



City of Indio
Comprehensive Annual Financial Report
Fiscal Year 2018-2019

CITY OF INDIO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

Prepared by:
FINANCE DEPARTMENT



CITY OF INDIO, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2019

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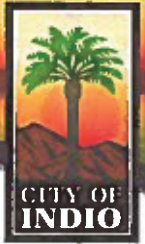
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December 31, 2019

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended June 30, 2019. 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 CAFR.

Responsibility for the accuracy of the data in the CAFR 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, for a fourth year in a row. 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, 2019 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, 2019 do fairly represent the City’s financial position. The “unmodified” opinion expressed by the auditors indicates that the City is in compliance with Governmental Auditing 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 report.

The 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 CAFR 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 population of about 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 sometimes exceed 120 degrees. Winters are warm with daytime highs often between 68-86 degrees. Under four inches of annual precipitation are 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 that 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 (Coachellafest), the Stagecoach Country Music Festival, Riverside County Fair & Date Festival, Palm Springs Kennel Club Dog Show, Southwest Arts Festival, and the Indio International Tamale Festival. The Coachellafest and Stagecoach Music Festival have been held in the City since 1999 and 2007, respectively. In October 2016, the City hosted the epic classic rock festival Desert Trip. 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.

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 and represents the City on ceremonial occasions. Also elected at large, the City has a City Treasurer and a City Clerk.

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 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 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 cooperates with Riverside County in the provision of flood control. The Coachella Valley Recreation District operates a 39,000 square foot comprehensive recreational facility in the City. The City maintains over 15 parks. The City is the alternate county seat for the County of Riverside and contains a large number of County facilities including the alternate emergency operations center for Riverside County, 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 1 of each year and ends on June 30 of 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 three to

four, the City Council considers the proposed budget and makes any revisions it deems appropriate. On or before June 30, 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 revised expenditure plans as deemed necessary. 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.

LONG-TERM FINANCIAL PLANNING

The City has engaged Bartel Associates, LLC, a highly competent actuarial-consulting firm to project pension contribution rates over the next 10+ years and to analyze funding options. That analysis will lead the City into public discussions on employee-benefit plan provisions, understanding employee benefit costs for all plans and employee groups, performing “what-if” analysis of employee benefit cost projections under alternative sets of discount rates, asset return and other actuarial assumptions, and a range of options available to mitigate projected future budget shortfalls. With the help of a trained professional, this detail analysis will incorporate sensitivity scenarios to represent 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.

ECONOMIC CONDITION AND OUTLOOK

The City stands on a firm financial footing. Reserves are up, revenue is up, and the City is heavily investing in road and other capital infrastructure thanks to the recently approved transaction and use tax (Measure X), which is expected to generate \$11 million in FY 2019-20. Infrastructure projects for FY 2019-20 total more than \$47 million and funds have been set aside to cover future pension and Other Post-Employment Benefits (OPEB) increases.

The City is carefully monitoring the horizon for signs of economic change, all while opening its arms to new and expanding businesses. Despite some economists who had predicted a 2019 recession, as 2019 comes to a close, the U.S. economy has set a new record for longest economic expansion since World War II. While an economic expansion cannot last forever, the City’s two-year economic outlook remains positive, with the expectation of slow but steady growth over the coming 24 months. Inflation continues to be below the two percent target set by the Federal Reserve, the Canadian dollar—a considerable influencer on Coachella Valley’s tourism—only slightly depreciated over the previous year, and unemployment rates remains low nationally, regionally, and locally.

It became clear in the Great Recession that the Inland Empire's (IE) unemployment rate served as a leading economic indicator and the City is prudently watching regional unemployment rates to identify changes in the economy. About 4.2 million people live in the IE—a region generally referring to cities of western Riverside County, southwestern San Bernardino, and the Coachella Valley—and about 20 percent of those residents commute into Los Angeles (LA) and other coastal communities for work, understandably taking advantage of the lower cost of living available in the IE. As the economy tightens in the LA area, the effects are greatest in the IE as those commuters are forced to cut spending or lose their jobs. The IE unemployment rate is holding at about four percent, the lowest level its been since the Great Recession, a clear indication that the IE labor force is still at work. In Indio, the unemployment fluctuates due to seasonality, but is expected to average 5.5 percent for the second year in row, which is also a ten-year record low.

Boosting the local economy, lots of new businesses are opening in the City. Here is a list of businesses that have recently opened:

- Treasure Hunt, November 2018.
- Fairfield Inn & Suites by Marriott, December 2018.
- Loco Charlie's Mexican Grill, February 2019
- Sage Initiative, March 2019
- Tractor Supply, April 2019
- Hernandez Dental, April 2019
- PC Print Graphics, May 2019
- Marshalls, relocated and opened in May 2019
- Burlington, June 2019
- Steers Bar & Grill, July 2019
- Ring Power Corporation's Southwest Regional Headquarters (Caterpillar Inc.) July 2019
- Sun Community Federal Credit Union, August 2019.
- Buzz Box corporate headquarters, September 2019
- Burger IM, September 2019
- Five Below, November 2019

And the list of businesses and employers expected to open or expand in the coming 18 months is just as impressive:

- Tower Market Gas Station and Convenience Store (Indio Blvd. & Ave 48)
- Ulta Beauty
- Ono Hawaiian BBQ
- Chevron Gas Station and Extra Mile convenience store
- Maya Cinemas- (The Palms Shopping Center)
- Hampton Inn & Suites by Hilton
- TKB Bakery & Deli (New location Golf Center Parkway & Avenue 45)
- Chipotle
- Old Navy
- Golden Corral
- Dunn Edwards Paints
- John J. Benoit Detention Center, 1,273 beds and 450 new jobs
- Downtown Pilot Indio Innovation Hub (iHub)
- Arcadia Indio Behavioral Hospital (Dr. Carreon Blvd & Cheyenne Rd.)

- Chandi Gas Station and Convenience Store (SW corner of Jefferson St & Varner Rd)
- 7-Eleven Gas Station and Convenience Store (NE corner of Golf Center Pkwy & Avenue 45)

MAJOR INITIATIVES FOR THE FUTURE

Looking ahead at expenditures, unfunded pension liability is a statewide problem. It resulted from years of overly expensive benefits and underperforming investments managed by the CalPERS retirement system. In recent years, benefit levels have been reduced and investment policy has been improved, but the unfunded past liability still haunts all but the newest CalPERS agencies (meaning most cities, counties, school districts and the State) during budget time. Over the past year, the City enlisted the assistance of an actuarial firm to provide a costing model for the pension plan that considers current valuations and funded status. Our CalPERS cost is expected to increase \$900,000 this coming year and, based on the model, will increase an average of \$500,000 in each of the coming ten years. Knowing what we are up against, we can incorporate these cost increases into the budget. While the City has already started a trust fund to assist in the future funding of OPEB, the adopted budget includes \$1 million to initiate a new Section 115 trust to help fund future pension obligations. In addition, each year the City prepays its annual required unfunded accrued liability (UAL) contribution, taking advantage of the prepayment discount offered through CalPERS. By paying in advance, rather than monthly, the City saved approximately \$148,000 in FY 2018-19 and expects to save approximately \$169,000 in FY 2019-20. Additionally, the City's cost for liability coverage has been affected by a few very high-cost claims. While these costs are spread over a five-year basis to moderate cost shock, it means we have several years of cost increases in our future running at or above \$500,000 per year above previous year numbers. These liability coverage increases are reflected in the City's internal service funds, allocated across most operating funds, but are substantially a General Fund obligation.

The City is also experiencing an increase in Fire Service costs due to labor contract increases and what has now become annual wildfire crises. It has become increasingly urgent to fully staff and equip our departments for the critical life-safety work they perform on our behalf. The FY 2019-20 adopted budget incorporates partial funding to purchase of a ladder truck to aid in these efforts, as well as the first-year phasing of an enhanced staffing plan for the Fire Department, referred to as Municipal Staffing. To further ensure the City's emergency services needs are met, the budget also incorporates a contribution to an ambulance replacement reserve to set aside funds for equipment replacement in future years. As financial resources become more robust, we will be considering establishing additional equipment replacement reserves in future years.

Over the last two years, the City of Indio has embarked on the most aggressive Capital Improvement Program in years. Based on a good economy, strong outside investment interest, improved revenue sources, and stable local governance, the City Council has directed City staff to develop bold, but responsible plans for maintenance and expansion of the City's infrastructure and "quality of life" amenities. Current projects have included:

- Adoption of a new 2040 General Plan and California Environmental Quality Act documentation to guide and facilitate future development based on City goals and strategies.

- Implementation of a major public roadways rehabilitation program (both local and arterial roads). These projects are funded by Measure X for local roads and a combination of various federal, state and local funds for the other projects. The City intends to upgrade the majority of its public roadways over a multi-year period.
- Initiation of a major development project – a Public Safety Campus on South Jackson Street, constructing a new Fire Station Headquarters Station, a new Public Safety Dispatch Center, a new Public Safety Service Center, as well as parking and site amenities. In future years, the City will plan for a new Police Headquarters Building.
- Acquisition of almost all of the City’s previous Redevelopment Successor Agency land holdings in the Downtown Indio area, enabling the City to seek new private sector development to return vibrancy and economy to Downtown Indio. The City Council is also expected to adopt a new Downtown Specific Plan during the first quarter of 2020 to guide the new investment. The City is seeking residential, retail, restaurant, hospitality and arts uses in the Downtown.
- Execution of Exclusive Negotiation Agreements with two developers of projects in the Midtown area of Indio – one for the redevelopment of the old Indio Fashion Mall for a new retail/entertainment mixed use center called the Indio Grand Marketplace. The other project involves plans to build Downtown market-rate urban-style apartments on Oasis Blvd., with ground-floor mixed use development.
- Collaboration with the College of the Desert as they prepare construction documents to build second and third Downtown campus buildings, eventually raising Indio enrollment to more than 10,000 students.
- Realization of three major IT software implementations – an ERP finance and personnel system, a Land Management permitting and land database system, and a Public Safety computer-aided dispatch and records management system. The City is also completing an IT Master Plan looking toward the future in such areas as cyber security, data storage, social media support, etc.
- Evaluation of options for developing a future Downtown Transit Station, bolstered by a recent State and RCTC grant to develop a temporary transit platform serving the April music festivals.
- Initiation of a new Marketing Strategic plan, including the hiring of the City’s first Director of Communication & Marketing, developing a social media policy and programming, conducting marketing research, establishing marketing standards and expanding our “storytelling” outreach for delivering our key messages to our community and beyond.

AWARDS AND ACKNOWLEDGEMENTS

The Institute for Local Government (ILG) promotes good government by assisting local leaders in their efforts to govern openly, effectively and ethically, work collaboratively, and foster healthy and sustainable communities. In August, the ILG announced that that the City of Indio had been selected as a 2019 Beacon Spotlight Award Winner due to the City’s continuing efforts to address climate change, promote energy innovation and create more sustainable communities. Through partnerships with local energy providers, outreach to its citizens and students, and upgrades to more efficient and sustainable equipment and infrastructure, the City was able to reduce agency greenhouse gas by 26 percent, while generating energy savings of six percent.

For fiscal year 2019-20, the City took on the challenge of enhancing its budget document in the hopes of being recognized by the Government Finance Officers Association (GFOA) for its distinguished budget award. The GFOA recognizes governments for excellence in budget preparation, with an emphasis on creating documents that deliver not only the numbers, but also paint a bigger picture of the agency as a whole. In order to meet the recognition requirements, we added information on City demographics, challenges that arise in a growing city, policies and procedures, and the budget preparation process, to name a few. While the GFOA award winners have not been announced yet, we are confident these additions have made the budget a more comprehensive, well-rounded document, and we look forward to building on this enhanced transparency in future budget documents.

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 comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twelfth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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 comprehensive annual 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.

Preparation of this report was accomplished by the combined staff efforts of the Finance Department, the City Manager's Office, as well as many other City departments. I appreciate the high level of professionalism and dedication that these staff members bring to the City. I would also like to thank the members of the City Council for their leadership and the opportunity to serve the residents of the City.

Respectfully submitted,



Mark Scott
City Manager

CITY OF INDIO
City Officials
as of June 30, 2019

CITY COUNCIL

LUPE RAMOS AMITH
Mayor

GLENN MILLER
Mayor Pro Tempore

ELAINE HOLMES
Council Member

WAYMOND FERMON
Council Member

OSCAR ORTIZ
Council Member

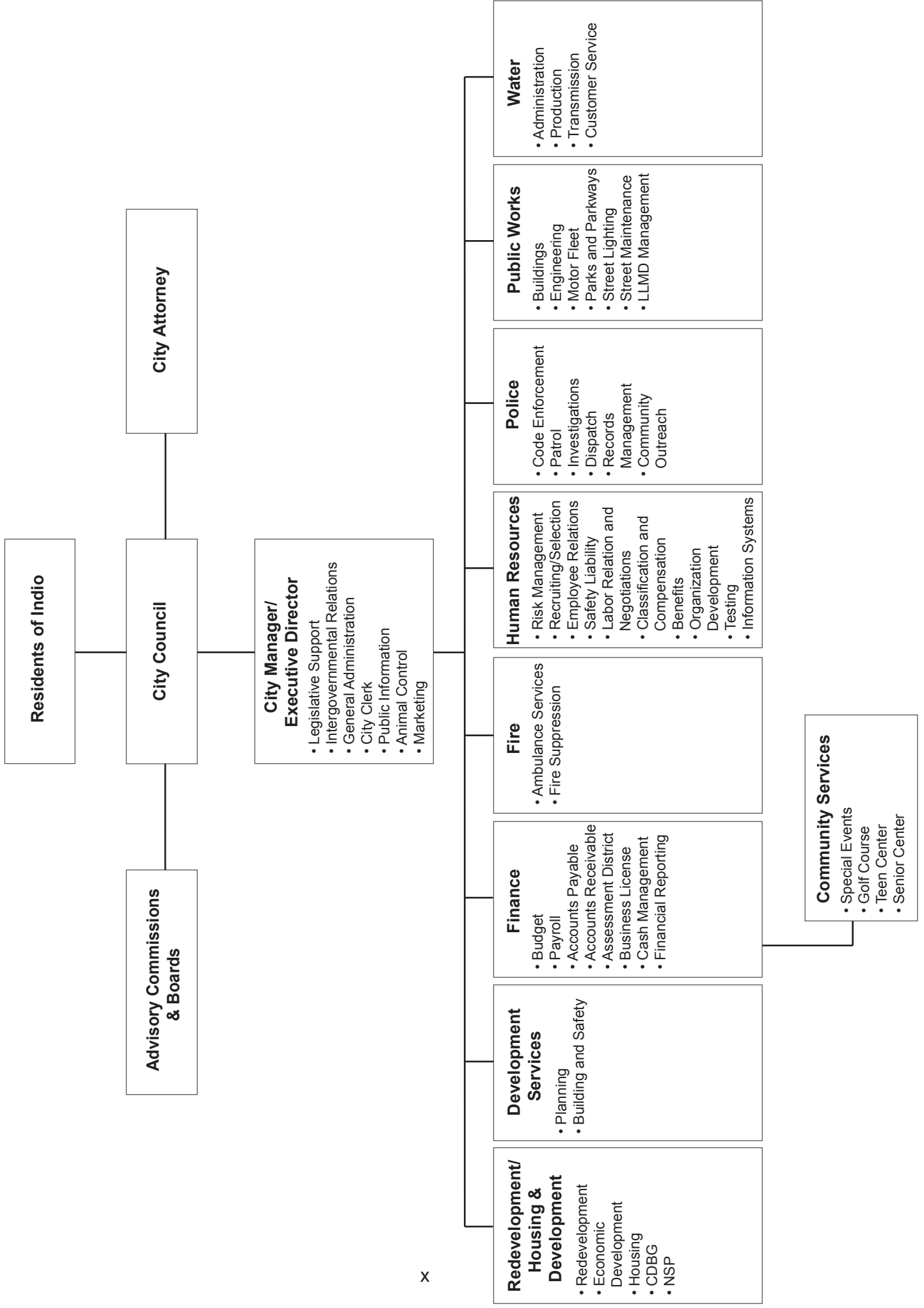
OTHER ELECTED OFFICIALS

Cynthia Hernandez, City Clerk
Balvina Ramirez, Treasurer

EXECUTIVE STAFF

Mark Scott, City Manager
Scott Trujillo, Deputy City Manager
Rob Rockwell, Asst. City Manager & Finance Director
Ian Cozens, Director of Information Technology
Terry Deeringer, Director of Human Resources & Risk Management
Carl Morgan, Director of Economic Development
Robert Fish, Fire Chief
Trish Rhay, IWA General Manager
Kevin Snyder, Director of Development Services
Mike Washburn, Chief of Police
Tim Wassil, Director of Public Works

City of Indio Organizational Chart





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, 2018

Christopher P. Morill

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

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinions

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 of Indio, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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



CPAs AND ADVISORS

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2019 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.

Lance, Soll & Lughard, LLP

Brea, California
December 24, 2019



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, 2019. 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 letter 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 report 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 31-84.

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. A budget to actual comparison schedule is provided for the City's general fund on page 86. Required supplementary information can be found on pages 86-94.

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 and liabilities, with the difference between the two 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 government'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 2018-19 fiscal year, the City's assets exceeded its liabilities by \$549.2 million. The City's net position increased \$20.4 million from the year before, a rise of 3.9 percent. This outcome was driven by increases in assets (\$24.7 million) and deferred outflows (\$5.8 million) offset by an increase in liabilities (\$9.8 million) and a minor increase in deferred inflows (\$0.3 million). The increase in assets was due to increases in cash and investments in both governmental and business-type functions.

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, these assets are not spendable resources. Total assets increased \$24.7 million, increases in current, capital and noncurrent assets. Within the deferred outflows category, the recognition of increase in OPEB obligations (\$9.4 million) was offset by decrease in prospective pension (\$3.5 million) and the expected future reduction of debt (\$65K). Within the liability category, long term liabilities increased \$5.9 million; pension liability decreased \$1.3 million, GASB 75 other post-employment benefit liability increased \$13.4 million, bond and notes payable decreased \$5.8 million, and other miscellaneous liabilities increased \$3.8 million. The following table is a simplified summary the City's net position.

Net Position Summary (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 81,447	\$ 71,339	\$ 40,432	\$ 29,300	\$ 121,879	\$ 100,639
Capital assets	479,659	472,230	168,652	172,949	648,311	645,179
Other noncurrent assets	11,596	11,221	-	-	11,596	11,221
Total assets	<u>572,702</u>	<u>554,790</u>	<u>209,084</u>	<u>202,249</u>	<u>781,786</u>	<u>757,039</u>
Pensions	12,142	15,087	1,196	1,765	13,338	16,852
OPEB	8,935	1,467	2,280	331	11,215	1,798
Deferred loss on refunding of debt		-	1,109	1,174	1,109	1,174
Total deferred outflows	<u>21,077</u>	<u>16,554</u>	<u>4,585</u>	<u>3,270</u>	<u>25,662</u>	<u>19,824</u>
Long-term liabilities outstanding	157,396	152,106	71,303	70,679	228,699	222,785
Other liabilities	19,633	18,115	5,534	3,173	25,167	21,288
Total liabilities	<u>177,029</u>	<u>170,221</u>	<u>76,837</u>	<u>73,852</u>	<u>253,866</u>	<u>244,073</u>
Pensions	2,293	1,875	327	277	2,620	2,152
OPEB	8	9	2	2	10	11
Unamortized gain on refunding of debt	1,776	1,873	-	-	1,776	1,873
Total deferred inflows	<u>4,077</u>	<u>3,757</u>	<u>329</u>	<u>279</u>	<u>4,406</u>	<u>4,036</u>
Net position:						
Net investment in capital assets	435,892	424,761	115,539	117,916	551,431	542,677
Restricted	26,344	19,532	319	312	26,663	19,844
Unrestricted	(49,563)	(46,927)	20,645	13,160	(28,918)	(33,767)
Total net position	<u>\$ 412,673</u>	<u>\$ 397,366</u>	<u>\$ 136,503</u>	<u>\$ 131,388</u>	<u>\$ 549,176</u>	<u>\$ 528,754</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 \$48 million, \$15.2 million more than last fiscal year due to the receipt of grant revenue (\$17.9 million), which was offset by decreases in charges for services (\$0.4 million) and capital grants (\$2.3 million). General Revenue totaled \$70.6 million and was \$1.6 million less than prior fiscal year revenue. The decrease in General Revenue was due to a decrease in other revenue (\$5.1 million), which is primarily composed of intergovernmental revenue, offset by an increase in tax revenue (\$3.5 million).

Expenses for all governmental activities totaled \$102.4 million, \$14.6 million more than the prior fiscal-year's total. Annual expenditures for governmental activities were up in most functions, especially in public works due to capital project expenditures.

Revenue for all business-type activities totaled \$31.1 million, an annual increase of \$5.2 million, driven by increases in operating contributions (\$3.8 million), charges for services (\$0.7 million) and various other revenue sources (\$0.7 million).

Expenses for all business-type activities totaled \$27 million, an annual increase of \$0.5 million. The increase in expenditures was mostly associated with the delivery of water (\$0.4 million) and a small increase in expenditures for municipal golf activities.

Change in Net Position Summary (in thousands)						
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for services	\$ 17,935	\$ 18,300	\$ 24,256	\$ 23,509	\$ 42,191	\$ 41,809
Operating contributions/grants	29,580	11,648	5,879	2,061	35,459	13,709
Capital contributions/grants	506	2,845	-	-	506	2,845
General Revenues:						
Property taxes	17,834	16,765	-	-	17,834	16,765
Other taxes	45,653	43,185	-	-	45,653	43,185
Other	7,134	12,121	1,028	302	8,162	12,423
Gain on sale of capital asset	7	123	-	54	7	177
Total revenues	118,649	104,987	31,163	25,926	149,812	130,913
Expenses:						
Water	-	-	25,738	25,302	25,738	25,302
Golf	-	-	1,223	1,196	1,223	1,196
General government	12,651	10,658	-	-	12,651	10,658
Public safety	50,101	46,193	-	-	50,101	46,193
Public works	26,531	18,281	-	-	26,531	18,281
Community development	8,053	7,377	-	-	8,053	7,377
Community services	2,854	3,004	-	-	2,854	3,004
Interest expense/other charges	2,239	2,334	-	-	2,239	2,334
Total Expenses	102,429	87,847	26,961	26,498	129,390	114,345
Change in net position before transfers	16,220	17,140	4,202	(572)	20,422	16,568
Transfers	(913)	(70)	913	70	-	-
Change in net position	15,307	17,070	5,115	(502)	20,422	16,568
Net Position - beginning of fiscal year	397,366	387,693	131,388	138,216	528,754	525,909
Prior period adjustments		(7,397)		(6,326)	-	(13,723)
Net Position - beginning of fiscal year, restated	397,366	380,296	131,388	131,890	528,754	512,186
Net Position - end of fiscal year	\$ 412,673	\$ 397,366	\$ 136,503	\$ 131,388	\$ 549,176	\$ 528,754

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 divided 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 a reconciliation following the governmental fund financial statement on page 21.

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 19-23.

GOVERNMENTAL FUND FINANCIAL ANALYSIS

At the close of the fiscal year, governmental funds reported a combined ending fund balance of \$60 million, a year-over-year increase of \$8.5 million. Approximately 47 percent of total fund balance (\$28.7 million) was available for spending at the government's discretion (assigned, unassigned, and committed). Fund balance in the City's General Fund increased \$3.1 million. Fund balance within the City's Capital Projects Fund increased \$2.5 million. Within the Non-Major fund group, fund balance increased \$2.9 million.

General Fund Financial Highlights:

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$39.7 million, up \$3.1 million from the prior year. Approximately 71 percent (\$28.2 million) of the \$39.7 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 \$11.5 million, consisting of prepaid expenditures (\$0.3 million), land held for resale (\$7.3 million), and a note receivable (\$3.9 million). Assigned fund balance represents resources that are earmarked by City administration for a particular purpose. Assigned fund balance totaled \$11.6 million, a decrease of \$1.1 million from the prior fiscal year. Committed fund balance represents resources that are formally set aside by the City Council for emergencies or important City priorities. Committed fund balance totaled \$12 million, an increase of \$0.7 million from the prior fiscal year. Unassigned fund balance represents resources that have not been categorized as nonspendable, restricted, committed, or assigned. Unassigned fund balance totaled \$4.6 million, an increase of \$2.5 million from the prior fiscal year.

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 \$1.3 million. Capital project contributions from federal and other local agencies expected but not received during the prior period were received during the current reporting period. In addition, some grant reimbursement requests were made towards the end of the fiscal year that were not received by the end of the reporting period. In this fund, extraordinary efforts to improve local street conditions increased expenditures by \$11.3 million from prior fiscal year totals.

