

# City of Indian Wells, California

Annual Comprehensive Financial Report

Year Ended June 30, 2022



**CITY OF INDIAN WELLS, CALIFORNIA**

**Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2022**

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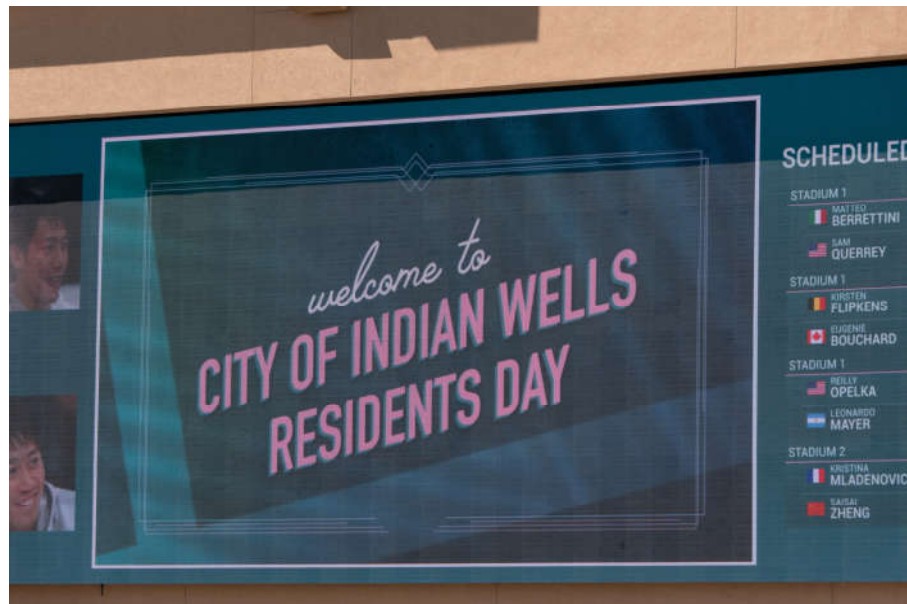


November 22, 2022

Honorable Mayor, Members of the City Council and Residents of the City of Indian Wells, California:

We are pleased to present the City of Indian Wells Annual Financial Report for the fiscal year ending June 30, 2022.

Indian Wells continues to enjoy the benefits of being one of California's wealthiest and most well-managed cities. The City's financial strength is attributed to the Council's emphasis on conservative fiscal management of its resources and the development of a cohesive City Council and management team. The City's Finance Committee assures that this ranking and fiscal practice continues.



Tourism is the primary driver of the City's revenues, with significant impacts on the transient occupancy tax, admissions tax, and sales tax categories. Tourism and Golf Resort revenues through the fiscal year returned better than predicted. Transient occupancy tax and admissions tax revenue reached historic collections during the year.

City services, especially public safety, are continually monitored and improved. This ensures that all City services meet our residents' needs while maintaining the highest level of fiscal responsibility. The City continues its time-honored practice of reserving more than \$2.0 million annually for long-term capital replacements and successfully manages its pension and other post-employment benefits by fully funding retirement obligations.

This financial success does not necessarily translate into economic success next year. Given ongoing concerns relating to the pandemic, plausible consumption of pent-up demand, escalating fuel prices, potential impacts of quantitative easing, and the long-term view of the economy, Indian Wells remains "optimistically cautious" and has taken a fiscally conservative approach to the following year's spending.

This transmittal letter provides a non-technical summary of the City’s finances, services, achievements, and economic prospects. A narrative introduction and analysis of the Financial Statements are found in the Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it. The notes and the other financial and operational data included in the Financial Statements provide a complete analysis of the City’s financial position as of June 30, 2022.

The Financial Statements are prepared in accordance with generally accepted accounting principles in the United States of America. The accuracy of the data, the completeness and fairness of the presentation, and the adequacy of its disclosures rest with the City's management. This includes the design, implementation, and maintenance of internal controls over the preparation and fair presentation of Financial Statements, which are free from material misstatement and for assurance that the assets of the City are protected from loss, theft, or misuse. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable rather than an absolute assurance that the Financial Statements are free from any material misstatements. We believe the information presented is complete and reliable in all material respects.

Government Code 26909 (a) requires the City, as a local agency of the County, to contract with a certified public accountant to perform an annual audit of the accounts and records of the City, and the audit conforms to Generally Accepted Auditing Standards. Further, Government Code 26909 (b) states that an audit report shall be filed with the State Controller and with the County Auditor in which the district is located within 12 months of the end of the fiscal year. Therefore, this report is published to fulfill these requirements for the fiscal year ending June 30, 2022.

Davis Farr LLP, Certified Public Accountant issued an unmodified opinion on the City of Indian Wells Financial Statements for the fiscal year ended June 30, 2022. The independent auditor’s report is located in the financial section of this report. The independent audit involved examining evidence supporting the amounts and disclosures in the financial statements, assessing management's accounting principles and estimates, and evaluating the overall financial statement presentation.

In addition to the annual audit, Davis Farr LLP performs various Agreed Upon Procedures (AUPs) reviews at the Indian Wells Golf Resort, the Housing Authority communities, the Tennis Stadium, and Indian Wells hotel partners.

### **Profile of the City of Indian Wells**



The City of Indian Wells, incorporated in 1967, is located in California about 120 miles east of Los Angeles in the eastern portion of Riverside County, known as the Coachella Valley.

It’s pristine natural setting, upscale residential country clubs, first-class resorts, championship golf courses, and abundant leisure and cultural activities distinguish the Indian Wells community. The City boasts 4,762 full-time residents spread over 15.04 square miles. An additional 4,000 to 5,000 part-time residents call Indian Wells home during winter.

