

CITY OF
LA QUINTA

2021/22

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

La Quinta
— CALIFORNIA —



Prepared by:
Finance Department



City of La Quinta, California

Annual Comprehensive Financial Report
Year Ended June 30, 2022

Prepared By: Finance Department

INTRODUCTORY SECTION

Letter of Transmittal i
 List of Principal Officersvii
 Organizational Chartviii
 Certificate of Achievement for Excellence in Financial Reporting (GFOA).....ix

FINANCIAL SECTION

Independent Auditor’s Report 1
 Management’s Discussion and Analysis 5
 Government Wide Financial Statements
 Statement of Net Position 19
 Statement of Activities..... 21
 Government Fund Financial Statements
 Balance Sheet – Governmental Funds 23
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... 25
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 26
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities 27
 Proprietary Fund Financial Statements
 Statement of Net Position – Proprietary Funds 28
 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 29
 Statement of Cash Flows – Proprietary Funds 30
 Fiduciary Fund Financial Statements
 Statement of Fiduciary Net Position 32
 Statement of Changes in Fiduciary Net Position 33
 Notes to Financial Statements 34

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund 76
 Budgetary Comparison Schedule – Housing Authority..... 78
 Schedule of Proportionate Share of the Net Pension Liability – Miscellaneous Plan..... 79
 Schedule of Pension Plan Contributions – Miscellaneous Plan..... 80
 Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios 81
 Schedule of OPEB Contributions 82
 Note to Required Supplementary Information 83

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds 86
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
 Nonmajor Governmental Funds 92

Budgetary Comparison Schedules – Special Revenue Funds

State Gas Tax	98
Library and Museum	99
Federal Assistance	100
SLESA.....	101
Lighting and Landscaping	102
Quimby.....	103
La Quinta Public Safety Officer	104
Art in Public Places.....	105
South Coast Air Quality	106
AB 939	107
Housing Grants	108
Law Enforcement.....	109
Measure A	110
Economic Development	111
AB 1379	112
Disaster Recovery	113

Budgetary Comparison Schedules – Capital Projects Funds

Capital Improvement	114
Maintenance Facilities DIF Fund.....	115
Infrastructure	116
Civic Center.....	117
Transportation.....	118
Parks and Recreation	119
Library Development	120
Community Center.....	121
Street Facility.....	122
Park Facility	123
Fire Facility	124

Budgetary Comparison Schedules – Debt Service Funds

Financing Authority.....	125
--------------------------	-----

Internal Service Funds

Combining Statement of Net Position	127
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	128
Combining Statement of Cash Flows	129

Other Information

Project Status	130
----------------------	-----

STATISTICAL SECTION

Net Position by Component (Table 1).....	132
Changes in Net Position (Table 2).....	134
Changes in Net Position – Governmental Activities (Table 3).....	136
Changes in Net Position – Business-type Activities (Table 4).....	138
Fund Balances of Governmental Funds (Table 5).....	140
Changes in Fund Balances of Governmental Funds (Table 6).....	142
Tax Revenue by Source (Table 7).....	144
Top 25 Sales Tax Producers (Table 8).....	145
Top 25 Measure G Sales Tax Producers (Table 9).....	146
Taxable Sales by Category (Table 10).....	147
Assessed Value of Taxable Property (Table 11).....	149
Direct and Overlapping Property Tax Rates (Table 12).....	150
Principal Property Taxpayers (Table 13).....	151
Property Tax Levies and Collections (Table 14).....	152
Ratios of Outstanding Debt by Type (Table 15).....	153
Ratio of General Bonded Debt Outstanding (Table 16).....	155
Direct and Overlapping Debt (Table 17).....	156
Legal Debt Margin Information (Table 18).....	157
Pledged-Revenue Coverage (Table 19).....	159
Demographic and Economic Statistics (Table 20).....	160
Principal Employers (Table 21).....	161
Full-time City Employees (Table 22).....	162
Operating Indicators (Table 23).....	163
Capital Asset Statistics by Function (Table 24).....	164
Schedule of Insurance in Force (Table 25).....	165

This page intentionally left blank.

June 29, 2023

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, 2022. 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, 2022. 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 38,000, 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, as of November 2022, the unadjusted unemployment rate for La Quinta was 3.2%, which was lower than unadjusted rates for Riverside County's at 4.2% and the statewide average of 4.1%. Current unemployment rates are greatly impacted by the continuing gains in jobs in the Leisure & Hospitality sectors, specifically in recreational activities and dining.

The City's dominant industries are tourism, recreation, and retail, with the following being major employers: Desert Sands Unified School District, La Quinta Resort and Club, Wal-Mart Super Center, Costco, Home Depot, Lowe's Home Improvement, Imperial Irrigation District, and Target.

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 2021/22 included a new Panera drive-thru, Art Major, El Patio restaurant, Jamba Juice, Sub Rosa Apothecary, and WDC Kitchen & Bath along the Highway 111 corridor; Crumbl Cookies, Slice Italia, and Michelle's Denim and Swim in the Washington Park Center; Yes Please restaurant in Old Town La Quinta; and Beautiful Day restaurant in the La Quinta Village shopping center.

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 and investments in technology.

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 2021/22, the General Fund's overall fund balance increased by almost \$23.5 million when compared to the ending balance in 2020/21, mainly due to revenue increases surpassing budget projections in areas such as transient occupancy taxes and sales tax and the Dune Palms Bridge project advance funding. As of June 30, 2022, 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 2022 the City Council adopted a balanced budget without the use of reserves for fiscal year 2022/23. The adopted budget had operating revenues exceeding expenses by \$316,826. The 2022/23 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 Coral Mountain, Centre at La Quinta, Desert Club Apartments, PGA West, Rancho Santana, Stone Creek, Point Happy Homes, Palo Verde, and Diamante and commercial developments include luxury Montage and lifestyle Pendry hotels, Pavilion Palms, The Peak and Caleo Bay Park mixed-use development.

Approved housing developments on the horizon include Estate Collection at Coral Mountain, Estates at Griffin Lake, Jefferson Street Apartments, Andalusia, and Griffin Ranch.

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. The City recently acquired vacant property on the north side of Highway 111, which is anticipated to be developed as a mixed-use project with commercial and residential components furthering the City's goals of fostering mixed-use development, affordable housing, multi-modal transportation, and the development of the Highway 111 corridor.

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, 2021. This was the twenty-fifth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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.

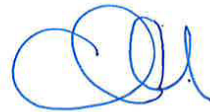
We would like to express our appreciation to the City Council and the Financial Advisory Commission for their ongoing oversight of the financial affairs of the City and their prudent fiscal, economic, and land use policy and direction. We also thank City staff with special

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, 2022

CITY COUNCIL

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

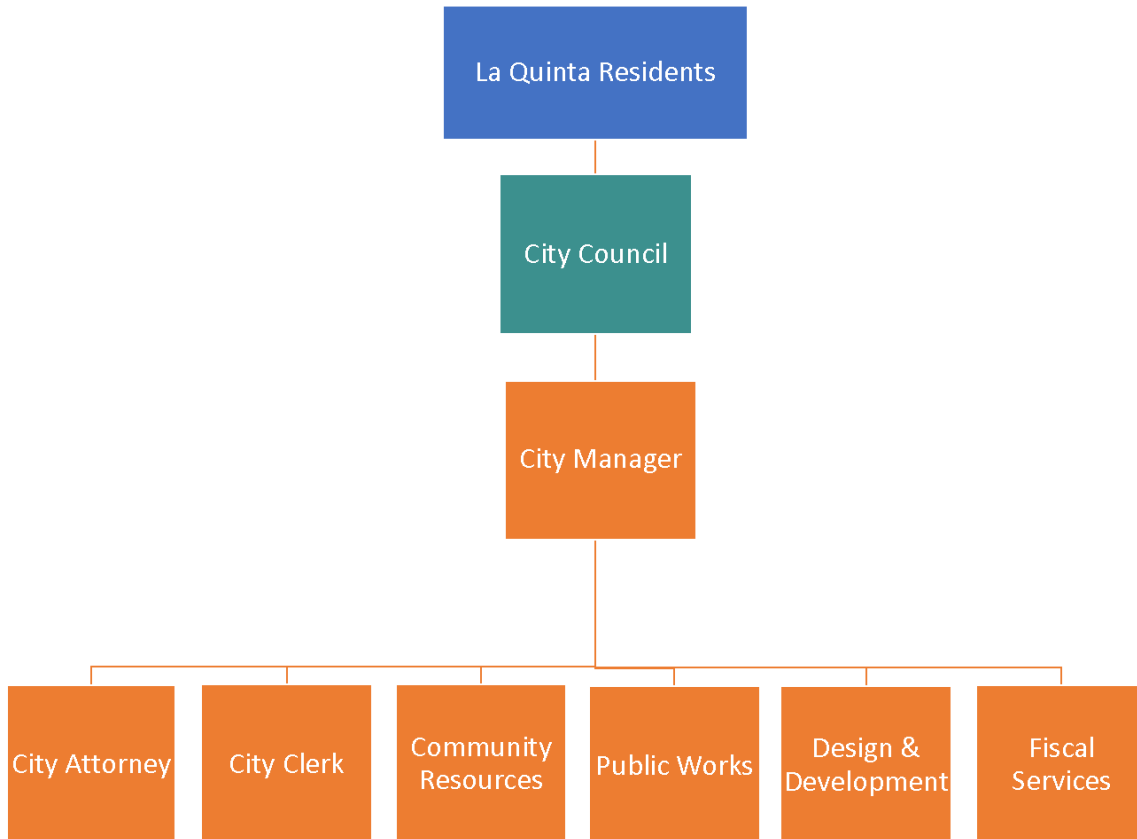
ADMINISTRATION

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, Business Unit/Housing Development Director
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

This page intentionally left blank.



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities, business-type activities, and the Golf Course fund net position and the General fund's fund balance as of July 1, 2021, to restate beginning net position and fund balance. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note 18 to the financial statements, certain errors resulting in a misstatement of amounts previously reported for Governmental Activities Capital Assets and the Private-Purpose Trust Fund Successor Agency of the former RDA bond payments as of June 30, 2021, were discovered during the current year. Accordingly, a restatement has been made to the Governmental Activities and the Private-Purpose Trust Fund Successor Agency of the former RDA net position as of June 30, 2021, to correct the error. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, the statistical sections and the Project Status: Highway 111 Bridge Funding but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, 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 29, 2023

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, 2022. 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 2021/22 (June 30, 2022):

- The total assets and deferred outflows of the City exceeded its total liabilities and deferred inflows at the close of the fiscal year 2021/22 by \$806,256,000 (*net position*). Of this amount, \$191,655,000 (*unrestricted net position*) may be used to meet ongoing obligations and approximately \$560,189,000 or 69% was invested in capital assets and is not available to meet ongoing obligations.
- Governmental activities total net position increased by \$29,585,000 and the Business-Type total net position increased by \$442,000 which is attributable to the SilverRock Golf Course.
- Governmental funds (General Fund, Housing Authority, Capital Improvement Fund, seventeen (17) non-major special revenue funds, ten (10) non-major capital projects funds, and one (1) non-major debt service fund) had a combined ending fund balance of \$217,122,000, an increase of \$31,275,000. The increase in fund balance can be attributed to taxes, including sales tax and transient occupancy tax, exceeding the original budget projections by \$17,053,000 coupled with expenditures savings from the original budget projections in the General Fund totaling \$3,269,000, and an increase of \$17,317,000 in Assigned fund balance primarily due to the Dune Palms Bridge Project advance funding.
- The unassigned General Fund balance comprised \$33,893,000, or 20%, of the total \$165,907,000 balance and represented 38% of total final General Fund budgeted expenses including transfers and multi-year capital projects.
- Total governmental activities debt decreased by \$6,951,000 from \$15,790,000 to \$8,839,000. This decrease is largely attributed to a decrease of \$6,811,000 in the City's net pension liability. (Note 9)

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, planning and 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 thirty-one (31) 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-eight (28) 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, internal service funds, and agency funds. The non-major governmental funds' combining statements are presented immediately following the Required Supplementary Information while the combined statements for the internal service funds and agency funds are presented following the budgetary comparison schedules for the debt service funds.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$806,256,000 at the close of the 2021/22, which is \$30,027,000 more than the previous year. Increases were reflected in restricted and unrestricted net position for governmental activities.

The largest portion of the City's Net Position (\$566,261,000 or 73% for 2020/21 and \$560,189,000 or 69% for 2021/22) 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		
	2021 As Restated	2022	% Change	2021 As Restated	2022	% Change	2021 As Restated	2022	% Change
Current and other assets	\$ 245,702,054	\$ 281,978,427	15%	\$ 1,000,641	\$ 1,432,615	43%	\$ 246,702,695	\$ 283,411,042	15%
Capital assets	523,734,411	517,859,684	-1%	42,717,914	43,057,599	1%	566,452,325	560,917,283	-1%
Total Assets	769,436,465	799,838,111	4%	43,718,555	44,490,214	2%	813,155,020	844,328,325	4%
Deferred outflows of resources	4,373,009	6,456,532	48%	-	-	0%	4,373,009	6,456,532	48%
Current liabilities	22,278,089	25,399,471	14%	631,891	961,618	52%	22,909,980	26,361,089	15%
Non-current liabilities	16,203,540	8,838,729	-45%	-	-	0%	16,203,540	8,838,729	-45%
Total Liabilities	38,481,629	34,238,200	-11%	631,891	961,618	52%	39,113,520	35,199,818	-10%
Deferred inflows of resources	2,185,278	9,328,726	327%	-	-	0%	2,185,278	9,328,726	327%
Net Position:									
Net investment in capital assets	523,543,336	517,697,036	-1%	42,717,914	42,491,762	-1%	566,261,250	560,188,798	-1%
Restricted	46,711,801	54,412,358	16%	-	-	0%	46,711,801	54,412,358	16%
Unrestricted	162,887,430	190,618,323	17%	368,750	1,036,834	181%	163,256,180	191,655,157	17%
Total Net Position	\$ 733,142,567	\$ 762,727,717	4%	\$ 43,086,664	\$ 43,528,596	1%	\$ 776,229,231	\$ 806,256,313	4%

An additional portion of the City's net position (\$54,412,000 or 7% in 2022 and \$46,712,000 or 6% in 2021) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$191,655,000 (24%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2021/22, 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 \$29,585,000 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		
	2021 As Restated	2022	Change	2021 As Restated	2022	Change	2021 As Restated	2022	Change
PROGRAM REVENUES:									
Charges for Services	\$ 4,705,011	\$ 6,883,385	\$ 2,178,374	\$ 3,509,096	\$ 4,679,163	\$ 1,170,067	\$ 8,214,107	\$ 11,562,548	\$ 3,348,441
Operating Grants and Contributions	4,413,523	5,786,773	1,373,250	-	-	-	4,413,523	5,786,773	1,373,250
Capital Grants and Contributions	15,770,048	11,952,031	(3,818,017)	-	-	-	15,770,048	11,952,031	(3,818,017)
GENERAL REVENUES & TRANSFERS									
Property Taxes	16,893,629	17,823,858	930,229	-	-	-	16,893,629	17,823,858	930,229
Other Taxes	39,178,741	50,610,128	11,431,387	-	-	-	39,178,741	50,610,128	11,431,387
Investment Income	1,427,664	219,164	(1,208,500)	13,081	4,329	(8,752)	1,440,745	223,493	(1,217,252)
Net Decrease in Fair Value of Investments	-	(5,727,183)	(5,727,183)	-	(45,279)	(45,279)	-	(5,772,462)	(5,772,462)
Motor Vehicle In Lieu	4,376,455	4,663,327	286,872	-	-	-	4,376,455	4,663,327	286,872
Miscellaneous	5,797,947	943,160	(4,854,787)	-	-	-	5,797,947	943,160	(4,854,787)
TOTAL REVENUES	92,563,018	93,154,643	591,625	3,522,177	4,638,213	1,116,036	96,085,195	97,792,856	1,707,661
EXPENSES:									
General Government	8,106,209	9,733,224	1,627,015	-	-	-	8,106,209	9,733,224	1,627,015
Public Safety	24,429,310	25,741,782	1,312,472	-	-	-	24,429,310	25,741,782	1,312,472
Planning & Development	6,508,522	4,716,745	(1,791,777)	-	-	-	6,508,522	4,716,745	(1,791,777)
Community Services	6,958,234	8,439,863	1,481,629	-	-	-	6,958,234	8,439,863	1,481,629
Public Works	11,438,197	14,985,480	3,547,283	-	-	-	11,438,197	14,985,480	3,547,283
Interest on Long-Term Debt	42,081	11,914	(30,167)	-	-	-	42,081	11,914	(30,167)
Golf Course	-	-	-	4,169,286	4,746,281	576,995	4,169,286	4,746,281	576,995
TOTAL EXPENSES	57,482,553	63,629,008	6,146,455	4,169,286	4,746,281	576,995	61,651,839	68,375,289	6,723,450
Excess or Deficiency before Transfers & Extraordinary Items	35,080,465	29,525,635	(5,554,830)	(647,109)	(108,068)	539,041	34,433,356	29,417,567	(5,015,789)
TRANSFERS & EXTRAORDINARY ITEMS:									
Extraordinary Gain on Dissolution of RDP	739,933	609,515	(130,418)	-	-	-	739,933	609,515	(130,418)
Transfers	(875,000)	(550,000)	325,000	875,000	550,000	(325,000)	-	-	-
Increase in Net Position	34,945,398	29,585,150	(5,360,248)	227,891	441,932	214,041	35,173,289	30,027,082	(5,146,207)
Net Position - Beginning	698,197,169	733,142,567	34,945,398	42,858,773	43,086,664	227,891	741,055,942	776,229,231	35,173,289
NET POSITION - ENDING	\$ 733,142,567	\$ 762,727,717	\$ 29,585,150	\$ 43,086,664	\$ 43,528,596	\$ 441,932	\$ 776,229,231	\$ 806,256,313	\$ 30,027,082

Governmental revenues overall increased by \$592,000 with the largest increase of \$11,431,000 being other taxes (the majority of this increase includes transient occupancy taxes and sales tax combined) followed by an increase of \$2,178,000 in charges for services attributed to increased building activity, and \$1,373,000 in operating grants and contributions. These increases were offset by decreases totaling \$5,727,000, \$4,855,000 and \$3,818,000 for fair value of investments, miscellaneous revenues and capital grants and contributions, respectively.

Expenses for Governmental Activities increased by \$6,146,000 (an 11% increase when compared to 2020/21). The \$3,547,000 increase in Public Works reflects multiple projects previously delayed, now in the construction phase during 2021/22. A decrease in Planning & Development \$1,792,000 was the result of reduced programs such as the Small Business relief programs offered during the pandemic. As noted earlier Governmental Activities include 31 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 \$550,000 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 seventeenth 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 \$4,679,000, \$1,170,000 higher than the previous year, with golf course expenses of \$4,746,000, which were \$577,000 or approximately 14% more than the previous year.

In 2021/22, the General Fund transferred \$550,000 to the SilverRock Golf Fund to support operations. After this transfer, the net position increased by \$442,000.

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 2021/22, the City's governmental funds reported combined ending fund balances as follows:

City of La Quinta Governmental Fund Balances

Category	General Fund	Percent	All Other Funds	Percent	Total Funds	Percent
Nonspendable	\$ 27,365,989	16%	\$ 96,590	0.189%	\$ 27,462,579	13%
Restricted	10,137,888	6%	54,412,358	106%	64,550,246	30%
Committed	37,209,100	22%	-	0%	37,209,100	17%
Assigned	57,300,711	35%	-	0%	57,300,711	26%
Unassigned	33,893,325	20%	(3,293,897)	-6%	30,599,428	14%
TOTAL	\$ 165,907,013	100%	\$ 51,215,051	100%	\$ 217,122,064	100%

Governmental fund balances ended the year totaling \$217,122,000, an increase of \$31,275,000 in comparison with the prior years' ending balance of \$185,847,000. These collective fund balances include the General Fund, Housing Authority, Financing Authority, Capital Improvement Fund, and various Special Revenue funds.

Nonspendable

Nonspendable fund balance totaled \$27,463,000 or 13%; 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 \$64,550,000 or 30%; these amounts represent funds with external limitations on spending. Significant restrictions include: Section 115 trust of \$10,138,000 restricted for pension liabilities; Library and Museum totaling \$9,972,000 which represents property tax increment money that can only be used for library and museum services; Measure A funding of \$4,740,000 which can only be used for transportation; Transportation capital project fund of \$4,503,000 in developer fees that are restricted for the acquisition, construction and improvement of the City's infrastructure; and Economic Development funding of \$3,157,000 that can only be used for future economic development in the City.

Committed

\$37,210,000 (17%) 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 \$57,301,000 (26%) of the total fund balance. \$30,762,000 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 \$15,355,000 and \$11,184,000 represents funds held in trust with the County of Riverside for fire services.

Unassigned

The remaining fund balance or \$30,599,000 represents unassigned fund balances or the residual net resources after taking into consideration the other classifications. The Capital Improvement Fund accounted for \$990,000 of the negative \$3,294,000 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 2021/22, the unassigned fund balance was \$33,893,000 while total fund balance was \$165,907,000.

The General Fund balance increased by \$23,590,000 in 2021/22. Key factors were:

- A year-over-year decrease of \$2,134,000 in non-spendable is attributed the 2021/22 Redevelopment Agency loan repayment of \$2,643,000 offset by interest earnings of \$488,000 resulted in a net decrease of \$2,155,000 in Due from Other Governments. The outstanding loan balance of \$27,394,000 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 2019/20 an additional \$3,460,000 was deposited. Due to ongoing economic volatility, investment losses caused the trust to decrease by \$1,244,000.
- Committed reserves decreased by \$1,000 due to operational carryovers. All reserve categories are fully funded to current target levels and will be reevaluated during the City's Reserve Policy update.
- An increase of \$17,317,000 in assigned reserves was due to multi-year Capital Projects (\$17,331,000) and Measure G sales tax reserve (\$226,000) combined with a decrease in the fire services trust (\$240,000). 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, 2022 is \$11,184,000.
- Actual expenses were \$37,651,000 lower than the final budget of which \$31,971,000 was carried over into 2022/23 for continuing appropriations related to operations (\$1,209,000) and Capital Improvement Projects (CIP) (\$30,762,000).

Funds not being carried over are recognized as Unassigned Reserve Fund Balance in the General Fund. CIP revenue commitments 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 \$209,000 to end the year at \$24,016,000.

Capital Improvement Fund

The Capital Improvement Fund is primarily used to record the expenditures for capital projects. The fund had forty-two (42) active Capital Improvement Projects budgeted during 2021/22. The five most active projects were:

- SilverRock Infrastructure Improvements (\$2,078,000)
- La Quinta X Park (\$1,573,000)
- SilverRock Event Site (\$438,000)
- Monroe Street Pavement Rehabilitation (\$430,000)
- Fire Station No. 70 Revitalization (\$363,000)

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 \$13,574,000 between the original (\$58,804,000) and final amended budget (\$72,378,000). The category representing the largest variances is taxes which represents 80% of all General Fund revenues. Actuals for taxes includes the three largest funding sources for the City – sales taxes \$28,205,000, transient occupancy taxes (TOT) \$17,056,000, and property taxes \$9,675,000. Combined, these top three revenues account for \$54,936,000 or 87% of all taxes, resulting in a \$11,308,000 increase from the prior fiscal year primarily in sales taxes and TOT.

The Extraordinary Item includes \$488,000 to record the annual former Redevelopment Agency loan repayment interest earned in 2021/22. 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. Furthermore, 80% of the extraordinary gain is recognized in the General Fund and 20% in the Housing Authority Fund.

Expenditure appropriations and transfers out increased by \$33,778,000 between the original (\$55,163,000) and final amended budget (\$88,941,000) which included the following significant changes:

- \$13,069,000 in operational and capital improvement project carryover appropriations from prior fiscal years to 2021/22 as approved by City Council.
- \$14,936,000 from a combination of Measure G reserves and unassigned fund balance to provide advanced construction funding for the Dune Palms Road Bridge project, additional information can be found in the Other Information section.
- \$2,000,000 from unassigned fund balance to make an additional discretionary payment to pay down the City's outstanding pension obligations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2022, were \$560,917,000 (net of accumulated depreciation). This includes land, right of way, buildings and improvements, machinery and equipment, streets and bridges, construction in progress, and the right to use leased assets. Capital assets decreased by \$5,866,000 in 2021/22 primarily due to a decrease in construction in progress.

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	
	2021 As Restated	2022	2021 As Restated	2022	2021 As Restated	2022
Land	\$ 66,901,495	\$ 67,346,020	\$ 39,712,955	\$ 39,712,955	\$ 106,614,450	\$ 107,058,975
Buildings & Improvements	34,773,097	36,203,626	2,913,188	2,698,640	37,686,285	38,902,266
Equipment & Furniture	1,448,577	1,227,810	91,771	82,227	1,540,348	1,310,037
Vehicles	402,589	917,322	-	-	402,589	917,322
Software	-	-	-	-	-	-
Infrastructure	381,409,739	394,887,936	-	-	381,409,739	394,887,936
Right to use Leased Assets	295,941	157,485	644,349	563,778	940,290	721,263
Construction in Progress	38,189,785	17,119,485	-	-	38,189,785	17,119,485
TOTAL	\$ 523,421,223	\$ 517,859,684	\$ 43,362,263	\$ 43,057,599	\$ 566,783,486	\$ 560,917,283

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, 2022, was \$43,058,000, net of accumulated depreciation. The balance decrease of \$305,000 reflects accumulated depreciation expensed in 2021/22.

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

Long-Term Debt

At the end of 2021/22, the City governmental activities had total outstanding debt of \$8,838,000 which is \$6,951,058 less than the previous year. Of the total amount, \$163,000 represents leases and \$962,000 in employee compensated absences. The decrease of \$6,811,000 in the Net Pension Liability is described in Note 9 and the obligation is not reduced by the Pension Trust balance of \$10,138,000 until funds are remitted to CalPERS.

City of La Quinta Outstanding Debt

Governmental Activities			
Debt Type:	2021		2022
	As Restated		
Leases	\$	295,942	\$ 162,648
Financed Purchases		41,225	22,079
Compensated Absences		950,309	962,229
Net Pension Liability		14,502,311	7,691,773
TOTAL	\$	15,789,787	\$ 8,838,729

Additional information on long-term debt 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, California, 92253, by telephone at 760-777-7055, or by email at finance@laquintaca.gov.

