



INDIO

City of Festivals™

90th ANNIVERSARY

1930 - 2020



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF INDIO, CALIFORNIA

FISCAL YEAR 2020-21

CITY OF INDIO, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

Prepared by:
FINANCE DEPARTMENT

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FOR THE YEAR ENDED JUNE 30, 2021

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February 21, 2022

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

I am pleased to submit the City of Indio's Annual Comprehensive Financial Report (Annual Report) for the fiscal year that ended June 30, 2021. A licensed, certified public accountant conducted the audit and validated the complete set of financial statements contained in this report. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and the audit was conducted in accordance with generally accepted auditing standards. The financial report includes all funds of the City of Indio and its component units for which the City is financially accountable. The report is intended to provide relevant financial information to the citizens of the City, creditors, investors, and other interested readers. Readers are encouraged to contact the City's Finance Department with any questions or comments concerning the report.

GAAP requires that City management include a narrative introduction, an overview, and analyses with the financial statements in order to help the reader interpret the data. That commentary is titled Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A furnishes an objective analysis of the City's financial statements and can be found immediately following the independent auditor's report in this Annual Report.

Responsibility for the accuracy of the data in the Annual Report and the objectivity of presentation, including all footnotes and disclosures, rests with the City. I am confident that the data and material presented in this report are accurate. Statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. Financial operations of the City occur within an internal-control framework that is designed to protect the City's assets from loss, theft, or misuse and to aid in the compilation of reliable statistics in order to prepare financial statements that are accurate and conform to GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements.

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP. The goal of their independent audit is to provide reasonable assurance that the financial statements of the City, for the fiscal year ending June 30, 2021 in this case, are free of material misstatements and conform to GAAP. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation to provide a reasonable basis for their opinion. The audit also included assessing the accounting principles used and the significant financial estimates made by City management.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an "unmodified opinion," which means that the City's financial statements for the fiscal year ended June 30, 2021 do fairly represent the City's financial position. The "unmodified" opinion expressed by the auditors indicates that the City is in compliance with Governmental Accounting Standards and that the City's financial statements are presented fairly in all material respects.

Please be sure to read the independent auditor's report, which is presented as the first component within the Financial Section of this Annual Report.

The Annual Comprehensive Financial Report is divided into three sections:

- I. Introductory Section**
 - Letter of Transmittal
 - List of Officials
 - City Organizational Chart
 - Certificate of Achievement for Excellence in Financial Reporting
- II. Financial Section**
 - Independent Auditor's Report
 - Management's Discussion and Analysis
 - Basic Financial Statements
 - Required Supplementary Information
 - Combining and Individual Fund Financial Statements and Schedules
- III. Statistical Section**
 - Pertinent financial and non-financial data that presents historical trends and facts about the City

In order to enhance comprehension and usefulness for Annual Report readers, following is a brief profile of the City along with discussion on relevant budget practices, current economics, and major City initiatives.

PROFILE OF THE CITY OF INDIO

The City of Indio is a general law city incorporated in 1930, encompassing approximately 33 square miles at the geographic mid-point of Riverside County, California. With a growing population of 90,000, Indio is the largest city by population in the sub-region of the County known as the Coachella Valley. The City is located about 125 miles east of the center of the Los Angeles region, 75 miles north of the California-Baja California/Mexican border and 30 miles southeast of Palm Springs. The climate of the Coachella Valley is influenced by the surrounding geography. High mountain ranges on three sides contribute to its unique and year-round warm climate, with some of the warmest winters west of the Rocky Mountains. The City has a warm-winter hot-summer climate. According to data from the National Oceanic and Atmospheric Administration for 1981-2010, the City's average annual high temperature is 89.5 degrees Fahrenheit and average annual low is 62.1 degrees. Summer highs above 108 degrees are common and on rare occasions exceed 120 degrees. Winters are warm with daytime highs often between 68-86 degrees. Less than four inches of annual precipitation is average, with typically over 348 days of sunshine per year.

The City is a center for business, government and entertainment within the Coachella Valley. The City has many golf and retirement communities in addition to a sizable population of families located in traditional neighborhoods. Residents enjoy the benefits of local parks, recreation, and youth programs. Known as the "City of Festivals," the City hosts the Coachella Valley Music and Arts Festival (Coachella Fest), the Stagecoach Country Music Festival, Riverside County Fair & National Date Festival, the Palm Springs Kennel Club Dog Show, Southwest Arts Festival, and the Indio International Tamale Festival. The Coachella Fest and Stagecoach Music Festival, put on by Goldenvoice Productions, an entity of AEG Worldwide, have been held in the City since 1999 and 2007, respectively. After a two-year hiatus, due to the Coronavirus pandemic, the Coachella and Stagecoach Music Festivals are scheduled to return in April, 2022. The City's ability to draw and host worldwide festivals is based on being home to the Riverside County Fairgrounds, as well as both the Empire Polo Club and the Eldorado Polo Club, which are large-scale outdoor entertainment venues, unique to the Coachella Valley.

INDIO CITY GOVERNMENT

The Indio City Council consists of five members, elected to four-year overlapping terms. Over the last several years, cities, school districts, and community college districts throughout the State of California have been changing from at-large to by-district elections to comply with the California Voting Rights Act of 2001 (CVRA) and, in many cases, to avoid litigation. The Indio City Council authorized the transition of the City's election system from at-large to by-district commencing with the November 2018 general

municipal election. Council members must be residents of the City and live within the district they represent. The Mayor, whose position rotates annually, conducts council meetings, appoints council committees, and represents the City on formal and ceremonial occasions. The City Treasurer and City Clerk are also elected for four-year terms on an at-large basis. District lines are redrawn every ten years following completion of the United States census. Redistricting is currently underway and expected to be completed in early 2022.

The City Council serves as the legislative board for the municipality, establishes policy, passes ordinances, adopts annual appropriations, and sets priorities for the City. In addition to serving as the policy makers, the City Council is responsible for numerous land-use decisions within the City's borders, including adoption of the General Plan. The City has a Council-Manager form of municipal government, where the City Council appoints the City Manager, who is responsible for the day-to-day administration of City business. The City Manager appoints and supervises all City department directors. The City Council also appoints the City Attorney and resident members to various municipal advisory boards and commissions.

The City provides a broad range of services to its citizens, including police and fire protection, water service, trash collection, street construction and maintenance, parks and recreation, planning and zoning, housing and community development, building inspection and general and administrative support services. The City collaborates with Riverside County in the provision of flood control, animal services, as well as local fire and paramedic services. Fire services are staffed through the County's contract with the State's Department of Forestry and Fire Protection (CalFire). The City of Indio owns the local fire facilities and some of the fire equipment. The staffing and other equipment are provided by contract. The Coachella Valley Desert Recreation District operates a 39,000 square foot comprehensive recreational facility in the City. The City maintains more than 15 parks.

The Indio City Council also serves as the Board of the Indio Water Authority (IWA), which operates as an independent water enterprise serving 23,974 residential and commercial accounts. IWA employs 47 employees through a \$25.1 million operating budget and a \$4.7 million capital improvement plan for fiscal year 2021-22.

Indio is the East County/Alternate county seat for the County of Riverside and contains a large number of County facilities including the alternate emergency operations center, with the primary emergency operations center being located in the City of Riverside.

BUDGET PROCESS OF THE CITY

The City's fiscal year begins on July 1st of each year and ends on June 30th the following year. The City Manager and key staff members review revenues and expenditures for each department, for the ensuing fiscal year. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a budget proposal. In at least one public meeting, but more commonly more, the City Council considers the proposed budget and makes any revisions it deems appropriate. On or before June 30th, the City Council adopts the budget with revisions, if any, by the affirmative vote of at least three of the five members. Upon approval of the budget by the City Council, expenditure levels and revenue assumptions stated in the proposed budget become adopted and are appropriated to the various departments and divisions for which they were authorized. Midway through the fiscal year, the City Manager presents a budget update to the City Council, recommending changes to the budget and revising expenditure plans as deemed necessary. All appropriation (budget) increases are approved by the City Council. All appropriations lapse at the end of the fiscal year to the extent that they have not been expended or lawfully encumbered.

RELEVANT FINANCIAL POLICIES

The City continues to act in accordance with the Financial and Budget Management Policy adopted in 2010, the Fund Balance Policy adopted in 2013, a Continuing Disclosure Compliance Policy adopted in 2016, and a Debt Management Policy adopted in 2017. These policies ensure consistent and professional conduct in all fiscal matters by requiring sound fiscal management through the establishment of strategies in the areas of accounting, financial planning, budgeting, revenue projection, fees, reserves (fund balance), debt, and cash flow. The City is drafting an Unfunded Liability Policy that will be considered by the City Council in early 2022. Both the Financial and Budget Management Policy as well as the Fund Balance Policy are in the process of being updated for relevance to current operational standards and practices.

LONG-TERM FINANCIAL PLANNING

The City continues to evaluate its long-term financial challenges and prospects—focusing particularly on long-term infrastructure needs and the major impacts from unfunded pension liability. The City engaged Bartel Associates, LLC, a highly competent actuarial-consulting firm to project pension contribution rates over the next 30 years and to analyze funding options. That analysis led the City into public discussions on employee-benefit plan provisions; understanding employee benefit costs for all plans and employee groups; and “what-if” analysis of employee benefit cost projections under alternative sets of discount rates, asset return and other actuarial assumptions. The analysis identified adverse impacts and outcomes on the City's budget and cash flows, while illustrating

alternatives available to the City that could be taken to improve its projected budget position. Based on those June 30, 2020 actuarial reports, the City had approximately \$75.29 million in unfunded pension obligations to the California Public Employees' Retirement System ("CalPERS") with respect to safety and miscellaneous employees under the program. Considering the low prevailing interest-rate environment in the capital markets, the City plans to refinance its unfunded pension liability by selling pension obligation bonds (POBs) at a lower interest rate than it currently pays to CalPERS. Current savings estimates are as much as \$18 to \$23.8 million, but are dependent on prevailing interest rates at the time the bonds are sold and the repayment structure ultimately chosen, among other factors. CalPERS amortizes the Unfunded Liability over a fixed period of time, charges the City a high rate of interest (currently 6.8%), and structures amortization payments in a way that is causing the City to face steep increases in pension expenses over the next 10 fiscal years. The City has an opportunity to refinance the Unfunded Liability at a much lower interest rate, likely less than 4%.

The issuance of POBs can be controversial and the results problematic if not managed correctly. The City is taking all prudent steps to ensure the greatest financial benefit with the least amount of risk. On November 3, 2020, the City Council authorized staff to proceed with an action to validate its unfunded liability and approve an indenture, which is the document that sets forth the terms of the proposed bonds, detailing such things the City's obligation to make payments, how and when those payments are made, early prepayment provisions and various other attributes of the bonds and their security structure. The validation action will be brought by the City under Section 860 of California Code of Civil Procedure. A validation action is a typical step with respect to the issuance of POBs, whereby the City will be asserting that the obligation under the retirement law is one imposed by law. A validation action ensures that the bonds, if and when issued and delivered, will constitute valid and legally binding obligations of the City, pursuant to the Constitution of the State of California and the Retirement Law. After the validation proceeding is finished, the City Council will likely approve a preliminary official statement and a continuing disclosure undertaking in March of 2022.

ECONOMIC CONDITION AND OUTLOOK

The City's economic condition and outlook are surprisingly favorable in spite of the unprecedented economic impacts the Coronavirus pandemic placed on the local economy. Expected declines in sales tax revenue were mostly avoided. When storefronts closed, residents gravitated to on-line shopping in mass. Fiscal year 2020-21 sales tax revenue — 1% local tax plus the voter approved 1% district tax — was up \$5.5 million (24%) year-over-year, hitting a record \$28.2 million. The variance was prompted by the state, who let businesses defer some tax payments the previous year, and the onset of federally allocated stimulus monies that spurred local spending. Nonetheless, sales tax estimates

for next year portend growth in excess of five percent. The City is also experiencing housing price and associated property value increases. In November 2021, Indio was ranked 18th on the list of the nation's top "boomtowns" compiled by Smartasset, a financial information and advice website, based on business growth, housing growth and change in household income. Indio was the only California city in the top 30, receiving 89.4 out of a possible 100 points. In late fiscal year 2019-20, transient occupancy tax collections, sometimes referred to as bed taxes, certainly mirrored gross revenue losses suffered by local hotels due to COVID, but those tax losses were made up by short-term residential rentals in FY 2020-21, facilitated by on-line rental platforms like Airbnb and VRBO. Transient occupancy taxes grew 72% in fiscal year 2021-22, hitting an all-time high of \$8.6 million.

It is often assumed that City revenue is exceedingly dependent on local music festival activity. While the local economic impact of these famous festivals is significant, Indio is a dynamic City with a diverse revenue base, supported by a wide range of sources and activities. When the Pandemic hit, the City prudently slowed hiring and deferred capital expenditures, expecting significant revenue losses. Those revenue losses did not manifest and instead, the City's spendable General Fund balance (Committed, Assigned, and Unassigned fund balance) doubled in fiscal year 2020-21, increasing \$19.7 million (80%). Some of these resources will be spent next year to catch up on deferred maintenance, but the receipt of \$20.4 million in Coronavirus State and Local Fiscal Recovery Funds (SLFRF)—not included in the General Fund total—is going to allow the City to focus on capital improvements, like a new public safety campus, and a proposed new city hall, library, and golf clubhouse.

Looking ahead, the City no longer has to plan for the sunset of Measure X, the local 1% district sales-tax increase. In November, voters removed the hard 2037 stop, allowing this revenue source to continue until they decide otherwise. Measure X generated almost \$14 million in fiscal year 2020-21. The City and in fact the entire Coachella Valley felt the loss of the April music festival concert series, when they were cancelled in 2020, but 2022 portends to be the year they return: 2022 Coachella tickets have sold out.

MAJOR INITIATIVES FOR THE FUTURE

To ensure the continued success for the City of Indio, City staff and the City Council have been working on a detailed Strategic Plan that serves as an action plan for our future by:

- Describing a Vision of what we want Indio to become
- Establishing a Mission Statement that describes our purpose
- Committing to Values and Ethics that describe our character
- Outlining of Strategic Areas of Focus

- Setting forth specific Goals and Action Items

This Plan will provide the principal guidance for the preparation of the City budget, program objectives and performance measures. It also provides direction on how we allocate resources, establish policy and progressively guide the affairs of the City organization. Practically, the Plan is a tool for the City Council and City Staff to effectively meet the needs of our growing and dynamic community.

The identified Areas of Focus and some major initiatives within those include:

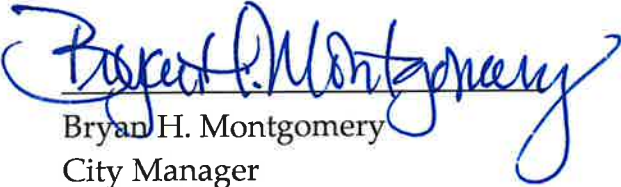
- PUBLIC SAFETY - new fire station, new 911 dispatch center, new police operations center, new Computer-Aided Dispatch and Records Management System
- BUSINESS & JOB GROWTH – implementation of an aggressive economic development work plan, Zoning Code update, development of cannabis ordinance, increase efforts to capitalize on financial benefits of the various festivals
- CITY-WIDE PHYSICAL INFRASTRUCTURE – on-going street pavement rehabilitation, next phases of updated I-10 interchanges at Monroe and Jackson, new city hall, new library, expanded water infrastructure, coordination with Imperial Irrigation District.
- COMMUNITY BEAUTIFICATION – update and improve landscape medians, start a “Keep Indio Beautiful” program, commercial building façade improvement program, increase code enforcement along major corridors, new City way-finding signage program.
- DOWNTOWN & HIGHWAY 111 REVITALIZATION – aggressive marketing of City-owned properties, hold monthly “Take Center Stage” event Downtown, facilitate the redevelopment of the Indio Grand Marketplace, encourage multi-family projects, complete Highway 111 Corridor Specific Plan.
- OUTREACH, COMMUNICATION & PARTICIPATION – implement new logo and branding, facilitate successful Coachella, Stagecoach and other large festivals, adopt Arts and Culture Master Plan, actively participate in public and private efforts year-round events at the County Fairgrounds, develop an Indio Leadership Academy for residents, complete a new and refreshed City website.
- FINANCIAL & ENVIRONMENTAL SUSTAINABILITY AND OPERATIONAL EXCELLENCE - Establish a 10-year financial plan forecasting and comply with City budget administration policies, implement a comprehensive GIS based land management system, develop a leadership competency framework to create development programs for emerging and current leadership staff.

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 City of Indio for its annual financial report for the fiscal year ended June 30, 2020. This was the fourteenth 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 annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I am confident that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for another certificate. The City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2021-22 adopted budget. This was the City's third consecutive year receiving the award. While the GFOA continues to further enhance and strengthen its criteria, I am confident that future budget documents will continue to meet the GFOA's high standards.

I appreciate the high level of professionalism and dedication that all of our staff members bring to the job. We also have outstanding City residents that care about and care for their community. And finally, I would also thank the extraordinarily capable members of the Indio City Council for their leadership and selfless service to the residents of the City.

Respectfully submitted,



Bryan H. Montgomery
City Manager

CITY OF INDIO
City Officials
as of June 30, 2021

CITY COUNCIL

ELAINE HOLMES
Mayor

WAYMOND FERMON
Mayor Pro Tempore

OSCAR ORTIZ
Council Member

LUPE RAMOS AMITH
Council Member

GLENN MILLER
Council Member

OTHER ELECTED OFFICIALS

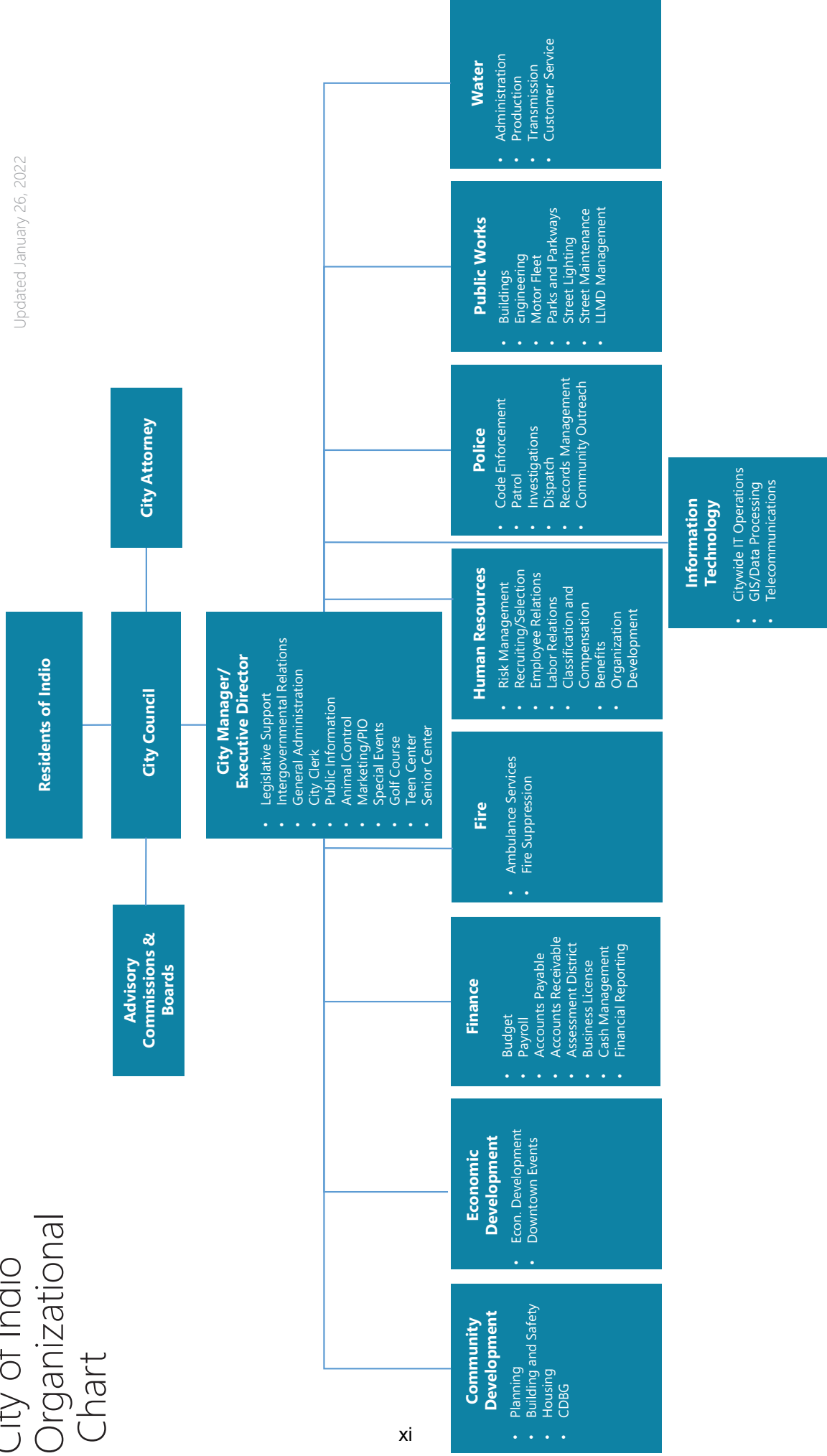
Cynthia Hernandez, City Clerk
Balvina Ramirez, Treasurer

EXECUTIVE STAFF

Bryan Montgomery, City Manager
Rob Rockwell, Asst. City Manager & Director of Finance
Scott Trujillo, Deputy City Manager
Brooke Beare, Director of Communications & Marketing
Ian Cozens, Director of Information Technology
Robert Fish, Fire Chief
Carl Morgan, Director of Economic Development
Trish Rhay, Indio Water Authority General Manager
Kevin Snyder, Director of Community Development
Mike Washburn, Chief of Police
Tim Wassil, Director of Public Works

City of Indio Organizational Chart

Updated January 26, 2022





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Indio
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indio, California, (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

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 date of the financial statements.



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

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 opinion. 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.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the General Fund, and the required pension and other post-employment benefits schedules as listed in 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.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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 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 supplementary information is 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 section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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 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 February 21, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
February 21, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Indio's financial statements provides a narrative overview of the City's financial activities for the fiscal year that ended June 30, 2021. For the most comprehensive understanding, please read this analysis in conjunction with the accompanying transmittal letter, the financial statements, and the notes to those financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This section is intended to serve as an introduction to the City's basic financial statements. The City of Indio's basic financial statements consist of summary-level reports reflecting the financial activities of the City followed by required note disclosures. The two types of summary-level reports are government-wide financial statements and fund financial statements. In addition, reconciliations of the fund financial statements to the government-wide financial statements are provided to help explain the differences created by the integrated reporting approach.

This section contains supplementary information in addition to what can be found with the basic financial statements. Financial statements separate governmental activities from business-like activities for the City and its component units. Component units are legally separate organizations from the City of Indio, but because their operations are closely tied to the City's, their financial activities are included as part of the City's financial report. The basic tests that qualify a separate legal entity as a component unit are: 1) the separate organization's ultimate authority is significantly compliant to the City Council; 2) the separate organization is fiscally dependent on the City or; 3) excluding the separate organization's finances would result in misleading financial information. The following organizations are component units of the City of Indio:

- The Indio Water Authority
- The Indio Housing Authority
- The Indio Public Financing Authority
- The Indio Financing Authority
- The Industrial Development Authority of the City of Indio

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-79.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its retiree health and pension obligations. Additionally, a budget to actual comparison schedule is provided for the City's General Fund on page 82. Required supplementary information can be found on pages 82-90.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements present the financial picture of the City from the economic-resources-measurement focus using the accrual basis of accounting. Two statements are designed to provide the reader with a broad overview of the City's finances. Both the Statement of Net Position and the Statement of Activities report information about the City in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position provide insight into whether the City's financial health is improving, weakening, or holding steady. The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported regardless of when cash was received or disbursed. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused employee vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the City include general administration, public safety, community development, community services (recreation), public works, and interest on long-term debt. Property taxes, sales taxes, utility users' taxes, service fees, interest income, as well as some state and federal grants typically finance these activities. The business-type activities of the City include: water services, managed by the Indio Water Authority, and municipal golf operations, managed by Landmark Golf LP. The Indio Water Authority is significantly compliant to the Indio City Council and therefore has been included as an integral part of the primary government. The governmental-wide financial statements can be found on pages 17-19.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As reflected in the Statement of Net Position, at the close of the 2020-21 fiscal year, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$550.8 million. The City's net position increased \$6.5 million from the year before, an increase of about 1 percent. This outcome was driven by increases in assets (\$22.2 million), deferred outflows (\$2.5 million), and liabilities (\$20.2 million) and a minor decrease in deferred inflows (\$2 million).

The City's net position is mainly tied to its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure) in excess of any related outstanding debt incurred to purchase those assets. The City uses these capital assets to provide services to its citizens; consequently, most of these assets are not liquid, immediately spendable, resources. As mentioned, total assets increased \$22.2 million. This outcome is driven primarily by increases in current assets (\$42.9 million), a slight decrease in noncurrent assets (\$4.3 million), and a decrease in capital assets (\$16.4 million). Current assets are those that are expected to be converted to cash or consumed within a fiscal year, while noncurrent assets are expected to be consumed over more than one fiscal year. A capital asset is significant property or infrastructure that has a useful life longer than one year that is not intended to be sold, but does lose value over time, like a computer or a vehicle. The following table is a simplified summary the City's net position.

Net Position Summary (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 111,220	\$ 78,954	\$ 56,250	\$ 45,599	\$ 167,470	\$ 124,553
Capital assets	463,443	473,620	156,078	162,311	619,521	635,931
Other noncurrent assets	7,658	12,002	-	-	7,658	12,002
Total assets	<u>582,321</u>	<u>564,576</u>	<u>212,328</u>	<u>207,910</u>	<u>794,649</u>	<u>772,486</u>
Pensions	12,447	11,091	1,131	878	13,578	11,969
OPEB	8,649	7,747	1,743	1,702	10,392	9,449
Deferred loss on refunding of debt	-	-	978	1,043	978	1,043
Total deferred outflows	<u>21,096</u>	<u>18,838</u>	<u>3,852</u>	<u>3,623</u>	<u>24,948</u>	<u>22,461</u>
Long-term liabilities outstanding	165,004	158,438	68,039	69,194	233,043	227,632
Other liabilities	27,407	14,833	5,131	2,883	32,538	17,716
Total liabilities	<u>192,411</u>	<u>173,271</u>	<u>73,170</u>	<u>72,077</u>	<u>265,581</u>	<u>245,348</u>
Pensions	979	2,369	19	259	998	2,628
OPEB	515	760	103	167	618	927
Unamortized gain on refunding of debt	1,582	1,679	-	-	1,582	1,679
Total deferred inflows	<u>3,076</u>	<u>4,808</u>	<u>122</u>	<u>426</u>	<u>3,198</u>	<u>5,234</u>
Net position:						
Net investment in capital assets	425,271	432,662	106,981	111,170	532,252	543,832
Restricted	23,954	27,132	321	321	24,275	27,453
Unrestricted	(41,295)	(54,459)	35,586	27,539	(5,709)	(26,920)
Total net position	<u>\$ 407,930</u>	<u>\$ 405,335</u>	<u>\$ 142,888</u>	<u>\$ 139,030</u>	<u>\$ 550,818</u>	<u>\$ 544,365</u>

As reflected in the following Change in Net Position Summary Table, revenue from governmental activities is broken down into Program Revenue and General Revenue, where Program Revenue must be used for the purpose it was collected and General Revenue is spent at the discretion of the City Council. Program Revenue totaled \$30.8 million, \$1.2 million more than last fiscal year due to increases in charges for services (\$1.7 million) and slight increases in capital grants (\$0.5 million), which are offset slightly by decreases in operating grants (\$1.0 million). General Revenue totaled \$72.9 million and was \$9.3 million more than prior fiscal year revenue. The increase in General Revenue was primarily due to an increase in tax revenue (\$11.3 million), which is partially offset by a decrease in other revenue (\$3.4 million), which is primarily composed of intergovernmental revenue.

Expenses for all governmental activities totaled \$101.1 million, \$0.6 million more than the prior fiscal-year's total. Annual expenditures for governmental activities were up in some functions, but were down in Public Safety due to staffing vacancies.

Revenue for all business-type activities totaled \$28.9 million, an annual increase of \$0.7 million, driven by an increase in charges for services of \$2.6 million and capital contributions (\$2.0 million) offset by decreases in operating contributions (\$2.5 million) and decreases from various other revenue sources (\$1.4 million).

Expenses for all business-type activities totaled \$25 million, an annual decrease of \$0.7 million. The decrease in expenditures was mostly associated with the delivery of water (\$0.9 million) and a small increase in expenditures for municipal golf activities.

	Change in Net Position Summary (in thousands)					
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for services	\$ 16,104	\$ 14,370	\$ 26,727	\$ 24,175	\$ 42,831	\$ 38,545
Operating contributions/grants	13,592	14,678	-	2,491	13,592	17,169
Capital contributions/grants	1,125	611	2,057	-	3,182	611
General Revenues:						
Property taxes	19,691	18,540	-	-	19,691	18,540
Other taxes	51,216	41,041	-	-	51,216	41,041
Other	1,965	3,967	79	1,514	2,044	5,481
Total revenues	103,693	93,207	28,863	28,180	132,556	121,387
Expenses:						
Water	-	-	23,570	24,451	23,570	24,451
Golf	-	-	1,435	1,254	1,435	1,254
General government	15,563	13,163	-	-	15,563	13,163
Public safety	47,695	52,487	-	-	47,695	52,487
Public works	22,893	22,210	-	-	22,893	22,210
Community development	9,960	7,649	-	-	9,960	7,649
Community services	3,002	2,878	-	-	3,002	2,878
Interest expense/other charges	1,985	2,105	-	-	1,985	2,105
Total Expenses	101,098	100,492	25,005	25,705	126,103	126,197
Change in net position before transfers	2,595	(7,285)	3,858	2,475	6,453	(4,810)
Transfers	-	(53)	-	53	-	-
Change in net position	2,595	(7,338)	3,858	2,528	6,453	(4,810)
Net Position - beginning of fiscal year	405,335	412,673	139,030	136,502	544,365	549,175
Net Position - end of fiscal year	\$ 407,930	\$ 405,335	\$ 142,888	\$ 139,030	\$ 550,818	\$ 544,365

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds for the City are placed into one of three categories: governmental funds, proprietary funds, or fiduciary funds. Governmental activities within the governmental fund group are calculated using the current financial-resources-measurement focus and the modified accrual basis of accounting. Proprietary (business-like) activities are calculated using the economic-resources-measurement focus and the accrual basis of accounting. Fiduciary activities are calculated using the economic-resources-measurement focus and the accrual basis of accounting. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or by bond covenant. However, the City does on occasion establish other funds to help segregate and manage resources collected for particular purposes. Additionally, funds are created to isolate certain taxes, grants, and other legally restricted resources from general-purpose resources.

GOVERNMENTAL FUNDS

The cost of basic City services is reported in the governmental fund group. Governmental fund financial statements focus on near-term flows of spendable resources in and out of various funds and the balances left at yearend that remain available for spending in the future. Such information is useful in evaluating the City's near-term financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources available to be spent in the future to finance City programs. Differences between the governmental fund financial statements and the government-wide financial statements are explained in reconciliations following the governmental fund financial statement on pages 21 and 23.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers will better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds 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 38 individual governmental funds, which are broken down into two groups for basic financial reporting: Major Funds and Non-Major Funds. Major Funds consist of funds that are significant because of their purpose, size, or importance to the City. The City's financial statements report two Major Funds: General Fund and Capital Projects Fund. Unlike the Non-Major Funds group, where the financial information is aggregated, Major Funds are reported independent of other fund groups.

