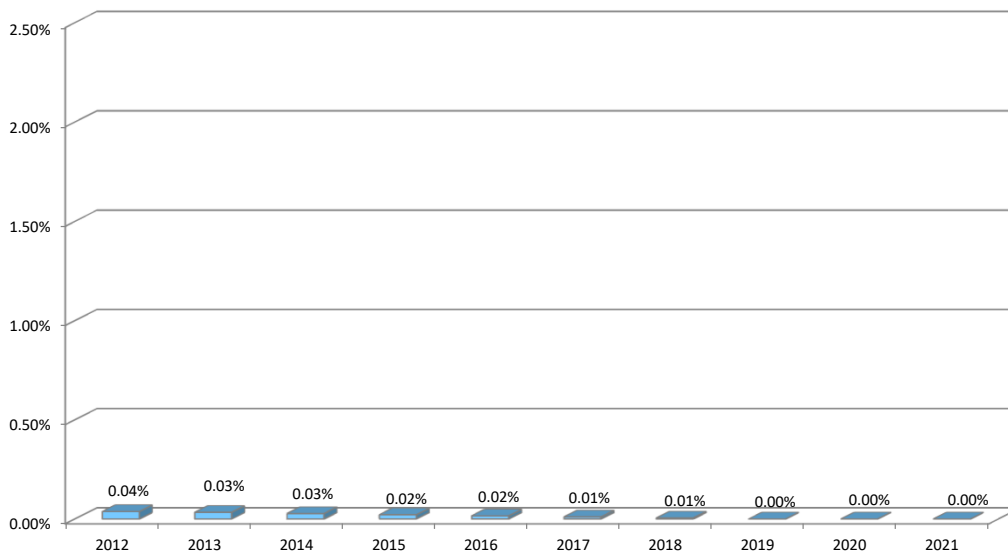
Debt Per Capita



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

Fiscal Year Ended June 30,	Outstanding General Bonded Debt ⁽¹⁾				Percent of Assessed Value ⁽²⁾	Per Median Household Income
	City Hall Lease Obligation	Local Agency Bonds	Tax Allocation Bonds	Total		
2012	3,895,000	-	-	3,895,000	0.04%	37
2013	3,425,000	-	-	3,425,000	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
2019	-	-	-	-	0.00%	-
2020	-	-	-	-	0.00%	-
2021	-	-	-	-	0.00%	-

General Bonded Debt as a Percent of Assessed Value



Notes:

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

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

Direct and Overlapping Debt
June 30, 2020
(in dollars)

Total Assessed Valuation ⁽¹⁾ \$ 14,407,036,558

	Percentage Applicable ⁽²⁾	Outstanding Debt 6/30/21	Estimated Share of Overlapping Debt
Overlapping Debt ⁽³⁾			
Overlapping Tax and Assessment Debt			
Desert Community College District	16.31%	\$ 392,435,000	\$ 64,025,770
Coachella Valley Unified School District	50.36%	235,623,166	118,662,183
Desert Sands Unified School District (DSUSD)	19.96%	410,450,000	81,934,029
DSUSD Community Facilities District No. 1	88.91%	695,000	617,938
Coachella Valley Water District Assessment Districts	86.46%	945,000	817,000
Total Overlapping Tax and Assessment Debt			<u>266,056,920</u>
Overlapping General Fund Debt			
Riverside County General Fund Obligations	4.60%	717,525,698	33,006,182
Riverside County Pension Obligations	4.60%	881,575,000	40,552,450
Coachella Valley Unified School District Certificates of Participation (COP)	50.36%	34,505,000	17,377,063
Desert Sands Unified School District COP	19.96%	24,960,000	4,982,515
Total Overlapping General Fund Debt			<u>95,918,210</u>
Overlapping Tax Increment Debt			
Successor Agencies	62.15%	509,578,028	316,727,989
Total Overlapping Tax Increment Debt			
Total Gross Overlapping Debt			<u>678,703,119</u>
Less: Riverside County Supported Obligations			-
Total Net Overlapping Debt			<u>678,703,119</u>
Direct General Fund Debt			
City of La Quinta General Fund Obligations		\$ 459,275	459,275
Total Direct General Fund Debt			<u>459,275</u>
Total Net Combined Direct and Overlapping Debt			<u>\$ 679,162,394</u>

Notes:

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

⁽²⁾ 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.