Non-Major Governmental Funds Financial Highlights:

Non-Major Governmental Funds accumulated \$19.6 million in fund balance at the end of the fiscal year, an increase of \$2.9 million from the previous year. Specifically, special revenue funds amassed \$17.4 million in fund balance, an increase of \$2.8 million. Non-major capital project funds remained flat with the prior period, with only \$493 in total fund balance. Non-major debt service funds accumulated \$2.1 million in fund balance, and experienced only a minor increase. Within these Non-Major Governmental Funds, revenues exceeded expenditures by \$3.1 million and interfund transfers-out exceeded interfund transfers-in by \$0.2 million, resulting in a net increase of \$2.9 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 reported a combined ending net position of \$141.6 million, a year-over-year increase of \$6.9 million. City enterprise funds accumulated a year ending net position of \$136.5 million, a year-over-year increase of \$5.1 million. Internal service funds accumulated a net position of \$5.1 million, a year-over-year increase of \$1.8 million. Within the enterprise fund group, net position in the City's water fund increased \$4.1 million due to a nonoperating revenue increase of \$3.8 million from prior fiscal year. Net position within the City's other enterprise funds, golf and solid waste, increased \$1 million. The increase was due to a transfer from the general fund to the golf fund to address a prior-year deficit. Within the City's internal service fund group, there was an increase in net position of \$1.8 million.

FIDUCIARY FUNDS FINANCIAL ANALYSIS

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 Agency 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, as is standard for custodial funds, agency assets equaled liabilities. However, net position of the RDA Successor Agency was negative \$42.0 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 decreased \$3.8 million.

ANALYSIS OF LONG-TERM DEBT

Debt, which is considered a liability of governmental activities, totaled \$157.4 million, an increase of \$5.3 million from the prior fiscal year. The increase in debt was driven by the recognition of additional post employment benefit liability (\$10 million) and a minor increase in compensated absences. Compensated absences refers to employees' time off with pay for vacations and sick days that are obligated to be paid in the future. These increases were offset by a combination of debt decreases in net pension liability (\$0.5 million), lease revenue bonds (\$1.6 million), capital leases (\$0.4 million), certificates of participation (\$0.6 million) and notes payable (\$1.0 million), totaling \$4.3 million. Debt for business-type activities totaled \$71.3 million, an increase of \$0.6 million from the prior fiscal year. This increase was due to recognition of additional OPEB liability (\$3.4 million), which was offset by decreases in net pension liability (\$0.8 million), compensated absences (\$12K), and bonds payable (\$2.0 million).

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 53-72.

	Outstanding Debt Summary (in thousands)					
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Claims Payable	\$ 95	\$ 175	\$ -	\$ -	\$ 95	\$ 175
Lease Revenue Bonds	38,203	39,832	-	-	38,203	39,832
Judgement Obligation Bond	15,035	15,650	-	-	15,035	15,650
Water Bonds		-	54,221	56,207	54,221	56,207
Capital Lease	432	861	-	-	432	861
Certificates of Participation	2,450	3,005	-	-	2,450	3,005
Notes payable	670	1,649	-	-	670	1,649
Net pension liability	58,216	58,698	6,609	7,429	64,825	66,127
Post employment benefit	40,207	30,229	10,259	6,816	50,466	37,045
Compensated absences	2,089	2,007	214	226	2,303	2,233
Total	\$ 157,397	\$ 152,106	\$ 71,303	\$ 70,678	\$ 228,700	\$ 222,784

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 \$479.7 million. Capital assets, net of depreciation, for business-type activities totaled \$168.7 million. Overall, net capital asset value increased \$3.1 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 51-52.

Capital Assets Summary (in thousands)						
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 41,964	\$ 41,964	\$ 2,169	\$ 2,169	\$ 44,133	\$ 44,133
Right of way	56,623	56,048	-	-	56,623	56,048
Structures and improvements	37,123	38,617	15,335	15,335	52,458	53,952
Machinery, equipment and vehicles	19,616	18,851	5,248	4,961	24,864	23,812
Infrastructure	563,302	561,358	288,729	287,279	852,031	848,637
Construction in progress	55,235	33,686	2,908	1,002	58,143	34,688
Capital Assets	773,863	750,524	314,389	310,746	1,088,252	1,061,270
Accumulated depreciation	294,204	278,294	145,737	137,796	439,941	416,090
Net Capital Assets	<u>\$ 479,659</u>	<u>\$ 472,230</u>	<u>\$ 168,652</u>	<u>\$ 172,950</u>	<u>\$ 648,311</u>	<u>\$ 645,180</u>

ANALYSIS OF THE BUDGET AND SIGNIFICANT VARIANCES

The City Council adopts a line-item budget, which appropriates expenditures at a micro level; however, spending controls are maintained at grouped general-expense categories: salaries and benefits, purchased services, materials, fixed assets, and transfers among city funds. Expenditures and revenues rarely match budgeted appropriation levels due to changes in policy, economic impacts, unexpected outlays and naturally occurring operational variances that occur during the fiscal year. Schedules comparing budget expectations to actual expenditures can be found on pages 120-149 for the General Fund and on pages 154-156 for other non-major funds.

At the end of the 2018-19 fiscal year, general fund revenue totaled almost \$82.6 million, \$1.9 million more than budgeted, less than one percent over budgeted expectations. Overall, results were mixed, but specifically, the City received:

- More revenue from taxes (\$0.7 million), mostly from transient occupancy taxes (\$0.2 million) and sales taxes (\$0.6 million)
- More intergovernmental revenue (\$0.4 million), mostly from grants (\$0.4 million)
- More revenue from charges for services (\$0.5 million), specifically ambulance fees, police services, and other charges
- More revenue from fines and forfeitures (\$0.1 million)
- More revenue from use of money and property (\$0.6 million) mostly from investment earnings and facilities rentals
- More operating transfers-in (\$0.2 million)
- Less revenue from licenses and permits (\$0.6 million)

The original fiscal year 2018-19 General Fund budget authorized \$88.2 million in expenditures. The budget as finally adjusted by the City Council authorized almost \$90.8 million in expenditures. At the end of the fiscal year, general fund expenditures, including internal transfers, totaled \$79.5 million, about \$11.3 million (12 percent) less than appropriated.

Budget units within the general government group underspent their appropriations by \$0.3 million (six percent). These savings are primarily attributable to unspent appropriations in Human Resources budget unit on legal and personnel management services. Public Safety had budgetary savings of \$1.3 million (less than one percent), mainly due to position vacancies in the Police Department, legal services savings in Code Enforcement, and Fire and Ambulance contract services savings. Community Development underspent \$0.9 million (15 percent) because of position vacancies and lower than anticipated spending on professional services. Community Services underspent \$0.5 million, with the majority of the savings coming from the Promotions and Publicity unit. Public Works underspent \$1.7 million (ten percent); these savings were in Street Maintenance, Engineering, and Parks and Parkways. This was due to deferred projects. Capital outlay expenses were underspent by \$1 million and transfers out were \$5.6 million less than budgeted, due to delayed projects.

FACTS AND CONDITIONS OF FUTURE SIGNIFICANCE

For the coming 2019-20 fiscal year, the City Council adopted a citywide (all funds) budget totaling \$186.4 million in appropriations, a \$4.5 million (two percent) increase from the prior-year's adopted budget. As is characteristic, about \$39.7 million (21 percent) of the budget is appropriated to move resources from one fund to another within the municipal organization in order to properly isolate, track, and capture specific expenditures in accordance with generally accepted accounting principles. Citywide, revenue is expected to total \$164.9 million, a decrease from the prior year by \$1.3 million (one percent). The \$21.4 million gap between appropriations and revenue will be funded from fund balance (fund equity) and assumed salary savings created by vacancies between recruitments. About \$81.6 million (44 percent) of the budget will be spent to purchase services, which includes payments for professional services, contract labor, and utilities. The adopted budget was built on the expectation of spending \$41.6 million (22 percent) of the citywide budget on employee salaries and benefits. From total appropriations, \$17.7 million (ten percent) will be established for construction of fixed assets and to pay debt on previously constructed assets. About \$5.7 million (three percent) is budgeted for materials and supplies such as tools, cleaning supplies, and automobile parts.

The General Fund, the primary operating fund of the city, 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 2019-20 adopted General Fund budget establishes \$91.5 million in spending authority, \$3.3 million more than what was authorized in the previous-year's adopted budget. Police protection accounts for the largest portion (35 percent) of all General Fund appropriations, totaling about \$31.9 million. About \$16.4 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 53 percent of all planned General Fund expenditures. For Public Works, \$7 million is appropriated to fund engineering, capital project oversight as well as maintenance on parks and public streets. Within the budget, Administration accounts for about \$8.8 million. These activities include finance, human resources, legal services, city clerk, city administration, community services, youth and senior services, and animal control services. The City contracts with the County of Riverside for its animal control services, which is expected to cost \$875,000. Community Development represents about \$3.7 million of all planned General Fund expenditures. The funds appropriated

for Economic Development, about \$2 million, will be utilized to attract new businesses to the city, cover department staffing, and fund other economic development efforts. From the General Fund, \$5.1 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 contributions. About \$53.5 million (58 percent) of the General Fund budget will be spent on services, which include payments for professional services, contract labor to Riverside County (fire prevention, ambulance services, and animal control), utility costs, and transfers to internal services departments for facility maintenance, vehicle maintenance, insurance, and other shared-service costs. The city anticipates spending \$31.9 million (35 percent) on employee salaries and benefits, inclusive of annualized unfunded liability costs and employer taxes. About \$4.3 million (5 percent) of the adopted General Fund budget represents investment in fixed assets. Approximately two percent of the General Fund budget will be allocated to cover materials and supplies.

The budget supports 274 full-time, seven elected officials, 37 appointed commissioners, and 11 part-time positions. The adopted budget supports 81 sworn police officer positions and incorporates 16 new positions. There are no significant cost increases for FY 2019-20 related to labor agreements. Of the 16 new positions, 14 represent new full-time positions and two represent the conversion of part-time positions to full time. The new positions incorporated into the adopted budget are as follows:

- Five Police Officers (\$540,733)
- One Senior Administrative Assistant (\$90,800)
- One Community Services Officer (\$78,231)
- One Office Assistant (\$58,836)
- One Chief Building Official (\$169,809)
- One Facilities Maintenance Worker (\$72,426)
- One Marketing Manager (\$146,254)
- One Senior Finance Technician (\$83,893)
- One Senior Accounting Technician (\$85,614)
- One Water Operations Supervisor (\$121,010)
- Two Community Improvement Aides converted from part-time to full-time (\$75,316)

As directed by the City Council during City budget meetings, the adopted budget also includes:

- Fire Department municipal staffing enhancements (\$215,000)
- Ambulance replacement funding (\$25,000)
- Additional park maintenance funding (\$200,000)
- Additional facility maintenance funding (\$200,000)
- MOU (labor) contingency (\$100,000)
- Pension liability trust funding (\$1 million contribution)
- Zoning code update (\$200,000)
- Municipal power options study (\$50,000)
- Homeless program match (\$100,000)
- Fire contract position exchange, adding a fire inspector and a vehicle (\$50,000)
- Fire ladder truck replacement funding (\$200,000)
- City banners (\$100,000)
- Classification and compensation study (\$100,000)

- Community development file digitalization (\$200,000)
- Fiber master plan (\$125,000)

Sourced from Measure X sales tax resources, the adopted budget includes:

- \$5.4 million for local road rehabilitation
- \$2 million for police and fire facilities
- \$1 million toward the replacement of public safety radio infrastructure
- \$1 million to upgrade park Infrastructure
- \$200,000 to augment downtown development
- \$300,000 to replace police officer vehicles and safety equipment
- \$400,000 for traffic signals at Ave. 41/Monroe and Ave. 48/Jefferson

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.

CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 51,012,190	\$ 33,021,832	\$ 84,034,022
Cash and investments with fiscal agent	2,785,264	318,914	3,104,178
Receivables:			
Accounts	7,016,392	6,156,061	13,172,453
Taxes	1,558,202	-	1,558,202
Notes and loans	10,165,252	-	10,165,252
Accrued interest	130,449	85,750	216,199
Other	991,687	-	991,687
Due from other governments	6,943,047	-	6,943,047
Prepaid costs	845,086	739,711	1,584,797
Inventories	-	109,751	109,751
Advance to Successor Agency	3,766,767	-	3,766,767
Property held for resale	7,829,203	-	7,829,203
Capital assets not being depreciated	153,822,302	5,076,991	158,899,293
Capital assets, net of depreciation	325,836,835	163,574,864	489,411,699
Total Assets	572,702,676	209,083,874	781,786,550
Deferred Outflows of Resources:			
Deferred charge on refunding	-	1,108,499	1,108,499
Deferred outflows related to pensions	12,141,681	1,196,336	13,338,017
Deferred outflows related to other post-employment benefits	8,935,264	2,279,779	11,215,043
Total Deferred Outflows of Resources	21,076,945	4,584,614	25,661,559
Liabilities:			
Accounts payable	10,780,042	2,030,180	12,810,222
Retentions payable	-	142,917	142,917
Accrued liabilities	1,460,173	521,548	1,981,721
Accrued interest	351,548	539,612	891,160
Unearned revenue	3,597,011	-	3,597,011
Deposits payable	3,443,900	2,299,761	5,743,661
Bonds and notes payable, due within one year	3,205,556	1,980,000	5,185,556
Capital leases, due within one year	89,579	-	89,579
Compensated absences, due within one year	1,160,906	188,100	1,349,006
Claims and judgments, due within one year	94,654	-	94,654
Noncurrent liabilities:			
Bonds and notes payable	53,152,128	52,241,241	105,393,369
Capital leases	342,532	-	342,532
Compensated absences	927,761	26,127	953,888
Net pension liability	58,216,210	6,609,058	64,825,268
Net other post-employment benefits liability	40,207,171	10,258,619	50,465,790
Total Liabilities	177,029,171	76,837,163	253,866,334
Deferred Inflows of Resources:			
Unamortized gain on refunding of debt	1,776,106	-	1,776,106
Deferred inflows related to pensions	2,293,539	326,976	2,620,515
Deferred inflows related to other post-employment benefits	7,635	1,691	9,326
Total Deferred Inflows of Resources	4,077,280	328,667	4,405,947
Net Position:			
Net investment in capital assets	435,892,423	115,539,113	551,431,536
Restricted:			
Community development projects	3,137,753	-	3,137,753
Public safety	832,643	-	832,643
Public works	6,704,646	-	6,704,646
Capital projects	12,823,986	-	12,823,986
Debt service	2,117,405	318,914	2,436,319
Assessment districts	155,636	-	155,636
Public education government channel	572,133	-	572,133
Unrestricted	(49,563,455)	20,644,631	(28,918,824)
Total Net Position	\$ 412,673,170	\$ 136,502,658	\$ 549,175,828

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, 2019

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position						
	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 12,651,210	\$ 371,051	\$ 350,686	\$ 506,308	\$ (11,423,165)	\$ -	\$ (11,423,165)
Public safety	50,100,753	8,351,845	325,615	-	(41,423,293)	-	(41,423,293)
Community development	8,052,888	210,303	4,699,353	-	(3,143,232)	-	(3,143,232)
Community services	2,854,251	104,639	-	-	(2,749,612)	-	(2,749,612)
Public works	26,531,333	8,897,525	24,203,681	-	6,569,873	-	6,569,873
Interest on long-term debt	2,239,037	-	-	-	(2,239,037)	-	(2,239,037)
Total Governmental Activities	102,429,472	17,935,363	29,579,335	506,308	(54,408,466)	-	(54,408,466)
Business-Type Activities:							
Water	25,738,221	23,097,593	5,878,499	-	-	3,237,871	3,237,871
Golf	1,222,724	1,158,160	-	-	-	(64,564)	(64,564)
Total Business-Type Activities	26,960,945	24,255,753	5,878,499	-	-	3,173,307	3,173,307
Total Primary Government	\$ 129,390,417	\$ 42,191,116	\$ 35,457,834	\$ 506,308	(54,408,466)	3,173,307	(51,235,159)
General Revenues							
Taxes:							
Property taxes					17,834,098	-	17,834,098
Transient occupancy taxes					7,768,004	-	7,768,004
Sales taxes					24,503,228	-	24,503,228
Franchise taxes					2,453,482	-	2,453,482
Business licenses taxes					657,028	-	657,028
Utility users tax					8,019,337	-	8,019,337
Other taxes					2,251,300	-	2,251,300
Motor vehicle in lieu - unrestricted					42,184	-	42,184
Use of money and property					2,166,935	865,292	3,032,227
Other					4,925,167	163,004	5,088,171
Gain on sale of capital asset					7,350	-	7,350
Transfers					(912,773)	912,773	-
Total General Revenues and Transfers					69,715,340	1,941,069	71,656,409
Change in Net Position					15,306,874	5,114,376	20,421,250
Net Position at the Beginning of the Year					397,366,296	131,388,282	528,754,578
Net Position at the End of the Year					\$ 412,673,170	\$ 136,502,658	\$ 549,175,828

CITY OF INDIO, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and investments	\$ 31,205,489	\$ 2,596,655	\$ 11,138,385	\$ 44,940,529
Receivables:				
Accounts	515,478	5,498,010	990,726	7,004,214
Taxes	1,558,202	-	-	1,558,202
Notes and loans	3,870,551	-	6,294,701	10,165,252
Accrued interest	82,387	15,459	32,603	130,449
Other	991,687	-	-	991,687
Prepaid costs	295,749	98,888	22,133	416,770
Due from other governments	5,785,104	-	1,157,943	6,943,047
Due from other funds	1,835,747	-	-	1,835,747
Advances to private-purpose trust funds	-	-	3,766,767	3,766,767
Property held for resale	7,347,049	-	482,154	7,829,203
Restricted cash and investments with fiscal agents	-	-	2,689,025	2,689,025
Total Assets	\$ 53,487,443	\$ 8,209,012	\$ 26,574,437	\$ 88,270,892
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 7,673,948	\$ 1,901,808	\$ 845,413	\$ 10,421,169
Accrued liabilities	1,393,581	755	22,662	1,416,998
Unearned revenues	-	1,774,998	1,822,013	3,597,011
Deposits payable	3,432,440	7,022	4,438	3,443,900
Due to other funds	-	423,044	1,065,470	1,488,514
Total Liabilities	12,499,969	4,107,627	3,759,996	20,367,592
Deferred Inflows of Resources:				
Unavailable revenues	1,243,951	2,850,227	3,263,268	7,357,446
Total Deferred Inflows of Resources	1,243,951	2,850,227	3,263,268	7,357,446
Fund Balances (Deficits):				
Nonspendable	11,513,349	98,888	22,133	11,634,370
Restricted	-	-	20,230,707	20,230,707
Committed	12,000,000	-	-	12,000,000
Assigned	11,602,583	1,152,270	-	12,754,853
Unassigned	4,627,591	-	(701,667)	3,925,924
Total Fund Balances (Deficits)	39,743,523	1,251,158	19,551,173	60,545,854
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 53,487,443	\$ 8,209,012	\$ 26,574,437	\$ 88,270,892

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



CITY OF INDIO, CALIFORNIA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

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

Total fund balances - governmental funds		\$ 60,545,854
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		475,574,681
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	\$ (52,680,000)	
Unamortized premiums/(discounts) on bonds payable	(558,041)	
Deferred charge on bond refunding	(1,776,106)	
Installment agreement	(2,450,000)	
Notes payable	(669,643)	
Compensated absences	<u>(2,088,667)</u>	(60,222,457)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(351,548)
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.		(55,516,820)
Pension-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	5,977,694	
Changes in assumptions	4,326,430	
Difference between expected and actual experiences	679,677	
Net difference between projected and actual earnings on plan investments	214,167	
Adjustments due to differences in proportions	<u>455,082</u>	11,653,050
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Changes in assumptions	(694,014)	
Difference between expected and actual experiences	(691,696)	
Net difference between projected and actual earnings on plan investments	(27,382)	
Adjustments due to differences in proportions	(192,948)	
Difference in proportionate share	<u>(553,951)</u>	(2,159,991)
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.		(37,667,335)
Other post-employment benefits-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	<u>8,370,836</u>	8,370,836
Other post-employment benefits-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Net difference between projected and actual earnings on plan investments	<u>(7,169)</u>	(7,169)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		7,357,446
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>5,096,623</u>
Net Position of Governmental Activities		<u>\$ 412,673,170</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, 2019

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 61,690,433	\$ -	\$ 1,796,044	\$ 63,486,477
Licenses and permits	2,289,518	-	-	2,289,518
Intergovernmental	663,382	19,266,010	8,865,322	28,794,714
Charges for services	9,741,963	-	-	9,741,963
Use of money and property	1,450,318	157,760	557,583	2,165,661
Fines and forfeitures	502,007	-	42,579	544,586
Contributions	-	-	4,884,230	4,884,230
Developer participation	-	2,833,797	-	2,833,797
Miscellaneous	2,312,136	2,597,403	536,761	5,446,300
Total Revenues	78,649,757	24,854,970	16,682,519	120,187,246
Expenditures:				
Current:				
General government	5,237,275	-	577,804	5,815,079
Public safety	43,862,078	-	476,594	44,338,672
Community development	4,838,149	-	922,469	5,760,618
Community services	2,673,765	-	-	2,673,765
Public works	14,434,431	-	3,812,209	18,246,640
Capital outlay	62,657	23,067,449	2,027,291	25,157,397
Debt service:				
Principal retirement	343,001	279,087	3,470,381	4,092,469
Interest and fiscal charges	9,090	12,760	2,342,380	2,364,230
Total Expenditures	71,460,446	23,359,296	13,629,128	108,448,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,189,311	1,495,674	3,053,391	11,738,376
Other Financing Sources (Uses):				
Transfers in	3,957,334	2,459,130	4,807,338	11,223,802
Transfers out	(7,998,143)	(1,458,700)	(4,964,517)	(14,421,360)
Total Other Financing Sources (Uses)	(4,040,809)	1,000,430	(157,179)	(3,197,558)
Net Change in Fund Balance	3,148,502	2,496,104	2,896,212	8,540,818
Fund Balances (Deficits) at the Beginning of the Year	36,595,021	(1,244,946)	16,654,961	52,005,036
Fund Balances (Deficits) at the End of the Year	\$ 39,743,523	\$ 1,251,158	\$ 19,551,173	\$ 60,545,854

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

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, 2019**

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

Net change in fund balances - total governmental funds	\$	8,540,818
<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	\$	24,075,810
Depreciation		(14,941,980)
Loss on disposal of capital assets		(1,109,420)
		8,024,410
<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		2,215,000
Amortization of bond premiums/discounts		28,707
Amortization of deferred charge on bond refunding		96,832
Capital lease principal repayments		343,002
Installment agreement principal repayments		555,000
Notes payable principal repayments		979,468
Change in compensated absences		(81,202)
		4,136,807
Net change in accrued interest on long-term debt for the current period reported on the statement of activities.		18,713
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.		(2,730,510)
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.		(2,295,573)
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.		(2,230,722)
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.		1,842,931
Change in Net Position of Governmental Activities	\$	15,306,874

CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Assets:				
Current Assets:				
Cash and investments	\$ 30,681,468	\$ 2,340,364	\$ 33,021,832	\$ 6,071,661
Accounts receivable	6,118,629	37,432	6,156,061	12,178
Accrued interest receivable	81,849	3,901	85,750	-
Prepaid costs	664,711	75,000	739,711	428,316
Inventories	77,015	32,736	109,751	-
Restricted cash with fiscal agents	318,914	-	318,914	96,239
Total Current Assets	37,942,586	2,489,433	40,432,019	6,608,394
Noncurrent Assets:				
Capital assets, not being depreciated	4,611,032	465,959	5,076,991	-
Capital assets, being depreciated	308,823,022	489,089	309,312,111	20,479,548
Less accumulated depreciation	(145,536,634)	(200,613)	(145,737,247)	(16,395,092)
Total Noncurrent Assets	167,897,420	754,435	168,651,855	4,084,456
Total Assets	205,840,006	3,243,868	209,083,874	10,692,850
Deferred Outflows of Resources:				
Deferred charge on refunding	1,108,499	-	1,108,499	-
Deferred outflows related to pensions	1,190,789	5,547	1,196,336	488,630
Deferred outflows related to other post-employment benefits	2,276,102	3,677	2,279,779	564,428
Total Deferred Outflows of Resources	4,575,390	9,224	4,584,614	1,053,058
Liabilities:				
Current Liabilities:				
Accounts payable	1,949,640	80,540	2,030,180	358,873
Accrued liabilities	520,705	843	521,548	43,175
Accrued interest	539,612	-	539,612	-
Retentions payable	142,917	-	142,917	-
Deposits payable	551,648	1,748,113	2,299,761	-
Due to other funds	-	-	-	347,233
Compensated absences, due within one year	188,100	-	188,100	-
Bonds payable, due within one year	1,980,000	-	1,980,000	89,579
Total Current Liabilities	5,872,622	1,829,496	7,702,118	838,860
Noncurrent Liabilities:				
Compensated absences	26,127	-	26,127	-
Accrued claims and judgments	-	-	-	94,654
Bonds payable	52,241,241	-	52,241,241	342,532
Net pension liability	6,578,411	30,647	6,609,058	2,699,390
Net other post-employment benefits liability	10,242,073	16,546	10,258,619	2,539,836
Total Noncurrent Liabilities	69,087,852	47,193	69,135,045	5,676,412
Total Liabilities	74,960,474	1,876,689	76,837,163	6,515,272
Deferred Inflows of Resources:				
Deferred inflows related to pensions	325,456	1,520	326,976	133,547
Deferred inflows related to other post-employment benefits	1,691	-	1,691	466
Total Deferred Inflows of Resources	327,147	1,520	328,667	134,013
Net Position:				
Net investment in capital assets	114,784,678	754,435	115,539,113	3,652,345
Restricted for debt service	318,914	-	318,914	-
Unrestricted	20,024,183	620,448	20,644,631	1,444,278
Total Net Position	\$ 135,127,775	\$ 1,374,883	\$ 136,502,658	\$ 5,096,623

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, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Operating Revenues:				
Sales and service charges	\$ 23,097,593	\$ 1,158,160	\$ 24,255,753	\$ -
Interdepartmental charges	-	-	-	12,639,706
Other income	13,004	150,000	163,004	936,151
Total Operating Revenues	23,110,597	1,308,160	24,418,757	13,575,857
Operating Expenses:				
Personnel services	5,936,862	23,265	5,960,127	7,244,611
Contractual services	5,077,285	456,084	5,533,369	1,136,996
Repairs and maintenance	2,341,179	136,625	2,477,804	616,891
Claims expense	-	-	-	103,151
Depreciation expense	7,922,370	18,253	7,940,623	1,382,188
Materials and supplies	942,178	588,497	1,530,675	3,545,008
Bad debt expense	-	-	-	2,275
Rentals and leases	16,782	-	16,782	-
Utilities	1,236,535	-	1,236,535	-
Total Operating Expenses	23,473,191	1,222,724	24,695,915	14,031,120
Operating Income (Loss)	(362,594)	85,436	(277,158)	(455,263)
Nonoperating Revenues (Expenses):				
Interest revenue	842,154	23,138	865,292	1,274
Interest expense	(2,265,030)	-	(2,265,030)	(19,060)
Gain on disposal of capital assets	-	-	-	7,350
Total Nonoperating Revenues (Expenses)	(1,422,876)	23,138	(1,399,738)	(10,436)
Income (Loss) before Transfers and Contributions	(1,785,470)	108,574	(1,676,896)	(465,699)
Transfers in	-	912,773	912,773	2,284,785
Grants and capital impact fees	5,878,499	-	5,878,499	23,845
Changes in Net Position	4,093,029	1,021,347	5,114,376	1,842,931
Net Position at the Beginning of the Year	131,034,746	353,536	131,388,282	3,253,692
Net Position at the End of the Year	\$ 135,127,775	\$ 1,374,883	\$ 136,502,658	\$ 5,096,623

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	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	\$ 20,849,197	\$ 3,092,352	\$ 23,941,549	\$ -
Receipts from interfund services and charges	-	-	-	13,325,823
Other receipts	-	-	-	247,037
Payments to suppliers and service providers	(8,975,627)	(1,175,280)	(10,150,907)	(5,762,944)
Payments to employees for salaries and benefits	(4,785,082)	(22,461)	(4,807,543)	(6,871,481)
Net Cash Provided by Operating Activities	7,088,488	1,894,611	8,983,099	938,435
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	-	912,773	912,773	2,284,785
Repayment made on short-term interfund borrowing	-	(705,470)	(705,470)	(9,866)
Receipts from short-term interfund borrowing	-	-	-	347,233
Net Cash Provided by Non-Capital Financing Activities	-	207,303	207,303	2,622,152
Cash Flows from Capital and Related Financing Activities:				
Grants and capital impact fees	5,878,499	-	5,878,499	-
Acquisition and construction of capital assets	(3,643,204)	-	(3,643,204)	(763,499)
Principal paid on capital debt	(1,930,000)	-	(1,930,000)	(86,152)
Interest paid on capital debt	(2,268,236)	-	(2,268,236)	(19,060)
Proceeds from sales of capital assets	-	-	-	7,350
Net Cash Used for Capital and Related Financing Activities	(1,962,941)	-	(1,962,941)	(861,361)
Cash Flows from Investing Activities:				
Interest on investments	798,863	20,204	819,067	1,274
Net Cash Provided by Investing Activities	798,863	20,204	819,067	1,274
Net Increase in Cash and Cash Equivalents	5,924,410	2,122,118	8,046,528	2,700,500
Cash and Cash Equivalents July 1 (including \$311,881 and \$91,812 reported in restricted accounts in the Water and Internal Service funds, respectively)	25,075,972	218,246	25,294,218	3,467,400
Cash and Cash Equivalents June 30 (including \$318,914 and \$96,239 reported in restricted accounts in the Water and Internal Service funds, respectively)	\$ 31,000,382	\$ 2,340,364	\$ 33,340,746	\$ 6,167,900

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Reconciliation of Operating (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ (362,594)	\$ 85,436	\$ (277,158)	\$ (455,263)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	7,922,370	18,253	7,940,623	1,382,188
(Increase) decrease in accounts receivable	(2,322,358)	(23,921)	(2,346,279)	180,143
Decrease in due from other governments	-	60,000	60,000	-
(Increase) in prepaid costs	(29,551)	-	(29,551)	(379,285)
(Increase) in inventories	(4,843)	(13,452)	(18,295)	-
Increase (decrease) in accounts payable	537,060	19,378	556,438	(82,489)
Increase (decrease) in accrued liabilities	(127,558)	232	(127,326)	8,588
Increase in retentions payable	135,666	-	135,666	-
Increase in deposits payable	60,958	1,748,113	1,809,071	-
(Decrease) in compensated absences	(12,271)	-	(12,271)	-
(Decrease) in accrued claims and judgments	-	-	-	(79,989)
(Decrease) in pension obligations	(199,046)	(1,719)	(200,765)	151,600
Increase in other post-employment benefits obligations	1,490,655	2,291	1,492,946	212,942
Total Adjustments	<u>7,451,082</u>	<u>1,809,175</u>	<u>9,260,257</u>	<u>1,393,698</u>
Net Cash Provided by Operating Activities	<u>\$ 7,088,488</u>	<u>\$ 1,894,611</u>	<u>\$ 8,983,099</u>	<u>\$ 938,435</u>
Schedule of Non-Cash Capital and Related Financing Activities:				
Capital contributions	\$ -	\$ -	\$ -	\$ 23,845
Amortization of deferred charge on refunding	65,206	-	65,206	-

CITY OF INDIO, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund</u>
		<u>RDA Successor Agency Fund</u>
Assets:		
Cash and investments	\$ 9,860,569	\$ 6,975,819
Receivables:		
Accounts receivable	-	476
Notes and loans receivable	-	539,185
Accrued interest receivable	25,871	13,973
Prepaid costs	-	2,931
Due from other governments	147,848	-
Property held for resale	-	11,229,598
Restricted cash and mutual funds held with fiscal agents	5,026,098	1,694,431
Total Assets	<u>\$ 15,060,386</u>	<u>20,456,413</u>
Liabilities:		
Accounts payable	\$ 43,779	42,086
Accrued liabilities	-	3,661
Accrued interest	-	1,014,637
Deposits payable	540,594	-
Due to bondholders	13,759,765	-
Due to members	716,248	-
Bonds payable, due within one year	-	3,200,000
Long-term liabilities:		
Bonds payable	-	54,426,457
Advances from the City of Indio	-	3,766,767
Total Liabilities	<u>\$ 15,060,386</u>	<u>62,453,608</u>
Net Position:		
Held in trust for other purposes		(41,997,195)
Total Net Position		<u>\$ (41,997,195)</u>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Private-Purpose Trust Fund</u>
	<u>RDA Successor Agency Fund</u>
Additions:	
Investment Earnings:	
Interest	\$ 207,094
Net Investment Income	207,094
Charges for services	450,903
Taxes and assessments	6,477,012
Miscellaneous	251,362
Total Additions	<u>7,386,371</u>
Deductions:	
Community development	8,108,920
Interest expense	3,508,896
Total Deductions	<u>11,617,816</u>
Changes in Net Position	(4,231,445)
Net Position at the Beginning of the Year, as Originally Reported	(38,281,994)
Restatements	516,244
Net Position at the Beginning of the Year, as Restated	<u>(37,765,750)</u>
Net Position at the End of the Year	<u><u>\$ (41,997,195)</u></u>



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.

Note 1: Summary of Significant Accounting Policies (Continued)

- 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.

- 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2019, proceeds of taxes did not exceed appropriations.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2019, 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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2019, due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

HBRRP	\$ (701,667)
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The following internal service funds had deficit net position as of June 30, 2019, 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	\$ (670,520)
Fleet Maintenance	(1,929,424)

b. Compliance with Budgetary Limitations

The Unclaimed Property, Emergency Abandoned and Recalcitrant, and Compost Mitigation Dillon special revenue funds; and the Assessment District capital projects fund did not adopt budgets for the year ended June 30, 2019.

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, 2019.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 84,034,022
Cash and investments held by bond trustee	3,104,178
Fiduciary Funds:	
Cash and investments	16,836,388
Cash and investments held by bond trustee	<u>6,720,529</u>
Total cash and investments	<u>\$ 110,695,117</u>
Cash on hand	\$ 8,600
Deposits with financial institutions	12,329,272
Investments	<u>98,357,245</u>
Total cash and investments	<u>\$ 110,695,117</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, 2019

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 Maturing (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More Than 60 Months
Money Market Mutual Funds	\$ 3,119,664	\$ 3,119,664	\$ -	\$ -	\$ -
U.S. Treasury Obligations	10,651,338	-	3,959,310	4,457,743	2,234,285
U.S. Agency Securities	14,401,782	-	5,637,283	4,295,276	4,469,223
Medium Term Notes	9,966,245	-	4,121,835	4,280,197	1,564,213
Mortgage Pass-Through Securities	2,230,100	-	267,859	1,962,241	-
Local Agency Investment Fund	48,163,409	48,163,409	-	-	-
Held by Bond Trustee:					
Money Market Funds	9,824,707	9,824,707	-	-	-
Total	\$ 98,357,245	\$ 61,107,780	\$ 13,986,287	\$ 14,995,457	\$ 8,267,721

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

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	Not Rated
Money Market Mutual Funds	\$ 3,119,664	AAA	\$ 3,119,664	\$ -	\$ -	\$ -
U.S. Treasury Obligations	10,651,338	N/A	10,651,338	-	-	-
U.S. Agency Securities	14,401,782	AAA	14,401,782	-	-	-
Medium Term Notes	9,966,245	A	473,496	2,255,436	7,237,313	-
Mortgage Pass-Through Securities	2,230,100	AAA	2,230,100	-	-	-
Local Agency Investment Fund	48,163,409	N/A	-	-	-	48,163,409
Held by Bond Trustee:						
Money Market Mutual Funds	9,824,707	AAA	9,824,707	-	-	-
Total	\$ 98,357,245		\$ 40,701,087	\$ 2,255,436	\$ 7,237,313	\$ 48,163,409

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, 2019, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

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, 2019, none of the City's investments in any one issuer exceeded five percent.

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, 2019, all of the City's investments are valued using Level 2 inputs, with the exception of LAIF, which is uncategorized.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019
Note 4: Interfund Receivables, Payables, and Transfers

Transfers in and out for the fiscal year ended June 30, 2019, were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 2,459,130 (a)
General Fund	Other Governmental Funds	2,341,455 (b)
General Fund	Nonmajor Enterprise Funds	912,773 (d)
General Fund	Internal Service Funds	2,284,785 (e)
Capital Projects Fund	Other Governmental Funds	1,458,700 (b)
Other Governmental Funds	General Fund	3,957,334 (c)
Other Governmental Funds	Other Governmental Funds	1,007,183 (f)
Total		<u>\$ 14,421,360</u>

Interfund transfers were principally used for the following purposes:

- a. \$2,459,130 was transferred from the General Fund to the Capital Projects fund to cover costs associated with public works projects and other building costs.
- b. \$2,341,455 and \$1,458,700 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. \$3,709,171 was transferred from the Community Facilities District Fund to the General Fund for police and fire services. The remainder of the transfer to the General Fund was from various other nonmajor funds for various services.
- d. \$912,773 was transferred from the General Fund to the Golf Fund to cover operational deficits.
- e. \$2,282,707 was transferred from the General Fund to the Internal Service Funds for the costs associated with the implementation and purchase of new accounting software.
- f. \$1,007,183 was transferred among the various other governmental funds to cover a variety of different costs, including public works, debt service, and housing costs.

Current interfund receivables and payables as of June 30, 2019, are as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 423,044
General Fund	Other Governmental Funds	1,065,470
General Fund	Internal Service Funds	347,233
Total		<u>\$ 1,835,747</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

Note 5: Notes Receivable and Long-Term Receivable

	<u>Outstanding at June 30, 2019</u>
First time home buyer notes issued to homebuyers	\$ 46,100
Neighborhood Stabilization deferred loan program	1,569,392
Housing rehabilitation deferred loan program	1,028,409
Horizons at Indio senior housing project	3,650,800
Geovel, Inc. secured promissory note	<u>3,870,551</u>
Total	<u>\$ 10,165,252</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, 2019, 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, 2019, was \$3,650,800.

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, 2019, was \$1,028,409.

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, 2019, was \$1,569,392.

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, 2019, was \$3,870,551.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

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. Some land parcels were purchased at the peak of the real estate market and have since dropped significantly in value, therefore an impairment allowance has been incorporated into the net realizable value. 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.

	General Fund	Indio Housing Authority	Neighborhood Stabilization Grant 2	Total
Property held for resale	\$ 10,855,746	\$ 164,000	\$ 318,154	\$ 11,337,900
Impairment allowance	(3,508,697)	-	-	(3,508,697)
Total	<u>\$ 7,347,049</u>	<u>\$ 164,000</u>	<u>\$ 318,154</u>	<u>\$ 7,829,203</u>

Property Held for Resale

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.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 7: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019, is as follows:

a. Governmental Activities:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Structures and improvements	\$ 38,617,106	\$ -	\$ 1,493,786	\$ -	\$ 37,123,320
Machinery and equipment	8,169,386	501,229	22,101	-	8,648,514
Vehicles	10,681,475	286,123	-	-	10,967,598
Infrastructure: street network	561,357,884	893,442	-	1,050,099	563,301,425
Total cost of depreciable assets	<u>618,825,851</u>	<u>1,680,794</u>	<u>1,515,887</u>	<u>1,050,099</u>	<u>620,040,857</u>
Less accumulated depreciation:					
Structures and improvements	9,854,354	967,631	392,119	-	10,429,866
Machinery and equipment	6,930,512	470,444	22,093	-	7,378,863
Vehicles	8,072,107	825,401	-	-	8,897,508
Infrastructure: street network	253,437,093	14,060,692	-	-	267,497,785
Total accumulated depreciation	<u>278,294,066</u>	<u>16,324,168</u>	<u>414,212</u>	<u>-</u>	<u>294,204,022</u>
Net depreciable assets	<u>340,531,785</u>	<u>(14,643,374)</u>	<u>1,101,675</u>	<u>1,050,099</u>	<u>325,836,835</u>
Capital assets not depreciated:					
Construction in process	33,685,861	22,599,096	-	(1,050,099)	55,234,858
Land	41,964,082	-	-	-	41,964,082
Right of way	56,047,843	583,264	7,745	-	56,623,362
Total capital assets not depreciated	<u>131,697,786</u>	<u>23,182,360</u>	<u>7,745</u>	<u>(1,050,099)</u>	<u>153,822,302</u>
Capital assets, net	<u>\$ 472,229,571</u>	<u>\$ 8,538,986</u>	<u>\$ 1,109,420</u>	<u>\$ -</u>	<u>\$ 479,659,137</u>

Total depreciation expense of \$16,324,168, including \$1,382,188 of internal service depreciation, was charged in the following functions:

General government	\$ 5,320,452
Public safety	963,145
Public works	6,692,338
Community development	1,922,363
Human services	43,682
Internal service funds	1,382,188
	<u>\$ 16,324,168</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 7: Capital Assets (Continued)

b. Business-Type Activities:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Structures and improvements	\$ 15,335,463	\$ -	\$ -	\$ -	\$ 15,335,463
Machinery and equipment	3,055,103	82,751	-	174,758	3,312,612
Vehicles	1,905,516	29,667	-	-	1,935,183
Utility distribution system	287,278,956	-	-	1,449,897	288,728,853
Total cost of depreciable assets	307,575,038	112,418	-	1,624,655	309,312,111
Less accumulated depreciation:					
Structures and improvements	2,901,637	382,397	-	-	3,284,034
Machinery and equipment	2,393,745	232,229	-	-	2,625,974
Vehicles	1,289,703	125,899	-	-	1,415,602
Utility distribution system	131,211,539	7,200,098	-	-	138,411,637
Total accumulated depreciation	137,796,624	7,940,623	-	-	145,737,247
Net depreciable assets	169,778,414	(7,828,205)	-	1,624,655	163,574,864
Capital assets not depreciated:					
Construction in process	1,001,891	3,530,786	-	(1,624,655)	2,908,022
Land	2,168,969	-	-	-	2,168,969
Total capital assets not depreciated	3,170,860	3,530,786	-	(1,624,655)	5,076,991
Capital assets, net	\$ 172,949,274	\$ (4,297,419)	\$ -	\$ -	\$ 168,651,855

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

Water	\$7,922,370
Golf	18,253
Total	<u>\$7,940,623</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 8: Obligations Under Capital Leases

A summary of changes of governmental activities' capital lease obligations for the year ended June 30, 2019, is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Police Radios	\$ 343,002	\$ -	\$ 343,002	\$ -	\$ -
Facilities Energy Efficient Equipment	518,263	-	86,152	432,111	89,579
Totals	\$ 861,265	\$ -	\$ 429,154	\$ 432,111	\$ 89,579

Police Radios – A ten-year contract was entered into for the purchase of radios to be used with the ERICA communication system. The gross cost of the radios, at lease inception, was \$2,846,285. The balance as of June 30, 2019, on this contract was \$0.

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, 2019, on this contract was \$432,111.

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,	
2020	\$ 105,212
2021	105,212
2022	105,212
2023	105,212
2024	52,606
Subtotal	473,454
Less amount representing interest	(41,343)
Present value of future lease payments	\$ 432,111

Note 9: Compensated Absences

Changes in compensated absences for the year ended June 30, 2019, are as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Governmental Activities	\$ 2,007,465	\$ 1,196,975	\$ 1,115,773	\$ 2,088,667	\$ 1,160,906
Business-Type Activities	226,498	186,604	198,875	214,227	188,100
Totals	\$ 2,233,963	\$ 1,383,579	\$ 1,314,648	\$ 2,302,894	\$ 1,349,006

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, 2019

Note 10: Long-Term Debt

Changes in long-term obligations for the year ended June 30, 2019, are as follows:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Lease Revenue Refunding Bonds, Series 2012	\$ 20,420,000	\$ -	\$ 1,135,000	\$ 19,285,000	\$ 635,000
Lease Revenue Refunding Bonds, Series 2016A	14,150,000	-	-	14,150,000	500,000
Taxable Lease Revenue Refunding Bonds, Series 2016B	4,675,000	-	465,000	4,210,000	480,000
Judgment Obligation Bonds, Series 2017	15,650,000	-	615,000	15,035,000	625,000
Unamortized Bond Premiums/(Discounts)	586,748	-	28,707	558,041	-
Subtotal - General Obligation Bonds	55,481,748	-	2,243,707	53,238,041	2,240,000
Direct Borrowings and Direct Placements:					
Installment Sale Agreement	3,005,000	-	555,000	2,450,000	575,000
Riverside County Transportation Commission Note Payable	811,850	-	700,381	111,469	111,469
County of Riverside/CVAG Note Payable	837,261	-	279,087	558,174	279,087
Subtotal - Direct Borrowings and Direct Placements	4,654,111	-	1,534,468	3,119,643	965,556
Total - Governmental Activities	\$ 60,135,859	\$ -	\$ 3,778,175	\$ 56,357,684	\$ 3,205,556
Business-Type Activities:					
Bonds Payable:					
Enterprise Revenue Refunding Bonds, Series 2015A and B	\$ 54,975,000	\$ -	\$ 1,930,000	\$ 53,045,000	\$ 1,980,000
Unamortized Bond Premiums/(Discounts)	1,232,253	-	56,012	1,176,241	-
Total - Business-Type Activities	\$ 56,207,253	\$ -	\$ 1,986,012	\$ 54,221,241	\$ 1,980,000

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, 2019, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$19,285,000.

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, 2019, the outstanding balance of the Series 2016A bonds was \$14,150,000.

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, 2019, the outstanding balance of the Series 2016B bonds was \$4,210,000.

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, 2019, the outstanding balance of the Series 2017 bonds was \$15,035,000.

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 \$2,450,000 as of June 30, 2019.

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.

Riverside County Transportation Commission Note Payable

On December 15, 2005, the City of Indio entered into an agreement with the Riverside County Transportation Commission (the "Commission") where the Commission would advance the City \$4,000,000 of the City's Measure A revenues to fund current capital projects of the City. Per the terms of the agreement, the City may repay the entire unpaid principal balance of the advance, plus accrued interest, no later than December 31, 2008. Otherwise, the City shall repay the advance together with all accrued and unpaid interest in 120 monthly installments commencing on September 1, 2009. In the event of default, the entire unpaid balance of the notes become payable and due. The note is secured by the City's pledge of Measure A funding. The note accrues interest on the unpaid portion of the advance at a rate of 1/2 percent over the interest rate of the Commission's funds outstanding under the 2005 Commercial Paper Program. The outstanding amount of the note as of June 30, 2019, was \$111,469.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

Note 10: Long-Term Debt (Continued)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 outstanding amount of the note as of June 30, 2019 was \$558,174.

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
2020	\$ 2,240,000	\$ 2,097,228	\$ 965,556	\$ 128,334
2021	2,315,000	2,021,826	879,087	80,675
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	-	-
2025-2029	13,425,000	7,035,489	-	-
2030-2034	14,460,000	4,234,699	-	-
2035-2038	12,735,000	1,054,791	-	-
	<u>\$ 52,680,000</u>	<u>\$ 21,957,189</u>	<u>\$ 3,119,643</u>	<u>\$ 292,760</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.

Note 10: Long-Term Debt (Continued)

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, 2019, the outstanding balance of the Series 2015A bonds and Series 2015B bonds were \$51,065,000 and \$1,980,000, respectively.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 10: Long-Term Debt (Continued)

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
2020	\$ 1,980,000	\$ 2,158,449
2021	2,055,000	2,102,613
2022	2,155,000	1,999,863
2023	2,260,000	1,892,113
2024	2,375,000	1,779,113
2025-2029	13,625,000	7,152,675
2030-2034	16,295,000	4,478,969
2035-2039	11,010,000	1,353,481
2040	1,290,000	62,181
	<u>\$ 53,045,000</u>	<u>\$ 22,979,457</u>

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	\$ 1,788,544	\$ 680,113	38%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

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.

The Plans' provisions and benefits in effect at June 30, 2019, 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	8.00%	6.25%
Required employer contribution rates	10.996%	10.996%

	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	9.00%	9.00%	12.25%
Required employer contribution rates	22.346%	19.353%	12.965%

* Plan is closed to new entrants.

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

At the June 30, 2017 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	218
Inactive employees entitled to but not yet receiving benefits	173
Active employees	163
	<u>554</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 12: Pension Plans (Continued)

d. Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for the City are determined on an annual basis by an 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 City 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, 2019, the contributions recognized as a reduction to the net pension liability was \$3,032,168 and \$2,977,907 for the miscellaneous and safety plans, respectively.

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

The June 30, 2017 valuations were rolled forward to determine the June 30, 2018 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:	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

Note 12: Pension Plans (Continued)

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.