The General Fund is the primary operating fund of the City and it accounts for all activity not required to be accounted for in another specialized or restricted fund. The General Fund encompasses many of the commonly thought of activities occurring within a municipal government. These activities include: police, fire, senior and teen services, building and safety, planning, public works, finance, and general administration. The Capital Projects Fund accounts for financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of major capital items. Within the Non-Major Funds group, data from 36 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Non-Major funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 20-23.

GOVERNMENTAL FUND FINANCIAL ANALYSIS

At the close of the fiscal year, governmental funds reported a combined ending fund balance of \$80.5 million, a year-over-year increase of \$15.3 million. Approximately 60 percent of total fund balance (\$47.9 million) was available for spending at the government's discretion (assigned, unassigned, and committed). Fund balance in the City's General Fund increased \$15.4 million. Fund balance within the City's Capital Projects Fund increased \$1.1 million. Within the Non-Major fund group, fund balance decreased \$1.3 million.

General Fund Financial Highlights:

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$53.7 million, up \$15.4 million from the prior year. Approximately 82 percent (\$43.9 million) of the \$53.7 million was available for spending at the government's discretion (assigned, unassigned, and committed). Nonspendable fund balance represents resources that cannot be spent because they are not in a spendable form. Nonspendable fund balance totaled \$8.7 million, consisting of prepaid expenditures (\$0.2 million), property held for resale (\$4.9 million), and notes receivable (\$3.6 million). Restricted fund balance represents amounts that can only be spent for a specific purpose. Restricted fund balance totaled \$1.2 million, which is an increase from the prior fiscal year. This \$1.2 million represents a Section 115 trust fund established for pension stabilization. Assigned fund balance represents resources that are earmarked by City administration for a particular governmental purpose. Assigned fund balance totaled \$12.0 million, an increase of \$2.8 million from the prior fiscal year. Committed fund balance represents resources that are formally set aside by the City Council for emergencies or critical City priorities. Committed fund balance totaled \$12 million, the same as the prior fiscal year. Unassigned fund balance represents resources that have not been categorized as nonspendable, restricted, committed, or assigned. Unassigned fund balance totaled \$19.8 million, an increase of \$16.6 million from the prior fiscal year.

American Rescue Plan Act Fund Financial Highlights:

At the close of the fiscal year, the City's American Rescue Plan Act Fund reported a fund balance of \$0. This is due to the majority of cash received being reported as unearned revenue, as it has not been spent as of the year end.

Capital Projects Fund Financial Highlights:

At the close of the fiscal year, the City's Capital Projects Fund reported a positive ending fund balance of \$6 million, up \$1.1 million from the prior year. This is due to deferring certain capital projects in response to the coronavirus pandemic.

Non-Major Governmental Funds Financial Highlights:

Non-Major Governmental Funds accumulated \$20.6 million in fund balance at the end of the fiscal year, a decrease of \$1.3 million from the previous year. Non-major special revenue fund balances decreased \$0.7 million. Non-major capital project fund balances remained flat at \$0. Fund balance for non-major debt service funds decreased by \$0.5 million. Within the Non-Major Governmental Funds, expenditures exceeded revenues by \$0.7 million and interfund transfers-out exceeded interfund transfers-in by \$0.6 million, resulting in a net decrease of \$1.3 million in fund balance.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

When the City charges outside customers or other internal governmental units for services, those services are generally reported within the Proprietary Fund group. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same function presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water services, golf course operations, and solid waste services. Internal service funds are an accounting device used to accumulate and allocate costs among the City's various departments and functions. The City uses internal service funds to account for and manage its fleet of vehicles, vehicle replacements, insurance, building maintenance, and information-technology systems. Because these five services

principally benefit the City rather than business-type functions, which predominantly benefit the public, they are included as governmental activities in the government-wide financial statements.

Proprietary Fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water services. Only water services, managed by the Indio Water Authority, are considered to be Major and thusly reported independent from other proprietary funds. Golf and Solid Waste services are aggregated and reported as Other Enterprise Funds and are reported individually elsewhere in this report. Internal Service Funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund group is provided in the form of combining statements elsewhere in the report.

At the close of the fiscal year, proprietary funds, including internal service funds, reported a combined ending net position of \$147.1 million, a year-over-year increase of \$4 million. City enterprise funds accumulated a year ending net position of \$142.9 million, a year-over-year increase of \$3.9 million. Internal service funds accumulated a net position of \$4.2 million, a year-over-year increase of \$0.2 million. Within the enterprise fund group, net position in the City's water fund increased \$3.3 million. Net position within the City's other enterprise funds, golf and solid waste, increased \$0.5 million.

FIDUCIARY FUNDS FINANCIAL ANALYSIS

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 the fiduciary fund financial statements is much like that used for proprietary funds. The City's fiduciary activities are reported in separate statements of fiduciary net position. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes and are kept separate from City resources. The City uses fiduciary funds to account and manage resources for: various community facilities districts, the East Valley Reclamation Authority, the East Valley Coalition, and the Eastern Riverside County Interoperable Communication Authority. The finances for these entities are aggregated under the title Custodial Funds. The City also manages resources for the Successor Agency to the Indio Redevelopment Agency, which is reported under the private-purpose trust fund.

At the close of the fiscal year, custodial funds reported \$6.4 million in net position. However, net position of the RDA Successor Agency was negative \$41.6 million, due to its long-term debt on bonds, which is funded annually through the Recognized Obligation Payment Schedule (ROPS). Year-over-year, the Successor Agency's net position increased \$2.6 million.

ANALYSIS OF LONG-TERM DEBT

Debt, which is considered a liability of governmental activities, totaled \$165 million, an increase of \$6.6 million from the prior fiscal year. The increase in debt was driven by the recognition of additional post employment benefit liability (\$6.1 million) and increases in net pension liability (\$3.7 million). These increases were offset by a combination of decreases in lease revenue bonds (\$1.7 million), judgment obligation bonds (\$0.6 million), capital leases (\$0.1 million), certificates of participation (\$0.6 million) and notes payable (\$0.3 million). Debt for business-type activities

totaled \$68 million, a decrease of \$1.2 million from the prior fiscal year. This decrease was due to a reduction of bonds payable (\$2.1 million), which was offset by increases in net pension liability (\$0.5 million) and post-employment benefits (\$0.5 million), and compensated absences (\$43 thousand).

Activity for outstanding debt is represented in the table below. Additional information on the City's long-term debt can be found in notes 8 through 14 on pages 52-70.

Outstanding Long-term Liability Summary (in thousands)						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Claims Payable	\$ 27	\$ 71	\$ -	\$ -	\$ 27	\$ 71
Lease Revenue Bonds	34,856	36,559	-	-	34,856	36,559
Judgement Obligation Bond	13,770	14,410	-	-	13,770	14,410
Water Bonds	-	-	50,075	52,184	50,075	52,184
Capital Lease	249	343	-	-	249	343
Certificates of Participation	1,275	1,875	-	-	1,275	1,875
Notes payable	-	279	-	-	-	279
Net pension liability	63,859	60,135	7,857	7,399	71,716	67,534
Post employment benefit	48,580	42,445	9,777	9,324	58,357	51,769
Compensated absences	2,388	2,321	330	287	2,718	2,608
Total	\$ 165,004	\$ 158,438	\$ 68,039	\$ 69,194	\$ 233,043	\$ 227,632

ANALYSIS OF CAPITAL ASSETS

Capital assets of the City are those assets used in the performance of municipal functions, including infrastructure. Capital assets, net of depreciation, for governmental activities totaled \$463.4 million. Capital assets, net of depreciation, for business-type activities totaled \$156.1 million. Overall, net capital asset value decreased \$16.4 million from the prior fiscal year. Fiscal-year activity is presented in the table below. Additional information on the City's capital assets can be found in note 7 on pages 50-51.

Capital Assets Summary (in thousands)						
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 41,660	\$ 41,964	\$ 2,175	\$ 2,175	\$ 43,835	\$ 44,139
Right of way	54,694	56,612	-	-	54,694	56,612
Structures and improvements	37,133	37,123	15,351	15,352	52,484	52,475
Machinery, equipment and vehicles	21,883	20,463	5,576	5,465	27,459	25,928
Infrastructure	607,084	576,409	293,697	292,805	900,781	869,214
Construction in progress	28,348	51,536	999	227	29,347	51,763
Capital Assets	790,802	784,107	317,798	316,024	1,108,600	1,100,131
Accumulated depreciation	327,359	310,487	161,720	153,712	489,079	464,199
Net Capital Assets	\$ 463,443	\$ 473,620	\$ 156,078	\$ 162,312	\$ 619,521	\$ 635,932

ANALYSIS OF THE BUDGET AND SIGNIFICANT VARIANCES

The annually adopted budget appropriates expenditures by category: salaries and benefits, purchased services, materials and supplies, fixed assets, internal transfers, and transfers out to other City funds. Expenditure controls are set at these same levels. Expenditures and revenues rarely match budgeted appropriation levels exactly, due to changes in policy, economic impacts, unexpected outlays and naturally occurring operational variances occurring during the fiscal year. Schedules comparing budget expectations to actual outcomes can be found on pages 82-83 for the General Fund and on pages 116-149 for other non-major funds.

For fiscal year 2020-21, General Fund revenue totaled \$85.5 million, including \$6 million categorized as Transfers In. In total, the City received \$12.8 million (18%) more than budgeted. Budget expectations conservatively projected revenues, as they were derived in the very early days of the COVID-19 pandemic when there was significant uncertainty surrounding the future of revenues. Total tax revenues were stronger than anticipated, exceeding budgeted revenues by \$10 million. Overages primarily consisted of: sales taxes (\$4.7 million), transient occupancy taxes (\$3.3 million), utility users taxes (\$0.9 million), and property taxes (\$0.7 million). City sales tax revenue exceeded estimates by \$4.7 million, bolstered by increases in online and contact-free shopping amid the pandemic. Transient occupancy taxes exceeded estimates by \$3.3 million as businesses were able to re-open after stay at home orders were lifted and travelers utilized short-term rentals to take safe, socially distanced vacations in compliance with public health orders. Property tax and utility user tax collections remained strong despite economic uncertainty surrounding the pandemic. Charges for services reported an overage of \$0.2 million, mainly supported by higher than expected plan checks and inspections due to increased building activities within the City. These building activities also supported robust collections of licenses and permit fees, with approximately \$1 million in revenue beyond expectations.

The original fiscal year 2020-21 General Fund budget authorized \$78.9 million in expenditures. The budget as finally adjusted by the City Council authorized \$75.9 million in expenditures. At the end of the fiscal year, General Fund expenditures totaled \$70.1 million, including transfers out of \$3.7 million. In total, expenditures were \$5.8 million (8%) less than budgeted. Nearly half of the \$5.9 million is attributable to budgetary savings in Police Field Services (\$1.5 million) and Fire and Ambulance services (\$1.4 million). Within the General Government group, six administrative budget units generated savings of \$0.5 million combined. Most notably, within the General Government group, the Non-departmental budget unit recorded an overage of \$1.4 million, related to a loss on the sale of city property acquired in 2006. Within the Public Safety group budgetary savings in seven budget units, totaling \$4.1 million (11%), are offset by slight overages totaling \$0.2 million (2%) in two budget units. The majority of savings were in the Police Field Services unit (\$1.5 million), due to salary savings from vacant positions, and the Fire and Ambulance unit (\$1.4 million). Animal Control and Code Enforcement also reported expenditures below expectations of \$0.5 million and \$0.4 million, respectively. Within the Community Development group, Building and Safety and Economic Development generated \$0.3 million in budget savings (7%) via salary savings, and Planning had a slight overage of \$9 thousand. Within the Community Services group, four budget units generated \$0.8 million (23%) in savings. The Public Works group, composed of three budgetary units, generated \$0.5 million (6%) in savings, mostly related to other professional and technical services. Within the General Fund, \$109,811 million was recognized in Capital Outlay, which is simply the recognition of new City assets. Finally, within the category Transfers Out, \$1.3 million in budget savings was recognized.

FACTS AND CONDITIONS OF FUTURE SIGNIFICANCE

For the coming 2021-22 fiscal year, the City Council adopted a Citywide budget totaling \$213.5 million in appropriations, a \$54 million (34%) increase from the prior-year's adopted budget. This increase in appropriations is primarily attributable to the re-normalization of General Fund and Capital Project Fund spending, following the COVID-19 pandemic. About \$49.4 million (23%) of the budget is appropriated to move resources across funds, in order to properly isolate, track, and capture specific expenditures and revenues in accordance with generally accepted accounting principles. Citywide, revenue is expected to total \$198 million, an increase from the prior year of \$50 million (34%). In FY 2019-20, the operational year prior to the pandemic, citywide revenue of \$177.2 million was approximately 11 percent lower than the current year recommended revenue. Sales tax, Measure X sales tax, Transient Occupancy Tax, and Music Festival services payments account for the majority of the revenue increases. Across all funds, the \$15.5 million gap between appropriations and expected revenue will be funded from fund balance (fund equity) and assumed salary savings.

About \$93 million (44%) of the budget will be spent on acquiring services, which includes payments for professional services, contract labor, and utilities. The recommended budget is built on the expectation of spending \$45.4 million (21%) citywide on employee salaries and benefits. About \$49.4 million (23%) will be appropriated to move resources from one fund to another. These interfund transfers represent flows of assets, such as cash and goods, between funds of the city. Of the \$49.4 million in transfers, \$16 million represents internal service fees, which are used to account for the financing of goods and services provided by one city department to another on a cost-reimbursement basis. Of the city's total appropriations, \$18 million (8%) will be established for construction of fixed assets and to pay debt on previously constructed assets. About \$7.8 million (4%) will be budgeted for other operating costs, including materials and supplies such as tools, cleaning supplies, and automobile parts.

The budget supports 283 full-time, seven elected officials, 35 appointed commissioners, and 6 part-time positions. Consistent with our community's historical support of maintaining essential public safety services, neighborhood police patrols, ambulance and fire services and overall 911 response, the adopted budget funds 85 sworn police positions, four positions more than what was funded last fiscal year. The adopted budget also includes two additional police dispatcher positions and one water utility specialist.

The General Fund is the primary operating fund of the city and it accounts for all activity not required to be accounted for in another specialized or restricted fund. The General Fund encompasses many of the commonly thought of activities occurring within a municipal government. These activities include: police, fire, senior and teen services, building and safety, planning, public works, parks, streets and general administration.

The FY 2021-22 recommended General Fund budget establishes \$93 million in spending authority, \$14.1 million more than what was authorized in the previous-year's adopted budget. This increase in spending authority reflects the city's efforts to normalize spending levels after a year of spending reductions in response to COVID-19.

Police protection accounts for the largest portion (38 percent) of all General Fund appropriations, totaling about \$35.7 million. In addition to typical policing operations, the police department budget also includes code enforcement operations. About \$17.2 million (18 percent) is

appropriated for fire, emergency operations, and ambulance services, which are contracted through the County of Riverside. Combined, these public safety operations represent 56 percent of all planned General Fund expenditures.

For Public Works, \$7.3 million is appropriated to fund engineering, capital project oversight as well as maintenance on parks and public streets. Within the recommended budget, Administration accounts for about \$9.3 million of the appropriations. These administrative activities include finance, human resources, legal services, city clerk, community services, youth and senior services, and animal control services. The city contracts with the County of Riverside for its animal control services. Development Services represents about \$3.6 million of all planned General Fund expenditures. The funds appropriated for Economic Development, about \$1.6 million, will be utilized to attract new businesses to the city, cover department staffing, and fund other economic development efforts. From the General Fund, \$4.2 million is appropriated for non-departmental expenditures, which will fund payment for long-term capital lease (debt) obligations, tax-sharing agreements with various local businesses, as well as various city memberships and sponsorships. For FY 2021-22, Measure X sales tax related General Fund expenditures total approximately \$14.1 million (15%) of General Fund appropriations.

CASH MANAGEMENT

To effectively manage cash, the City employs a pooled cash system (reference note 3 in the notes to the financial statements). Under the pooled cash concept, the City invests cash from all funds, with investment maturities planned to coincide with expenditure needs. Idle cash is invested in eligible securities, as allowable by law and limited by the City's Investment Policy. The goals of the City's Investment Policy, in priority order are, safety (preserving principal), liquidity (accessibility), and then yield (return on investment).

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units, or need any additional financial information, contact the Finance Department at 100 Civic Center Mall, Indio, California, 92201, phone (760) 391-4115, finance@indio.org.

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CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 81,879,607	\$ 51,084,970	\$ 132,964,577
Restricted cash and investments	1,209,917	-	1,209,917
Restricted cash and investments with fiscal agents	4,297,085	320,952	4,618,037
Receivables:			
Accounts	2,612,618	3,999,186	6,611,804
Taxes	5,947,676	-	5,947,676
Notes and loans	8,826,110	-	8,826,110
Accrued interest	22,562	11,082	33,644
Due from other governments	6,241,837	6,391	6,248,228
Prepaid costs	183,288	727,467	910,755
Inventories	-	100,840	100,840
Advance to Successor Agency	2,405,025	-	2,405,025
Property held for resale	5,252,721	-	5,252,721
Capital assets - not being depreciated	124,701,986	3,173,641	127,875,627
Capital assets - net of accumulated depreciation	338,740,733	152,903,916	491,644,649
Total Assets	582,321,165	212,328,445	794,649,610
Deferred Outflows of Resources:			
Deferred charge on refunding	-	978,087	978,087
Pension deferrals	12,447,073	1,131,240	13,578,313
OPEB deferrals	8,649,186	1,742,472	10,391,658
Total Deferred Outflows of Resources	21,096,259	3,851,799	24,948,058
Liabilities:			
Accounts payable	9,664,402	1,254,120	10,918,522
Retentions payable	-	5,070	5,070
Accrued liabilities	1,009,646	839,730	1,849,376
Accrued interest	321,455	499,966	821,421
Unearned revenue	12,024,132	-	12,024,132
Deposits payable	4,387,473	2,532,209	6,919,682
Noncurrent liabilities due within one year:			
Bonds and notes payable	3,025,000	2,155,000	5,180,000
Capital leases	96,848	-	96,848
Compensated absences	1,328,138	278,022	1,606,160
Noncurrent liabilities due in more than one year:			
Bonds and notes payable	46,875,653	47,919,217	94,794,870
Capital leases	152,542	-	152,542
Compensated absences	1,060,282	52,269	1,112,551
Claims and judgments	26,599	-	26,599
Net pension liability	63,859,446	7,857,049	71,716,495
Net other post-employment benefits liability	48,579,742	9,776,998	58,356,740
Total Liabilities	192,411,358	73,169,650	265,581,008
Deferred Inflows of Resources:			
Unamortized gain on refunding of debt	1,582,442	-	1,582,442
Pension deferrals	978,687	18,921	997,608
OPEB deferrals	514,847	103,618	618,465
Total Deferred Inflows of Resources	3,075,976	122,539	3,198,515
Net Position:			
Net investment in capital assets	425,270,622	106,981,427	532,252,049
Restricted:			
Community development projects	184,232	-	184,232
Public safety	1,679,568	-	1,679,568
Public works	8,203,316	-	8,203,316
Capital projects	8,868,171	-	8,868,171
Debt service	1,590,783	320,952	1,911,735
Assessment districts	105,551	-	105,551
Public education government channel	960,134	-	960,134
Parks and recreation	1,152,984	-	1,152,984
Pension stabilization	1,209,917	-	1,209,917
Unrestricted	(41,295,188)	35,585,676	(5,709,512)
Total Net Position	\$ 407,930,090	\$ 142,888,055	\$ 550,818,145

The notes to financial statements are an integral part of this statement.

CITY OF INDIO, CALIFORNIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	
Primary Government:				
Governmental Activities:				
General government	\$ 15,562,521	\$ 1,159,395	\$ 276,217	\$ 970,938
Public safety	47,694,785	3,756,548	1,084,891	-
Community development	9,960,036	180,050	5,540,139	-
Community services	3,001,704	235,075	-	-
Public works	22,893,367	10,772,713	6,690,976	154,213
Interest on long-term debt	1,985,524	-	-	-
Total Governmental Activities	101,097,937	16,103,781	13,592,223	1,125,151
Business-Type Activities:				
Water	23,570,025	24,789,017	-	2,056,480
Golf	1,434,661	1,638,004	-	-
Solid Waste	-	300,000	-	-
Total Business-Type Activities	25,004,686	26,727,021	-	2,056,480
Total Primary Government	\$ 126,102,623	\$ 42,830,802	\$ 13,592,223	\$ 3,181,631

General Revenues:

Taxes:

Property taxes

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Utility users tax

Other taxes

Motor vehicle in lieu - unrestricted

Use of money and property

Other

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to financial statements are an integral part of this statement.

**Net (Expenses) Revenues and Changes in Net
Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (13,155,971)	\$ -	\$ (13,155,971)
(42,853,346)	-	(42,853,346)
(4,239,847)	-	(4,239,847)
(2,766,629)	-	(2,766,629)
(5,275,465)	-	(5,275,465)
(1,985,524)	-	(1,985,524)
(70,276,782)	-	(70,276,782)
-	3,275,472	3,275,472
-	203,343	203,343
-	300,000	300,000
-	3,778,815	3,778,815
(70,276,782)	3,778,815	(66,497,967)
19,690,559	-	19,690,559
8,699,125	-	8,699,125
28,150,408	-	28,150,408
2,612,159	-	2,612,159
683,926	-	683,926
8,417,319	-	8,417,319
2,652,828	-	2,652,828
66,560	-	66,560
1,277,463	5,169	1,282,632
621,099	74,134	695,233
72,871,446	79,303	72,950,749
2,594,664	3,858,118	6,452,782
405,335,426	139,029,937	544,365,363
\$ 407,930,090	\$ 142,888,055	\$ 550,818,145

The notes to financial statements are an integral part of this statement.

CITY OF INDIO, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Special Revenue Fund American Rescue Plan Act	Capital Projects Fund Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 41,402,083	\$ 9,417,531	\$ 8,127,476	\$ 15,777,726	\$ 74,724,816
Receivables:					
Accounts	686,526	-	1,675,641	248,478	2,610,645
Taxes	5,894,897	-	-	52,779	5,947,676
Notes and loans	3,576,455	-	-	5,249,655	8,826,110
Accrued interest	15,511	-	2,490	4,561	22,562
Prepaid costs	163,662	-	-	19,626	183,288
Due from other governments	4,000,490	-	95,006	2,146,341	6,241,837
Due from other funds	2,315,680	-	-	-	2,315,680
Advances to private-purpose trust funds	-	-	-	2,405,025	2,405,025
Property held for resale	4,911,067	-	-	341,654	5,252,721
Restricted assets:					
Cash and investments	1,209,917	-	-	-	1,209,917
Cash and investments with fiscal agents	-	-	1,909,574	2,293,103	4,202,677
Total Assets	\$ 64,176,288	\$ 9,417,531	\$ 11,810,187	\$ 28,538,948	\$ 113,942,954
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 4,402,545	\$ -	\$ 2,193,542	\$ 2,627,130	\$ 9,223,217
Accrued liabilities	915,421	-	-	29,565	944,986
Unearned revenues	-	9,417,531	1,774,998	583,403	11,775,932
Deposits payable	4,061,976	-	11,272	314,225	4,387,473
Due to other funds	-	-	-	2,315,680	2,315,680
Total Liabilities	9,379,942	9,417,531	3,979,812	5,870,003	28,647,288
Deferred Inflows of Resources:					
Unavailable revenues	1,056,402	-	1,795,641	1,949,740	4,801,783
Total Deferred Inflows of Resources	1,056,402	-	1,795,641	1,949,740	4,801,783
Fund Balances:					
Nonspendable	8,651,184	-	-	19,356	8,670,540
Restricted	1,209,917	-	-	22,744,739	23,954,656
Committed	12,000,000	-	-	-	12,000,000
Assigned	12,081,898	-	6,034,734	-	18,116,632
Unassigned	19,796,945	-	-	(2,044,890)	17,752,055
Total Fund Balances	53,739,944	-	6,034,734	20,719,205	80,493,883
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 64,176,288	\$ 9,417,531	\$ 11,810,187	\$ 28,538,948	\$ 113,942,954

CITY OF INDIO, CALIFORNIA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

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

Total fund balances - governmental funds		\$ 80,493,883
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		459,358,220
Compensated absences and long-term debt are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	\$ (48,125,000)	
Unamortized premiums/(discounts) on bonds payable	(500,653)	
Deferred charge on bond refunding	(1,582,442)	
Installment agreement	(1,275,000)	
Compensated absences	<u>(2,388,420)</u>	(53,871,515)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(321,455)
Governmental funds report all pension contributions as expenditures; however, in the statement of activities, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		(60,430,350)
Deferred outflows and inflows related to pension and other post-employment benefits are on only reported in the Statement of Net Position as changes in these amounts only affect Contributions made after the actuarial measurement date is as follows:		
Deferred outflows related to pensions	11,958,323	
Deferred inflows related to pensions	(963,922)	
Deferred outflows related to other post-employment benefits	7,978,787	
Deferred inflows related to other post-employment benefits	<u>(475,008)</u>	18,498,180
Governmental funds report all other post-employment benefits contributions as expenditures; however, in the statement of net position, the excess of the total other post-employment benefits liability over the plan fiduciary net position is reported as a net other post-employment benefits liability.		(44,817,976)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		4,801,783
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>4,219,320</u>
Net Position of Governmental Activities		<u>\$ 407,930,090</u>

The notes to financial statements are an integral part of this statement.

CITY OF INDIO, CALIFORNIA

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special	Capital	Non-Major	Total
		Revenue Fund	Projects Fund		
		American	Capital	Funds	Funds
		Rescue Plan	Projects Fund		
		Act			
Revenues:					
Taxes	\$ 68,920,690	\$ -	\$ -	\$ 1,985,634	\$ 70,906,324
Licenses and permits	3,152,539	-	-	-	3,152,539
Intergovernmental	608,198	795,000	857,332	10,238,081	12,498,611
Charges for services	4,788,751	-	-	-	4,788,751
Use of money and property	1,210,350	-	151	66,962	1,277,463
Fines and forfeitures	594,033	-	-	56,746	650,779
Contributions	-	-	-	5,337,960	5,337,960
Developer participation	-	-	3,446,446	170,412	3,616,858
Miscellaneous	249,973	-	-	491,742	741,715
Total Revenues	79,524,534	795,000	4,303,929	18,347,537	102,971,000
Expenditures:					
Current:					
General government	8,594,253	-	-	459,245	9,053,498
Public safety	43,478,782	-	-	449,594	43,928,376
Community development	4,800,350	-	-	2,216,982	7,017,332
Community services	2,583,137	-	-	73,396	2,656,533
Public works	6,830,649	-	-	7,090,738	13,921,387
Capital outlay	109,811	-	2,496,193	3,575,096	6,181,100
Debt service:					
Principal retirement	-	-	146,979	3,047,108	3,194,087
Interest and fiscal charges	-	-	-	2,115,004	2,115,004
Total Expenditures	66,396,982	-	2,643,172	19,027,163	88,067,317
Excess of Revenues over Expenditures	13,127,552	795,000	1,660,757	(679,626)	14,903,683
Other Financing Sources (Uses):					
Transfers in	6,007,410	-	1,701,753	4,976,678	12,685,841
Transfers out	(3,710,573)	(795,000)	(2,603,468)	(5,576,800)	(12,685,841)
Proceeds from sale of capital asset	-	-	355,141	-	355,141
Total Other Financing Sources (Uses)	2,296,837	(795,000)	(546,574)	(600,122)	355,141
Net Change in Fund Balance	15,424,389	-	1,114,183	(1,279,748)	15,258,824
Fund Balance - Beginning	38,315,555	-	4,920,551	21,998,953	65,235,059
Fund Balance - Ending	\$ 53,739,944	\$ -	\$ 6,034,734	\$ 20,719,205	\$ 80,493,883

CITY OF INDIO, CALIFORNIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - total governmental funds		\$ 15,258,824
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Capital outlay	\$ 7,496,432	
Depreciation	(15,728,138)	
Loss on disposal of capital assets	<u>(2,221,988)</u>	(10,453,694)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Bond principal repayments	2,315,000	
Amortization of bond premiums/discounts	28,681	
Amortization of deferred charge on bond refunding	96,832	
Installment agreement principal repayments	600,000	
Notes payable principal repayments	279,087	
Change in compensated absences	<u>(67,517)</u>	3,252,083
Net change in accrued interest on long-term debt for the current period reported on the statement of activities.		16,036
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,029,893)
Other post-employment benefits obligation 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.		(4,507,796)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the operating contributions and miscellaneous income in the statement of activities.		(126,149)
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The net revenues of the internal service funds are reported with governmental activities.		<u>185,253</u>
Change in Net Position of Governmental Activities		<u>\$ 2,594,664</u>

The notes to financial statements are an integral part of this statement.

CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Assets:				
Current Assets:				
Cash and investments	\$ 47,690,233	\$ 3,394,737	\$ 51,084,970	\$ 7,154,791
Restricted cash with fiscal agents	320,952	-	320,952	94,408
Accounts receivable	3,999,186	-	3,999,186	1,973
Accrued interest receivable	10,113	969	11,082	-
Due from other governments	-	6,391	6,391	-
Inventories	91,117	9,723	100,840	-
Prepaid costs	652,467	75,000	727,467	-
Total Current Assets	52,764,068	3,486,820	56,250,888	7,251,172
Noncurrent Assets:				
Capital assets - not being depreciated	2,707,682	465,959	3,173,641	-
Capital assets - net of accumulated depreciation	152,651,945	251,971	152,903,916	4,084,499
Total Noncurrent Assets	155,359,627	717,930	156,077,557	4,084,499
Total Assets	208,123,695	4,204,750	212,328,445	11,335,671
Deferred Outflows of Resources:				
Deferred charge on refunding	978,087	-	978,087	-
Pension deferrals	1,126,864	4,376	1,131,240	488,750
OPEB deferrals	1,739,272	3,200	1,742,472	670,399
Total Deferred Outflows of Resources	3,844,223	7,576	3,851,799	1,159,149
Liabilities:				
Current Liabilities:				
Accounts payable	1,170,681	83,439	1,254,120	441,185
Accrued liabilities	839,174	556	839,730	64,660
Accrued interest	499,966	-	499,966	-
Unearned revenues	-	-	-	248,200
Deposits payable	415,213	2,116,996	2,532,209	-
Due to other funds	-	-	-	-
Compensated absences - due in one year	278,022	-	278,022	-
Capital leases - due in one year	-	-	-	96,848
Bonds payable - due in one year	2,155,000	-	2,155,000	-
Total Current Liabilities	5,363,126	2,200,991	7,564,117	850,893
Noncurrent Liabilities:				
Compensated absences	52,269	-	52,269	-
Accrued claims and judgments	-	-	-	26,599
Capital leases	-	-	-	152,542
Bonds payable	47,919,217	-	47,919,217	-
Net pension liability	7,826,781	30,268	7,857,049	3,429,096
Net other post-employment benefits liability	9,759,042	17,956	9,776,998	3,761,766
Total Noncurrent Liabilities	65,557,309	48,224	65,605,533	7,370,003
Total Liabilities	70,920,435	2,249,215	73,169,650	8,220,896
Deferred Inflows of Resources:				
Pension deferrals	18,871	50	18,921	14,765
OPEB deferrals	103,427	191	103,618	39,839
Total Deferred Inflows of Resources	122,298	241	122,539	54,604
Net Position:				
Net investment in capital assets	106,263,497	717,930	106,981,427	3,835,109
Restricted for debt service	320,952	-	320,952	-
Unrestricted	34,340,736	1,244,940	35,585,676	384,211
Total Net Position	\$ 140,925,185	\$ 1,962,870	\$ 142,888,055	\$ 4,219,320

The notes to financial statements are an integral part of this statement.