City of La Quinta, California
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 197,971,033	\$ 1,109,952	\$ 199,080,985
Restricted cash and investments	10,137,888	-	10,137,888
Receivables:			
Accounts	2,135,731	-	2,135,731
Taxes	7,129,620	-	7,129,620
Notes and loans	22,685,029	-	22,685,029
Accrued interest	5,159,170	344	5,159,514
Leases	1,523,705	-	1,523,705
Prepaid costs	373,102	-	373,102
Deposits	47,964	250,000	297,964
Due from other governments	29,274,122	-	29,274,122
Inventories	-	72,319	72,319
Land held for resale	5,403,652	-	5,403,652
Net OPEB asset	137,411	-	137,411
Capital assets not being depreciated	370,322,858	39,712,955	410,035,813
Capital assets, net of depreciation	147,379,341	2,780,866	150,160,207
Right to use leased assets, net of accumulated amortization	157,485	563,778	721,263
Total assets	<u>799,838,111</u>	<u>44,490,214</u>	<u>844,328,325</u>
Deferred Outflows of Resources			
Deferred amounts related to OPEB	249,972	-	249,972
Deferred amounts related to pensions	6,206,560	-	6,206,560
Total deferred outflows of resources	<u>6,456,532</u>	<u>-</u>	<u>6,456,532</u>
Liabilities			
Accounts payable	10,125,153	359,509	10,484,662
Accrued liabilities	479,196	-	479,196
Unearned revenue	6,404,720	-	6,404,720
Deposits payable	7,098,603	35,500	7,134,103
Accrued interest	170	772	942
Due to other governments	1,291,629	-	1,291,629
Noncurrent liabilities:			
Due within one year	399,435	250,317	649,752
Due in more than one year	8,439,294	315,520	8,754,814
Total liabilities	<u>34,238,200</u>	<u>961,618</u>	<u>35,199,818</u>

This page intentionally left blank.

City of La Quinta, California
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources			
Deferred amounts related to OPEB	\$ 219,265	\$ -	\$ 219,265
Deferred amounts related to pensions	7,627,291	-	7,627,291
Deferred amounts related to leases	1,482,170	-	1,482,170
Total deferred inflows of resources	<u>9,328,726</u>	<u>-</u>	<u>9,328,726</u>
Net Position			
Net investment in capital assets	517,697,036	42,491,762	560,188,798
Restricted for:			
Planning and development projects	25,118,552	-	25,118,552
Public safety	1,073,419	-	1,073,419
Public works	7,353,021	-	7,353,021
Capital projects	6,897,057	-	6,897,057
Community services	13,970,309	-	13,970,309
Unrestricted	<u>190,618,323</u>	<u>1,036,834</u>	<u>191,655,157</u>
Total net position	<u>\$ 762,727,717</u>	<u>\$ 43,528,596</u>	<u>\$ 806,256,313</u>

City of La Quinta, California
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government				
General government	\$ 9,733,224	\$ 1,402,810	\$ 89,491	\$ 1,530
Public safety	25,741,782	648,914	28,809	167,303
Planning and development	4,716,745	1,315,760	220,366	5,224,241
Community services	8,439,863	137,769	4,420,805	-
Public works	14,985,480	3,378,132	1,027,302	6,558,957
Interest on long-term debt	11,914	-	-	-
Total governmental activities	<u>63,629,008</u>	<u>6,883,385</u>	<u>5,786,773</u>	<u>11,952,031</u>
Business-Type Activities				
Golf Course	<u>4,746,281</u>	<u>4,679,163</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 68,375,289</u>	<u>\$ 11,562,548</u>	<u>\$ 5,786,773</u>	<u>\$ 11,952,031</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

Net decrease in fair value of investments

Other

Extraordinary item

Transfers

Total General Revenues, Extraordinary Items and Transfers

Change in Net Position

Net Position at Beginning of Year, as restated

Net Position at End of Year

City of La Quinta, California
Statement of Activities
Year Ended June 30, 2022

Total Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
\$ 1,493,831	\$ (8,239,393)	\$ -	\$ (8,239,393)
845,026	(24,896,756)	-	(24,896,756)
6,760,367	2,043,622	-	2,043,622
4,558,574	(3,881,289)	-	(3,881,289)
10,964,391	(4,021,089)	-	(4,021,089)
-	(11,914)	-	(11,914)
<u>24,622,189</u>	<u>(39,006,819)</u>	<u>-</u>	<u>(39,006,819)</u>
<u>4,679,163</u>	<u>-</u>	<u>(67,118)</u>	<u>(67,118)</u>
<u>\$ 29,301,352</u>	<u>(39,006,819)</u>	<u>(67,118)</u>	<u>(39,073,937)</u>
	17,823,858	-	17,823,858
	18,365,424	-	18,365,424
	28,204,906	-	28,204,906
	2,240,468	-	2,240,468
	446,745	-	446,745
	1,352,585	-	1,352,585
	4,663,327	-	4,663,327
	219,164	4,329	223,493
	(5,727,183)	(45,279)	(5,772,462)
	943,160	-	943,160
	609,515	-	609,515
	(550,000)	550,000	-
	<u>68,591,969</u>	<u>509,050</u>	<u>69,101,019</u>
	29,585,150	441,932	30,027,082
	<u>733,142,567</u>	<u>43,086,664</u>	<u>776,229,231</u>
	<u>\$ 762,727,717</u>	<u>\$ 43,528,596</u>	<u>\$ 806,256,313</u>

City of La Quinta, California
Balance Sheet – Governmental Funds
June 30, 2022

	General	Special Revenue Fund Housing Authority	Capital Projects Fund Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 135,854,470	\$ 16,522,629	\$ 1,222,437	\$ 34,238,364	\$ 187,837,900
Restricted cash and investments	10,137,888	-	-	-	10,137,888
Receivables					
Accounts	924,921	15,754	899,368	295,688	2,135,731
Taxes	6,452,356	-	-	677,264	7,129,620
Notes and loans	-	22,685,029	-	-	22,685,029
Accrued interest	89,853	5,041,561	-	21,416	5,152,830
Leases	1,523,705	-	-	-	1,523,705
Prepaid costs	46,990	-	-	96,590	143,580
Deposits	-	47,964	-	-	47,964
Due from other governments	22,235,983	5,478,837	147,640	1,411,662	29,274,122
Due from other funds	943,965	-	-	-	943,965
Land held for resale	5,403,652	-	-	-	5,403,652
Total assets	\$ 183,613,783	\$ 49,791,774	\$ 2,269,445	\$ 36,740,984	\$ 272,415,986
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 8,095,423	\$ 71,995	\$ 905,534	\$ 887,046	\$ 9,959,998
Accrued liabilities	427,678	18,011	-	32,091	477,780
Unearned revenues	-	-	1,411,216	4,993,504	6,404,720
Deposits payable	7,072,753	25,850	-	-	7,098,603
Due to other governments	18,353	-	-	1,273,276	1,291,629
Due to other funds	-	-	-	943,965	943,965
Total liabilities	15,614,207	115,856	2,316,750	8,129,882	26,176,695
Deferred Inflows of Resources					
Unavailable revenue	610,393	25,660,061	943,167	421,436	27,635,057
Leases	1,482,170	-	-	-	1,482,170
Total Deferred Inflows of Resources	2,092,563	25,660,061	943,167	421,436	29,117,227

City of La Quinta, California
Balance Sheet – Governmental Funds
June 30, 2022

	General	Special Revenue Fund Housing Authority	Capital Projects Fund Capital Improvement	Other Governmental Funds	Total Governmental Funds
Fund Balances					
Nonspendable					
Prepaid costs	\$ 46,990	\$ -	\$ -	\$ 96,590	\$ 143,580
Land held for resale	5,403,652	-	-	-	5,403,652
Due from successor agency	21,915,347	-	-	-	21,915,347
Restricted for					
Planning and development projects	-	24,015,857	-	1,102,695	25,118,552
Public safety	-	-	-	1,073,419	1,073,419
Community services	-	-	-	13,970,309	13,970,309
Public works	-	-	-	7,353,021	7,353,021
Capital projects	-	-	-	6,897,057	6,897,057
Section 115 trust	10,137,888	-	-	-	10,137,888
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	1,209,100	-	-	-	1,209,100
Assigned for					
Public safety	11,183,821	-	-	-	11,183,821
Sales Tax Reserve	15,355,043	-	-	-	15,355,043
Capital projects	30,761,847	-	-	-	30,761,847
Unassigned	33,893,325	-	(990,472)	(2,303,425)	30,599,428
Total fund balance	165,907,013	24,015,857	(990,472)	28,189,666	217,122,064
Total liabilities, deferred inflows of resources and fund balances	\$ 183,613,783	\$ 49,791,774	\$ 2,269,445	\$ 36,740,984	\$ 272,415,986

City of La Quinta, California
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2022

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

Fund balances of governmental funds		\$ 217,122,064
Capital assets net of accumulated depreciation/amortization are not financial resources, and therefore have not been included as current financial resources in governmental fund activity		504,365,670
Net OPEB asset is not considered a current financial resource		137,411
Long-term liabilities, including leases, financed purchases, compensated absences and pension liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Leases	\$ (27,414)	
Financed purchases	(22,079)	
Compensated absences	(962,229)	
Net pension liability	<u>(7,691,773)</u>	(8,703,495)
Deferred outflows related to pensions		6,206,560
Deferred outflows related to OPEB		249,972
Deferred inflows related to pensions		(7,627,291)
Deferred inflows related to OPEB		(219,265)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities		27,635,057
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>23,561,034</u>
Net Position of Governmental Activities		<u><u>\$ 762,727,717</u></u>

City of La Quinta, California
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2022

	General	Special Revenue Fund Housing Authority	Capital Projects Fund Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 63,010,284	\$ -	\$ -	\$ 2,096,876	\$ 65,107,160
Assessments	-	-	-	969,257	969,257
Licenses and permits	4,521,449	-	-	-	4,521,449
Intergovernmental	8,636,752	-	2,121,980	5,230,403	15,989,135
Charges for services	1,623,951	-	-	-	1,623,951
Investment income (loss)	(51,519)	1,448,361	-	469,293	1,866,135
Net decrease in fair value of investments	(3,964,822)	(488,218)	-	(958,287)	(5,411,327)
Fines and forfeitures	657,589	-	-	-	657,589
Developer participation	-	-	70,916	5,513,230	5,584,146
Miscellaneous	562,810	365,484	-	42,105	970,399
Total revenues	74,996,494	1,325,627	2,192,896	13,362,877	91,877,894
Expenditures					
Current					
General government	10,515,450	-	-	1,100	10,516,550
Public safety	25,686,299	-	-	55,483	25,741,782
Planning and development	3,711,442	1,187,673	35,981	298,969	5,234,065
Community services	4,360,453	50,700	-	1,914,751	6,325,904
Public works	2,095,663	-	-	3,558,417	5,654,080
Capital outlay	739,530	-	6,374,663	53,253	7,167,446
Debt service					
Principal	10,705	-	-	-	10,705
Interest	779	-	-	11,135	11,914
Total expenditures	47,120,321	1,238,373	6,410,644	5,893,108	60,662,446
Excess (Deficiency) of Revenues over (under) Expenditures	27,876,173	87,254	(4,217,748)	7,469,769	31,215,448
Other Financing Sources (Uses)					
Transfers in	-	-	4,604,440	1,527,000	6,131,440
Transfers out	(4,773,315)	-	-	(1,908,125)	(6,681,440)
Total other financing sources (uses)	(4,773,315)	-	4,604,440	(381,125)	(550,000)
Extraordinary Item					
Successor Agency loan	487,612	121,903	-	-	609,515
Net Changes in Fund Balances	23,590,470	209,157	386,692	7,088,644	31,274,963
Fund Balances, Beginning of Year As restated	142,316,543	23,806,700	(1,377,164)	21,101,022	185,847,101
Fund Balances, End of Year	\$ 165,907,013	\$ 24,015,857	\$ (990,472)	\$ 28,189,666	\$ 217,122,064

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, 2022

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

Net changes in fund balances - total governmental funds	\$	31,274,963
<p>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 and amortization expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Purchase of capital assets recorded in governmental funds	\$	7,167,447
Expenditures classified in various functions are reclassified as capital additions		(5,074,036)
Depreciation and Amortization Expense, net of adjustments for deletions		(7,613,813)
		(5,520,402)
<p>Debt service payments for principal payments are reported as expenditures in the governmental funds, but are not reported as expenses in the statement of activities</p>		
Lease principal payments		10,705
Financed purchases payments		19,146
<p>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.</p>		
		(11,920)
<p>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.</p>		
		16,917
<p>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.</p>		
		1,841,126
<p>Revenues reported as unavailable revenue in the governmental funds are recognized as operating contributions and grants in the statement of activities.</p>		
		1,324,426
<p>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.</p>		
		630,189
Change in net position of governmental activities	\$	29,585,150

City of La Quinta, California
Statement of Net Position – Proprietary Funds
June 30, 2022

	Business-Type Activities Enterprise Funds Golf Course	Governmental Activities Internal Service Funds
Assets		
Current		
Pooled cash and investments	\$ 1,109,952	\$ 10,133,133
Receivables		
Accrued interest	344	6,340
Prepaid costs	-	229,522
Deposits	250,000	-
Inventories	72,319	-
Total current assets	1,432,615	10,368,995
Noncurrent		
Capital assets not being depreciated	39,712,955	5,904,645
Capital assets, net of depreciation	2,780,866	7,459,212
Right to use leased assets, net of accumulated amortization	563,778	130,157
Total noncurrent assets	43,057,599	13,494,014
Total assets	44,490,214	23,863,009
Liabilities		
Current		
Accounts payable	359,509	165,155
Accrued liabilities	-	1,416
Deposits payable	35,500	-
Accrued interest	772	170
Current portion of capital leases	250,317	98,772
Total current liabilities	646,098	265,513
Noncurrent Liabilities		
Long-term portion of capital leases	315,520	36,462
Total liabilities	961,618	301,975
Net Position		
Net investment in capital assets	42,491,762	13,358,780
Unrestricted	1,036,834	10,202,254
Total net position	43,528,596	23,561,034
Total liabilities and net position	\$ 44,490,214	\$ 23,863,009

City of La Quinta, California
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities Enterprise Funds Golf Course	Governmental Activities - Internal Service Funds
Operating Revenues		
Sales and service charges	\$ 4,679,163	\$ 4,333,901
Insurance recoveries	-	82,637
Total operating revenues	4,679,163	4,416,538
Operating Expenses		
Administration and general	39,934	296,351
Fuel and oil	-	122,100
Maintenance and parts	-	123,855
Contract services	4,005,260	675,979
Software and supplies	-	1,530,336
Depreciation and amortization expense	505,505	990,046
Other	183,160	-
Total operating expenses	4,733,859	3,738,667
Operating Loss	(54,696)	677,871
Nonoperating Revenues (Expenses)		
Investment income	4,329	79,631
Net decrease in fair value of investments	(45,279)	(315,854)
Miscellaneous revenues	-	187,320
Gain on disposal of capital assets	-	4,203
Interest expense	(12,422)	(2,982)
Total nonoperating revenues (expenses)	(53,372)	(47,682)
Income (Loss) Before Transfers	(108,068)	630,189
Transfers in	550,000	-
Changes in Net Position	441,932	630,189
Net Position, Beginning of the Year, as restated	43,086,664	22,930,845
Net Position at End of Year	\$ 43,528,596	\$ 23,561,034

City of La Quinta, California
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities- Enterprise Funds Golf Course	Governmental Activities- Internal Service Funds
Operating Activities		
Cash received from customers and users	\$ 4,699,093	\$ -
Cash received from interfund services provided	-	4,339,997
Cash received from insurance recoveries	-	82,637
Cash payments to suppliers for goods and services	(4,425,303)	(2,685,423)
Cash payments to employees for services	(39,934)	-
	<u>233,856</u>	<u>1,737,211</u>
Net Cash from Operating Activities		
Non-Capital Financing Activities		
Cash transfers in	550,000	-
	<u>550,000</u>	<u>-</u>
Capital and Financing Activities		
Cash paid for lease liability- principal portion	(230,784)	(122,589)
Cash paid for lease liability- interest portion	(11,650)	(2,812)
Capital contributions	-	187,320
Acquisition and construction of capital assets	(48,570)	(948,910)
Proceeds from sales of capital assets	-	4,203
	<u>(291,004)</u>	<u>(882,788)</u>
Net Cash used for Capital and Related Financing Activities		
Investing activities		
Investment loss	(41,082)	(238,752)
	<u>(41,082)</u>	<u>(238,752)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	451,770	615,671
Cash and Cash Equivalents at Beginning of Year	658,182	9,517,462
	<u>658,182</u>	<u>9,517,462</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,109,952</u>	<u>\$ 10,133,133</u>

City of La Quinta, California
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2022

	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)	\$ (54,696)	\$ 677,871
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities:		
Depreciation and amortization	505,505	990,046
Changes in		
Accounts receivable	-	6,096
Inventories	19,929	-
Prepaid costs	-	(7,599)
Accounts payable	(236,882)	70,613
Accrued liabilities	-	184
	<u>\$ 233,856</u>	<u>\$ 1,737,211</u>
Net Cash from (used for) Operating Activities		
Non Cash Capital and Related Financing Activities		
Lease liability for the acquisition of a right to use leased asset	<u>\$ (152,272)</u>	<u>\$ -</u>

City of La Quinta, California
Statement of Fiduciary Net Position
June 30, 2022

	Pension Trust Fund	Private-Purpose Trust Fund
	Supplemental Pension Plan	Successor Agency of the former RDA
Assets		
Pooled cash and investments	\$ 84,782	\$ 18,190,868
Receivables		
Notes and loans	-	987,464
Accrued interest	54	9,203
Prepaid asset	-	304,775
Due from other governments	-	1,273,276
Restricted assets		
Cash and investments with fiscal agent	-	26
Capital assets- land	-	8,631,040
Total assets	84,836	29,396,652
Deferred Outflows of Resources		
Deferred charge on refunding	-	15,766,509
Total deferred outflows of resources	-	15,766,509
Liabilities		
Accounts payable	-	25,036
Accrued interest	-	1,078,810
Long-term liabilities		
Due in one year	-	16,559,682
Due in more than one year	-	183,741,791
Total liabilities	-	201,405,319
Net Position (Deficit)		
Restricted for pensions	\$ 84,836	
Held in trust		\$ (156,242,158)

City of La Quinta, California
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

	Pension Trust Fund	Private-Purpose Trust Fund
	Supplemental Pension Plan	Successor Agency of the Former RDA
Additions		
Taxes	\$ -	\$ 20,065,372
Investment income	671	50,111
Net decrease in fair value of investments	(2,789)	(73,710)
Other revenues	5,000	59,282
Total additions	<u>2,882</u>	<u>20,101,055</u>
Deductions		
Administrative expenses	12,833	54,421
Contractual services	-	1,139,256
Interest and fiscal charges	-	1,912,072
Total deductions	<u>12,833</u>	<u>3,105,749</u>
Extraordinary Item		
Successor Agency loan principal	-	(609,515)
Changes in Net Position	(9,951)	16,385,791
Net Position/(Deficit) - Beginning of the Year, as restated	<u>94,787</u>	<u>(172,627,949)</u>
Net Position/(Deficit) - End of the Year	<u>\$ 84,836</u>	<u>\$ (156,242,158)</u>

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of La Quinta, California (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.

Lease Receivable

Lease receivable is recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

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
Right to use leased asset	Shorter of useful life or lease term

Right to use leased assets are recognized at the lease commencement date and represent City of La Quinta’s right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful lives of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 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 asset 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 9 and 11 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 19 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 asset 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 two items on the governmental fund balance sheet that qualify for reporting in this category. The first is unavailable revenues that were not received within the City's availability period. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. At the government-wide statements, this item is eliminated and recognized as revenue in the period earned since "availability" of resources is not a criteria used in government-wide statements. The second item is a deferred inflow related to leases where the City is the lessor. The deferred inflows of resources related to leases is recognized on a straight line basis as an inflow of resources (revenue) over the term of the lease. Additionally, governmental activities recorded deferred inflows of resources related to pensions and OPEB. See Notes 9 and 11 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.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the City.

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. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. As of July 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. The effect of the implementation of this standard on beginning net position is disclosed in Note 18 and the additional disclosures required by this standards are included in Notes 4 and 5.

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. 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. 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. 99 – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. The requirements of this Statement related to leases, Public-Private and Public-Public Partnerships (PPPs), and Subscription-Based Information Technology Arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has not determined the effect on the financial statements.

GASB Statement No. 100 – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has not determined the effect on the financial statements.

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City has not determined the effect on the financial statements.

Note 2 - Cash and Investments

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 199,080,985
Restricted cash and investments	10,137,888
Statement of Fiduciary Net Position	
Cash and investments	18,275,650
Cash and investments with fiscal agent	26
Total cash and investments	\$ 227,494,549

Cash and investment as of June 30, 2022, consist of the following:

Cash on hand	\$ 4,300
Deposits with financial institutions	9,710,180
Investments	217,780,069
Total cash and investments	\$ 227,494,549

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 50%-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	\$ 31,318,110	\$ 6,852,392	\$ 17,772,362	\$ 6,693,356
Federal agency securities				
Federal Farm Credit Bank	12,305,565	2,974,005	7,032,260	2,299,300
Federal National Mortgage Association	6,584,832	999,310	1,894,590	3,690,932
Federal Home Loan Mortgage Corp	5,871,006	-	929,580	4,941,426
Federal Home Loan Bank	12,795,683	-	3,151,383	9,644,300
U.S. Treasury Notes	64,252,055	42,259,095	8,696,350	13,296,610
Corporate Notes	1,850,088	997,095	396,248	456,745
Local Agency Investment Fund	34,180,264	34,180,264	-	-
CAMP	27,875,714	27,875,714	-	-
Riverside County Pool	11,183,822	11,183,822	-	-
Section 115 Trust				
Equity Mutual Funds	2,873,349	2,873,349	-	-
Fixed Income Mutual Funds	6,689,555	6,689,555	-	-
Held by Fiscal Agent				
Money Market Mutual Funds	26	26	-	-
Total	\$ 217,780,069	\$ 136,884,627	\$ 39,872,773	\$ 41,022,669

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	\$ 37,557,086	\$ -	\$ 37,557,086	\$ -	\$ -
Corporate Notes	1,850,088	852,993	-	499,680	497,415
CAMP	<u>27,875,714</u>	<u>27,875,714</u>	-	-	-
Total	<u>67,282,888</u>	<u>\$ 28,728,707</u>	<u>\$ 37,557,086</u>	<u>\$ 499,680</u>	<u>\$ 497,415</u>
<i>Exempt from Credit Risk disclosure:</i>					
U.S. Treasury Notes	64,252,055				
<i>Not rated:</i>					
Certificates of Deposit	31,318,110				
Local Agency Investment Pool	34,180,264				
Riverside County Pool	11,183,822				
Section 115 Trust:					
Equity Mutual Funds	2,873,349				
Fixed Income Mutual Funds	6,689,555				
Held by Fiscal Agent:					
Money Market Mutual Funds	<u>26</u>				
Total investments	<u>\$ 217,780,069</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	\$ 12,305,565	6%
Federal Home Loan Bank	Federal Agency Securities	12,795,683	6%

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, 2022:

	Total	Level 1	Level 2
Investments			
U.S. Treasury Notes	\$ 64,252,055	\$ 64,252,055	\$ -
Federal Agency Securities	37,557,086	-	37,557,086
Corporate Notes	1,850,088	-	1,850,088
Certificates of Deposit	31,318,110	-	31,318,110
Section 115 Trust			
Equity Mutual Funds	2,873,349	2,873,349	-
Fixed Income Mutual Funds	6,689,555	6,689,555	-
Total leveled investments	144,540,243	\$ 73,814,959	\$ 70,725,284
Investments with uncategorized inputs			
Local Agency Investment Fund	34,180,264		
CAMP	27,875,714		
Riverside County Pool	11,183,822		
Held by Fiscal Agent			
Money Market Mutual Funds	26		
Total investments	\$ 217,780,069		

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, 2022, the outstanding principal balance is \$2,035,388 and the outstanding interest is \$3,254,405.

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, 2022, the outstanding principal balance is \$20,628,343 and the outstanding interest balance is \$1,777,312.

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 \$21,298 at June 30, 2022.