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 the City 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. Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 12: Pension Plans (Continued)

i. 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, 2018 is 3.1 years, which was obtained by dividing the total service years of 1,697 by the total number of plan participants, 554. The EARSL for the Safety Plan pooled in CalPERS Plan PERF C for the measurement dated ending June 30, 2018 is 3.8 years, which was obtained by dividing the pool's total service years of 516,147 by the total number of plan participants in the PERF C, 135,474.

j. Net Pension and Liability and Changes in Net Pension Liability

As of June 30, 2019, the City reported net pension liabilities of each as follows:

Net Pension Liability	
Miscellaneous agent	\$ 29,354,969
Safety cost-sharing proportionate share	35,470,299
Total Net Pension Liability	<u>\$ 64,825,268</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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: 06/30/2017 (valuation date)	\$ 92,506,379	\$ 61,625,339	\$ 30,881,040
Changes Recognized for the Measurement Period:			
Service Cost	2,307,248	-	2,307,248
Interest on Total Pension Liability	6,453,709	-	6,453,709
Changes of Benefit Terms	-	-	-
Changes of Assumptions	(595,036)	-	(595,036)
Differences between Expected and Actual Experience	(754,767)	-	(754,767)
Net Plan to Plan Resource Movement	-	(154)	154
Contributions - Employer	-	3,032,168	(3,032,168)
Contributions - Employees	-	913,515	(913,515)
Net Investment Income	-	5,270,086	(5,270,086)
Benefit Payments, including Refunds of Employee Contributions	(4,097,060)	(4,097,060)	-
Administrative Expense	-	(96,029)	96,029
Other Miscellaneous Income/(Expense) ¹	-	(182,361)	182,361
Net Changes during 2017-18	\$ 3,314,094	\$ 4,840,165	\$ (1,526,071)
Balance at: 06/30/2018 (measurement date)	\$ 95,820,473	\$ 66,465,504	\$ 29,354,969

¹ During Measurement Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and June 30, 2018, are as follows:

	Total Plans
Proportion - June 30, 2018	0.3716%
Proportion - June 30, 2017	0.3554%
Change - Increase (Decrease)	<u>4.5582%</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

Note 12: Pension Plans (Continued)**k. 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	\$ 42,790,195	\$ 29,354,969	\$ 18,318,467
Safety Plan	51,860,560	35,470,299	22,041,416
Total Plans	\$ 94,650,755	\$ 64,825,268	\$ 40,359,883

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

For the fiscal year ended June 30, 2019, the City recognized pension expense as follows:

Miscellaneous	Safety	Total Plans
\$ 4,322,259	\$ 5,453,981	\$ 9,776,240

At June 30, 2019, 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	\$ 3,523,191	\$ -
Changes of assumptions	1,790,488	403,089
Differences between expected and actual experiences	-	1,009,105
Net difference between projected and actual earnings on pension plan investments	-	40,096
Total Miscellaneous Plan	5,313,679	1,452,290
Safety Plan:		
Employer contributions subsequent to measurement date	3,571,705	-
Changes of assumptions	3,103,707	418,745
Differences between expected and actual experiences	679,677	2,578
Net difference between projected and actual earnings on pension plan investments	214,167	-
Adjustments due to differences in proportions	455,082	192,948
Difference in proportionate share	-	553,954
Total Safety Plan	8,024,338	1,168,225
Total All Plans	\$ 13,338,017	\$ 2,620,515

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

Note 12: Pension Plans (Continued)

The \$3,523,191 and \$3,571,705 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, 2020. 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
2020	\$ 1,547,546	\$ 2,734,245	\$ 4,281,791
2021	(321,888)	1,580,658	1,258,770
2022	(706,444)	(811,390)	(1,517,834)
2023	(181,016)	(219,105)	(400,121)

m. 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

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 5 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 \$1,325/month for retirees in 2017 for employees hired prior to August 1, 2009. The limit is \$1,400/month for all groups in 2018 and \$1,500/month for all groups in 2019.

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.

The 2017 "100/90" monthly dollar amounts are \$707 single, \$1,349 two-party, and \$1,727 family, and for 2018 the corresponding amounts are \$725, \$1,377, and \$1,766. In addition, the City pays a 0.33%-of-premium administrative fee to PEMHCA for each retiree.

Plan Membership

At July 1, 2017, membership consisted of the following:

Inactive members or beneficiaries currently receiving benefit payments	178
Inactive members or beneficiaries entitled to but not currently receiving benefit payments	5
Active plan members	<u>183</u>

Contributions

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. The contribution requirements of plan members and the City are established and may be amended by the City Council. For fiscal year 2018-19, the City recognized contributions in reduction to the net other post-employment benefit (OPEB) liability of \$1,975,214.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

Note 13: Other Post-Employment Benefits (Continued)**b. Net OPEB Liability**

The City's Net OPEB Liability was measured as of June 30, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2017. 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	5.00 percent for 2018 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 June 30, 2017 valuation were based on a review of plan experience during the period July 1, 2015 to June 30, 2017.

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 (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%	5.50%
U.S. Fixed	43.0%	1.50%
TIPS	5.0%	1.20%
Real Estate	8.0%	3.70%
Commodities	4.0%	0.60%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 13: Other Post-Employment Benefits (Continued)

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, 2018	June 30, 2017	6.00%	3.13%	5.97%
June 30, 2019	June 30, 2018	6.00%	3.62%	4.00%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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: 06/30/2017 (valuation date)	\$ 38,429,673	\$ 1,383,773	\$ 37,045,900
Changes Recognized for the Measurement Period:			
Service Cost	789,088	-	789,088
Interest	2,238,791	-	2,238,791
Changes of Benefit Terms	-	-	-
Changes of Assumptions	12,452,155	-	12,452,155
Differences between Expected and Actual Experience	-	-	-
Contributions - Employer ¹	-	1,975,214	(1,975,214)
Contributions - Employees	-	-	-
Net Investment Income	-	86,160	(86,160)
Benefit Payments ¹	(1,885,304)	(1,885,304)	-
Administrative Expense	-	(711)	711
Trustee Fees	-	(519)	519
Net Changes during 2017-18	\$ 13,594,730	\$ 174,840	\$ 13,419,890
Balance at: 06/30/2018 (measurement date)	\$ 52,024,403	\$ 1,558,613	\$ 50,465,790

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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Net OPEB liability (asset)	\$59,397,014	\$50,465,790	\$43,452,135

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 (4.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (6.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Trend Rate (5.00%)	1% Increase (6.00%)
Net OPEB liability (asset)	\$42,857,169	\$50,465,790	\$60,117,048

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 13: Other Post-Employment Benefits (Continued)

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.

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

For the year ended June 30, 2019, the City recognized \$5,801,460 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, 2019, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions after the measurement date	\$ 1,799,999	\$ -
Changes in assumptions or other inputs	9,415,044	-
Differences between projected and actual return on plan investments	-	9,326
Total	<u>\$ 11,215,043</u>	<u>\$ 9,326</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

Note 13: Other Post-Employment Benefits (Continued)

The \$1,799,999 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, 2020. 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
2020	\$ 3,034,125
2021	3,034,125
2022	3,034,125
2023	303,343

Note 14: Liability, Property and Workers Compensation Protection

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

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the 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 \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

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

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Workers' Compensation Program

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

For 2018-19 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

c. Purchased Insurance

Pollution Legal Liability Insurance

The City 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. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$140,252,961. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

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

Crime Insurance

The City of Indio purchases crime insurance coverage in the amount of \$1,000,000 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 2018-19.

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

	Beginning of Fiscal Year Liability	Current Fiscal Year Claims and Prior Fiscal Year Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2016-17	\$ 178,295	\$ -	\$ (17,500)	\$ 160,795
2017-18	160,795	13,848	-	174,643
2018-19	174,643	-	(79,989)	94,654

Note 15: Debt Issued Without Government Commitment

Assessment 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.

Description	Issuance Date	Face Value	Interest Rate	Maturity Date	Outstanding 6/30/2018	FY18/19 DS Principal	Outstanding 6/30/2019
AD99-1/R	7/26/2012	\$ 1,520,000	4.690%	9/2/2020	\$ 540,000	\$ 170,000	\$ 370,000
AD2001-1/R	7/26/2012	3,295,000	4.690%	9/2/2026	2,175,000	200,000	1,975,000
AD2002-1/R	7/26/2012	3,410,000	4.690%	9/2/2026	2,350,000	190,000	2,160,000
AD2002-2/R	7/26/2012	2,162,900	4.690%	9/2/2027	1,495,707	117,874	1,377,833
AD2002-3/R	7/26/2012	4,119,800	4.710%	9/2/2027	2,835,784	227,953	2,607,831
AD2003-1/R	7/23/2014	1,752,000	3.550%	9/2/2029	1,469,000	104,000	1,365,000
AD2003-2/R	7/23/2014	1,402,000	3.550%	9/2/2029	1,182,000	81,000	1,101,000
AD2003-3/R	7/23/2014	4,038,000	3.550%	9/2/2029	3,403,000	235,000	3,168,000
AD2003-5/R	7/23/2014	1,343,000	3.550%	9/2/2029	1,128,000	75,000	1,053,000
AD2003-6/R	7/23/2014	1,627,000	3.550%	9/2/2029	1,372,000	95,000	1,277,000
AD2004-1/R*	7/19/2017	1,465,000	2.00% to 3.125%	9/2/2030	1,505,000	90,000	1,465,000
AD2004-2/R*	7/19/2017	2,320,000	2.00% to 3.125%	9/2/2030	2,395,000	145,000	2,320,000
AD2004-3/R*	7/19/2017	3,910,000	2.00% to 3.125%	9/2/2030	4,599,100	245,000	3,910,000
CFD2004-3	8/4/2015	15,530,000	2.00% to 4.00%	9/1/2035	14,362,000	560,000	13,802,000
CFD2005-1 A1/R	7/23/2014	8,337,000	4.030%	9/1/2036	7,612,000	272,000	7,340,000
CFD2006-1/R	7/23/2014	7,554,000	4.030%	9/1/2036	7,754,000	280,000	7,474,000
CFD2005-1 A2/R	7/23/2014	8,499,000	4.030%	9/1/2036	6,879,000	251,000	6,628,000

Note 16: Contingent Liabilities and Commitment

Normal 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 2018-2019, payment in the amount of \$471,747 was made to the County.

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.

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, 2019, 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, 2019 was \$50,000 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, 2019

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, 2019, is as follows:

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid costs	\$ 295,749	\$ 98,888	\$ 22,133	\$ 416,770
Property held for resale	7,347,049	-	-	7,347,049
Notes and loans receivable	3,870,551	-	-	3,870,551
Total Non spendable Fund Balance	11,513,349	98,888	22,133	11,634,370
Restricted:				
Gas Tax	-	-	696,326	696,326
Traffic safety	-	-	146,513	146,513
Public safety	-	-	65,219	65,219
Supplemental law enforcement	-	-	292,308	292,308
LLEBG	-	-	17,464	17,464
Homeland security	-	-	10,423	10,423
Abandoned vehicle	-	-	164,903	164,903
Unclaimed property	-	-	7,775	7,775
Measure A	-	-	616,672	616,672
NPDES	-	-	1,642	1,642
Air quality	-	-	190,296	190,296
Construction projects	-	-	3,816	3,816
Waste recycling AB 939	-	-	665,858	665,858
Community facilities districts	-	-	155,636	155,636
Certified access specialist SB 1186	-	-	50,015	50,015
Low- and moderate-income housing	-	-	8,534,345	8,534,345
Department of Conservation recycle grant	-	-	51,798	51,798
Public education government channel	-	-	572,133	572,133
Neighborhood stabilization programs	-	-	1,233,719	1,233,719
Lighting and landscaping	-	-	3,120,698	3,120,698
Asset forfeiture	-	-	1,489	1,489
Emergency abandoned and recalcitrant	-	-	126,431	126,431
Community development block grant	-	-	26,349	26,349
Donations	-	-	71,486	71,486
SB 1 transportation	-	-	1,289,870	1,289,870
Cal emergency management	-	-	118	118
Debt service	-	-	2,117,405	2,117,405
Total Restricted	-	-	20,230,707	20,230,707
Committed:				
Economic uncertainty	12,000,000	-	-	12,000,000
Total Committed	12,000,000	-	-	12,000,000
Assigned:				
Capital projects	-	1,152,270	-	1,152,270
Community development projects	11,602,583	-	-	11,602,583
Total Assigned	11,602,583	1,152,270	-	12,754,853
Unassigned				
	4,627,591	-	(701,667)	3,925,924
Total Fund Balance (Deficit)	\$ 39,743,523	\$ 1,251,158	\$ 19,551,173	\$ 60,545,854

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, 2019, the City abated tax increments totaling \$63,051 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, 2019, the City abated tax increments totaling \$157,525 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, 2019

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	\$ 6,975,819
Cash and investments with fiscal agent	1,694,431
Total	<u>\$ 8,670,250</u>

b. Notes Receivable

As of June 30, 2019, notes receivable consisted of the following:

Jackalope	\$ 492,468
Housing rehabilitation deferred loan program	46,717
Total	<u>\$ 539,185</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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, 2019 was \$492,468.

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, 2019 was \$46,717.

c. Land Held for Resale

Land held for resale in the RDA Capital Project Fund consists of 31 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, 2019, land held for resale totaled \$11,229,598.

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, 2019 was \$3,766,767.

e. Long-Term Liabilities

Long-term debt of the Successor Agency as of June 30, 2019, consisted of the following:

	Balance at July 1, 2018	Increases	Decreases	Balance at June 30, 2019	Due Within One Year
Public Offerings:					
1997 Series A	\$ 185,000	\$ -	\$ 90,000	\$ 95,000	\$ 95,000
1999 Revenue Refunding Bonds	1,415,000	-	1,415,000	-	-
Tax Allocation 2004A	8,140,000	-	180,000	7,960,000	185,000
Tax Allocation 2008A and B	52,880,000	-	37,355,000	15,525,000	660,000
2018 Subordinate Tax Allocation A and B	-	30,665,000	-	30,665,000	2,260,000
Unamortized Bond Premiums/(Discounts)	-	3,483,331	101,874	3,381,457	-
Total - General Obligation Bonds	\$ 62,620,000	\$ 34,148,331	\$ 39,141,874	\$ 57,626,457	\$ 3,200,000

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

Tax Increment Revenue Refunding Bonds, 1997 Series A

On August 1, 1997, the Authority issued \$1,105,000 of Taxable Tax Increment Revenue Refunding Bonds, 1997 Series A, and \$2,585,000 of Tax Increment Revenue Refunding Bonds. The proceeds were used to advance refund a portion of the 1992 Revenue (Tax Allocation) Bonds and to retire the outstanding balance of the 1987 Tax Allocation Bonds. The bonds are payable solely from tax increment revenues of the Redevelopment Agency.

The Series A bonds consist of \$1,105,000 of term bonds. These bonds accrue interest at a rate of 7.48% with the principal amount maturing on August 15, 2019. The Series A term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$20,000 to \$95,000, as outlined in the bond indenture. The outstanding balance at June 30, 2019 was \$95,000.

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.

As required in the official statement, each bond issue is required to maintain a reserve fund. In the case of the Series A reserve fund relating to the Indio Centre Parity Loan, the Authority substituted a reserve facility in place of making a cash deposit to such reserve funds. The indentures provide that in lieu of a cash deposit, the Authority may satisfy the reserve requirements by means of a qualified reserve fund credit instrument, which consists of a quality surety bond, insurance policy or similar financial undertaking. The Authority deposited a Financial Guaranty Insurance Policy issued by MBIA Insurance Corporation in the reserve fund for the Series A Bonds.

1999 Housing Set-Aside Revenue Refunding Bonds

On May 5, 1999, the Redevelopment Agency issued \$4,445,000 of Housing Set-Aside Revenue Refunding Bonds, Series 1999. The proceeds were used to enable the Agency to pay its 1992 Housing Loan to the Indio Public Financing Authority. The bonds are payable solely from housing set-aside tax increment revenues of the Redevelopment Agency.

These bonds consist of \$1,420,000 of serial bonds and \$3,025,000 of term bonds. The serial bonds accrue interest at rates ranging from 3.35% to 5.00%. Principal payments are due each August 15 in amounts ranging from \$100,000 to \$160,000, with the final principal payment on August 15, 2009. The term bonds accrue interest at a rate of 5.375% maturing on August 15, 2022. The term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$165,000 to \$315,000, as outlined in the bond indenture. These bonds were fully defeased on a current basis by the issuance of the 2018 Subordinate Tax Allocation Refunding Bonds, Series A. as of June 30, 2019, with no principal or interest outstanding at June 30, 2019.

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, 2019, the reserve was fully funded and the outstanding balance of the Series 2004A was \$7,960,000.

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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

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 bondowners 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, 2019, the reserves were fully funded and the outstanding balance of the Series 2008A and Series 2008B bonds were \$15,525,000 and \$0, 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, 2019.

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, 2019, the reserve was fully funded and the outstanding balance of the bonds was \$30,665,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

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
2020	\$ 3,200,000	\$ 2,645,919
2021	2,370,000	2,541,988
2022	2,455,000	2,443,881
2023	2,560,000	2,325,208
2024	2,380,000	2,199,368
2025-2029	14,745,000	8,879,748
2030-2034	19,845,000	4,259,956
2035-2036	6,690,000	302,926
	<u>\$ 54,245,000</u>	<u>\$ 25,598,994</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 \$79,843,994 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 \$6,477,012 and the debt service obligation on the bonds was \$5,829,831.

g. Prior Period Adjustment

Beginning net position for the Successor Agency was (\$38,281,994), and reported a prior period adjustment in the amount of \$516,244 for the year ended June 30, 2019, for the purposes of recording a transfer of land held for resale that occurred in fiscal year 2017-18 but was not recorded at the time of the transaction. Restated beginning net position was (\$37,765,750).

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 36,595,021	\$ 36,595,021	\$ 36,595,021	\$ -
Resources (Inflows):				
Taxes:				
Sales taxes	23,100,000	23,936,000	24,503,228	567,228
Property taxes	17,630,000	17,709,768	17,834,098	124,330
Utility users taxes	8,693,000	8,293,000	8,019,337	(273,663)
Transient occupancy taxes	6,220,000	7,559,000	7,768,004	209,004
Franchise taxes	2,390,000	2,390,000	2,453,482	63,482
Business license taxes	675,000	675,000	657,028	(17,972)
Other taxes	380,000	380,000	455,256	75,256
Total taxes	<u>59,088,000</u>	<u>60,942,768</u>	<u>61,690,433</u>	<u>747,665</u>
Licenses and permits:				
Building permits	2,218,950	2,218,950	1,691,333	(527,617)
Other permits	411,726	411,726	347,328	(64,398)
Business licenses	278,250	278,250	250,857	(27,393)
Total licenses and permits	<u>2,908,926</u>	<u>2,908,926</u>	<u>2,289,518</u>	<u>(619,408)</u>
Intergovernmental:				
Grants	180,000	180,000	621,198	441,198
Motor vehicle license fees	50,000	50,000	42,184	(7,816)
Total intergovernmental	<u>230,000</u>	<u>230,000</u>	<u>663,382</u>	<u>433,382</u>
Charges for services:				
Police	3,925,593	5,478,856	5,641,622	162,766
Plan checks and inspections	1,470,000	1,470,000	1,517,762	47,762
Fire and ambulance	1,462,250	1,462,250	1,615,269	153,019
Other	828,900	828,900	967,310	138,410
Total charges for services	<u>7,686,743</u>	<u>9,240,006</u>	<u>9,741,963</u>	<u>501,957</u>
Fines and forfeitures				
Parking	265,500	150,000	211,326	61,326
Vehicle	200,000	115,000	122,135	7,135
Other	175,000	130,000	168,546	38,546
Total fines and forfeitures	<u>640,500</u>	<u>395,000</u>	<u>502,007</u>	<u>107,007</u>
Use of money and property	818,970	818,970	1,450,318	631,348
Miscellaneous	2,200,500	2,359,205	2,312,136	(47,069)
Transfers in	3,806,000	3,806,000	3,957,334	151,334
Amounts Available for Appropriations	<u>113,974,660</u>	<u>117,295,896</u>	<u>119,202,112</u>	<u>1,906,216</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, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General government:				
City council	339,301	339,301	284,270	55,031
City manager	740,143	740,143	881,579	(141,436)
City clerk	482,052	482,052	403,228	78,824
City attorney	850,000	850,000	741,387	108,613
Human resources	998,081	998,081	648,498	349,583
Finance	2,003,293	2,003,293	1,992,508	10,785
Other - Nondepartmental	10,183,991	163,056	285,805	(122,749)
Total general government	<u>15,596,861</u>	<u>5,575,926</u>	<u>5,237,275</u>	<u>338,651</u>
Public safety:				
Police administration	1,636,270	1,636,270	1,597,885	38,385
Police field services	13,178,690	13,178,690	12,193,589	985,101
Police investigations	6,618,810	6,618,810	7,463,971	(845,161)
Police traffic safety	985,349	985,349	824,081	161,268
Police support services	4,244,105	4,244,105	4,403,279	(159,174)
Animal control	875,000	875,000	766,600	108,400
Code enforcement	2,156,181	2,148,681	1,815,534	333,147
Fire and ambulance	15,204,741	15,258,741	14,628,001	630,740
Emergency management	265,258	265,258	169,138	96,120
Total public safety	<u>45,164,404</u>	<u>45,210,904</u>	<u>43,862,078</u>	<u>1,348,826</u>
Community development:				
Building and safety	1,722,796	1,722,796	1,639,374	83,422
Planning	1,408,652	1,599,800	1,184,904	414,896
Economic development	1,502,751	1,575,066	1,261,443	313,623
Real estate management	803,274	803,274	752,428	50,846
Total community development	<u>5,437,473</u>	<u>5,700,936</u>	<u>4,838,149</u>	<u>862,787</u>
Community services:				
Youth service	747,974	747,974	723,354	24,620
Community services	413,348	413,348	370,518	42,830
Promotions and publicity	1,237,736	1,237,736	845,493	392,243
Senior services	727,676	729,381	734,400	(5,019)
Total community services	<u>3,126,734</u>	<u>3,128,439</u>	<u>2,673,765</u>	<u>454,674</u>
Public works:				
Street maintenance and operations	2,612,123	10,620,289	10,284,031	336,258
Engineering and administration	1,834,404	1,834,404	1,464,681	369,723
Parks and parkways	3,682,496	3,668,741	2,685,719	983,022
Total public works	<u>8,129,023</u>	<u>16,123,434</u>	<u>14,434,431</u>	<u>1,689,003</u>
Debt service:				
Principal retirement	343,001	343,001	343,001	-
Interest and fiscal charges	9,090	9,090	9,090	-
Total debt service	<u>352,091</u>	<u>352,091</u>	<u>352,091</u>	<u>-</u>
Capital outlay	1,033,250	1,067,750	62,657	1,005,093
Transfers out	9,335,846	13,591,863	7,998,143	5,593,720
Total Charges to Appropriations	<u>88,175,682</u>	<u>90,751,343</u>	<u>79,458,589</u>	<u>11,292,754</u>
Budgetary Fund Balance, June 30	<u>\$ 25,798,978</u>	<u>\$ 26,544,553</u>	<u>\$ 39,743,523</u>	<u>\$ 13,198,970</u>

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

CITY OF INDIO, CALIFORNIA

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

	2019	2018	2017	2016	2015
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability:					
Service Cost	\$ 2,307,248	\$ 2,353,967	\$ 2,144,177	\$ 2,054,043	\$ 2,067,477
Interest on total pension liability	6,453,709	6,219,359	6,008,228	5,714,555	5,452,950
Differences between expected and actual experience	(754,767)	(1,493,433)	(465,558)	(717,418)	-
Changes in assumptions	(595,036)	5,371,466	-	(1,451,365)	-
Benefit payments, including refunds of employee contributions	(4,097,060)	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
Net change in total pension liability	3,314,094	8,703,361	4,054,382	2,213,828	4,204,662
Total pension liability - beginning	92,506,379	83,803,018	79,748,636	77,534,808	73,330,146
Total pension liability - ending (a)	95,820,473	92,506,379	83,803,018	79,748,636	77,534,808
Plan Fiduciary Net Position:					
Contributions - employer	\$ 3,032,168	\$ 2,858,434	\$ 2,619,245	\$ 2,446,688	\$ 2,331,161
Contributions - employee	913,515	918,650	927,413	940,052	914,677
Net investment income	5,270,086	6,336,419	300,012	1,211,466	7,998,811
Benefit payments	(4,097,060)	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
Plan to plan resource movement	(154)	-	-	(123)	-
Administration Expense	(96,029)	(81,708)	(33,618)	(69,194)	-
Other miscellaneous income/(expense) ⁽²⁾	(182,361)	-	-	-	-
Net change in plan fiduciary net position	4,840,165	6,283,797	180,587	1,142,902	7,928,884
Plan fiduciary net position - beginning	61,625,339	55,341,542	55,160,955	54,018,053	46,089,169
Plan fiduciary net position - ending (b)	66,465,504	61,625,339	55,341,542	55,160,955	54,018,053
Net pension liability - ending (a)-(b)	\$ 29,354,969	\$ 30,881,040	\$ 28,461,476	\$ 24,587,681	\$ 23,516,755
Plan fiduciary net position as a percentage of the total pension liability	69.4%	66.6%	66.0%	69.2%	69.7%
Covered payroll	\$ 11,882,620	\$ 12,075,341	\$ 12,067,635	\$ 11,307,076	\$ 10,908,447
Plan net pension liability as a percentage of covered payroll	247.0%	255.7%	235.8%	217.5%	215.6%

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: 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 five years are shown.