CITY OF INDIO, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Operating Revenues:				
Sales and service charges	\$ 24,789,017	\$ 1,938,004	\$ 26,727,021	\$ -
Interdepartmental charges	-	-	-	15,100,978
Other income	74,134	-	74,134	329,843
Total Operating Revenues	24,863,151	1,938,004	26,801,155	15,430,821
Operating Expenses:				
Personnel services	6,297,152	27,113	6,324,265	8,698,122
Contractual services	3,023,225	427,868	3,451,093	1,265,449
Repairs and maintenance	1,806,923	305,031	2,111,954	1,012,098
Depreciation expense	7,990,347	18,253	8,008,600	1,143,876
Materials and supplies	862,884	656,396	1,519,280	3,604,717
Rentals and leases	96,037	-	96,037	-
Utilities	1,347,039	-	1,347,039	-
Total Operating Expenses	21,423,607	1,434,661	22,858,268	15,726,108
Operating Income	3,439,544	503,343	3,942,887	(295,287)
Nonoperating Revenues (Expenses):				
Intergovernmental	-	-	-	23,638
Interest revenue	(15,357)	20,526	5,169	-
Interest expense	(2,146,418)	-	(2,146,418)	(12,069)
Total Nonoperating Revenues (Expenses)	(2,161,775)	20,526	(2,141,249)	11,569
Income before Capital Contributions	1,277,769	523,869	1,801,638	(283,718)
Capital grants and contributions	2,056,480	-	2,056,480	468,971
Changes in Net Position	3,334,249	523,869	3,858,118	185,253
Net Position - Beginning	137,590,936	1,439,001	139,029,937	4,034,067
Net Position - Ending	\$ 140,925,185	\$ 1,962,870	\$ 142,888,055	\$ 4,219,320

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 24,507,016	\$ 4,064,309	\$ 28,571,325	\$ -
Receipts from interfund services and charges	-	-	-	15,349,210
Receipts from insurance settlements	-	-	-	251,327
Other receipts	-	-	-	511,852
Payments to suppliers and service providers	(7,160,758)	(1,362,937)	(8,523,695)	(5,837,956)
Payments to employees for salaries and benefits	(5,650,904)	(28,693)	(5,679,597)	(8,260,978)
Net Cash Provided by Operating Activities	11,695,354	2,672,679	14,368,033	2,013,455
Cash Flows from Non-Capital Financing Activities:				
Repayment made on short-term interfund borrowing	-	-	-	(242,995)
Net Cash (Used for) Non-Capital Financing Activities	-	-	-	(242,995)
Cash Flows from Capital and Related Financing Activities:				
Capital impact fees	1,789,291	-	1,789,291	-
Acquisition and construction of capital assets	(1,774,611)	-	(1,774,611)	(951,216)
Principal paid on capital debt	(2,055,000)	-	(2,055,000)	(93,142)
Interest paid on capital debt	(2,162,911)	-	(2,162,911)	(12,069)
Capital grants	267,189	-	267,189	23,638
Net Cash (Used for) Capital and Related Financing Activities	(3,936,042)	-	(3,936,042)	(1,032,789)
Cash Flows from Investing Activities:				
Interest on investments	30,472	21,132	51,604	-
Net Cash Provided by Investing Activities	30,472	21,132	51,604	-
Net Increase in Cash and Cash Equivalents	7,789,784	2,693,811	10,483,595	737,671
Cash and Cash Equivalents, July 1	40,221,401	700,926	40,922,327	6,511,528
Cash and Cash Equivalents, June 30	\$ 48,011,185	\$ 3,394,737	\$ 51,405,922	\$ 7,249,199
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:				
Cash and cash equivalents	\$ 47,690,233	\$ 3,394,737	\$ 51,084,970	\$ 7,154,791
Restricted cash and cash equivalents	320,952	-	320,952	94,408
Total Cash and Cash Equivalents	<u>\$ 48,011,185</u>	<u>\$ 3,394,737</u>	<u>\$ 51,405,922</u>	<u>\$ 7,249,199</u>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 3,439,544	\$ 503,343	\$ 3,942,887	\$ (295,287)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	7,990,347	18,253	8,008,600	1,143,876
(Increase) decrease in accounts receivable	(234,313)	15,700	(218,613)	32
(Increase) decrease in due from other governments	-	(6,391)	(6,391)	-
(Increase) decrease in prepaid costs	13,975	-	13,975	479,588
(Increase) decrease in inventories	(4,687)	603	(4,084)	-
Increase (decrease) in accounts payable	(34,625)	25,755	(8,870)	44,308
Increase (decrease) in accrued liabilities	287,231	(207)	287,024	8,309
Increase (decrease) in retentions payable	687	-	687	-
Increase (decrease) in unearned revenues	-	-	-	248,200
Increase (decrease) in deposits payable	(121,822)	2,116,996	1,995,174	-
Increase (decrease) in compensated absences	43,553	-	43,553	-
Increase (decrease) in accrued claims and judgments	-	-	-	(44,406)
Increase (decrease) in pension obligations	(32,105)	(3,346)	(35,451)	(51,390)
Increase (decrease) in OPEB obligations	347,569	1,973	349,542	480,225
Total Adjustments	8,255,810	2,169,336	10,425,146	2,308,742
Net Cash Provided by Operating Activities	\$ 11,695,354	\$ 2,672,679	\$ 14,368,033	\$ 2,013,455
Schedule of Non-Cash Capital and Related Financing Activities:				
Amortization of bond premium	\$ (56,012)	\$ -	\$ (56,012)	\$ -
Amortization of deferred charge on refunding	65,206	-	65,206	-
Capital contributions	-	-	-	468,971
Total Non-Cash Capital and Related Financing Activities	\$ 9,194	\$ -	\$ 9,194	\$ 468,971

CITY OF INDIO, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	<u>Private-Purpose Trust Fund</u>	
	<u>RDA Successor Agency Fund</u>	<u>Custodial Funds</u>
Assets:		
Cash and cash equivalents	\$ 5,263,893	\$ 9,950,646
Receivables:		
Accounts	476	-
Notes and loans	542,375	-
Accrued interest	1,544	2,835
Total Receivables	<u>544,395</u>	<u>2,835</u>
Investments at fair value:		
Money market mutual funds	1,642,351	4,716,079
Due from other governments	-	125,387
Property held for resale	5,974,273	-
Capital assets - not being depreciated	-	126,166
Capital assets - net of accumulated depreciation	-	1,366,500
Total Assets	<u>13,424,912</u>	<u>16,287,613</u>
Liabilities:		
Accounts payable	6,499	148,745
Accrued liabilities	6,685	-
Accrued interest	936,689	24,303
Deposits payable	-	218,055
Long-term liabilities:		
Due within one year	2,455,000	356,516
Due in more than one year	51,585,517	9,181,401
Total Liabilities	<u>54,990,390</u>	<u>9,929,020</u>
Net Position:		
Restricted for:		
Individuals, organizations, and other governments	(41,565,478)	6,358,593
Total Net Position	<u>\$ (41,565,478)</u>	<u>\$ 6,358,593</u>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Private- Purpose Trust Fund</u>	
	<u>RDA Successor Agency Fund</u>	<u>Custodial Funds</u>
Additions:		
Investment Earnings:		
Interest and net (decrease) in fair value of investments	\$ (5,719)	\$ (13,004)
Net Investment Income	<u>(5,719)</u>	<u>(13,004)</u>
Charges for services	-	1,180,585
Taxes and assessments	5,172,836	5,979,533
Intergovernmental	-	456,825
Miscellaneous	-	41,200
Total Additions	<u>5,167,117</u>	<u>7,645,139</u>
Deductions:		
Community development	299,212	-
Administrative expense	-	985,815
Contractual services	-	601,783
Interest expense	2,297,399	2,160,431
Depreciation expense	-	410,964
Total Deductions	<u>2,596,611</u>	<u>4,158,993</u>
Changes in Net Position	<u>2,570,506</u>	<u>3,486,146</u>
Net Position - Beginning, as Originally Reported	(44,135,984)	-
Restatements	-	2,872,447
Net Position - Beginning, as Restated	<u>(44,135,984)</u>	<u>2,872,447</u>
Net Position - Ending	<u>\$ (41,565,478)</u>	<u>\$ 6,358,593</u>

The notes to financial statements are an integral part of this statement.

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Indio (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Reporting Entity

The City of Indio was incorporated on May 16, 1930 under the general laws of the State of California. The City operates under the Council-Administrator form of government.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, 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 organization is able 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 execution would cause the City's financial statements to be misleading or incomplete. A brief description of the City's component units are as follows:

Blended Component Units:

- Indio Public Financing Authority

The Indio Public Financing Authority (Authority) is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act. The City and the Agency formed the Authority by the execution of a joint exercise of powers agreement dated as of April 1, 1992. Pursuant to the Joint Exercise of Powers Act, the Authority is authorized to issue revenue bonds to provide funds to make loans to public entities, such revenue bonds are to be repaid from the repayments of such loans. The Authority is governed by a five-member Board which consists of all members of the City Council. The Mayor of the City is the Chairperson of the Authority. The City Manager acts as the Executive Director, the City Clerk acts as the Secretary and the Finance Director of the City acts as the Treasurer of the Authority. Separate financial statements of the Authority are not prepared.

- Housing Authority of the City of Indio

The Housing Authority of the City of Indio was activated by the City Council of Indio in 1985. The purpose of the Housing Authority is to respond to the need for affordable housing in Indio by providing a financing mechanism to encourage such development in the City. Even though it 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 Authority and the management of the City has operational responsibility for the Housing Authority. Separate financial statements of the Housing Authority are not prepared.

Note 1: Summary of Significant Accounting Policies (Continued)

- Industrial Development Authority

The Industrial Development Authority of the City of Indio was activated by the City Council of the City of Indio on December 4, 1985. The purpose of the Industrial Development Authority is to assist the community in industry development by providing a financing mechanism to encourage such development in the City. The City Council serves as the governing board of the Industrial Development Authority and the management of the City has operational responsibility for the Authority. No separate financial statements of the Industrial Development Authority are prepared. There was no activity in the Industrial Development Authority in the current fiscal year.

- Indio Water Authority

The Indio Water Authority was established on November 1, 2001 to issue revenue bonds and oversee water services on behalf of the City of Indio. Since the component unit's governing body is the same as the governing body of the primary government and there is a financial relationship between the primary government and the component unit it is reported as a blended component unit. Separate financial statements of the Indio Water Authority are prepared and can be obtained at City Hall.

- Indio Financing Authority

The Indio Financing Authority ("Authority") is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act. The City and the Housing Authority formed the Authority by the execution of a joint exercise of powers agreement dated as of April 18, 2012. Pursuant to the Joint Exercise of Powers Act, the Authority is authorized to issue revenue bonds to provide funds to make loans to public entities, such revenue bonds are to be repaid from the repayments of such loans. The Authority is governed by a five-member Board which consists of all members of the City Council. The Mayor of the City is the Chairperson of the Authority. The City Manager acts as the Executive Director, the City Clerk acts as the Secretary and the Finance Director of the City acts as the Treasurer of the Authority. Separate financial statements of the Authority are not prepared.

Since the component units primarily serve the City, the members of the City Council sit as the governing board or appoint the governing board of the component units, and the City Council has the ability to impose its will upon, and is financially accountable for its component units, they 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.

Note 1: Summary of Significant Accounting Policies (Continued)

b. Measurement Focus and Basis of Accounting

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

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

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government, including its blended component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated) except for interfund services provided between departments and funds. However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services and payments made by parties outside the reporting government'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.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

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, liabilities, 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

Governmental Funds

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

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants 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 to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available 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 derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon 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 nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) 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) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of long-term receivables are offset by fund balance reserve accounts.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect 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 another financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary and Fiduciary 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 and all liabilities (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.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expenditure.

Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans.

c. Fund Classifications

The City reports the following major governmental funds:

General Fund - The General Fund is used to account for resources traditionally associated with governments, which are not legally required or by sound financial management to be accounted for in another fund.

American Rescue Plan Act Fund – This fund is used to account for federal funding received as part of the American Rescue Plan Act passed by Congress to provide funding for economic recovery for local governments resulting from economic hardship caused by the coronavirus pandemic.

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Projects Fund - This fund is used to account for capital projects of the City with resources from bond financing, government grants, and investment income.

The City uses proprietary funds to report an activity for which a fee is charged to external users to recover the cost of operation. The City reports the following fund as a major fund.

Water Fund - This fund is an enterprise fund used to account for the activities associated with the transmission and distribution of potable water by the City and its users.

The City's fund structure also includes the following fund types:

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than for debt service or capital projects) that are restricted by law or administrative action or committed to expenditures for specified purposes.

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities, other than those financed by Internal Service Funds.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Internal Service Funds - These funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. Such goods and services include: worker's compensation, liability insurance, retiree medical insurance, information technology, vehicle replacement and maintenance, maintenance of City owned buildings and grounds, and centralized operating services.

Fiduciary Funds - Fiduciary fund financial statements include a statement of net position and statement of changes in net position. The City's fiduciary funds are used to account for assets held by the City as trustee for the Redevelopment Agency Successor Agency, and as an agent for employees and various independent entities as well as independent assessment districts, in addition, pension trust funds are used to account for other post-employment benefits for employees. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans.

Agency Funds - These funds have been established to account for items that are custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

d. Appropriations Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2021, proceeds of taxes did not exceed appropriations.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

e. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in the governmental funds. Encumbrances are reported as restrictions of fund balances since they do not constitute expenditures or liabilities.

f. 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 have an original maturity date of three months or less from the date of purchase.

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates.

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, maturity, or sale of investments.

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

g. Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the time of acquisition. 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 additions to public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. Public domain assets acquired prior to 1980 have been included in the accompanying financial statements.

The following schedule summarizes capital asset useful lives:

Buildings	40 years
Equipment	3-20 years
Improvements	40 years
Infrastructure	40 years
Water Wells and pumps	70 years

Note 1: Summary of Significant Accounting Policies (Continued)

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

h. Compensated Absences

Employees hired prior to 1991, carry forward for use in subsequent years, earned but unused vacation and sick leave benefits. Upon termination, the City is obligated to compensate those employees for all earned but unused vacation days and 50% to 100% of earned but unused sick leave benefits depending on their date of hire.

In accordance with GASB Statement No. 16, Accounting for Compensated Absences, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of future event (illness), which is outside the control of the City and the employee.

If material, a proprietary fund liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have been terminated prior to year-end. All other amounts are recorded in the government-wide financial statements. These non-current amounts will be recorded as fund expenditures in the fiscal year in which they are paid or become due.

i. Advances to Other Funds

Long-term interfund advances are recorded as a receivable and as nonspendable fund balance by the advancing governmental fund in the fund financial statements.

j. Inventories and Prepaid Items

Inventories are stated at weighted average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual at that time. The City uses the consumption method of accounting for inventories.

Certain payments to vendor reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

k. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City of Indio accrues only those taxes, which are received within 60 days after fiscal year-end.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment – November 1
	Second Installment – February 1
Delinquent Date:	First Installment – December 11
	Second Installment – April 11

Taxes are collected by Riverside County and are remitted to the City periodically. Dates and percentages are as follows:

December 10	30% Advance
January 16	Collection No. 1
April 10	10% Advance
May 15	Collection No. 2
July 31	Collection No. 3

l. Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired, or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

m. Amortization of Bond Premiums and Discounts

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which materially approximates the effective interest method. Bond premiums and discounts are presented as a reduction or addition to the face amount of the bonds payable.

n. Unamortized Gain/Loss on Refunding

Gain/Loss on refunding debt is deferred and amortized over the shorter of the term of the new debt or the refunded debt using the straight-line method, which materially approximates the effective interest method. These are now recorded, per GASB Statement No. 65, as deferred inflows or outflows of resources.

o. Property/Land Held for Resale

Homes purchased for the purpose of resale under the federally funded Neighborhood Stabilization Program and land purchased for the purpose of resale (or contribution to a redevelopment project) are recorded at the City's or Successor Agency's cost to purchase the property or, upon entering into a contract for sale, at the estimated net realizable value, if lower.

Note 1: Summary of Significant Accounting Policies (Continued)

p. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources on the deferred loss on refunding of debt, pensions, and OPEB in the statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflow of resources deferred revenue on the fund financial statements and unamortized gain on refunding of debt, pensions, and OPEB in the statement of net position.

r. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

s. Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by CalPERS, and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

t. Fund Balance and Net Position

GASB Statement No. 63 adds the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Net position is the excess of all the City's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position, which is determined only at the government-wide level, proprietary funds, and fiduciary funds and are described below.

Net Investment in capital assets describe the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describe the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, redevelopment funds restricted for low-and-moderate income purposes, and gas tax funds for street construction.

Unrestricted describes the portion of net position which is not restricted as to use.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific Purposes for which amounts in the funds can be spent. As of June 30, 2021, fund balances for governmental funds are made up of the following:

Nonspendable – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (for example: resolution and ordinance). Ordinance is the highest level of the City Council's approval.

Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager, Finance Officer or Deputy Finance Officer for the purpose of reporting these amounts in the annual financial statements.

Unassigned – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Note 1: Summary of Significant Accounting Policies (Continued)

u. Changes in Accounting Principles and New GASB Pronouncements

The City implemented Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* during fiscal year 2020-21. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The change in accounting principle resulted in a prior period adjustment in the amount of \$2,872,447 being reported for the custodial funds in the Statement of Changes in Fiduciary Net Position.

The City early adopted GASB Statement No. 98, the *Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Stewardship, Compliance, and Accountability

a. Deficit Fund Balances and Deficits in Internal Service Funds

The following governmental funds had deficit fund balances as of June 30, 2021, due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

Homeland Security	\$ (4,811)
NPDES	(104,807)
HBRRP	(372,956)
Community Development Block Grant	(1,333,561)
Local Gov. Planning Support Grant	(115,836)
Planning Prog. Grant SB-2	(100,821)

The following internal service funds had deficit net position as of June 30, 2021, and the City anticipates that these deficits will be reduced during the next fiscal year as part of the City's financial recovery plan.

Buildings and Grounds	\$ (199,481)
Fleet Maintenance	(2,031,285)

b. Compliance with Budgetary Limitations

The Unclaimed Property, Asset Forfeiture, Emergency Abandoned and Recalcitrant, Neighborhood Stabilization Grant 3, and the American Rescue Plan Act special revenue funds; and the Assessment District capital projects fund did not adopt budgets for the year ended June 30, 2021.

Note 2 to Required Supplementary Information, *Excess of Expenditures over Appropriations*, describes budgetary excesses in the General Fund that occurred for the year ended June 30, 2021.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

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

Statement of net position:	
Cash and investments	\$ 132,964,577
Cash and investments held by bond trustee	4,618,037
Restricted cash and investments	1,209,917
Fiduciary Funds:	
Cash and investments	15,214,539
Cash and investments held by bond trustee	6,358,430
Total cash and investments	<u>\$ 160,365,500</u>
Cash on hand	\$ 8,600
Deposits with financial institutions	43,696,713
Investments	116,660,187
Total cash and investments	<u>\$ 160,365,500</u>

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

The table below identifies the investment types that are authorized for the City by the 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 Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	5%
Commercial Paper	Yes	270 days	25%	5%
Certificates of Deposit (Nonnegotiable)	Yes	5 years	None	None
Certificates of Deposit (Negotiable)	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	5%
Medium-Term Notes	Yes	5 years	30%	5%
Municipal Investments	Yes	5 years	10%	5%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
Local Agency Investment Funds	Yes	N/A	None	\$50 million

*Based on state law requirements or City investment policy requirements, whichever is more restrictive.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 3: Cash and Investments (Continued)Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	30 years	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (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 Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury Issues	\$ 13,920,741	\$ 1,668,233	\$ 6,087,660	\$ 6,164,848
Federal Agency Securities	23,398,063	456,300	11,130,819	11,810,944
Supranationals	2,371,142	-	-	2,371,142
Municipal Securities	575,008	-	-	575,008
Corporate Medium Term Notes	12,538,941	1,006,825	6,442,092	5,090,024
Negotiable Certificates of Deposit	1,550,205	1,550,205	-	-
Asset-Backed Securities	3,496,709	-	1,223,317	2,273,392
Money Market Mutual Funds	1,260,026	1,260,026	-	-
Local Agency Investment Fund	46,572,885	46,572,885	-	-
Held with Bond Trustees:				
Money Market Mutual Funds	10,976,467	10,976,467	-	-
Total	<u>\$ 116,660,187</u>	<u>\$ 63,490,941</u>	<u>\$ 24,883,888</u>	<u>\$ 28,285,358</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Moody's Rating as of Fiscal Year End				
			Aaa	Aa	A	P-1	Exempt or Not Rated
U.S. Treasury Issues	\$ 13,920,741	N/A	\$ -	\$ -	\$ -	\$ -	\$ 13,920,741
Federal Agency Securities	23,398,063	N/A	-	-	-	-	23,398,063
Supranationals	2,371,142	AA	2,371,142	-	-	-	-
Municipal Securities	575,008	N/A	-	575,008	-	-	-
Corporate Medium Term Notes	12,538,941	A	-	344,305	12,194,636	-	-
Negotiable Certificates of Deposit	1,550,205	A-1	-	-	-	1,550,205	-
Asset-Backed Securities	3,496,709	Aa	3,496,709	-	-	-	-
Money Market Mutual Funds	1,260,026	Aaa	1,260,026	-	-	-	-
Local Agency Investment Fund	46,572,885	N/A	-	-	-	-	46,572,885
Held with Bond Trustees:							
Money Market Mutual Funds	10,976,467	Aaa	10,976,467	-	-	-	-
Total	\$ 116,660,187		\$ 18,104,344	\$ 919,313	\$ 12,194,636	\$ 1,550,205	\$ 83,891,689

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

As of June 30, 2021, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 3: Cash and Investments (Continued)Concentration of Credit Risk

The City diversifies its investments by security type and institution. The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, with the exceptions of United States Treasury Obligations, mutual funds, and external investment pools. As of June 30, 2021, investments in any one issuer that represents 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Mortgage Co.	Federal Agency Securities	\$7,135,854
Fannie Mae	Federal Agency Securities	\$6,302,854

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 on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF does not impose limits or restrictions on participant withdrawals, and the entire balance of the City's investment in the portfolio is available for withdrawal at any time. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

Fair Value Hierarchy

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 utilized by the City to determine fair market value include: matrix pricing, market corroborated pricing, and other inputs such as yield curves and indices. Level 3 inputs are significant unobservable inputs. At June 30, 2021, all of the City's investments are valued using Level 2 inputs, with the exception of LAIF, which is uncategorized.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 4: Interfund Receivables, Payables, and Transfers

Transfers in and out for the fiscal year ended June 30, 2021, were as follows:

Transfers from	Transfers to	Amount
General Fund	Capital Projects Fund	\$ 1,337,363 (a)
General Fund	Other Governmental Funds	2,261,970 (b)
General Fund	Other Governmental Funds	111,240 (c)
Capital Projects Fund	Other Governmental Funds	1,053,468 (d)
Capital Projects Fund	Other Governmental Funds	1,550,000 (b)
American Rescue Plan Act	General Fund	795,000 (e)
Other Governmental Funds	General Fund	5,212,410 (f)
Other Governmental Funds	Capital Projects Fund	364,390 (a)
Total		<u>\$ 12,685,841</u>

Interfund transfers were principally used for the following purposes:

- a. \$1,337,363 and \$364,390 was transferred from the General Fund and various other governmental funds, respectively, to the Capital Projects fund to cover costs associated with public works projects and other building costs.
- b. \$2,261,970 and \$1,550,000 were transferred from the General Fund and Capital Projects Fund, respectively, to the Other Governmental Funds to cover debt service payments. The remaining amounts are for various other operating purposes.
- c. \$111,240 was transferred from the General Fund to the Other Governmental Funds to cover operational deficits.
- d. \$1,053,468 was transferred from the Capital Projects Fund to the Other Governmental Funds to transfer fund balance related to public art in-lieu into its own new fund.
- e. \$795,000 was transferred from the American Rescue Plan Act Fund to the General Fund for public safety costs associated with responding to the coronavirus pandemic.
- f. \$5,212,410 was transferred from the Other Governmental Funds to the General Fund for police and fire services.

Current interfund receivables and payables as of June 30, 2021, are as follows:

Due to Fund	Due from Fund	Amount
General Fund	Other Governmental Funds	<u>\$ 2,315,680</u>

Interfund balances are a result of short-term interfund borrowings to manage cash flows.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 5: Notes Receivable and Long-Term Receivable

	Outstanding at June 30, 2021
First time home buyer notes issued to homebuyers	\$ 46,100
Neighborhood Stabilization deferred loan program	1,487,392
Horizons at Indio senior housing project	3,716,163
Geovel, Inc. secured promissory note	<u>3,576,455</u>
Total	<u>\$ 8,826,110</u>

The City administered a First Time Home Buyer Program. The program is designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. As of June 30, 2021, notes receivable of \$46,100 reported under the Indio Housing Authority.

The Horizons at Indio Senior Housing Project note was issued on December 1, 2005 and is due in full on December 1, 2060 or at an earlier time if the acceleration clause of the agreement becomes effective as defined in the agreement. The note accrues interest at 1% annually. The amount of the note outstanding as of June 30, 2021, was \$3,716,163.

The Neighborhood Stabilization Program is funded by the U.S. Department of Housing and Urban Development (HUD) to help very low-to-moderate-income first-time home buyers purchase completely renovated foreclosed and/or abandoned homes. Three targeted areas in the City of Indio ("City") were selected to create the greatest impact by stabilizing and bringing new families into older established neighborhoods. The program will be available to anyone that is a first-time home buyer and has not owned a home in the last three years, has an annual income that is not greater than 120% of the area median income as published by the U.S. Department of Housing and Urban Development (HUD). The amount of loans outstanding as of June 30, 2021, was \$1,487,392.

The Geovel, Inc. promissory note was provided to a major auto dealer so that the dealer could purchase 18 acres located on the north side of Varner Road between Adams Street and Jefferson Street in an area known as the I-10 Auto Mall. The auto dealership generates sales tax for the City. The site also fills the gap between the I-10 Auto Mall and other proposed dealership, making the site area more attractive for future development. The note was issued December 22, 2014 and is due in full on February 19, 2030 or at an earlier time if the Note is prepaid in whole or in part at any time, without charge, fee or premium, based on the prepayment clause defined in the agreement. The note accrues interest at 4% annually, provided, however, that after the outstanding principal becomes due and payable, interest shall commence accruing at the lesser of 8% annually or the highest rate permitted by law. The amount of the note outstanding as of June 30, 2021, was \$3,576,455.

Note 6: Property Held for Resale

The land held for resale is recorded in the general fund with the intention to be sold to local businesses or developers. Land purchased for the purpose of resale (or contribution to a redevelopment project) is recorded at the City's cost to purchase the property or, upon entering into a contract for sale, the estimated net realizable value, if lower.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 6: Property Held for Resale (Continued)

The City of Indio received federal funding in Neighborhood Stabilization Program (NSP2 and NSP3) from the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (aka Dodd-Frank Act) for the purpose of addressing the growing inventory of abandoned, foreclosed residential properties.

	General Fund	Indio Housing Authority	Neighborhood Stabilization Grant 2	Total
Property held for resale	\$ 4,911,067	\$ 164,000	\$ 177,654	\$ 5,252,721

Note 7: Capital Assets

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

a. Governmental Activities:

	Balance June 30, 2020, Restated	Additions	Deletions	Transfers	Balance June 30, 2021
Structures and improvements	\$ 37,123,320	\$ 9,728	\$ -	\$ -	\$ 37,133,048
Machinery and equipment	8,749,015	531,480	-	-	9,280,495
Vehicles	11,713,753	888,707	-	-	12,602,460
Infrastructure: street network	576,408,479	1,297,692	-	29,377,494	607,083,665
Total cost of depreciable assets	633,994,567	2,727,607	-	29,377,494	666,099,668
Less accumulated depreciation:					
Structures and improvements	11,360,152	951,171	-	-	12,311,323
Machinery and equipment	7,792,783	347,070	-	-	8,139,853
Vehicles	9,584,926	775,220	-	-	10,360,146
Infrastructure: street network	281,749,060	14,798,553	-	-	296,547,613
Total accumulated depreciation	310,486,921	16,872,014	-	-	327,358,935
Net depreciable assets	323,507,646	(14,144,407)	-	29,377,494	338,740,733
Capital assets not depreciated:					
Construction in process	51,536,513	6,189,012	-	(29,377,494)	28,348,031
Land	42,246,066	-	586,480	-	41,659,586
Right of Way	56,329,877	-	1,635,508	-	54,694,369
Total capital assets not depreciated	150,112,456	6,189,012	2,221,988	(29,377,494)	124,701,986
Capital assets, net	\$ 473,620,102	\$ (7,955,395)	\$ 2,221,988	\$ -	\$ 463,442,719

During the year, the City implemented a new asset management software and during the implementation process, identified \$281,984 in Land assets that were previously classified as Right of Way. These assets were reclassified to their proper categories, and the beginning balances for those categories were restated.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 7: Capital Assets (Continued)

Total depreciation expense of \$16,872,014, including \$1,143,876 of internal service depreciation, was charged in the following functions:

General government	\$ 5,600,382
Public safety	1,013,820
Public works	7,044,450
Community development	2,023,506
Community services	45,980
Internal service funds	1,143,876
	<u>\$ 16,872,014</u>

b. Business-Type Activities:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Structures and improvements	\$ 15,351,444	\$ -	\$ -	\$ -	\$ 15,351,444
Machinery and equipment	3,340,449	22,038	-	-	3,362,487
Vehicles	2,124,770	88,831	-	-	2,213,601
Utility distribution system	292,805,334	891,284	-	-	293,696,618
Total cost of depreciable assets	<u>313,621,997</u>	<u>1,002,153</u>	<u>-</u>	<u>-</u>	<u>314,624,150</u>
Less accumulated depreciation:					
Structures and improvements	3,666,630	382,799	-	-	4,049,429
Machinery and equipment	2,839,363	165,487	-	-	3,004,850
Vehicles	1,524,757	129,040	-	-	1,653,797
Utility distribution system	145,680,884	7,331,274	-	-	153,012,158
Total accumulated depreciation	<u>153,711,634</u>	<u>8,008,600</u>	<u>-</u>	<u>-</u>	<u>161,720,234</u>
Net depreciable assets	<u>159,910,363</u>	<u>(7,006,447)</u>	<u>-</u>	<u>-</u>	<u>152,903,916</u>
Capital assets not depreciated:					
Construction in process	226,514	772,458	-	-	998,972
Land	2,174,669	-	-	-	2,174,669
Total capital assets not depreciated	<u>2,401,183</u>	<u>772,458</u>	<u>-</u>	<u>-</u>	<u>3,173,641</u>
Capital assets, net	<u>\$ 162,311,546</u>	<u>\$ (6,233,989)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,077,557</u>

Depreciation expense was charged in the following function in the Statement of Activities:

Water	\$ 7,990,347
Golf	18,253
	<u>\$ 8,008,600</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 8: Obligations Under Capital Leases

A summary of changes of governmental activities' capital lease obligations for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Facilities Energy Efficient Equipment	\$ 342,532	\$ -	\$ 93,142	\$ 249,390	\$ 96,848

Facilities Energy Efficient Equipment – A ten-year contract was entered into for the purchase of energy efficient equipment to be installed in various City facilities. The gross cost of the equipment, at lease inception, was \$866,896. The balance at June 30, 2021, on this contract was \$249,390.

