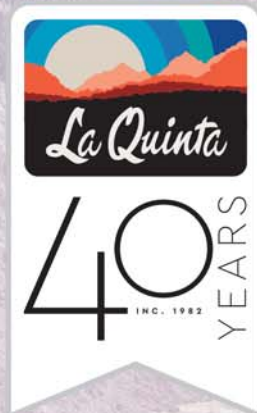




CITY OF  
LA QUINTA

# 2022/23

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2023



Prepared by: Finance Department



# City of La Quinta, California

Annual Comprehensive Financial Report

Year Ended June 30, 2023

Prepared By: Finance Department



**INTRODUCTORY SECTION**

Letter of Transmittal..... i  
 List of Principal Officers..... vii  
 Organizational Chart..... viii  
 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 ..... 16  
     Statement of Activities ..... 18  
 Government Fund Financial Statements  
     Balance Sheet – Governmental Funds..... 20  
     Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... 22  
     Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds..... 23  
     Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
     Governmental Funds to the Statement of Activities..... 24  
 Proprietary Fund Financial Statements  
     Statement of Net Position – Proprietary Funds ..... 25  
     Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds ..... 26  
     Statement of Cash Flows – Proprietary Funds ..... 27  
 Fiduciary Fund Financial Statements  
     Statement of Fiduciary Net Position ..... 29  
     Statement of Changes in Fiduciary Net Position ..... 30  
 Notes to Financial Statements ..... 31

**REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule – General Fund..... 73  
 Budgetary Comparison Schedule – Housing Authority ..... 75  
 Budgetary Comparison Schedule – Disaster Recovery..... 76  
 Schedule of Proportionate Share of the Net Pension Liability – Miscellaneous Plan ..... 77  
 Schedule of Pension Plan Contributions – Miscellaneous Plan..... 78  
 Schedule of Changes in the Net OPEB Liability/(Asset) and Related Ratios..... 79  
 Schedule of OPEB Contributions ..... 80  
 Note to Required Supplementary Information ..... 81

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

Combining Balance Sheet – Nonmajor Governmental Funds .....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	90
<b>Budgetary Comparison Schedules – Special Revenue Funds</b>	
State Gas Tax .....	96
Library and Museum.....	97
Federal Assistance .....	98
SLESA .....	99
Lighting and Landscaping .....	100
Quimby .....	101
La Quinta Public Safety Officer .....	102
Art in Public Places .....	103
South Coast Air Quality.....	104
AB 939.....	105
Housing Grants .....	106
Law Enforcement.....	107
Measure A .....	108
Economic Development .....	109
AB 1379.....	110
<b>Budgetary Comparison Schedules – Capital Projects Funds</b>	
Capital Improvement.....	111
Maintenance Facilities DIF Fund .....	112
Infrastructure .....	113
Civic Center.....	114
Transportation.....	115
Parks and Recreation.....	116
Library Development .....	117
Community Center .....	118
Street Facility .....	119
Park Facility.....	120
Fire Facility.....	121
<b>Budgetary Comparison Schedules – Debt Service Funds</b>	
Financing Authority .....	122
<b>Internal Service Funds</b>	
Combining Statement of Net Position.....	124
Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	125
Combining Statement of Cash Flows.....	126

**STATISTICAL SECTION**

Net Position by Component (Table 1) .....	128
Changes in Net Position (Table 2).....	130
Changes in Net Position – Governmental Activities (Table 3).....	132
Changes in Net Position – Business-type Activities (Table 4).....	134
Fund Balances of Governmental Funds (Table 5).....	136
Changes in Fund Balances of Governmental Funds (Table 6) .....	138
Tax Revenue by Source (Table 7).....	140
Top 25 Bradley-Burns Sales Tax Producers (Table 8) .....	141
Top 25 Measure G Sales Tax Producers (Table 9) .....	142
Taxable Sales by Category (Table 10).....	143
Assessed Value of Taxable Property (Table 11).....	145
Direct and Overlapping Property Tax Rates (Table 12) .....	146
Principal Property Taxpayers (Table 13).....	147
Property Tax Levies and Collections (Table 14).....	148
Ratios of Outstanding Debt by Type (Table 15).....	149
Ratio of General Bonded Debt Outstanding (Table 16).....	151
Direct and Overlapping Debt (Table 17).....	152
Legal Debt Margin Information (Table 18) .....	153
Pledged-Revenue Coverage (Table 19) .....	155
Demographic and Economic Statistics (Table 20) .....	156
Principal Employers (Table 21) .....	157
Full-time City Employees by Function (Table 22) .....	158
Operating Indicators by Function (Table 23).....	159
Capital Asset Statistics by Function (Table 24).....	160
Schedule of Insurance in Force (Table 25) .....	161
 Other Information	
Project Status .....	162

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July 19, 2024

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, 2023. 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, 2023. 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 1<sup>st</sup>. 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 October 2023, the unadjusted unemployment rate for La Quinta was 5.5%, which was slightly higher than unadjusted rates for Riverside County's at 5.4% and the statewide average of 5.0%. Current unemployment rates are greatly impacted by the continuing gains in jobs in the Leisure & Hospitality and Private Education and Health Services sectors.

The City's dominant industries are tourism, recreation, and retail, with the following being major employers: Desert Sands Unified School District, PGA West and Citrus Club, La Quinta Resort and Club, Costco, and Wal-Mart Super Center.

Throughout the year La Quinta hosts a variety of multi-generational open-air events and shines in the national spotlight as the only PGA golf tour event in the region with the American Express Golf Tournament, which includes two nights of outdoor concerts. 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 fine art event, La Quinta Art Celebration, which is now held twice a year and is ranked number one in the United States by Art Fair Sourcebook's Top 100 Fine Art Events.

Substantially or entirely completed projects during 2022/23 included Longhorn Steakhouse, Welbe Health, a new Panera drive-thru, and WDC Kitchen & Bath along the Highway 111 Corridor, and Rd Rnnr Restaurant in Old Town La Quinta.

## **Long-term Financial Planning**

Sound financial governance and prudent planning continues to be management's focus. The City has a long history of providing superior service, life enrichment opportunities, and a quality environment to its residents, businesses, and visitors. La Quinta has taken a proactive approach to rising pension and public safety costs by building its reserve categories and paying down the City's pension obligations. The City also continues to collaborate with Riverside County and other regional cities on police services to identify long-term savings.

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

In 2022/23, the General Fund's overall fund balance increased by almost \$20.1 million when compared to the ending balance in 2021/22, mainly due to revenue increases surpassing budget projections in areas such as transient occupancy taxes and sales tax. As of June 30, 2023, 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 2023 the City Council adopted a balanced budget without the use of reserves for fiscal year 2023/24. The adopted budget had operating revenues exceeding expenses by \$1,649,350. The 2023/24 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 Jefferson Street Apartments, Solterra, Point Happy Homes, Barcelona Club Apartments (formerly Desert Club Apartments), Cantera at Coral Mountain, and Palo Verde and commercial developments include luxury Montage and lifestyle Pendry hotels, Hampton Inn, and Dune Palms mixed-use project. Approved housing developments on the horizon include La Quinta Village Apartments, Sierra Blanca, and Club at Coral Mountain.

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, 2022. This was the twenty-sixth 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.

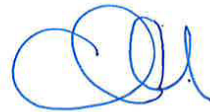
We would like to express our appreciation to the City Council and the Financial Advisory Commission for their ongoing oversight of the financial affairs of the City and their prudent fiscal, economic, and land use policy and direction. We also thank City staff with

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, 2023**

**CITY COUNCIL**

Linda Evans, Mayor  
Steve Sanchez, Mayor Pro Tem  
Kathleen Fitzpatrick, Council Member  
Deborah McGarrey Council Member  
John Peña, Council Member

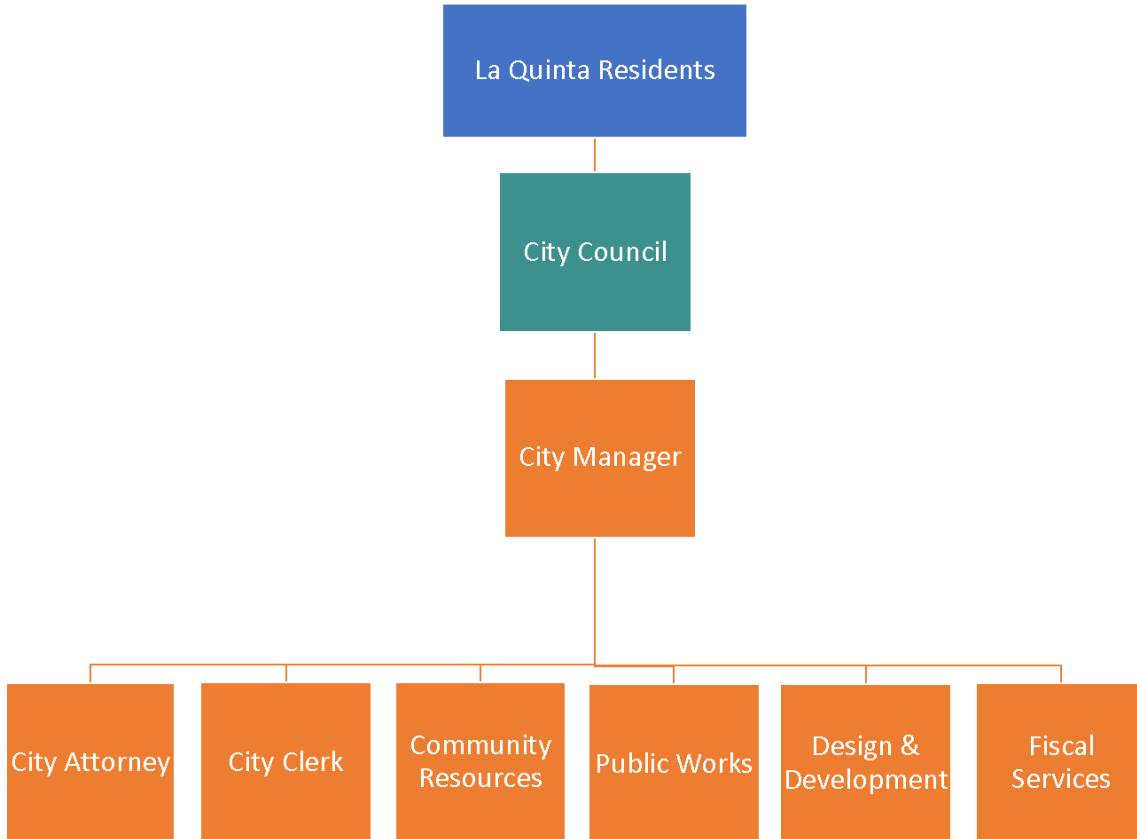
**ADMINISTRATION**

Jon McMillen, City Manager  
Claudia Martinez, Finance Director/ City Treasurer  
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, 2022

*Christopher P. Morill*

Executive Director/CEO

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## 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, 2023, 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, 2023, 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 and 18 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the year ended June 30, 2023. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2022, to restate beginning net position. 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, activities of the Housing Authority, and activities of the Private-Purpose Trust Fund Successor Agency of the former RDA as of June 30, 2022, were discovered during the current year. Accordingly, a restatement has been made to the Governmental Activities, the Housing Authority and the Private-Purpose Trust Fund Successor Agency of the former RDA net position/fund balance as of June 30, 2022, 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, Housing Authority and Disaster Recover special revenue funds 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 July 19, 2024, 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, professional style.

Rancho Cucamonga, California  
July 19, 2024

# 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, 2023. 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 2022/23 (June 30, 2023):

- The total assets and deferred outflows of the City exceeded its total liabilities and deferred inflows at the close of the fiscal year 2022/23 by \$858,597,000 (*net position*). Of this amount, \$221,443,000 (*unrestricted net position*) may be used to meet ongoing obligations and approximately \$574,870,000 or 67% was invested in capital assets and is not available to meet ongoing obligations.
- Governmental activities total net position increased by \$35,135,000 and the Business-Type total net position decreased by \$120,000 which is attributable to the SilverRock Golf Course.
- Governmental funds (General Fund, Housing Authority, Disaster Recovery Fund, Capital Improvement Fund, sixteen (16) 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 \$239,820,000, an increase of \$19,852,000. The primary reasons for this increase can be attributed to taxes exceeding the original budget projections coupled with expenditure savings and a positive fair market value adjustment to the overall investment portfolio.
- The unassigned General Fund balance comprised \$44,105,000, or 24%, of the total \$185,978,000 balance and represented 39% of total final General Fund budgeted expenses including transfers and multi-year capital projects.
- Total governmental activities debt decreased by \$254,000 from \$1,957,000 to \$1,703,000.

## 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 four (4) major governmental funds: the General Fund, the Housing Authority special revenue fund, the Disaster Recovery special revenue fund, and the Capital Improvement capital project fund. Data from the other twenty-seven (27) 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. The City's net position, the difference between assets and liabilities and deferred inflows/outflows, is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position indicate whether its financial health is improving or deteriorating. The City's net position increased from \$823,582,000 to \$858,597,000 at the close of the 2022/23, which is \$35,015,000 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 (\$560,189,000 or 68% for 2021/22 and \$574,870,000 or 67% for 2022/23) 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		
	2022 As Restated	2023	% Change	2022 As Restated	2023	% Change	2022 As Restated	2023	% Change
Current and other assets	\$ 281,978,427	\$ 309,087,961	10%	\$ 1,432,615	\$ 1,546,130	8%	\$ 283,411,042	\$ 310,634,091	10%
Capital assets	517,859,684	533,177,093	3%	43,057,599	42,558,046	-1%	560,917,283	575,735,139	3%
<b>Total Assets</b>	<b>799,838,111</b>	<b>842,265,054</b>	<b>5%</b>	<b>44,490,214</b>	<b>44,104,176</b>	<b>-1%</b>	<b>844,328,325</b>	<b>886,369,230</b>	<b>5%</b>
Deferred outflows of resources	6,456,532	19,619,118	204%	-	-	0%	6,456,532	19,619,118	204%
Current liabilities	25,399,471	26,214,135	3%	395,781	379,823	-4%	25,795,252	26,593,958	3%
Non-current liabilities	8,838,729	15,253,979	73%	565,837	315,520	0%	9,404,566	15,569,499	66%
<b>Total Liabilities</b>	<b>34,238,200</b>	<b>41,468,114</b>	<b>21%</b>	<b>961,618</b>	<b>695,343</b>	<b>-28%</b>	<b>35,199,818</b>	<b>42,163,457</b>	<b>20%</b>
Deferred inflows of resources	9,328,726	5,227,571	-44%	-	-	0%	9,328,726	5,227,571	-44%
<b>Net Position:</b>									
Net investment in capital assets	517,697,036	532,627,757	3%	42,491,762	42,242,526	-1%	560,188,798	574,870,283	3%
Prior Period Adjustment (Net)	17,325,415	-	-100%	-	-	0%	-	-	0%
Restricted	54,412,358	62,283,620	14%	-	-	0%	54,412,358	62,283,620	14%
Unrestricted	190,618,323	220,277,110	16%	1,036,834	1,166,307	12%	191,655,157	221,443,417	16%
<b>Total Net Position</b>	<b>\$ 780,053,132</b>	<b>\$ 815,188,487</b>	<b>5%</b>	<b>\$ 43,528,596</b>	<b>\$ 43,408,833</b>	<b>0%</b>	<b>\$ 823,581,728</b>	<b>\$ 858,597,320</b>	<b>4%</b>

An additional portion of the City's net position (\$62,284,000 or 7% in 2023 and \$54,412,000 or 7% in 2022) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$221,443,000 (26%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2022/23, 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 \$35,135,000 accounting for a positive 5% 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		
	2022 As Restated	2023	Change	2022 As Restated	2023	Change	2022 As Restated	2023	Change
<b>PROGRAM REVENUES:</b>									
Charges for Services	\$ 6,883,385	\$ 6,551,700	\$ (331,685)	\$ 4,679,163	\$ 4,767,458	\$ 88,295	\$ 11,562,548	\$ 11,319,158	\$ (243,390)
Operating Grants and Contributions	5,786,773	7,136,358	1,349,585	-	-	-	5,786,773	7,136,358	1,349,585
Capital Grants and Contributions	11,952,031	8,760,788	(3,191,243)	-	-	-	11,952,031	8,760,788	(3,191,243)
<b>GENERAL REVENUES &amp; TRANSFERS</b>									
Property Taxes	17,823,858	20,697,081	2,873,223	-	-	-	17,823,858	20,697,081	2,873,223
Other Taxes	50,610,128	51,942,858	1,332,730	-	-	-	50,610,128	51,942,858	1,332,730
Investment Income	219,164	5,058,717	4,839,553	4,329	12,456	8,127	223,493	5,071,173	4,847,680
Net Change in Fair Value of Investments	(5,727,183)	(1,519,171)	4,208,012	(45,279)	20,665	65,944	(5,772,462)	(1,498,506)	4,273,956
Motor Vehicle In Lieu	4,663,327	5,110,569	447,242	-	-	-	4,663,327	5,110,569	447,242
Miscellaneous	943,160	1,432,619	489,459	-	-	-	943,160	1,432,619	489,459
<b>TOTAL REVENUES</b>	<b>93,154,643</b>	<b>105,171,519</b>	<b>12,016,876</b>	<b>4,638,213</b>	<b>4,800,579</b>	<b>162,366</b>	<b>97,792,856</b>	<b>109,972,098</b>	<b>12,179,242</b>
<b>EXPENSES:</b>									
General Government	9,733,224	17,213,248	7,480,024	-	-	-	9,733,224	17,213,248	7,480,024
Public Safety	25,741,782	25,457,350	(284,432)	-	-	-	25,741,782	25,457,350	(284,432)
Planning & Development	4,716,745	3,146,264	(1,570,481)	-	-	-	4,716,745	3,146,264	(1,570,481)
Community Services	8,439,863	9,550,001	1,110,138	-	-	-	8,439,863	9,550,001	1,110,138
Public Works	14,985,480	14,043,797	(941,683)	-	-	-	14,985,480	14,043,797	(941,683)
Interest on Long-Term Debt	11,914	25,504	13,590	-	-	-	11,914	25,504	13,590
Golf Course	-	-	-	4,746,281	5,520,342	774,061	4,746,281	5,520,342	774,061
<b>TOTAL EXPENSES</b>	<b>63,629,008</b>	<b>69,436,164</b>	<b>5,807,156</b>	<b>4,746,281</b>	<b>5,520,342</b>	<b>774,061</b>	<b>68,375,289</b>	<b>74,956,506</b>	<b>6,581,217</b>
<b>Excess or Deficiency before Transfers &amp; Extraordinary Items</b>	<b>29,525,635</b>	<b>35,735,355</b>	<b>6,209,720</b>	<b>(108,068)</b>	<b>(719,763)</b>	<b>(611,695)</b>	<b>29,417,567</b>	<b>35,015,592</b>	<b>5,598,025</b>
<b>TRANSFERS &amp; EXTRAORDINARY ITEMS:</b>									
Extraordinary Gain on Dissolution of RDA	609,515	-	(609,515)	-	-	-	609,515	-	(609,515)
Transfers	(550,000)	(600,000)	(50,000)	550,000	600,000	50,000	-	-	-
Increase in Net Position	29,585,150	35,135,355	5,550,205	441,932	(119,763)	(561,695)	30,027,082	35,015,592	4,988,510
Prior Period Adjustment (Net)	17,325,415	-	(17,325,415)	-	-	-	17,325,415	-	(17,325,415)
Net Position - Beginning	733,142,567	780,053,132	46,910,565	43,086,664	43,528,596	441,932	776,229,231	823,581,728	47,352,497
<b>NET POSITION - ENDING</b>	<b>\$ 780,053,132</b>	<b>\$ 815,188,487</b>	<b>\$ 35,135,355</b>	<b>\$ 43,528,596</b>	<b>\$ 43,408,833</b>	<b>\$ (119,763)</b>	<b>\$ 823,581,728</b>	<b>\$ 858,597,320</b>	<b>\$ 35,015,592</b>

Governmental revenues overall increased by \$12,017,000 with the largest increases being \$4,840,000 in investment income, followed by \$4,208,000 for fair value of investments and \$2,873,000 in property taxes.

Expenses for Governmental Activities increased by \$5,807,000 (an 8% increase when compared to 2021/22). The \$7,480,000 increase in General Government reflects the additional discretionary payment made for the City's unfunded pension obligation in 2022/23. A decrease in Planning & Development totaling \$1,570,000 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 in Note 4.

- The General Fund contributed \$600,000 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 eighteenth 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 \$4,767,000, \$88,000 higher than the previous year, with golf course expenses of \$5,520,000, which were \$774,000 or approximately 16% more than the previous year.

In 2022/23, the General Fund transferred \$600,000 to the SilverRock Golf Fund to support operations. After this transfer, the net position decreased by \$120,000.

## 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 2022/23, 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	\$ 25,130,438	14%	\$ 468	0.001%	\$ 25,130,906	10%
Restricted	5,317,487	3%	61,906,132	115%	67,223,619	28%
Committed	47,600,009	26%	-	0%	47,600,009	20%
Assigned	63,824,533	34%	-	0%	63,824,533	27%
Unassigned	44,105,041	24%	(8,064,140)	-15%	36,040,901	15%
<b>TOTAL</b>	<b>\$ 185,977,508</b>	<b>100%</b>	<b>\$ 53,842,460</b>	<b>100%</b>	<b>\$ 239,819,968</b>	<b>100%</b>

Governmental fund balances ended the year totaling \$239,820,000, an increase of \$19,852,000 in comparison with the prior years' ending balance of \$219,968,000. 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 \$25,131,000 or 10%; 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 \$67,224,000 or 28%; these amounts represent funds with external limitations on spending. Significant restrictions include: Section 115 trust of \$5,317,000 restricted for pension liabilities; Library and Museum totaling \$11,547,000 which represents property tax increment money that can only be used for library and museum services; Measure A funding of \$4,114,000 which can only be used for transportation; Transportation capital project fund of \$5,518,000 in developer fees that are restricted for the acquisition, construction and improvement of the City's infrastructure; and Economic Development funding of \$3,283,000 that can only be used for future economic development in the City.

### *Committed*

\$47,600,000 (20%) are committed fund balances which are the result of self-imposed limitations established by the City Council. The City adopted a Reserve Policy in May 2018 which established General Fund committed reserve categories including Natural Disaster Reserves, Economic Disaster Reserves, Cash Flow Reserves, and Capital Replacement Reserves. As of June 30, 2023, all of these categories are fully funded to target levels.

### *Assigned*

Assigned funds are constrained by the City's intent to use them for specific purposes and represent a total of \$63,825,000 (27%) of the total fund balance. \$22,623,000 represents funds for approved multi-year capital projects that were not spent by the end of the year, therefore they are carried over until the projects are completed. Available Measure G sales tax revenue ended the year at \$29,214,000 and \$11,987,000 represents funds held in trust with the County of Riverside for fire services.

### *Unassigned*

The remaining fund balance or \$36,041,000 represents unassigned fund balances or the residual net resources after taking into consideration the other classifications. The Capital Improvement Fund accounted for \$6,100,000 of the negative \$8,064,000 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 2022/23, the unassigned fund balance was \$44,105,000 while total fund balance was \$185,978,000.

The General Fund balance increased by \$20,070,000 in 2022/23. Key factors were:

- A year-over-year decrease of \$2,236,000 in non-spendable is attributed the 2022/23 Redevelopment Agency loan repayment of \$2,696,000 offset by interest earnings of \$381,000 resulted in a net decrease of \$2,315,000 in Due from Other Governments. The outstanding loan balance of \$24,501,000 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. In FY 2022/23, a one-time additional discretionary payment of \$5,000,000 was made to CalPERS to pay down the City's unfunded pension obligations utilizing pension trust funds.
- Committed reserves increased by \$10,391,000 due to operational carryovers and due to the recent update to the City's Reserve Policy which include increasing and funding the new target levels for the Natural Disaster



Emergency Reserves, Economic Downturn Reserves, and the Capital Improvement Reserves categories.

- An increase of \$6,524,000 in assigned reserves was due to Measure G sales tax reserve (\$13,859,000) and the advanced funding no longer needing to be subsidized by the City which has been placed back in reserves and (\$803,000) in the fire services trust. 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, 2023 is \$11,987,000. These increases combined with a decrease in multi-year Capital Projects (\$8,138,000) contributed to the overall increase in assigned 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 decreased by \$496,000 to end the year at \$26,366,000.

### Capital Improvement Fund

The Capital Improvement Fund is primarily used to record the expenditures for capital projects. The fund had forty-seven (47) active Capital Improvement Projects budgeted during 2022/23. The five most active projects were:

- Dune Palms Bridge Improvements (\$4,050,000)
- La Quinta Landscape Renovation Improvements (\$2,923,000)
- Avenue 53 and Jefferson Roundabout (\$2,758,000)
- Citywide Striping Refresh (\$295,000)
- Highway 111 Corridor Area Plan Improvements (\$285,000)

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 specifically related to use of money and property and tax revenues. Revenue appropriations and transfers in increased by \$17,428,000 between the original (\$68,321,000) and final amended budget (\$85,749,000). The category representing the largest variances is taxes which represents 76% of all General Fund revenues. Actuals for taxes include the three largest funding sources for the City – sales taxes \$28,888,000, transient occupancy taxes (TOT) \$16,688,000, and property taxes \$11,224,000. Combined, these top three revenues account for \$56,800,000 or 87% of all taxes, resulting in a \$1,864,000 increase from the prior fiscal year primarily in property taxes and sales taxes offset by a decrease in transient occupancy taxes.

The Extraordinary Item includes \$381,000 to record the annual former Redevelopment Agency loan repayment interest earned in 2022/23. 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 \$49,652,000 between the original (\$64,651,000) and final amended budget (\$114,303,000) which included the following significant change:

- \$30,762,000 in operational and capital improvement project carryover appropriations from prior fiscal years to 2022/23 as approved by City Council.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2023, were \$575,735,000 (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. The investment in capital assets decreased by \$472,000 in 2022/23 primarily due to an increase 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	
	2022		2022		2022	
	As Restated	2023	As Restated	2023	As Restated	2023
Land	\$ 81,790,496	\$ 83,717,732	\$ 39,712,956	\$ 39,712,956	\$ 121,503,452	\$ 123,430,688
Buildings & Improvements	36,203,626	36,354,815	2,698,640	2,484,095	38,902,266	38,838,910
Equipment & Furniture	1,127,854	1,147,737	82,227	49,910	1,210,081	1,197,647
Vehicles	917,322	1,281,556	-	-	917,322	1,281,556
Infrastructure	394,887,936	401,770,282	-	-	394,887,936	401,770,282
Right to use Leased Assets	157,485	49,643	563,778	311,085	721,263	360,728
Right to use Subscription IT Assets	945,351	592,321	-	-	945,351	592,321
Construction in Progress	17,119,485	8,263,007	-	-	17,119,485	8,263,007
<b>TOTAL</b>	<b>\$ 533,149,555</b>	<b>\$ 533,177,093</b>	<b>\$ 43,057,601</b>	<b>\$ 42,558,045</b>	<b>\$ 576,207,156</b>	<b>\$ 575,735,138</b>

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, 2023, was \$42,558,000, net of accumulated depreciation. The balance decrease of \$500,000 reflects accumulated depreciation and amortization expensed in 2022/23.

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 2022/23, the City governmental activities had total outstanding debt of \$1,703,000, which is \$254,000 less than the previous year. Of the total amount, \$53,000 represents leases and \$1,154,000 in employee compensated absences.