⁽²⁾ During Fiscal Year 2017-18, as a result of Government Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

CITY OF INDIO, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,523,191	\$ 3,032,168	\$ 2,858,434	\$ 2,619,245	\$ 2,446,688	\$ 2,331,161
Contribution in Relation to the Actuarially Determined Contributions	(3,523,191)	(3,032,168)	(2,858,434)	(2,619,245)	(2,446,688)	(2,331,161)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 12,267,411	\$ 11,882,620	\$ 12,075,341	\$ 12,067,635	\$ 11,307,076	\$ 10,908,447
Contributions as a Percentage of Covered Payroll	28.7%	25.5%	23.7%	21.7%	21.6%	21.4%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were derived from the June 30, 2016 funding valuation report.

- Actuarial Cost Method: Entry Age Normal
- Amortization Method/Period: For details, see June 30, 2016 Funding Valuation Report
- Asset Valuation Method: Market Value of Assets. For details, see June 30, 2016 Funding Valuation Report
- Inflation: 2.75%
- Salary Increases: Varies by Entry Age and Service
- Payroll Growth: 3.00%
- Investment Rate of Return: 7.375%
- Retirement Age: The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
- Mortality: The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

⁽¹⁾ Fiscal Year 2014-15 was the first year of implementation; however, information for fiscal year 2013-14 was available. Therefore, only six years are presented.

CITY OF INDIO, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2019	2018	2017	2016	2015
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the Net Pension Liability	0.3716%	0.3554%	0.3611%	0.3687%	0.3569%
Proportionate Share of the Net Pension Liability	\$ 35,470,299	\$ 35,245,774	\$ 31,246,797	\$ 25,303,889	\$ 22,205,148
Covered Payroll	\$ 6,666,249	\$ 6,451,760	\$ 6,467,561	\$ 6,624,055	\$ 6,311,549
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	532.1%	546.3%	483.1%	382.0%	351.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	73.3%	74.1%	78.4%	79.8%

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

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

CITY OF INDIO, CALIFORNIA

**REQUIRED SUPPLEMENTARY INFORMATION
 COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN
 SCHEDULE OF PLAN CONTRIBUTIONS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 3,571,705	\$ 2,977,907	\$ 2,409,717	\$ 2,567,055	\$ 2,286,752	\$ 2,105,331
Contribution in Relation to the Actuarially Determined Contributions	(3,571,705)	(2,977,907)	(2,409,717)	(2,567,055)	(2,286,752)	(2,105,331)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,696,899	\$ 6,666,249	\$ 6,451,760	\$ 6,467,561	\$ 6,624,055	\$ 6,236,527
Contributions as a Percentage of Covered Payroll	46.4%	44.7%	37.3%	39.7%	34.5%	33.8%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were derived from the June 30, 2016 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see June 30, 2016 Funding Valuation Report
Asset Valuation Method:	Market Value of Assets. For details, see June 30, 2016 Funding Valuation Report
Inflation:	2.75%
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	3.00%
Investment Rate of Return:	7.375%
Retirement Age:	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality:	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

⁽¹⁾ Fiscal Year 2014-15 was the first year of implementation; however, information for fiscal year 2013-14 was available. Therefore, only six years are presented.

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⁾**

	2019	2018
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Measurement Date		
Total OPEB Liability:		
Service cost	\$ 789,088	\$ 766,105
Interest on the total OPEB liability	2,238,791	2,175,102
Changes in assumptions	12,452,155	-
Benefit payments	<u>(1,885,304)</u>	<u>(1,863,797)</u>
Net change in total OPEB liability	13,594,730	1,077,410
Total OPEB liability - beginning	<u>38,429,673</u>	<u>37,352,263</u>
Total OPEB liability - ending (a)	<u>52,024,403</u>	<u>38,429,673</u>
Plan Fiduciary Net Position:		
Contribution - employer ⁽²⁾	1,975,214	1,994,056
Net investment income	86,160	84,532
Benefit payments	(1,885,304)	(1,863,797)
Trustee fees	(519)	(431)
Administrative expense	<u>(711)</u>	<u>(592)</u>
Net change in plan fiduciary net position	174,840	213,768
Plan fiduciary net position - beginning	<u>1,383,773</u>	<u>1,170,005</u>
Plan fiduciary net position - ending (b)	<u>1,558,613</u>	<u>1,383,773</u>
Net OPEB Liability/(Assets) - ending (a) - (b)	<u>\$ 50,465,790</u>	<u>\$ 37,045,900</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.0%	3.6%
Covered-employee payroll	\$ 26,345,041	\$ 31,815,516
Net OPEB liability as a percentage of covered-employee payroll	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

**SCHEDULE OF PLAN CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2019	2018
Actuarially Determined Contribution ⁽²⁾	\$ 2,701,432	\$ 2,706,641
Contribution in Relation to the Actuarially Determined Contributions ⁽³⁾	<u>(1,799,999)</u>	<u>(1,975,214)</u>
Contribution Deficiency (Excess)	<u>\$ 901,433</u>	<u>\$ 731,427</u>
Covered-employee payroll	\$ 26,345,041	\$ 31,815,516
Contributions as a percentage of covered-employee payroll	10.3%	8.5%

Notes to Schedule of Plan Contributions:

⁽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⁾ The actuarially determined contribution is based on the following actuarial methods and assumptions:

Actuarial Valuation Date:	June 30, 2017
Discount Rate:	6.00%
Salary Increases:	3.00%

⁽³⁾ 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.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019**

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. 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. The Unclaimed Property, Emergency Abandoned and Recalcitrant, and Compost Mitigation Dillon special revenue funds; and the Assessment District and Lease Revenue Construction 2007B capital projects funds did not adopt budgets for the year ended June 30, 2019.

Note 2: Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2019, the following funds reflected expenditures in excess of budgeted amounts:

<u>Major fund</u>	<u>Amount of Excess</u>
General Fund	
General Government:	
City manager	\$141,436
Other	122,749
Public Safety:	
Police investigations	845,161
Police support services	159,174
Community Services:	
Senior services	5,019

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 (SB 821) Fund - To account for the revenues and expenditures of licenses and grant money received for the promotion of bicycle safety and the development and maintenance of bicycle lanes and paths within the City.

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.

Indian Gaming SB 621 Fund - To account for grants to local agencies impacted by tribal gaming.

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.

COPS Hiring Recovery Fund - To account for the Federal grant to hire additional police officer positions.

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.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for specific revenues and the related capital expenditures which are legally required to be accounted for in a separate fund. 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 - 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, 2019

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Assets:				
Cash and investments	\$ 44,691	\$ 149,603	\$ 24,737	\$ 291,557
Receivables:				
Accounts	51,425	-	-	-
Notes and loans	-	-	-	-
Accrued interest	849	-	559	806
Prepaid costs	-	-	-	-
Due from other governments	-	-	39,923	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	700,467	-	-	-
Total Assets	\$ 797,432	\$ 149,603	\$ 65,219	\$ 292,363
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 84,047	\$ 3,090	\$ -	\$ 55
Accrued liabilities	5,173	-	-	-
Unearned revenues	11,886	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	101,106	3,090	-	55
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	696,326	146,513	65,219	292,308
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	696,326	146,513	65,219	292,308
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 797,432	\$ 149,603	\$ 65,219	\$ 292,363

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Assets:				
Cash and investments	\$ 9,796	\$ -	\$ 150,194	\$ 77,677
Receivables:				
Accounts	-	-	10,896	-
Notes and loans	-	-	-	-
Accrued interest	46	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	8,268	12,114	3,813	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 18,110	\$ 12,114	\$ 164,903	\$ 77,677
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 69,902
Accrued liabilities	646	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	1,691	-	-
Total Liabilities	646	1,691	-	69,902
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	17,464	10,423	164,903	7,775
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	17,464	10,423	164,903	7,775
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 18,110	\$ 12,114	\$ 164,903	\$ 77,677

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	<u>Special Revenue Funds</u>			
	<u>Measure A</u>	<u>Article 3</u>	<u>NPDES</u>	<u>Air Quality</u>
Assets:				
Cash and investments	\$ 173,549	\$ -	\$ 51,600	\$ 182,264
Receivables:				
Accounts	338,028	217,400	795	-
Notes and loans	-	-	-	-
Accrued interest	662	-	-	644
Prepaid costs	10,940	-	-	-
Due from other governments	344,027	-	-	29,552
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 867,206</u>	<u>\$ 217,400</u>	<u>\$ 52,395</u>	<u>\$ 212,460</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 76,350	\$ -	\$ 50,753	\$ 22,164
Accrued liabilities	5,172	-	-	-
Unearned revenues	158,072	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	217,400	-	-
Total Liabilities	<u>239,594</u>	<u>217,400</u>	<u>50,753</u>	<u>22,164</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):				
Nonspendable	10,940	-	-	-
Restricted	616,672	-	1,642	190,296
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>627,612</u>	<u>-</u>	<u>1,642</u>	<u>190,296</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 867,206</u>	<u>\$ 217,400</u>	<u>\$ 52,395</u>	<u>\$ 212,460</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Communities Facilities District
Assets:				
Cash and investments	\$ -	\$ -	\$ 653,397	\$ 67,001
Receivables:				
Accounts	300,275	-	17,326	-
Notes and loans	-	-	-	-
Accrued interest	-	-	2,054	1,606
Prepaid costs	-	-	4,000	-
Due from other governments	-	-	1,267	87,029
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 300,275	\$ -	\$ 678,044	\$ 155,636
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 154,395	\$ -	\$ 5,394	\$ -
Accrued liabilities	-	-	2,792	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	579,065	-	-	-
Total Liabilities	733,460	-	8,186	-
Deferred Inflows of Resources:				
Unavailable revenues	268,482	-	-	-
Total Deferred Inflows of Resources	268,482	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	4,000	-
Restricted	-	-	665,858	155,636
Unassigned	(701,667)	-	-	-
Total Fund Balances (Deficits)	(701,667)	-	669,858	155,636
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 300,275	\$ -	\$ 678,044	\$ 155,636

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			
	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel
Assets:				
Cash and investments	\$ 50,883	\$ 1,237,808	\$ 85,783	\$ 522,617
Receivables:				
Accounts	-	440	1,302	49,516
Notes and loans	-	4,725,309	-	-
Accrued interest	-	2,591	-	-
Prepaid costs	-	-	6,326	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	3,766,767	-	-
Property held for resale	-	164,000	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 50,883	\$ 9,896,915	\$ 93,411	\$ 572,133
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 264	\$ 35,287	\$ -
Accrued liabilities	-	3,515	-	-
Unearned revenues	-	-	-	-
Deposits payable	868	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	868	3,779	35,287	-
Deferred Inflows of Resources:				
Unavailable revenues	-	1,425,394	-	-
Total Deferred Inflows of Resources	-	1,425,394	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	6,326	-
Restricted	50,015	8,467,742	51,798	572,133
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	50,015	8,467,742	58,124	572,133
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 50,883	\$ 9,896,915	\$ 93,411	\$ 572,133

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape
Assets:				
Cash and investments	\$ -	\$ 782,775	\$ 129,829	\$ 3,285,744
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	1,388,992	180,400	-
Accrued interest	-	2,539	422	10,357
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	13,388
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	318,154	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 2,492,460	\$ 310,651	\$ 3,309,489
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 185,221
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	3,570
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	188,791
Deferred Inflows of Resources:				
Unavailable revenues	-	1,388,992	180,400	-
Total Deferred Inflows of Resources	-	1,388,992	180,400	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	1,103,468	130,251	3,120,698
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	-	1,103,468	130,251	3,120,698
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ -	\$ 2,492,460	\$ 310,651	\$ 3,309,489

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			
	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Cal Emergency Management
Assets:				
Cash and investments	\$ 1,484	\$ -	\$ 126,022	\$ 118
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	5	-	409	-
Prepaid costs	-	867	-	-
Due from other governments	-	311,177	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,489	\$ 312,044	\$ 126,431	\$ 118
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 35,013	\$ -	\$ -
Accrued liabilities	-	2,260	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	247,555	-	-
Total Liabilities	-	284,828	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	867	-	-
Restricted	1,489	26,349	126,431	118
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	1,489	27,216	126,431	118
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,489	\$ 312,044	\$ 126,431	\$ 118

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Donations	Office of Traffic Safety	SB-1 Transportation	Comm Transitional Housing
Assets:				
Cash and investments	\$ 71,486	\$ -	\$ 1,062,867	\$ 1,775,563
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	2,877	6,177
Prepaid costs	-	-	-	-
Due from other governments	-	19,759	287,626	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 71,486	\$ 19,759	\$ 1,353,370	\$ 1,781,740
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 63,500	\$ 59,978
Accrued liabilities	-	-	-	3,104
Unearned revenues	-	-	-	1,652,055
Deposits payable	-	-	-	-
Due to other funds	-	19,759	-	-
Total Liabilities	-	19,759	63,500	1,715,137
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	71,486	-	1,289,870	66,603
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	71,486	-	1,289,870	66,603
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 71,486	\$ 19,759	\$ 1,353,370	\$ 1,781,740

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Funds</u>
	<u>Compost Mitigation Dillon</u>	<u>Assessment District</u>	<u>General Debt Service</u>
Assets:			
Cash and investments	\$ -	\$ 493	\$ 128,847
Receivables:			
Accounts	3,323	-	-
Notes and loans	-	-	-
Accrued interest	-	-	-
Prepaid costs	-	-	-
Due from other governments	-	-	-
Advances to private-purpose trust funds	-	-	-
Property held for resale	-	-	-
Restricted cash and investments with fiscal agents	-	-	1,979,754
Total Assets	<u>\$ 3,323</u>	<u>\$ 493</u>	<u>\$ 2,108,601</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):			
Nonspendable	-	-	-
Restricted	3,323	493	2,108,601
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>3,323</u>	<u>493</u>	<u>2,108,601</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 3,323</u>	<u>\$ 493</u>	<u>\$ 2,108,601</u>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	<u>Debt Service Funds</u>	
	<u>Judgment Bonds</u>	<u>Total Governmental Funds</u>
Assets:		
Cash and investments	\$ -	\$ 11,138,385
Receivables:		
Accounts	-	990,726
Notes and loans	-	6,294,701
Accrued interest	-	32,603
Prepaid costs	-	22,133
Due from other governments	-	1,157,943
Advances to private-purpose trust funds	-	3,766,767
Property held for resale	-	482,154
Restricted cash and investments with fiscal agents	8,804	2,689,025
Total Assets	<u>\$ 8,804</u>	<u>\$ 26,574,437</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):		
Liabilities:		
Accounts payable	\$ -	\$ 845,413
Accrued liabilities	-	22,662
Unearned revenues	-	1,822,013
Deposits payable	-	4,438
Due to other funds	-	1,065,470
Total Liabilities	<u>-</u>	<u>3,759,996</u>
Deferred Inflows of Resources:		
Unavailable revenues	-	3,263,268
Total Deferred Inflows of Resources	<u>-</u>	<u>3,263,268</u>
Fund Balances (Deficits):		
Nonspendable	-	22,133
Restricted	8,804	20,230,707
Unassigned	-	(701,667)
Total Fund Balances (Deficits)	<u>8,804</u>	<u>19,551,173</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 8,804</u>	<u>\$ 26,574,437</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Revenues:				
Taxes	\$ 1,796,044	\$ -	\$ -	\$ -
Intergovernmental	52,414	-	505,628	199,735
Use of money and property	39,812	-	3,709	7,247
Fines and forfeitures	-	42,178	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,888,270	42,178	509,337	206,982
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	37,539	218,343	129,685
Community development	-	-	-	-
Public works	1,226,343	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	555,000	-	-	-
Interest and fiscal charges	130,364	-	-	-
Total Expenditures	1,911,707	37,539	218,343	129,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,437)	4,639	290,994	77,297
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(2,820)	-	(246,463)	-
Total Other Financing Sources (Uses)	(2,820)	-	(246,463)	-
Net Change in Fund Balance	(26,257)	4,639	44,531	77,297
Fund Balances (Deficits) at the Beginning of the Year	722,583	141,874	20,688	215,011
Fund Balances (Deficits) at the End of the Year	\$ 696,326	\$ 146,513	\$ 65,219	\$ 292,308

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,268	36,873	24,581	-
Use of money and property	581	-	-	-
Fines and forfeitures	-	-	-	401
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	8,849	36,873	24,581	401
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	9,559	21,531	2,455	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	7,894	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	9,559	29,425	2,455	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(710)	7,448	22,126	401
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(710)	7,448	22,126	401
Fund Balances (Deficits) at the Beginning of the Year	18,174	2,975	142,777	7,374
Fund Balances (Deficits) at the End of the Year	\$ 17,464	\$ 10,423	\$ 164,903	\$ 7,775

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Special Revenue Funds

	Measure A	Article 3	NPDES	Air Quality
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,583,497	217,400	-	113,989
Use of money and property	4,331	-	-	6,258
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	12,013	-	-	-
Total Revenues	2,599,841	217,400	-	120,247
Expenditures:				
Current:				
General government	-	217,400	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	481,529	-	70,264	110,602
Capital outlay	906,350	-	-	15,000
Debt service:				
Principal retirement	700,381	-	-	-
Interest and fiscal charges	29,116	-	-	-
Total Expenditures	2,117,376	217,400	70,264	125,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	482,465	-	(70,264)	(5,355)
Other Financing Sources (Uses):				
Transfers in	16,058	-	60,000	-
Transfers out	(510,811)	-	-	-
Total Other Financing Sources (Uses)	(494,753)	-	60,000	-
Net Change in Fund Balance	(12,288)	-	(10,264)	(5,355)
Fund Balances (Deficits) at the Beginning of the Year	639,900	-	11,906	195,651
Fund Balances (Deficits) at the End of the Year	\$ 627,612	\$ -	\$ 1,642	\$ 190,296

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Communities Facilities District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,479,677	-	2,006	-
Use of money and property	-	134	21,911	21,109
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	3,787,008
Miscellaneous	-	-	248,951	-
Total Revenues	2,479,677	134	272,868	3,808,117
Expenditures:				
Current:				
General government	-	-	290,592	-
Public safety	-	9,743	-	-
Community development	-	-	-	66,260
Public works	-	-	-	-
Capital outlay	640,756	-	3,000	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	640,756	9,743	293,592	66,260
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,838,921	(9,609)	(20,724)	3,741,857
Other Financing Sources (Uses):				
Transfers in	316,024	-	-	-
Transfers out	-	-	-	(3,709,171)
Total Other Financing Sources (Uses)	316,024	-	-	(3,709,171)
Net Change in Fund Balance	2,154,945	(9,609)	(20,724)	32,686
Fund Balances (Deficits) at the Beginning of the Year	(2,856,612)	9,609	690,582	122,950
Fund Balances (Deficits) at the End of the Year	\$ (701,667)	\$ -	\$ 669,858	\$ 155,636

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	82,793	-
Use of money and property	-	32,285	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	24,740	19,400	-	204,363
Total Revenues	24,740	51,685	82,793	204,363
Expenditures:				
Current:				
General government	-	-	63,662	-
Public safety	-	-	-	-
Community development	-	306,631	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	306,631	63,662	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,740	(254,946)	19,131	204,363
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	24,740	(254,946)	19,131	204,363
Fund Balances (Deficits) at the Beginning of the Year	25,275	8,722,688	38,993	367,770
Fund Balances (Deficits) at the End of the Year	\$ 50,015	\$ 8,467,742	\$ 58,124	\$ 572,133

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,858	-	-	-
Use of money and property	-	169,568	3,475	112,350
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	1,097,222
Miscellaneous	-	3,158	-	2,927
Total Revenues	9,858	172,726	3,475	1,212,499
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	15,803	-	-	-
Community development	-	8,328	-	-
Public works	-	-	-	1,555,730
Capital outlay	-	132,478	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	15,803	140,806	-	1,555,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,945)	31,920	3,475	(343,231)
Other Financing Sources (Uses):				
Transfers in	-	-	-	2,404
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	2,404
Net Change in Fund Balance	(5,945)	31,920	3,475	(340,827)
Fund Balances (Deficits) at the Beginning of the Year	5,945	1,071,548	126,776	3,461,525
Fund Balances (Deficits) at the End of the Year	\$ -	\$ 1,103,468	\$ 130,251	\$ 3,120,698

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Cal Emergency Management
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	592,546	1,291	17,485
Use of money and property	50	-	4,194	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	50	592,546	5,485	17,485
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	12,177
Community development	-	244,304	-	-
Public works	-	-	1,291	-
Capital outlay	-	300,766	-	5,308
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	545,070	1,291	17,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	50	47,476	4,194	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	50	47,476	4,194	-
Fund Balances (Deficits) at the Beginning of the Year	1,439	(20,260)	122,237	118
Fund Balances (Deficits) at the End of the Year	\$ 1,489	\$ 27,216	\$ 126,431	\$ 118

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Donations	Office of Traffic Safety	SB-1 Transportation	Comm Transitional Housing
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	28,720	1,611,616	296,945
Use of money and property	-	-	21,246	65,736
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	17,886	-	-	-
Total Revenues	17,886	28,720	1,632,862	362,681
Expenditures:				
Current:				
General government	3,680	-	-	-
Public safety	-	19,759	-	-
Community development	-	-	-	296,946
Public works	-	-	366,450	-
Capital outlay	6,778	8,961	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	10,458	28,720	366,450	296,946
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,428	-	1,266,412	65,735
Other Financing Sources (Uses):				
Transfers in	30,601	-	-	-
Transfers out	-	-	(495,252)	-
Total Other Financing Sources (Uses)	30,601	-	(495,252)	-
Net Change in Fund Balance	38,029	-	771,160	65,735
Fund Balances (Deficits) at the Beginning of the Year	33,457	-	518,710	868
Fund Balances (Deficits) at the End of the Year	\$ 71,486	\$ -	\$ 1,289,870	\$ 66,603

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Fund	Capital Projects Fund	Debt Service Funds
	Compost Mitigation Dillon	Assessment District	General Debt Service
Revenues:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Use of money and property	-	17	34,766
Fines and forfeitures	-	-	-
Contributions	-	-	-
Miscellaneous	3,323	-	-
Total Revenues	3,323	17	34,766
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Community development	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	1,600,000
Interest and fiscal charges	-	-	1,630,256
Total Expenditures	-	-	3,230,256
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,323	17	(3,195,490)
Other Financing Sources (Uses):			
Transfers in	-	-	3,210,728
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	3,210,728
Net Change in Fund Balance	3,323	17	15,238
Fund Balances (Deficits) at the Beginning of the Year	-	476	2,093,363
Fund Balances (Deficits) at the End of the Year	\$ 3,323	\$ 493	\$ 2,108,601

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Debt Service Funds</u>	
	<u>Judgment Bonds</u>	<u>Total Governmental Funds</u>
Revenues:		
Taxes	\$ -	\$ 1,796,044
Intergovernmental	-	8,865,322
Use of money and property	8,804	557,583
Fines and forfeitures	-	42,579
Contributions	-	4,884,230
Miscellaneous	-	536,761
Total Revenues	8,804	16,682,519
Expenditures:		
Current:		
General government	2,470	577,804
Public safety	-	476,594
Community development	-	922,469
Public works	-	3,812,209
Capital outlay	-	2,027,291
Debt service:		
Principal retirement	615,000	3,470,381
Interest and fiscal charges	552,644	2,342,380
Total Expenditures	1,170,114	13,629,128
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,161,310)	3,053,391
Other Financing Sources (Uses):		
Transfers in	1,171,523	4,807,338
Transfers out	-	(4,964,517)
Total Other Financing Sources (Uses)	1,171,523	(157,179)
Net Change in Fund Balance	10,213	2,896,212
Fund Balances (Deficits) at the Beginning of the Year	(1,409)	16,654,961
Fund Balances (Deficits) at the End of the Year	\$ 8,804	\$ 19,551,173

