

FOR THE FISCAL
YEAR ENDED
JUNE
2023



ANNUAL COMPREHENSIVE FINANCIAL REPORT



City of Indio, California
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 2023



Prepared by

Financial Department

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Introductory Section

Annual Comprehensive Financial Report • 2023



January 5, 2024

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

I am pleased to submit the City of Indio's Annual Comprehensive Financial Report (Annual Report) for the fiscal year that ended June 30, 2023. 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.

The Government Accounting Standards Board sets standards that require City management to include a narrative introduction, an overview, and an analysis 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, accompanying this letter.

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

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP. The goal of their independent audit is to provide reasonable assurance that the financial statements of the City—for the fiscal year ending June 30, 2023 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, 2023 do fairly represent the City's financial position. The "unmodified" opinion expressed by the auditors indicates that the City is in compliance with Governmental Accounting Standards and that the City's financial statements are presented fairly in all material respects.

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

The City's Annual Comprehensive Financial Report is divided into three sections:

I. Introductory Section

- Letter of Transmittal
- List of Officials
- City Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting

II. Financial Section

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Financial Statements and Schedules

III. Statistical Section

- Pertinent financial and non-financial data that presents historical trends and facts about the City

In order to enhance comprehension and usefulness for Annual Report readers, the 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 that was incorporated in 1930. The City encompasses approximately 33 square miles at the geographic midpoint of Riverside County, California. With a growing population around 95,000, 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 was 89.5 degrees Fahrenheit and the average annual low was 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. Due to the Coronavirus pandemic, the Coachella and Stagecoach Music Festivals took a two-year hiatus from 2020-2021. Production is well underway for Coachella Fest 2024. 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. The City transitioned from an at-large election process to a by-district election process commencing with the November 2018 general municipal election. Council members must be residents of the City and live within the district they represent. District lines are redrawn every ten years following completion of the United States census. 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 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 (budgets), and sets priorities for the City. In addition to serving as the policy makers, the City Council is responsible for numerous land-use decisions within the City's borders, including adoption of the General Plan. The City has a Council-Manager form of municipal government, where the City Council appoints the City Manager, who is responsible for the day-to-day administration of City business. The City Manager appoints and supervises all City department directors. The City Council also appoints the City Attorney and resident members to various municipal advisory boards and commissions.

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

The Indio City Council also serves as the governing board of the Indio Water Authority (IWA), the Indio Electric Financing Authority (IEFA), and the Indio Public Financing Authority (IPFA). IWA operates as an independent water enterprise, serving about 25,000 residential and commercial accounts. The IEFA provides electrical system efficiency and reliability and service enhancement to facilitate the provision and enhancement of electrical service by the Imperial Irrigation District (IID), within the territorial boundaries of the City. IID is the exclusive provider of retail electrical distribution services to all of Indio. The IPFA supports local infrastructure development and public projects by managing and securing funding for essential community initiatives by issuing bonds and overseeing financial transactions that enable the city to undertake vital projects.

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

Budget Process of the City

The City's fiscal year begins on July 1st and ends on June 30th the following year. The City Manager and key staff members review revenue trends and expenditure needs for each department, for the ensuing fiscal year. Typically, in May of each fiscal year, the City Manager submits a budget proposal to the City Council. In at least one public meeting, the City Council considers the proposed budget

and makes any revisions it deems appropriate. On or before June 30th, the City Council adopts a 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 revised 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 based on updated revenue trends and expenditure needs. All appropriation (budget) changes in the City are subject to City Council approval. 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’s long-term financial planning approach involves a comprehensive and balanced strategy that considers various aspects of public finance. This typically includes setting clear financial goals, creating a budget, building an emergency fund, investing in a diversified portfolio aligned with the City’s low-risk tolerance, managing debt wisely, and regularly reviewing and adjusting the financial plan. The City strives to be flexible, able to react to economic fluctuations and shifts in City Council spending priorities. The economic well-being of the City is influenced by various factors, reflecting the City’s diverse economic landscape; nonetheless, the City focuses on the following five economic drivers when drafting and evaluating long-term financial plans:

1. **Property Taxes and Real Estate Values:** Property taxes are a significant revenue source for the City. Fluctuations in real estate values directly impact property tax revenues, which in turn affects the City’s budgetary capabilities. Housing market trends, property assessments, and development activities contribute to this economic driver.
2. **Sales Tax Revenue:** The City relies on sales tax revenue generated from retail transactions within its jurisdiction. Economic conditions, consumer spending patterns, and the success of local businesses influence sales tax revenues. When the local commercial and business sector thrive, the City generally experiences positive economic impacts.
3. **State Funding and Grants:** The City receives a portion of its funding from the state and other local governments. Changes in state budget allocations, grant programs, and policies directly affect the financial health of the City. Economic downturns can lead to reductions in state funding, impacting local services and infrastructure projects.
4. **Economic Development and Business Climate:** The overall economic health of the City is closely tied to its business climate and the success of local industries. The City fosters economic development to attract new business and create local job opportunities. Economic growth within a community contributes to increased tax revenues and improved public services.
5. **Pension Liabilities and Employee Benefits:** The financial obligations related to pensions and employee benefits have and continue to substantially impact the City’s budget. The City recognizes that managing pension liabilities, healthcare costs, and other employee-related expenses is critical for long-term fiscal sustainability.
6. It’s important to note that local economic impacts can also be influenced by factors such as population growth, infrastructure investments, education systems, and environmental

considerations. The interconnected nature of these drivers underscores the complexity of managing the City's economic health. Sound financial planning, strategic economic development initiatives, and adaptability to changing economic conditions are crucial for resilience and success.

Economic Condition and Outlook

Indio is a vibrant and economically thriving city that has experienced remarkable revenue growth in recent years despite the recent global pandemic. As the pandemic unfolded, the City took decisive measures to prioritize essential services, support local businesses, and protect public health. With a conservative spending strategy, the City carefully managed its budget, avoided unnecessary expenditures and maintained a financial buffer for unforeseen circumstances. As the City regained economic momentum, the pause on infrastructure projects was lifted, and the City found itself in a unique position to invest significantly in its future. Conservative spending during the pandemic created the fiscal space necessary for a bold and transformative move. The City has now embarked on a strategic and well-funded infrastructure initiative to upgrade roads, revitalize public spaces, and modernize technology infrastructure. In the adopted FY 2023-24 budget, the City committed \$69 million in General Fund savings and \$40 million in bond proceeds to fund a robust \$154.5 million capital improvement plan. The City has become a beacon of progress, attracting new businesses and residents alike. However, the City is facing challenges associated with rising salary costs, fire contract expenses, and an upward trajectory in pension costs.

The City is witnessing an increase in salary costs, primarily due to a competitive labor market and the need to attract and retain skilled professionals. A comprehensive analysis of the salary structure and benchmarking against similar cities will be crucial to ensure fair compensation while maintaining fiscal responsibility. In addition, inflation is driving up the cost of living, prompting labor unions to seek wage increases that maintain employees' purchasing power and retain their standard of living in the face of rising prices.

All local staffed firefighters and paramedics are employees of the California Department of Forestry and Fire Protection, who have been hired by the City through a contract with the County of Riverside. Fire contract costs, driven by state-level labor negotiations, are on the rise, straining the City's budget. Exploring cost-sharing opportunities and optimizing resource allocation will be essential to manage these expenses in the future.

The City continues to grapple with escalating pension costs, a challenge faced by many California municipalities. In July, the California Public Employees' Retirement System (CalPERS) announced an investment return rate of 5.8% for the 2022-23 fiscal year. While this is less than the 6.8% forecasted return rate, it is an improvement over the disappointing negative 6.1% rate of return in 2021-22. Addressing rising pension costs requires a combination of strategies and collaboration with various employee unions. The City is mindful of the need to balance its ability to fund cost of living allowances for its employees with its ability to fund the long-term financial impacts of the resulting pension liability.

While the current challenges pose financial hurdles, the City remains well-positioned for continued economic prosperity. The City's diversified revenue streams, coupled with strategic financial management, will contribute to overcoming the short-term challenges and ensure long-term fiscal resilience. Recognizing financial pressures in the form of rising salary, fire contract costs, and pension costs allows the City to take proactive measures such as budgetary revisions, collaborative union negotiations, and pension system reforms to pave the way for sustained economic growth. City leadership understands that navigating these challenges will determine the City's resilience and prosperity in the years to come.

Major Initiatives for the Future

Safety for our residents is paramount, and after two years of construction, the opening of a cutting-edge Public Safety Campus is set for Late Spring 2024. The \$50 million campus will house the latest technology and resources for our dedicated first responders, ensuring a swift and coordinated response to emergencies for our residents. The Public Safety Campus consists of three separate buildings totaling approximately 43,000 sq. ft.:

- Indio Fire Station Number 1, rebuild, totaling approximately 13,500 sq. ft.
- a new 9-1-1 dispatch center, totaling approximately 7,000 sq. ft.
- a new public safety service building totaling approximately 22,000 sq. ft.

In December 2023, construction bids were received by the City for the new Civic Center Campus that will utilize modern architectural designs, including a mid-century modern color palette that complements the City's recently updated branding. This campus includes a brand new 38,000 sq. ft. 3-story City Hall and an 8,000 sq. ft. 1-story City Library. These buildings are stitched together with a paved public plaza and beautiful assortment of desert landscaping. Construction for the new City Hall is set to begin in early 2024 and will be located at the existing location of current City Hall and Library.

The nonprofit think tank The Conference Board expects US economic growth to studder in early 2024 due to elevated interest rates, rising consumer debt, and dissipating pandemic savings, before stabilizing later in the year. To mitigate any financial impacts on operations, the City plans to conduct a detailed budget analysis to identify areas for optimization and reallocation of resources; and prioritize essential services while identifying non-essential expenditures that can be trimmed without compromising public welfare. This effort is consistent with the City's two-year Strategic Plan, which provides the principal guidance for the preparation of the budget, program objectives and performance measures. The plan also provides objectives that guide resource allocation, policy, and many affairs of the organization. Practically, the plan is a tool for the City Council and City Staff to effectively meet the needs of our growing community. Areas of focus and major initiatives within the plan include:

- Public Safety
- Business & Job Growth
- Citywide Physical Infrastructure
- Community Beautification
- Downtown & Hwy 111 Revitalization
- Outreach, Communication, & Participation
- Financial & Environmental Sustainability and Operational Excellence

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Indio for its annual financial report for the fiscal year ended June 30, 2022. This was the sixteenth consecutive year that the City received this prestigious award. In order to receive a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. I am confident that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements. The City also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2022-23 adopted budget. This was the City's fourth consecutive year receiving the award. While

the GFOA continues to further enhance and strengthen its criteria, I am confident that future budget documents will continue to meet the GFOA's high standards.

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

Respectfully submitted,



Bryan H. Montgomery

City Manager

**City Officials
as of June 30, 2023**

City Council

OSCAR ORTIZ
Mayor

LUPE RAMOS AMITH
Mayor Pro Tempore

ELAINE HOMES
Council Member

WAYMOND FERMON
Council Member

GLENN MILLER
Council Member

Other Elected Officials

CYNTHIA HERNANDEZ
City Clerk

ROB ROCKWELL
Treasurer

Executive Staff

Bryan Montgomery, **City Manager**

Rob Rockwell, **Asst. City Manager & Director of Finance**

Scott Trujillo, **Deputy City Manager**

Andrew Ansoorian, **Director of Human Resources and Risk Management**

Ian Cozens, **Director of Information Technology**

Carl Morgan, **Director of Economic Development**

Sabdi Sanchez, **City Clerk Administrator**

Kevin Snyder, **Director of Community Development**

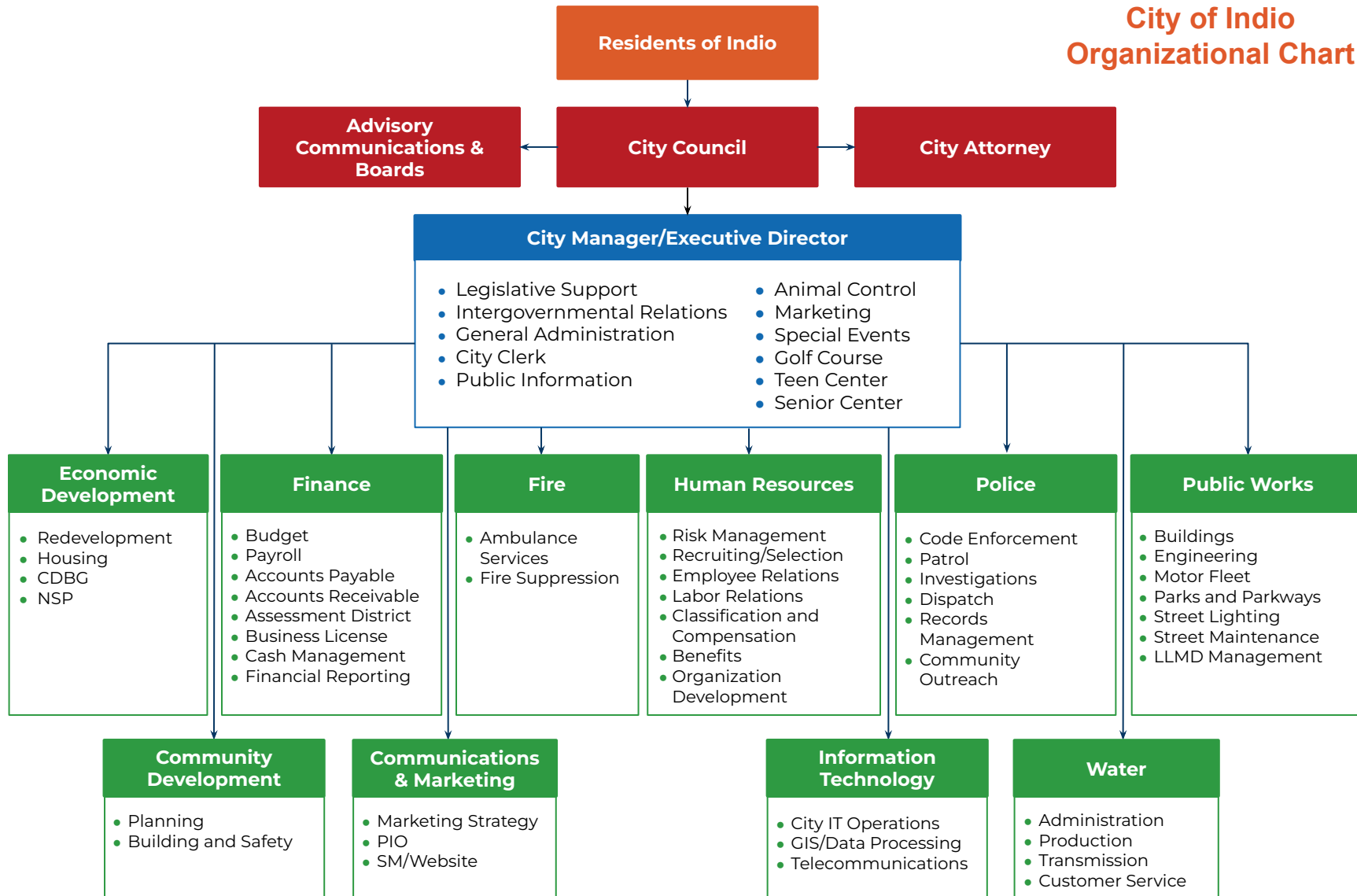
Rey Trejo, **Indio Water Authority General Manager**

Mike Washburn, **Chief of Police**

Tim Wassil, **Director of Public Works**

Bryan White, **Fire Chief**

City of Indio Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Indio
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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Financial Section

Annual Comprehensive Financial Report • 2023



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indio, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the major special revenue funds, as listed in the table of contents, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 5, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP".

Brea, California
January 5, 2024

Management Discussion and Analysis

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, 2023. 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 32-85.

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. Required supplementary information can be found on pages 87-97. A budget to actual comparison schedule is provided for the City's General Fund on pages 88-90.

Government-Wide Financial Statements

The government-wide financial statements present the financial picture of the City from the economic-resources-measurement focus using the accrual basis of accounting. Two statements are designed to provide the reader with a broad overview of the City's finances. Both the Statement of Net Position and the Statement of Activities report information about the City in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference among them reported as net position. Over time, increases or decreases in net position provide insight into whether

the City's financial health is improving, weakening, or holding steady. The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported regardless of when cash was received or disbursed. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused employee vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities of the City include general administration, public safety, community development, community services (recreation), public works, and interest on long-term debt. Property taxes, sales taxes, utility users' taxes, service fees, interest income, as well as some state and federal grants typically finance these activities. The business-type activities of the City include: water services, managed by the Indio Water Authority, and municipal golf operations, managed by Landmark Golf LP. The Indio Water Authority is significantly compliant to the Indio City Council and therefore has been included as an integral part of the primary government. The government-wide financial statements can be found on pages 16-19.

Government-Wide Financial Analysis

As reflected in the Statement of Net Position, at the close of the 2022-23 fiscal year, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$619.1 million. The City's net position increased \$41.5 million from the year before, an increase of about seven percent. This outcome was driven by increases in assets (\$146.6 million) and liabilities (\$129.4 million) and deferred outflows (\$13.3 million) and a decrease in deferred inflows (\$11.0 million).

The City's net position is mainly tied to its net 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, not immediately spendable resources. As mentioned, total assets increased (\$146.6 million). This outcome is driven primarily by increases in current assets (\$102.4 million), and an increase in capital assets (\$44.2 million). Current assets 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 a 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 of the City's net position.

Net Position Summary (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 260,790	\$ 162,770	\$ 66,868	\$ 62,460	\$ 327,658	\$ 225,230
Capital assets	505,026	455,530	144,789	150,079	649,815	605,609
Other noncurrent assets	5,763	5,763	-	-	5,763	5,763
Total assets	771,579	624,063	211,657	212,539	983,236	836,602
Pensions	28,372	12,723	2,822	2,778	31,194	15,501
OPEB	5,405	9,144	1,065	7	6,470	9,151
Deferred loss on refunding of debt	317	-	848	913	1,165	913
Total deferred outflows	34,094	21,867	4,735	3,698	38,829	25,565
Long-term liabilities	271,865	141,362	59,951	62,023	331,816	203,385
Other liabilities	44,568	42,158	7,053	8,519	51,621	50,677
Total liabilities	316,433	183,520	67,004	70,542	383,437	254,062
Pensions	2,688	23,322	192	2,571	2,880	25,893
OPEB	11,966	442	2,358	-	14,324	442
Leases	2,279	2,601	-	-	2,279	2,601
Unamortized gain on refunding of debt	-	1,486	-	82	-	1,568
Total deferred inflows	16,933	27,851	2,550	2,653	19,483	30,504
Net position:						
Net investment in	491,466	420,007	100,080	103,062	591,546	523,069
Restricted	121,940	27,974	340	322	122,280	28,296
Unrestricted	(141,099)	(13,422)	46,419	39,658	(94,680)	26,236
Total net position	\$ 472,307	\$ 434,559	\$ 146,839	\$ 143,042	\$ 619,146	\$ 577,601

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 \$107.1 million, \$31.1 million more than last fiscal year due to increases in Charges for Services (\$26.3 million), Capital Contributions/Grants (\$2.6 million), and Operating Contributions/Grants (\$2.2 million). General Revenue totaled \$96.6 million and was \$10.7 million more than prior fiscal-year revenue. The increase in General Revenue was primarily due to an increase of use of money and property from the issuance of a lease revenue refunding bond in the amount of \$119.5 million which contributed \$2.6 million of interest.

Expenses for all governmental activities totaled \$135.7 million, \$28.6 million more than the prior fiscal-year revenue. Annual expenditures for governmental activities were up across all functions.

Revenue for all business-type activities totaled \$31.1 million, an annual increase of \$2.9 million, driven by increases in use of money and property (\$2.5 million), Capital Contributions/Grants (\$0.6 million) and a decrease in Charges for Services (\$0.2 million).

Expenses for all business-type activities totaled \$27.3 million, an annual decrease of \$0.8 million. The decrease in expenditures was mostly associated with conservation efforts that reduced the demand for water (\$1.1 million) and a small increase in expenditures for municipal golf activities.

Change in Net Position Summary (in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for services	\$ 53,145	\$ 26,642	\$ 26,954	\$ 27,158	\$ 80,099	\$ 53,800
Operating contributions/grants	21,938	19,764	-	-	21,938	19,764
Capital contributions/grants	2,548	518	2,563	1,981	5,111	2,499
General Revenues:						
Property taxes	23,435	20,951	-	-	23,435	20,951
Other taxes	65,940	65,294	-	-	65,940	65,294
Other	5,657	615	1,609	(872)	7,266	(257)
Total revenues	172,663	133,784	31,126	28,267	203,789	162,051
Expenses:						
Water	-	-	25,456	26,518	25,456	26,518
Golf	-	-	1,873	1,595	1,873	1,595
General government	21,057	16,693	-	-	21,057	16,693
Public safety	63,383	54,116	-	-	63,383	54,116
Public works	23,851	22,165	-	-	23,851	22,165
Community development	9,259	8,542	-	-	9,259	8,542
Community services	5,919	3,785	-	-	5,919	3,785
Interest expense/other charges	12,251	1,853	-	-	12,251	1,853
Total Expenses	135,720	107,154	27,329	28,113	163,049	135,267
Change in net position	36,943	26,630	3,797	154	40,740	26,784
Net Position - beginning of fiscal year	434,560	407,930	143,042	142,888	577,602	550,818
Prior period adjustments	804	-	-	-	804	-
Net Position - beginning of fiscal year, restated	435,364	407,930	143,042	142,888	578,406	550,818
Net Position - end of fiscal year	\$ 472,307	\$ 434,560	\$ 146,839	\$ 143,042	\$ 619,146	\$ 577,602

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds for the City are placed into one of three categories: governmental funds, proprietary funds, or fiduciary funds. Governmental activities within the governmental fund group are calculated using the current financial-resources-measurement focus and the modified accrual basis of accounting. Proprietary (business-like) activities are calculated using the economic-resources-measurement focus and the accrual basis of accounting. Fiduciary activities are calculated using the economic-resources-measurement focus and the accrual basis of accounting. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or by bond covenant. 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 year end 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 39 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 three Major Funds: the General Fund, the American Rescue Plan Act Fund, and the City's Capital Projects Fund. Unlike the Non-Major Funds group, where the financial information is aggregated, Major Funds are reported independent of other fund groups.

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

Governmental Fund Financial Analysis

At the close of the fiscal year, governmental funds reported a combined ending fund balance of \$222.4 million, a year-over-year increase of \$106.9 million. Approximately 41 percent of total fund balance (\$91.6 million) was available for spending at the government's discretion (assigned, unassigned, and committed). Fund balance in the City's General Fund decreased \$17.5 million. Fund balance within the American Rescue Plan Act remained the same. Fund balance within the City's Capital Projects Fund increased \$30.1 million. Within the Non-Major fund group, fund balance increased \$2.1 million.

General Fund Financial Highlights:

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$65.8 million, down \$17.5 million from the prior year. Approximately 83 percent (\$54.6 million) of the \$65.8 million was available for spending at the government's discretion (assigned, unassigned, and committed). Nonspendable fund balance, which represents resources that cannot be spent because they are not in a spendable form, totaled \$8.8 million, consisting of prepaid expenditures (\$0.1 million), land held for resale (\$5.3 million), and a note receivable (\$3.3 million). Restricted fund balance, which represents amounts that can only be spent for a specific purpose, increased \$1.1 million from the prior fiscal year, totaling \$2.4 million. This \$2.4 million City deposits into a Section 115 trust fund used to stabilize annual pension costs. Assigned fund balance, which represents resources that are earmarked by City administration for a particular governmental purpose, totaled \$22.7 million, a decreased \$21.5 million from the prior fiscal year. Committed fund balance, which represents resources that are formally set aside by the City Council for emergencies or critical City priorities, totaled \$17.0 million, an increase from the prior fiscal year of \$2.0 million. Unassigned fund balance, which represents resources that have not been categorized as nonspendable, restricted, committed, or assigned, totaled \$14.9 million, an increase of \$0.6 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 \$38.0 million, up \$30.1 million from the prior year. This increase is tied to the prefunding of capital projects from the General Fund.

Non-Major Governmental Funds Financial Highlights:

Non-Major Governmental Funds accumulated \$26.4 million in fund balance at the end of the fiscal year, an increase of \$2.1 million from the previous year. Non-major capital project fund balances increased by \$0.9 million. Fund balance for non-major debt service funds decreased by \$0.5 million. Within the Non-Major Governmental Funds, revenues exceed expenses by \$3.4 million and interfund transfers-in exceeded interfund transfers-out by \$0.2 million, resulting in a net increase of \$3.6 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 government-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, equipment replacements, insurance, building maintenance, and information-technology systems. Because these five services principally benefit

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

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

At the close of the fiscal year, proprietary funds (including internal service funds) reported a combined ending net position of \$152.8 million, a year-over-year increase of \$5.0 million. City enterprise funds accumulated a year ending net position of \$146.8 million, a year-over-year increase of \$3.8 million. Internal service funds accumulated a net position of \$6.0 million, a year-over-year increase of \$1.2 million. Within the enterprise fund group, net position in the City's water fund increased \$2.7 million. Net position within the City's other enterprise funds, golf and solid waste, increased \$1.1 million.

Fiduciary Funds Financial Analysis

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for the fiduciary fund financial statements is much like that used for proprietary funds. The City's fiduciary activities are reported in separate statements of fiduciary net position. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes and are kept separate from City resources. The City uses fiduciary funds to account and manage resources for: various community facilities districts, the East Valley Reclamation Authority, the East Valley Coalition, and the Eastern Riverside County Interoperable Communication Authority. The finances for these entities are aggregated under the title Custodial Funds. The City also manages resources for the Successor Agency to the Indio Redevelopment Agency, which is reported under the private-purpose trust fund.

At the close of the fiscal year, as is standard for fiduciary funds, agency assets equal liabilities plus net position. However, net position of the RDA Successor Agency was negative \$41.6 million, due to its long-term debt on bonds, which is funded annually through the Recognized Obligation Payment Schedule (ROPS). Year-over-year, the Successor Agency's net position increased \$1.5 million.

Analysis of Long-Term Debt

Debt, which is considered a liability of governmental activities, totaled \$277.4 million, an increase of \$131.6 million from the prior fiscal year. The increase in debt was driven by the increases in lease revenue bonds (\$110.0) million, net pension liability (\$31.8) million, net of lease and subscription payable (\$4.1) 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 decreases in post-employment benefits (\$13.0 million), judgment obligation bond debt (\$0.7 million), certificates of participation debt (\$0.7 million), and financing agreements (\$0.1 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 55-74.

Outstanding Debt Summary (in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Claims Payable	\$ 12	\$ 14	\$ -	\$ -	\$ 12	\$ 14
Lease Revenue Bonds	143,088	33,082	-	-	143,088	33,082
Judgement Obligation Bond	12,440	13,115	-	-	12,440	13,115
Lease Payable	44	107	9	66	53	173
Subscription Payable	4,138	-	-	-	4,138	-
Water Bonds	-	-	45,547	47,863	45,547	47,863
Financing Agreements	52	153	-	-	52	153
Certificates of Participation	-	650	-	-	-	650
Net Pension Liability	72,054	40,269	8,172	5,867	80,226	46,136
Post Employment Benefit	43,266	56,279	8,525	10,500	51,791	66,779
Compensated Absences	2,342	2,152	395	336	2,737	2,488
Total	<u>\$ 277,436</u>	<u>\$ 145,821</u>	<u>\$ 62,648</u>	<u>\$ 64,632</u>	<u>\$ 340,084</u>	<u>\$ 210,453</u>

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/amortization, for governmental activities totaled \$505.0 million. Capital assets, net of depreciation/amortization, for business-type activities totaled \$144.8 million. Overall, net capital asset value increased \$44.2 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 52-53.