### City of La Quinta Outstanding Debt

Debt Type:	Governmental Activities	
	2022	
	As Restated	2023
Leases	\$ 162,648	\$ 53,111
Financed Purchases	22,079	551
Compensated Absences	962,229	1,154,090
Subscription IT liabilities	810,483	495,674
<b>TOTAL</b>	<b>\$ 1,957,439</b>	<b>\$ 1,703,426</b>

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, CA, 92253, by telephone at 760-777-7055, or by email at [finance@laquintaca](mailto:finance@laquintaca).

City of La Quinta, California  
Statement of Net Position  
June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 228,672,516	\$ 1,183,294	\$ 229,855,810
Restricted cash and investments	5,317,487	-	5,317,487
Receivables			
Accounts	1,650,990	-	1,650,990
Taxes	7,581,730	-	7,581,730
Notes and loans	22,494,501	-	22,494,501
Accrued interest	5,568,153	554	5,568,707
Leases	1,432,355	-	1,432,355
Prepaid costs	379,516	-	379,516
Deposits	47,964	250,000	297,964
Due from other governments	30,161,609	-	30,161,609
Inventories	-	112,282	112,282
Land held for resale	5,403,652	-	5,403,652
Net OPEB asset	377,488	-	377,488
Capital assets not being depreciated	378,055,087	39,712,956	417,768,043
Capital assets, net of depreciation	154,480,042	2,534,005	157,014,047
Right to use lease assets, net of accumulated amortization	49,643	311,085	360,728
Right to use subscription IT assets, net of accumulated amortization	592,321	-	592,321
Total assets	<u>842,265,054</u>	<u>44,104,176</u>	<u>886,369,230</u>
<b>Deferred Outflows of Resources</b>			
Deferred amounts related to OPEB	369,541	-	369,541
Deferred amounts related to pensions	19,249,577	-	19,249,577
Total deferred outflows of resources	<u>19,619,118</u>	<u>-</u>	<u>19,619,118</u>
<b>Liabilities</b>			
Accounts payable	6,655,971	343,903	6,999,874
Accrued liabilities	649,254	-	649,254
Unearned revenue	11,468,560	-	11,468,560
Deposits payable	6,319,068	35,500	6,354,568
Accrued interest	51	420	471
Due to other governments	1,121,231	-	1,121,231
Noncurrent liabilities			
Due within one year	694,575	191,659	886,234
Due in more than one year	14,559,404	123,861	14,683,265
Total liabilities	<u>41,468,114</u>	<u>695,343</u>	<u>42,163,457</u>

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City of La Quinta, California  
Statement of Net Position  
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources			
Deferred amounts related to OPEB	\$ 591,305	\$ -	\$ 591,305
Deferred amounts related to pensions	3,284,647	-	3,284,647
Deferred amounts related to leases	1,351,619	-	1,351,619
Total deferred inflows of resources	<u>5,227,571</u>	<u>-</u>	<u>5,227,571</u>
Net Position			
Net investment in capital assets	532,627,757	42,242,526	574,870,283
Restricted for			
Planning and development projects	27,585,913	-	27,585,913
Public safety	1,278,307	-	1,278,307
Public works	7,535,519	-	7,535,519
Capital projects	9,794,607	-	9,794,607
Community services	15,711,786	-	15,711,786
Other	377,488	-	377,488
Unrestricted	<u>220,277,110</u>	<u>1,166,307</u>	<u>221,443,417</u>
Total net position	<u>\$ 815,188,487</u>	<u>\$ 43,408,833</u>	<u>\$ 858,597,320</u>

City of La Quinta, California  
Statement of Activities  
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government				
General government	\$ 17,213,248	\$ 1,716,965	\$ 20,138	\$ 272,066
Public safety	25,457,350	555,423	-	170,167
Planning and development	3,146,264	1,356,426	138,974	4,010,626
Community services	9,550,001	185,979	5,987,860	-
Public works	14,043,797	2,736,907	989,386	4,307,929
Interest on long-term debt	25,504	-	-	-
Total governmental activities	<u>69,436,164</u>	<u>6,551,700</u>	<u>7,136,358</u>	<u>8,760,788</u>
Business-Type Activities				
Golf Course	<u>5,520,342</u>	<u>4,767,458</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 74,956,506</u>	<u>\$ 11,319,158</u>	<u>\$ 7,136,358</u>	<u>\$ 8,760,788</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 change in fair value of investments

Other

Transfers

Total General Revenues 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, 2023

Total Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
\$ 2,009,169	\$ (15,204,079)	\$ -	\$ (15,204,079)
725,590	(24,731,760)	-	(24,731,760)
5,506,026	2,359,762	-	2,359,762
6,173,839	(3,376,162)	-	(3,376,162)
8,034,222	(6,009,575)	-	(6,009,575)
-	(25,504)	-	(25,504)
<u>22,448,846</u>	<u>(46,987,318)</u>	<u>-</u>	<u>(46,987,318)</u>
<u>4,767,458</u>	<u>-</u>	<u>(752,884)</u>	<u>(752,884)</u>
<u>\$ 27,216,304</u>	<u>(46,987,318)</u>	<u>(752,884)</u>	<u>(47,740,202)</u>
	20,697,081	-	20,697,081
	19,262,569	-	19,262,569
	28,888,079	-	28,888,079
	2,375,729	-	2,375,729
	489,738	-	489,738
	926,743	-	926,743
	5,110,569	-	5,110,569
	5,058,717	12,456	5,071,173
	(1,519,171)	20,665	(1,498,506)
	1,432,619	-	1,432,619
	(600,000)	600,000	-
	<u>82,122,673</u>	<u>633,121</u>	<u>82,755,794</u>
	35,135,355	(119,763)	35,015,592
	<u>780,053,132</u>	<u>43,528,596</u>	<u>823,581,728</u>
	<u>\$ 815,188,487</u>	<u>\$ 43,408,833</u>	<u>\$ 858,597,320</u>

City of La Quinta, California  
Balance Sheet – Governmental Funds  
June 30, 2023

	General	Special Revenue Funds		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Housing Authority	Disaster Recovery	Fund Capital Improvement		
<b>Assets</b>						
Pooled cash and investments	\$ 153,479,076	\$ 19,341,514	\$ 9,928,036	\$ -	\$ 34,338,192	\$ 217,086,818
Restricted cash and investments	5,317,487	-	-	-	-	5,317,487
Receivables						
Accounts	442,644	103,604	-	934,765	169,977	1,650,990
Taxes	6,946,383	-	-	-	635,347	7,581,730
Notes and loans	-	22,494,501	-	-	-	22,494,501
Accrued interest	130,076	5,388,914	8,794	-	30,106	5,557,890
Leases	1,432,355	-	-	-	-	1,432,355
Prepaid costs	125,993	-	-	-	468	126,461
Deposits	-	47,964	-	-	-	47,964
Due from other governments	20,898,192	4,900,199	-	2,778,080	1,585,138	30,161,609
Due from other funds	2,796,975	-	-	-	-	2,796,975
Land held for resale	5,403,652	-	-	-	-	5,403,652
<b>Total assets</b>	<b>\$ 196,972,833</b>	<b>\$ 52,276,696</b>	<b>\$ 9,936,830</b>	<b>\$ 3,712,845</b>	<b>\$ 36,759,228</b>	<b>\$ 299,658,432</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 2,517,578	\$ 68,780	\$ -	\$ 2,652,202	\$ 788,168	\$ 6,026,728
Accrued liabilities	572,702	19,697	-	-	44,574	636,973
Unearned revenues	-	-	9,987,008	1,481,552	-	11,468,560
Deposits payable	6,292,718	26,350	-	-	-	6,319,068
Due to other governments	2,604	-	-	-	1,118,627	1,121,231
Due to other funds	-	-	-	1,965,854	831,121	2,796,975
<b>Total liabilities</b>	<b>9,385,602</b>	<b>114,827</b>	<b>9,987,008</b>	<b>6,099,608</b>	<b>2,782,490</b>	<b>28,369,535</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	258,104	25,796,035	-	3,712,845	350,326	30,117,310
Leases	1,351,619	-	-	-	-	1,351,619
<b>Total Deferred Inflows of Resources</b>	<b>1,609,723</b>	<b>25,796,035</b>	<b>-</b>	<b>3,712,845</b>	<b>350,326</b>	<b>31,468,929</b>



City of La Quinta, California  
Balance Sheet – Governmental Funds  
June 30, 2023

	General	Special Revenue Funds		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Housing Authority	Disaster Recovery	Fund Capital Improvement		
Fund Balances						
Nonspendable						
Prepaid costs	\$ 125,993	\$ -	\$ -	\$ -	\$ 468	\$ 126,461
Land held for resale	5,403,652	-	-	-	-	5,403,652
Due from successor agency	19,600,793	-	-	-	-	19,600,793
Restricted for						
Planning and development projects	-	26,365,834	-	-	1,220,079	27,585,913
Public safety	-	-	-	-	1,278,307	1,278,307
Community services	-	-	-	-	15,711,786	15,711,786
Public works	-	-	-	-	7,535,519	7,535,519
Capital projects	-	-	-	-	9,794,607	9,794,607
Section 115 trust	5,317,487	-	-	-	-	5,317,487
Committed to						
Natural Disaster Reserve	15,000,000	-	-	-	-	15,000,000
Economic Downturn Reserve	13,000,000	-	-	-	-	13,000,000
Cash Flow Reserve	5,000,000	-	-	-	-	5,000,000
Capital Replacement Reserve	12,000,000	-	-	-	-	12,000,000
Carryovers	2,600,009	-	-	-	-	2,600,009
Assigned for						
Public safety	11,986,970	-	-	-	-	11,986,970
Sales Tax Reserve	29,214,191	-	-	-	-	29,214,191
Capital projects	22,623,372	-	-	-	-	22,623,372
Unassigned	44,105,041	-	(50,178)	(6,099,608)	(1,914,354)	36,040,901
Total fund balance	185,977,508	26,365,834	(50,178)	(6,099,608)	33,626,412	239,819,968
Total liabilities, deferred inflows of resources and fund balances	\$ 196,972,833	\$ 52,276,696	\$ 9,936,830	\$ 3,712,845	\$ 36,759,228	\$ 299,658,432

City of La Quinta, California  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2023

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

Fund balances of governmental funds		\$ 239,819,968
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		519,153,301
Net OPEB asset is not considered a current financial resource		377,488
Long-term liabilities, including leases, compensated absences and pension liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Leases	\$ (16,649)	
Financed purchases	(551)	
Compensated absences	(1,154,090)	
Net pension liability	<u>(13,550,553)</u>	(14,721,843)
Deferred outflows related to pensions		19,249,577
Deferred outflows related to OPEB		369,541
Deferred inflows related to pensions		(3,284,647)
Deferred inflows related to OPEB		(591,305)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities		30,117,310
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>24,699,097</u>
Net Position of Governmental Activities		<u><u>\$ 815,188,487</u></u>

City of La Quinta, California

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2023

	General	Special Revenue Funds		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Housing Authority	Disaster Recovery	Fund Capital Improvements		
<b>Revenues</b>						
Taxes	\$ 65,146,000	\$ -	\$ -	\$ -	\$ 2,121,115	\$ 67,267,115
Assessments	-	-	-	-	981,315	981,315
Licenses and permits	3,994,989	-	-	-	-	3,994,989
Intergovernmental	9,989,061	-	-	391,120	5,973,761	16,353,942
Charges for services	1,558,784	-	-	-	-	1,558,784
Investment income (loss)	3,282,418	1,782,543	208,625	-	747,080	6,020,666
Net decrease in fair value of investments	(893,437)	(88,316)	(161,695)	-	(284,853)	(1,428,301)
Fines and forfeitures	563,494	-	-	-	-	563,494
Developer participation	-	-	-	420	4,215,701	4,216,121
Miscellaneous	2,479,742	96,405	-	-	26,101	2,602,248
<b>Total revenues</b>	<b>86,121,051</b>	<b>1,790,632</b>	<b>46,930</b>	<b>391,540</b>	<b>13,780,220</b>	<b>102,130,373</b>
<b>Expenditures</b>						
Current						
General government	20,966,498	-	-	-	907	20,967,405
Public safety	25,362,426	-	-	-	94,924	25,457,350
Planning and development	4,303,714	1,830,275	-	33,757	335,345	6,503,091
Community services	5,782,682	254,998	-	-	2,025,777	8,063,457
Public works	2,148,743	-	-	-	4,321,870	6,470,613
Capital outlay	536,087	201,409	-	13,394,469	48,347	14,180,312
Debt service						
Principal	10,764	-	-	-	-	10,764
Interest	-	-	-	-	25,504	25,504
<b>Total expenditures</b>	<b>59,110,914</b>	<b>2,286,682</b>	<b>-</b>	<b>13,428,226</b>	<b>6,852,674</b>	<b>81,678,496</b>
Excess (Deficiency) of Revenues over (under) Expenditures	27,010,137	(496,050)	46,930	(13,036,686)	6,927,546	20,451,877
Other Financing Sources (Uses)						
Transfers in	-	-	-	7,927,550	2,152,000	10,079,550
Transfers out	(6,939,642)	-	-	-	(3,739,908)	(10,679,550)
<b>Total other financing sources (uses)</b>	<b>(6,939,642)</b>	<b>-</b>	<b>-</b>	<b>7,927,550</b>	<b>(1,587,908)</b>	<b>(600,000)</b>
<b>Net Changes in Fund Balances</b>	<b>20,070,495</b>	<b>(496,050)</b>	<b>46,930</b>	<b>(5,109,136)</b>	<b>5,339,638</b>	<b>19,851,877</b>
Fund Balances, Beginning of Year, As Restated	165,907,013	26,861,884	(97,108)	(990,472)	28,286,774	219,968,091
<b>Fund Balances, End of Year</b>	<b>\$ 185,977,508</b>	<b>\$ 26,365,834</b>	<b>\$ (50,178)</b>	<b>\$ (6,099,608)</b>	<b>\$ 33,626,412</b>	<b>\$ 239,819,968</b>

City of La Quinta, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2023

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

Net changes in fund balances - total governmental funds \$ 19,851,877

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.

Purchase of capital assets recorded in governmental funds	\$ 14,180,312	
Capital outlay recorded in governmental funds that is attributed to repairs and maintenance projects that do not increase the service life or capacity of a capital asset	(4,911,083)	
Depreciation and Amortization Expense, net of adjustments for deletions	<u>(8,926,070)</u>	343,159

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

Lease principal payments	10,764
Financed purchases payments	21,528

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. (191,861)

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. (12,394)

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. 11,526,881

Revenues reported as unavailable revenue in the governmental funds are recognized as operating contributions and grants in the statement of activities. 2,482,251

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. 1,103,150

Change in net position of governmental activities \$ 35,135,355

City of La Quinta, California  
Statement of Net Position – Proprietary Funds  
June 30, 2023

	Business-Type Activities Enterprise Funds Golf Course	Governmental Activities Internal Service Funds
<b>Assets</b>		
<b>Current</b>		
Pooled cash and investments	\$ 1,183,294	\$ 11,585,698
Receivables		
Accrued interest	554	10,263
Prepaid costs	-	253,055
Deposits	250,000	-
Inventories	112,282	-
Total current assets	1,546,130	11,849,016
<b>Noncurrent</b>		
Capital assets not being depreciated	39,712,956	5,904,644
Capital assets, net of depreciation	2,534,005	7,493,719
Right to use lease assets, net of accumulated amortization	311,085	33,108
Right to use subscription IT assets, net of accumulated amortization	-	592,321
Total noncurrent assets	42,558,046	14,023,792
Total assets	44,104,176	25,872,808
<b>Liabilities and Net Position</b>		
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable	343,903	629,243
Accrued liabilities	-	12,281
Deposits payable	35,500	-
Accrued interest	420	51
Current portion of lease liability	191,659	31,159
Current portion of subscription IT liability	-	352,117
Total current liabilities	571,482	1,024,851
<b>Noncurrent</b>		
Long-term portion of lease liability	123,861	5,303
Long-term portion of subscription IT liability	-	143,557
Total noncurrent liabilities	123,861	148,860
Total liabilities	695,343	1,173,711
<b>Net Position</b>		
Net investment in capital assets	42,242,526	13,491,656
Unrestricted	1,166,307	11,207,441
Total net position	43,408,833	24,699,097
Total liabilities and net position	\$ 44,104,176	\$ 25,872,808

City of La Quinta, California  
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds  
Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds Golf Course	Governmental Activities - Internal Service Funds
Operating Revenues		
Sales and service charges	\$ 4,767,458	\$ 5,397,132
Total operating revenues	4,767,458	5,397,132
Operating Expenses		
Administration and general	170,828	232,217
Fuel and oil	-	138,412
Maintenance and parts	6,676	392,721
Contract services	4,602,361	1,319,083
Software and supplies	-	1,211,891
Depreciation and amortization expense	499,555	1,558,551
Other	240,922	-
Total operating expenses	5,520,342	4,852,875
Operating Income (Loss)	(752,884)	544,257
Nonoperating Revenues (Expenses)		
Investment income	12,456	229,187
Net change in fair value of investments	20,665	(90,871)
Miscellaneous revenues	-	208,148
Gain on disposal of capital assets	-	234,172
Interest expense	-	(21,743)
Total nonoperating revenues (expenses)	33,121	558,893
Income (Loss) Before Transfers	(719,763)	1,103,150
Transfers in	600,000	-
Total transfers	600,000	-
Changes in Net Position	(119,763)	1,103,150
Net Position, Beginning of the Year, as restated	43,528,596	23,595,947
Net Position at End of Year	\$ 43,408,833	\$ 24,699,097

City of La Quinta, California  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2023

	<u>Business-Type Activities- Enterprise Funds Golf Course</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating Activities		
Cash received from customers and users	\$ 4,727,503	\$ -
Cash received from interfund services provided	-	5,397,132
Cash payments to suppliers for goods and services	(4,865,565)	(2,842,904)
Cash payments to employees for services	<u>(170,828)</u>	<u>-</u>
Net Cash from Operating Activities	<u>(308,890)</u>	<u>2,554,228</u>
Non-Capital Financing Activities		
Cash transfers in	<u>600,000</u>	<u>-</u>
Capital and Financing Activities		
Cash paid for lease liability- principal portion	(250,317)	(98,773)
Cash paid for lease liability- interest portion	(352)	(1,371)
Capital contributions	-	208,148
Acquisition and construction of capital assets	-	(1,126,503)
Proceeds from sales of capital assets	-	234,172
Cash paid for subscription liability- principal portion	-	(431,239)
Cash paid for subscription liability- interest portion	<u>-</u>	<u>(9,848)</u>
Net Cash used for Capital and Related Financing Activities	<u>(250,669)</u>	<u>(1,225,414)</u>
Investing activities		
Investment income	<u>32,901</u>	<u>123,751</u>
Net Increase in Cash and Cash Equivalents	73,342	1,452,565
Cash and Cash Equivalents at Beginning of Year	<u>1,109,952</u>	<u>10,133,133</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,183,294</u>	<u>\$ 11,585,698</u>

City of La Quinta, California  
Statement of Cash Flows – Proprietary Funds  
Year Ended June 30, 2023

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	Business-Type Activities- Enterprise Funds Golf Course	Governmental Activities- Internal Service Funds
Reconciliation of Operating (Loss) to Net Cash used for Operating Income		
Operating income (loss)	\$ (752,884)	\$ 544,257
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities:		
Depreciation and amortization	499,555	1,558,551
Changes in		
Inventories	(39,955)	-
Prepaid costs	-	(23,533)
Accounts payable	(15,606)	464,088
Accrued liabilities	-	10,865
Net Cash from Operating Activities	<u>\$ (308,890)</u>	<u>\$ 2,554,228</u>
Non Cash Capital and Related Financing Activities		
Subscription liability for the acquisition of a right to use subscription IT asset	<u>\$ -</u>	<u>\$ 116,430</u>



City of La Quinta, California  
Statement of Fiduciary Net Position  
June 30, 2023

	Pension Trust Fund	Private-Purpose Trust Fund
	Supplemental Pension Plan	Successor Agency of the former RDA
<b>Assets</b>		
Pooled cash and investments	\$ 78,261	\$ 15,570,390
Receivables		
Accounts	-	23
Accrued interest	69	170
Prepaid costs	-	283,042
Due from other governments	-	1,118,627
Restricted assets		
Cash and investments with fiscal agent	-	1,549
Total assets	78,330	16,973,801
<b>Deferred Outflows of Resources</b>		
Deferred charge on refunding	-	14,641,514
Total deferred outflows of resources	-	14,641,514
<b>Liabilities</b>		
Accrued interest	-	1,053,666
Long-term liabilities		
Due in one year	-	16,692,076
Due in more than one year	-	168,753,382
Total liabilities	-	186,499,124
<b>Net Position (Deficit)</b>		
Restricted for pensions	\$ 78,330	-
Held in trust		\$ (154,883,809)

City of La Quinta, California  
Statement of Changes in Fiduciary Net Position  
Year Ended June 30, 2023

	Pension Trust Fund	Private-Purpose Trust Fund
	Supplemental Pension Plan	Successor Agency of the Former RDA
Additions		
Taxes	\$ -	\$ 20,124,588
Investment income	1,580	35,605
Net change in fair value of investments	(253)	28,282
Other revenues	5,000	-
Total additions	6,327	20,188,475
Deductions		
Administrative expenses	12,833	30,864
Interest and fiscal charges	-	6,105,657
Total deductions	12,833	6,136,521
Changes in Net Position	(6,506)	14,051,954
Net Position/(Deficit) - Beginning of the Year, as restated	84,836	(168,935,763)
Net Position/(Deficit) - End of the Year	\$ 78,330	\$ (154,883,809)

## **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* and *accrual* 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 *current resources focus* and *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.

**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 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 lease assets are recognized at the lease commencement date and represent the City’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.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City’s right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life 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 assets 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 assets 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 are 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.

Subscription liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription 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 or 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. 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 determined that this Statement does not have a material 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 determined that this Statement does not have a material effect on the financial statements.

**GASB Statement No. 96** – As of July 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the City recognized a right to use subscription asset and subscription liability of \$945,351 and \$810,483 as of July 1, 2022, respectively. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 4, 5 and 18.

#### 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. 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.

**GASB Statement No. 102** – In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a state or local government’s vulnerabilities due to the variety of risks they face. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City has not determined the effect on the financial statements.

**GASB Statement No. 103** – In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City has not determined the effect on the financial statements.

**Note 2 - Cash and Investments**

Cash and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 229,855,810
Restricted cash and investments	5,317,487
Statement of Fiduciary Net Position	
Cash and investments	15,648,651
Cash and investments with fiscal agent	1,549
Total cash and investments	\$ 250,823,497

Cash and investment as of June 30, 2023, consist of the following:

Cash on hand	\$ 4,300
Deposits with financial institutions	7,502,528
Investments	243,316,669
Total cash and investments	\$ 250,823,497

**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
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	\$ 37,410,002	\$ 8,717,090	\$ 14,241,426	\$ 14,451,486
Federal agency securities				
Federal Farm Credit Bank	15,091,193	3,196,153	3,774,480	8,120,560
Federal National Mortgage Association	10,480,400	2,983,260	7,497,140	-
Federal Home Loan Mortgage Corp	6,770,671	-	4,465,036	2,305,635
Federal Home Loan Bank	13,430,583	1,481,695	5,771,560	6,177,328
U.S. Treasury Notes	56,460,543	32,023,160	9,901,508	14,535,875
Corporate Notes	1,811,650	398,820	446,340	966,490
Local Agency Investment Fund	35,567,034	35,567,034	-	-
CAMP	49,242,190	49,242,190	-	-
Riverside County Pool	11,986,970	11,986,970	-	-
Section 115 Trust				
Equity Mutual Funds	1,565,315	1,565,315	-	-
Fixed Income Mutual Funds	3,498,569	3,498,569	-	-
Held by Fiscal Agent				
Money Market Mutual Funds	1,549	1,549	-	-
<b>Total</b>	<b>\$ 243,316,669</b>	<b>\$ 150,661,805</b>	<b>\$ 46,097,490</b>	<b>\$ 46,557,374</b>

### Disclosures Relating to Credit Risk

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

Investment Type	Total	AAA	AA+	AA	AA-
Federal Agency Securities	\$ 45,772,847	\$ -	\$ 45,772,847	\$ -	\$ -
Corporate Notes	1,811,650	845,160	-	966,490	-
CAMP	49,242,190	49,242,190	-	-	-
<b>Total</b>	<b>96,826,687</b>	<b>\$ 50,087,350</b>	<b>\$ 45,772,847</b>	<b>\$ 966,490</b>	<b>\$ -</b>
<i>Exempt from Credit Risk disclosure:</i>					
U.S. Treasury Notes	56,460,543				
<i>Not rated:</i>					
Certificates of Deposit	37,410,002				
Local Agency Investment Pool	35,567,034				
Riverside County Pool	11,986,970				
Section 115 Trust:					
Equity Mutual Funds	1,565,315				
Fixed Income Mutual Funds	3,498,569				
Held by Fiscal Agent:					
Money Market Mutual Funds	1,549				
<b>Total investments</b>	<b>\$ 243,316,669</b>				

**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	\$ 15,091,193	6%
Federal Home Loan Bank	Federal Agency Securities	13,430,583	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 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, 2023:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments			
U.S. Treasury Notes	\$ 56,460,543	\$ 56,460,543	\$ -
Federal Agency Securities	45,772,847	-	45,772,847
Corporate Notes	1,811,650	-	1,811,650
Certificates of Deposit	37,410,002	-	37,410,002
Section 115 Trust			
Equity Mutual Funds	1,565,315	1,565,315	-
Fixed Income Mutual Funds	3,498,569	3,498,569	-
Total leveled investments	<u>146,518,926</u>	<u>\$ 61,524,427</u>	<u>\$ 84,994,499</u>
Investments with uncategorized inputs			
Local Agency Investment Fund	35,567,034		
CAMP	49,242,190		
Riverside County Pool	11,986,970		
Held by Fiscal Agent			
Money Market Mutual Funds	<u>1,549</u>		
Total investments	<u>\$ 243,316,669</u>		

### Note 3 - Notes Receivable

In September 1994, the former redevelopment agency sold certain real property to LINC Housing for \$2,112,847. The property was used to construct single-family homes and rental units to increase the City's supply of low- and moderate-income housing. The note bears interest at 6 percent per annum and is due in full on June 15, 2029. On February 1, 2012, this receivable was transferred to the Housing Authority, which took over the housing function of the former redevelopment agency upon dissolution. As of June 30, 2023, the outstanding principal balance is \$2,035,388 and the outstanding interest is \$3,376,529.

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, 2023, the outstanding principal balance is \$20,437,816 and the outstanding interest balance is \$1,981,691.

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 \$21,297 and the outstanding interest balance is \$13,902 at June 30, 2023.