Note 4 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021 As Restated	Additions	Deletions	Transfers	Balance at June 30, 2022
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 66,901,495	\$ 604,525	\$ 160,000	\$ -	67,346,020
Right of way	285,857,353	-	-	-	285,857,353
Construction-in-progress	38,189,785	6,992,340	4,574,002	(23,488,638)	17,119,485
Total capital assets, not being depreciated	<u>390,948,633</u>	<u>7,596,865</u>	<u>4,734,002</u>	<u>(23,488,638)</u>	<u>370,322,858</u>
Capital assets, being depreciated					
Buildings and improvements	74,672,282	141,884	-	3,802,065	78,616,231
Equipment and furniture	4,249,712	101,000	262,645	-	4,088,067
Vehicles	1,319,594	796,759	210,684	-	1,905,669
Infrastructure	236,137,878	59,500	870,770	19,686,573	255,013,181
Total capital assets, being depreciated	<u>316,379,466</u>	<u>1,099,143</u>	<u>1,344,099</u>	<u>23,488,638</u>	<u>339,623,148</u>
Less accumulated depreciation for					
Buildings and improvements	39,899,185	2,513,420	-	-	42,412,605
Equipment and furniture	2,801,135	321,767	262,645	-	2,860,257
Vehicles	917,005	130,164	58,822	-	988,347
Infrastructure	140,585,492	6,196,642	799,536	-	145,982,598
Total accumulated depreciation	<u>184,202,817</u>	<u>9,161,993</u>	<u>1,121,003</u>	<u>-</u>	<u>192,243,807</u>
Total capital assets, being depreciated, net	<u>132,176,649</u>	<u>(8,062,850)</u>	<u>223,096</u>	<u>23,488,638</u>	<u>147,379,341</u>
Right to use leased assets, being amortized					
Building	78,226	-	-	-	78,226
Equipment	38,118	-	-	-	38,118
Vehicles	179,597	-	-	-	179,597
Total right to use leased assets, being amortized	<u>295,941</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,941</u>
Less Accumulated Amortization for					
Building	-	33,681	-	-	33,681
Equipment	-	10,791	-	-	10,791
Vehicles	-	93,984	-	-	93,984
Total Accumulated amortization	<u>-</u>	<u>138,456</u>	<u>-</u>	<u>-</u>	<u>138,456</u>
Total right to use leased assets, being amortized, net	<u>295,941</u>	<u>(138,456)</u>	<u>-</u>	<u>-</u>	<u>157,485</u>
Total Governmental Activities	<u>\$ 523,421,223</u>	<u>\$ (604,441)</u>	<u>\$ 4,957,098</u>	<u>\$ -</u>	<u>\$ 517,859,684</u>

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

General governments	\$ 364,842
Planning and development	24,629
Community services	1,513,484
Public works	6,407,448
Internal service funds	990,046
	\$ 9,300,449

Capital asset activity for business-type activities for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021 As Restated	Additions	Deletions	Balance at June 30, 2022
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	48,570	-	1,670,293
Software	20,255	-	-	20,255
Total capital assets, being depreciated	8,278,443	48,570	-	8,327,013
Less accumulated depreciation for				
Buildings and improvements	3,723,277	214,548	-	3,937,825
Equipment and furniture	1,529,952	58,114	-	1,588,066
Software	20,255	-	-	20,255
Total accumulated depreciation	5,273,484	272,662	-	5,546,146
Total capital assets, being depreciated, net	3,004,959	(224,093)	-	2,780,866
Right to use leased assets, being amortized				
Equipment	644,349	152,272	-	796,621
Less Accumulated Amortization for				
Equipment	-	232,843	-	232,843
Total right to use leased assets, being amortized, net	644,349	(80,571)	-	563,778
Total Business-Type Activities	\$ 43,362,263	\$ (304,664)	\$ -	\$ 43,057,599

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

Golf Course	\$ 505,505
-------------	------------

Note 5 - 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, 2022:

	Balance at July 01, 2021 as, restated	Additions	Deletions	Balance June 30, 2022	Due within One year
Governmental Activities					
Compensated absences payable	\$ 950,309	\$ 962,230	\$ 950,310	\$ 962,229	\$ 268,371
Leases	295,942	-	133,294	162,648	109,536
Financed purchases	41,225	-	19,146	22,079	21,528
Net pension liability	14,502,311	-	6,810,538	7,691,773	-
	<u>\$ 15,789,787</u>	<u>\$ 962,230</u>	<u>\$ 7,913,288</u>	<u>\$ 8,838,729</u>	<u>\$ 399,435</u>

Compensated absences 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 9. A description of the City's net OPEB (asset)/liability is detailed at Note 11. A description of the City's lease activity is detailed in Note 6.

Financed Purchases

The City has entered into agreements for the purchase of copiers purchased under financing leases. Such leases require annual payments of principal and interest, with interest rates ranging from 8.47% to 9.5%, and will be fully amortized by the year 2024.

Payments under financed purchases at June 30, 2022 are:

Year Ending June 30,	Principal	Interest
2023	\$ 20,300	\$ 1,228
2024	551	-
	<u>\$ 20,851</u>	<u>\$ 1,228</u>

The following is a summary of changes in business-type activities long-term liabilities of the City for the fiscal year ended June 30, 2022:

	July 01, 2021 as, restated	Additions	Deletions	Balance June 30, 2022	Due within One year
Business- Type Activities					
Leases	\$ 644,349	\$ 152,272	\$ (230,784)	\$ 565,837	\$ 250,317

A description of the City's lease activity is detailed in Note 6.

Remaining principal and interest payments on the leases are as follows:

Government Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 109,536	\$ 1,773
2024	42,189	506
2025	10,923	78
	<u>\$ 162,648</u>	<u>\$ 2,357</u>

Business Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 250,317	\$ 11,288
2024	191,658	6,190
2025	72,564	2,820
2026	32,029	1,416
2027	19,269	241
	<u>\$ 565,837</u>	<u>\$ 21,955</u>

Note 6 - Leases

Lessee Activities

The City has entered into multiple lease agreements for buildings and equipment. The City is required to make principal and interest payments through February 2027. The lease agreements have interest rates between 1.5% to 4% based on the City's estimated incremental borrowing rate at the inception of the lease. As of June 30, 2022, the net right to use asset balance is \$721,263 and the lease liability balance is \$728,485. The current year amortization and interest expense associated with the lease activities was \$371,299 and \$16,182.

Lessor Activities

The City has accrued a receivable for three land leases. The remaining receivable for these leases was \$1,523,705 for the year ended June 30, 2022. Deferred inflows related to these leases were \$1,482,170 as of June 30, 2022. Interest revenue recognized on these leases was \$47,794 for the year ended June 30, 2022. Principal receipts of \$130,551 were recognized during the fiscal year. The interest rate on the leases was 3 percent. Final receipt is expected in fiscal year 2043.

Note 7 - Interfund Receivables and Payables

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

	Due to Other Funds Non-Major Governmental
Due from Other Funds	
General Fund	\$ 943,965

Interfund balances reflect short term borrowings for deficit cash balances at June 30, 2022.

Note 8 - Interfund Transfers

	Transfer Out		Total
	General Fund	Non-Major Governmental	
Transfers In			
Capital Improvements Fund	\$ 2,696,315	\$ 1,908,125	\$ 4,604,440
Non-major Governmental Funds	1,527,000	-	1,527,000
Golf Course Fund	550,000	-	550,000
Total	\$ 4,773,315	\$ 1,908,125	\$ 6,681,440

- a. \$2,696,315 was transferred from the General Fund to the Capital Improvement Fund to fund various capital projects.
- b. \$1,908,125 was transferred to the Capital Improvement Fund from various non-major funds to support capital project operations and expenses.
- c. \$1,527,000 was transferred from the General Fund to various non-major funds to support various administrative operations and expenses within the City.
- d. \$550,000 was transferred from the General Fund to the Golf Course Fund to subsidize operations.

Note 9 - 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, 2022 are summarized as follows:

	Tier I	Tier II	PEPRA
Hire date	Before November 1, 2012	On or After November 1, 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%	6.75%
Required employer contribution rates	12.200%	8.650%	7.590%

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 \$4,650,357 for the year ended June 30, 2022.

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

As of June 30, 2022, the City reported a liability of \$7,691,773 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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, 2020 and 2021 is as follows:

Proportion- June 30, 2020	0.13329 %
Proportion- June 30, 2021	0.14222 %
Change- Increase (Decrease)	0.00893 %

For the year ended June 30, 2022, the City recognized pension expense of \$2,809,231.

At June 30, 2022, 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	\$ 4,650,357	\$ -
Differences between expected and actual experience	862,550	-
Net difference between projected and actual earnings on pension plan investments	-	6,714,510
Change in employer's proportion	184,893	723,690
Difference between the city's contribution and proportionate share of contributions	508,760	189,091
Total	\$ 6,206,560	\$ 7,627,291

The \$4,650,357 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, 2023. 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,	
2023	\$ (1,296,832)
2024	(1,380,466)
2025	(1,538,246)
2026	(1,855,544)
Total	\$ (6,071,088)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Fund
Post-retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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>\$ 15,031,557</u>	<u>\$ 7,691,773</u>	<u>\$ 1,624,078</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 10 - 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, 2022, there was one plan member. There are no required contributions by plan members. During the 2021-2022 fiscal year the City made no contributions to fund the Supplemental Pension Savings Plan.

Note 11 - 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' \$143/month for the calendar year 2021 and \$149/month for calendar year 2022, 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, 2021, 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, 2022, the City's cash contributions to the plan including the implied subsidy were \$91,530. The City made no contributions to the CERBT trust.

Net OPEB Liability/(Asset)

Actuarial Assumptions – The net OPEB liability/(asset) in the June 30, 2021 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, 2021 valuation were based on the results of an actuarial experience study for the period.

Discount Rate

The discount rate used to measure the total OPEB liability was 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 June 30, 2022 are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021	\$ 1,815,611	\$ 1,715,041	\$ 100,570
Changes in the year			
Service cost	87,732	-	87,732
Interest	102,210	-	102,210
Differences between expected and actual experience	(1,617)	-	(1,617)
Net investment income	-	336,983	(336,983)
Employer contributions	-	89,947	(89,947)
Benefit payments	(89,947)	(89,947)	-
Administrative expense	-	(624)	624
Net changes	98,378	336,359	(237,981)
Balance at June 30, 2022	\$ 1,913,989	\$ 2,051,400	\$ (137,411)

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:

	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability/(Asset)	\$ 99,669	\$ (137,411)	\$ (335,885)

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:

	1% Decrease (5.7% decreasing to 2.8%)	Current Trend Rate (6.7% decreasing to 3.8%)	1% Increase (7.7% decreasing to 4.8%)
Net OPEB Liability/(Asset)	\$ (386,351)	\$ (137,411)	\$ 170,042

For the year ended June 30, 2022, the City recognized OPEB expense of \$74,613. At June 30, 2022, 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	\$ 91,530	\$ -
Changes in assumptions	35,344	34,886
Difference between expected and actual liability	123,098	1,451
Net difference between projected and investment earnings	-	182,928
Total	\$ 249,972	\$ 219,265

The \$91,530 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, 2023. 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,	
2023	\$ (21,643)
2024	(33,313)
2025	(30,203)
2026	(32,121)
2026	16,412
Thereafter	40,045
Total	\$ (60,823)

Note 12 - 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 members, 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, 2022 was \$10,137,888. 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 13 - 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 124 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

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 \$85,196,200. 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. The coverage will not pay for loss or damage caused by "earthquake shock" until the amount of loss or damage exceeds 5% per unit of coverage subject to a minimum deductible of \$100,000 per occurrence.

Crime Insurance – The City of La Quinta purchases crime insurance coverage from Alliant Insurance Services. 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 14 - 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, 2022, 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, 2022, 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, 2022.

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, 2022, the City has committed \$10,000,000.

Carryovers: These funds are items appropriated in a prior fiscal year that have yet to be spent. Carryovers committed to Fiscal Year 2021-2022 totaled \$1,209,100 at June 30, 2022.

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, 2022 is \$11,183,821.

Assigned to capital projects is comprised of carryover balances for capital projects. The capital project carryover balances as of June 30, 2022 are \$30,761,847. Accumulated resources related to the City’s sales tax Measure G is \$15,355,043 as of June 30, 2022.

Deficit Fund Balance

At June 30, 2022, the following funds had deficit fund balances:

Major Capital Projects Funds	
Capital Improvement	\$ (990,472)
Nonmajor Special Revenue Funds	
Quimby	(713,669)
Housing Grant	(123,215)
Disaster Reovery	(97,108)
Nonmajor Capital Projects Funds	
Library Development	(1,273,276)

Note 15 - 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, 2022, the Golf Course had a loss before transfers of \$108,068.

Note 16 - Construction Commitments

Various construction projects were in progress at June 30, 2022. 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, 2022, with an estimated cost to complete.

Project Name	Project Number	Contract Amount	Expenditures to date as of June 30, 2022	Remaining Commitments
Capital Improvement Fund				
Dune Palms Bridge Improvement	111205	\$ 18,176,565	\$ (3,168,202)	\$ 15,008,363
LQ Village Complete Streets- Road Diet Project	151603	12,567,196	(11,955,639)	611,557
La Quinta X Park	151609	4,686,639	(4,482,357)	204,282
Civic Center Campus Lake/Irrigation Conversion	201606	675,270	(152,530)	522,740
Silverrock Event Space	201608	7,304,503	(7,002,181)	302,322
Washington Street at Fred Waring Dr	201701	1,860,744	(1,739,359)	121,385
Eisenhower Retention Basin Landscape	201704	750,000	(385,987)	364,013
Ave 53 Jefferson St Roundabout	201709	2,651,617	(259,000)	2,392,617
Corporate Yard Admin Offices & Crew	201805	411,013	(55,773)	355,240
Village Art Plaza Promenade & Cultural Campus	201901	3,310,000	(60,087)	3,249,913
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	(315)	262,685
Hwy 111 Corridor Area Plan Implementation	201905	2,250,000	(464,704)	1,785,296
Citywide Catch Basin Modification	201908	250,000	-	250,000
Washington St at Ave 50/Calle Tampico	201923	195,400	(22,915)	172,485
Monroe Street Pavement Rehab (Ave 52)	202001	941,000	(473,877)	467,123
SilverRock Retention Basin Soil Stabilization	202007	437,250	(231,054)	206,196
Dune Palms Rd Pavement Rehab- Fred Waring to Miles	202101	1,021,100	(1,580)	1,019,520
Fritz Burns Park Improvements	202102	350,000	(54,172)	295,828
Citywide Striping Refresh	202104	400,000	(30,770)	369,230

Note 17 - Reimbursement Agreements

On September 9, 2014, the City entered into a sales tax sharing agreement. Under the terms of the agreement the City shall make quarterly payments of 50 percent of any sales tax generated from the business 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 business opened in December 2014. As of June 30, 2022, the City made \$360,345 in reimbursement payments to the owner leaving an outstanding balance of \$39,655.

Note 18 - Adoption of New Standard and Correction of Error

As of July 1, 2021, the City adopted GASB Statement No. 87, *Leases*. The implementation of the standard established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. Beginning net position/fund balance was restated to retroactively adopt the provisions of GASB Statement No. 87.

As part of the current year’s reconciliation of Construction in Progress (CIP) balances, the City identified an entry made in the previous year in which a CIP project was erroneously written off twice. Additionally, as part of the current year reconciliation of depreciated assets, the City identified an asset deletion that was not previously written off. In order to correct the entry, the Governmental Activities beginning net position has been restated.

As part of the current year’s testing of the Private-Purpose Trust Fund – Successor Agency of the Former RDA long term liabilities, the City identified a bond principal payment that was incorrectly recorded in the prior year. In order to correct the entry, the funds beginning net position has been restated.

	Governmental Activities	Business-Type Activities Enterprise Funds Golf Course	General Fund	Private-Purpose Trust Fund Successor Agency of the former RDA
Net Position (Deficit)/Fund Balance at July 1, 2021, as previously reported	\$ 728,802,408	\$ 43,086,664	\$ 142,316,543	\$ (171,262,948)
Recognition of right to use leased asset	295,941	644,349	-	-
Recognition of lease receivables	1,612,721	-	1,612,721	-
Recognition of lease liability	(295,941)	(644,349)	-	-
Recognition of deferred inflows of resources	(1,612,721)	-	(1,612,721)	-
Net write off of previously reported capital lease liability	104,866	-	-	-
Write off of deletions not previously written off	(42,009)	-	-	-
Recognition of CIP previously written off	4,277,302	-	-	-
Bond payment previously incorrectly recorded	-	-	-	(1,365,001)
Net Position (Deficit)/Fund Balance	<u>\$ 733,142,567</u>	<u>\$ 43,086,664</u>	<u>\$ 142,316,543</u>	<u>\$ (172,627,949)</u>

Note 19 - 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, 2012, 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	\$ 18,190,868
Cash and investments with fiscal agent	<u>26</u>
	<u><u>\$ 18,190,894</u></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, 2022 is \$987,464.

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, 2022, is \$1,273,276.

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, 2021	Additions	Deductions	Balance June 30, 2022
Deferred charge on refunding	\$ 16,891,504	\$ -	\$ 1,124,995	\$ 15,766,509

Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2022, follows:

	Restated Balance at July 1, 2021	Additions	Repayments	Balance June 30, 2022	Due within One year
Tax allocation bonds	\$ 186,295,000	\$ -	\$ 11,985,000	\$ 174,310,000	\$ 13,190,000
City loans	30,088,278	609,516	3,303,610	27,394,184	3,369,682
Unamortized premiums/ discounts	(1,413,349)	-	10,638	(1,402,711)	-
Total	\$ 214,969,929	\$ 609,516	\$ 15,299,248	\$ 200,301,473	\$ 16,559,682

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, 2022, is \$27,985,000 with an unamortized discount of \$186,173.

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>
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	1,620,000	882,845	2,502,845
2028-2032	9,020,000	3,438,433	12,458,433
2033-2037	10,085,000	1,311,415	11,396,415
2038-2040	1,290,000	63,152	1,353,152
	<u>\$ 27,985,000</u>	<u>\$ 9,736,574</u>	<u>\$ 37,721,574</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, 2022 were \$146,325,000. The principal and interest on the bonds are payable solely from the pledged tax revenues allocated to the Successor Agency from the project areas.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	12,060,000	2,072,532	14,132,532
2028-2032	63,635,000	6,794,780	70,429,780
2033-2035	23,315,000	709,725	24,024,725
	<u>\$ 146,325,000</u>	<u>\$ 18,997,671</u>	<u>\$ 165,322,671</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, 2022, principal and interest due to the City of La Quinta was \$27,394,184, 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 \$203,044,245 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 \$20,063,872 and the debt service obligation on the bonds was \$15,285,741.

Insurance

The Successor Agency of the Former Agency is covered under the insurance policy of the City of La Quinta at June 30, 2022.

Note 20 - 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, 2022 was \$14,358,699.

Note 21 - Subsequent Events

CalPERS Investment Return

In July of 2022, CalPERS announced a net investment return of negative 6.1% for fiscal year ending 2021-22. This, along with the change in the discount rate to 6.8% will negatively impact the GASB 68 Net Pension Liability in future reporting periods. As the investment pool experienced gains in fiscal year 2021 resulting in a drastically reduced liability in fiscal year 2022, the City expects the inverse to be true in fiscal year 2023 as all gains were lost in fiscal year 2022. See Note 9 for further discussion on the Net Pension Liability and details as to the timing of the actuarially driven reporting process.

Highway 111 Bridge Funding

In November 2020, Caltrans advised the City that the Highway Bridge Planning (HBP) Funding Program had been oversubscribed for FY2020/21 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.

Due to higher engineer’s estimates, the updated construction phase which includes construction, construction engineering, and contingency is estimated at \$25,370,901. The HBP Funding will ultimately contribute 88.53% or up to \$15,905,300 toward eligible (Construction Phase) costs which the City has agreed to advance. Staff and the Financial Advisory Commission (FAC) recommend using a combination of Unassigned Reserves and Measure G Reserves for this advance funding. The City anticipates these funds will be reimbursed within two to five fiscal years.

On October 18, 2022, City Council approved an additional \$4,501,803 in advanced funding from the City’s unassigned reserves. The bids received were higher than the current budget and funding made available to the project. Staff recommends awarding the project and requesting additional funds from both the Caltrans sponsored Highway Bridge (HBP) Funding Program and the Coachella Valley Association of Governments (CVAG).

Required Supplementary Information
June 30, 2022

City of La Quinta, California

This page intentionally left blank.

City of La Quinta, California
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 142,316,543	\$ 142,316,543	\$ 142,316,543	\$ -
Resources (Inflows)				
Taxes	45,957,000	58,047,000	63,010,284	4,963,284
Licenses and permits	2,252,000	3,572,000	4,521,449	949,449
Intergovernmental	8,251,100	8,099,422	8,636,752	537,330
Charges for services	876,010	876,010	1,623,951	747,941
Use of money and property	545,000	545,000	(4,016,341)	(4,561,341)
Fines and forfeitures	294,000	609,000	657,589	48,589
Miscellaneous	629,100	629,100	562,810	(66,290)
Extraordinary Item	-	-	487,612	487,612
Amounts available for appropriations	<u>201,120,753</u>	<u>214,694,075</u>	<u>217,800,649</u>	<u>3,106,574</u>
Charges to Appropriation (Outflows)				
General government				
Legislative	302,200	302,200	251,153	51,047
City manager	1,076,000	1,096,000	796,578	299,422
City attorney	696,000	796,000	370,189	425,811
Marketing	1,325,900	1,540,900	1,389,343	151,557
Human resources	376,000	411,000	269,015	141,985
City clerk	625,200	667,200	586,861	80,339
Fiscal services	1,444,100	1,444,100	1,241,161	202,939
Central services	3,155,850	5,441,850	4,776,763	665,087
The Hub customer services	986,000	1,066,000	834,387	231,613
Public safety				
Police	17,805,100	17,805,100	16,831,255	973,845
Code compliance	1,506,320	1,559,320	1,312,923	246,397
Fire	7,615,800	7,646,300	7,542,121	104,179
Planning and development				
Current planning	678,600	748,600	559,340	189,260
Public buildings	1,321,200	1,378,700	1,374,563	4,137
Building & safety	919,800	1,094,800	960,672	134,128
Administration	656,200	746,200	816,867	(70,667)
Community services				
Community services admin	808,500	888,500	661,768	226,732
Wellness center	597,900	677,900	612,277	65,623
Recreation programs/special events	908,300	1,078,300	640,734	437,566
Park maintenance	2,530,900	2,656,900	2,445,674	211,226

City of La Quinta, California
 Budgetary Comparison Schedule – General Fund
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Administration	\$ 739,900	\$ 739,900	\$ 535,839	\$ 204,061
Development services	431,200	448,200	374,998	73,202
Maintenance/operations - street	496,600	503,600	426,354	77,246
Engineering services	761,800	1,101,900	758,472	343,428
Capital outlay	505,000	1,246,322	739,530	506,792
Debt Service				
Principal	-	-	10,705	(10,705)
Interest	-	-	779	(779)
Transfers out	6,892,356	35,854,857	4,773,315	31,081,542
Total charges to appropriations	<u>55,162,726</u>	<u>88,940,649</u>	<u>51,893,636</u>	<u>37,047,013</u>
Budgetary Fund Balance, June 30	<u>\$ 145,958,027</u>	<u>\$ 125,753,426</u>	<u>\$ 165,907,013</u>	<u>\$ 40,153,587</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Housing Authority
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,806,700	\$ 23,806,700	\$ 23,806,700	\$ -
Resources (Inflows)				
Use of money and property	195,400	195,400	960,143	764,743
Extraordinary item	-	370,000	121,903	(248,097)
Miscellaneous	711,000	1,136,000	365,484	(770,516)
Amounts available for appropriations	<u>24,713,100</u>	<u>25,508,100</u>	<u>25,254,230</u>	<u>(253,870)</u>
Charges to Appropriation (Outflows)				
Planning and development	1,542,200	1,761,200	1,187,673	573,527
Community services	250,000	250,000	50,700	199,300
Total charges to appropriations	<u>1,792,200</u>	<u>2,011,200</u>	<u>1,238,373</u>	<u>772,827</u>
Budgetary Fund Balance, June 30	<u>\$ 22,920,900</u>	<u>\$ 23,496,900</u>	<u>\$ 24,015,857</u>	<u>\$ 518,957</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	2022
Proportion of the net pension liability	0.1034%	0.1260%	0.1257%	0.1272%	0.1287%	0.13134%	0.13329%	0.14222%
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	\$ 7,691,773
Covered payroll	\$ 5,421,945	\$ 5,480,758	\$ 5,569,002	\$ 5,739,416	\$ 6,064,875	\$ 6,669,204	\$ 7,066,830	\$ 6,238,425
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%	123.30%
Plan fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%	75.30%	77.73%	77.71%	90.60%

* - Fiscal year 2015 was the first year of implementation, therefore, only eight 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	2022
Actuarially determined contributions - miscellaneous	\$ 728,073	\$ 797,603	\$ 949,231	\$ 1,061,439	\$ 1,284,275	\$ 1,479,137	\$ 2,581,158	\$ 4,650,357
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>	<u>(4,650,357)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 6,580,736
Contributions as a percentage of covered payroll	13.28%	14.32%	16.54%	17.50%	19.26%	20.93%	41.38%	70.67%

* - Fiscal year 2015 was the first year of implementation, therefore, only eight 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*

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 90,827	\$ 93,438	\$ 85,174	\$ 88,219	\$ 87,732
Interest	93,346	100,177	93,071	97,183	102,210
Differences between expected and actual experience	-	71,533	-	103,495	(1,617)
Changes of assumptions	-	(44,229)	(14,219)	44,464	-
Benefit payments	(91,822)	(86,570)	(98,584)	(98,490)	(89,947)
Net Change in Total OPEB Liability	92,351	134,349	65,442	234,871	98,378
Total OPEB liability - beginning	1,288,598	1,380,949	1,515,298	1,580,740	1,815,611
Total OPEB liability - ending	<u>\$ 1,380,949</u>	<u>\$ 1,515,298</u>	<u>\$ 1,580,740</u>	<u>\$ 1,815,611</u>	<u>\$ 1,913,989</u>
Plan Fiduciary Net Position (FNP)					
Employer contributions	\$ -	\$ 1,609,970	\$ 98,584	\$ 98,490	\$ 89,947
Net investment income	-	(1,680)	106,805	88,052	336,983
Benefit payments	-	(86,570)	(98,584)	(98,490)	(89,947)
Administrative expense	-	(406)	(327)	(803)	(624)
Net Change in Plan Fiduciary Net Position	-	1,521,314	106,478	87,249	336,359
Plan Fiduciary Net Position- Beginning of Year	-	-	1,521,314	1,627,792	1,715,041
Plan Fiduciary Net Position- End of Year	<u>\$ -</u>	<u>\$ 1,521,314</u>	<u>\$ 1,627,792</u>	<u>\$ 1,715,041</u>	<u>\$ 2,051,400</u>
Net OPEB liability/(asset) - End of Year	<u>\$ 1,380,949</u>	<u>\$ (6,016)</u>	<u>\$ (47,052)</u>	<u>\$ 100,570</u>	<u>\$ (137,411)</u>
Fiduciary Net Position as a percentage of the Total OPEB Liability	0.0%	100.4%	103.0%	94.5%	107.2%
Covered-employee payroll	5,603,428	6,064,875	6,669,204	7,066,830	6,238,425
Net OPEB liability/(asset) as a percentage of covered-employee payroll	24.6%	-0.1%	-0.7%	1.4%	-2.2%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation, therefore only five years are shown.

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*

	2018	2019	2020	2021	2022
Actuarially determined contribution (ADC)	\$ 201,513	\$ 88,280	\$ 90,229	\$ 86,939	\$ 101,376
Contributions in relation to the (ADC)	<u>1,609,970</u>	<u>98,584</u>	<u>98,490</u>	<u>89,947</u>	<u>91,530</u>
Contribution deficiency (excess)	(1,408,457)	(10,304)	(8,261)	(3,008)	9,846
Covered payroll	\$ 6,064,875	\$ 6,669,204	\$ 7,066,830	\$ 6,238,425	\$ 6,580,736
Contributions as a percentage of payroll	26.5%	1.5%	1%	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, therefore only five years are shown.