Capital Assets Summary (in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 42,140	\$ 42,140	\$ 3,139	\$ 2,175	\$ 45,279	\$ 44,315
Right of way	54,700	54,694	-	-	54,700	54,694
Structures and improvements	37,527	37,133	15,351	15,351	52,879	52,484
Machinery, equipment and vehicles	24,423	20,886	6,392	5,836	30,815	26,722
Infrastructure	616,538	615,711	295,527	295,160	912,065	910,870
Intangible right-to-use assets	6,000	163	122	124	6,122	286
Construction in progress	85,105	28,075	1,959	1,070	87,064	29,145
Capital Assets	<u>866,433</u>	<u>798,801</u>	<u>322,490</u>	<u>319,716</u>	<u>1,188,923</u>	<u>1,118,517</u>
Accumulated depreciation/ amortization	<u>361,408</u>	<u>343,272</u>	<u>177,701</u>	<u>169,635</u>	<u>539,109</u>	<u>512,906</u>
Net Capital Assets	<u>\$ 505,026</u>	<u>\$ 455,530</u>	<u>\$ 144,789</u>	<u>\$ 150,081</u>	<u>\$ 649,814</u>	<u>\$ 605,611</u>

Analysis of the Budget and Significant Variances

The annually adopted budget appropriates spending authority by functional unit and expenditure 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. Actual yearend expenditures and revenues rarely match budgeted appropriation levels exactly, due to changes in policy, economic impacts, unexpected outlays, and naturally occurring operational variances. Schedules comparing budget expectations to actual outcomes can be found on pages 122-154 for the General Fund and on pages 156-158 for other non-major funds.

For fiscal year 2022-23, General Fund revenue totaled \$121.6 million, including \$4.3 million categorized as Transfers In, and \$0.6 million categorized as Capital Contributions. In total, the City received \$17.4 million (9%) more than budgeted. Tax revenues were stronger than anticipated, exceeding budgeted expectations by \$8.2 million. Overages primarily consisted of: sales taxes (\$2.8 million), transient occupancy taxes (\$1.6 million), utility users taxes (\$2.0 million), and property taxes (\$1.6 million). Charges for Services was \$2.2 million over budget, mainly supported by higher-than-expected demand for police, fire, and ambulance services. Building activities, supported by robust licensing and permitting actions, exceeded budgeted expectations by approximately \$2.5 million.

The original fiscal year 2022-23 General Fund budget authorized \$137.7 million in expenditures. The budget as finally adjusted by the City Council authorized \$145.2 million in expenditures. At the end of the fiscal year, General Fund expenditures totaled \$139.1 million, including transfers out of \$55.0 million. In total, expenditures were \$6.1 million (4.2%) less than budgeted. Nearly half of the \$6.1 million is attributable to budgetary savings in Police support services (\$1.1 million), Police Field Services (\$1.1 million). Within the General Government group, six administrative budget units recorded an overage of \$0.5 million, combined. The Finance Department, and the City Attorney's Office were overbudget due to unexpected technology services needs, and unexpected litigation costs, respectively. Most notably, within the General Government group, the Non-departmental budget unit generated savings of \$1.6 million. Within the Public Safety group budgetary savings in nine budget units totaling \$1.5 million was offset by slight overages totaling \$1.4 million (3%) in three budget units. The majority of savings were in the Police Field Services unit (\$1.1 million), due to salary savings from vacant positions, and the Police Support Services unit (\$1.1 million). Animal Control and Code Enforcement also reported expenditures below expectations of \$0.1 million and \$0.4 million, respectively. Within the Community Development group, Building and Safety, Planning, and Economic Development generated \$1.3 million in budget savings (25%) via salary savings. Within the Community Services group, three budget units generated \$0.4 million (15%) in savings, and Senior Services had an average of \$92 thousand. The Public Works group, Street maintenance and operations unit, generated \$0.3 million (11%) in savings, and Engineering and administration and Parks and parkways had an overage of \$0.4 million. Finally, within the category Transfers Out, \$1.9 million in budget savings was recognized due to the deferral of some capital projects.

Facts and Conditions of Future Significance

For the coming 2023-24 fiscal year, the City Council adopted a Citywide budget totaling \$361 million in appropriations, a \$29.3 million (9%) increase from the prior-year's adopted budget. The increase in appropriations is primarily attributable to robust capital project spending, which is captured in the governmental fund group as new project expenditures and in the fiduciary fund group as debt payments for projects that were financed through the issuance of bonds. About \$84.1 million (23%) of the budget is appropriated to move resources across funds, in order to properly isolate, track, and capture specific expenditures and revenues in accordance with generally accepted accounting principles. Citywide, revenue is expected to total \$268.2 million, a decrease from the prior year of

\$15 million (43%). Across all funds, the \$92.8 million gap between appropriations and expected revenue will be funded from fund balance (fund equity) and assumed salary savings.

About \$152.6 million (55%) of the budget will be appropriated to cover the cost of new construction and pay debt incurred for infrastructure. Of all planned citywide expenditures, \$65.8 million (24%) will cover the cost of hiring professionals and specialists in various roles such as firefighters, architects, auditors, and landscapers. Utilities are also included in Purchased Services. About \$50.2 million (18%) of planned expenditures will cover the cost of employee salaries and benefits. Just over half of all planned salary and benefit expenses cover the cost of police department staff. About \$8.4 million (3%) of the budget is dedicated for other operating costs, including materials and supplies such as tools, cleaning supplies, and automobile parts.

The budget supports 293 full-time positions, seven elected officials, 35 appointed commissioners, and nine part-time positions. The recommended budget funds 73 sworn police positions and includes funding for two new facilities maintenance workers, who will focus on park maintenance as well as building upkeep.

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

The FY 2023-24 adopted General Fund budget establishes \$134.9 million in spending authority, \$2.9 million less than what was authorized in the previous-year's adopted budget. The modest decrease reflects a slight reduction in planned spending on capital projects as the city spends down discretionary General Fund savings.

Police protection accounts for the largest portion (\$41.9 million) of all planned General Fund expenditures. In addition to typical policing operations, the police department budget also includes code enforcement operations, which accounts for seven percent (\$3.1 million) of the police department's budget. About \$21.1 million (16%) of the budget supports fire and ambulance services, which are contracted through the County of Riverside. Combined, these public safety operations represent 47 percent of all planned General Fund expenditures.

The Public Works Department budget will provide funding for planning, designing, constructing, operating, and maintaining the city's infrastructure: public roads, bridges, parks, storm drains, and all city owned properties and facilities. The Public Works budget totals \$8.9 million. Beyond the typical increase in salary costs tied to normal job class progression and inflationary increase in overhead (internal service) costs, the Public Works budget will increase about \$180,000 to cover the cost of two additional facilities maintenance workers who will assist with park and facility maintenance.

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.



Basic Financial Statements

Annual Comprehensive Financial Report • 2023

Statement of Net Position June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 136,044,363	\$ 61,462,476	\$ 197,506,839
Restricted cash and investments	2,388,938	-	2,388,938
Restricted cash and investments with fiscal agents	91,872,490	340,022	92,212,512
Receivables:			
Accounts	2,049,366	3,868,653	5,918,019
Taxes	9,727,705	-	9,727,705
Notes and loans	8,442,399	-	8,442,399
Accrued interest	7,052	10,648	17,700
Lease	3,196,780	-	3,196,780
Due from other governments	6,928,338	-	6,928,338
Prepaid costs	132,847	794,271	927,118
Inventories	-	392,175	392,175
Advance to Assessment Districts	79,562	-	79,562
Property held for resale	5,683,242	-	5,683,242
Capital assets - not being depreciated/amortized	181,944,478	5,097,742	187,042,220
Capital assets - net of accumulated depreciation/amortization	323,081,037	139,691,014	462,772,051
Total Assets	771,578,597	211,657,001	983,235,598
Deferred Outflows of Resources:			
Deferred charge on refunding	317,110	847,675	1,164,785
Pension deferrals	28,372,045	2,822,406	31,194,451
OPEB deferrals	5,404,568	1,064,868	6,469,436
Total Deferred Outflows of Resources	34,093,723	4,734,949	38,828,672
Liabilities:			
Accounts payable	19,417,886	2,511,915	21,929,801
Accrued liabilities	811,699	840,615	1,652,314
Accrued interest	7,062,282	444,783	7,507,065
Unearned revenue	6,672,131	-	6,672,131
Deposits payable	5,032,038	558,428	5,590,466
Noncurrent liabilities due within one year:			
Bonds and notes payable	3,110,000	2,375,000	5,485,000
Lease payable	22,261	9,370	31,631
Subscription Payable	754,731	-	754,731
Financing agreements	51,842	-	51,842
Compensated absences	1,632,351	312,468	1,944,819
Noncurrent liabilities due in more than one year:			
Bonds and notes payable	152,418,517	43,172,193	195,590,710
Lease payable	22,023	-	22,023
Subscription Payable	3,382,963	-	3,382,963
Compensated absences	709,740	82,275	792,015
Claims and judgments	12,250	-	12,250
Net pension liability	72,053,568	8,171,643	80,225,211
Net other post-employment benefits liability	43,265,833	8,524,726	51,790,559
Total Liabilities	316,432,115	67,003,416	383,435,531
Deferred Inflows of Resources:			
Leases	2,279,409	-	2,279,409
Pension deferrals	2,688,036	191,721	2,879,757
OPEB deferrals	11,965,623	2,357,603	14,323,226
Total Deferred Inflows of Resources	16,933,068	2,549,324	19,482,392
Net Position:			
Net investment in capital assets	491,466,413	100,079,868	591,546,281
Restricted:			
Community development projects	9,524,860	-	9,524,860
Public safety	1,946,084	-	1,946,084
Public works	5,838,800	-	5,838,800
Capital projects	7,240,953	-	7,240,953
Debt service	92,203,679	340,022	92,543,701
Assessment districts	257,753	-	257,753
Public education government channel	1,308,821	-	1,308,821
Parks and recreation	1,057,205	-	1,057,205
Pension stabilization	2,388,938	-	2,388,938
American Rescue Plan Act funds	40,343	-	40,343
Pollution remediation	132,408	-	132,408
Unrestricted	(141,099,120)	46,419,320	(94,679,800)
Total Net Position	\$ 472,307,137	\$ 146,839,210	\$ 619,146,347

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

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**Statement of Activities
for the Year Ended June 30, 2023**

	Expenses	Program Revenues		
		Charges for Services	Operating Contribution and Grants	Capital Contribution and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 21,057,100	\$ 8,081,162	\$ 70,732	\$ 1,037,173
Public safety	63,383,123	18,687,553	8,054,591	-
Community development	9,258,977	4,927,399	6,324,666	-
Community services	5,919,060	4,112,418	-	-
Public works	23,850,929	17,335,900	7,488,142	1,511,083
Interest on long-term debt	12,251,196	-	-	-
Total Governmental Activities	<u>135,720,385</u>	<u>53,144,432</u>	<u>21,938,131</u>	<u>2,548,256</u>
Business-Type Activities:				
Water	25,456,082	24,926,766	-	2,563,394
Golf	1,872,788	2,026,978	-	-
Total Business-Type Activities	<u>27,328,870</u>	<u>26,953,744</u>	<u>-</u>	<u>2,563,394</u>
Total Primary Government	<u>\$ 163,049,255</u>	<u>\$ 80,098,176</u>	<u>\$ 21,938,131</u>	<u>\$ 5,111,650</u>
General Revenues:				
Taxes:				
Property taxes				
Transient occupancy taxes				
Sales taxes				
Business licenses taxes				
Utility users tax				
Other taxes				
Motor vehicle in lieu - unrestricted				
Use of money and property				
Other				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Restatements				
Net Position - Beginning, as Restated				
Net Position - Ending				

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

Government-Wide Financial Statements

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

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (11,868,033)	\$ -	\$ (11,868,033)
(36,640,979)	-	(36,640,979)
1,993,088	-	1,993,088
(1,806,642)	-	(1,806,642)
2,484,196	-	2,484,196
(12,251,196)	-	(12,251,196)
(58,089,566)	-	(58,089,566)
-	2,034,078	2,034,078
-	154,190	154,190
-	2,188,268	2,188,268
\$ (58,089,566)	\$ 2,188,268	\$ (55,901,298)
23,434,739	-	23,434,739
14,744,233	-	14,744,233
36,780,211	-	36,780,211
753,406	-	753,406
10,771,595	-	10,771,595
2,890,690	-	2,890,690
91,367	-	91,367
3,691,675	360,348	4,052,023
1,964,347	1,159,020	3,123,367
(90,000)	90,000	-
95,032,263	1,609,368	96,641,631
36,942,697	3,797,636	40,740,333
434,560,048	143,041,574	577,601,622
804,392	-	804,392
435,364,440	143,041,574	578,406,014
\$ 472,307,137	\$ 146,839,210	\$ 619,146,347

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

**Balance Sheet
Governmental Funds
June 30, 2023**

	Special Revenue Fund	Capital Projects Fund	Debt Service Fund			
	American Rescue Plan Act	Capital Projects Fund	General Debt Service	Non-Major Governmental Funds	Total Governmental Funds	
General Fund						
Assets:						
Cash and investments	\$ 47,984,878	\$ 4,929,730	\$ 49,456,337	\$ 3,496,787	\$ 23,369,852	\$ 129,237,584
Receivables:						
Accounts	1,959,763	-	-	-	61,329	2,021,092
Taxes	9,118,963	-	-	-	608,742	9,727,705
Notes and loans	3,263,381	-	-	-	5,179,018	8,442,399
Accrued interest	1,684	-	-	-	-	1,684
Lease	3,196,780	-	-	-	-	3,196,780
Prepaid costs	102,533	-	-	-	5,646	108,179
Due from other governments	1,752,406	59,670	1,618,553	-	3,068,498	6,499,127
Due from other funds	7,692,686	-	-	-	-	7,692,686
Advances to Assessment Districts	79,562	-	-	-	-	79,562
Property held for resale	5,341,588	-	-	-	341,654	5,683,242
Restricted assets:						
Cash and investments	2,388,938	-	-	-	-	2,388,938
Cash and investments with fiscal agents	-	-	1,910,309	89,801,067	62,810	91,774,186
Total Assets	\$ 82,883,162	\$ 4,989,400	\$ 52,985,199	\$ 93,297,854	\$ 32,697,549	\$ 266,853,164
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 8,117,432	\$ 249,122	\$ 7,670,806	\$ -	\$ 1,919,548	\$ 17,956,908
Accrued liabilities	811,696	-	-	-	-	811,696
Accrued interest	-	-	-	1,094,032	80,474	1,174,506
Unearned revenues	-	4,699,935	1,557,885	-	173,051	6,430,871
Deposits payable	4,897,650	-	11,272	-	123,116	5,032,038
Due to other funds	-	-	5,650,443	143	2,042,100	7,692,686
Total Liabilities	13,826,778	4,949,057	14,890,406	1,094,175	4,338,289	39,098,705
Deferred Inflows of Resources:						
Unavailable revenues	1,007,877	-	120,000	-	2,284,727	3,412,604
Leases	2,279,409	-	-	-	-	2,279,409
Total Deferred Inflows of Resources	3,287,286	-	120,000	-	2,284,727	5,692,013
Fund Balances:						
Nonspendable	8,787,064	-	-	-	5,646	8,792,710
Restricted	2,388,938	40,343	-	92,203,679	27,306,884	121,939,844
Committed	17,000,000	-	-	-	-	17,000,000
Assigned	22,690,108	-	37,974,793	-	-	60,664,901
Unassigned	14,902,988	-	-	-	(1,237,997)	13,664,991
Total Fund Balances	65,769,098	40,343	37,974,793	92,203,679	26,074,533	222,062,446
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 82,883,162	\$ 4,989,400	\$ 52,985,199	\$ 93,297,854	\$ 32,697,549	\$ 266,853,164

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

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023**

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

Total fund balances - governmental funds	\$	222,062,446	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			494,414,199
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	\$	(145,335,000)	
Leases payable		(10,046)	
Subscription payable		(480,869)	
Unamortized premiums/(discounts) on bonds payable		(10,193,517)	
Deferred charge on bond refunding		317,110	
Compensated absences		<u>(2,342,091)</u>	(158,044,413)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.			(5,872,529)
Accrued interest payable for the current portion of interest due on subscriptions has not been reported in the governmental funds.			(3,092)
Accrued interest receivables for the current portion of interest due on leases has not been reported in the governmental funds.			5,368
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.			(68,515,813)
Deferred outflows and inflows related to pension and other post-employment benefits are only reported in the Statement of Net Position as changes in these amounts only after Contributions made after the actuarial measurement date is as follows:			
Deferred outflows related to pensions		27,150,137	
Deferred inflows related to pensions		(2,605,035)	
Deferred outflows related to other post-employment benefits		4,953,454	
Deferred inflows related to other post-employment benefits		<u>(10,966,864)</u>	18,531,692
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.			(39,654,477)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.			3,412,604
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.			<u>5,971,152</u>
Net Position of Governmental Activities	\$		<u>472,307,137</u>

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

**Statement of Revenues,
Expenditures, and Changes in Fund Balance
Governmental Funds
for the Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund American Rescue Plan Act</u>	<u>Capital Projects Fund Capital Projects Fund</u>	<u>Debt Service Fund General Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	\$ 87,117,060	\$ -	\$ -	\$ -	\$ 2,257,813	\$ 89,374,873
Licenses and permits	9,707,587	-	-	-	-	9,707,587
Intergovernmental	1,225,902	7,700,692	3,455,822	-	13,129,852	25,512,268
Charges for services	11,501,339	-	355	-	-	11,501,694
Use of money and property	4,171,573	(152,093)	60,645	132,098,037	23,370	136,201,532
Fines and forfeitures	1,398,951	-	-	-	76,802	1,475,753
Contributions	-	-	-	-	5,913,051	5,913,051
Developer participation	-	-	4,918,551	-	281,704	5,200,255
Miscellaneous	1,515,565	1,625	38,027	-	846,312	2,401,529
Total Revenues	116,637,977	7,550,224	8,473,400	132,098,037	22,528,904	287,288,542
Expenditures:						
Current:						
General government	11,820,467	406,050	1,677,599	-	305,180	14,209,296
Public safety	57,197,348	-	-	-	827,216	58,024,564
Community development	3,934,716	4,131	-	-	832,942	4,771,789
Community services	3,559,619	-	-	-	-	3,559,619
Parks and recreation	-	-	-	-	304,219	304,219
Public works	7,629,963	6,405,952	-	-	4,156,716	18,192,631
Capital outlay	19,412	734,091	43,689,468	-	7,984,464	52,427,435
Debt service:						
Principal retirement	-	-	-	19,488,773	1,325,000	20,813,773
Interest and fiscal charges	-	-	-	6,143,325	589,190	6,732,515
Cost of issuance	-	-	-	2,238,517	-	2,238,517
Total Expenditures	84,161,525	7,550,224	45,367,067	27,870,615	16,324,927	181,274,358
Excess of Revenues over Expenditures	32,476,452	-	(36,893,667)	104,227,422	6,203,977	106,014,184
Other Financing Sources (Uses):						
Transfers in	4,301,000	-	68,881,895	8,183,737	1,465,943	82,832,575
Transfers out	(54,951,323)	-	(1,870,252)	(21,800,000)	(4,301,000)	(82,922,575)
Capital contributions	637,237	-	-	-	-	637,237
Total Other Financing Sources (Uses)	(50,013,086)	-	67,011,643	(13,616,263)	(2,835,057)	547,237
Net Change in Fund Balance	(17,536,634)	-	30,117,976	90,611,159	3,368,920	106,561,421
Fund Balance - Beginning	83,305,732	40,343	7,856,817	1,592,520	22,705,613	115,501,025
Fund Balance - Ending	\$65,769,098	\$ 40,343	\$37,974,793	\$92,203,679	\$ 26,074,533	\$ 222,062,446

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

**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, 2023**

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

Net change in fund balances - total governmental funds		106,561,421
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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense and any related gain/loss on the sale or disposal of assets in the current period.		
Capital outlay	\$ 58,262,594	
Loss on disposal	(25,919)	
Depreciation/amortization	<u>(16,493,717)</u>	41,742,958
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.		
Bond principal repayments	19,814,931	
Cost of issuance	2,238,517	
Bond proceeds and premiums	(129,929,807)	
Amortization of bond premiums/discounts	353,796	
Amortization of deferred charge on bond refunding	(6,288)	
Lease and Subscription principal repayments	202,292	
Installment agreement principal repayments	650,000	
Change in compensated absences	<u>(190,169)</u>	(106,866,728)
Net change in accrued interest on long-term debt for the current period reported on the statement of activities.		(5,571,159)
Net change in accrued interest on leases and subscriptions for the current period reported on the statement of activities.		2,310
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.		3,692,148
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.		(1,400,301)
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.		(2,406,959)
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>1,189,007</u>
Change in Net Position of Governmental Activities		<u>\$ 36,942,697</u>

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

**Statement of Net Position
Proprietary Funds
June 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Assets:				
Current Assets:				
Cash and investments	\$ 58,896,719	\$ 2,565,757	\$ 61,462,476	\$ 6,806,777
Restricted cash with fiscal agents	340,022	-	340,022	98,303
Accounts receivable	3,812,698	55,955	3,868,653	28,273
Accrued interest receivable	10,648	-	10,648	-
Inventories	353,491	38,684	392,175	-
Prepaid costs	644,271	150,000	794,271	24,668
Due from other governments	-	-	-	429,211
Total Current Assets	<u>64,057,849</u>	<u>2,810,396</u>	<u>66,868,245</u>	<u>7,387,232</u>
Noncurrent Assets:				
Capital assets - not being depreciated/amortized	4,631,783	465,959	5,097,742	-
Capital assets - net of accumulated depreciation/ amortization	139,449,382	241,632	139,691,014	10,611,316
Total Noncurrent Assets	<u>144,081,165</u>	<u>707,591</u>	<u>144,788,756</u>	<u>10,611,316</u>
Total Assets	<u>208,139,014</u>	<u>3,517,987</u>	<u>211,657,001</u>	<u>17,998,548</u>
Deferred Outflows of Resources:				
Deferred charge on refunding	847,675	-	847,675	-
Pension deferrals	2,812,378	10,028	2,822,406	1,221,907
OPEB deferrals	1,060,534	4,334	1,064,868	451,114
Total Deferred Outflows of Resources	<u>4,720,587</u>	<u>14,362</u>	<u>4,734,949</u>	<u>1,673,021</u>
Liabilities:				
Current Liabilities:				
Accounts payable	2,385,487	126,429	2,511,916	1,460,931
Accrued liabilities	840,615	-	840,615	-
Accrued interest	444,778	5	444,783	12,197
Unearned revenues	-	-	-	241,260
Deposits payable	447,125	111,302	558,427	-
Lease payable	-	9,370	9,370	-
Compensated absences	312,468	-	312,468	-
Bonds payable	2,375,000	-	2,375,000	-
Total Current Liabilities	<u>6,805,473</u>	<u>247,106</u>	<u>7,052,579</u>	<u>1,714,388</u>
Noncurrent Liabilities:				
Compensated absences	82,275	-	82,275	-
Accrued claims and judgments	-	-	-	12,250
Financing agreements	-	-	-	51,842
Bonds payable	43,172,193	-	43,172,193	-
Lease payable	-	-	-	34,240
Subscription payable	-	-	-	3,656,825
Net pension liability	8,142,609	29,034	8,171,643	3,537,755
Net other post-employment benefits liability	8,490,026	34,700	8,524,726	3,611,356
Total Noncurrent Liabilities	<u>59,887,103</u>	<u>63,734</u>	<u>59,950,837</u>	<u>10,904,268</u>
Total Liabilities	<u>66,692,576</u>	<u>310,840</u>	<u>67,003,416</u>	<u>12,618,656</u>

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

**Statement of Net Position
Proprietary Funds (continued)
June 30, 2023**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Water</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	
Deferred Inflows of Resources:				
Pension deferrals	191,040	681	191,721	83,002
OPEB deferrals	2,348,006	9,597	2,357,603	998,759
Total Deferred Inflows of Resources	2,539,046	10,278	2,549,324	1,081,761
Net Position:				
Net investment in capital assets	99,381,647	698,221	100,079,868	6,868,409
Restricted for debt service	340,022	-	340,022	-
Unrestricted	43,906,310	2,513,010	46,419,320	(897,257)
Total Net Position	\$ 143,627,979	\$ 3,211,231	\$ 146,839,210	\$ 5,971,152

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

**Statement of Revenues, Expenses,
and Changes in Fund Net Position
Proprietary Funds
for the Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Operating Revenues:				
Sales and service charges	\$ 24,926,766	\$ 2,026,978	\$ 26,953,744	\$ -
Interdepartmental charges	-	-	-	17,281,049
Other income	359,020	800,000	1,159,020	4,118,445
Total Operating Revenues	25,285,786	2,826,978	28,112,764	21,399,494
Operating Expenses:				
Personnel services	5,907,959	23,364	5,931,323	9,653,437
Contractual services	3,389,093	832,591	4,221,684	836,873
Repairs and maintenance	2,880,097	427,315	3,307,412	1,858,802
Claims expense	-	-	-	306,309
Depreciation/amortization expense	7,997,366	68,801	8,066,167	1,754,339
Materials and supplies	1,405,239	530,989	1,936,228	5,588,992
Rentals and leases	100,160	-	100,160	92,650
Utilities	1,832,481	-	1,832,481	-
Total Operating Expenses	23,512,395	1,883,060	25,395,455	20,091,402
Operating Income	1,773,391	943,918	2,717,309	1,308,092
Nonoperating Revenues (Expenses):				
Interest revenue	341,603	18,745	360,348	2,242
Interest expense	(1,933,328)	(87)	(1,933,415)	(121,327)
Total Nonoperating Revenues (Expenses)	(1,591,725)	18,658	(1,573,067)	(119,085)
Income before Capital Contributions	181,666	962,576	1,144,242	1,189,007
Transfers in	-	90,000	90,000	-
Capital grants	133,543	-	133,543	-
Capital impact fees	2,429,851	-	2,429,851	-
Changes in Net Position	2,745,060	1,052,576	3,797,636	1,189,007
Net Position - Beginning	140,882,919	2,158,655	143,041,574	3,977,753
Restatements	-	-	-	804,392
Net Position - Beginning, as Restated	140,882,919	2,158,655	143,041,574	4,782,145
Net Position - Ending	\$143,627,979	\$ 3,211,231	\$ 146,839,210	\$ 5,971,152

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

**Statement of Cash Flows
Proprietary Funds
for the Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 25,135,269	\$ 2,867,053	\$ 28,002,322	\$ -
Receipts from interfund services and charges	-	-	-	16,865,647
Receipts from insurance settlements	-	-	-	51,925
Other receipts	-	-	-	3,838,535
Payments to suppliers and service providers	(8,921,444)	(4,160,156)	(13,081,600)	(7,665,436)
Payments to employees for salaries and benefits	(6,885,366)	(27,490)	(6,912,856)	(9,677,071)
Net Cash Provided by (Used for) Operating Activities	9,328,459	(1,320,593)	8,007,866	3,413,600
Cash Flows from Non-Capital Financing Activities:				
Transfers from other funds	-	90,000	90,000	-
Repayment made on short-term interfund borrowing	-	-	-	(72,680)
Net Cash Provided by (Used for) Non-Capital Financing Activities	-	90,000	90,000	(72,680)
Cash Flows from Capital and Related Financing Activities:				
Capital impact fees	2,429,851	-	2,429,851	-
Acquisition and construction of capital assets	(2,766,117)	(10,000)	(2,776,117)	(3,755,627)
Principal paid on capital debt	(2,260,000)	-	(2,260,000)	(100,700)
Interest paid on capital debt	(1,952,250)	-	(1,952,250)	(4,533)
Capital grants	133,543	-	133,543	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(4,414,973)	(10,000)	(4,424,973)	(3,860,860)
Cash Flows from Investing Activities:				
Interest on investments	404,163	(37,486)	366,677	(772,644)
Net Cash Provided by (Used for) Investing Activities	404,163	(37,486)	366,677	(772,644)
Net Increase in Cash and Cash Equivalents	5,317,649	(1,278,079)	4,039,570	(1,292,584)
Cash and Cash Equivalents, July 1	53,919,092	3,843,836	57,762,928	8,197,664
Cash and Cash Equivalents, June 30	\$ 59,236,741	\$ 2,565,757	\$ 61,802,498	\$ 6,905,080
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:				
Cash and cash equivalents	\$ 58,896,719	\$ 2,565,757	\$ 61,462,476	\$ 6,806,777
Restricted cash and cash equivalents	340,022	-	340,022	98,303
Total Cash and Cash Equivalents	<u>\$ 59,236,741</u>	<u>\$ 2,565,757</u>	<u>\$ 61,802,498</u>	<u>\$ 6,905,080</u>