Indian Wells operates under the City Council/City Manager form of Government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and four other members, all elected on a non-partisan basis. Council members serve four-year terms and are elected at large. In addition, the City Council appoints the City Manager and City Attorney.

The City Manager heads the executive branch of the Government, implements policies as directed and established by the City Council, and manages the administrative and operational functions utilizing City staff. The City provides a full range of services, including police and fire protection, construction and maintenance of streets and infrastructure, economic development, planning and community development, building and safety, arts and culture, and recreational activities.

The biennial budget and the City's five-year Capital Improvement program are the foundation for the City's financial planning and control. The City Council must adopt the biennial budget resolution by July 1. The budget is presented on a basis consistent with generally accepted accounting principles. The City's budget was revamped to emphasize program budgeting rather than the traditional departmental format. This new format simplifies reporting of City expenditures and allocating resources consistent with City goals. Program budgets emphasize the objectives of the City and allocate expenses back to these objectives.

### **Outstanding Community Benefits**

The City of Indian Wells offers an outstanding quality of life, numerous cultural and social activities, a cohesive and innovative City government, luxurious hotel properties, and championship golf at the Indian Wells Golf Resort.

Moreover, the City supports many major sporting and cultural events. These include the BNP Paribas Open, the largest Association of Tennis Professionals (ATP) World Tour, and the Women's Tennis Association (WTA) combined two-week event in the world, held at the Indian Wells

Tennis Garden, the Coachella Valley Firebirds professional ice hockey expansion team, Ironman 70.3, Desert Town Hall, and the Indian Wells Arts Festival. In addition, the Living Desert Zoo and Gardens has recently been named the Best Zoo in America by 24/7 Wall Street and is situated in Indian Wells and the neighboring Palm Desert.



Indian Wells enjoys one of the lowest crime rates and quickest public safety response times in the Coachella Valley, thanks to diligent law enforcement and fire/paramedic services. The Joslyn Center offers a wide variety of activities, appealing to many interests and energy levels.

Indian Wells boasts a successful resident benefit program. With an Indian Wells Resident Benefit Card, residents enjoy special discounts at the Indian Wells Golf Resort, Indian Wells Tennis Garden, the Acrisure Arena, and all four Indian Wells hotel properties. Other special events include art exhibitions

and lectures, complimentary tickets to the BNP Paribas Open and Desert Town Hall, resident social gatherings, patriotic community events, and much more.

### **Financial Communication**

Financial communication with residents and other stakeholders remains one of the City's best strengths. Whether at the Council meeting or the Mayor's letter, fiscal update eblasts, the Financial Primer, IW Check Book, the Capital Improvements Projects Overview, or the Budget at a Glance, keeping residents fiscally informed is a top priority.

To provide greater transparency and understanding of the City's finances, the City of Indian Wells established a new financial portal on the City's website to continually release and update fiscal information. This digital portal is updated with the latest City financial information, including any fluctuations related to the pandemic.

### **Factors Affecting Financial Condition**

Many economic prognosticators have clarified where they stand on inflation and the Federal Reserve policy response: the economy and markets will worsen before they get better. Financial Analysts cite Federal Reserve policy as the most significant risk factor. Growth prospects for the U.S. economy and global economy have dimmed, and the economy could be headed for a second consecutive quarter of negative growth, which meets a classic definition of recession.

Some early tourism reports indicate that economic concerns have replaced health as the main concern for summer and fall travel. Financial concerns have some staying home, but those who plan to travel are prepared to increase their budgets. Nearly three in ten travelers plan to spend more than they did in 2019, and high airfares and room rates are the number one reason why.

During the first quarter of 2022, the national GDP shrank by 1.6%, followed by another 0.6% decrease during the second quarter. Two consecutive quarters of negative growth raise fear in people that the country is in a recession – adequately defined by the National Bureau of Economic Research (NBER) as a period of “significant decline in economic activity that is spread across the economy and lasts more than a few months.” To make matters worse, the unemployment rate went up by 0.2 percentage points in August, from 3.5% to 3.7%. To clarify, two-quarters of negative growth does not automatically result in the period being classified as a recession.

Why does Indian Wells care about the national economy? Tourism significantly impacts the Leisure and Hospitality industries of the Coachella Valley; when the economy is in a recession, people travel less. COVID-19 played havoc with that industry and resulted in the recession being more severe for the Coachella Valley area than elsewhere. While international tourism has not returned to pre-pandemic levels in Southern California and the Coachella Valley, much of it has been compensated for by Southern Californians traveling to the area even during unpleasantly hot months. Falling into a new recession will significantly cut tourism from the rest of the U.S. and California.

The U.S. economy shows some symptoms of an upcoming illness. While some of the popular indicators, such as the consumer sentiment index, housing starts, and manufacturing employment, currently point towards a possible recession, their effect is outweighed by the signal from the interest rate spread of the 10-Year Government Bond staying above the 3-Month Treasury Bill (as of early September 2022). This means that the yield curve has not yet been inverted. Only when this happens, do many economists

believe that a recession is imminent (will occur within the next 12 months). The GDPNow estimate of the Federal Reserve Bank of Atlanta suggests a positive 2.6% GDP growth rate for the third quarter.

Like the nation, the California unemployment rate has recovered to its pre-pandemic level. In July, the unemployment rate stood at 3.9%, while the February 2020 number was 4.1%. Although the current rate is the lowest on record, the situation could be more favorable for California.

The change in the unemployment rate is roughly the difference between the growth of the labor force and employment growth. The unemployment rate would shrink if employment grew faster than the labor force. However, a decline in employment and the labor force is consistent with the constant unemployment rate. Labor and employment in California have yet to reach pre-pandemic levels. Thus, a lower unemployment rate results from fewer people employed and a shrinking labor force even bigger. California's labor force never recovered to pre-pandemic size and is still short by almost 210,000 workers (seasonally adjusted data).