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 722,583	\$ 722,583	\$ 722,583	\$ -
Resources (Inflows):				
Taxes	1,926,187	1,926,187	1,796,044	(130,143)
Intergovernmental	-	-	52,414	52,414
Use of money and property	15,000	15,000	39,812	24,812
Amounts Available for Appropriations	2,663,770	2,663,770	2,610,853	(52,917)
Charges to Appropriations (Outflows):				
Public works	1,336,511	1,336,511	1,226,343	110,168
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	555,000	555,000	555,000	-
Interest and fiscal charges	127,363	127,363	130,364	(3,001)
Transfers out	-	-	2,820	(2,820)
Total Charges to Appropriations	2,018,874	2,018,874	1,914,527	104,347
Budgetary Fund Balance, June 30	\$ 644,896	\$ 644,896	\$ 696,326	\$ 51,430

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 141,874	\$ 141,874	\$ 141,874	\$ -
Resources (Inflows):				
Fines and forfeitures	78,000	78,000	42,178	(35,822)
Amounts Available for Appropriations	219,874	219,874	184,052	(35,822)
Charges to Appropriations (Outflows):				
Public safety	50,000	50,000	37,539	12,461
Total Charges to Appropriations	50,000	50,000	37,539	12,461
Budgetary Fund Balance, June 30	\$ 169,874	\$ 169,874	\$ 146,513	\$ (23,361)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,688	\$ 20,688	\$ 20,688	\$ -
Resources (Inflows):				
Intergovernmental	460,000	460,000	505,628	45,628
Use of money and property	-	-	3,709	3,709
Amounts Available for Appropriations	480,688	480,688	530,025	49,337
Charges to Appropriations (Outflows):				
Public safety	218,343	218,343	218,343	-
Transfers out	246,463	246,463	246,463	-
Total Charges to Appropriations	464,806	464,806	464,806	-
Budgetary Fund Balance, June 30	\$ 15,882	\$ 15,882	\$ 65,219	\$ 49,337

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 215,011	\$ 215,011	\$ 215,011	\$ -
Resources (Inflows):				
Intergovernmental	135,739	135,739	199,735	63,996
Use of money and property	-	-	7,247	7,247
Amounts Available for Appropriations	350,750	350,750	421,993	71,243
Charges to Appropriations (Outflows):				
Public safety	246,315	246,315	129,685	116,630
Total Charges to Appropriations	246,315	246,315	129,685	116,630
Budgetary Fund Balance, June 30	\$ 104,435	\$ 104,435	\$ 292,308	\$ 187,873

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
LLEBG
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,174	\$ 18,174	\$ 18,174	\$ -
Resources (Inflows):				
Intergovernmental	34,941	34,941	8,268	(26,673)
Use of money and property	-	-	581	581
Amounts Available for Appropriations	53,115	53,115	27,023	(26,092)
Charges to Appropriations (Outflows):				
Public safety	33,587	33,587	9,559	24,028
Total Charges to Appropriations	33,587	33,587	9,559	24,028
Budgetary Fund Balance, June 30	\$ 19,528	\$ 19,528	\$ 17,464	\$ (2,064)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HOMELAND SECURITY
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 2,975	\$ 2,975	\$ 2,975	\$ -
Resources (Inflows):				
Intergovernmental	12,766	33,071	36,873	3,802
Amounts Available for Appropriations	15,741	36,046	39,848	3,802
Charges to Appropriations (Outflows):				
Public safety	12,766	33,071	21,531	11,540
Capital outlay	-	-	7,894	(7,894)
Total Charges to Appropriations	12,766	33,071	29,425	3,646
Budgetary Fund Balance, June 30	\$ 2,975	\$ 2,975	\$ 10,423	\$ 7,448

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 ABANDONED VEHICLE
 FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 142,777	\$ 142,777	\$ 142,777	\$ -
Resources (Inflows):				
Intergovernmental	143,000	143,000	24,581	(118,419)
Amounts Available for Appropriations	285,777	285,777	167,358	(118,419)
Charges to Appropriations (Outflows):				
Public safety	23,000	23,000	2,455	20,545
Capital outlay	120,000	120,000	-	120,000
Total Charges to Appropriations	143,000	143,000	2,455	140,545
Budgetary Fund Balance, June 30	\$ 142,777	\$ 142,777	\$ 164,903	\$ 22,126

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MEASURE A
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 639,900	\$ 639,900	\$ 639,900	\$ -
Resources (Inflows):				
Taxes	-	-	-	-
Intergovernmental	1,957,000	2,063,000	2,583,497	520,497
Use of money and property	-	-	4,331	4,331
Miscellaneous	-	-	12,013	12,013
Transfers in	-	-	16,058	16,058
Amounts Available for Appropriations	2,596,900	2,702,900	3,255,799	552,899
Charges to Appropriations (Outflows):				
Public works	415,713	415,713	481,529	(65,816)
Capital outlay	1,291,537	1,291,537	906,350	385,187
Debt service:				
Principal retirement	613,592	613,592	700,381	(86,789)
Interest and fiscal charges	59,790	59,790	29,116	30,674
Transfers out	-	320,625	510,811	(190,186)
Total Charges to Appropriations	2,380,632	2,701,257	2,628,187	73,070
Budgetary Fund Balance (Deficit), June 30	\$ 216,268	\$ 1,643	\$ 627,612	\$ 625,969

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
ARTICLE 3
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	-	217,400	217,400
Miscellaneous	306,147	306,147	-	(306,147)
Transfers in	79,748	79,748	-	(79,748)
Amounts Available for Appropriations	385,895	385,895	217,400	(168,495)
Charges to Appropriations (Outflows):				
General government	385,895	385,895	217,400	168,495
Total Charges to Appropriations	385,895	385,895	217,400	168,495
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
NPDES
FOR THE YEAR ENDED JUNE 30, 2019**

	<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	\$ 11,906	\$ 11,906	\$ 11,906	\$ -
Resources (Inflows):				
Transfers in	105,000	105,000	60,000	(45,000)
Amounts Available for Appropriations	116,906	116,906	71,906	(45,000)
Charges to Appropriations (Outflows):				
Public works	85,000	85,000	70,264	14,736
Total Charges to Appropriations	85,000	85,000	70,264	14,736
Budgetary Fund Balance, June 30	\$ 31,906	\$ 31,906	\$ 1,642	\$ (30,264)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 195,651	\$ 195,651	\$ 195,651	\$ -
Resources (Inflows):				
Intergovernmental	106,000	106,000	113,989	7,989
Use of money and property	-	-	6,258	6,258
Amounts Available for Appropriations	301,651	301,651	315,898	14,247
Charges to Appropriations (Outflows):				
Public works	79,500	79,500	110,602	(31,102)
Capital outlay	75,000	75,000	15,000	60,000
Total Charges to Appropriations	154,500	154,500	125,602	28,898
Budgetary Fund Balance, June 30	\$ 147,151	\$ 147,151	\$ 190,296	\$ 43,145

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
 HBRRP
 FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (2,856,612)	\$ (2,856,612)	\$ (2,856,612)	\$ -
Resources (Inflows):				
Intergovernmental	5,047,584	5,047,584	2,479,677	(2,567,907)
Transfers in	130,686	130,686	316,024	185,338
Amounts Available for Appropriations	2,321,658	2,321,658	(60,911)	(2,382,569)
Charges to Appropriations (Outflows):				
Capital outlay	5,178,267	5,178,267	640,756	4,537,511
Total Charges to Appropriations	5,178,267	5,178,267	640,756	4,537,511
Budgetary Fund Deficit, June 30	\$ (2,856,609)	\$ (2,856,609)	\$ (701,667)	\$ 2,154,942

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
INDIAN GAMING SB 621
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,609	\$ 9,609	\$ 9,609	\$ -
Resources (Inflows):				
Use of money and property	-	-	134	134
Amounts Available for Appropriations	9,609	9,609	9,743	134
Charges to Appropriations (Outflows):				
Public safety	-	9,573	9,743	(170)
Capital outlay	-	130	-	130
Total Charges to Appropriations	-	9,703	9,743	(40)
Budgetary Fund Balance (Deficit), June 30	\$ 9,609	\$ (94)	\$ -	\$ 94

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
WASTE RECYCLING AB939
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 690,582	\$ 690,582	\$ 690,582	\$ -
Resources (Inflows):				
Intergovernmental	5,000	5,000	2,006	(2,994)
Use of money and property	-	-	21,911	21,911
Miscellaneous	225,000	225,000	248,951	23,951
Amounts Available for Appropriations	920,582	920,582	963,450	42,868
Charges to Appropriations (Outflows):				
General government	247,576	257,576	290,592	(33,016)
Capital outlay	40,000	40,000	3,000	37,000
Total Charges to Appropriations	287,576	297,576	293,592	3,984
Budgetary Fund Balance, June 30	\$ 633,006	\$ 623,006	\$ 669,858	\$ 46,852

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITIES FACILITIES DISTRICT
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 122,950	\$ 122,950	\$ 122,950	\$ -
Resources (Inflows):				
Use of money and property	-	-	21,109	21,109
Contributions	3,581,975	3,581,975	3,787,008	205,033
Amounts Available for Appropriations	3,704,925	3,704,925	3,931,067	226,142
Charges to Appropriations (Outflows):				
Community development	69,898	69,898	66,260	3,638
Transfers out	3,590,000	3,590,000	3,709,171	(119,171)
Total Charges to Appropriations	3,659,898	3,659,898	3,775,431	(115,533)
Budgetary Fund Balance, June 30	\$ 45,027	\$ 45,027	\$ 155,636	\$ 110,609

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 CERTIFIED ACCESS SPECIALIST SB 1186
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 25,275	\$ 25,275	\$ 25,275	\$ -
Resources (Inflows):				
Miscellaneous	16,000	16,000	24,740	8,740
Amounts Available for Appropriations	41,275	41,275	50,015	8,740
Charges to Appropriations (Outflows):				
General government	8,000	8,000	-	8,000
Total Charges to Appropriations	8,000	8,000	-	8,000
Budgetary Fund Balance, June 30	\$ 33,275	\$ 33,275	\$ 50,015	\$ 16,740

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
INDIO HOUSING AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,722,688	\$ 8,722,688	\$ 8,722,688	\$ -
Resources (Inflows):				
Use of money and property	3,000	3,000	32,285	29,285
Miscellaneous	-	-	19,400	19,400
Amounts Available for Appropriations	8,725,688	8,725,688	8,774,373	48,685
Charges to Appropriations (Outflows):				
Community development	410,120	410,120	306,631	103,489
Total Charges to Appropriations	410,120	410,120	306,631	103,489
Budgetary Fund Balance, June 30	\$ 8,315,568	\$ 8,315,568	\$ 8,467,742	\$ 152,174

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEPARTMENT OF CONSERVATION RECYCLE GRANT
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 38,993	\$ 38,993	\$ 38,993	\$ -
Resources (Inflows):				
Intergovernmental	22,195	42,195	82,793	40,598
Amounts Available for Appropriations	61,188	81,188	121,786	40,598
Charges to Appropriations (Outflows):				
General government	46,000	66,000	63,662	2,338
Total Charges to Appropriations	46,000	66,000	63,662	2,338
Budgetary Fund Balance, June 30	\$ 15,188	\$ 15,188	\$ 58,124	\$ 42,936

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC EDUCATION GOVERNMENT CHANNEL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 367,770	\$ 367,770	\$ 367,770	\$ -
Resources (Inflows):				
Miscellaneous	197,000	197,000	204,363	7,363
Amounts Available for Appropriations	564,770	564,770	572,133	7,363
Charges to Appropriations (Outflows):				
Capital outlay	264,474	264,474	-	264,474
Total Charges to Appropriations	264,474	264,474	-	264,474
Budgetary Fund Balance, June 30	\$ 300,296	\$ 300,296	\$ 572,133	\$ 271,837

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COPS HIRING RECOVERY
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,945	\$ 5,945	\$ 5,945	\$ -
Resources (Inflows):				
Intergovernmental	23,223	23,223	9,858	(13,365)
Amounts Available for Appropriations	29,168	29,168	15,803	(13,365)
Charges to Appropriations (Outflows):				
Public safety	23,142	23,142	15,803	7,339
Total Charges to Appropriations	23,142	23,142	15,803	7,339
Budgetary Fund Balance, June 30	\$ 6,026	\$ 6,026	\$ -	\$ (6,026)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION GRANT 2
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,071,548	\$ 1,071,548	\$ 1,071,548	\$ -
Resources (Inflows):				
Use of money and property	800,000	800,000	169,568	(630,432)
Miscellaneous	-	-	3,158	3,158
Amounts Available for Appropriations	1,871,548	1,871,548	1,244,274	(627,274)
Charges to Appropriations (Outflows):				
Community development	12,661	12,661	8,328	4,333
Capital outlay	500,000	500,000	132,478	367,522
Total Charges to Appropriations	512,661	512,661	140,806	371,855
Budgetary Fund Balance, June 30	\$ 1,358,887	\$ 1,358,887	\$ 1,103,468	\$ (255,419)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION GRANT 3
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 126,776	\$ 126,776	\$ 126,776	\$ -
Resources (Inflows):				
Use of money and property	-	-	3,475	3,475
Amounts Available for Appropriations	126,776	126,776	130,251	3,475
Charges to Appropriations (Outflows):				
Community development	5,000	5,000	-	5,000
Total Charges to Appropriations	5,000	5,000	-	5,000
Budgetary Fund Balance, June 30	\$ 121,776	\$ 121,776	\$ 130,251	\$ 8,475

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
LIGHTING AND LANDSCAPE
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,461,525	\$ 3,461,525	\$ 3,461,525	\$ -
Resources (Inflows):				
Use of money and property	-	-	112,350	112,350
Contributions	1,109,827	1,109,827	1,097,222	(12,605)
Miscellaneous	-	-	2,927	2,927
Transfers in	2,404	2,404	2,404	-
Amounts Available for Appropriations	4,573,756	4,573,756	4,676,428	102,672
Charges to Appropriations (Outflows):				
Public works	1,964,326	1,964,326	1,555,730	408,596
Total Charges to Appropriations	1,964,326	1,964,326	1,555,730	408,596
Budgetary Fund Balance, June 30	\$ 2,609,430	\$ 2,609,430	\$ 3,120,698	\$ 511,268

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,439	\$ 1,439	\$ 1,439	\$ -
Resources (Inflows):				
Use of money and property	-	-	50	50
Amounts Available for Appropriations	1,439	1,439	1,489	50
Charges to Appropriations (Outflows):				
Public safety	1,000	1,000	-	1,000
Total Charges to Appropriations	1,000	1,000	-	1,000
Budgetary Fund Balance, June 30	\$ 439	\$ 439	\$ 1,489	\$ 1,050

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (20,260)	\$ (20,260)	\$ (20,260)	\$ -
Resources (Inflows):				
Intergovernmental	617,517	617,517	592,546	(24,971)
Amounts Available for Appropriations	597,257	597,257	572,286	(24,971)
Charges to Appropriations (Outflows):				
Community development	179,158	179,158	244,304	(65,146)
Capital outlay	438,000	438,000	300,766	137,234
Total Charges to Appropriations	617,158	617,158	545,070	72,088
Budgetary Fund Balance (Deficit), June 30	\$ (19,901)	\$ (19,901)	\$ 27,216	\$ 47,117

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CAL EMERGENCY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 118	\$ 118	\$ 118	\$ -
Resources (Inflows):				
Intergovernmental	8,012	29,165	17,485	(11,680)
Amounts Available for Appropriations	8,130	29,283	17,603	(11,680)
Charges to Appropriations (Outflows):				
Public safety	8,012	22,005	12,177	9,828
Capital outlay	-	7,160	5,308	1,852
Total Charges to Appropriations	8,012	29,165	17,485	11,680
Budgetary Fund Balance, June 30	\$ 118	\$ 118	\$ 118	\$ -

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DONATIONS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 33,457	\$ 33,457	\$ 33,457	\$ -
Resources (Inflows):				
Miscellaneous	-	15,500	17,886	2,386
Transfers in	-	-	30,601	30,601
Amounts Available for Appropriations	33,457	48,957	81,944	32,987
Charges to Appropriations (Outflows):				
General government	-	15,500	3,680	11,820
Capital outlay	-	-	6,778	(6,778)
Total Charges to Appropriations	-	15,500	10,458	5,042
Budgetary Fund Balance, June 30	\$ 33,457	\$ 33,457	\$ 71,486	\$ 38,029

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
OFFICE OF TRAFFIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	70,000	28,720	(41,280)
Amounts Available for Appropriations	-	70,000	28,720	(41,280)
Charges to Appropriations (Outflows):				
Public safety	-	70,000	19,759	50,241
Capital outlay	-	-	8,961	(8,961)
Total Charges to Appropriations	-	70,000	28,720	41,280
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
SB-1 TRANSPORTATION
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 518,710	\$ 518,710	\$ 518,710	\$ -
Resources (Inflows):				
Intergovernmental	1,473,255	1,473,255	1,611,616	138,361
Use of money and property	5,000	5,000	21,246	16,246
Amounts Available for Appropriations	1,996,965	1,996,965	2,151,572	154,607
Charges to Appropriations (Outflows):				
Public works	1,772,923	1,772,923	366,450	1,406,473
Transfers out	-	-	495,252	(495,252)
Total Charges to Appropriations	1,772,923	1,772,923	861,702	911,221
Budgetary Fund Balance, June 30	\$ 224,042	\$ 224,042	\$ 1,289,870	\$ 1,065,828

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY TRANSITIONAL HOUSING
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 868	\$ 868	\$ 868	\$ -
Resources (Inflows):				
Intergovernmental	-	-	296,945	296,945
Use of money and property	-	-	65,736	65,736
Amounts Available for Appropriations	868	868	363,549	362,681
Charges to Appropriations (Outflows):				
Community development	351,732	351,732	296,946	54,786
Capital outlay	50,000	50,000	-	50,000
Total Charges to Appropriations	401,732	401,732	296,946	104,786
Budgetary Fund Balance (Deficit), June 30	\$ (400,864)	\$ (400,864)	\$ 66,603	\$ 467,467

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (1,244,946)	\$ (1,244,946)	\$ (1,244,946)	\$ -
Resources (Inflows):				
Intergovernmental	7,135,565	9,394,990	19,266,010	9,871,020
Use of money and property	42,500	42,500	157,760	115,260
Developer participation	2,795,000	2,795,000	2,833,797	38,797
Miscellaneous	16,897,458	16,427,833	2,597,403	(13,830,430)
Transfers in	5,772,486	7,345,796	2,459,130	(4,886,666)
Amounts Available for Appropriations	31,398,063	34,761,173	26,069,154	(8,692,019)
Charges to Appropriations (Outflows):				
Capital outlay	33,257,953	36,621,063	23,067,449	13,553,614
Debt service:				
Principal retirement	279,088	279,088	279,087	1
Interest and fiscal charges	12,642	12,642	12,760	(118)
Transfers out	1,457,000	1,457,000	1,458,700	(1,700)
Total Charges to Appropriations	35,006,683	38,369,793	24,817,996	13,551,797
Budgetary Fund Deficit, June 30	\$ (3,608,620)	\$ (3,608,620)	\$ 1,251,158	\$ 4,859,778

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,093,363	\$ 2,093,363	\$ 2,093,363	\$ -
Resources (Inflows):				
Use of money and property	-	-	34,766	34,766
Transfers in	3,234,884	3,234,884	3,210,728	(24,156)
Amounts Available for Appropriations	5,328,247	5,328,247	5,338,857	10,610
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	1,600,000	1,600,000	1,600,000	-
Interest and fiscal charges	1,634,884	1,634,884	1,630,256	4,628
Total Charges to Appropriations	3,234,884	3,234,884	3,230,256	4,628
Budgetary Fund Balance, June 30	\$ 2,093,363	\$ 2,093,363	\$ 2,108,601	\$ 15,238

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
JUDGMENT BONDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (1,409)	\$ (1,409)	\$ (1,409)	\$ -
Resources (Inflows):				
Use of money and property	-	-	8,804	8,804
Transfers in	1,169,364	1,169,364	1,171,523	2,159
Amounts Available for Appropriation	1,167,955	1,167,955	1,178,918	10,963
Charges to Appropriations (Outflows):				
General government	2,000	2,000	2,470	(470)
Debt service:				
Principal retirement	615,000	615,000	615,000	-
Interest and fiscal charges	552,364	552,364	552,644	(280)
Transfers out	-	-	-	-
Total Charges to Appropriations	1,169,364	1,169,364	1,170,114	(750)
Budgetary Fund Balance (Deficit), June 30	\$ (1,409)	\$ (1,409)	\$ 8,804	\$ 10,213

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, 2019**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 146,985	\$ 2,193,379	\$ 2,340,364
Accounts receivable	37,432	-	37,432
Accrued interest receivable	477	3,424	3,901
Prepaid costs	75,000	-	75,000
Inventories	32,736	-	32,736
Total Current Assets	<u>292,630</u>	<u>2,196,803</u>	<u>2,489,433</u>
Noncurrent Assets:			
Capital assets, not being depreciated	465,959	-	465,959
Capital assets, being depreciated	489,089	-	489,089
Less accumulated depreciation	(200,613)	-	(200,613)
Total Noncurrent Assets	<u>754,435</u>	<u>-</u>	<u>754,435</u>
Total Assets	<u>1,047,065</u>	<u>2,196,803</u>	<u>3,243,868</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	5,547	-	5,547
Deferred outflows related to other post-employment benefits	3,677	-	3,677
Total Deferred Outflows of Resources	<u>9,224</u>	<u>-</u>	<u>9,224</u>
Liabilities:			
Current Liabilities:			
Accounts payable	80,540	-	80,540
Accrued liabilities	843	-	843
Deposits payable	-	1,748,113	1,748,113
Total Current Liabilities	<u>81,383</u>	<u>1,748,113</u>	<u>1,829,496</u>
Noncurrent Liabilities:			
Net pension liability	30,647	-	30,647
Net other post-employment benefits liability	16,546	-	16,546
Total Noncurrent Liabilities	<u>47,193</u>	<u>-</u>	<u>47,193</u>
Total Liabilities	<u>128,576</u>	<u>1,748,113</u>	<u>1,876,689</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	1,520	-	1,520
Total Deferred Inflows of Resources	<u>1,520</u>	<u>-</u>	<u>1,520</u>
Net Position:			
Investment in capital assets	754,435	-	754,435
Unrestricted	171,758	448,690	620,448
Total Net Position	<u>\$ 926,193</u>	<u>\$ 448,690</u>	<u>\$ 1,374,883</u>

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, 2019

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Operating Revenues:			
Sales and service charges	\$ 1,158,160	\$ -	\$ 1,158,160
Other income	-	150,000	150,000
Total Operating Revenues	1,158,160	150,000	1,308,160
Operating Expenses:			
Personnel services	23,265	-	23,265
Contractual services	456,084	-	456,084
Repairs and maintenance	136,625	-	136,625
Depreciation expense	18,253	-	18,253
Materials and supplies	588,497	-	588,497
Total Operating Expenses	1,222,724	-	1,222,724
Operating Income (Loss)	(64,564)	150,000	85,436
Nonoperating Revenues:			
Interest revenue	1,411	21,727	23,138
Total Nonoperating Revenues	1,411	21,727	23,138
Income (Loss) Before Transfers	(63,153)	171,727	108,574
Transfers in	912,773	-	912,773
Change in Net Position	849,620	171,727	1,021,347
Net Position at the Beginning of the Year	76,573	276,963	353,536
Net Position at the End of the Year	\$ 926,193	\$ 448,690	\$ 1,374,883

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 1,134,239	\$ 1,958,113	\$ 3,092,352
Payments to suppliers and service providers	(1,175,280)	-	(1,175,280)
Payments to employees for salaries and benefits	(22,461)	-	(22,461)
Net Cash Provided by (Used for) Operating Activities	(63,502)	1,958,113	1,894,611
Cash Flows from Non-Capital Financing Activities:			
Transfers from other funds	912,773	-	912,773
Repayment made on short-term interfund borrowing	(705,470)	-	(705,470)
Net Cash Provided by Non-Capital Financing Activities	207,303	-	207,303
Cash Flows from Investing Activities:			
Interest on investments	934	19,270	20,204
Net Cash Provided by Investing Activities	934	19,270	20,204
Net Increase in Cash and Cash Equivalents	144,735	1,977,383	2,122,118
Cash and Cash Equivalents July 1	2,250	215,996	218,246
Cash and Cash Equivalents June 30	\$ 146,985	\$ 2,193,379	\$ 2,340,364
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (64,564)	\$ 150,000	\$ 85,436
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation expense	18,253	-	18,253
(Increase) in accounts receivable	(23,921)	-	(23,921)
Decrease in due from other governments	-	60,000	60,000
(Increase) in inventories	(13,452)	-	(13,452)
Increase in accounts payable	19,378	-	19,378
Increase in accrued liabilities	232	-	232
Increase in deposits payable	-	1,748,113	1,748,113
(Decrease) in pension obligations	(1,719)	-	(1,719)
Increase in other post-employment benefits obligations	2,291	-	2,291
Total Adjustments	1,062	1,808,113	1,809,175
Net Cash Provided by (Used for) Operating Activities	\$ (63,502)	\$ 1,958,113	\$ 1,894,611

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.