The calculation of the present value of the future lease payments is as follows:

Amount of future lease payments for the fiscal year ending June 30,	
2022	\$ 105,212
2023	105,212
2024	52,606
Subtotal	263,030
Less amount representing interest	(13,640)
Present value of future lease payments	<u>\$ 249,390</u>

Note 9: Compensated Absences

Changes in compensated absences for the year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental Activities	\$ 2,320,903	\$ 1,358,111	\$ 1,290,594	\$ 2,388,420	\$ 1,328,138
Business-Type Activities	286,738	284,914	241,361	330,291	278,022
Totals	<u>\$ 2,607,641</u>	<u>\$ 1,643,025</u>	<u>\$ 1,531,955</u>	<u>\$ 2,718,711</u>	<u>\$ 1,606,160</u>

Compensated absences have no repayment schedule and are payable as employees utilize earned leave time. Compensated absences recorded in Governmental Activities are generally liquidated through the City's General Fund, and compensated absences recorded in Business-Type Activities are liquidated through the Water Fund.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 10: Long-Term Debt

Changes in long-term obligations for the year ended June 30, 2021, are as follows:

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Lease Revenue Refunding Bonds, Series 2012	\$ 18,650,000	\$ -	\$ 670,000	\$ 17,980,000	\$ 705,000
Lease Revenue Refunding Bonds, Series 2016A	13,650,000	-	515,000	13,135,000	540,000
Taxable Lease Revenue Refunding Bonds, Series 2016B	3,730,000	-	490,000	3,240,000	500,000
Judgment Obligation Bonds, Series 2017	14,410,000	-	640,000	13,770,000	655,000
Unamortized Bond Premiums/(Discounts)	529,334	-	28,681	500,653	-
Subtotal - Bonds Payable	50,969,334	-	2,343,681	48,625,653	2,400,000
Direct Borrowings and Direct Placements:					
Installment Sale Agreement	1,875,000	-	600,000	1,275,000	625,000
County of Riverside/CVAG Note Payable	279,087	-	279,087	-	-
Subtotal - Direct Borrowings and Direct Placements	2,154,087	-	879,087	1,275,000	625,000
Total - Governmental Activities	\$ 53,123,421	\$ -	\$ 3,222,768	\$ 49,900,653	\$ 3,025,000
Business-Type Activities:					
Bonds Payable:					
Enterprise Revenue Refunding Bonds, Series 2015A and B	\$ 51,065,000	\$ -	\$ 2,055,000	\$ 49,010,000	\$ 2,155,000
Unamortized Bond Premiums/(Discounts)	1,120,229	-	56,012	1,064,217	-
Total - Business-Type Activities	\$ 52,185,229	\$ -	\$ 2,111,012	\$ 50,074,217	\$ 2,155,000

a. Governmental Activities – Bonds Payable

Lease Revenue Refunding Bonds, Series 2012

In October 2012, the City of Indio Public Financing Authority issued the \$24,500,000 Lease Revenue Refunding Bonds Series 2012. The proceeds were used to finance the acquisition and construction of certain capital improvements within the City and to advance refund the partial outstanding balance of Series 2007A and all of the remaining outstanding Series 2007B.

The Series 2012 bonds consist of \$9,565,000 of serial bonds and \$14,935,000 of term bonds. The serial bonds accrue interest at rates between 2.00% and 4.375% and the principal amounts mature between November 1, 2014 and November 1, 2024 in amounts ranging from \$635,000 to \$1,135,000. Term bonds of \$4,690,000 accrue interest at 4.50% and mature on November 1, 2029, bonds of \$4,620,000 accrue interest at 4.625% and mature on November 1, 2033, and bonds of \$5,625,000 accrue interest at 5% and mature on November 1, 2037.

In the event of default, bondholders are limited to legal recourse only, there are no acceleration of payments allowable under the term of the bond agreement. The bonds are secured solely by revenues and certain funds held in reserve. Reserve requirements for the Series 2012 bonds are disclosed in the bond documents. At June 30, 2021, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$17,980,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt (Continued)

Lease Revenue Refunding Bonds, Series 2016A

In April 2016, the City of Indio Public Financing Authority issued the \$14,150,000 Lease Revenue Refunding Bonds Series 2016A. The proceeds were used to refund the remaining outstanding balance of Series 2007A. The bonds are secured by leased properties, and in the event of default, no acceleration of payments is allowed, but legal action may be taken against the City to fulfill its obligations under the indenture agreement.

The Series 2016A bonds consist of \$11,720,000 of serial bonds and \$2,430,000 of term bonds. The serial bonds accrue interest at rates between 3.00% and 5.00% and the principal amounts mature between November 1, 2019 and November 1, 2037 in amounts ranging from \$500,000 to \$1,005,000. Term bonds of \$2,430,000 accrue interest at 3.00% and mature on November 1, 2031. At June 30, 2021, the outstanding balance of the Series 2016A bonds was \$13,135,000.

Taxable Lease Revenue Refunding Bonds, Series 2016B

In April 2016, the City of Indio Public Financing Authority issued the \$5,580,000 Lease Revenue Refunding Bonds Series 2016B. The proceeds were used to repay the remaining outstanding balance of the H.N. and Frances C. Berger Foundation note payable. The bonds are secured by leased properties, and in the event of default, no acceleration of payments is allowed, but legal action may be taken against the City to fulfill its obligations under the indenture agreement.

The Series 2016B bonds consist of \$5,580,000 of serial bonds. The serial bonds accrue interest at rates between 1.520% and 3.650% and the principal amounts mature between November 1, 2016 and November 1, 2026 in amounts ranging from \$445,000 to \$570,000. At June 30, 2021, the outstanding balance of the Series 2016B bonds was \$3,240,000.

Judgment Obligation Bonds, Series 2017

In May 2017, the City of Indio issued the \$16,300,000 Judgment Obligation Bonds, Series 2017. The proceeds were used to pay the judgment ordered against the City in the case of *Jefferson Street Ventures, LLC v. City of Indio* on December 6, 2016. If in the event of default, the principal of all outstanding bonds may be declared due and payable. The City is obligated to deposit with the bond trustee each year the amount of payment obligations coming due in the fiscal year. Additionally, the city has covenanted to include in its budget in each fiscal year, a provision for funds in an amount sufficient to pay the principal and interest on the bonds coming due in such fiscal year.

The Series 2017 bonds consist of \$16,300,000 of serial bonds. The serial bonds accrue interest at rates between 1.250% and 4.250% and the principal amounts mature between November 1, 2017 and November 1, 2036 in amounts ranging from \$650,000 to \$1,140,000. At June 30, 2021, the outstanding balance of the Series 2017 bonds was \$13,770,000.

Note 10: Long-Term Debt (Continued)

b. Governmental Activities – Direct Borrowings and Direct Placements

Installment Sale Agreement

In April 2008, the California Statewide Communities Development Authority issued \$14,665,000 of Gas Tax Revenue Certificates of Participation, Series 2008A, for the benefit of the City of Indio and the City of Coachella. Upon issuance of the Certificates, the Communities Authority caused the design, acquisition and construction of certain local roadway improvements and street resurfacing projects throughout the geographic boundaries of each local agency. The Communities Authority agreed to sell the projects to the local agencies and the local agencies agreed to purchase the projects. To fund the purchase price, the local agencies entered into Installment Sales Agreements. The purchase price paid by the local agencies under the Agreements is the sum of the principal amount of the local agency's obligation under the Agreements plus interest to accrue on the unpaid balance. The City of Indio's purchase price under the 2008 Installment Sales Agreement was \$7,450,000.

Principal installments are due annually on each Certificate payment date and the interest installments are due semiannually on each Certificate interest payment date. Principal installment payments range from \$340,000 to \$674,050 and are scheduled to terminate in 2023. The installments accrue interest at rates between 4.00% and 4.375%. The City of Indio's outstanding installment sale obligation is \$1,275,000 as of June 30, 2021.

All of the gas tax revenues and all money in the City's Gas Tax Fund are irrevocably pledged to the punctual payment of 2008 Installment Sales Payments, and the gas tax revenues shall not be used for any other purpose while any of the 2008 Installment Sales Payments remain outstanding. The City is not liable for any events of default caused by the City of Coachella; however, in the event of default, payment of principal and interest may be subject to acceleration.

Per the terms of the trust agreement, the Series 2008A Certificates are required to maintain a reserve in the amount of 10% of the original proceeds or 125% of the average annual debt service for that every subsequent bond year. Each local agency is required to maintain a portion of that required reserve amount and the reserves were fully funded.

County of Riverside/CVAG Note Payable

On June 20, 2007, the City of Indio entered into an agreement with the County of Riverside and Coachella Valley Association of Governments (CVAG) for the construction of Miles Bridge, the widening and reconstruction of Miles Avenue from Clinton Street westerly to the new Miles Bridge, and the widening and reconstruction of Clinton Street between Miles Avenue and Fred Waring Drive. The original agreement calls for Coachella Valley Association of Governments (CVAG) to front all the money, with the County and City paying their obligations over the next 10 years in annual installments of approximately \$275,000 each, plus simple interest at Local Agency Investment Funds (LAIF) rates, in accordance with CVAG policy. City of Indio shares 50% of the total project cost. The note was fully matured with no outstanding balance at June 30, 2021.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt (Continued)**c. Governmental Activities – Debt Service Requirements to Maturity**

The annual debt service requirements to maturity for the Governmental Activities long-term debts are as follows:

Year Ending June 30,	Governmental Activities			
	Bonds Payable		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 2,400,000	\$ 1,935,066	\$ 625,000	\$ 55,313
2023	2,500,000	1,839,047	650,000	28,438
2024	2,605,000	1,739,043	-	-
2025	2,700,000	1,635,055	-	-
2026	2,815,000	1,523,812	-	-
2026-2031	13,350,000	5,911,977	-	-
2031-2036	15,685,000	3,013,039	-	-
2036-2038	6,070,000	241,097	-	-
	<u>\$ 48,125,000</u>	<u>\$ 17,838,136</u>	<u>\$ 1,275,000</u>	<u>\$ 83,751</u>

d. Business-Type Activities – Bonds PayableEnterprise Revenue Refunding Bonds, Series 2015 A and B

In June 2015, the Indio Water Authority (Authority) issued \$51,065,000 of Water Revenue Refunding Bonds Series 2015A, and \$9,150,000 of Water Revenue Refunding Bonds Series 2015B (Taxable). The proceeds were used to cause the refunding of the Authority's 2006 Water Revenue Bonds, finance certain capital improvements to the Authority's water system (only proceeds of the Series 2015A bonds), and to pay costs of issuance of the bonds. In the event of default, there is no acceleration of payments of unpaid principal or interest amounts. The bonds are secured by revenues pledged for the payment of debt service on the bonds.

The 2015A bonds consist of \$32,910,000 of serial bonds and \$18,155,000 of term bonds. The serial bonds accrue interest at rates between 3.250% and 5.000% and the principal amounts mature between April 1, 2021 and April 1, 2040 in amounts ranging from \$1,025,000 to \$3,250,000. Term bonds of \$14,320,000 accrue interest at 4.000% and mature on April 1, 2036, and bonds of \$3,835,000 accrue interest at 4.125% and mature on April 1, 2040. The 2015B bonds consist of \$9,150,000 of serial bonds and accrue interest at rates between 1.033% and 2.820%.

The Series 2015A term bonds maturing in the years 2036 and 2040 are subject to mandatory sinking account redemption on each April 1, commencing on April 1, 2033 and April 1, 2037, respectively, at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

At June 30, 2021, the outstanding balance of the Series 2015A bonds and Series 2015B bonds was \$49,010,000 and the Series 2015B bonds were fully matured with no balance outstanding.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Long-Term Debt (Continued)Debt Covenants for Enterprise Refunding Revenue Bonds, Series 2015A and B

As per the Bond Indenture, the City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each fiscal year:

1. which shall be at least sufficient to yield gross water revenues for the Water Authority which are sufficient to pay the following amounts in the following order of priority:
 - i. All operation and maintenance costs estimated by the City, in consultation with the Authority and based on information provided by the Authority, to become due and payable in such fiscal year;
 - ii. The base rental payments and the principal of and interest on any outstanding parity water obligations as they become due and payable during such fiscal year, without preference or priority;
 - iii. The amount, if any, required to restore the balance in the reserve subaccounts to the full amount of the respective reserve requirements and, with respect to any other outstanding parity water obligations, to restore the balance in the related debt service reserve fund to the full amount of the applicable reserve requirement; and
 - iv. All other additional rental and other payments required to meet any other obligations of the City which are charges, liens, encumbrances upon gross water revenues during such fiscal year.
 2. So that gross water revenues less operation and maintenance costs will be at least equal to 120% of the annual parity obligation payments for such fiscal year.
- e. Business-Type Activities – Debt Service Requirements to Maturity**

The annual debt service requirements to maturity for the Business-Type Activities long-term debts are as follows:

Year Ending June 30,	Business-Type Activities	
	Bonds Payable	
	Principal	Interest
2022	\$ 2,155,000	\$ 1,999,863
2023	2,260,000	1,892,113
2024	2,375,000	1,779,113
2025	2,495,000	1,660,363
2026	2,620,000	1,535,613
2026-2031	14,675,000	6,102,063
2031-2036	17,570,000	3,201,894
2036-2040	4,860,000	547,375
	<u>\$ 49,010,000</u>	<u>\$ 18,718,397</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11: Pledged Revenues

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

Description of Pledged Revenue	Annual Amount of Pledged Revenue (net of expenses, where required)	Annual Debt Service Payments (of all debt secured by this revenue)	Debt Service as a Percentage of Pledged Revenue
Gas tax revenues	\$ 1,978,134	\$ 680,675	34%

Note 12: Pension Plans

a. Plan Descriptions

The City contributes to the California Public Employees Retirement System (PERS); to both a miscellaneous agent multiple-employer and safety cost-sharing multiple employer defined benefit pension plans. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, California 95814.

b. 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 for non-duty disability benefits after 10 statutorily reduced benefits.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 12: Pension Plans (Continued)

The Plans' provisions and benefits in effect at the measurement date, are summarized as follows:

	Miscellaneous Plans		
	Classic *	PEPRA	
	Prior to 7/1/2013	After 7/1/2013	
Hire date			
Benefit formula	2.7% @ 55	2.7% @ 62	
Benefit vesting schedule	5 yr. of service	5 yr. of service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50-55	52-67	
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%	
Required employee contribution rates	7.41%	7.00%	
Required employer contribution rates	12.204%	11.450%	

	Safety Plans		
	Classic I *	Classic II *	PEPRA
	Prior to 7/1/2011	7/1/2011 - 7/1/2013	After 7/1/2013
Hire date			
Benefit formula	3.0% @ 50	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 yr. of service	5 yr. of service	5 yr. of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% - 3.0%	2.0% - 2.7%
Required employee contribution rates	8.99%	8.99%	13.75%
Required employer contribution rates	25.540%	22.397%	13.884%

* Plan is closed to new entrants.

c. Employees Covered for the Miscellaneous Agent, Multiple-Employer Plan

At the June 30, 2019 valuation date, the following employees were covered by the benefit terms for the Miscellaneous Plans:

	<u>Miscellaneous Plans</u>
Inactive employees or beneficiaries currently receiving benefits	246
Inactive employees entitled to but not yet receiving benefits	173
Active employees	171
	<u>590</u>

d. Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2021, the contributions recognized as a reduction to the net pension liability was \$3,775,732 and \$4,143,360 for the miscellaneous and safety plans, respectively.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 12: Pension Plans (Continued)

e. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuations were rolled forward to determine the June 30, 2021 total pension liabilities, based on the following actuarial methods and assumptions:

Actuarial Cost Method:	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate:	7.15%
Inflation:	2.50%
Salary Increases:	Varies by Entry Age and Service
Mortality Rate Table ¹ :	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase:	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

f. Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class	Assumed		
	Asset Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(1) An expected inflation of 2.00% used for this period.

(2) An expected inflation of 2.92% used for this period.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 12: Pension Plans (Continued)**g. Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

h. Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The EARSL for the Miscellaneous Plan for the measurement period ending June 30, 2020 is 3.2 years, which was obtained by dividing the total service years of 1,858 by 589 (the total number of plan participants). The EARSL for the Safety Plan pooled in CalPERS Plan PERF C for the measurement dated ending June 30, 2020, is 3.8 years, which was obtained by dividing the pool's total service years of 548,581 by 145,663 (the total number of plan participants in the PERF C).

i. Net Pension and Liability and Changes in Net Pension Liability

As of June 30, 2021, the City reported net pension liabilities of each as follows:

	Net Pension Liability
Miscellaneous agent	\$ 30,995,964
Safety cost-sharing proportionate share	40,720,531
	<hr/>
Total Net Pension Liability	\$ 71,716,495

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 12: Pension Plans (Continued)

Changes in the Net Pension Liability – Miscellaneous Plan

The following table shows the changes in net pension liability recognized over the measurement period for the miscellaneous agent multiple-employer plan.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at: 06/30/2019 (valuation date)	\$ 100,110,273	\$ 70,394,678	\$ 29,715,595
Changes Recognized for the Measurement Period:			
Service Cost	2,268,865	-	2,268,865
Interest on Total Pension Liability	7,076,401	-	7,076,401
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	-	-
Differences between Expected and Actual Experience	122,887	-	122,887
Net Plan to Plan Resource Movement	-	-	-
Contributions - Employer	-	3,775,732	(3,775,732)
Contributions - Employees	-	996,854	(996,854)
Net Investment Income	-	3,514,437	(3,514,437)
Benefit Payments, including Refunds of Employee Contributions	(4,793,895)	(4,793,895)	-
Administrative Expense	-	(99,239)	99,239
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during 2019-20	\$ 4,674,258	\$ 3,393,889	\$ 1,280,369
Balance at: 06/30/2020 (measurement date)	\$ 104,784,531	\$ 73,788,567	\$ 30,995,964

Proportionate Share of the Net Pension Liability – Safety Plans

For the Safety proportionate share of the net pension liability, it is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2019 and June 30, 2020, are as follows:

	Total Plans
Proportion - June 30, 2020	0.3512%
Proportion - June 30, 2019	0.3469%
Change - Increase (Decrease)	1.2267%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 12: Pension Plans (Continued)**j. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% 6.15%	Current Rate 7.15%	Discount Rate + 1% 8.15%
Miscellaneous Plan	\$ 45,380,199	\$ 30,995,964	\$ 19,167,804
Safety Plan	58,711,439	40,720,531	25,957,288
Total Plans	\$ 104,091,638	\$ 71,716,495	\$ 45,125,092

k. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2021, the City recognized pension expense as follows:

Miscellaneous	Safety	Total Plans
\$ 3,232,759	\$ 6,241,820	\$ 9,474,579

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan:		
Employer contributions subsequent to measurement date	\$ 3,856,017	\$ -
Changes of assumptions	-	19,195
Differences between expected and actual experiences	84,485	56,300
Net difference between projected and actual earnings on pension plan investments	522,184	-
Total Miscellaneous Plan	4,462,686	75,495
Safety Plan:		
Employer contributions subsequent to measurement date	4,675,712	-
Changes of assumptions	-	135,641
Differences between expected and actual experiences	3,157,671	-
Net difference between projected and actual earnings on pension plan investments	885,029	-
Adjustments due to differences in proportions	397,215	100,060
Difference in proportionate share	-	686,412
Total Safety Plan	9,115,627	922,113
Total All Plans	\$ 13,578,313	\$ 997,608

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 12: Pension Plans (Continued)

The \$3,856,017 and \$4,675,712 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total Plans
2022	\$ (341,393)	\$ 771,365	\$ 429,972
2023	210,177	1,323,338	1,533,515
2024	363,379	979,651	1,343,030
2024	299,011	443,448	742,459

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. The plan fiduciary net position disclosed for GASB 68 accounting may differ from the plan assets reported in the City's funding actuarial valuation report due to several reasons. For example, for the accounting reports, CalPERS must keep items such as deficiency reserves and fiduciary self-insurance included as assets. These amounts are excluded for rate setting purposes in your funding actuarial valuation.

Note 13: Other Post-Employment Benefits

a. Plan Description

Plan Administration

Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees can choose from a number of HMO and PPO options. The City offers the same medical plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA.

Benefits Provided

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and five years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and adult children to the age of 26. The City contribution is limited to \$1,600/month for retirees in 2020 for employees hired prior to August 1, 2009.

Employees first hired on or after August 1, 2009 are subject to the "100/90" State contribution formula and the 10-year vesting schedule set forth in Government Code section 22893. The vesting schedule provides for a City contribution of 50% of the "100/90" dollar amounts after 10 years of credited PERS service (5 of which must be with the City), with an additional 5% per year of service until fully vested after 20 years.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 13: Other Post-Employment Benefits (Continued)

The 2020 "100/90" monthly dollar amounts are \$767 single, \$1,461 two-party, and \$1,868 family. In addition, the City pays a 0.24%-of-premium administrative fee to PEMHCA for each retiree.

Plan Membership

At July 1, 2019, membership consisted of the following

Inactive members or beneficiaries currently receiving benefit payments	181
Inactive members or beneficiaries entitled to but not currently receiving benefit payments	16
Active plan members	240
	<u>437</u>

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City currently pays pay-as-you-go costs outside its irrevocable OPEB trust. The City contributes the excess, if any, of budgeted pay-go costs over the actual pay-go to the trust on an annual basis. For fiscal year 2020-21, the City recognized contributions in reduction to the net other post-employment benefit (OPEB) liability of \$1,980,041.

b. Net OPEB Liability

The City's Net OPEB Liability was measured as of June 30, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2019. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	6.00 percent, net of OPEB plan administrative expense
Healthcare cost trend rate	5.90 percent for 2020 decreasing 0.10 percent each year to an ultimate rate of 5.00 percent for 2029 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2019 valuation were based on a review of plan experience during the period July 1, 2017 to June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 13: Other Post-Employment Benefits (Continued)

(geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	40.0%	4.40%
U.S. Fixed	43.0%	1.50%
TIPS	5.0%	1.20%
Real Estate	8.0%	3.70%
Commodities	4.0%	0.60%

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the City’s Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2020	June 30, 2019	6.00%	3.13%	3.13%
June 30, 2021	June 30, 2020	6.00%	2.45%	2.45%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Other Post-Employment Benefits (Continued)Schedule of Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at: 06/30/2019 (valuation date)	\$ 53,511,499	\$ 1,742,553	\$ 51,768,946
Changes Recognized for the Measurement Period:			
Service Cost	1,170,693	-	1,170,693
Interest	1,681,183	-	1,681,183
Changes of Assumptions	5,809,571	-	5,809,571
Differences between Expected and Actual Experience	-	-	-
Contributions - Employer ¹	-	1,980,041	(1,980,041)
Net Investment Income	-	94,472	(94,472)
Benefit Payments ¹	(1,955,604)	(1,955,604)	-
Administrative Expense	-	(860)	860
Net Changes during 2019-20	\$ 6,705,843	\$ 118,049	\$ 6,587,794
Balance at: 06/30/2020 (measurement date)	\$ 60,217,342	\$ 1,860,602	\$ 58,356,740

¹ Amount includes implicit subsidy associated with benefits paid.

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Net OPEB liability (asset)	\$68,856,646	\$58,356,740	\$50,116,747

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
Net OPEB liability (asset)	\$49,440,728	\$58,356,740	\$69,696,136

Plan Fiduciary Net Position

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from CalPERS' website at www.calpers.ca.gov.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 13: Other Post-Employment Benefits (Continued)

c. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized \$7,367,608 in OPEB expenses.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period (4.1 years at June 30, 2018)

At June 30, 2021, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions after the measurement date	\$ 2,030,042	\$ -
Changes in assumptions or other inputs	8,361,616	-
Differences between expected and actual experience	-	616,470
Differences between projected and actual return on plan investments	-	1,995
Total	\$ 10,391,658	\$ 618,465

The \$2,030,042 reported as City contributions after the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ 4,621,531
2023	1,890,751
2024	1,228,674
2025	2,195

Note 14: Liability, Property and Workers Compensation Protection

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Indio is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Self-Insurance Programs of the Authority

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 primary self-insurance programs is based on an 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. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 14: Liability, Property and Workers Compensation Protection (Continued)

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.

c. Purchased Insurance

Pollution Legal Liability Insurance

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

Property Insurance

The City of Indio participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Indio property is currently insured according to a schedule of covered property submitted by the City of Indio to the Authority. City of Indio property currently has all-risk property insurance protection in the amount of \$152,180,972. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City of Indio purchases crime insurance coverage in the amount of \$3,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

d. 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 2020-21.

Changes in the claims payable amounts for the past three fiscal years were as follows:

	Beginning of Fiscal Year Liability	Fiscal Year Claims and Prior Fiscal Year Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018-19	\$ 174,643	\$ -	\$ (79,989)	\$ 94,654
2019-20	94,654	-	(23,649)	71,005
2020-21	71,005	-	(44,406)	26,599

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 15: Debt Issued Without Government CommitmentAssessment District Limited Obligation Bonds

The City of Indio issued the following Limited Obligation Improvement Bonds to finance the costs of acquisition of certain public improvements serving property within the prospective Assessment Districts. The bonds are payable from annual installments collected on regular property tax bills sent to owners of property having unpaid assessments levied against land benefited by the projects. Neither the faith, credit nor taxing power of the City is pledged to the repayment of the bonds. Accordingly, no liability has been recorded in the financial statements.

Issuance Date	Face Value	Interest Rate	Maturity Date	Outstanding 6/30/2020	FY20/21 DS Principal	Outstanding 6/30/2021
7/26/2012	\$ 1,520,000	4.690%	9/2/2020	\$ 190,000	\$ 190,000	\$ -
7/26/2012	3,295,000	4.690%	9/2/2026	1,765,000	220,000	1,545,000
7/26/2012	3,410,000	4.690%	9/2/2026	1,960,000	210,000	1,750,000
7/26/2012	2,162,900	4.690%	9/2/2027	1,255,809	131,015	1,124,794
7/26/2012	4,119,800	4.710%	9/2/2027	2,367,913	246,600	2,121,313
7/23/2014	1,752,000	3.550%	9/2/2029	1,258,000	110,000	1,148,000
7/23/2014	1,402,000	3.550%	9/2/2029	1,016,000	88,000	928,000
7/23/2014	4,038,000	3.550%	9/2/2029	2,926,000	251,000	2,675,000
7/23/2014	1,343,000	3.550%	9/2/2029	974,000	83,000	891,000
7/23/2014	1,627,000	3.550%	9/2/2029	1,178,000	109,000	1,069,000
7/19/2017	1,465,000	2.80% to 6.00%	9/2/2030	1,280,000	105,000	1,175,000
7/19/2017	2,320,000	1.67% to 3.86%	9/2/2030	2,015,000	160,000	1,855,000
7/19/2017	3,910,000	2.90% to 5.50%	9/2/2030	3,405,000	270,000	3,135,000
8/4/2015	15,530,000	2.00% to 4.00%	9/1/2035	12,715,000	595,000	12,120,000
7/23/2014	8,337,000	4.030%	9/1/2036	7,055,000	298,000	6,757,000
7/23/2014	7,554,000	4.030%	9/1/2036	7,186,000	302,000	6,884,000
7/23/2014	8,499,000	4.030%	9/1/2036	6,369,000	267,000	6,102,000

Note 16: Contingent Liabilities and CommitmentsNormal Course of Operations

The City is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from actions will not have a material adverse effect on the City's financial position.

Revenue Tax Sharing Agreement Commitment

In March 1997, the City entered into an agreement with the County of Riverside in order to obtain the County's cooperation to annex property in the unincorporated County area with the intention of developing a relocation site for the new and used auto dealers of the City of Indio. The development of the Desert Cities Auto Center and its annexation into the City of Indio is expected to generate significant sales and use taxes as well as property taxes from the improved site. In return, the City agrees to provide maintenance of certain County facilities. In return for the County's cooperation in approving the Desert Cities Auto Center site plan and its annexation into the City of Indio, this agreement provides that the City of Indio will dedicate 25% of sales and use taxes derived from the annexed property to the County for the remainder of a thirty-year period ending in the year 2027. Upon expiration of the term of the agreement and upon payment by the City to the County of the sum of \$1, the County shall convey fee title to the County Improvements. During fiscal year 2020-21, payment in the amount of \$533,656 was made to the County.

Note 16: Contingent Liabilities and Commitments

Interim Housing Facilities for Indio High School

In April 2010, the City entered into an agreement with the Desert Sands Unified School District (District) to equally share the actual Interim Housing costs during the course of construction on rebuilding the Indio High School campus. The City recently constructed a new “Teen Center” directly across from the High School. The City envisions an inter-generational campus for this area and believes the Original Design is not consistent with the City’s vision. Pursuant to the City’s request, the District prepared a revised design. The revised design will require an interim campus during the construction the City and District agreed to share the interim housing cost. The total cost is \$5,890,420, which 50% of the cost is committed by the City. Starting August 2018, the annual City’s payment to the Indio High School will be \$147,260, until July 2037.

Purchase Commitments

For the fiscal year ended June 30, 2021, the City had open purchase commitments totaling \$2,194,168.

Note 17: Joint Venture Agreements

Eastern Riverside County Interoperable Communications Authority (“ERICA”)

The Eastern Riverside Interoperable Communications Authority (“ERICA”) was created in July 2008 by a Joint Exercise of Powers Agreement between public agency parties located in Riverside County, California. ERICA was formed to enable the Members to acquire real, personal and intangible property and to plan, design, finance, construct, operate, and maintain public safety radio communication systems, facilities and related structures to assist the Members in meeting public safety communication needs. The goal and intent of the ERICA is one of voluntary cooperation among cities for the collective benefit of cities in Riverside County. The City of Indio is a member of the ERICA and is responsible for the accounting records of the joint venture.

East Valley Reclamation Authority (“EVRA”)

The East Valley Reclamation Authority (EVRA) was created on December 18, 2013 under a joint powers agreement between The City of Indio through the Indio Water Authority (IWA) and the Valley Sanitary District (VSD) to plan, implement and operate a recycled water program including the tertiary or enhanced treatment of water, as well as the lease, ownership, operation and maintenance of Facilities and the financing costs relation to Public Capital Improvements. Primary funding for the EVRA is through contributions from the IWA and the VSD. The EVRA is governed by a Board appointed by the IWA and VSD and administered by either the IWA or VSD based on a rotation determined by the Board. For the fiscal year ended June 30, 2021, the IWA was the administrator of the EVRA and therefore maintains the books and records of the EVRA. The IWA’s contribution to the EVRA for the fiscal year ended June 30, 2021 was \$31,927 for operations. Audited financial statements may be obtained from the City of Indio, 100 Civic Center Mall, Indio, California 92201.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

Note 18: Fund Balance Classifications

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2021, is as follows:

	General Fund	American Rescue Plan Act	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid costs	\$ 163,662	\$ -	\$ -	\$ 19,356	\$ 183,018
Property held for resale	4,911,067	-	-	-	4,911,067
Notes and loans receivable	3,576,455	-	-	-	3,576,455
Total Nonspendable	8,651,184	-	-	19,356	8,670,540
Restricted:					
Gas tax	-	-	-	965,951	965,951
Traffic safety	-	-	-	222,072	222,072
Public safety	-	-	-	629,498	629,498
Supplemental law enforcement	-	-	-	466,092	466,092
LLEBG	-	-	-	14,333	14,333
Abandoned vehicle	-	-	-	176,786	176,786
Unclaimed property	-	-	-	13,826	13,826
Measure A	-	-	-	2,051,507	2,051,507
Air quality	-	-	-	178,428	178,428
Public Education Government Channel	-	-	-	960,134	960,134
Waste recycling AB939	-	-	-	554,758	554,758
Community facilities districts	-	-	-	105,551	105,551
Certified access specialist SB1186	-	-	-	82,032	82,032
Low- and moderate-income housing	-	-	-	8,098,719	8,098,719
Department of Conservation recycle grant	-	-	-	2,782	2,782
Neighborhood stabilization programs	-	-	-	837,017	837,017
Lighting and landscaping	-	-	-	2,849,010	2,849,010
Asset forfeiture	-	-	-	26,025	26,025
Emergency abandoned and recalcitrant	-	-	-	130,813	130,813
Cal Emergency Management	-	-	-	123	123
Donations	-	-	-	74,926	74,926
SB-1 Transportation	-	-	-	1,528,736	1,528,736
Compost Mitigation Dillon	-	-	-	34,635	34,635
Public art	-	-	-	1,150,202	1,150,202
Pension stabilization	1,209,917	-	-	-	1,209,917
Debt service	-	-	-	1,590,783	1,590,783
Total Restricted	1,209,917	-	-	22,744,739	23,954,656
Committed:					
Economic uncertainty	12,000,000	-	-	-	12,000,000
Total Committed	12,000,000	-	-	-	12,000,000
Assigned:					
Capital projects	-	-	6,034,734	-	6,034,734
Fire ladder truck	400,000	-	-	-	400,000
Radio replacements	2,000,000	-	-	-	2,000,000
Reserve for encumbrances	393,690	-	-	-	393,690
FY2021-22 budget	9,007,275	-	-	-	9,007,275
Administrative	280,933	-	-	-	280,933
Total Assigned	12,081,898	-	6,034,734	-	18,116,632
Unassigned					
	19,796,945	-	-	(2,044,890)	17,752,055
Total Fund Balance	\$ 53,739,944	\$ -	\$ 6,034,734	\$ 20,719,205	\$ 80,493,883

Note 19: Tax Abatement Agreements

On April 20, 2016, the City entered into a tax abatement agreement of sales and use tax revenues with a local developer under the authority of the City Council of the City of Indio. This agreement allows for a 50 percent abatement of sales taxes, with no maximum ceiling, during the four-calendar year period after business opened to the public. For the fiscal year ended June 30, 2021, the City abated tax increments totaling \$49,453 under this agreement.

