

# CITY OF INDIO CALIFORNIA



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR 2019-20**

CITY OF INDIO, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2020

Prepared by:  
FINANCE DEPARTMENT



CITY OF INDIO, CALIFORNIA  
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 FOR THE YEAR ENDED JUNE 30, 2020

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January 6, 2021

**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, 2020. 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 fifth consecutive year. 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, 2020 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, 2020 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 comprehensive annual financial report (CAFR) 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 growing population, approaching 100,000, Indio is the largest city by population in the sub-region of the County known as the Coachella Valley. The City is located about 125 miles east of the center of the Los Angeles region, 75 miles north of the California-Baja California/Mexican border and 30 miles southeast of Palm Springs. The climate of the Coachella Valley is influenced by the surrounding geography. High mountain ranges on three sides contribute to its unique and year-round warm climate, with some of the warmest winters west of the Rocky Mountains. The City has a warm-winter hot-summer climate. According to data from the National Oceanic and Atmospheric Administration for 1981-2010, the City’s average annual high temperature is 89.5 degrees Fahrenheit and average annual low is 62.1 degrees. Summer highs above 108 degrees are common and on rare occasions exceed 120 degrees. Winters are warm with daytime highs often between 68-86 degrees. Less than four inches of annual precipitation is average, with typically over 348 days of sunshine per year.

The City is a center for business, government and entertainment within the Coachella Valley. The City has many golf and retirement communities in addition to a sizable population of families located in traditional neighborhoods. Residents enjoy the benefits of local parks, recreation, and youth programs. Known as the “City of Festivals,” the City hosts the Coachella Valley Music and Arts Festival (Coachella Fest), the Stagecoach Country Music Festival, Riverside County Fair & National Date Festival, the Palm Springs Kennel Club Dog Show, Southwest Arts Festival, and the Indio International Tamale Festival. The Coachella Fest and Stagecoach Music Festival, put on by Goldenvoice Productions, an entity of AEG worldwide, have been held in the City since 1999 and 2007, respectively. 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.

## **INDIO CITY GOVERNMENT**

The Indio City Council consists of five members, elected to four-year overlapping terms. Over the last several years, cities, school districts, and community college districts throughout the State of California have been changing from at-large to by-district elections to comply with the California Voting Rights Act of 2001 (CVRA) and, in many cases, to avoid litigation. The Indio City Council authorized the transition of the City’s election system from at-large to by-district commencing with the November 2018 general municipal election. Council members must be residents of the City and live within the district they represent. The Mayor, whose position rotates annually, conducts Council meetings, appoints Council committees, and represents the City on formal and ceremonial occasions. The City Treasurer and City Clerk are also elected for four-year terms on an at-large basis.

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 and animal services. The Coachella Valley Recreation District operates a 39,000 square foot comprehensive recreational facility in the City. The City maintains more than 15 parks. Fire services are provided by contract through Riverside County and staffed through the County’s contract with the State’s CalFire operations. The City of Indio owns the local fire facilities and some of the fire equipment. The staffing and other equipment is provided by contract.

The Indio City Council also serves as the Board of the Indio Water Authority (IWA), which operates an independent water enterprise serving 23,878 residential and commercial accounts.

IWA employs 49 employees, with a \$21.8 million operating budget and \$4.7 million capital improvement plan in the current year.

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

## **BUDGET PROCESS OF THE CITY**

The City's fiscal year begins on July 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 continues to evaluate its long-term financial challenges and prospects – focusing particularly on long-term infrastructure needs and the major impacts from unfunded pension liability. The City 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 leads 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. Guided by professional expertise, this detailed analysis identifies 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.

Thanks to voter approval of the 2016 Measure X supplemental 1% sales tax measure, the City has been able to move forward, implementing a variety of long-needed infrastructure and capital project needs, which are itemized more fully below. The City will seek to extend the 20-year term

of this sales tax measure in the near future so that the measure can provide a reliable source of debt service for other large important capital projects.

## **ECONOMIC CONDITION AND OUTLOOK**

The coronavirus outbreak hindered growth and disrupted plans for 2020 in many unexpected ways. The City, and in fact, the entire Coachella Valley, lost a major economic driver when the April music festival concerts were cancelled. The region faces the prospect that these April music festivals will be cancelled or delayed again in April of 2021. While this has a very big impact on the hospitality economy of the Coachella Valley, the impact on the City of Indio General Fund is roughly \$3.5 million per year. The City is able to weather that loss of revenue for a couple years through transfer of capital spending from Measure X to the City's General Fund operating budget (which contingency was foreseen and provided for in the ballot measure). Nonetheless, the COVID-19 pandemic has had devastating impacts on many local businesses and their employees. The entire region looks forward to restoration of economic activity once the Covid vaccines have time to provide protection and relief.

The City of Indio has always operated on a lean budgetary basis. With 276 employees serving a fast-growing City, with a population approaching 100,000 spanning 33 square miles, the City has among the lowest "employees per capita" ratios in the State for full service cities. However, this lean staffing model and an economy less dependent on major hospitality properties, impacts on our revenues this past year have been less severe than for some of our neighboring cities. City operations were adjusted to provide for Covid-safety, but almost all services were maintained at all times in an effort to keep local businesses in operation and to keep local citizens employed. This was particularly important for the building industry, which continued to operate at a very high level throughout. Hundreds of new housing projects were constructed or approved for construction during the year, helped along by City-adapted new and virtual technologies for plan review and field inspections.

Overall, the City continues to have solid financial footing despite the 2020 slowdown. Car sales remained surprisingly strong, and internet sales hit new sales tax highs. Sales tax revenues received in fiscal year 2019-20 exceeded what was received in 2017-18. Half of the 2019-20 year-over-year decline in sales tax revenue was generated by the State's tax-payment deferral program. Those losses will be made up in 2020-21. The City did not need to draw from its Reserve for Economic Uncertainty ("the Emergency Reserve") this last year (nor any other Reserve fund), and current projections support the belief that the Reserve will remain untouched through fiscal year 2020-21. The only significant financial impact over the coming two years will be the allocation of a portion of the Measure X funds to balance the General Fund operating budget. This has resulted in a delay to certain capital infrastructure projects.

Despite the pandemic, new local businesses have continued to move forward in Indio, including the following over the past year:

- Tower Market Gas Station and Convenience Store (Indio Boulevard & Avenue 48) November 2019
- Chevron Gas Station and Extra Mile convenience store (Indio Towne Center) December 2019

- Ulta Beauty (Indio Towne Center) January 2020
- Downtown Pilot Indio Innovation Hub (iHub) February 2020
- Hampton Inn & Suites by Hilton (Spectrum Avenue) July 2020
- Arby's (The Palms Shopping Center) October 2020
- Vallarta Supermarkets (Showcase Shopping Center) October 2020
- Chipotle (Avenue 42 & Jackson Street) December 2020

And the following new businesses and employers are expected to open or expand in the year ahead:

- Downtown Indio Food Park (Miles Avenue)
- Chandi Mixed-Use Project (Avenue 44 & Golf Center Parkway)
- Citrus Plaza II Shopping Center-Phase 1 (Avenue 50 & Jefferson Street)
- Del Taco (Avenue 42 & Jefferson Street)
- Garden Fellowship Church Campus (Jefferson Street & Avenue 38/39)
- Dave's Hot Chicken (Avenue 42 & Jackson Street)
- Mathis Brothers Outlet Center (Highway 111)
- Starbucks Coffee (Avenue 44 & Golf Center Parkway)
- Indio Marketplace Phase 1 Revitalization (Highway 111)
- Quantum Used Auto Sales (Highway 111)
- Kia New Car Dealership (Varner Road)
- Certified Pre-Owned Unicars Dealership (Highway 111)
- Dutch Bros. Coffee (Highway 111)
- Arroyo Ranch Office Building (Jefferson Street & Highway 111)
- EOS Fitness Center (Highway 111 & Jefferson Street)
- Chandi Plaza Mixed-Use Commercial Center (Indio Boulevard)
- Ono Hawaiian BBQ (Indio Towne Center)
- Spine & Sport Physical Therapy (Indio Towne Center)
- College of the Desert Downtown Campus Expansion
- Oasis/Bliss Mixed-Use Residential Project
- River Springs K-12 Charter School (Avenue 46)
- Lupian's Commercial Building (Avenue 45 & Commerce Street)
- TKB Bakery & Deli (New location Golf Center Parkway & Avenue 45)
- Old Navy (Indio Towne Center)
- Dunn Edwards Paints (Las Palmas Road & Highway 111)
- John J. Benoit Detention Center, 1,273 beds and 450 new jobs
- 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)
- Quick Quack Car Wash (The Palms Shopping Center)

## **MAJOR INITIATIVES FOR THE FUTURE**

Looking forward to a hopeful future, the City continues to prepare for a restoration of full service levels when the coronavirus pandemic is brought under control. In particular, the City looks forward to re-initiating its Measure X and other Capital Improvement Plan projects. Over the previous two years, the City of Indio has embarked on the most aggressive Capital Improvement

Program in years. Based on a then-good economy, strong outside investment interest, improved revenue sources, and stable local governance, the City Council directed City staff to develop “Bold” but responsible plans for maintenance and expansion of the City’s infrastructure and “quality of life” amenities. Recent and ongoing 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. The City has now contracted for a citywide Zoning Code update to ensure consistency between the City’s new General zoning regulations. The City has also just contracted for the State mandated Housing Element update, with the purpose of seeking compliance with State and federal housing policies, the new General Plan and local infrastructure master plans.
- Completion of a State Strategic Growth Council-funded Transformational Climate Communities (TCC) study, focusing on older neighborhoods of the City that qualify as disadvantaged and eligible for other funding opportunities based on the TCC needs assessment and strategies. The City is also initiating a Highway 111 Corridor Study using State SB2 Planning Grant funds to establish development criteria and strategies for this important arterial transportation spine running west-to-east through the City, serving as both an economic development/housing and community character opportunity.
- Commencement of the entitlement process for the much anticipated Indio Marketplace by the Haagen Company on Highway 111 and Monroe Avenue, in the heart of the City. The project includes land being sold by the City south of the old mall site, which will house a multi-family residential development, a hotel, restaurant and retail space, and a City-owned park and amenities to connect the retail-entertainment based Indio Marketplace to the adjacent neighborhood to the south.
- 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 the next decade.
- Initiation of a major City building 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. This project replaces decades-old facilities that are too small for a growing community and deficient in technology and code-complaint design.
- 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.
- Concurrent with the land acquisition, adoption last Spring of a new Downtown Specific Plan to guide new investment. The City is seeking residential, retail, restaurant, hospitality and arts uses in the Downtown. The City recently entered into a Disposition & Development Agreement with Coachella Valley Development Partners to construct a new urban-style multi-family mixed use development on Oasis St.
- As the biggest excitement Downtown, collaboration with the College of the Desert as they prepare to commence construction of their second and third Downtown campus buildings, eventually raising Indio COD enrollment to more than 10,000 students.



- Realization of three major IT software implementations – an ERP finance and personnel system, a Land Management System (LMS) permitting and land database system, and a Public Safety computer-aided dispatch and records management system (CAD/RMS). The City has also completed an IT Master Plan looking toward the future in such areas as cyber security, data storage, social media support, etc.
- Initiation of a new Marketing Strategic Plan, including the hiring this year 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.
- Completion of the IWA Long-Range Financial Plan.

Looking ahead at expenditures, the City faces the moderate financial challenges from unfunded CalPERS pension liability. The City’s CalPERS cost is expected to increase \$540,000 this coming year and, based on projections, will increase an average of \$500,000 in each of the coming ten years. Knowing this, the City will incorporate these cost increases into the budget. While the City has already started a trust fund to assist in the future funding of OPEB, last year’s adopted budget included \$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 fiscal year 2018-19, approximately \$169,000 in fiscal year 2019-20, and estimated \$180,000 in the current year.

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 the City can expect several years of future cost increases running at or above \$500,000 per year. 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 has also experienced an increase in Fire Service costs in recent years 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 fiscal year 2019-20 adopted budget incorporated a multi-year funding plan to purchase a new fire 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.” Those costs continue into the current year, but overall Fire Service costs have actually moderated during the year of the pandemic, presumably due to cost reductions implemented at the State level to match reduced revenue streams. The trend toward higher costs will likely return when the State economy picks back up. 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, the City will consider establishing additional equipment replacement reserves in future years.

The City will look to renew employee contracts (MOUs) with each of its five employee bargaining groups this coming year, as all five contracts expire on June 30, 2021. The City’s bargaining groups have a longstanding positive working relationship with the City.

## **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 September, the ILG announced that that the City of Indio had been selected once again as a 2020 Beacon Spotlight Award winner (platinum level) for Sustainability Best Practices. This most recent recognition is for continuing efforts to address climate change, promote energy innovation and create more sustainable communities.


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, 2019. This was the thirteenth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I am confident that our current 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.

In 2019, the City took on the challenge of enhancing its budget document in the hopes of being recognized by the 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. To meet the recognition requirements, the City added information on demographics, challenges that arise in a growing city, policies and procedures, and information on the budget preparation process, to name a few. The City received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2019-20 budget. Fiscal year 2020-21 budget award winners have not been announced, but I am confident that the City's 2020-21 adopted budget maintains the same award-worthy quality.

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. In particular, I wish to single out the contributions of Assistant City Manager/CFO Rob Rockwell and our retiring Finance Manager Veronica Alvarado who has given Indio many years of service characterized by competence and integrity.

I appreciate the high level of professionalism and dedication that all of our staff members bring to the job. And finally, I would also like to thank the extraordinarily capable members of the Indio City Council and City Treasurer Balvina Ramirez for their leadership and selfless service to the residents of the City.

Respectfully submitted,

  
\_\_\_\_\_  
Mark Scott  
City Manager

**CITY OF INDIO**  
City Officials  
as of June 30, 2020

**CITY COUNCIL**

GLENN MILLER  
Mayor

ELAINE HOLMES  
Mayor Pro Tempore

WAYMOND FERMON  
Council Member

OSCAR ORTIZ  
Council Member

LUPE RAMOS AMITH  
Council Member

**OTHER ELECTED OFFICIALS**

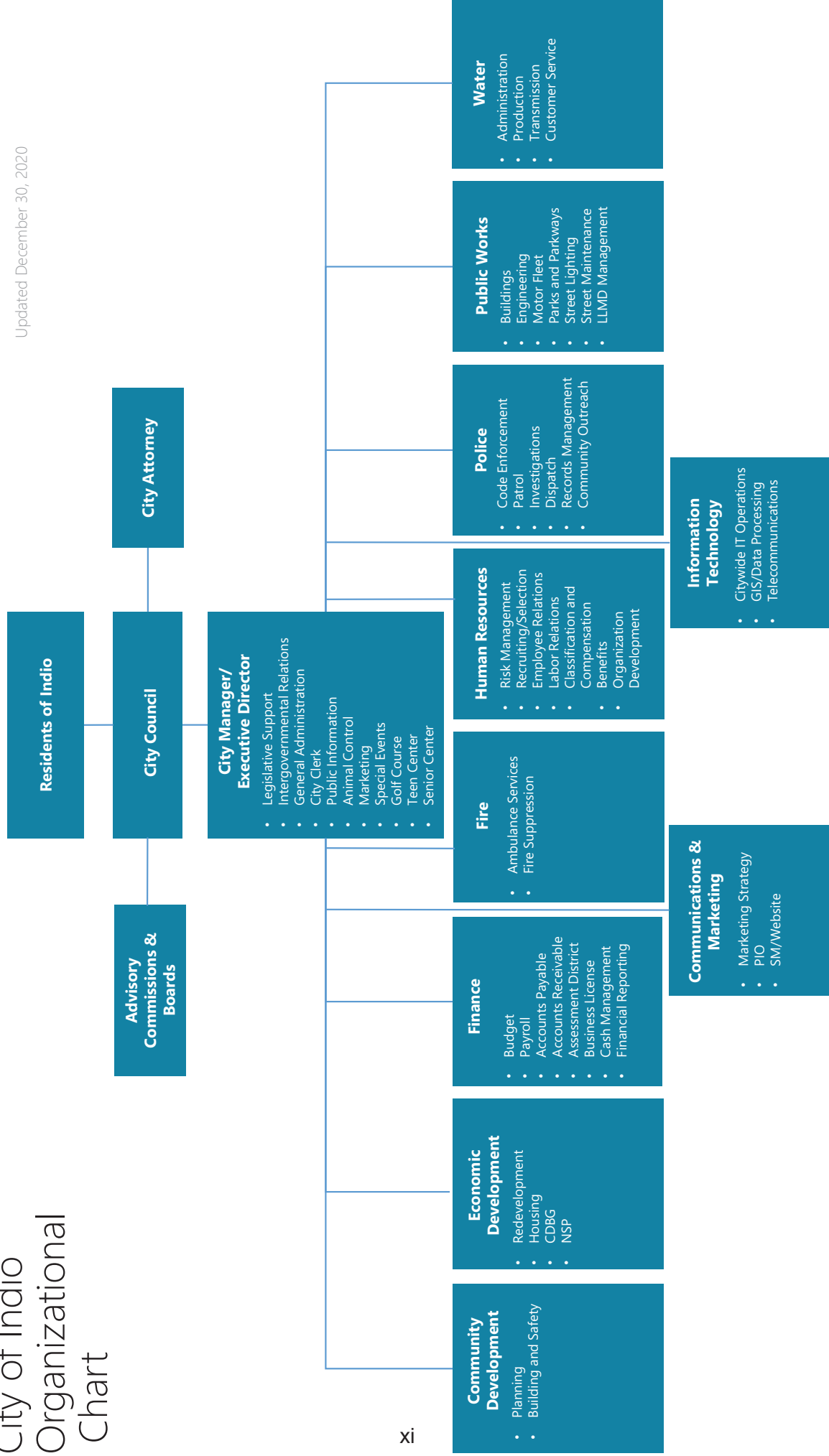
Cynthia Hernandez, City Clerk  
Balvina Ramirez, Treasurer

**EXECUTIVE STAFF**

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

# City of Indio Organizational Chart

Updated December 30, 2020





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, 2019

*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 City of Indio, California, (the City) as of and for the year ended June 30, 2020, 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, 2020, 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 related ratios; 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 the 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund 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.



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 January 6, 2021 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 & Lingham, LLP*

Brea, California  
January 6, 2021





## **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, 2020. For the most comprehensive understanding, please read this analysis in conjunction with the accompanying transmittal letter, the financial statements, and the notes to those financial statements.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

### **NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-82.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its retiree health and pension obligations. Additionally, a budget to actual comparison schedule is provided for the City's General Fund on page 84. Required supplementary information can be found on pages 84-92.

## **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 City's net position changed during the fiscal year. All changes in net position are reported regardless of when cash was received or disbursed. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused employee vacation leave).

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As reflected in the Statement of Net Position, at the close of the 2019-20 fiscal year, the City's assets exceeded its liabilities by \$544.4 million. The City's net position decreased \$4.8 million from the year before, a decrease of almost 1 percent. This outcome was driven by decreases in assets (\$9.3 million), deferred outflows (\$3.2 million), liabilities (\$8.5 million) and a minor increase in deferred inflows (\$0.8 million).

The City's net position is mainly tied to its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure) in excess of any related outstanding debt incurred to purchase those assets. The City uses these capital assets to provide services to its citizens; consequently, most of these assets are not liquid, immediately spendable, resources. As mentioned, total assets decreased \$9.3 million. This outcome is driven by increases in current assets (\$2.7 million), and a slight increase in noncurrent assets (\$0.4 million), and a decrease in capital assets (\$12.4 million). Current assets are those that are expected to be converted to cash or consumed within a fiscal year, while noncurrent assets are expected to be consumed over more than one fiscal year. A capital asset is significant property or infrastructure that has a useful life longer than one year that is not intended to be sold, but does lose value over time, like a computer or a vehicle. The following table is a simplified summary the City's net position.

<b>Net Position Summary (in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 78,954	\$ 81,449	\$ 45,598	\$ 40,432	\$ 124,552	\$ 121,881
Capital assets	473,620	479,658	162,312	168,652	635,932	648,310
Other noncurrent assets	12,002	11,596	-	-	12,002	11,596
Total assets	<u>564,576</u>	<u>572,703</u>	<u>207,910</u>	<u>209,084</u>	<u>772,486</u>	<u>781,787</u>
Pensions	11,091	12,142	878	1,196	11,969	13,338
OPEB	7,747	8,935	1,702	2,280	9,449	11,215
Deferred loss on refunding of debt	-	-	1,043	1,109	1,043	1,109
Total deferred outflows	<u>18,838</u>	<u>21,077</u>	<u>3,623</u>	<u>4,585</u>	<u>22,461</u>	<u>25,662</u>
Long-term liabilities outstanding	158,438	157,397	69,194	71,303	227,632	228,700
Other liabilities	14,833	19,633	2,883	5,534	17,716	25,167
Total liabilities	<u>173,271</u>	<u>177,030</u>	<u>72,077</u>	<u>76,837</u>	<u>245,348</u>	<u>253,867</u>
Pensions	2,369	2,293	260	327	2,629	2,620
OPEB	760	8	166	2	926	10
Unamortized gain on refunding of debt	1,679	1,776	-	-	1,679	1,776
Total deferred inflows	<u>4,808</u>	<u>4,077</u>	<u>426</u>	<u>329</u>	<u>5,234</u>	<u>4,406</u>
Net position:						
Net investment in capital assets	432,662	435,892	111,170	115,539	543,832	551,431
Restricted	27,132	26,344	321	319	27,453	26,663
Unrestricted	(54,459)	(49,563)	27,539	20,645	(26,920)	(28,918)
Total net position	<u>\$ 405,335</u>	<u>\$ 412,673</u>	<u>\$ 139,030</u>	<u>\$ 136,503</u>	<u>\$ 544,365</u>	<u>\$ 549,176</u>

As reflected in the following Change in Net Position Summary Table, revenue from governmental activities is broken down into Program Revenue and General Revenue, where Program Revenue must be used for the purpose it was collected and General Revenue is spent at the discretion of the City Council. Program Revenue totaled \$30 million, \$18 million less than last fiscal year due to reduced grant revenue (\$14.9 million), decreases in charges for services (\$3.6 million) and a slight increase in capital grants (\$0.1 million). General Revenue totaled \$63.5 million and was \$7 million less than prior fiscal year revenue. The decrease in General Revenue was due to a decrease in other revenue (\$3.2 million), which is primarily composed of intergovernmental revenue, and a decrease in tax revenue (\$3.9 million).

Expenses for all governmental activities totaled \$100.5 million, \$1.9 million less than the prior fiscal-year's total. Annual expenses for governmental activities were up in some functions, but were down in Public Works due to reduced capital project expenses.

Revenue for all business-type activities totaled \$28.2 million, an annual decrease of \$3 million, driven by decreases in operating contributions (\$3.4 million) and increases from various other revenue sources (\$0.4 million).

Expenses for all business-type activities totaled \$25.7 million, an annual decrease of \$1.3 million. The decrease in expenses was mostly associated with the delivery of water (\$1.3 million) and a small increase in expenses for municipal golf activities.

Change in Net Position Summary (in thousands)						
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Program Revenues:						
Charges for services	\$ 14,370	\$ 17,935	\$ 24,175	\$ 24,257	\$ 38,545	\$ 42,192
Operating contributions/grants	14,678	29,580	2,491	5,878	17,169	35,458
Capital contributions/grants	611	506	-	-	611	506
General Revenues:						
Property taxes	18,540	17,834	-	-	18,540	17,834
Other taxes	41,041	45,653	-	-	41,041	45,653
Other	3,967	7,134	1,514	1,028	5,481	8,162
Gain on sale of capital asset	-	7	-	-	-	7
Total revenues	<u>93,207</u>	<u>118,649</u>	<u>28,180</u>	<u>31,162</u>	<u>121,387</u>	<u>149,812</u>
Expenses:						
Water	-	-	24,451	25,738	24,451	25,738
Golf	-	-	1,254	1,223	1,254	1,223
General government	13,163	12,651	-	-	13,163	12,651
Public safety	52,487	50,101	-	-	52,487	50,101
Public works	22,210	26,531	-	-	22,210	26,531
Community development	7,649	8,053	-	-	7,649	8,053
Community services	2,878	2,854	-	-	2,878	2,854
Interest expense/other charges	2,105	2,239	-	-	2,105	2,239
Total Expenses	<u>100,492</u>	<u>102,429</u>	<u>25,705</u>	<u>26,961</u>	<u>126,197</u>	<u>129,390</u>
Change in net position before transfers	(7,285)	16,220	2,475	4,201	(4,810)	20,422
Transfers	(53)	(913)	53	913	-	-
Change in net position	<u>(7,338)</u>	<u>15,307</u>	<u>2,528</u>	<u>5,114</u>	<u>(4,810)</u>	<u>20,422</u>
Net Position - beginning of fiscal year	412,673	397,366	136,503	131,388	549,176	528,754
Net Position - end of fiscal year	<u>\$ 405,335</u>	<u>\$ 412,673</u>	<u>\$ 139,031</u>	<u>\$ 136,503</u>	<u>\$ 544,366</u>	<u>\$ 549,176</u>

## 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 35 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 33 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Non-Major funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 20-23.