⁽³⁾ 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				
	2012	2013	2014	2015	2016
Assessed valuation ⁽¹⁾	\$ 10,331,431,958	\$ 10,274,998,112	\$ 10,726,752,603	\$ 11,369,346,292	\$ 11,930,906,878
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation ⁽²⁾	2,582,857,990	2,568,749,528	2,681,688,151	2,842,336,573	2,982,726,720
Debt limit percentage ⁽²⁾	15%	15%	15%	15%	15%
Debt limit	387,428,698	385,312,429	402,253,223	426,350,486	447,409,008
Total net debt applicable to limit General obligation bonds ⁽³⁾	-	-	-	-	-
Legal debt margin	\$ 387,428,698	\$ 385,312,429	\$ 402,253,223	\$ 426,350,486	\$ 447,409,008
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

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

⁽²⁾ Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of the gross assessed valuation or property. However, this provision was enacted when assessed valuation was based on 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State. This is the equivalent of 3.75% of the full assessed value.

⁽³⁾ The City of La Quinta has no general bonded indebtedness.

TABLE 17

2017	2018	2019	2020	2021	
\$ 12,457,435,999	\$ 12,867,519,997	\$ 13,351,737,881	\$ 13,980,319,465	\$ 14,359,765,558	Assessed valuation ⁽¹⁾
25%	25%	25%	25%	25%	
3,114,359,000	3,216,879,999	3,337,934,470	3,495,079,866	3,589,941,390	
15%	15%	15%	15%	15%	Debt limit percentage ⁽²⁾
467,153,850	482,532,000	500,690,171	524,261,980	538,491,208	Debt limit
-	-	-	-	-	Total net debt applicable to limit General obligation bonds ⁽³⁾
\$ 467,153,850	\$ 482,532,000	\$ 500,690,171	\$ 524,261,980	\$ 538,491,208	Legal debt margin
0.0%	0.0%	0.0%	0.0%	0.0%	Total debt applicable to the limit as a percentage of debt limit

Pledged-Revenue Coverage ⁽¹⁾
Last Ten Fiscal Years
(in dollars)

Fiscal Year Ended June 30,	Local Agency Revenue Bonds (City Hall Project)						Coverage Ratio ⁽³⁾
	Lease Revenue ⁽²⁾	Less Other Debt Payments	Net Lease Revenue	Debt Service			
				Principal	Interest		
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	
2019	668,038	-	668,038	650,000	18,038	1.00	
2020	-	-	-	-	-	-	
2021	-	-	-	-	-	-	

Notes:

⁽¹⁾ Details regarding the city's outstanding debt can be found in the notes to the financial statements. The City of La Quinta has no general bonded indebtedness.

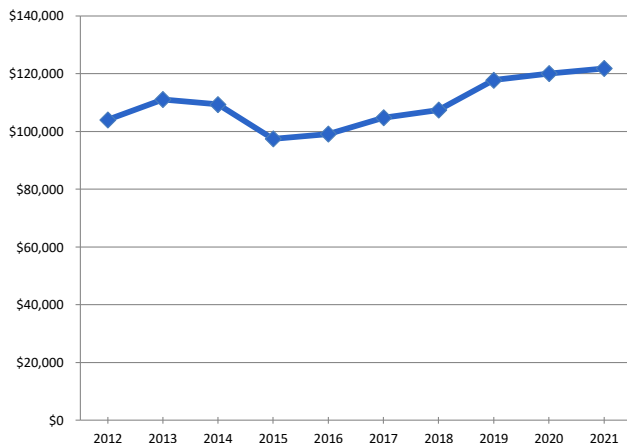
⁽²⁾ Lease revenues consist of payments from the City General Fund and Civic Center Development Impact Fee Fund.

⁽³⁾ 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) .