On May 3, 2017, the City entered into a tax abatement agreement of sales and use tax revenues with a local developer under the authority of the City Council of the City of Indio. This agreement allows for a 50 percent abatement of sales taxes, with a maximum ceiling of \$3,942,238, and will expire upon the later of the reaching the maximum ceiling or May 3, 2032. For the fiscal year ended June 30, 2021, the City abated tax increments totaling \$222,955 under this agreement.

On March 20, 2019, the City entered into a tax abatement agreement of transient occupancy tax revenues with a local developer under the authority of the City Council of the City of Indio. This agreement allows for a 50 percent abatement of transient occupancy taxes, with a maximum ceiling of \$1,145,000, and will expire upon the earlier of reaching the maximum ceiling or six years after the first incentive payment by the City. For the fiscal year ended June 30, 2021, the city abated tax increments totaling \$142,978 under this agreement.

Note 20: 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 Indio 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 other unit of local government will agree to serve as the “successor agency” to hold the assets units they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12-001.

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 as the date of the 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 former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs that State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 20: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

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.

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of January 31, 2012 from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary gain (loss) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

a. Cash and Investments

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

Cash and investments pooled with the City	\$ 5,263,893
Cash and investments with fiscal agent	<u>1,642,351</u>
Total	<u><u>\$ 6,906,244</u></u>

b. Notes Receivable

As of June 30, 2021, notes receivable consisted of the following:

Jackalope	\$ 522,625
Housing rehabilitation deferred loan program	<u>19,750</u>
Total	<u><u>\$ 542,375</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 20: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

On November 5, 2008, and in furtherance of redevelopment goals to promote development on Highway 111, the RDA approved a \$500,000 loan agreement to Morcus Management and Jackalope for alterations to a restaurant located at 80-400 Highway 111, in Indio, California. The loan was scheduled to be paid over a seven-year period at an interest rate of 4%, however, on November 16, 2010, due to financial difficulties encountered by Morcus Management and Jackalope, an amendment was made to the original loan agreement providing that no payments are necessary for the first 13.5 months following the amendment date, to accommodate for the cash flow concerns of Morcus Management and Jackalope. Morcus Management and Jackalope have agreed, with the City, to defer all loan payments, interest free, until March 31, 2012. In the beginning of fiscal year 2012-13, Morcus Management and Jackalope started making the regular payments; the last payment received was on June 5, 2015. The amount of loans outstanding as of June 30, 2021 was \$522,625.

The Housing Rehabilitation Deferred Loan program provides financial assistance in the form of deferred low-interest loans to qualified homeowners, allowing them to eliminate health and safety-related property conditions, make basic improvements to the interior of the residence, and to make needed exterior aesthetic home improvements. After ten years of satisfactory program participation, continued home-owner occupancy, and exemplary maintenance/upkeep of the property, the loan would be forgiven and converted into a grant. The amount of loans outstanding as of June 30, 2021 was \$19,750.

c. Land Held for Resale

Land held for resale in the RDA Capital Project Fund consists of 13 properties purchased as early as 1950. The purchases of these properties are spread over a longer period and recorded at cost. As of June 30, 2021, land held for resale totaled \$5,974,273.

d. SERAF Advance

In January 2010, the former Redevelopment Low/Moderate Fund loaned the former Redevelopment Capital Projects Fund \$4,557,784 for payment of the SERAF contribution. In fiscal year 2010-2011, the former Redevelopment Low/Moderate Fund loaned the Redevelopment Capital Project Funds \$938,367 for payment of the SERAF contribution. The Indio Housing Authority will be repaid in installments. Long term payable balance as of June 30, 2021 was \$2,405,025.

e. Long-Term Liabilities

Long-term debt of the Successor Agency as of June 30, 2021, consisted of the following:

	Balance at June 30, 2020	Increases	Decreases	Balance at June 30, 2021	Due Within One Year
Public Offerings:					
Tax Allocation 2004A	\$ 7,775,000	\$ -	\$ 100,000	\$ 7,675,000	\$ 105,000
Tax Allocation 2008A and B	14,865,000	-	695,000	14,170,000	730,000
2018 Subordinate Tax Allocation A and B	28,405,000	-	1,575,000	26,830,000	1,620,000
Unamortized Bond Premiums/(Discounts)	3,171,955	-	211,463	2,960,492	-
Total - Public Offerings	\$ 54,216,955	\$ -	\$ 2,581,463	\$ 51,635,492	\$ 2,455,000

Note 20: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Tax Allocation Bonds, Series 2004A

In July 2004, the City of Indio Redevelopment Agency issued \$9,760,000 Tax Allocation Bonds Series 2004A. The proceeds were used to finance redevelopment activities of the Agency and to advance refund Tax Increment Revenue Refunding Bonds 1997 Series C.

The 2004A bonds consist of \$500,000 of serial bonds and \$9,260,000 of term bonds. The serial bonds accrue interest at rates between 4.125% and 5.00% and the principal amounts mature between August 15, 2005 and August 15, 2009 in amounts ranging from \$95,000 to \$110,000. Term bonds of \$645,000 accrue interest at 5.60% and mature on August 15, 2014, and bonds of \$8,615,000 accrue interest at 6.30% and mature on August 15, 2033.

The Series 2004A term bonds maturing in the years 2014 and 2033 are subject to mandatory sinking account redemption on each August 15, commencing on August 15, 2010 and August 15, 2015, respectively, at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

Per the terms of the bond indenture, the Series 2004A are required to maintain a reserve in the amount of 10% of the original proceeds, 125% of the average annual debt service for that every subsequent bond year, or 10% of the issue price of the bonds held in the Special Escrow Fund. At June 30, 2021, the reserve was fully funded and the outstanding balance of the Series 2004A was \$7,675,000.

Tax Allocation Bonds, Series 2008A and B

In April 2008, the City of Indio Redevelopment Agency issued \$60,600,000 Tax Allocation Bonds Series 2008A and \$6,640,000 Subordinate Tax Allocation Bonds Series 2008B. The proceeds were used to finance redevelopment activities of the Agency and to advance refund the outstanding Tax Increment Revenue Refunding Bonds, 1997 Series B, and Tax Allocation Bonds, 2004 Series B.

The 2008A bonds consist of \$35,655,000 of serial bonds and \$24,945,000 of term bonds. The serial bonds accrue interest at rates between 4.00% and 5.25% and the principal amounts mature between August 15, 2009 and August 15, 2028 in amounts ranging from \$770,000 to \$2,925,000. Term bonds of \$9,685,000 accrue interest at 5.250% and mature on August 15, 2031, bonds of \$7,630,000 accrue interest at 5.625% and mature on August 15, 2035, and bonds of \$7,630,000 accrue interest at 5.250% and mature on August 15, 2035.

The 2008B bonds consist of \$6,640,000 of term bonds. Term bonds of \$3,140,000 accrue interest at 5.500% and mature on August 15, 2013, and term bonds of \$3,500,000 accrue interest at 6.750% and mature on August 15, 2018.

The Series 2008A term bonds maturing in the years 2031, 2035 (accruing interest at 5.625%), and 2035 (accruing interest at 5.250%) are subject to mandatory sinking account redemption on each August 15, commencing on August 15, 2029, August 15, 2032, and August 15, 2032, respectively, at redemption price equal to the principal amount thereof together with accrued interest, without premium.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 20: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The Series 2008B term bonds maturing in the years 2013 and 2018 are subject to mandatory sinking account redemption on each August 15, commencing on August 15, 2009 at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

The bonds are payable and secured, by the pledged tax revenues to be derived from the project area. Upon the occurrence of an Event of Default, there is no acceleration of payments, and bond owners are limited to obtaining monies in the reserve account and enforcing the obligation of the Successor Agency to pay the pledged tax revenues.

On December 4, 2018, the Successor Agency issued the 2018 Subordinate Tax Allocation Refunding Bonds, Series A and B, to refund and defease on a current basis, a portion of the 2008 Series A Bonds.

Reserve requirements for the Series 2008A and Series 2008B bonds are disclosed in the bond documents. At June 30, 2021, the reserves were fully funded and the outstanding balance of the Series 2008A was \$14,170,000 and the Series 2008B bonds were fully matured, with \$0 outstanding, respectively.

2018 Subordinate Tax Allocation Refunding Bonds, Series A and B

In December 2018, the City of Indio Successor Agency to the Former Redevelopment Agency issued \$29,060,000 Subordinate Tax Allocation Refunding Bonds, Series A and \$1,605,000 Subordinate Tax Allocation Refunding Bonds, Series B (taxable). The bonds were issued primarily to refund and defease all of the Successor Agency's previously issued Housing Set-Aside Revenue Refunding Bonds, Series 1999, and a portion of the Successor Agency's Indio Merged Redevelopment Project Area 2008 Subordinate Tax Allocation Bonds, Series A.

The bonds are payable and secured, by the pledged tax revenues to be derived from the project area. Upon the occurrence of an Event of Default, the bond trustee may declare the principal of the bonds to be immediately due and payable, whereupon that portion of the principal of the bonds thereby coming due and the interest thereon accrued to the date of payment will, without further action, become and be immediately due and payable.

The 2018A bonds consist of \$29,060,000 of serial bonds accruing interest at rates between 3% and 5% and the principal amounts mature between August 15, 2019 and August 15, 2035 in amounts ranging from \$655,000 to \$2,200,000. The 2018B bonds consist of \$1,605,000 of serial bonds accruing interest at a rate of 3% and will mature on August 15, 2020.

Per the terms of the bond indenture, the bonds are required to maintain a reserve in the amount of the maximum annual debt service on the outstanding bonds, 125% of the average annual debt service for that every subsequent bond year, or 10% of the original issue price of the bonds held in a special escrow fund. At June 30, 2021, the reserve was fully funded and the outstanding balance of the bonds was \$26,830,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 20: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)Debt Service Requirements to Maturity

The annual debt service requirements to maturity for bonds payable are as follows:

Year Ending June 30,	Successor Agency	
	General Obligation Bonds	
	Principal	Interest
2022	\$ 2,455,000	\$ 2,443,881
2023	2,560,000	2,325,208
2024	2,380,000	2,199,368
2025	2,620,000	2,071,053
2026	2,745,000	1,932,868
2026-2031	16,705,000	7,218,256
2031-2036	19,210,000	2,220,454
	<u>\$ 48,675,000</u>	<u>\$ 20,411,088</u>

f. Pledged Revenue

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 \$69,086,088 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 by the dissolved redevelopment agency was \$5,172,836 and the debt service obligation on the bonds was \$4,911,988.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 38,315,555	\$ 38,315,555	\$ 38,315,555	\$ -
Resources (Inflows):				
Taxes:				
Sales taxes	18,225,000	23,425,000	28,150,408	4,725,408
Property taxes	19,000,000	19,000,000	19,690,559	690,559
Utility users taxes	7,561,700	7,561,700	8,417,319	855,619
Transient occupancy taxes	5,440,000	5,440,000	8,699,125	3,259,125
Franchise taxes	2,529,600	2,529,600	2,612,159	82,559
Business license taxes	540,000	540,000	683,926	143,926
Other taxes	400,000	400,000	667,194	267,194
Total taxes	<u>53,696,300</u>	<u>58,896,300</u>	<u>68,920,690</u>	<u>10,024,390</u>
Licenses and permits:				
Building permits	1,608,000	1,608,000	2,670,197	1,062,197
Other permits	326,000	326,000	290,429	(35,571)
Business licenses and other	250,000	250,000	191,913	(58,087)
Total licenses and permits	<u>2,184,000</u>	<u>2,184,000</u>	<u>3,152,539</u>	<u>968,539</u>
Intergovernmental:				
Grants	249,000	249,000	541,638	292,638
Motor vehicle license fees	40,000	40,000	66,560	26,560
Total intergovernmental	<u>289,000</u>	<u>289,000</u>	<u>608,198</u>	<u>319,198</u>
Charges for services:				
Police	4,300,600	463,600	404,208	(59,392)
Plan checks and inspections	1,190,000	1,190,000	1,824,454	634,454
Fire and ambulance	2,100,000	2,100,000	2,092,365	(7,635)
Other	794,000	794,000	467,724	(326,276)
Total charges for services	<u>8,384,600</u>	<u>4,547,600</u>	<u>4,788,751</u>	<u>241,151</u>
Fines and forfeitures:				
Other	655,500	655,500	594,033	(61,467)
Total fines and forfeitures	<u>655,500</u>	<u>655,500</u>	<u>594,033</u>	<u>(61,467)</u>
Use of money and property	585,080	585,080	1,210,350	625,270
Miscellaneous	2,482,500	210,500	249,973	39,473
Transfers in	4,205,702	5,326,217	6,007,410	681,193
Amounts Available for Appropriations	<u>110,798,237</u>	<u>111,009,752</u>	<u>123,847,499</u>	<u>12,837,747</u>

The notes to required supplementary information is an integral part of this schedule.

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General government:				
City council	339,029	339,029	250,687	88,342
City manager	873,303	873,303	898,578	(25,275)
City clerk	443,196	443,196	382,450	60,746
City attorney	850,000	850,000	765,336	84,664
Human resources	1,132,496	1,132,496	861,731	270,765
Finance	2,204,701	2,203,701	2,146,371	57,330
Other - Nondepartmental	1,855,556	1,855,556	3,289,100	(1,433,544)
Total general government	<u>7,698,281</u>	<u>7,697,281</u>	<u>8,594,253</u>	<u>(896,972)</u>
Public safety:				
Police administration	2,505,080	2,496,080	2,399,941	96,139
Police field services	15,311,993	14,961,993	13,433,316	1,528,677
Police investigations	7,551,378	4,691,378	4,695,331	(3,953)
Police traffic safety	808,442	783,442	663,123	120,319
Police support services	4,942,686	4,842,686	5,003,159	(160,473)
Animal control	1,074,000	1,074,000	590,195	483,805
Code enforcement	2,128,498	2,088,498	1,683,267	405,231
Fire and ambulance	16,549,044	16,199,044	14,786,855	1,412,189
Emergency management	303,723	300,723	223,595	77,128
Total public safety	<u>51,174,844</u>	<u>47,437,844</u>	<u>43,478,782</u>	<u>3,959,062</u>
Community development:				
Building and safety	2,272,472	2,266,472	2,112,215	154,257
Planning	1,280,251	1,277,251	1,286,967	(9,716)
Economic development	1,072,393	1,527,393	1,401,168	126,225
Total community development	<u>4,625,116</u>	<u>5,071,116</u>	<u>4,800,350</u>	<u>270,766</u>
Community services:				
Youth service	882,578	882,578	791,993	90,585
Community services	485,084	615,084	483,207	131,877
Promotions and publicity	944,675	944,675	516,382	428,293
Senior services	928,169	928,169	791,555	136,614
Total community services	<u>3,240,506</u>	<u>3,370,506</u>	<u>2,583,137</u>	<u>787,369</u>
Public works:				
Street maintenance and operations	3,038,272	3,008,272	3,007,056	1,216
Engineering and administration	1,706,029	1,856,029	1,469,977	386,052
Parks and parkways	2,435,561	2,435,561	2,353,616	81,945
Total public works	<u>7,179,862</u>	<u>7,299,862</u>	<u>6,830,649</u>	<u>469,213</u>
Capital outlay	32,500	32,500	109,811	(77,311)
Transfers out	5,007,374	5,007,374	3,710,573	1,296,801
Total Charges to Appropriations	<u>78,958,483</u>	<u>75,916,483</u>	<u>70,107,555</u>	<u>5,808,928</u>
Budgetary Fund Balance, June 30	<u>\$ 31,839,754</u>	<u>\$ 35,093,269</u>	<u>\$ 53,739,944</u>	<u>\$ 18,646,675</u>

The notes to required supplementary information is an integral part of this schedule.

CITY OF INDIO, CALIFORNIA

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ¹**

	2021	2020	2019	2018
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total Pension Liability:				
Service Cost	\$ 2,268,865	\$ 2,315,791	\$ 2,307,248	\$ 2,353,967
Interest on total pension liability	7,076,401	6,759,649	6,453,709	6,219,359
Differences between expected and actual experience	122,887	(90,046)	(754,767)	(1,493,433)
Changes in assumptions	-	-	(595,036)	5,371,466
Benefit payments, including refunds of employee contributions	(4,793,895)	(4,695,594)	(4,097,060)	(3,747,998)
Net change in total pension liability	4,674,258	4,289,800	3,314,094	8,703,361
Total pension liability - beginning	100,110,273	95,820,473	92,506,379	83,803,018
Total pension liability - ending (a)	104,784,531	100,110,273	95,820,473	92,506,379
Plan Fiduciary Net Position:				
Contributions - employer	3,775,732	3,330,987	3,032,168	2,858,434
Contributions - employee	996,854	911,463	913,515	918,650
Net investment income	3,514,437	4,429,595	5,270,086	6,336,419
Benefit payments	(4,793,895)	(4,695,594)	(4,097,060)	(3,747,998)
Plan to plan resource movement	-	-	(154)	-
Administration Expense	(99,239)	(47,431)	(96,029)	(81,708)
Other miscellaneous income/(expense)	-	154	(182,361)	-
Net change in plan fiduciary net position	3,393,889	3,929,174	4,840,165	6,283,797
Plan fiduciary net position - beginning	70,394,678	66,465,504	61,625,339	55,341,542
Plan fiduciary net position - ending (b)	73,788,567	70,394,678	66,465,504	61,625,339
Net pension liability - ending (a)-(b)	\$ 30,995,964	\$ 29,715,595	\$ 29,354,969	\$ 30,881,040
Plan fiduciary net position as a percentage of the total pension liability	70.4%	70.3%	69.4%	66.6%
Covered payroll	\$ 12,926,402	\$ 12,267,411	\$ 11,882,620	\$ 12,075,341
Plan net pension liability as a percentage of covered payroll	239.8%	242.2%	247.0%	255.7%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2020 and 2021. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

¹ Fiscal Year 2015 was the first year of GASB 68 implementation, therefore only seven years are shown.

	2017	2016	2015
	6/30/2016	6/30/2015	6/30/2014
\$	2,144,177	\$ 2,054,043	\$ 2,067,477
	6,008,228	5,714,555	5,452,950
	(465,558)	(717,418)	-
	-	(1,451,365)	-
	<u>(3,632,465)</u>	<u>(3,385,987)</u>	<u>(3,315,765)</u>
	4,054,382	2,213,828	4,204,662
	<u>79,748,636</u>	<u>77,534,808</u>	<u>73,330,146</u>
	<u>83,803,018</u>	<u>79,748,636</u>	<u>77,534,808</u>
	2,619,245	2,446,688	2,331,161
	927,413	940,052	914,677
	300,012	1,211,466	7,998,811
	(3,632,465)	(3,385,987)	(3,315,765)
	-	(123)	-
	(33,618)	(69,194)	-
	-	-	-
	<u>180,587</u>	<u>1,142,902</u>	<u>7,928,884</u>
	<u>55,160,955</u>	<u>54,018,053</u>	<u>46,089,169</u>
	<u>55,341,542</u>	<u>55,160,955</u>	<u>54,018,053</u>
\$	<u>28,461,476</u>	<u>24,587,681</u>	<u>23,516,755</u>
	66.0%	69.2%	69.7%
\$	12,067,635	\$ 11,307,076	\$ 10,908,447
	235.8%	217.5%	215.6%

CITY OF INDIO, CALIFORNIA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN
 AS OF JUNE 30 FOR THE LAST TEN FISCAL YEARS ¹

Reporting Date ² as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
2021	0.3512%	\$ 40,720,531	\$ 6,750,274	603.2%	75.1%
2020	0.3469%	37,818,116	7,696,899	491.3%	75.3%
2019	0.3716%	35,470,299	6,666,249	532.1%	75.3%
2018	0.3554%	35,245,774	6,451,760	546.3%	73.3%
2017	0.3611%	31,246,797	6,467,561	483.1%	74.1%
2016	0.3687%	25,303,889	6,624,055	382.0%	78.4%
2015	0.3569%	22,205,148	6,236,527	356.1%	79.8%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: None

Changes of Assumptions: None

¹ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

² The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

CITY OF INDIO, CALIFORNIA

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ¹**

Measurement Date	2021	2020	2019	2018
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:				
Service cost	\$ 1,170,693	\$ 1,059,988	\$ 789,088	\$ 766,105
Interest on the total OPEB liability	1,681,183	2,085,750	2,238,791	2,175,102
Difference between expected and actual experience	-	(1,203,586)	-	-
Changes in assumptions	5,809,571	1,444,873	12,452,155	-
Benefit payments	(1,955,604)	(1,899,929)	(1,885,304)	(1,863,797)
Net change in total OPEB liability	6,705,843	1,487,096	13,594,730	1,077,410
Total OPEB liability - beginning	53,511,499	52,024,403	38,429,673	37,352,263
Total OPEB liability - ending (a)	60,217,342	53,511,499	52,024,403	38,429,673
Plan Fiduciary Net Position:				
Contribution - employer ²	1,980,041	1,975,767	1,975,214	1,994,056
Net investment income	94,472	108,437	86,160	84,532
Benefit payments	(1,955,604)	(1,899,929)	(1,885,304)	(1,863,797)
Trustee fees	-	-	(519)	(431)
Administrative expense	(860)	(335)	(711)	(592)
Net change in plan fiduciary net position	118,049	183,940	174,840	213,768
Plan fiduciary net position - beginning	1,742,553	1,558,613	1,383,773	1,170,005
Plan fiduciary net position - ending (b)	1,860,602	1,742,553	1,558,613	1,383,773
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 58,356,740	\$ 51,768,946	\$ 50,465,790	\$ 37,045,900
Plan fiduciary net position as a percentage of the total OPEB liability	3.1%	3.3%	3.0%	3.6%
Covered-employee payroll	\$ 27,980,084	\$ 27,980,084	\$ 26,345,041	\$ 31,815,516
Net OPEB liability as a percentage of covered-employee payroll	208.6%	185.0%	191.6%	116.4%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

¹ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

² Includes cash pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount on benefit payments from sources outside of trust.

CITY OF INDIO, CALIFORNIA

SCHEDULES OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾

CalPERS Miscellaneous Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2021	\$ 3,856,017	\$ 3,856,017	\$ -	\$ 13,262,250	29.1%
2020	3,527,169	3,527,169	-	12,926,402	27.3%
2019	3,523,191	3,523,191	-	12,267,411	28.7%
2018	3,032,168	3,032,168	-	11,882,620	25.5%
2017	2,858,434	2,858,434	-	12,075,341	23.7%
2016	2,619,245	2,619,245	-	12,067,635	21.7%
2015	2,446,688	2,446,688	-	11,307,076	21.6%
2014	2,331,161	2,331,161	-	10,908,447	21.4%

CalPERS Safety Employees Cost-Sharing, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2021	\$ 4,675,712	\$ 4,675,712	\$ -	\$ 8,252,401	56.7%
2020	4,143,360	4,143,360	-	6,750,274	61.4%
2019	3,571,705	3,571,705	-	7,696,899	46.4%
2018	2,977,907	2,977,907	-	6,666,249	44.7%
2017	2,409,717	2,409,717	-	6,451,760	37.4%
2016	2,567,055	2,567,055	-	6,467,561	39.7%
2015	2,286,752	2,286,752	-	6,624,055	34.5%
2014	2,105,331	2,105,331	-	6,236,527	33.8%

PEMHCA Agent, Multiple-Employer Other Post-Employment Benefits Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as a % of Covered-Employee Payroll
2021	\$ 2,548,493	\$ 2,030,042	\$ 518,451	\$ 27,980,084	7.26%
2020	2,474,265	1,978,822	495,443	27,980,084	7.07%
2019	2,701,432	1,799,999	901,433	26,345,041	6.83%
2018	2,706,641	1,975,214	731,427	31,815,516	6.21%

¹ Historical information is required only for measurement for which GASB 68 and GASB 75 is applicable. Fiscal year 2015 was the first year of implementation for GASB 68, however information for the year prior to implementation was available, therefore only eight years are shown; Fiscal Year 2018 was the first year of implementation for GASB 75, therefore only four years are shown.

CITY OF INDIO, CALIFORNIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Note 1: Budgets and Budgetary Data

Before the beginning of the fiscal year, the City Manager submits to the City Council a proposed budget for the year commencing the following July 1. Public hearings are then conducted to obtain taxpayer comments and the budget is subsequently adopted through passage of a resolution.

All appropriated amounts are as originally adopted or as amended by the City Council and lapse at year-end. Encumbrances and continuing appropriations are rebudgeted on July 1 by Council action. Original appropriations may be modified by supplementary budget revisions and transfers among budget categories. The City Council approves all budget changes at the department level (e.g., City Manager, Finance, Police Administration, Planning, etc.). The City Manager is authorized to make budget transfers within departments.

Formal budgetary integration is employed as a management control device during the year for general, certain special revenue, certain debt service and certain capital projects funds. Budgets for these funds are adopted on a basis consistent with accounting principles generally accepted in the United States.

Note 2: Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the General Fund reflected expenditures in excess of budgeted amounts for the following departments:

Expenditure Function	Department	Appropriations	Expenditures	Excess
General Government	City Manager	873,303	898,578	25,275
General Government	Non-Departmental	1,855,556	3,289,100	1,433,544
Public Safety	Police Investigations	4,691,378	4,695,331	3,953
Public Safety	Police Support Services	4,842,686	5,003,159	160,473
Community Development	Planning	1,277,251	1,286,967	9,716
Capital Outlay	N/A	32,500	109,811	77,311

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Note 3: Actuarial Assumptions Underlying the Schedule of Plan Contributions

a. CalPERS Pension Plans

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2021 were derived from the June 30, 2018 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see the June 30, 2018 funding valuation report, available at CalPERS' website
Asset Valuation Method:	Market Value of Assets
Inflation:	2.50 percent
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	2.75 percent
Investment Rate of Return:	7.00 percent, net of investment and administrative expense
Retirement Age:	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015.
Mortality:	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

b. PEMHCA OPEB Plan

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2021 were derived from the July 1, 2019 funding valuation report.

Salary Increases:	3.00 percent
Investment Rate of Return:	6.00 percent, net of OPEB plan investment expense

Contributions in relation to the actuarially determined contributions include cash pay-as-you-go contributions from sources outside of the trust plus and implicit subsidy amount on benefit payments from sources outside of the trust.

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and the related expenditures which are legally required to be accounted for in a separate fund. Funds included are:

Gas Tax Fund - To account for the revenues and expenditures of the City's proportionate share of gas tax monies collected by the State of California which are used for street construction and maintenance.

Traffic Safety Fund - To account for the revenue and expenditures relating to the enforcement of, education for, and prosecution of a suspended or revoked driving privilege, unlicensed driver and persons driving under the influence of alcohol and/or drugs.

Public Safety Fund - To account for the revenues and expenditures of the City's Proposition 172 sales tax restricted for public safety.

Supplemental Law Enforcement Fund - To account for the revenues and expenditures of the supplemental law enforcement grant.

Local Law Enforcement Block Grant (LLEBG) Fund - To account for the revenues and expenditures of the Local Law Enforcement Block grant.

Homeland Security Fund - To account for funds received from the Riverside County Operational Area 2009 Homeland Security Grant Program.

Abandoned Vehicle Fund - To account for cost associated with the removal and disposition of abandoned vehicles from private property and the State of California's partial reimbursement of those costs.

Unclaimed Property Fund - To account for revenues and expenditures associated with property seized during police activities.

Measure A Fund - To account for financial transactions in accordance with Measure A Local Transit Assistance Act regulations.

Article 3 Fund - To account for financial transactions in accordance with Transportation Development Act Article 3 regulations.

NPDES Fund - To account for revenue and expenditures related to the National Pollution Discharge Evaluation System (NPDES) State mandate.

Air Quality (AB2766/CMAQ) Fund - To account for the revenues and expenditures related to air pollution mitigation efforts.

HBRRP Fund - To account for Highway Bridge Replacement and Rehabilitation (HBRRP) grant funds used to improve the condition of the City's bridges.

Waste Recycling AB939 Fund - To account for revenues and expenditures related to compliance with State of California Assembly Bill 939, which requires cities to divert 50% of their waste away from landfills.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Community Facilities District Fund - To account for the revenues and expenditures restricted to finance a portion of the cost of providing law enforcement, fire and paramedic services.

Certified Access Specialist SB 1186 Fund - To account for revenue and expenditures for funds received related to help bring local businesses into ADA compliance and develop tools to help educate the business community in expanding ADA access.

Indio Housing Authority Fund - To account for monies received and expended for housing related activities and housing functions.

Department of Conservation Recycle Grant Fund - To account for revenues and expenditures for grant funds received to promote can, bottle, and multi-family recycling.

Public Education Government Channel Fund - To account for revenues and expenditures for public education government channel.

CARES Act Fund - To account for revenues and expenditures for federal coronavirus emergency acts funds received as part of the Coronavirus Aid, Relief, and Economic Security Act of 2020.

Neighborhood Stabilization Project Grant 2 Fund - To account for grant funds provided by the Recovery Act to address abandoned and foreclosed properties.

Neighborhood Stabilization Project Grant 3 Fund - To account for grant funds provided by the Recovery Act to address abandoned and foreclosed properties.

Lighting and Landscape Fund - To account for the revenues and expenditures restricted for the lighting and landscape maintenance program for 51 districts. Property owners are assessed their share of the cost for lighting and maintaining parkways and medians.

Asset Forfeiture Fund - To account for assets and cash confiscated in police narcotic raids that are restricted for public safety expenditures.

Community Development Block Grant Fund - To account for Federal funds directed toward programs that improve low-income housing, public improvements, neighborhood programs, and community development needs.

Emergency, Abandoned and Recalcitrant Fund - To account for revenue and expenditures to abate emergency situations or to cleanup abandoned or recalcitrant sites that pose a threat to human health, safety, and the environment, as a result of petroleum release from an underground storage tank.

Cal Emergency Management Fund - To account for the funds to be used for the Project Safe Neighborhoods.

Donations Fund - To account for donations to the City of items and funds for a designated purchase.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Office of Traffic Safety Fund - To account for State funds directed toward programs that improve traffic safety.

SB-1 Transportation Fund - To account for the revenues and expenditures of the City's proportionate share of SB-1 monies collected by the State of California which are used for street construction and maintenance

Comm Transitional Housing Fund - To account for transitional housing services throughout the City funded by the California Department of Finance.