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, 2022:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Administration	\$ 746,200	\$ 816,867	\$ (70,667)
Debt Service	-	11,340	(11,340)
Library and Museum			
Transfers out	-	58,295	(58,295)
South Coast Air Quality			
Planning and Development	42,500	47,298	(4,798)
Measure A			
Public Works	-	45,917	(45,917)

Supplementary Information

June 30, 2022

City of La Quinta, California

This page intentionally left blank.

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.

Housing Grant Fund – To account for housing related grants as required by outside agencies for reporting purposes.

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.

Disaster Recovery Fund – To account for the use of one-time federal funding designed to deliver relief to American workers and aid in economic recovery in the wake of COVID-19. This Act was passed by Congress in 2021, to provide Coronavirus fiscal recovery funds to state and local governments.

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, 2022

	Special Revenue Funds				
	State Gas Tax	Library and Museum	Federal Assistance	SLESA	Lighting and Landscaping
Assets					
Pooled cash and investments	\$ 1,711,782	\$ 8,902,260	\$ 2,127	\$ 378,119	\$ 683,255
Receivables					
Accounts	28,122	-	-	-	-
Taxes	140,031	-	-	-	22,581
Accrued interest	1,085	5,641	1	240	433
Prepaid costs	-	433	-	-	-
Due from other governments	63,438	1,162,201	169,546	-	-
Total assets	\$ 1,944,458	\$ 10,070,535	\$ 171,674	\$ 378,359	\$ 706,269
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 7,998	\$ 94,694	\$ -	\$ 956	\$ 77,352
Accrued liabilities	18,397	3,681	-	-	10,013
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	26,395	98,375	-	956	87,365
Deferred Inflow of Resources					
Unavailable revenues	-	-	169,546	-	-
Fund Balances					
Nonspendable					
Prepaid costs	-	433	-	-	-
Restricted for					
Planning and development projects	-	-	-	-	-
Public safety	-	-	-	377,403	-
Community services	-	9,971,727	2,128	-	-
Public works	1,918,063	-	-	-	618,904
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,918,063	9,972,160	2,128	377,403	618,904
Total liabilities and fund balances	\$ 1,944,458	\$ 10,070,535	\$ 171,674	\$ 378,359	\$ 706,269

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				
	Quimby	La Quinta Public Safety Officer	Art in Public Places	South Coast Air Quality	AB 939
Assets					
Pooled cash and investments	\$ -	\$ 50,351	\$ 833,169	\$ 44,097	\$ 848,578
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	-	32	528	28	538
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	13,566	2,911
Total assets	\$ -	\$ 50,383	\$ 833,697	\$ 57,691	\$ 852,027
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 20,707	\$ 39,451
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	713,669	-	-	-	-
Total liabilities	713,669	-	-	20,707	39,451
Deferred Inflow of Resources					
Unavailable revenues	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	-	-	-	36,984	812,576
Public safety	-	50,383	-	-	-
Community services	-	-	833,697	-	-
Public works	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	(713,669)	-	-	-	-
Total fund balances	(713,669)	50,383	833,697	36,984	812,576
Total liabilities and fund balances	\$ -	\$ 50,383	\$ 833,697	\$ 57,691	\$ 852,027

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				
	Housing Grant	Law Enforcement	Measure A	Economic Development	AB 1379
Assets					
Pooled cash and investments	\$ -	\$ 247,096	\$ 4,222,941	\$ 3,146,698	\$ 67,304
Receivables					
Accounts	-	-	-	267,566	-
Taxes	-	-	514,652	-	-
Accrued interest	-	157	2,676	1,994	43
Prepaid costs	96,157	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 96,157	\$ 247,253	\$ 4,740,269	\$ 3,416,258	\$ 67,347
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 7,509	\$ 903
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	219,372	10,924	-	-	-
Total liabilities	219,372	10,924	-	7,509	903
Deferred Inflow of Resources					
Unavailable revenues	-	-	-	251,890	-
Fund Balances					
Nonspendable					
Prepaid costs	96,157	-	-	-	-
Restricted for					
Planning and development projects	-	-	-	-	66,444
Public safety	-	236,329	-	-	-
Community services	-	-	-	3,156,859	-
Public works	-	-	4,740,269	-	-
Capital projects	-	-	-	-	-
Unassigned	(219,372)	-	-	-	-
Total fund balances	(123,215)	236,329	4,740,269	3,156,859	66,444
Total liabilities and fund balances	\$ 96,157	\$ 247,253	\$ 4,740,269	\$ 3,416,258	\$ 67,347

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds		Capital Projects Funds		
	Transportation Uniform Mitigation Fee	Disaster Recovery	Maintenance Facilities DIF	Infrastructure	Civic Center
Assets					
Pooled cash and investments					
Receivables	\$ 444,116	\$ 4,893,295	\$ 192,367	\$ 18,937	\$ 1,148,601
Accounts					
Taxes	-	-	-	-	-
Accrued interest	-	-	-	-	-
Prepaid costs	-	3,101	122	12	727
Due from other governments	-	-	-	-	-
	-	-	-	-	-
Total assets	\$ 444,116	\$ 4,896,396	\$ 192,489	\$ 18,949	\$ 1,149,328
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 437,519	\$ -	\$ 12,395	\$ -	\$ 22,798
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	4,993,504	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
	-	-	-	-	-
Total liabilities	437,519	4,993,504	12,395	-	22,798
Deferred Inflow of Resources					
Unavailable revenues	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	6,597	-	180,094	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	-
Capital projects	-	-	-	18,949	1,126,530
Unassigned	-	(97,108)	-	-	-
Total fund balances	6,597	(97,108)	180,094	18,949	1,126,530
Total liabilities and fund balances	\$ 444,116	\$ 4,896,396	\$ 192,489	\$ 18,949	\$ 1,149,328

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds				
	Transportation	Parks and Recreation	Library Development	Community Center	Street Facility
Assets					
Pooled cash and investments	\$ 4,593,409	\$ 680,496	\$ -	\$ 638,690	\$ 75,737
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	2,911	431	-	405	48
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 4,596,320</u>	<u>\$ 680,927</u>	<u>\$ -</u>	<u>\$ 639,095</u>	<u>\$ 75,785</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 92,851	\$ 6,659	\$ -	\$ 65,254	\$ -
Accrued liabilities	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other governments	-	-	1,273,276	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>92,851</u>	<u>6,659</u>	<u>1,273,276</u>	<u>65,254</u>	<u>-</u>
Deferred Inflow of Resources					
Unavailable revenues	-	-	-	-	-
Fund Balances					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	75,785
Capital projects	4,503,469	674,268	-	573,841	-
Unassigned	-	-	(1,273,276)	-	-
Total fund balances	<u>4,503,469</u>	<u>674,268</u>	<u>(1,273,276)</u>	<u>573,841</u>	<u>75,785</u>
Total liabilities and fund balances	<u>\$ 4,596,320</u>	<u>\$ 680,927</u>	<u>\$ -</u>	<u>\$ 639,095</u>	<u>\$ 75,785</u>

City of La Quinta, California
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds		Fund	Total Governmental Funds
	Park Facility	Fire Facility	Financing Authority	
Assets				
Pooled cash and investments	\$ 5,894	\$ 409,045	\$ -	\$ 34,238,364
Receivables				
Accounts	-	-	-	295,688
Taxes	-	-	-	677,264
Accrued interest	4	259	-	21,416
Prepaid costs	-	-	-	96,590
Due from other governments	-	-	-	1,411,662
Total assets	<u>\$ 5,898</u>	<u>\$ 409,304</u>	<u>\$ -</u>	<u>\$ 36,740,984</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 887,046
Accrued liabilities	-	-	-	32,091
Unearned revenues	-	-	-	4,993,504
Due to other governments	-	-	-	1,273,276
Due to other funds	-	-	-	943,965
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,129,882</u>
Deferred Inflow of Resources				
Unavailable revenues	-	-	-	421,436
Fund Balances				
Nonspendable				
Prepaid costs	-	-	-	96,590
Restricted for				
Planning and development projects	-	-	-	1,102,695
Public safety	-	409,304	-	1,073,419
Community services	5,898	-	-	13,970,309
Public works	-	-	-	7,353,021
Capital projects	-	-	-	6,897,057
Unassigned	-	-	-	(2,303,425)
Total fund balances	<u>5,898</u>	<u>409,304</u>	<u>-</u>	<u>28,189,666</u>
Total liabilities and fund balances	<u>\$ 5,898</u>	<u>\$ 409,304</u>	<u>\$ -</u>	<u>\$ 36,740,984</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds				
	State Gas Tax	Library and Museum	Federal Assistance	SLESA	Lighting and Landscaping
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	969,257
Intergovernmental	1,788,042	3,103,537	1,530	161,285	-
Investment income	12,459	70,896	(101)	2,717	3,001
Net decrease in fair value of investments	(50,768)	(275,476)	(2,857)	(11,237)	(20,209)
Developer participation	-	-	-	-	-
Miscellaneous	-	1,988	-	-	-
Total revenues	<u>1,749,733</u>	<u>2,900,945</u>	<u>(1,428)</u>	<u>152,765</u>	<u>952,049</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	40,837	-
Planning and development	-	-	-	-	-
Community services	-	1,859,934	-	-	-
Public works	1,002,825	-	1,530	-	2,108,145
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,002,825</u>	<u>1,859,934</u>	<u>1,530</u>	<u>40,837</u>	<u>2,108,145</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>746,908</u>	<u>1,041,011</u>	<u>(2,958)</u>	<u>111,928</u>	<u>(1,156,096)</u>
Other Financing Sources (Uses)					
Transfers in	190,000	-	-	-	1,285,000
Transfers out	(482,614)	(58,295)	-	-	-
Total other financing sources (uses)	<u>(292,614)</u>	<u>(58,295)</u>	<u>-</u>	<u>-</u>	<u>1,285,000</u>
Net Change in Fund Balances	454,294	982,716	(2,958)	111,928	128,904
Fund Balances, Beginning of Year	<u>1,463,769</u>	<u>8,989,444</u>	<u>5,086</u>	<u>265,475</u>	<u>490,000</u>
Fund Balances, End of Year	<u>\$ 1,918,063</u>	<u>\$ 9,972,160</u>	<u>\$ 2,128</u>	<u>\$ 377,403</u>	<u>\$ 618,904</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2022

Special Revenue Funds					
	Quimby	La Quinta Public Safety Officer	Art in Public Places	South Coast Air Quality	AB 939
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 65,870
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	52,791	69,686
Investment income	-	405	6,657	327	6,616
Net decrease in fair value of investments	-	(1,591)	(25,798)	(1,360)	(26,507)
Developer participation	-	-	158,972	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>(1,186)</u>	<u>139,831</u>	<u>51,758</u>	<u>115,665</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	47,298	109,742
Community services	-	-	54,817	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	53,253	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>108,070</u>	<u>47,298</u>	<u>109,742</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>(1,186)</u>	<u>31,761</u>	<u>4,460</u>	<u>5,923</u>
Other Financing Sources (Uses)					
Transfers in	-	2,000	50,000	-	-
Transfers out	<u>(713,669)</u>	<u>-</u>	<u>(12,678)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(713,669)</u>	<u>2,000</u>	<u>37,322</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(713,669)	814	69,083	4,460	5,923
Fund Balances, Beginning of Year	<u>-</u>	<u>49,569</u>	<u>764,614</u>	<u>32,524</u>	<u>806,653</u>
Fund Balances, End of Year	<u>\$ (713,669)</u>	<u>\$ 50,383</u>	<u>\$ 833,697</u>	<u>\$ 36,984</u>	<u>\$ 812,576</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds				
	Housing Grant	Law Enforcement	Measure A	Economic Development	AB 1379
Revenues					
Taxes	\$ -	\$ -	\$ 2,031,006	\$ -	\$ -
Assessments	-	-	-	-	-
Intergovernmental	-	34,827	-	-	18,705
Investment income	-	2,320	30,150	273,103	506
Net decrease in fair value of investments	-	(9,805)	(118,901)	(99,068)	(1,990)
Developer participation	-	-	-	-	-
Miscellaneous	-	-	40,117	-	-
Total revenues	<u>-</u>	<u>27,342</u>	<u>1,982,372</u>	<u>174,035</u>	<u>17,221</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	14,646	-	-	-
Planning and development	123,215	-	-	16,843	1,871
Community services	-	-	-	-	-
Public works	-	-	45,917	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>123,215</u>	<u>14,646</u>	<u>45,917</u>	<u>16,843</u>	<u>1,871</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(123,215)</u>	<u>12,696</u>	<u>1,936,455</u>	<u>157,192</u>	<u>15,350</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(195,415)	(395,454)	(50,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(195,415)</u>	<u>(395,454)</u>	<u>(50,000)</u>	<u>-</u>
Net Change in Fund Balances	(123,215)	(182,719)	1,541,001	107,192	15,350
Fund Balances, Beginning of Year	-	419,048	3,199,268	3,049,667	51,094
Fund Balances, End of Year	<u>\$ (123,215)</u>	<u>\$ 236,329</u>	<u>\$ 4,740,269</u>	<u>\$ 3,156,859</u>	<u>\$ 66,444</u>

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue Funds		Capital Projects Funds		
	Transportation Uniform Mitigation Fee	Disaster Recovery	Maintenance Facilities DIF	Infrastructure	Civic Center
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	-	11,120	1,035	156	7,028
Net decrease in fair value of investments	(860)	(108,228)	(4,708)	(606)	(30,211)
Developer participation	-	-	136,752	-	651,093
Miscellaneous	-	-	-	-	-
Total revenues	(860)	(97,108)	133,079	(450)	627,910
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	(860)	(97,108)	133,079	(450)	627,910
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	(860)	(97,108)	133,079	(450)	627,910
Fund Balances, Beginning of Year	7,457	-	47,015	19,399	498,620
Fund Balances, End of Year	\$ 6,597	\$ (97,108)	\$ 180,094	\$ 18,949	\$ 1,126,530

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Capital Projects Funds				
	Transportation	Parks and Recreation	Library Development	Community Center	Street Facility
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	29,072	3,596	192	3,732	575
Net decrease in fair value of investments	(123,443)	(15,051)	-	(16,385)	(2,092)
Developer participation	2,731,351	1,032,032	196,456	352,108	34,015
Miscellaneous	-	-	-	-	-
Total revenues	2,636,980	1,020,577	196,648	339,455	32,498
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	400,000	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	11,135	-	-
Total expenditures	400,000	-	11,135	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	2,236,980	1,020,577	185,513	339,455	32,498
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	2,236,980	1,020,577	185,513	339,455	32,498
Fund Balances, Beginning of Year	2,266,489	(346,309)	(1,458,789)	234,386	43,287
Fund Balances, End of Year	\$ 4,503,469	\$ 674,268	\$ (1,273,276)	\$ 573,841	\$ 75,785

City of La Quinta, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Capital Projects Funds		Debt Service Fund	Total Governmental Funds
	Park Facility	Fire Facility	Financing Authority	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 2,096,876
Assessments	-	-	-	969,257
Intergovernmental	-	-	-	5,230,403
Investment income	50	2,581	1,100	469,293
Net decrease in fair value of investments	(188)	(10,948)	-	(958,287)
Developer participation	40	220,411	-	5,513,230
Miscellaneous	-	-	-	42,105
Total revenues	<u>(98)</u>	<u>212,044</u>	<u>1,100</u>	<u>13,362,877</u>
Expenditures				
Current				
General government	-	-	1,100	1,100
Public safety	-	-	-	55,483
Planning and development	-	-	-	298,969
Community services	-	-	-	1,914,751
Public works	-	-	-	3,558,417
Capital outlay	-	-	-	53,253
Debt service				
Interest and fiscal charges	-	-	-	11,135
Total expenditures	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>5,893,108</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(98)</u>	<u>212,044</u>	<u>-</u>	<u>7,469,769</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,527,000
Transfers out	-	-	-	(1,908,125)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(381,125)</u>
Net Change in Fund Balances	(98)	212,044	-	7,088,644
Fund Balances, Beginning of Year	5,996	197,260	-	21,101,022
Fund Balances, End of Year	<u>\$ 5,898</u>	<u>\$ 409,304</u>	<u>\$ -</u>	<u>\$ 28,189,666</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 State Gas Tax
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,463,769	\$ 1,463,769	\$ 1,463,769	\$ -
Resources (Inflows)				
Intergovernmental	1,766,880	1,766,880	1,788,042	21,162
Use of money and property	9,000	9,000	(38,309)	(47,309)
Transfers in	190,000	190,000	190,000	-
Amounts available for appropriations	<u>3,429,649</u>	<u>3,429,649</u>	<u>3,403,502</u>	<u>(26,147)</u>
Charges to Appropriation (Outflows)				
Public works	1,226,400	1,276,400	1,002,825	273,575
Transfers out	781,100	1,708,283	482,614	1,225,669
Total charges to appropriations	<u>2,007,500</u>	<u>2,984,683</u>	<u>1,485,439</u>	<u>1,499,244</u>
Budgetary Fund Balance, June 30	<u>\$ 1,422,149</u>	<u>\$ 444,966</u>	<u>\$ 1,918,063</u>	<u>\$ 1,473,097</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Library and Museum
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,989,444	\$ 8,989,444	\$ 8,989,444	\$ -
Resources (Inflows)				
Intergovernmental	2,755,200	2,755,200	3,103,537	348,337
Use of money and property	90,000	90,000	(204,580)	(294,580)
Miscellaneous revenue	5,500	6,700	1,988	(4,712)
Amounts available for appropriations	<u>11,840,144</u>	<u>11,841,344</u>	<u>11,890,389</u>	<u>49,045</u>
Charges to Appropriation (Outflows)				
Community services	4,301,510	4,727,500	1,859,934	2,867,566
Capital outlay	5,000	5,000	-	5,000
Transfers out	-	-	58,295	(58,295)
Total charges to appropriations	<u>4,306,510</u>	<u>4,732,500</u>	<u>1,918,229</u>	<u>2,814,271</u>
Budgetary Fund Balance, June 30	<u>\$ 7,533,634</u>	<u>\$ 7,108,844</u>	<u>\$ 9,972,160</u>	<u>\$ 2,863,316</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Federal Assistance
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,086	\$ 5,086	\$ 5,086	\$ -
Resources (Inflows)				
Intergovernmental	151,000	151,000	1,530	(149,470)
Use of money and property	-	-	(2,958)	(2,958)
Amounts available for appropriations	<u>156,086</u>	<u>156,086</u>	<u>3,658</u>	<u>(152,428)</u>
Charges to Appropriation (Outflows)				
Public works	20,000	20,000	1,530	18,470
Transfers out	<u>128,350</u>	<u>187,377</u>	<u>-</u>	<u>187,377</u>
Total charges to appropriations	<u>148,350</u>	<u>207,377</u>	<u>1,530</u>	<u>205,847</u>
Budgetary Fund Balance, June 30	<u>\$ 7,736</u>	<u>\$ (51,291)</u>	<u>\$ 2,128</u>	<u>\$ 53,419</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 SLESA
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 265,475	\$ 265,475	\$ 265,475	\$ -
Resources (Inflows)				
Intergovernmental	100,000	100,000	161,285	61,285
Use of money and property	1,000	1,000	(8,520)	(9,520)
Amounts available for appropriations	<u>366,475</u>	<u>366,475</u>	<u>418,240</u>	<u>51,765</u>
Charges to Appropriation (Outflows)				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>40,837</u>	<u>59,163</u>
Budgetary Fund Balance, June 30	<u>\$ 266,475</u>	<u>\$ 266,475</u>	<u>\$ 377,403</u>	<u>\$ 110,928</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Lighting and Landscaping
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 490,000	\$ 490,000	\$ 490,000	\$ -
Resources (Inflows)				
Assessments	981,700	981,700	969,257	(12,443)
Use of money and property	8,000	8,000	(17,208)	(25,208)
Transfers in	1,285,000	1,285,000	1,285,000	-
Amounts available for appropriations	<u>2,764,700</u>	<u>2,764,700</u>	<u>2,727,049</u>	<u>(37,651)</u>
Charges to Appropriation (Outflows)				
Public works	<u>2,257,400</u>	<u>2,257,400</u>	<u>2,108,145</u>	<u>149,255</u>
Budgetary Fund Balance, June 30	<u>\$ 507,300</u>	<u>\$ 507,300</u>	<u>\$ 618,904</u>	<u>\$ 111,604</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Quimby
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Charges to Appropriation (Outflows)				
Transfers out	-	1,180,635	713,669	466,966
Budgetary Fund Balance, June 30	\$ -	\$ (1,180,635)	\$ (713,669)	\$ 466,966

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 La Quinta Public Safety Officer
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 49,569	\$ 49,569	\$ 49,569	\$ -
Resources (Inflows)				
Use of money and property	600	600	(1,186)	(1,786)
Transfers in	2,000	2,000	2,000	-
	52,169	52,169	50,383	(1,786)
Amounts available for appropriations	52,169	52,169	50,383	(1,786)
Budgetary Fund Balance, June 30	\$ 52,169	\$ 52,169	\$ 50,383	\$ (1,786)

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Art in Public Places
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 764,614	\$ 764,614	\$ 764,614	\$ -
Resources (Inflows)				
Use of money and property	5,000	5,000	(19,141)	(24,141)
Developer participation	75,000	75,000	158,972	83,972
Transfer In	50,000	50,000	50,000	-
Amounts available for appropriations	<u>894,614</u>	<u>894,614</u>	<u>954,445</u>	<u>59,831</u>
Charges to Appropriation (Outflows)				
Community services	77,000	77,000	54,817	22,183
Capital outlay	50,000	90,000	53,253	36,747
Transfers out	-	615,700	12,678	603,022
Total charges to appropriations	<u>127,000</u>	<u>782,700</u>	<u>120,748</u>	<u>661,952</u>
Budgetary Fund Balance, June 30	<u>\$ 767,614</u>	<u>\$ 111,914</u>	<u>\$ 833,697</u>	<u>\$ 721,783</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 South Coast Air Quality
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,524	\$ 32,524	\$ 32,524	\$ -
Resources (Inflows)				
Intergovernmental	52,000	52,000	52,791	791
Use of money and property	800	800	(1,033)	(1,833)
Amounts available for appropriations	<u>85,324</u>	<u>85,324</u>	<u>84,282</u>	<u>(1,042)</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>42,500</u>	<u>42,500</u>	<u>47,298</u>	<u>(4,798)</u>
Budgetary Fund Balance, June 30	<u>\$ 42,824</u>	<u>\$ 42,824</u>	<u>\$ 36,984</u>	<u>\$ (5,840)</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 AB 939
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 806,653	\$ 806,653	\$ 806,653	\$ -
Resources (InFlows)				
Taxes	65,000	65,000	65,870	870
Intergovernmental	-	55,120	69,686	14,566
Use of money and property	5,000	5,000	(19,891)	(24,891)
Amounts available for appropriations	<u>876,653</u>	<u>931,773</u>	<u>922,318</u>	<u>(9,455)</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>150,000</u>	<u>205,120</u>	<u>109,742</u>	<u>95,378</u>
Budgetary Fund Balance, June 30	<u>\$ 726,653</u>	<u>\$ 726,653</u>	<u>\$ 812,576</u>	<u>\$ 85,923</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Housing Grants
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (33,108)	\$ (33,108)	\$ -	\$ 33,108
Amounts available for appropriations	<u>(33,108)</u>	<u>(33,108)</u>	<u>-</u>	<u>33,108</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>-</u>	<u>160,000</u>	<u>123,215</u>	
Total Charges to Appropriations	<u>-</u>	<u>160,000</u>	<u>123,215</u>	<u>-</u>
Budgetary Fund Balance, June 30	<u><u>\$ (33,108)</u></u>	<u><u>\$ (193,108)</u></u>	<u><u>\$ (123,215)</u></u>	<u><u>\$ 33,108</u></u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Law Enforcement
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 419,048	\$ 419,048	\$ 419,048	\$ -
Resources (Inflows)				
Use of money and property	5,000	5,000	(7,485)	(12,485)
Miscellaneous revenue	17,000	17,000	34,827	17,827
Amounts available for appropriations	441,048	441,048	446,390	5,342
Charges to Appropriation (Outflows)				
Public safety	17,000	17,000	14,646	2,354
Transfers out	-	286,397	195,415	90,982
Total Charges to Appropriations	17,000	303,397	210,061	93,336
Budgetary Fund Balance, June 30	\$ 424,048	\$ 137,651	\$ 236,329	\$ 98,678

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Measure A
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,199,268	\$ 3,199,268	\$ 3,199,268	\$ -
Resources (Inflows)				
Taxes	1,552,000	1,552,000	2,031,006	479,006
Use of money and property	15,000	15,000	(88,751)	(103,751)
Miscellaneous revenue	-	-	40,117	40,117
Amounts available for appropriations	<u>4,766,268</u>	<u>4,766,268</u>	<u>5,181,640</u>	<u>415,372</u>
Charges to Appropriation (OutFlows)				
Public works	-	-	45,917	(45,917)
Transfers out	<u>1,220,500</u>	<u>2,614,501</u>	<u>395,454</u>	<u>2,219,047</u>
Total charges to appropriations	<u>1,220,500</u>	<u>2,614,501</u>	<u>441,371</u>	<u>2,173,130</u>
Budgetary Fund Balance, June 30	<u>\$ 3,545,768</u>	<u>\$ 2,151,767</u>	<u>\$ 4,740,269</u>	<u>\$ 2,588,502</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Economic Development
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,049,667	\$ 3,049,667	\$ 3,049,667	\$ -
Resources (Inflows)				
Use of money and property	<u>30,000</u>	<u>30,000</u>	<u>174,035</u>	<u>144,035</u>
Amounts available for appropriations	<u>3,079,667</u>	<u>3,079,667</u>	<u>3,223,702</u>	<u>144,035</u>
Charges to Appropriation (Outflows)				
Planning and development	21,500	21,500	16,843	4,657
Transfers out	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Charges to Appropriations	<u>21,500</u>	<u>71,500</u>	<u>66,843</u>	<u>4,657</u>
Budgetary Fund Balance, June 30	<u><u>\$ 3,058,167</u></u>	<u><u>\$ 3,058,167</u></u>	<u><u>\$ 3,156,859</u></u>	<u><u>\$ 98,692</u></u>