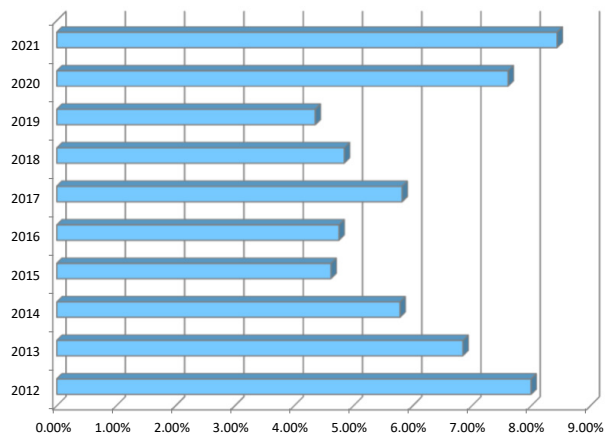
**Demographic and Economic Statistics
Last Ten Calendar Years**

	Sources	Calendar Year									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Land (Sq Miles)	(3)	35.16	35.16	35.16	35.71	35.71	35.71	35.71	35.71	35.71	35.71
Population	(1)(3)	38,199	38,261	38,689	39,240	39,769	40,065	40,217	40,389	40,660	41,247
Mean Household Income (in dollars)	(4)	\$104,045	\$111,077	\$109,365	\$97,526	\$99,157	\$104,749	\$107,447	\$117,802	\$120,097	\$121,816
Number of Dwelling Units	(1)	23,585	23,612	23,871	24,150	24,432	24,544	24,643	24,764	24,957	25,177
Persons per Household	(1)	2.56	2.58	2.59	2.60	2.62	2.64	2.63	2.68	2.60	2.60
Per Capita Income	(3)	\$40,722	\$43,053	\$42,226	\$37,510	\$37,846	\$39,288	\$39,999	\$42,931	\$46,248	\$47,986
Labor Force	(2)	16,350	16,658	16,983	17,483	18,033	18,617	18,917	19,142	19,267	19,083
Employment	(2)	15,042	15,517	16,000	16,675	17,175	17,533	18,000	18,308	17,800	17,483
Unemployment Rate	(2)	8.00%	6.85%	5.79%	4.62%	4.76%	5.82%	4.85%	4.36%	7.61%	8.44%
Median age	(3)	42.8	43.6	44.8	45.1	45.3	45.7	46	46.4	47.1	47.9