Compost Mitigation Dillon Fund - To account for revenue received from the waste collection company for their share of maintenance costs of Dillon Road between I-10 and Landfill Road.

Local Government Planning Support Grant Fund – To account for the Grant from the State of California's Local Government Planning Support Grant Program as part of the Local Early Action Planning Grants Program (LEAP). LEAP provides funding to jurisdictions for the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Need Assessment (RHNA).

Planning Prog. Grant SB2 Fund – To account for the grant from the Planning Grant Program (PGP) authorized under the State of California's Senate Bill 2 (SB2). The PGP provides financial and technical assistance to local governments to update planning documents in order to accelerate housing production, streamline the approval of housing development affordable to owner and renter households at income levels, facilitate housing affordability, particularly for all income groups, and ensure geographic equity in the distribution and expenditure of allocated funds.

Public Art In-Lieu Fund – To account for fees collected from developers in lieu of providing public art works within their development.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition or construction of major capital items not financed by proprietary funds. Funds included are:

Capital Projects Fund – This fund is used to account for capital projects of the City with resources from bond financing, government grants, and investment income.

Assessment District Fund – To account for the revenues and capital expenditures for the City's various assessment districts.

NONMAJOR DEBT SERVICE FUNDS

Debt service funds are used to account for specific revenues and the related debt service expenditures which are legally required to be accounted for in a separate fund. Funds included are:

General Debt Service - To account for the revenues and debt service expenditures for the City's 2012 and 2016 Series Lease Revenue Bonds.

Judgment Bonds - To account for the revenues and debt service expenditures for the City's 2017 Judgment Obligation Bonds.

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Assets:				
Cash and investments	\$ 685,540	\$ 222,072	\$ 576,555	\$ 478,073
Receivables:				
Accounts	20,890	-	-	-
Taxes	-	-	52,779	-
Notes and loans	-	-	-	-
Accrued interest	156	-	164	141
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	701,820	-	-	-
Total Assets	\$ 1,408,406	\$ 222,072	\$ 629,498	\$ 478,214
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 431,011	\$ -	\$ -	\$ 10,517
Accrued liabilities	4,922	-	-	1,605
Unearned revenues	6,522	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	442,455	-	-	12,122
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	965,951	222,072	629,498	466,092
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	965,951	222,072	629,498	466,092
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,408,406	\$ 222,072	\$ 629,498	\$ 478,214

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Assets:				
Cash and investments	\$ -	\$ -	\$ 176,786	\$ 85,219
Receivables:				
Accounts	11,615	-	-	1,334
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	41,874	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 53,489	\$ -	\$ 176,786	\$ 86,553
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 2,452	\$ -	\$ -	\$ 72,727
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	36,704	4,811	-	-
Total Liabilities	39,156	4,811	-	72,727
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	14,333	-	176,786	13,826
Unassigned	-	(4,811)	-	-
Total Fund Balances (Deficits)	14,333	(4,811)	176,786	13,826
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 53,489	\$ -	\$ 176,786	\$ 86,553

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

Special Revenue Funds

	Measure A	Article 3	NPDES	Air Quality
Assets:				
Cash and investments	\$ 1,422,072	\$ -	\$ -	\$ 193,363
Receivables:				
Accounts	148,021	-	795	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	475	-	-	53
Prepaid costs	-	-	-	7,528
Due from other governments	750,962	-	-	30,131
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,321,530	\$ -	\$ 795	\$ 231,075
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 115,492	\$ -	\$ -	\$ 45,389
Accrued liabilities	6,510	-	-	-
Unearned revenues	148,021	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	105,602	-
Total Liabilities	270,023	-	105,602	45,389
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	7,258
Restricted	2,051,507	-	-	178,428
Unassigned	-	-	(104,807)	-
Total Fund Balances (Deficits)	2,051,507	-	(104,807)	185,686
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,321,530	\$ -	\$ 795	\$ 231,075

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Waste Recycling AB939	Communities Facilities District	Certified Access Specialist SB 1186
Assets:				
Cash and investments	\$ -	\$ 552,667	\$ 29,789	\$ 88,946
Receivables:				
Accounts	-	15,409	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	148	563	-
Prepaid costs	-	-	-	-
Due from other governments	793,568	1,254	75,199	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 793,568	\$ 569,478	\$ 105,551	\$ 88,946
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 170,551	\$ 10,154	\$ -	\$ -
Accrued liabilities	-	4,566	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	6,914
Due to other funds	995,973	-	-	-
Total Liabilities	1,166,524	14,720	-	6,914
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	554,758	105,551	82,032
Unassigned	(372,956)	-	-	-
Total Fund Balances (Deficits)	(372,956)	554,758	105,551	82,032
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 793,568	\$ 569,478	\$ 105,551	\$ 88,946

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel	CARES Act
Assets:				
Cash and investments	\$ 2,135,067	\$ 62,115	\$ 913,302	\$ -
Receivables:				
Accounts	-	-	46,832	-
Taxes	-	-	-	-
Notes and loans	3,762,263	-	-	-
Accrued interest	544	11	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	2,405,025	-	-	-
Property held for resale	164,000	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 8,466,899	\$ 62,126	\$ 960,134	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 26,384	\$ -	\$ -
Accrued liabilities	8,032	-	-	-
Unearned revenues	-	32,960	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	8,032	59,344	-	-
Deferred Inflows of Resources:				
Unavailable revenues	462,348	-	-	-
Total Deferred Inflows of Resources	462,348	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	7,996,519	2,782	960,134	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	7,996,519	2,782	960,134	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 8,466,899	\$ 62,126	\$ 960,134	\$ -

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape	Asset Forfeiture
Assets:				
Cash and investments	\$ 577,996	\$ 134,657	\$ 2,968,234	\$ 313,701
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	1,306,992	180,400	-	-
Accrued interest	179	38	857	99
Prepaid costs	-	-	-	-
Due from other governments	-	-	93,009	15,966
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	177,654	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,062,821	\$ 315,095	\$ 3,062,100	\$ 329,766
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 53,507	\$ -	\$ 209,520	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	3,570	303,741
Due to other funds	-	-	-	-
Total Liabilities	53,507	-	213,090	303,741
Deferred Inflows of Resources:				
Unavailable revenues	1,306,992	180,400	-	-
Total Deferred Inflows of Resources	1,306,992	180,400	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	702,322	134,695	2,849,010	26,025
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	702,322	134,695	2,849,010	26,025
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,062,821	\$ 315,095	\$ 3,062,100	\$ 329,766

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Cal Emergency Management	Donations
Assets:				
Cash and investments	\$ -	\$ 130,775	\$ 123	\$ 75,554
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	38	-	-
Prepaid costs	12,098	-	-	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 12,098	\$ 130,813	\$ 123	\$ 75,554
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 316,685	\$ -	\$ -	\$ 628
Accrued liabilities	870	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	1,028,104	-	-	-
Total Liabilities	1,345,659	-	-	628
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	12,098	-	-	-
Restricted	-	130,813	123	74,926
Unassigned	(1,345,659)	-	-	-
Total Fund Balances (Deficits)	(1,333,561)	130,813	123	74,926
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 12,098	\$ 130,813	\$ 123	\$ 75,554

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Office of Traffic Safety	SB-1 Transportation	Comm Transitional Housing	Compost Mitigation Dillon
Assets:				
Cash and investments	\$ -	\$ 2,208,744	\$ 561,281	\$ 31,045
Receivables:				
Accounts	-	-	-	3,582
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	593	167	8
Prepaid costs	-	-	-	-
Due from other governments	-	344,378	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 2,553,715	\$ 561,448	\$ 34,635
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 1,024,979	\$ 61,480	\$ -
Accrued liabilities	-	-	1,868	-
Unearned revenues	-	-	395,900	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1,024,979	459,248	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	1,528,736	102,200	34,635
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	-	1,528,736	102,200	34,635
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ -	\$ 2,553,715	\$ 561,448	\$ 34,635

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Fund			Capital Projects Fund
	Local Gov Planning Support Grant	Planning Prog Grant SB2	Public Art In-Lieu	Assessment District
Assets:				
Cash and investments	\$ 10	\$ 100	\$ 1,153,940	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	327	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 10	\$ 100	\$ 1,154,267	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 46,753	\$ 25,528	\$ 2,873	\$ -
Accrued liabilities	-	-	1,192	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	69,093	75,393	-	-
Total Liabilities	115,846	100,921	4,065	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	-	1,150,202	-
Unassigned	(115,836)	(100,821)	-	-
Total Fund Balances (Deficits)	(115,836)	(100,821)	1,150,202	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 10	\$ 100	\$ 1,154,267	\$ -

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Debt Service Funds</u>		
	<u>General Debt Service</u>	<u>Judgment Bonds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ -	\$ -	\$ 15,777,726
Receivables:			
Accounts	-	-	248,478
Taxes	-	-	52,779
Notes and loans	-	-	5,249,655
Accrued interest	-	-	4,561
Prepaid costs	-	-	19,626
Due from other governments	-	-	2,146,341
Advances to private-purpose trust funds	-	-	2,405,025
Property held for resale	-	-	341,654
Restricted cash and investments with fiscal agents	1,591,107	176	2,293,103
Total Assets	\$ 1,591,107	\$ 176	\$ 28,538,948
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):			
Liabilities:			
Accounts payable	\$ 500	\$ -	\$ 2,627,130
Accrued liabilities	-	-	29,565
Unearned revenues	-	-	583,403
Deposits payable	-	-	314,225
Due to other funds	-	-	2,315,680
Total Liabilities	500	-	5,870,003
Deferred Inflows of Resources:			
Unavailable revenues	-	-	1,949,740
Total Deferred Inflows of Resources	-	-	1,949,740
Fund Balances (Deficits):			
Nonspendable	-	-	19,356
Restricted	1,590,607	176	22,744,739
Unassigned	-	-	(2,044,890)
Total Fund Balances (Deficits)	1,590,607	176	20,719,205
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,591,107	\$ 176	\$ 28,538,948

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Revenues:				
Taxes	\$ 1,985,634	\$ -	\$ -	\$ -
Intergovernmental	34,213	-	538,881	214,721
Use of money and property	29,443	-	2,864	882
Fines and forfeitures	-	52,790	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,049,290	52,790	541,745	215,603
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	13,207	255,246	103,423
Community development	-	-	-	-
Community services	-	-	-	-
Public works	1,444,831	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	600,000	-	-	-
Interest and fiscal charges	82,175	-	-	-
Total Expenditures	2,127,006	13,207	255,246	103,423
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,716)	39,583	286,499	112,180
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(6,350)	-	-	-
Total Other Financing Sources (Uses)	(6,350)	-	-	-
Net Change in Fund Balance	(84,066)	39,583	286,499	112,180
Fund Balance (Deficit) - Beginning	1,050,017	182,489	342,999	353,912
Fund Balance (Deficit) - Ending	\$ 965,951	\$ 222,072	\$ 629,498	\$ 466,092

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	55,120	-	7,626	-
Use of money and property	(231)	-	-	-
Fines and forfeitures	-	-	-	3,956
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	54,889	-	7,626	3,956
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	58,492	12,754	1,031	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	58,492	12,754	1,031	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,603)	(12,754)	6,595	3,956
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(3,603)	(12,754)	6,595	3,956
Fund Balance (Deficit) - Beginning	17,936	7,943	170,191	9,870
Fund Balance (Deficit) - Ending	\$ 14,333	\$ (4,811)	\$ 176,786	\$ 13,826

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Measure A	Article 3	NPDES	Air Quality
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,663,932	88,748	-	118,501
Use of money and property	11,959	-	-	(1,034)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,675,891	88,748	-	117,467
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	1,614,924	-	107,926	91,183
Capital outlay	-	-	-	64,900
Debt service:				
Principal retirement	132,108	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,747,032	-	107,926	156,083
Excess (Deficiency) of Revenues Over (Under) Expenditures	928,859	88,748	(107,926)	(38,616)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(256,810)	(88,748)	-	-
Total Other Financing Sources (Uses)	(256,810)	(88,748)	-	-
Net Change in Fund Balance	672,049	-	(107,926)	(38,616)
Fund Balance (Deficit) - Beginning	1,379,458	-	3,119	224,302
Fund Balance (Deficit) - Ending	\$ 2,051,507	\$ -	\$ (104,807)	\$ 185,686

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Waste Recycling AB939	Communities Facilities District	Certified Access Specialist SB 1186
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,738,500	-	-	-
Use of money and property	-	(3,128)	12,293	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	4,080,295	-
Developer participation	-	-	-	-
Miscellaneous	-	240,428	-	16,975
Total Revenues	2,738,500	237,300	4,092,588	16,975
Expenditures:				
Current:				
General government	-	354,111	-	5,792
Public safety	-	-	-	-
Community development	-	-	66,364	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	2,884,794	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,884,794	354,111	66,364	5,792
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,294)	(116,811)	4,026,224	11,183
Other Financing Sources (Uses):				
Transfers in	6,060	-	-	-
Transfers out	-	-	(4,015,702)	-
Total Other Financing Sources (Uses)	6,060	-	(4,015,702)	-
Net Change in Fund Balance	(140,234)	(116,811)	10,522	11,183
Fund Balance (Deficit) - Beginning	(232,722)	671,569	95,029	70,849
Fund Balance (Deficit) - Ending	\$ (372,956)	\$ 554,758	\$ 105,551	\$ 82,032

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel	CARES Act
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	178,534	-	1,120,515
Use of money and property	5,479	287	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	190,268	-
Total Revenues	5,479	178,821	190,268	1,120,515
Expenditures:				
Current:				
General government	-	84,411	-	-
Public safety	-	-	-	-
Community development	285,264	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	142,815	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	285,264	227,226	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(279,785)	(48,405)	190,268	1,120,515
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,120,515)
Total Other Financing Sources (Uses)	-	-	-	(1,120,515)
Net Change in Fund Balance	(279,785)	(48,405)	190,268	-
Fund Balance (Deficit) - Beginning	8,276,304	51,187	769,866	-
Fund Balance (Deficit) - Ending	\$ 7,996,519	\$ 2,782	\$ 960,134	\$ -

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape	Asset Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	14,323	(326)	(5,230)	3,810
Fines and forfeitures	-	-	-	-
Contributions	-	-	1,257,665	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	19,151
Total Revenues	14,323	(326)	1,252,435	22,961
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	1,206
Community development	13,148	-	-	-
Community services	-	-	-	-
Public works	-	-	1,533,692	-
Capital outlay	432,082	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	445,230	-	1,533,692	1,206
Excess (Deficiency) of Revenues Over (Under) Expenditures	(430,907)	(326)	(281,257)	21,755
Other Financing Sources (Uses):				
Transfers in	-	-	105,180	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	105,180	-
Net Change in Fund Balance	(430,907)	(326)	(176,077)	21,755
Fund Balance (Deficit) - Beginning	1,133,229	135,021	3,025,087	4,270
Fund Balance (Deficit) - Ending	\$ 702,322	\$ 134,695	\$ 2,849,010	\$ 26,025

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Cal Emergency Management	Donations
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	17,675	-	-	-
Use of money and property	-	(292)	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	8,935
Total Revenues	17,675	(292)	-	8,935
Expenditures:				
Current:				
General government	-	-	-	9,831
Public safety	-	-	-	-
Community development	1,236,272	-	-	-
Community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	49,994	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,286,266	-	-	9,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,268,591)	(292)	-	(896)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(76,193)	-	-	-
Total Other Financing Sources (Uses)	(76,193)	-	-	-
Net Change in Fund Balance	(1,344,784)	(292)	-	(896)
Fund Balance (Deficit) - Beginning	11,223	131,105	123	75,822
Fund Balance (Deficit) - Ending	\$ (1,333,561)	\$ 130,813	\$ 123	\$ 74,926

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Fund			
	Office of Traffic Safety	SB-1 Transportation	Comm Transitional Housing	Compost Mitigation Dillon
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,235	1,840,946	615,934	-
Use of money and property	-	6,720	(12,562)	158
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	15,985
Total Revenues	4,235	1,847,666	603,372	16,143
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	4,235	-	-	-
Community development	-	-	615,934	-
Community services	-	-	-	-
Public works	-	2,081,525	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,235	2,081,525	615,934	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(233,859)	(12,562)	16,143
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(12,482)	-	-
Total Other Financing Sources (Uses)	-	(12,482)	-	-
Net Change in Fund Balance	-	(246,341)	(12,562)	16,143
Fund Balance (Deficit) - Beginning	-	1,775,077	114,762	18,492
Fund Balance (Deficit) - Ending	\$ -	\$ 1,528,736	\$ 102,200	\$ 34,635

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Fund			Capital Projects Fund
	Local Gov Planning Support Grant	Planning Prog Grant SB2	Public Art In- Lieu	Assessment District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Use of money and property	-	-	(282)	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	170,412	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	170,130	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	73,396	-
Public works	115,836	100,821	-	-
Capital outlay	-	-	-	511
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	115,836	100,821	73,396	511
Excess (Deficiency) of Revenues Over (Under) Expenditures	(115,836)	(100,821)	96,734	(511)
Other Financing Sources (Uses):				
Transfers in	-	-	1,053,468	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	1,053,468	-
Net Change in Fund Balance	(115,836)	(100,821)	1,150,202	(511)
Fund Balance (Deficit) - Beginning	-	-	-	511
Fund Balance (Deficit) - Ending	\$ (115,836)	\$ (100,821)	\$ 1,150,202	\$ -

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Debt Service Funds</u>		
	<u>General Debt Service</u>	<u>Judgment Bonds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 1,985,634
Intergovernmental	-	-	10,238,081
Use of money and property	1,656	173	66,962
Fines and forfeitures	-	-	56,746
Contributions	-	-	5,337,960
Developer participation	-	-	170,412
Miscellaneous	-	-	491,742
Total Revenues	1,656	173	18,347,537
Expenditures:			
Current:			
General government	-	5,100	459,245
Public safety	-	-	449,594
Community development	-	-	2,216,982
Community services	-	-	73,396
Public works	-	-	7,090,738
Capital outlay	-	-	3,575,096
Debt service:			
Principal retirement	1,675,000	640,000	3,047,108
Interest and fiscal charges	1,507,848	524,981	2,115,004
Total Expenditures	3,182,848	1,170,081	19,027,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,181,192)	(1,169,908)	(679,626)
Other Financing Sources (Uses):			
Transfers in	2,648,790	1,163,180	4,976,678
Transfers out	-	-	(5,576,800)
Total Other Financing Sources (Uses)	2,648,790	1,163,180	(600,122)
Net Change in Fund Balance	(532,402)	(6,728)	(1,279,748)
Fund Balance (Deficit) - Beginning	2,123,009	6,904	21,998,953
Fund Balance (Deficit) - Ending	\$ 1,590,607	\$ 176	\$ 20,719,205

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,050,017	\$ 1,050,017	\$ 1,050,017	\$ -
Resources (Inflows):				
Taxes	2,104,492	2,104,492	1,985,634	(118,858)
Intergovernmental	-	-	34,213	34,213
Use of money and property	20,000	20,000	29,443	9,443
Amounts Available for Appropriations	3,174,509	3,174,509	3,099,307	(75,202)
Charges to Appropriations (Outflows):				
Public works	1,420,999	1,411,203	1,444,831	(33,628)
Debt service:				
Principal retirement	600,000	600,000	600,000	-
Interest and fiscal charges	82,413	82,413	82,175	238
Transfers out	168,520	168,520	6,350	162,170
Total Charges to Appropriations	2,271,932	2,262,136	2,133,356	128,780
Budgetary Fund Balance, June 30	\$ 902,577	\$ 912,373	\$ 965,951	\$ 53,578

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 182,489	\$ 182,489	\$ 182,489	\$ -
Resources (Inflows):				
Fines and forfeitures	50,000	50,000	52,790	2,790
Amounts Available for Appropriations	232,489	232,489	235,279	2,790
Charges to Appropriations (Outflows):				
Public safety	65,000	65,000	13,207	51,793
Total Charges to Appropriations	65,000	65,000	13,207	51,793
Budgetary Fund Balance, June 30	\$ 167,489	\$ 167,489	\$ 222,072	\$ 54,583

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 342,999	\$ 342,999	\$ 342,999	\$ -
Resources (Inflows):				
Intergovernmental	400,000	400,000	538,881	138,881
Use of money and property	-	-	2,864	2,864
Amounts Available for Appropriations	742,999	742,999	884,744	141,745
Charges to Appropriations (Outflows):				
Public safety	256,975	256,975	255,246	1,729
Total Charges to Appropriations	256,975	256,975	255,246	1,729
Budgetary Fund Balance, June 30	\$ 486,024	\$ 486,024	\$ 629,498	\$ 143,474

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 353,912	\$ 353,912	\$ 353,912	\$ -
Resources (Inflows):				
Intergovernmental	136,000	136,000	214,721	78,721
Use of money and property	-	-	882	882
Amounts Available for Appropriations	489,912	489,912	569,515	79,603
Charges to Appropriations (Outflows):				
Public safety	275,498	275,498	103,423	172,075
Total Charges to Appropriations	275,498	275,498	103,423	172,075
Budgetary Fund Balance, June 30	\$ 214,414	\$ 214,414	\$ 466,092	\$ 251,678

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 LLEBG
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,936	\$ 17,936	\$ 17,936	\$ -
Resources (Inflows):				
Intergovernmental	43,899	199,597	55,120	(144,477)
Use of money and property	-	-	(231)	(231)
Amounts Available for Appropriations	61,835	217,533	72,825	(144,708)
Charges to Appropriations (Outflows):				
Public safety	77,486	233,184	58,492	174,692
Total Charges to Appropriations	77,486	233,184	58,492	174,692
Budgetary Fund Balance (Deficit), June 30	\$ (15,651)	\$ (15,651)	\$ 14,333	\$ 29,984

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 HOMELAND SECURITY
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,943	\$ 7,943	\$ 7,943	\$ -
Resources (Inflows):				
Intergovernmental	12,766	12,766	-	(12,766)
Amounts Available for Appropriations	20,709	20,709	7,943	(12,766)
Charges to Appropriations (Outflows):				
Public safety	12,766	12,766	12,754	12
Total Charges to Appropriations	12,766	12,766	12,754	12
Budgetary Fund Balance (Deficit), June 30	\$ 7,943	\$ 7,943	\$ (4,811)	\$ (12,754)

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 ABANDONED VEHICLE
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 170,191	\$ 170,191	\$ 170,191	\$ -
Resources (Inflows):				
Intergovernmental	23,000	23,000	7,626	(15,374)
Amounts Available for Appropriations	193,191	193,191	177,817	(15,374)
Charges to Appropriations (Outflows):				
Public safety	23,000	23,000	1,031	21,969
Total Charges to Appropriations	23,000	23,000	1,031	21,969
Budgetary Fund Balance, June 30	\$ 170,191	\$ 170,191	\$ 176,786	\$ 6,595

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MEASURE A
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,379,458	\$ 1,379,458	\$ 1,379,458	\$ -
Resources (Inflows):				
Intergovernmental	1,681,000	1,681,000	2,663,932	982,932
Use of money and property	7,500	7,500	11,959	4,459
Amounts Available for Appropriations	3,067,958	3,067,958	4,055,349	987,391
Charges to Appropriations (Outflows):				
Public works	965,960	965,960	1,614,924	(648,964)
Debt service:				
Principal retirement	132,108	132,108	132,108	-
Transfers out	1,317,427	1,317,427	256,810	1,060,617
Total Charges to Appropriations	2,415,495	2,415,495	2,003,842	411,653
Budgetary Fund Balance, June 30	\$ 652,463	\$ 652,463	\$ 2,051,507	\$ 1,399,044

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 ARTICLE 3
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	16,797	16,797	88,748	71,951
Transfers in	64,203	64,203	-	(64,203)
Amounts Available for Appropriations	81,000	81,000	88,748	7,748
Charges to Appropriations (Outflows):				
General government	81,000	81,000	-	81,000
Transfers out	-	-	88,748	(88,748)
Total Charges to Appropriations	81,000	81,000	88,748	(7,748)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 NPDES
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,119	\$ 3,119	\$ 3,119	\$ -
Resources (Inflows):				
Transfers in	98,000	98,000	-	(98,000)
Amounts Available for Appropriations	101,119	101,119	3,119	(98,000)
Charges to Appropriations (Outflows):				
Public works	98,000	98,000	107,926	(9,926)
Total Charges to Appropriations	98,000	98,000	107,926	(9,926)
Budgetary Fund Balance (Deficit), June 30	\$ 3,119	\$ 3,119	\$ (104,807)	\$ (107,926)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY (AB2766/AQMD)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 224,302	\$ 224,302	\$ 224,302	\$ -
Resources (Inflows):				
Intergovernmental	114,000	114,000	118,501	4,501
Use of money and property	-	-	(1,034)	(1,034)
Amounts Available for Appropriations	338,302	338,302	341,769	3,467
Charges to Appropriations (Outflows):				
Public works	85,500	85,500	91,183	(5,683)
Capital outlay	60,000	60,000	64,900	(4,900)
Total Charges to Appropriations	145,500	145,500	156,083	(10,583)
Budgetary Fund Balance, June 30	\$ 192,802	\$ 192,802	\$ 185,686	\$ (7,116)

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 HBRRP
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund (Deficit), July 1	\$ (232,722)	\$ (232,722)	\$ (232,722)	\$ -
Resources (Inflows):				
Intergovernmental	4,027,837	4,027,837	2,738,500	(1,289,337)
Transfers in	941,363	941,363	6,060	(935,303)
Amounts Available for Appropriations	4,736,478	4,736,478	2,511,838	(2,224,640)
Charges to Appropriations (Outflows):				
Capital outlay	4,969,200	4,969,200	2,884,794	2,084,406
Total Charges to Appropriations	4,969,200	4,969,200	2,884,794	2,084,406
Budgetary Fund (Deficit), June 30	\$ (232,722)	\$ (232,722)	\$ (372,956)	\$ (140,234)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
WASTE RECYCLING AB939
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 671,569	\$ 671,569	\$ 671,569	\$ -
Resources (Inflows):				
Intergovernmental	2,000	2,000	-	(2,000)
Use of money and property	-	-	(3,128)	(3,128)
Miscellaneous	260,000	260,000	240,428	(19,572)
Amounts Available for Appropriations	933,569	933,569	908,869	(24,700)
Charges to Appropriations (Outflows):				
General government	344,209	344,209	354,111	(9,902)
Total Charges to Appropriations	344,209	344,209	354,111	(9,902)
Budgetary Fund Balance, June 30	\$ 589,360	\$ 589,360	\$ 554,758	\$ (34,602)

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 COMMUNITIES FACILITIES DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 95,029	\$ 95,029	\$ 95,029	\$ -
Resources (Inflows):				
Use of money and property	-	-	12,293	12,293
Contributions	4,085,600	4,085,600	4,080,295	(5,305)
Amounts Available for Appropriations	4,180,629	4,180,629	4,187,617	6,988
Charges to Appropriations (Outflows):				
Community development	69,898	69,898	66,364	3,534
Transfers out	4,015,702	4,015,702	4,015,702	-
Total Charges to Appropriations	4,085,600	4,085,600	4,082,066	3,534
Budgetary Fund Balance, June 30	\$ 95,029	\$ 95,029	\$ 105,551	\$ 10,522

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 CERTIFIED ACCESS SPECIALIST SB 1186
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 70,849	\$ 70,849	\$ 70,849	\$ -
Resources (Inflows):				
Miscellaneous	25,000	25,000	16,975	(8,025)
Amounts Available for Appropriations	95,849	95,849	87,824	(8,025)
Charges to Appropriations (Outflows):				
General government	26,500	26,500	5,792	20,708
Total Charges to Appropriations	26,500	26,500	5,792	20,708
Budgetary Fund Balance, June 30	\$ 69,349	\$ 69,349	\$ 82,032	\$ 12,683

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 INDIO HOUSING AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 8,276,304	\$ 8,276,304	\$ 8,276,304	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	5,479	(4,521)
Amounts Available for Appropriations	8,286,304	8,286,304	8,281,783	(4,521)
Charges to Appropriations (Outflows):				
Community development	322,013	322,013	285,264	36,749
Total Charges to Appropriations	322,013	322,013	285,264	36,749
Budgetary Fund Balance, June 30	\$ 7,964,291	\$ 7,964,291	\$ 7,996,519	\$ 32,228

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEPARTMENT OF CONSERVATION RECYCLE GRANT
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 51,187	\$ 51,187	\$ 51,187	\$ -
Resources (Inflows):				
Intergovernmental	45,000	45,000	178,534	133,534
Use of money and property	-	-	287	287
Amounts Available for Appropriations	96,187	96,187	230,008	133,821
Charges to Appropriations (Outflows):				
General government	33,000	33,000	84,411	(51,411)
Capital outlay	12,000	12,000	142,815	(130,815)
Total Charges to Appropriations	45,000	45,000	227,226	(182,226)
Budgetary Fund Balance, June 30	\$ 51,187	\$ 51,187	\$ 2,782	\$ (48,405)

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 PUBLIC EDUCATION GOVERNMENT CHANNEL
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 769,866	\$ 769,866	\$ 769,866	\$ -
Resources (Inflows):				
Miscellaneous	199,000	199,000	190,268	(8,732)
Amounts Available for Appropriations	968,866	968,866	960,134	(8,732)
Charges to Appropriations (Outflows):				
Capital outlay	400,000	400,000	-	400,000
Total Charges to Appropriations	400,000	400,000	-	400,000
Budgetary Fund Balance, June 30	\$ 568,866	\$ 568,866	\$ 960,134	\$ 391,268

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 CARES ACT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	1,120,515	1,120,515	-
Amounts Available for Appropriation	-	1,120,515	1,120,515	-
Charges to Appropriations (Outflows):				
Transfers out	-	1,120,515	1,120,515	-
Total Charges to Appropriations	-	1,120,515	1,120,515	-
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 NEIGHBORHOOD STABILIZATION GRANT 2
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,133,229	\$ 1,133,229	\$ 1,133,229	\$ -
Resources (Inflows):				
Use of money and property	250,000	250,000	14,323	(235,677)
Amounts Available for Appropriations	1,383,229	1,383,229	1,147,552	(235,677)
Charges to Appropriations (Outflows):				
Community development	66,600	66,600	13,148	53,452
Capital outlay	420,000	420,000	432,082	(12,082)
Total Charges to Appropriations	486,600	486,600	445,230	41,370
Budgetary Fund Balance, June 30	\$ 896,629	\$ 896,629	\$ 702,322	\$ (194,307)

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 LIGHTING AND LANDSCAPE
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,025,087	\$ 3,025,087	\$ 3,025,087	\$ -
Resources (Inflows):				
Use of money and property	-	-	(5,230)	(5,230)
Contributions	1,258,659	1,258,659	1,257,665	(994)
Transfers in	114,732	114,732	105,180	(9,552)
Amounts Available for Appropriations	4,398,478	4,398,478	4,382,702	(15,776)
Charges to Appropriations (Outflows):				
Public works	1,970,935	1,980,358	1,533,692	446,666
Total Charges to Appropriations	1,970,935	1,980,358	1,533,692	446,666
Budgetary Fund Balance, June 30	\$ 2,427,543	\$ 2,418,120	\$ 2,849,010	\$ 430,890

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 11,223	\$ 11,223	\$ 11,223	\$ -
Resources (Inflows):				
Intergovernmental	2,173,345	2,929,099	17,675	(2,911,424)
Amounts Available for Appropriations	2,184,568	2,940,322	28,898	(2,911,424)
Charges to Appropriations (Outflows):				
Community development	808,466	1,564,220	1,236,272	327,948
Capital outlay	1,174,977	1,174,977	49,994	1,124,983
Transfers out	190,000	190,000	76,193	113,807
Total Charges to Appropriations	2,173,443	2,929,197	1,362,459	1,566,738
Budgetary Fund Balance, June 30	\$ 11,125	\$ 11,125	\$ (1,333,561)	\$ (1,344,686)