## **GOVERNMENTAL FUND FINANCIAL ANALYSIS**

At the close of the fiscal year, governmental funds reported a combined ending fund balance of \$65 million, a year-over-year increase of \$4.7 million. Approximately 45 percent of total fund balance (\$29.2 million) was available for spending at the government's discretion (assigned, unassigned, and committed). Fund balance in the City's General Fund decreased \$1.4 million. Fund balance within the City's Capital Projects Fund increased \$3.7 million. Within the Non-Major fund group, fund balance increased \$2.4 million.

### General Fund Financial Highlights:

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$38.3 million, down \$1.4 million from the prior year. Approximately 64 percent (\$24.5 million) of the \$38.3 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 \$12.9 million, consisting of prepaid expenditures (\$0.2 million), land held for resale (\$8.9 million), and a note receivable (\$3.8 million). Restricted fund balance represents amounts that can only be spent for a specific purpose. Restricted fund balance totaled almost \$1 million, which is an increase from the prior fiscal year, recognizing the establishment of a new trust fund exclusively for postemployment benefits. Assigned fund balance represents resources that are earmarked by City administration for a particular governmental purpose. Assigned fund balance totaled \$9.3 million, a decrease of \$2.3 million from the prior fiscal year. Committed fund balance represents resources that are formally set aside by the City Council for emergencies or critical City priorities. Committed fund balance totaled \$12 million, the same as the prior fiscal year. Unassigned fund balance represents resources that have not been categorized as nonspendable, restricted, committed, or assigned. Unassigned fund balance totaled \$3.2 million, a decrease of \$1.4 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 \$4.9 million, up \$3.7 million from the prior year. This is due to deferring certain capital projects in response to the coronavirus pandemic.

### Non-Major Governmental Funds Financial Highlights:

Non-Major Governmental Funds accumulated \$22 million in fund balance at the end of the fiscal year, an increase of \$2.4 million from the previous year. Non-major capital project funds remained flat with the prior period, with only \$511 in total fund balance. Non-major debt service funds accumulated \$2.1 million in fund balance, and experienced only a minor increase. Within the Non-Major Governmental Funds, revenues exceeded expenditures by \$3.3 million and interfund transfers-out exceeded interfund transfers-in by \$0.9 million, resulting in a net increase of \$2.4 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 \$143 million, a year-over-year increase of \$1.5 million. City enterprise funds accumulated a year ending net position of \$139 million, a year-over-year increase of \$2.5 million. Internal service funds accumulated a net position of \$4 million, a year-over-year decrease of \$1 million. Within the enterprise fund group, net position in the City's water fund increased \$2.5 million. Net position within the City's other enterprise funds, golf and solid waste, increased \$64 thousand.

## **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 \$44.1 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 \$2.1 million.



## ANALYSIS OF LONG-TERM DEBT

Debt, which is considered a liability of governmental activities, totaled \$158.4 million, an increase of \$1 million from the prior fiscal year. The increase in debt was driven by the recognition of additional post employment benefit liability (\$2.2 million), increases in net pension liability (\$1.9 million) and compensated absences (\$0.2 million). 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 decreases in lease revenue bonds (\$1.6 million), judgment obligation bonds (\$0.6 million), capital leases (\$0.1 million), certificates of participation (\$0.6 million) and notes payable (\$0.4 million). Debt for business-type activities totaled \$69.2 million, a decrease of \$2.1 million from the prior fiscal year. This decrease was due to a reduction of OPEB liability (\$0.9 million), which was offset by increases in net pension liability (\$0.8 million) and compensated absences (\$73 thousand), and a decrease in bonds payable (\$2 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	
	2020	2019	2020	2019	2020	2019
Claims Payable	\$ 71	\$ 95	\$ -	\$ -	\$ 71	\$ 95
Lease Revenue Bonds	36,559	38,203	-	-	36,559	38,203
Judgement Obligation Bond	14,410	15,035	-	-	14,410	15,035
Water Bonds			52,185	54,221	52,185	54,221
Capital Lease	343	432	-	-	343	432
Certificates of Participation	1,875	2,450	-	-	1,875	2,450
Notes payable	279	670	-	-	279	670
Net pension liability	60,135	58,216	7,398	6,609	67,533	64,825
Post employment benefit	42,445	40,207	9,324	10,259	51,769	50,466
Compensated absences	2,321	2,089	287	214	2,608	2,303
<b>Total</b>	<b>\$ 158,438</b>	<b>\$ 157,397</b>	<b>\$ 69,194</b>	<b>\$ 71,303</b>	<b>\$ 227,632</b>	<b>\$ 228,700</b>

## 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 \$473.6 million. Capital assets, net of depreciation, for business-type activities totaled \$162.3 million. Overall, net capital asset value decreased \$12.4 million from the prior fiscal year. Fiscal-year activity is presented in the table below. Additional information on the City's capital assets can be found in note 7 on pages 51-52.

<b>Capital Assets Summary (in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$ 41,964	\$ 41,964	\$ 2,175	\$ 2,169	\$ 44,139	\$ 44,133
Right of way	56,612	56,623	-	-	56,612	56,623
Structures and improvements	37,123	37,123	15,352	15,335	52,475	52,458
Machinery, equipment and vehicles	20,463	19,616	5,465	5,248	25,928	24,864
Infrastructure	576,409	563,302	292,805	288,729	869,214	852,031
Construction in progress	51,536	55,235	227	2,908	51,763	58,143
Capital Assets	784,107	773,863	316,024	314,389	1,100,131	1,088,252
Accumulated depreciation	310,487	294,204	153,712	145,737	464,199	439,941
Net Capital Assets	<u>\$ 473,620</u>	<u>\$ 479,659</u>	<u>\$ 162,312</u>	<u>\$ 168,652</u>	<u>\$ 635,932</u>	<u>\$ 648,311</u>

## **ANALYSIS OF THE BUDGET AND SIGNIFICANT VARIANCES**

The annually adopted budget appropriates expenditures by category: salaries and benefits, purchased services, materials and supplies, fixed assets, internal transfers, and transfers out to other City funds. Expenditure controls are set at these same levels. Expenditures and revenues rarely match budgeted appropriation levels exactly, due to changes in policy, economic impacts, unexpected outlays and naturally occurring operational variances occurring during the fiscal year. Schedules comparing budget expectations to actual outcomes can be found on pages 117-142 for the General Fund and on pages 148-150 for other non-major funds.

For fiscal year 2019-20, General Fund revenue totaled \$72.3 million, including \$3.98 million categorized as Transfers In. In total, the City received \$9.5 million (12%) less than budgeted. The shortfalls in revenue can be attributed to coronavirus-pandemic impacts that primarily affect four sources of City revenue: sales tax, transient occupancy tax, charges for services, and miscellaneous revenue. City sales tax revenue fell short \$1.5 million mainly due to state mandates ordering various business closures and limited social gatherings. In addition, the state granted about \$1 million in local sales tax payment deferrals in an effort to help business. Transient occupancy tax revenue fell short \$3.7 million because state coronavirus restrictions required lodging facilities closed, except for essential use. Charges for services fell short \$3.9 million because police services, typically provided in support of April music festivals, were not needed when these major music events were postponed in accordance with public health official orders to avoid social gatherings. Miscellaneous revenue fell short \$2.2 million because the City did not receive revenue associated with music festival ticket sales. Offsetting these losses, the City realized better than expected revenue gains in property taxes (\$0.5 million), utility users' taxes (\$0.2 million), building permits (\$0.12 million), grants (\$0.5 million), fire and ambulance services (\$0.2 million), and interest income (\$0.49 million).

The original fiscal year 2019-20 General Fund budget authorized \$91.5 million in expenditures. The budget as finally adjusted by the City Council authorized \$93.7 million in expenditures. At the end of the fiscal year, General Fund expenditures totaled \$73.7 million, including internal transfers out of \$6.3 million. In total, expenditures were \$20 million (21%) less than budgeted. These savings can be attributable to unprecedented cost-saving measures implemented to curb economic impacts and associated revenue losses brought on by the coronavirus pandemic.

Also, the City experienced a significant reduction in extracurricular policing services provided for local music festivals. During the onset of the pandemic, infrastructure maintenance was deferred, hiring to fill vacant positions was put on hold except in critical areas, and non-essential projects were postponed. Within the General Government group, seven administrative budget units generated savings of \$1.9 million (21%); however, within the Non-departmental budget unit, \$1 million in savings was due to pension trust fund deposit, which was accounted for (expensed) as a transfer out in another budget unit. Within the Public Safety group, nine budget units generated savings of \$6.9 million (14%). From that savings, \$3.7 million (54%) is directly related to postponement of the April music festival series, which was postponed for a year. Within the Community Development group, three budget units generated \$1 million in budget savings (21%) through the deferral of projects. Within the Community Services group, four budget units generated \$552,798 (17%) in savings. Within the Public Works group of budget units, three units generated \$2.8 million (21%) in savings primarily by due to the postponement of local street maintenance. Finally, within the category Transfers Out, \$5.1 million in budget savings was recognized due to the deferral infrastructure and street rehabilitation projects.

### **FACTS AND CONDITIONS OF FUTURE SIGNIFICANCE**

For the coming 2020-21 fiscal year, the City Council adopted a Citywide budget totaling \$151.4 million in appropriations, a \$35 million (19%) decrease from the prior-year's adopted budget. With the coronavirus still very active and the likelihood of continuing virus-related economic challenges through mid-2021, the City's adopted budget includes conservative revenue assumptions and core-service oriented expenditure plans. About \$30.8 million (20%) of the budget is appropriated to move resources across funds, in order to properly isolate, track, and capture specific expenditures and revenues in accordance with generally accepted accounting principles. Citywide, revenue is expected to total \$137.6 million, a decrease from the prior year of \$27.3 million (17%). Decreased General Fund revenue in the categories of sales tax, Measure X sales tax (one percent transaction and use tax), and Transient Occupancy Tax, as well as decreased revenues for Capital Project funds account for the majority of revenue reductions. The \$13.8 million gap between appropriations and revenue will be funded from fund balance (fund equity), with some assumed salary savings created by vacancies between recruitments. About \$61.6 million (41%) of the budget will be spent on acquiring services, which includes payments for professional services, contract labor, and utilities. The recommended budget is built on the expectation of spending \$42.9 million (28%) of the entire Citywide budget on employee salaries and benefits. About \$30.8 million (20%) will be appropriated to move resources from one fund to another. These interfund transfers represent flows of assets, such as cash and goods, between funds of the City. Of the City's total appropriations, \$12.4 million (8%) will be established for construction of fixed assets and to pay debt on previously constructed assets. About \$3.7 million (3%) will be budgeted for materials and supplies such as tools, cleaning supplies, and automobile parts.

The budget supports 276 full-time, seven elected officials, 35 appointed commissioners, and 7 part-time positions. The adopted budget supports 81 sworn police officer positions, same as the year before, and does not include any new positions. There are no significant cost increases driven by changes to labor agreements.

The General Fund is the primary operating fund of the City and it accounts for all activity not required to be accounted for in another specialized or restricted fund. The General Fund encompasses many of the commonly thought of activities occurring within a municipal government. These activities include: police, fire, senior and teen services, building and safety, planning, public works, parks, streets and general administration. The fiscal year 2020-21 recommended General Fund budget establishes \$79 million in spending authority, \$12.5 million less than what was authorized in the prior-year adopted budget. This reduction in spending authority reflects the City's efforts to reduce expenditures in response to revenue shortfalls caused by COVID-19.

Police protection accounts for the largest portion (42%) of all General Fund appropriations, totaling about \$33.2 million. In addition to typical policing operations, the police department budget also includes code enforcement operations. About \$16.9 million (21%) is appropriated for fire, emergency operations, and ambulance services, which are contracted through the County of Riverside. Combined, these public safety operations represent 63 percent of all planned General Fund expenditures. For Public Works, \$7.2 million is appropriated, to fund engineering, capital project oversight as well as maintenance on parks and public streets. Within the recommended budget, Administration accounts for about \$9.2 million of the appropriations. 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. Community Development Services represents about \$3.5 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, \$3.3 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.

Measure X, although a part of the overall General Fund, is tracked with its own unique fund for accountability and transparency. For fiscal year 2020-21, Measure X sales tax related General Fund expenditures total approximately \$3.6 million (5%) of General Fund appropriations, with the remainder of fiscal year 2020-21 Measure X resources being redirected to other General Fund operations to maintain core City service levels amid significant revenue reductions caused by COVID-19.

About \$44.3 million (56%) of the General Fund budget will be spent on services, which include payments for professional services, contract labor to Riverside County, utility costs, and payments to internal services departments for facility maintenance, vehicle maintenance, insurance, and other shared-service costs. The City anticipates spending \$32.9 million (42%) on employee salaries and benefits. About \$571,835 (1%) of the recommended General Fund budget will be allocated to cover materials and supplies.

## **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](mailto:finance@indio.org).

## CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION  
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 54,497,793	\$ 40,601,157	\$ 95,098,950
Restricted cash and investments	980,597	-	980,597
Cash and investments with fiscal agent	2,799,193	321,170	3,120,363
Receivables:			
Accounts	2,424,693	3,780,573	6,205,266
Taxes	3,231,959	-	3,231,959
Notes and loans	9,302,242	-	9,302,242
Accrued interest	70,967	57,517	128,484
Other	-	-	-
Due from other governments	4,926,345	-	4,926,345
Prepaid costs	719,422	741,442	1,460,864
Inventories	-	96,756	96,756
Advance to Successor Agency	2,661,788	-	2,661,788
Property held for resale	9,340,668	-	9,340,668
Capital assets not being depreciated	150,112,456	2,401,183	152,513,639
Capital assets, net of depreciation	323,507,646	159,910,363	483,418,009
<b>Total Assets</b>	<b>564,575,769</b>	<b>207,910,161</b>	<b>772,485,930</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	1,043,293	1,043,293
Deferred outflows related to pensions	11,091,183	878,215	11,969,398
Deferred outflows related to other-post employment benefits	7,747,416	1,701,804	9,449,220
<b>Total Deferred Outflows of Resources</b>	<b>18,838,599</b>	<b>3,623,312</b>	<b>22,461,911</b>
<b>Liabilities:</b>			
Accounts payable	6,211,279	1,262,990	7,474,269
Retentions payable	-	4,383	4,383
Accrued liabilities	1,313,497	552,706	1,866,203
Accrued interest	337,491	525,653	863,144
Unearned revenue	2,941,375	-	2,941,375
Deposits payable	4,029,627	537,035	4,566,662
Noncurrent liabilities due within one year:			
Bonds and notes payable	3,194,087	2,055,000	5,249,087
Capital leases	93,142	-	93,142
Compensated absences	1,313,018	258,124	1,571,142
Noncurrent liabilities due in more than one year:			
Bonds and notes payable	49,929,334	50,130,229	100,059,563
Capital leases	249,390	-	249,390
Compensated absences	1,007,885	28,614	1,036,499
Claims and judgments	71,005	-	71,005
Net pension liability	60,134,956	7,398,755	67,533,711
Net other post-employment benefits liability	42,445,359	9,323,587	51,768,946
<b>Total Liabilities</b>	<b>173,271,445</b>	<b>72,077,076</b>	<b>245,348,521</b>
<b>Deferred Inflows of Resources:</b>			
Unamortized gain on refunding of debt	1,679,274	-	1,679,274
Deferred inflows related to pensions	2,368,784	259,641	2,628,425
Deferred inflows related to other post-employment benefits	759,439	166,819	926,258
<b>Total Deferred Inflows of Resources</b>	<b>4,807,497</b>	<b>426,460</b>	<b>5,233,957</b>
<b>Net Position:</b>			
Net investment in capital assets	432,662,163	111,169,610	543,831,773
Restricted:			
Community development projects	2,440,854	-	2,440,854
Public safety	1,220,838	-	1,220,838
Public works	8,255,638	-	8,255,638
Capital projects	11,239,198	-	11,239,198
Debt service	2,129,913	321,170	2,451,083
Assessment districts	95,029	-	95,029
Public education government channel	769,866	-	769,866
Pension stabilization	980,597	-	980,597
Unrestricted	(54,458,670)	27,539,157	(26,919,513)
<b>Total Net Position</b>	<b>\$ 405,335,426</b>	<b>\$ 139,029,937</b>	<b>\$ 544,365,363</b>

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, 2020

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position						
	Expenses	Program Revenues			Primary Government		Total
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 13,163,295	\$ 987,076	\$ 107,792	\$ 510,342	\$ (11,558,085)	\$ -	\$ (11,558,085)
Public safety	52,487,121	4,010,010	246,220	-	(48,230,891)	-	(48,230,891)
Community development	7,648,520	243,523	4,570,146	-	(2,834,851)	-	(2,834,851)
Community services	2,877,766	87,101	-	-	(2,790,665)	-	(2,790,665)
Public works	22,210,314	9,041,842	9,754,077	100,512	(3,313,883)	-	(3,313,883)
Interest on long-term debt	2,104,816	-	-	-	(2,104,816)	-	(2,104,816)
Total Governmental Activities	100,491,832	14,369,552	14,678,235	610,854	(70,833,191)	-	(70,833,191)
Business-Type Activities:							
Water	24,451,359	23,107,020	2,491,125	-	-	1,146,786	1,146,786
Golf	1,254,068	1,067,430	-	-	-	(186,638)	(186,638)
Total Business-Type Activities	25,705,427	24,174,450	2,491,125	-	-	960,148	960,148
<b>Total Primary Government</b>	<b>\$ 126,197,259</b>	<b>\$ 38,544,002</b>	<b>\$ 17,169,360</b>	<b>\$ 610,854</b>	<b>(70,833,191)</b>	<b>960,148</b>	<b>(69,873,043)</b>
General Revenues:							
Taxes:							
Property taxes					18,539,985	-	18,539,985
Transient occupancy taxes					5,011,616	-	5,011,616
Sales taxes					22,622,369	-	22,622,369
Franchise taxes					2,534,861	-	2,534,861
Business licenses taxes					594,444	-	594,444
Utility users tax					7,972,183	-	7,972,183
Other taxes					2,306,098	-	2,306,098
Motor vehicle in lieu - unrestricted					70,761	-	70,761
Use of money and property					3,011,776	1,341,714	4,353,490
Other					557,673	172,102	729,775
Special items					326,996	-	326,996
Transfers					(53,315)	53,315	-
<b>Total General Revenues, Special Items, and Transfers</b>					<b>63,495,447</b>	<b>1,567,131</b>	<b>65,062,578</b>
Change in Net Position					(7,337,744)	2,527,279	(4,810,465)
Net Position at the Beginning of the Year					412,673,170	136,502,658	549,175,828
<b>Net Position at the End of the Year</b>					<b>\$ 405,335,426</b>	<b>\$ 139,029,937</b>	<b>\$ 544,365,363</b>



## CITY OF INDIO, CALIFORNIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>Capital Projects Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
<b>Assets:</b>				
Cash and investments	\$ 27,449,261	\$ 6,875,268	\$ 13,757,983	\$ 48,082,512
Receivables:				
Accounts	451,958	1,723,641	247,089	2,422,688
Taxes	3,231,959	-	-	3,231,959
Notes and loans	3,758,307	-	5,543,935	9,302,242
Accrued interest	40,214	12,023	18,730	70,967
Other	-	-	-	-
Prepaid costs	239,834	-	-	239,834
Due from other governments	3,426,391	335,098	1,164,856	4,926,345
Due from other funds	532,311	-	-	532,311
Advances to private-purpose trust funds	-	-	2,661,788	2,661,788
Property held for resale	8,858,514	-	482,154	9,340,668
Restricted assets:				
Cash and investments	980,597	-	-	980,597
Cash and investments with fiscal agents	-	-	2,702,946	2,702,946
<b>Total Assets</b>	<b>\$ 48,969,346</b>	<b>\$ 8,946,030</b>	<b>\$ 26,579,481</b>	<b>\$ 84,494,857</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,487,695	\$ 566,750	\$ 759,957	\$ 5,814,402
Accrued liabilities	1,228,645	1,068	27,433	1,257,146
Unearned revenues	-	1,774,998	1,166,377	2,941,375
Deposits payable	3,929,180	7,022	93,425	4,029,627
Due to other funds	-	-	289,316	289,316
<b>Total Liabilities</b>	<b>9,645,520</b>	<b>2,349,838</b>	<b>2,336,508</b>	<b>14,331,866</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	1,008,271	1,675,641	2,244,020	4,927,932
<b>Total Deferred Inflows of Resources</b>	<b>1,008,271</b>	<b>1,675,641</b>	<b>2,244,020</b>	<b>4,927,932</b>
<b>Fund Balances:</b>				
Nonspendable	12,856,655	-	-	12,856,655
Restricted	980,597	-	22,231,675	23,212,272
Committed	12,000,000	-	-	12,000,000
Assigned	9,283,186	4,920,551	-	14,203,737
Unassigned	3,195,117	-	(232,722)	2,962,395
<b>Total Fund Balances</b>	<b>38,315,555</b>	<b>4,920,551</b>	<b>21,998,953</b>	<b>65,235,059</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 48,969,346</b>	<b>\$ 8,946,030</b>	<b>\$ 26,579,481</b>	<b>\$ 84,494,857</b>

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, 2020**

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

Total fund balances - governmental funds		\$ 65,235,059
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		469,811,914
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	\$ (50,440,000)	
Unamortized premiums/(discounts) on bonds payable	(529,334)	
Deferred charge on bond refunding	(1,679,274)	
Installment agreement	(1,875,000)	
Notes payable	(279,087)	
Compensated absences	<u>(2,320,903)</u>	(57,123,598)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(337,491)
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.		(56,854,260)
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	6,402,904	
Changes in assumptions	1,550,099	
Difference between expected and actual experiences	2,469,182	
Adjustments due to differences in proportions	<u>279,587</u>	10,701,772
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	(437,761)	
Difference between expected and actual experiences	(210,645)	
Net difference between projected and actual earnings on plan investments	(842,892)	
Adjustments due to differences in proportions	(241,404)	
Difference in proportionate share	<u>(520,866)</u>	(2,253,568)
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.		(39,271,922)
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>7,168,180</u>	7,168,180
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>(702,659)</u>	(702,659)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		4,927,932
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>4,034,067</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 405,335,426</u></b>

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, 2020

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 57,647,370	\$ -	\$ 1,934,186	\$ 59,581,556
Licenses and permits	2,525,599	-	-	2,525,599
Intergovernmental	798,992	6,225,484	7,436,285	14,460,761
Charges for services	4,971,965	-	-	4,971,965
Use of money and property	1,404,691	1,094,237	511,993	3,010,921
Fines and forfeitures	688,809	-	55,428	744,237
Contributions	-	-	5,144,604	5,144,604
Developer participation	-	2,481,975	-	2,481,975
Miscellaneous	279,282	294,439	484,988	1,058,709
<b>Total Revenues</b>	<b>68,316,708</b>	<b>10,096,135</b>	<b>15,567,484</b>	<b>93,980,327</b>
<b>Expenditures:</b>				
Current:				
General government	6,954,097	-	319,441	7,273,538
Public safety	43,431,971	-	462,769	43,894,740
Community development	3,900,759	-	1,211,945	5,112,704
Community services	2,670,556	-	-	2,670,556
Public works	10,450,192	-	4,159,358	14,609,550
Capital outlay	29,633	8,372,797	944,758	9,347,188
Debt service:				
Principal retirement	-	279,088	2,926,468	3,205,556
Interest and fiscal charges	-	13,596	2,215,181	2,228,777
<b>Total Expenditures</b>	<b>67,437,208</b>	<b>8,665,481</b>	<b>12,239,920</b>	<b>88,342,609</b>
Excess of Revenues Over Expenditures	879,500	1,430,654	3,327,564	5,637,718
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,976,838	3,696,743	4,551,802	12,225,383
Transfers out	(6,284,306)	(1,785,000)	(5,431,586)	(13,500,892)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,307,468)</b>	<b>1,911,743</b>	<b>(879,784)</b>	<b>(1,275,509)</b>
Special items	-	326,996	-	326,996
Net Change in Fund Balance	(1,427,968)	3,669,393	2,447,780	4,689,205
Fund Balances at the Beginning of the Year	39,743,523	1,251,158	19,551,173	60,545,854
<b>Fund Balances at the End of the Year</b>	<b>\$ 38,315,555</b>	<b>\$ 4,920,551</b>	<b>\$ 21,998,953</b>	<b>\$ 65,235,059</b>