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

**Statement of Cash Flows
Proprietary Funds (continued)
for the Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Operating income	\$ 1,773,391	\$ 943,918	\$ 2,717,309	\$ 1,308,092
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	7,997,366	68,801	8,066,167	1,754,339
(Increase) decrease in accounts receivable	(150,522)	40,075	(110,447)	(10,145)
(Increase) decrease in due from other governments	-	-	-	(429,211)
(Increase) decrease in prepaid costs	48,051	(75,000)	(26,949)	(24,668)
(Increase) decrease in inventories	(285,448)	(7,871)	(293,319)	-
Increase (decrease) in accounts payable	923,023	(2,349)	920,674	840,297
Increase (decrease) in accrued liabilities	(162,590)	(627)	(163,217)	(67,192)
Increase (decrease) in deposits payable	5	(2,284,041)	(2,284,036)	-
Increase (decrease) in compensated absences	59,001	-	59,001	-
Increase (decrease) in accrued claims and judgments	-	-	-	(1,470)
Increase (decrease) in pension obligations	(1,808,504)	(9,792)	(1,818,296)	(807,233)
Increase (decrease) in OPEB obligations	934,686	6,293	940,979	850,791
Total Adjustments	<u>7,555,068</u>	<u>(2,264,511)</u>	<u>5,290,557</u>	<u>2,105,508</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 9,328,459</u>	<u>\$ (1,320,593)</u>	<u>\$ 8,007,866</u>	<u>\$ 3,413,600</u>
Schedule of Non-Cash Capital and Related Financing Activities:				
Amortization of bond premium	\$ (56,012)	\$ -	\$ (56,012)	\$ -
Amortization of deferred charge on refunding	65,206	-	65,206	-
Total Non-Cash Capital and Related Financing Activities	<u>\$ 9,194</u>	<u>\$ -</u>	<u>\$ 9,194</u>	<u>\$ -</u>

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

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023**

	Private- Purpose Trust Fund	Custodial Funds
	RDA Successor Agency Fund	Custodial Funds
Assets:		
Cash and cash equivalents	\$ 3,481,037	\$ 10,497,986
Receivables:		
Accounts receivable	-	97,061
Cash and investments with fiscal agent	1,672,334	4,707,693
Due from other governments	-	66
Property held for resale	769,500	-
Capital assets - not being depreciated	-	557,123
Capital assets - net of accumulated depreciation	-	580,509
Total Assets	5,922,871	16,440,438
Liabilities:		
Accounts payable	-	196,088
Accrued interest	1,679,521	7,951
Deposits payable	4,250	162,217
Long-term liabilities:		
Due within one year	2,380,000	362,517
Due in more than one year	43,427,564	-
Advances from the City of Indio	-	79,562
Total Liabilities	47,491,335	808,335
Net Position:		
Restricted for:		
Individuals, organizations, and other governments	(41,568,464)	15,632,103
Total Net Position	\$ (41,568,464)	\$ 15,632,103

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

**Statement of Changed in Fiduciary Net Position
Fiduciary Funds
for the Year Ended June 30, 2023**

	Private- Purpose Trust Fund		Custodial Funds
	RDA Successor Agency Fund		
Additions:			
Investment Earnings:			
Interest and net (decrease) in fair value of investments	\$ 93,543	\$	152,430
Charges for services	-		2,985,037
Taxes and assessments	4,822,516		5,742,795
Intergovernmental	-		811,498
Miscellaneous	-		117,208
Total Additions	4,916,059		9,808,968
Deductions:			
Community development	275,487		-
Administrative expense	-		973,250
Contractual services	-		2,095,068
Interest expense	2,884,086		1,904,698
Principal expense	-		4,127,185
Depreciation expense	-		387,006
Contributions to other governments	269,120		-
Total Deductions	3,428,693		9,487,207
Changes in Net Position	1,487,366		321,761
Net Position - Beginning	(43,055,830)		15,310,342
Net Position - Ending	\$ (41,568,464)	\$	15,632,103

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



Notes to Basic Financial Statements

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

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

a. Reporting Entity

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the organization is able to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their execution would cause the City's financial statements to be misleading or incomplete. A brief description of the City's component units are as follows:

Blended Component Units:

- Indio Public Financing Authority

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

- Housing Authority of the City of Indio

The Housing Authority of the City of Indio was activated by the City Council of Indio in 1985. The purpose of the Housing Authority is to respond to the need for affordable housing in Indio by providing a financing mechanism to encourage such development in the City. Even though it is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Authority and the management of the City has operational responsibility for the Housing Authority. Separate financial statements of the Housing Authority are not prepared.

Note 1: Summary of Significant Accounting Policies (continued)

■ Industrial Development Authority

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

■ Indio Water Authority

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

■ Indio Financing Authority

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

Since the component units primarily serve the City, the members of the City Council sit as the governing board or appoint the governing board of the component units, and the City Council has the ability to impose its will upon, and is financially accountable for its component units, they are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government.

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

Note 1: Summary of Significant Accounting Policies (continued)

for the governmental and business-type activities of the primary government, including its blended component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated) except for interfund services provided between departments and funds. However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

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

Program revenues include charges for services and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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,

Note 1: Summary of Significant Accounting Policies (continued)

or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

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

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered "available spendable resources," since they do not represent net current assets. 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.

Note 1: Summary of Significant Accounting Policies (continued)

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.

Fiduciary funds use the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans.

c. Fund Classifications

The City reports the following major governmental funds:

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

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

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.

General Debt Service Fund - This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principle and interest.

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.

Note 1: Summary of Significant Accounting Policies (continued)

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.

Private-purpose Trust - Private-purpose Trust fund financial statements include a statement of net position and statement of changes in net position. The City's private-purpose trust funds are used to account for assets held by the City as trustee for the Redevelopment Agency Successor Agency. 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.

Custodial Funds - These funds have been established to account for items that are custodial in nature and are not held in a trust or similar arrangement.

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, 2023, 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

Note 1: Summary of Significant Accounting Policies (continued)

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, storm drains, leases, and subscription assets. Public domain assets acquired prior to 1980 have been included in the accompanying financial statements.

The following schedule summarizes capital asset useful lives:

Buildings	40 years
Equipment	3-20 years
Improvements	40 years
Infrastructure	40 years
Water Wells and pumps	70 years
Lease assets	Shorter of the useful life of the underlying asset or the lease term
Subscription assets	Shorter of the useful life of the underlying asset or the subscription term

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. Leases

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

Note 1: Summary of Significant Accounting Policies (continued)

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

i. Subscription-Based Information Technology Arrangements

The City is a subscriber for a noncancellable subscription of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to

Note 1: Summary of Significant Accounting Policies (continued)

discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

j. 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.

k. Advances to Other Funds

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

Note 1: Summary of Significant Accounting Policies (continued)

i. 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.

m. 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

n. 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.

o. 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)**p. 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.

q. 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.

r. 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.

s. 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 assets 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 charge 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 assets 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 leases, and unavailable revenue on the fund financial statements and leases, pensions, and OPEB in the statement of net position.

t. 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.

u. 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

Note 1: Summary of Significant Accounting Policies (continued)

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.

v. 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 describes 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, 2023, fund balances for governmental funds are made up of the following:

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

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

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

Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager 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.

Note 1: Summary of Significant Accounting Policies (continued)

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.

w. Changes in Accounting Principles and New GASB Pronouncements

The City implemented Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Base Information Technology Arrangements (SBITAs)* during fiscal year 2022-23. GASB Statement No. 96 enhances the relevance and consistency of information of the government’s SBITA activities. It establishes requirements for SBITA accounting based on the principle that SBITAs are financings of the right to use an underlying intangible asset. A user is required to recognize a SBITA liability. These changes were incorporated in the City’s 2023 financial statements and did have an effect on the beginning net position for an internal service fund in the amount of \$804,392 for implementation cost previously expensed.

	Impact to Beginning Net Position for Fiscal Year Ending June 30, 2023
Governmental Activities	
Subscription Assets	\$ 5,114,223
Subscription Liability	<u>(4,309,831)</u>
	<u>\$ 804,392</u>

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, 2023, due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

HBRRP	\$ (712,297)
Department of Conservation Recycle Grant	(3,371)
Community Development Block Grant	(307,635)
Cal Emergency Management	(15,842)
Local Gov Planning Support Grant	(70,433)
Planning Prog Grant SB2	(47,903)
Cannabis Tax Fund Grant	(12,200)
Judgment Bonds	(68,316)

The following internal service funds had deficit net position as of June 30, 2023, 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	\$ (581,831)
Fleet Maintenance	(1,999,188)

b. Compliance with Budgetary Limitations

The Unclaimed Property, Emergency Abandoned and Recalcitrant, Neighborhood Stabilization Grant 3 and Officer Wellness Grant special revenue funds did not adopt budgets for the year ended June 30, 2023.

Note 2 to Required Supplementary Information, *Excess of Expenditures over Appropriations*, describes budgetary excesses in the General Fund and American Rescue Plan Fund that occurred for the year ended June 30, 2023.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

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

Statement of net position:	
Cash and investments	\$ 197,506,839
Cash and investments held by bond trustee	92,212,512
Restricted cash and investments	2,388,938
Fiduciary Funds:	
Cash and investments	13,979,023
Cash and investments held by bond trustee	6,380,027
Total cash and investments	<u>\$ 312,467,339</u>
Cash on hand	\$ 8,600
Deposits with financial institutions	13,967,816
Investments	<u>298,490,923</u>
Total cash and investments	<u>\$ 312,467,339</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 Investment	Maximum	Maximum Percentage of Portfolio*	Maximum Investment
Authorized by State Law	Policy	Maturity*	of Portfolio*	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.

Note 3: Cash and Investments (continued)

Investments Authorized by Debt Agreements

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

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

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
U.S. Treasury Issues	\$ 35,851,434	\$ 973,947	\$ 18,479,202	\$ 16,398,285
Federal Agency Securities	23,833,494	2,528,265	13,059,197	8,246,032
Supranationals	3,764,280	-	3,764,280	-
Municipal Securities	524,154	-	524,154	-
Corporate Medium Term Notes	30,605,396	242,445	17,723,260	12,639,691
Asset-Backed Securities	9,707,231	32,358	4,842,959	4,831,914
Money Market Mutual Funds	2,487,751	2,487,751	-	-
Local Agency Investment Fund	93,124,645	93,124,645	-	-
Held with Bond Trustees:				
Money Market Mutual Funds	98,592,538	98,592,538	-	-
Total	\$ 298,490,923	\$ 197,981,949	\$ 58,393,052	\$ 42,115,922

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	Exempt or Not Rated
U.S. Treasury Issues	\$ 35,851,434	N/A	\$ -	\$ -	\$ -	\$ 35,851,434
Federal Agency Securities	23,833,494	N/A	-	-	-	23,833,494
Supranationals	3,764,280	AA	3,764,280	-	-	-
Municipal Securities	524,154	N/A	-	524,154	-	-
Corporate Medium Term Notes	30,605,396	A	-	4,120,595	26,484,801	-
Asset-Backed Securities	9,707,231	Aa	9,707,231	-	-	-
Money Market Mutual Funds	2,487,751	Aaa	2,487,751	-	-	-
Local Agency Investment Fund	93,124,645	N/A	-	-	-	93,124,645
Held with Bond Trustees:						
Money Market Mutual Funds	98,592,538	Aaa	98,592,538	-	-	-
Total	<u>\$ 298,490,923</u>		<u>\$ 114,551,800</u>	<u>\$ 4,644,749</u>	<u>\$ 26,484,801</u>	<u>\$ 152,809,573</u>

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, 2023, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Note 3: Cash and Investments (continued)

Concentration of Credit Risk

The City diversifies its investments by security type and institution. The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code, with the exceptions of United States Treasury Obligations, mutual funds, and external investment pools. As of June 30, 2023, investments in any one issuer that represents 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Mortgage Co.	Federal Agency Securities	\$ 13,080,354

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, 2023, all of the City's investments are valued using Level 2 inputs, with the exception of LAIF, which is uncategorized.

Note 4: Interfund Receivables, Payables, and Transfers

Transfers in and out for the fiscal year ended June 30, 2023, were as follows:

Transfers from	Transfers to	Amount	
General Fund	Capital Projects Fund	\$ 47,081,895	(a)
General Fund	Other Governmental Funds	7,779,428	(b)
General Fund	Other Enterprise Funds	90,000	(b)
Capital Projects Fund	Other Governmental Funds	1,870,252	(b)
Other Governmental Funds	General Fund	4,301,000	(c)
Other Governmental Funds	Capital Projects Fund	21,800,000	(a)
Total		<u>\$ 82,922,575</u>	

Note 4: Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers were principally used for the following purposes:

- a) \$47,081,895 and \$21,800,000 was transferred from the General Fund and Other Governmental funds, respectively, to the Capital Projects to cover costs associated with public works projects and other building costs.
- b) \$7,869,428 and \$1,870,252 were transferred from the General Fund and Capital Projects Fund, respectively, to the Other Governmental and Enterprise Funds to cover debt service payments. The remaining amounts are for various other operating purposes.
- c) \$4,301,000 was transferred from the Other Governmental Funds to the General Fund for police and fire services and ballot initiative costs.

Current interfund receivables and payables as of June 30, 2023, are as follows:

Due to Fund	Due from Fund	Amount
General Fund	Capital Projects Fund	\$ 5,650,443
General Fund	General Debt Service	143
General Fund	Other Governmental Funds	2,042,100
Total		\$ 7,692,686

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

Note 5: Notes Receivable and Long-Term Receivable

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, 2023, notes receivable of \$46,100 reported under the Indio Housing Authority.

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, 2023, was \$1,351,392.

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, 2023, was \$3,781,526.

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

Note 5: Notes Receivable and Long-Term Receivable (continued)

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, 2023, was \$3,263,381.

	Outstanding at June 30, 2023
First time home buyer notes issued homebuyers	\$ 46,100
Neighborhood Stabilization deferred loan program	1,351,392
Horizons at Indio senior housing project	3,781,526
Geovel, Inc. secured promissory note	3,263,381
Total	<u>\$ 8,442,399</u>

Note 6: Property Held for Resale

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

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

	General Fund	Indio Housing Authority	Neighborhood Stabilization Grant 2	Total
Property held for resale	<u>\$ 5,341,588</u>	<u>\$ 164,000</u>	<u>\$ 177,654</u>	<u>\$ 5,683,242</u>

Note 7: Capital Assets

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

a. Governmental Activities

	Balance at July 1, 2022	Restatement	Balance at July 1, 2022 Restated	Additions	Deletions	Transfers	Balance at June 30, 2023
Structure and improvements	\$ 37,133,048	\$ -	\$ 37,133,048	\$ 394,250	\$ -	\$ -	\$ 37,527,298
Machinery and equipment	9,486,342	-	9,486,342	1,712,212	-	-	11,198,554
Vehicles	11,399,666	-	11,399,666	1,893,594	(68,886)	-	13,224,374
Infrastructure: street network	615,710,530	-	615,710,530	827,868	-	-	616,538,398
Intangible right-to-use assets	162,582	5,751,460	5,914,042	149,821	(63,834)	-	6,000,028
Total Cost of depreciation/ amortization assets	673,892,168	5,751,460	679,643,628	4,977,745	(132,720)	-	684,488,652
Less accumulated depreciation/amortization:							
Structures and improvements	13,262,494	-	13,262,494	952,809	-	-	14,215,303
Machinery and equipment	8,455,611	-	8,455,611	288,501	-	-	8,744,112
Vehicles	9,673,498	-	9,673,498	628,739	(68,886)	-	10,233,352
Infrastructure: street network	311,832,541	-	311,832,541	15,403,113	-	-	327,235,654
Intangible right-to-use assets	47,479	-	47,479	974,894	(43,178)	-	979,195
Total accumulated depreciation/ amortization	343,271,623	-	343,271,623	18,248,056	(112,064)	-	361,407,616
Net depreciable/ amortizable assets	330,620,545	5,751,460	336,372,005	(13,270,311)	(20,656)	-	323,081,037
Capital assets not depreciated/ amortized:							
Construction in process	28,074,833	-	28,074,833	57,035,125	(5,263)	-	85,104,696
Land	42,140,063	-	42,140,063	-	-	-	42,140,063
Right of Way	54,694,369	-	54,694,369	5,350	-	-	54,699,719
Total capital assets not depreciated/ amortized	124,909,265	-	124,909,265	57,040,475	(5,263)	-	181,944,478
Capital assets, net	\$ 455,529,810	\$ 5,751,460	\$ 461,281,270	\$ 43,770,164	\$ (25,919)	\$ -	\$ 505,025,515

Total depreciation/amortization expense of \$18,248,056, including \$1,754,339 of internal service depreciation, was charged in the following functions:

General government	\$ 3,605,527
Public safety	6,155,455
Public works	3,118,962
Community development	2,469,109
Community services	1,144,664
Internal service funds	1,754,339
	<u>\$ 18,248,056</u>

Note 7: Capital Assets (continued)

b. Business-Type Activities:

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Structures and improvements	\$ 15,351,444	\$ -	\$ -	\$ -	\$ 15,351,445
Machinery and equipment	3,389,598	25,642	-	-	3,415,239
Vehicles	2,446,719	530,102	-	-	2,976,821
Utility distribution system	295,159,543	367,455	-	-	295,526,998
Intangible right-to-use assets	121,547	-	-	-	121,547
Total cost of depreciable assets	<u>316,468,851</u>	<u>923,199</u>	<u>-</u>	<u>-</u>	<u>317,392,049</u>
Less accumulated depreciation/ amortization:					
Structures and improvements	4,432,228	382,799	-	-	4,815,027
Machinery and equipment	3,069,585	59,474	-	-	3,129,059
Vehicles	1,705,361	199,770	-	-	1,905,131
Utility distribution system	160,372,860	7,369,291	-	-	167,742,151
Intangible right-to-use assets	54,833	54,833	-	-	109,666
Total accumulated depreciation/amortization	<u>169,634,868</u>	<u>8,066,167</u>	<u>-</u>	<u>-</u>	<u>177,701,035</u>
Net depreciable/ amortizable assets	<u>146,833,983</u>	<u>(7,142,968)</u>	<u>-</u>	<u>-</u>	<u>139,691,014</u>
Capital assets not depreciated/ amortized:					
Construction in process	1,070,155	888,913	-	-	1,959,068
Land	2,174,669	964,005	-	-	3,138,674
Total capital assets not depreciated/amortized	<u>3,244,825</u>	<u>1,852,918</u>	<u>-</u>	<u>-</u>	<u>5,097,742</u>
Capital assets, net	<u>\$ 150,078,807</u>	<u>\$ (5,290,050)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,788,756</u>

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

Water	\$ 7,997,366
Golf	<u>68,801</u>
	<u>\$ 8,066,167</u>

Note 8: Obligations Under Financing Agreements

A summary of changes of governmental activities' financing agreements for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Facilities Energy Efficient Equipment	\$ 152,542	\$ -	\$ (100,700)	\$ 51,842	\$ 51,842

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 loan inception, was \$866,896. The balance at June 30, 2023, on this contract was \$51,842.

The calculation of the present value of the future loan payments is as follows

Amount of future payments for the fiscal year ending June 30, 2024	\$ 56,353
Subtotal	56,353
Less amount representing interest	(4,511)
Present value of future payments	\$ 51,842

Note 9: Compensated Absences

Changes in compensated absences for the year ended June 30, 2023, are as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental Activities	\$ 2,151,922	\$ 1,689,979	\$ 1,499,810	\$ 2,342,091	\$ 1,632,351
Business-Type Activities	335,742	324,765	265,764	394,743	312,468
Totals	\$ 2,487,664	\$ 2,014,744	\$ 1,765,574	\$ 2,736,834	\$ 1,944,819

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.

Note 10: Long-Term Debt

Changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Lease Revenue Refunding Bonds, Series 2012	\$ 17,275,000	\$ -	\$ (17,275,000)	\$ -	\$ -
Lease Revenue Refunding Bonds, Series 2016A	12,595,000	-	(565,000)	12,030,000	595,000
Taxable Lease Revenue Refunding Bonds, Series 2016B	2,740,000	-	(515,000)	2,225,000	535,000
Judgment Obligation Bonds, Series 2017	13,115,000	-	(675,000)	12,440,000	695,000
Lease Revenue Refunding Bonds, Series 2022A	-	119,450,000	(810,000)	118,640,000	1,285,000
Unamortized Bond Premiums/ (Discounts)	471,946	10,075,287	(353,716)	10,193,517	-
Subtotal - Bonds Payable	<u>46,196,946</u>	<u>129,525,287</u>	<u>(20,193,716)</u>	<u>155,528,517</u>	<u>3,110,000</u>
Direct Borrowing and Direct Placements:					
Installment Sale Agreement	650,000	-	(650,000)	-	-
Lease Liability	107,274	-	(62,990)	44,284	22,261
Subscription Liability	4,893,267	149,821	(905,394)	4,137,694	754,731
Total - Governmental Activities	<u>\$ 51,847,487</u>	<u>\$ 129,675,108</u>	<u>\$ (21,812,100)</u>	<u>\$ 159,710,495</u>	<u>\$ 3,886,992</u>
Business-Type Activities:					
Bonds Payable:					
Enterprise Revenue Refunding Bonds, Series 2015A and B	\$ 46,855,000	\$ -	\$ (2,260,000)	\$ 44,595,000	\$ 2,375,000
Unamortized Bond Premiums/ (Discounts)	1,008,205	-	(56,012)	952,193	-
Lease Liability	65,515	-	(56,145)	9,370	9,370
Total - Business-Type Activities	<u>\$ 47,928,720</u>	<u>\$ -</u>	<u>\$ (2,372,157)</u>	<u>\$ 45,556,563</u>	<u>\$ 2,384,370</u>

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

Note 10: Long-Term Debt (continued)

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, 2023, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$0.

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, 2023, the outstanding balance of the Series 2016A bonds was \$12,030,000.

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, 2023, the outstanding balance of the Series 2016B bonds was \$2,225,000.

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.

Note 10: Long-Term Debt (continued)

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, 2022, the outstanding balance of the Series 2017 bonds was \$12,440,000.

Lease Revenue Refunding Bonds, Series 2022A

In August 2022, the City of Indio Public Financing Authority issued the \$119,450,000 Lease Revenue Refunding Bonds Series 2022A. The proceeds were used to refund the outstanding Indio Public Financing Authority Lease Revenue Refunding Bonds, Series 2012 (Public Capital Improvements), finance the cost of acquisition, construction, and installation of certain capital improvements of the City, fund capitalize interest on a portion of the Series 2022A Bonds through June 1, 2025, and purchase a municipal bond insurance policy to guarantee payment of the principal and interest on the Insures Series 2022A Bonds when due.

The Series 2022A bonds consist of \$119,450,000 of term bonds. The term bonds accrue interest at rates between 4.500% to 5.250% and the principal amounts mature between November 1, 2042, November 1, 2047, and November 1 2052.

In the event of default under the Lease Agreement there is no right under any circumstances to accelerate the Base Rental Payments or otherwise declare by any Base Rental Payments not then in default to be immediately due and payable. There is no right under the Indenture to accelerate debt service payments on the Bonds in the event of a default under the Indenture of the Lease Agreement. Reserve requirements for the Series 2022A bonds are disclosed in the bond documents. At June 30, 2023, the reserves were fully funded and outstanding balance of the Series 2022A was \$118,640,000.

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 \$0 as of June 30, 2023.

Note 10: Long-Term Debt (continued)

c. Governmental Activities - Debt Service Requirements to Maturity

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

Year Ending June 30	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2024	\$ 3,110,000	\$ 6,981,211
2025	3,240,000	6,845,627
2026	4,405,000	6,676,449
2027	4,580,000	6,472,078
2028	4,205,000	6,267,431
2029	4,405,000	6,061,713
2029-2034	25,275,000	27,044,141
2034-2039	26,890,000	20,645,709
2039-2044	19,335,000	16,447,622
2044-2049	24,980,000	8,630,550
2049-2052	24,910,000	2,501,325
	<u>\$ 145,335,000</u>	<u>\$ 114,573,856</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.

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, 2023, the outstanding balance of the Series 2015A bonds and Series 2015B bonds was \$44,595,000 and the Series 2015B bonds were fully matured with no balance outstanding.

Note 10: Long-Term Debt (continued)

Debt Covenants for Enterprise Refunding Revenue Bonds, Series 2015A and B

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

- a) 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.
- b) So that gross water revenues less operation and maintenance costs will be at least equal to 120% of the annual parity obligation payments for such fiscal year.

e. Business-Type Activities - Debt Service Requirements to Maturity

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

Year Ending June 30	Business-Type Activities	
	Bonds Payable	
	Principal	Interest
2024	\$ 2,375,000	\$ 1,779,113
2025	2,495,000	1,660,363
2026	2,620,000	1,535,613
2027	2,750,000	1,404,613
2028	2,835,000	1,322,113
2029	2,925,000	1,229,975
2029-2034	16,295,000	4,478,969
2034-2039	11,010,000	1,353,481
2039-2040	1,290,000	62,181
	<u>\$ 44,595,000</u>	<u>\$ 14,826,421</u>

Note 11: Leases

a. Leases Receivable and Deferred Inflows of Resources

The City leases land to various companies for installation of cellular towers and fiber optic communications. The terms range from 4 months to 84 months as of the contract commencement date. Some leases have extension options ranging from 12 months to 2 years. An initial lease receivable was recorded in the amount of \$3,460,953. As of June 30, 2023, the value of the lease receivable is \$3,196,780. The value of the deferred inflow of resources as of June 30, 2023 was \$2,279,409 and the City recognized lease revenue of \$599,867 during the fiscal year.

The principal and interest to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 763,086	\$ 29,476	\$ 792,562
2025	797,267	20,388	817,655
2026	800,997	13,883	814,880
2027	711,855	7,341	719,196
2028	56,806	3,297	60,103
2029 - 2032	66,769	2,588	69,357
	<u>\$ 3,196,780</u>	<u>\$ 76,974</u>	<u>\$ 3,273,753</u>

b. Leases Payable and Right to Use Leased Assets

The City entered into a 36-month lease for the use of an automated external defibrillator. An initial lease liability was recorded in the amount of \$27,736. As of June 30, 2023, the value of the lease liability is \$10,044. The City is required to make monthly fixed payments of \$774. The lease has an interest rate of 0.315%. The value of the right to use asset as of June 30, 2023, of \$27,736 with accumulated amortization of \$17,464 is included with Equipment on the Lease Class activities table found below.

The City entered into a 60-month lease for the use of a Canopy Wireless Internet 2. An initial lease liability was recorded in the amount of \$60,336. As of June 30, 2023, the value of the lease liability is \$31,319. The City is required to make annual fixed payments of \$9,663. The lease has an interest rate of 0.577%. The value of the right to use asset as of June 30, 2023, of \$60,336 with accumulated amortization of \$24,135 is included with Infrastructure on the Lease Class activities table found below.

The City entered into a 35-month lease for the use of a postage meter. An initial lease liability was recorded in the amount of \$10,676. As of June 30, 2023, the value of the lease liability is \$2,920. The City is required to make quarterly fixed payments of \$975. The lease has an interest rate of 0.3150%. The value of the right to use asset as of June 30, 2023 of \$10,676 with accumulated amortization of \$7,190 is included with Equipment on the Lease Class activities table found below.

The City entered into a 26-month lease for the use of golf carts. An initial lease liability was recorded in the amount of \$121,547. As of June 30, 2023, the value of the lease liability is \$9,370. The City is required to make monthly fixed payments of \$4,686. The lease has an interest rate of 0.218%. The value of the right to use asset as of June 30, 2023 of \$121,547 with accumulated amortization of \$109,666 is included with Vehicles on the Lease Class activities table found below.