Despite the bad news of California, our local region, the Inland Empire, has been doing remarkably well with a record low unemployment rate and complete recovery in employment and labor force. This recovery is mainly due to the boom in the Logistics sector (Wholesale Trade, Transportation, and Warehousing) during the pandemic and the trend shift to e-commerce. However, the sector hit the hardest in the pandemic – Leisure and Hospitality – is still short by 155,000 jobs compared to pre-pandemic.

The Coachella Valley was affected particularly harshly by the COVID-19 recession of early 2020. For the nation and the state, the following five sectors bore the brunt of the employment collapse:

- Leisure and Hospitality
- Other Services
- Retail Trade
- Health and Education
- Professional Business Services

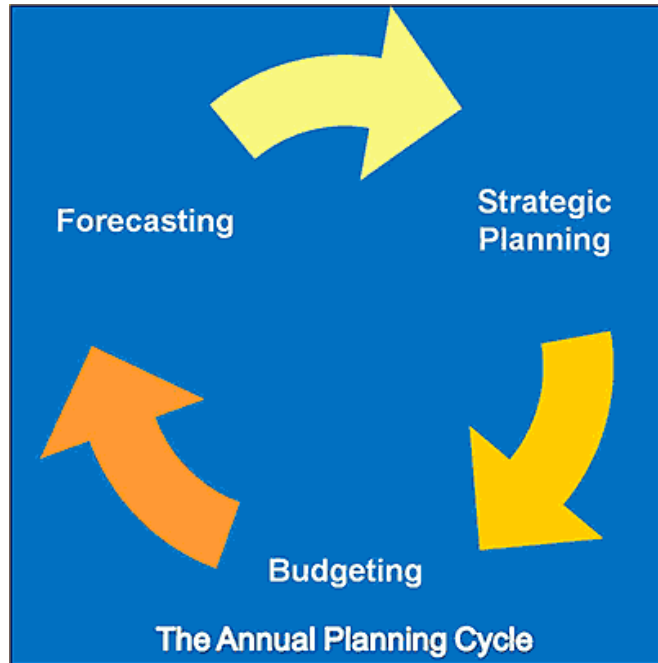
Restaurants and hotels had to be shut down (Leisure and Hospitality); spas and beauty Salons (Other Services) had to operate under severe restrictions, if at all; tourists stayed away for a long time and did not purchase non-necessities (Retail Trade); hospitals and doctors initially suffered more than you would have expected (Health and Education) given that COVID-19 was a virus that required medical attention. The fifth sector (Professional Business Services) listed above is less relevant for the Coachella Valley, given its share of total employment.

## **Strategic Goals and Priorities**

Good financial planning helps the City maximize cash flow and allocate financial resources consistent with the City's strategic planning goals. Therefore, the plan requires periodic updates to ensure the City's financial strategy remains current and reflects the priorities of the citizenry.

This Financial Strategy aims to provide a clear picture of the City's current financial position and long-term financial strategy to achieve strategic planning goals. As the City's strategic planning process unfolds, goals are incorporated into the budget.

A budget is more than a spending plan. It is a statement of priorities, a roadmap for the coming year, and a melding of ideas, thoughts, perspectives, and opinions balanced against fiscal realities and constraints. This budget reflects the collaboration between the community, the Council, and staff members.



The biennial budget implements the Council's priorities and strategic goals. It provides a financial plan that continues the delivery of first-rate services and is responsive to the community's needs. The budget reaffirms the City's commitment to maintain high service levels, increase investments in organizational efficiency, and maintain community infrastructure at a level of service expected by the community.

Strategic planning determines where an organization is going over the next year and beyond, how it will get there, and how it will know if it got there. This is the City's "Game Plan." The focus of a strategic plan is to outline the goals of the City Council for the entire community/organization over some time (one, three, or five years are typical). Goals-based planning starts with focusing on the organization's vision and values, selecting projects and programs to meet and achieve the goals, analyzing the resources needed and available resources, and finally, who will do what and by when.

Below is a summary of the City Council Goals for the upcoming budget cycle:

### **Complete General Plan Update**

A General Plan is considered the blueprint for the City's long-term development and generally has a 10-20-year horizon. De Novo Planning Group is conducting a Comprehensive General Plan update. The City has conducted multiple community engagement workshops to ensure resident and stakeholder concerns are addressed and included in the General Plan Update's land use and circulation elements.

### **Encourage and Expand Economic Development Opportunities in the Community**

Council's interest in a newly formed Economic Development Division focused on continued efforts to drive tourism and shape the future of the City through relationship building, research, and advocacy of development. These efforts were categorized into three areas: Monitoring Current and Future

Development, evaluating an Enhanced Infrastructure Financing District (EIFD), and Business Assistance and Relationship Building.

### **Tourism Markets and Expansion**

In collaboration with Visit Greater Palm Springs, the Tourism program strategically supports the resort partners to influence growth in transient occupancy tax. In addition, the programs developed create demand for the product of Indian Wells by building brand awareness and strategically leveraging Indian Wells to create and execute marketing strategies to influence both group and leisure markets.

Indian Wells is very well positioned for 2023, offering a very safe environment (over 95% vaccination rate), outdoor activities, significant hotel renovations including new beautiful outdoor venues, the return of the regularly scheduled BNP Paribas Open in March (as well as other regional events), a significant increase in demand for golf, tennis, and pickleball, and proximity to all the regional attractions.

The Indian Wells plan for sales and marketing is now full steam ahead, intending to build familiarity with Indian Wells among the leisure and group meetings markets. Leisure marketing will include building on the momentum of social media efforts, the continuation of digital ads, the distribution of a visitor newsletter, a focus on golf, tennis, and pickleball, and the Winterfest holiday experience.