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, 2020**

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

Net change in fund balances - total governmental funds	\$	4,689,205	
<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	\$	9,408,709	
Depreciation		(15,159,975)	
Loss on disposal of capital assets		<u>(11,501)</u>	(5,762,767)
<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		2,240,000	
Amortization of bond premiums/discounts		28,707	
Amortization of deferred charge on bond refunding		96,830	
Installment agreement principal repayments		575,000	
Notes payable principal repayments		390,556	
Change in compensated absences		<u>(232,234)</u>	3,098,859
Net change in accrued interest on long-term debt for the current period reported on the statement of activities.			14,057
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.			(2,382,295)
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.			(3,502,733)
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.			(2,429,514)
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The net revenues of the internal service funds are reported with governmental activities.			<u>(1,062,556)</u>
<b>Change in Net Position of Governmental Activities</b>			<b><u>\$ (7,337,744)</u></b>

## CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Other Enterprise Funds	Totals	Activities- Internal Service Funds
<b>Assets:</b>				
Current Assets:				
Cash and investments	\$ 39,900,231	\$ 700,926	\$ 40,601,157	\$ 6,415,281
Accounts receivable	3,764,873	15,700	3,780,573	2,005
Accrued interest receivable	55,942	1,575	57,517	-
Prepaid costs	666,442	75,000	741,442	479,588
Inventories	86,430	10,326	96,756	-
Restricted cash with fiscal agents	321,170	-	321,170	96,247
Total Current Assets	44,795,088	803,527	45,598,615	6,993,121
Noncurrent Assets:				
Capital assets, not being depreciated	1,935,224	465,959	2,401,183	-
Capital assets, being depreciated	313,132,908	489,089	313,621,997	21,326,204
Less accumulated depreciation	(153,492,769)	(218,865)	(153,711,634)	(17,518,016)
Total Noncurrent Assets	161,575,363	736,183	162,311,546	3,808,188
<b>Total Assets</b>	<b>206,370,451</b>	<b>1,539,710</b>	<b>207,910,161</b>	<b>10,801,309</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	1,043,293	-	1,043,293	-
Deferred outflows related to pensions	874,421	3,794	878,215	389,411
Deferred outflows related to other post-employment benefits	1,698,969	2,835	1,701,804	579,236
<b>Total Deferred Outflows of Resources</b>	<b>3,616,683</b>	<b>6,629</b>	<b>3,623,312</b>	<b>968,647</b>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	1,205,306	57,684	1,262,990	396,877
Accrued liabilities	551,943	763	552,706	56,351
Accrued interest	525,653	-	525,653	-
Retentions payable	4,383	-	4,383	-
Deposits payable	537,035	-	537,035	-
Due to other funds	-	-	-	242,995
Compensated absences, due within one year	258,124	-	258,124	-
Capital leases, due within one year	-	-	-	93,142
Bonds payable, due within one year	2,055,000	-	2,055,000	-
Total Current Liabilities	5,137,444	58,447	5,195,891	789,365
Noncurrent Liabilities:				
Compensated absences	28,614	-	28,614	-
Accrued claims and judgments	-	-	-	71,005
Capital leases	-	-	-	249,390
Bonds payable	50,130,229	-	50,130,229	-
Net pension liability	7,366,796	31,959	7,398,755	3,280,696
Net other post-employment benefits liability	9,308,056	15,531	9,323,587	3,173,437
Total Noncurrent Liabilities	66,833,695	47,490	66,881,185	6,774,528
<b>Total Liabilities</b>	<b>71,971,139</b>	<b>105,937</b>	<b>72,077,076</b>	<b>7,563,893</b>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pensions	258,518	1,123	259,641	115,216
Deferred inflows related to other post-employment benefits	166,541	278	166,819	56,780
<b>Total Deferred Inflows of Resources</b>	<b>425,059</b>	<b>1,401</b>	<b>426,460</b>	<b>171,996</b>
<b>Net Position:</b>				
Net investment in capital assets	110,433,427	736,183	111,169,610	3,466,016
Restricted for debt service	321,170	-	321,170	-
Unrestricted	26,836,339	702,818	27,539,157	568,051
<b>Total Net Position</b>	<b>\$ 137,590,936</b>	<b>\$ 1,439,001</b>	<b>\$ 139,029,937</b>	<b>\$ 4,034,067</b>

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, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>				
Sales and service charges	\$ 23,107,020	\$ 1,067,430	\$ 24,174,450	\$ -
Interdepartmental charges	-	-	-	13,895,979
Other income	9,602	162,500	172,102	423,134
<b>Total Operating Revenues</b>	<b>23,116,622</b>	<b>1,229,930</b>	<b>24,346,552</b>	<b>14,319,113</b>
<b>Operating Expenses:</b>				
Personnel services	5,796,697	23,878	5,820,575	9,204,150
Contractual services	4,513,508	443,821	4,957,329	1,928,955
Repairs and maintenance	1,817,885	373,842	2,191,727	805,349
Claims expense	-	-	-	7,419
Depreciation expense	7,956,135	18,252	7,974,387	1,122,924
Materials and supplies	822,506	394,275	1,216,781	3,584,805
Rentals and leases	12,096	-	12,096	-
Utilities	1,316,930	-	1,316,930	-
<b>Total Operating Expenses</b>	<b>22,235,757</b>	<b>1,254,068</b>	<b>23,489,825</b>	<b>16,653,602</b>
Operating Income (Loss)	880,865	(24,138)	856,727	(2,334,489)
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	-	-	-	10,000
Interest revenue	1,306,773	34,941	1,341,714	855
Interest expense	(2,215,602)	-	(2,215,602)	(15,633)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(908,829)</b>	<b>34,941</b>	<b>(873,888)</b>	<b>(4,778)</b>
Income (Loss) before Transfers and Contributions	(27,964)	10,803	(17,161)	(2,339,267)
Transfers in	-	53,315	53,315	1,222,194
Grants and capital impact fees	2,491,125	-	2,491,125	54,517
Changes in Net Position	2,463,161	64,118	2,527,279	(1,062,556)
Net Position at the Beginning of the Year	135,127,775	1,374,883	136,502,658	5,096,623
<b>Net Position at the End of the Year</b>	<b>\$ 137,590,936</b>	<b>\$ 1,439,001</b>	<b>\$ 139,029,937</b>	<b>\$ 4,034,067</b>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers and users	\$ 25,455,765	\$ 1,251,662	\$ 26,707,427	\$ -
Receipts from interfund services and charges	-	-	-	13,972,186
Other receipts	-	-	-	326,032
Payments to suppliers and service providers	(9,376,939)	(2,960,497)	(12,337,436)	(6,332,377)
Payments to employees for salaries and benefits	(4,847,167)	(21,185)	(4,868,352)	(7,853,673)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>11,231,659</b>	<b>(1,730,020)</b>	<b>9,501,639</b>	<b>112,168</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfers from other funds	-	53,315	53,315	1,222,194
Repayment made on short-term interfund borrowing	-	-	-	(105,584)
Receipts from short-term interfund borrowing	-	-	-	1,346
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>-</b>	<b>53,315</b>	<b>53,315</b>	<b>1,117,956</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Grants and capital impact fees	2,491,125	-	2,491,125	10,000
Acquisition and construction of capital assets	(1,634,078)	-	(1,634,078)	(792,139)
Principal paid on capital debt	(1,980,000)	-	(1,980,000)	(89,579)
Interest paid on capital debt	(2,220,367)	-	(2,220,367)	(15,633)
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<b>(3,343,320)</b>	<b>-</b>	<b>(3,343,320)</b>	<b>(887,351)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	1,332,680	37,267	1,369,947	855
<b>Net Cash Provided by Investing Activities</b>	<b>1,332,680</b>	<b>37,267</b>	<b>1,369,947</b>	<b>855</b>
Net Increase (Decrease) in Cash and Cash Equivalents	9,221,019	(1,639,438)	7,581,581	343,628
Cash and Cash Equivalents July 1 (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
<b>Cash and Cash Equivalents June 30 (including \$321,170 and \$96,247 reported in restricted accounts in the Water and Internal Service funds, respectively)</b>	<b>\$ 40,221,401</b>	<b>\$ 700,926</b>	<b>\$ 40,922,327</b>	<b>\$ 6,511,528</b>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating income (loss)	\$ 880,865	\$ (24,138)	\$ 856,727	\$ (2,334,489)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	7,956,135	18,252	7,974,387	1,122,924
Decrease in accounts receivable	2,353,756	21,732	2,375,488	10,173
(Increase) in prepaid costs	(1,731)	-	(1,731)	(51,272)
(Increase) decrease in inventories	(9,415)	22,410	12,995	-
Increase (decrease) in accounts payable	(744,334)	(22,856)	(767,190)	38,004
Increase (decrease) in accrued liabilities	31,238	(80)	31,158	13,176
(Decrease) in retentions payable	(138,534)	-	(138,534)	-
(Decrease) in deposits payable	(14,613)	(1,748,113)	(1,762,726)	-
Increase in compensated absences	72,511	-	72,511	-
(Decrease) in accrued claims and judgments	-	-	-	(23,649)
Increase in pension obligations	1,037,815	2,668	1,040,483	662,194
Increase (decrease) in other post-employment benefits obligations	(192,034)	105	(191,929)	675,107
Total Adjustments	10,350,794	(1,705,882)	8,644,912	2,446,657
Net Cash Provided by (Used for) Operating Activities	\$ 11,231,659	\$ (1,730,020)	\$ 9,501,639	\$ 112,168
<b>Schedule of Non-Cash Capital and Related Financing Activities:</b>				
Capital contributions	\$ -	\$ -	\$ -	\$ 54,517
Amortization of deferred charge on refunding	65,206	-	65,206	-



CITY OF INDIO, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2020

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund</u>
		<u>RDA Successor Agency Fund</u>
<b>Assets:</b>		
Cash and investments	\$ 10,127,720	\$ 5,550,129
Receivables:		
Accounts receivable	-	476
Notes and loans receivable	-	553,956
Accrued interest receivable	13,257	8,397
Due from other governments	94,590	-
Property held for resale	-	5,974,273
Restricted cash and mutual funds held with fiscal agents	4,936,814	1,694,218
<b>Total Assets</b>	<b>\$ 15,172,381</b>	<b>13,781,449</b>
<b>Liabilities:</b>		
Accounts payable	\$ 131,382	65,037
Accrued liabilities	-	3,851
Accrued interest	-	969,802
Deposits payable	468,148	-
Due to bondholders	13,812,870	-
Due to members	759,981	-
Bonds payable, due within one year	-	2,370,000
Long-term liabilities:		
Bonds payable	-	51,846,955
Advances from the City of Indio	-	2,661,788
<b>Total Liabilities</b>	<b>\$ 15,172,381</b>	<b>57,917,433</b>
<b>Net Position:</b>		
Held in trust for the dissolution of the former Redevelopment Agency		(44,135,984)
<b>Total Net Position</b>		<b>\$ (44,135,984)</b>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Private-Purpose Trust Fund</u>
	<u>RDA Successor Agency Fund</u>
<b>Additions:</b>	
Investment Earnings:	
Interest	\$ 439,435
Net Investment Income	439,435
Charges for services	325,831
Taxes and assessments	5,550,560
Miscellaneous	64,546
<b>Total Additions</b>	<b><u>6,380,372</u></b>
<b>Deductions:</b>	
Community development	5,800,584
Interest expense	2,391,581
<b>Total Deductions</b>	<b><u>8,192,165</u></b>
Special Item	<u>(326,996)</u>
Changes in Net Position	(2,138,789)
Net Position at the Beginning of the Year	<u>(41,997,195)</u>
<b>Net Position at the End of the Year</b>	<b><u>\$ (44,135,984)</u></b>



## 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, 2020

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**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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**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, 2020, 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, 2020, due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

HBRRP	\$ (232,722)
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The following internal service funds had deficit net position as of June 30, 2020, 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	\$ (436,535)
Fleet Maintenance	(2,227,290)

**b. Compliance with Budgetary Limitations**

The Unclaimed Property, Asset Forfeiture, Cal Emergency Management, and Compost Mitigation Dillon special revenue funds; and the Assessment District capital projects fund did not adopt budgets for the year ended June 30, 2020.

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, 2020.



**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**III. DETAILED NOTES ON ALL FUNDS**

**Note 3: Cash and Investments**

Cash and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments		\$ 95,098,950
Cash and investments held by bond trustee		3,120,363
Restricted cash and investments		980,597
Fiduciary Funds:		
Cash and investments		15,677,849
Cash and investments held by bond trustee		6,631,032
Total cash and investments		<u>\$ 121,508,791</u>
Cash on hand		\$ 8,600
Deposits with financial institutions		16,324,786
Investments		<u>105,175,405</u>
Total cash and investments		<u>\$ 121,508,791</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, 2020**
**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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment In One Issuer</u>
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:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>		
		<u>12 Months Or Less</u>	<u>13 to 36 Months</u>	<u>37 to 60 Months</u>
Money Market Mutual Funds	\$ 83,986	\$ 83,986	\$ -	\$ -
U.S. Treasury Obligations	10,809,218	379,103	5,004,163	5,425,952
U.S. Agency Securities	21,674,100	-	11,673,554	10,000,546
Medium Term Notes	12,059,135	-	7,372,007	4,687,128
Mortgage Pass-Through Securities	3,133,093	-	91,640	3,041,453
Local Agency Investment Fund	46,683,881	46,683,881	-	-
Held by Bond Trustee:				
Money Market Funds	10,731,992	10,731,992	-	-
<b>Total</b>	<b>\$ 105,175,405</b>	<b>\$ 57,878,962</b>	<b>\$ 24,141,364</b>	<b>\$ 23,155,079</b>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**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	\$ 83,986	AAA	\$ 83,986	\$ -	\$ -	\$ -
U.S. Treasury Obligations	10,809,218	N/A	10,809,218	-	-	-
U.S. Agency Securities	21,674,100	AAA	21,674,100	-	-	-
Medium Term Notes	12,059,135	A	635,060	2,674,052	8,750,023	-
Mortgage Pass-Through Securities	3,133,093	AAA	3,133,093	-	-	-
Local Agency Investment Fund	46,683,881	N/A	-	-	-	46,683,881
Held by Bond Trustee:						
Money Market Mutual Funds	10,731,992	AAA	10,731,992	-	-	-
<b>Total</b>	<b>\$105,175,405</b>		<b>\$ 47,067,449</b>	<b>\$ 2,674,052</b>	<b>\$ 8,750,023</b>	<b>\$ 46,683,881</b>

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, 2020, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

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**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, 2020, investments in any one issuer that represents 5% or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan Banks	U.S. Agency Securities	\$6,023,909

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, 2020, all of the City's investments are valued using Level 2 inputs, with the exception of LAIF, which is uncategorized.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**Note 4: Interfund Receivables, Payables, and Transfers**

Transfers in and out for the fiscal year ended June 30, 2020, were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 2,392,006 (a)
General Fund	Other Governmental Funds	2,616,791 (b)
General Fund	Nonmajor Enterprise Funds	53,315 (d)
General Fund	Internal Service Funds	1,222,194 (e)
Capital Projects Fund	Other Governmental Funds	1,785,000 (b)
Other Governmental Funds	General Fund	3,976,838 (c)
Other Governmental Funds	Capital Projects Fund	1,304,737 (a)
Other Governmental Funds	Other Governmental Funds	150,011 (f)
Total		<u>\$ 13,500,892</u>

Interfund transfers were principally used for the following purposes:

- a. \$2,392,006 and \$1,304,737 was transferred from the General Fund and various other governmental funds, respectively, to the Capital Projects fund to cover costs associated with public works projects and other building costs.
- b. \$2,616,791 and \$1,785,000 were transferred from the General Fund and Capital Projects Fund, respectively, to the Other Governmental Funds to cover debt service payments. The remaining amounts are for various other operating purposes.
- c. \$3,976,838 was transferred from the Other Governmental Funds to the General Fund for police and fire services.
- d. \$53,315 was transferred from the General Fund to the Golf Fund to cover operational deficits.
- e. \$1,222,194 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. \$150,011 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, 2020, are as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 289,316
General Fund	Internal Service Funds	242,995
Total		<u>\$ 532,311</u>

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

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**Note 5: Notes Receivable and Long-Term Receivable**

	<u>Outstanding at June 30, 2020</u>
First time home buyer notes issued to homebuyers	\$ 46,100
Neighborhood Stabilization deferred loan program	1,554,392
Housing rehabilitation deferred loan program	259,962
Horizons at Indio senior housing project	3,683,481
Geovel, Inc. secured promissory note	<u>3,758,307</u>
Total	<u>\$ 9,302,242</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, 2020, 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, 2020, was \$3,683,481.

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, 2020, was \$259,962.

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, 2020, was \$1,554,392.

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, 2020, was \$3,758,307.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

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**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	\$ 12,367,211	\$ 164,000	\$ 318,154	\$ 12,849,365
Impairment allowance	(3,508,697)	-	-	(3,508,697)
Total	<u>\$ 8,858,514</u>	<u>\$ 164,000</u>	<u>\$ 318,154</u>	<u>\$ 9,340,668</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, 2020

Note 7: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, is as follows:

a. Governmental Activities:

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Structures and improvements	\$ 37,123,320	\$ -	\$ -	\$ -	\$ 37,123,320
Machinery and equipment	8,648,514	100,501	-	-	8,749,015
Vehicles	10,967,598	746,155	-	-	11,713,753
Infrastructure: street network	563,301,425	2,501,794	-	10,605,260	576,408,479
Total cost of depreciable assets	620,040,857	3,348,450	-	10,605,260	633,994,567
Less accumulated depreciation:					
Structures and improvements	10,429,866	930,286	-	-	11,360,152
Machinery and equipment	7,378,863	413,920	-	-	7,792,783
Vehicles	8,897,508	687,418	-	-	9,584,926
Infrastructure: street network	267,497,785	14,251,275	-	-	281,749,060
Total accumulated depreciation	294,204,022	16,282,899	-	-	310,486,921
Net depreciable assets	325,836,835	(12,934,449)	-	10,605,260	323,507,646
Capital assets not depreciated:					
Construction in process	55,234,858	6,906,915	-	(10,605,260)	51,536,513
Land	41,964,082	-	-	-	41,964,082
Right of way	56,623,362	-	11,501	-	56,611,861
Total capital assets not depreciated	153,822,302	6,906,915	11,501	(10,605,260)	150,112,456
Capital assets, net	\$ 479,659,137	\$ (6,027,534)	\$ 11,501	\$ -	\$ 473,620,102

Total depreciation expense of \$16,282,899, including \$1,122,924 of internal service depreciation, was charged in the following functions:

General government	\$ 5,398,074
Public safety	977,197
Public works	6,789,976
Community development	1,950,409
Human services	44,319
Internal service funds	1,122,924
	<u>\$ 16,282,899</u>



CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

Note 7: Capital Assets (Continued)

b. Business-Type Activities:

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Structures and improvements	\$ 15,335,463	\$ 15,981	\$ -	\$ -	\$ 15,351,444
Machinery and equipment	3,312,612	27,837	-	-	3,340,449
Vehicles	1,935,183	189,587	-	-	2,124,770
Utility distribution system	288,728,853	-	-	4,076,481	292,805,334
 Total cost of depreciable assets	 309,312,111	 233,405	 -	 4,076,481	 313,621,997
 Less accumulated depreciation:					
Structures and improvements	3,284,034	382,596	-	-	3,666,630
Machinery and equipment	2,625,974	213,389	-	-	2,839,363
Vehicles	1,415,602	109,155	-	-	1,524,757
Utility distribution system	138,411,637	7,269,247	-	-	145,680,884
 Total accumulated depreciation	 145,737,247	 7,974,387	 -	 -	 153,711,634
 Net depreciable assets	 163,574,864	 (7,740,982)	 -	 4,076,481	 159,910,363
 Capital assets not depreciated:					
Construction in process	2,908,022	1,400,673	-	(4,082,181)	226,514
Land	2,168,969	-	-	5,700	2,174,669
 Total capital assets not depreciated	 5,076,991	 1,400,673	 -	 (4,076,481)	 2,401,183
 Capital assets, net	 <u>\$ 168,651,855</u>	 <u>\$ (6,340,309)</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 162,311,546</u>

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

Water	\$ 7,956,135
Golf	18,252
	<u>\$ 7,974,387</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**Note 8: Obligations Under Capital Leases**

A summary of changes of governmental activities' capital lease obligations for the year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Facilities Energy Efficient Equipment	\$ 432,111	\$ -	\$ 89,579	\$ 342,532	\$ 93,142
Totals	\$ 432,111	\$ -	\$ 89,579	\$ 342,532	\$ 93,142

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, 2020, on this contract was \$342,532.

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,	
2021	\$ 105,212
2022	105,212
2023	105,212
2024	52,606
Subtotal	368,242
Less amount representing interest	(25,710)
Present value of future lease payments	<u>\$ 342,532</u>

**Note 9: Compensated Absences**

Changes in compensated absences for the year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Governmental Activities	\$ 2,088,667	\$ 1,413,870	\$ 1,181,634	\$ 2,320,903	\$ 1,313,018
Business-Type Activities	214,227	265,360	192,849	286,738	258,124
Totals	\$ 2,302,894	\$ 1,679,230	\$ 1,374,483	\$ 2,607,641	\$ 1,571,142

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, 2020

**Note 10: Long-Term Debt**

Changes in long-term obligations for the year ended June 30, 2020, are as follows:

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
Lease Revenue Refunding Bonds, Series 2012	\$ 19,285,000	\$ -	\$ 635,000	\$ 18,650,000	\$ 670,000
Lease Revenue Refunding Bonds, Series 2016A	14,150,000	-	500,000	13,650,000	515,000
Taxable Lease Revenue Refunding Bonds, Series 2016B	4,210,000	-	480,000	3,730,000	490,000
Judgment Obligation Bonds, Series 2017	15,035,000	-	625,000	14,410,000	640,000
Unamortized Bond Premiums/(Discounts)	558,041	-	28,707	529,334	-
Subtotal - Bonds Payable	53,238,041	-	2,268,707	50,969,334	2,315,000
Direct Borrowings and Direct Placements:					
Installment Sale Agreement	2,450,000	-	575,000	1,875,000	600,000
Riverside County Transportation Commission Note Payable	111,469	-	111,469	-	-
County of Riverside/CVAG Note Payable	558,174	-	279,087	279,087	279,087
Subtotal - Direct Borrowings and Direct Placements	3,119,643	-	965,556	2,154,087	879,087
<b>Total - Governmental Activities</b>	<b>\$ 56,357,684</b>	<b>\$ -</b>	<b>\$ 3,234,263</b>	<b>\$ 53,123,421</b>	<b>\$ 3,194,087</b>
<b>Business-Type Activities:</b>					
Bonds Payable:					
Enterprise Revenue Refunding Bonds, Series 2015A and B	\$ 53,045,000	\$ -	\$ 1,980,000	\$ 51,065,000	\$ 2,055,000
Unamortized Bond Premiums/(Discounts)	1,176,241	-	56,012	1,120,229	-
<b>Total - Business-Type Activities</b>	<b>\$ 54,221,241</b>	<b>\$ -</b>	<b>\$ 2,036,012</b>	<b>\$ 52,185,229</b>	<b>\$ 2,055,000</b>

**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, 2020, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$18,650,000.

**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, 2020, the outstanding balance of the Series 2016A bonds was \$13,650,000.

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, 2020, the outstanding balance of the Series 2016B bonds was \$3,730,000.

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, 2020, the outstanding balance of the Series 2017 bonds was \$14,410,000.