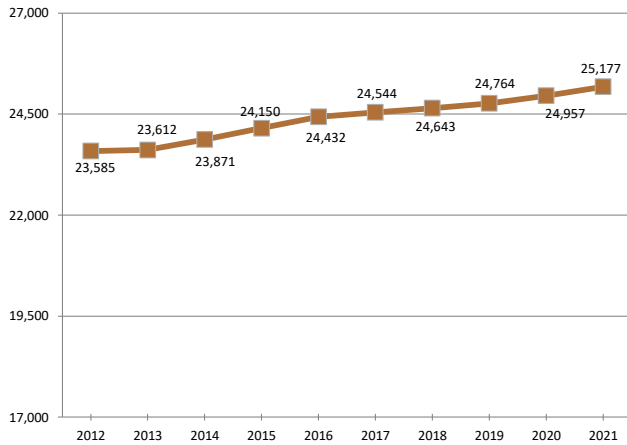
Mean Household Income



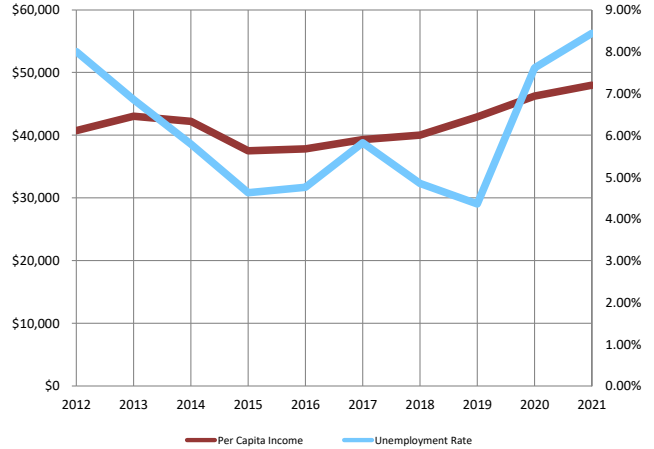
Unemployment Rate



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, Sacramento, California, released May 1, 2021. Data for all 10 years updated to match current DOF numbers.
- (2) State of California Employment Development Department Website. Previous years' data updated in 2018/19 to utilize 12-month average and final numbers. Rise in average unemployment rate for 2019/20 was due to double digit unemployment at end of fiscal year due to the Coronavirus pandemic.
- (3) H&L, Coren & Cone
- (4) Mean Household Income from US Census Bureau report Table S1901. 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 2020-21			Fiscal Year 2011-12		
		Rank	Number of Employees	Percent of Total Employment	Rank	Number of Employees	Percent of Total Employment
Desert Sands Unified School District	Government	1	2,564	13.44%	2	968	7.28%
La Quinta Resort & Club/ PGA West ⁽¹⁾	Hotel & Golf Resort	2	1,412	7.40%	1	1,211	9.11%
Wal-Mart Super Center	Retailer	3	300	1.57%	3	367	2.76%
Costco	Retailer	4	297	1.56%	4	234	1.76%
Home Depot	Retailer	5	230	1.21%	5	165	1.24%
Target	Retailer	6	180	0.94%		-	0.00%
Imperial Irrigation District	Utility Company	7	133	0.70%		-	0.00%
Lowe's Home Improvement	Retailer	8	110	0.58%	7	145	1.09%
Vons	Grocery Store	9	101	0.53%			0.00%
Stater Bros	Grocery Store	10	90	0.47%		-	0.00%
In N Out	Fast Food	11	84	0.44%		-	0.00%
Rancho La Quinta	Golf Resort	12	69	0.36%	6	152	1.14%
Hideaway	Golf Resort				8	122	0.92%
Tradition Golf Club	Golf Resort				9	101	0.76%
City of La Quinta	Government				10	89	0.67%
Total employment listed			5,570	29.19%		3,554	26.72%
Total City Employment - July 1			19,083			13,300	

Notes:

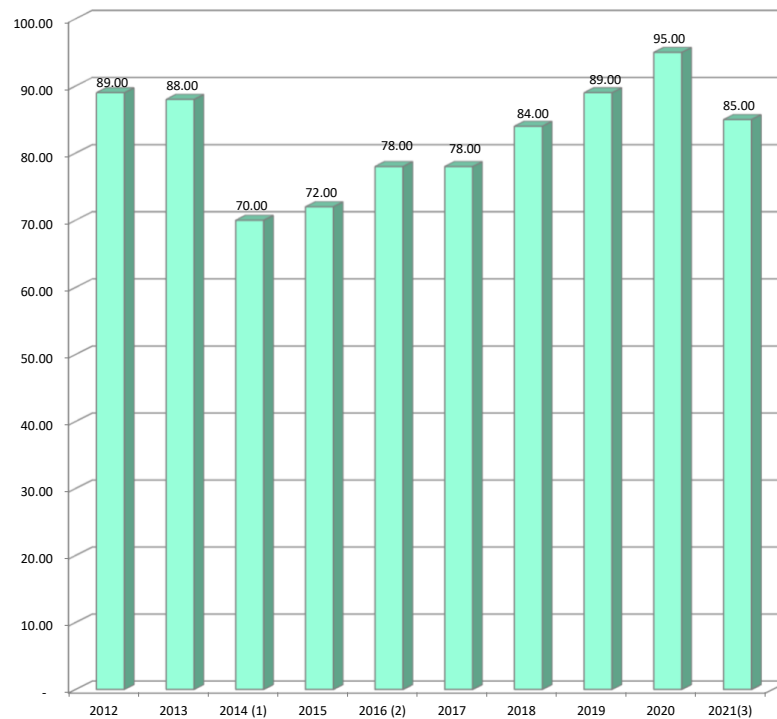
⁽¹⁾ La Quinta Resort & Club and PGA West are accounted for as one entity; as such, their employment numbers are reported together as of FY 2015-16.

Source: City of La Quinta

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

Function	Fiscal Year									
	2012	2013	2014 ⁽¹⁾	2015	2016 ⁽²⁾	2017	2018	2019	2020	2021 ⁽³⁾
Administration-City Mgr. Office	12.00	11.00	8.00	7.00	4.00	4.00	5.00	7.00	8.00	8.00
City Clerk	5.00	5.00	4.00	4.00	3.00	3.00	5.00	5.00	4.00	4.00
Finance	8.00	8.00	7.00	8.00	7.00	7.00	8.00	8.00	8.00	9.00
Community Services	10.75	10.75	12.00	11.65	-	-	-	-	-	-
Building and Safety	21.00	21.00	-	-	-	-	-	-	-	-
Planning and Development	8.00	9.00	-	-	-	-	-	-	-	-
Community Development	-	-	19.00	20.00	-	-	-	-	-	-
Public Works	24.25	23.25	20.00	21.35	-	-	-	-	-	27.00
Community Resources ^(a)	-	-	-	-	18.00	18.00	18.00	18.00	23.00	19.00
Design and Development ^(b)	-	-	-	-	27.00	27.00	29.00	32.00	33.00	18.00
Facilities ^(c)	-	-	-	-	19.00	19.00	19.00	19.00	19.00	-
Total	89.00	88.00	70.00	72.00	78.00	78.00	84.00	89.00	95.00	85.00

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:

- a) 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.
- b) 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.
- c) 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.