Note 11: Leases (continued)

Right-to-use leased assets include the following at June 30, 2023:

Asset Class	Amount of Lease Assets by Major Classes of Underlying Asset As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 38,412	\$ 24,654
Infrastructure	60,336	24,135
Vehicles	121,547	109,666
Total Leases	<u>\$ 220,295</u>	<u>\$ 158,455</u>

Future principal and interest requirements to maturity for each lease liability are as follows:

Principal and Interest Requirements to Maturity			
Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 9,370	\$ 3	\$ 9,373
	<u>\$ 9,370</u>	<u>\$ 3</u>	<u>\$ 9,373</u>
Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 22,261	\$ 204	\$ 22,465
2025	11,210	123	11,333
2026	10,813	62	10,875
	<u>\$ 44,284</u>	<u>\$ 389</u>	<u>\$ 44,673</u>

Note 12: Subscription-Based Information Technology Arrangements

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' SBITA activities. This statement establishes a single model for SBITA accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

Subscriptions Payable

The City has entered into various subscription agreements for the use of various softwares as services. An initial subscription liability was recorded in the amount of \$4,893,267 during the current fiscal year. The terms of these subscriptions range from 13 months to 10 years. As of June 30, 2023, the total value of the subscription liability was \$4,137,694. The City is required

Note 12: Subscription-Based Information Technology Arrangements (continued)

to make annual payments ranging from \$750 to \$168,486. The subscriptions have interest rates ranging from 1.85% to 3.347%. Information on the subscription assets as of June

Right-to-use subscription assets include the following at June 30, 2023:

Asset Class	Amount of Subscription Assets by Major Classes of Underlying Asset	
	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 5,901,280	\$ 930,406
Total Leases	\$ 5,901,280	\$ 930,406

Future principal and interest requirements to maturity for each subscription liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 754,731	\$ 116,719	\$ 871,450
2025	676,795	96,295	773,090
2026	532,475	77,337	609,812
2027	396,660	61,740	458,400
2028	431,985	49,335	481,320
2029-2032	1,345,048	67,179	1,412,227
	<u>\$ 4,137,694</u>	<u>\$ 468,605</u>	<u>\$ 4,606,299</u>

Note 13: 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	\$ 2,250,313	\$ 650,000	29%

Note 14: 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:

	Miscellaneous Plans	
	Classic *	PEPRA
Hire date	Prior to 1/1/2013	After 1/1/2013
Benefit formula	2.7% @ 55	2.0% @ 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	7.51%	7.00%
Required employer contribution rates	10.880%	10.880%

	Safety Plans		
	Classic I *	Classic II *	PEPRA
Hire date	Prior to 7/1/2012	7/1/2012 - 1/1/2013	After 1/1/2013
Benefit formula	3.0% @ 50	3.0% @ 55	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	3.00%	2.4% - 3.0%	2.0% - 2.7%
Required employee contribution rates	8.99%	8.99%	13.75%
Required employer contribution rates	25.640%	22.480%	13.660%

* Plan is closed to new entrants.

Note 14: Pension Plans (continued)

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

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms for the Miscellaneous Plans:

	Miscellaneous Plans
Inactive employees or beneficiaries currently receiving benefits	264
Inactive employees entitled to but not yet receiving benefits	199
Active employees	178
	641

d. Contribution Description

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

For the year ended June 30, 2023, the contributions recognized as a reduction to the net pension liability was \$4,644,853 and \$5,570,612 for the miscellaneous and safety plans, respectively.

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

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

Actuarial Cost Method:	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate:	6.90%
Inflation:	2.50%
Salary Increases:	Varies by Entry Age and Service
Mortality Rate Table ¹ :	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase:	The lesser of contract COLA or 2.0% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

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

Note 14: Pension Plans (continued)

f. Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.0%	4.54%
Global equity - non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)

⁽¹⁾ An expected inflation of 2.30% used for this period.

⁽²⁾ Figures are based on the 2021 Asset Liability Management Study.

g. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

h. Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

Note 14: Pension Plans (continued)

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, 2022 is 3.1 years, which was obtained by dividing the total service years of 2,008 by 641 (the total number of plan participants). The EARSL for the Safety Plan pooled in CalPERS Plan PERF C for the measurement dated ending June 30, 2022, is 3.7 years, which was obtained by dividing the pool’s total service years of 574,665 by 153,587 (the total number of plan participants in the PERF C).

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

As of June 30, 2023, the City reported net pension liabilities of each as follows:

	Net Pension Liability
Miscellaneous agent	\$ 34,158,106
Safety cost-sharing proportionate share	<u>46,067,105</u>
Total Net Pension Liability	<u>\$ 80,225,211</u>

Net Pension Liability recorded in Governmental Activities are generally liquidated through the City’s General Fund and Internal Service funds, and Net Pension Liability recorded in Business-Type Activities are liquidated through the Water Fund and Golf Fund.

Note 14: 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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 06/30/2021 (valuation date)	\$ 109,720,351	\$ 90,460,362	\$ 19,259,989
Changes Recognized for the Measurement Period:			
Service Cost	2,607,677	-	2,607,677
Interest on Total Pension Liability	7,686,952	-	7,686,952
Changes of Assumptions	4,223,426		
Differences between Expected and Actual Experience	(1,183,034)	-	(1,183,034)
Contributions - Employer	-	4,309,575	(4,309,575)
Contributions - Employees	-	1,079,887	(1,079,887)
Net Investment Income	-	(6,896,207)	6,896,207
Benefit Payments, including Refunds of Employee Contributions	(5,318,961)	(5,318,961)	-
Administrative Expense	-	(56,351)	56,351
Net Changes during 2021-22	8,016,060	(6,882,057)	14,898,117
Balance at: 06/30/2022 (measurement date)	\$ 117,736,411	\$ 83,578,305	\$ 34,158,106

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2021 and June 30, 2022, are as follows:

	Total Plans
Proportion - June 30, 2022	0.2517%
Proportion - June 30, 2021	0.4994%
Change - Increase (Decrease)	(0.2477%)

Note 14: 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 6.9 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 (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate - 1% 5.9%	Current Rate 6.9%	Discount Rate + 1% 7.9%
Miscellaneous Plan	\$ 50,717,689	\$ 34,158,106	\$ 20,589,312
Safety Plan	66,469,260	46,067,105	29,392,953
Total Plans	<u>\$ 117,186,949</u>	<u>\$ 80,225,211</u>	<u>\$ 49,982,265</u>

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

For the fiscal year ended June 30, 2023, the City recognized pension expense (income) as follows:

Miscellaneous	Safety	Total Plans
\$ 3,654,458	\$ (266,591)	\$ 3,387,867

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan:		
Employer contributions subsequent to measurement date	\$ 4,644,853	\$ -
Changes of assumptions	2,861,031	-
Differences between expected and actual experiences	83,866	801,410
Net difference between projected and actual earnings on pension plan investments	4,208,127	-
Total Miscellaneous Plan	<u>11,797,877</u>	<u>801,410</u>
Safety Plan:		
Employer contributions subsequent to measurement date	5,060,688	-
Changes of assumptions	4,644,959	-
Differences between expected and actual experiences	1,906,550	500,252
Net difference between projected and actual earnings on pension plan investments	7,274,640	-
Adjustments due to differences in proportions	509,737	11,075
Difference in proportionate share	-	1,567,020
Total Safety Plan	<u>19,396,574</u>	<u>2,078,347</u>
Total All Plans	<u>\$ 31,194,451</u>	<u>\$ 2,879,757</u>

Note 14: Pension Plans (continued)

The \$4,644,853 and \$5,060,688 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, 2024. 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
2024	\$ 1,717,116	\$ 3,515,297	\$ 5,232,413
2025	1,601,957	2,777,823	4,379,780
2026	407,557	1,526,754	1,934,311
2027	2,624,984	4,437,663	7,062,647

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 15: 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 sponsors a single-employer defined benefit plan that offers the same medical plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA.

Benefits Provided

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and five years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and adult children to the age of 26. The City contribution is limited to \$1,800/month for retirees for employees hired prior to August 1, 2009.

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

Note 15: Other Post-Employment Benefits (continued)

The 2021 “100/90” monthly dollar amounts are \$883 single, \$1,699 two-party, and \$2,124 family. In addition, the City pays a 0.24%-of-premium administrative fee to PEMHCA for each retiree.

Plan Membership

At June 30, 2021, membership consisted of the following:

Inactive members or beneficiaries currently receiving benefit payments	189
Inactive members or beneficiaries entitled to but not currently receiving benefit payments	6
Active plan members	245
	440

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City currently pays pay-as-you-go costs outside its irrevocable OPEB trust. The City contributes the excess, if any, of budgeted pay-go costs over the actual pay-go to the trust on an annual basis. For fiscal year 2022-23, the City recognized contributions in reduction to the net other post-employment benefit (OPEB) liability of \$2,157,147.

b. Net OPEB Liability

The City’s Net OPEB Liability was measured as of June 30, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement dates. Net OPEB Liability recorded in Governmental Activities are generally liquidated through the City’s General Fund and Internal Service funds, and Net OPEB Liability recorded in Business-Type Activities are liquidated through the Water Fund and Golf Fund.

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	2.30 percent
Inflation rate	2.80 percent
Investment rate of return	5.50 percent, net of OPEB plan administrative expense
Healthcare cost trend rate	Based on 2021 Getzen model that reflects actual premium increases through 2023, followed by 5.50% (non- Medicare) decreasing gradually to an ultimate rate of 4.04% in 2075 for non-Medicare and 4.00% for Medicare for all 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.

Note 15: Other Post-Employment Benefits (continued)

Actuarial assumptions used in the June 30, 2022, valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	40.0%	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, 2022	June 30, 2021	6.00%	1.92%	2.06%
June 30, 2023	June 30, 2022	5.50%	3.69%	3.69%

Note 15: Other Post-Employment Benefits (continued)

Schedule of Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset (c) = (a) - (b)
Balance at: 06/30/2021 (valuation date)	\$ 69,052,127	\$ 2,273,153	\$ 66,778,974
Changes Recognized for the Measurement Period:			
Service Cost	2,581,334	-	2,581,334
Interest	1,453,544	-	1,453,544
Changes of Assumptions	(15,038,689)	-	(15,038,689)
Differences between Expected and Actual Experience	(2,113,957)	-	(2,113,957)
Contributions - Employer ¹	-	2,157,147	(2,157,147)
Net Investment Income	-	(285,925)	285,925
Benefit Payments ¹	(2,157,147)	(2,157,147)	-
Administrative Expense	-	(575)	575
Net Changes during 2021-22	(15,274,915)	(286,500)	(14,988,415)
Balance at: 06/30/2022 (measurement date)	\$ 53,777,212	\$ 1,986,653	\$ 51,790,559

¹Amount includes implicit subsidy associated with benefits paid.

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

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

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB liability (asset)	\$ 60,329,575	\$ 51,790,559	\$ 44,952,097

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

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

	1% Decrease (4.5% decreasing to 3.04%)	Healthcare Cost Trend Rate (5.5% decreasing to 4.04%)	1% Increase (6.5% decreasing to 5.04%)
Net OPEB liability (asset)	\$ 43,917,786	\$ 51,790,559	\$ 61,833,484

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.

Note 15: 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, 2023, the City recognized \$5,570,087 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, 2023, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions after the measurement date	\$ 2,378,016	\$ -
Changes in assumptions or other inputs	3,514,753	12,532,241
Differences between expected and actual experience	388,612	1,790,985
Differences between projected and actual return on plan investments	188,055	
Total	<u>\$ 6,469,436</u>	<u>\$ 14,323,226</u>

The \$2,378,016 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, 2024. 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
2024	\$ 1,048,851
2025	(2,822,688)
2026	(2,824,880)
2027	(2,774,313)
2028	(2,858,776)

Note 16: Liability, Property and Workers Compensation Protection**a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City of Indio is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

Note 17: Debt Issued Without Government Commitment

For 2022-23 the Authority’s pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers’ Compensation Law. Employer’s Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer’s Liability losses from \$5 million to \$10 million are pooled among members.

c. Purchased Insurance

Pollution Legal Liability Insurance

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

Property Insurance

The City of Indio participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Indio property is currently insured according to a schedule of covered property submitted by the City of Indio to the Authority. City of Indio property currently has all-risk property insurance protection in the amount of \$168,484,170. 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 2022-23.

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

	Beginning of Fiscal Year Liability	Fiscal Year Claims and Prior Fiscal Year Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2020-21	\$ 71,005	\$ -	\$ (44,406)	\$ 71,005
2021-22	71,005	-	(57,285)	13,720
2022-23	13,720	-	(1,470)	12,250

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

Note 17: Debt Issued Without Government Commitment (continued)

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 6/30/2022	FY21/22 DS Principal	Outstanding 6/30/2023
AD2001-1/R	7/26/2012	\$ 3,295,000	4.69%	9/2/2026	\$ 3,295,000	\$ 256,891	\$ 823,112
AD2002-1/R	7/26/2012	3,410,000	4.69%	9/2/2026	3,410,000	238,703	1,064,216
AD2002-2/R	7/26/2012	2,162,900	4.69%	9/2/2027	2,162,900	151,349	691,600
AD2002-3/R	7/26/2012	4,119,800	4.71%	9/2/2027	4,119,800	290,849	1,290,043
AD2003-1/R	7/23/2014	1,752,000	3.55%	9/2/2029	1,752,000	121,000	801,000
AD2003-2/R	7/23/2014	1,402,000	3.55%	9/2/2029	1,402,000	96,000	647,000
AD2003-3/R	7/23/2014	4,038,000	3.55%	9/2/2029	4,038,000	283,000	1,865,000
AD2003-5/R	7/23/2014	1,343,000	3.55%	9/2/2029	1,343,000	93,000	622,000
AD2003-6/R	7/23/2014	1,627,000	3.55%	9/2/2029	1,627,000	111,000	744,000
AD2004-1/R	7/19/2017	1,465,000	2.80% to 6.00%	9/2/2030	1,465,000	110,000	845,000
AD2004-2/R	7/19/2017	2,320,000	1.67% to 3.86%	9/2/2030	2,320,000	170,000	1,360,000
AD2004-3/R	7/19/2017	3,910,000	2.90% to 5.50%	9/2/2030	3,910,000	290,000	2,295,000
CFD2004-3	8/4/2015	15,530,000	2.00% to 4.00%	9/1/2035	15,530,000	595,000	9,815,000
CFD2005-1 A1/R	7/23/2014	8,337,000	4.03%	9/1/2036	8,337,000	334,000	5,789,000
CFD2006-1/R	7/23/2014	7,554,000	4.03%	9/1/2036	7,554,000	340,000	5,901,000
CFD2005-1 A2/R	7/23/2014	8,499,000	4.03%	9/1/2036	8,499,000	304,000	5,226,000
					<u>\$ 70,764,700</u>	<u>\$ 3,784,792</u>	<u>\$ 39,778,971</u>

Note 18: Contingent Liabilities and Commitments**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 2022-23, payment in the amount of \$570,489 was made to the County.

Note 18: Contingent Liabilities and Commitments (continued)

Interim Housing Facilities for Indio High School

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

Purchase Commitments

For the fiscal year ended June 30, 2023, the City had open purchase commitments totaling \$6,896,141.

Note 19: 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, 2022, 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, 2023 was \$200,000 for operations. Audited financial statements may be obtained from the City of Indio, 100 Civic Center Mall, Indio, California 92201.

Note 20: 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, 2023, is as follows:

	General Fund	American Rescue Plan Act	Capital Projects Fund	General Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid costs	\$ 102,533	\$ -	\$ -	\$ -	\$ 5,646	\$ 108,179
Property held for resale	5,341,588	-	-	-	-	5,341,588
Advances to assessment districts	79,562	-	-	-	-	79,562
Notes and loans receivable	<u>3,263,381</u>	-	-	-	-	<u>3,263,381</u>
Total Nonspendable	<u>8,787,064</u>	-	-	-	5,646	<u>8,792,710</u>
Restricted:						
Community development projects	-	-	-	-	9,782,613	9,782,613
Public safety	-	-	-	-	1,762,705	1,762,705
Traffic safety	-	-	-	-	183,379	183,379
Public works	-	-	-	-	1,018,562	1,018,562
Capital projects	-	-	-	-	4,634,076	4,634,076
Asset forfeiture	-	-	-	-	4,972,903	4,972,903
LLEBG	-	-	-	-	17,869	17,869
Abandoned vehicle	-	-	-	-	219,583	219,583
Unclaimed property	-	-	-	-	17,515	17,515
Measure A	-	-	-	-	4,335,982	4,335,982
NPDES	-	-	-	-	132,408	132,408
Air quality	-	-	-	-	229,289	229,289
Pension stabilization	2,388,938	-	-	-	-	2,388,938
American Rescue Plan	-	40,343	-	-	-	40,343
Debt service	-	-	-	92,203,679	-	92,203,679
Total Restricted	<u>2,388,938</u>	<u>40,343</u>	-	<u>92,203,679</u>	<u>27,306,884</u>	<u>121,939,844</u>
Committed:						
Economic uncertainty	<u>17,000,000</u>	-	-	-	-	<u>17,000,000</u>
Total Committed	<u>17,000,000</u>	-	-	-	-	<u>17,000,000</u>
Assigned:						
Capital projects	-	-	37,974,793	-	-	37,974,793
FY23/24 Operations	19,538,567	-	-	-	-	19,538,567
Public Safety Radios	681,835	-	-	-	-	681,835
FY23/24 Reserves Trust Deposits	1,000,000	-	-	-	-	1,000,000
Other purposes	<u>1,469,706</u>	-	-	-	-	<u>1,469,706</u>
Total Assigned	<u>22,690,108</u>	-	<u>37,974,793</u>	-	-	<u>60,664,901</u>
Unassigned	<u>14,902,988</u>	-	-	-	<u>(1,237,997)</u>	<u>13,664,991</u>
Total Fund Balance	<u>\$ 65,769,098</u>	<u>\$ 40,343</u>	<u>\$ 37,974,793</u>	<u>\$ 92,203,679</u>	<u>\$ 26,074,533</u>	<u>\$ 222,062,446</u>

Note 21: Tax Abatement Agreements

On September 16, 2020, the City entered into a tax abatement agreement of transient occupancy tax revenues with local developer under the authority of the City Council of the City of Indio. This agreement allows for fifty percent abatement of transient occupancy taxes and will expire six years after the first incentive payment by the City. For the fiscal year ended June 30, 2023, the City abated tax increments totaling \$244,569 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, 2023, the City abated tax increments totaling \$162,850 under this agreement.

On March 20, 2019, the City entered into a tax abatement agreement of transient occupancy tax revenues with a local developer under the authority of the City Council of the City of Indio. This agreement allows for a 50 percent abatement of transient occupancy taxes and will expire six years after the first incentive payment by the City. For the fiscal year ended June 30, 2022, the city abated tax increments totaling \$256,638 under this agreement.

Note 22: 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 of 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 the 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.

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

Note 22: Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

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	\$ 3,481,037
Cash and investments with fiscal agent	<u>1,672,334</u>
Total	<u>\$ 5,153,371</u>

b. Notes Receivable

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 loans were paid in full as of June 30, 2023.

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

Note 22: Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

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 were paid in full as of June 30, 2023.

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, 2023, land held for resale totaled \$769,500.

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, 2023 was \$79,562.

e. Long-Term Liabilities

Long-term debt of the Successor Agency as of June 30, 2023, consisted of the following:

	Balance at June 30, 2022	Increases	Decreases	Balance at June 30, 2023	Due Within One Year
Public Offerings:					
Tax Allocation 2004A	\$ 7,570,000	\$ -	\$ 110,000	\$ 7,460,000	\$ 250,000
Tax Allocation 2008A and B	13,050,000	-	760,000	12,290,000	765,000
Unamortized Bond Premiums/(Discounts)	2,749,028	-	211,464	2,537,564	-
2018 Subordinate Tax Allocation A and B	25,210,000	-	1,690,000	23,520,000	1,365,000
Total - Public Offerings	\$ 48,579,028	\$ -	\$ 2,771,464	\$ 45,807,564	\$ 2,380,000

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,

Note 22: Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

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, 2023, the reserve was fully funded and the outstanding balance of the Series 2004A was \$7,460,000.

Tax Allocation Bonds, Series 2008A and B

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

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

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

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

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

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, 2023, the reserves were fully funded and the outstanding balance of the Series 2008A was \$12,290,000 and the Series 2008B bonds were fully matured, with \$0 outstanding, respectively.

Note 22: Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

2018 Subordinate Tax Allocation Refunding Bonds, Series A and B

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

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

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

Per the terms of the bond indenture, the bonds are required to maintain a reserve in the amount of the maximum annual debt service on the outstanding bonds, 125% of the average annual debt service for that every subsequent bond year, or 10% of the original issue price of the bonds held in a special escrow fund. At June 30, 2023, the reserve was fully funded and the outstanding balance of the bonds was \$23,520,000.

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
2024	\$ 2,380,000	\$ 2,178,326
2025	2,620,000	2,049,921
2026	2,745,000	1,911,736
2027	2,880,000	1,765,668
2028	3,105,000	1,609,671
2029	3,395,000	1,437,095
2029-2036	26,145,000	4,455,602
	<u>\$ 43,270,000</u>	<u>\$ 15,408,019</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

Note 22: Successor Agency Trust for Assets of Former Redevelopment Agency (continued)

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 \$58,678,019 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 \$4,822,516 and the debt service obligation on the bonds was \$4,885,208.

Note 23: Custodial Funds

a. Long-Term Liabilities

Obligations under Capital Loans

On October 18, 2009, ERICA entered into an Equipment Loan-Purchase Agreement with Motorola, Inc. for backbone equipment in the amount of \$5,557,603. The Agreement was subsequently amended on November 1, 2009. A partial prepayment in the amount of \$1,389,400 was granted by Loaner as a one-time accommodation. Effective November 1, 2010, the annual payment amount is \$403,002 and carries an effective interest rate of 5.29%. The last loan payment is due on November 1, 2024. The loan purchase agreement was amended on December 17, 2015, reducing the interest rate to 3.29% effective November 1, 2017. The outstanding balance on this loan as of June 30, 2023 was \$362,517.

A Supplemental Loan for the backbone system was also entered into with Motorola, Inc. in 2009 for \$202,489. This Supplemental Loan requires 15 annual payments of \$20,294 and carries an effective interest rate of 5.97%. The last loan payment is due on November 1, 2024. The loan purchase agreement was amended on December 17, 2015, reducing the interest rate to 3.47% effective November 1, 2017. The outstanding balance on this loan was paid off as of June 30, 2023.

Future minimum loan payments in the ERICA fund as of June 30, 2023, are as follows:

Amount of future loan payments for the fiscal year ending June 30,	Amount
2024	\$ 374,444
Total Payments	374,444
Loan amount representing interest	(11,927)
Principal outstanding	<u>\$ 362,517</u>

Note 23: Custodial Funds (continued)

b. Capital Assets

Capital asset activity in the ERICA fund for the fiscal year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Machinery and Equipment	\$ 6,112,437	\$ -	\$ -	\$ 6,112,437
Total cost of depreciable assets	<u>6,112,437</u>	<u>-</u>	<u>-</u>	<u>6,112,437</u>
Less accumulated depreciation:				
Machinery and equipment	(5,144,922)	(387,006)	-	(5,531,928)
Total accumulated depreciation	<u>(5,144,922)</u>	<u>(387,006)</u>	<u>-</u>	<u>(5,531,928)</u>
Capital assets, net	<u>\$ 967,515</u>	<u>\$ (387,006)</u>	<u>\$ -</u>	<u>\$ 580,509</u>

For the fiscal year ended June 30, 2023, the East Valley Reclamation Authority fund had capital assets valued at \$557,123. This was entirely made up of construction in progress.



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Required Supplementary Information

Annual Comprehensive Financial Report • 2023

**Budgetary Comparison Schedule
General Fund
for the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 83,305,732	\$ 83,305,732	\$ 83,305,732	\$ -
Resources (Inflows):				
Taxes:				
Sales taxes	31,542,000	34,000,000	36,780,210	2,780,210
Property taxes	21,880,000	21,880,000	23,434,739	1,554,739
Utility users taxes	8,800,000	8,800,000	10,771,595	1,971,595
Transient occupancy taxes	9,800,000	13,150,000	14,744,233	1,594,233
Business license taxes	650,000	650,000	753,406	103,406
Other taxes	450,000	450,000	632,877	182,877
Total taxes	<u>73,122,000</u>	<u>78,930,000</u>	<u>87,117,060</u>	<u>8,187,060</u>
Licenses and permits:				
Building permits	2,911,000	2,911,000	3,452,455	541,455
Other permits	997,800	997,800	2,470,302	1,472,502
Business licenses and other	220,000	220,000	733,697	513,697
Franchises	2,765,600	2,765,600	3,051,133	285,533
Total licenses and permits	<u>6,894,400</u>	<u>6,894,400</u>	<u>9,707,587</u>	<u>2,813,187</u>
Intergovernmental:				
Grants	130,000	130,000	1,134,535	1,004,535
Motor vehicle license fees	40,000	40,000	91,367	51,367
Total intergovernmental	<u>170,000</u>	<u>170,000</u>	<u>1,225,902</u>	<u>1,055,902</u>
Charges for services:				
Police	5,385,000	4,885,022	6,010,121	1,125,099
Plan checks and inspections	1,930,000	1,530,000	1,824,622	294,622
Fire and ambulance	2,330,000	2,330,000	3,101,386	771,386
Other	556,000	556,000	565,210	9,210
Total charges for services	<u>10,201,000</u>	<u>9,301,022</u>	<u>11,501,339</u>	<u>2,200,317</u>
Fines and forfeitures:				
Other	465,000	465,000	1,398,951	933,951
Total fines and forfeitures	<u>465,000</u>	<u>465,000</u>	<u>1,398,951</u>	<u>933,951</u>
Use of money and property	772,694	772,694	4,171,573	3,398,879
Miscellaneous	2,716,000	2,716,000	1,515,565	(1,200,435)
Transfers in	4,323,000	4,323,000	4,301,000	(22,000)
Capital contributions	-	-	637,237	637,237
Amounts Available for Appropriations	<u>181,969,826</u>	<u>186,877,848</u>	<u>204,881,946</u>	<u>18,004,098</u>

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

**Budgetary Comparison Schedule
General Fund (continued)
for the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General government:				
City council	327,506	327,506	325,163	2,343
City manager	1,015,424	1,090,324	1,232,779	(142,455)
City clerk	522,104	472,104	469,311	2,793
City attorney	850,000	850,000	1,091,975	(241,975)
Human resources	1,104,736	1,117,746	987,572	130,174
Finance	2,029,956	2,029,956	2,255,706	(225,750)
Other - Nondepartmental	6,470,556	7,056,501	5,457,961	1,598,540
Total general government	12,320,282	12,944,137	11,820,467	1,123,670
Public safety:				
Police administration	2,857,891	2,844,881	3,715,324	(870,443)
Police field services	16,460,399	16,460,399	15,356,254	1,104,145
Police investigations	9,046,961	9,046,961	8,841,438	205,523
Police traffic safety	1,140,286	1,140,286	1,339,219	(198,933)
Police support services	5,622,914	6,941,080	5,791,881	1,149,199
Animal control	1,180,000	1,180,000	1,144,207	35,793
Code enforcement	2,881,900	2,881,900	2,491,395	390,505
Fire and ambulance	17,920,555	17,920,555	18,241,941	(321,386)
Emergency management	317,318	317,318	275,689	41,629
Total public safety	57,428,224	58,733,380	57,197,348	1,536,032
Community development:				
Building and safety	2,157,430	2,157,430	1,919,195	238,235
Planning	1,142,953	1,742,353	1,234,938	507,415
Economic development	866,843	1,331,821	780,583	551,238
Total community development	4,167,226	5,231,604	3,934,716	1,296,888
Community services:				
Youth service	1,011,981	1,011,981	954,135	57,846
Community services	867,943	1,032,943	967,686	65,257
Promotions and publicity	1,005,230	1,005,230	684,272	320,958
Senior services	861,510	861,510	953,526	(92,016)
Total community services	3,746,664	3,911,664	3,559,619	352,045

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

**Budgetary Comparison Schedule
General Fund (continued)
for the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works:				
Street maintenance and operations	3,130,325	3,130,325	2,795,556	334,769
Engineering and administration	1,689,022	1,756,777	1,769,317	(12,540)
Parks and parkways	2,642,644	2,642,644	3,065,090	(422,446)
Total public works	7,461,991	7,529,746	7,629,963	(100,217)
Capital outlay	30,000	30,000	19,412	10,588
Transfers out	52,587,258	56,865,670	54,951,323	1,914,347
Total Charges to Appropriations	137,741,645	145,246,201	139,112,848	6,133,353
Budgetary Fund Balance, June 30	\$ 44,228,181	\$ 41,631,647	\$ 65,769,098	\$ 24,137,451

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

**Budgetary Comparison Schedule
American Rescue Plan Act
the Year Ended June 30, 2023**

	<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	\$ 40,343	\$ 40,343	\$ 40,343	\$ -
Resources (Inflows):				
Intergovernmental	-	-	7,700,692	7,700,692
Use of money and property	-	-	(152,093)	(152,093)
Miscellaneous	-	-	1,625	1,625
Amounts Available for Appropriations	40,343	40,343	7,590,567	7,550,224
Charges to Appropriations (Outflows):				
General government	-	-	406,050	(406,050)
Community development	-	-	4,131	(4,131)
Public works	13,930,284	13,930,284	6,405,952	7,524,332
Capital outlay	1,600,000	1,600,000	734,091	865,909
Total Charges to Appropriations	15,530,284	15,530,284	7,550,224	7,980,060
Budgetary Fund Balance, June 30	\$ (15,489,941)	\$ (15,489,941)	\$ 40,343	\$ 15,530,284

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

**Schedule of Changes in the Net Pension Liability and Related Ratios
Agent Multiple-employer Miscellaneous Plan
as of June 30, for the Last Ten Fiscal Years**

	2023	2022	2021	2020
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability:				
Service Cost	\$ 2,607,677	\$ 2,393,138	\$ 2,268,865	\$ 2,315,791
Interest on total pension liability	7,686,952	7,410,874	7,076,401	6,759,649
Differences between expected and actual experience	(1,183,034)	203,161	122,887	(90,046)
Changes in assumptions	4,223,426	-	-	-
Benefit payments, including refunds of employee contributions	(5,318,961)	(5,071,353)	(4,793,895)	(4,695,594)
Net change in total pension liability	8,016,060	4,935,820	4,674,258	4,289,800
Total pension liability - beginning	109,720,351	104,784,531	100,110,273	95,820,473
Total pension liability - ending (a)	117,736,411	109,720,351	104,784,531	100,110,273
Plan Fiduciary Net Position:				
Contributions - employer	4,309,575	4,007,469	3,775,732	3,330,987
Contributions - employee	1,079,887	978,865	996,854	911,463
Net investment income	(6,896,207)	16,830,524	3,514,437	4,429,595
Benefit payments	(5,318,961)	(5,071,353)	(4,793,895)	(4,695,594)
Plan to plan resource movement	-	-	-	-
Administration Expense	(56,351)	(73,710)	(99,239)	(47,431)
Other miscellaneous income/(expense)	-	-	-	154
Net change in plan fiduciary net position	(6,882,057)	16,671,795	3,393,889	3,929,174
Plan fiduciary net position - beginning	90,460,362	73,788,567	70,394,678	66,465,504
Plan fiduciary net position - ending (b)	83,578,305	90,460,362	73,788,567	70,394,678
Net pension liability - ending (a)-(b)	\$ 34,158,106	\$ 19,259,989	\$ 30,995,964	\$ 29,715,595
Plan fiduciary net position as a percentage of the total pension liability	71.0%	82.4%	70.4%	70.3%
Covered payroll	\$ 13,437,045	\$ 13,437,045	\$ 12,330,786	\$ 12,185,810
Plan net pension liability as a percentage of covered payroll	254.2%	145.2%	251.4%	243.9%

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

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

Changes of Assumptions: None in 2020, 2021, or 2022. 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.