**Note 10: Long-Term Debt (Continued)**

**b. Governmental Activities – Direct Borrowings and Direct Placements**

Installment Sale Agreement

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

Principal installments are due annually on each Certificate payment date and the interest installments are due semiannually on each Certificate interest payment date. Principal installment payments range from \$340,000 to \$674,050 and are scheduled to terminate in 2023. The installments accrue interest at rates between 4.00% and 4.375%. The City of Indio's outstanding installment sale obligation is \$1,875,000 as of June 30, 2020.

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, 2020, was \$0.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**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, 2020 was \$279,087.

**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
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	2,700,000	1,635,055	-	-
2026-2030	13,390,000	6,471,485	-	-
2031-2035	15,055,000	3,641,692	-	-
2036-2038	9,475,000	576,747	-	-
	<u>\$ 50,440,000</u>	<u>\$ 19,859,961</u>	<u>\$ 2,154,087</u>	<u>\$ 164,426</u>

**d. Business-Type Activities – Bonds Payable**Enterprise 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, 2020, the outstanding balance of the Series 2015A bonds and Series 2015B bonds were \$51,065,000 and \$0, 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, 2020

**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
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	2,495,000	1,660,363
2026-2030	14,160,000	6,619,913
2031-2035	16,910,000	3,858,413
2036-2040	8,655,000	908,619
	<u>\$ 51,065,000</u>	<u>\$ 20,821,010</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	\$ 1,926,686	\$ 680,113	35%



NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**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 the measurement date, are summarized as follows:

	<b>Miscellaneous Plans</b>		
	Classic *	PEPRA	
	Prior to 7/1/2013	After 7/1/2013	
Hire date			
Benefit formula	2.7% @ 55	2.7% @ 62	
Benefit vesting schedule	5 yr. of service	5 yr. of service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50-55	52-67	
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%	
Required employee contribution rates	7.49%	6.25%	
Required employer contribution rates	11.772%	11.772%	
	<b>Safety Plans</b>		
	Classic I *	Classic II *	PEPRA
Hire date	Prior to 7/1/2011	7/1/2011 - 7/1/2013	After 7/1/2013
Benefit formula	3.0% @ 50	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 yr. of service	5 yr. of service	5 yr. of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% - 3.0%	2.0% - 2.7%
Required employee contribution rates	8.99%	8.99%	12.75%
Required employer contribution rates	23.654%	20.603%	13.786%

\* Plan is closed to new entrants.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**Note 12: Pension Plans (Continued)**

**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>

**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, 2020, the contributions recognized as a reduction to the net pension liability was \$3,330,987 and \$3,571,705 for the miscellaneous and safety plans, respectively.

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

The June 30, 2018 valuations were rolled forward to determine the June 30, 2019 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 <sup>1</sup> :	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

<sup>1</sup> 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, 2020**

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**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 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
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%

<sup>(1)</sup> An expected inflation of 2.00% used for this period.

<sup>(2)</sup> 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

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**Note 12: Pension Plans (Continued)**

**h. Amortization of Deferred Outflows and Deferred Inflows of Resources**

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

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

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

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

The EARSL for the Miscellaneous Plan for the measurement period ending June 30, 2019 is 3.1 years, which was obtained by dividing the total service years of 1,799 by the total number of plan participants, 574. The EARSL for the Safety Plan pooled in CalPERS Plan PERF C for the measurement dated ending June 30, 2019 is 3.8 years, which was obtained by dividing the pool's total service years of 530,470 by the total number of plan participants in the PERF C, 140,593.

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

As of June 30, 2020, the City reported net pension liabilities of each as follows:

<u>Net Pension Liability</u>	
Miscellaneous agent	\$ 29,715,595
Safety cost-sharing proportionate share	<u>37,818,116</u>
Total Net Pension Liability	<u>\$ 67,533,711</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**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)
<b>Balance at: 06/30/2018 (valuation date)</b>	<b>\$ 95,820,473</b>	<b>\$ 66,465,504</b>	<b>\$ 29,354,969</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	2,315,791	-	2,315,791
Interest on Total Pension Liability	6,759,649	-	6,759,649
Changes of Benefit Terms	-	-	-
Changes of Assumptions	-	-	-
Differences between Expected and Actual Experience	(90,046)	-	(90,046)
Net Plan to Plan Resource Movement	-	-	-
Contributions - Employer	-	3,330,987	(3,330,987)
Contributions - Employees	-	911,463	(911,463)
Net Investment Income	-	4,429,595	(4,429,595)
Benefit Payments, including Refunds of Employee Contributions	(4,695,594)	(4,695,594)	-
Administrative Expense	-	(47,431)	47,431
Other Miscellaneous Income/(Expense)	-	154	(154)
<b>Net Changes during 2018-19</b>	<b>\$ 4,289,800</b>	<b>\$ 3,929,174</b>	<b>\$ 360,626</b>
<b>Balance at: 06/30/2019 (measurement date)</b>	<b>\$ 100,110,273</b>	<b>\$ 70,394,678</b>	<b>\$ 29,715,595</b>

Proportionate Share of the Net Pension Liability – Safety Plans

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

	Total Plans
Proportion - June 30, 2019	0.3469%
Proportion - June 30, 2018	0.3716%
Change - Increase (Decrease)	<u>-6.6351%</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

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

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

	Discount Rate - 1% 6.15%	Current Rate 7.15%	Discount Rate + 1% 8.15%
Miscellaneous Plan	\$ 43,619,455	\$ 29,715,595	\$ 18,291,638
Safety Plan	54,992,394	37,818,116	23,737,898
<b>Total Plans</b>	<b>\$ 98,611,849</b>	<b>\$ 67,533,711</b>	<b>\$ 42,029,536</b>

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

For the fiscal year ended June 30, 2020, the City recognized pension expense as follows:

<u>Miscellaneous</u>	<u>Safety</u>	<u>Total Plans</u>
\$ 5,265,620	\$ 6,490,085	\$ 11,755,705

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b><u>Miscellaneous Plan:</u></b>		
Employer contributions subsequent to measurement date	\$ 3,527,169	\$ -
Changes of assumptions	-	211,142
Differences between expected and actual experiences	-	328,820
Net difference between projected and actual earnings on pension plan investments	-	503,643
<b>Total Miscellaneous Plan</b>	<b>3,527,169</b>	<b>1,043,605</b>
<b><u>Safety Plan:</u></b>		
Employer contributions subsequent to measurement date	4,143,360	-
Changes of assumptions	1,550,100	302,300
Differences between expected and actual experiences	2,469,182	-
Net difference between projected and actual earnings on pension plan investments	-	520,251
Adjustments due to differences in proportions	279,587	241,403
Difference in proportionate share	-	520,866
<b>Total Safety Plan</b>	<b>8,442,229</b>	<b>1,584,820</b>
<b>Total All Plans</b>	<b>\$ 11,969,398</b>	<b>\$ 2,628,425</b>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

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**Note 12: Pension Plans (Continued)**

The \$3,527,169 and \$4,143,360 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, 2021. 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
2021	\$ (294,250)	\$ 2,492,990	\$ 2,198,740
2022	(678,806)	(213,803)	(892,609)
2023	(127,236)	333,433	206,197
2024	56,687	101,429	158,116

**I. Pension Plan Fiduciary Net Position**

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

**Note 13: Other Post-Employment Benefits****a. Plan Description**Plan Administration

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

Benefits Provided

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 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 \$1,500/month for retirees in 2019 for employees hired prior to August 1, 2009. The limit is \$1,500/month for all groups in 2019 and \$1,600/month for all groups in 2020.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**Note 13: Other Post-Employment Benefits (Continued)**

The 2019 "100/90" monthly dollar amounts are \$734 single, \$1,398 two-party, and \$1,788 family, and for 2020 the corresponding amounts are \$767, \$1,461, and \$1,868. In addition, the City pays a 0.27%-of-premium administrative fee to PEMHCA for each retiree.

Plan Membership

At July 1, 2019, membership consisted of the following:

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

Contributions

The 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 2019-20, the City recognized contributions in reduction to the net other post-employment benefit (OPEB) liability of \$1,975,767.

**b. Net OPEB Liability**

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

Actuarial Assumptions

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

Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	6.00 percent, net of OPEB plan administrative expense
Healthcare cost trend rate	6.00 percent for 2019 decreasing 0.10 percent each year to an ultimate rate of 5.00 percent for 2029 and later years

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

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

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



NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**Note 13: Other Post-Employment Benefits (Continued)**

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

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

Discount Rate

GASB 75 requires a discount rate that reflects the following:

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

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

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2019	June 30, 2018	6.00%	3.62%	4.00%
June 30, 2020	June 30, 2019	6.00%	3.13%	3.13%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

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)
<b>Balance at: 06/30/2018 (valuation date)</b>	<b>\$ 52,024,403</b>	<b>\$ 1,558,613</b>	<b>\$ 50,465,790</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	1,059,988	-	1,059,988
Interest	2,085,750	-	2,085,750
Changes of Assumptions	1,444,873	-	1,444,873
Differences between Expected and Actual Experience	(1,203,586)	-	(1,203,586)
Contributions - Employer <sup>1</sup>	-	1,975,767	(1,975,767)
Net Investment Income	-	108,437	(108,437)
Benefit Payments <sup>1</sup>	(1,899,929)	(1,899,929)	-
Administrative Expense	-	(335)	335
<b>Net Changes during 2018-19</b>	<b>\$ 1,487,096</b>	<b>\$ 183,940</b>	<b>\$ 1,303,156</b>
<b>Balance at: 06/30/2019 (measurement date)</b>	<b>\$ 53,511,499</b>	<b>\$ 1,742,553</b>	<b>\$ 51,768,946</b>

<sup>1</sup> 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 (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Net OPEB liability (asset)	\$60,668,916	\$51,768,946	\$44,730,485

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 (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	\$44,561,429	\$51,768,946	\$60,825,864

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](http://www.calpers.ca.gov).

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**Note 13: Other Post-Employment Benefits (Continued)**

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

For the year ended June 30, 2020, the City recognized \$5,964,733 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, 2020, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions after the measurement date	\$ 1,978,822	\$ -
Changes in assumptions or other inputs	7,470,398	-
Differences between expected and actual experience	-	910,028
Differences between projected and actual return on plan investments	-	16,230
Total	<u>\$ 9,449,220</u>	<u>\$ 926,258</u>

The \$1,978,822 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, 2021. 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
2021	\$ 3,090,503
2022	3,090,503
2023	359,723
2024	3,411

**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 118 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

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

For 2019-2020 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**c. Purchased Insurance**

Pollution Legal Liability Insurance

The City 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 \$149,682,632. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

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

**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2019-20.

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
2017-18	\$ 160,795	\$ 13,848	\$ -	\$ 174,643
2018-19	174,643	-	(79,989)	94,654
2019-20	94,654	-	(23,649)	71,005

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**
**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 6/30/2019	FY19/20 DS Principal	Outstanding 6/30/2020
AD99-1/R	7/26/2012	\$ 1,520,000	4.690%	9/2/2020	\$ 370,000	\$ 180,000	\$ 190,000
AD2001-1/R	7/26/2012	3,295,000	4.690%	9/2/2026	1,975,000	210,000	1,765,000
AD2002-1/R	7/26/2012	3,410,000	4.690%	9/2/2026	2,160,000	200,000	1,960,000
AD2002-2/R	7/26/2012	2,162,900	4.690%	9/2/2027	1,377,833	122,024	1,255,809
AD2002-3/R	7/26/2012	4,119,800	4.710%	9/2/2027	2,607,831	239,918	2,367,913
AD2003-1/R	7/23/2014	1,752,000	3.550%	9/2/2029	1,365,000	107,000	1,258,000
AD2003-2/R	7/23/2014	1,402,000	3.550%	9/2/2029	1,101,000	85,000	1,016,000
AD2003-3/R	7/23/2014	4,038,000	3.550%	9/2/2029	3,168,000	242,000	2,926,000
AD2003-5/R	7/23/2014	1,343,000	3.550%	9/2/2029	1,053,000	79,000	974,000
AD2003-6/R	7/23/2014	1,627,000	3.550%	9/2/2029	1,277,000	99,000	1,178,000
AD2004-1/R	7/19/2017	1,465,000	2.80% to 6.00%	9/2/2030	1,465,000	95,000	1,370,000
AD2004-2/R	7/19/2017	2,320,000	1.67% to 3.86%	9/2/2030	2,320,000	160,000	2,320,000
AD2004-3/R	7/19/2017	3,910,000	2.90% to 5.50%	9/2/2030	3,910,000	260,000	2,320,000
CFD2004-3	8/4/2015	15,530,000	2.00% to 4.00%	9/1/2035	13,802,000	585,000	13,217,000
CFD2005-1 A1/R	7/23/2014	8,337,000	4.030%	9/1/2036	7,340,000	285,000	7,055,000
CFD2006-1/R	7/23/2014	7,554,000	4.030%	9/1/2036	7,474,000	288,000	7,186,000
CFD2005-1 A2/R	7/23/2014	8,499,000	4.030%	9/1/2036	6,628,000	259,000	6,369,000

**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 2019-2020, payment in the amount of \$470,111 was made to the County.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

**Note 16: Contingent Liabilities and Commitment**

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.

Construction Commitments

The following schedule summarizes the City’s major contractual commitments as of June 30, 2020:

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2020</u>	<u>Remaining Commitments</u>
Jackson Street Bridge Retrofit	\$ 3,288,777	\$ 173,385	\$ 3,115,392
Public Safety Campus	2,800,000	518,345	2,281,655

**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, 2020, 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, 2020 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, 2020

**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, 2020, is as follows:

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Prepaid costs	\$ 239,834	\$ -	\$ -	\$ 239,834
Property held for resale	8,858,514	-	-	8,858,514
Notes and loans receivable	3,758,307	-	-	3,758,307
Total Non spendable Fund Balance	<u>12,856,655</u>	<u>-</u>	<u>-</u>	<u>12,856,655</u>
<b>Restricted:</b>				
Gas Tax	-	-	949,505	949,505
Traffic safety	-	-	182,489	182,489
Public safety	-	-	342,999	342,999
Supplemental law enforcement	-	-	353,912	353,912
LLEBG	-	-	17,936	17,936
Homeland security	-	-	7,943	7,943
Abandoned vehicle	-	-	170,191	170,191
Unclaimed property	-	-	9,870	9,870
Measure A	-	-	1,379,458	1,379,458
Pension stabilization	980,597	-	-	980,597
NPDES	-	-	3,119	3,119
Air quality	-	-	224,302	224,302
Construction projects	-	-	133,765	133,765
Waste recycling AB 939	-	-	671,569	671,569
Community facilities districts	-	-	95,029	95,029
Certified access specialist SB 1186	-	-	70,849	70,849
Low- and moderate-income housing	-	-	8,276,304	8,276,304
Department of Conservation recycle grant	-	-	51,187	51,187
Public education government channel	-	-	769,866	769,866
Neighborhood stabilization programs	-	-	1,268,250	1,268,250
Lighting and landscaping	-	-	3,025,087	3,025,087
Asset forfeiture	-	-	4,270	4,270
Emergency abandoned and recalcitrant	-	-	131,105	131,105
Community development block grant	-	-	11,223	11,223
Donations	-	-	75,822	75,822
SB 1 transportation	-	-	1,875,589	1,875,589
Cal emergency management	-	-	123	123
Debt service	-	-	2,129,913	2,129,913
Total Restricted	<u>980,597</u>	<u>-</u>	<u>22,231,675</u>	<u>23,212,272</u>
<b>Committed:</b>				
Economic uncertainty	12,000,000	-	-	12,000,000
Total Committed	<u>12,000,000</u>	<u>-</u>	<u>-</u>	<u>12,000,000</u>
<b>Assigned:</b>				
Capital projects	-	4,920,551	-	4,920,551
Fire ladder truck	200,000	-	-	200,000
Radio replacements	1,000,000	-	-	1,000,000
FY 2020-21 budget	6,475,809	-	-	6,475,809
Special projects	566,882	-	-	566,882
Reserve for encumbrances	539,549	-	-	539,549
Administrative	500,946	-	-	500,946
Total Assigned	<u>9,283,186</u>	<u>4,920,551</u>	<u>-</u>	<u>14,203,737</u>
Unassigned	<u>3,195,117</u>	<u>-</u>	<u>(232,722)</u>	<u>2,962,395</u>
Total Fund Balance (Deficit)	<u>\$ 38,315,555</u>	<u>\$ 4,920,551</u>	<u>\$ 21,998,953</u>	<u>\$ 65,235,059</u>



**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, 2020, the City abated tax increments totaling \$68,074 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, 2020, the City abated tax increments totaling \$137,008 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, 2020**

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

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

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

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

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

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

**a. Cash and Investments**

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

Cash and investments pooled with the City	\$ 5,550,129
Cash and investments with fiscal agent	<u>1,694,218</u>
Total	<u>\$ 7,244,347</u>

**b. Notes Receivable**

As of June 30, 2020, notes receivable consisted of the following:

Jackalope	\$ 507,239
Housing rehabilitation deferred loan program	<u>46,717</u>
Total	<u>\$ 553,956</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**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, 2020 was \$507,239.

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, 2020 was \$46,717.

**c. Land Held for Resale**

Land held for resale in the RDA Capital Project Fund consists of 13 properties purchased as early as 1950. The purchases of these properties are spread over a longer period and recorded at cost. As of June 30, 2020, land held for resale totaled \$5,974,273.

**d. SERAF Advance**

In January 2010, the former Redevelopment Low/Moderate Fund loaned the former Redevelopment Capital Projects Fund \$4,557,784 for payment of the SERAF contribution. In fiscal year 2010-2011, the former Redevelopment Low/Moderate Fund loaned the Redevelopment Capital Project Funds \$938,367 for payment of the SERAF contribution. The Indio Housing Authority will be repaid in installments. Long term payable balance as of June 30, 2020 was \$2,661,788.

**e. Long-Term Liabilities**

Long-term debt of the Successor Agency as of June 30, 2020, consisted of the following:

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020	Due Within One Year
Public Offerings:					
1997 Series A	\$ 95,000	\$ -	\$ 95,000	\$ -	\$ -
Tax Allocation 2004A	7,960,000	-	185,000	7,775,000	100,000
Tax Allocation 2008A and B	15,525,000	-	660,000	14,865,000	695,000
2018 Subordinate Tax Allocation A and B	30,665,000	-	2,260,000	28,405,000	1,575,000
Unamortized Bond Premiums/(Discounts)	3,381,457	-	209,502	3,171,955	-
<b>Total - Public Offerings</b>	<b>\$ 57,626,457</b>	<b>\$ -</b>	<b>\$ 3,409,502</b>	<b>\$ 54,216,955</b>	<b>\$ 2,370,000</b>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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**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, 2020 was \$0.

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.

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, 2020, the reserve was fully funded and the outstanding balance of the Series 2004A was \$7,775,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

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

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.

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

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

Reserve requirements for the Series 2008A and Series 2008B bonds are disclosed in the bond documents. At June 30, 2020, the reserves were fully funded and the outstanding balance of the Series 2008A and Series 2008B bonds were \$14,865,000 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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

**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, the bond trustee may declare the principal of the bonds to be immediately due and payable, whereupon that portion of the principal of the bonds thereby coming due and the interest thereon accrued to the date of payment will, without further action, become and be immediately due and payable.

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

Per the terms of the bond indenture, the bonds are required to maintain a reserve in the amount of the maximum annual debt service on the outstanding bonds, 125% of the average annual debt service for that every subsequent bond year, or 10% of the original issue price of the bonds held in a special escrow fund. At June 30, 2020, the reserve was fully funded and the outstanding balance of the bonds was \$28,405,000.

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
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	2,620,000	2,071,053
2026-2030	15,695,000	8,078,858
2031-2035	19,560,000	3,213,908
2036	3,405,000	78,810
	<u>\$ 51,045,000</u>	<u>\$ 22,953,074</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 \$73,998,074 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$5,550,560 and the debt service obligation on the bonds was \$5,845,919.

**CITY OF INDIO, CALIFORNIA**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2020**

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**Note 21: Special Item**

During the fiscal year, the City received assets in the amount of \$326,996 from the Successor Agency which resulted in a Special Item being presented on the basic financial statements for both the governmental funds and the private purpose trust fund. During the year, the Successor Agency transferred assets to be sold by the City to the City, as part of the Successor Agency wind down process, and in accordance with the Successor Agency's long-range property management plan.

**Note 22: Subsequent Event**

On March 27, 2020, in response to the economic fallout of the Coronavirus pandemic in the United States, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, which provided \$2.2 trillion in economic stimulus funding through a variety of channels. The State of California received a \$500 million allocation to provide cities which did not receive a direct federal allocation through the CARES Act. The City entered into an agreement with the State of California in July 2020 to receive their allocation of the CARES Act funding. The funding is to be received in six monthly installments of \$186,752, with the first installment received by the City in July 2020. The total amount of CARES Act funding to be received by the City is \$1,120,512. This funding was for the reimbursement of costs incurred by the City since the start of the pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION**



CITY OF INDIO, CALIFORNIA

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 39,743,523	\$ 39,743,523	\$ 39,743,523	\$ -
<b>Resources (Inflows):</b>				
Taxes:				
Sales taxes	23,701,000	24,130,000	22,622,369	(1,507,631)
Property taxes	18,499,000	18,085,000	18,539,985	454,985
Utility users taxes	8,300,000	7,760,000	7,972,183	212,183
Transient occupancy taxes	7,720,000	8,720,000	5,011,616	(3,708,384)
Franchise taxes	2,529,600	2,529,600	2,534,861	5,261
Business license taxes	640,000	640,000	594,444	(45,556)
Other taxes	400,000	400,000	371,912	(28,088)
Total taxes	<u>61,789,600</u>	<u>62,264,600</u>	<u>57,647,370</u>	<u>(4,617,230)</u>
Licenses and permits:				
Building permits	2,326,000	1,812,000	1,930,249	118,249
Other permits	361,500	361,500	370,232	8,732
Business licenses	250,000	250,000	225,118	(24,882)
Total licenses and permits	<u>2,937,500</u>	<u>2,423,500</u>	<u>2,525,599</u>	<u>102,099</u>
Intergovernmental:				
Grants	219,000	229,000	728,231	499,231
Motor vehicle license fees	40,000	40,000	70,761	30,761
Total intergovernmental	<u>259,000</u>	<u>269,000</u>	<u>798,992</u>	<u>529,992</u>
Charges for services:				
Police	4,068,600	4,278,600	423,357	(3,855,243)
Plan checks and inspections	1,679,000	1,679,000	1,709,868	30,868
Fire and ambulance	1,774,000	2,100,000	2,300,056	200,056
Other	816,000	816,000	538,684	(277,316)
Total charges for services	<u>8,337,600</u>	<u>8,873,600</u>	<u>4,971,965</u>	<u>(3,901,635)</u>
Fines and forfeitures				
Parking	265,500	265,500	352,243	86,743
Vehicle	200,000	200,000	227,182	27,182
Other	190,000	190,000	109,384	(80,616)
Total fines and forfeitures	<u>655,500</u>	<u>655,500</u>	<u>688,809</u>	<u>33,309</u>
Use of money and property	774,870	919,870	1,404,691	484,821
Miscellaneous	2,472,500	2,487,000	279,282	(2,207,718)
Transfers in	3,917,000	3,917,000	3,976,838	59,838
<b>Amounts Available for Appropriations</b>	<b><u>120,887,093</u></b>	<b><u>121,553,593</u></b>	<b><u>112,037,069</u></b>	<b><u>(9,516,524)</u></b>