(3) During the FY 2020-21 the City created the Public Works Division, consisting of the Facilities Division as well as Public Works, Engineering, and Capital Improvement (which were moved out of Design & Development). In addition, there were impacts due to the novel Coronavirus pandemic that led to a reduction in workforce.

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 ⁽³⁾	2021 ⁽³⁾
Finance:										
Number of Animal Licenses Processed ⁽¹⁾	1,674	1,505	1,602	1,374	0	-	-	-	-	-
Number of Accounts Payable Checks Processed	3,766	3,576	3,696	3,833	4,153	3,835	3,621	3,879	3,855	2,998
Number of investment purchases	27	30	22	21	22	20	61	56	49	32
Par value of investments	\$ 188,782,874	\$ 164,614,769	\$ 136,323,300	\$ 128,990,447	\$ 137,594,669	\$ 139,613,063	\$ 150,117,079	\$ 163,665,838	\$ 170,194,404	\$ 187,171,960
Number of cleared checks	5,103	3,899	3,922	4,004	4,167	3,932	3,813	3,875	3,962	2,977
Number of bank wires, drafts, and EFTs ⁽⁴⁾	63	58	58	54	41	44	64	68	57	412
City Clerk:										
Contracts Processed	319	346	289	238	282	199	243	266	297	217
Documents Notarized	254	301	334	203	157	99	128	74	90	184
Documents Recorded with County	170	125	183	106	112	56	67	45	39	43
Subpoenas and Claims Processed	22	15	21	37	10	8	12	18	15	15
Records Requests Fulfilled and Recorded	518	558	601	580	518	743	572	602	633	847
Documents Scanned to Electronic Archives ⁽¹⁾	30,437	28,798	34,671	164,847	233,182	214,384	593,991	970,894	753,291	190,113
Public Works:										
Encroachment permits issued	65	124	109	127	54	123	121	140	121	138
Request for services ⁽¹⁾	534	740	1322	1,261	3,440	3,207	2,652	2,194	1,938	2,041
Community Development:										
Number of Active Business Licenses ⁽¹⁾	3,310	3,520	3,998	4,452	3,368	3,681	3,707	3,806	3,592	3,267
Permits:										
Single family Detached	39	83	147	176	108	92	142	122	218	157
Single family Attached	11	-	0	4.00	7.00	7	6	14	1	0
Residential Pool	127	162	204	255	217	170	211	243	237	337
Wall/Fence	149	167	220	328	257	209	268	223	312	244
Other	916	1,042	1,158	1,316	1,230	1,258	1,571	1,655	1,401	1,619
Garage Sale Permits ⁽¹⁾	1,430	1,404	1,255	1,290	1,109	1,024	928	959	604	351
Total Permits	2,672	2,858	2,984	3,369	2,928	2,760	3,126	3,216	2,773	2,708
Code Compliance ⁽¹⁾:										
Animal Control Incidents Handled ⁽¹⁾	4,246	3,206	1,645	1,085	0	-	-	52	42	30
Vehicle abatements	139	99	88	85	255	212	224	184	149	79
Weed abatements	106	1,404	43	45	57	114	128	80	65	53
Nuisance abatements/Property Maintenance	2,433	1,668	730	557	1,037	1,180	1,122	921	821	403
All Other ⁽²⁾	-	-	-	-	1,432	806	888	1,159	1,591	1,511
Community Services:										
Library activities:										
Number of Visits	109,000	63,955	71,874	73,924	182,913	190,747	152,725	132,947	84,042	25,950
Books checked out	275,838	220,690	329,154	263,047	234,340	254,323	250,636	241,450	122,084	63,198
Cards Issued	4,477	2,966	2,035	2,418	2,179	2,248	2,276	2,251	919	886
Number of School Children Visiting	962	737	1,539	1,562	2,947	4,680	4,528	3,303	3,708	10,221
Volunteer Hours	2,720	2,226	1,340	1,917	2,169	2,248	2,314	2,138	1,173	0
Senior Center/Wellness Center ⁽¹⁾ :										
Number of visits	16,642	9,350	11,500	23,871	62,820	74,141	87,294	82,477	41,934	4,725
Volunteer Hours	2,690	2,233	2,745	1,279	1,585	1,420	1,333	1,148	506	0
Recreation activities:										
Participants:										
Leisure Classes	2,016	1,475	1,177	1,322	2,241	2,278	2,168	2,039	864	269
Special events	36,305	5,970	5,927	6,460	8,185	7,783	10,449	12,650	4,950	390
Adult Sports	5,647	3,865	5,878	5,487	7,192	6,695	6,136	5,932	3,644	0
Golf course:										
Golf rounds played	46,949	46,352	43,610	41,904	45,104	43,085	42,590	44,949	33,407	39,073
Average Green fee	\$ 70.40	\$ 67.44	\$ 66.83	\$ 69.65	\$ 66.87	\$ 66.80	\$ 71.88	\$ 72.02	\$ 71.23	\$ 79.63
Planning and Development:										
Number of residential units approved	285	228	494	208	40	120	0	114	92	212
Commercial square footage approved	61,662	0	113,149	79,092.00	13,000	391,914	7,599	102,552	3,162	152,133