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 AB 1379
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 51,094	\$ 51,094	\$ 51,094	\$ -
Resources (Inflows)				
Intergovernmental	19,000	19,000	18,705	(295)
Use of money and property	200	200	(1,484)	(1,684)
	70,294	70,294	68,315	(1,979)
Charges to Appropriation (Outflows)				
Planning and development	5,600	5,600	1,871	3,729
Budgetary Fund Balance, June 30	\$ 64,694	\$ 64,694	\$ 66,444	\$ 1,750

City of La Quinta, California
 Budgetary Comparison Schedule – Special Revenue Fund
 Disaster Recovery
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Use of money and property	-	-	(97,108)	(97,108)
Miscellaneous revenue	-	4,993,504	-	(4,993,504)
	-	4,993,504	(97,108)	(5,090,612)
Amounts available for appropriations	-	4,993,504	(97,108)	(5,090,612)
Budgetary Fund Balance, June 30	\$ -	\$ 4,993,504	\$ (97,108)	\$ (5,090,612)

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Capital Improvement
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,377,164)	\$ (1,377,164)	\$ (1,377,164)	\$ -
Resources (Inflows)				
Intergovernmental	-	21,995,493	2,121,980	(19,873,513)
Developer participation	-	1,081,700	70,916	(1,010,784)
Transfers in	9,894,806	45,461,728	4,604,440	(40,857,288)
Amounts available for appropriations	<u>8,517,642</u>	<u>67,161,757</u>	<u>5,420,172</u>	<u>(61,741,585)</u>
Charges to Appropriation (Outflows)				
Planning and development	-	2,622,885	35,981	2,586,904
Capital outlay	9,894,806	65,253,209	6,374,663	58,878,546
Total charges to appropriations	<u>9,894,806</u>	<u>67,876,094</u>	<u>6,410,644</u>	<u>61,465,450</u>
Budgetary Fund Balance, June 30	<u><u>\$ (1,377,164)</u></u>	<u><u>\$ (714,337)</u></u>	<u><u>\$ (990,472)</u></u>	<u><u>\$ (276,135)</u></u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Maintenance Facilities DIF Fund
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 47,015	\$ 47,015	\$ 47,015	\$ -
Resources (Inflows)				
Use of money and property	1,000	1,000	(3,673)	(4,673)
Developer participation	25,000	135,000	136,752	1,752
	<u>73,015</u>	<u>183,015</u>	<u>180,094</u>	<u>(2,921)</u>
Amounts available for appropriations				
	<u>73,015</u>	<u>183,015</u>	<u>180,094</u>	<u>(2,921)</u>
Budgetary Fund Balance, June 30	<u>\$ -</u>	<u>\$ 183,015</u>	<u>\$ 180,094</u>	<u>\$ (2,921)</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Infrastructure
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,399	\$ 19,399	\$ 19,399	\$ -
Resources (Inflows)				
Use of money and property	<u>100</u>	<u>100</u>	<u>(450)</u>	<u>(550)</u>
Amounts available for appropriations	<u>19,499</u>	<u>19,499</u>	<u>18,949</u>	<u>(550)</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>\$ 19,499</u>	<u>\$ (3,119)</u>	<u>\$ 18,949</u>	<u>\$ 22,068</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Civic Center
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 498,620	\$ 498,620	\$ 498,620	\$ -
Resources (Inflows)				
Use of money and property	2,000	2,000	(23,183)	(25,183)
Developer participation	150,000	600,000	651,093	51,093
	<u>650,620</u>	<u>1,100,620</u>	<u>1,126,530</u>	<u>25,910</u>
Amounts available for appropriations				
Budgetary Fund Balance, June 30	<u>\$ 650,620</u>	<u>\$ 1,100,620</u>	<u>\$ 1,126,530</u>	<u>\$ 25,910</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Transportation
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,266,489	\$ 2,266,489	\$ 2,266,489	\$ -
Resources (Inflows)				
Use of money and property	28,000	28,000	(94,371)	(122,371)
Developer participation	400,000	2,700,000	2,731,351	31,351
	<u>2,694,489</u>	<u>4,994,489</u>	<u>4,903,469</u>	<u>(91,020)</u>
Amounts available for appropriations				
Charges to Appropriation (Outflows)				
Public works	400,000	400,000	400,000	-
Transfers out	204,500	1,416,757	-	1,416,757
	<u>604,500</u>	<u>1,816,757</u>	<u>400,000</u>	<u>1,416,757</u>
Total charges to appropriations				
Budgetary Fund Balance, June 30	<u>\$ 2,089,989</u>	<u>\$ 3,177,732</u>	<u>\$ 4,503,469</u>	<u>\$ 1,325,737</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Parks and Recreation
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (346,309)	\$ (346,309)	\$ (346,309)	\$ -
Resources (Inflows)				
Use of money and property	1,000	1,000	(11,455)	(12,455)
Developer participation	<u>350,000</u>	<u>850,000</u>	<u>1,032,032</u>	<u>182,032</u>
Amounts available for appropriations	<u>4,691</u>	<u>504,691</u>	<u>674,268</u>	<u>169,577</u>
Budgetary Fund Balance, June 30	<u>\$ 4,691</u>	<u>\$ 504,691</u>	<u>\$ 674,268</u>	<u>\$ 169,577</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Library Development
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,458,789)	\$ (1,458,789)	\$ (1,458,789)	\$ -
Resources (Inflows)				
Use of money and property	-	-	192	192
Developer participation	50,000	175,000	196,456	21,456
Amounts available for appropriations	<u>(1,408,789)</u>	<u>(1,283,789)</u>	<u>(1,262,141)</u>	<u>21,648</u>
Charges to Appropriation (Outflows)				
Debt service				
Interest and fiscal charges	30,000	30,000	11,135	18,865
Budgetary Fund Balance, June 30	<u>\$ (1,438,789)</u>	<u>\$ (1,313,789)</u>	<u>\$ (1,273,276)</u>	<u>\$ 40,513</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Community Center
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 234,386	\$ 234,386	\$ 234,386	\$ -
Resources (Inflows)				
Use of money and property	2,000	2,000	(12,653)	(14,653)
Developer participation	70,000	370,000	352,108	(17,892)
	<u>306,386</u>	<u>606,386</u>	<u>573,841</u>	<u>(32,545)</u>
Amounts available for appropriations				
Charges to Appropriation (Outflows)				
Transfers out	125,000	125,000	-	125,000
	<u>181,386</u>	<u>481,386</u>	<u>573,841</u>	<u>92,455</u>
Budgetary Fund Balance, June 30				

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Street Facility
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 43,287	\$ 43,287	\$ 43,287	\$ -
Resources (Inflows)				
Use of money and property	-	-	(1,517)	(1,517)
Developer participation	-	-	34,015	34,015
Amounts available for appropriations	<u>43,287</u>	<u>43,287</u>	<u>75,785</u>	<u>32,498</u>
Budgetary Fund Balance, June 30	<u>\$ 43,287</u>	<u>\$ 43,287</u>	<u>\$ 75,785</u>	<u>\$ 32,498</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Park Facility
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,996	\$ 5,996	\$ 5,996	\$ -
Resources (Inflows)				
Use of money and property	-	-	(138)	(138)
Developer participation	-	-	40	40
	<u>5,996</u>	<u>5,996</u>	<u>5,898</u>	<u>(98)</u>
Amounts available for appropriations				
Budgetary Fund Balance, June 30	<u>\$ 5,996</u>	<u>\$ 5,996</u>	<u>\$ 5,898</u>	<u>\$ (98)</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Capital Projects Fund
 Fire Facility
 Year Ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 197,260	\$ 197,260	\$ 197,260	\$ -
Resources (Inflows)				
Use of money and property	1,000	1,000	(8,367)	(9,367)
Developer participation	65,000	190,000	220,411	30,411
	<u>263,260</u>	<u>388,260</u>	<u>409,304</u>	<u>21,044</u>
Amounts available for appropriations				
Budgetary Fund Balance, June 30	<u>\$ 263,260</u>	<u>\$ 388,260</u>	<u>\$ 409,304</u>	<u>\$ 21,044</u>

City of La Quinta, California
 Budgetary Comparison Schedule – Debt Service Fund
 Financing Authority
 Year Ended June 30, 2022

	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>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
Amounts available for appropriations	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>-</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>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</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 goods are delivered or services rendered.

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

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

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

Park Equipment and Facilities Fund – To account for the purchase and replacement of City owned 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, 2022

	Governmental Activities - Internal Service Funds				
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	Totals
Assets					
Current					
Pooled cash and investments	\$ 3,637,791	\$ 2,301,010	\$ 3,763,789	\$ 430,543	\$ 10,133,133
Receivables					
Accrued interest	2,224	1,458	2,385	273	6,340
Prepaid costs	-	104,934	-	124,588	229,522
Total current assets	<u>3,640,015</u>	<u>2,407,402</u>	<u>3,766,174</u>	<u>555,404</u>	<u>10,368,995</u>
Noncurrent					
Capital assets - net	1,470,432	172,369	11,721,056	-	13,363,857
Right to use leased assets, net of accumulated amortization	<u>130,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,157</u>
Total noncurrent assets	<u>1,600,589</u>	<u>172,369</u>	<u>11,721,056</u>	<u>-</u>	<u>13,494,014</u>
Total assets	<u>5,240,604</u>	<u>2,579,771</u>	<u>15,487,230</u>	<u>555,404</u>	<u>23,863,009</u>
Liabilities					
Current					
Accounts payable	63,638	97,739	2,042	1,736	165,155
Accrued liabilities	-	1,416	-	-	1,416
Accrued interest	170	-	-	-	170
Current portion of capital leases	<u>98,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,772</u>
Total current liabilities	<u>162,580</u>	<u>99,155</u>	<u>2,042</u>	<u>1,736</u>	<u>265,513</u>
Noncurrent					
Long-term portion of capital leases	<u>36,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,462</u>
Total liabilities	<u>199,042</u>	<u>99,155</u>	<u>2,042</u>	<u>1,736</u>	<u>301,975</u>
Net Position					
Net investment in capital assets	1,465,355	172,369	11,721,056	-	13,358,780
Unrestricted	<u>3,576,207</u>	<u>2,308,247</u>	<u>3,764,132</u>	<u>553,668</u>	<u>10,202,254</u>
Total net position	<u>5,041,562</u>	<u>2,480,616</u>	<u>15,485,188</u>	<u>553,668</u>	<u>23,561,034</u>
Total liabilities and net position	<u>\$ 5,240,604</u>	<u>\$ 2,579,771</u>	<u>\$ 15,487,230</u>	<u>\$ 555,404</u>	<u>\$ 23,863,009</u>

City of La Quinta, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
Operating Revenues					
Sales and service charges	\$ 1,191,750	\$ 1,782,151	\$ 350,000	\$ 1,010,000	\$ 4,333,901
Insurance recoveries	10,561	-	72,076	-	82,637
Total operating revenues	<u>1,202,311</u>	<u>1,782,151</u>	<u>422,076</u>	<u>1,010,000</u>	<u>4,416,538</u>
Operating Expenses					
Administration and general	103,353	40,283	-	152,715	296,351
Fuel and oil	122,100	-	-	-	122,100
Maintenance and parts	123,558	297	-	-	123,855
Contract services	-	536,835	139,144	-	675,979
Software and supplies	-	761,436	-	768,900	1,530,336
Depreciation and amortization expense	407,676	84,134	498,236	-	990,046
Total operating expenses	<u>756,687</u>	<u>1,422,985</u>	<u>637,380</u>	<u>921,615</u>	<u>3,738,667</u>
Operating Income (Loss)	<u>445,624</u>	<u>359,166</u>	<u>(215,304)</u>	<u>88,385</u>	<u>677,871</u>
Nonoperating Revenue (Expenses)					
Investment income	30,274	17,116	30,776	1,465	79,631
Net decrease in fair value of investments	(115,548)	(68,589)	(118,747)	(12,970)	(315,854)
Miscellaneous revenue	187,320	-	-	-	187,320
Gain on disposal of capital assets	4,203	-	-	-	4,203
Interest expense	(2,982)	-	-	-	(2,982)
Total nonoperating revenues	<u>103,267</u>	<u>(51,473)</u>	<u>(87,971)</u>	<u>(11,505)</u>	<u>(47,682)</u>
Changes in Net Position	<u>548,891</u>	<u>307,693</u>	<u>(303,275)</u>	<u>76,880</u>	<u>630,189</u>
Net Position					
Beginning of Year, as restated	<u>4,492,671</u>	<u>2,172,923</u>	<u>15,788,463</u>	<u>476,788</u>	<u>22,930,845</u>
End of Year	<u>\$ 5,041,562</u>	<u>\$ 2,480,616</u>	<u>\$ 15,485,188</u>	<u>\$ 553,668</u>	<u>\$ 23,561,034</u>

City of La Quinta, California
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds				
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	Totals
Operating Activities					
Cash received from interfund services provided	\$ 1,191,750	\$ 1,782,151	\$ 350,000	\$ 1,016,096	\$ 4,339,997
Cash received from insurance recoveries	10,561	-	72,076	-	82,637
Cash paid to suppliers for goods and services	<u>(345,638)</u>	<u>(1,263,952)</u>	<u>(139,417)</u>	<u>(936,416)</u>	<u>(2,685,423)</u>
Net Cash from Operating Activities	<u>856,673</u>	<u>518,199</u>	<u>282,659</u>	<u>79,680</u>	<u>1,737,211</u>
Capital and Related Financing Activities					
Cash paid for lease liability- principal portion	(122,589)	-	-	-	(122,589)
Cash paid for lease liability- interest portion	(2,812)	-	-	-	(2,812)
Capital contributions	187,320	-	-	-	187,320
Acquisition and construction of capital assets	(837,570)	-	(111,340)	-	(948,910)
Proceeds from sales of capital assets	<u>4,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,203</u>
Net Cash from (used for) Capital and Related Financing Activities	<u>(771,448)</u>	<u>-</u>	<u>(111,340)</u>	<u>-</u>	<u>(882,788)</u>
Investing Activities					
Investment loss	<u>(86,041)</u>	<u>(52,194)</u>	<u>(88,882)</u>	<u>(11,635)</u>	<u>(238,752)</u>
Net Change in Cash and Cash Equivalents	(816)	466,005	82,437	68,045	615,671
Cash and Cash Equivalents, Beginning of Year	<u>3,638,607</u>	<u>1,835,005</u>	<u>3,681,352</u>	<u>362,498</u>	<u>9,517,462</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,637,791</u>	<u>\$ 2,301,010</u>	<u>\$ 3,763,789</u>	<u>\$ 430,543</u>	<u>\$ 10,133,133</u>
Reconciliation of operating income to net cash from (used for) operating activities					
Operating income (loss)	\$ 445,624	\$ 359,166	\$ (215,304)	\$ 88,385	\$ 677,871
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities					
Depreciation	407,676	84,134	498,236	-	990,046
Changes in					
Prepaid costs	-	8,757	-	(16,356)	(7,599)
Accounts receivable	-	-	-	6,096	6,096
Accounts payable	3,373	65,959	(273)	1,554	70,613
Accrued liabilities	<u>-</u>	<u>183</u>	<u>-</u>	<u>1</u>	<u>184</u>
Net Cash from Operating Activities	<u>\$ 856,673</u>	<u>\$ 518,199</u>	<u>\$ 282,659</u>	<u>\$ 79,680</u>	<u>\$ 1,737,211</u>

Other Information

June 30, 2022

City of La Quinta, California

This page intentionally left blank.

Project Status: Highway 111 Bridge Funding

In November 2020, Caltrans advised the City that the Highway Bridge Planning (HBP) Funding Program had been oversubscribed for FY2020/21 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 Financial Advisory Commission (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.

As of June 30, 2022, advances and reimbursements related to the project are as follows:

<u>Year Ending June 30,</u>	<u>Council Approved Allocated Amounts</u>		<u>Reimbursements Received</u>
	<u>Measure G Reserves</u>	<u>Unassigned Reserves</u>	
2022	\$ 7,468,061	\$ 7,468,061	\$ -

This page intentionally left blank.

Statistical Section

June 30, 2022

City of La Quinta, California

This page intentionally left blank.

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

Contents	Page
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.	132
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	144
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.	153
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.	160
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.	163

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 (Table 1)
 Year Ended June 30, 2022

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental Activities					
Net investment in capital assets	\$ 529,681,342	\$ 527,614,666	\$ 523,495,389	\$ 516,499,682	\$ 517,039,487
Restricted	49,598,397	53,669,248	62,472,221	61,148,731	38,824,860
Unrestricted	83,399,745	83,907,046	74,362,189	84,439,071	118,125,125
Total Governmental Activities Net Position	662,679,484	665,190,960	660,329,799	662,087,484	673,989,472
Business-Type Activities					
Net investment in capital assets	41,741,443	41,354,565	44,118,111	43,898,784	43,836,868
Restricted	-	-	-	-	-
Unrestricted	(4,750,604)	(4,674,666)	(4,892,647)	(5,086,906)	(5,140,966)
Total Business-Type Activities Net Position	36,990,839	36,679,899	39,225,464	38,811,878	38,695,902
Primary Government					
Net investment in capital assets	571,422,785	568,969,231	567,613,500	560,398,466	560,876,355
Restricted	49,598,397	53,669,248	62,472,221	61,148,731	38,824,860
Unrestricted	78,649,141	79,232,380	69,469,542	79,352,165	112,984,159
Total Primary Government Net Position	699,670,323	701,870,859	699,555,263	700,899,362	712,685,374

Source: City of La Quinta

City of La Quinta
 Net Position by Component (Table 1)
 Year Ended June 30, 2022

Fiscal Year					
2018	2019	2020	2021	2022	
					Governmental Activities:
\$ 510,913,594	\$ 519,221,969	\$ 509,777,422	\$ 519,203,177	\$ 517,697,036	Net investment in capital assets
39,204,789	44,815,499	46,001,248	46,711,801	54,412,358	Restricted
130,950,644	138,584,041	142,418,499	162,887,430	190,618,323	Unrestricted
681,069,027	702,621,509	698,197,169	728,802,408	762,727,717	Total Governmental Activities Net Position
					Business-Type Activities:
43,585,880	43,375,536	39,712,955	42,717,914	42,491,762	Net investment in capital assets
-	-	-	-	-	Restricted
(5,203,212)	240,125	3,145,820	368,750	1,036,834	Unrestricted
38,382,668	43,615,661	42,858,775	43,086,664	43,528,596	Total Business-Type Activities Net Position
					Primary Government:
554,499,474	562,597,505	549,490,377	561,921,091	560,188,798	Net investment in capital assets
39,204,789	44,815,499	46,001,248	46,711,801	54,412,358	Restricted
125,747,432	138,824,166	145,564,319	163,256,180	191,655,157	Unrestricted
719,451,695	746,237,170	741,055,944	771,889,072	806,256,313	Total Primary Government Net Position

City of La Quinta
Changes in Net Position (Table 2)
Year Ended June 30, 2022

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 4,511,023	\$ 4,830,239	\$ 5,166,732	\$ 5,645,004	\$ 5,565,727
Public safety	21,047,691	21,169,423	21,636,149	22,067,603	23,378,824
Planning and development	2,274,541	3,098,015	2,212,013	3,359,732	2,882,321
Community services	4,986,104	4,130,085	5,992,362	6,214,098	6,584,268
Public works	11,803,133	12,610,994	18,116,732	12,157,245	10,927,160
Contribution to other agencies	-	-	-	-	-
Interest on long-term debt	447,048	405,977	340,716	343,129	309,463
Total governmental activities expenditures	<u>45,069,540</u>	<u>46,244,733</u>	<u>53,464,704</u>	<u>49,786,811</u>	<u>49,647,763</u>
Business-type activities:					
Golf course	4,208,855	4,971,977	5,053,360	4,373,586	3,965,644
Total business-type activities expenditures	<u>4,208,855</u>	<u>4,971,977</u>	<u>5,053,360</u>	<u>4,373,586</u>	<u>3,965,644</u>
Total Primary Government Expenditures	<u>49,278,395</u>	<u>51,216,710</u>	<u>58,518,064</u>	<u>54,160,397</u>	<u>53,613,407</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	38,812	71,042	121,140	192,538	504,127
Public safety	927,604	1,412,819	1,655,421	1,378,704	341,368
Planning and development	112,695	595,980	489,589	467,053	564,327
Community services	245,392	1,224,719	307,869	386,824	453,098
Public works	1,209,438	1,195,703	1,197,069	1,134,630	741,703
Operating grants and contributions	28,068,940	14,587,153	16,829,107	12,213,338	6,187,803
Capital grants and contributions	-	3,981,286	3,536,444	1,076,145	3,316,153
Total governmental activities program revenues	<u>30,602,881</u>	<u>23,068,702</u>	<u>24,136,639</u>	<u>16,849,232</u>	<u>12,108,579</u>
Business-type activities:					
Charges for services:					
Golf course	3,736,879	3,481,424	3,561,857	3,621,495	3,446,340
Capital grants and contributions	-	-	2,872,122	-	-
Total business-type activities program revenues	<u>3,736,879</u>	<u>3,481,424</u>	<u>6,433,979</u>	<u>3,621,495</u>	<u>3,446,340</u>
Total Primary Government Program Revenues	<u>34,339,760</u>	<u>26,550,126</u>	<u>30,570,618</u>	<u>20,470,727</u>	<u>15,554,919</u>
Net Revenues (Expenditures):					
Governmental activities	(14,466,659)	(23,176,031)	(29,328,065)	(32,937,579)	(37,539,184)
Business-type activities	(471,976)	(1,490,553)	1,380,619	(752,091)	(519,304)
Total Net Revenues (Expenditures)	<u>(14,938,635)</u>	<u>(24,666,584)</u>	<u>(27,947,446)</u>	<u>(33,689,670)</u>	<u>(38,058,488)</u>
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	7,043,604	9,193,753	8,776,491	8,798,296	15,521,335
Tax increment	-	-	-	-	-
Transient occupancy taxes	5,980,684	6,307,737	6,637,183	7,835,745	9,433,970
Sales tax	7,833,545	8,786,819	8,873,008	9,107,046	10,060,305
Franchise taxes	1,669,476	1,688,263	1,861,453	1,799,938	1,815,491
Business license taxes	292,966	307,654	306,087	334,465	365,451
Other taxes	518,778	580,834	530,336	516,964	585,333
Motor vehicle in lieu, unrestricted	3,157,330	3,291,042	3,486,367	3,651,549	3,813,213
Investment income	1,605,718	2,190,357	1,981,343	2,390,468	442,710
Net Increase (Decrease) of Investment Fair Value	-	-	-	-	-
Gain (loss) on sale of capital assets	28,551	-	-	-	-
Miscellaneous	192,509	243,498	296,346	376,193	460,614
Special Item (interfund loan payoff)	-	-	-	-	-
Extraordinary gain/loss on dissolution of RDA	(2,189,984)	(6,402,450)	-	-	7,344,050
Transfers	-	(500,000)	(247,739)	(115,400)	(401,300)
Total governmental activities	<u>26,133,177</u>	<u>25,687,507</u>	<u>32,500,875</u>	<u>34,695,264</u>	<u>49,441,172</u>
Business-type activities:					
Investment income	2,225	1,567	2,043	4,282	2,028
Net Increase (Decrease) of Investment Fair Value	-	-	-	-	-
Miscellaneous	100,799	678,046	915,164	218,823	-
Transfers	-	500,000	247,739	115,400	401,300
Total business-type activities	<u>103,024</u>	<u>1,179,613</u>	<u>1,164,946</u>	<u>338,505</u>	<u>403,328</u>
Total Primary Government	<u>26,236,201</u>	<u>26,867,120</u>	<u>33,665,821</u>	<u>35,033,769</u>	<u>49,844,500</u>
Changes in Net Position					
Governmental activities	11,666,518	2,511,476	3,172,810	1,757,685	11,901,988
Business-type activities	(368,952)	(310,940)	2,545,565	(413,586)	(115,976)
Total Primary Government	<u>11,297,566</u>	<u>2,200,536</u>	<u>5,718,375</u>	<u>1,344,099</u>	<u>11,786,012</u>

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 CAFR, Note 19: Special Item.