CITY OF INDIO, CALIFORNIA

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Charges to Appropriations (Outflows):</b>				
General government:				
City council	329,891	329,891	256,817	73,074
City manager	832,783	832,783	879,898	(47,115)
City clerk	461,627	461,627	321,717	139,910
City attorney	850,000	850,000	738,028	111,972
Human resources	1,166,662	1,166,662	801,401	365,261
Finance	2,160,567	2,160,567	1,975,936	184,631
Other - Nondepartmental	3,034,056	3,034,056	1,980,300	1,053,756
Total general government	<u>8,835,586</u>	<u>8,835,586</u>	<u>6,954,097</u>	<u>1,881,489</u>
Public safety:				
Police administration	2,273,942	2,273,942	2,247,179	26,763
Police field services	15,259,124	15,269,124	12,811,529	2,457,595
Police investigations	7,329,349	7,539,349	4,767,023	2,772,326
Police traffic safety	1,039,458	1,039,458	793,155	246,303
Police support services	4,817,064	4,827,064	4,644,201	182,863
Animal control	875,000	875,000	823,420	51,580
Code enforcement	2,141,329	2,099,329	1,686,724	412,605
Fire and ambulance	16,151,815	16,151,815	15,536,203	615,612
Emergency management	273,108	273,108	122,537	150,571
Total public safety	<u>50,160,189</u>	<u>50,348,189</u>	<u>43,431,971</u>	<u>6,916,218</u>
Community development:				
Building and safety	2,113,796	2,113,796	1,941,363	172,433
Planning	1,582,734	1,582,734	1,240,208	342,526
Economic development	1,242,808	1,242,808	719,188	523,620
Total community development	<u>4,939,338</u>	<u>4,939,338</u>	<u>3,900,759</u>	<u>1,038,579</u>
Community services:				
Youth service	876,119	876,119	817,754	58,365
Community services	408,177	458,177	414,468	43,709
Promotions and publicity	1,067,726	1,067,726	680,887	386,839
Senior services	816,832	821,332	757,447	63,885
Total community services	<u>3,168,854</u>	<u>3,223,354</u>	<u>2,670,556</u>	<u>552,798</u>
Public works:				
Street maintenance and operations	8,086,963	9,013,002	6,856,491	2,156,511
Engineering and administration	1,859,818	1,733,446	1,449,043	284,403
Parks and parkways	2,492,083	2,492,083	2,144,658	347,425
Total public works	<u>12,438,864</u>	<u>13,238,531</u>	<u>10,450,192</u>	<u>2,788,339</u>
Capital outlay	232,500	1,785,847	29,633	1,756,214
Transfers out	11,748,094	11,366,035	6,284,306	5,081,729
<b>Total Charges to Appropriations</b>	<b><u>91,523,425</u></b>	<b><u>93,736,880</u></b>	<b><u>73,721,514</u></b>	<b><u>20,015,366</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 29,363,668</u></b>	<b><u>\$ 27,816,713</u></b>	<b><u>\$ 38,315,555</u></b>	<b><u>\$ 10,498,842</u></b>

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 <sup>(1)</sup>**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
<b>Total Pension Liability:</b>						
Service Cost	\$ 2,315,791	\$ 2,307,248	\$ 2,353,967	\$ 2,144,177	\$ 2,054,043	\$ 2,067,477
Interest on total pension liability	6,759,649	6,453,709	6,219,359	6,008,228	5,714,555	5,452,950
Differences between expected and actual experience	(90,046)	(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	(4,695,594)	(4,097,060)	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
Net change in total pension liability	4,289,800	3,314,094	8,703,361	4,054,382	2,213,828	4,204,662
Total pension liability - beginning	95,820,473	92,506,379	83,803,018	79,748,636	77,534,808	73,330,146
<b>Total pension liability - ending (a)</b>	<b>100,110,273</b>	<b>95,820,473</b>	<b>92,506,379</b>	<b>83,803,018</b>	<b>79,748,636</b>	<b>77,534,808</b>
<b>Plan Fiduciary Net Position:</b>						
Contributions - employer	3,330,987	3,032,168	2,858,434	2,619,245	2,446,688	2,331,161
Contributions - employee	911,463	913,515	918,650	927,413	940,052	914,677
Net investment income	4,429,595	5,270,086	6,336,419	300,012	1,211,466	7,998,811
Benefit payments	(4,695,594)	(4,097,060)	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
Plan to plan resource movement	-	(154)	-	-	(123)	-
Administration Expense	(47,431)	(96,029)	(81,708)	(33,618)	(69,194)	-
Other miscellaneous income/(expense)	154	(182,361)	-	-	-	-
Net change in plan fiduciary net position	3,929,174	4,840,165	6,283,797	180,587	1,142,902	7,928,884
Plan fiduciary net position - beginning	66,465,504	61,625,339	55,341,542	55,160,955	54,018,053	46,089,169
<b>Plan fiduciary net position - ending (b)</b>	<b>70,394,678</b>	<b>66,465,504</b>	<b>61,625,339</b>	<b>55,341,542</b>	<b>55,160,955</b>	<b>54,018,053</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 29,715,595</b>	<b>\$ 29,354,969</b>	<b>\$ 30,881,040</b>	<b>\$ 28,461,476</b>	<b>\$ 24,587,681</b>	<b>\$ 23,516,755</b>
Plan fiduciary net position as a percentage of the total pension liability	70.3%	69.4%	66.6%	66.0%	69.2%	69.7%
Covered payroll	\$ 12,267,411	\$ 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	242.2%	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 2020, there were no changes. 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.

<sup>(1)</sup> Fiscal Year 2015 was the first year of GASB 68 implementation, therefore only six years are shown.

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 <sup>(1)</sup>**

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,527,169	\$ 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	(3,527,169)	(3,523,191)	(3,032,168)	(2,858,434)	(2,619,245)	(2,446,688)	(2,331,161)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 12,926,402	\$ 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	27.3%	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 2019-20 were derived from the June 30, 2017 funding valuation report.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period:

Driver	(Gain)/Loss		Source		
	Investment	Non-Investment	Assumption/Method Change	Benefit Change	Golden Handshake
	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation					
- Active	2.875%	2.875%	2.875%	2.875%	2.875%
- Inactive	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset Valuation Method: Market Value of Assets

Inflation: 2.50%

Salary Increases: Varies by Entry Age and Service

Payroll Growth: 2.875%

Investment Rate of Return: 7.25% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age: The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

Mortality: The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

<sup>(1)</sup> Fiscal Year 2014-15 was the first year of implementation; however, information for fiscal year 2013-14 was available. Therefore, only seven 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 <sup>(1)</sup>

Measurement Date	2020	2019	2018	2017	2016	2015
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the Net Pension Liability	0.3469%	0.3716%	0.3554%	0.3611%	0.3687%	0.3569%
Proportionate Share of the Net Pension Liability	\$ 37,818,116	\$ 35,470,299	\$ 35,245,774	\$ 31,246,797	\$ 25,303,889	\$ 22,205,148
Covered Payroll	\$ 7,696,899	\$ 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	491.3%	532.1%	546.3%	483.1%	382.0%	351.8%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	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 2020, there were no changes. 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.

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation, therefore only six 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 <sup>(1)</sup>**

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 4,143,360	\$ 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	(4,143,360)	(3,571,705)	(2,977,907)	(2,409,717)	(2,567,055)	(2,286,752)	(2,105,331)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,750,274	\$ 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	61.4%	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 2019-20 were derived from the June 30, 2017 funding valuation report.

Actuarial Cost Method: Entry Age Normal

Amortization Method/Period:	Source				
	(Gain)/Loss		Assumption/Method Change	Benefit Change	Golden Handshake
	Investment	Non-Investment			
Driver	30 Years	30 Years	20 Years	20 Years	5 Years
Amort. Period					
Escalation					
- Active	2.875%	2.875%	2.875%	2.875%	2.875%
- Inactive	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset Valuation Method: Market Value of Assets

Inflation: 2.50%

Salary Increases: Varies by Entry Age and Service

Payroll Growth: 2.875%

Investment Rate of Return: 7.25% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age: The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

Mortality: The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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 <sup>(1)</sup>**

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

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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 <sup>(1)</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution <sup>(2)</sup>	\$ 2,474,265	\$ 2,701,432	\$ 2,706,641
Contribution in Relation to the Actuarially Determined Contributions <sup>(3)</sup>	<u>(1,978,822)</u>	<u>(1,799,999)</u>	<u>(1,975,214)</u>
Contribution Deficiency (Excess)	<u>\$ 495,443</u>	<u>\$ 901,433</u>	<u>\$ 731,427</u>
Covered-employee payroll	\$ 27,980,084	\$ 26,345,041	\$ 31,815,516
Contributions as a percentage of covered-employee payroll	8.8%	10.3%	8.5%

**Notes to Schedule of Plan Contributions:**

<sup>(1)</sup> 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.

<sup>(2)</sup> The actuarially determined contribution is based on the following actuarial methods and assumptions:

Actuarial Valuation Date:	July 1, 2019
Discount Rate:	6.00%
Salary Increases:	3.00%

<sup>(3)</sup> 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, 2020**

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**Note 1: Budgets and Budgetary Data**

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

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

Formal budgetary integration is employed as a management control device during the year for general, certain special revenue, certain debt service and certain capital projects funds. Budgets for these funds are adopted on a basis consistent with accounting principles generally accepted in the United States. The Unclaimed Property, Asset Forfeiture, Cal Emergency Management, and Compost Mitigation Dillon special revenue funds; and the Assessment District capital projects fund did not adopt budgets for the year ended June 30, 2020.

**Note 2: Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2020, 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	\$47,115

## 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.

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

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

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

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

## NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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, 2020

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
<b>Assets:</b>				
Cash and investments	\$ 644,264	\$ 187,368	\$ 296,433	\$ 293,340
Receivables:				
Accounts	6,522	-	-	-
Notes and loans	-	-	-	-
Accrued interest	1,063	-	394	540
Due from other governments	8,884	-	46,172	60,498
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	701,880	-	-	-
<b>Total Assets</b>	<b>\$ 1,362,613</b>	<b>\$ 187,368</b>	<b>\$ 342,999</b>	<b>\$ 354,378</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 301,527	\$ 4,879	\$ -	\$ 466
Accrued liabilities	4,547	-	-	-
Unearned revenues	6,522	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>312,596</b>	<b>4,879</b>	<b>-</b>	<b>466</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Restricted	1,050,017	182,489	342,999	353,912
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>1,050,017</b>	<b>182,489</b>	<b>342,999</b>	<b>353,912</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,362,613</b>	<b>\$ 187,368</b>	<b>\$ 342,999</b>	<b>\$ 354,378</b>

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

(CONTINUED)

	<b>Special Revenue Funds</b>			
	<b>LLEBG</b>	<b>Homeland Security</b>	<b>Abandoned Vehicle</b>	<b>Unclaimed Property</b>
<b>Assets:</b>				
Cash and investments	\$ 17,909	\$ 7,943	\$ 170,191	\$ 80,478
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	27	-	-	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 17,936</b>	<b>\$ 7,943</b>	<b>\$ 170,191</b>	<b>\$ 80,478</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 70,608
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,608</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Restricted	17,936	7,943	170,191	9,870
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>17,936</b>	<b>7,943</b>	<b>170,191</b>	<b>9,870</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 17,936</b>	<b>\$ 7,943</b>	<b>\$ 170,191</b>	<b>\$ 80,478</b>



CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>Special Revenue Funds</u>			
	<u>Measure A</u>	<u>NPDES</u>	<u>Air Quality</u>	<u>HBRRP</u>
<b>Assets:</b>				
Cash and investments	\$ 1,078,223	\$ 1,832	\$ 216,953	\$ -
Receivables:				
Accounts	148,021	795	-	26,386
Notes and loans	-	-	-	-
Accrued interest	1,154	-	354	-
Due from other governments	397,535	492	27,981	165,585
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,624,933</u></b>	<b><u>\$ 3,119</u></b>	<b><u>\$ 245,288</u></b>	<b><u>\$ 191,971</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 91,632	\$ -	\$ 20,986	\$ 217,255
Accrued liabilities	5,822	-	-	-
Unearned revenues	148,021	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	207,438
<b>Total Liabilities</b>	<b><u>245,475</u></b>	<b><u>-</u></b>	<b><u>20,986</u></b>	<b><u>424,693</u></b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances (Deficits):</b>				
Restricted	1,379,458	3,119	224,302	-
Unassigned	-	-	-	(232,722)
<b>Total Fund Balances (Deficits)</b>	<b><u>1,379,458</u></b>	<b><u>3,119</u></b>	<b><u>224,302</u></b>	<b><u>(232,722)</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b><u>\$ 1,624,933</u></b>	<b><u>\$ 3,119</u></b>	<b><u>\$ 245,288</u></b>	<b><u>\$ 191,971</u></b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Waste Recycling AB939	Communities Facilities District	Certified Access Specialist SB 1186	Indio Housing Authority
<b>Assets:</b>				
Cash and investments	\$ 663,254	\$ 33,506	\$ 71,341	\$ 2,151,977
Receivables:				
Accounts	12,628	-	-	-
Notes and loans	-	-	-	3,989,543
Accrued interest	1,020	766	-	2,343
Due from other governments	1,138	60,757	-	-
Advances to private-purpose trust funds	-	-	-	2,661,788
Property held for resale	-	-	-	164,000
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 678,040</b>	<b>\$ 95,029</b>	<b>\$ 71,341</b>	<b>\$ 8,969,651</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,934	\$ -	\$ -	\$ -
Accrued liabilities	3,537	-	-	3,719
Unearned revenues	-	-	-	-
Deposits payable	-	-	492	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>6,471</b>	<b>-</b>	<b>492</b>	<b>3,719</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	689,628
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>689,628</b>
<b>Fund Balances (Deficits):</b>				
Restricted	671,569	95,029	70,849	8,276,304
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>671,569</b>	<b>95,029</b>	<b>70,849</b>	<b>8,276,304</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 678,040</b>	<b>\$ 95,029</b>	<b>\$ 71,341</b>	<b>\$ 8,969,651</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Special Revenue Funds			
	Department of Conservation Recycle Grant	Public Education Government Channel	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
<b>Assets:</b>				
Cash and investments	\$ 56,137	\$ 722,976	\$ 815,859	\$ 134,807
Receivables:				
Accounts	1,302	46,890	-	-
Notes and loans	-	-	1,373,992	180,400
Accrued interest	-	-	1,295	214
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	318,154	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 57,439</b>	<b>\$ 769,866</b>	<b>\$ 2,509,300</b>	<b>\$ 315,421</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 6,252	\$ -	\$ 2,079	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>6,252</b>	<b>-</b>	<b>2,079</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	1,373,992	180,400
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>1,373,992</b>	<b>180,400</b>
<b>Fund Balances (Deficits):</b>				
Restricted	51,187	769,866	1,133,229	135,021
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>51,187</b>	<b>769,866</b>	<b>1,133,229</b>	<b>135,021</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 57,439</b>	<b>\$ 769,866</b>	<b>\$ 2,509,300</b>	<b>\$ 315,421</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant
<b>Assets:</b>				
Cash and investments	\$ 3,015,404	\$ 93,495	\$ 4,019	\$ 130,897
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	4,884	138	-	208
Due from other governments	10,888	-	132,577	350
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,031,176</b>	<b>\$ 93,633</b>	<b>\$ 136,596</b>	<b>\$ 131,455</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,519	\$ -	\$ 38,470	\$ 350
Accrued liabilities	-	-	5,025	-
Unearned revenues	-	-	-	-
Deposits payable	3,570	89,363	-	-
Due to other funds	-	-	81,878	-
<b>Total Liabilities</b>	<b>6,089</b>	<b>89,363</b>	<b>125,373</b>	<b>350</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Restricted	3,025,087	4,270	11,223	131,105
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>3,025,087</b>	<b>4,270</b>	<b>11,223</b>	<b>131,105</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 3,031,176</b>	<b>\$ 93,633</b>	<b>\$ 136,596</b>	<b>\$ 131,455</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Special Revenue Funds			
	Cal Emergency Management	Donations	Office of Traffic Safety	SB-1 Transportation
<b>Assets:</b>				
Cash and investments	\$ 123	\$ 75,822	\$ -	\$ 1,520,856
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	2,222
Due from other governments	-	-	-	251,999
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 123</b>	<b>\$ 75,822</b>	<b>\$ -</b>	<b>\$ 1,775,077</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Restricted	123	75,822	-	1,775,077
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>123</b>	<b>75,822</b>	<b>-</b>	<b>1,775,077</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 123</b>	<b>\$ 75,822</b>	<b>\$ -</b>	<b>\$ 1,775,077</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds		Capital Projects Fund	Debt Service Funds
	Comm Transitional Housing	Compost Mitigation Dillon	Assessment District	General Debt Service
<b>Assets:</b>				
Cash and investments	\$ 1,129,292	\$ 13,926	\$ 511	\$ 128,847
Receivables:				
Accounts	-	4,545	-	-
Notes and loans	-	-	-	-
Accrued interest	2,087	21	-	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	1,994,162
<b>Total Assets</b>	<b>\$ 1,131,379</b>	<b>\$ 18,492</b>	<b>\$ 511</b>	<b>\$ 2,123,009</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	4,783	-	-	-
Unearned revenues	1,011,834	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,016,617</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Restricted	114,762	18,492	511	2,123,009
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>114,762</b>	<b>18,492</b>	<b>511</b>	<b>2,123,009</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,131,379</b>	<b>\$ 18,492</b>	<b>\$ 511</b>	<b>\$ 2,123,009</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	<u>Debt Service Funds</u>	
	<u>Judgment Bonds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>		
Cash and investments	\$ -	\$ 13,757,983
Receivables:		
Accounts	-	247,089
Notes and loans	-	5,543,935
Accrued interest	-	18,730
Due from other governments	-	1,164,856
Advances to private-purpose trust funds	-	2,661,788
Property held for resale	-	482,154
Restricted cash and investments with fiscal agents	6,904	2,702,946
<b>Total Assets</b>	<b>\$ 6,904</b>	<b>\$ 26,579,481</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 759,957
Accrued liabilities	-	27,433
Unearned revenues	-	1,166,377
Deposits payable	-	93,425
Due to other funds	-	289,316
<b>Total Liabilities</b>	<b>-</b>	<b>2,336,508</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenues	-	2,244,020
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>2,244,020</b>
<b>Fund Balances (Deficits):</b>		
Restricted	6,904	22,231,675
Unassigned	-	(232,722)
<b>Total Fund Balances (Deficits)</b>	<b>6,904</b>	<b>21,998,953</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 6,904</b>	<b>\$ 26,579,481</b>





CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
<b>Revenues:</b>				
Taxes	\$ 1,934,186	\$ -	\$ -	\$ -
Intergovernmental	234,049	-	520,707	210,225
Use of money and property	53,091	-	5,929	12,434
Fines and forfeitures	-	53,333	-	-
Contributions	-	-	-	-
Miscellaneous	1,680	-	-	-
<b>Total Revenues</b>	<b>2,223,006</b>	<b>53,333</b>	<b>526,636</b>	<b>222,659</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	17,357	248,856	161,055
Community development	-	-	-	-
Public works	1,171,502	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	575,000	-	-	-
Interest and fiscal charges	104,092	-	-	-
<b>Total Expenditures</b>	<b>1,850,594</b>	<b>17,357</b>	<b>248,856</b>	<b>161,055</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	372,412	35,976	277,780	61,604
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	(18,721)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(18,721)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	353,691	35,976	277,780	61,604
Fund Balances (Deficits) at the Beginning of the Year	696,326	146,513	65,219	292,308
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 1,050,017</b>	<b>\$ 182,489</b>	<b>\$ 342,999</b>	<b>\$ 353,912</b>

## CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16,148	7,600	5,288	-
Use of money and property	472	-	-	-
Fines and forfeitures	-	-	-	2,095
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>16,620</b>	<b>7,600</b>	<b>5,288</b>	<b>2,095</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	16,148	10,080	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>16,148</b>	<b>10,080</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	472	(2,480)	5,288	2,095
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	472	(2,480)	5,288	2,095
Fund Balances (Deficits) at the Beginning of the Year	17,464	10,423	164,903	7,775
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 17,936</b>	<b>\$ 7,943</b>	<b>\$ 170,191</b>	<b>\$ 9,870</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Measure A	NPDES	Air Quality	HBRRP
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,322,204	-	112,964	785,542
Use of money and property	26,312	-	7,616	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	232	492	-	-
<b>Total Revenues</b>	<b>2,348,748</b>	<b>492</b>	<b>120,580</b>	<b>785,542</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	1,186,195	90,015	86,574	-
Capital outlay	-	-	-	464,038
Debt service:				
Principal retirement	111,468	-	-	-
Interest and fiscal charges	763	-	-	-
<b>Total Expenditures</b>	<b>1,298,426</b>	<b>90,015</b>	<b>86,574</b>	<b>464,038</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,050,322	(89,523)	34,006	321,504
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	91,000	-	147,441
Transfers out	(298,476)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(298,476)</b>	<b>91,000</b>	<b>-</b>	<b>147,441</b>
Net Change in Fund Balance	751,846	1,477	34,006	468,945
Fund Balances (Deficits) at the Beginning of the Year	627,612	1,642	190,296	(701,667)
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 1,379,458</b>	<b>\$ 3,119</b>	<b>\$ 224,302</b>	<b>\$ (232,722)</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Waste Recycling AB939	Communities Facilities District	Certified Access Specialist SB 1186	Indio Housing Authority
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,077	-	-	-
Use of money and property	22,936	13,073	-	50,459
Fines and forfeitures	-	-	-	-
Contributions	-	3,930,080	-	-
Miscellaneous	238,292	-	20,834	200
<b>Total Revenues</b>	<b>264,305</b>	<b>3,943,153</b>	<b>20,834</b>	<b>50,659</b>
<b>Expenditures:</b>				
Current:				
General government	258,355	-	-	-
Public safety	-	-	-	-
Community development	-	66,260	-	242,097
Public works	-	-	-	-
Capital outlay	4,239	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>262,594</b>	<b>66,260</b>	<b>-</b>	<b>242,097</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,711	3,876,893	20,834	(191,438)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(3,937,500)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(3,937,500)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	1,711	(60,607)	20,834	(191,438)
Fund Balances (Deficits) at the Beginning of the Year	669,858	155,636	50,015	8,467,742
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 671,569</b>	<b>\$ 95,029</b>	<b>\$ 70,849</b>	<b>\$ 8,276,304</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Department of Conservation Recycle Grant	Public Education Government Channel	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	46,220	-	-	-
Use of money and property	-	-	43,940	4,770
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	197,733	-	-
<b>Total Revenues</b>	<b>46,220</b>	<b>197,733</b>	<b>43,940</b>	<b>4,770</b>
<b>Expenditures:</b>				
Current:				
General government	53,157	-	-	-
Public safety	-	-	-	-
Community development	-	-	12,804	-
Public works	-	-	-	-
Capital outlay	-	-	1,375	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>53,157</b>	<b>-</b>	<b>14,179</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,937)	197,733	29,761	4,770
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(6,937)	197,733	29,761	4,770
Fund Balances (Deficits) at the Beginning of the Year	58,124	572,133	1,103,468	130,251
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 51,187</b>	<b>\$ 769,866</b>	<b>\$ 1,133,229</b>	<b>\$ 135,021</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	750,611	17,489
Use of money and property	108,353	2,803	-	4,674
Fines and forfeitures	-	-	-	-
Contributions	1,214,524	-	-	-
Miscellaneous	248	-	-	-
<b>Total Revenues</b>	<b>1,323,125</b>	<b>2,803</b>	<b>750,611</b>	<b>22,163</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	22	-	-
Community development	-	-	297,588	-
Public works	1,420,102	-	-	17,489
Capital outlay	-	-	428,080	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,420,102</b>	<b>22</b>	<b>725,668</b>	<b>17,489</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,977)	2,781	24,943	4,674
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,366	-	-	-
Transfers out	-	-	(40,936)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,366</b>	<b>-</b>	<b>(40,936)</b>	<b>-</b>
Net Change in Fund Balance	(95,611)	2,781	(15,993)	4,674
Fund Balances (Deficits) at the Beginning of the Year	3,120,698	1,489	27,216	126,431
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 3,025,087</b>	<b>\$ 4,270</b>	<b>\$ 11,223</b>	<b>\$ 131,105</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Cal Emergency Management	Donations	Office of Traffic Safety	SB-1 Transportation
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	9,251	1,754,689
Use of money and property	5	-	-	53,952
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	10,495	-	-
<b>Total Revenues</b>	<b>5</b>	<b>10,495</b>	<b>9,251</b>	<b>1,808,641</b>
<b>Expenditures:</b>				
Current:				
General government	-	6,159	-	-
Public safety	-	-	9,251	-
Community development	-	-	-	-
Public works	-	-	-	187,481
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>6,159</b>	<b>9,251</b>	<b>187,481</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5	4,336	-	1,621,160
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,135,953)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,135,953)</b>
Net Change in Fund Balance	5	4,336	-	485,207
Fund Balances (Deficits) at the Beginning of the Year	118	71,486	-	1,289,870
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 123</b>	<b>\$ 75,822</b>	<b>\$ -</b>	<b>\$ 1,775,077</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Fund		Capital Projects Fund	Debt Service Funds
	Comm Transitional Housing	Compost Mitigation Dillon	Assessment District	General Debt Service
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	640,221	-	-	-
Use of money and property	48,160	387	18	45,689
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	14,782	-	-
<b>Total Revenues</b>	<b>688,381</b>	<b>15,169</b>	<b>18</b>	<b>45,689</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	593,196	-	-	-
Public works	-	-	-	-
Capital outlay	47,026	-	-	-
Debt service:				
Principal retirement	-	-	-	1,615,000
Interest and fiscal charges	-	-	-	1,568,790
<b>Total Expenditures</b>	<b>640,222</b>	<b>-</b>	<b>-</b>	<b>3,183,790</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,159	15,169	18	(3,138,101)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	3,152,509
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,152,509</b>
Net Change in Fund Balance	48,159	15,169	18	14,408
Fund Balances (Deficits) at the Beginning of the Year	66,603	3,323	493	2,108,601
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 114,762</b>	<b>\$ 18,492</b>	<b>\$ 511</b>	<b>\$ 2,123,009</b>



CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Debt Service Funds</u>	
	<u>Judgment Bonds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>		
Taxes	\$ -	\$ 1,934,186
Intergovernmental	-	7,436,285
Use of money and property	6,920	511,993
Fines and forfeitures	-	55,428
Contributions	-	5,144,604
Miscellaneous	-	484,988
<b>Total Revenues</b>	<b>6,920</b>	<b>15,567,484</b>
<b>Expenditures:</b>		
Current:		
General government	1,770	319,441
Public safety	-	462,769
Community development	-	1,211,945
Public works	-	4,159,358
Capital outlay	-	944,758
Debt service:		
Principal retirement	625,000	2,926,468
Interest and fiscal charges	541,536	2,215,181
<b>Total Expenditures</b>	<b>1,168,306</b>	<b>12,239,920</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,161,386)	3,327,564
<b>Other Financing Sources (Uses):</b>		
Transfers in	1,159,486	4,551,802
Transfers out	-	(5,431,586)
<b>Total Other Financing Sources (Uses)</b>	<b>1,159,486</b>	<b>(879,784)</b>
Net Change in Fund Balance	(1,900)	2,447,780
Fund Balances (Deficits) at the Beginning of the Year	8,804	19,551,173
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 6,904</b>	<b>\$ 21,998,953</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 696,326	\$ 696,326	\$ 696,326	\$ -
<b>Resources (Inflows):</b>				
Taxes	2,194,566	2,194,566	1,934,186	(260,380)
Intergovernmental	99,106	99,106	234,049	134,943
Use of money and property	20,000	20,000	53,091	33,091
Miscellaneous	-	-	1,680	1,680
<b>Amounts Available for Appropriations</b>	<b>3,009,998</b>	<b>3,009,998</b>	<b>2,919,332</b>	<b>(90,666)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	1,738,862	1,738,862	1,171,502	567,360
Debt service:				
Principal retirement	575,000	575,000	575,000	-
Interest and fiscal charges	105,413	105,413	104,092	1,321
Transfers out	79,382	79,382	18,721	60,661
<b>Total Charges to Appropriations</b>	<b>2,498,657</b>	<b>2,498,657</b>	<b>1,869,315</b>	<b>629,342</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 511,341</b>	<b>\$ 511,341</b>	<b>\$ 1,050,017</b>	<b>\$ 538,676</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
TRAFFIC SAFETY  
FOR THE YEAR ENDED JUNE 30, 2020**

	<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	\$ 146,513	\$ 146,513	\$ 146,513	\$ -
<b>Resources (Inflows):</b>				
Fines and forfeitures	50,000	50,000	53,333	3,333
<b>Amounts Available for Appropriations</b>	<b>196,513</b>	<b>196,513</b>	<b>199,846</b>	<b>3,333</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	125,000	125,000	17,357	107,643
<b>Total Charges to Appropriations</b>	<b>125,000</b>	<b>125,000</b>	<b>17,357</b>	<b>107,643</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 71,513</b>	<b>\$ 71,513</b>	<b>\$ 182,489</b>	<b>\$ 110,976</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC SAFETY  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 65,219	\$ 65,219	\$ 65,219	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	500,000	500,000	520,707	20,707
Use of money and property	-	-	5,929	5,929
<b>Amounts Available for Appropriations</b>	<b>565,219</b>	<b>565,219</b>	<b>591,855</b>	<b>26,636</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	498,857	498,857	248,856	250,001
<b>Total Charges to Appropriations</b>	<b>498,857</b>	<b>498,857</b>	<b>248,856</b>	<b>250,001</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 66,362</b>	<b>\$ 66,362</b>	<b>\$ 342,999</b>	<b>\$ 276,637</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
SUPPLEMENTAL LAW ENFORCEMENT  
FOR THE YEAR ENDED JUNE 30, 2020**

	<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	\$ 292,308	\$ 292,308	\$ 292,308	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	133,567	210,225	210,225	-
Use of money and property	-	-	12,434	12,434
<b>Amounts Available for Appropriations</b>	<b>425,875</b>	<b>502,533</b>	<b>514,967</b>	<b>12,434</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	133,567	275,498	161,055	114,443
<b>Total Charges to Appropriations</b>	<b>133,567</b>	<b>275,498</b>	<b>161,055</b>	<b>114,443</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 292,308</b>	<b>\$ 227,035</b>	<b>\$ 353,912</b>	<b>\$ 126,877</b>

CITY OF INDIO, CALIFORNIA

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

	<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	\$ 17,464	\$ 17,464	\$ 17,464	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	33,587	33,587	16,148	(17,439)
Use of money and property	-	-	472	472
<b>Amounts Available for Appropriations</b>	<b>51,051</b>	<b>51,051</b>	<b>34,084</b>	<b>(16,967)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	33,587	33,587	16,148	17,439
<b>Total Charges to Appropriations</b>	<b>33,587</b>	<b>33,587</b>	<b>16,148</b>	<b>17,439</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 17,464</b>	<b>\$ 17,464</b>	<b>\$ 17,936</b>	<b>\$ 472</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
HOMELAND SECURITY  
FOR THE YEAR ENDED JUNE 30, 2020**

	<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	\$ 10,423	\$ 10,423	\$ 10,423	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	15,958	15,958	7,600	(8,358)
<b>Amounts Available for Appropriations</b>	<b>26,381</b>	<b>26,381</b>	<b>18,023</b>	<b>(8,358)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	15,958	15,958	10,080	5,878
<b>Total Charges to Appropriations</b>	<b>15,958</b>	<b>15,958</b>	<b>10,080</b>	<b>5,878</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,423</b>	<b>\$ 10,423</b>	<b>\$ 7,943</b>	<b>\$ (2,480)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
 ABANDONED VEHICLE  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<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	\$ 164,903	\$ 164,903	\$ 164,903	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	23,000	23,000	5,288	(17,712)
<b>Amounts Available for Appropriations</b>	<b>187,903</b>	<b>187,903</b>	<b>170,191</b>	<b>(17,712)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	23,000	23,000	-	23,000
<b>Total Charges to Appropriations</b>	<b>23,000</b>	<b>23,000</b>	<b>-</b>	<b>23,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 164,903</b>	<b>\$ 164,903</b>	<b>\$ 170,191</b>	<b>\$ 5,288</b>



CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE A  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 627,612	\$ 627,612	\$ 627,612	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,054,000	2,054,000	2,322,204	268,204
Use of money and property	2,500	2,500	26,312	23,812
Miscellaneous	-	-	232	232
<b>Amounts Available for Appropriations</b>	<b>2,684,112</b>	<b>2,684,112</b>	<b>2,976,360</b>	<b>292,248</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	1,191,624	1,672,051	1,186,195	485,856
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	166,825	166,825	111,468	55,357
Interest and fiscal charges	1,521	1,521	763	758
Transfers out	1,311,599	831,172	298,476	532,696
<b>Total Charges to Appropriations</b>	<b>2,671,569</b>	<b>2,671,569</b>	<b>1,596,902</b>	<b>1,074,667</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12,543</b>	<b>\$ 12,543</b>	<b>\$ 1,379,458</b>	<b>\$ 1,366,915</b>

CITY OF INDIO, CALIFORNIA

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

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,642	\$ 1,642	\$ 1,642	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	-	-	492	492
Transfers in	105,000	105,000	91,000	(14,000)
<b>Amounts Available for Appropriations</b>	<b>106,642</b>	<b>106,642</b>	<b>93,134</b>	<b>(13,508)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	105,000	105,000	90,015	14,985
<b>Total Charges to Appropriations</b>	<b>105,000</b>	<b>105,000</b>	<b>90,015</b>	<b>14,985</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,642</b>	<b>\$ 1,642</b>	<b>\$ 3,119</b>	<b>\$ 1,477</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY (AB2766/AQMD)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<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	\$ 190,296	\$ 190,296	\$ 190,296	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	110,000	110,000	112,964	2,964
Use of money and property	-	-	7,616	7,616
<b>Amounts Available for Appropriations</b>	<b>300,296</b>	<b>300,296</b>	<b>310,876</b>	<b>10,580</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	82,500	82,500	86,574	(4,074)
Capital outlay	95,000	95,000	-	95,000
<b>Total Charges to Appropriations</b>	<b>177,500</b>	<b>177,500</b>	<b>86,574</b>	<b>90,926</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 122,796</b>	<b>\$ 122,796</b>	<b>\$ 224,302</b>	<b>\$ 101,506</b>

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 HBRRP  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (701,667)	\$ (701,667)	\$ (701,667)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	6,936,981	6,936,981	785,542	(6,151,439)
Transfers in	2,606,417	2,606,417	147,441	(2,458,976)
<b>Amounts Available for Appropriations</b>	<b>8,841,731</b>	<b>8,841,731</b>	<b>231,316</b>	<b>(8,610,415)</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	9,543,398	9,543,398	464,038	9,079,360
<b>Total Charges to Appropriations</b>	<b>9,543,398</b>	<b>9,543,398</b>	<b>464,038</b>	<b>9,079,360</b>
<b>Budgetary Fund Deficit, June 30</b>	<b>\$ (701,667)</b>	<b>\$ (701,667)</b>	<b>\$ (232,722)</b>	<b>\$ 468,945</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
WASTE RECYCLING AB939  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 669,858	\$ 669,858	\$ 669,858	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,000	2,000	3,077	1,077
Use of money and property	-	-	22,936	22,936
Miscellaneous	240,000	240,000	238,292	(1,708)
<b>Amounts Available for Appropriations</b>	<b>911,858</b>	<b>911,858</b>	<b>934,163</b>	<b>22,305</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	253,491	323,491	258,355	65,136
Capital outlay	57,000	84,440	4,239	80,201
<b>Total Charges to Appropriations</b>	<b>310,491</b>	<b>407,931</b>	<b>262,594</b>	<b>145,337</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 601,367</b>	<b>\$ 503,927</b>	<b>\$ 671,569</b>	<b>\$ 167,642</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITIES FACILITIES DISTRICT  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 155,636	\$ 155,636	\$ 155,636	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	13,073	13,073
Contributions	3,773,368	3,773,368	3,930,080	156,712
<b>Amounts Available for Appropriations</b>	<b>3,929,004</b>	<b>3,929,004</b>	<b>4,098,789</b>	<b>169,785</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	69,898	69,898	66,260	3,638
Transfers out	3,800,000	3,800,000	3,937,500	(137,500)
<b>Total Charges to Appropriations</b>	<b>3,869,898</b>	<b>3,869,898</b>	<b>4,003,760</b>	<b>(133,862)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 59,106</b>	<b>\$ 59,106</b>	<b>\$ 95,029</b>	<b>\$ 35,923</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
 CERTIFIED ACCESS SPECIALIST SB 1186  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 50,015	\$ 50,015	\$ 50,015	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	30,000	30,000	20,834	(9,166)
<b>Amounts Available for Appropriations</b>	<b>80,015</b>	<b>80,015</b>	<b>70,849</b>	<b>(9,166)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 80,015</b>	<b>\$ 80,015</b>	<b>\$ 70,849</b>	<b>\$ (9,166)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
INDIO HOUSING AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 8,467,742	\$ 8,467,742	\$ 8,467,742	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	4,000	4,000	50,459	46,459
Miscellaneous	-	-	200	200
<b>Amounts Available for Appropriations</b>	<b>8,471,742</b>	<b>8,471,742</b>	<b>8,518,401</b>	<b>46,659</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	254,091	254,091	242,097	11,994
<b>Total Charges to Appropriations</b>	<b>254,091</b>	<b>254,091</b>	<b>242,097</b>	<b>11,994</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 8,217,651</b>	<b>\$ 8,217,651</b>	<b>\$ 8,276,304</b>	<b>\$ 58,653</b>



CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
DEPARTMENT OF CONSERVATION RECYCLE GRANT  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 58,124	\$ 58,124	\$ 58,124	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	64,875	207,690	46,220	(161,470)
<b>Amounts Available for Appropriations</b>	<b>122,999</b>	<b>265,814</b>	<b>104,344</b>	<b>(161,470)</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	87,070	87,070	53,157	33,913
Capital outlay	-	142,815	-	142,815
<b>Total Charges to Appropriations</b>	<b>87,070</b>	<b>229,885</b>	<b>53,157</b>	<b>176,728</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 35,929</b>	<b>\$ 35,929</b>	<b>\$ 51,187</b>	<b>\$ 15,258</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC EDUCATION GOVERNMENT CHANNEL  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 572,133	\$ 572,133	\$ 572,133	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	199,000	199,000	197,733	(1,267)
<b>Amounts Available for Appropriations</b>	<b>771,133</b>	<b>771,133</b>	<b>769,866</b>	<b>(1,267)</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	668,500	668,500	-	668,500
<b>Total Charges to Appropriations</b>	<b>668,500</b>	<b>668,500</b>	<b>-</b>	<b>668,500</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 102,633</b>	<b>\$ 102,633</b>	<b>\$ 769,866</b>	<b>\$ 667,233</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
NEIGHBORHOOD STABILIZATION GRANT 2  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,103,468	\$ 1,103,468	\$ 1,103,468	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	250,000	250,000	43,940	(206,060)
<b>Amounts Available for Appropriations</b>	<b>1,353,468</b>	<b>1,353,468</b>	<b>1,147,408</b>	<b>(206,060)</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	66,857	66,857	12,804	54,053
Capital outlay	583,277	583,277	1,375	581,902
<b>Total Charges to Appropriations</b>	<b>650,134</b>	<b>650,134</b>	<b>14,179</b>	<b>635,955</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 703,334</b>	<b>\$ 703,334</b>	<b>\$ 1,133,229</b>	<b>\$ 429,895</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
NEIGHBORHOOD STABILIZATION GRANT 3  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 130,251	\$ 130,251	\$ 130,251	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	4,770	4,770
<b>Amounts Available for Appropriations</b>	<b>130,251</b>	<b>130,251</b>	<b>135,021</b>	<b>4,770</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	124,000	124,000	-	124,000
<b>Total Charges to Appropriations</b>	<b>124,000</b>	<b>124,000</b>	<b>-</b>	<b>124,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 6,251</b>	<b>\$ 6,251</b>	<b>\$ 135,021</b>	<b>\$ 128,770</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LIGHTING AND LANDSCAPE  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 3,120,698	\$ 3,120,698	\$ 3,120,698	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	108,353	108,353
Contributions	1,250,984	1,250,984	1,214,524	(36,460)
Miscellaneous	-	-	248	248
Transfers in	1,366	1,366	1,366	-
<b>Amounts Available for Appropriations</b>	<b>4,373,048</b>	<b>4,373,048</b>	<b>4,445,189</b>	<b>72,141</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	2,037,465	2,037,465	1,420,102	617,363
<b>Total Charges to Appropriations</b>	<b>2,037,465</b>	<b>2,037,465</b>	<b>1,420,102</b>	<b>617,363</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,335,583</b>	<b>\$ 2,335,583</b>	<b>\$ 3,025,087</b>	<b>\$ 689,504</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 27,216	\$ 27,216	\$ 27,216	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,589,124	1,589,124	750,611	(838,513)
<b>Amounts Available for Appropriations</b>	<b>1,616,340</b>	<b>1,616,340</b>	<b>777,827</b>	<b>(838,513)</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	338,640	338,640	297,588	41,052
Capital outlay	1,133,484	1,133,484	428,080	705,404
Transfers out	117,000	117,000	40,936	76,064
<b>Total Charges to Appropriations</b>	<b>1,589,124</b>	<b>1,589,124</b>	<b>766,604</b>	<b>822,520</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 27,216</b>	<b>\$ 27,216</b>	<b>\$ 11,223</b>	<b>\$ (15,993)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
EMERGENCY ABANDONED AND RECALCITRANT  
FOR THE YEAR ENDED JUNE 30, 2020**

	<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	\$ 126,431	\$ 126,431	\$ 126,431	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	17,139	17,489	350
Use of money and property	-	-	4,674	4,674
<b>Amounts Available for Appropriations</b>	<b>126,431</b>	<b>143,570</b>	<b>148,594</b>	<b>5,024</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	-	17,139	17,489	(350)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>17,139</b>	<b>17,489</b>	<b>(350)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 126,431</b>	<b>\$ 126,431</b>	<b>\$ 131,105</b>	<b>\$ 4,674</b>

CITY OF INDIO, CALIFORNIA

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

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 71,486	\$ 71,486	\$ 71,486	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	-	-	10,495	10,495
<b>Amounts Available for Appropriations</b>	<b>71,486</b>	<b>71,486</b>	<b>81,981</b>	<b>10,495</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	14,000	14,000	6,159	7,841
<b>Total Charges to Appropriations</b>	<b>14,000</b>	<b>14,000</b>	<b>6,159</b>	<b>7,841</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 57,486</b>	<b>\$ 57,486</b>	<b>\$ 75,822</b>	<b>\$ 18,336</b>



CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 OFFICE OF TRAFFIC SAFETY  
 FOR THE YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	48,475	48,475	9,251	(39,224)
<b>Amounts Available for Appropriations</b>	<b>48,475</b>	<b>48,475</b>	<b>9,251</b>	<b>(39,224)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	48,475	48,475	9,251	39,224
<b>Total Charges to Appropriations</b>	<b>48,475</b>	<b>48,475</b>	<b>9,251</b>	<b>39,224</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
SB-1 TRANSPORTATION  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,289,870	\$ 1,289,870	\$ 1,289,870	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,454,607	1,595,261	1,754,689	159,428
Use of money and property	-	-	53,952	53,952
<b>Amounts Available for Appropriations</b>	<b>2,744,477</b>	<b>2,885,131</b>	<b>3,098,511</b>	<b>213,380</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	120,561	120,561	187,481	(66,920)
Transfers out	2,362,855	2,362,855	1,135,953	1,226,902
<b>Total Charges to Appropriations</b>	<b>2,483,416</b>	<b>2,483,416</b>	<b>1,323,434</b>	<b>1,159,982</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 261,061</b>	<b>\$ 401,715</b>	<b>\$ 1,775,077</b>	<b>\$ 1,373,362</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY TRANSITIONAL HOUSING  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 66,603	\$ 66,603	\$ 66,603	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	644,565	644,565	640,221	(4,344)
Use of money and property	-	-	48,160	48,160
<b>Amounts Available for Appropriations</b>	<b>711,168</b>	<b>711,168</b>	<b>754,984</b>	<b>43,816</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	594,520	594,520	593,196	1,324
Capital outlay	50,000	50,000	47,026	2,974
<b>Total Charges to Appropriations</b>	<b>644,520</b>	<b>644,520</b>	<b>640,222</b>	<b>4,298</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ 66,648</b>	<b>\$ 66,648</b>	<b>\$ 114,762</b>	<b>\$ 48,114</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,251,158	\$ 1,251,158	\$ 1,251,158	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	8,336,023	8,730,449	6,225,484	(2,504,965)
Use of money and property	30,000	30,000	1,094,237	1,064,237
Developer participation	3,035,000	3,035,000	2,481,975	(553,025)
Miscellaneous	-	-	294,439	294,439
Transfers in	8,973,214	9,300,877	3,696,743	(5,604,134)
Special item	-	-	326,996	326,996
<b>Amounts Available for Appropriations</b>	<b>21,625,395</b>	<b>22,347,484</b>	<b>15,371,032</b>	<b>(6,976,452)</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	22,357,346	23,154,435	8,372,797	14,781,638
Debt service:				
Principal retirement	279,088	279,088	279,088	-
Interest and fiscal charges	12,642	12,642	13,596	(954)
Transfers out	1,785,000	1,785,000	1,785,000	-
<b>Total Charges to Appropriations</b>	<b>24,434,076</b>	<b>25,231,165</b>	<b>10,450,481</b>	<b>14,780,684</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (2,808,681)</b>	<b>\$ (2,883,681)</b>	<b>\$ 4,920,551</b>	<b>\$ 7,804,232</b>

CITY OF INDIO, CALIFORNIA

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,108,601	\$ 2,108,601	\$ 2,108,601	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	45,689	45,689
Transfers in	3,185,796	3,185,796	3,152,509	(33,287)
<b>Amounts Available for Appropriations</b>	<b>5,294,397</b>	<b>5,294,397</b>	<b>5,306,799</b>	<b>12,402</b>
<b>Charges to Appropriations (Outflows):</b>				
Debt service:				
Principal retirement	1,615,000	1,615,000	1,615,000	-
Interest and fiscal charges	1,570,796	1,570,796	1,568,790	2,006
<b>Total Charges to Appropriations</b>	<b>3,185,796</b>	<b>3,185,796</b>	<b>3,183,790</b>	<b>2,006</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,108,601</b>	<b>\$ 2,108,601</b>	<b>\$ 2,123,009</b>	<b>\$ 14,408</b>

CITY OF INDIO, CALIFORNIA

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

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,804	\$ 8,804	\$ 8,804	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	6,920	6,920
Transfers in	1,168,931	1,168,931	1,159,486	(9,445)
<b>Amounts Available for Appropriations</b>	<b>1,177,735</b>	<b>1,177,735</b>	<b>1,175,210</b>	<b>(2,525)</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	2,000	2,000	1,770	230
Debt service:				
Principal retirement	625,000	625,000	625,000	-
Interest and fiscal charges	541,931	541,931	541,536	395
<b>Total Charges to Appropriations</b>	<b>1,168,931</b>	<b>1,168,931</b>	<b>1,168,306</b>	<b>625</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 8,804</b>	<b>\$ 8,804</b>	<b>\$ 6,904</b>	<b>\$ (1,900)</b>



### 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, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Golf</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Assets:</b>			
Current Assets:			
Cash and investments	\$ 56,531	\$ 644,395	\$ 700,926
Accounts receivable	15,700	-	15,700
Accrued interest receivable	38	1,537	1,575
Prepaid costs	75,000	-	75,000
Inventories	10,326	-	10,326
Total Current Assets	<u>157,595</u>	<u>645,932</u>	<u>803,527</u>
Noncurrent Assets:			
Capital assets, not being depreciated	465,959	-	465,959
Capital assets, being depreciated	489,089	-	489,089
Less accumulated depreciation	(218,865)	-	(218,865)
Total Noncurrent Assets	<u>736,183</u>	<u>-</u>	<u>736,183</u>
<b>Total Assets</b>	<b><u>893,778</u></b>	<b><u>645,932</u></b>	<b><u>1,539,710</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	3,794	-	3,794
Deferred outflows related to other post-employment benefits	2,835	-	2,835
<b>Total Deferred Outflows of Resources</b>	<b><u>6,629</u></b>	<b><u>-</u></b>	<b><u>6,629</u></b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable	57,684	-	57,684
Accrued liabilities	763	-	763
Total Current Liabilities	<u>58,447</u>	<u>-</u>	<u>58,447</u>
Noncurrent Liabilities:			
Net pension liability	31,959	-	31,959
Net other post-employment benefits liability	15,531	-	15,531
Total Noncurrent Liabilities	<u>47,490</u>	<u>-</u>	<u>47,490</u>
<b>Total Liabilities</b>	<b><u>105,937</u></b>	<b><u>-</u></b>	<b><u>105,937</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	1,123	-	1,123
Deferred inflows related to other post-employment benefits	278	-	278
<b>Total Deferred Inflows of Resources</b>	<b><u>1,401</u></b>	<b><u>-</u></b>	<b><u>1,401</u></b>
<b>Net Position:</b>			
Investment in capital assets	736,183	-	736,183
Unrestricted	56,886	645,932	702,818
<b>Total Net Position</b>	<b><u>\$ 793,069</u></b>	<b><u>\$ 645,932</u></b>	<b><u>\$ 1,439,001</u></b>