**Note 4 - Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2023, is as follows:

	Balance at July 01, 2022 As Restated	Additions	Deletions	Transfers	Balance at June 30, 2023
<b>Governmental activities</b>					
<b>Capital assets, not being depreciated</b>					
Land	\$ 81,790,496	\$ 1,087,236	\$ -	\$ 840,000	83,717,732
Right of way	285,857,353	-	-	216,995	286,074,348
Construction-in-progress	17,119,485	8,132,282	-	(16,988,760)	8,263,007
Total capital assets, not being depreciated	<u>384,767,334</u>	<u>9,219,518</u>	<u>-</u>	<u>(15,931,765)</u>	<u>378,055,087</u>
<b>Capital assets, being depreciated</b>					
Buildings and improvements	78,616,231	207,433	35,056	2,624,883	81,413,491
Equipment and furniture	3,302,956	254,824	-	44,601	3,602,381
Vehicles	1,905,669	680,642	320,216	-	2,266,095
Infrastructure	255,013,181	48,220	-	13,262,281	268,323,682
Total capital assets, being depreciated	<u>338,838,037</u>	<u>1,191,119</u>	<u>355,272</u>	<u>15,931,765</u>	<u>355,605,649</u>
<b>Less accumulated depreciation for</b>					
Buildings and improvements	42,412,605	2,666,228	20,157	-	45,058,676
Equipment and furniture	2,175,102	279,542	-	-	2,454,644
Vehicles	988,347	316,408	320,216	-	984,539
Infrastructure	145,982,598	6,645,150	-	-	152,627,748
Total accumulated depreciation	<u>191,558,652</u>	<u>9,907,328</u>	<u>340,373</u>	<u>-</u>	<u>201,125,607</u>
Total capital assets, being depreciated, net	<u>147,279,385</u>	<u>(8,716,209)</u>	<u>14,899</u>	<u>15,931,765</u>	<u>154,480,042</u>
<b>Right to use lease assets, being amortized</b>					
Building	78,226	-	-	-	78,226
Equipment	38,118	-	-	-	38,118
Vehicles	179,597	-	57,639	-	121,958
Total right to use lease assets, being amortized	<u>295,941</u>	<u>-</u>	<u>57,639</u>	<u>-</u>	<u>238,302</u>
<b>Less Accumulated Amortization for</b>					
Building	33,681	33,682	-	-	67,363
Equipment	10,791	10,791	-	-	21,582
Vehicles	93,984	63,369	57,639	-	99,714
Total Accumulated amortization	<u>138,456</u>	<u>107,842</u>	<u>57,639</u>	<u>-</u>	<u>188,659</u>
Total right to use lease assets, being amortized, net	<u>157,485</u>	<u>(107,842)</u>	<u>-</u>	<u>-</u>	<u>49,643</u>
Right to use subscription IT assets, being amortized	945,351	116,430	-	-	1,061,781
Less accumulated amortization	-	469,460	-	-	469,460
Net right to use subscription IT assets	<u>945,351</u>	<u>(353,030)</u>	<u>-</u>	<u>-</u>	<u>592,321</u>
Total Governmental Activities	<u>\$ 533,149,555</u>	<u>\$ 42,437</u>	<u>\$ 14,899</u>	<u>\$ -</u>	<u>\$ 533,177,093</u>

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

General governments	\$ 481,271
Planning and development	24,630
Community services	1,543,484
Public works	6,876,694
Internal service funds	1,558,551
	<u>\$ 10,484,630</u>

Capital asset activity for business-type activities for the year ended June 30, 2023, is as follows:

	Balance at July 01, 2022	Additions	Deletions	Balance at June 30, 2023
Business-Type activities				
Capital assets, not being depreciated				
Land	\$ 39,712,956	\$ -	\$ -	\$ 39,712,956
Capital assets, being depreciated				
Buildings and improvements	6,636,465	-	-	6,636,465
Equipment and furniture	1,670,293	-	-	1,670,293
Software	20,255	-	-	20,255
Total capital assets, being depreciated	8,327,013	-	-	8,327,013
Less accumulated depreciation for				
Buildings and improvements	3,937,825	214,545	-	4,152,370
Equipment and furniture	1,588,066	32,317	-	1,620,383
Software	20,255	-	-	20,255
Total accumulated depreciation	5,546,146	246,862	-	5,793,008
Total capital assets, being depreciated, net	2,780,867	(246,862)	-	2,534,005
Right to use lease assets, being amortized				
Equipment	796,621	-	-	796,621
Less Accumulated Amortization for				
Equipment	232,843	252,693	-	485,536
Total right to use lease assets, being amortized, net	563,778	(252,693)	-	311,085
Total Business-Type Activities	\$ 43,057,601	\$ (499,555)	\$ -	\$ 42,558,046

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

Golf Course	\$ 499,555
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**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, 2023:

	Balance at July 01, 2022 as, restated	Additions	Deletions	Balance June 30, 2023	Due within One year
Governmental Activities					
Compensated absences payable	\$ 962,229	\$ 1,154,091	\$ 962,230	\$ 1,154,090	\$ 299,718
Leases	162,648	-	109,537	53,111	42,189
Financed purchases	22,079	-	21,528	551	551
Subscription IT liabilities	810,483	116,430	431,239	495,674	352,117
	<u>\$ 1,957,439</u>	<u>\$ 1,270,521</u>	<u>\$ 1,524,534</u>	<u>\$ 1,703,426</u>	<u>\$ 694,575</u>

Compensated absences have been typically liquidated from the General Fund.

**Leases**

The City has entered into multiple lease agreements for buildings, vehicles, and equipment. The City is required to make principal and interest payments through 2025. 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, 2023, the net right to use asset balance is \$49,643 and the lease liability balance is \$53,111. The current year amortization and interest expense associated with the lease activities was \$107,841 and \$1,773.

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

Year Ending June 30,	Principal	Interest
2024	\$ 42,189	\$ 506
2025	10,922	78
	<u>\$ 53,111</u>	<u>\$ 584</u>

**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, 2023 are:

Year Ending June 30,	Principal	Interest
2024	\$ 551	\$ -
	<u>\$ 551</u>	<u>\$ -</u>

**Subscription IT Liabilities**

The City has entered into several Subscription-Based Information Technology Arrangements (SBITAs) for virtual permitting software, employee hiring subscription, website design & implementation software, HR and finance software, and Microsoft office software. The City is required to make principal and interest payments through June 2027. The subscription liability was valued using discount rates between 3.87% and 4.14% based on the City incremental borrowing rate at the inception of the subscriptions.

Principal and interest payments on the SBITAs are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 352,117	\$ 10,759
2025	55,248	4,783
2026	43,292	3,109
2027	45,017	1,369
	\$ 495,674	\$ 20,020

The following is a summary of changes in business-type activities long-term liabilities of the City for the fiscal year ended June 30, 2023:

	Balance at July 01, 2021	Additions	Deletions	Balance June 30, 2023	Due within One year
Business- Type Activities					
Leases	\$ 565,837	\$ -	\$ 250,317	\$ 315,520	\$ 191,659

The City Golf Course fund has entered into multiple lease agreements for equipment. The City is required to make principal and interest payments through 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, 2023, the net right to use asset balance is \$311,085 and the lease liability balance is \$315,520. The current year amortization and interest expense associated with the lease activities was \$252,693 and \$11,288.

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

Year Ending June 30,	Principal	Interest
2024	\$ 191,659	\$ 6,396
2025	72,564	2,820
2026	32,029	1,416
2027	19,268	241
	\$ 315,520	\$ 10,873



**Note 6 - Leases- Lessor Activities**

The City has accrued a receivable for three land leases. The remaining receivable for these leases was \$1,432,355 for the year ended June 30, 2023. Deferred inflows related to these leases were \$1,351,619 as of June 30, 2023. Interest revenue recognized on these leases was \$45,221 for the year ended June 30, 2023. Principal receipts of \$91,350 were recognized during the fiscal year. The interest rate on the leases was 3 percent. Final receipt is expected in fiscal year 2043.

Year Ending June 30,	Principal	Interest
2024	\$ 98,239	\$ 42,419
2025	105,698	39,168
2026	113,403	35,799
2027	121,480	32,187
2028	129,867	28,397
2029 - 2033	404,921	90,434
2034 - 2038	192,164	56,133
2039 - 2043	266,583	21,158
	\$ 1,432,355	\$ 345,695

**Note 7 - Interfund Receivables and Payables**

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

	Due to Other Funds
Due from Other Funds	Non-Major Governmental
General Fund	\$ 2,796,975

Interfund balances reflect short term borrowings for deficit cash balances at June 30, 2023.

**Note 8 - Interfund Transfers**

Transfers In	Transfer Out		Total
	General Fund	Non-Major Governmental	
Capital Improvements Fund	\$ 4,187,642	\$ 3,739,908	\$ 7,927,550
Non-major Governmental Funds	2,152,000	-	2,152,000
Golf Course Fund	600,000	-	600,000
Total	\$ 6,939,642	\$ 3,739,908	\$ 10,679,550

- a. \$4,187,642 was transferred from the General Fund to the Capital Improvement Fund to fund various capital projects.
- b. \$3,739,908 was transferred to the Capital Improvement Fund from various non-major funds to fund various capital projects.
- c. \$2,152,000 was transferred from the General Fund to various non-major funds to support various administrative operations and expenses within the City.
- d. \$600,000 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, 2023 are summarized as follows:

	Tier I	Tier II	PEPRA
Hire date	Before November 1, 2012	On or After November 1, 2012	On or 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 \$13,089,144 for the year ended June 30, 2023.

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

As of June 30, 2023, the City reported a liability of \$13,550,553 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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, 2022 and 2023 is as follows:

Proportion- June 30, 2022	0.14222 %
Proportion- June 30, 2023	<u>0.28959 %</u>
Change- Increase (Decrease)	0.14737 %

For the year ended June 30, 2023, the City recognized pension expense of \$1,562,261.

At June 30, 2023, 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	\$ 13,089,144	\$ -
Changes in assumptions	1,388,537	-
Differences between expected and actual experience	272,122	182,255
Net difference between projected and actual earnings on pension plan investments	2,482,101	-
Change in employer's proportion	60,959	3,044,268
Difference between the city's contribution and proportionate share of contributions	1,956,714	58,124
	<u>1,956,714</u>	<u>58,124</u>
Total	<u>\$ 19,249,577</u>	<u>\$ 3,284,647</u>

The \$13,089,144 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, 2024. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ 603,470
2025	496,676
2026	257,503
2027	1,518,137
	<u>1,518,137</u>
Total	<u>\$ 2,875,786</u>

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

For the measurement period ended June 30, 2022 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial methods and assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Discount Rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

*Changes of Assumptions*

*The Board of Directors for CalPERS approved a change in the discount rate from 7.15% to 6.90% and a change in the inflation rate from 2.50% to 2.30% during measurement year ended June 30, 2022.*

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90 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 rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

These geometric rates of return are summarized in the following table:

Asset Class	Strategic Allocation	Real Return
Global equity - cap-weighted	30.00%	4.45%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100%	

*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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Net Pension Liability	\$ 21,725,786	\$ 13,550,553	\$ 6,824,364

*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, 2023, there was one plan member. There are no required contributions by plan members. During the 2022-2023 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’ \$149/month for the calendar year 2022 and \$151/month for calendar year 2023, 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, 2022, the most recent valuation date, the following current and former employees were covered by the benefit terms of the plan:

Active employees	97
Inactive employees or beneficiaries currently receiving benefits	23
	120
Total	120

*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, 2023, the City's cash contributions to the plan including the implied subsidy were \$58,070. The City made no contributions to the CERBT trust.

*Net OPEB Liability/(Asset)*

Actuarial Assumptions – The net OPEB liability/(asset) in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method Actuarial Assumptions	Entry-Age Normal Cost Method
Discount Rate	5.50%
Inflation	2.30%
Investment Rate of Return	5.50%
Mortality	(1)
Healthcare Trend Rate	6.5% for fiscal year 2023, gradually decreasing to an ultimate rate of 3.73% in fiscal year 2075.

(1) Derived using CalPERS Membership Data for all Funds

Mortality rates were based on the CalPERS November 2021 Experience Study for Public Agency Miscellaneous Plans.

*Changes of Assumptions*

Healthcare trend rates were decreased from a rate of 6.7% decreasing gradually to an ultimate rate of 3.8% to 6.5% decreasing gradually to an ultimate rate of 3.73% for the valuation as of June 30, 2022.

*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, 2023 are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
Balance at June 30, 2022	\$ 1,913,989	\$ 2,051,400	\$ (137,411)
Changes in the year			
Service cost	85,049	-	85,049
Interest	107,396	-	107,396
Differences between expected and actual experience	(623,785)	-	(623,785)
Changes of assumptions	26,883	-	26,883
Net investment income	-	(257,883)	257,883
Employer contributions	-	94,021	(94,021)
Benefit payments	(94,021)	(94,021)	-
Administrative expense	-	(518)	518
Net changes	<u>(498,478)</u>	<u>(258,401)</u>	<u>(240,077)</u>
Balance at June 30, 2023	<u>\$ 1,415,511</u>	<u>\$ 1,792,999</u>	<u>\$ (377,488)</u>

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

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

	<u>1% Decrease (4.50%)</u>	<u>Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Net OPEB Liability/(Asset)	<u>\$ (196,245)</u>	<u>\$ (377,488)</u>	<u>\$ (528,996)</u>



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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 2.7 percent) or 1-percentage-point higher (7.5 percent decreasing to 4.7 percent) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 2.7%)	Current Trend Rate (6.5% decreasing to 3.7%)	1% Increase (7.5% decreasing to 4.7%)
Net OPEB Liability/(Asset)	<u>\$ (560,670)</u>	<u>\$ (377,488)</u>	<u>\$ (149,652)</u>

For the year ended June 30, 2023, the City recognized OPEB expense of \$72,955. At June 30, 2023, 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	\$ 58,070	\$ -
Changes in assumptions	54,979	28,614
Difference between expected and actual liability	104,808	562,691
Net difference between projected and investment earnings	<u>151,684</u>	<u>-</u>
Total	<u>\$ 369,541</u>	<u>\$ 591,305</u>

The \$58,070 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, 2024. Other amounts reported as deferred outflows or deferred inflows of resources related to OPEB will be recognized in as OPEB expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ (18,865)
2025	(15,755)
2026	(17,673)
2026	30,861
2027	(45,265)
Thereafter	<u>(213,137)</u>
Total	<u>\$ (279,834)</u>

### **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, 2023 was \$5,317,487. 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 \$89,106,544. 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. There were also no significant reductions in pooled or insured liability coverage in 2022-2023.

## **Note 14 - Fund Balance**

### **Fund Balance Commitments**

In the governmental fund financial statements, committed reserves include:

Natural Disaster Emergency Reserves: These funds may be utilized 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 \$15,000,000 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, 2023, the City has committed \$15,000,000 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 of \$13,000,000, was based on a long-term analysis of the revenue and expenditure flows (which included the financial impacts of the Great Recession, the loss of Redevelopment Agencies, and the COVID-19 pandemic) as well as the application of the Consumer Price Index (CPI) increases to the original base target.

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 for the Cash Flow Reserves is 10% of each year’s revenue budget, or a minimum of \$5,000,000. The cash flow reserve is fully funded as of June 30, 2023.

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

The target of \$12,000,000 is based on annual depreciation of assets and may be adjusted by the Consumer Price Index (CPI). For the year ended June 30, 2023, the City has committed \$12,000,000.

Carryovers: These funds are items appropriated in a prior fiscal year that have yet to be spent. Carryovers committed to Fiscal Year 2022-2023 totaled \$2,600,009 at June 30, 2023.

**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, 2023 is \$11,986,970.

Assigned to capital projects is comprised of carryover balances for capital projects. The capital project carryover balances as of June 30, 2023 are \$22,623,372. Accumulated resources related to the City’s sales tax Measure G is \$29,214,191 as of June 30, 2023.

**Deficit Fund Balance**

At June 30, 2023, the following funds had deficit fund balances:

Major Capital Projects Fund	
Capital Improvement	(6,099,608)
Nonmajor Special Revenue Funds	
Quimby	(735,460)
Housing Grant	(60,267)
Nonmajor Capital Projects Fund	
Library Development	(1,118,627)

**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, 2023. The contract provides that the operator will manage the day-to-day operations, hire employees, provide golf pro shop and food services, manage all marketing and promotional activities, prepare the annual budget report for Council consideration, and manage accounting and payroll functions. In addition to the annual payment for management services, the City has advanced the operator \$250,000 to pay for golf course expenses. Twice a month the operator submits a request for reimbursement to the City to replenish the City’s advance. In addition, the agreement sets forth the establishment of a capital reserve fund of 2 percent of green fees. For the fiscal year ending June 30, 2023, the Golf Course had a loss before transfers of \$719,763.

**Note 16 - Construction Commitments**

Various construction projects were in progress at June 30, 2023. 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, 2023, with an estimated cost to complete.

Project Name	Project Number	Contract Amount	Expenditures to date as of June 30, 2023	Remaining Commitments
<b>Capital Improvement Fund</b>				
Dune Palms Bridge Improvement	111205	\$ 30,374,245	\$ (7,218,082)	\$ 23,156,163
La Quinta X Park	151609	4,686,639	(4,504,148)	182,491
La Quinta Landscape Renovation Improvement	201603	9,963,148	(6,419,536)	3,543,612
Civic Center Campus Lake/Irrigation Conversion	201606	675,270	(153,754)	521,516
SilverRock Event Space	201608	7,304,503	(7,002,256)	302,247
Washington Street at Fred Waring Dr	201701	1,860,744	(1,739,921)	120,823
Ave 53 Jefferson St Roundabout	201709	3,281,617	(3,016,952)	264,665
Corporate Yard Admin Offices & Crew	201805	591,013	(55,772)	535,241
Village Art Plaza Promenade & Cultural Campus	201901	3,310,000	(182,469)	3,127,531
Avenue 50 Bridge Spanning The Evacuation Channel	201902	16,349,000	(22,064)	16,326,936
LQ Skate Park Conver to Other Activity	201903	263,000	(315)	262,685
Hwy 111 Corridor Area Plan Implementation	201905	4,250,000	(749,921)	3,500,079
Citywide Catch Bsin Modification	201908	250,000	-	250,000
Avenue 48 Art and Music Line Project	202008	2,400,000	(129,359)	2,270,641
Dune Palms Rd Pavement Rehab-Fred	202101	1,021,100	(19,453)	1,001,647
Fritz Burns Park Improvements	202102	6,350,000	(84,032)	6,265,968
Avenue 50 Pavement Rehab ( Washington St)	202201	1,100,000	(15,562)	1,084,438
City Hall Capacity Improvements	202202	800,000	(75)	799,925
FredWring Drive Pavement Rehabilitation	202203	1,470,211	(14,262)	1,455,949

Project Name	Project Number	Contract Amount	Expenditures to date as of June 30, 2023	Remaining Commitments
Sports Complex Lighting Replacement	202204	300,000	(26,050)	273,950
Avenue 50 Widening Improvements	202205	539,400	(2,525)	536,875
Village Utilities Underground Project	202206	124,315	(15,793)	108,522
Highway 111 at Jefferson Street Rehab	202207	541,432	(26,310)	515,122
ADA Transition Plan Update	202209	150,000	-	150,000
Moon River Drive Pavement Rehab	202210	400,000	(271,359)	128,641
Village Parking Lot	202211	500,000	-	500,000
Phase II Camera System	202212	1,797,000	-	1,797,000
Smart Infrastructure Improvements	202213	250,000	(350)	249,650
Ave 52 Pavement Rehabilitation	202214	500,000	(10,213)	489,787
Ave 58 Pavement Rehabilitation	202301	1,380,000	-	1,380,000
Avenue 52 Monroe Street	202302	150,000	-	150,000
Washington street sidewalk improvement	202303	478,000	-	478,000
Highway 111 Event Site	202304	500,000	-	500,000
X Park Pedestrian Signal	202305	250,000	-	250,000
La Quinta Parks Phase Sports Complex	202306	650,000	-	650,000
Citywide Miscellaneous ADA improvements	202307	136,300	-	136,300
X Park Building ADA Improvements	202308	350,000	-	350,000
Washington Street Connector	202309	1,200,000	-	1,200,000
Silverrock Dust Control Improvements	202310	1,000,000	-	1,000,000

### 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, 2023, the City made \$400,000 in reimbursement payments to the owner leaving an outstanding balance of \$0.

### Note 18 - Adoption of New Standard and Correction of Error

As of July 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. Beginning net position and fund balance were restated to retroactively adopt the provisions of GASB Statement No. 96. As part of the restatement as a result of implementation of GASB 96, capital assets in the amount of \$99,956 were written off.

As part of the current year’s review of the activities of the Private-Purpose Trust Fund- Successor Agency of the Former RDA (PPTF), the City identified activities recorded in the PPTF that should have been recorded in the City’s Housing Authority Fund. As a result, the PPTF and the Housing Authority’s beginning net position/fund balance has been restated by \$2,846,027. Additionally, in the prior years, the PPTF purchased land, a portion of which was not recorded in the PPTF (\$5,813,436). In total, land in the amount of \$14,444,476, is part of the Housing Authority and the PPTF and Governmental Activities beginning net position has been adjusted accordingly. The PPTF incorrectly recorded underwriters fees in the previous years. As a result, an adjustment in the amount of \$1,216,538 was recorded to reduce beginning net position.

	Governmental Activities	Governmental Activities Information Technology ISF Fund	Housing Authority Fund	Private-Purpose Trust Fund Successor Agency of the former RDA
Net Position/Fund Balance at July 1, 2022, as previously reported	\$ 762,727,717	\$ 2,480,617	\$ 24,015,857	\$ (156,242,158)
Recognition of right to use subscription IT asset	945,351	945,351	-	-
Recognition of subscription IT liability	(810,483)	(810,483)	-	-
Net write off of previously reported capital asset	(99,956)	(99,956)	-	-
Recognition of Housing Authority land	14,444,476	-	-	(8,631,040)
Recognition of Housing Authority activities	2,846,027	-	2,846,027	(2,846,027)
Correction to previously recorded underwriters fees	-	-	-	(1,216,538)
Net Position/Fund Balance at July 1, 2022, as restated	<u>\$ 780,053,132</u>	<u>\$ 2,515,529</u>	<u>\$ 26,861,884</u>	<u>\$ (168,935,763)</u>

The effect of the restatement to the June 30, 2022 change in net position/fund balance is as follows:

	Governmental Activities	Governmental Activities Information Technology ISF Fund	Housing Authority Fund	Private-Purpose Trust Fund Successor Agency of the former RDA
Change in Net Position/Fund Balance, June 30, 2022, as previously reported	\$ 29,585,150	\$ 307,693	\$ 209,157	\$ 16,385,791
Recognition of right to use subscription IT asset	945,351	945,351	-	-
Recognition of subscription IT liability	(810,483)	(810,483)	-	-
Net write off of previously reported capital asset	(99,956)	(99,956)	-	-
Recognition of Housing Authority land	14,444,476	-	-	(8,631,040)
Recognition of Housing Authority activities	2,846,027	-	2,846,027	(2,846,027)
Correction to previously recorded underwriters fees	-	-	-	(1,216,538)
Change in Net Position/Fund Balance June 30, 2022, as restated	<u>\$ 46,910,565</u>	<u>\$ 342,605</u>	<u>\$ 3,055,184</u>	<u>\$ 3,692,186</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	\$ 15,570,390
Cash and investments with fiscal agent	1,549
	\$ 15,571,939
	\$ 15,571,939

See note 2 for required cash and investments disclosures.

**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, 2023, is \$1,118,627.

**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 01, 2022	Additions	Deductions	Balance June 30, 2023
Deferred charge on refunding	\$ 15,766,509	\$ -	\$ 1,124,995	\$ 14,641,514

**Long-Term Debt**

A description of long-term debt outstanding of the Successor Agency as of June 30, 2023, follows:

	Restated Balance at July 01, 2022	Additions	Repayments	Balance June 30, 2023	Due within One year
Tax allocation bonds	\$ 174,310,000	\$ -	\$ 13,190,000	\$ 161,120,000	\$ 13,255,000
City loans	27,394,184	476,491	3,369,682	24,500,993	3,437,076
Unamortized premiums/ discounts	(186,173)	-	10,638	(175,535)	-
Total	\$ 201,518,011	\$ 476,491	\$ 16,570,320	\$ 185,445,458	\$ 16,692,076

*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, 2023, is \$26,555,000 with an unamortized discount of \$175,534.

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>
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	1,675,000	824,065	2,499,065
2029-2033	9,375,000	3,072,634	12,447,634
2034-2038	8,655,000	897,966	9,552,966
2039-2040	690,000	18,334	708,334
	<u>\$ 26,555,000</u>	<u>\$ 8,657,318</u>	<u>\$ 35,212,318</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, 2023 were \$134,565,000. 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
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	12,240,000	1,881,273	14,121,273
2029-2033	65,005,000	5,354,057	70,359,057
2034-2035	9,705,000	269,175	9,974,175
	<u>\$ 134,565,000</u>	<u>\$ 16,548,335</u>	<u>\$ 151,113,335</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, 2023, principal and capitalized interest due to the City of La Quinta was \$24,500,993 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.

Estimated future loan payment requirements on the City loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 3,437,076	\$ -	\$ 3,437,076
2025	3,505,817	-	3,505,817
2026	3,575,934	-	3,575,934
2027	3,647,452	-	3,647,452
2028	3,720,401	-	3,720,401
2029-2030	6,614,313	-	6,614,313
	<u>\$ 24,500,993</u>	<u>\$ -</u>	<u>\$ 24,500,993</u>

### **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 \$186,325,653 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 \$20,124,588 and the debt service obligation on the bonds was \$16,271,464.

### **Insurance**

The Successor Agency of the Former Agency is covered under the insurance policy of the City of La Quinta at June 30, 2023.