City of La Quinta
Changes in Net Position (Table 2)
Year Ended June 30, 2022

		Fiscal Year						
	2018	2019	2020	2021	2022			
	\$ 8,869,174	\$ 9,085,863	\$ 9,877,251	\$ 8,106,209	\$ 9,733,224	Expenditures:		
	22,508,088	23,164,976	24,009,725	24,429,310	25,741,782	Governmental activities:		
	4,352,134	5,913,321	5,845,836	6,508,522	4,716,745	General government		
	9,231,268	6,202,084	11,362,950	6,958,234	8,439,863	Public safety		
	15,580,975	4,430,519	32,248,031	11,438,197	14,985,480	Planning and development		
	-	-	-	-	-	Community services		
	1,468,971	210,941	98,049	42,081	11,914	Public works		
	62,010,610	49,007,703	83,441,842	57,482,553	63,629,008	Contribution to other agencies		
						Interest on long-term debt		
	4,318,463	4,558,922	4,148,190	4,169,286	4,746,281	Total governmental activities expenditures		
	4,318,463	4,558,922	4,148,190	4,169,286	4,746,281	Business-type activities:		
	66,329,073	53,566,625	87,590,032	61,651,839	68,375,289	Golf course		
						Total business-type activities expenditures		
						Total Primary Government Expenditures		
						Program Revenues:		
						Governmental activities:		
	883,153	516,115	615,348	1,541,535	1,402,810	Charges for services:		
	367,848	376,249	367,277	770,760	648,914	General government		
	724,499	636,683	799,040	710,529	1,315,760	Public safety		
	442,656	479,542	366,896	178,554	137,769	Planning and development		
	1,054,902	1,119,816	1,436,362	1,503,633	3,378,132	Community services		
	4,259,916	5,623,509	7,817,482	4,413,523	5,786,773	Public works		
	4,455,060	5,462,395	9,613,752	15,770,048	11,952,031	Operating grants and contributions		
	12,188,034	14,214,310	21,016,157	24,888,582	24,622,189	Capital grants and contributions		
						Total governmental activities program revenues		
	3,567,718	3,773,396	2,746,748	3,509,096	4,679,163	Business-type activities:		
	-	-	-	-	-	Charges for services:		
	3,567,718	3,773,396	2,746,748	3,509,096	4,679,163	Golf course		
	15,755,752	17,987,706	23,762,905	28,397,678	29,301,352	Capital grants and contributions		
						Total business-type activities program revenues		
						Total Primary Government Program Revenues		
	(49,822,576)	(34,793,394)	(62,425,685)	(32,593,971)	(39,006,819)	Net Revenues (Expenditures):		
	(750,745)	(785,526)	(1,401,442)	(660,190)	(67,118)	Governmental activities		
	(50,573,321)	(35,578,920)	(63,827,127)	(33,254,161)	(39,073,937)	Business-type activities		
						Total Net Revenues (Expenditures)		
						General Revenues and Other Changes in Net Position:		
						Governmental activities:		
	15,887,015	16,423,843	16,710,544	16,893,629	17,823,858	Taxes:		
	-	-	-	-	-	Property taxes		
	10,752,788	11,230,915	8,079,394	11,847,139	18,365,424	Tax increment		
	18,956,985	20,905,243	19,136,015	23,323,549	28,204,906	Transient occupancy taxes		
	1,977,179	2,032,848	1,996,593	2,055,505	2,240,468	Sales tax		
	345,187	418,707	378,744	383,551	446,745	Franchise taxes		
	718,472	713,237	662,545	1,568,997	1,352,585	Business license taxes		
	3,941,348	4,086,536	4,290,417	4,376,455	4,663,327	Other taxes		
	803,654	5,150,613	5,110,358	1,427,664	219,164	Motor vehicle in lieu, unrestricted		
	-	-	-	-	(5,727,183)	Investment income		
	649,566	394,347	1,404,143	1,457,788	943,160	Net Increase (Decrease) of Investment Fair Value		
	-	(5,553,561)	-	-	-	Gain (loss) on sale of capital assets		
	3,624,121	993,148	867,792	739,933	609,515	Miscellaneous		
	(434,000)	(450,000)	(635,200)	(875,000)	(550,000)	Special Item (interfund loan payoff)		
	57,222,315	56,345,876	58,001,345	63,199,210	68,591,969	Extraordinary gain/loss on dissolution of RDA		
						Transfers		
	3,511	14,958	9,356	13,081	4,329	Total governmental activities		
	-	-	-	-	(45,279)	Business-type activities:		
	-	5,553,561	-	-	-	Investment income		
	434,000	450,000	635,200	875,000	550,000	Net Increase (Decrease) of Investment Fair Value		
	437,511	6,018,519	644,556	888,081	509,050	Miscellaneous		
	57,659,826	62,364,395	58,645,901	64,087,291	69,101,019	Transfers		
						Total business-type activities		
						Total Primary Government		
						Changes in Net Position		
	7,399,739	21,552,482	(4,424,340)	30,605,239	29,585,150	Governmental activities		
	(313,234)	5,232,993	(756,886)	227,891	441,932	Business-type activities		
	7,086,505	26,785,475	(5,181,226)	30,833,130	30,027,082	Total Primary Government		

City of La Quinta
Changes in Net Position – Governmental Activities (Table 3)
Year Ended June 30, 2022

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
General government	\$ 4,511,023	\$ 4,830,239	\$ 5,166,732	\$ 5,645,004	\$ 5,565,727
Public safety	21,047,691	21,169,423	21,636,149	22,067,603	23,378,824
Planning and development	2,274,541	3,098,015	2,212,013	3,359,732	2,882,321
Community services	4,986,104	4,130,085	5,992,362	6,214,098	6,584,268
Public works	11,803,133	12,610,994	18,116,732	12,157,245	10,927,160
Contribution to other agencies	-	-	-	-	-
Interest on long-term debt	447,048	405,977	340,716	343,129	309,463
Total Governmental Activities Expenditures	45,069,540	46,244,733	53,464,704	49,786,811	49,647,763
Program Revenues					
Charges for services:					
General government	38,812	71,042	121,140	192,538	504,127
Public safety	927,604	1,412,819	1,655,421	1,378,704	341,368
Planning and development	112,695	595,980	489,589	467,053	564,327
Community services	245,392	1,224,719	307,869	386,824	453,098
Public works	1,209,438	1,195,703	1,197,069	1,134,630	741,703
Operating grants and contributions	28,068,940	14,587,153	16,829,107	12,213,338	6,187,803
Capital grants and contributions	4,115,238	3,981,286	3,536,444	1,076,145	3,316,153
Total Governmental Activities Program Revenues	34,718,119	23,068,702	24,136,639	16,849,232	12,108,579
Net Revenues (Expenditures)	(10,351,421)	(23,176,031)	(29,328,065)	(32,937,579)	(37,539,184)
General Revenues and Other Changes in Net Position					
Taxes:					
Property taxes	7,043,604	9,193,753	8,776,491	8,798,296	15,521,335
Tax increment	-	-	-	-	-
Transient occupancy taxes	5,980,684	6,307,737	6,637,183	7,835,745	9,433,970
Sales tax	7,833,545	8,786,819	8,873,008	9,107,046	10,060,305
Franchise tax	1,669,476	1,688,263	1,861,453	1,799,938	1,815,491
Business license taxes	292,966	307,654	306,087	334,465	365,451
Other tax	518,778	580,834	530,336	516,964	585,333
Motor vehicle in lieu, unrestricted	3,157,330	3,291,042	3,486,367	3,651,549	3,813,213
Investment income	1,605,718	2,190,357	1,981,343	2,390,468	442,710
Net Increase (Decrease) of Investment Fair Value					
Gain (loss) on sale of capital assets	28,551	-	-	376,193	460,614
Miscellaneous	192,509	243,498	296,346	-	-
Special item (interfund loan payoff)					
Extraordinary gain/loss on dissolution of RDA	(2,189,984)	(6,402,450)	-	-	7,344,050
Transfers	-	(500,000)	(247,739)	(115,400)	(401,300)
Total Governmental Activities	26,133,177	25,687,507	32,500,875	34,695,264	49,441,172
Changes in Net Position	15,781,756	2,511,476	3,172,810	1,757,685	11,901,988

Source: City of La Quinta

City of La Quinta
Changes in Net Position – Governmental Activities (Table 3)
Year Ended June 30, 2022

Fiscal Year					
2018	2019	2020	2021	2022	
\$ 8,869,174	\$ 9,085,863	\$ 9,877,251	\$ 8,106,209	\$ 9,733,224	Expenditures:
22,508,088	23,164,976	24,009,725	24,429,310	25,741,782	General government
4,352,134	5,913,321	5,845,836	6,508,522	4,716,745	Public safety
9,231,268	6,202,084	11,362,950	6,958,234	8,439,863	Planning and development
15,580,975	4,430,519	32,248,031	11,438,197	14,985,480	Community services
-	-	-	-	-	Public works
1,468,971	210,941	98,049	42,081	11,914	Contribution to other agencies
62,010,610	49,007,703	83,441,842	57,482,553	63,629,008	Interest on long-term debt
					Total Governmental Activities Expenditures
					Program Revenues:
					Charges for services:
883,153	516,115	615,348	1,541,535	1,402,810	General government
367,848	376,249	367,277	770,760	648,914	Public safety
724,499	636,683	799,040	710,529	1,315,760	Planning and development
442,656	479,542	366,896	178,554	137,769	Community services
1,054,902	1,119,816	1,436,362	1,503,633	3,378,132	Public works
4,259,916	5,623,509	7,817,482	4,413,523	5,786,773	Operating grants and contributions
4,455,060	5,462,395	9,613,752	15,770,048	11,952,031	Capital grants and contributions
12,188,034	14,214,310	21,016,157	24,888,582	24,622,189	Total Governmental Activities Program Revenues
(49,822,576)	(34,793,394)	(62,425,685)	(32,593,971)	(39,006,819)	Net Revenues (Expenditures)
					General Revenues and Other Changes in Net Position:
					Taxes:
15,887,015	16,423,843	16,710,544	16,893,629	17,823,858	Property taxes
-	-	-	-	-	Tax increment
10,752,788	11,230,915	8,079,394	11,847,139	18,365,424	Transient occupancy taxes
18,956,985	20,905,243	19,136,015	23,323,549	28,204,906	Sales tax
1,977,179	2,032,848	1,996,593	2,055,505	2,240,468	Franchise tax
345,187	418,707	378,744	383,551	446,745	Business license taxes
718,472	713,237	662,545	1,568,997	1,352,585	Other tax
3,941,348	4,086,536	4,290,417	4,376,455	4,663,327	Motor vehicle in lieu, unrestricted
803,654	5,150,613	5,110,358	1,427,664	219,164	Investment income
				(5,727,183)	Net Increase (Decrease) of Investment Fair Value
649,566	394,347	1,404,143	1,457,788	943,160	Gain (loss) on sale of capital assets
-	-	-	-	-	Miscellaneous
	(5,553,561)	-	-	-	Special item (interfund loan payoff)
3,624,121	993,148	867,792	739,933	609,515	Extraordinary gain/loss on dissolution of RDA
(434,000)	(450,000)	(635,200)	(875,000)	(550,000)	Transfers
57,222,315	56,345,876	58,001,345	63,199,210	68,591,969	Total Governmental Activities
7,399,739	21,552,482	(4,424,340)	30,605,239	29,585,150	Changes in Net Position

City of La Quinta
Changes in Net Position – Business-type Activities (Table 4)
Year Ended June 30, 2022

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Golf course	\$ 4,208,855	\$ 4,971,977	\$ 5,053,360	\$ 4,373,586	\$ 3,965,644
Total Business-Type Activities Expenditures	4,208,855	4,971,977	5,053,360	4,373,586	3,965,644
Program revenues					
Charges for services:					
Golf course	3,736,879	3,481,424	3,561,857	3,621,495	3,446,340
Capital grants and contributions	-	-	2,872,122	-	-
Total Business-Type Activities Program Revenues	3,736,879	3,481,424	6,433,979	3,621,495	3,446,340
Net Revenues (Expenditures)	(471,976)	(1,490,553)	1,380,619	(752,091)	(519,304)
General Revenues and Other Changes in Net Position					
Investment income	2,225	1,567	2,043	4,282	2,028
Net Increase (Decrease) of Investment Fair Value	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	100,799	678,046	915,164	218,823	-
Transfers	-	500,000	247,739	115,400	401,300
Capital contributions	-	-	-	-	-
Total Business-Type Activities	103,024	1,179,613	1,164,946	338,505	403,328
Changes in Net Position	(368,952)	(310,940)	2,545,565	(413,586)	(115,976)

Source: City of La Quinta

City of La Quinta
Changes in Net Position – Business-type Activities (Table 4)
Year Ended June 30, 2022

		Fiscal Year					
2018	2019	2020	2021	2022			
\$ 4,318,463	\$ 4,558,922	\$ 4,148,190	\$ 4,169,286	\$ 4,746,281	Expenditures:		
					Golf course		
4,318,463	4,558,922	4,148,190	4,169,286	4,746,281	Total Business-Type Activities Expenditures		
					Program revenues:		
					Charges for services:		
					Golf course		
3,567,718	3,773,396	2,746,748	3,509,096	4,679,163	Capital grants and contributions		
-	-	-	-	-			
3,567,718	3,773,396	2,746,748	3,509,096	4,679,163	Total Business-Type Activities Program Revenue:		
(750,745)	(785,526)	(1,401,442)	(660,190)	(67,118)	Net Revenues (Expenditures)		
					General Revenues and Other Changes in Net Position:		
3,511	14,958	9,356	13,081	4,329	Investment income		
-	-	-	-	(45,279)	Net Increase (Decrease) of Investment Fair Value		
-	-	-	-	-	Gain (loss) on sale of capital assets		
-	5,553,561	-	-	-	Miscellaneous		
434,000	450,000	635,200	875,000	550,000	Transfers		
-	-	-	-	-	Capital contributions		
437,511	6,018,519	644,556	888,081	509,050	Total Business-Type Activities		
(313,234)	5,232,993	(756,886)	227,891	441,932	Changes in Net Position		

City of La Quinta
Fund Balances of Governmental Funds (Table 5)
Year Ended June 30, 2022

	Fiscal Year				
	2013	2014	2015	2016(1)	2017
General fund					
Nonspendable:					
Prepaid costs	\$ 11,786	\$ 1,500	\$ 15,653	\$ 204,589	\$ 10,578
Land held for resale	8,320,000	8,320,000	8,320,000	8,320,000	8,320,000
Advances to other funds	15,509,691	15,163,183	14,943,098	14,974,800	15,022,660
Deposits	4,830	4,830	33,985	-	-
Due from Other Governments	41,378,966	34,976,516	26,715,575	25,105,681	29,154,040
Restricted for:					
Debt service	-	-	-	-	-
Section 115 Trust (Note 11)	-	-	-	-	-
Committed:					
Emergency Reserve ⁽²⁾	16,034,995	16,034,995	15,372,600	15,576,000	16,534,000
Natural Disaster Reserve ⁽²⁾	-	-	-	-	-
Economic Disaster Reserve ⁽²⁾	-	-	-	-	-
Post retirement health benefits ⁽³⁾	1,523,401	1,523,401	1,523,401	1,523,400	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	4,134,000
Pension Trust ⁽⁴⁾	-	-	-	-	-
Carryovers	-	356,438	476,400	4,274,046	120,000
Other	-	-	-	-	-
Assigned:					
Continuing appropriations	1,013,533	209,000	-	-	-
Public Safety (Note 13b)	-	-	-	-	9,371,699
Sales Tax Reserve (Note 13b)	-	-	-	-	-
Capital Projects (Note 13b)	-	-	-	-	6,322,570
Unassigned	5,926,651	10,699,641	13,837,312	13,822,012	16,949,526
Total general fund	92,572,590	91,633,753	86,808,564	98,565,571	107,462,473
All other governmental funds					
Nonspendable:					
Prepaid costs	10,310	-	-	8,422	10,349
Notes and loans	2,062,589	-	-	-	-
Advances to other funds	-	-	-	-	-
Deposits	13,600	-	-	-	-
Restricted:					
Planning and development projects	3,730,533	5,970,006	13,108,499	18,211,200	22,664,093
Public safety	258,968	274,274	301,843	189,988	83,506
Community services	11,626,441	12,459,516	10,711,704	9,872,124	10,040,222
Public works	262,754	1,571,163	1,129,697	1,250,827	1,546,505
Capital Projects	1,392,581	1,590,168	3,873,699	3,597,221	4,490,534
Debt service	2,234	-	-	-	-
Assigned:					
Continuing appropriations	-	-	-	-	-
Unassigned	(13,179,196)	(12,370,462)	(12,703,744)	(11,655,344)	(11,423,008)
Total all other governmental funds	6,180,814	9,494,665	16,421,698	21,474,438	27,412,201
Total Governmental Funds	98,753,404	101,128,418	103,230,262	120,040,009	134,874,674

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 such the General Fund fund balance was 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. Emergency Reserves are now split into Natural Disaster and Economic Disaster, Working Capital Reserve was re-named Cash Flow Reserve, and Capital Replacement and Pension Trust were added.

⁽³⁾In Fiscal Year 2017-18 the City opened a trust for Other Post Employment Benefits (OPEB), and this reserve was deposited into the trust. See Note 10.

City of La Quinta
Fund Balances of Governmental Funds (Table 5)
Year Ended June 30, 2022

Fiscal Year					
2018	2019	2020	2021	2022	
					General fund:
					Nonspendable:
\$ 90,657	\$ 37,182	\$ 14,065	\$ 25,246	\$ 46,990	Prepaid costs
8,320,000	5,730,990	5,403,652	5,403,652	5,403,652	Land held for resale
14,954,085	-	-	-	-	Advances to other funds
-	-	-	-	-	Deposits
29,611,707	27,915,770	26,069,742	24,070,622	21,915,347	Due from Other Governments
-	-	-	-	-	Restricted for:
-	6,540,000	10,249,738	11,381,922	10,137,888	Debt service
					Section 115 Trust (Note 11)
					Committed:
-	-	-	-	-	Emergency Reserve ⁽²⁾
7,400,000	10,000,000	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	11,000,000	Economic Disaster Reserve ⁽²⁾
-	-	-	-	-	Post retirement health benefits ⁽³⁾
5,000,000	5,000,000	6,540,000	10,000,000	10,000,000	Capital Replacement Reserve ⁽²⁾
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	Cash Flow Reserve ⁽²⁾
2,000,000	-	-	-	-	Pension Trust ⁽⁴⁾
2,186,500	745,300	1,778,800	1,209,870	1,209,100	Carryovers
-	-	-	-	-	Other
-	-	-	-	-	Assigned:
-	-	-	-	-	Continuing appropriations
9,754,327	9,864,841	10,491,654	11,423,931	11,183,821	Public Safety (Note 13b)
5,169,970	7,721,975	8,736,219	15,128,658	15,355,043	Sales Tax Reserve (Note 13b)
4,996,815	11,853,162	13,155,144	13,431,089	30,761,847	Capital Projects (Note 13b)
19,199,506	16,228,627	19,094,651	24,241,553	33,893,325	Unassigned
121,823,567	117,637,847	123,333,665	142,316,543	165,907,013	Total general fund
					All other governmental funds:
					Nonspendable:
-	386	2,875	1,019	96,590	Prepaid costs
-	-	-	-	-	Notes and loans
-	-	-	-	-	Advances to other funds
-	-	-	-	-	Deposits
					Restricted:
22,607,600	22,996,435	23,680,641	24,751,443	25,118,552	Planning and development projects
342,919	1,391,721	1,607,101	931,352	1,073,419	Public safety
10,016,652	13,775,710	14,376,472	12,813,788	13,970,309	Community services
2,033,627	2,667,401	3,208,072	5,196,324	7,353,021	Public works
4,203,991	3,904,492	3,128,962	3,018,894	6,897,057	Capital Projects
					Debt service
					Assigned:
					Continuing appropriations
(11,347,062)	(1,852,211)	(5,175,243)	(3,182,262)	(3,293,897)	Unassigned
27,857,727	42,883,934	40,828,880	43,530,558	51,215,051	Total all other governmental funds
149,681,294	160,521,781	164,162,545	185,847,101	217,122,064	Total Governmental Funds

City of La Quinta
Changes in Fund Balances of Governmental Funds (Table 6)
Year Ended June 30, 2022

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 23,506,679	\$ 27,192,089	\$ 26,678,471	\$ 28,057,989	\$ 41,832,117
Assessments	954,058	951,181	940,221	944,050	953,699
Licenses and permits	566,510	953,540	1,356,978	1,161,820	1,118,911
Intergovernmental	15,464,942	16,506,666	15,702,943	14,960,676	4,870,334
Charges for services	625,813	1,238,277	1,341,438	1,332,541	1,021,336
Use of money and property	1,582,762	2,175,048	1,950,957	7,475,742	4,659,301
Contributions, fines, and forfeitures	18,377,253	838,972	1,956,452	28,459	348,345
Developer participation	1,226,825	3,059,254	2,803,681	1,441,075	1,042,568
Miscellaneous	491,267	575,001	580,843	992,282	289,047
Total Revenues	62,796,109	53,490,028	53,311,984	56,394,634	56,135,658
Expenditures					
Current:					
General government	4,587,888	4,068,827	5,050,425	5,267,024	5,845,197
Public safety	20,168,038	21,189,086	21,664,472	22,125,962	23,377,755
Planning and development	27,514,768	1,748,477	2,097,525	3,294,259	2,549,779
Community services	4,411,536	4,011,432	4,798,123	4,983,038	4,626,401
Public works	5,067,370	4,617,050	5,283,309	4,101,210	4,025,958
Capital projects	8,622,783	7,974,747	11,097,186	7,209,874	6,859,428
Debt service:					
Principal retirement	556,871	558,019	594,383	632,615	651,625
Interest and fiscal charges	437,678	411,010	348,334	346,137	307,600
Payment to bond escrow	-	-	-	-	-
Payments under pass-through obligations	-	-	-	-	-
Total Expenditures	71,366,932	44,578,648	50,933,757	47,960,119	48,243,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,570,823)	8,911,380	2,378,227	8,434,515	7,891,915
Other financing sources (uses):					
Issuance of tax allocation bonds	-	-	-	-	-
Issuance of revenue bonds	-	-	-	-	-
Proceeds from sale of land	-	-	-	-	-
Transfers in	29,841,053	4,201,763	12,037,331	6,420,538	21,503,514
Transfers out	(29,841,053)	(4,335,679)	(12,322,714)	(6,614,349)	(21,904,814)
Other debts issued	-	-	-	-	-
Capital leases	71,045	-	9,000	-	-
Proceeds from sale of capital assets	121,652	-	-	-	-
Total Other Financing Sources (Uses)	192,697	(133,916)	(276,383)	(193,811)	(401,300)
Extraordinary gain/loss on dissolution of RDA	-	(6,402,450)	-	-	7,344,050
Special item (interfund loan payoff)	-	-	-	-	-
Net Change in Fund Balances	(8,378,126)	2,375,014	2,101,844	8,240,704	14,834,665
Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾	1.6%	2.6%	2.2%	2.4%	2.5%

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.

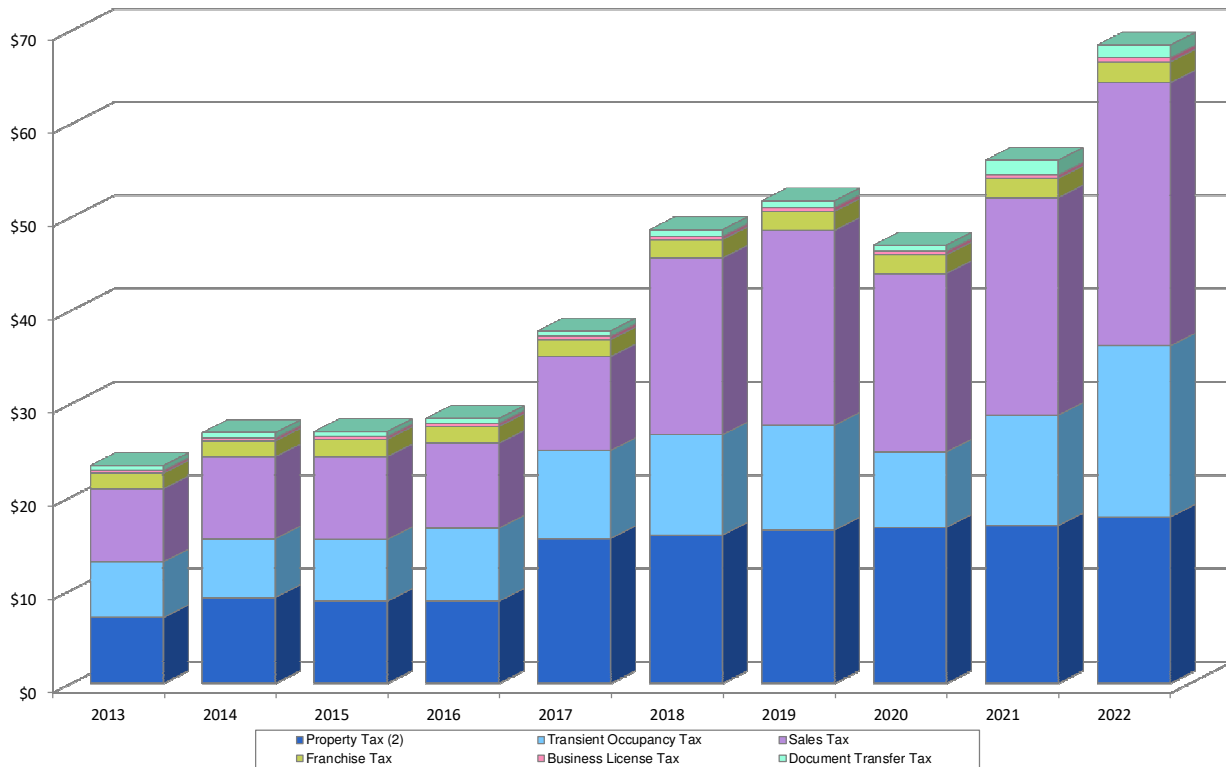
City of La Quinta
Changes in Fund Balances of Governmental Funds (Table 6)
Year Ended June 30, 2022

2018	2019	2020	2021	2022	
					Revenues:
\$ 44,931,250	\$ 48,462,493	\$ 44,881,038	\$ 53,493,786	\$ 65,107,160	Taxes
950,541	961,633	957,017	984,435	969,257	Assessments
1,394,820	1,555,026	1,913,519	2,020,596	4,521,449	Licenses and permits
12,555,259	14,075,980	17,107,595	25,720,328	15,989,135	Intergovernmental
1,279,864	1,170,825	1,179,592	964,710	1,623,951	Charges for services
2,388,683	4,824,651	5,219,088	2,601,482	(3,545,192)	Use of money and property
375,390	375,491	665,193	779,606	657,589	Contributions, fines, and forfeitures
1,534,628	2,231,471	1,863,587	1,844,665	5,584,146	Developer participation
1,196,057	2,425,675	1,371,095	645,780	970,399	Miscellaneous
66,606,492	76,083,245	75,157,724	89,055,388	91,877,894	Total Revenues
					Expenditures
					Current:
7,737,111	10,129,408	7,732,495	8,464,230	10,516,550	General government
22,508,088	23,164,976	24,009,725	24,429,310	25,741,782	Public safety
4,310,589	6,415,466	5,436,281	6,544,477	5,234,065	Planning and development
5,236,083	5,944,200	6,159,707	5,583,420	6,325,904	Community services
4,146,135	4,219,461	5,421,606	5,287,280	5,654,080	Public works
9,015,861	9,096,460	23,150,511	18,219,385	7,167,446	Capital projects
					Debt service:
666,988	650,000	-	-	10,705	Principal retirement
1,460,371	178,080	28,868	15,133	11,914	Interest and fiscal charges
-	-	-	-	-	Payment to bond escrow
-	-	-	-	-	Payments under pass-through obligations
55,081,226	59,798,051	71,939,193	68,543,235	60,662,446	Total Expenditures
11,525,266	16,285,194	3,218,531	20,512,153	31,215,448	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
7,432,340	12,942,596	16,467,409	10,781,267	6,131,440	Transfers in
(7,775,107)	(13,826,890)	(16,912,971)	(11,568,281)	(6,681,440)	Transfers out
-	-	-	-	-	Other debts issued
-	-	-	-	-	Capital leases
-	-	-	-	-	Proceeds from sale of capital assets
(342,767)	(884,294)	(445,562)	432,471	(550,000)	Total Other Financing Sources (Uses)
3,624,121	993,148	867,792	739,933	609,515	Extraordinary gain/loss on dissolution of RDA
-	(5,553,561)	-	-	-	Special item (interfund loan payoff)
14,806,620	10,840,487	3,640,761	21,684,557	31,274,963	Net Change in Fund Balances
3.26%	2.03%	0.06%	0.03%	0.06%	Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾

City of La Quinta
Tax Revenue by Source (Table 7)
Year Ended June 30, 2022

Fiscal Year	Property Tax ⁽²⁾	Tax Increment ⁽¹⁾	Transient Occupancy Tax	Sales Tax	Franchise Tax	Business License Tax	Document Transfer Tax	Total
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
2022	17,823,858	-	18,365,424	28,204,906	2,240,468	446,745	1,352,585	68,433,986

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

City of La Quinta
Top 25 Sales Tax Producers (Table 8)
Year Ended June 30, 2022

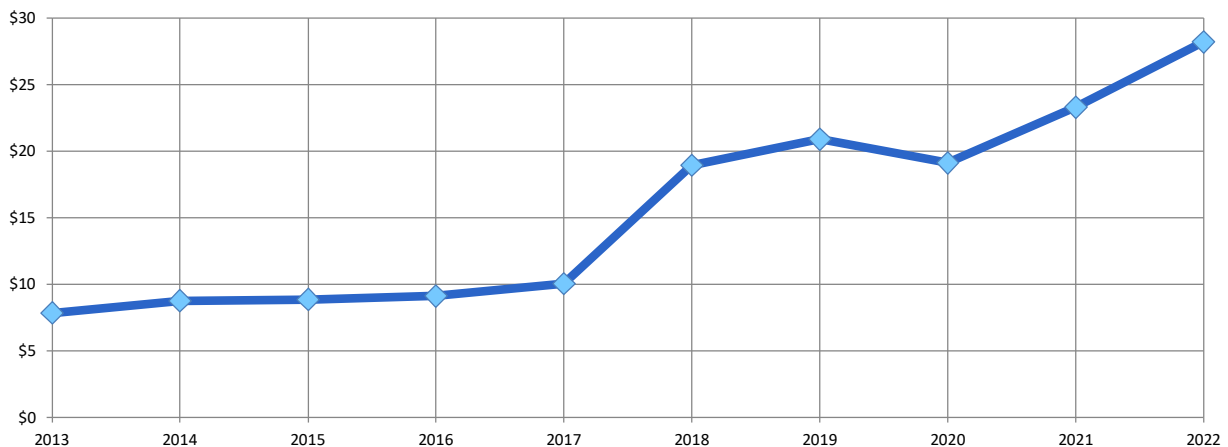
Fiscal Year 2021-22	
Business Name ⁽¹⁾	Business Category
Arco AM PM	Service Stations
Best Buy	Electronics/Appliance Stores
Circle K	Service Stations
Cliffhouse	Fine Dining
Costco	Discount Dept. Stores
Floor & Décor	Building Materials
G&M Oil	Service Stations
Genesis/Hyundai of La Quinta	New Motor Vehicle Dealers
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 & Club	Hotels/Motels
Lavender Bistro	Fine Dining
Lowe's	Building Materials
Marshalls	Family Apparel
PGA West Private	Leisure/Entertainment
Ross	Family Apparel
Target	Discount Dept. Stores
TJ Maxx	Family Apparel
Torre Nissan	New Motor Vehicle Dealers
Tower Mart	Service Stations
Vons	Grocery Stores
Walmart Supercenter	Discount Dept. Stores

Fiscal Year 2012-13	
Business Name ⁽¹⁾	Business Category
Arco AM/PM	Service Stations
Bed Bath & Beyond	Home Furnishings
Best Buy	Electronics/Appliance Stores
BevMo	Convenience Stores/Liquor
Chevrolet Cadillac of La Quinta	New Motor Vehicle Dealers
Circle K	Service Stations
Costco	Discount Dept. Stores
G & M Oil	Service Stations
Hyundai of La Quinta	New Motor Vehicle Dealers
Home Depot	Building Materials
Kohl's	Department Stores
La Quinta Resort & Club	Hotels-Liquor
Lowe's	Building Materials
Marshalls	Family Apparel
Ralphs	Grocery Stores
Ross	Family Apparel
Stater Bros	Grocery Stores
Stein Mart	Department Stores
Target	Discount Dept. Stores
Torre Nissan	New Motor Vehicle Dealers
Tower Mart	Service Stations
USA Gas	Service Stations
Verizon Wireless	Electronics/Appliance Stores
Vintners Shell Station	Service Stations
Walmart Supercenter	Discount Dept. Stores

Percent of Fiscal Year Total Paid by Top 25 Accounts: 65.33%

Percent of Fiscal Year Total Paid by Top 25 Accounts: 69.77%

Combined Sales Tax Revenue
(in millions)



Notes:

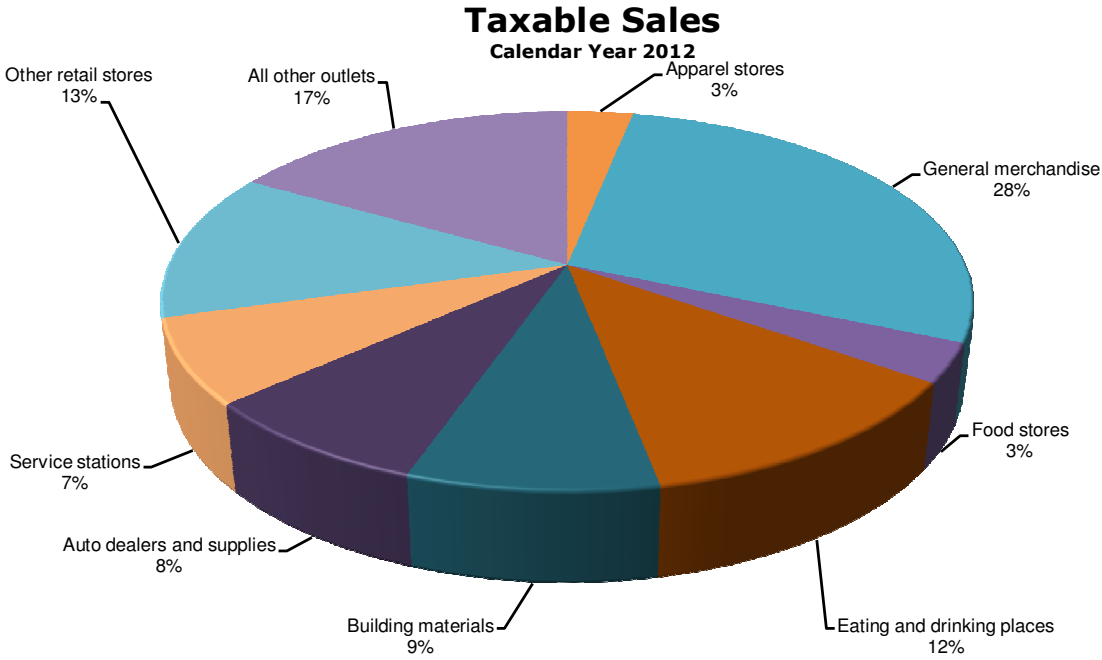
⁽¹⁾ Firms are listed alphabetically. State law does not allow for the disclosure of the sales tax revenue amounts by account. Top 25 businesses listed for state Bradley-Burns sales tax allocation only. For Top 25 business listings by local Measure G, see next page. Sales tax revenue chart includes total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

City of La Quinta
 Top 25 Measure G Sales Tax Producers (Table 9)
 Year Ended June 30, 2022

Fiscal Year 2021-22		Fiscal Year 2012-13	
Business Name ⁽¹⁾	Business Category	Business Name	Business Category
Amazon Fulfillment Services	General Merchandise		
Amazon MFA	General Merchandise		
Best Buy	Electronics/Appliance Stores		
Circle K	Service Stations		
Costco	Discount Dept. Stores		
Dept. of Motor Vehicles Allocation	Used Automotive Dealers		
Desert European Motor Cars	New Motor Vehicle Dealers		
Floor & Décor	Building Materials		
G & M Oil	Service Stations		
Home Depot	Building Materials		
In N Out	Quick-Service Restaurants		
Kohl's	Department Stores		
La Quinta Resort & Club	Hotels/Motels		
Lowe's	Building Materials		
Marshalls	Family Apparel		
Mathis Brothers Furniture	Home Furnishings		
PGA West Private	Leisure/Entertainment		
Ross	Family Apparel		
Target	Discount Dept Stores		
Tesla Motors	New Motor Vehicle Dealers		
TJ Maxx	Family Apparel		
Tower Mart	Service Stations		
Verizon Wireless	Electronics/Appliance Stores		
Vons	Grocery Stores		
Walmart Supercenter	Discount Dept. Stores		
Percent of Fiscal Year Total Paid by Top 25 Accounts:		Measure G was passed in November 2016 and implemented on April 1, 2017. Ten-year is data not available.	
44.79%			

City of La Quinta
Taxable Sales by Category (Table 10)
Year Ended June 30, 2022

	Calendar Year				
	2012	2013	2014	2015	2016
Apparel stores	\$ 24,430	\$ 25,741	\$ 25,461	\$ 25,115	\$ 26,280
General merchandise	220,970	223,324	216,871	208,189	206,808
Food stores	25,854	26,394	25,748	22,845	25,359
Eating and drinking places	94,859	97,662	101,647	106,216	115,974
Building materials	65,445	68,606	73,087	75,658	78,299
Auto dealers and supplies	62,668	72,839	84,826	87,440	83,010
Service stations	56,001	52,093	47,541	40,777	34,566
Other retail stores	99,028	100,811	101,721	105,284	107,648
All other outlets	130,421	142,049	150,746	155,173	172,135
Total	779,676	809,519	827,648	826,697	850,079



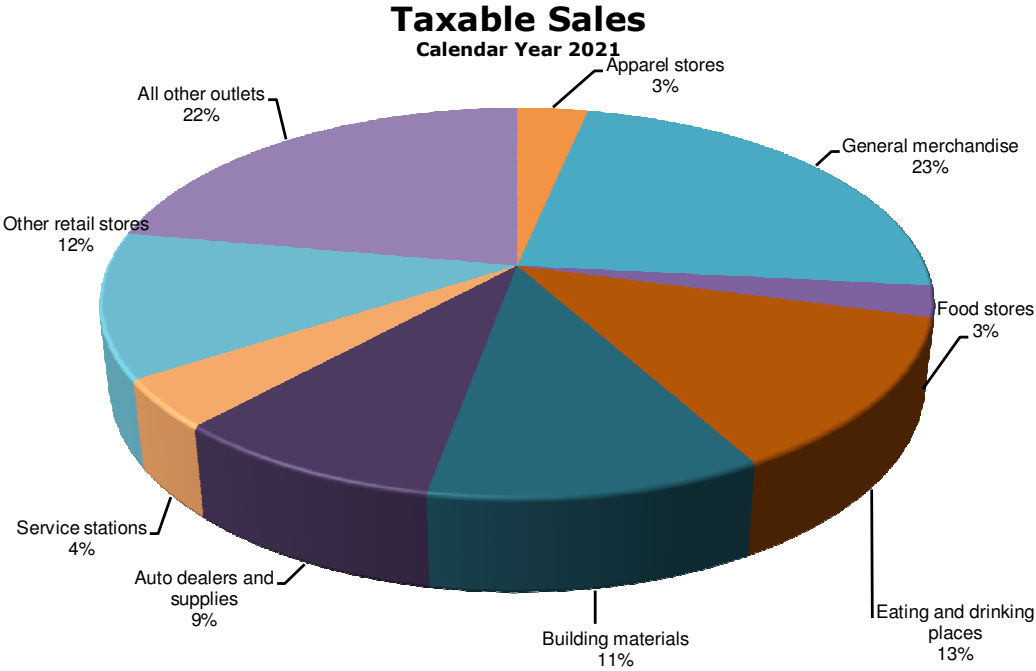
Notes:

⁽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

City of La Quinta
 Taxable Sales by Category (Table 10)
 Year Ended June 30, 2022

		Calendar Year					
2017	2018	2019	2020	2021			
\$ 31,822	\$ 34,508	\$ 33,937	\$ 24,929	\$ 38,612	Apparel stores		
222,767	232,147	235,969	235,841	274,045	General merchandise		
25,964	26,126	26,191	30,610	30,350	Food stores		
117,064	122,255	132,184	100,187	149,526	Eating and drinking places		
83,383	86,569	89,036	111,231	128,048	Building materials		
81,264	82,702	85,401	78,189	105,011	Auto dealers and supplies		
37,558	42,164	42,998	33,742	46,985	Service stations		
104,834	114,980	111,239	101,620	140,854	Other retail stores		
180,360	210,360	220,260	222,916	260,247	All other outlets		
885,016	951,811	977,215	939,265	1,173,678	Total		

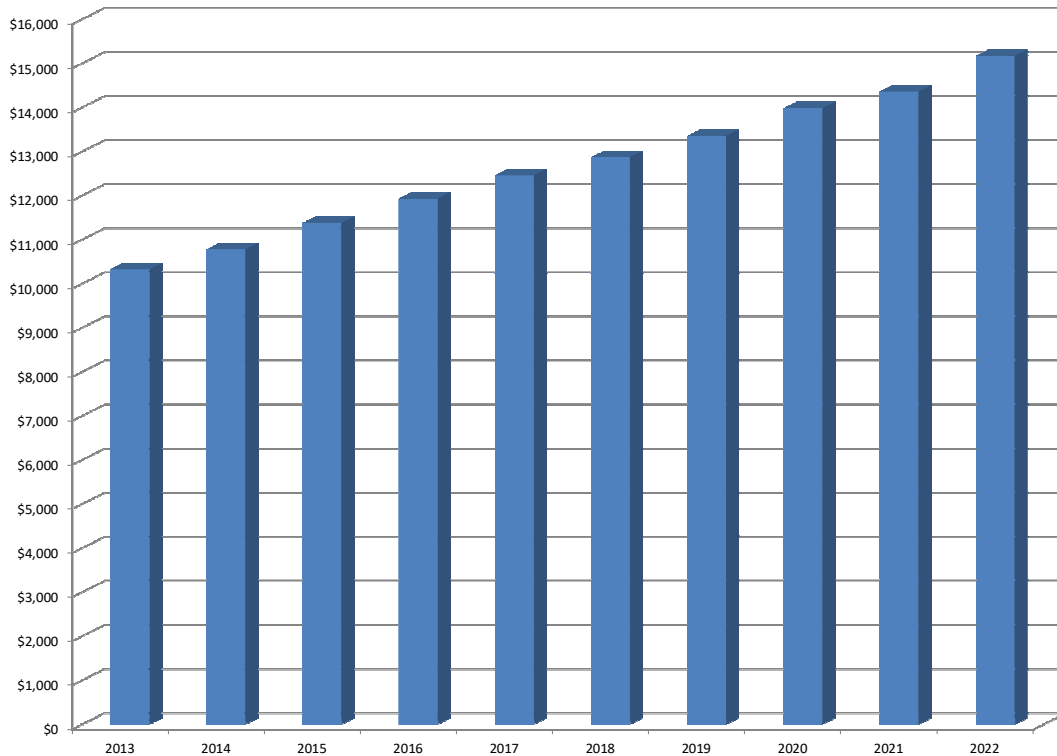


City of La Quinta
Assessed Value of Taxable Property (Table 11)
Year Ended June 30, 2022

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⁾
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
2022	13,470,995,430	758,841,326	59,428,116	816,367,506	104,233,962	(46,243,400)	15,163,622,940	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

City of La Quinta
Direct and Overlapping Property Tax Rates (Table 12)
Year Ended June 30, 2022

	City Non-Project Area									
	2013 ⁽¹⁾	2014 ⁽¹⁾	2015 ⁽¹⁾	2016 ⁽¹⁾	2017 ⁽¹⁾	2018	2019	2020	2021	2022
Direct Rates:										
City of La Quinta	0.0760	0.0760	0.0760	0.0760	0.0760	0.0760	0.0646	0.0646	0.0646	0.0646
ERAF Share of La Quinta General Fund							0.0113	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
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
County of Riverside	0.1958	0.1958	0.1958	0.1958	0.1958	0.1958	0.0978	0.0978	0.0978	0.0978
ERAF Share of County							0.0980	0.0980	0.0980	0.0980
County Free Library	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253	0.0253
County Structure Fire Protection	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544	0.0544
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
Desert Sands Unified School	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Desert Community College District	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698	0.0698
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
Riverside County Regional Park & Open Sp	0.0039	0.0039	0.0039	0.0039	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
CV Public Cemetery	0.0031	0.0031	0.0031	0.0031	0.0031	0.0031	0.0032	0.0032	0.0032	0.0032
CV Mosquito & Vector Control	0.0127	0.0127	0.0127	0.0126	0.0126	0.0126	0.0126	0.0127	0.0127	0.0127
Desert Recreation District	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192
CVWD State Water Project	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254	0.0254
CV Resource Conservation	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003	0.0003
CVWD Improvement District 1	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118	0.0118
CVWD Storm Water Unit	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321	0.0321
Total Direct Rate ⁽³⁾	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	020-160	020-160	020-160	020-160	020-160	020-160
Overlapping Rates ⁽⁴⁾:										
Coachella Valley Unified School District	0.0797	0.1492	0.1492	0.1322	0.1660	0.1761	0.1495	0.1488	0.1455	0.1367
Desert Sands Unified School	0.1116	0.1095	0.1098	0.1092	0.0860	0.0725	0.0742	0.0738	0.0739	0.0750
Coachella Valley Water District	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1100
Desert Community College District	0.0200	0.0200	0.0233	0.0209	0.0204	0.0403	0.0398	0.0398	0.0395	0.0395
Total Overlapping Rate	0.2912	0.3787	0.3823	0.3622	0.3724	0.3889	0.3635	0.3624	0.3589	0.3611
Total Direct and Overlapping Rate	1.2912	1.3787	1.3823	1.3622	1.3724	1.3889	1.3635	1.3625	1.3589	1.3612

Notes:

⁽¹⁾ Direct rate from Tax Rate Area (TRA) 020-160 and overlapping rates provided by HdL, Coren & Cone; data source Riverside County Assessor 2012/13-2021/22 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.

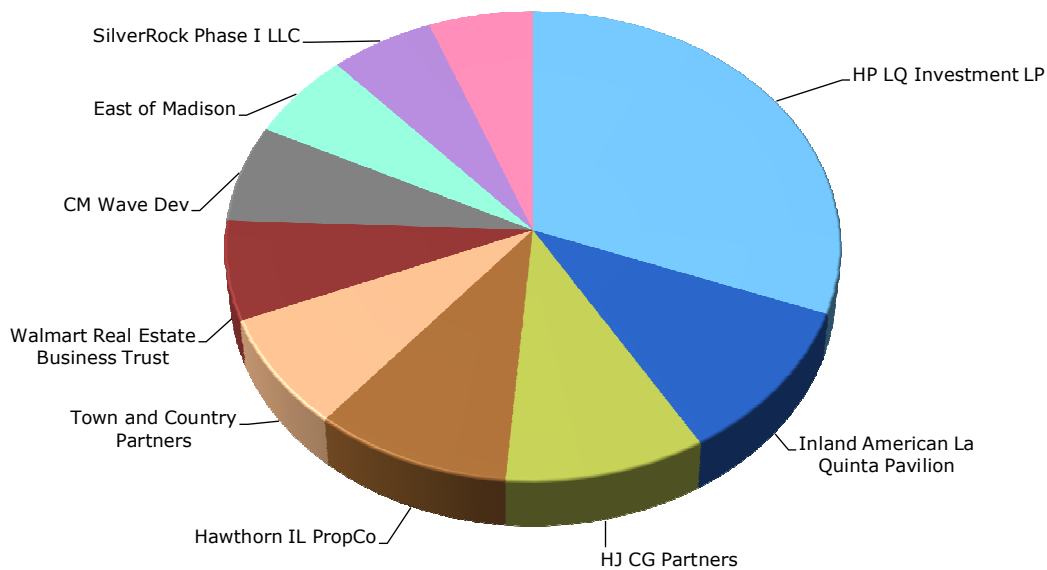
⁽⁴⁾ Overlapping rates are based upon a single tax rate area only.

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

City of La Quinta
Principal Property Taxpayers (Table 13)
Year Ended June 30, 2022

Taxpayer	Fiscal Year 2021-22			Fiscal Year 2012-13		
	Rank	Taxable Assessed Value (1)	Percent of Total City Taxable Assessed Value	Rank	Taxable Assessed Value (1)	Percent of Total City Taxable Assessed Value
HP LQ Investment LP	1	\$ 145,679,052	0.96%		\$ -	0.00%
Inland American La Quinta Pavilion	2	50,769,495	0.33%	5	43,399,514	0.42%
HJ CG Partners	3	47,091,774	0.31%		-	0.00%
Hawthorn IL PropCo	4	46,235,034	0.30%		-	0.00%
Town and Country Partners	5	36,851,361	0.24%		-	0.00%
Walmart Real Estate Business Trust	6	32,387,856	0.21%	9	28,668,169	0.28%
CM Wave Dev	7	31,640,020	0.21%		-	0.00%
East of Madison	8	28,498,109	0.19%	4	45,365,091	0.44%
SilverRock Phase I LLC	9	27,707,383	0.18%		-	0.00%
Aventine Dev	10	27,664,067	0.18%		-	0.00%
KSL Desert Resort		-	-	1	151,877,857	1.47%
T D Desert Development LP		-	-	2	100,155,108	0.97%
MSR Resort Golf Course		-	-	3	61,124,895	0.59%
Coral Option I		-	-	6	42,839,010	0.41%
Iota Griffin LLC		-	-	7	35,412,485	0.34%
WRM La Quinta		-	-	8	30,170,000	0.29%
Village Resort		-	-	10	24,486,681	0.24%
Total		\$ 474,524,151	3.13%		563,498,810	5.46%

Principal Property Tax Payers
FY 2021-22



(1) Taxable valuations include secured and unsecured

Source:

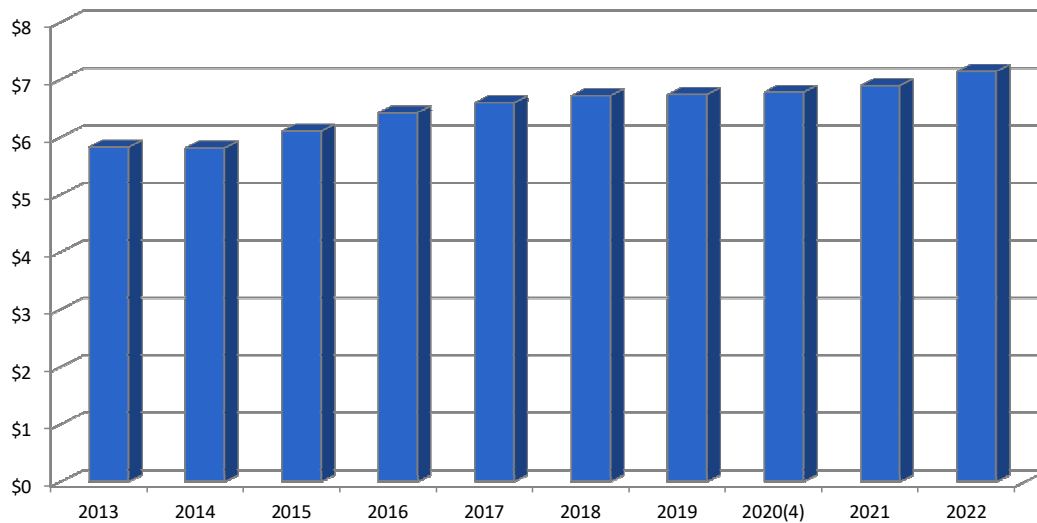
HdL, Coren & Cone; Riverside County Assessor 2012/13 and 2021/22 Combined Tax Rolls and the SBE Non-Unitary Tax Roll (Preliminary)

This page intentionally left blank.

City of La Quinta
Property Tax Levies and Collections (Table 14)
Year Ended June 30, 2022

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
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%
2022	7,291,506	7,140,010	97.92%	163,569	7,303,579	100.17%

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-Conroller (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: County of Riverside Auditor Controller's Office

City of La Quinta
Ratios of Outstanding Debt by Type (Table 15)
Year Ended June 30, 2022

	Fiscal Year Ended				
	2013	2014	2015	2016	2017
Governmental Activities:					
Reimbursement Agreement	\$ -	\$ -	\$ -	\$ -	\$ -
Capital leases	71,045	129,063	103,869	155,395	530,163
USDA Loan	702,105	686,345	668,933	649,698	628,448
Provident Savings Loan	1,441,096	1,405,755	1,367,344	1,325,596	1,280,221
Notes Payable- Eisenhower Drive Property	-	-	-	-	2,250,000
Developer Agreement	-	-	-	-	-
City Hall Lease Revenue Bonds	3,425,000	2,930,000	2,405,000	1,850,000	1,265,000
Total Governmental	5,639,246	5,151,163	4,545,146	3,980,689	5,953,832
Business-type Activities:					
Capital Leases	43,736	-	-	-	-
Total Business-Type Activities	43,736	-	-	-	-
Total Primary Government	5,682,982	5,151,163	4,545,146	3,980,689	5,953,832
Population - State Department of Finance January 1	38,401	39,032	39,694	39,977	40,677
Number of Households	23,612	23,871	24,150	24,432	24,544
Median Household Income	\$ 111,077	\$ 109,365	\$ 97,526	\$ 99,157	\$ 104,749
Percentage of Personal Income	0.22%	0.20%	0.19%	0.16%	0.23%
Debt Per Capita	148	132	115	100	146

Notes:

⁽²⁾ Details regarding the City's outstanding debt can be found in the notes to the financial statements. Leases for business-type activities were added in FY 2022 as a result of GASB 87.