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, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Golf</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 1,067,430	\$ -	\$ 1,067,430
Other income	-	162,500	162,500
<b>Total Operating Revenues</b>	<b>1,067,430</b>	<b>162,500</b>	<b>1,229,930</b>
<b>Operating Expenses:</b>			
Personnel services	23,878	-	23,878
Contractual services	443,821	-	443,821
Repairs and maintenance	373,842	-	373,842
Depreciation expense	18,252	-	18,252
Materials and supplies	394,275	-	394,275
<b>Total Operating Expenses</b>	<b>1,254,068</b>	<b>-</b>	<b>1,254,068</b>
Operating Income (Loss)	(186,638)	162,500	(24,138)
<b>Nonoperating Revenues:</b>			
Interest revenue	199	34,742	34,941
<b>Total Nonoperating Revenues</b>	<b>199</b>	<b>34,742</b>	<b>34,941</b>
Income (Loss) Before Transfers	(186,439)	197,242	10,803
Transfers in	53,315	-	53,315
Change in Net Position	(133,124)	197,242	64,118
Net Position at the Beginning of the Year	926,193	448,690	1,374,883
<b>Net Position at the End of the Year</b>	<b>\$ 793,069</b>	<b>\$ 645,932</b>	<b>\$ 1,439,001</b>

## CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Golf</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 1,089,162	\$ 162,500	\$ 1,251,662
Payments to suppliers and service providers	(1,212,384)	(1,748,113)	(2,960,497)
Payments to employees for salaries and benefits	(21,185)	-	(21,185)
<b>Net Cash (Used for) Operating Activities</b>	<b>(144,407)</b>	<b>(1,585,613)</b>	<b>(1,730,020)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers from other funds	53,315	-	53,315
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>53,315</b>	<b>-</b>	<b>53,315</b>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	638	36,629	37,267
<b>Net Cash Provided by Investing Activities</b>	<b>638</b>	<b>36,629</b>	<b>37,267</b>
Net (Decrease) in Cash and Cash Equivalents	(90,454)	(1,548,984)	(1,639,438)
Cash and Cash Equivalents July 1	146,985	2,193,379	2,340,364
<b>Cash and Cash Equivalents June 30</b>	<b>\$ 56,531</b>	<b>\$ 644,395</b>	<b>\$ 700,926</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	\$ (186,638)	\$ 162,500	\$ (24,138)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation expense	18,252	-	18,252
Decrease in accounts receivable	21,732	-	21,732
Decrease in inventories	22,410	-	22,410
(Decrease) in accounts payable	(22,856)	-	(22,856)
(Decrease) in accrued liabilities	(80)	-	(80)
(Decrease) in deposits payable	-	(1,748,113)	(1,748,113)
Increase in pension obligations	2,668	-	2,668
Increase in other post-employment benefits obligations	105	-	105
Total Adjustments	42,231	(1,748,113)	(1,705,882)
Net Cash (Used for) Operating Activities	\$ (144,407)	\$ (1,585,613)	\$ (1,730,020)

## INTERNAL SERVICE FUNDS

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

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

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

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

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

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

## CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Buildings and Grounds</b>
<b>Assets:</b>				
Current Assets:				
Cash and investments	\$ 3,485,098	\$ 2,535,617	\$ 77,181	\$ 317,385
Accounts receivable	32	261	-	1,241
Prepaid costs	-	-	479,588	-
Restricted cash with fiscal agent	25,251	-	-	70,996
<b>Total Current Assets</b>	<b>3,510,381</b>	<b>2,535,878</b>	<b>556,769</b>	<b>389,622</b>
Noncurrent Assets:				
Capital assets, being depreciated	-	8,749,015	11,713,753	863,436
Less accumulated depreciation	-	(7,792,783)	(9,584,926)	(140,307)
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>956,232</b>	<b>2,128,827</b>	<b>723,129</b>
<b>Total Assets</b>	<b>3,510,381</b>	<b>3,492,110</b>	<b>2,685,596</b>	<b>1,112,751</b>
<b>Deferred Outflows of Resources:</b>				
Deferred outflows related to pensions	23,307	172,753	-	71,510
Deferred outflows related to other post-employment benefits	30,237	231,505	-	121,895
<b>Total Deferred Outflows of Resources</b>	<b>53,544</b>	<b>404,258</b>	<b>-</b>	<b>193,405</b>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	26,038	153,533	-	88,668
Accrued liabilities	3,243	24,744	-	8,133
Due to other funds	-	-	-	-
Capital leases, due within one year	-	-	-	93,142
<b>Total Current Liabilities</b>	<b>29,281</b>	<b>178,277</b>	<b>-</b>	<b>189,943</b>
Noncurrent Liabilities:				
Accrued claims and judgments	71,005	-	-	-
Net pension liability	196,354	1,455,401	-	602,463
Net other post-employment benefits liability	165,661	1,268,339	-	667,820
Capital leases	-	-	-	249,390
<b>Total Noncurrent Liabilities</b>	<b>433,020</b>	<b>2,723,740</b>	<b>-</b>	<b>1,519,673</b>
<b>Total Liabilities</b>	<b>462,301</b>	<b>2,902,017</b>	<b>-</b>	<b>1,709,616</b>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pensions	6,895	51,114	-	21,157
Deferred inflows related to other post-employment benefits	2,966	22,704	-	11,918
<b>Total Deferred Inflows of Resources</b>	<b>9,861</b>	<b>73,818</b>	<b>-</b>	<b>33,075</b>
<b>Net Position:</b>				
Net investment in capital assets	-	956,232	2,128,827	380,957
Unrestricted	3,091,763	(35,699)	556,769	(817,492)
<b>Total Net Position</b>	<b>\$ 3,091,763</b>	<b>\$ 920,533</b>	<b>\$ 2,685,596</b>	<b>\$ (436,535)</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2020

	Governmental Activities - Internal Service Funds	
	Fleet Maintenance	Totals
<b>Assets:</b>		
Current Assets:		
Cash and investments	\$ -	\$ 6,415,281
Accounts receivable	471	2,005
Prepaid costs	-	479,588
Restricted cash with fiscal agent	-	96,247
Total Current Assets	471	6,993,121
Noncurrent Assets:		
Capital assets, being depreciated	-	21,326,204
Less accumulated depreciation	-	(17,518,016)
Total Noncurrent Assets	-	3,808,188
<b>Total Assets</b>	<b>471</b>	<b>10,801,309</b>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows related to pensions	121,841	389,411
Deferred outflows related to other post-employer	195,599	579,236
<b>Total Deferred Outflows of Resources</b>	<b>317,440</b>	<b>968,647</b>
<b>Liabilities:</b>		
Current Liabilities:		
Accounts payable	128,638	396,877
Accrued liabilities	20,231	56,351
Due to other funds	242,995	242,995
Capital leases, due within one year	-	93,142
Total Current Liabilities	391,864	789,365
Noncurrent Liabilities:		
Accrued claims and judgments	-	71,005
Net pension liability	1,026,478	3,280,696
Net other post-employment benefits liability	1,071,617	3,173,437
Capital leases	-	249,390
Total Noncurrent Liabilities	2,098,095	6,774,528
<b>Total Liabilities</b>	<b>2,489,959</b>	<b>7,563,893</b>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows related to pensions	36,050	115,216
Deferred inflows related to other post-employer	19,192	56,780
<b>Total Deferred Inflows of Resources</b>	<b>55,242</b>	<b>171,996</b>
<b>Net Position:</b>		
Net investment in capital assets	-	3,466,016
Unrestricted	(2,227,290)	568,051
<b>Total Net Position</b>	<b>\$ (2,227,290)</b>	<b>\$ 4,034,067</b>

## CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacment</b>	<b>Buildings and Grounds</b>
<b>Operating Revenues:</b>				
Interdepartmental charges	\$ 5,856,235	\$ 2,227,676	\$ 500,000	\$ 2,712,068
Other income	357,100	22,179	-	42,406
<b>Total Operating Revenues</b>	<b>6,213,335</b>	<b>2,249,855</b>	<b>500,000</b>	<b>2,754,474</b>
<b>Operating Expenses:</b>				
Personnel services	5,585,533	1,906,449	-	683,306
Contractual services	-	1,478,016	-	166,108
Repairs and maintenance	-	27,588	-	687,142
Claims expense	7,419	-	-	-
Depreciation expense	-	413,920	687,418	21,586
Materials and supplies	8,317	877,224	18,803	1,185,458
<b>Total Operating Expenses</b>	<b>5,601,269</b>	<b>4,703,197</b>	<b>706,221</b>	<b>2,743,600</b>
Operating Income (Loss)	612,066	(2,453,342)	(206,221)	10,874
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	-	-	10,000	-
Interest revenue	-	-	-	855
Interest expense	-	-	-	(15,633)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>(14,778)</b>
Income (Loss) Before Contributions and Transfers	612,066	(2,453,342)	(196,221)	(3,904)
Capital Contributions	-	-	54,517	-
Transfers in	-	609,305	375,000	237,889
Change in Net Position	612,066	(1,844,037)	233,296	233,985
Net Position at the Beginning of the Year	2,479,697	2,764,570	2,452,300	(670,520)
<b>Net Position at the End of the Year</b>	<b>\$ 3,091,763</b>	<b>\$ 920,533</b>	<b>\$ 2,685,596</b>	<b>\$ (436,535)</b>

## CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>Fleet Maintenance</b>	<b>Totals</b>
<b>Operating Revenues:</b>		
Interdepartmental charges	\$ 2,600,000	\$ 13,895,979
Other income	1,449	423,134
<b>Total Operating Revenues</b>	<b>2,601,449</b>	<b>14,319,113</b>
<b>Operating Expenses:</b>		
Personnel services	1,028,862	9,204,150
Contractual services	284,831	1,928,955
Repairs and maintenance	90,619	805,349
Claims expense	-	7,419
Depreciation expense	-	1,122,924
Materials and supplies	1,495,003	3,584,805
<b>Total Operating Expenses</b>	<b>2,899,315</b>	<b>16,653,602</b>
Operating Income (Loss)	(297,866)	(2,334,489)
<b>Nonoperating Revenues (Expenses):</b>		
Intergovernmental	-	10,000
Interest revenue	-	855
Interest expense	-	(15,633)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>(4,778)</b>
Income (Loss) Before Contributions and Transfers	(297,866)	(2,339,267)
Capital Contributions	-	54,517
Transfers in	-	1,222,194
Change in Net Position	(297,866)	(1,062,556)
Net Position at the Beginning of the Year	(1,929,424)	5,096,623
<b>Net Position at the End of the Year</b>	<b>\$ (2,227,290)</b>	<b>\$ 4,034,067</b>



CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Buildings and Grounds</b>
<b>Cash Flows from Operating Activities:</b>				
Receipts from interfund services and charges	\$ 5,866,070	\$ 2,250,738	\$ 500,000	\$ 2,753,929
Other receipts	341,953	-	-	-
Payments to suppliers and service providers	-	(2,247,019)	(239,841)	(2,012,713)
Payments to employees for salaries and benefits	(5,658,766)	(989,912)	-	(450,925)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>549,257</b>	<b>(986,193)</b>	<b>260,159</b>	<b>290,291</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfers from other funds	-	609,305	375,000	237,889
Receipts from short-term interfund borrowing	-	-	-	-
Repayment made on short-term interfund borrowing	-	-	-	(105,584)
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>-</b>	<b>609,305</b>	<b>375,000</b>	<b>132,305</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	(100,501)	(691,638)	-
Principal paid on capital debt	-	-	-	(89,579)
Interest paid on capital debt	-	-	-	(15,633)
Grants and capital impact fees	-	-	10,000	-
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>-</b>	<b>(100,501)</b>	<b>(681,638)</b>	<b>(105,212)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	-	-	-	855
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>855</b>
Net Increase (Decrease) in Cash and Cash Equivalents	549,257	(477,389)	(46,479)	318,239
Cash and Cash Equivalents July 1 (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
<b>Cash and Cash Equivalents June 30 (including \$25,251 and \$70,996 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)</b>	<b>\$ 3,510,349</b>	<b>\$ 2,535,617</b>	<b>\$ 77,181</b>	<b>\$ 388,381</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating income (loss)	\$ 612,066	\$ (2,453,342)	\$ (206,221)	\$ 10,874
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	413,920	687,418	21,586
(Increase) decrease in accounts receivable	9,835	883	-	(545)
(Increase) decrease in prepaid costs	-	74,001	(221,038)	2,170
Increase (decrease) in accounts payable	24,238	61,808	-	23,825
Increase (decrease) in accrued liabilities	748	8,047	-	(1,141)
(Decrease) in accrued claims and judgments	(23,649)	-	-	-
Increase (decrease) in pension obligations	(77,211)	499,004	-	119,738
Increase in other post-employment benefit obligations	3,230	409,486	-	113,784
Total Adjustments	(62,809)	1,467,149	466,380	279,417
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 549,257</b>	<b>\$ (986,193)</b>	<b>\$ 260,159</b>	<b>\$ 290,291</b>
<b>Schedule of Non-Cash Capital and Related Financing Activities:</b>				
Capital contributions	\$ -	\$ -	\$ 54,517	\$ -

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>Fleet Maintenance</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>		
Receipts from interfund services and charges	\$ 2,601,449	\$ 13,972,186
Other receipts	-	341,953
Payments to suppliers and service providers	(1,848,725)	(6,348,298)
Payments to employees for salaries and benefits	(754,070)	(7,853,673)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(1,346)</b>	<b>112,168</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Transfers from other funds	-	1,222,194
Receipts from short-term interfund borrowing	1,346	1,346
Repayment made on short-term interfund borrowing	-	(105,584)
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>1,346</b>	<b>1,117,956</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	-	(792,139)
Principal paid on capital debt	-	(89,579)
Interest paid on capital debt	-	(15,633)
Grants and capital impact fees	-	10,000
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>-</b>	<b>(887,351)</b>
<b>Cash Flows from Investing Activities:</b>		
Interest on investments	-	855
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>855</b>
Net Increase (Decrease) in Cash and Cash Equivalents	-	343,628
Cash and Cash Equivalents July 1 (including \$26,097 and \$70,142 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	-	6,167,900
<b>Cash and Cash Equivalents June 30 (including \$25,251 and \$70,996 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)</b>	<b>\$ -</b>	<b>\$ 6,511,528</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>		
Operating income (loss)	\$ (297,866)	\$ (2,334,489)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	-	1,122,924
(Increase) decrease in accounts receivable	-	10,173
(Increase) decrease in prepaid costs	93,595	(51,272)
Increase (decrease) in accounts payable	(71,867)	38,004
Increase (decrease) in accrued liabilities	5,522	13,176
(Decrease) in accrued claims and judgments	-	(23,649)
Increase (decrease) in pension obligations	120,663	662,194
Increase in other post-employment benefit obligations	148,607	675,107
Total Adjustments	296,520	2,446,657
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (1,346)</b>	<b>\$ 112,168</b>
<b>Schedule of Non-Cash Capital and Related Financing Activities:</b>		
Capital contributions	\$ -	\$ 54,517



## 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, 2020

	ERICA	Assessment Districts	East Valley Reclamation Authority	East Valley Coalition	Totals
<b>Assets:</b>					
Pooled cash and investments	\$ 889,864	\$ 8,978,253	\$ 259,603	\$ -	\$ 10,127,720
Accrued interest receivable	1,433	11,574	250	-	13,257
Due from other governments	-	94,590	-	-	94,590
Restricted cash and investments held with fiscal agents	-	4,936,814	-	-	4,936,814
<b>Total Assets</b>	<b>\$ 891,297</b>	<b>\$ 14,021,231</b>	<b>\$ 259,853</b>	<b>\$ -</b>	<b>\$ 15,172,381</b>
<b>Liabilities:</b>					
Accounts payable	\$ 131,316	\$ 66	\$ -	\$ -	\$ 131,382
Deposits payable	-	208,295	259,853	-	468,148
Due to bondholders	-	13,812,870	-	-	13,812,870
Due to members	759,981	-	-	-	759,981
<b>Total Liabilities</b>	<b>\$ 891,297</b>	<b>\$ 14,021,231</b>	<b>\$ 259,853</b>	<b>\$ -</b>	<b>\$ 15,172,381</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b><u>ERICA</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 757,224	\$ 6,205,084	\$ 6,072,444	\$ 889,864
Accrued interest receivable	2,497	21,257	22,321	1,433
<b>Total Assets</b>	<b>\$ 759,721</b>	<b>\$ 6,226,341</b>	<b>\$ 6,094,765</b>	<b>\$ 891,297</b>
<b>Liabilities:</b>				
Accounts payable	\$ 43,471	\$ 1,882,029	\$ 1,794,184	\$ 131,316
Due to members	716,248	87,683,045	87,639,312	759,981
<b>Total Liabilities</b>	<b>\$ 759,719</b>	<b>\$ 89,565,074</b>	<b>\$ 89,433,496</b>	<b>\$ 891,297</b>
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 8,897,778	\$ 64,835,108	\$ 64,754,633	\$ 8,978,253
Accrued interest receivable	23,126	168,126	179,678	11,574
Due from other governments	147,848	685,982	739,240	94,590
Restricted cash and investments with fiscal agents	5,026,098	30,339,641	30,428,925	4,936,814
<b>Total Assets</b>	<b>\$ 14,094,850</b>	<b>\$ 96,028,857</b>	<b>\$ 96,102,476</b>	<b>\$ 14,021,231</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 6,187,399	\$ 6,187,333	\$ 66
Deposits payable	335,005	2,115,070	2,241,780	208,295
Due to bondholders	13,759,765	202,348,341	202,295,236	13,812,870
<b>Total Liabilities</b>	<b>\$ 14,094,770</b>	<b>\$ 210,650,810</b>	<b>\$ 210,724,349</b>	<b>\$ 14,021,231</b>
<b><u>East Valley Reclamation Authority</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 205,567	\$ 721,615	\$ 667,579	\$ 259,603
Accrued interest	330	1,009	1,089	250
<b>Total Assets</b>	<b>\$ 205,897</b>	<b>\$ 722,624</b>	<b>\$ 668,668</b>	<b>\$ 259,853</b>
<b>Liabilities:</b>				
Accounts payable	\$ 308	\$ 51,942	\$ 52,250	\$ -
Deposits payable	205,589	55,998	1,734	259,853
<b>Total Liabilities</b>	<b>\$ 205,897</b>	<b>\$ 107,940</b>	<b>\$ 53,984</b>	<b>\$ 259,853</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b><u>East Valley Coalition</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ -	\$ 1,656	\$ 1,656	\$ -
Accrued interest receivable	-	48	48	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 1,704</b>	<b>\$ 1,704</b>	<b>\$ -</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 1,900	\$ 1,900	\$ -
Due to bondholders	-	32,568	32,568	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 34,468</b>	<b>\$ 34,468</b>	<b>\$ -</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 9,860,569	\$ 71,763,463	\$ 71,496,312	\$ 10,127,720
Accrued interest receivable	25,953	190,440	203,136	13,257
Due from other governments	147,848	685,982	739,240	94,590
Restricted cash and investments with fiscal agents	5,026,098	30,339,641	30,428,925	4,936,814
<b>Total Assets</b>	<b>\$ 15,060,468</b>	<b>\$ 102,979,526</b>	<b>\$ 102,867,613</b>	<b>\$ 15,172,381</b>
<b>Liabilities:</b>				
Accounts payable	\$ 43,779	\$ 8,123,270	\$ 8,035,667	\$ 131,382
Deposits payable	540,594	2,171,068	2,243,514	468,148
Due to bondholders	13,759,765	202,380,909	202,327,804	13,812,870
Due to members	716,248	87,683,045	87,639,312	759,981
<b>Total Liabilities</b>	<b>\$ 15,060,386</b>	<b>\$ 300,358,292</b>	<b>\$ 300,246,297</b>	<b>\$ 15,172,381</b>





**STATISTICAL SECTION**



CITY OF INDIO

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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.	174-77
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CITY OF INDIO

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities:</b>										
Net investment in capital assets	\$372,187	\$431,924	\$432,106	\$425,528	\$419,607	\$414,227	\$413,312	\$424,760	\$435,892	\$432,662
Restricted	82,334	23,734	25,716	26,842	26,095	22,180	20,260	19,546	26,344	27,132
Unrestricted	(11,553)	(8,635)	(5,199)	(4,019)	(34,270)	(28,253)	(45,879)	(46,940)	(49,563)	(54,459)
Total governmental activities net position	\$442,968	\$447,023	\$452,623	\$448,351	\$411,432	\$408,154	\$387,693	\$397,366	\$412,673	\$405,335
<b>Business-type activities:</b>										
Net investment in capital assets	\$153,658	\$146,605	\$143,311	\$136,334	\$133,627	\$128,429	\$122,807	\$117,916	\$115,539	\$111,170
Restricted	-	-	-	-	-	-	605	312	319	321
Unrestricted	11,165	10,409	9,225	18,628	4,700	8,660	14,804	13,161	20,645	27,539
Total business-type activities net position	\$164,823	\$157,014	\$152,536	\$154,962	\$138,327	\$137,089	\$138,216	\$131,389	\$136,503	\$139,030
<b>Primary government:</b>										
Net investment in capital assets	\$525,845	\$578,529	\$575,417	\$561,862	\$553,234	\$542,656	\$536,119	\$542,676	\$551,431	\$543,832
Restricted	82,334	23,734	25,716	26,842	26,095	22,180	20,865	19,858	26,663	27,453
Unrestricted	(388)	1,774	4,026	14,609	(29,570)	(19,593)	(31,075)	(33,779)	(28,918)	(26,920)
Total primary government net position	\$607,791	\$604,037	\$605,159	\$603,313	\$549,759	\$545,243	\$525,909	\$528,755	\$549,176	\$544,365

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 6,774	\$ 6,965	\$ 7,005	\$ 6,535	\$ 10,395	\$ 11,968	\$ 26,255	\$ 10,658	\$ 12,651	\$ 13,163
Public safety	37,665	41,502	32,930	47,339	43,688	36,041	42,467	46,193	50,101	52,487
Public works	14,689	16,441	22,946	16,019	21,289	16,619	17,873	18,281	26,531	22,210
Community development	19,779	15,226	8,653	8,710	11,099	9,275	8,164	7,377	8,053	7,649
Community services	2,974	2,821	2,693	2,665	1,789	2,314	2,608	3,005	2,854	2,878
Interest expense and other charges	10,450	3,318	6,235	3,013	6,484	2,463	5,505	2,333	2,239	2,105
Total governmental activities expenses	<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>	<u>100,492</u>
Business-type activities:										
Water	21,710	24,125	22,562	23,563	30,145	26,424	24,018	25,302	25,738	24,451
Golf	899	904	851	942	1,120	1,086	1,073	1,196	1,223	1,254
Solid Waste	83	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<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>	<u>25,705</u>
Total primary government expenses	<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>	<u>126,197</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,037	3,698	11,086	10,520	12,113	1,459	1,633	3,764	371	987
Public safety	7,017	5,917	2,489	2,316	2,578	7,185	7,057	5,017	8,352	4,010
Public works	2,005	3,255	1,115	1,828	1,738	5,559	7,464	9,105	8,898	9,042
Community development	3,120	5,118	1,312	2,560	2,248	262	296	302	210	244
Community services	2,317	785	3,056	3,869	3,095	107	139	113	105	87
Operating contributions and grants	8,443	7,098	21,959	14,847	14,809	7,637	7,677	11,648	29,579	14,678
Capital contributions and grants	13,617	6,347	9,689	8,841	5,767	1,290	1,266	2,845	506	611
Total governmental activities program revenues	<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>	<u>29,659</u>
Business-type activities:										
Charges for services:										
Water	15,578	16,207	15,971	18,198	18,767	17,832	22,313	22,439	23,098	23,107
Golf	840	755	687	689	1,113	935	995	1,069	1,158	1,067
Solid Waste	229	-	-	-	-	-	-	-	-	-
Operating contributions and grants	1,906	-	1,768	2,480	1,266	4,735	2,643	2,061	5,878	2,491
Total business-type activities program revenues	<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>	<u>26,665</u>
Total primary government activities program revenues	<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>	<u>56,324</u>
Net revenues (expenses):										
Governmental activities	(54,775)	(54,055)	(29,756)	(39,500)	(52,396)	(55,181)	(77,340)	(55,053)	(54,408)	(70,833)
Business-type activities	(4,139)	(8,067)	(4,987)	(3,138)	(10,119)	(4,008)	860	(929)	3,173	960
Total primary government net expense	<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>	<u>(69,873)</u>