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 CAL EMERGENCY MANAGEMENT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 123	\$ 123	\$ 123	\$ -
Resources (Inflows):				
Intergovernmental	-	20,873	-	(20,873)
Amounts Available for Appropriations	123	20,996	123	(20,873)
Charges to Appropriations (Outflows):				
Public safety	-	20,873	-	20,873
Total Charges to Appropriations	-	20,873	-	20,873
Budgetary Fund Balance, June 30	\$ 123	\$ 123	\$ 123	\$ -

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 DONATIONS
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 75,822	\$ 75,822	\$ 75,822	\$ -
Resources (Inflows):				
Miscellaneous	-	-	8,935	8,935
Amounts Available for Appropriations	75,822	75,822	84,757	8,935
Charges to Appropriations (Outflows):				
General government	11,000	11,000	9,831	1,169
Total Charges to Appropriations	11,000	11,000	9,831	1,169
Budgetary Fund Balance, June 30	\$ 64,822	\$ 64,822	\$ 74,926	\$ 10,104

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 OFFICE OF TRAFFIC SAFETY
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	33,000	86,000	4,235	(81,765)
Amounts Available for Appropriations	33,000	86,000	4,235	(81,765)
Charges to Appropriations (Outflows):				
Public safety	33,000	86,000	4,235	81,765
Total Charges to Appropriations	33,000	86,000	4,235	81,765
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
SB-1 TRANSPORTATION
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,775,077	\$ 1,775,077	\$ 1,775,077	\$ -
Resources (Inflows):				
Intergovernmental	1,536,589	1,536,589	1,840,946	304,357
Use of money and property	20,000	20,000	6,720	(13,280)
Amounts Available for Appropriations	3,331,666	3,331,666	3,622,743	291,077
Charges to Appropriations (Outflows):				
Public works	1,939,291	1,939,291	2,081,525	(142,234)
Transfers out	905,572	905,572	12,482	893,090
Total Charges to Appropriations	2,844,863	2,844,863	2,094,007	750,856
Budgetary Fund Balance, June 30	\$ 486,803	\$ 486,803	\$ 1,528,736	\$ 1,041,933

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY TRANSITIONAL HOUSING
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 114,762	\$ 114,762	\$ 114,762	\$ -
Resources (Inflows):				
Intergovernmental	624,092	624,092	615,934	(8,158)
Use of money and property	-	-	(12,562)	(12,562)
Amounts Available for Appropriations	738,854	738,854	718,134	(20,720)
Charges to Appropriations (Outflows):				
Community development	624,059	644,059	615,934	28,125
Total Charges to Appropriations	624,059	644,059	615,934	28,125
Budgetary Fund Balance (Deficit), June 30	\$ 114,795	\$ 94,795	\$ 102,200	\$ 7,405

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 COMPOST MITIGATION DILLON
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,492	\$ 18,492	\$ 18,492	\$ -
Resources (Inflows):				
Use of money and property	-	-	158	158
Miscellaneous	13,700	13,700	15,985	2,285
Amounts Available for Appropriations	32,192	32,192	34,635	2,443
Budgetary Fund Balance, June 30	\$ 32,192	\$ 32,192	\$ 34,635	\$ 2,443

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 LOCAL GOV PLANNING SUPPORT GRANT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	275,000	275,000	-	(275,000)
Amounts Available for Appropriations	275,000	275,000	-	(275,000)
Charges to Appropriations (Outflows):				
Public works	275,000	275,000	115,836	159,164
Total Charges to Appropriations	275,000	275,000	115,836	159,164
Budgetary Fund Balance (Deficit), June 30	\$ -	\$ -	\$ (115,836)	\$ (115,836)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 PLANNING PROG GRANT SB2
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	310,000	310,000	-	(310,000)
Amounts Available for Appropriations	310,000	310,000	-	(310,000)
Charges to Appropriations (Outflows):				
Public works	310,000	310,000	100,821	209,179
Total Charges to Appropriations	310,000	310,000	100,821	209,179
Budgetary Fund Balance (Deficit), June 30	\$ -	\$ -	\$ (100,821)	\$ (100,821)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC ART IN-LIEU
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Use of money and property	15,000	15,000	(282)	(15,282)
Developer participation	104,000	104,000	170,412	66,412
Transfers in	-	-	1,053,468	1,053,468
Amounts Available for Appropriations	119,000	119,000	1,223,598	1,104,598
Charges to Appropriations (Outflows):				
Parks and recreation	390,158	390,158	73,396	316,762
Total Charges to Appropriations	390,158	390,158	73,396	316,762
Budgetary Fund Balance (Deficit), June 30	\$ (271,158)	\$ (271,158)	\$ 1,150,202	\$ 1,421,360

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,920,551	\$ 4,920,551	\$ 4,920,551	\$ -
Resources (Inflows):				
Intergovernmental	2,197,414	2,197,414	857,332	(1,340,082)
Use of money and property	29,012	29,012	151	(28,861)
Developer participation	1,764,000	1,764,000	3,446,446	1,682,446
Transfers in	1,665,668	1,665,668	1,701,753	36,085
Proceeds from sale of capital asset	-	-	355,141	355,141
Amounts Available for Appropriations	10,576,645	10,576,645	11,281,374	704,729
Charges to Appropriations (Outflows):				
Capital outlay	4,900,821	4,900,821	2,496,193	2,404,628
Debt service:				
Principal retirement	146,979	146,979	146,979	-
Transfers out	1,599,600	1,599,600	2,603,468	(1,003,868)
Total Charges to Appropriations	6,647,400	6,647,400	5,246,640	1,400,760
Budgetary Fund Balance, June 30	\$ 3,929,245	\$ 3,929,245	\$ 6,034,734	\$ 2,105,489

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,123,009	\$ 2,123,009	\$ 2,123,009	\$ -
Resources (Inflows):				
Use of money and property	-	-	1,656	1,656
Transfers in	2,658,961	2,658,961	2,648,790	(10,171)
Amounts Available for Appropriations	4,781,970	4,781,970	4,773,455	(8,515)
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	1,675,000	1,675,000	1,675,000	-
Interest and fiscal charges	1,511,960	1,511,960	1,507,848	4,112
Total Charges to Appropriations	3,186,960	3,186,960	3,182,848	4,112
Budgetary Fund Balance, June 30	\$ 1,595,010	\$ 1,595,010	\$ 1,590,607	\$ (4,403)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
JUDGMENT BONDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,904	\$ 6,904	\$ 6,904	\$ -
Resources (Inflows):				
Use of money and property	-	-	173	173
Transfers in	1,171,270	1,171,270	1,163,180	(8,090)
Amounts Available for Appropriations	1,178,174	1,178,174	1,170,257	(7,917)
Charges to Appropriations (Outflows):				
General government	6,289	6,289	5,100	1,189
Debt service:				
Principal retirement	640,000	640,000	640,000	-
Interest and fiscal charges	524,981	524,981	524,981	-
Total Charges to Appropriations	1,171,270	1,171,270	1,170,081	1,189
Budgetary Fund Balance, June 30	\$ 6,904	\$ 6,904	\$ 176	\$ (6,728)

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NON-MAJOR ENTERPRISE FUNDS

The proprietary funds are used to account for services for which the City charges customers. Funds included are:

Golf – To account for the operations and maintenance of the City's municipal golf course.

Solid Waste – To account for the solid waste services managed by Burrtec Waste and Recycling.

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 314,618	\$ 3,080,119	\$ 3,394,737
Accrued interest receivable	87	882	969
Due from other governments	6,391	-	6,391
Inventories	9,723	-	9,723
Prepaid costs	75,000	-	75,000
Total Current Assets	405,819	3,081,001	3,486,820
Noncurrent Assets:			
Capital assets - not being depreciated	465,959	-	465,959
Capital assets - net of accumulated depreciation	251,971	-	251,971
Total Noncurrent Assets	717,930	-	717,930
Total Assets	1,123,749	3,081,001	4,204,750
Deferred Outflows of Resources:			
Pension deferrals	4,376	-	4,376
OPEB deferrals	3,200	-	3,200
Total Deferred Outflows of Resources	7,576	-	7,576
Liabilities:			
Current Liabilities:			
Accounts payable	83,439	-	83,439
Accrued liabilities	556	-	556
Deposits payable	-	2,116,996	2,116,996
Total Current Liabilities	83,995	2,116,996	2,200,991
Noncurrent Liabilities:			
Net pension liability	30,268	-	30,268
Net OPEB liability	17,956	-	17,956
Total Noncurrent Liabilities	48,224	-	48,224
Total Liabilities	132,219	2,116,996	2,249,215
Deferred Inflows of Resources:			
Pension deferrals	50	-	50
OPEB deferrals	191	-	191
Total Deferred Inflows of Resources	241	-	241
Net Position:			
Investment in capital assets	717,930	-	717,930
Unrestricted	280,935	964,005	1,244,940
Total Net Position	\$ 998,865	\$ 964,005	\$ 1,962,870

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Golf</u>	<u>Solid Waste</u>	<u>Totals</u>
Operating Revenues:			
Sales and service charges	\$ 1,638,004	\$ 300,000	\$ 1,938,004
Total Operating Revenues	1,638,004	300,000	1,938,004
Operating Expenses:			
Personnel services	27,113	-	27,113
Contractual services	427,868	-	427,868
Repairs and maintenance	305,031	-	305,031
Depreciation expense	18,253	-	18,253
Materials and supplies	656,396	-	656,396
Total Operating Expenses	1,434,661	-	1,434,661
Operating Income	203,343	300,000	503,343
Nonoperating Revenues:			
Interest revenue	2,453	18,073	20,526
Total Nonoperating Revenues	2,453	18,073	20,526
Change in Net Position	205,796	318,073	523,869
Net Position - Beginning	793,069	645,932	1,439,001
Net Position - Ending	\$ 998,865	\$ 964,005	\$ 1,962,870

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Golf</u>	<u>Solid Waste</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 1,647,313	\$ 2,416,996	\$ 4,064,309
Payments to suppliers and service providers	(1,362,937)	-	(1,362,937)
Payments to employees for salaries and benefits	(28,693)	-	(28,693)
Net Cash Provided by Operating Activities	255,683	2,416,996	2,672,679
Cash Flows from Investing Activities:			
Interest on investments	2,404	18,728	21,132
Net Cash Provided by Investing Activities	2,404	18,728	21,132
Net Increase in Cash and Cash Equivalents	258,087	2,435,724	2,693,811
Cash and Cash Equivalents, July 1	56,531	644,395	700,926
Cash and Cash Equivalents, June 30	\$ 314,618	\$ 3,080,119	\$ 3,394,737
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 203,343	\$ 300,000	\$ 503,343
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	18,253	-	18,253
(Increase) decrease in accounts receivable	15,700	-	15,700
(Increase) decrease in due from other governments	(6,391)	-	(6,391)
Increase (decrease) in inventories	603	-	603
Increase (decrease) in accounts payable	25,755	-	25,755
Increase (decrease) in accrued liabilities	(207)	-	(207)
Increase (decrease) in deposits payable	-	2,116,996	2,116,996
Increase (decrease) in pension obligations	(3,346)	-	(3,346)
Increase (decrease) in OPEB obligations	1,973	-	1,973
Total Adjustments	52,340	2,116,996	2,169,336
Net Cash Provided by Operating Activities	\$ 255,683	\$ 2,416,996	\$ 2,672,679

INTERNAL SERVICE FUNDS

The internal service funds are used to account for goods and services provided by one City department to other City departments on a cost reimbursement basis. Funds included are:

Risk Management – This fund is used to account for activities involved in providing general liability and worker's compensation programs, property insurance, and retiree health benefits.

Information Technology – This fund encompasses the City's computer technology and telecommunications systems. It provides for future technology needs and assistance and provides technical training to employees to ensure equipment and software are used in the most efficient manner.

Vehicle Replacement – This fund accounts for activities involved in providing replacement of fully depreciated, damaged, or non-operational rolling stock.

Building and Grounds – This fund accounts for maintenance costs associated with City buildings and their grounds.

Fleet Maintenance – This fund accounts for the maintenance and repair of the City's vehicles, motorcycles, and heavy equipment rolling stock.

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Risk Management	Information Technology	Vehicle Replacment
Assets:			
Current Assets:			
Cash and investments	\$ 3,828,670	\$ 2,014,044	\$ 186,729
Accounts receivable	-	261	-
Restricted cash with fiscal agent	23,405	-	-
Total Current Assets	3,852,075	2,014,305	186,729
Noncurrent Assets:			
Capital assets - net of accumulated depreciation	-	1,140,642	2,242,314
Total Noncurrent Assets	-	1,140,642	2,242,314
Total Assets	3,852,075	3,154,947	2,429,043
Deferred Outflows of Resources:			
Pension deferrals	23,307	221,718	-
OPEB deferrals	33,573	257,610	-
Total Deferred Outflows of Resources	56,880	479,328	-
Liabilities:			
Current Liabilities:			
Accounts payable	-	62,408	2,851
Accrued liabilities	3,900	28,325	-
Unearned revenues	-	-	-
Capital leases, due within one year	-	-	-
Total Current Liabilities	3,900	90,733	2,851
Noncurrent Liabilities:			
Accrued claims and judgments	26,599	-	-
Capital leases	-	-	-
Net pension liability	196,354	1,539,836	-
Net OPEB liability	188,538	1,445,451	-
Total Noncurrent Liabilities	411,491	2,985,287	-
Total Liabilities	415,391	3,076,020	2,851
Deferred Inflows of Resources:			
Pension deferrals	6,895	3,730	-
OPEB deferrals	1,973	15,327	-
Total Deferred Inflows of Resources	8,868	19,057	-
Net Position:			
Net investment in capital assets	-	1,140,642	2,242,314
Unrestricted	3,484,696	(601,444)	183,878
Total Net Position	\$ 3,484,696	\$ 539,198	\$ 2,426,192

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021**

	Governmental Activities - Internal Service Funds		
	Buildings and Grounds	Fleet Maintenance	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 1,019,599	\$ 105,749	\$ 7,154,791
Accounts receivable	1,241	471	1,973
Restricted cash with fiscal agent	71,003	-	94,408
Total Current Assets	1,091,843	106,220	7,251,172
Noncurrent Assets:			
Capital assets - net of accumulated depreciation	701,543	-	4,084,499
Total Noncurrent Assets	701,543	-	4,084,499
Total Assets	1,793,386	106,220	11,335,671
Deferred Outflows of Resources:			
Pension deferrals	96,302	147,423	488,750
OPEB deferrals	161,607	217,609	670,399
Total Deferred Outflows of Resources	257,909	365,032	1,159,149
Liabilities:			
Current Liabilities:			
Accounts payable	153,650	222,276	441,185
Accrued liabilities	12,829	19,606	64,660
Unearned revenues	248,200	-	248,200
Capital leases, due within one year	96,848	-	96,848
Total Current Liabilities	511,527	241,882	850,893
Noncurrent Liabilities:			
Accrued claims and judgments	-	-	26,599
Capital leases	152,542	-	152,542
Net pension liability	668,749	1,024,157	3,429,096
Net OPEB liability	906,775	1,221,002	3,761,766
Total Noncurrent Liabilities	1,728,066	2,245,159	7,370,003
Total Liabilities	2,239,593	2,487,041	8,220,896
Deferred Inflows of Resources:			
Pension deferrals	1,603	2,537	14,765
OPEB deferrals	9,580	12,959	39,839
Total Deferred Inflows of Resources	11,183	15,496	54,604
Net Position:			
Net investment in capital assets	452,153	-	3,835,109
Unrestricted	(651,634)	(2,031,285)	384,211
Total Net Position	\$ (199,481)	\$ (2,031,285)	\$ 4,219,320

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Risk Management</u>	<u>Information Technology</u>	<u>Vehicle Replacement</u>
Operating Revenues:			
Interdepartmental charges	\$ 6,125,125	\$ 2,469,688	\$ 500,077
Other income	175,318	31,725	-
Total Operating Revenues	6,300,443	2,501,413	500,077
Operating Expenses:			
Personnel services	5,897,744	1,362,875	-
Contractual services	-	679,204	-
Repairs and maintenance	-	50,789	-
Claims expense	1,846	-	-
Depreciation expense	-	347,070	775,220
Materials and supplies	7,920	899,840	19,840
Total Operating Expenses	5,907,510	3,339,778	795,060
Operating Income (Loss)	392,933	(838,365)	(294,983)
Nonoperating Revenues (Expenses):			
Intergovernmental	-	-	23,638
Interest expense	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	23,638
Income (Loss) Before Capital Contributions and Transfers	392,933	(838,365)	(271,345)
Capital Contributions	-	457,030	11,941
Change in Net Position	392,933	(381,335)	(259,404)
Net Position - Beginning	3,091,763	920,533	2,685,596
Net Position - Ending	\$ 3,484,696	\$ 539,198	\$ 2,426,192

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Buildings and Grounds	Fleet Maintenance	Totals
Operating Revenues:			
Interdepartmental charges	\$ 3,034,144	\$ 2,971,944	\$ 15,100,978
Other income	122,261	539	329,843
Total Operating Revenues	3,156,405	2,972,483	15,430,821
Operating Expenses:			
Personnel services	646,653	790,850	8,698,122
Contractual services	341,823	244,422	1,265,449
Repairs and maintenance	590,310	370,999	1,012,098
Claims expense	-	-	1,846
Depreciation expense	21,586	-	1,143,876
Materials and supplies	1,306,910	1,370,207	3,604,717
Total Operating Expenses	2,907,282	2,776,478	15,726,108
Operating Income (Loss)	249,123	196,005	(295,287)
Nonoperating Revenues (Expenses):			
Intergovernmental	-	-	23,638
Interest expense	(12,069)	-	(12,069)
Total Nonoperating Revenues (Expenses)	(12,069)	-	11,569
Income (Loss) Before Capital Contributions and Transfers	237,054	196,005	(283,718)
Capital Contributions	-	-	468,971
Change in Net Position	237,054	196,005	185,253
Net Position - Beginning	(436,535)	(2,227,290)	4,034,067
Net Position - Ending	\$ (199,481)	\$ (2,031,285)	\$ 4,219,320

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Risk Management	Information Technology	Vehicle Replacement
Cash Flows from Operating Activities:			
Receipts from interfund services and charges	\$ 6,125,157	\$ 2,469,688	\$ 500,077
Receipts from insurance settlements	129,066	-	-
Other receipts	-	31,725	479,588
Payments to suppliers and service providers	(33,958)	(1,720,958)	(16,989)
Payments to employees for salaries and benefits	(5,878,539)	(1,227,578)	-
Net Cash Provided by (Used for) Operating Activities	341,726	(447,123)	962,676
Cash Flows from Non-Capital Financing Activities:			
Repayment made on short-term interfund borrowing	-	-	-
Net Cash (Used for) Non-Capital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(74,450)	(876,766)
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Grant receipts	-	-	23,638
Net Cash (Used for) Capital and Related Financing Activities	-	(74,450)	(853,128)
Net Increase (Decrease) in Cash and Cash Equivalents	341,726	(521,573)	109,548
Cash and Cash Equivalents, July 1	3,510,349	2,535,617	77,181
Cash and Cash Equivalents, June 30	\$ 3,852,075	\$ 2,014,044	\$ 186,729
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Combining Statement of Net Position:			
Cash and cash equivalents	\$ 3,828,670	\$ 2,014,044	\$ 186,729
Restricted cash and cash equivalents	23,405	-	-
Total Cash and Cash Equivalents	\$ 3,852,075	\$ 2,014,044	\$ 186,729

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Governmental Activities - Internal Service Funds

	Risk Management	Information Technology	Vehicle Replacement
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 392,933	\$ (838,365)	\$ (294,983)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	347,070	775,220
(Increase) decrease in accounts receivable	32	-	-
(Increase) decrease in prepaid costs	-	-	479,588
Increase (decrease) in accounts payable	(26,038)	(91,125)	2,851
Increase (decrease) in accrued liabilities	657	3,581	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in accrued claims and judgments	(44,406)	-	-
Increase (decrease) in pension obligations	-	(11,914)	-
Increase (decrease) in OPEB obligations	18,548	143,630	-
Total Adjustments	<u>(51,207)</u>	<u>391,242</u>	<u>1,257,659</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 341,726</u>	<u>\$ (447,123)</u>	<u>\$ 962,676</u>
Schedule of Non-Cash Capital and Related Financing Activities:			
Capital contributions	<u>\$ -</u>	<u>\$ 457,030</u>	<u>\$ 11,941</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Buildings and Grounds	Fleet Maintenance	Totals
Cash Flows from Operating Activities:			
Receipts from interfund services and charges	\$ 3,282,344	\$ 2,971,944	\$ 15,349,210
Receipts from insurance settlements	122,261		251,327
Other receipts	-	539	511,852
Payments to suppliers and service providers	(2,174,061)	(1,891,990)	(5,837,956)
Payments to employees for salaries and benefits	(423,112)	(731,749)	(8,260,978)
Net Cash Provided by (Used for) Operating Activities	807,432	348,744	2,013,455
Cash Flows from Non-Capital Financing Activities:			
Repayment made on short-term interfund borrowing	-	(242,995)	(242,995)
Net Cash (Used for) Non-Capital Financing Activities	-	(242,995)	(242,995)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	(951,216)
Principal paid on capital debt	(93,142)	-	(93,142)
Interest paid on capital debt	(12,069)	-	(12,069)
Grant receipts	-	-	23,638
Net Cash (Used for) Capital and Related Financing Activities	(105,211)	-	(1,032,789)
Net Increase (Decrease) in Cash and Cash Equivalents	702,221	105,749	737,671
Cash and Cash Equivalents, July 1	388,381	-	6,511,528
Cash and Cash Equivalents, June 30	\$ 1,090,602	\$ 105,749	\$ 7,249,199
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Combining Statement of Net Position:			
Cash and cash equivalents	\$ 1,019,599	\$ 105,749	\$ 7,154,791
Restricted cash and cash equivalents	71,003	-	94,408
Total Cash and Cash Equivalents	\$ 1,090,602	\$ 105,749	\$ 7,249,199

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Buildings and Grounds	Fleet Maintenance	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 249,123	\$ 196,005	\$ (295,287)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	21,586	-	1,143,876
(Increase) decrease in accounts receivable	-	-	32
(Increase) decrease in prepaid costs	-	-	479,588
Increase (decrease) in accounts payable	64,982	93,638	44,308
Increase (decrease) in accrued liabilities	4,696	(625)	8,309
Increase (decrease) in unearned revenue	248,200	-	248,200
Increase (decrease) in accrued claims and judgments	-	-	(44,406)
Increase (decrease) in pension obligations	21,940	(61,416)	(51,390)
Increase (decrease) in OPEB obligations	196,905	121,142	480,225
Total Adjustments	558,309	152,739	2,308,742
Net Cash Provided by (Used for) Operating Activities	\$ 807,432	\$ 348,744	\$ 2,013,455
Schedule of Non-Cash Capital and Related Financing Activities:			
Capital contributions	\$ -	\$ -	\$ 468,971

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FIDUCIARY FUNDS

Fiduciary funds are used to account for the receipt and disbursements of various taxes, deposits, deductions, and property collected by the City, acting in a fiduciary capacity for distribution to other governmental units or other organizations. Fiduciary fund financial statements include a statement of net position and statement of changes in net position.

The Custodial funds are used to account for assets held by the City as a custodian for other governmental units.

Eastern Riverside County Interoperable Communications Authority (“ERICA”) Fund – To account for the development, implementation, and operations of the regional communications system joint powers authority known as ERICA.

Assessment District Funds – To account for the City’s fiduciary capacity as custodian of the monies held on behalf of the various Assessment District Bonds for debt service.

East Valley Reclamation Authority (“EVRA”) Fund – To account for the planning, implementation, and operations of the recycled water program including the tertiary or enhanced treatment of water.

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	ERICA	Assessment Districts	East Valley Reclamation Authority	Total
Assets:				
Cash and cash equivalents	\$ 975,974	\$ 8,781,818	\$ 192,854	\$ 9,950,646
Accrued interest receivable	281	2,508	46	2,835
Investments at fair value:				
Money market mutual funds	-	4,716,079	-	4,716,079
Due from other governments	-	125,387	-	125,387
Capital assets - not being depreciated	-	-	126,166	126,166
Capital assets - net of accumulated depreciation	1,366,500	-	-	1,366,500
Total Assets	2,342,755	13,625,792	319,066	16,287,613
Liabilities:				
Accounts payable	148,048	66	631	148,745
Accrued interest	24,303	-	-	24,303
Deposits payable	-	218,055	-	218,055
Long-term liabilities:				
Due within one year	356,516	-	-	356,516
Due in more than one year	748,699	8,432,702	-	9,181,401
Total Liabilities	1,277,566	8,650,823	631	9,929,020
Net Position:				
Restricted for:				
Individuals, organizations, and other governments	1,065,189	4,974,969	318,435	6,358,593
Total Net Position	\$ 1,065,189	\$ 4,974,969	\$ 318,435	\$ 6,358,593

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	ERICA	Assessment Districts	East Valley Reclamation Authority	Custodial Total
Additions:				
Investment Earnings:				
Interest and net (decrease) in fair value of investments	\$ (1,123)	\$ (11,521)	\$ (360)	\$ (13,004)
Net Investment Income	(1,123)	(11,521)	(360)	(13,004)
Charges for services	1,180,585	-	-	1,180,585
Taxes and assessments	-	5,979,533	-	5,979,533
Intergovernmental	392,970	-	63,855	456,825
Miscellaneous	-	41,200	-	41,200
Total Additions	1,572,432	6,009,212	63,495	7,645,139
Deductions:				
Administrative expense	984,152	-	1,663	985,815
Contractual services	158,978	439,555	3,250	601,783
Interest expense	40,248	2,120,183	-	2,160,431
Depreciation expense	410,964	-	-	410,964
Total Deductions	1,594,342	2,559,738	4,913	4,158,993
Changes in Net Position	(21,910)	3,449,474	58,582	3,486,146
Net Position - Beginning, as Originally Reported	-	-	-	-
Restatements	1,087,099	1,525,495	259,853	2,872,447
Net Position - Beginning, as Restated	1,087,099	1,525,495	259,853	2,872,447
Net Position - Ending	\$ 1,065,189	\$ 4,974,969	\$ 318,435	\$ 6,358,593

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STATISTICAL SECTION

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CITY OF INDIO

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<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity	178-181
<p>These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales tax, state motor vehicle in lieu tax, intergovernmental revenue and charges for services are the City's most significant revenue sources.</p>	
Debt Capacity	182-186
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	187-189
<p>These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.</p>	
Operating Information	190-194
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	

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CITY OF INDIO

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 431,924	\$ 432,106	\$ 425,528	\$ 419,607	\$ 414,227	\$ 413,312	\$ 424,760	\$ 435,892	\$ 432,662	\$ 425,271
Restricted	23,734	25,716	26,842	26,095	22,180	20,260	19,546	26,344	27,132	23,954
Unrestricted	(8,635)	(5,199)	(4,019)	(34,270)	(28,253)	(45,879)	(46,940)	(49,563)	(54,459)	(41,295)
Total governmental activities net position	\$ 447,023	\$ 452,623	\$ 448,351	\$ 411,432	\$ 408,154	\$ 387,693	\$ 397,366	\$ 412,673	\$ 405,335	\$ 407,930
Business-type activities:										
Net investment in capital assets	\$ 146,605	\$ 143,311	\$ 136,334	\$ 133,627	\$ 128,429	\$ 122,807	\$ 117,916	\$ 115,539	\$ 111,170	\$ 106,981
Restricted	-	-	-	-	-	605	312	319	321	321
Unrestricted	10,409	9,225	18,628	4,700	8,660	14,804	13,161	20,645	27,539	35,586
Total business-type activities net position	\$ 157,014	\$ 152,536	\$ 154,962	\$ 138,327	\$ 137,089	\$ 138,216	\$ 131,389	\$ 136,503	\$ 139,030	\$ 142,888
Primary government:										
Net investment in capital assets	\$ 578,529	\$ 575,417	\$ 561,862	\$ 553,234	\$ 542,656	\$ 536,119	\$ 542,676	\$ 551,431	\$ 543,832	\$ 532,252
Restricted	23,734	25,716	26,842	26,095	22,180	20,865	19,858	26,663	27,453	24,275
Unrestricted	1,774	4,026	14,609	(29,570)	(19,593)	(31,075)	(33,779)	(28,918)	(26,920)	(5,709)
Total primary government net position	\$ 604,037	\$ 605,159	\$ 603,313	\$ 549,759	\$ 545,243	\$ 525,909	\$ 528,755	\$ 549,176	\$ 544,365	\$ 550,818

Source: City of Indio

CITY OF INDIO

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 6,965	\$ 7,005	\$ 6,535	\$ 10,395	\$ 11,968	\$ 26,255	\$ 10,658	\$ 12,651	\$ 13,163	\$ 15,563
Public safety	41,502	32,930	47,339	43,688	36,041	42,467	46,193	50,101	52,487	47,695
Public works	16,441	22,946	16,019	21,289	16,619	17,873	18,281	26,531	22,210	22,893
Community development	15,226	8,653	8,710	11,099	9,275	8,164	7,377	8,053	7,649	9,960
Community services	2,821	2,693	2,665	1,789	2,314	2,608	3,005	2,854	2,878	3,002
Interest expense and other charges	3,318	6,235	3,013	6,484	2,463	5,505	2,333	2,239	2,105	1,985
Total governmental activities expenses	86,273	80,462	84,281	94,744	78,680	102,872	87,847	102,429	100,492	101,098
Business-type activities:										
Water	24,125	22,562	23,563	30,145	26,424	24,018	25,302	25,738	24,451	23,570
Golf	904	851	942	1,120	1,086	1,073	1,196	1,223	1,254	1,435
Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	25,029	23,413	24,505	31,265	27,510	25,091	26,498	26,961	25,705	25,005
Total primary government expenses	111,302	103,875	108,786	126,009	106,190	127,963	114,345	129,390	126,197	126,103
Program revenues:										
Governmental activities:										
Charges for services:										
General government	3,698	11,086	10,520	12,113	1,459	1,633	3,764	371	987	1,159
Public safety	5,917	2,489	2,316	2,578	7,185	7,057	5,017	8,352	4,010	3,757
Public works	3,255	1,115	1,828	1,738	5,559	7,464	9,105	8,898	9,042	10,773
Community development	5,118	1,312	2,560	2,248	262	296	302	210	244	180
Community services	785	3,056	3,869	3,095	107	139	113	105	87	235
Operating contributions and grants	7,098	21,959	14,847	14,809	7,637	7,677	11,648	29,579	14,779	13,592
Capital contributions and grants	6,347	9,689	8,841	5,767	1,290	1,266	2,845	506	510	1,125
Total governmental activities program revenues	32,218	50,706	44,781	42,348	23,499	25,532	32,794	48,021	29,659	30,821
Business-type activities:										
Charges for services:										
Water	16,207	15,971	18,198	18,767	17,832	22,313	22,439	23,098	23,107	24,789
Golf	755	687	689	1,113	935	995	1,069	1,158	1,067	1,638
Solid Waste	-	-	-	-	-	-	-	-	-	300
Capital contributions and grants	-	1,768	2,480	1,266	4,735	2,643	2,061	5,878	2,491	2,057
Total business-type activities program revenues	16,962	18,426	21,367	21,146	23,502	25,951	25,569	30,134	26,665	28,784
Total primary government activities program revenues	49,180	69,132	66,148	63,494	47,001	51,483	58,363	78,155	56,324	59,605
Net revenues (expenses):										
Governmental activities	(54,055)	(29,756)	(39,500)	(52,396)	(55,181)	(77,340)	(55,053)	(54,408)	(70,833)	(70,277)
Business-type activities	(8,067)	(4,987)	(3,138)	(10,119)	(4,008)	860	(929)	3,173	960	3,779
Total primary government net expense	(62,122)	(34,743)	(42,638)	(62,515)	(59,189)	(76,480)	(55,982)	(51,235)	(69,873)	(66,498)