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

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

2019	2018	2017	2016	2015
6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
\$ 2,307,248	\$ 2,353,967	\$ 2,144,177	\$ 2,054,043	\$ 2,067,477
6,453,709	6,219,359	6,008,228	5,714,555	5,452,950
(754,767)	(1,493,433)	(465,558)	(717,418)	-
(595,036)	5,371,466	-	(1,451,365)	-
(4,097,060)	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
3,314,094	8,703,361	4,054,382	2,213,828	4,204,662
92,506,379	83,803,018	79,748,636	77,534,808	73,330,146
95,820,473	92,506,379	83,803,018	79,748,636	77,534,808
3,032,168	2,858,434	2,619,245	2,446,688	2,331,161
913,515	918,650	927,413	940,052	914,677
5,270,086	6,336,419	300,012	1,211,466	7,998,811
(4,097,060)	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
(154)	-	-	(123)	-
(96,029)	(81,708)	(33,618)	(69,194)	-
(182,361)	-	-	-	-
4,840,165	6,283,797	180,587	1,142,902	7,928,884
61,625,339	55,341,542	55,160,955	54,018,053	46,089,169
66,465,504	61,625,339	55,341,542	55,160,955	54,018,053
\$ 29,354,969	\$ 30,881,040	\$ 28,461,476	\$ 24,587,681	\$ 23,516,755
69.4%	66.6%	66.0%	69.2%	69.7%
\$ 11,882,620	\$ 12,075,341	\$ 12,067,635	\$ 11,307,076	\$ 10,908,447
247.0%	255.7%	235.8%	217.5%	215.6%

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

**Schedule of Proportionate Share of the Net Pension Liability
Cost-sharing Multiple Employer Safety Plan
as of June 30 for the Last Ten Fiscal Years¹**

Reporting Date² as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
2023	0.2517%	\$ 46,067,105	\$ 7,936,607	580.4%	86.6%
2022	0.4994%	26,876,857	8,252,401	325.7%	86.6%
2021	0.3512%	40,720,531	6,750,274	603.2%	75.1%
2020	0.3469%	37,818,116	7,696,899	491.3%	75.3%
2019	0.3716%	35,470,299	6,666,249	532.1%	75.3%
2018	0.3554%	35,245,774	6,451,760	546.3%	73.3%
2017	0.3611%	31,246,797	6,467,561	483.1%	74.1%
2016	0.3687%	25,303,889	6,624,055	382.0%	78.4%
2015	0.3569%	22,205,148	6,236,527	356.1%	79.8%

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

Benefit Changes: None

Changes of Assumptions: None

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

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

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

**Schedule of Changes in the Net OPEB Liability and Related Ratios
as of June 30, for the Last Ten Fiscal Years¹**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:						
Service cost	\$ 2,581,334	\$ 1,396,868	\$ 1,170,693	\$ 1,059,988	\$ 789,088	\$ 766,105
Interest on the total OPEB liability	1,453,544	1,485,408	1,681,183	2,085,750	2,238,791	2,175,102
Difference between expected and actual experience	(2,113,957)	1,418,375	-	(1,203,586)	-	-
Changes in assumptions	(15,038,689)	6,516,788	5,809,571	1,444,873	12,452,155	-
Benefit payments	(2,157,147)	(1,982,654)	(1,955,604)	(1,899,929)	(1,885,304)	(1,863,797)
Net change in total OPEB liability	(15,274,915)	8,834,785	6,705,843	1,487,096	13,594,730	1,077,410
Total OPEB liability - beginning	69,052,127	60,217,342	53,511,499	52,024,403	38,429,673	37,352,263
Total OPEB liability - ending (a)	<u>53,777,212</u>	<u>69,052,127</u>	<u>60,217,342</u>	<u>53,511,499</u>	<u>52,024,403</u>	<u>38,429,673</u>
Plan Fiduciary Net Position:						
Contribution - employer ²	2,157,147	2,030,041	1,980,041	1,975,767	1,975,214	1,994,056
Net investment income	(285,925)	365,842	94,472	108,437	86,160	84,532
Benefit payments	(2,157,147)	(1,982,654)	(1,955,604)	(1,899,929)	(1,885,304)	(1,863,797)
Trustee fees	-	-	-	-	(519)	(431)
Administrative expense	(575)	(678)	(860)	(335)	(711)	(592)
Net change in plan fiduciary net position	(286,500)	412,551	118,049	183,940	174,840	213,768
Plan fiduciary net position - beginning	2,273,153	1,860,602	1,742,553	1,558,613	1,383,773	1,170,005
Plan fiduciary net position - ending (b)	<u>1,986,653</u>	<u>2,273,153</u>	<u>1,860,602</u>	<u>1,742,553</u>	<u>1,558,613</u>	<u>1,383,773</u>
Net OPEB Liability/(Assets) - ending (a) - (b)	<u>\$ 51,790,559</u>	<u>\$ 66,778,974</u>	<u>\$ 58,356,740</u>	<u>\$ 51,768,946</u>	<u>\$ 50,465,790</u>	<u>\$ 37,045,900</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.7%	3.3%	3.1%	3.3%	3.0%	3.6%
Covered-employee payroll	\$ 28,840,521	\$ 27,664,394	\$ 27,980,084	\$ 27,980,084	\$ 26,345,041	\$ 31,815,516
Net OPEB liability as a percentage of covered-employee payroll	179.6%	241.4%	208.6%	185.0%	191.6%	116.4%

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

¹Historical 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.

²Includes 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.

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

**Schedules of Plan Contributions
as of June 30, for the Last Ten Fiscal Years¹**

CalPERS Miscellaneous Employees Agent, Multiple-Employer Pension Plan:

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 4,644,853	\$ 4,644,853	\$ -	\$ (14,036,787)	33.1%
2022	3,357,747	3,357,747	-	(13,437,045)	25.0%
2021	3,856,017	3,856,017	-	(13,262,250)	29.1%
2020	3,527,169	3,527,169	-	(12,926,402)	27.3%
2019	3,523,191	3,523,191	-	(12,267,411)	28.7%
2018	3,032,168	3,032,168	-	(11,882,620)	25.5%
2017	2,858,434	2,858,434	-	(12,075,341)	23.7%
2016	2,619,245	2,619,245	-	(12,067,635)	21.7%
2015	2,446,688	2,446,688	-	(11,307,076)	21.6%
2014	2,331,161	2,331,161	-	(10,908,447)	21.4%

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

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 5,060,688	\$ 5,060,688	\$ -	\$ (7,264,948)	69.7%
2022	5,570,612	5,570,612	-	(7,936,607)	67.5%
2021	4,675,712	4,675,712	-	(8,252,401)	56.7%
2020	4,143,360	4,143,360	-	(6,750,274)	61.4%
2019	3,571,705	3,571,705	-	(7,696,899)	46.4%
2018	2,977,907	2,977,907	-	(6,666,249)	44.7%
2017	2,409,717	2,409,717	-	(6,451,760)	37.4%
2016	2,567,055	2,567,055	-	(6,467,561)	39.7%
2015	2,286,752	2,286,752	-	(6,624,055)	34.5%
2014	2,105,331	2,105,331	-	(6,236,527)	33.8%

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

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contribution as a % of Covered- Employee Payroll
2023	\$ 3,748,603	\$ 2,378,016	\$ 1,370,587	\$ 26,876,063	8.85%
2022	3,613,353	2,117,231	1,496,122	28,840,521	7.34%
2021	2,548,493	2,030,041	518,452	27,980,084	7.26%
2020	2,474,265	1,978,822	495,443	27,980,084	7.07%
2019	2,701,432	1,799,999	901,433	26,345,041	6.83%
2018	2,706,641	1,975,214	731,427	31,815,516	6.21%

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

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

Note 1: Budgets and Budgetary Data

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

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

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

Note 2: Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2023, the General Fund reflected expenditures in excess of budgeted amounts for the following departments:

<u>Expenditure Function</u>	<u>Department</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
General Government	City manager	\$ 1,090,324	\$ 1,232,779	\$ 142,455
General Government	City attorney	850,000	1,091,975	241,975
General Government	Finance	2,029,956	2,255,706	225,750
Public Safety	Police administration	2,844,881	3,715,324	870,443
Public Safety	Police traffic safety	1,140,286	1,339,219	198,933
Public Safety	Fire and ambulance	17,920,555	18,241,941	321,386
Community Services	Senior services	861,510	953,526	92,016
Public Works	Engineering and administration	1,756,777	1,769,317	12,540
Public Works	Parks and parkways	2,642,644	3,065,090	422,446

Note 3: Actuarial Assumptions Underlying the Schedule of Plan Contributions

a. CalPERS Pension Plans

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2023 were derived from the June 30, 2020 funding valuation report.

Note 3: Actuarial Assumptions Underlying the Schedule of Plan Contributions (continued)

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see the June 30, 2020 funding valuation report, available at CalPERS' website
Asset Valuation Method:	Fair Value of Assets
Inflation:	2.50 percent
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	2.75 percent
Investment Rate of Return:	7.00 percent, net of investment and administrative expense
Retirement Age:	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015.
Mortality:	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period of 1997 to 2015. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

b. PEMHCA OPEB Plan

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year ended June 30, 2023 were derived from the June 30, 2021 funding valuation report

Salary Increases:	2.30 percent
Investment Rate of Return:	5.5 percent, net of OPEB plan investment expense

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

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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.

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 clean up 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.
- 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 1-10 and Landfill Road.
- Local Government Planning Support Grant Fund** - To account for the Grant from the State of California's Local Government Planning Support Grant Program as part of the Local Early Action Planning Grants Program (LEAP). LEAP provides funding to jurisdictions for the preparation and adoption of planning documents and process improvements that accelerate housing production and facilitate compliance in implementing the sixth cycle of the Regional Housing Need Assessment (RHNA).
- Planning Prog. Grant SB2 Fund** - To account for the grant from the Planning Grant Program (PGP) authorized under the State of California's Senate Bill 2 (SB2). The PGP provides financial and technical assistance to local governments to update planning documents in order to accelerate housing production, streamline the approval of housing development affordable to owner and renter households at income levels, facilitate housing affordability, particularly for all income groups, and ensure geographic equity in the distribution and expenditure of allocated funds.
- Public Art In-Lieu Fund** - To account for fees collected from developers in lieu of providing public art works within their development.

Cannabis Tax Grant Fund - To account for grant funds from the California Highway Patrol (CHP) to support law enforcement efforts to reduce impaired driving.

Officer Wellness Grant Fund - To account for grant funds provided by the State for officer wellness and mental health resources.

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.

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.



Supplementary Schedules

Annual Comprehensive Financial Report • 2023

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Assets:				
Cash and investments	\$ 1,154,002	\$ 183,379	\$ 1,566,760	\$ 582,786
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	143,033	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	561,168	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	52,195	-	-	-
Total Assets	\$ 1,767,365	\$ 183,379	\$ 1,709,793	\$ 582,786
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 145,741	\$ -	\$ -	\$ 2,119
Accrued interest	-	-	-	-
Unearned revenues	6,522	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	152,263	-	-	2,119
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	1,615,102	183,379	1,709,793	580,667
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	1,615,102	183,379	1,709,793	580,667
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,767,365	\$ 183,379	\$ 1,709,793	\$ 582,786

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Assets:				
Cash and investments	\$ 17,869	\$ -	\$ 207,223	\$ 91,493
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	209,235	12,360	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 17,869	\$ 209,235	\$ 219,583	\$ 91,493
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 73,978
Accrued interest	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	201,256	-	-
Total Liabilities	-	201,256	-	73,978
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	17,869	7,979	219,583	17,515
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	17,869	7,979	219,583	17,515
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 17,869	\$ 209,235	\$ 219,583	\$ 91,493

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds			
	Measure A	NPDES	Air Quality	HBRRP
Assets:				
Cash and investments	\$ 4,368,181	\$ 134,416	\$ 221,857	\$ 23,736
Receivables:				
Accounts	-	-	-	-
Taxes	465,709	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	5,646	-
Due from other governments	88,878	-	29,728	849,259
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 4,922,768</u>	<u>\$ 134,416</u>	<u>\$ 257,231</u>	<u>\$ 872,995</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 586,786	\$ 2,008	\$ 22,296	\$ 418,979
Accrued interest	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	1,166,313
Total Liabilities	<u>586,786</u>	<u>2,008</u>	<u>22,296</u>	<u>1,585,292</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):				
Nonspendable	-	-	5,646	-
Restricted	4,335,982	132,408	229,289	-
Unassigned	-	-	-	(712,297)
Total Fund Balances (Deficits)	<u>4,335,982</u>	<u>132,408</u>	<u>234,935</u>	<u>(712,297)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 4,922,768</u>	<u>\$ 134,416</u>	<u>\$ 257,231</u>	<u>\$ 872,995</u>

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds			
	Waste Recycling AB939	Communities Facilities District	Certified Access Specialist SB 1186	Indio Housing Authority
Assets:				
Cash and investments	\$ 422,629	\$ 257,753	\$ 132,418	\$ 4,311,537
Receivables:				
Accounts	17,872	-	8	-
Taxes	-	-	-	-
Notes and loans	-	-	-	3,827,626
Prepaid costs	-	-	-	-
Due from other governments	142	-	-	-
Property held for resale	-	-	-	164,000
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 440,643	\$ 257,753	\$ 132,426	\$ 8,303,163
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 2,748	\$ -	\$ -	\$ 444
Accrued interest	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	12,023	-
Due to other funds	-	-	-	-
Total Liabilities	2,748	-	12,023	444
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	513,364
Total Deferred Inflows of Resources	-	-	-	513,364
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	437,895	257,753	120,403	7,789,355
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	437,895	257,753	120,403	7,789,355
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 440,643	\$ 257,753	\$ 132,426	\$ 8,303,163

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds			
	Department of Conservation Recycle Grant	Public Education Government Channel	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
Assets:				
Cash and investments	\$ 165,945	\$ 1,265,372	\$ 525,769	\$ 132,594
Receivables:				
Accounts	-	43,449	-	-
Taxes	-	-	-	-
Notes and loans	-	-	1,170,992	180,400
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Property held for resale	-	-	177,654	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 165,945	\$ 1,308,821	\$ 1,874,415	\$ 312,994
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 5,743	\$ -	\$ 325	\$ -
Accrued interest	-	-	-	-
Unearned revenues	163,573	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	169,316	-	325	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	1,170,992	180,400
Total Deferred Inflows of Resources	-	-	1,170,992	180,400
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	1,308,821	703,098	132,594
Unassigned	(3,371)	-	-	-
Total Fund Balances (Deficits)	(3,371)	1,308,821	703,098	132,594
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 165,945	\$ 1,308,821	\$ 1,874,415	\$ 312,994

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds			
	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant
Assets:				
Cash and investments	\$ 2,739,190	\$ 138,506	\$ 70,606	\$ 128,752
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	28,357	539,342	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,739,190	\$ 166,863	\$ 609,948	\$ 128,752
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 223,098	\$ -	\$ 201,016	\$ -
Accrued interest	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	3,570	107,523	-	-
Due to other funds	22,959	-	296,596	-
Total Liabilities	249,627	107,523	497,612	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	419,971	-
Total Deferred Inflows of Resources	-	-	419,971	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	2,489,563	59,340	-	128,752
Unassigned	-	-	(307,635)	-
Total Fund Balances (Deficits)	2,489,563	59,340	(307,635)	128,752
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,739,190	\$ 166,863	\$ 609,948	\$ 128,752

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds			
	Cal Emergency Management	Donations	SB-1 Transportation	Comm Transitional Housing
Assets:				
Cash and investments	\$ -	\$ 80,355	\$ 2,985,808	\$ 135,128
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	526,983	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 80,355	\$ 3,512,791	\$ 135,128
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 20,901	\$ 34,033
Accrued interest	-	-	-	-
Unearned revenues	-	-	-	2,956
Deposits payable	-	-	-	-
Due to other funds	15,842	-	-	-
Total Liabilities	15,842	-	20,901	36,989
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	-	80,355	3,491,890	98,139
Unassigned	(15,842)	-	-	-
Total Fund Balances (Deficits)	(15,842)	80,355	3,491,890	98,139
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ -	\$ 80,355	\$ 3,512,791	\$ 135,128

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds			
	Compost Mitigation Dillon	Local Gov Planning Support Grant	Planning Prog Grant SB2	Public Art In- Lieu
Assets:				
Cash and investments	\$ 57,222	\$ -	\$ -	\$ 1,222,090
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	152,948	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 57,222	\$ 152,948	\$ -	\$ 1,222,090
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 2,210	\$ -	\$ 164,885
Accrued interest	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	221,171	47,903	-
Total Liabilities	-	223,381	47,903	164,885
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	57,222	-	-	1,057,205
Unassigned	-	(70,433)	(47,903)	-
Total Fund Balances (Deficits)	57,222	(70,433)	(47,903)	1,057,205
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 57,222	\$ 152,948	\$ -	\$ 1,222,090

**Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2023**

	Special Revenue Funds		Debt Service Funds		Total Governmental Funds
	Cannabis Tax Fund Grant	Officer Wellness Grant	Judgment Bonds		
Assets:					
Cash and investments	\$ -	\$ 44,933	\$ 1,543	\$	23,369,852
Receivables:					
Accounts	-	-	-	-	61,329
Taxes	-	-	-	-	608,742
Notes and loans	-	-	-	-	5,179,018
Prepaid costs	-	-	-	-	5,646
Due from other governments	70,098	-	-	-	3,068,498
Property held for resale	-	-	-	-	341,654
Restricted cash and investments with fiscal agents	-	-	10,615	-	62,810
Total Assets	\$ 70,098	\$ 44,933	\$ 12,158	\$	32,697,549
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):					
Liabilities:					
Accounts payable	\$ 12,238	\$ -	\$ -	\$	1,919,548
Accrued interest	-	-	80,474	-	80,474
Unearned revenues	-	-	-	-	173,051
Deposits payable	-	-	-	-	123,116
Due to other funds	70,060	-	-	-	2,042,100
Total Liabilities	82,298	-	80,474	-	4,338,289
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	2,284,727
Total Deferred Inflows of Resources	-	-	-	-	2,284,727
Fund Balances (Deficits):					
Nonspendable	-	-	-	-	5,646
Restricted	-	44,933	-	-	27,306,884
Unassigned	(12,200)	-	(68,316)	-	(1,237,997)
Total Fund Balances (Deficits)	(12,200)	44,933	(68,316)	-	26,074,533
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 70,098	\$ 44,933	\$ 12,158	\$	32,697,549

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds
the Year Ended June 30, 2023**

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Revenues:				
Taxes	\$ 2,257,813	\$ -	\$ -	\$ -
Intergovernmental	447,797	-	886,733	229,285
Use of money and property	21,323	-	(2,443)	3,204
Fines and forfeitures	-	72,094	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,726,933	72,094	884,290	232,489
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	182,786	254,308	216,257
Community development	-	-	-	-
Park and recreations	-	-	-	-
Public works	1,047,423	-	-	-
Capital outlay	727,152	-	-	-
Debt service:				
Principal retirement	650,000	-	-	-
Interest and fiscal charges	16,591	-	-	-
Total Expenditures	2,441,166	182,786	254,308	216,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	285,767	(110,692)	629,982	16,232
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	285,767	(110,692)	629,982	16,232
Fund Balance (Deficit) - Beginning	1,329,335	294,071	1,079,811	564,435
Fund Balance (Deficit) - Ending	\$ 1,615,102	\$ 183,379	\$ 1,709,793	\$ 580,667

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,290	219,625	27,251	-
Use of money and property	(252)	36	(3,642)	(1,630)
Fines and forfeitures	-	-	-	4,708
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	12,038	219,661	23,609	3,078
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	11,607	-	-	-
Community development	-	-	-	-
Park and recreations	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	209,235	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	11,607	209,235	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	431	10,426	23,609	3,078
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	431	10,426	23,609	3,078
Fund Balance (Deficit) - Beginning	17,438	(2,447)	195,974	14,437
Fund Balance (Deficit) - Ending	\$ 17,869	\$ 7,979	\$ 219,583	\$ 17,515

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds			
	Measure A	NPDES	Air Quality	HBRRP
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,313,813	-	117,665	3,223,541
Use of money and property	(4,858)	(653)	1,375	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	35,789	-	-	-
Total Revenues	3,344,744	(653)	119,040	3,223,541
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Park and recreations	-	-	-	-
Public works	1,072,650	124,652	90,439	-
Capital outlay	1,737,904	-	-	2,274,654
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,810,554	124,652	90,439	2,274,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	534,190	(125,305)	28,601	948,887
Other Financing Sources (Uses):				
Transfers in	-	256,917	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	256,917	-	-
Net Change in Fund Balance	534,190	131,612	28,601	948,887
Fund Balance (Deficit) - Beginning	3,801,792	796	206,334	(1,661,184)
Fund Balance (Deficit) - Ending	\$ 4,335,982	\$ 132,408	\$ 234,935	\$ (712,297)

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds			
	Waste Recycling AB939	Communities Facilities District	Certified Access Specialist SB 1186	Indio Housing Authority
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	750	-	-	-
Use of money and property	8,290	(15,428)	(2,197)	(16,891)
Fines and forfeitures	-	-	-	-
Contributions	-	4,564,602	-	-
Developer participation	-	-	-	-
Miscellaneous	271,254	-	17,145	270,826
Total Revenues	280,294	4,549,174	14,948	253,935
Expenditures:				
Current:				
General government	258,780	-	2,234	-
Public safety	-	-	-	-
Community development	-	66,260	-	208,399
Park and recreations	-	-	-	-
Public works	-	-	-	-
Capital outlay	35,333	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	294,113	66,260	2,234	208,399
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,819)	4,482,914	12,714	45,536
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(4,301,000)	-	-
Total Other Financing Sources (Uses)	-	(4,301,000)	-	-
Net Change in Fund Balance	(13,819)	181,914	12,714	45,536
Fund Balance (Deficit) - Beginning	451,714	75,839	107,689	7,743,819
Fund Balance (Deficit) - Ending	\$ 437,895	\$ 257,753	\$ 120,403	\$ 7,789,355

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds			
	Department of Conservation Recycle Grant	Public Education Government Channel	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	66,119	-	-	-
Use of money and property	(1,258)	(22,036)	3,878	1,114
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	180,116	-	-
Total Revenues	64,861	158,080	3,878	1,114
Expenditures:				
Current:				
General government	38,962	-	-	-
Public safety	-	-	-	-
Community development	-	-	1,159	-
Park and recreations	-	-	-	-
Public works	-	-	-	-
Capital outlay	13,619	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	52,581	-	1,159	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,280	158,080	2,719	1,114
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	12,280	158,080	2,719	1,114
Fund Balance (Deficit) - Beginning	(15,651)	1,150,741	700,379	131,480
Fund Balance (Deficit) - Ending	\$ (3,371)	\$ 1,308,821	\$ 703,098	\$ 132,594

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds			
	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,945,219	-
Use of money and property	23,073	3,507	-	1,062
Fines and forfeitures	-	-	-	-
Contributions	1,348,449	-	-	-
Developer participation	-	-	-	-
Miscellaneous	28,283	28,356	-	-
Total Revenues	1,399,805	31,863	1,945,219	1,062
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	6,396	-	-
Community development	-	-	438,337	-
Park and recreations	-	-	-	-
Public works	1,545,963	-	-	-
Capital outlay	-	-	1,431,840	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,545,963	6,396	1,870,177	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(146,158)	25,467	75,042	1,062
Other Financing Sources (Uses):				
Transfers in	20,124	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	20,124	-	-	-
Net Change in Fund Balance	(126,034)	25,467	75,042	1,062
Fund Balance (Deficit) - Beginning	2,615,597	33,873	(382,677)	127,690
Fund Balance (Deficit) - Ending	\$ 2,489,563	\$ 59,340	\$ (307,635)	\$ 128,752