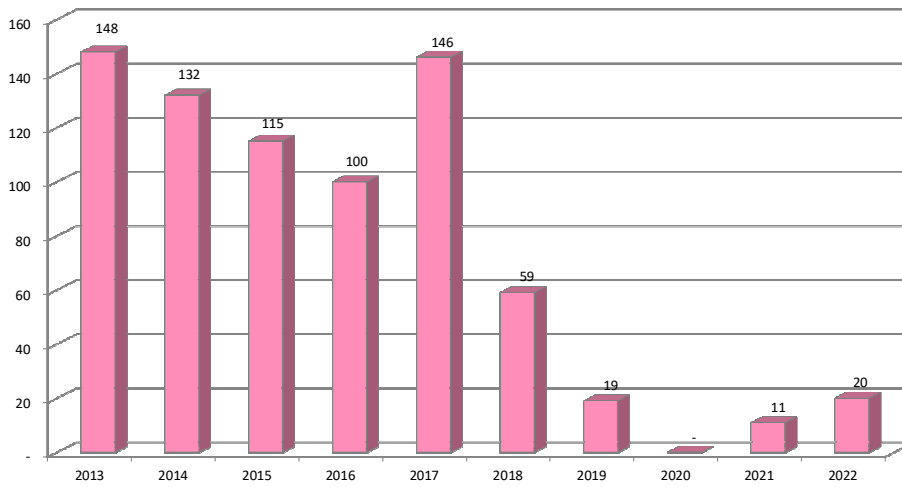
Source: City of La Quinta; HDL, Coren & Cone

City of La Quinta
 Ratios of Outstanding Debt by Type (Table 15)
 Year Ended June 30, 2022

Fiscal Year Ended				
2018	2019	2020	2021	2022
Governmental Activities:				
\$ -	\$ -	\$ -	\$ -	\$ -
667,035	757,971	761,790	459,275	184,727
-	-	-	-	-
-	-	-	-	-
1,125,000	-	-	-	-
-	-	-	-	-
650,000	-	-	-	-
2,442,035	757,971	761,790	459,275	184,727
Total Governmental				
Business-type Activities:				
-	-	-	-	565,837
-	-	-	-	565,837
Total Business-Type Activities				
2,442,035	757,971	761,790	459,275	750,564
Total Primary Government				

41,204	40,389	40,660	41,247	37,860	Population - State Department of Finance January 1
24,643	24,764	24,957	25,177	23,796	Number of Households
\$ 107,447	\$ 117,802	\$ 120,097	\$ 121,816	\$ 119,479	Median Household Income
0.09%	0.03%	0.00%	0.01%	0.03%	Percentage of Personal Income
59	19	-	11	20	Debt Per Capita

Debt Per Capita

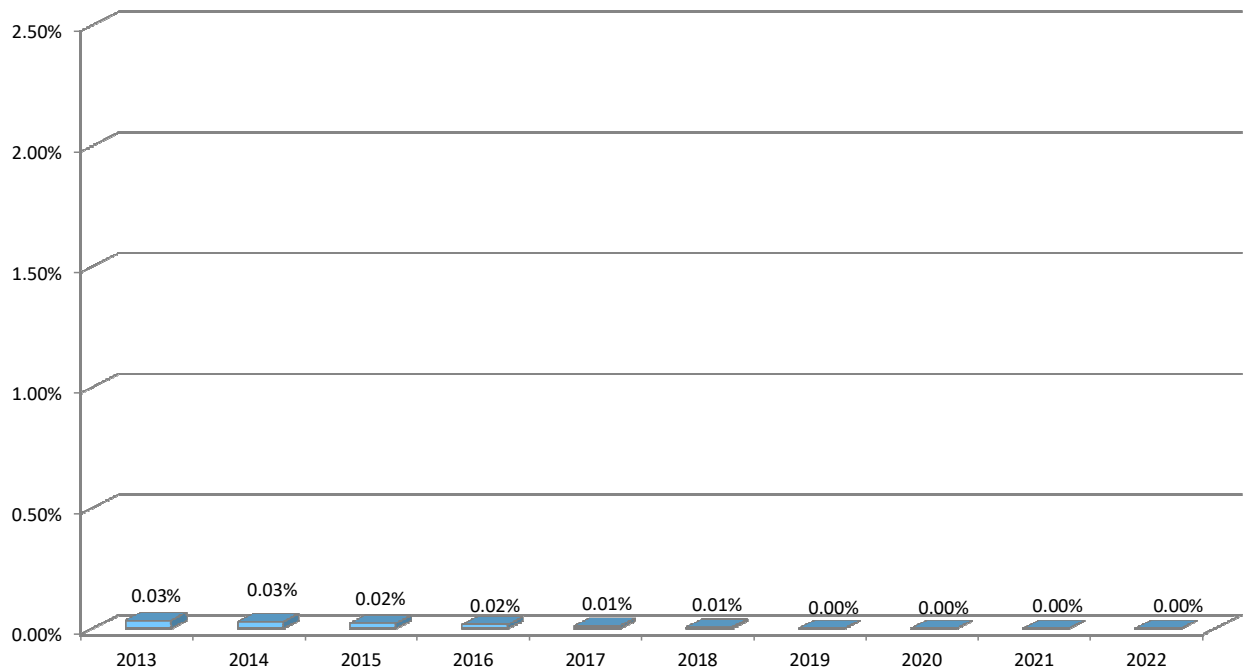


City of La Quinta
Ratio of General Bonded Debt Outstanding (Table 16)
Year Ended June 30, 2022

Outstanding General Bonded Debt ⁽¹⁾

Fiscal Year Ended June 30,	City Hall Lease Obligation	Local Agency Bonds	Tax Allocation Bonds	Total	Percent of Assessed Value ⁽²⁾	Per Median Household Income
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%	-
2022	-	-	-	-	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.

City of La Quinta
Direct and Overlapping Debt (Table 17)
Year Ended June 30, 2022

Total Assessed Valuation ⁽¹⁾ \$ 15,209,866,340

	Percentage Applicable ⁽²⁾	Outstanding Debt 6/30/22	Estimated Share of Overlapping Debt
Overlapping Debt ⁽³⁾			
Overlapping Tax and Assessment Debt			
Desert Community College District	16.37%	\$ 510,745,000	\$ 83,629,386
Coachella Valley Unified School District	50.50%	226,567,400	114,409,740
Desert Sands Unified School District (DSUSD)	20.10%	389,440,000	78,257,968
DSUSD Community Facilities District No. 1	88.91%	575,000	511,244
Coachella Valley Water District Assessment District 68	86.46%	810,000	700,286
Total Overlapping Tax and Assessment Debt			277,508,624
Overlapping General Fund Debt			
Riverside County General Fund Obligations	4.60%	720,218,351	33,101,235
Riverside County Pension Obligations	4.60%	820,060,000	37,689,958
Coachella Valley Unified School District Certificates of Participation (COP)	50.50%	32,665,000	16,494,845
Desert Sands Unified School District COP	20.10%	19,505,000	3,919,530
Total Overlapping General Fund Debt			91,205,568
Overlapping Tax Increment Debt			
Successor Agencies	62.01%	484,463,028	300,438,863
Total Overlapping Tax Increment Debt			
Total Gross Overlapping Debt			669,153,055
Less: Riverside County Supported Obligations			-
Total Net Overlapping Debt			669,153,055
Direct General Fund Debt			
City of La Quinta General Fund Obligations		750,564	750,564
Total Direct General Fund Debt			750,564
Total Net Combined Direct and Overlapping Debt			\$ 669,903,619

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 (Table 18)
 Year Ended June 30, 2022

	Fiscal Year				
	2013	2014	2015	2016	2017
Assessed valuation ⁽¹⁾	\$ 10,274,998,112	\$ 10,726,752,603	\$ 11,369,346,292	\$ 11,930,906,878	\$ 12,457,435,999
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation ⁽²⁾	2,568,749,528	2,681,688,151	2,842,336,573	2,982,726,720	3,114,359,000
Debt limit percentage ⁽²⁾	15%	15%	15%	15%	15%
Debt limit	385,312,429	402,253,223	426,350,486	447,409,008	467,153,850
Total net debt applicable to limit General obligation bonds ⁽³⁾	-	-	-	-	-
Legal debt margin	\$ 385,312,429	\$ 402,253,223	\$ 426,350,486	\$ 447,409,008	\$ 467,153,850
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.

City of La Quinta
 Legal Debt Margin Information (Table 18)
 Year Ended June 30, 2022

Fiscal Year					
2018	2019	2020	2021	2022	
\$ 12,867,519,997	\$ 13,351,737,881	\$ 13,980,319,465	\$ 14,359,765,558	\$ 15,163,622,940	Assessed valuation ⁽¹⁾
25%	25%	25%	25%	25%	
3,216,879,999	3,337,934,470	3,495,079,866	3,589,941,390	3,790,905,735	
15%	15%	15%	15%	15%	Debt limit percentage ⁽²⁾
482,532,000	500,690,171	524,261,980	538,491,208	568,635,860	Debt limit
-	-	-	-	-	Total net debt applicable to limit General obligation bonds ⁽³⁾
\$ 482,532,000	\$ 500,690,171	\$ 524,261,980	\$ 538,491,208	\$ 568,635,860	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

City of La Quinta
Pledged-Revenue Coverage (Table 19)
Year Ended June 30, 2022

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		
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	-	-	-	-	-	-	
2022	-	-	-	-	-	-	

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.

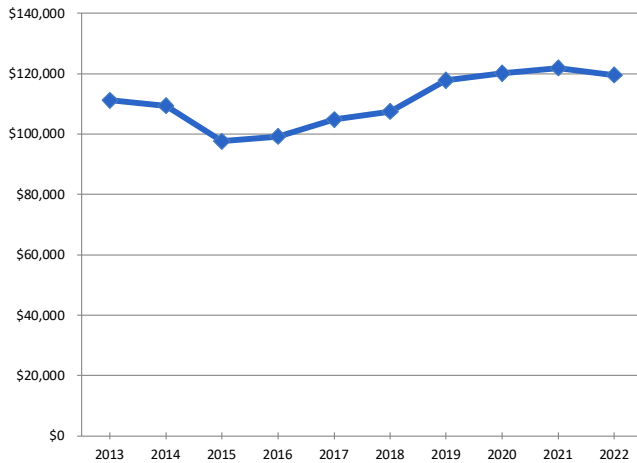
⁽²⁾ Lease revenues consist of payments from the City General Fund and Civic Center Development Impact Fee Fund.

⁽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) .

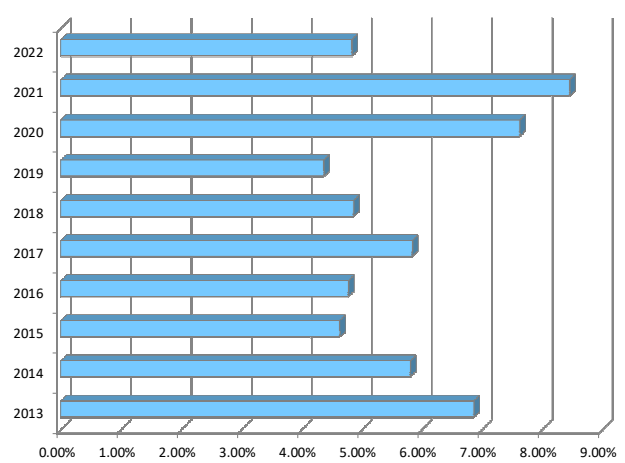
City of La Quinta
Demographic and Economic Statistics (Table 20)
Year Ended June 30, 2022

	Sources	Calendar Year									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Land (Sq Miles)	(3)	35.16	35.16	35.71	35.71	35.71	35.71	35.71	35.71	35.71	35.71
Population	(1)(3)	38,261	38,689	39,240	39,769	40,065	40,217	40,389	40,660	41,247	37,860
Mean Household Income (in dollars)	(4)	\$111,077	\$109,365	\$97,526	\$99,157	\$104,749	\$107,447	\$117,802	\$120,097	\$121,816	\$119,479
Number of Dwelling Units	(1)	23,612	23,871	24,150	24,432	24,544	24,643	24,764	24,957	25,177	23,796
Persons per Household	(1)	2.58	2.59	2.60	2.62	2.64	2.63	2.68	2.60	2.60	2.60
Per Capita Income	(3)	\$43,053	\$42,226	\$37,510	\$37,846	\$39,288	\$39,999	\$42,931	\$46,248	\$47,986	\$52,632
Labor Force	(2)	16,658	16,983	17,483	18,033	18,617	18,917	19,142	19,267	19,083	19,850
Employment	(2)	15,517	16,000	16,675	17,175	17,533	18,000	18,308	17,800	17,483	18,892
Unemployment Rate	(2)	6.85%	5.79%	4.62%	4.76%	5.82%	4.85%	4.36%	7.61%	8.44%	4.83%
Median age	(3)	43.6	44.8	45.1	45.3	45.7	46	46.4	47.1	47.9	48.6

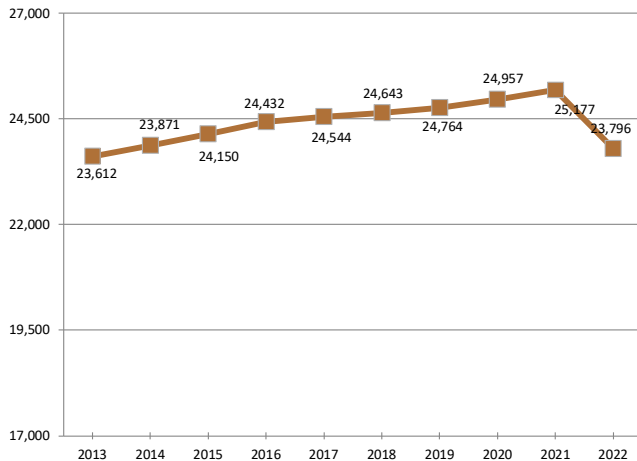
Mean Household Income



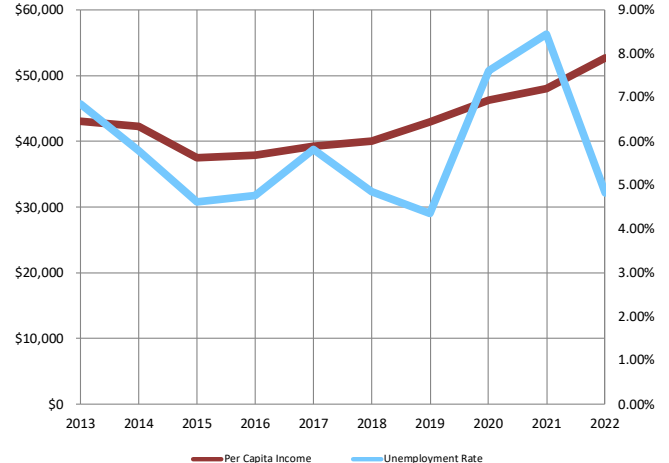
Unemployment Rate



Number of Dwelling Units



Per Capita Income and Unemployment



Sources:

- (1) State of California Department of Finance; State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State*, Sacramento, California, released May 2022. The estimates incorporate 2020 Census counts.
- (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) HdL, 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.

City of La Quinta
Principal Employers (Table 21)
Year Ended June 30, 2022

Employer	Activity	Fiscal Year 2021-22			Fiscal Year 2012-13		
		Rank	Number of Employees	Percent of Total Employment	Rank	Number of Employees	Percent of Total Employment
Desert Sands Unified School District	Government	1	2,862	14.42%	2	1,176	7.21%
La Quinta Resort & Club/ PGA West ⁽¹⁾	Hotel & Golf Resort	2	1,400	7.05%	1	2,346	14.39%
Wal-Mart Super Center	Retailer	3	300	1.51%	3	340	2.09%
Costco	Retailer	4	297	1.50%	4	244	1.50%
Home Depot	Retailer	5	181	0.91%	6	160	0.98%
Lowe's Home Improvement	Retailer	6	150	0.76%	-	-	0.00%
Imperial Irrigation District	Utility Company	7	132	0.66%	8	140	0.86%
Target	Retailer	8	132	0.66%	7	148	0.91%
Vons	Grocery Store	9	104	0.52%	10	98	0.60%
Stater Bros	Grocery Store	10	90	0.45%	9	119	0.73%
In N Out	Fast Food	11	84	0.42%	-	-	0.00%
Rancho La Quinta	Golf Resort	12	68	0.34%	5	209	1.28%
Tradition Golf Club	Golf Resort				11	95	0.58%
Total employment listed			5,800	29.22%		5,075	31.13%
Total City Employment - July 1			19,850			16,300	

Notes:

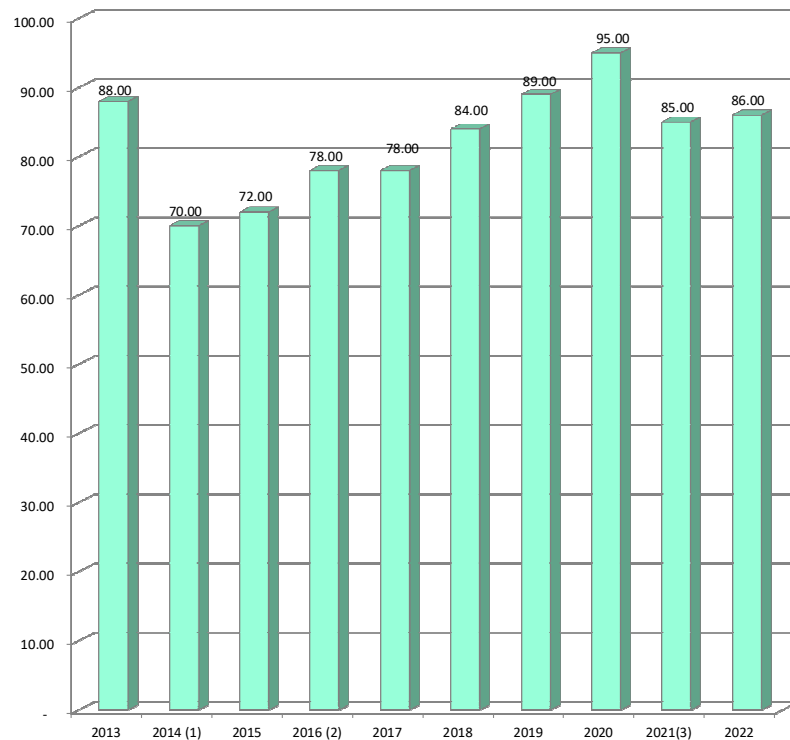
⁽¹⁾La Quinta Resort & Club and PGA West are accounted for as one entity; as such, their employment numbers are reported together as of FY 2015-16.

Source: City of La Quinta

City of La Quinta
Full-time City Employees (Table 22)
Year Ended June 30, 2022

Function	Fiscal Year									
	2013	2014 ⁽¹⁾	2015	2016 ⁽²⁾	2017	2018	2019	2020	2021 ⁽³⁾	2022
Administration-City Mgr. Office	11.00	8.00	7.00	4.00	4.00	5.00	7.00	8.00	8.00	8.00
City Clerk	5.00	4.00	4.00	3.00	3.00	5.00	5.00	4.00	4.00	4.00
Finance	8.00	7.00	8.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00
Community Services	10.75	12.00	11.65	-	-	-	-	-	-	-
Building and Safety	21.00	-	-	-	-	-	-	-	-	-
Planning and Development	9.00	-	-	-	-	-	-	-	-	-
Community Development	-	19.00	20.00	-	-	-	-	-	-	-
Public Works	23.25	20.00	21.35	-	-	-	-	-	27.00	27.00
Community Resources ^(a)	-	-	-	18.00	18.00	18.00	18.00	23.00	19.00	20.00
Design and Development ^(b)	-	-	-	27.00	27.00	29.00	32.00	33.00	18.00	18.00
Facilities ^(c)	-	-	-	19.00	19.00	19.00	19.00	19.00	-	-
Total	88.00	70.00	72.00	78.00	78.00	84.00	89.00	95.00	85.00	86.00

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.

City of La Quinta
Operating Indicators (Table 23)
Year Ended June 30, 2022

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020 ⁽³⁾	2021 ⁽³⁾	2022
Finance:										
Number of Animal Licenses Processed ⁽¹⁾	1,505	1,602	1,374	-	-	-	-	-	-	-
Number of Accounts Payable Checks Processed	3,576	3,696	3,833	4,153	3,835	3,621	3,879	3,855	2,998	3,014
Number of investment purchases	30	22	21	22	20	61	56	49	32	93
Par value of investments	\$ 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	\$ 223,319,336
Number of cleared checks	3,899	3,922	4,004	4,167	3,932	3,813	3,875	3,962	2,977	2,989
Number of bank wires, drafts, and EFTs ⁽⁴⁾	58	58	54	41	44	64	68	57	412	504
City Clerk:										
Contracts Processed	346	289	238	282	199	243	266	297	217	232
Documents Notarized	301	334	203	157	99	128	74	90	184	256
Documents Recorded with County	125	183	106	112	56	67	45	39	43	150
Subpoenas and Claims Processed	15	21	37	10	8	12	18	15	15	18
Records Requests Fulfilled and Recorded	558	601	580	518	743	572	602	633	847	1,205
Documents Scanned to Electronic Archives ⁽¹⁾	28,798	34,671	164,847	233,182	214,384	593,991	970,894	753,291	190,113	176,426
Public Works:										
Encroachment permits issued	124	109	127	54	123	121	140	121	138	196
Request for services ⁽¹⁾	740	1322	1,261	3,440	3,207	2,652	2,194	1,938	2,041	1,732
Community Development:										
Number of Active Business Licenses ⁽¹⁾	3,520	3,998	4,452	3,368	3,681	3,707	3,806	3,592	3,267	3,414
Permits:										
Single family Detached	83	147	176	108	92	142	122	218	157	467
Single family Attached	-	0	4.00	7.00	7	6	14	1	0	27
Residential Pool	162	204	255	217	170	211	243	237	337	424
Wall/Fence	167	220	328	257	209	268	223	312	244	412
Other	1,042	1,158	1,316	1,230	1,258	1,571	1,655	1,401	1,619	2,192
Garage Sale Permits ⁽¹⁾	1,404	1,255	1,290	1,109	1,024	928	959	604	351	461
Total Permits	2,858	2,984	3,369	2,928	2,760	3,126	3,216	2,773	2,708	3,983
Code Compliance ⁽¹⁾:										
Animal Control Incidents Handled ⁽¹⁾	3,206	1,645	1,085	-	-	-	52	42	30	10
Vehicle abatements	99	88	85	255	212	224	184	149	79	114
Weed abatements	1,404	43	45	57	114	128	80	65	53	74
Nuisance abatements/Property Maintenance	1,668	730	557	1,037	1,180	1,122	921	821	403	952
All Other ⁽²⁾	-	-	-	1,432	806	888	1,159	1,591	1,511	1,320
Community Services:										
Library activities:										
Number of Visits	63,955	71,874	73,924	182,913	190,747	152,725	132,947	84,042	25,950	65,259
Books checked out	220,690	329,154	263,047	234,340	254,323	250,636	241,450	122,084	63,198	149,001
Cards Issued	2,966	2,035	2,418	2,179	2,248	2,276	2,251	919	886	1,610
Number of School Children Visiting	737	1,539	1,562	2,947	4,680	4,528	3,303	3,708	10,221	2,435
Volunteer Hours	2,226	1,340	1,917	2,169	2,248	2,314	2,138	1,173	0	524
Senior Center/Wellness Center ⁽¹⁾ :										
Number of visits	9,350	11,500	23,871	62,820	74,141	87,294	82,477	41,934	4,725	20,065
Volunteer Hours	2,233	2,745	1,279	1,585	1,420	1,333	1,148	506	0	0
Recreation activities:										
Participants:										
Leisure Classes ⁽⁵⁾	1,475	1,177	1,322	2,241	2,278	2,168	2,039	864	269	15,538
Special events	5,970	5,927	6,460	8,185	7,783	10,449	12,650	4,950	390	4,685
Adult Sports	3,865	5,878	5,487	7,192	6,695	6,136	5,932	3,644	0	492
Golf course:										
Golf rounds played	46,352	43,610	41,904	45,104	43,085	42,590	44,949	33,407	39,073	44,329
Average Green fee	\$ 67.44	\$ 66.83	\$ 69.65	\$ 66.87	\$ 66.80	\$ 71.88	\$ 72.02	\$ 71.23	\$ 79.63	\$ 92.53
Planning and Development:										
Number of residential units approved	228	494	208	40	120	-	114	92	212	132
Commercial square footage approved	0	113,149	79,092.00	13,000	391,914	7,599	102,552	3,162	152,133	15,537

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.

⁽⁵⁾ Leisure Classes line includes X-park and Fritz Burns Pool activity participants starting in 2021-22.

City of La Quinta
Capital Asset Statistics by Function (Table 24)
Year Ended June 30, 2022

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Works:										
Streets (miles)	128	128	128	128	128	128	128	129	129	129
Bikepaths (miles) ⁽¹⁾	22	22	34	34	36	36	36	79.1	81.1	81.1
Streetlights ⁽²⁾	269	277	277	281	372	372	372	372	372	372
Traffic signals	52	54	54	54	54	54	54	50	50	50
Traffic signs	2,984	3,018	3,018	3,018	5,758	5,758	5,408	4,808	4,808	4,808
Bridges	12	13	13	13	13	13	13	13	13	13
Parks and Recreation:										
Parks ⁽³⁾	13	13	13	13	13	13	13	14	14	17
Park Acreage	218	218	218	218	218	218	218	-	-	-
Undeveloped Park Acreage	40	40	40	40	40	40	40	-	-	-
City-Owned Acres ⁽³⁾								238	238	235
City-Improved Acres ⁽³⁾								114	114	111
Hiking Trails (miles)							17	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. In 2021-22, the City added one public park, the X-park. Additionally, the park count now includes two sports fields owned by Desert Sands Unified School District but maintained by the City. These parks were already included in the "city-improved acres" line.

City of La Quinta
Schedule of Insurance in Force (Table 25)
Year Ended June 30, 2022

Company Name	Policy Number	Coverage	Limits	Term	Premium
National Union Fire Insurance Alliant Insurance Services, Inc	01-424-97-61	Crime, Forgery, Fraud	\$1 Million	07/01/21 to 07-01-22	\$1,800
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	07/01/21 - 07/01/22	\$144,771
NFP Property & Casualty Beazley Insurance Services	W14D19220901	Earthquake Real & Personal Property ncluding Contingent Tax Interruption	\$10 Million Per Occurrence	03/09/22 to 03/09/23	\$175,980
California Joint Powers Insurance Authority	Self-Insured Pool	Comprehensive General and Automobile Liability	\$30 Million Single Limit per Occurrence	07/01/21 - 07/01/22	\$446,349
California Joint Powers Insurance Authority	Self-Insured Pool	Workers' Compensation	\$10 Million Per Occurrence	07/01/21 - 07/01/22	\$146,173