### **Preservation of the Indian Wells Golf Resort (IWGR) as a Premier Destination for Residents and Visitors**

In 2021, the City approved the development of a Master Plan for the IWGR by Stone Creek. Due to the COVID pandemic, the completion of the final report was delayed until early 2023. Council has scheduled numerous public community engagements to solicit input from community stakeholders. Community engagement meetings are planned during the first and second quarters of the next fiscal year.

The purpose of the Master Plan is to shape the future development and operations of the Indian Wells Golf Resort with support from community stakeholders. The Master Plan will serve as a community roadmap shaping the future of the Golf Resort. Through a community engagement process, the City will identify the needs of residents and other stakeholders. The Master Plan will define what projects are essential to the community and establish realistic, financially responsible timelines consistent with community needs.

### **Develop Landscaping Uniformity Along Highway 111**

Landscaping along Highway 111 is an iconic characteristic of the City and requires high-quality maintenance to preserve the City's standards. One of the iconic features of this corridor is the uniqueness of the landscaping in a different area; the landscaping in front of Desert Horizons differs from the landscaping in front of the Golf Resort, for example.

At times, the maintenance along Highway 111 is inconsistent due to a lack of attention, limited funding, the timing of maintenance, and different standards of care between the City and HOAs. Uniformity, for discussion purposes, means consistency with maintenance efforts. The General Plan will assist in this process. In addition, the staff is reaching out to HOAs along Highway 111 to discuss options for more consistent landscaping in HOA-owned areas.

### **Community Events/Activities**

The Community Activities Committee is comprised of five members and managed by the City Managers Department, which provides residents opportunities to engage and build civic pride in the community. The committee has had some challenges during COVID in providing programming but has worked diligently to bring some events for the district to engage in.

Currently, the committee is working on an Arbor Day Celebration, an Animal Shot Clinic/Public Safety expo, an End of Year celebration, Memorial Day, a Salton Sea Tour, and a possible Tram tour. The committee will do a semi-annual survey at the end of this fiscal year to help plan for Fiscal Year 2022-23. The committee continues to partner with Desert Recreation District for additional programming or adding more to an existing program for Salton Sea Tours, Monthly Back 9 Walks, and possible Tram Tour.

### **Identify Potential Park Sites**

City Council instructed staff to find new recreational or park sites in the community (i.e., dog parks, picnic areas, pickleball ). Previous discussions included the creation of a linear park/fitness route along the Highway 111 sidewalks, acquiring property between the Indian Wells Resort Hotel and Miramonte Resort Hotel for a dog park, and converting the southeast corner of Cook Street and Highway 111 to an active park with parking and benches.

### **Provide responsive, innovative, and efficient public safety**

The City continues to emphasize public safety as a significant priority, addressing matters in real-time as well as at quarterly Public Safety Committee meetings and during the annual State of the City event. In addition, through contract services with the Riverside County Sheriff's and Fire Departments, the City maintains a safe and low-crime environment for residents and visitors.

### **Housing Update**

According to Government Code Section 65584 et seq., the Southern California Association of Governments (SCAG) is responsible for allocating the region's housing need ("RHNA") as determined by the California Department of Housing and Community Development (HCD) to all local jurisdictions in the SCAG region.

Included in the 6th Cycle of RHNA, which covers the planning period from 2021 to 2029, HCD has determined Southern California's regional housing need to be 1,341,827 total units, and all local jurisdictions, including Indian Wells, must provide their "fair share" of the regional housing needs, as determined by SCAG. In addition, the City has identified potential affordable housing locations for the past few years and approved an Exclusive Negotiation Agreement with Abode Communities for future development.



## **Accomplishments**

### **City Finances**

- Developed and implemented a COVID-19 financial recovery strategy.
- Received \$1.3 million from the American Rescue Plan Act of 2021.
- Collected \$2.0 million in capital and operating grants.
- Authorized application to the California Energy Commission for a \$3.0 million energy conservation assistance loan at 1% interest.
- Issued \$15.0 million in City Debt to fund energy efficiency and other infrastructure projects within the City.
  - The energy efficiency program will save the City \$22 million in operating costs over the initial lifecycle.
  - Using “Other’s Peoples Money (OPM)” debt service paid by developer fees – not a General Fund Expense.
- Received final California State Department of Finance approval to begin collecting on the remaining \$16.4 million in General Fund loans. The debt service on the remaining loans is \$2.2 million annually.
- Updated Developer Fee schedule ensuring that the fees are current and reflect the City's needs. The Developer Fee study aims to provide the City with the proper amount based on its updated needs.
- Developed a new Community Facilities District No. 2022-1 (Public Safety) operations program to provide a long-term police funding source to offset future increases.
- Developed a new "Budget at a Glance," promoting resident financial communication and transparency.
- Completed Auditor request for proposal and hired new City Auditors.
- Reduced the City's overall risk exposure by improving risk management training.
- Implemented AB 939 recycling funding sources to improve citywide recycling efforts and reduce General Fund and Golf Resort expenditures.
- Improved cash reserves in the City's landscape and lighting districts in anticipation of Highway 111 landscape improvements.
- Hired a new Accounting Technician to improve accounting operations and customer service experiences and enhance Resident Benefit Card and Business License experiences.
- Developed a new "Employee Enrichment Program" in Finance.

### **Economic Development**

- Created a new Economic Development Division of the City to focus efforts on promoting existing businesses and new investments in Indian Wells.
- General Plan Update to include significant incentives for Economic Development.
- Staff continues to work with both property owners of the Miles Lodge and Brixton properties located at the northwest and northeast corners of Miles Avenue and Highway 111, respectively.
- To develop an enhanced infrastructure financing district (EIFD), adopt an infrastructure financing plan, and issue bonds. EIFDs provide broad authority for local agencies to use tax increments to finance various projects, including infrastructure, affordable housing, transit, and open space.