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds			
	Cal Emergency Management	Donations	SB-1 Transportation	Comm Transitional Housing
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1	-	2,008,596	118,786
Use of money and property	-	-	3,526	4,218
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	4,613	-	-
Total Revenues	1	4,613	2,012,122	123,004
Expenditures:				
Current:				
General government	-	364	-	-
Public safety	15,966	-	-	-
Community development	-	-	-	118,787
Park and recreations	-	-	-	-
Public works	-	-	149,588	-
Capital outlay	-	-	1,554,727	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	15,966	364	1,704,315	118,787
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,965)	4,249	307,807	4,217
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(15,965)	4,249	307,807	4,217
Fund Balance (Deficit) - Beginning	123	76,106	3,184,083	93,922
Fund Balance (Deficit) - Ending	\$ (15,842)	\$ 80,355	\$ 3,491,890	\$ 98,139

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds			
	Compost Mitigation Dillon	Local Gov Planning Support Grant	Planning Prog Grant SB2	Public Art In- Lieu
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	152,948	186,804	-
Use of money and property	167	-	-	9,276
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	281,704
Miscellaneous	9,930	-	-	-
Total Revenues	10,097	152,948	186,804	290,980
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Park and recreations	-	-	-	304,219
Public works	-	78,098	47,903	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	78,098	47,903	304,219
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,097	74,850	138,901	(13,239)
Other Financing Sources (Uses):				
Transfers in	-	15,489	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	15,489	-	-
Net Change in Fund Balance	10,097	90,339	138,901	(13,239)
Fund Balance (Deficit) - Beginning	47,125	(160,772)	(186,804)	1,070,444
Fund Balance (Deficit) - Ending	\$ 57,222	\$ (70,433)	\$ (47,903)	\$ 1,057,205

**Combining Statement of Revenues,
and Changes in Fund Balances
Governmental Funds (continued)
the Year Ended June 30, 2023**

	Special Revenue Funds		Debt Service Funds	Total Governmental Funds
	Cannabis Tax Fund Grant	Officer Wellness Grant	Judgment Bonds	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,257,813
Intergovernmental	127,696	44,933	-	13,129,852
Use of money and property	-	-	10,609	23,370
Fines and forfeitures	-	-	-	76,802
Contributions	-	-	-	5,913,051
Developer participation	-	-	-	281,704
Miscellaneous	-	-	-	846,312
Total Revenues	127,696	44,933	10,609	22,528,904
Expenditures:				
Current:				
General government	-	-	4,840	305,180
Public safety	139,896	-	-	827,216
Community development	-	-	-	832,942
Park and recreations	-	-	-	304,219
Public works	-	-	-	4,156,716
Capital outlay	-	-	-	7,984,464
Debt service:				
Principal retirement	-	-	675,000	1,325,000
Interest and fiscal charges	-	-	572,599	589,190
Total Expenditures	139,896	-	1,252,439	16,324,927
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,200)	44,933	(1,241,830)	6,203,977
Other Financing Sources (Uses):				
Transfers in	-	-	1,173,413	1,465,943
Transfers out	-	-	-	(4,301,000)
Total Other Financing Sources (Uses)	-	-	1,173,413	(2,835,057)
Net Change in Fund Balance	(12,200)	44,933	(68,417)	3,368,920
Fund Balance (Deficit) - Beginning	-	-	101	22,705,613
Fund Balance (Deficit) - Ending	\$ (12,200)	\$ 44,933	\$ (68,316)	\$ 26,074,533

**Budgetary Comparison Schedule
Gas Tax
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 1,329,335	\$ 1,329,335	\$ 1,329,335	\$ -
Resources (Inflows):				
Taxes	2,667,346	2,667,346	2,257,813	(409,533)
Intergovernmental	-	-	447,797	447,797
Use of money and property	20,000	20,000	21,323	1,323
Amounts Available for Appropriations	<u>4,016,681</u>	<u>4,016,681</u>	<u>4,056,268</u>	<u>39,587</u>
Charges to Appropriations (Outflows):				
Public works	842,894	842,894	1,047,423	(204,529)
Capital outlay	360,000	360,000	727,152	(367,152)
Debt service:				
Principal retirement	624,375	624,375	650,000	(25,625)
Interest and fiscal charges	57,938	27,542	16,591	10,951
Transfers out	1,483,418	1,483,418	-	1,483,418
Total Charges to Appropriations	<u>3,368,625</u>	<u>3,338,229</u>	<u>2,441,166</u>	<u>897,063</u>
Budgetary Fund Balance, June 30	<u>\$ 648,056</u>	<u>\$ 678,452</u>	<u>\$ 1,615,102</u>	<u>\$ 936,650</u>

**Budgetary Comparison Schedule
Traffic Safety
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 294,071	\$ 294,071	\$ 294,071	\$ -
Resources (Inflows):				
Fines and forfeitures	50,000	50,000	72,094	22,094
Amounts Available for Appropriations	344,071	344,071	366,165	22,094
Charges to Appropriations (Outflows):				
Public safety	65,000	209,012	182,786	26,226
Total Charges to Appropriations	65,000	209,012	182,786	26,226
Budgetary Fund Balance, June 30	\$ 279,071	\$ 135,059	\$ 183,379	\$ 48,320

**Budgetary Comparison Schedule
Public Safety
the Year Ended June 30, 2023**

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Budgetary Fund Balance, July 1	\$ 1,079,811	\$ 1,079,811	\$ 1,079,811	\$ -
Resources (Inflows):				
Intergovernmental	770,000	770,000	886,733	116,733
Use of money and property	-	-	(2,443)	(2,443)
Amounts Available for Appropriations	1,849,811	1,849,811	1,964,101	114,290
Charges to Appropriations (Outflows):				
Public safety	257,710	257,710	254,308	3,402
Total Charges to Appropriations	257,710	257,710	254,308	3,402
Budgetary Fund Balance, June 30	\$ 1,592,101	\$ 1,592,101	\$ 1,709,793	\$ 117,692

**Budgetary Comparison Schedule
Supplemental Law Enforcement
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 564,435	\$ 564,435	\$ 564,435	\$ -
Resources (Inflows):				
Intergovernmental	213,000	213,000	229,285	16,285
Use of money and property	-	-	3,204	3,204
Amounts Available for Appropriations	<u>777,435</u>	<u>777,435</u>	<u>796,924</u>	<u>19,489</u>
Charges to Appropriations (Outflows):				
Public safety	143,000	417,403	216,257	201,146
Capital outlay	200,000	200,000	-	200,000
Total Charges to Appropriations	<u>343,000</u>	<u>617,403</u>	<u>216,257</u>	<u>401,146</u>
Budgetary Fund Balance, June 30	<u>\$ 434,435</u>	<u>\$ 160,032</u>	<u>\$ 580,667</u>	<u>\$ 420,635</u>

**Budgetary Comparison Schedule
LLEBG
the Year Ended June 30, 2023**

	<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	\$ 17,438	\$ 17,438	\$ 17,438	\$ -
Resources (Inflows):				
Intergovernmental	43,899	43,899	12,290	(31,609)
Use of money and property	-	-	(252)	(252)
Amounts Available for Appropriations	61,337	61,337	29,476	(31,861)
Charges to Appropriations (Outflows):				
Public safety	177,340	88,309	11,607	76,702
Total Charges to Appropriations	177,340	88,309	11,607	76,702
Budgetary Fund Balance, June 30	\$ (116,003)	\$ (26,972)	\$ 17,869	\$ 44,841

**Budgetary Comparison Schedule
Homeland Security
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ (2,447)	\$ (2,447)	\$ (2,447)	\$ -
Resources (Inflows):				
Intergovernmental	13,000	222,235	219,625	(2,610)
Use of money and property	-	-	36	36
Amounts Available for Appropriations	10,553	219,788	217,214	(2,574)
Charges to Appropriations (Outflows):				
Capital outlay	13,000	222,235	209,235	13,000
Total Charges to Appropriations	13,000	222,235	209,235	13,000
Budgetary Fund Balance, June 30	\$ (2,447)	\$ (2,447)	\$ 7,979	\$ 10,426

**Budgetary Comparison Schedule
Abandoned Vehicle
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 195,974	\$ 195,974	\$ 195,974	\$ -
Resources (Inflows):				
Intergovernmental	23,000	23,000	27,251	4,251
Use of money and property	-	-	(3,642)	(3,642)
Amounts Available for Appropriations	218,974	218,974	219,583	609
Charges to Appropriations (Outflows):				
Public safety	23,000	75,000	-	75,000
Total Charges to Appropriations	23,000	75,000	-	75,000
Budgetary Fund Balance, June 30	\$ 195,974	\$ 143,974	\$ 219,583	\$ 75,609

**Budgetary Comparison Schedule
Measure A
the Year Ended June 30, 2023**

	<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	\$ 3,801,792	\$ 3,801,792	\$ 3,801,792	\$ -
Resources (Inflows):				
Intergovernmental	2,454,000	2,454,000	3,313,813	859,813
Use of money and property	7,500	7,500	(4,858)	(12,358)
Miscellaneous	-	-	35,789	35,789
Amounts Available for Appropriations	<u>6,263,292</u>	<u>6,263,292</u>	<u>7,146,536</u>	<u>883,244</u>
Charges to Appropriations (Outflows):				
Public works	323,325	323,325	1,072,650	(749,325)
Capital outlay	695,000	695,000	1,737,904	(1,042,904)
Transfers out	4,895,040	4,895,040	-	4,895,040
Total Charges to Appropriations	<u>5,913,365</u>	<u>5,913,365</u>	<u>2,810,554</u>	<u>3,102,811</u>
Budgetary Fund Balance, June 30	<u>\$ 349,927</u>	<u>\$ 349,927</u>	<u>\$ 4,335,982</u>	<u>\$ 3,986,055</u>

**Budgetary Comparison Schedule
NPDES
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 796	\$ 796	\$ 796	\$ -
Resources (Inflows):				
Use of money and property	-	-	(653)	(653)
Transfers in	256,917	256,917	256,917	-
Amounts Available for Appropriations	257,713	257,713	257,060	(653)
Charges to Appropriations (Outflows):				
Public works	151,315	151,315	124,652	26,663
Total Charges to Appropriations	151,315	151,315	124,652	26,663
Budgetary Fund Balance, June 30	\$ 106,398	\$ 106,398	\$ 132,408	\$ 26,010

**Budgetary Comparison Schedule
Air Quality (AB2766/AQMD)
the Year Ended June 30, 2023**

	<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	\$ 206,334	\$ 206,334	\$ 206,334	\$ -
Resources (Inflows):				
Intergovernmental	120,000	120,000	117,665	(2,335)
Use of money and property	-	-	1,375	1,375
Amounts Available for Appropriations	326,334	326,334	325,374	(960)
Charges to Appropriations (Outflows):				
Public works	91,900	91,900	90,439	1,461
Capital outlay	60,000	60,000	-	60,000
Total Charges to Appropriations	151,900	151,900	90,439	61,461
Budgetary Fund Balance, June 30	\$ 174,434	\$ 174,434	\$ 234,935	\$ 54,048

**Budgetary Comparison Schedule
HBRRP
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund (Deficit), July 1	\$ (1,661,184)	\$ (1,661,184)	\$ (1,661,184)	\$ -
Resources (Inflows):				
Intergovernmental	<u>5,738,502</u>	<u>5,738,503</u>	<u>3,223,541</u>	<u>(2,514,962)</u>
Amounts Available for Appropriations	<u>4,077,318</u>	<u>4,077,319</u>	<u>1,562,357</u>	<u>(2,514,962)</u>
Charges to Appropriations (Outflows):				
Capital outlay	<u>5,713,308</u>	<u>5,713,308</u>	<u>2,274,654</u>	<u>3,438,654</u>
Total Charges to Appropriations	<u>5,713,308</u>	<u>5,713,308</u>	<u>2,274,654</u>	<u>3,438,654</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ (1,635,990)</u>	<u>\$ (1,635,989)</u>	<u>\$ (712,297)</u>	<u>\$ 923,692</u>

**Budgetary Comparison Schedule
Waste Recycling AB939
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 451,714	\$ 451,714	\$ 451,714	\$ -
Resources (Inflows):				
Intergovernmental	-	-	750	750
Use of money and property	-	-	8,290	8,290
Miscellaneous	260,000	260,000	271,254	11,254
Amounts Available for Appropriations	711,714	711,714	732,008	20,294
Charges to Appropriations (Outflows):				
General government	386,859	380,689	258,780	121,909
Capital outlay	10,000	10,000	35,333	(25,333)
Total Charges to Appropriations	396,859	390,689	294,113	96,576
Budgetary Fund Balance, June 30	\$ 314,855	\$ 321,025	\$ 437,895	\$ 116,870

**Budgetary Comparison Schedule
Communities Facilities District
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 75,839	\$ 75,839	\$ 75,839	\$ -
Resources (Inflows):				
Use of money and property	12,800	12,800	(15,428)	(28,228)
Contributions	4,389,000	4,389,000	4,564,602	175,602
Amounts Available for Appropriations	4,477,639	4,477,639	4,625,013	147,374
Charges to Appropriations (Outflows):				
Community development	69,898	69,898	66,260	3,638
Transfers out	4,301,000	4,301,000	4,301,000	-
Total Charges to Appropriations	4,370,898	4,370,898	4,367,260	3,638
Budgetary Fund Balance, June 30	\$ 106,741	\$ 106,741	\$ 257,753	\$ 151,012

**Budgetary Comparison Schedule
Certified Access Specialist SB 1186
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 107,689	\$ 107,689	\$ 107,689	\$ -
Resources (Inflows):				
Use of money and property	-	-	(2,197)	(2,197)
Miscellaneous	25,000	25,000	17,145	(7,855)
Amounts Available for Appropriations	132,689	132,689	122,637	(10,052)
Charges to Appropriations (Outflows):				
General government	26,500	26,500	2,234	24,266
Total Charges to Appropriations	26,500	26,500	2,234	24,266
Budgetary Fund Balance, June 30	\$ 106,189	\$ 106,189	\$ 120,403	\$ 14,214

**Budgetary Comparison Schedule
Indio Housing Authority
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 7,743,819	\$ 7,743,819	\$ 7,743,819	\$ -
Resources (Inflows):				
Use of money and property	7,000	7,000	(16,891)	(23,891)
Miscellaneous	-	-	270,826	270,826
Transfers in	269,120	269,120	-	(269,120)
Amounts Available for Appropriations	8,019,939	8,019,939	7,997,754	(22,185)
Charges to Appropriations (Outflows):				
Community development	243,057	343,057	208,399	134,658
Total Charges to Appropriations	243,057	343,057	208,399	134,658
Budgetary Fund Balance, June 30	\$ 7,776,882	\$ 7,676,882	\$ 7,789,355	\$ 112,473

**Budgetary Comparison Schedule
Department of Conservation Recycle Grant
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ (15,651)	\$ (15,651)	\$ (15,651)	\$ -
Resources (Inflows):				
Intergovernmental	32,960	32,960	66,119	33,159
Use of money and property	-	-	(1,258)	(1,258)
Amounts Available for Appropriations	17,309	17,309	49,210	31,901
Charges to Appropriations (Outflows):				
General government	12,960	12,960	38,962	(26,002)
Capital outlay	20,000	20,000	13,619	6,381
Total Charges to Appropriations	32,960	32,960	52,581	(19,621)
Budgetary Fund Balance (Deficit), June 30	\$ (15,651)	\$ (15,651)	\$ (3,371)	\$ 12,280

**Budgetary Comparison Schedule
Public Education Government Channel
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 1,150,741	\$ 1,150,741	\$ 1,150,741	\$ -
Resources (Inflows):				
Use of money and property	-	-	(22,036)	(22,036)
Miscellaneous	199,000	199,000	180,116	(18,884)
Amounts Available for Appropriations	1,349,741	1,349,741	1,308,821	(40,920)
Charges to Appropriations (Outflows):				
Capital outlay	400,000	400,000	-	400,000
Total Charges to Appropriations	400,000	400,000	-	400,000
Budgetary Fund Balance, June 30	\$ 949,741	\$ 949,741	\$ 1,308,821	\$ 359,080

**Budgetary Comparison Schedule
Neighborhood Stabilization Grant 2
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 700,379	\$ 700,379	\$ 700,379	\$ -
Resources (Inflows):				
Use of money and property	250,000	250,000	3,878	(246,122)
Amounts Available for Appropriations	950,379	950,379	704,257	(246,122)
Charges to Appropriations (Outflows):				
Community development	25,650	17,075	1,159	15,916
Total Charges to Appropriations	25,650	17,075	1,159	15,916
Budgetary Fund Balance, June 30	\$ 924,729	\$ 933,304	\$ 703,098	\$ (230,206)

**Budgetary Comparison Schedule
Lighting and Landscape
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 2,615,597	\$ 2,615,597	\$ 2,615,597	\$ -
Resources (Inflows):				
Use of money and property	-	-	23,073	23,073
Contributions	1,360,125	1,360,125	1,348,449	(11,676)
Miscellaneous	-	-	28,283	28,283
Transfers in	50,000	50,000	20,124	(29,876)
Amounts Available for Appropriations	<u>4,025,722</u>	<u>4,025,722</u>	<u>4,035,526</u>	<u>9,804</u>
Charges to Appropriations (Outflows):				
Public works	1,762,091	1,762,091	1,545,963	216,128
Capital outlay	24,000	24,000	-	24,000
Total Charges to Appropriations	<u>1,786,091</u>	<u>1,786,091</u>	<u>1,545,963</u>	<u>240,128</u>
Budgetary Fund Balance, June 30	<u>\$ 2,239,631</u>	<u>\$ 2,239,631</u>	<u>\$ 2,489,563</u>	<u>\$ 249,932</u>

**Budgetary Comparison Schedule
Asset Forfeiture
the Year Ended June 30, 2023**

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Budgetary Fund Balance, July 1	\$ 33,873	\$ 33,873	\$ 33,873	\$ -
Resources (Inflows):				
Use of money and property	-	-	3,507	3,507
Miscellaneous	-	-	28,356	28,356
Amounts Available for Appropriations	33,873	33,873	65,736	31,863
Charges to Appropriations (Outflows):				
Public safety	5,733	5,733	6,396	(663)
Total Charges to Appropriations	5,733	5,733	6,396	(663)
Budgetary Fund Balance, June 30	\$ 28,140	\$ 28,140	\$ 59,340	\$ 31,200

**Budgetary Comparison Schedule
Community Development Block Grant
the Year Ended June 30, 2023**

	<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	\$ (382,677)	\$ (382,677)	\$ (382,677)	\$ -
Resources (Inflows):				
Intergovernmental	2,011,913	2,166,984	1,945,219	(221,765)
Amounts Available for Appropriations	1,629,236	1,784,307	1,562,542	(221,765)
Charges to Appropriations (Outflows):				
Community development	288,743	82,329	438,337	(356,008)
Capital outlay	-	-	1,431,840	(1,431,840)
Transfers out	1,691,074	1,691,074	-	1,691,074
Total Charges to Appropriations	1,979,817	1,773,403	1,870,177	(96,774)
Budgetary Fund Balance (Deficit), June 30	\$ (350,581)	\$ 10,904	\$ (307,635)	\$ 318,539

**Budgetary Comparison Schedule
Cal Emergency Management
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 123	\$ 123	\$ 123	\$ -
Resources (Inflows):				
Intergovernmental	21,128	21,128	1	(21127)
Amounts Available for Appropriations	21,251	21,251	124	(21127)
Charges to Appropriations (Outflows):				
Public safety	21,128	21,128	15,966	5,162
Total Charges to Appropriations	21,128	21,128	15,966	5162
Budgetary Fund Balance (Deficit), June 30	\$ 123	\$ 123	\$ (15,842)	\$ (15,965)

**Budgetary Comparison Schedule
Donations
the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 76,106	\$ 76,106	\$ 76,106	\$ -
Resources (Inflows):				
Miscellaneous	-	-	4,613	4,613
Amounts Available for Appropriations	76,106	76,106	80,719	4,613
Charges to Appropriations (Outflows):				
General government	11,000	14,000	364	13,636
Total Charges to Appropriations	11,000	14,000	364	13,636
Budgetary Fund Balance, June 30	\$ 65,106	\$ 62,106	\$ 80,355	\$ 18,249

**Budgetary Comparison Schedule
SB-1 Transportation
the Year Ended June 30, 2023**

	<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	\$ 3,184,083	\$ 3,184,083	\$ 3,184,083	\$ -
Resources (Inflows):				
Intergovernmental	2,088,470	2,088,470	2,008,596	(79,874)
Use of money and property	-	-	3,526	3,526
Amounts Available for Appropriations	5,272,553	5,272,553	5,196,205	(76,348)
Charges to Appropriations (Outflows):				
Public works	3,806,750	3,806,750	149,588	3,657,162
Capital outlay	-	-	1,554,727	(1,554,727)
Total Charges to Appropriations	3,806,750	3,806,750	1,704,315	2,102,435
Budgetary Fund Balance, June 30	\$ 1,465,803	\$ 1,465,803	\$ 3,491,890	\$ 2,026,087

**Budgetary Comparison Schedule
Community Transitional Housing
the Year Ended June 30, 2023**

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Budgetary Fund Balance, July 1	\$ 93,922	\$ 93,922	\$ 93,922	\$ -
Resources (Inflows):				
Intergovernmental	624,092	624,092	118,786	(505,306)
Use of money and property	-	-	4,218	4,218
Amounts Available for Appropriations	718,014	718,014	216,926	(501,088)
Charges to Appropriations (Outflows):				
Community development	214,170	214,170	118,787	95,383
Total Charges to Appropriations	214,170	214,170	118,787	95,383
Budgetary Fund Balance, June 30	\$ 503,844	\$ 503,844	\$ 98,139	\$ (405,705)

**Budgetary Comparison Schedule
Compost Mitigation Dillon
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 47,125	\$ 47,125	\$ 47,125	\$ -
Resources (Inflows):				
Use of money and property	-	-	167	167
Miscellaneous	18,500	18,500	9,930	(8,570)
Amounts Available for Appropriations	65,625	65,625	57,222	(8,403)
Budgetary Fund Balance, June 30	\$ 65,625	\$ 65,625	\$ 57,222	\$ (8,403)

**Budgetary Comparison Schedule
Local Gov Planning Support Grant
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ (160,772)	\$ (160,772)	\$ (160,772)	\$ -
Resources (Inflows):				
Intergovernmental	275,000	275,000	152,948	(122,052)
Transfers in	-	-	15,489	15,489
Amounts Available for Appropriations	114,228	114,228	7,665	(106,563)
Charges to Appropriations (Outflows):				
Public works	275,000	275,000	78,098	196,902
Total Charges to Appropriations	275,000	275,000	78,098	196,902
Budgetary Fund Balance (Deficit), June 30	\$ (160,772)	\$ (160,772)	\$ (70,433)	\$ 90,339

**Budgetary Comparison Schedule
Planning Prog Grant SB2
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ (186,804)	\$ (186,804)	\$ (186,804)	\$ -
Resources (Inflows):				
Intergovernmental	100,821	100,821	186,804	85,983
Amounts Available for Appropriations	(85,983)	(85,983)	-	85,983
Charges to Appropriations (Outflows):				
Public works	-	-	47,903	(47,903)
Total Charges to Appropriations	-	-	47,903	(47,903)
Budgetary Fund Balance (Deficit), June 30	\$ (85,983)	\$ (85,983)	\$ (47,903)	\$ 38,080

**Budgetary Comparison Schedule
Public Art In-Lieu
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 1,070,444	\$ 1,070,444	\$ 1,070,444	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	9,276	(724)
Developer participation	150,000	150,000	281,704	131,704
Amounts Available for Appropriations	1,230,444	1,230,444	1,361,424	130,980
Charges to Appropriations (Outflows):				
Parks and recreation	545,223	545,223	304,219	241,004
Total Charges to Appropriations	545,223	545,223	304,219	241,004
Budgetary Fund Balance, June 30	\$ 685,221	\$ 685,221	\$ 1,057,205	\$ 371,984

**Budgetary Comparison Schedule
Cannabis Tax Fund Grant
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	329,125	127,696	(201,429)
Amounts Available for Appropriations	-	329,125	127,696	(201,429)
Charges to Appropriations (Outflows):				
Public safety	-	329,125	139,896	189,229
Total Charges to Appropriations	-	329,125	139,896	189,229
Budgetary Fund Balance (Deficit), June 30	\$ -	\$ -	\$ (12,200)	\$ (12,200)

**Budgetary Comparison Schedule
Capital Projects
the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,856,817	\$ 7,856,817	\$ 7,856,817	\$ -
Resources (Inflows):				
Intergovernmental	42,363,472	43,344,637	3,455,822	(39,888,815)
Charges for services	-	-	355	355
Use of money and property	90,000	90,000	60,645	(29,355)
Developer participation	3,500,000	3,500,000	4,918,551	1,418,551
Miscellaneous	-	-	38,027	38,027
Transfers in	56,215,252	60,493,664	68,881,895	8,388,231
Amounts Available for Appropriations	110,025,541	115,285,118	85,212,112	(30,073,006)
Charges to Appropriations (Outflows):				
General government	-	6,473,425	1,677,599	4,795,826
Capital outlay	87,508,957	140,149,369	43,689,468	96,459,901
Transfers out	5,334,529	5,334,529	1,870,252	3,464,277
Total Charges to Appropriations	92,843,486	151,957,323	47,237,319	104,720,004
Budgetary Fund Balance, June 30	\$ 17,182,055	\$ (36,672,205)	\$ 37,974,793	\$ 74,646,998

**Budgetary Comparison Schedule
General Debt Service
the Year Ended June 30, 2023**

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Budgetary Fund Balance, July 1	\$ 1,592,520	\$ 1,592,520	\$ 1,592,520	\$ -
Resources (Inflows):				
Use of money and property	-	-	132,098,037	132,098,037
Transfers in	8,183,737	8,183,737	8,183,737	-
Amounts Available for Appropriations	9,776,257	9,776,257	141,874,294	132,098,037
Charges to Appropriations (Outflows):				
Debt service:				
Principal retirement	1,825,000	1,825,000	19,488,773	(17,663,773)
Interest and fiscal charges	1,358,737	1,358,734	6,143,325	(4,784,591)
Cost of issuance	-	-	2,238,517	(2,238,517)
Transfers out	-	-	21,800,000	(21,800,000)
Total Charges to Appropriations	3,183,737	3,183,734	49,670,615	(46,486,881)
Budgetary Fund Balance, June 30	\$ 6,592,520	\$ 6,592,523	\$ 92,203,679	\$ 85,611,156

**Budgetary Comparison Schedule
Judgment Bonds
the Year Ended June 30, 2023**

	<u>Budget Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Budgetary Fund Balance, July 1	\$ 101	\$ 101	\$ 101	\$ -
Resources (Inflows):				
Use of money and property	-	-	10,609	10,609
Transfers in	1,173,413	1,173,413	1,173,413	-
Amounts Available for Appropriations	1,173,514	1,173,514	1,184,123	10,609
Charges to Appropriations (Outflows):				
General government	6,288	6,288	4,840	1,448
Debt service:				
Principal retirement	675,000	675,000	675,000	-
Interest and fiscal charges	492,125	492,125	572,599	(80,474)
Total Charges to Appropriations	1,173,413	1,173,413	1,252,439	(79,026)
Budgetary Fund Balance (Deficit), June 30	\$ 101	\$ 101	\$ (68,316)	\$ (68,417)

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.

**Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2023**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 725,383	\$ 1,840,374	\$ 2,565,757
Accounts receivable	55,955	-	55,955
Inventories	38,684	-	38,684
Prepaid costs	150,000	-	150,000
Total Current Assets	<u>970,022</u>	<u>1,840,374</u>	<u>2,810,396</u>
Noncurrent Assets:			
Capital assets - not being depreciated/amortized	465,959	-	465,959
Capital assets - net of accumulated depreciation/amortization	241,632	-	241,632
Total Noncurrent Assets	<u>707,591</u>	<u>-</u>	<u>707,591</u>
Total Assets	<u>1,677,613</u>	<u>1,840,374</u>	<u>3,517,987</u>
Deferred Outflows of Resources:			
Pension deferrals	10,028	-	10,028
OPEB deferrals	4,334	-	4,334
Total Deferred Outflows of Resources	<u>14,362</u>	<u>-</u>	<u>14,362</u>
Liabilities:			
Current Liabilities:			
Accounts payable	126,429	-	126,429
Accrued interest	5	-	5
Deposits payable	-	111,302	111,302
Lease payable	9,370	-	9,370
Total Current Liabilities	<u>135,804</u>	<u>111,302</u>	<u>247,106</u>
Noncurrent Liabilities:			
Net pension liability	29,034	-	29,034
Net OPEB liability	34,700	-	34,700
Total Noncurrent Liabilities	<u>63,734</u>	<u>-</u>	<u>63,734</u>
Total Liabilities	<u>199,538</u>	<u>111,302</u>	<u>310,840</u>
Deferred Inflows of Resources:			
Pension deferrals	681	-	681
OPEB deferrals	9,597	-	9,597
Total Deferred Inflows of Resources	<u>10,278</u>	<u>-</u>	<u>10,278</u>
Net Position:			
Net investment in capital assets	698,221	-	698,221
Unrestricted	783,938	1,729,072	2,513,010
Total Net Position	<u>\$ 1,482,159</u>	<u>\$ 1,729,072</u>	<u>\$ 3,211,231</u>

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
the Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Operating Revenues:			
Sales and service charges	\$ 2,026,978	\$ -	\$ 2,026,978
Other income	-	800,000	800,000
Total Operating Revenues	2,026,978	800,000	2,826,978
Operating Expenses:			
Personnel services	23,364	-	23,364
Contractual services	832,591	-	832,591
Repairs and maintenance	427,315	-	427,315
Depreciation/amortization expense	68,801	-	68,801
Materials and supplies	530,989	-	530,989
Total Operating Expenses	1,883,060	-	1,883,060
Operating Income	143,918	800,000	943,918
Nonoperating Revenues:			
Interest revenue	(1,349)	20,094	18,745
Interest expense	(87)	-	(87)
Total Nonoperating Revenues	(1,436)	20,094	18,658
Income (Loss) Before Transfers	142,482	820,094	962,576
Transfers in	90,000	-	90,000
Change in Net Position	232,482	820,094	1,052,576
Net Position - Beginning	1,249,677	908,978	2,158,655
Net Position - Ending	\$ 1,482,159	\$ 1,729,072	\$ 3,211,231

**Combining Statement of Cash Flows
Enterprise Funds
the Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 2,067,053	\$ 800,000	\$ 2,867,053
Payments to suppliers and service providers	(1,876,115)	(2,284,041)	(4,160,156)
Payments to employees for salaries and benefits	(27,490)	-	(27,490)
Net Cash Provided by Operating Activities	163,448	(1,484,041)	(1,320,593)
Cash Flows from Non-Capital Financing Activities:			
Transfers in from other funds	90,000	-	90,000
Net Cash Provided by Non-Capital Financing Activities	90,000	-	90,000
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(10,000)	-	(10,000)
Net Cash Provided by (Used for) Capital Financing Activities	(10,000)	-	(10,000)
Cash Flows from Investing Activities:			
Interest on investments	(57,580)	20,094	(37,486)
Net Cash Provided by (Used for) Investing Activities	(57,580)	20,094	(37,486)
Net Increase in Cash and Cash Equivalents	185,868	(1,463,947)	(1,278,079)
Cash and Cash Equivalents, July 1	539,515	3,304,321	3,843,836
Cash and Cash Equivalents, June 30	\$ 725,383	\$ 1,840,374	\$ 2,565,757
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 143,918	\$ 800,000	\$ 943,918
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	68,801	-	68,801
(Increase) decrease in accounts receivable	40,075	-	40,075
Increase (decrease) in inventories	(7,871)	-	(7,871)
Increase (decrease) in prepaid costs	(75,000)	-	(75,000)
Increase (decrease) in accounts payable	(2,349)	-	(2,349)
Increase (decrease) in accrued liabilities	(627)	-	(627)
Increase (decrease) in deposits payable	-	(2,284,041)	(2,284,041)
Increase (decrease) in pension obligations	(9,792)	-	(9,792)
Increase (decrease) in OPEB obligations	6,293	-	6,293
Total Adjustments	19,530	(2,284,041)	(2,264,511)
Net Cash Provided by Operating Activities	\$ 163,448	\$ (1,484,041)	\$ (1,320,593)

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.

**Combining Statement of Net Position
Internal Service Funds
June 30, 2023**

	Governmental Activities - Internal Service Funds		
	Risk Management	Information Technology	Vehicle Replacment
Assets:			
Current Assets:			
Cash and investments	\$ 4,075,900	\$ 1,407,924	\$ 123,838
Accounts receivable	-	268	23,954
Prepaid costs	-	-	24,668
Due from other governments	-	232,462	-
Restricted cash with fiscal agent	25,056	-	-
Total Current Assets	<u>4,100,956</u>	<u>1,640,654</u>	<u>172,460</u>
Noncurrent Assets:			
Capital assets - net of accumulated depreciation/amortization	-	6,961,922	2,991,022
Total Noncurrent Assets	-	<u>6,961,922</u>	<u>2,991,022</u>
Total Assets	<u>4,100,956</u>	<u>8,602,576</u>	<u>3,163,482</u>
Deferred Outflows of Resources:			
Pension deferrals	69,608	568,304	-
OPEB deferrals	28,401	217,631	-
Total Deferred Outflows of Resources	<u>98,009</u>	<u>785,935</u>	<u>-</u>
Liabilities:			
Current Liabilities:			
Accounts payable	14,635	64,071	-
Accrued interest	-	12,197	-
Unearned revenues	-	-	-
Total Current Liabilities	<u>14,635</u>	<u>76,268</u>	<u>-</u>
Noncurrent Liabilities:			
Accrued claims and judgments	12,250	-	-
Financing agreement	-	-	-
Lease payable	-	34,240	-
Subscription payable	-	3,656,825	-
Net pension liability	201,533	1,645,396	-
Net OPEB liability	227,361	1,742,234	-
Total Noncurrent Liabilities	<u>441,144</u>	<u>7,078,695</u>	<u>-</u>
Total Liabilities	<u>455,779</u>	<u>7,154,963</u>	<u>-</u>
Deferred Inflows of Resources:			
Pension deferrals	4,728	38,604	-
OPEB deferrals	62,879	481,834	-
Total Deferred Inflows of Resources	<u>67,607</u>	<u>520,438</u>	<u>-</u>
Net Position:			
Net investment in capital assets	-	3,270,857	2,991,022
Unrestricted	3,675,579	(1,557,747)	172,460
Total Net Position	<u>\$ 3,675,579</u>	<u>\$ 1,713,110</u>	<u>\$ 3,163,482</u>

**Combining Statement of Net Position
Internal Service Funds (continued)
June 30, 2023**

	Governmental Activities - Internal Service Funds		Totals
	Buildings and Grounds	Fleet Maintenance	
Assets:			
Current Assets:			
Cash and investments	\$ 758,629	\$ 440,486	\$ 6,806,777
Accounts receivable	4,051	-	28,273
Prepaid costs	-	-	24,668
Due from other governments	196,749	-	429,211
Restricted cash with fiscal agent	73,247	-	98,303
Total Current Assets	<u>1,032,676</u>	<u>440,486</u>	<u>7,387,232</u>
Noncurrent Assets:			
Capital assets - net of accumulated depreciation/amortization	658,372	-	10,611,316
Total Noncurrent Assets	<u>658,372</u>	<u>-</u>	<u>10,611,316</u>
Total Assets	<u>1,691,048</u>	<u>440,486</u>	<u>17,998,548</u>
Deferred Outflows of Resources:			
Pension deferrals	302,379	281,616	1,221,907
OPEB deferrals	111,210	93,872	451,114
Total Deferred Outflows of Resources	<u>413,589</u>	<u>375,488</u>	<u>1,673,021</u>
Liabilities:			
Current Liabilities:			
Accounts payable	360,858	1,021,367	1,460,931
Accrued interest	-	-	12,197
Unearned revenues	241,260	-	241,260
Total Current Liabilities	<u>602,118</u>	<u>1,021,367</u>	<u>1,714,388</u>
Noncurrent Liabilities:			
Accrued claims and judgments	-	-	12,250
Financing agreement	51,842	-	51,842
Lease payable	-	-	34,240
Subscription payable	-	-	3,656,825
Net pension liability	875,472	815,354	3,537,755
Net OPEB liability	890,280	751,481	3,611,356
Total Noncurrent Liabilities	<u>1,817,594</u>	<u>1,566,835</u>	<u>10,904,268</u>
Total Liabilities	<u>2,419,712</u>	<u>2,588,202</u>	<u>12,618,656</u>
Deferred Inflows of Resources:			
Pension deferrals	20,540	19,130	83,002
OPEB deferrals	246,216	207,830	998,759
Total Deferred Inflows of Resources	<u>266,756</u>	<u>226,960</u>	<u>1,081,761</u>
Net Position:			
Net investment in capital assets	606,530	-	6,868,409
Unrestricted	(1,188,361)	(1,999,188)	(897,257)
Total Net Position	<u>\$ (581,831)</u>	<u>\$ (1,999,188)</u>	<u>\$ 5,971,152</u>

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
June 30, 2023**

	Governmental Activities - Internal Service Funds		
	Risk Management	Information Technology	Vehicle Replacement
Operating Revenues:			
Interdepartmental charges	\$ 6,539,532	\$ 3,484,714	\$ 500,028
Other income	359,704	1,907,440	1,942,215
Total Operating Revenues	6,899,236	5,392,154	2,442,243
Operating Expenses:			
Personnel services	6,581,480	1,884,896	-
Contractual services	-	250,167	-
Repairs and maintenance	-	44,515	-
Claims expense	306,309	-	-
Depreciation/amortization expense	-	1,104,014	628,739
Materials and supplies	8,556	947,444	1,060,071
Rentals and leases	-	-	-
Total Operating Expenses	6,896,345	4,231,036	1,688,810
Operating Income (Loss)	2,891	1,161,118	753,433
Nonoperating Revenues (Expenses):			
Interest revenue	-	-	-
Interest expense	-	(116,794)	-
Total Nonoperating Revenues (Expenses)	-	(116,794)	-
Income (Loss) Before Capital Contributions and Transfers	2,891	1,044,324	753,433
Change in Net Position	2,891	1,044,324	753,433
Net Position - Beginning, as Originally Reported	3,672,688	(135,606)	2,410,049
Restatements	-	804,392	-
Net Position - Beginning, as Restated	3,672,688	668,786	2,410,049
Net Position - Ending	\$ 3,675,579	\$ 1,713,110	\$ 3,163,482

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds (continued)
June 30, 2023**

	Governmental Activities - Internal Service Funds		Totals
	Buildings and Grounds	Fleet Maintenance	
Operating Revenues:			
Interdepartmental charges	\$ 3,669,799	\$ 3,086,976	\$ 17,281,049
Other income	(90,914)	-	4,118,445
Total Operating Revenues	3,578,885	3,086,976	21,399,494
Operating Expenses:			
Personnel services	1,016,012	171,049	9,653,437
Contractual services	280,066	306,640	836,873
Repairs and maintenance	1,417,503	396,784	1,858,802
Claims expense	-	-	306,309
Depreciation/amortization expense	21,586	-	1,754,339
Materials and supplies	1,428,051	2,144,870	5,588,992
Rentals and leases	92,650	-	92,650
Total Operating Expenses	4,255,868	3,019,343	20,091,402
Operating Income (Loss)	(676,983)	67,633	1,308,092
Nonoperating Revenues (Expenses):			
Interest revenue	2,242	-	2,242
Interest expense	(4,533)	-	(121,327)
Total Nonoperating Revenues (Expenses)	(2,291)	-	(119,085)
Income (Loss) Before Capital Contributions and Transfers	(679,274)	67,633	1,189,007
Change in Net Position	(679,274)	67,633	1,189,007
Net Position - Beginning, as Originally Reported	97,443	(2,066,821)	3,977,753
Restatements	-	-	804,392
Net Position - Beginning, as Restated	97,443	(2,066,821)	4,782,145
Net Position - Ending	\$ (581,831)	\$ (1,999,188)	\$ 5,971,152

**Combining Statement of Cash Flows
Internal Service Funds
the Year Ended June 30, 2023**

	Governmental Activities - Internal Service Funds		
	Risk Management	Information Technology	Vehicle Replacement
Cash Flows from Operating Activities:			
Receipts from interfund services and charges	\$ 6,539,532	\$ 3,267,252	\$ 500,029
Receipts from insurance settlements	51,925	-	-
Other receipts	-	1,907,440	1,918,261
Payments to suppliers and service providers	(1,266)	(1,407,549)	(1,084,739)
Payments to employees for salaries and benefits	(6,585,682)	(1,785,470)	-
Net Cash Provided by (Used for) Operating Activities	4,509	1,981,673	1,333,551
Cash Flows from Non-Capital Financing Activities:			
Repayment made on short-term interfund borrowing	-	-	-
Net Cash (Used for) Non-Capital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(1,862,033)	(1,893,594)
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Net Cash (Used for) Capital and Related Financing Activities	-	(1,862,033)	(1,893,594)
Cash Flows from Investing Activities:			
Interest on investments	-	(774,886)	-
Net Cash Provided (Used) by Net Cash Provided by Investing Activities	-	(774,886)	-
Net Increase (Decrease) in Cash			
Net Increase (Decrease) in Cash and Cash Equivalents	4,509	(655,246)	(560,043)
Cash and Cash Equivalents, July 1	4,096,447	2,063,170	683,881
Cash and Cash Equivalents, June 30	\$ 4,100,956	\$ 1,407,924	\$ 123,838
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Combining Statement of Net Position:			
Cash and cash equivalents	\$ 4,075,900	\$ 1,407,924	\$ 123,838
Restricted cash and cash equivalents	25,056	-	-
Total Cash and Cash Equivalents	<u>\$ 4,100,956</u>	<u>\$ 1,407,924</u>	<u>\$ 123,838</u>

**Combining Statement of Cash Flows
Internal Service Funds (continued)
the Year Ended June 30, 2023**

	Governmental Activities - Internal Service Funds		Totals
	Buildings and Grounds	Fleet Maintenance	
Cash Flows from Operating Activities:			
Receipts from interfund services and charges	\$ 3,471,858	\$ 3,086,976	\$ 16,865,647
Receipts from insurance settlements	-	-	51,925
Other receipts	12,834	-	3,838,535
Payments to suppliers and service providers	(3,217,706)	(1,954,176)	(7,665,436)
Payments to employees for salaries and benefits	(685,814)	(620,105)	(9,677,071)
Net Cash Provided by (Used for) Operating Activities	(418,828)	512,695	3,413,600
Cash Flows from Non-Capital Financing Activities:			
Repayment made on short-term interfund borrowing	-	(72,680)	(72,680)
Net Cash (Used for) Non-Capital Financing Activities	-	(72,680)	(72,680)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	(3,755,627)
Principal paid on capital debt	(100,700)	-	(100,700)
Interest paid on capital debt	(4,533)	-	(4,533)
Net Cash (Used for) Capital and Related Financing Activities	(105,233)	-	(3,860,860)
Cash Flows from Investing Activities:			
Interest on investments	2,242	-	(772,644)
Net Cash Provided (Used) by Net Cash Provided by Investing Activities	2,242	-	(772,644)
Net Increase (Decrease) in Cash			
Net Increase (Decrease) in Cash and Cash Equivalents	(521,819)	440,015	(1,292,584)
Cash and Cash Equivalents, July 1	1,353,695	471	8,197,664
Cash and Cash Equivalents, June 30	\$ 831,876	\$ 440,486	\$ 6,905,080
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Combining Statement of Net Position:			
Cash and cash equivalents	\$ 758,629	\$ 440,486	\$ 6,806,777
Restricted cash and cash equivalents	73,247	-	98,303
Total Cash and Cash Equivalents	<u>\$ 831,876</u>	<u>\$ 440,486</u>	<u>\$ 6,905,080</u>

**Combining Statement of Cash Flows
Internal Service Funds
the Year Ended June 30, 2023**

	Governmental Activities - Internal Service Funds		
	Risk Management	Information Technology	Vehicle Replacement
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 2,891	\$ 1,161,118	\$ 753,433
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	-	1,104,014	628,739
(Increase) decrease in accounts receivable	-	15,000	(23,953)
(Increase) decrease in prepaid costs	-	-	(24,668)
(Increase) decrease in due from other governments	-	(232,462)	-
Increase (decrease) in accounts payable	7,290	(165,423)	-
Increase (decrease) in accrued liabilities	(4,734)	(32,107)	-
Increase (decrease) in accrued claims and judgments	(1,470)	-	-
Increase (decrease) in pension obligations	(62,229)	(326,643)	-
Increase (decrease) in OPEB obligations	62,761	458,176	-
Total Adjustments	1,618	820,555	580,118
Net Cash Provided by (Used for) Operating Activities	\$ 4,509	\$ 1,981,673	\$ 1,333,551

**Combining Statement of Cash Flows
Internal Service Funds (continued)
the Year Ended June 30, 2023**

	Governmental Activities - Internal Service Funds		Totals
	Buildings and Grounds	Fleet Maintenance	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (676,983)	\$ 67,633	\$ 1,308,092
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	21,586	-	1,754,339
(Increase) decrease in accounts receivable	(1,192)	-	(10,145)
(Increase) decrease in prepaid costs	-	-	(24,668)
(Increase) decrease in due from other governments	(196,749)		(429,211)
Increase (decrease) in accounts payable	104,312	894,118	840,297
Increase (decrease) in accrued liabilities	(11,907)	(18,444)	(67,192)
Increase (decrease) in accrued claims and judgments	-	-	(1,470)
Increase (decrease) in pension obligations	(22,058)	(396,303)	(807,233)
Increase (decrease) in OPEB obligations	364,163	(34,309)	850,791
Total Adjustments	258,155	445,062	2,105,508
Net Cash Provided by (Used for) Operating Activities	<u>\$ (418,828)</u>	<u>\$ 512,695</u>	<u>\$ 3,413,600</u>

Custodial Funds

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

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

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

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

Waste Transfer Station Authority Fund - To account for the planning, implementation, and operations of the waste transfer program.

**Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023**

	<u>ERICA</u>	<u>Assessment Districts</u>	<u>East Valley Reclamation Authority</u>	<u>Waste Transfer Station Auth</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 1,049,980	\$ 8,624,226	\$ 693,607	\$ 130,173	\$ 10,497,986
Accounts receivable	-	-	-	97,061	97,061
Restricted cash and investments held by bond trustee	-	4,707,693	-	-	4,707,693
Due from other governments	-	66	-	-	66
Capital assets - not being depreciated	-	-	557,123	-	557,123
Capital assets - net of accumulated depreciation	580,509	-	-	-	580,509
Total Assets	<u>1,630,489</u>	<u>13,331,985</u>	<u>1,250,730</u>	<u>227,234</u>	<u>16,440,438</u>
Liabilities:					
Accounts payable	97,919	2,090	95,880	199	\$ 196,088
Accrued interest	7,951	-	-	-	7,951
Deposits payable	-	162,217	-	-	162,217
Long-term liabilities:					
Due within one year	362,517	-	-	-	362,517
Advances from the City of Indio	-	79,562	-	-	79,562
Total Liabilities	<u>468,387</u>	<u>243,869</u>	<u>95,880</u>	<u>199</u>	<u>808,335</u>
Net Position:					
Restricted for:					
Individuals, organizations, and other governments	1,162,102	13,088,116	1,154,850	227,035	15,632,103
Total Net Position	<u>\$ 1,162,102</u>	<u>\$ 13,088,116</u>	<u>\$ 1,154,850</u>	<u>\$ 227,035</u>	<u>\$ 15,632,103</u>

**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
the Year Ended June 30, 2023**

	<u>ERICA</u>	<u>Assessment Districts</u>	<u>East Valley Reclamation Authority</u>	<u>Waste Transfer Station Auth</u>	<u>Custodial Total</u>
Additions:					
Investment Earnings:					
Interest and net (decrease) in fair value of investments	\$ 6,129	\$ 154,221	\$ (5,471)	\$ (2,449)	\$ 152,430
Charges for services	1,155,354	-	-	1,829,683	2,985,037
Taxes and assessments	-	5,742,795	-	-	5,742,795
Intergovernmental	411,498	-	400,000	-	811,498
Miscellaneous	-	117,208	-	-	117,208
Total Additions	<u>1,572,981</u>	<u>6,014,224</u>	<u>394,529</u>	<u>1,827,234</u>	<u>9,808,968</u>
Deductions:					
Administrative expense	972,850	-	400	-	973,250
Contractual services	116,232	378,637	-	1,600,199	2,095,068
Interest expense	16,646	1,888,052	-	-	1,904,698
Principal expense	-	4,127,185	-	-	4,127,185
Depreciation expense	387,006	-	-	-	387,006
Total Deductions	<u>1,492,734</u>	<u>6,393,874</u>	<u>400</u>	<u>1,600,199</u>	<u>9,487,207</u>
Changes in Net Position	<u>80,247</u>	<u>(379,650)</u>	<u>394,129</u>	<u>227,035</u>	<u>321,761</u>
Net Position - Beginning, as Originally Reported	<u>1,081,855</u>	<u>13,467,766</u>	<u>760,721</u>	<u>-</u>	<u>15,310,342</u>
Net Position - Ending	<u>\$ 1,162,102</u>	<u>\$ 13,088,116</u>	<u>\$ 1,154,850</u>	<u>\$ 227,035</u>	<u>\$ 15,632,103</u>



Statistical Section

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FINANCIAL TRENDS.....173

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

REVENUE CAPACITY.....180

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.

DEBT CAPACITY.....184

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION.....189

These schedules offer demographic and economic indicators to help the reader understand the environment with which the City’s financial activities take place.

OPERATING INFORMATION.....192

These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 425,528	\$ 419,607	\$ 414,227	\$ 413,312	\$ 424,760	\$ 435,892	\$ 432,662	\$ 425,271	\$ 420,008	\$ 491,466
Restricted	26,842	26,095	22,180	20,260	19,546	26,344	27,132	23,954	27,983	121,940
Unrestricted	(4,019)	(34,270)	(28,253)	(45,879)	(46,940)	(49,563)	(54,459)	(41,295)	(12,077)	(141,099)
Total governmental activities net position	<u>\$ 448,351</u>	<u>\$ 411,432</u>	<u>\$ 408,154</u>	<u>\$ 387,693</u>	<u>\$ 397,366</u>	<u>\$ 412,673</u>	<u>\$ 405,335</u>	<u>\$ 407,930</u>	<u>\$ 435,915</u>	<u>\$ 472,307</u>
Business-type activities:										
Net investment in capital assets	\$ 136,334	\$ 133,627	\$ 128,429	\$ 122,807	\$ 117,916	\$ 115,539	\$ 111,170	\$ 106,981	\$ 103,062	\$ 100,080
Restricted	-	-	-	605	312	319	321	321	322	340
Unrestricted	18,628	4,700	8,660	14,804	13,161	20,645	27,539	35,586	39,658	46,419
Total business-type activities net position	<u>\$ 154,962</u>	<u>\$ 138,327</u>	<u>\$ 137,089</u>	<u>\$ 138,216</u>	<u>\$ 131,389</u>	<u>\$ 136,503</u>	<u>\$ 139,030</u>	<u>\$ 142,888</u>	<u>\$ 143,042</u>	<u>\$ 146,839</u>
Primary government:										
Net investment in capital assets	\$ 561,862	\$ 553,234	\$ 542,656	\$ 536,119	\$ 542,676	\$ 551,431	\$ 543,832	\$ 532,252	\$ 523,070	\$ 591,546
Restricted	26,842	26,095	22,180	20,865	19,858	26,663	27,453	24,275	28,305	122,280
Unrestricted	14,609	(29,570)	(19,593)	(31,075)	(33,779)	(28,918)	(26,920)	(5,709)	27,581	(94,680)
Total primary government net position	<u>\$ 603,313</u>	<u>\$ 549,759</u>	<u>\$ 545,243</u>	<u>\$ 525,909</u>	<u>\$ 528,755</u>	<u>\$ 549,176</u>	<u>\$ 544,365</u>	<u>\$ 550,818</u>	<u>\$ 578,956</u>	<u>\$ 619,146</u>

Source: City of Indio

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
General government	\$ 6,535	\$ 10,395	\$ 11,968	\$ 26,255	\$ 10,658	\$ 12,651	\$ 13,163	\$ 15,563	\$ 16,710	\$ 21,057
Public safety	47,339	43,688	36,041	42,467	46,193	50,101	52,487	47,695	54,115	63,383
Public works	16,019	21,289	16,619	17,873	18,281	26,531	22,210	22,893	22,166	23,851
Community development	8,710	11,099	9,275	8,164	7,377	8,053	7,649	9,960	8,543	9,259
Community services	2,665	1,789	2,314	2,608	3,005	2,854	2,878	3,002	3,785	5,919
Interest expense and other charges	3,013	6,484	2,463	5,505	2,333	2,239	2,105	1,985	1,853	12,251
Total governmental activities expenses	84,281	94,744	78,680	102,872	87,847	102,429	100,492	101,098	107,172	135,720
Business-type activities:										
Water	23,563	30,145	26,424	24,018	25,302	25,738	24,451	23,570	26,518	25,456
Golf	942	1,120	1,086	1,073	1,196	1,223	1,254	1,435	1,595	1,873
Total business-type activities expenses	24,505	31,265	27,510	25,091	26,498	26,961	25,705	25,005	28,113	27,329
Total primary government expenses	108,786	126,009	106,190	127,963	114,345	129,390	126,197	126,103	135,285	163,049
Program revenues:										
Governmental activities:										
Charges for services:										
General government	10,520	12,113	1,459	1,633	3,764	371	987	1,159	1,760	8,081
Public safety	2,316	2,578	7,185	7,057	5,017	8,352	4,010	3,757	8,510	18,688
Public works	1,828	1,738	5,559	7,464	9,105	8,898	9,042	10,773	15,083	17,336
Community development	2,560	2,248	262	296	302	210	244	180	932	4,927
Community services	3,869	3,095	107	139	113	105	87	235	356	4,112
Operating contributions and grants	14,847	14,809	7,637	7,677	11,648	29,579	14,779	13,592	19,764	21,938
Capital contributions and grants	8,841	5,767	1,290	1,266	2,845	506	510	1,125	518	2,548
Total governmental activities program revenues	44,781	42,348	23,499	25,532	32,794	48,021	29,659	30,821	46,923	77,630

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Water	18,198	18,767	17,832	22,313	22,439	23,098	23,107	24,789	25,392	24,927
Golf	689	1,113	935	995	1,069	1,158	1,067	1,638	1,766	2,027
Solid Waste	-	-	-	-	-	-	-	300	-	-
Operating contributions and grants	2,480	1,266	4,735	2,643	2,061	5,878	2,491	2,057	-	-
Capital contributions and grants	-	-	-	-	-	-	-	-	1,981	2,563
Total business-type activities program revenues	21,367	21,146	23,502	25,951	25,569	30,134	26,665	28,784	29,139	29,517
Total primary government activities program revenues	66,148	63,494	47,001	51,483	58,363	78,155	56,324	59,605	76,062	107,147
Net revenues (expenses):										
Governmental activities	(39,500)	(52,396)	(55,181)	(77,340)	(55,053)	(54,408)	(70,833)	(70,277)	(60,249)	(58,090)
Business-type activities	(3,138)	(10,119)	(4,008)	860	(929)	3,173	960	3,779	1,026	2,188
Total primary government net expense	(42,638)	(62,515)	(59,189)	(76,480)	(55,982)	(51,235)	(69,873)	(66,498)	(59,223)	(55,902)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property Taxes	13,000	13,887	15,055	16,007	16,765	17,834	18,540	19,691	20,951	23,435
Sales Tax	9,349	10,040	11,692	13,579	22,545	24,503	22,622	28,150	34,218	36,780
Transient occupancy taxes	3,078	3,907	4,520	6,298	6,760	7,768	5,012	8,699	14,813	14,744
Other Taxes	11,747	12,186	13,840	13,649	14,035	13,381	13,407	14,366	16,157	14,416
Investment income	64	4,025	1,757	1,436	1,876	2,167	3,012	1,277	(1,432)	3,692
Motor vehicle in lieu, unrestricted	36	34	34	39	47	42	71	67	106	91
Other general revenues	5,076	11,095	5,219	7,121	10,094	4,933	885	621	3,498	1,964
Transfers	(6,245)	(75)	(151)	(89)	(70)	(913)	(53)	-	(78)	(90)
Total governmental activities	36,105	55,099	51,966	58,040	72,052	69,715	63,496	72,871	88,233	95,032