CITY OF INDIO

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	16,120	13,373	13,000	13,887	15,055	16,007	16,765	17,834	18,540	19,691
Sales tax	7,667	8,377	9,349	10,040	11,692	13,579	22,545	24,503	22,622	28,150
Transient occupancy taxes	2,547	2,820	3,078	3,907	4,520	6,298	6,760	7,768	5,012	8,699
Other taxes	14,485	11,521	11,747	12,186	13,840	13,649	14,035	13,381	13,407	14,366
Investment income	328	73	64	4,025	1,757	1,436	1,876	2,167	3,012	1,277
Motor vehicle in lieu, unrestricted	-	43	36	34	34	39	47	42	71	67
Other general revenues	5,373	3,468	5,076	11,095	5,219	7,121	10,094	4,933	885	621
Transfers	206	(15)	(6,245)	(75)	(151)	(89)	(70)	(913)	(53)	-
Total governmental activities	46,726	39,660	36,105	55,099	51,966	58,040	72,052	69,715	63,496	72,871
Business-type activities:										
Investment income	65	91	70	139	72	127	113	865	1,342	5
Transfers	(206)	15	6,245	75	152	89	70	913	53	-
Other general revenues	399	403	-	-	2,545	51	430	163	172	74
Total business-type activities	258	509	6,315	214	2,769	267	613	1,941	1,567	79
Total primary government	46,984	40,169	42,420	55,313	54,735	58,307	72,665	71,656	65,063	72,950
Changes in net position										
Governmental activities	(7,329)	9,904	(3,395)	2,703	(3,215)	(19,300)	16,999	15,307	(7,337)	2,594
Business-type activities	(7,809)	(4,478)	3,177	(9,905)	(1,239)	1,127	(316)	5,114	2,527	3,858
Total primary government	\$ (15,138)	\$ 5,426	\$ (218)	\$ (7,202)	\$ (4,454)	\$ (18,173)	\$ 16,683	\$ 20,421	\$ (4,810)	\$ 6,452

Source: City of Indio

CITY OF INDIO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund:											
Nonspendable	\$ 3,640	\$ 3,793	\$ 3,989	\$ 3,536	\$ 7,641	\$ 8,978	\$ 10,141	\$ 10,509	\$ 11,513	\$ 12,857	\$ 8,651
Restricted	-	-	-	-	-	-	-	-	-	981	1,210
Committed	-	-	730	1,140	5,619	11,197	11,285	11,285	12,000	12,000	12,000
Assigned	16	21	784	6,922	3,242	3,459	8,452	12,653	11,603	9,283	12,082
Unassigned	(1,725)	783	4,266	4,490	7,087	1,820	-	2,148	4,628	3,197	19,797
Total general fund	<u>\$ 1,931</u>	<u>\$ 4,597</u>	<u>\$ 9,769</u>	<u>\$ 16,088</u>	<u>\$ 23,589</u>	<u>\$ 25,454</u>	<u>\$ 29,878</u>	<u>\$ 36,595</u>	<u>\$ 39,744</u>	<u>\$ 38,318</u>	<u>\$ 53,740</u>
All other governmental funds:											
Nonspendable	\$ -	\$ -	\$ -	\$ 5,496	\$ 5,926	\$ -	\$ -	\$ 2	\$ 120	\$ -	\$ 19
Restricted	92,801	24,153	26,334	19,182	18,761	22,179	20,260	19,533	20,231	22,232	22,745
Assigned	2,315	2,294	1,296	985	985	-	-	-	2,597	4,918	6,035
Unassigned:	(2,190)	(1,423)	665	(424)	(135)	(6)	(614)	(4,125)	(2,146)	(233)	(2,045)
Capital projects funds	-	-	-	-	-	-	(905)	-	-	-	-
Total all other governmental funds	<u>\$ 92,926</u>	<u>\$ 25,024</u>	<u>\$ 28,295</u>	<u>\$ 25,239</u>	<u>\$ 25,537</u>	<u>\$ 22,173</u>	<u>\$ 18,741</u>	<u>\$ 15,410</u>	<u>\$ 20,802</u>	<u>\$ 26,917</u>	<u>\$ 26,754</u>

CITY OF INDIIO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 35,537	\$ 32,562	\$ 34,073	\$ 36,320	\$ 45,265	\$ 49,533	\$ 59,950	\$ 63,486	\$ 59,581	\$ 70,906
Special assessments	3,950	3,866	3,792	4,015	-	-	-	-	-	-
Licenses and permits	1,381	2,027	3,384	2,916	2,438	2,737	2,338	2,289	2,525	3,153
Intergovernmental	14,047	18,740	14,818	11,754	5,706	5,722	10,036	28,795	14,461	12,498
Charges for services	9,034	8,335	9,482	15,110	7,176	8,719	6,382	9,742	4,972	4,789
Fines and forfeitures	1,199	1,215	887	938	860	676	543	545	744	651
Investment earnings	314	4,089	2,794	5,333	1,758	1,436	1,980	2,166	3,011	1,277
Developer fees	2,238	5,559	4,901	4,491	1,640	1,899	3,372	2,834	2,482	3,617
Contributions from property owners	-	-	-	-	4,112	4,291	4,553	4,884	5,145	5,338
Miscellaneous	1,384	2,471	2,401	4,598	5,592	7,624	10,232	5,446	1,059	742
Total revenues	69,084	78,864	76,532	85,475	74,547	82,637	99,386	120,187	93,980	102,971
Expenditures										
Current:										
General government	4,000	4,204	4,166	5,046	5,112	20,271	5,043	5,815	7,273	9,054
Public safety	32,875	32,603	35,080	37,766	38,118	40,477	42,089	44,339	43,895	43,928
Public works	14,840	21,300	14,174	15,050	10,650	13,035	10,635	18,247	14,438	13,921
Community development	12,304	7,731	7,382	8,733	7,903	6,129	5,192	5,761	5,113	7,017
Community services	1,716	1,545	1,461	1,559	2,384	2,524	2,850	2,674	2,670	2,657
Other	70	323	407	3,884	102	-	-	-	-	-
Capital outlay	-	-	-	-	5,036	8,231	23,242	25,157	9,519	6,181
Debt service:										
Principal retirement	4,065	1,815	1,849	2,827	24,023	3,161	3,895	4,092	3,206	3,194
Interest and fiscal charges	4,707	2,690	2,700	2,631	2,627	5,576	2,441	2,364	2,229	2,115
Other charges	1,511	381	-	-	486	-	-	-	-	-
Total expenditures	76,088	72,592	67,219	77,496	96,441	99,404	95,387	108,449	88,343	88,067
Excess (deficiency) of revenues over (under) expenditures	(7,004)	6,272	9,313	7,979	(21,894)	(16,767)	3,999	11,738	5,637	14,904
Other financing sources (uses):										
Transfers in	9,514	5,787	6,862	7,031	7,216	9,990	11,150	11,224	12,226	12,686
Transfers out	(9,308)	(6,782)	(12,912)	(7,211)	(7,406)	(8,269)	(11,649)	(14,421)	(13,501)	(12,686)
Lease purchase and loan proceeds	-	-	-	-	-	-	-	-	-	-
Issuance of bonds	2,788	-	-	-	-	-	-	-	-	-
Sale of real property	-	24,500	-	-	19,730	16,300	-	-	-	-
Original discount on bonds	-	-	-	-	919	(262)	-	-	-	355
Special items	-	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	(21,335)	-	-	-	-	-	-	327	-
Total other financing sources (uses)	2,994	2,170	(6,050)	(180)	20,459	17,759	(499)	(3,197)	(948)	355
Extraordinary gain (loss) on dissolution of redevelopment agency	(61,226)	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$(65,236)	\$ 8,442	\$ 3,263	\$ 7,799	\$(1,435)	\$ 992	\$ 3,500	\$ 8,541	\$ 4,689	\$ 15,259
Debt service as a percentage of noncapital expenditures	13.3%	7.2%	7.8%	7.6%	29.6%	9.8%	8.8%	7.6%	8.3%	6.6%

Source: City of Indio

CITY OF INDIO
 Assessed Value and Estimated Actual Value of Taxable Property
 (amounts expressed in thousands)
 Last Ten Fiscal Years

Fiscal Year					Less:	Total Taxable	Total
Ended June 30	Residential Property	Commercial Property	Industrial Property	Other Property	Tax-Exempt Property	Assessed Value	Direct Tax Rate
2021	7,324,840	954,038	264,707	713,119	-	9,256,704	0.1053
2020	6,974,129	900,025	253,666	696,518	1,930	8,822,408	0.1027
2019	6,499,481	957,306	270,856	786,077	94,058	8,419,662	0.1003
2018	6,162,303	919,705	259,047	769,151	89,925	8,020,281	0.1001
2017	5,892,675	868,261	249,636	746,057	88,682	7,667,947	0.1003
2016	5,562,654	849,716	236,337	733,842	87,548	7,295,001	0.1000
2015	5,083,136	799,883	229,871	704,982	81,457	6,736,415	0.0998
2014	4,596,084	778,639	232,313	709,675	87,181	6,229,530	0.0998
2013	4,265,362	762,283	239,808	714,989	90,074	5,892,368	0.2513
2012	4,335,337	744,572	248,495	743,900	87,436	5,984,868	0.2568

NOTE:

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 that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL, Coren & Cone

CITY OF INDIO
Direct and Overlapping Property Tax Rates
(rate per \$100 of assessed value)
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City of Indio	0.13251	0.13251	0.13251	0.13251	0.13251	0.13251	0.13251	0.13251	0.13251	0.13251
Redevelopment Agency	1.00000	-	-	-	-	-	-	-	-	-
Total Direct Rate	0.25684	0.25133	0.09979	0.09986	0.10002	0.10031	0.10012	0.10031	0.10274	0.10528
Direct & Overlapping Tax Rates										
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Coachella Valley Unified School	0.07487	0.07968	0.14919	0.14919	0.13218	0.16601	0.17609	0.14954	0.14876	0.14549
Coachella Valley Water District	0.08000	0.08000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
Desert Community College	0.01995	0.01995	0.01995	0.02325	0.02087	0.02036	0.04030	0.03978	0.03983	0.03947
Desert Sands Unified School District	0.11467	0.11156	0.10954	0.10984	0.10915	0.08599	0.07251	0.07418	0.07381	0.07390
Total Direct & Overlapping Tax Rates	1.28949	1.29119	1.37868	1.38228	1.36220	1.37236	1.38890	1.36350	1.36240	1.35886

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at 1.00% fixed amount. The 1.00% is shared by all taxing agencies which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed

Source: HdL, Coren & Cone

CITY OF INDIO
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2021		2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 66,933,970	0.72%	\$ 57,419,777	0.96%
Desert Polo Land Company, LLC.	57,588,653	0.62%		
Spectrum Pacific West, LLC.	40,570,754	0.44%		
Wal-Mart Real Estate Business Trust	41,748,183	0.45%		
Trendwest Resorts Inc	40,456,456	0.44%	34,534,687	0.58%
James Padova	34,114,660	0.37%		
JFK Memorial Hospital Inc	33,416,191	0.36%	43,056,815	0.72%
ALJACKS	29,111,824	0.31%	23,626,459	0.39%
JDG Properties	29,315,340	0.32%	25,802,147	0.43%
Andorra Apartments, LLC.	26,235,917	0.28%		
Jackson 42			38,138,938	0.64%
Polo Square Partners			33,513,688	0.56%
Smoketree Apartments			21,660,584	0.36%
Target Corporation			23,279,445	0.39%
Wells Fargo Bank NA			24,683,145	0.41%
	<u>\$399,491,948</u>	<u>4.32%</u>	<u>\$ 325,715,685</u>	<u>5.44%</u>

Note: The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: HdL, Coren & Cone

CITY OF INDIO
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2021	8,291,384	8,386,828	101.15%	205,439 *	8,592,266	103.63%
2020	7,554,590	7,915,575	104.78%	169,441 *	8,085,016	107.02%
2019	7,142,930	7,080,158	99.12%	128,359 *	7,208,517	100.92%
2018	6,821,440	6,789,921	99.54%	112,775 *	6,902,696	101.19%
2017	6,533,653	6,378,548	97.63%	115,544 *	6,494,092	99.39%
2016	6,215,647	6,091,830	98.01%	123,194 *	6,215,024	99.99%
2015	5,617,060	6,367,892	113.37%	112,922 *	6,480,814	115.38%
2014	5,251,198	6,043,843	115.09%	118,271 *	6,162,114	117.35%
2013	4,949,402	6,712,961 ^A	135.63%	131,576 *	6,844,537	138.29%
2012	16,782,104	14,597,944	86.99%	274,460 *	14,872,404	88.62%

*The City participates in the County's "Teeter Plan" whereby the county pays current year delinquencies in November of the subsequent year but keeps subsequent collections and penalties.

NOTE:

Amounts presented include City property taxes and residual revenue for former Redevelopment Agency. Effective February 1, 2012, ABx1 26 dissolved the Redevelopment Agencies throughout the State of California which resulted in the reduction of amounts collected for the Fiscal Year ended June 2012 and subsequent years.

^A Includes proceeds from redistribution of former Redevelopment and Low/Mod Housing funds relinquished to the State in 2012.

Sources: County of Riverside Auditor Controller's Office
HdL, Coren & Cone
City of Indio

CITY OF INDIO

Ratios of Outstanding Debt by Type
(amounts expressed in thousands)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities										Business-type Activities		
	Revenue Refunding Bonds (1)	Tax Allocation Bonds (1)	Certificates of Participation (1)	Lease Revenue Bonds (1)	Judgment Obligation Bonds (1)	Loans (1)	Total		Total Primary Government (1)	Population (2)	Personal Income (3)	Percentage of Personal Income	Debt Per Capita
							Governmental	Activities					
							Revenue	Bonds (1)					
2021	-	-	1,275	35,065	13,560	249	50,149	50,074	100,223	91,621	2,434,498	4.12%	1.09
2020	-	-	1,875	36,782	14,188	622	53,467	52,185	105,652	90,751	2,228,050	4.74%	1.16
2019	-	-	2,450	38,438	14,799	1,102	56,789	54,221	111,010	89,406	2,094,653	5.30%	1.24
2018	-	-	3,005	39,832	15,650	2,510	60,997	56,207	117,204	87,883	1,900,128	6.17%	1.33
2017	-	-	3,535	41,662	16,038	3,767	65,002	58,153	123,155	88,718	1,814,845	6.79%	1.39
2016	-	-	4,045	42,260	-	5,060	51,365	58,725	110,090	88,058	1,706,419	6.45%	1.25
2015	-	-	4,535	39,190	-	11,973	55,698	60,215	115,913	84,201	1,651,948	7.02%	1.38
2014	-	-	5,005	40,165	-	13,461	58,631	55,205	113,836	82,398	1,560,289	7.30%	1.38
2013	-	-	5,460	40,165	-	12,132	57,757	56,605	114,362	81,393	1,584,233	7.22%	1.41
2012	-	-	5,895	37,000	-	13,171	56,066	57,970	114,036	78,065	1,546,312	7.37%	1.46

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

- Sources: (1) City of Indio
(2) State Department of Finance
(3) HdL, Coren & Cone

CITY OF INDIO
Ratio of General Bonded Debt Outstanding
(amounts expressed in thousands)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Bonded Debt											Debt Per Capita
	Water Revenue Bond	Revenue Refunding Bonds	Tax Allocation Bonds	Lease Revenue Bonds	Judgment Obligation Bonds	Certificates of Participation	Total	Population (1)	Personal Income (2)	Percent of Assessed Value		
2021	\$50,074	-	-	\$35,065	\$13,560	\$1,275	\$99,974	91,621	2,434,498	1.25%	1.09	
2020	\$52,185	-	-	\$36,782	\$14,188	\$1,875	\$105,030	90,751	\$2,228,050	1.31%	1.16	
2019	\$54,221	-	-	38,438	14,799	2,450	\$109,908	89,406	2,094,653	1.37%	1.23	
2018	56,207	-	-	39,832	15,650	3,005	\$114,694	87,883	1,900,128	1.43%	1.31	
2017	58,153	-	-	41,662	16,038	3,535	\$119,388	88,718	1,814,845	1.56%	1.35	
2016	58,725	-	-	42,260	-	4,045	\$105,030	88,058	1,706,419	1.44%	1.19	
2015	60,215	-	-	39,190	-	4,535	\$103,940	86,683	1,651,948	1.54%	1.20	
2014	55,205	-	-	40,165	-	5,005	\$100,375	84,655	1,560,289	1.61%	1.19	
2013	56,605	-	-	40,165	-	5,460	\$102,230	83,450	1,584,233	1.68%	1.23	
2012	57,970	-	-	37,000	-	5,895	\$100,865	79,185	1,546,312	1.69%	1.27	

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

NOTE:

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

Sources: City of Indio

CITY OF INDIO
Direct and Overlapping
June 30, 2021

2020-21 Assessed Valuation: \$9,251,864,665

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/21</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/21</u>
Desert Community College District	\$392,435,000	10.477%	\$ 41,115,415
Coachella Valley Unified School District	235,623,166	11.806	27,817,671
Desert Sands Unified School District	410,450,000	18.226	74,808,617
City of Indio Community Facilities District No. 2004-3	11,925,000	100.	11,925,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	12,879,000	100.	12,120,000
City of Indio Community Facilities District No. 2006-1	6,884,000	100.	6,884,000
City of Indio 1915 Act Bonds	19,429,367	100.	19,422,367
Valley Sanitary District Assessment District No. 2004-VSD	4,670,000	100.	<u>4,670,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$198,763,070</u>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$717,525,698	2.954%	\$ 21,195,709
Riverside County Pension Obligation Bonds	881,575,000	2.954	26,041,726
Coachella Valley Unified School District Certificates of Participation	34,505,000	11.806	4,073,660
Desert Sands Unified School District Certificates of Participation	24,960,000	18.226	4,549,210
City of Indio General Fund Obligations	36,514,000	100.	36,514,000
City of Indio Judgment Obligations	13,560,000	100.	<u>13,560,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$105,934,305</u>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$48,675,000	 100. %	 <u>\$48,675,000</u>
 TOTAL DIRECT DEBT			 \$50,074,000
TOTAL OVERLAPPING DEBT			303,298,375
 COMBINED TOTAL DEBT			 <u>\$354,138,375</u>

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2020-21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.15%
Combined Direct Debt (\$50,074,000)	0.54%
Combined Total Debt	3.81%

Ratios to Redevelopment Incremental Valuation (\$1,585,406,601):

Total Overlapping Tax Increment Debt.....	3.07%
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Source: California Municipal Statistics, Inc.
City of Indio

CITY OF INDIO
 Legal Debt Margin Information
 (amounts expressed in thousands)
 Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation (1)	\$ 5,984,868	\$ 6,097,869	\$ 6,229,530	\$ 6,736,088	\$ 7,295,001	\$ 7,667,948	\$ 8,020,281	\$ 8,419,662	\$ 8,822,409	\$ 9,256,704
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	897,730	914,680	934,430	1,010,413	1,094,250	1,150,192	1,203,042	1,262,949	1,323,361	1,388,506
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 897,730	\$ 914,680	\$ 934,430	\$ 1,010,413	\$ 1,094,250	\$ 1,150,192	\$ 1,203,042	\$ 1,262,949	\$ 1,323,361	\$ 1,388,506
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of assessed valuation of all real and personal property of the

Sources: City of Indio
 (1) HdL, Coren & Cone

CITY OF INDIO
Pledged-Revenue Coverage
(amounts expressed in thousands)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Water Revenue Bonds				RDA Tax Allocation Bonds			
	Water Revenue	Less Operating Expenses	Net Available Revenue	Coverage	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2021	4,198	1	4,197	1.00	-	-	-	-
2020	4,144	6	4,138	1.00	-	-	-	-
2019	4,191	4	4,187	1.00	-	-	-	-
2018	4,142	4	4,138	1.00	-	-	-	-
2017	4,080	-	4,080	1.00	-	-	-	-
2016	4,136	69	4,067	1.08	-	-	-	-
2015	3,393	65	3,458	1.02	-	-	-	-
2014	4,194	62	4,132	1.00	-	-	-	-
2013	4,208	59	4,229	1.00	-	-	-	-
2012	4,179	16	4,163	1.00	-	-	-	-

Fiscal Year Ended June 30	Gas Tax Certificate of Participation				RDA Revenue Refunding Bonds			
	Revenue	Less Operating Expenses	Net Available Revenue	Coverage	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2021	681	3	678	1.00	-	-	-	-
2020	679	2	677	1.00	-	-	-	-
2019	685	5	680	1.00	-	-	-	-
2018	678	2	676	1.00	-	-	-	-
2017	663	2	661	1.00	-	-	-	-
2016	676	-	676	1.00	-	-	-	-
2015	675	-	675	1.00	-	-	-	-
2014	689	11	678	1.00	-	-	-	-
2013	676	4	676	1.00	-	-	-	-
2012	678	-	678	1.00	-	-	-	-

Fiscal Year Ended June 30	Lease Revenue Bonds			
	Revenue	Less Operating Expenses	Net Available Revenue	Coverage
2021	3,184	12	3,172	1.00
2020	3,184	10	3,174	1.00
2019	3,230	10	3,220	1.00
2018	3,239	15	3,224	1.00
2017	3,253	12	3,241	1.00
2016	3,681	-	3,681	1.00
2015	2,761	-	1,790	0.65
2014	1,796	6	1,796	1.00
2013	23,024	-	23,024	1.00
2012	2,309	1	2,308	1.00

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

CITY OF INDIO
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Age (2)</u>	<u>Average Household Size (2)</u>	<u>Median Household Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2021	91,621	42.5	2.86	\$ 74,774	\$ 33,704	8.7%
2020	90,751	42.5	2.86	\$ 74,774	\$ 33,704	13.8%
2019	89,406	44.7	2.22	\$ 45,272	\$ 28,926	5.8%
2018	87,883	43.5	2.50	\$ 45,278	\$ 26,930	6.7%
2017	88,718	40.5	2.83	\$ 40,449	23,103	6.1%
2016	88,058	35.9	3.08	\$ 52,343	23,584	7.0%
2015	86,683	34.0	3.12	47,280	20,354	6.8%
2014	84,655	32.7	3.13	51,202	21,702	9.3%
2013	83,450	34.1	3.48	46,822	18,772	12.1%
2012	79,185	34.3	3.23	41,082	19,748	14.0%

Sources: (1) State Department of Finance
(2) U.S. Census Bureau
(3) Employment Development Department

CITY OF INDIO
Principal Employers
Current Year and Nine Years Ago

Employer (1)	2021		2012	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Riverside	1,212	18.26%	1,332	4.72%
Desert Sands Unified School District	2,765	6.68%	1,076	3.82%
Fantasy Springs Resort Casino	1,130	2.73%		
John F. Kennedy Memorial Hospital	633	1.53%	658	2.33%
Walmart Supercenter	unavailable	unavailable		
City of Indio	250	0.60%	242	0.86%
Ralphs	unavailable	unavailable		
Riverside Superior Court	151	0.36%	198	0.70%
Fiesta Ford Lincoln	137	0.33%		
Indio Nursing and Rehabilitation Center	145	0.35%		
Cardenas Market	105	0.25%		
Granite Construction Co			238	0.84%
Target			180	0.64%
Home Depot			129	0.46%
Jackalope Ranch			85	0.30%
Mathis Brothers	110	0.27%	107	0.38%
Total Employment Listed	6,638	16.03%	4,245	15.05%
Total City Employment (2)	41,400		28,200	

"Total Employment" as used above represents the total employment of all employers located within City limits.

Sources: (1) Avenue Insights & Analytics
City of Indio

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

(2) State of California Employment Development Department website

CITY OF INDIO
 Full-time and Part-time City Employees
 by Function
 Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	41	45	39	36	34	36	36	36	38	38
Police	113	107	99	100	103	99	104	107	115	115
Public works	29	24	26	33	33	31	34	36	33	34
Community developmen	18	15	16	17	19	19	26	23	21	22
Water	<u>41</u>	<u>44</u>	<u>44</u>	<u>46</u>	<u>48</u>	<u>48</u>	<u>41</u>	<u>44</u>	<u>45</u>	<u>41</u>
	<u>242</u>	<u>235</u>	<u>224</u>	<u>232</u>	<u>237</u>	<u>233</u>	<u>241</u>	<u>246</u>	<u>252</u>	<u>250</u>

The City of Indio contracts with Riverside County for fire protection services.

Source: City of Indio

CITY OF INDIO
Operating Indicators
by Function
Last Ten Fiscal Years

	2012	2013	2014	Fiscal Year 2015	2016	2017	2018	2019	2020	2021
Police:										
Arrests	2,163	2,062	2,119	2,178	2,026	2,331	1,853	1,651	1,548	1,777
Traffic citations issued	4,606	2,632	2,476	1,478	1,452	2,102	1,777	858	1,064	1,137
Parking citations issued	2,097	1,554	3,231	5,312	4,191	1,173	4,766	6,803	6,344	564
Fire:										
Emergency calls	8,138	8,442	8,564	9,319	8,317	8,611	7,796	9,467	8,934	9,411
Inspections	2,287	2,535	2,254	2,629	2,473	2,553	2,586	3,326	3,084	3,177
Public works:										
Street resurfacing (miles)	1.0	0.0	3.3	1.0	10.0	1.0	6.0	48.0	27.0	10.5
Water:										
New connections	0	258	488	397	223	320	302	316	245	517
Average daily consumption (millions of gallons)	18	18	20	18	15	15	15	15	16	18
Golf Course:										
Golf rounds played	20,576	19,753	18,908	26,464	26,481	24,003	24,491	26,107	23,716	33,394

Source: City of Indio

CITY OF INDIO
 Capital Asset Statistics
 by Function
 Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	1	1	1	1	1	1	1	1	1	1
Animal care centers	1	1	1	0	0	0	0	0	0	0
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Paved streets (miles)	244	244	251	253	254	254	254	255	255	255
Streetlights	2,825	2,869	2,858	2,886	2,893	2,858	2,858	2,868	2,868	2,901
Traffic signals	87	89	92	95	97	98	100	104	104	104
Recreation:										
Parks	13	15	17	17	17	18	18	18	18	18
Senior centers	1	1	1	1	1	1	1	1	1	1
Teen centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	327	327	329	332	342	343	343	344	344	346
Maximum daily capacity (millions of gallons)	66	66	66	66	66	66	66	66	66	66
Golf Course:										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1

Source: City of Indio

INDIO WATER AUTHORITY
Water Sold by Type of Customer
Last Ten Fiscal Years

(in hundred cubic feet)

Type of Customer:	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single-Family Residential	5,413,435	5,392,718	5,392,822	4,982,247	4,236,748	4,459,372	4,891,183	4,734,130	4,905,070	5,363,606
Multi-Family Residential	1,165,519	1,066,970	978,114	838,995	639,273	661,020	755,878	785,314	782,526	805,082
Commercial/Institutional	1,195,118	1,138,652	1,228,943	1,158,582	1,091,004	1,097,366	1,194,031	1,188,760	1,063,772	1,137,018
Industrial	59,114	61,707	72,389	66,423	54,401	58,018	60,552	64,585	66,865	66,052
Landscaping/Irrigation	1,229,869	1,067,837	1,205,557	1,023,955	743,594	924,444	1,049,375	976,302	938,291	1,051,466
Total	9,063,055	8,727,884	8,877,825	8,070,202	6,765,020	7,200,220	7,951,019	7,749,091	7,756,524	8,423,224

Total commodity rate
per 100 cubic feet

\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16
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Note:
During FY 2013-2014, IWA changed its rate structure to a customized water budget with a five tiered rate structure.

Source: Indio Water Authority

INDIO WATER AUTHORITY
Water Rates
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Monthly Base Rate	9.24	9.24	15.55	16.79	18.14	19.59	21.16	21.16	21.16	21.16
Rate Per 100 Cubic Feet										
Tier 1	1.16	1.16	0.77	0.83	0.90	0.97	1.05	1.05	1.05	1.05
Tier 2	n/a	n/a	1.16	1.25	1.35	1.31	1.41	1.41	1.41	1.41
Tier 3	n/a	n/a	1.55	1.67	1.81	1.95	2.11	2.11	2.11	2.11
Tier 4	n/a	n/a	2.32	2.51	2.71	2.92	3.16	3.16	3.16	3.16
Tier 5	n/a	n/a	3.09	3.34	3.60	3.89	4.20	4.20	4.20	4.20

(1) Rates are based on a 3/4" x 1" meter size, which is the standard household meter size.

Note:

During FY 2013-2014, IWA changed its rate structure to a customized water budget with a five tiered water rate structure.

Source: Indio Water Authority

INDIO WATER AUTHORITY
 Ten Largest Water Customers
 Last Five Fiscal Years

Water Customer	Account Class	Fiscal Year									
		2017	2018	2019	2020	2021					
		Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues		
ACDW Properties Inc.	Apartments	\$ -	0.00%	\$ -		\$ -		\$ -			
Arabian Gardens MHP	Mobile Home Park										
Artic Glacier USA	Commercial										
Cabazon Indian Reservation	Casino										
Capital Foresight Comm., LP	Apartments	131,378	0.75%			107,086	0.52%	133,758	0.60%		
Casa Monroe Apartments	Apartments			88,665	0.43%						
CV Housing	Apartments										
Desert Air Homeowner's Assoc	RV Park										
DSUSD - Indio High School	School			98,604	0.48%						
DSUSD - Amistad HS	School	81,101	0.46%			92,242	0.45%				
DSUSD - Middle School	School	149,551	0.86%								
Empire Polo Club	Commercial	53,553	0.31%								
Fantasy Springs Casino	Commercial	76,469	0.44%	123,672	0.63%	140,371	0.68%	172,599	0.78%		
Indian Palms Country Club	Commercial			87,411	0.44%			106,638	0.48%		
Indio Housing Authority	Apartments										
Indio Housing Corporation	Apartments										
John F. Kennedy Memorial Hosp	Hospital	67,536	0.39%								
Motorcoach CC POA, Inc											
Monte Azul Housing				110,141	0.56%	119,108	0.58%	118,361	0.57%		
Philip S Moreau	RV Park	88,927	0.51%	93,703	0.47%						
Polo Estates Ventures	Commercial			214,724	1.09%	195,465	0.95%	150,299	0.73%		
Pueblo Del Sol	Mobile Home Park	76,973	0.44%					220,507	1.00%		
Rancho Casa Blanca	Mobile Home Park										
Riverside County	Government	62,822	0.36%	230,789	1.17%	303,855	1.47%	248,708	1.21%		
Riverside County-Juvenile Hall	Government										
Smoketree Apartments	Apartments			87,874	0.44%	90,651	0.44%	96,975	0.47%		
Summerbreeze Homeowner's Assoc	Apartments					90,263	0.44%	89,414	0.43%		
Summerfield Apartments	Apartments			101,150	0.51%	104,292	0.51%	107,790	0.52%		
Sunrise Point Apartments	Apartments										
Terra Lago	Commercial			102,310	0.52%						
The Club Worldmark	Time Share			143,387	0.73%	136,515	0.66%	119,226	0.58%		
Waller Tract Water - HAML	Residential	66,154	0.38%								
		<u>\$ 854,464</u>	<u>4.90%</u>	<u>\$ 1,295,161</u>	<u>6.56%</u>	<u>\$ 1,367,789</u>	<u>6.64%</u>	<u>\$ 1,279,745</u>	<u>6.21%</u>	<u>\$ 1,325,466</u>	<u>5.98%</u>

Source: Indio Water Authority