## **Golf Resort**

- Financial Reporting - Redesigned financial reporting of IWGR operations, improving transparency and financial analysis.
- Issued Golf Resort Master Plan request for proposal and hired Stone Creek Partners to conduct community engagement sessions.
  - Stone Creek held multiple public engagement events to solicit input
  - On May 24, 2022, Stone Creek held the first public engagement events to discuss alternatives developed during the community engagement sessions.

## **Public Safety**

- Promoted positive changes in Sheriff patrols, Ring partnerships, community outreach, and increased traffic enforcement.
- Increased deputy patrol hours are improving resident safety.
- Developed public engagement campaigns aimed at increasing resident Nixle alert subscriptions.
- The City has taken further action to be proactive in preventing criminal behavior through targeted enforcement and high-visibility patrols, as well as community involvement and education.
- The City allocated budgeted overtime funding to expand traffic enforcement throughout the City, conducting a Speed Sting Operation in February with the support of four motor deputies and one commercial enforcement unit.
- Expanded “Coffee with a Cop” resident participation.

## **Housing Items**

- Approved Housing agreement with City to construct drainage channel improvements. Drainage Channel Improvements will directly benefit the property by increasing the overall developable area, which will help develop an increased number of affordable housing units.
- Significantly improved communication with Winn Residential and reestablished clear operating and capital expectations.
- Significantly improved communication with Housing Community residents.
- Winn Residential is directed to provide operating and capital improvements by June 30, 2022.
- Began attending monthly Housing Community meetings to improve Housing Community resident engagement.

## **Communication**

- Improved communication with the City Council.
- Developed City Capital Investment mailer informing Residents of upcoming improvements to the City.
- Collaborated with staff to improve communication with staff reports and email blasts.
- Speak frequently with IW Village ownership on potential grocers at the center.
- Revised legislative platform.

## **Document Structure**

In addition to the fund-by-fund financial information presented in the City's financial statements, the Government-wide Financial Statements are presented. The Government-wide Financial Statements include a Statement of Net Position providing the City's total net position, including infrastructure, and a Statement of Activities displaying the cost of delivering government services.

These statements are further analyzed in a narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and explaining changes, fluctuations, and variances in the economic data. In addition, the MD&A is intended to disclose any known noteworthy events or decisions affecting the City's financial condition.

The Annual Financial Report includes the financial activity for all funds of the City. The City provides a wide range of services, including planning, building, public works, engineering, maintenance, and general administrative activities. Contracted services include police and fire protection and landscape maintenance.

The following governmental agencies provide services to the City of Indian Wells citizens. They are excluded from this report because the City does not have financial accountability over these agencies: the State of California and its departments, the County of Riverside and its departments, Cove Communities Services Commission, Coachella Valley Association of Governments, Riverside County Transportation Commission, Riverside County Waste Management District, Desert Sands Unified School District, County Superintendent of Schools, Coachella Valley Unified School District, Desert Community College District, Coachella Valley Mosquito, and Vector Control District, Coachella Valley Water District, SunLine Transit Agency, Greater Palm Springs Convention and Visitors Bureau, and the Desert Resorts Regional Airport Authority.

## **Established Financial Controls**

The internal controls framework is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **Independent Audit**

An annual independent audit of the City's Financial Statements was conducted. The accounting firm of Davis Farr LLP was appointed by the City Council and reported to the Finance Committee to perform the annual audit. The auditors' report on the basic financial statements, as well as the combining and individual fund statements and schedules, is included in the financial section of this report.

## **Annual Internal Control Review**

The City is responsible for ensuring an adequate internal control structure. Accordingly, the internal control structure is subject to constant evaluation by the management of the City and annual review by independent auditors. Assessments determine the internal control structure's adequacy and whether the City complied with applicable laws and regulations. The results of the City's annual audit for the fiscal year that ended June 30, 2022, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

## Accounting Controls

In the public sector, a city government maintains a variety of "funds," which provide the basis for separately recording the financial data related to a specific activity. A fund is an accounting entity with a complete set of self-balancing accounting records. Each fund is established due to some restriction on the use of the resources received by the fund. For example, in the private sector, a corporation may have many subsidiaries which make up the parent corporation. Likewise, in the public sector, all the funds make up the complete financial resources of the City. This report includes the transactions of all entities over which the City Council has authority (as defined by the Governmental Accounting Standards Board).

The City's accounting system operates on a modified accrual basis of accounting for all governmental and agency-type funds. Under the modified accrual basis of accounting, revenues are recorded when received in cash or accrued when they are both measurable and collectible within the accounting period or soon enough after the end of the period to pay liabilities of the period. Expenditures other than interest or long-term debt are recorded when liabilities are incurred. At year-end, the City prepared the required entries necessary to report the City's financial position and activities on an accrual basis of accounting, which recognizes revenues when earned, and expenses when incurred.

In addition to maintaining funds to record accounting transactions, internal controls exist within the accounting system to ensure the safety of assets from misappropriation, unauthorized use, or disposition and to maintain the accuracy of financial record keeping. These internal controls must be established consistent with sound management practices based upon the cost/benefit of the controls imposed. The control cost should not be high for its derived use as viewed by City management. The internal controls at the City of Indian Wells are sufficient to ensure, in all material respects, the safety of the City's assets and the accuracy of the financial record-keeping system.

## **Certificate of Award for Outstanding Financial Reporting**

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 Indian Wells for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized financial report whose contents conform to program standards. In addition, such financial statements must satisfy Generally Accepted Accounting Principles and applicable legal requirements.