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Required Supplementary Information  
June 30, 2023

**City of La Quinta, California**

City of La Quinta, California  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 165,907,013	\$ 165,907,013	\$ 165,907,013	\$ -
<b>Resources (Inflows)</b>				
Taxes	54,946,700	61,746,700	65,146,000	3,399,300
Licenses and permits	2,823,200	3,461,200	3,994,989	533,789
Intergovernmental	7,853,000	9,378,000	9,989,061	611,061
Charges for services	1,081,100	1,391,100	1,558,784	167,684
Use of money and property	555,000	2,855,000	2,388,981	(466,019)
Fines and forfeitures	462,000	522,000	563,494	41,494
Miscellaneous	600,100	1,395,100	2,479,742	1,084,642
Transfer In	-	5,000,000	-	(5,000,000)
	<u>234,228,113</u>	<u>251,656,113</u>	<u>252,028,064</u>	<u>371,951</u>
<b>Amounts available for appropriations</b>				
<b>Charges to Appropriation (Outflows)</b>				
<b>General government</b>				
Legislative	351,400	354,700	312,671	42,029
City manager	1,177,540	1,326,164	1,083,016	243,148
City attorney	796,000	796,000	358,188	437,812
Marketing	1,632,128	1,833,378	1,648,064	185,314
Human resources	495,698	591,898	439,030	152,868
City clerk	1,257,526	1,264,079	996,957	267,122
Fiscal services	1,595,830	1,610,216	1,560,869	49,347
Central services	4,388,100	14,303,716	13,570,997	732,719
The Hub customer services	1,236,482	1,244,439	996,706	247,733
<b>Public safety</b>				
Police	18,185,900	18,246,900	16,165,493	2,081,407
Code compliance	1,663,996	1,677,746	1,571,807	105,939
Fire	8,836,872	8,838,622	7,625,126	1,213,496
<b>Planning and development</b>				
Current planning	744,830	749,304	652,601	96,703
Public buildings	1,390,052	1,553,936	1,504,048	49,888
Building & safety	1,291,362	1,457,240	1,375,536	81,704
Administration	756,824	775,228	771,529	3,699
<b>Community services</b>				
Community services admin	880,480	883,980	740,952	143,028
Wellness center	682,102	757,040	717,948	39,092
Recreation programs/special events	1,088,734	1,498,751	1,216,488	282,263
Park maintenance	3,042,072	3,207,347	3,107,294	100,053



City of La Quinta, California  
 Budgetary Comparison Schedule – General Fund  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Administration	\$ 794,862	\$ 800,848	\$ 614,776	\$ 186,072
Development services	512,960	514,551	413,090	101,461
Maintenance/operations - street	754,768	773,415	474,366	299,049
Engineering services	1,020,756	1,248,656	646,511	602,145
Capital outlay	35,000	961,000	536,087	424,913
Debt Service				
Principal	-	-	10,764	(10,764)
Transfers out	10,039,000	47,033,518	6,939,642	40,093,876
Total charges to appropriations	<u>64,651,274</u>	<u>114,302,672</u>	<u>66,050,556</u>	<u>48,252,116</u>
Budgetary Fund Balance, June 30	<u>\$ 169,576,839</u>	<u>\$ 137,353,441</u>	<u>\$ 185,977,508</u>	<u>\$ 48,624,067</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Housing Authority  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 26,861,884	\$ 26,861,884	\$ 26,861,884	\$ -
Resources (Inflows)				
Use of money and property	120,500	120,500	1,694,227	1,573,727
Extraordinary item	200,000	200,000	-	(200,000)
Miscellaneous	1,151,000	1,274,000	96,405	(1,177,595)
Amounts available for appropriations	<u>28,333,384</u>	<u>28,456,384</u>	<u>28,652,516</u>	<u>196,132</u>
Charges to Appropriation (Outflows)				
Planning and development	1,712,670	2,112,295	1,830,275	282,020
Community services	250,000	305,000	254,998	50,002
Capital Outlay	-	-	201,409	(201,409)
Total charges to appropriations	<u>1,962,670</u>	<u>2,417,295</u>	<u>2,286,682</u>	<u>130,613</u>
Budgetary Fund Balance, June 30	<u><u>\$ 26,370,714</u></u>	<u><u>\$ 26,039,089</u></u>	<u><u>\$ 26,365,834</u></u>	<u><u>\$ 326,745</u></u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Disaster Recovery  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (97,108)	\$ (97,108)	\$ (97,108)	\$ -
Resources (Inflows)				
Use of money and property	10,000	10,000	46,930	36,930
Miscellaneous revenue	4,993,505	4,993,505	-	(4,993,505)
Amounts available for appropriations	4,906,397	4,906,397	(50,178)	(4,956,575)
Budgetary Fund Balance, June 30	<u>\$ 4,906,397</u>	<u>\$ 4,906,397</u>	<u>\$ (50,178)</u>	<u>\$ (4,956,575)</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	2023
Proportion of the net pension liability	0.1034%	0.1260%	0.1257%	0.1272%	0.1287%	0.13134%	0.13329%	0.14222%	0.28959%
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	\$ 13,550,553
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	\$ 6,223,072
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%	217.75%
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%	90.60%

\* - Fiscal year 2015 was the first year of implementation, therefore, only nine 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.

The discount rate changed from 7.15 percent used for the June 30, 2021 measurement date to 6.90 percent used for the June 30, 2022 measurement date.

The inflation rate changed from 2.50 percent used for the June 30, 2021 measurement date to 2.30 percent used for the June 30, 2022 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	2023
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	\$ 1,920,092
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>	<u>(13,089,144)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,169,052)</u>
Covered payroll	\$ 5,480,758	\$ 5,569,002	\$ 5,739,416	\$ 6,064,875	\$ 6,669,204	\$ 7,066,830	\$ 6,238,425	\$ 6,223,072	\$ 6,682,312
Contributions as a percentage of covered payroll	13.28%	14.32%	16.54%	17.50%	19.26%	20.93%	41.38%	74.73%	195.88%

\* - Fiscal year 2015 was the first year of implementation, therefore, only nine 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	2023
Total OPEB Liability						
Service cost	\$ 90,827	\$ 93,438	\$ 85,174	\$ 88,219	\$ 87,732	\$ 85,049
Interest	93,346	100,177	93,071	97,183	102,210	107,396
Differences between expected and actual experience	-	71,533	-	103,495	(1,617)	(623,785)
Changes of assumptions	-	(44,229)	(14,219)	44,464	-	26,883
Benefit payments	(91,822)	(86,570)	(98,584)	(98,490)	(89,947)	(94,021)
Net Change in Total OPEB Liability	92,351	134,349	65,442	234,871	98,378	(498,478)
Total OPEB liability - beginning	1,288,598	1,380,949	1,515,298	1,580,740	1,815,611	1,913,989
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>	<u>\$ 1,415,511</u>
Plan Fiduciary Net Position (FNP)						
Employer contributions	\$ -	\$ 1,609,970	\$ 98,584	\$ 98,490	\$ 89,947	\$ 94,021
Net investment income	-	(1,680)	106,805	88,052	336,983	(257,883)
Benefit payments	-	(86,570)	(98,584)	(98,490)	(89,947)	(94,021)
Administrative expense	-	(406)	(327)	(803)	(624)	(518)
Net Change in Plan Fiduciary Net Position	-	1,521,314	106,478	87,249	336,359	(258,401)
Plan Fiduciary Net Position- Beginning of Year	-	-	1,521,314	1,627,792	1,715,041	2,051,400
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>	<u>\$ 1,792,999</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>	<u>\$ (377,488)</u>
Fiduciary Net Position as a percentage of the Total OPEB Liability	0.0%	100.4%	103.0%	94.5%	107.2%	126.7%
Covered-employee payroll	5,603,428	6,064,875	6,669,204	7,066,830	6,238,425	6,223,072
Net OPEB liability/(asset) as a percentage of covered-employee payroll	24.6%	-0.1%	-0.7%	1.4%	-2.2%	-6.1%

Notes to Schedule:

\* Fiscal year 2018 was the first year of implementation, therefore only six 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	2023
Actuarially determined contribution (ADC)	\$ 201,513	\$ 88,280	\$ 90,229	\$ 86,939	\$ 101,376	\$ 78,734
Contributions in relation to the (ADC)	1,609,970	98,584	98,490	89,947	91,530	58,070
Contribution deficiency (excess)	(1,408,457)	(10,304)	(8,261)	(3,008)	9,846	20,664
Covered-employee payroll	\$ 6,064,875	\$ 6,669,204	\$ 7,066,830	\$ 6,238,425	\$ 6,223,072	\$ 6,682,312
Contributions as a percentage of covered-emp	26.5%	1.5%	1.4%	1.4%	1.5%	0.9%

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 six 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 is 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, 2023:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
Debt Service	\$ -	\$ 10,764	\$ (10,764)
Housing Authority			
Capital Outlay	-	201,409	(201,409)
Library and Museum			
Transfers out	-	122,382	(122,382)
South Coast Air Quality			
Planning and Development	46,500	52,827	(6,327)
AB 939			
Planning and Development	150,000	180,543	(30,543)
Housing Grants			
Planning and Development	90,000	97,052	(7,052)
Law Enforcement			
Public Safety	17,000	29,366	(12,366)
Transfer Out	-	49,296	(49,296)
Measure A			
Public Works	-	33,703	(33,703)
Library Development			
Debt Service	15,000	25,504	(10,504)



Supplementary Information

June 30, 2023

**City of La Quinta, California**

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## 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.

### **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 Recreations 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, 2023

	Special Revenue Funds				
	State Gas Tax	Library and Museum	Federal Assistance	SLESA	Lighting and Landscaping
<b>Assets</b>					
Pooled cash and investments	\$ 2,579,476	\$ 10,296,846	\$ 2,152	\$ 482,257	\$ 799,316
Receivables					
Accounts	-	-	-	-	-
Taxes	232,421	-	-	-	45,397
Accrued interest	2,285	9,121	2	427	708
Prepaid costs	-	468	-	-	-
Due from other governments	-	1,376,888	180,349	-	11,448
<b>Total assets</b>	<b><u>\$ 2,814,182</u></b>	<b><u>\$ 11,683,323</u></b>	<b><u>\$ 182,503</u></b>	<b><u>\$ 482,684</u></b>	<b><u>\$ 856,869</u></b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,698	\$ 131,262	\$ -	\$ 918	\$ 287,970
Accrued liabilities	25,399	4,354	-	-	14,821
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b><u>27,097</u></b>	<b><u>135,616</u></b>	<b><u>-</u></b>	<b><u>918</u></b>	<b><u>302,791</u></b>
<b>Deferred Inflow of Resources</b>					
Unavailable revenues	-	-	180,349	-	-
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Prepaid costs	-	468	-	-	-
<b>Restricted for</b>					
Planning and development projects	-	-	-	-	-
Public safety	-	-	-	481,766	-
Community services	-	11,547,239	2,154	-	-
Public works	2,787,085	-	-	-	554,078
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b><u>2,787,085</u></b>	<b><u>11,547,707</u></b>	<b><u>2,154</u></b>	<b><u>481,766</u></b>	<b><u>554,078</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,814,182</u></b>	<b><u>\$ 11,683,323</u></b>	<b><u>\$ 182,503</u></b>	<b><u>\$ 482,684</u></b>	<b><u>\$ 856,869</u></b>

City of La Quinta, California  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue Funds				
	Quimby	La Quinta Public Safety Officer	Art in Public Places	South Coast Air Quality	AB 939
<b>Assets</b>					
Pooled cash and investments	\$ -	\$ 53,093	\$ 870,589	\$ 84,772	\$ 728,940
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	-	47	771	75	646
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	12,627	3,826
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 53,140</b>	<b>\$ 871,360</b>	<b>\$ 97,474</b>	<b>\$ 733,412</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 11,254	\$ 2,412
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	735,460	-	-	-	-
<b>Total liabilities</b>	<b>735,460</b>	<b>-</b>	<b>-</b>	<b>11,254</b>	<b>2,412</b>
<b>Deferred Inflow of Resources</b>					
Unavailable revenues	-	-	-	-	-
<b>Fund Balances</b>					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	-	-	-	86,220	731,000
Public safety	-	53,140	-	-	-
Community services	-	-	871,360	-	-
Public works	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	(735,460)	-	-	-	-
<b>Total fund balances</b>	<b>(735,460)</b>	<b>53,140</b>	<b>871,360</b>	<b>86,220</b>	<b>731,000</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 53,140</b>	<b>\$ 871,360</b>	<b>\$ 97,474</b>	<b>\$ 733,412</b>

City of La Quinta, California  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue Funds				
	Housing Grant	Law Enforcement	Measure A	Economic Development	AB 1379
<b>Assets</b>					
Pooled cash and investments	\$ -	\$ 202,308	\$ 3,753,241	\$ 3,288,072	\$ 86,425
Receivables					
Accounts	-	-	-	169,977	-
Taxes	-	-	357,529	-	-
Accrued interest	-	179	3,325	2,912	77
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 202,487</b>	<b>\$ 4,114,095</b>	<b>\$ 3,460,961</b>	<b>\$ 86,502</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 7,510	\$ 1,923
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	60,267	35,394	-	-	-
<b>Total liabilities</b>	<b>60,267</b>	<b>35,394</b>	<b>-</b>	<b>7,510</b>	<b>1,923</b>
<b>Deferred Inflow of Resources</b>					
Unavailable revenues	-	-	-	169,977	-
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Prepaid costs	-	-	-	-	-
<b>Restricted for</b>					
Planning and development projects	-	-	-	-	84,579
Public safety	-	167,093	-	-	-
Community services	-	-	-	3,283,474	-
Public works	-	-	4,114,095	-	-
Capital projects	-	-	-	-	-
Unassigned	(60,267)	-	-	-	-
<b>Total fund balances</b>	<b>(60,267)</b>	<b>167,093</b>	<b>4,114,095</b>	<b>3,283,474</b>	<b>84,579</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 202,487</b>	<b>\$ 4,114,095</b>	<b>\$ 3,460,961</b>	<b>\$ 86,502</b>

City of La Quinta, California  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue	Capital Projects Funds			
	Funds	Maintenance	Infrastructure	Civic Center	Transportation
	Transportation Uniform Mitigation Fee	Facilities DIF			
<b>Assets</b>					
Pooled cash and investments	\$ 349,818	\$ 311,407	\$ 19,225	\$ 1,666,219	\$ 5,513,259
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	-	276	17	1,475	4,883
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 349,818</b>	<b>\$ 311,683</b>	<b>\$ 19,242</b>	<b>\$ 1,667,694</b>	<b>\$ 5,518,142</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 343,221	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>343,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflow of Resources</b>					
Unavailable revenues	-	-	-	-	-
<b>Fund Balances</b>					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	6,597	311,683	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	-
Capital projects	-	-	19,242	1,667,694	5,518,142
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>6,597</b>	<b>311,683</b>	<b>19,242</b>	<b>1,667,694</b>	<b>5,518,142</b>
<b>Total liabilities and fund balances</b>	<b>\$ 349,818</b>	<b>\$ 311,683</b>	<b>\$ 19,242</b>	<b>\$ 1,667,694</b>	<b>\$ 5,518,142</b>



City of La Quinta, California  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2023

	Capital Projects Funds				
	Parks and Recreation	Library Development	Community Center	Street Facility	Park Facility
<b>Assets</b>					
Pooled cash and investments	\$ 1,607,785	\$ -	\$ 979,452	\$ 80,190	\$ 7,552
Receivables					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Accrued interest	1,424	-	868	71	7
Prepaid costs	-	-	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 1,609,209</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 980,320</u></b>	<b><u>\$ 80,261</u></b>	<b><u>\$ 7,559</u></b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other governments	-	1,118,627	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>1,118,627</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Deferred Inflow of Resources</b>					
Unavailable revenues	-	-	-	-	-
<b>Fund Balances</b>					
Nonspendable					
Prepaid costs	-	-	-	-	-
Restricted for					
Planning and development projects	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	7,559
Public works	-	-	-	80,261	-
Capital projects	1,609,209	-	980,320	-	-
Unassigned	-	(1,118,627)	-	-	-
<b>Total fund balances</b>	<b><u>1,609,209</u></b>	<b><u>(1,118,627)</u></b>	<b><u>980,320</u></b>	<b><u>80,261</u></b>	<b><u>7,559</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,609,209</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 980,320</u></b>	<b><u>\$ 80,261</u></b>	<b><u>\$ 7,559</u></b>

City of La Quinta, California  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2023

	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
	Fire Facility	Financing Authority	
<b>Assets</b>			
Pooled cash and investments	\$ 575,798	\$ -	\$ 34,338,192
Receivables			
Accounts	-	-	169,977
Taxes	-	-	635,347
Accrued interest	510	-	30,106
Prepaid costs	-	-	468
Due from other governments	-	-	1,585,138
	<u>\$ 576,308</u>	<u>\$ -</u>	<u>\$ 36,759,228</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 788,168
Accrued liabilities	-	-	44,574
Due to other governments	-	-	1,118,627
Due to other funds	-	-	831,121
	<u>-</u>	<u>-</u>	<u>2,782,490</u>
Deferred Inflow of Resources			
Unavailable revenues	-	-	350,326
	<u>-</u>	<u>-</u>	<u>350,326</u>
<b>Fund Balances</b>			
Nonspendable			
Prepaid costs	-	-	468
Restricted for			
Planning and development projects	-	-	1,220,079
Public safety	576,308	-	1,278,307
Community services	-	-	15,711,786
Public works	-	-	7,535,519
Capital projects	-	-	9,794,607
Unassigned	-	-	(1,914,354)
	<u>576,308</u>	<u>-</u>	<u>33,626,412</u>
Total fund balances	<u>576,308</u>	<u>-</u>	<u>33,626,412</u>
Total liabilities and fund balances	<u>\$ 576,308</u>	<u>\$ -</u>	<u>\$ 36,759,228</u>

City of La Quinta, California  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue Funds				
	State Gas Tax	Library and Museum	Federal Assistance	SLESA	Lighting and Landscaping
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	981,315
Intergovernmental	1,809,499	3,531,533	181,574	165,271	-
Investment income	48,630	212,997	37	9,398	13,718
Net decrease in fair value of investments	(32,270)	(83,053)	(11)	(4,748)	(6,620)
Developer participation	-	-	-	-	-
Miscellaneous	-	2,602	-	-	23,499
<b>Total revenues</b>	<b>1,825,859</b>	<b>3,664,079</b>	<b>181,600</b>	<b>169,921</b>	<b>1,011,912</b>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	65,558	-
Planning and development	-	-	-	-	-
Community services	-	1,966,150	-	-	-
Public works	1,308,114	-	3,315	-	2,576,738
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,308,114</b>	<b>1,966,150</b>	<b>3,315</b>	<b>65,558</b>	<b>2,576,738</b>
Excess (Deficiency) of Revenues over (under) Expenditures	517,745	1,697,929	178,285	104,363	(1,564,826)
Other Financing Sources (Uses)					
Transfers in	600,000	-	-	-	1,500,000
Transfers out	(248,723)	(122,382)	(178,259)	-	-
<b>Total other financing sources (uses)</b>	<b>351,277</b>	<b>(122,382)</b>	<b>(178,259)</b>	<b>-</b>	<b>1,500,000</b>
Net Change in Fund Balances	869,022	1,575,547	26	104,363	(64,826)
Fund Balances, Beginning of Year	1,918,063	9,972,160	2,128	377,403	618,904
Fund Balances, End of Year	<u>\$ 2,787,085</u>	<u>\$ 11,547,707</u>	<u>\$ 2,154</u>	<u>\$ 481,766</u>	<u>\$ 554,078</u>

City of La Quinta, California  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue Funds				
	Quimby	La Quinta Public Safety Officer	Art in Public Places	South Coast Air Quality	AB 939
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 84,847
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	101,757	-
Investment income	-	1,087	17,868	1,635	15,170
Net decrease in fair value of investments	-	(330)	(5,242)	(1,329)	(1,050)
Developer participation	-	-	83,086	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>757</u>	<u>95,712</u>	<u>102,063</u>	<u>98,967</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	52,827	180,543
Community services	-	-	59,627	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	48,347	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>107,974</u>	<u>52,827</u>	<u>180,543</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>-</u>	<u>757</u>	<u>(12,262)</u>	<u>49,236</u>	<u>(81,576)</u>
Other Financing Sources (Uses)					
Transfers in	-	2,000	50,000	-	-
Transfers out	<u>(21,791)</u>	<u>-</u>	<u>(75)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(21,791)</u>	<u>2,000</u>	<u>49,925</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(21,791)	2,757	37,663	49,236	(81,576)
Fund Balances, Beginning of Year	<u>(713,669)</u>	<u>50,383</u>	<u>833,697</u>	<u>36,984</u>	<u>812,576</u>
Fund Balances, End of Year	<u>\$ (735,460)</u>	<u>\$ 53,140</u>	<u>\$ 871,360</u>	<u>\$ 86,220</u>	<u>\$ 731,000</u>

City of La Quinta, California  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue Funds				
	Housing Grant	Law Enforcement	Measure A	Economic Development	AB 1379
Revenues					
Taxes	\$ -	\$ -	\$ 2,036,268	\$ -	\$ -
Assessments	-	-	-	-	-
Intergovernmental	160,000	4,896	-	-	19,231
Investment income	-	4,565	74,637	149,413	1,688
Net decrease in fair value of investments	-	(35)	(8,641)	(19,798)	(861)
Developer participation	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>160,000</b>	<b>9,426</b>	<b>2,102,264</b>	<b>129,615</b>	<b>20,058</b>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	29,366	-	-	-
Planning and development	97,052	-	-	3,000	1,923
Community services	-	-	-	-	-
Public works	-	-	33,703	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>97,052</b>	<b>29,366</b>	<b>33,703</b>	<b>3,000</b>	<b>1,923</b>
Excess (Deficiency) of Revenues over (under) Expenditures	62,948	(19,940)	2,068,561	126,615	18,135
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	(49,296)	(2,694,735)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(49,296)</b>	<b>(2,694,735)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	62,948	(69,236)	(626,174)	126,615	18,135
Fund Balances, Beginning of Year	(123,215)	236,329	4,740,269	3,156,859	66,444
Fund Balances, End of Year	\$ (60,267)	\$ 167,093	\$ 4,114,095	\$ 3,283,474	\$ 84,579

City of La Quinta, California  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue Funds		Capital Projects Funds		
	Transportation Uniform Mitigation Fee	Maintenance Facilities DIF	Infrastructure	Civic Center	Transportation
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	-	5,489	398	30,521	103,344
Net decrease in fair value of investments	-	(4,212)	(105)	(19,897)	(48,299)
Developer participation	-	130,312	-	530,615	1,755,485
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>131,589</b>	<b>293</b>	<b>541,239</b>	<b>1,810,530</b>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	400,000
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400,000</b>
Excess (Deficiency) of Revenues over (under) Expenditures	-	131,589	293	541,239	1,410,530
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(75)	(395,857)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(75)</b>	<b>(395,857)</b>
Net Change in Fund Balances	-	131,589	293	541,164	1,014,673
Fund Balances, Beginning of Year	6,597	180,094	18,949	1,126,530	4,503,469
Fund Balances, End of Year	\$ 6,597	\$ 311,683	\$ 19,242	\$ 1,667,694	\$ 5,518,142

City of La Quinta, California  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Capital Projects Funds				
	Parks and Recreation	Library Development	Community Center	Street Facility	Park Facility
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investment income	25,884	-	17,248	1,621	136
Net decrease in fair value of investments	(28,661)	-	(12,503)	(505)	(75)
Developer participation	966,433	180,153	401,734	3,360	1,600
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>963,656</b>	<b>180,153</b>	<b>406,479</b>	<b>4,476</b>	<b>1,661</b>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Planning and development	-	-	-	-	-
Community services	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Interest and fiscal charges	-	25,504	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>25,504</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues over (under) Expenditures	963,656	154,649	406,479	4,476	1,661
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	(28,715)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(28,715)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>934,941</b>	<b>154,649</b>	<b>406,479</b>	<b>4,476</b>	<b>1,661</b>
Fund Balances, Beginning of Year	674,268	(1,273,276)	573,841	75,785	5,898
Fund Balances, End of Year	<u>\$ 1,609,209</u>	<u>\$ (1,118,627)</u>	<u>\$ 980,320</u>	<u>\$ 80,261</u>	<u>\$ 7,559</u>

City of La Quinta, California  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Funds	Debt Service Fund	Total Governmental Funds
	Fire Facility	Financing Authority	
Revenues			
Taxes	\$ -	\$ -	\$ 2,121,115
Assessments	-	-	981,315
Intergovernmental	-	-	5,973,761
Investment income	10,689	907	747,080
Net decrease in fair value of investments	(6,608)	-	(284,853)
Developer participation	162,923	-	4,215,701
Miscellaneous	-	-	26,101
<b>Total revenues</b>	<b>167,004</b>	<b>907</b>	<b>13,780,220</b>
Expenditures			
Current			
General government	-	907	907
Public safety	-	-	94,924
Planning and development	-	-	335,345
Community services	-	-	2,025,777
Public works	-	-	4,321,870
Capital outlay	-	-	48,347
Debt service			
Interest and fiscal charges	-	-	25,504
<b>Total expenditures</b>	<b>-</b>	<b>907</b>	<b>6,852,674</b>
Excess (Deficiency) of Revenues over (under) Expenditures	167,004	-	6,927,546
Other Financing Sources (Uses)			
Transfers in	-	-	2,152,000
Transfers out	-	-	(3,739,908)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,587,908)</b>
Net Change in Fund Balances	167,004	-	5,339,638
Fund Balances, Beginning of Year	409,304	-	28,286,774
Fund Balances, End of Year	\$ 576,308	\$ -	\$ 33,626,412



City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 State Gas Tax  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,918,063	\$ 1,918,063	\$ 1,918,063	\$ -
Resources (Inflows)				
Intergovernmental	2,083,011	2,091,011	1,809,499	(281,512)
Use of money and property	8,000	8,000	16,360	8,360
Transfers in	600,000	600,000	600,000	-
Amounts available for appropriations	<u>4,609,074</u>	<u>4,617,074</u>	<u>4,343,922</u>	<u>(273,152)</u>
Charges to Appropriation (Outflows)				
Public works	1,747,140	1,758,759	1,308,114	450,645
Transfers out	940,211	1,956,659	248,723	1,707,936
Total charges to appropriations	<u>2,687,351</u>	<u>3,715,418</u>	<u>1,556,837</u>	<u>2,158,581</u>
Budgetary Fund Balance, June 30	<u>\$ 1,921,723</u>	<u>\$ 901,656</u>	<u>\$ 2,787,085</u>	<u>\$ 1,885,429</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Library and Museum  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,972,160	\$ 9,972,160	\$ 9,972,160	\$ -
Resources (Inflows)				
Intergovernmental	2,800,000	2,800,000	3,531,533	731,533
Use of money and property	60,000	60,000	129,944	69,944
Miscellaneous revenue	7,000	7,000	2,602	(4,398)
Amounts available for appropriations	<u>12,839,160</u>	<u>12,839,160</u>	<u>13,636,239</u>	<u>797,079</u>
Charges to Appropriation (Outflows)				
Community services	1,904,146	4,761,601	1,966,150	2,795,451
Capital outlay	5,000	5,000	-	5,000
Transfers out	-	-	122,382	(122,382)
Total charges to appropriations	<u>1,909,146</u>	<u>4,766,601</u>	<u>2,088,532</u>	<u>2,678,069</u>
Budgetary Fund Balance, June 30	<u>\$ 10,930,014</u>	<u>\$ 8,072,559</u>	<u>\$ 11,547,707</u>	<u>\$ 3,475,148</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Federal Assistance  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,128	\$ 2,128	\$ 2,128	\$ -
Resources (Inflows)				
Intergovernmental	156,000	391,126	181,574	(209,552)
Use of money and property	-	-	26	26
Amounts available for appropriations	<u>158,128</u>	<u>393,254</u>	<u>183,728</u>	<u>(209,526)</u>
Charges to Appropriation (Outflows)				
Public works	20,000	20,000	3,315	16,685
Transfers out	<u>132,600</u>	<u>367,726</u>	<u>178,259</u>	<u>189,467</u>
Total charges to appropriations	<u>152,600</u>	<u>387,726</u>	<u>181,574</u>	<u>206,152</u>
Budgetary Fund Balance, June 30	<u>\$ 5,528</u>	<u>\$ 5,528</u>	<u>\$ 2,154</u>	<u>\$ (3,374)</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 SLESA  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 377,403	\$ 377,403	\$ 377,403	\$ -
Resources (Inflows)				
Intergovernmental	100,000	100,000	165,271	65,271
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>4,650</u>	<u>3,650</u>
Amounts available for appropriations	<u>478,403</u>	<u>478,403</u>	<u>547,324</u>	<u>68,921</u>
Charges to Appropriation (Outflows)				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>65,558</u>	<u>34,442</u>
Budgetary Fund Balance, June 30	<u>\$ 378,403</u>	<u>\$ 378,403</u>	<u>\$ 481,766</u>	<u>\$ 103,363</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Lighting and Landscaping  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 618,904	\$ 618,904	\$ 618,904	\$ -
Resources (Inflows)				
Assessments	982,300	982,300	981,315	(985)
Use of money and property	1,000	1,000	7,098	6,098
Miscellaneous	-	-	23,499	23,499
Transfers in	1,500,000	1,500,000	1,500,000	-
Amounts available for appropriations	<u>3,102,204</u>	<u>3,102,204</u>	<u>3,130,816</u>	<u>28,612</u>
Charges to Appropriation (Outflows)				
Public works	<u>2,465,376</u>	<u>2,710,631</u>	<u>2,576,738</u>	<u>133,893</u>
Budgetary Fund Balance, June 30	<u>\$ 636,828</u>	<u>\$ 391,573</u>	<u>\$ 554,078</u>	<u>\$ 162,505</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Quimby  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (713,669)	\$ (713,669)	\$ (713,669)	\$ -
Resources (Inflows)				
Developer participation	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Amounts available for appropriations	<u>(688,669)</u>	<u>(688,669)</u>	<u>(713,669)</u>	<u>(25,000)</u>
Charges to Appropriation (Outflows)				
Transfers out	<u>-</u>	<u>466,967</u>	<u>21,791</u>	<u>445,176</u>
Budgetary Fund Balance, June 30	<u>\$ (688,669)</u>	<u>\$ (1,155,636)</u>	<u>\$ (735,460)</u>	<u>\$ 420,176</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 La Quinta Public Safety Officer  
 Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 50,383	\$ 50,383	\$ 50,383	\$ -
Resources (Inflows)				
Use of money and property	200	200	757	557
Transfers in	2,000	2,000	2,000	-
Amounts available for appropriations	52,583	52,583	53,140	557
Budgetary Fund Balance, June 30	\$ 52,583	\$ 52,583	\$ 53,140	\$ 557