Notes:⁽¹⁾ 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.

⁽²⁾ "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.

⁽³⁾ Declines in the reported numbers for the Library, Wellness Center, and any related recreational activities are due to facility closures and restrictions as a result of the novel Coronavirus pandemic. For 2021, 'School Children Visiting' the library includes virtual storytime attendance.

⁽⁴⁾ Previously reported only wires, has been updated to include all forms of electronic payment types.

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Works:										
Streets (miles)	128	128	128	128	128	128	128	128	129	129
Bikepaths (miles) ⁽¹⁾	22	22	22	34	34	36	36	35.5	79.1	81.1
Streetlights ⁽²⁾	269	269	277	277	281	372	372	372	372	372
Traffic signals	51	52	54	54	54	54	54	54	50	50
Traffic signs	2,934	2,984	3,018	3,018	3,018	5,758	5,758	5,408	4,808	4,808
Bridges	12	12	13	13	13	13	13	13	13	13
Parks and Recreation:										
Parks ⁽³⁾	13	13	13	13	13	13	13	13	14	14
Park Acreage	218	218	218	218	218	218	218	218	-	-
Undeveloped Park Acreage	40	40	40	40	40	40	40	40	-	-
City-Owned Acres ⁽³⁾									238	238
City-Improved Acres ⁽³⁾									114	114
Hiking Trails (miles)								17	17.4	17.4
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
Public Safety:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Golf Course:										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1

Notes:

⁽¹⁾ Bike path miles were updated to include both Class I (off-street) and Class II (on-street, painted bike lanes) bicycle paths in 2015; the City has been adding Class II through various projects and the 2020 number has been updated accordingly.

⁽²⁾ 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.

⁽³⁾ In fiscal year 2019-20, the City added one public park, the SilverRock Event Site. In 2020, the City aligned reporting with the Developmental Impact Fee Study from August 2019 which identifies parks as 'City-Owned' and 'City-Improved' by acreage in Table 3.1.

Source: City of La Quinta

**Schedule of Insurance in Force
June 30, 2021**

Company Name	Policy Number	Coverage	Limits	Term	Premium
National Union Fire Insurance Alliant	15441004	Crime, Forgery, Fraud	\$1 Million	12/03/20 - 12/03/21	\$1,776
California Joint Powers Insurance Authority	Self-Insured Pool	All Risk Property Insurance Including Auto Physical Damage, Terrorism, Boiler & Machinery	\$25 Million Single Limit per Occurrence subject to other sublimits	07/01/19 - 07/01/20	\$122,912
NFP Property & Casualty Lloyds/Beazley Furloge Limited	W14D19200701	Earthquake Real & Personal Property including Contingent Tax Interruption	\$10 Million	02/07/20 to 02/07/21	\$173,602
California Joint Powers Insurance Authority	Self-Insured Pool	Comprehensive General and Automobile Liability	\$50 Million Single Limit per Occurrence	07/01/19 - 07/01/20	\$402,044
California Joint Powers Insurance Authority	Self-Insured Pool	Workers' Compensation	\$10 Million per occurrence	07/01/19 - 07/01/20	\$161,549

Source: City of La Quinta