The Comprehensive Annual Financial Report of the City of Indian Wells for the fiscal year ending June 30, 2022, is now presented. To our knowledge and belief, the enclosed information is accurate in all material respects. It is reported in a manner designed to show the City's financial position fairly. All disclosures necessary to enable an understanding of the City's financial activities are included.

## **Acknowledgments**

Preparing this report would not have been possible without the dedication and professionalism of the Finance Department staff. I wish to thank all City departments for their valuable contributions to this report. In addition, I appreciate the City's independent auditors, Farr Davis and Certified Public Accountants, for their work and professionalism in conducting the annual audit. Finally, I am grateful to the City Council and Finance Committee for providing resources and preserving the City's framework of internal controls.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Coze", written in a cursive style.

---

Chris Freeland  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Indian Wells  
California**

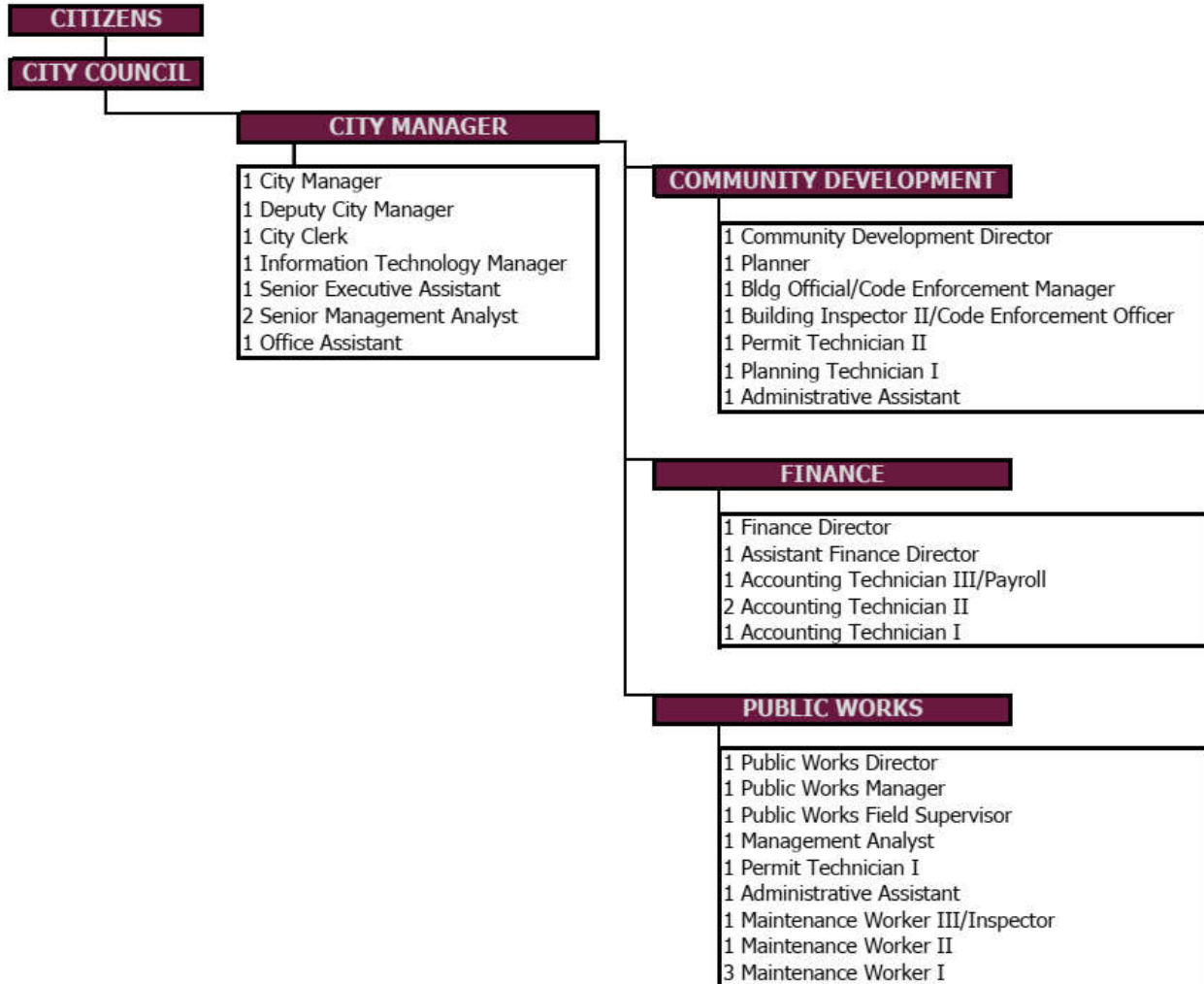
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**City of Indian Wells**  
**ORGANIZATION CHART**  
 JUNE 30, 2022



CITY OF INDIAN WELLS

**LIST OF PRINCIPAL OFFICIALS**

JUNE 30, 2022

Council – Manager Form of Government

**City Council**

Dana Reed  
Mayor

Donna Griffith  
Mayor Pro Tem

Greg Sanders  
Council Member

Richard Balocco  
Council Member

Robert A. Bernheimer  
Council Member

**City Administration**

Christopher J. Freeland  
City Manager

Kevin McCarthy, Finance Director  
Peter Castro, Deputy City Manager  
Ken Seumalo, Public Works Director  
Jon Berg, Community Development Director



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## **Independent Auditor's Report**

The Honorable Mayor and Members of City Council  
City of Indian Wells, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indian Wells (the "City"), as of and for the year June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Indian Wells' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indian Wells, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

As described further in note 1 to the financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87. Our opinion is not modified with respect to this matter.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

The City's 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 one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, 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, and Budgetary Comparison Schedules for the General Fund and each major special revenue fund and related notes, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Plan Contributions, Schedule of Changes in the Net OPEB Liability and Related Ratios and Schedule of OPEB Contributions* be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The *Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *Introductory Section and Statistical Section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 November 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
November 22, 2022

## Management's Discussion and Analysis

As the management of the City of Indian Wells, we offer readers of the financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2022.