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Art in Public Places  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 833,697	\$ 833,697	\$ 833,697	\$ -
Resources (Inflows)				
Use of money and property	3,000	3,000	12,626	9,626
Developer participation	100,000	100,000	83,086	(16,914)
Transfer In	50,000	50,000	50,000	-
Amounts available for appropriations	<u>986,697</u>	<u>986,697</u>	<u>979,409</u>	<u>(7,288)</u>
Charges to Appropriation (Outflows)				
Community services	77,000	77,000	59,627	17,373
Capital outlay	100,000	136,700	48,347	88,353
Transfers out	-	212,465	75	212,390
Total charges to appropriations	<u>177,000</u>	<u>426,165</u>	<u>108,049</u>	<u>318,116</u>
Budgetary Fund Balance, June 30	<u>\$ 809,697</u>	<u>\$ 560,532</u>	<u>\$ 871,360</u>	<u>\$ 310,828</u>



City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 South Coast Air Quality  
 Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 36,984	\$ 36,984	\$ 36,984	\$ -
Resources (Inflows)				
Intergovernmental	54,000	54,000	101,757	47,757
Use of money and property	400	400	306	(94)
Amounts available for appropriations	<u>91,384</u>	<u>91,384</u>	<u>139,047</u>	<u>47,663</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>46,500</u>	<u>46,500</u>	<u>52,827</u>	<u>(6,327)</u>
Budgetary Fund Balance, June 30	<u>\$ 44,884</u>	<u>\$ 44,884</u>	<u>\$ 86,220</u>	<u>\$ 41,336</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 AB 939  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 812,576	\$ 812,576	\$ 812,576	\$ -
Resources (InFlows)				
Taxes	60,000	60,000	84,847	24,847
Use of money and property	4,000	4,000	14,120	10,120
Amounts available for appropriations	<u>876,576</u>	<u>876,576</u>	<u>911,543</u>	<u>34,967</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>150,000</u>	<u>150,000</u>	<u>180,543</u>	<u>(30,543)</u>
Total charges to appropriations	<u>150,000</u>	<u>150,000</u>	<u>180,543</u>	<u>(30,543)</u>
Budgetary Fund Balance, June 30	<u>\$ 726,576</u>	<u>\$ 726,576</u>	<u>\$ 731,000</u>	<u>\$ 4,424</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Housing Grants  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (123,215)	\$ (123,215)	\$ (123,215)	\$ -
Resources (Inflows)				
Intergovernmental	-	-	160,000	160,000
Amounts available for appropriations	(123,215)	(123,215)	36,785	160,000
Charges to Appropriation (Outflows)				
Planning and development	-	90,000	97,052	(7,052)
Total charges to appropriations	-	90,000	97,052	(7,052)
Budgetary Fund Balance, June 30	<u>\$ (123,215)</u>	<u>\$ (213,215)</u>	<u>\$ (60,267)</u>	<u>\$ 152,948</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Law Enforcement  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 236,329	\$ 236,329	\$ 236,329	\$ -
Resources (Inflows)				
Intergovernmental	-	-	4,896	4,896
Use of money and property	2,100	2,100	4,530	2,430
Miscellaneous revenue	17,000	17,000	-	(17,000)
Amounts available for appropriations	<u>255,429</u>	<u>255,429</u>	<u>245,755</u>	<u>(9,674)</u>
Charges to Appropriation (Outflows)				
Public safety	17,000	17,000	29,366	(12,366)
Transfers out	-	-	49,296	(49,296)
Total charges to appropriations	<u>17,000</u>	<u>17,000</u>	<u>78,662</u>	<u>(61,662)</u>
Budgetary Fund Balance, June 30	<u>\$ 238,429</u>	<u>\$ 238,429</u>	<u>\$ 167,093</u>	<u>\$ (71,336)</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Measure A  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,740,269	\$ 4,740,269	\$ 4,740,269	\$ -
Resources (Inflows)				
Taxes	1,865,000	1,865,000	2,036,268	171,268
Use of money and property	10,000	10,000	65,996	55,996
Miscellaneous revenue	-	-	-	-
Amounts available for appropriations	<u>6,615,269</u>	<u>6,615,269</u>	<u>6,842,533</u>	<u>227,264</u>
Charges to Appropriation (OutFlows)				
Public works	-	-	33,703	(33,703)
Transfers out	<u>3,882,000</u>	<u>5,843,145</u>	<u>2,694,735</u>	<u>3,148,410</u>
Total charges to appropriations	<u>3,882,000</u>	<u>5,843,145</u>	<u>2,728,438</u>	<u>3,114,707</u>
Budgetary Fund Balance, June 30	<u>\$ 2,733,269</u>	<u>\$ 772,124</u>	<u>\$ 4,114,095</u>	<u>\$ 3,341,971</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 Economic Development  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,156,859	\$ 3,156,859	\$ 3,156,859	\$ -
Resources (Inflows)				
Use of money and property	15,000	15,000	129,615	114,615
Amounts available for appropriations	3,171,859	3,171,859	3,286,474	114,615
Charges to Appropriation (Outflows)				
Planning and development	21,500	21,500	3,000	18,500
Total charges to appropriations	21,500	21,500	3,000	18,500
Budgetary Fund Balance, June 30	<u>\$ 3,150,359</u>	<u>\$ 3,150,359</u>	<u>\$ 3,283,474</u>	<u>\$ 133,115</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Special Revenue Fund  
 AB 1379  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 66,444	\$ 66,444	\$ 66,444	\$ -
Resources (Inflows)				
Intergovernmental	20,000	20,000	19,231	(769)
Use of money and property	200	200	827	627
Amounts available for appropriations	<u>86,644</u>	<u>86,644</u>	<u>86,502</u>	<u>(142)</u>
Charges to Appropriation (Outflows)				
Planning and development	<u>5,500</u>	<u>5,500</u>	<u>1,923</u>	<u>3,577</u>
Budgetary Fund Balance, June 30	<u>\$ 81,144</u>	<u>\$ 81,144</u>	<u>\$ 84,579</u>	<u>\$ 3,435</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Capital Improvement  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (990,472)	\$ (990,472)	\$ (990,472)	\$ -
Resources (Inflows)				
Intergovernmental	-	22,057,829	391,120	(21,666,709)
Developer participation	-	921,527	420	(921,107)
Transfers in	13,136,811	56,493,897	7,927,550	(48,566,347)
Amounts available for appropriations	<u>12,146,339</u>	<u>78,482,781</u>	<u>7,328,618</u>	<u>(71,154,163)</u>
Charges to Appropriation (Outflows)				
Planning and development	-	2,591,436	33,757	2,557,679
Capital outlay	13,136,811	75,821,693	13,394,469	62,427,224
Total charges to appropriations	<u>13,136,811</u>	<u>78,413,129</u>	<u>13,428,226</u>	<u>64,984,903</u>
Budgetary Fund Balance, June 30	<u>\$ (990,472)</u>	<u>\$ 69,652</u>	<u>\$ (6,099,608)</u>	<u>\$ (6,169,260)</u>



**City of La Quinta, California**  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Maintenance Facilities DIF Fund  
 Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 180,094	\$ 180,094	\$ 180,094	\$ -
Resources (Inflows)				
Use of money and property	500	500	1,277	777
Developer participation	75,000	75,000	130,312	55,312
Amounts available for appropriations	255,594	255,594	311,683	56,089
Budgetary Fund Balance, June 30	<u>\$ 255,594</u>	<u>\$ 255,594</u>	<u>\$ 311,683</u>	<u>\$ 56,089</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Infrastructure  
 Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,949	\$ 18,949	\$ 18,949	\$ -
Resources (Inflows)				
Use of money and property	<u>100</u>	<u>100</u>	<u>293</u>	<u>193</u>
Amounts available for appropriations	<u>19,049</u>	<u>19,049</u>	<u>19,242</u>	<u>193</u>
Budgetary Fund Balance, June 30	<u><u>\$ 19,049</u></u>	<u><u>\$ 19,049</u></u>	<u><u>\$ 19,242</u></u>	<u><u>\$ 193</u></u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Civic Center  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,126,530	\$ 1,126,530	\$ 1,126,530	\$ -
Resources (Inflows)				
Use of money and property	1,000	1,000	10,624	9,624
Developer participation	300,000	300,000	530,615	230,615
Amounts available for appropriations	<u>1,427,530</u>	<u>1,427,530</u>	<u>1,667,769</u>	<u>240,239</u>
Charges to Appropriation (Outflows)				
Transfers Out	<u>250,000</u>	<u>250,000</u>	<u>75</u>	<u>249,925</u>
Total charges to appropriations	<u>250,000</u>	<u>250,000</u>	<u>75</u>	<u>249,925</u>
Budgetary Fund Balance, June 30	<u><u>\$ 1,177,530</u></u>	<u><u>\$ 1,177,530</u></u>	<u><u>\$ 1,667,694</u></u>	<u><u>\$ 490,164</u></u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Transportation  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,503,469	\$ 4,503,469	\$ 4,503,469	\$ -
Resources (Inflows)				
Use of money and property	20,000	20,000	55,045	35,045
Developer participation	1,000,000	1,000,000	1,755,485	755,485
Amounts available for appropriations	<u>5,523,469</u>	<u>5,523,469</u>	<u>6,313,999</u>	<u>790,530</u>
Charges to Appropriation (Outflows)				
Public works	400,000	400,000	400,000	-
Transfers out	100,000	1,516,757	395,857	1,120,900
Total charges to appropriations	<u>500,000</u>	<u>1,916,757</u>	<u>795,857</u>	<u>1,120,900</u>
Budgetary Fund Balance, June 30	<u>\$ 5,023,469</u>	<u>\$ 3,606,712</u>	<u>\$ 5,518,142</u>	<u>\$ 1,911,430</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Parks and Recreation  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 674,268	\$ 674,268	\$ 674,268	\$ -
Resources (Inflows)				
Use of money and property	1,000	1,000	(2,777)	(3,777)
Developer participation	500,000	500,000	966,433	466,433
Amounts available for appropriations	<u>1,175,268</u>	<u>1,175,268</u>	<u>1,637,924</u>	<u>462,656</u>
Charges to Appropriation (Outflows)				
Transfers out	<u>500,000</u>	<u>500,000</u>	<u>28,715</u>	<u>471,285</u>
Total charges to appropriations	<u>500,000</u>	<u>500,000</u>	<u>28,715</u>	<u>471,285</u>
Budgetary Fund Balance, June 30	<u><u>\$ 675,268</u></u>	<u><u>\$ 675,268</u></u>	<u><u>\$ 1,609,209</u></u>	<u><u>\$ 933,941</u></u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Library Development  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,273,276)	\$ (1,273,276)	\$ (1,273,276)	\$ -
Resources (Inflows)				
Developer participation	<u>75,000</u>	<u>75,000</u>	<u>180,153</u>	<u>105,153</u>
Amounts available for appropriations	<u>(1,198,276)</u>	<u>(1,198,276)</u>	<u>(1,093,123)</u>	<u>105,153</u>
Charges to Appropriation (Outflows)				
Debt service				
Interest and fiscal charges	<u>15,000</u>	<u>15,000</u>	<u>25,504</u>	<u>(10,504)</u>
Budgetary Fund Balance, June 30	<u><u>\$ (1,213,276)</u></u>	<u><u>\$ (1,213,276)</u></u>	<u><u>\$ (1,118,627)</u></u>	<u><u>\$ 94,649</u></u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Community Center  
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 573,841	\$ 573,841	\$ 573,841	\$ -
Resources (Inflows)				
Use of money and property	2,000	2,000	4,745	2,745
Developer participation	150,000	150,000	401,734	251,734
	<u>725,841</u>	<u>725,841</u>	<u>980,320</u>	<u>254,479</u>
Amounts available for appropriations				
Charges to Appropriation (Outflows)				
Transfers out	-	125,000	-	125,000
	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Budgetary Fund Balance, June 30	<u>\$ 725,841</u>	<u>\$ 600,841</u>	<u>\$ 980,320</u>	<u>\$ 379,479</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Street Facility  
 Year Ended June 30, 2023

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 75,785	\$ 75,785	\$ 75,785	\$ -
Resources (Inflows)				
Use of money and property	-	-	1,116	1,116
Developer participation	10,000	10,000	3,360	(6,640)
Amounts available for appropriations	85,785	85,785	80,261	(5,524)
Budgetary Fund Balance, June 30	<u>\$ 85,785</u>	<u>\$ 85,785</u>	<u>\$ 80,261</u>	<u>\$ (5,524)</u>



City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Park Facility  
 Year Ended June 30, 2023

---

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,898	\$ 5,898	\$ 5,898	\$ -
Resources (Inflows)				
Use of money and property	-	-	61	61
Developer participation	-	-	1,600	1,600
Amounts available for appropriations	<u>5,898</u>	<u>5,898</u>	<u>7,559</u>	<u>1,661</u>
Budgetary Fund Balance, June 30	<u>\$ 5,898</u>	<u>\$ 5,898</u>	<u>\$ 7,559</u>	<u>\$ 1,661</u>

City of La Quinta, California  
 Budgetary Comparison Schedule – Capital Projects Fund  
 Fire Facility  
 Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 409,304	\$ 409,304	\$ 409,304	\$ -
Resources (Inflows)				
Use of money and property	1,000	1,000	4,081	3,081
Developer participation	100,000	100,000	162,923	62,923
Amounts available for appropriations	510,304	510,304	576,308	66,004
Budgetary Fund Balance, June 30	\$ 510,304	\$ 510,304	\$ 576,308	\$ 66,004

City of La Quinta, California  
 Budgetary Comparison Schedule – Debt Service Fund  
 Financing Authority  
 Year Ended June 30, 2023

---

	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>907</u>	<u>(193)</u>
Amounts available for appropriations	<u>1,100</u>	<u>1,100</u>	<u>907</u>	<u>(193)</u>
Charges to Appropriation (Outflows)				
General government	<u>1,100</u>	<u>1,100</u>	<u>907</u>	<u>193</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, 2023

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
<b>Assets</b>					
<b>Current</b>					
Pooled cash and investments	\$ 4,206,434	\$ 2,997,084	\$ 3,770,268	\$ 611,912	\$ 11,585,698
Receivables					
Accrued interest	3,726	2,655	3,340	542	10,263
Prepaid costs	-	252,053	-	1,002	253,055
<b>Total current assets</b>	<b>4,210,160</b>	<b>3,251,792</b>	<b>3,773,608</b>	<b>613,456</b>	<b>11,849,016</b>
<b>Noncurrent</b>					
Capital assets - net	1,896,836	160,972	11,340,555	-	13,398,363
Right to use leased assets, net of accumulated amortization	33,108	-	-	-	33,108
Right to use subscription IT assets, net of accumulated amortization	-	592,321	-	-	592,321
<b>Total noncurrent assets</b>	<b>1,929,944</b>	<b>753,293</b>	<b>11,340,555</b>	<b>-</b>	<b>14,023,792</b>
<b>Total assets</b>	<b>6,140,104</b>	<b>4,005,085</b>	<b>15,114,163</b>	<b>613,456</b>	<b>25,872,808</b>
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable	13,146	221,464	393,768	865	629,243
Accrued liabilities	-	12,281	-	-	12,281
Accrued interest	51	-	-	-	51
Current portion of leases	31,159	-	-	-	31,159
Current portion of subscription IT arrangement	-	352,117	-	-	352,117
<b>Total current liabilities</b>	<b>44,356</b>	<b>585,862</b>	<b>393,768</b>	<b>865</b>	<b>1,024,851</b>
<b>Noncurrent</b>					
Long-term portion of leases	5,303	-	-	-	5,303
Long-term portion of subscription IT arrangement	-	143,557	-	-	143,557
<b>Total noncurrent liabilities</b>	<b>5,303</b>	<b>143,557</b>	<b>-</b>	<b>-</b>	<b>148,860</b>
<b>Total liabilities</b>	<b>49,659</b>	<b>729,419</b>	<b>393,768</b>	<b>865</b>	<b>1,173,711</b>
<b>Net Position</b>					
Net investment in capital assets	1,893,482	257,619	11,340,555	-	13,491,656
Unrestricted	4,196,963	3,018,047	3,379,840	612,591	11,207,441
<b>Total net position</b>	<b>6,090,445</b>	<b>3,275,666</b>	<b>14,720,395</b>	<b>612,591</b>	<b>24,699,097</b>
<b>Total liabilities and net position</b>	<b>\$ 6,140,104</b>	<b>\$ 4,005,085</b>	<b>\$ 15,114,163</b>	<b>\$ 613,456</b>	<b>\$ 25,872,808</b>

City of La Quinta, California  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Funds  
Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds				Totals
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	
Operating Revenues					
Sales and service charges	\$ 1,664,000	\$ 2,263,132	\$ 450,000	\$ 1,020,000	\$ 5,397,132
Total operating revenues	1,664,000	2,263,132	450,000	1,020,000	5,397,132
Operating Expenses					
Administration and general	(3,410)	43,788	-	191,839	232,217
Fuel and oil	138,412	-	-	-	138,412
Maintenance and parts	392,721	-	-	-	392,721
Contract services	-	569,598	749,485	-	1,319,083
Software and supplies	-	441,845	-	770,046	1,211,891
Depreciation and amortization expense	532,821	498,796	526,934	-	1,558,551
Total operating expenses	1,060,544	1,554,027	1,276,419	961,885	4,852,875
Operating Income (Loss)	603,456	709,105	(826,419)	58,115	544,257
Nonoperating Revenue (Expenses)					
Investment income	82,866	57,513	80,886	7,922	229,187
Net decrease in fair value of investments	(33,905)	(30,592)	(19,260)	(7,114)	(90,871)
Miscellaneous revenue	208,148	-	-	-	208,148
Gain on disposal of capital assets	189,571	44,601	-	-	234,172
Interest expense	(1,253)	(20,490)	-	-	(21,743)
Total nonoperating revenues	445,427	51,032	61,626	808	558,893
Changes in Net Position	1,048,883	760,137	(764,793)	58,923	1,103,150
Net Position					
Beginning of Year, as restated	5,041,562	2,515,529	15,485,188	553,668	23,595,947
End of Year	\$ 6,090,445	\$ 3,275,666	\$ 14,720,395	\$ 612,591	\$ 24,699,097

City of La Quinta, California  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds				
	Equipment Replacement	Information Technology	Park Equipment and Facilities	Insurance	Totals
<b>Operating Activities</b>					
Cash received from interfund services provided	\$ 1,664,000	\$ 2,263,132	\$ 450,000	\$ 1,020,000	\$ 5,397,132
Cash paid to suppliers for goods and services	(578,215)	(1,067,760)	(357,759)	(839,170)	(2,842,904)
<b>Net Cash from Operating Activities</b>	<b>1,085,785</b>	<b>1,195,372</b>	<b>92,241</b>	<b>180,830</b>	<b>2,554,228</b>
<b>Capital and Related Financing Activities</b>					
Cash paid for lease liability- principal portion	(98,772)	-	-	-	(98,772)
Cash paid for lease liability- interest portion	(1,372)	-	-	-	(1,372)
Capital contributions	208,148	-	-	-	208,148
Acquisition and construction of capital assets	(862,176)	(117,894)	(146,433)	-	(1,126,503)
Proceeds from sales of capital assets	189,571	44,601	-	-	234,172
Cash paid for subscription liability- principal portion	-	(431,239)	-	-	(431,239)
Cash paid for subscription liability- interest portion	-	(9,848)	-	-	(9,848)
<b>Net Cash used for Capital and Related Financing Activities</b>	<b>(564,601)</b>	<b>(514,380)</b>	<b>(146,433)</b>	<b>-</b>	<b>(1,225,414)</b>
<b>Investing Activities</b>					
Investment Income	47,459	15,082	60,671	539	123,751
<b>Net Cash from Investing Activities</b>	<b>47,459</b>	<b>15,082</b>	<b>60,671</b>	<b>539</b>	<b>123,751</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>568,643</b>	<b>696,074</b>	<b>6,479</b>	<b>181,369</b>	<b>1,452,565</b>
Cash and Cash Equivalents, Beginning of Year	3,637,791	2,301,010	3,763,789	430,543	10,133,133
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,206,434</b>	<b>\$ 2,997,084</b>	<b>\$ 3,770,268</b>	<b>\$ 611,912</b>	<b>\$ 11,585,698</b>
<b>Reconciliation of operating income to net cash from (used for) operating activities</b>					
Operating income (loss)	\$ 603,456	\$ 709,105	\$ (826,419)	\$ 58,115	\$ 544,257
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities					
Depreciation/amortization	532,821	498,796	526,934	-	1,558,551
Changes in					
Prepaid costs	-	(147,119)	-	123,586	(23,533)
Accounts payable	(50,492)	123,725	391,726	(871)	464,088
Accrued liabilities	-	10,865	-	-	10,865
<b>Total adjustments</b>	<b>482,329</b>	<b>486,267</b>	<b>918,660</b>	<b>122,715</b>	<b>2,009,971</b>
<b>Net Cash from Operating Activities</b>	<b>\$ 1,085,785</b>	<b>\$ 1,195,372</b>	<b>\$ 92,241</b>	<b>\$ 180,830</b>	<b>\$ 2,554,228</b>
<b>Non-Cash Transactions</b>					
Capital assets acquired by lease	\$ -	\$ 116,966	\$ -	\$ -	\$ 116,966

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Statistical Section

June 30, 2023

City of La Quinta, California

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	128
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	140
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of understanding debt and the City's ability to use additional debt in the future.	149
<b>Demographic and Economic Information</b> 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.	156
<b>Operating Information</b> 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.	159

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

City of La Quinta, California  
 Net Position by Component (Table 1)  
 Last Ten Fiscal Years  
 (Accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 527,614,666	\$ 523,495,389	\$ 516,499,682	\$ 517,039,487	\$ 510,913,594
Restricted	53,669,248	62,472,221	61,148,731	38,824,860	39,204,789
Unrestricted	83,907,046	74,362,189	84,439,071	118,125,125	130,950,644
<b>Total Governmental Activities Net Positior</b>	<b>665,190,960</b>	<b>660,329,799</b>	<b>662,087,484</b>	<b>673,989,472</b>	<b>681,069,027</b>
<b>Business-Type Activities</b>					
Net investment in capital assets	41,354,565	44,118,111	43,898,784	43,836,868	43,585,880
Unrestricted	(4,674,666)	(4,892,647)	(5,086,906)	(5,140,966)	(5,203,212)
<b>Total Business-Type Activities Net Positio</b>	<b>36,679,899</b>	<b>39,225,464</b>	<b>38,811,878</b>	<b>38,695,902</b>	<b>38,382,668</b>
<b>Primary Government</b>					
Net investment in capital assets	568,969,231	567,613,500	560,398,466	560,876,355	554,499,474
Restricted	53,669,248	62,472,221	61,148,731	38,824,860	39,204,789
Unrestricted	79,232,380	69,469,542	79,352,165	112,984,159	125,747,432
<b>Total Primary Government Net Position</b>	<b>701,870,859</b>	<b>699,555,263</b>	<b>700,899,362</b>	<b>712,685,374</b>	<b>719,451,695</b>

Source: City of La Quinta

City of La Quinta, California  
Net Position by Component (Table 1)  
Last Ten Fiscal Years  
(Accrual basis of accounting)

Fiscal Year					
2019	2020	2021	2022	2023	
					<b>Governmental Activities:</b>
\$ 519,221,969	\$ 509,777,422	\$ 519,203,177	\$ 517,697,036	\$ 532,627,757	Net investment in capital assets
44,815,499	46,001,248	46,711,801	54,412,355	62,283,620	Restricted
138,584,041	142,418,499	162,887,430	190,618,323	220,277,110	Unrestricted
<b>702,621,509</b>	<b>698,197,169</b>	<b>728,802,408</b>	<b>762,727,717</b>	<b>815,188,487</b>	<b>Total Governmental Activities Net Position</b>
					<b>Business-Type Activities:</b>
43,375,536	39,712,955	42,717,914	42,491,762	42,242,526	Net investment in capital assets
240,125	3,145,820	368,750	1,036,834	1,166,307	Unrestricted
<b>43,615,661</b>	<b>42,858,775</b>	<b>43,086,664</b>	<b>43,528,596</b>	<b>43,408,833</b>	<b>Total Business-Type Activities Net Position</b>
					<b>Primary Government:</b>
562,597,505	549,490,377	561,921,091	560,188,798	574,870,283	Net investment in capital assets
44,815,499	46,001,248	46,711,801	53,601,581	62,283,620	Restricted
138,824,166	145,564,319	163,256,180	192,465,934	221,443,417	Unrestricted
<b>746,237,170</b>	<b>741,055,944</b>	<b>771,889,072</b>	<b>806,256,313</b>	<b>858,597,320</b>	<b>Total Primary Government Net Position</b>

City of La Quinta  
Changes in Net Position (Table 2)  
Last Ten Fiscal Years  
(Accrual basis of accounting)

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

**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)  
Last Ten Fiscal Years  
(Accrual basis of accounting)

		Fiscal Year							
		2019	2020	2021	2022	2023			
\$	9,085,863	\$	9,877,251	\$	8,106,209	\$	9,733,224	\$	17,213,248
	23,164,976		24,009,725		24,429,310		25,741,782		25,457,350
	5,913,321		5,845,836		6,508,522		4,716,745		3,146,264
	6,202,084		11,362,950		6,958,234		8,439,863		9,550,001
	4,430,519		32,248,031		11,438,197		14,985,480		14,043,797
	210,941		98,049		42,081		11,914		25,504
	49,007,703		83,441,842		57,482,553		63,629,008		69,436,164
	4,558,922		4,148,190		4,169,286		4,746,281		5,520,342
	4,558,922		4,148,190		4,169,286		4,746,281		5,520,342
	<b>53,566,625</b>		<b>87,590,032</b>		<b>61,651,839</b>		<b>68,375,289</b>		<b>74,956,506</b>
	516,115		615,348		1,541,535		1,402,810		1,716,965
	376,249		367,277		770,760		648,914		555,423
	636,683		799,040		710,529		1,315,760		1,356,426
	479,542		366,896		178,554		137,769		185,979
	1,119,816		1,436,362		1,503,633		3,378,132		2,736,907
	5,623,509		7,817,482		4,413,523		5,786,773		7,136,358
	5,462,395		9,613,752		15,770,048		11,952,031		8,760,788
	14,214,310		21,016,157		24,888,582		24,622,189		22,448,846
	3,773,396		2,746,748		3,509,096		4,679,163		4,767,458
	-		-		-		-		-
	3,773,396		2,746,748		3,509,096		4,679,163		4,767,458
	<b>17,987,706</b>		<b>23,762,905</b>		<b>28,397,678</b>		<b>29,301,352</b>		<b>27,216,304</b>
	(34,793,394)		(62,425,685)		(32,593,971)		(39,006,040)		(46,987,318)
	(785,526)		(1,401,442)		(660,190)		(67,118)		(752,884)
	<b>(35,578,920)</b>		<b>(63,827,127)</b>		<b>(33,254,161)</b>		<b>(39,073,158)</b>		<b>(47,740,202)</b>
	16,423,843		16,710,544		16,893,629		17,823,858		20,697,081
	11,230,915		8,079,394		11,847,139		18,365,424		19,262,569
	20,905,243		19,136,015		23,323,549		28,204,906		28,888,079
	2,032,848		1,996,593		2,055,505		2,240,468		2,375,729
	418,707		378,744		383,551		446,745		489,738
	713,237		662,545		1,568,997		1,352,585		926,743
	4,086,536		4,290,417		4,376,455		4,663,327		5,110,569
	5,150,613		5,110,358		1,427,664		219,164		5,058,717
	394,347		1,404,143		1,457,788		(5,727,183)		(1,519,171)
	(5,553,561)		-		-		943,160		1,432,619
	993,148		867,792		739,933		609,515		-
	(450,000)		(635,200)		(875,000)		(550,000)		(600,000)
	56,345,876		58,001,345		63,199,210		68,591,969		82,122,673
	14,958		9,356		13,081		4,329		12,456
	5,553,561		-		-		(45,279)		20,665
	450,000		635,200		875,000		550,000		600,000
	6,018,519		644,556		888,081		509,050		633,121
	<b>62,364,395</b>		<b>58,645,901</b>		<b>64,087,291</b>		<b>69,101,019</b>		<b>82,755,794</b>
	21,552,482		(4,424,340)		30,605,239		29,585,150		35,135,355
	5,232,993		(756,886)		227,891		441,932		(119,763)
	<b>26,785,475</b>		<b>(5,181,226)</b>		<b>30,833,130</b>		<b>30,027,082</b>		<b>35,015,592</b>