Centralized Services – This fund accounts for the costs associated with services that can be applied to all City departments.

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds
Assets:				
Current Assets:				
Cash and investments	\$ 2,934,995	\$ 3,013,006	\$ 123,660	\$ -
Accounts receivable	9,867	1,144	-	696
Prepaid costs	-	74,001	258,550	2,170
Restricted cash with fiscal agent	26,097	-	-	70,142
Total Current Assets	2,970,959	3,088,151	382,210	73,008
Noncurrent Assets:				
Capital assets, being depreciated	-	8,648,514	10,967,598	863,436
Less accumulated depreciation	-	(7,378,863)	(8,897,508)	(118,721)
Total Noncurrent Assets	-	1,269,651	2,070,090	744,715
Total Assets	2,970,959	4,357,802	2,452,300	817,723
Deferred Outflows of Resources:				
Deferred outflows related to pensions	53,599	173,991	-	90,120
Deferred outflows related to other post-employment benefits	38,609	185,691	-	126,859
Total Deferred Outflows of Resources	92,208	359,682	-	216,979
Liabilities:				
Current Liabilities:				
Accounts payable	1,800	91,725	-	64,843
Accrued liabilities	2,495	16,697	-	9,274
Due to other funds	-	-	-	105,584
Capital leases, due within one year	-	-	-	89,579
Total Current Liabilities	4,295	108,422	-	269,280
Noncurrent Liabilities:				
Accrued claims and judgments	94,654	-	-	-
Net pension liability	296,103	961,195	-	497,862
Net other post-employment benefits liability	173,735	835,581	-	570,843
Capital leases	-	-	-	342,532
Total Noncurrent Liabilities	564,492	1,796,776	-	1,411,237
Total Liabilities	568,787	1,905,198	-	1,680,517
Deferred Inflows of Resources:				
Deferred inflows related to pensions	14,649	47,554	-	24,630
Deferred inflows related to other post-employment benefits	34	162	-	75
Total Deferred Inflows of Resources	14,683	47,716	-	24,705
Net Position:				
Net investment in capital assets	-	1,269,651	2,070,090	312,604
Unrestricted	2,479,697	1,494,919	382,210	(983,124)
Total Net Position	\$ 2,479,697	\$ 2,764,570	\$ 2,452,300	\$ (670,520)

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Assets:			
Current Assets:			
Cash and investments	\$ -	\$ -	\$ 6,071,661
Accounts receivable	471	-	12,178
Prepaid costs	93,595	-	428,316
Restricted cash with fiscal agent	-	-	96,239
Total Current Assets	<u>94,066</u>	<u>-</u>	<u>6,608,394</u>
Noncurrent Assets:			
Capital assets, being depreciated	-	-	20,479,548
Less accumulated depreciation	-	-	(16,395,092)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>4,084,456</u>
Total Assets	<u>94,066</u>	<u>-</u>	<u>10,692,850</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	170,920	-	488,630
Deferred outflows related to other post-employer	213,269	-	564,428
Total Deferred Outflows of Resources	<u>384,189</u>	<u>-</u>	<u>1,053,058</u>
Liabilities:			
Current Liabilities:			
Accounts payable	200,505	-	358,873
Accrued liabilities	14,709	-	43,175
Due to other funds	241,649	-	347,233
Capital leases, due within one year	-	-	89,579
Total Current Liabilities	<u>456,863</u>	<u>-</u>	<u>838,860</u>
Noncurrent Liabilities:			
Accrued claims and judgments	-	-	94,654
Net pension liability	944,230	-	2,699,390
Net other post-employment benefits liability	959,677	-	2,539,836
Capital leases	-	-	342,532
Total Noncurrent Liabilities	<u>1,903,907</u>	<u>-</u>	<u>5,676,412</u>
Total Liabilities	<u>2,360,770</u>	<u>-</u>	<u>6,515,272</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	46,714	-	133,547
Deferred inflows related to other post-employer	195	-	466
Total Deferred Inflows of Resources	<u>46,909</u>	<u>-</u>	<u>134,013</u>
Net Position:			
Net investment in capital assets	-	-	3,652,345
Unrestricted	(1,929,424)	-	1,444,278
Total Net Position	<u>\$ (1,929,424)</u>	<u>\$ -</u>	<u>\$ 5,096,623</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacment	Buildings and Grounds
Operating Revenues:				
Interdepartmental charges	\$ 5,320,522	\$ 1,965,948	\$ 500,000	\$ 2,401,236
Other income	409,775	451,993	20,402	46,076
Total Operating Revenues	5,730,297	2,417,941	520,402	2,447,312
Operating Expenses:				
Personnel services	5,205,386	694,558	-	507,866
Contractual services	-	538,226	-	314,069
Repairs and maintenance	-	77,688	-	501,625
Claims expense	103,151	-	-	-
Depreciation expense	-	470,444	825,401	86,343
Materials and supplies	7,327	477,980	-	1,434,826
Bad debt expense	-	-	-	2,275
Total Operating Expenses	5,315,864	2,258,896	825,401	2,847,004
Operating Income (Loss)	414,433	159,045	(304,999)	(399,692)
Nonoperating Revenues (Expenses):				
Interest revenue	-	-	-	1,274
Interest expense	-	-	-	(19,060)
Gain on disposal of capital assets	-	-	7,350	-
Total Nonoperating Revenues (Expenses)	-	-	7,350	(17,786)
Income (Loss) Before Contributions and Transfers	414,433	159,045	(297,649)	(417,478)
Capital Contributions	-	-	23,845	-
Transfers in	-	2,282,707	-	-
Change in Net Position	414,433	2,441,752	(273,804)	(417,478)
Net Position at the Beginning of the Year	2,065,264	322,818	2,726,104	(253,042)
Net Position at the End of the Year	\$ 2,479,697	\$ 2,764,570	\$ 2,452,300	\$ (670,520)

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Operating Revenues:			
Interdepartmental charges	\$ 2,452,000	\$ -	\$ 12,639,706
Other income	7,905	-	936,151
Total Operating Revenues	2,459,905	-	13,575,857
Operating Expenses:			
Personnel services	836,801	-	7,244,611
Contractual services	284,701	-	1,136,996
Repairs and maintenance	37,578	-	616,891
Claims expense	-	-	103,151
Depreciation expense	-	-	1,382,188
Materials and supplies	1,624,875	-	3,545,008
Bad debt expense	-	-	2,275
Total Operating Expenses	2,783,955	-	14,031,120
Operating Income (Loss)	(324,050)	-	(455,263)
Nonoperating Revenues (Expenses):			
Interest revenue	-	-	1,274
Interest expense	-	-	(19,060)
Gain on disposal of capital assets	-	-	7,350
Total Nonoperating Revenues (Expenses)	-	-	(10,436)
Income (Loss) Before Contributions and Transfers	(324,050)	-	(465,699)
Capital Contributions	-	-	23,845
Transfers in	-	2,078	2,284,785
Change in Net Position	(324,050)	2,078	1,842,931
Net Position at the Beginning of the Year	(1,605,374)	(2,078)	3,253,692
Net Position at the End of the Year	\$ (1,929,424)	\$ -	\$ 5,096,623

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacment	Buildings and Grounds
Cash Flows from Operating Activities:				
Receipts from interfund services and charges	\$ 5,314,098	\$ 2,420,961	\$ 680,259	\$ 2,450,665
Other receipts	226,635	-	20,402	-
Payments to suppliers and service providers	(10,905)	(1,088,124)	(312,207)	(2,328,231)
Payments to employees for salaries and benefits	(5,081,989)	(665,774)	-	(386,594)
Net Cash Provided by (Used for) Operating Activities	447,839	667,063	388,454	(264,160)
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	-	2,282,707	-	-
Receipts from short-term interfund borrowing	-	-	-	105,584
Repayment made on short-term interfund borrowing	-	-	(9,866)	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	2,282,707	(9,866)	105,584
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(501,221)	(262,278)	-
Principal paid on capital debt	-	-	-	(86,152)
Interest paid on capital debt	-	-	-	(19,060)
Proceeds from sales of capital assets	-	-	7,350	-
Net Cash Used for Capital and Related Financing Activities	-	(501,221)	(254,928)	(105,212)
Cash Flows from Investing Activities:				
Interest on investments	-	-	-	1,274
Net Cash Provided by Investing Activities	-	-	-	1,274
Net Increase (Decrease) in Cash and Cash Equivalents	447,839	2,448,549	123,660	(262,514)
Cash and Cash Equivalents July 1 (including \$22,942 and \$68,870 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	2,513,253	564,457	-	332,656
Cash and Cash Equivalents June 30 (including \$26,097 and \$70,142 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	\$ 2,961,092	\$ 3,013,006	\$ 123,660	\$ 70,142
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ 414,433	\$ 159,045	\$ (304,999)	\$ (399,692)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	470,444	825,401	86,343
(Increase) decrease in accounts receivable	(6,424)	3,020	180,259	3,353
(Increase) in prepaid costs	-	(24,970)	(258,550)	(2,170)
Increase (decrease) in accounts payable	(3,578)	30,740	(53,657)	(73,266)
Increase in accrued liabilities	178	3,812	-	1,886
(Decrease) in accrued claims and judgments	(79,989)	-	-	-
Increase (decrease) in pension obligations	114,990	(15,106)	-	(28,500)
Increase in other post-employment benefit obligations	8,229	40,078	-	147,886
Total Adjustments	33,406	508,018	693,453	135,532
Net Cash Provided by (Used for) Operating Activities	\$ 447,839	\$ 667,063	\$ 388,454	\$ (264,160)
Schedule of Non-Cash Capital and Related Financing Activities:				
Capital contributions	\$ -	\$ -	\$ 23,845	\$ -

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Cash Flows from Operating Activities:			
Receipts from interfund services and charges	\$ 2,459,840	\$ -	\$ 13,325,823
Other receipts	-	-	247,037
Payments to suppliers and service providers	(2,008,030)	(15,447)	(5,762,944)
Payments to employees for salaries and benefits	(737,124)	-	(6,871,481)
Net Cash Provided by (Used for) Operating Activities	(285,314)	(15,447)	938,435
Cash Flows from Non-Capital Financing Activities:			
Transfers from other funds	-	2,078	2,284,785
Receipts from short-term interfund borrowing	241,649	-	347,233
Repayment made on short-term interfund borrowing	-	-	(9,866)
Net Cash Provided by (Used for) Non-Capital Financing Activities	241,649	2,078	2,622,152
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	(763,499)
Principal paid on capital debt	-	-	(86,152)
Interest paid on capital debt	-	-	(19,060)
Proceeds from sales of capital assets	-	-	7,350
Net Cash Used for Capital and Related Financing Activities	-	-	(861,361)
Cash Flows from Investing Activities:			
Interest on investments	-	-	1,274
Net Cash Provided by Investing Activities	-	-	1,274
Net Increase (Decrease) in Cash and Cash Equivalents	(43,665)	(13,369)	2,700,500
Cash and Cash Equivalents July 1 (including \$22,942 and \$68,870 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	43,665	13,369	3,467,400
Cash and Cash Equivalents June 30 (including \$26,097 and \$70,142 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	\$ -	\$ -	\$ 6,167,900
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (324,050)	\$ -	\$ (455,263)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	-	1,382,188
(Increase) decrease in accounts receivable	(65)	-	180,143
(Increase) in prepaid costs	(93,595)	-	(379,285)
Increase (decrease) in accounts payable	32,719	(15,447)	(82,489)
Increase in accrued liabilities	2,712	-	8,588
(Decrease) in accrued claims and judgments	-	-	(79,989)
Increase (decrease) in pension obligations	80,216	-	151,600
Increase in other post-employment benefit obligations	16,749	-	212,942
Total Adjustments	38,736	(15,447)	1,393,698
Net Cash Provided by (Used for) Operating Activities	\$ (285,314)	\$ (15,447)	\$ 938,435
Schedule of Non-Cash Capital and Related Financing Activities:			
Capital contributions	\$ -	\$ -	\$ 23,845



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 the capacity of an agent for distribution to other governmental units or other organizations. Fiduciary fund financial statements include a statement of net assets and statement of changes in net position.

The Agency funds are used to account for assets held by the City as an agent 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.

East Valley Coalition – To account for the City’s fiduciary capacity as custodian of the monies held for the economic development partnership in Eastern Coachella Valley known as the East Valley Coalition.



CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2019

	ERICA	Assessment Districts	East Valley Reclamation Authority	East Valley Coalition	Totals
Assets:					
Pooled cash and investments	\$ 757,224	\$ 8,897,778	\$ 205,567	\$ -	\$ 9,860,569
Accrued interest receivable	2,495	23,046	330	-	25,871
Due from other governments	-	147,848	-	-	147,848
Restricted cash and investments held with fiscal agents	-	5,026,098	-	-	5,026,098
Total Assets	\$ 759,719	\$ 14,094,770	\$ 205,897	\$ -	\$ 15,060,386
Liabilities:					
Accounts payable	\$ 43,471	\$ -	\$ 308	\$ -	\$ 43,779
Deposits payable	-	335,005	205,589	-	540,594
Due to bondholders	-	13,759,765	-	-	13,759,765
Due to members	716,248	-	-	-	716,248
Total Liabilities	\$ 759,719	\$ 14,094,770	\$ 205,897	\$ -	\$ 15,060,386

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>ERICA</u>				
Assets:				
Pooled cash and investments	\$ 640,520	\$ 4,196,158	\$ 4,079,454	\$ 757,224
Accrued interest receivable	1,326	19,154	17,985	2,495
Total Assets	\$ 641,846	\$ 4,215,312	\$ 4,097,439	\$ 759,719
Liabilities:				
Accounts payable	\$ 52,352	\$ 1,683,769	\$ 1,692,650	\$ 43,471
Due to members	589,492	59,546,281	59,419,525	716,248
Total Liabilities	\$ 641,844	\$ 61,230,050	\$ 61,112,175	\$ 759,719
<u>Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 8,751,105	\$ 46,702,580	\$ 46,555,907	\$ 8,897,778
Accrued interest receivable	14,811	131,016	122,781	23,046
Due from other governments	126,662	312,573	291,387	147,848
Restricted cash and investments with fiscal agents	4,976,181	20,118,423	20,068,506	5,026,098
Total Assets	\$ 13,868,759	\$ 67,264,592	\$ 67,038,581	\$ 14,094,770
Liabilities:				
Accounts payable	\$ 232	\$ 5,928,310	\$ 5,928,542	\$ -
Deposits payable	247,645	1,077,942	990,582	335,005
Due to bondholders	13,620,802	144,230,479	144,091,516	13,759,765
Total Liabilities	\$ 13,868,679	\$ 151,236,731	\$ 151,010,640	\$ 14,094,770
<u>East Valley Reclamation Authority</u>				
Assets:				
Pooled cash and investments	\$ 157,761	\$ 53,193	\$ 5,387	\$ 205,567
Accrued interest	41	330	41	330
Total Assets	\$ 157,802	\$ 53,523	\$ 5,428	\$ 205,897
Liabilities:				
Accounts payable	\$ 861	3,312	\$ 3,865	\$ 308
Deposits payable	156,941	101,269	52,621	205,589
Total Liabilities	\$ 157,802	\$ 104,581	\$ 56,486	\$ 205,897

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>East Valley Coalition</u>				
Assets:				
Pooled cash and investments	\$ 19,078	\$ 103,086	\$ 122,164	\$ -
Accrued interest receivable	69	368	437	-
Total Assets	\$ 19,147	\$ 103,454	\$ 122,601	\$ -
Liabilities:				
Accounts payable	\$ 1,958	\$ 29,586	\$ 31,544	\$ -
Due to bondholders	17,189	317,133	334,322	-
Total Liabilities	\$ 19,147	\$ 346,719	\$ 365,866	\$ -
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 9,568,464	\$ 51,055,017	\$ 50,762,912	\$ 9,860,569
Accrued interest receivable	16,247	150,868	141,244	25,871
Due from other governments	126,662	312,573	291,387	147,848
Restricted cash and investments with fiscal agents	4,976,181	20,118,423	20,068,506	5,026,098
Total Assets	\$ 14,687,554	\$ 71,636,881	\$ 71,264,049	\$ 15,060,386
Liabilities:				
Accounts payable	\$ 55,403	\$ 7,644,977	\$ 7,656,601	\$ 43,779
Deposits payable	404,586	1,179,211	1,043,203	540,594
Due to bondholders	13,637,991	144,547,612	144,425,838	13,759,765
Due to members	589,492	59,546,281	59,419,525	716,248
Total Liabilities	\$ 14,687,472	\$ 212,918,081	\$ 212,545,167	\$ 15,060,386



STATISTICAL SECTION



CITY OF INDIO, CALIFORNIA
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Revenue Capacity	
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.....	180-183
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. Demographic and Economic Information	184-188
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Operating Information	
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.	192-196



CITY OF INDIO

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$435,697	\$372,187	\$431,924	\$432,106	\$ 425,528	\$419,607	\$414,227	\$ 413,312	\$ 424,760	\$435,892
Restricted	22,533	82,334	23,734	25,716	26,842	26,095	22,180	20,260	19,546	26,344
Unrestricted	(10,396)	(11,553)	(8,635)	(5,199)	(4,019)	(34,270)	(28,253)	(45,879)	(46,940)	(49,563)
Total governmental activities net position	\$447,834	\$442,968	\$447,023	\$452,623	\$ 448,351	\$411,432	\$408,154	\$ 387,693	\$ 397,366	\$412,673
Business-type activities:										
Net investment in capital assets	\$159,188	\$153,658	\$146,605	\$143,311	\$ 136,334	\$133,627	\$128,429	\$ 122,807	\$ 117,916	\$115,539
Restricted	-	-	-	-	-	-	-	605	312	319
Unrestricted	9,622	11,165	10,409	9,225	18,628	4,700	8,660	14,804	13,161	20,645
Total business-type activities net position	\$168,810	\$164,823	\$157,014	\$152,536	\$ 154,962	\$138,327	\$137,089	\$ 138,216	\$ 131,389	\$136,503
Primary government:										
Net investment in capital assets	\$594,885	\$525,845	\$578,529	\$575,417	\$ 561,862	\$553,234	\$542,656	\$ 536,119	\$ 542,676	\$551,431
Restricted	22,533	82,334	23,734	25,716	26,842	26,095	22,180	20,865	19,858	26,663
Unrestricted	(774)	(388)	1,774	4,026	14,609	(29,570)	(19,593)	(31,075)	(33,779)	(28,918)
Total primary government net position	\$616,644	\$607,791	\$604,037	\$605,159	\$ 603,313	\$549,759	\$545,243	\$ 525,909	\$ 528,755	\$549,176

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General government	\$ 5,190	\$ 6,774	\$ 6,965	\$ 7,005	\$ 6,535	\$ 10,395	\$ 11,968	\$ 26,255	\$ 10,658	\$ 12,651
Public safety	35,810	37,665	41,502	32,930	47,339	43,688	36,041	42,467	46,193	50,101
Public works	13,224	14,689	16,441	22,946	16,019	21,289	16,619	17,873	18,281	26,531
Community development	18,221	19,779	15,226	8,653	8,710	11,099	9,275	8,164	7,377	8,053
Community services	3,040	2,974	2,821	2,693	2,665	1,789	2,314	2,608	3,005	2,854
Interest expense and other charges	8,303	10,450	3,318	6,235	3,013	6,484	2,463	5,505	2,333	2,239
Total governmental activities expenses	<u>83,788</u>	<u>92,331</u>	<u>86,273</u>	<u>80,462</u>	<u>84,281</u>	<u>94,744</u>	<u>78,680</u>	<u>102,872</u>	<u>87,847</u>	<u>102,429</u>
Business-type activities:										
Water	21,518	21,710	24,125	22,562	23,563	30,145	26,424	24,018	25,302	25,738
Golf	852	899	904	851	942	1,120	1,086	1,073	1,196	1,223
Solid Waste	147	83	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>22,517</u>	<u>22,692</u>	<u>25,029</u>	<u>23,413</u>	<u>24,505</u>	<u>31,265</u>	<u>27,510</u>	<u>25,091</u>	<u>26,498</u>	<u>26,961</u>
Total primary government expenses	<u>106,305</u>	<u>115,023</u>	<u>111,302</u>	<u>103,875</u>	<u>108,786</u>	<u>126,009</u>	<u>106,190</u>	<u>127,963</u>	<u>114,345</u>	<u>129,390</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	902	1,037	3,698	11,086	10,520	12,113	1,459	1,633	3,764	371
Public safety	4,343	7,017	5,917	2,489	2,316	2,578	7,185	7,057	5,017	8,352
Public works	2,405	2,005	3,255	1,115	1,828	1,738	5,559	7,464	9,105	8,898
Community development	1,360	3,120	5,118	1,312	2,560	2,248	262	296	302	210
Community services	1,530	2,317	785	3,056	3,869	3,095	107	139	113	105
Operating contributions and grants	8,316	8,443	7,098	21,959	14,847	14,809	7,637	7,677	11,648	29,579
Capital contributions and grants	19,062	13,617	6,347	9,689	8,841	5,767	1,290	1,266	2,845	506
Total governmental activities program revenues	<u>37,918</u>	<u>37,556</u>	<u>32,218</u>	<u>50,706</u>	<u>44,781</u>	<u>42,348</u>	<u>23,499</u>	<u>25,532</u>	<u>32,794</u>	<u>48,021</u>
Business-type activities:										
Charges for services:										
Water	15,235	15,578	16,207	15,971	18,198	18,767	17,832	22,313	22,439	23,098
Golf	847	840	755	687	689	1,113	935	995	1,069	1,158
Solid Waste	100	229	-	-	-	-	-	-	-	-
Operating contributions and grants	5,340	1,906	-	1,768	2,480	1,266	4,735	2,643	2,061	5,878
Total business-type activities program revenues	<u>21,522</u>	<u>18,553</u>	<u>16,962</u>	<u>18,426</u>	<u>21,367</u>	<u>21,146</u>	<u>23,502</u>	<u>25,951</u>	<u>25,569</u>	<u>30,134</u>
Total primary government activities program revenues	<u>59,440</u>	<u>56,109</u>	<u>49,180</u>	<u>69,132</u>	<u>66,148</u>	<u>63,494</u>	<u>47,001</u>	<u>51,483</u>	<u>58,363</u>	<u>78,155</u>
Net revenues (expenses):										
Governmental activities	(45,870)	(54,775)	(54,055)	(29,756)	(39,500)	(52,396)	(55,181)	(77,340)	(55,053)	(54,408)
Business-type activities	(995)	(4,139)	(8,067)	(4,987)	(3,138)	(10,119)	(4,008)	860	(929)	3,173
Total primary government net expense	<u>(46,865)</u>	<u>(58,914)</u>	<u>(62,122)</u>	<u>(34,743)</u>	<u>(42,638)</u>	<u>(62,515)</u>	<u>(59,189)</u>	<u>(76,480)</u>	<u>(55,982)</u>	<u>(51,235)</u>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	18,819	19,944	16,120	13,373	13,000	13,887	15,055	16,007	16,765	17,834
Sales tax	6,111	6,999	7,667	8,377	9,349	10,040	11,692	13,579	22,545	24,503
Transient occupancy taxes	1,845	1,945	2,547	2,820	3,078	3,907	4,520	6,298	6,760	7,768
Other taxes	6,602	11,707	14,485	11,521	11,747	12,186	13,840	13,649	14,035	13,381
Investment income	662	554	328	73	64	4,025	1,757	1,436	1,876	2,167
Motor vehicle in lieu, unrestricted	269	419	-	43	36	34	34	39	47	42
Other general revenues	2,785	4,518	5,373	3,468	5,076	11,095	5,219	7,121	10,094	4,933
Transfers	142	170	206	(15)	(6,245)	(75)	(151)	(89)	(70)	(913)
Total governmental activities	<u>37,235</u>	<u>46,256</u>	<u>46,726</u>	<u>39,660</u>	<u>36,105</u>	<u>55,099</u>	<u>51,966</u>	<u>58,040</u>	<u>72,052</u>	<u>69,715</u>
Business-type activities:										
Investment income	889	146	65	91	70	139	72	127	113	865
Transfers	(142)	(170)	(206)	15	6,245	75	152	89	70	913
Other general revenues	<u>481</u>	<u>303</u>	<u>399</u>	<u>403</u>	<u>-</u>	<u>-</u>	<u>2,545</u>	<u>51</u>	<u>430</u>	<u>163</u>
Total business-type activities	<u>1,228</u>	<u>279</u>	<u>258</u>	<u>509</u>	<u>6,315</u>	<u>214</u>	<u>2,769</u>	<u>267</u>	<u>613</u>	<u>1,941</u>
Total primary government	<u>38,463</u>	<u>46,535</u>	<u>46,984</u>	<u>40,169</u>	<u>42,420</u>	<u>55,313</u>	<u>54,735</u>	<u>58,307</u>	<u>72,665</u>	<u>71,656</u>
Changes in net position										
Governmental activities	(8,635)	(8,519)	(7,329)	9,904	(3,395)	2,703	(3,215)	(19,300)	16,999	15,307
Business-type activities	<u>233</u>	<u>(3,860)</u>	<u>(7,809)</u>	<u>(4,478)</u>	<u>3,177</u>	<u>(9,905)</u>	<u>(1,239)</u>	<u>1,127</u>	<u>(316)</u>	<u>5,114</u>
Total primary government	<u>\$ (8,402)</u>	<u>\$ (12,379)</u>	<u>\$ (15,138)</u>	<u>\$ 5,426</u>	<u>\$ (218)</u>	<u>\$ (7,202)</u>	<u>\$ (4,454)</u>	<u>\$ (18,173)</u>	<u>\$ 16,683</u>	<u>\$ 20,421</u>

Source: City of Indio

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Reserved	\$ 7,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(3,956)	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 3,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:										
Reserved	\$ 98,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special revenue funds	1,994	-	-	-	-	-	-	-	-	-
Capital projects funds	(1,241)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 99,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Nonspendable	\$ -	\$ 3,640	\$ 3,793	\$ 3,989	\$ 3,536	\$ 7,641	\$ 8,978	\$10,141	\$10,509	\$11,513
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	730	1,140	5,619	11,197	11,285	11,285	12,000
Assigned	-	16	21	784	6,922	3,242	3,459	8,452	12,653	11,603
Unassigned	-	(1,725)	783	4,266	4,490	7,087	1,820	-	2,148	4,628
Total general fund	<u>\$ -</u>	<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>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 5,496	\$ 5,926	\$ -	\$ -	\$ 2	\$ 121
Restricted	-	92,801	24,153	26,334	19,182	18,761	22,179	20,260	19,533	20,231
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	2,315	2,294	1,296	985	985	-	-	-	1,152
Unassigned:										
Special revenue funds	-	(2,190)	(1,423)	665	(424)	(135)	(6)	(614)	(4,125)	(702)
Capital projects funds	-	-	-	-	-	-	-	(905)	-	-
Total all other governmental funds	<u>\$ -</u>	<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>

In fiscal year 2010-2011, the City implemented GASB 54 which changes the reporting requirements for fund balances in the financial statements.