Management's Discussion and Analysis provide readers with a basic overview of the financial results and financial position of the City of Indian Wells. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal found on pages i and the accompanying basic financial statements found on pages 25-26 of the report.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Indian Wells exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$298,896,212 (net position). The unrestricted net position, which represents the amounts available to meet the City's ongoing obligations to citizens and creditors, was \$65,058,768, about 21.8% of the total net position. The City's investment in capital assets is \$192,720,525, and \$41,116,919 is subject to legal restrictions on their use.
- The City of Indian Wells's total net position increased by \$12,828,454 primarily due to financial performance within the tourism economy and the restriction of pension obligations.
- At the close of the current fiscal year, the City of Indian Wells governmental funds reported combined fund balances of \$108,141,609, an increase of \$13,250,494 compared with the prior year. Of this amount, \$16,242,073, or 15.0%, is available for spending at the government's discretion (unassigned fund balance). Of the remaining amount, \$311,735, or 0.3%, of the governmental fund balances are committed for capital projects; \$18,189,180, or 16.8%, constitutes non-spendable reserves; \$39,201,971, or 36.3%, are restricted fund balances because of external limitations on spending. Assigned fund balances total \$34,196,650, or 31.6%, are reserved for long-term capital projects and are internally imposed restrictions placed upon the funds by the Governing Board.
- At the end of the most recent fiscal year, the fund balance in the City's General Fund was \$35,264,303. The fund balance breaks down as follows: non-spendable assets comprise \$17,538,718 in notes and loans, and \$17,725,585 is unassigned.
- Governmental Activities capital assets net of depreciation increased by \$745,876 from \$148,375,228 to \$149,121,104. The City acquired \$5,122,869 in new capital assets, and construction in progress during the fiscal year. Deletions totaled \$387,955, and the depreciation expense reached \$3,989,038.
- The City reported a net pension liability (asset) for its proportionate share of the net pension liability of the Miscellaneous Plan as of June 30, 2022, in the amount of (\$6,449,180). The City's net pension liability for the Miscellaneous Plan is measured as a proportionate share of the net pension liability.

- The City has established a Retiree Healthcare Plan (HC Plan) and participates in an agent multiple employers defined benefit retiree healthcare plan administered by the CalPERS, which acts as a typical investment and administrative agent for its participating member employers. City contracts with the employee associations establish benefit provisions under the HC Plan. In addition, the City participates in the California Employers' Retiree Benefits Fund (CERBT). The City reported a net liability (asset) of (\$2,196,587) as of June 30, 2022.
- The City reported \$582,270 in compensated absences liability as of June 30, 2022. The City reserves the outstanding compensated absences liability in the Employee Leave Accrual Fund.
- As a result of this year's business activities, the Indian Wells Golf Resort collected \$18,592,502 in operating revenues. Revenues from operations include golf fees, food & beverage receipts, and event sales. Operating expenses at the Indian Wells Golf Resort totaled \$18,793,722. This total comprises operations, general and administrative costs, and depreciation. Operations totaled \$16,042,178, general and administrative expenses totaled \$89,569, and depreciation totaled \$2,661,975. Nonoperating revenues (expenses) totaled \$1,155,129 and were broken down as follows: investment income (\$70,543) due to a GASB 31 adjustment, interest expense (\$21,379), and other nonoperating revenue totaling \$1,247,051.
- Capital assets from Business-type Activities net of depreciation decreased by \$311,991 from 47,511,233 to \$47,199,242. In addition, the Indian Wells Golf Resort acquired \$2,435,907 in new capital assets, and construction in progress during the fiscal year. Deletions totaled \$85,923, and the depreciation expense reached \$2,661,975.

## Overview of the Financial Statements

The discussion and analysis provided here are intended to introduce the City of Indian Wells' basic financial statements. The City of Indian Wells' basic financial statements consists of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information to furnish additional detail to support the basic financial statements.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Indian Wells' finances like a private-sector business.

The *statement of net position* presents financial information on all of the City of Indian Wells' assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a valuable indicator of whether the City of Indian Wells' financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City of Indian Wells' net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both Government-wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a sizable portion of their costs through user fees (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Government-wide Financial Statements include the City (known as the primary government) and a legally separate maintenance district for which the City is financially accountable.

The City of Indian Wells Fire Access Maintenance District No. 1, although legally separate, functions as a department of the City and is therefore included as an integral part of the primary government. The government-wide financial statements can be found on pages 25-26 of this report.

**Fund Financial Statements** - A *fund* is a grouping of related accounts used to control resources segregated for specific activities or objectives. The *Fund Financial Statements* provide information about the City's most significant funds (major funds) rather than the City as a whole. Some funds are required by State and Federal law or by bond covenants. Other funds are utilized to control and manage resources intended for particular purposes. The City of Indian Wells, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** - *Governmental funds* account for the same functions reported as *governmental activities* in the Government-wide Financial Statements. However, unlike Government-wide Financial Statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* and *balances of spendable resources* available at the end of the fiscal year. Such information may help evaluate a government's near-term financing requirements.

Because the focus of governmental funds is narrower than the Government-wide Financial Statements, it is helpful 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 may better



understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenses, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenses, and changes in fund balances for the major funds of the government. The City of Indian Wells maintains individual governmental funds, distinguishing between major and non-major funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. Data collected from the governmental funds are combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Indian Wells chooses to report eighteen (18) Landscape and Lighting District funds as the Consolidated LLMD rather than separately reporting each of the funds. The City also combines five (5) Gas Tax funds as the Consolidated Gas Tax Fund for this reporting purpose.