**Expenditures:**

Governmental activities:
General government
Public safety
Planning and development
Community services
Public works
Interest on long-term debt
Total governmental activities expenditures
Business-type activities:
Golf course
Total business-type activities expenditures
<b>Total Primary Government Expenditures</b>

**Program Revenues:**

Governmental activities:
Charges for services:
General government
Public safety
Planning and development
Community services
Public works
Operating grants and contributions
Capital grants and contributions
Total governmental activities program revenues
Business-type activities:
Charges for services:
Golf course
Capital grants and contributions
Total business-type activities program revenues
<b>Total Primary Government Program Revenues</b>

**Net Revenues (Expenditures):**

Governmental activities
Business-type activities
<b>Total Net Revenues (Expenditures)</b>

**General Revenues and Other Changes in Net Position:**

Governmental activities:
Taxes:
Property taxes
Transient occupancy taxes
Sales tax
Franchise taxes
Business license taxes
Other taxes
Motor vehicle in lieu, unrestricted
Investment income
Net Increase (Decrease) of Investment Fair Value
Miscellaneous
Special Item (interfund loan payoff)
Extraordinary gain/loss on dissolution of RDA
Transfers
Total governmental activities
Business-type activities:
Investment income
Net Increase (Decrease) of Investment Fair Value
Miscellaneous
Transfers
Total business-type activities
<b>Total Primary Government</b>

**Changes in Net Position**

Governmental activities
Business-type activities
<b>Total Primary Government</b>

City of La Quinta  
Changes in Net Position – Governmental Activities (Table 3)  
Last Ten Fiscal Years  
(Accrual basis of accounting)

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

**Source:** City of La Quinta



City of La Quinta  
Changes in Net Position – Governmental Activities (Table 3)  
Last Ten Fiscal Years  
(Accrual basis of accounting)

		Fiscal Year						
		2019	2020	2021	2022	2023		
\$	9,085,863	\$ 9,877,251	\$ 8,106,209	\$ 9,732,445	\$ 17,213,248	<b>Expenditures:</b>		
	23,164,976	24,009,725	24,429,310	25,741,782	25,457,350	General government		
	5,913,321	5,845,836	6,508,522	4,716,745	3,146,264	Public safety		
	6,202,084	11,362,950	6,958,234	8,439,863	9,550,001	Planning and development		
	4,430,519	32,248,031	11,438,197	14,985,480	14,043,797	Community services		
	210,941	98,049	42,081	11,914	25,504	Public works		
	<b>49,007,703</b>	<b>83,441,842</b>	<b>57,482,553</b>	<b>63,628,229</b>	<b>69,436,164</b>	Interest on long-term debt		
						<b>Total Governmental Activities Expenditures</b>		
						<b>Program Revenues:</b>		
	516,115	615,348	1,541,535	1,402,810	1,716,965	Charges for services:		
	376,249	367,277	770,760	648,914	555,423	General government		
	636,683	799,040	710,529	1,315,760	1,356,426	Public safety		
	479,542	366,896	178,554	137,769	185,979	Planning and development		
	1,119,816	1,436,362	1,503,633	3,378,132	2,736,907	Community services		
	5,623,509	7,817,482	4,413,523	5,786,773	7,136,358	Public works		
	5,462,395	9,613,752	15,770,048	11,952,031	8,760,788	Operating grants and contributions		
						Capital grants and contributions		
	<b>14,214,310</b>	<b>21,016,157</b>	<b>24,888,582</b>	<b>24,622,189</b>	<b>22,448,846</b>	<b>Total Governmental Activities Program Revenues</b>		
	<b>(34,793,394)</b>	<b>(62,425,685)</b>	<b>(32,593,971)</b>	<b>(39,006,040)</b>	<b>(46,987,318)</b>	<b>Net Revenues (Expenditures)</b>		
						<b>General Revenues and Other Changes in Net Position:</b>		
	16,423,843	16,710,544	16,893,629	17,823,858	20,697,081	Taxes:		
	11,230,915	8,079,394	11,847,139	18,365,424	19,262,569	Property taxes		
	20,905,243	19,136,015	23,323,549	28,204,906	28,888,079	Transient occupancy taxes		
	2,032,848	1,996,593	2,055,505	2,240,468	2,375,729	Sales tax		
	418,707	378,744	383,551	446,745	489,738	Franchise tax		
	713,237	662,545	1,568,997	1,352,585	926,743	Business license taxes		
	4,086,536	4,290,417	4,376,455	4,663,327	5,110,569	Other tax		
	5,150,613	5,110,358	1,427,664	219,164	5,058,717	Motor vehicle in lieu, unrestricted		
				(5,727,183)	(1,519,171)	Investment income		
	394,347	1,404,143	1,457,788	942,381	-	Net Increase (Decrease) of Investment Fair Value		
	-	-	-	-	1,432,619	Gain (loss) on sale of capital assets		
	(5,553,561)	-	-	-	-	Miscellaneous		
	993,148	867,792	739,933	609,515	-	Special item (interfund loan payoff)		
	(450,000)	(635,200)	(875,000)	(550,000)	(600,000)	Extraordinary gain/loss on dissolution of RDA		
	<b>56,345,876</b>	<b>58,001,345</b>	<b>63,199,210</b>	<b>68,591,190</b>	<b>82,122,673</b>	Transfers		
						<b>Total Governmental Activities</b>		
	<b>21,552,482</b>	<b>(4,424,340)</b>	<b>30,605,239</b>	<b>29,585,150</b>	<b>35,135,355</b>	<b>Changes in Net Position</b>		

City of La Quinta  
Changes in Net Position – Business-type Activities (Table 4)  
Last Ten Fiscal Years  
(Accrual basis of accounting)

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

Source: City of La Quinta

City of La Quinta  
Changes in Net Position – Business-type Activities (Table 4)  
Last Ten Fiscal Years  
(Accrual basis of accounting)

		Fiscal Year					
2019	2020	2021	2022	2023			
\$ 4,558,922	\$ 4,148,190	\$ 4,169,286	\$ 4,746,281	\$ 5,520,342	<b>Expenditures:</b>		
					Golf course		
<b>4,558,922</b>	<b>4,148,190</b>	<b>4,169,286</b>	<b>4,746,281</b>	<b>5,520,342</b>	<b>Total Business-Type Activities Expenditures</b>		
					<b>Program revenues:</b>		
					Charges for services:		
3,773,396	2,746,748	3,509,096	4,679,163	4,767,458	Golf course		
-	-	-	-	-	Capital grants and contributions		
<b>3,773,396</b>	<b>2,746,748</b>	<b>3,509,096</b>	<b>4,679,163</b>	<b>4,767,458</b>	<b>Total Business-Type Activities Program Revenues</b>		
<b>(785,526)</b>	<b>(1,401,442)</b>	<b>(660,190)</b>	<b>(67,118)</b>	<b>(752,884)</b>	<b>Net Revenues (Expenditures)</b>		
					<b>General Revenues and Other Changes in Net Position:</b>		
14,958	9,356	13,081	4,329	12,456	Investment income		
-	-	-	(45,279)	20,665	Net Increase (Decrease) of Investment Fair Value		
5,553,561	-	-	-	-	Miscellaneous		
450,000	635,200	875,000	550,000	600,000	Transfers		
<b>6,018,519</b>	<b>644,556</b>	<b>888,081</b>	<b>509,050</b>	<b>633,121</b>	<b>Total Business-Type Activities</b>		
<b>5,232,993</b>	<b>(756,886)</b>	<b>227,891</b>	<b>441,932</b>	<b>(119,763)</b>	<b>Changes in Net Position</b>		

City of La Quinta  
Fund Balances of Governmental Funds (Table 5)  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016 <sup>(1)</sup>	2017	2018
<b>General fund</b>					
Nonspendable:					
Prepaid costs	\$ 1,500	\$ 15,653	\$ 204,589	\$ 10,578	\$ 90,657
Land held for resale	8,320,000	8,320,000	8,320,000	8,320,000	8,320,000
Advances to other funds	15,163,183	14,943,098	14,974,800	15,022,660	14,954,085
Deposits	4,830	33,985	-	-	-
Due from Other Governments	34,976,516	26,715,575	25,105,681	29,154,040	29,611,707
Restricted for:					
Section 115 Trust (Note 11)					
Committed:					
Emergency Reserve <sup>(2)</sup>	16,034,995	15,372,600	15,576,000	16,534,000	-
Natural Disaster Reserve <sup>(2)</sup>	-	-	-	-	7,400,000
Economic Disaster Reserve <sup>(2)</sup>	-	-	-	-	8,140,000
Post retirement health benefits <sup>(3)</sup>	1,523,401	1,523,401	1,523,400	1,523,400	-
Capital Replacement Reserve <sup>(2)</sup>	1,507,429	1,727,390	2,302,000	-	5,000,000
Cash Flow Reserve <sup>(2)</sup>	2,836,820	3,843,150	3,894,000	4,134,000	5,000,000
Pension Trust <sup>(4)</sup>	-	-	-	-	2,000,000
Carryovers	356,438	476,400	4,274,046	120,000	2,186,500
Assigned:					
Continuing appropriations	209,000	-	-	-	-
Public Safety (Note 14)	-	-	-	9,371,699	9,754,327
Sales Tax Reserve (Note 14)	-	-	-	-	5,169,970
Capital Projects (Note 14)	-	-	-	6,322,570	4,996,815
Unassigned	10,699,641	13,837,312	13,822,012	16,949,526	19,199,506
<b>Total general fund</b>	<b>91,633,753</b>	<b>86,808,564</b>	<b>98,565,571</b>	<b>107,462,473</b>	<b>121,823,567</b>
<b>All other governmental funds</b>					
Nonspendable:					
Prepaid costs	-	-	8,422	10,349	-
Restricted:					
Planning and development projects	5,970,006	13,108,499	18,211,200	22,664,093	22,607,600
Public safety	274,274	301,843	189,988	83,506	342,919
Community services	12,459,516	10,711,704	9,872,124	10,040,222	10,016,652
Public works	1,571,163	1,129,697	1,250,827	1,546,505	2,033,627
Capital Projects	1,590,168	3,873,699	3,597,221	4,490,534	4,203,991
Unassigned	(12,370,462)	(12,703,744)	(11,655,344)	(11,423,008)	(11,347,062)
<b>Total all other governmental funds</b>	<b>9,494,665</b>	<b>16,421,698</b>	<b>21,474,438</b>	<b>27,412,201</b>	<b>27,857,727</b>
<b>Total Governmental Funds</b>	<b>101,128,418</b>	<b>103,230,262</b>	<b>120,040,009</b>	<b>134,874,674</b>	<b>149,681,294</b>

**Notes:**

<sup>(1)</sup>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

<sup>(2)</sup>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.

<sup>(3)</sup>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.

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

City of La Quinta  
Fund Balances of Governmental Funds (Table 5)  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)

Fiscal Year					
2019	2020	2021	2022	2023	
					<b>General fund:</b>
					Nonspendable:
\$ 37,182	\$ 14,065	\$ 25,246	\$ 46,990	\$ 125,993	Prepaid costs
5,730,990	5,403,652	5,403,652	5,403,652	5,403,652	Land held for resale
-	-	-	-	-	Advances to other funds
-	-	-	-	-	Deposits
27,915,770	26,069,742	24,070,622	21,915,347	19,600,793	Due from Other Governments
					Restricted for:
6,540,000	10,249,738	11,381,922	10,137,888	5,317,487	Section 115 Trust (Note 11)
					Committed:
-	-	-	-	-	Emergency Reserve <sup>(2)</sup>
10,000,000	10,000,000	10,000,000	10,000,000	15,000,000	Natural Disaster Reserve <sup>(2)</sup>
11,000,000	6,800,000	11,000,000	11,000,000	13,000,000	Economic Disaster Reserve <sup>(2)</sup>
-	-	-	-	-	Post retirement health benefits <sup>(3)</sup>
5,000,000	6,540,000	10,000,000	10,000,000	12,000,000	Capital Replacement Reserve <sup>(2)</sup>
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	Cash Flow Reserve <sup>(2)</sup>
-	-	-	-	-	Pension Trust <sup>(4)</sup>
745,300	1,778,800	1,209,870	1,209,100	2,600,009	Carryovers
					Assigned:
-	-	-	-	-	Continuing appropriations
9,864,841	10,491,654	11,423,931	11,183,821	11,986,970	Public Safety (Note 14)
7,721,975	8,736,219	15,128,658	15,355,043	29,214,191	Sales Tax Reserve (Note 14)
11,853,162	13,155,144	13,431,089	30,761,847	22,623,372	Capital Projects (Note 14)
16,228,627	19,094,651	24,241,553	33,893,325	44,105,041	Unassigned
<b>117,637,847</b>	<b>123,333,665</b>	<b>142,316,543</b>	<b>165,907,013</b>	<b>185,977,508</b>	<b>Total general fund</b>
					<b>All other governmental funds:</b>
					Nonspendable:
386	2,875	1,019	96,590	468	Prepaid costs
					Restricted:
22,996,435	23,680,641	24,751,443	25,118,552	27,585,913	Planning and development projects
1,391,721	1,607,101	931,352	1,073,419	1,278,307	Public safety
13,775,710	14,376,472	12,813,788	13,159,532	15,711,786	Community services
2,667,401	3,208,072	5,196,324	7,353,021	7,535,519	Public works
3,904,492	3,128,962	3,018,894	6,897,057	9,794,607	Capital Projects
(1,852,211)	(5,175,243)	(3,182,262)	(2,483,120)	(8,064,140)	Unassigned
<b>42,883,934</b>	<b>40,828,880</b>	<b>43,530,558</b>	<b>51,215,051</b>	<b>53,842,460</b>	<b>Total all other governmental funds</b>
<b>160,521,781</b>	<b>164,162,545</b>	<b>185,847,101</b>	<b>217,122,064</b>	<b>239,819,968</b>	<b>Total Governmental Funds</b>

City of La Quinta  
Changes in Fund Balances of Governmental Funds (Table 6)  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Revenues</b>					
Taxes	\$ 27,192,089	\$ 26,678,471	\$ 28,057,989	\$ 41,832,117	\$ 44,931,250
Assessments	951,181	940,221	944,050	953,699	950,541
Licenses and permits	953,540	1,356,978	1,161,820	1,118,911	1,394,820
Intergovernmental	16,506,666	15,702,943	14,960,676	4,870,334	12,555,259
Charges for services	1,238,277	1,341,438	1,332,541	1,021,336	1,279,864
Use of money and property	2,175,048	1,950,957	7,475,742	4,659,301	2,388,683
Contributions, fines, and forfeitures	838,972	1,956,452	28,459	348,345	375,390
Developer participation	3,059,254	2,803,681	1,441,075	1,042,568	1,534,628
Miscellaneous	575,001	580,843	992,282	289,047	1,196,057
<b>Total Revenues</b>	<b>53,490,028</b>	<b>53,311,984</b>	<b>56,394,634</b>	<b>56,135,658</b>	<b>66,606,492</b>
<b>Expenditures</b>					
Current:					
General government	4,068,827	5,050,425	5,267,024	5,845,197	7,737,111
Public safety	21,189,086	21,664,472	22,125,962	23,377,755	22,508,088
Planning and development	1,748,477	2,097,525	3,294,259	2,549,779	4,310,589
Community services	4,011,432	4,798,123	4,983,038	4,626,401	5,236,083
Public works	4,617,050	5,283,309	4,101,210	4,025,958	4,146,135
Capital projects	7,974,747	11,097,186	7,209,874	6,859,428	9,015,861
Debt service:					
Principal retirement	558,019	594,383	632,615	651,625	666,988
Interest and fiscal charges	411,010	348,334	346,137	307,600	1,460,371
<b>Total Expenditures</b>	<b>44,578,648</b>	<b>50,933,757</b>	<b>47,960,119</b>	<b>48,243,743</b>	<b>55,081,226</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>8,911,380</b>	<b>2,378,227</b>	<b>8,434,515</b>	<b>7,891,915</b>	<b>11,525,266</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of land	-	-	-	-	-
Transfers in	4,201,763	12,037,331	6,420,538	21,503,514	7,432,340
Transfers out	(4,335,679)	(12,322,714)	(6,614,349)	(21,904,814)	(7,775,107)
Leases	-	9,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(133,916)</b>	<b>(276,383)</b>	<b>(193,811)</b>	<b>(401,300)</b>	<b>(342,767)</b>
Extraordinary gain/loss on dissolution of RDA	(6,402,450)	-	-	7,344,050	3,624,121
Special item (interfund loan payoff)	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>2,375,014</b>	<b>2,101,844</b>	<b>8,240,704</b>	<b>14,834,665</b>	<b>14,806,620</b>
<b>Debt Service as a Percentage of Noncapital Expenditures <sup>(1)</sup></b>	<b>2.6%</b>	<b>2.2%</b>	<b>2.4%</b>	<b>2.5%</b>	<b>3.3%</b>

**Notes:**

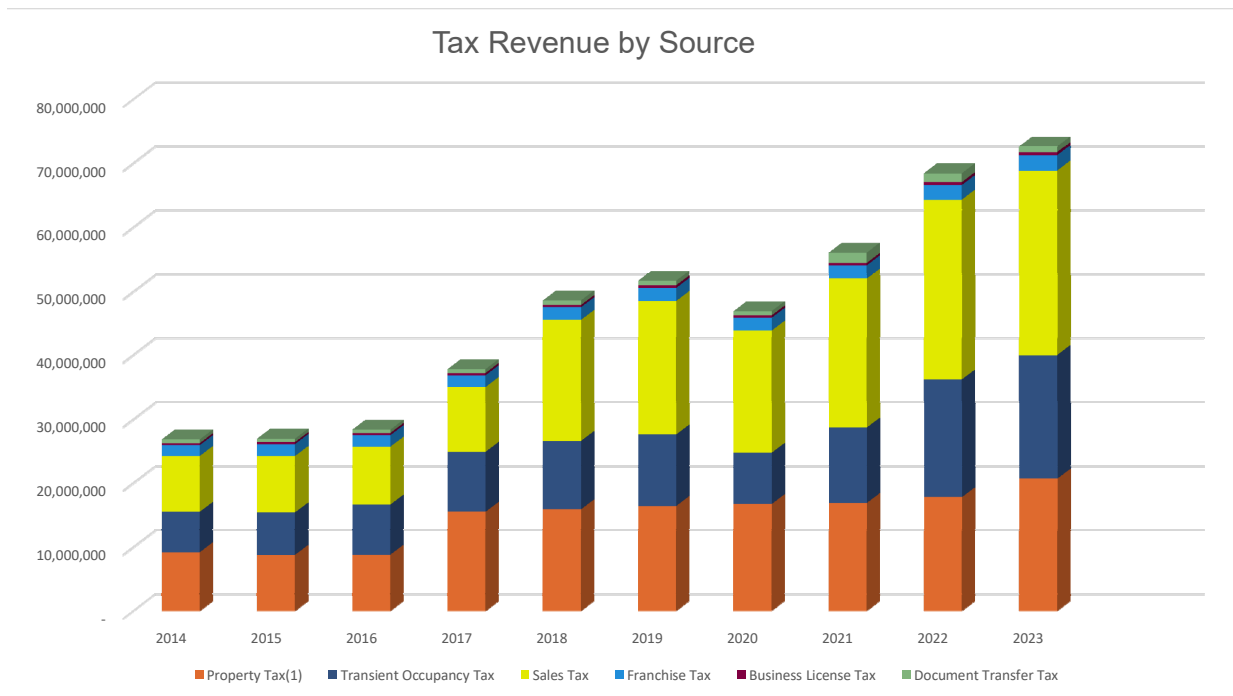
<sup>(1)</sup> The capitalizable expenditures were derived from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds and Note 4, Capital Assets.

City of La Quinta  
Changes in Fund Balances of Governmental Funds (Table 6)  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)

		Fiscal Year					
2019	2020	2021	2022	2023			
\$ 48,462,493	\$ 44,881,038	\$ 53,493,786	\$ 65,107,160	\$ 67,267,115	<b>Revenues:</b>		
961,633	957,017	984,435	969,257	981,315	Taxes		
1,555,026	1,913,519	2,020,596	4,521,449	3,994,989	Assessments		
14,075,980	17,107,595	25,720,328	15,989,135	16,353,942	Licenses and permits		
1,170,825	1,179,592	964,710	1,623,951	1,558,784	Intergovernmental		
4,824,651	5,219,088	2,601,482	(3,545,192)	4,592,365	Charges for services		
375,491	665,193	779,606	657,589	563,494	Use of money and property		
2,231,471	1,863,587	1,844,665	5,584,146	4,216,121	Contributions, fines, and forfeitures		
2,425,675	1,371,095	645,780	970,399	2,602,248	Developer participation		
					Miscellaneous		
<b>76,083,245</b>	<b>75,157,724</b>	<b>89,055,388</b>	<b>91,877,894</b>	<b>102,130,373</b>	<b>Total Revenues</b>		
					<b>Expenditures</b>		
					Current:		
10,129,408	7,732,495	8,464,230	10,515,771	20,967,405	General government		
23,164,976	24,009,725	24,429,310	25,741,782	25,457,350	Public safety		
6,415,466	5,436,281	6,544,477	5,234,065	6,503,091	Planning and development		
5,944,200	6,159,707	5,583,420	6,325,904	8,063,457	Community services		
4,219,461	5,421,606	5,287,280	5,654,080	6,470,613	Public works		
9,096,460	23,150,511	18,219,385	7,167,446	14,180,312	Capital projects		
					Debt service:		
650,000	-	-	10,705	10,764	Principal retirement		
178,080	28,868	15,133	11,914	25,504	Interest and fiscal charges		
<b>59,798,051</b>	<b>71,939,193</b>	<b>68,543,235</b>	<b>60,661,667</b>	<b>81,678,496</b>	<b>Total Expenditures</b>		
<b>16,285,194</b>	<b>3,218,531</b>	<b>20,512,153</b>	<b>31,216,227</b>	<b>20,451,877</b>	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>		
					<b>Other financing sources (uses):</b>		
-	-	1,219,485	-	-	Proceeds from sale of land		
12,942,596	16,467,409	10,781,267	6,131,440	10,079,550	Transfers in		
(13,826,890)	(16,912,971)	(11,568,281)	(6,681,440)	(10,679,550)	Transfers out		
-	-	-	-	-	Leases		
<b>(884,294)</b>	<b>(445,562)</b>	<b>432,471</b>	<b>(550,000)</b>	<b>(600,000)</b>	<b>Total Other Financing Sources (Uses)</b>		
993,148	867,792	739,933	609,515	-	Extraordinary gain/loss on dissolution of RDA		
(5,553,561)	-	-	-	-	Special item (interfund loan payoff)		
<b>10,840,487</b>	<b>3,640,761</b>	<b>21,684,557</b>	<b>31,275,742</b>	<b>19,851,877</b>	<b>Net Change in Fund Balances</b>		
					<b>Debt Service as a Percentage of Noncapital Expenditures <sup>(1)</sup></b>		
2.03%	0.06%	0.03%	0.06%	0.06%			

City of La Quinta  
Tax Revenue by Source (Table 7)  
Last Ten Fiscal Years

Fiscal Year	Property Tax <sup>(1)</sup>	Transient Occupancy Tax	Sales Tax	Franchise Tax	Business License Tax	Document Transfer Tax	Total
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
2023	20,697,081	19,262,569	28,888,079	2,375,729	489,738	926,743	72,639,939



**Notes:**

<sup>(1)</sup> 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.

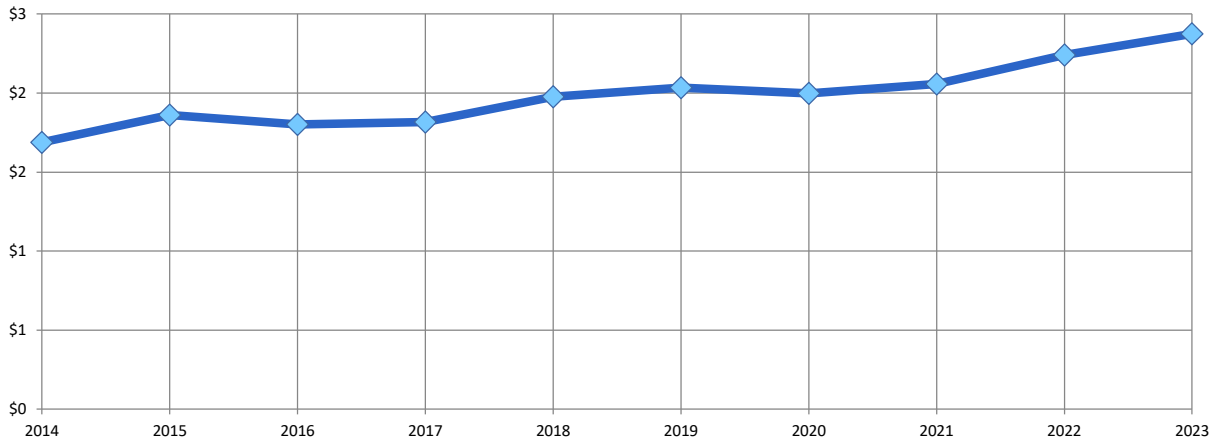
**Source:** City of La Quinta



City of La Quinta  
 Top 25 Bradley-Burns Sales Tax Producers (Table 8)  
 Current Year and Nine Years Ago  
 (in dollars)

Fiscal Year 2022-23		Fiscal Year 2013-14	
Business Name <sup>(1)</sup>	Business Category	Business Name <sup>(1)</sup>	Business Category
Arco AM PM	Service Stations	Arco AM/PM	Service Stations
Best Buy	Electronics/Appliance Stores	Bed Bath & Beyond	Home Furnishings
Circle K	Service Stations	Best Buy	Electronics/Appliance Stores
Cliffhouse	Fine Dining	Chevrolet Cadillac of La Quinta	New Motor Vehicle Dealers
Costco	Discount Dept. Stores	Circle K	Service Stations
Floor & Décor	Building Materials	Cliffhouse	Fine Dining
G&M Oil	Service Stations	Costco	Discount Dept. Stores
Genesis/Hyundai of La Quinta	New Motor Vehicle Dealers	G & M Oil	Service Stations
Hobby Lobby	Specialty Stores	Hyundai of La Quinta	New Motor Vehicle Dealers
Home Depot	Building Materials	Home Depot	Building Materials
In N Out Burger	Quick-Service Restaurants	Kohl's	Department Stores
Kohl's	Department Stores	La Quinta Resort & Club	Hotels-Liquor
La Quinta Chevrolet & Cadillac	New Motor Vehicle Dealers	Lowe's	Building Materials
La Quinta Resort & Club	Hotels/Motels	Marshalls	Family Apparel
Lowe's	Building Materials	Ralphs	Grocery Stores
Marshalls	Family Apparel	Ross	Family Apparel
PGA West Private Clubhouse	Leisure/Entertainment	Stater Bros	Grocery Stores
Ross	Family Apparel	Stein Mart	Department Stores
Target	Discount Dept. Stores	Stuft Pizza Bar & Grill	Casual Dining
TJ Maxx	Family Apparel	Target	Discount Dept. Stores
Torre Nissan	New Motor Vehicle Dealers	Torre Nissan	New Motor Vehicle Dealers
Tower Mart	Service Stations	Tower Mart	Service Stations
Ulta Beauty	Specialty Stores	USA Gas	Service Stations
Vons	Grocery Stores	Vintners Shell Station	Service Stations
Walmart Supercenter	Discount Dept. Stores	Walmart Supercenter	Discount Dept. Stores
<b>Percent of Fiscal Year Total Paid by Top 25 Accounts:</b>		<b>Percent of Fiscal Year Total Paid by Top 25 Accounts:</b>	
<b>64.81%</b>		<b>69.44%</b>	

**Combined Sales Tax Revenue**  
 (in millions)



**Notes:**

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

Top 25 businesses listed for state Bradley-Burns sales tax allocation only. For Top 25 business listings by local Measure G, see next page. Sales tax revenue chart includes total remitted for both.