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	19,944	16,120	13,373	13,000	13,887	15,055	16,007	16,765	17,834	18,540
Sales tax	6,999	7,667	8,377	9,349	10,040	11,692	13,579	22,545	24,503	22,622
Transient occupancy taxes	1,945	2,547	2,820	3,078	3,907	4,520	6,298	6,760	7,768	5,012
Other taxes	11,707	14,485	11,521	11,747	12,186	13,840	13,649	14,035	13,381	13,407
Investment income	554	328	73	64	4,025	1,757	1,436	1,876	2,167	3,012
Motor vehicle in lieu, unrestricted	419	-	43	36	34	34	39	47	42	71
Other general revenues	4,518	5,373	3,468	5,076	11,095	5,219	7,121	10,094	4,933	885
Transfers	170	206	(15)	(6,245)	(75)	(151)	(89)	(70)	(913)	(53)
Total governmental activities	<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>	<u>63,496</u>
Business-type activities:										
Investment income	146	65	91	70	139	72	127	113	865	1,342
Transfers	(170)	(206)	15	6,245	75	152	89	70	913	53
Other general revenues	303	399	403	-	-	2,545	51	430	163	172
Total business-type activities	<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>	<u>1,567</u>
Total primary government	<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>	<u>65,063</u>
Changes in net position										
Governmental activities	(8,519)	(7,329)	9,904	(3,395)	2,703	(3,215)	(19,300)	16,999	15,307	(7,337)
Business-type activities	(3,860)	(7,809)	(4,478)	3,177	(9,905)	(1,239)	1,127	(316)	5,114	2,527
Total primary government	<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>	<u>\$ (4,810)</u>

Source: City of Indio



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable	\$ 3,640	\$ 3,793	\$ 3,989	\$ 3,536	\$ 7,641	\$ 8,978	\$10,141	\$10,509	\$11,513	\$12,857
Restricted	-	-	-	-	-	-	-	-	-	981
Committed	-	-	730	1,140	5,619	11,197	11,285	11,285	12,000	12,000
Assigned	16	21	784	6,922	3,242	3,459	8,452	12,653	11,603	9,283
Unassigned	(1,725)	783	4,266	4,490	7,087	1,820	-	2,148	4,628	3,195
Total general fund	<u>\$ 1,931</u>	<u>\$ 4,597</u>	<u>\$ 9,769</u>	<u>\$ 16,088</u>	<u>\$23,589</u>	<u>\$25,454</u>	<u>\$29,878</u>	<u>\$36,595</u>	<u>\$39,744</u>	<u>\$38,316</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ 5,496	\$ 5,926	\$ -	\$ -	\$ 2	\$ 120	\$ -
Restricted	92,801	24,153	26,334	19,182	18,761	22,179	20,260	19,533	20,231	22,232
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,315	2,294	1,296	985	985	-	-	-	2,597	4,921
Unassigned:	(2,190)	(1,423)	665	(424)	(135)	(6)	(614)	(4,125)	(2,146)	(233)
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	(905)	-	-	-
Total all other governmental funds	<u>\$ 92,926</u>	<u>\$ 25,024</u>	<u>\$ 28,295</u>	<u>\$ 25,239</u>	<u>\$25,537</u>	<u>\$22,173</u>	<u>\$18,741</u>	<u>\$15,410</u>	<u>\$20,802</u>	<u>\$26,920</u>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes	\$ 37,526	\$ 35,537	\$ 32,562	\$ 34,073	\$ 36,320	\$ 45,265	\$ 49,533	\$ 59,950	\$ 63,486	\$ 59,581
Special assessments	3,782	3,950	3,866	3,792	4,015	-	-	-	-	-
Licenses and permits	1,691	1,381	2,027	3,384	2,916	2,438	2,737	2,338	2,289	2,525
Intergovernmental	20,053	14,047	18,740	14,818	11,754	5,706	5,722	10,036	28,795	14,461
Charges for services	6,835	9,034	8,335	9,482	15,110	7,176	8,719	6,382	9,742	4,972
Fines and forfeitures	913	1,199	1,215	887	938	860	676	543	545	744
Investment earnings	506	314	4,089	2,794	5,333	1,758	1,436	1,980	2,166	3,011
Developer fees	3,944	2,238	5,559	4,901	4,491	1,640	1,899	3,372	2,834	2,482
Contributions from property owners	-	-	-	-	-	4,112	4,291	4,553	4,884	5,145
Miscellaneous	1,447	1,384	2,471	2,401	4,598	5,592	7,624	10,232	5,446	1,059
<b>Total revenues</b>	<b>76,697</b>	<b>69,084</b>	<b>78,864</b>	<b>76,532</b>	<b>85,475</b>	<b>74,547</b>	<b>82,637</b>	<b>99,386</b>	<b>120,187</b>	<b>93,980</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	4,021	4,000	4,204	4,166	5,046	5,112	20,271	5,043	5,815	7,273
Public safety	30,958	32,875	32,603	35,080	37,766	38,118	40,477	42,089	44,339	43,895
Public works	14,604	14,840	21,300	14,174	15,050	10,650	13,035	10,635	18,247	14,438
Community development	18,349	12,304	7,731	7,382	8,733	7,903	6,129	5,192	5,761	5,113
Community services	1,692	1,716	1,545	1,461	1,559	2,384	2,524	2,850	2,674	2,670
Other	3,610	70	323	407	3,884	102	-	-	-	-
Capital outlay	-	-	-	-	-	5,036	8,231	23,242	25,157	9,519
<b>Debt service:</b>										
Principal retirement	3,733	4,065	1,815	1,849	2,827	24,023	3,161	3,895	4,092	3,206
Interest and fiscal charges	6,853	4,707	2,690	2,700	2,631	2,627	5,576	2,441	2,364	2,229
Other charges	4,112	1,511	381	-	-	486	-	-	-	-
<b>Total expenditures</b>	<b>87,932</b>	<b>76,088</b>	<b>72,592</b>	<b>67,219</b>	<b>77,496</b>	<b>96,441</b>	<b>99,404</b>	<b>95,387</b>	<b>108,449</b>	<b>88,343</b>
Excess (deficiency) of revenues over (under) expenditures	(11,235)	(7,004)	6,272	9,313	7,979	(21,894)	(16,767)	3,999	11,738	5,637
<b>Other financing sources (uses):</b>										
Transfers in	9,238	9,514	5,787	6,862	7,031	7,216	9,990	11,150	11,224	12,226
Transfers out	(9,068)	(9,308)	(6,782)	(12,912)	(7,211)	(7,406)	(8,269)	(11,649)	(14,421)	(13,501)
Lease purchase and loan proceeds	854	2,788	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	24,500	-	-	19,730	16,300	-	-	-
Sale of real property	1,592	-	-	-	-	-	-	-	-	-
Original discount on bonds	-	-	-	-	-	919	(262)	-	-	-
Special items	-	-	-	-	-	-	-	-	-	327
Payment to bond escrow agent	-	-	(21,335)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,616</b>	<b>2,994</b>	<b>2,170</b>	<b>(6,050)</b>	<b>(180)</b>	<b>20,459</b>	<b>17,759</b>	<b>(499)</b>	<b>(3,197)</b>	<b>(948)</b>
Extraordinary gain (loss) on dissolution of redevelopment agency	-	(61,226)	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ (8,619)</b>	<b>\$ (65,236)</b>	<b>\$ 8,442</b>	<b>\$ 3,263</b>	<b>\$ 7,799</b>	<b>\$ (1,435)</b>	<b>\$ 992</b>	<b>\$ 3,500</b>	<b>\$ 8,541</b>	<b>\$ 4,689</b>
Debt service as a percentage of noncapital expenditures	20.2%	13.3%	7.2%	7.8%	7.6%	29.6%	9.8%	8.8%	7.6%	6.9%

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
2020	6,974,129	900,025	253,666	696,518	1,930	8,822,408	0.1002
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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	-	-	-	-	-	-	-	-
Total Direct Rate	0.25412	0.25684	0.25133	0.09979	0.09986	0.10002	0.10031	0.10012	0.10031	0.10022
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	0.09332	0.07487	0.07968	0.14919	0.14919	0.13218	0.16601	0.17609	0.14954	0.14876
Coachella Valley Water District	0.08000	0.08000	0.08000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
CVWD Imp Dist 53	-	-	-	-	-	-	-	-	-	-
CVWD Imp Dist 55	0.00600	-	-	-	-	-	-	-	-	-
CVWD Imp Dist 58	-	-	-	-	-	-	-	-	-	-
Desert Community College	0.01995	0.01995	0.01995	0.01995	0.02325	0.02087	0.02036	0.04030	0.03978	0.03983
Desert Sands Unified School District	0.10036	0.11467	0.11156	0.10954	0.10984	0.10915	0.08599	0.07251	0.07418	0.07381
Total Direct & Overlapping Tax Rates	1.29963	1.28949	1.29119	1.37868	1.38228	1.36220	1.37236	1.38890	1.36350	1.36240

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

Source: HdL, Coren & Cone

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

Taxpayer	2020		2011	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 65,621,546	0.74%	\$ 158,203,613	2.49%
Desert Polo Land Company, LLC.	56,273,681	0.64%		
Indio Towne Center, LLC.	45,120,000	0.51%		
Wal-Mart Real Estate Business Trust	41,420,941	0.47%		
Trendwest Resorts Inc	39,663,195	0.45%	105,906,052	1.67%
Time Warner Cable	39,358,973	0.45%		
JFK Memorial Hospital Inc	33,660,788	0.38%	41,723,393	0.66%
ALJACKS	28,541,011	0.32%	22,214,194	0.35%
JDG Properties	28,518,500	0.32%	22,909,165	0.36%
Smoketree Apartments	24,800,936	0.28%		
Jackson 42			37,853,912	0.60%
Polo Square Partners			33,263,223	0.52%
Time Warner Entertainment Advance			33,161,639	0.52%
Target Corporation			23,835,557	0.37%
Wells Fargo Bank NA			22,869,817	0.36%
	<u>\$402,979,571</u>	4.57%	<u>\$ 501,940,565</u>	7.89%

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
2020	7,554,590	7,591,466	100.49%	169,441 *	7,760,907	102.73%
2019	7,142,930	7,080,158	99.12%	128,359 *	7,208,517	100.92%
2018	6,821,440	6,789,921	99.54%	112,775 *	6,902,696	101.19%
2017	6,533,653	6,378,548	97.63%	115,544 *	6,494,092	99.39%
2016	6,215,647	6,091,830	98.01%	123,194 *	6,215,024	99.99%
2015	5,617,060	6,367,892	113.37%	112,922 *	6,480,814	115.38%
2014	5,251,198	6,043,843	115.09%	118,271 *	6,162,114	117.35%
2013	4,949,402	6,712,961 <sup>A</sup>	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%

\*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.

<sup>A</sup> 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			Debt Per Capita
	Revenue Refunding Bonds (1)	Tax Allocation Bonds (1)	Certificates of Participation (1)	Lease Revenue Bonds (1)	Judgment Obligation Bonds (1)	Loans (1)	Total Governmental Activities	Water Revenue Bonds (1)	Total Primary Government (1)	Population (2)	Personal Income (3)	Percentage of Personal Income		
2020	-	-	\$1,875	\$36,782	\$14,187	\$279	\$53,123	\$52,185	\$105,308	90,751	\$2,228,050	4.73%	1.16	
2019	-	-	2,450	38,438	14,799	1,102	56,789	0	56,789	89,406	2,094,653	2.71%	0.64	
2018	-	-	3,005	39,832	15,650	2,510	60,997	56,207	117,204	87,883	1,900,128	6.17%	1.33	
2017	-	-	3,535	41,662	16,038	3,767	65,002	58,153	123,155	88,718	1,814,845	6.79%	1.39	
2016	-	-	4,045	42,260	-	5,060	51,365	58,725	110,090	88,058	1,706,419	6.45%	1.25	
2015	-	-	4,535	39,190	-	11,973	55,698	60,215	115,913	84,201	1,651,948	7.02%	1.38	
2014	-	-	5,005	40,165	-	13,461	58,631	55,205	113,836	82,398	1,560,289	7.30%	1.38	
2013	-	-	5,460	40,165	-	12,132	57,757	56,605	114,362	81,393	1,584,233	7.22%	1.41	
2012	-	-	5,895	37,000	-	13,171	56,066	57,970	114,036	78,065	1,546,312	7.37%	1.46	
2011	3,520	73,660	6,392	37,805	-	11,201	132,578	59,290	191,868	77,165	1,402,529	13.68%	2.49	

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				
2020	\$52,185	-	-	\$36,782	\$14,187	\$1,875	\$105,029	90,751	\$2,228,050	1.31%	1.16
2019	\$0	-	-	38,438	14,799	2,450	\$55,687	89,406	2,094,653	0.69%	0.62
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

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, 2020

2019-20 Assessed Valuation: \$8,824,327,721

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/20	% Applicable (1)	City's Share of Debt 6/30/20
Desert Community College District	\$337,130,000	10.409%	\$ 35,091,862
Coachella Valley Unified School District	244,321,163	11.493	28,079,831
Desert Sands Unified School District	380,450,000	18.078	68,777,751
City of Indio Community Facilities District No. 2004-3	12,910,000	100.	12,910,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	13,444,000	100.	13,444,000
City of Indio Community Facilities District No. 2006-1	7,186,000	100.	7,186,000
City of Indio 1915 Act Bonds	22,394,822	100.	22,394,822
Valley Sanitary District Assessment District No. 2004-VSD	5,025,000	100.	<u>5,025,000</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$192,909,266</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$759,807,924	2.982%	\$ 22,657,472
Riverside County Pension Obligation Bonds	938,825,000	2.982	27,995,762
Coachella Valley Unified School District Certificates of Participation	36,170,000	11.493	4,157,018
Desert Sands Unified School District Certificates of Participation	30,155,000	18.078	5,451,421
<b>City of Indio General Fund Obligations</b>	<b>36,030,000</b>	<b>100.</b>	<b>36,030,000</b>
<b>City of Indio Judgment Obligations</b>	<b>14,410,000</b>	<b>100.</b>	<b>14,410,000</b>
Desert Recreation District Certificates of Participation	158,806	16.681	<u>26,490</u>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$110,728,163</b>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$51,935,000	 100. %	 \$51,935,000
 <b>TOTAL DIRECT DEBT</b>			 <b>\$50,440,000</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$305,132,429</b>
 <b>COMBINED TOTAL DEBT</b>			 <b>\$355,572,429</b>

- (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 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.19%
<b>Combined Direct Debt (\$50,440,000) .....</b>	<b>0.57%</b>
Combined Total Debt .....	4.03%

Ratios to Redevelopment Incremental Valuation (\$1,479,386,692):

Total Overlapping Tax Increment Debt.....	0.59%
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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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed valuation (1)	\$ 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	\$ 8,822,409
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	953,810	897,730	914,680	934,430	1,010,413	1,094,250	1,150,192	1,203,042	1,262,949	1,323,361
Total net debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 1,323,361</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

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

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

Fiscal Year Ended June 30	Water Revenue Bonds				RDA Tax Allocation Bonds			
	Water Revenue	Less Operating Expenses	Net Available Revenue	Coverage	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2020	4,144	6	4,138	1.00	-	-	-	-
2019	4,191	4	4,187	1.00	-	-	-	-
2018	4,142	4	4,138	1.00	-	-	-	-
2017	4,080	-	4,080	1.00	-	-	-	-
2016	4,136	69	4,067	1.08	-	-	-	-
2015	3,393	65	3,458	1.02	-	-	-	-
2014	4,194	62	4,132	1.00	-	-	-	-
2013	4,208	59	4,229	1.00	-	-	-	-
2012	4,179	16	4,163	1.00	-	-	-	-
2011	4,174	9	4,165	1.00	8,978	1,495	3,975	1.64

Fiscal Year Ended June 30	Gas Tax Certificate of Participation				RDA Revenue Refunding Bonds			
	Revenue	Less Operating Expenses	Net Available Revenue	Coverage	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2020	679	2	677	1.00	-	-	-	-
2019	685	5	680	1.00	-	-	-	-
2018	678	2	676	1.00	-	-	-	-
2017	663	2	661	1.00	-	-	-	-
2016	676	-	676	1.00	-	-	-	-
2015	675	-	675	1.00	-	-	-	-
2014	689	11	678	1.00	-	-	-	-
2013	676	4	676	1.00	-	-	-	-
2012	678	-	678	1.00	-	-	-	-
2011	679	-	679	1.00	2,245	215	209	5.29

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

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)
2020	90,751	42.5	2.86	\$ 74,774	\$ 33,704	13.8%
2019	89,406	44.7	2.22	\$ 45,272	\$ 28,926	5.8%
2018	87,883	43.5	2.50	\$ 45,278	\$ 26,930	6.7%
2017	88,718	40.5	2.83	\$ 40,449	23,103	6.1%
2016	88,058	35.9	3.08	\$ 52,343	23,584	7.0%
2015	86,683	34.0	3.12	47,280	20,354	6.8%
2014	84,655	32.7	3.13	51,202	21,702	9.3%
2013	83,450	34.1	3.48	46,822	18,772	12.1%
2012	79,185	34.3	3.23	41,082	19,748	14.0%
2011	77,168	29.6	3.22	52,001	20,734	15.5%

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)	2020		2011	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Riverside	1,135	16.79%	1,288	5.67%
Desert Sands Unified School District	2,455	5.86%	1,070	4.71%
Fantasy Springs Resort Casino	1,083	2.58%		
John F. Kennedy Memorial Hospital	690	1.65%	681	3.00%
Walmart Supercenter	356	0.85%		
City of Indio	248	0.59%	241	1.06%
Ralphs	169	0.40%		
Riverside Superior Court	166	0.40%	218	0.96%
Fiesta Ford Lincoln	146	0.35%		
Indio Nursing and Rehabilitation Center	161	0.38%		
Cardenas Market	151	0.36%		
Granite Construction Co			324	1.43%
Target			175	0.77%
Home Depot			137	0.60%
Jackalope Ranch			125	0.55%
Mathis Brothers			115	0.51%
Total Employment Listed	6,760	16.13%	4,374	19.27%
Total City Employment (2)	41,900		22,700	

"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>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>	<u>2020</u>
General government	46	41	45	39	36	34	36	36	36	38
Police	104	113	107	99	100	103	99	104	107	115
Public works	27	29	24	26	33	33	31	34	36	33
Community developmer	26	18	15	16	17	19	19	26	23	21
Water	<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>45</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>	<u>252</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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Arrests	2,416	2,163	2,062	2,119	2,178	2,026	2,331	1,853	1,651	1,548
Traffic citations issued	5,712	4,606	2,632	2,476	1,478	1,452	2,102	1,777	858	1,064
Parking citations issued	2,492	2,097	1,554	3,231	5,312	4,191	1,173	4,766	6,803	6,344
Fire:										
Emergency calls	7,918	8,138	8,442	8,564	9,319	8,317	8,611	7,796	9,467	8,934
Inspections	2,564	2,287	2,535	2,254	2,629	2,473	2,553	2,586	3,326	3,084
Public works:										
Street resurfacing (miles)	5.0	1.0	0.0	3.3	1.0	10.0	1.0	6.0	48.0	27.0
Water:										
New connections	330	0	258	488	397	223	320	302	316	245
Average daily consumption (millions of gallons)	18	18	18	20	18	15	15	15	15	16
Golf Course:										
Golf rounds played	23,762	20,576	19,753	18,908	26,464	26,481	24,003	24,491	26,107	23,716

Source: City of Indio

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	0	0	0	0	0	0
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Paved streets (miles)	244	244	244	251	253	254	254	254	255	255
Streetlights	2,903	2,825	2,869	2,858	2,886	2,893	2,858	2,858	2,868	2,868
Traffic signals	85	87	89	92	95	97	98	100	104	104
Recreation:										
Parks	13	13	15	17	17	17	18	18	18	18
Senior centers	1	1	1	1	1	1	1	1	1	1
Teen centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	327	327	327	329	332	342	343	343	355	362
Maximum daily capacity (millions of gallons)	66	66	66	66	66	66	66	66	66	68
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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Single-Family Residential	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	4,905,070
Multi-Family Residential	1,149,631	1,165,519	1,066,970	978,114	838,995	639,273	661,020	755,878	785,314	782,526
Commercial/Institutional	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	1,063,772
Industrial	56,401	59,114	61,707	72,389	66,423	54,401	58,018	60,552	64,585	66,865
Landscaping/Irrigation	<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>	<u>938,291</u>
Total	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	7,756,524

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

Source: Indio Water Authority

INDIO WATER AUTHORITY  
Water Rates  
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Monthly Base Rate	9.24	9.24	9.24	15.55	16.79	18.14	19.59	21.16	21.16	21.16
Rate Per 100 Cubic Feet										
Tier 1	1.16	1.16	1.16	0.77	0.83	0.90	0.97	1.05	1.05	1.05
Tier 2	n/a	n/a	n/a	1.16	1.25	1.35	1.31	1.41	1.41	1.41
Tier 3	n/a	n/a	n/a	1.55	1.67	1.81	1.95	2.11	2.11	2.11
Tier 4	n/a	n/a	n/a	2.32	2.51	2.71	2.92	3.16	3.16	3.16
Tier 5	n/a	n/a	n/a	3.09	3.34	3.60	3.89	4.20	4.20	4.20

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

Note:

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

Source: Indio Water Authority

**INDIO WATER AUTHORITY**  
 Ten Largest Water Customers  
 Last Five Fiscal Years

Water Customer	Account Class	Fiscal Year									
		2016	2017	2018	2019	2020					
		Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues		
ACDW Properties Inc.	Apartments	\$ -	0.00%	\$ -	0.00%	\$ -	-	\$ -	-		
Arabian Gardens MHP	Mobile Home Park	142,458	0.91%								
Artic Glacier USA	Commercial	65,566	0.42%								
Cabazon Indian Reservation	Casino										
Capital Foresight Comm., LP	Apartments	131,378	0.75%					107,086	0.54%		
Casa Monroe Apartments	Apartments										
CV Housing	Apartments							88,665	0.43%		
Desert Air Homeowner's Assoc	RV Park										
DSUSD - Indio High School	School	81,233	0.52%	-				98,604	0.48%		
DSUSD - Amistad HS	School	81,101	0.46%								
DSUSD - Middle School	School	149,551	0.86%								
Empire Polo Club	Commercial	90,602	0.58%	53,553	0.31%						
Fantasy Springs Casino	Commercial			76,469	0.44%	123,672	0.63%	140,371	0.68%		
Indian Palms Country Club						87,411	0.44%				
Indio Housing Authority	Apartments										
Indio Housing Corporation	Apartments										
John F. Kennedy Memorial Hosp	Hospital			67,536	0.39%			119,108	0.58%		
Motorcoach CC POA, Inc						110,141	0.56%				
Monte Azul Housing						93,703	0.47%				
Philip S Moreau	RV Park			88,927	0.51%						
Polo Estates Ventures	Commercial	256,252	1.63%								
Pueblo Del Sol	Mobile Home Park	67,724	0.43%	76,973	0.44%	214,724	1.09%	195,465	0.95%		
Rancho Casa Blanca	Mobile Home Park	71,210	0.45%								
Riverside County	Government	188,326	1.20%	62,822	0.36%	230,789	1.17%	303,855	1.47%		
Riverside County-Juvenile Hall	Government										
Snoketree Apartments	Apartments					87,874	0.44%	90,651	0.44%		
Summerbreeze Homeowner's Asso	Apartments							90,263	0.44%		
Summerfield Apartments	Apartments					101,150	0.51%	104,292	0.51%		
Sunrise Point Apartments	Apartments										
Terra Lago	Commercial	140,456	0.90%			102,310	0.52%				
The Club Worldmark	Time Share	165,602	1.06%			143,387	0.73%	136,515	0.66%		
Waller Tract Water - HAML	Residential			66,154	0.38%						
		<u>\$ 1,269,429</u>	8.10%	<u>\$ 854,464</u>	4.90%	<u>\$ 1,295,161</u>	6.56%	<u>\$ 1,367,789</u>	6.64%	<u>\$ 1,279,745</u>	6.48%

Source: Indio Water Authority