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Investment income	70	139	72	127	113	865	1,342	5	(998)	360
Transfers	6,245	75	152	89	70	913	53	-	88	90
Other general revenues	-	-	2,545	51	430	163	172	74	38	1,159
Total business-type activities	6,315	214	2,769	267	613	1,941	1,567	79	(872)	1,609
Total primary government	42,420	55,313	54,735	58,307	72,665	71,656	65,063	72,950	87,361	96,641
Changes in net position										
Governmental activities	(3,395)	2,703	(3,215)	(19,300)	16,999	15,307	(7,337)	2,594	27,984	36,942
Business-type activities	3,177	(9,905)	(1,239)	1,127	(316)	5,114	2,527	3,858	154	3,797
Total primary government	<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>	<u>\$ 6,452</u>	<u>\$ 28,138</u>	<u>\$ 40,739</u>

Source: City of Indio

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund:										
Nonspendable	\$ 3,536	\$ 7,641	\$ 8,978	\$ 10,141	\$ 10,509	\$ 11,513	\$ 12,857	\$ 8,651	\$ 8,616	\$ 8,787
Restricted	-	-	-	-	-	-	981	1,210	1,241	2,389
Committed	1,140	5,619	11,197	11,285	11,285	12,000	12,000	12,000	15,000	17,000
Assigned	6,922	3,242	3,459	8,452	12,653	11,603	9,283	12,082	44,181	22,690
Unassigned	4,490	7,087	1,820	-	2,148	4,628	3,197	19,797	15,613	14,903
Total general fund	\$ 16,088	\$ 23,589	\$ 25,454	\$ 29,878	\$ 36,595	\$ 39,744	\$ 38,318	\$ 53,740	\$ 84,651	\$ 65,769
All other governmental funds:										
Nonspendable	\$ 5,496	\$ 5,926	\$ -	\$ -	\$ 2	\$ 120	\$ -	\$ 19	\$ 8	\$ 6
Restricted	19,182	18,761	22,179	20,260	19,533	20,231	22,232	22,745	26,742	119,551
Assigned	985	985	-	-	-	2,597	4,918	6,035	7,857	37,975
Unassigned:	(424)	(135)	(6)	(614)	(4,125)	(2,146)	(233)	(2,045)	(2,412)	(1,238)
Capital projects funds	-	-	-	(905)	-	-	-	-	-	-
Total all other governmental funds	\$ 25,239	\$ 25,537	\$ 22,173	\$ 18,741	\$ 15,410	\$ 20,802	\$ 26,917	\$ 26,754	\$ 32,195	\$ 156,294

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 34,073	\$ 36,320	\$ 45,265	\$ 49,533	\$ 59,950	\$ 63,486	\$ 59,581	\$ 70,906	\$ 86,140	\$ 89,375
Special assessments	3,792	4,015	-	-	-	-	-	-	-	-
Licenses and permits	3,384	2,916	2,438	2,737	2,338	2,289	2,525	3,153	5,920	9,708
Intergovernmental	14,818	11,754	5,706	5,722	10,036	28,795	14,461	12,498	17,912	25,512
Charges for services	9,482	15,110	7,176	8,719	6,382	9,742	4,972	4,789	9,532	11,502
Fines and forfeitures	887	938	860	676	543	545	744	651	1,014	1,476
Investment earnings	2,794	5,333	1,758	1,436	1,980	2,166	3,011	1,277	(1,433)	136,202
Developer fees	4,901	4,491	1,640	1,899	3,372	2,834	2,482	3,617	5,518	5,200
Contributions from property owners	-	-	4,112	4,291	4,553	4,884	5,145	5,338	5,571	5,913
Miscellaneous	2,401	4,598	5,592	7,624	10,232	5,446	1,059	742	3,997	2,402
Total revenues	76,532	85,475	74,547	82,637	99,386	120,187	93,980	102,971	134,171	287,290
Expenditures										
Current:										
General government	4,166	5,046	5,112	20,271	5,043	5,815	7,273	9,054	10,343	14,209
Public safety	35,080	37,766	38,118	40,477	42,089	44,339	43,895	43,928	50,724	58,025
Public works	14,174	15,050	10,650	13,035	10,635	18,247	14,438	13,921	14,019	18,193
Community development	7,382	8,733	7,903	6,129	5,192	5,761	5,113	7,017	5,631	4,772
Community services	1,461	1,559	2,384	2,524	2,850	2,674	2,670	2,657	3,462	3,560
Other	407	3,884	102	-	-	-	-	-	-	304
Capital outlay	-	-	5,036	8,231	23,242	25,157	9,519	6,181	8,540	52,427
Principal retirement	1,849	2,827	24,023	3,161	3,895	4,092	3,206	3,194	3,025	20,814
Interest and fiscal charges	2,700	2,631	2,627	5,576	2,441	2,364	2,229	2,115	1,997	6,733
Other charges	-	-	486	-	-	-	-	-	-	-
Total expenditures	67,219	77,496	96,441	99,404	95,387	108,449	88,343	88,067	97,741	179,037
Excess (deficiency) of revenues over (under) expenditures	9,313	7,979	(21,894)	(16,767)	3,999	11,738	5,637	14,904	36,430	108,253

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other financing sources (uses):										
Transfers in	6,862	7,031	7,216	9,990	11,150	11,224	12,226	12,686	10,686	82,833
Transfers out	(12,912)	(7,211)	(7,406)	(8,269)	(11,649)	(14,421)	(13,501)	(12,686)	(10,764)	(82,923)
Issuance of bonds	-	-	19,730	16,300	-	-	-	-	-	-
Sale of real property	-	-	-	-	-	-	-	355	-	-
Original discount on bonds	-	-	919	(262)	-	-	-	-	-	-
Special items	-	-	-	-	-	-	327	-	-	-
Total other financing sources (uses)	<u>(6,050)</u>	<u>(180)</u>	<u>20,459</u>	<u>17,759</u>	<u>(499)</u>	<u>(3,197)</u>	<u>(948)</u>	<u>355</u>	<u>(78)</u>	<u>(90)</u>
Net change in fund balances	<u>\$ 3,263</u>	<u>\$ 7,799</u>	<u>\$ (1,435)</u>	<u>\$ 992</u>	<u>\$ 3,500</u>	<u>\$ 8,541</u>	<u>\$ 4,689</u>	<u>\$ 15,259</u>	<u>\$ 36,352</u>	<u>\$ 108,163</u>
Debt service as a percentage of noncapital expenditures	7.8%	7.6%	29.6%	9.8%	8.8%	7.7%	6.9%	6.6%	5.6%	22.8%

Source: City of Indio

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

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Othe Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2023	\$ 8,520,728	\$ 1,064,199	\$ 291,160	\$ 724,169	\$ -	\$ 10,600,256	0.1078
2022	7,776,969	999,232	258,724	706,085	-	9,741,010	0.1075
2021	7,324,840	954,038	264,707	713,119	-	9,256,704	0.1053
2020	6,974,129	900,025	253,666	696,518	1,930	8,822,408	0.1027
2019	6,499,481	957,306	270,856	786,077	94,058	8,419,662	0.1003
2018	6,162,303	919,705	259,047	769,151	89,925	8,020,281	0.1001
2017	5,892,675	868,261	249,636	746,057	88,682	7,667,947	0.1003
2016	5,562,654	849,716	236,337	733,842	87,548	7,295,001	0.1000
2015	5,083,136	799,883	229,871	704,982	81,457	6,736,415	0.0998
2014	4,596,084	778,639	232,313	709,675	87,181	6,229,530	0.0998

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City of Indio	0.08493	0.08495	0.08495	0.08495	0.08495	0.08495	0.08495	0.08499	0.08499	0.08499
Total Direct Rate	0.09979	0.09986	0.10002	0.10031	0.10012	0.10031	0.10274	0.10528	0.10753	0.10781
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	0.14919	0.14919	0.13218	0.16601	0.17609	0.14954	0.14876	0.14549	0.13665	0.13450
Coachella Valley Water District	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.11000	0.11000
Desert Community College	0.01995	0.02325	0.02087	0.02036	0.04030	0.03978	0.03983	0.03947	0.03950	0.03950
Desert Sands Unified School District	0.10954	0.10984	0.10915	0.08599	0.07251	0.07418	0.07381	0.07390	0.07500	0.07500
Total Direct & Overlapping Tax Rates	<u>1.37868</u>	<u>1.38228</u>	<u>1.36220</u>	<u>1.37236</u>	<u>1.38890</u>	<u>1.36350</u>	<u>1.36240</u>	<u>1.35886</u>	<u>1.36115</u>	<u>1.35900</u>

NOTE:

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

Source: HdL, Coren & Cone

**Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2023		2014	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 68,979,940	0.65%	\$ 59,444,889	0.95%
Desert Polo Land Company, LLC.	59,893,470	0.57%		
Indio Towne Center, LLC.	50,668,601	0.48%		
JFK Memorial Hospital Inc	47,324,047	0.45%	40,651,370	0.65%
Spectrum Pacific West, LLC.	45,700,914	0.43%		
Trendwest Resorts Inc	41,693,086	0.39%	35,929,879	0.58%
Wal-Mart Real Estate Business Trust	41,579,163	0.39%		
JDG Properties	34,584,337	0.33%	25,389,289	0.41%
ALJACKS	33,395,367	0.32%	26,644,595	0.43%
Andorra Apartments, LLC.	26,986,999	0.25%		
Jackson 42			47,039,038	0.76%
Polo Square Partners			34,777,033	0.56%
Smoketree Apartments			18,683,161	0.30%
Target Corporation			23,538,505	0.38%
Time Warner Entertainment			36,984,705	0.59%
	<u>450,805,924</u>	4.25%	<u>349,082,464</u>	5.60%

NOTE:

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

Source: HdL, Coren & Cone

**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
2023	\$ 9,719,808	\$ 10,009,772	102.98%	\$ 279,461 *	\$ 10,289,233	105.86%
2022	8,883,501	9,215,098	103.73%	102,890 *	9,317,988	104.89%
2021	8,291,384	8,386,828	101.15%	121,809 *	8,508,637	102.62%
2020	7,554,590	9,093,289	120.37%	169,441 *	9,262,730	122.61%
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	6.00%
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 A	115.09%	118,271 *	6,162,114	117.35%

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

NOTE:

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

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

Sources: County of Riverside Auditor Controller’s Office
City of Indio

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

Fiscal Year Ended June 30	Governmental Activities							Total Governmental Activities	Business- type Activities	Total Primary Government ⁽¹⁾	Population ⁽²⁾	Personal Income ⁽³⁾	Percentage of Personal Income	Debt Per Capita
	Certificates of Participation ⁽¹⁾	Lease Revenue Bonds ⁽¹⁾	Judgment Obligation Bonds ⁽¹⁾	Loans ⁽¹⁾	Leases ⁽¹⁾	SBITAs ⁽¹⁾	Water Revenue Bonds ⁽¹⁾							
2023	\$ -	\$ 143,272	\$ 12,257	\$ 52	\$ 44	\$ 4,138	\$ 159,763	\$ 45,547	\$ 205,310	\$ 90,837	\$ 2,787,385	7.37%	\$ 2.26	
2022	650	33,278	12,918	153	107	-	46,999	47,919	94,918	89,137	2,555,400	3.71%	1.06	
2021	1,275	35,065	13,560	249	-	-	50,149	50,074	100,223	91,621	2,434,498	4.12%	1.09	
2020	1,875	36,782	14,188	622	-	-	53,467	52,185	105,652	90,751	2,228,050	4.74%	1.16	
2019	2,450	38,438	14,799	1,102	-	-	56,789	54,221	111,010	89,406	2,094,653	5.30%	1.24	
2018	3,005	39,832	15,650	2,510	-	-	60,997	56,207	117,204	87,883	1,900,128	6.17%	1.33	
2017	3,535	41,662	16,038	3,767	-	-	65,002	58,153	123,155	88,718	1,814,845	6.79%	1.39	
2016	4,045	42,260	-	5,060	-	-	51,365	58,725	110,090	88,058	1,706,419	6.45%	1.25	
2015	4,535	39,190	-	11,973	-	-	55,698	60,215	115,913	84,201	1,651,948	7.02%	1.38	
2014	5,005	40,165	-	13,461	-	-	58,631	55,205	113,836	82,398	1,560,289	7.30%	1.38	

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, Core & Cone

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

Fiscal Year Ended June 30	Outstanding General Bonded Debt					Total	Population ⁽¹⁾	Personal Income ⁽²⁾	Percent of Assessed Value	Debt Per Capita
	Water Revenue Bond	Lease Revenue Bonds	Judgment Obligation Bonds	Certificates of Participation						
2023	\$ 45,547	\$ 143,272	\$ 12,257	\$ -	\$ 201,076	\$ 90,837	\$ 2,787,385	1.90%	\$ 2.21	
2022	47,919	33,278	12,918	650	94,765	89,137	2,555,400	1.18%	1.06	
2021	50,074	35,065	13,560	1,275	99,974	91,621	2,434,498	1.25%	1.09	
2020	52,185	36,782	14,188	1,875	105,030	90,751	2,228,050	1.31%	1.16	
2019	54,221	38,438	14,799	2,450	109,908	89,406	2,094,653	1.37%	1.23	
2018	56,207	39,832	15,650	3,005	114,694	87,883	1,900,128	1.43%	1.31	
2017	58,153	41,662	16,038	3,535	119,388	88,718	1,814,845	1.56%	1.35	
2016	58,725	42,260	-	4,045	105,030	88,058	1,706,419	1.44%	1.19	
2015	60,215	39,190	-	4,535	103,940	86,683	1,651,948	1.54%	1.20	
2014	55,205	40,165	-	5,005	100,375	84,655	1,560,289	1.61%	1.19	

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

**Direct and Overlappins
June 30, 2023**

2022-23 Assessed Valuation:	\$9,740,238,046		
			City's Share of Debt 6/30/23
	Total Debt 6/30/23	% Applicable ⁽¹⁾	
Overlapping Tax and Assessment Debt:			
Desert Community College District	\$ 486,615,000	10.507%	\$ 51,128,638
Coachella Valley Unified School District	217,263,949	12.224%	26,558,345
Desert Sands Unified School District	365,405,000	18.490%	67,563,385
City of Indio Community Facilities District No. 2004-3	10,410,000	100.000%	10,410,000
City of Indio Community Facilities District No. 2005-1.1.A. No. 1 and 2	11,673,000	100.000%	11,673,000
City of Indio Community Facilities District No. 2006-1	6,241,000	100.000%	6,241,000
City of Indio 1915 Act Bonds	13,047,968	100.000%	13,047,968
Valley Sanitary District Assessment District No. 2004-VSD	3,885,000	100.000%	3,885,000
California Statewide Communities Development Authority Assessment District	2,470,000	100.000%	<u>\$ 2,470,000</u>
Total Overlapping Tax and Assessment Debt			<u>\$ 192,977,336</u>
Direct and Overlapping General Fund Debt:			
Riverside County General Fund Obligations	\$ 686,776,829	2.937%	\$ 20,170,635
Riverside County Pension Obligation Bonds	748,540,000	2.937%	21,984,620
Coachella Valley Unified School District Certificates of Participation	37,188,380	12.224%	4,545,908
Desert Sands Unified School District Certificates of Participation	13,785,000	18.490%	2,548,847
City- of Indio General Fund Obligations	137,076,978	100.000%	137,076,978
City- of Indio Judgment Obligations	12,440,000	100.000%	12,440,000
Desert Recreational District General Fund Obligations	1,389,522	17.092%	<u>\$ 237,497</u>
Total Direct and Overlapping General Fund Debt			<u>\$ 199,004,485</u>
Overlapping Tax Increment Debt (Successor Agency):	\$ 43,270,000	100.000%	\$ 43,270,000
Total Direct Debt			\$ 145,335,000
Total Overlapping Debt			\$ 285,734,843
Combined Total Debt			\$ 431,069,843

⁽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 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.81%
Combined Direct Debt (\$46.846.000)	1.37%
Combined Total Debt	4.05%

Ratios to Redevelopment Incremental Valuation (\$1.661.838.093):

Total Overlapping Tax Increment Debt	2.39%
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Source: California Municipal Statistics, Inc.
City of Indio

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

**Legal Debt Margin
(amounts expressed in thousands)
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed valuation ⁽¹⁾	\$ 6,229,530	\$ 6,736,088	\$ 7,295,001	\$ 7,667,948	\$ 8,020,281	\$ 8,419,662	\$ 8,822,409	\$ 9,256,704	\$ 9,741,010	\$ 10,600,256
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	934,430	1,010,413	1,094,250	1,150,192	1,203,042	1,262,949	1,323,361	1,388,506	1,461,152	1,590,038
Total net debt applicable to limit:										
Legal debt margin	<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>	<u>\$ 1,388,506</u>	<u>\$ 1,461,152</u>	<u>\$ 1,590,038</u>

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

Sources: City of Indio

⁽¹⁾ HdL, Coren & Cone

**Pledged-Revenue Coverage
(amounts expressed in thousands)
Last Ten Fiscal Years**

		Water Revenue Bonds						
Fiscal Year	Water Revenue	Less Operating	Net Available	Debt Service				Coverage
Ended June 30		Expenses	Revenue	Principal	Interest			
2023	\$ 4,189	\$ 4	\$ 4,185	\$ 2,260	\$ 1,929			1.00
2022	4,192	1	4,191	2,155	2,036			1.00
2021	4,198	1	4,197	2,055	2,142			1.00
2020	4,144	6	4,138	1,980	2,158			1.00
2019	4,191	4	4,187	1,930	2,261			1.00
2018	4,142	4	4,138	1,890	2,248			1.00
2017	4,080	-	4,080	1,860	2,220			1.00
2016	4,136	69	4,067	1,490	2,276			1.08
2015	3,393	65	3,458	1,490	1,903			1.02
2014	4,194	62	4,132	1,400	2,732			1.00

		Gas Tax Certificate of Participation						
Fiscal Year	Water Revenue	Less Operating	Net Available	Debt Service				Coverage
Ended June 30		Expenses	Revenue	Principal	Interest			
2023	\$ 664	\$ 2	\$ 662	\$ 650	\$ 14			1.00
2022	682	2	680	625	55			1.00
2021	681	3	678	600	79			1.00
2020	679	2	677	575	102			1.00
2019	685	5	680	555	125			1.00
2018	678	2	676	530	146			1.00
2017	663	2	661	510	151			1.00
2016	676	-	676	490	186			1.00
2015	675	-	675	470	205			1.00
2014	689	11	678	455	223			1.00

		Lease Revenue Bonds						
Fiscal Year	Water Revenue	Less Operating	Net Available	Debt Service				Coverage
Ended June 30		Expenses	Revenue	Principal	Interest			
2023	\$ 25,625	\$ 5	\$ 25,620	\$ 19,489	\$ 6,131			1.00
2022	3,174	3	3,171	1,745	1,426			1.00
2021	3,184	12	3,172	1,675	1,497			1.00
2020	3,184	10	3,174	1,615	1,559			1.00
2019	3,230	10	3,220	1,600	1,620			1.00
2018	3,239	15	3,224	1,540	1,684			1.00
2017	3,253	12	3,241	1,475	1,766			1.00
2016	3,681	-	3,681	995	2,686			1.00
2015	2,761	-	1,790	975	1,786			0.65
2014	1,796	6	1,790	-	1,796			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

**Demographic and Economic Statistic
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⁾
2023	45,547	38.8	2.98	\$ 79,372	\$ 34,152	6.8%
2022	89,137	42.9	2.58	66,841	34,212	5.8%
2021*	91,621	42.5	2.86	74,774	33,704	8.7%
2020	90,751	42.5	2.86	74,774	33,704	13.8%
2019	89,406	44.7	2.22	45,272	28,926	5.8%
2018	87,883	43.5	2.50	45,278	26,930	6.7%
2017	88,718	40.5	2.83	40,449	23,103	6.1%
2016	88,058	35.9	3.08	52,343	23,584	7.0%
2015	86,683	34.0	3.12	47,280	20,354	6.8%
2014	84,655	32.7	3.13	51,202	21,702	9.3%

Sources:

⁽¹⁾ State Department of Finance

⁽²⁾ U.S. Census Bureau

⁽³⁾ Employment Development Department

*Information obtained from U.S. Census Bureau remains the same as 2020 due to COVID-19

**Principal Employers
Current Year and Nine Years Ago**

Employer ⁽¹⁾	2023		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Desert Sands Unified School District	2,980	7.16%	1,057	3.71%
County of Riverside	1,360	3.27%	1,295	4.54%
Fantasy Springs Resort Casino	1,157	2.78%	1,100	3.86%
John F. Kennedy Memorial Hospital	703	1.69%	518	1.82%
Walmart Supercenter	404	0.97%		
City of Indio	254	0.61%	209	0.73%
Indio Nursing and Rehabilitation Center	225	0.54%		
Riverside Superior Court	156	0.38%	145	0.5088%
Fiesta Ford	147	0.35%	133	0.47%
Ralphs	143	0.34%	130	0.46%
Winco Foods	124	0.30%		
Cardenas	-	0%	165	0.58%
Target	-	0%	150	0.53%
Home Depot	-	0%	133	0.47%
Total Employment Listed	7,653	18.40%	5,035	17.67%
Total City Employment ⁽²⁾	41,600		28,500	

“Total Employment” as used above represents the total employment of all employers located

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

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

**Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	39	36	34	36	36	36	38	38	44	44
Police	99	100	103	99	104	107	115	115	106	116
Public works	26	33	33	31	34	36	33	34	34	38
Community development	16	17	19	19	26	23	21	22	19	15
Water	44	46	48	48	41	44	45	41	42	41
	<u>224</u>	<u>232</u>	<u>237</u>	<u>233</u>	<u>241</u>	<u>246</u>	<u>252</u>	<u>250</u>	<u>245</u>	<u>254</u>

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

Source: City of Indio

**Operating Indicators
by Function
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Arrests	2,119	2,178	2,026	2,331	1,853	1,651	1,548	1,777	1,611	1,470
Traffic citations issued	2,476	1,478	1,452	2,102	1,777	858	1,064	1,137	755	1,067
Parking citations issued	3,231	5,312	4,191	1,173	4,766	6,803	6,344	564	9,927	10,000
Fire:										
Emergency calls	8,564	9,319	8,317	8,611	7,796	9,467	8,934	9,411	10,113	10,763
Inspections	2,254	2,629	2,473	2,553	2,586	3,326	3,084	3,177	4,290	4,381
Public works:										
Street resurfacing (miles)	3.3	1.0	10.0	1.0	6.0	48.0	27.0	10.5	20.0	24.0
Water:										
New connections	488	397	223	320	302	316	245	517	554	359
Average daily consumption (millions of gallons)	20	18	15	15	15	15	16	18	18	17
Golf Course:										
Golf rounds played	18,908	26,464	26,481	24,003	24,491	26,107	23,716	33,394	30,140	31,214

Source: City of Indio

**Capital Asset Statistics
by Function
Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	-	-	-	-	-	-	-	-	-
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Paved streets (miles)	251	253	254	254	254	255	255	255	255	255
Streetlights	2,858	2,886	2,893	2,858	2,858	2,868	2,868	2,901	2,901	2,923
Traffic signals	92	95	97	98	100	104	104	104	104	105
Recreation:										
Parks	17	17	17	18	18	18	18	18	18	18
Senior centers	1	1	1	1	1	1	1	1	1	1
Teen centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	329	332	342	343	343	344	344	346	347	347
Maximum daily capacity (millions of gallons)	66	66	66	66	66	66	66	66	66	66
Golf Course:										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1

Source: City of Indio

**Water Sold by Type of Customer
Last Ten Fiscal Years
(in hundred cubic feet)**

Type of Customer:	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single-Family Residential	\$ 5,392,822	\$ 4,982,247	\$ 4,236,748	\$ 4,459,372	\$ 4,891,183	\$ 4,734,130	\$ 4,905,070	\$ 5,363,606	\$ 5,275,788	\$ 5,055,278
Multi-Family Residential	978,114	838,995	639,273	661,020	755,878	785,314	782,526	805,082	812,616	800,698
Commercial/Institutional	1,228,943	1,158,582	1,091,004	1,097,366	1,194,031	1,188,760	1,063,772	1,137,018	1,269,842	1,227,425
Industrial	72,389	66,423	54,401	58,018	60,552	64,585	66,865	66,052	71,350	69,138
Landscape Irrigation	1,205,557	1,023,955	743,594	924,444	1,049,375	976,302	938,291	1,051,466	997,910	975,234
Total	\$ 8,877,825	\$ 8,070,202	\$ 6,765,020	\$ 7,200,220	\$ 7,951,019	\$ 7,749,091	\$ 7,756,524	\$ 8,423,224	\$ 8,427,506	\$ 8,127,773
Total commodity rate per 100 cubic feet	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates	Tiered Rates

NOTE:

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

Source: Indio Water Authority

**Water Rates
Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Monthly Base Rate	15.55	16.79	18.14	19.59	21.16	21.16	21.16	21.16	21.16	21.16
Rate Per 100 Cubic Feet										
Tier 1	0.77	0.83	0.90	0.97	1.05	1.05	1.05	1.05	1.05	1.05
Tier 2	1.16	1.25	1.35	1.31	1.41	1.41	1.41	1.41	1.41	1.58
Tier 3	1.55	1.67	1.81	1.95	2.11	2.11	2.11	2.11	2.11	2.11
Tier 4	2.32	2.51	2.71	2.92	3.16	3.16	3.16	3.16	3.16	3.16
Tier 5	3.09	3.34	3.60	3.89	4.20	4.20	4.20	4.20	4.20	4.20

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

NOTE:

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

Source: Indio Water Authority

**Ten Largest Water Customers
Last Five Fiscal Years**

Water Customer	Account Class	Fiscal Years									
		2019		2020		2021		2022		2023	
		Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
Andora Apt, LLC	Apartments									\$ 79,599	0.34%
Capital Foresight Comm., LP	Apartments	\$ -		\$ 107,086	0.52%	\$ 133,758	0.60%	\$ 135,842	0.57%	\$ 132,203	0.56%
Casa Monroe Apartments	Apartments	88,665	0.43%	88,665	0.43%						
DSUSD - Indio High School	School	98,604	0.48%	92,242	0.45%	92,242	0.45%			80,952	0.35%
Fantasy Springs Casino	Commercial	140,371	0.68%	149,644	0.73%	172,599	0.78%	207,062	0.87%	199,007	0.85%
Indian Palms Country Club	Residential					106,638	0.48%	172,428	0.73%		
Motorcoach CC POA, Inc	RV Park	119,108	0.58%	118,361	0.57%	119,735	0.54%	125,301	0.53%		
Polo Estates Ventures	Commercial	195,465	0.95%	150,299	0.73%	220,507	1.00%	251,796	1.14%	117,169	0.50%
Pickering Ecents LLC (County Land)	Government									147,336	0.63%
Riverside County	Government	303,855	1.47%	248,708	1.21%	133,970	0.61%	160,941	0.68%	129,755	0.55%
Smoketree Apartments	Apartments	90,651	0.44%	96,975	0.47%	102,554	0.46%	112,739	0.47%	119,515	0.51%
Summerbreeze Homeowner's Assoc	Apartments	90,263	0.44%	89,414	0.43%	103,868	0.47%	98,870	0.42%		
Summerfield Apartments	Apartments	104,292	0.51%	107,790	0.52%	115,682	0.52%	109,530	0.46%	121,868	0.52%
Terra Lago	Commercial	102,310	0.52%								
The Club Worldmark	Time Share	136,515	0.66%	119,226	0.58%	116,155	0.52%	133,032	0.56%	131,950	0.56%
		<u>\$ 1,367,789</u>	6.64%	<u>\$ 1,279,745</u>	6.21%	<u>\$ 1,325,466</u>	5.98%	<u>\$ 1,507,541</u>	6.43%	<u>\$ 1,259,354</u>	5.37%

Source: Indio Water Authority



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