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City of La Quinta  
 Top 25 Measure G Sales Tax Producers (Table 9)  
 Current Year and Nine Years Ago  
 (in dollars)

Fiscal Year 2022-23		Fiscal Year 2013-14	
Business Name <sup>(1)</sup>	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		
Ferrari of San Francisco	New Motor Vehicle Dealers		
Floor & Décor	Building Materials		
G & M Oil	Service Stations		
Home Depot	Building Materials		
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 Clubhouse	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		
<b>Percent of Fiscal Year Total Paid by Top 25 Accounts:</b>		44.41%	

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

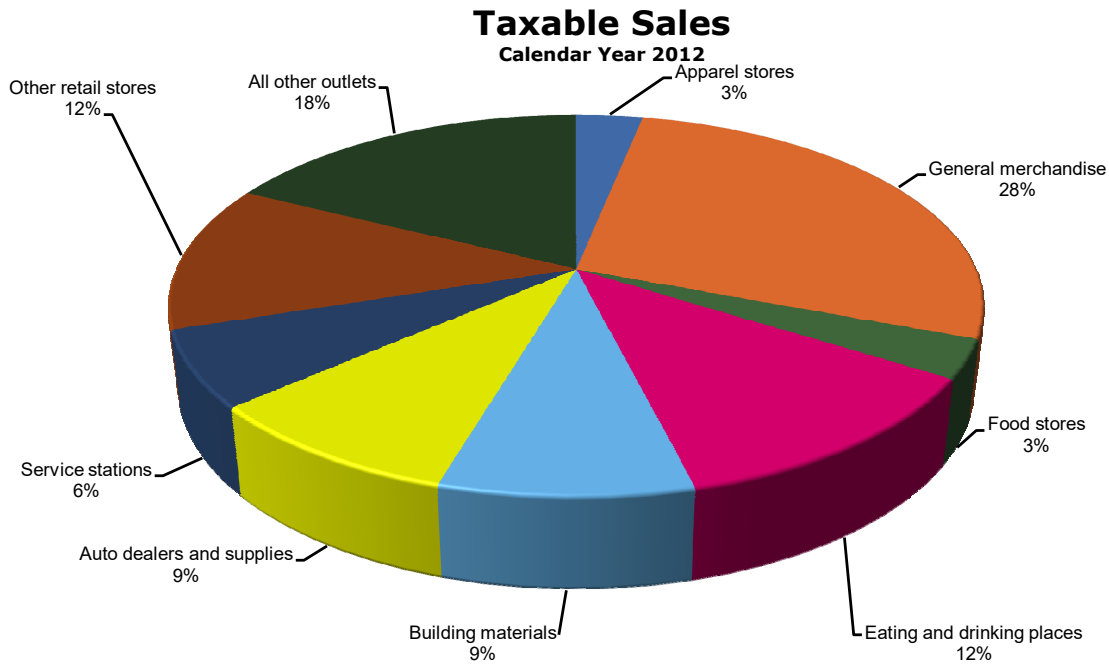
**Notes:**

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

**Source:** HdL, Coren & Cone

City of La Quinta  
 Taxable Sales by Category <sup>(1)</sup> (Table 10)  
 Last Ten Calendar Years  
 (in thousands)

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



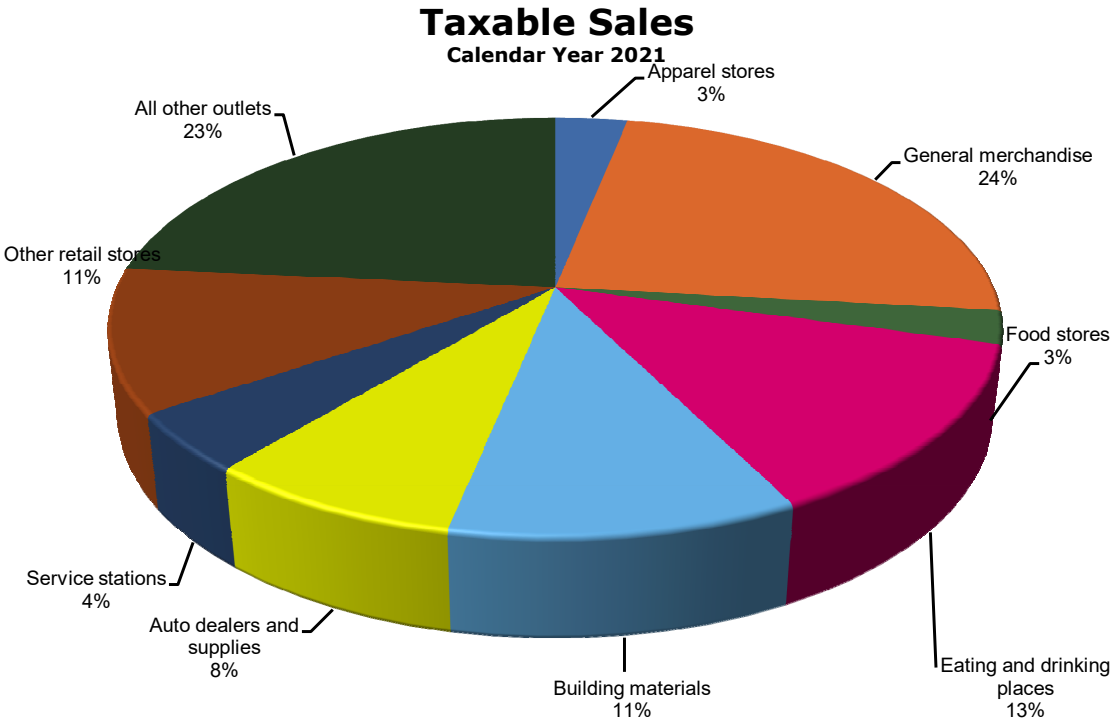
**Notes:**

<sup>(1)</sup> 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)  
 Last Ten Calendar Years  
 (in dollars)

		Calendar Year					
2018	2019	2020	2021	2022			
\$ 34,508	\$ 33,937	\$ 24,929	\$ 38,612	\$ 39,992	Apparel stores		
232,147	235,969	235,841	274,045	300,399	General merchandise		
26,126	26,191	30,610	30,350	32,324	Food stores		
122,255	132,184	100,187	149,526	169,175	Eating and drinking places		
86,569	89,036	111,231	128,048	135,282	Building materials		
82,702	85,401	78,189	105,011	100,165	Auto dealers and supplies		
42,164	42,998	33,742	46,985	56,830	Service stations		
114,980	111,239	101,620	140,854	139,870	Other retail stores		
210,360	220,260	222,916	260,247	298,944	All other outlets		
<b>951,811</b>	<b>977,215</b>	<b>939,265</b>	<b>1,173,678</b>	<b>1,272,981</b>	<b>Total</b>		

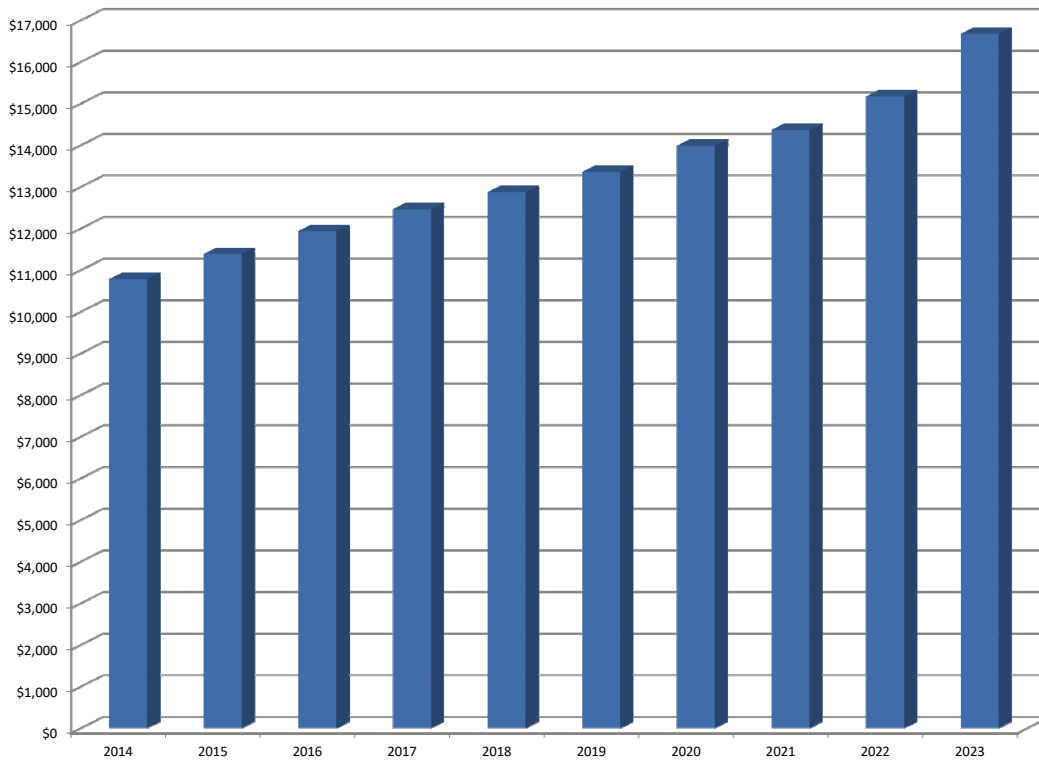


City of La Quinta  
Assessed Value of Taxable Property (Table 11)  
Last Ten Fiscal Years  
(in dollars)

City of La Quinta, Tax District 02-2375

Fiscal Year Ended June 30,	Residential	Commercial	Agriculture <sup>(4)</sup>	Other <sup>(1)</sup>	Unsecured Property <sup>(2)</sup>	Home Owner Exemption <sup>(5)</sup>	Taxable Assessed Value	Direct Rate <sup>(3)</sup>
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
2023	14,665,975,863	823,683,645	65,165,909	1,047,386,146	110,581,331	(45,703,000)	16,667,089,894	1.0000

**Taxable Assessed Value**  
(in millions)



**Notes:**

- <sup>(1)</sup> Other includes dry farm, government owned, institutional, irrigated, miscellaneous, recreational, vacant, cross reference, and unknown. Starting in 2016, prior years 2007 through 2015 were adjusted to match current reporting categories for consistency.
- <sup>(2)</sup> Prior years 2012 through 2015 adjusted to match current reporting for consistency.
- <sup>(3)</sup> In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner; at which time the new assessed value is the purchase price of the property sold. The assessed valuation data shown above represents only the data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.
- <sup>(4)</sup> In 2016 (and going forward) data will be obtained from California Municipal and The Auditor-Controller's Office. The existing column headers were slightly modified to accommodate the property type classifications. The column labeled agriculture was formerly "industrial".
- <sup>(5)</sup> Prior to 2015, this column also included Exempt Property Valuations

**Source:** : Cal Muni; 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)  
Last Ten Fiscal Years  
(Rate per \$100 of assessed value)

	City Non-Project Area									
	2014 <sup>(1)</sup>	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023
<b>Direct Rates:</b>										
City of La Quinta	0.0760	0.0760	0.0760	0.0760	0.0760	0.0646	0.0646	0.0646	0.0646	0.0646
ERAF Share of La Quinta General Fund	0.0000	0.0000	0.0000	0.0000	0.0000	0.0113	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	0.0978	0.0978	0.0978	0.0978	0.0978
ERAF Share of County	0.0000	0.0000	0.0000	0.0000	0.0000	0.0980	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 Space	0.0039	0.0039	0.0039	0.0040	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	0.0032	0.0032	0.0032	0.0032	0.0032
CV Mosquito & Vector Control	0.0127	0.0127	0.0126	0.0126	0.0126	0.0126	0.0127	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
<b>Total Direct Rate <sup>(3)</sup></b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>	<b>1.0000</b>
<b>Tax Rate Area</b>	<b>020-005</b>	<b>020-005</b>	<b>020-005</b>	<b>020-160</b>	<b>020-160</b>	<b>020-160</b>	<b>020-160</b>	<b>020-160</b>	<b>020-160</b>	<b>020-160</b>
<b>Overlapping Rates <sup>(4)</sup>:</b>										
Coachella Valley Unified School District	0.1492	0.1492	0.1322	0.1660	0.1761	0.1495	0.1488	0.1455	0.1367	0.1345
Desert Sands Unified School	0.1095	0.1098	0.1092	0.0860	0.0725	0.0742	0.0738	0.0739	0.0750	0.0750
Coachella Valley Water District	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1100	0.1100
Desert Community College District	0.0200	0.0233	0.0209	0.0204	0.0403	0.0398	0.0398	0.0395	0.0395	0.0395
<b>Total Overlapping Rate</b>	<b>0.3787</b>	<b>0.3823</b>	<b>0.3622</b>	<b>0.3724</b>	<b>0.3889</b>	<b>0.3635</b>	<b>0.3624</b>	<b>0.3589</b>	<b>0.3611</b>	<b>0.3590</b>
<b>Total Direct and Overlapping Rate</b>	<b>1.3787</b>	<b>1.3823</b>	<b>1.3622</b>	<b>1.3724</b>	<b>1.3889</b>	<b>1.3635</b>	<b>1.3625</b>	<b>1.3589</b>	<b>1.3612</b>	<b>1.3590</b>

**Notes:**

<sup>(1)</sup> 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.

<sup>(2)</sup> 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

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

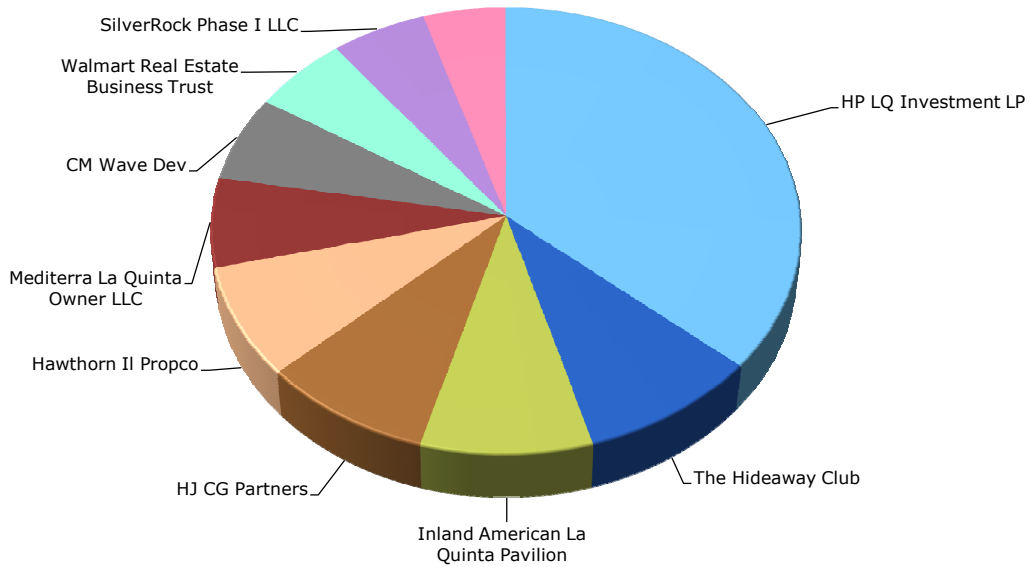
<sup>(4)</sup> Overlapping rates are based upon a single tax rate area only.

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

City of La Quinta  
Principal Property Taxpayers (Table 13)  
Current Year and Nine Years Ago  
(in dollars)

Taxpayer	Fiscal Year 2022-23			Fiscal Year 2013-14		
	Rank	Taxable Assessed Value <sup>(1)</sup>	Percent of Total City Taxable Assessed Value	Rank	Taxable Assessed Value <sup>(1)</sup>	Percent of Total City Taxable Assessed Value
HP LQ Investment LP	1	\$ 211,499,603	1.27%		-	0.00%
The Hideaway Club	2	54,306,131	0.33%			0.00%
Inland American La Quinta Pavilion	3	51,784,882	0.31%	4	44,267,502	0.41%
HJ CG Partners	4	51,774,167	0.31%		-	0.00%
Hawthorn II Propco	5	47,159,732	0.28%		-	0.00%
Mediterra La Quinta Owner LLC	6	37,588,387	0.23%			0.00%
CM Wave Dev	7	36,155,993	0.22%		-	0.00%
Walmart Real Estate Business Trust	8	32,998,572	0.20%	8	28,905,663	0.27%
SilverRock Phase I LLC	9	32,580,882	0.20%		-	0.00%
Aventine Dev	10	28,217,348	0.17%	9	24,316,859	0.23%
LQR Golf LLC		-	-	1	187,262,071	1.74%
TD Desert Development LP		-	-	2	66,184,018	0.61%
East Of Madison		-	-	3	52,669,611	0.49%
Coral Option I		-	-	5	43,458,609	0.40%
Lennar Homes of California		-	-	6	30,530,804	0.28%
Town and Country Partners		-	-	7	30,170,000	0.28%
Costco Wholesale Corp		-	-	10	22,877,221	0.21%
<b>Total</b>		<b>\$ 584,065,697</b>	<b>3.50%</b>		<b>530,642,358</b>	<b>4.92%</b>

**Principal Property Tax Payers**  
FY 2022-23



(1) Taxable valuations include secured and unsecured

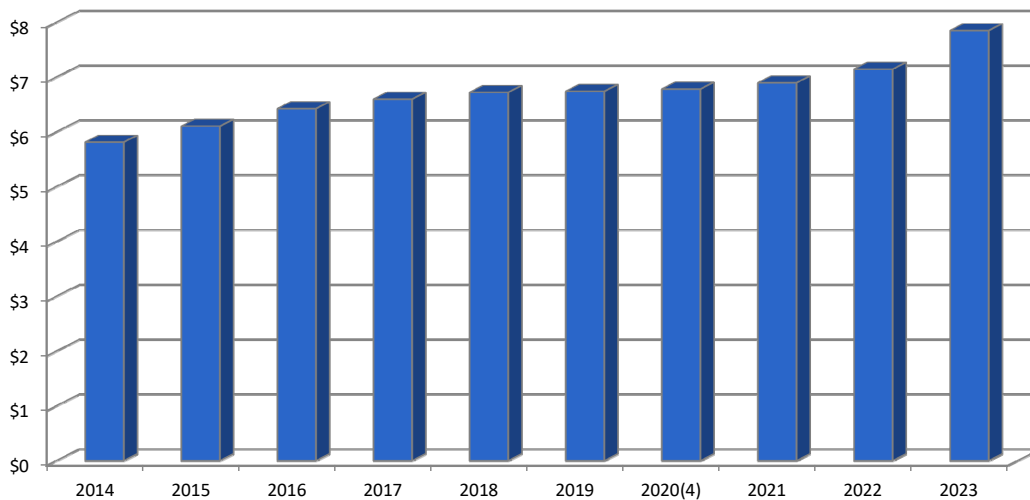
Source: HdL, Coren & Cone; Riverside County Assessor 2013/14 and 2022/23 Combined Tax Rolls and the SBE Non-Unitary Tax Roll (Preliminary)



City of La Quinta  
Property Tax Levies and Collections (Table 14)  
Last Ten Fiscal Years  
(in dollars)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year <sup>(1)</sup>	Collections within the Fiscal Year of Levy		Collections in Subsequent Years <sup>(2)</sup>	Total Collections to Date	
		Amount	Percent of Levy		Amount <sup>(3)</sup>	Percent of Levy
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 <sup>(4)</sup>	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%
2023	7,925,552	7,845,743	98.99%	118,092	7,963,835	100.48%

**Property Tax Collections**  
(in millions)



**Notes:**

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

<sup>(2)</sup> Collections in Subsequent Years. The City participates in the Riverside County Teeter program; the secured taxes are remitted in a series of advances and settlement payments, the last of which is not received by the City until October of the subsequent year.

<sup>(3)</sup> Collections to Date. The total amount does not include any apportionment adjustments that are the result of successful appeals of a taxpayer assessed valuation, escaped bills, refunds, or any other adjustments made by the County Auditor-Controller. As such, the percentage of the levy collected may be higher or lower than expected.

Additionally, the increment values of the former Redevelopment Agency are allocated through a waterfall distribution process in accordance with California Health and Safety Code 34183 and 34188, and are not reflected on the Statement of Original Charge.

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

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

City of La Quinta  
Ratios of Outstanding Debt by Type (Table 15)  
Last Ten Fiscal Years  
(in dollars)

	Fiscal Year Ended				
	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>					
Leases	\$ 129,063	\$ 103,869	\$ 155,395	\$ 530,163	\$ 667,035
Financed Purchases	-	-	-	-	-
USDA Loan	686,345	668,933	649,698	628,448	-
Provident Savings Loan	1,405,755	1,367,344	1,325,596	1,280,221	-
Notes Payable- Eisenhower Drive Property	-	-	-	2,250,000	1,125,000
Subscription IT Liabilities	-	-	-	-	-
City Hall Lease Revenue Bonds	2,930,000	2,405,000	1,850,000	1,265,000	650,000
<b>Total Governmental</b>	<b>5,151,163</b>	<b>4,545,146</b>	<b>3,980,689</b>	<b>5,953,832</b>	<b>2,442,035</b>
<b>Business-type Activities:</b>					
Leases <sup>(1)</sup>	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>5,151,163</b>	<b>4,545,146</b>	<b>3,980,689</b>	<b>5,953,832</b>	<b>2,442,035</b>
Population - State Department of Finance January 1	39,032	39,694	39,977	40,677	41,204
Number of Households	23,871	24,150	24,432	24,544	24,643
Median Household Income	109,365	97,526	99,157	104,749	107,447
Percentage of Personal Income	0.20%	0.19%	0.16%	0.23%	0.09%
Debt Per Capita	132	115	100	146	59

**Notes:**

<sup>(1)</sup> 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.  
Subscription IT Liabilities for governmental activities were added in FY 2023 as a result of GASB 96.

<sup>(2)</sup> Taxonomy changed from capital lease to leases.