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 35,182	\$ 37,526	\$ 35,537	\$ 32,562	\$ 34,073	\$ 36,320	\$ 45,265	\$ 49,533	\$ 59,950	\$ 63,486
Special assessments	3,697	3,782	3,950	3,866	3,792	4,015	-	-	-	-
Licenses and permits	1,680	1,691	1,381	2,027	3,384	2,916	2,438	2,737	2,338	2,289
Intergovernmental	18,218	20,053	14,047	18,740	14,818	11,754	5,706	5,722	10,036	28,795
Charges for services	5,801	6,835	9,034	8,335	9,482	15,110	7,176	8,719	6,382	9,742
Fines and forfeitures	1,205	913	1,199	1,215	887	938	860	676	543	545
Investment earnings	1,138	506	314	4,089	2,794	5,333	1,758	1,436	1,980	2,166
Developer fees	3,919	3,944	2,238	5,559	4,901	4,491	1,640	1,899	3,372	2,834
Contributions from property owners	-	-	-	-	-	-	4,112	4,291	4,553	4,884
Miscellaneous	2,931	1,447	1,384	2,471	2,401	4,598	5,592	7,624	10,232	5,446
Total revenues	<u>73,771</u>	<u>76,697</u>	<u>69,084</u>	<u>78,864</u>	<u>76,532</u>	<u>85,475</u>	<u>74,547</u>	<u>82,637</u>	<u>99,386</u>	<u>120,187</u>
Expenditures										
Current:										
General government	4,727	4,021	4,000	4,204	4,166	5,046	5,112	20,271	5,043	5,815
Public safety	33,599	30,958	32,875	32,603	35,080	37,766	38,118	40,477	42,089	44,339
Public works	30,642	14,604	14,840	21,300	14,174	15,050	10,650	13,035	10,635	18,247
Community development	18,155	18,349	12,304	7,731	7,382	8,733	7,903	6,129	5,192	5,761
Community services	2,537	1,692	1,716	1,545	1,461	1,559	2,384	2,524	2,850	2,674
Other	3,366	3,610	70	323	407	3,884	102	-	-	-
Capital outlay	-	-	-	-	-	-	5,036	8,231	23,242	25,157
Debt service:										
Principal retirement	3,489	3,733	4,065	1,815	1,849	2,827	24,023	3,161	3,895	4,092
Interest and fiscal charges	7,052	6,853	4,707	2,690	2,700	2,631	2,627	5,576	2,441	2,364
Other charges	8,419	4,112	1,511	381	-	-	486	-	-	-
Total expenditures	<u>111,986</u>	<u>87,932</u>	<u>76,088</u>	<u>72,592</u>	<u>67,219</u>	<u>77,496</u>	<u>96,441</u>	<u>99,404</u>	<u>95,387</u>	<u>108,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,215)</u>	<u>(11,235)</u>	<u>(7,004)</u>	<u>6,272</u>	<u>9,313</u>	<u>7,979</u>	<u>(21,894)</u>	<u>(16,767)</u>	<u>3,999</u>	<u>11,738</u>
Other financing sources (uses):										
Transfers in	16,131	9,238	9,514	5,787	6,862	7,031	7,216	9,990	11,150	11,224
Transfers out	(15,989)	(9,068)	(9,308)	(6,782)	(12,912)	(7,211)	(7,406)	(8,269)	(11,649)	(14,421)
Lease purchase and loan proceeds	2,846	854	2,788	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	24,500	-	-	19,730	16,300	-	-
Sale of real property	-	1,592	-	-	-	-	-	-	-	-
Original discount on bonds	-	-	-	-	-	-	919	(262)	-	-
Payment to bond escrow agent	-	-	-	(21,335)	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,988</u>	<u>2,616</u>	<u>2,994</u>	<u>2,170</u>	<u>(6,050)</u>	<u>(180)</u>	<u>20,459</u>	<u>17,759</u>	<u>(499)</u>	<u>(3,197)</u>
Extraordinary gain (loss) on dissolution of redevelopment agency	-	-	(61,226)	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (35,227)</u>	<u>\$ (8,619)</u>	<u>\$ (65,236)</u>	<u>\$ 8,442</u>	<u>\$ 3,263</u>	<u>\$ 7,799</u>	<u>\$ (1,435)</u>	<u>\$ 992</u>	<u>\$ 3,500</u>	<u>\$ 8,541</u>
Debt service as a percentage of noncapital expenditures	22.8%	20.2%	13.3%	7.2%	7.8%	7.6%	29.6%	9.8%	8.8%	7.7%

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
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
2011	4,472,376	659,381	250,854	1,061,776	85,653	6,358,734	0.2541
2010	4,598,619	888,537	255,978	942,327	85,167	6,600,294	0.2544

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	1.00000	1.00000	-	-	-	-	-	-	-
Total Direct Rate	0.25437	0.25412	0.25684	0.25133	0.09979	0.09986	0.10002	0.10031	0.10012	0.10031
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	0.07247	0.09332	0.07487	0.07968	0.14919	0.14919	0.13218	0.16601	0.17609	0.14954
Coachella Valley Water District	0.06000	0.08000	0.08000	0.08000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
CVWD Imp Dist 53	-	-	-	-	-	-	-	-	-	-
CVWD Imp Dist 55	0.00600	0.00600	-	-	-	-	-	-	-	-
CVWD Imp Dist 58	-	-	-	-	-	-	-	-	-	-
Desert Community College	0.01995	0.01995	0.01995	0.01995	0.01995	0.02325	0.02087	0.02036	0.04030	0.03978
Desert Sands Unified School District	0.08112	0.10036	0.11467	0.11156	0.10954	0.10984	0.10915	0.08599	0.07251	0.07418
Total Direct & Overlapping Tax Rates	1.23954	1.29963	1.28949	1.29119	1.37868	1.38228	1.36220	1.37236	1.38890	1.36350

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 property values for the payment of certain other bonds.

Source: HdL, Coren & Cone

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

Taxpayer	2019		2010	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 64,334,856	0.76%	\$ 158,579,896	2.40%
Desert Polo Land Company, LLC.	55,283,181	0.66%		
Indio Towne Center, LLC.	40,065,946	0.48%		
Trendwest Resorts Inc	38,885,489	0.46%	106,157,654	1.61%
Time Warner Cable	38,496,237	0.46%		
JFK Memorial Hospital Inc	32,436,643	0.39%	43,310,941	0.66%
Monica D. Antony	29,179,735	0.35%		
Wal-Mart Real Estate Business Trust	28,340,341	0.34%		
ALJACKS	28,046,096	0.33%		
JDG Properties	27,759,803	0.33%	22,963,245	0.35%
Time Warner Entertainment Advance			34,627,529	0.52%
Polo Square Partners			33,342,380	0.51%
Jackson 42			32,498,447	0.49%
SA California Group, Inc.			24,133,302	0.37%
Target Corporation			23,882,396	0.36%
Wells Fargo Bank NA			21,737,707	0.33%
	<u>\$382,828,327</u>	4.55%	<u>\$ 501,233,497</u>	6.74%

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
2019	7,554,590	7,080,158	93.72%	128,359 *	7,208,518	95.42%
2018	7,142,930	6,789,921	95.06%	112,775 *	6,902,696	96.64%
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%
2011	16,461,513	16,748,822	101.75%	222,745 *	16,971,567	103.10%
2010	28,840,933	18,029,192	62.51%	10,811,741	28,840,933	100.00%

*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	Tax	Certificates of	Lease	Judgment	Total	Water Revenue	Total Primary Government (1)	Population	Personal Income	Debt Per Capita		
	Refunding	Allocation	Participation	Revenue	Obligation	Governmental						Bonds (1)	Government (1)
	Bonds (1)	Bonds (1)	(1)	Bonds (1)	Bonds (1)	Activities	Bonds (1)	Government (1)	(2)	(3)	Income		
2019	-	-	\$2,450	\$38,203	\$15,035	\$56,358	\$54,221	\$110,579	89,406	\$2,094,653	1.24		
2018	-	-	\$3,005	\$39,832	\$15,650	\$60,997	\$56,207	\$117,204	87,883	\$1,900,128	1.33		
2017	-	-	3,535	41,662	16,038	65,002	58,153	123,155	88,718	\$1,814,845	1.39		
2016	-	-	4,045	42,260	-	51,365	58,725	110,090	88,058	\$1,706,419	1.25		
2015	-	-	4,535	39,190	-	55,698	60,215	115,913	84,201	1,651,948	1.38		
2014	-	-	5,005	40,165	-	58,631	55,205	113,836	82,398	1,560,289	1.38		
2013	-	-	5,460	40,165	-	57,757	56,605	114,362	81,393	1,584,233	1.41		
2012	-	-	5,895	37,000	-	56,066	57,970	114,036	78,065	1,546,312	1.46		
2011	3,520	73,660	6,392	37,805	-	132,578	59,290	191,868	77,165	1,402,529	2.49		
2010	3,735	75,165	6,797	38,580	-	129,056	60,570	189,626	83,675	1,516,518	2.27		

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							Population (1)	Personal Income (2)	Percent of Assessed Value	Debt Per Capita
	Water Revenue Bond	Revenue Refunding Bonds	Tax Allocation Bonds	Lease Revenue Bonds	Judgment Obligation Bonds	Certificates of Participation	Total				
2019	\$54,221	-	-	\$38,203	\$15,035	\$2,450	\$109,909	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
2011	59,290	3,520	73,660	37,805	-	6,392	\$180,667	77,168	1,402,529	2.84%	2.34
2010	60,570	3,735	75,165	38,580	-	6,797	\$184,847	76,036	1,516,518	2.80%	2.43

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

(1) State Department of Finance

(2) Coachella Valley Economic Partnership

CITY OF INDIO
Direct and Overlapping
June 30, 2019

2018-19 Assessed Valuation: \$8,431,580,963

	Total Debt 6/30/19	% Applicable (1)	City's Share of Debt 6/30/19
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Desert Community College District	\$349,425,000	10.396%	\$ 36,326,223
Coachella Valley Unified School District	245,992,219	11.117	27,346,955
Desert Sands Unified School District	381,670,000	18.056	68,914,335
City of Indio Community Facilities District No. 2004-3	13,805,000	100.	13,805,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	13,988,000	100.	13,988,000
City of Indio Community Facilities District No. 2006-1	7,474,000	100.	7,474,000
City of Indio 1915 Act Bonds	24,473,764	100.	24,473,764
Valley Sanitary District Assessment District No. 2004-VSD	5,365,000	100.	5,365,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$197,693,277
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$760,133,611	3.008%	\$22,864,819
Riverside County Pension Obligation Bonds	243,850,000	3.008	7,335,008
Coachella Valley Unified School District Certificates of Participation	37,670,000	11.117	4,187,774
Desert Sands Unified School District Certificates of Participation	37,000,000	18.056	6,680,720
City of Indio General Fund Obligations	37,645,000	100.	41,754,000
City of Indio Judgment Obligations	15,035,000	100.	15,035,000
Desert Recreation District Certificates of Participation	472,521	16.611	78,490
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$97,935,811
Less: Riverside County supported obligations			<u>52,252</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$93,883,559
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$55,405,000	100. %	\$55,405,000
TOTAL DIRECT DEBT			\$56,789,000
TOTAL GROSS OVERLAPPING DEBT			\$294,245,088
TOTAL NET OVERLAPPING DEBT			\$294,192,836
GROSS COMBINED TOTAL DEBT			\$351,034,088 (2)
NET COMBINED TOTAL DEBT			\$350,981,836

- (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 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.34%
Combined Direct Debt (\$56,789,000)	0.67%
Gross Combined Total Debt	4.16%
Net Combined Total Debt.....	4.16%

Ratios to Redevelopment Incremental Valuation (\$1,434,452,991):

Total Overlapping Tax Increment Debt.....	0.66%
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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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed valuation (1)	\$ 6,600,295	\$ 6,358,734	\$ 5,984,868	\$ 6,097,869	\$ 6,229,530	\$ 6,736,088	\$ 7,295,001	\$ 7,667,948	\$ 8,020,281	\$ 8,419,662
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	990,044	953,810	897,730	914,680	934,430	1,010,413	1,094,250	1,150,192	1,203,042	1,262,949
Total net debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 990,044</u>	<u>\$ 953,810</u>	<u>\$ 897,730</u>	<u>\$ 914,680</u>	<u>\$ 934,430</u>	<u>\$ 1,010,413</u>	<u>\$ 1,094,250</u>	<u>\$ 1,150,192</u>	<u>\$ 1,203,042</u>	<u>\$ 1,262,949</u>
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 City.

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

CITY OF INDIIO
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	Principal	Debt Service Interest	Coverage
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	-	-	-	-
2011	4,174	9	4,165	1.00	8,978	1,495	3,975	1.64
2010	3,795	12	3,783	1.00	9,847	1,445	2,656	2.40

Fiscal Year Ended June 30	Gas Tax Certificate of Participation				RDA Revenue Refunding Bonds			
	Revenue	Less Operating Expenses	Net Available Revenue	Coverage	Tax Increment	Principal	Debt Service Interest	Coverage
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	-	-	-	-
2011	679	-	679	1.00	2,245	215	209	5.29
2010	665	4	661	0.98	2,462	205	221	5.78

Fiscal Year Ended June 30	Lease Revenue Bonds			
	Revenue	Less Operating Expenses	Net Available Revenue	Coverage
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	-	2,761	0.65
2014	1,796	6	1,790	1.00
2013	23,024	-	23,024	1.00
2012	2,309	1	2,308	1.00
2011	2,306	1	2,305	1.00
2010	2,311	9	2,302	1.00

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

Source: City of Indio

CITY OF INDIO
Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population (1)	Median Age (2)	Average Household Size (2)	Median Household Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
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%
2011	77,168	29.6	3.22	52,001	20,734	15.5%
2010	76,036	29.3	3.12	53,824	22,350	15.7%

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)	2019		2010	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Riverside	1,179	22.70%	1,301	5.63%
Desert Sands Unified School District	1,163	2.98%	1,096	4.74%
Fantasy Springs Resort Casino	1,157	2.97%	1,200	5.19%
John F. Kennedy Memorial Hospital	630	1.62%	701	3.03%
Walmart Supercenter	265	0.68%		
City of Indio	246	0.63%	267	1.16%
Riverside Superior Court	176	0.45%		
Fiesta Ford Lincoln	157	0.40%		
Mathis Brothers	127	0.33%	105	0.45%
Cardenas Market	94	0.24%		
Boulder West Components			65	0.28%
Tidwell Concrete Construction Inc			105	0.45%
Home Depot			125	0.54%
Jackalope Ranch			113	0.49%
PHP Contracting Inc			-	0.00%
Total Employment Listed	5,194	13.32%	5,078	21.98%
Total City Employment (2)	39,000		23,100	

"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>	Fiscal Year									
	<u>2010</u>	<u>2011</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>
General government	46	46	41	45	39	36	34	36	36	36
Police	123	104	113	107	99	100	103	99	104	107
Public works	36	27	29	24	26	33	33	31	34	36
Community developmen	23	26	18	15	16	17	19	19	26	23
Water	<u>39</u>	<u>38</u>	<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>267</u>	<u>241</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>

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Fiscal Year 2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police:										
Arrests	2,713	2,416	2,163	2,062	2,119	2,178	2,026	2,331	1,853	1,651
Traffic citations issued	5,954	5,712	4,606	2,632	2,476	1,478	1,452	2,102	1,777	858
Parking citations issued	3,150	2,492	2,097	1,554	3,231	5,312	4,191	1,173	4,766	6,803
Fire:										
Emergency calls	9,817	7,918	8,138	8,442	8,564	9,319	8,317	8,611	7,796	9,467
Inspections	1,993	2,564	2,287	2,535	2,254	2,629	2,473	2,553	2,586	3,326
Public works:										
Street resurfacing (miles)	16.5	5.0	1.0	0.0	3.3	1.0	10.0	1.0	6.0	48.0
Water:										
New connections	261	330	0	258	488	397	223	320	302	316
Average daily consumption (millions of gallons)	18	18	18	18	20	18	15	15	15	15
Golf Course:										
Golf rounds played	25,680	23,762	20,576	19,753	18,908	26,464	26,481	24,003	24,491	26,107

Source: City of Indio

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	1	1	0	0	0	0	0
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Paved streets (miles)	243	244	244	244	251	253	254	254	254	255
Streetlights	2,885	2,903	2,825	2,869	2,858	2,886	2,893	2,858	2,858	2,868
Traffic signals	83	85	87	89	92	95	97	98	100	104
Recreation:										
Parks	14	13	13	15	17	17	17	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)	321	327	327	327	329	332	342	343	343	355
Maximum daily capacity (millions of gallons)	63	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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Single-Family Residenti	5,300,683	5,308,272	5,413,435	5,392,718	5,392,822	4,982,247	4,236,748	4,459,372	4,891,183	4,734,130
Multi-Family Residenti	1,159,934	1,149,631	1,165,519	1,066,970	978,114	838,995	639,273	661,020	755,878	785,314
Commercial/Institution	1,192,074	1,164,122	1,195,118	1,138,652	1,228,943	1,158,582	1,091,004	1,097,366	1,194,031	1,188,760
Industrial	63,468	56,401	59,114	61,707	72,389	66,423	54,401	58,018	60,552	64,585
Landscap Irrigation	<u>1,085,119</u>	<u>1,196,706</u>	<u>1,229,869</u>	<u>1,067,837</u>	<u>1,205,557</u>	<u>1,023,955</u>	<u>743,594</u>	<u>924,444</u>	<u>1,049,375</u>	<u>976,302</u>
Total	8,801,278	8,875,132	9,063,055	8,727,884	8,877,825	8,070,202	6,765,020	7,200,220	7,951,019	7,749,091
Total commodity rate per 100 cubic feet	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Monthly Base Rate	9.24	9.24	9.24	9.24	15.55	16.79	18.14	19.59	21.16	21.16
Rate Per 100 Cubic Feet										
Tier 1	1.06	1.16	1.16	1.16	0.77	0.83	0.90	0.97	1.05	1.05
Tier 2	n/a	n/a	n/a	n/a	1.16	1.25	1.35	1.31	1.41	1.41
Tier 3	n/a	n/a	n/a	n/a	1.55	1.67	1.81	1.95	2.11	2.11
Tier 4	n/a	n/a	n/a	n/a	2.32	2.51	2.71	2.92	3.16	3.16
Tier 5	n/a	n/a	n/a	n/a	3.09	3.34	3.60	3.89	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 Ten Fiscal Years

Water Customer	Account Class	Fiscal Year													
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019				
		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	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	\$ 79,063	0.55%	\$ 80,656	0.55%	\$ 82,672	0.56%	\$ 81,947	0.54%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Arabian Gardens MHP	Mobile Home Park	68,073	0.47%	81,198	0.55%	82,550	0.55%	78,368	0.51%	72,740	0.47%	142,458	0.91%	-	-
Artic Glacier USA	Commercial											65,566	0.42%		
Cabazon Indian Reservation	Casino													131,378	0.75%
Capital Foresight Comm., LP	Apartments	71,193	0.49%					70,577	0.46%	70,860	0.45%	63,989	0.40%	88,665	0.43%
Casa Monroe Apartments	Apartments	82,001	0.57%	79,682	0.54%	84,531	0.57%	71,419	0.47%			64,759	0.41%		
CV Housing	Apartments	89,362	0.62%	85,169	0.58%	93,581	0.63%	94,242	0.62%	86,822	0.56%	81,233	0.52%	98,604	0.48%
Desert Air Homeowner's Assoc	RV Park	78,292	0.54%	82,661	0.56%	83,952	0.56%			76,611	0.49%				
DSUSD - Indio High School	School														
DSUSD - Anisstad HS	School														
DSUSD - Middle School	School														
Empire Polo Club	Commercial														
Fantasy Springs Casino	Commercial														
Indian Palms Country Club	Commercial														
Indio Housing Authority	Apartments														
Indio Housing Corporation	Apartments														
John F. Kennedy Memorial Hosp	Hospital	64,227	0.44%	61,261	0.42%									140,371	0.68%
Motorcoach CC POA, Inc														87,411	0.44%
Monte Azul Housing															
Philip S Moreau	RV Park													67,536	0.39%
Polo Estates Ventures	Commercial													88,927	0.51%
Pueblo Del Sol	Mobile Home Park	67,307	0.46%	71,210	0.49%			74,098	0.48%	75,437	0.48%	256,252	1.63%	214,724	1.09%
Rancho Casa Blanca	Mobile Home Park	102,067	0.70%	106,551	0.73%	113,278	0.76%	107,277	0.70%	85,164	0.54%	71,210	0.45%	195,465	0.95%
Riverside County	Government													62,822	0.36%
Riverside County-Juvenile Hall	Government													230,789	1.17%
Smokelee Apartments	Apartments													87,874	0.44%
Summerbreze Homeowner's Asso	Apartments													90,651	0.44%
Summerfield Apartments	Apartments													90,263	0.44%
Sunrise Point Apartments	Apartments	95,139	0.66%	88,089	0.60%	124,103	0.83%	118,006	0.77%	136,069	0.87%	106,754	0.67%	104,292	0.51%
Terra Lago	Commercial													101,150	0.51%
The Club Worldmark	Time Share													102,310	0.52%
Waller Tract Water - HAML	Residential													143,387	0.73%
		\$ 796,704	5.50%	\$ 889,421	6.07%	\$ 970,772	6.52%	\$ 903,905	5.91%	\$ 898,552	5.75%	\$ 1,269,429	8.10%	\$ 1,295,161	6.56%
														\$ 854,464	4.90%
														\$ 1,367,789	6.64%

Source: Indio Water Authority



City of Indio
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