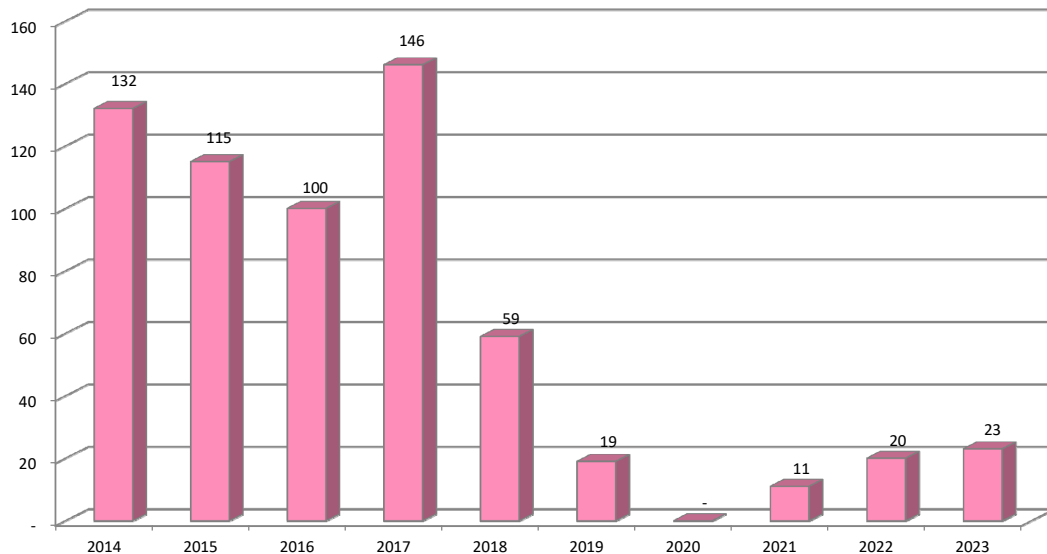
**Source:** City of La Quinta; HDL, Coren & Cone

City of La Quinta  
Ratios of Outstanding Debt by Type (Table 15)  
Last Ten Fiscal Years  
(in dollars)

Fiscal Year Ended				
2019	2020	2021	2022	2023
<b>Governmental Activities:</b>				
\$ 757,971	\$ 761,790	\$ 418,050	\$ 162,648	\$ 53,111
-	-	41,225	22,079	551
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	495,674
-	-	-	-	-
<b>757,971</b>	<b>761,790</b>	<b>459,275</b>	<b>184,727</b>	<b>549,336</b>
<b>Total Governmental</b>				
<b>Business-type Activities:</b>				
-	-	-	565,837	315,520
-	-	-	<b>565,837</b>	<b>315,520</b>
<b>Total Business-Type Activities</b>				
<b>757,971</b>	<b>761,790</b>	<b>459,275</b>	<b>750,564</b>	<b>864,856</b>
<b>Total Primary Government</b>				

40,389	40,660	41,247	37,860	37,979	Population - State Department of Finance January 1
24,764	24,957	25,177	23,796	24,233	Number of Households
117,802	120,097	121,816	119,479	130,398	Median Household Income
0.03%	0.00%	0.01%	0.03%	0.03%	Percentage of Personal Income
19	-	11	20	23	Debt Per Capita

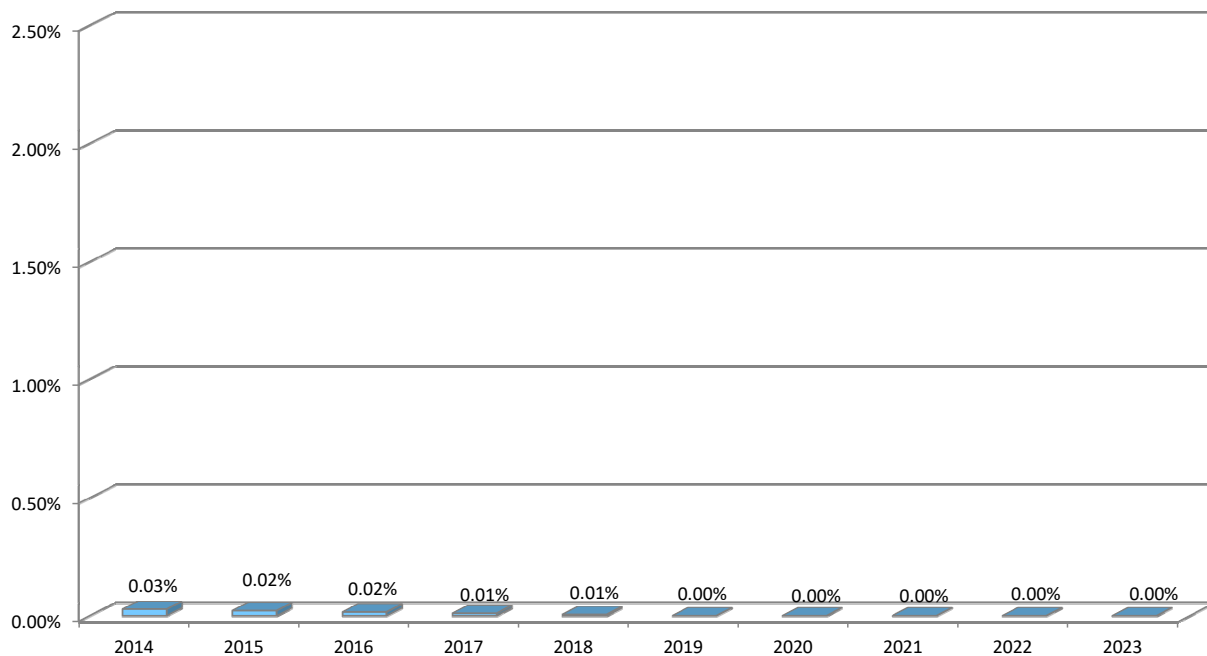
### Debt Per Capita



City of La Quinta  
Ratio of General Bonded Debt Outstanding (Table 16)  
Last Ten Fiscal Years  
(in dollars)

<u>Outstanding General Bonded Debt <sup>(1)</sup></u>						
Fiscal Year Ended June 30,	City Hall Lease Obligation	Local Agency Bonds	Tax Allocation Bonds	Total	Percent of Assessed Value <sup>(2)</sup>	Per Median Household Income
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%	-
2023	-	-	-	-	0.00%	-

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



**Notes:**

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

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

**Source:** City of La Quinta

City of La Quinta  
Direct and Overlapping Debt (Table 17)  
June 30, 2023  
(in dollars)

**Total Assessed Valuation <sup>(1)</sup>**                      **\$ 16,712,792,894**

	<b>Percentage Applicable <sup>(2)</sup></b>	<b>Outstanding Debt 6/30/23</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping Debt <sup>(3)</sup></b>			
<b>Overlapping Tax and Assessment Debt</b>			
Desert Community College District	16.51%	\$ 486,615,000	\$ 80,354,735
Coachella Valley Unified School District	50.87%	217,263,949	110,526,516
Desert Sands Unified School District (DSUSD)	20.32%	365,405,000	74,253,950
DSUSD Community Facilities District No. 1	88.91%	445,000	395,658
Coachella Valley Water District Assessment District 68	86.46%	665,000	574,926
<b>Total Overlapping Tax and Assessment Debt</b>			<b>266,105,785</b>
<b>Overlapping General Fund Debt</b>			
Riverside County General Fund Obligations	4.62%	\$ 686,776,829	\$ 31,694,751
Riverside County Pension Obligations	4.62%	748,540,000	34,545,121
Coachella Valley Unified School District Certificates of Participation (COP)	50.87%	37,188,380	18,918,473
Desert Sands Unified School District COP	20.32%	13,785,000	2,801,250
Desert Recreation District General Fund Obligations	26.86%	1,389,522	373,281
<b>Total Overlapping General Fund Debt</b>			<b>88,332,876</b>
<b>Overlapping Tax Increment Debt</b>			
Successor Agencies	12.99% - 100%	459,067,321	282,940,743
Total Overlapping Tax Increment Debt			-
<b>Total Gross Overlapping Debt</b>			<b>637,379,404</b>
Less: Riverside County Supported Obligations			-
<b>Total Net Overlapping Debt</b>			<b>637,379,404</b>
<b>Direct General Fund Debt</b>			
City of La Quinta General Fund Obligations		\$ 549,336	549,336
<b>Total Direct General Fund Debt</b>			<b>549,336</b>
<b>Total Net Combined Direct and Overlapping Debt</b>			<b>\$ 637,928,740</b>

**Notes:**

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

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

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

City of La Quinta  
 Legal Debt Margin Information (Table 18)  
 Last Ten Fiscal Years  
 (in dollars)

	Fiscal Year				
	2014	2015	2016	2017	2018
Assessed valuation <sup>(1)</sup>	\$ 10,726,752,603	\$ 11,369,346,292	\$ 11,930,906,878	\$ 12,457,435,999	\$ 12,867,519,997
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation <sup>(2)</sup>	2,681,688,151	2,842,336,573	2,982,726,720	3,114,359,000	3,216,879,999
Debt limit percentage <sup>(2)</sup>	15%	15%	15%	15%	15%
Debt limit	402,253,223	426,350,486	447,409,008	467,153,850	482,532,000
Total net debt applicable to limit General obligation bonds <sup>(3)</sup>	-	-	-	-	-
<b>Legal debt margin</b>	<b>\$ 402,253,223</b>	<b>\$ 426,350,486</b>	<b>\$ 447,409,008</b>	<b>\$ 467,153,850</b>	<b>\$ 482,532,000</b>
<b>Total debt applicable to the limit as a percentage of debt limit</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**Notes:**

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

<sup>(2)</sup> Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of the 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.

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

City of La Quinta  
 Legal Debt Margin Information (Table 18)  
 Last Ten Fiscal Years  
 (in dollars)

		Fiscal Year					
2019	2020	2021	2022	2023			
\$ 13,351,737,881	\$ 13,980,319,465	\$ 14,359,765,558	\$ 15,163,622,940	\$ 16,667,089,894	Assessed valuation <sup>(1)</sup>		
25%	25%	25%	25%	25%			
3,337,934,470	3,495,079,866	3,589,941,390	3,790,905,735	4,166,772,474			
15%	15%	15%	15%	15%	Debt limit percentage <sup>(2)</sup>		
500,690,171	524,261,980	538,491,208	568,635,860	625,015,871	Debt limit		
-	-	-	-	-	Total net debt applicable to limit General obligation bonds <sup>(3)</sup>		
<b>\$ 500,690,171</b>	<b>\$ 524,261,980</b>	<b>\$ 538,491,208</b>	<b>\$ 568,635,860</b>	<b>\$ 625,015,871</b>	<b>Legal debt margin</b>		
<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>Total debt applicable to the limit as a percentage of debt limit</b>		

City of La Quinta  
Pledged-Revenue Coverage<sup>(1)</sup> (Table 19)  
Last Ten Fiscal Years  
(in dollars)

<b>Local Agency Revenue Bonds (City Hall Project)</b>						
<b>Fiscal Year Ended June 30,</b>	<b>Lease Revenue <sup>(2)</sup></b>	<b>Less Other Debt Payments</b>	<b>Net Lease Revenue</b>	<b>Debt Service</b>		<b>Coverage Ratio <sup>(3)</sup></b>
				<b>Principal</b>	<b>Interest</b>	
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	-	-	-	-	-	-
2023	-	-	-	-	-	-

**Notes:**

<sup>(1)</sup> 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.

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

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

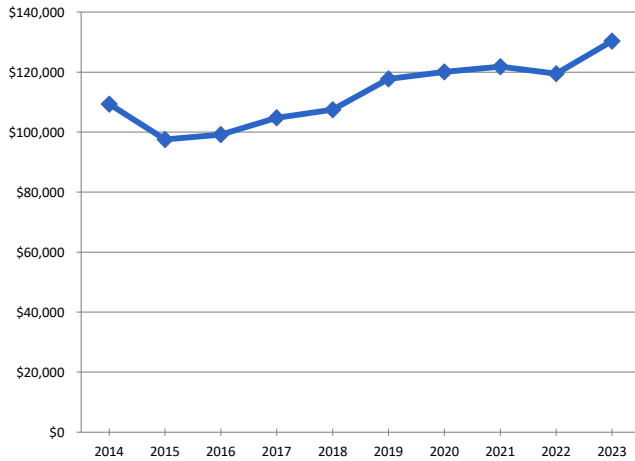
**Source:** City of La Quinta



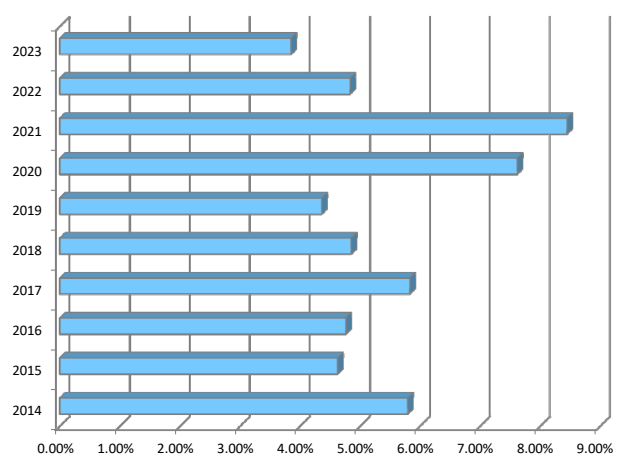
City of La Quinta  
Demographic and Economic Statistics (Table 20)  
Last Ten Calendar Years

	Sources	Calendar Year									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Land (Sq Miles)	(3)	35.16	35.71	35.71	35.71	35.71	35.71	35.71	35.71	35.71	35.71
Population	(1)(3)	38,689	39,240	39,769	40,065	40,217	40,389	40,660	41,247	37,860	37,979
Mean Household Income (in dollars)	(4)	\$109,365	\$97,526	\$99,157	\$104,749	\$107,447	\$117,802	\$120,097	\$121,816	\$119,479	\$130,398
Number of Dwelling Units	(1)	23,871	24,150	24,432	24,544	24,643	24,764	24,957	25,177	23,796	24,233
Persons per Household	(1)	2.59	2.60	2.62	2.64	2.63	2.68	2.60	2.60	2.60	2.34
Per Capita Income	(3)	\$42,226	\$37,510	\$37,846	\$39,288	\$39,999	\$42,931	\$46,248	\$47,986	\$52,632	\$53,899
Labor Force	(2)	16,983	17,483	18,033	18,617	18,917	19,142	19,267	19,083	19,850	19,942
Employment	(2)	16,000	16,675	17,175	17,533	18,000	18,308	17,800	17,483	18,892	19,175
Unemployment Rate	(2)	5.79%	4.62%	4.76%	5.82%	4.85%	4.36%	7.61%	8.44%	4.83%	3.85%
Median age	(3)	44.8	45.1	45.3	45.7	46	46.4	47.1	47.9	48.6	49.6

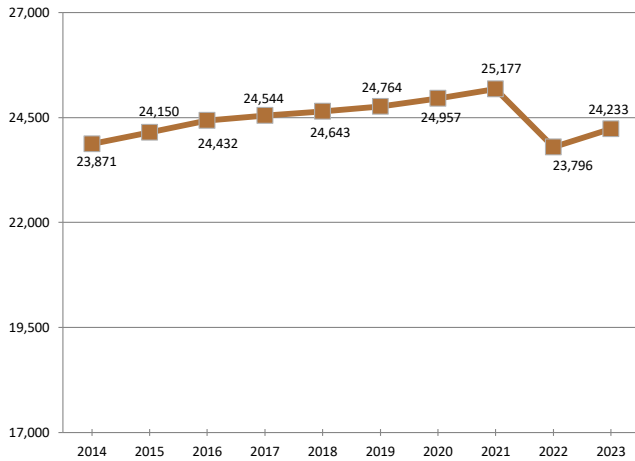
**Mean Household Income**



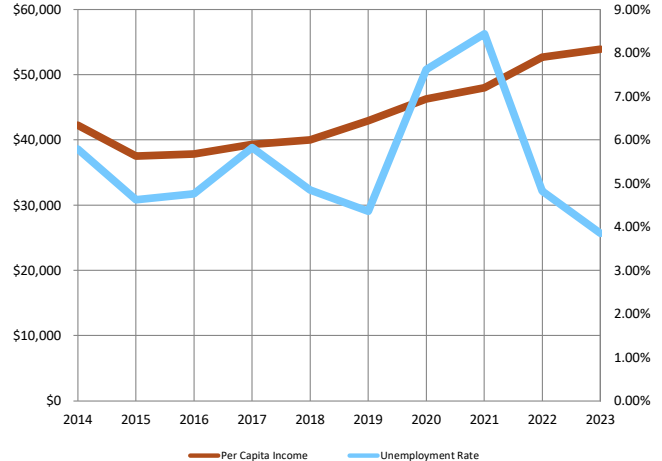
**Unemployment Rate**



**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)  
Current Year and Nine Years Ago

Employer	Activity	Fiscal Year 2022-23			Fiscal Year 2013-14		
		Rank	Number of Employees	Percent of Total Employment	Rank	Number of Employees	Percent of Total Employment
<sup>(1)</sup> Desert Sands Unified School District	Government	1	1000-4999	5.01-25.07%	3	1,180	7.92%
<sup>(2)</sup> PGA West and Citrus Club	Golf Resort	1	1000-4999	5.01-25.07%	2	1,198	8.04%
La Quinta Resort	Golf Resort	3	500-999	2.51-5.01%	1	1,250	8.39%
Costco	Retailer	2	250-499	1.25-2.50%	5	246	1.65%
Wal-Mart Super Center	Retailer	2	250-499	1.25-2.50%	4	352	2.36%
Eisenhower George & Julia Argyros Center	Healthcare	3	100-249	0.50-1.25%			
Hideaway Club	Golf Resort	3	100-249	0.50-1.25%			
Home Depot	Retailer	3	100-249	0.50-1.25%	7	168	1.13%
Homesmart Professionals	Real Estate	3	100-249	0.50-1.25%			
Kohl's	Retailer	3	100-249	0.50-1.25%			
Lowe's	Retailer	3	100-249	0.50-1.25%	8	153	1.03%
Madison Club	Golf Resort	3	100-249	0.50-1.25%			
Quarry at La Quinta	Golf Resort	3	100-249	0.50-1.25%			
Rancho La Quinta	Golf Resort	3	100-249	0.50-1.25%	6	175	1.17%
Stater Bros	Retailer	3	100-249	0.50-1.25%	10	114	0.77%
Target	Retailer	3	100-249	0.50-1.25%			
Traditions Properties	Golf Resort	3	100-249	0.50-1.25%			
<b>Total employment listed</b>			<b>4,200-14,983</b>	<b>21.06-75.13%</b>		<b>5,077</b>	<b>34.07%</b>
<b>Total City Employment - July 1</b>			<b>19,942</b>			<b>14,900</b>	

**Notes:**

For fiscal year 2022-23, the City has changed the formatting of employment reporting to reflect a category 'range' that businesses fall into, rather than an exact number. It was becoming increasingly difficult to obtain employment numbers from some local establishments as this is considered proprietary information. Additionally, this data format matches what is reported by the EDD and sourced from Data Axle. Reporting in this manner reflects the true seasonality of many of the jobs in our community, as employment at many of these firms is likely highest in the winter months when the population is at its peak.

<sup>(1)</sup>Desert Sands Unified employs approximately 4,000 people district-wide, of which the following locations are located in La Quinta: the District Administrative Offices, La Quinta High School, La Quinta Middle School, Benjamin Franklin Elementary, and Truman Elementary

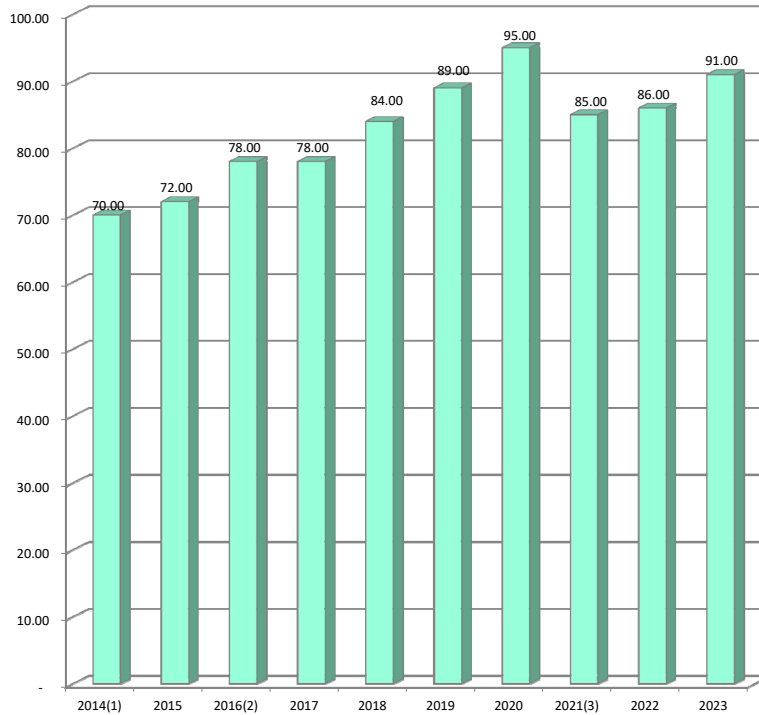
<sup>(2)</sup>PGA West and Citrus Club are accounted for as one entity and as such, their employment numbers are reported together; the combined entities account for 9 golf courses, 5 clubhouses, 2 private clubs, and multiple restaurants.

**Source:** Data Axle, LinkedIn, company websites, California EDD

City of La Quinta  
Full-time City Employees by Function (Table 22)  
Last Ten Fiscal Years

Function	Fiscal Year									
	2014 <sup>(1)</sup>	2015	2016 <sup>(2)</sup>	2017	2018	2019	2020	2021 <sup>(3)</sup>	2022	2023
Administration-City Mgr. Office	8.00	7.00	4.00	4.00	5.00	7.00	8.00	8.00	8.00	8.00
City Clerk	4.00	4.00	3.00	3.00	5.00	5.00	4.00	4.00	4.00	6.00
Finance	7.00	8.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00
Community Services	12.00	11.65	-	-	-	-	-	-	-	-
Building and Safety	-	-	-	-	-	-	-	-	-	-
Planning and Development	-	-	-	-	-	-	-	-	-	-
Community Development	19.00	20.00	-	-	-	-	-	-	-	-
Public Works	20.00	21.35	-	-	-	-	-	27.00	27.00	27.00
Community Resources <sup>(a)</sup>	-	-	18.00	18.00	18.00	18.00	23.00	19.00	20.00	21.00
Design and Development <sup>(b)</sup>	-	-	27.00	27.00	29.00	32.00	33.00	18.00	18.00	20.00
Facilities <sup>(c)</sup>	-	-	19.00	19.00	19.00	19.00	19.00	-	-	-
<b>Total</b>	<b>70.00</b>	<b>72.00</b>	<b>78.00</b>	<b>78.00</b>	<b>84.00</b>	<b>89.00</b>	<b>95.00</b>	<b>85.00</b>	<b>86.00</b>	<b>91.00</b>

**Total Full-Time City Employees**



**Notes:**

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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

**Source:** City of La Quinta

City of La Quinta  
Operating Indicators by Function (Table 23)  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020 <sup>(3)</sup>	2021 <sup>(5)</sup>	2022	2023
<b>Finance:</b>										
Number of Animal Licenses Processed <sup>(1)</sup>	1,602	1,374	-	-	-	-	-	-	-	-
Number of Accounts Payable Checks Processed	3,696	3,833	4,153	3,835	3,621	3,879	3,855	2,998	3,014	3,196
Number of investment purchases	22	21	22	20	61	56	49	32	93	98
Par value of investments	\$ 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	\$ 248,005,525
Number of cleared checks	3,922	4,004	4,167	3,932	3,813	3,875	3,962	2,977	2,989	3,078
Number of bank wires, drafts, and EFTs <sup>(4)</sup>	58	54	41	44	64	68	57	412	504	568
<b>City Clerk:</b>										
Contracts Processed	289	238	282	199	243	266	297	217	232	226
Documents Notarized	334	203	157	99	128	74	90	184	256	143
Documents Recorded with County	183	106	112	56	67	45	39	43	150	91
Subpoenas and Claims Processed	21	37	10	8	12	18	15	15	18	27
Records Requests Fulfilled and Recorded	601	580	518	743	572	602	633	847	1,205	1,201
Pages of Electronic Documents Archived <sup>(1)</sup>	34,671	164,847	233,182	214,384	593,991	970,894	753,291	190,113	176,426	131,141
<b>Public Works:</b>										
Encroachment permits issued	109	127	54	123	121	140	121	138	196	163
Request for services <sup>(1)</sup>	1322	1261	3,440	3,207	2,652	2,194	1,938	2,041	1,732	2,983
<b>Community Development:</b>										
Number of Active Business Licenses <sup>(1)</sup>	3,998	4,452	3,368	3,681	3,707	3,806	3,592	3,267	3,414	3,630
Permits:										
Single family Detached	147	176	108	92	142	122	218	157	467	407
Single family Attached	-	4	7.00	7.00	6	14	1	0	27	4
Residential Pool	204	255	217	170	211	243	237	337	424	369
Wall/Fence	220	328	257	209	268	223	312	244	412	504
Other	1,158	1,316	1,230	1,258	1,571	1,655	1,401	1,619	2,192	2,474
Garage Sale Permits <sup>(1)</sup>	1,255	1,290	1,109	1,024	928	959	604	351	461	343
Total Permits	2,984	3,369	2,928	2,760	3,126	3,216	2,773	2,708	3,983	4,101
<b>Code Compliance <sup>(1)</sup>:</b>										
Animal Control Incidents Handled <sup>(1)</sup>	1,645	1,085	0	-	-	52	42	30	10	19
Vehicle abatements	88	85	255	212	224	184	149	79	114	108
Weed abatements	43	45	57	114	128	80	65	53	74	44
Nuisance abatements/Property Maintenance	730	557	1,037	1,180	1,122	921	821	403	952	776
All Other <sup>(2)</sup>	-	-	1,432	806	888	1,159	1,591	1,511	1,320	1,071
<b>Community Services:</b>										
Library activities:										
Number of Visits	71,874	73,924	182,913	190,747	152,725	132,947	84,042	25,950	65,259	80,364
Books checked out	329,154	263,047	234,340	254,323	250,636	241,450	122,084	63,198	149,001	150,286
Cards Issued	2,035	2,418	2,179	2,248	2,276	2,251	919	886	1,610	1,827
Number of School Children Visiting	1,539	1,562	2,947	4,680	4,528	3,303	3,708	10,221	2,435	5,968
Volunteer Hours	1,340	1,917	2,169	2,248	2,314	2,138	1,173	0	524	853
Senior Center/Wellness Center <sup>(1)</sup> :										
Number of visits	11,500	23,871	62,820	74,141	87,294	82,477	41,934	4,725	20,065	30,007
Volunteer Hours	2,745	1,279	1,585	1,420	1,333	1,148	506	0	0	84
Recreation activities:										
Participants:										
Leisure Classes <sup>(5)</sup>	1,177	1,322	2,241	2,278	2,168	2,039	864	269	15,538	35,786
Special events	5,927	6,460	8,185	7,783	10,449	12,650	4,950	390	4,685	9,929
Adult Sports	5,878	5,487	7,192	6,695	6,136	5,932	3,644	0	492	1,379
<b>Golf course:</b>										
Golf rounds played	43,610	41,904	45,104	43,085	42,590	44,949	33,407	39,073	44,329	44,438
Average Green fee	\$ 66.83	\$ 69.65	\$ 66.87	\$ 66.80	\$ 71.88	\$ 72.02	\$ 71.23	\$ 79.63	\$ 92.53	\$ 92.39
<b>Planning and Development:</b>										
Number of residential units approved	494	208	40	120	0	114	92	212	132	429
Commercial square footage approved	113,149	79,092	13,000.00	391,914	7,599	102,552	3,162	152,133	15,537	32,071

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

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

<sup>(3)</sup> 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.

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

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

**Source:** City of La Quinta

City of La Quinta  
Capital Asset Statistics by Function (Table 24)  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Works:</b>										
Streets (miles)	128	128	128	128	128	128	129	129	129	129
Bikepaths (miles) <sup>(1)</sup>	22	34	34	36	36	36	79	81.1	81.1	82.6
Streetlights <sup>(2)</sup>	277	277	281	372	372	372	372	372	372	382
Traffic signals	54	54	54	54	54	54	50	50	50	50
Traffic signs	3,018	3,018	3,018	5,758	5,758	5,408	4,808	4,808	4,808	4,858
Bridges	13	13	13	13	13	13	13	13	13	13
<b>Parks and Recreation:</b>										
Parks <sup>(3)</sup>	13	13	13	13	13	13	14	14	17	17
Park Acreage	218	218	218	218	218	218	-	-	-	-
Undeveloped Park Acreage	40	40	40	40	40	40	-	-	-	-
City-Owned Acres <sup>(3)</sup>							238	238	235	235
City-Improved Acres <sup>(3)</sup>							114	114	111	111
Hiking Trails (miles)						17	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
<b>Public Safety:</b>										
Fire Stations	3	3	3	3	3	3	3	3	3	3
<b>Golf Course:</b>										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1

**Notes:**

<sup>(1)</sup> Bike path miles were updated to include both Class I (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.

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

<sup>(3)</sup> 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)  
 June 30, 2023

Company Name	Policy Number	Coverage	Limits	Term	Premium
National Union Fire Insurance Alliant Insurance Services, Inc	01-309-02-02	Crime, Forgery, Fraud	\$1 Million	07/01/22 to 07/01/23	\$1,800
California Joint Powers Insurance Authority	Self-Insured Pool	All Risk Property Insurance Including Auto Physical Damage, Terrorism, Boiler & Machinery Earthquake Real & Personal Property Including Contingent Tax Interruption	\$25 Million Single Limit per Occurrence subject to other sublimits	07/01/22 - 07/01/23	\$224,780
California Joint Powers Insurance Authority	Self-Insured Pool	Comprehensive General and Automobile Liability	\$50 Million Single Limit per Occurrence	07/01/22 - 07/01/23	\$399,391
California Joint Powers Insurance Authority	Self-Insured Pool	Workers' Compensation	\$10 Million Per Occurrence	07/01/22 - 07/01/23	\$216,066

Source: City of La Quinta

Other Information

June 30, 2023

City of La Quinta, California

**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 fiscal years 2020/21 and 2021/22 and there is no additional programming capacity for projects already in construction or ready to advertise.

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

The environmental, engineering/design and right-of-way phases are complete and are fully funded. The construction phase which includes construction, construction engineering, and contingency is estimated at \$20,869,098. The HBP Funding will ultimately contribute 88.53% or up to \$14,936,122 toward eligible (Construction Phase) costs. This is the amount the City is required to advance. Staff and the 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.

In fiscal year 2022/2023, the advanced funding was approved for federal reimbursement, and the City will no longer need to subsidize the funds as originally anticipated, Funds allocated from Measure G Reserves and Unassigned Reserves have been removed from the project allocation.