The City adopts a biennial budget. A budgetary comparison schedule is provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds** - *Proprietary funds* report the same functions as *business-type activities* in the Government-wide Financial Statements. *Internal service funds* accumulate and allocate costs internally among various functions. Proprietary funds provide the same information as the Government-wide Financial Statements, only in more detail.

**Fiduciary funds** - The City utilizes *Fiduciary funds* to account for assets held by the City in a trustee capacity or as an agent for other governmental entities, private organizations, or individuals. The City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in net fiduciary position. We exclude these activities from the City's Government-Wide Financial Statements because the City cannot use these assets to finance its operations.

**Notes to the Financial Statements** - The financial statements include the *Notes to the Financial Statements*, which provide essential narrative details about the information contained in the financial statements. Data in the Notes to the Financial Statements are critical to a reader's understanding of the Government-Wide and Fund Financial Statements.

**Required Supplementary Information** - In addition to the required elements of the Basic Financial Statements, we included *Required Supplementary Information*, which provided budgetary information for the General Fund and major special revenue funds and required schedules for pension and other post-employment benefits.

**Combining and individual fund statements and schedules** - Provide combining fund information and budgetary schedules following the required supplementary information.

## Government-Wide Overall Financial Analysis

This analysis focuses on the Statement of Net Position (Table 1) and the Statement of Net Activities (Table 2) of the City's activities. As noted earlier, looking at the changes in net position over time may serve as a valuable indicator of a government's financial position.

### Analysis of the Statement of Net Position

The following table lists a condensed Statement of Net Position for the fiscal years ending June 30, 2022, and 2021.

**Table 1**  
**Statement of Net Position**

	Governmental Activities		Business -Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and restricted assets	\$ 124,381,771	\$ 100,547,446	\$ (3,118,980)	\$ (4,440,187)	\$ 121,262,791	\$ 96,107,259
Capital assets	149,121,104	148,375,228	47,199,242	47,197,377	196,320,346	195,572,605
Total Assets	273,502,875	248,922,674	44,080,262	42,757,190	317,583,137	291,679,864
Deferred Outflows of Resources	8,576,696	1,773,484	224,345	26,319	8,801,041	1,799,803
Current Liabilities	5,395,957	3,738,225	1,242,184	1,142,521	6,638,141	4,880,746
Non-current Liabilities	15,941,599	654,607	447,855	-	16,389,454	654,607
Total Liabilities	21,337,556	4,392,832	1,690,039	1,142,521	23,027,595	5,535,353
Deferred Inflows of Resources	4,387,992	1,823,848	72,379	52,708	4,460,371	1,876,556
Net Position:						
Net investment in capital assets	145,969,138	148,375,228	46,751,387	47,197,377	192,720,525	195,572,605
Restricted						
Community development	4,718,908	4,439,261	-	-	4,718,908	4,439,261
Housing	13,016,874	15,486,485	-	-	13,016,874	15,486,485
Public safety	7,054,610	6,548,304	-	-	7,054,610	6,548,304
Public works	2,317,493	2,793,046	-	-	2,317,493	2,793,046
Pension obligatio	11,369,223	-	338,347	-	11,707,570	-
OPEB obligation	2,301,464	937,402	-	-	2,301,464	937,402
Unrestricted	69,606,313	65,899,752	(4,547,545)	(5,609,097)	65,058,768	60,290,655
Total Net Position	\$ 256,354,023	\$ 244,479,478	\$ 42,542,189	\$ 41,588,280	\$ 298,896,212	\$ 286,067,758

Current and restricted assets increased in governmental activities by \$25,155,532 from the prior year. Capital assets increased by \$747,741 from the previous year. Total liabilities in governmental activities increased by \$17,492,242 in the prior year primarily due to the insurance of revenue bonds and outstanding accounts payable.

The City's assets exceeded liabilities by \$298,896,212 at the close of the most recent fiscal year. Of the total net position, the City's net investment in capital assets is \$192,720,525, and \$65,058,768 represents the unrestricted net position available for meeting the City's ongoing obligations to citizens and creditors. The City restricted \$41,116,919 based on the expected use. These restricted resources can be used only for those purposes specified by their providers, such as grantors, bondholders, or higher levels of government. It is important to note that external parties constrain these resources.

## Analysis of the Statement of Activities

Table 2 below lists a condensed Statement of Activities for the fiscal years ending June 30, 2022, and 2021.

**Table 2**  
**Statement of Activities**

	Governmental Activities		Business -Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 2,237,538	\$ 1,358,380	\$ 16,202,430	\$ 11,178,205	\$ 18,439,968	\$ 12,536,585
Operating contributions and grants	11,435,024	9,056,477	-	-	11,435,024	9,056,477
Capital contributions and grants	954,966	119,842	-	-	954,966	119,842
General Revenues:						
Taxes						
Property taxes	3,721,408	3,554,123	-	-	3,721,408	3,554,123
Transient occupancy	10,987,345	4,622,778	-	-	10,987,345	4,622,778
Sales taxes	1,539,776	656,060	-	-	1,539,776	656,060
Franchise taxes	1,108,065	993,257	-	-	1,108,065	993,257
Business licenses taxes	128,865	122,955	-	-	128,865	122,955
Admission taxes	4,859,434	116,614	-	-	4,859,434	116,614
Investment income	(1,192,487)	2,479,381	(70,543)	(2,222)	(1,263,030)	2,477,159
Gain on sale of capital assets	404,376	-	-	-	404,376	-
Other	550,703	744,391	1,247,051	-	1,797,754	744,391
<b>Total Revenues</b>	<b>36,735,013</b>	<b>23,824,258</b>	<b>17,378,938</b>	<b>11,175,983</b>	<b>54,113,951</b>	<b>35,000,241</b>
Expenses:						
General government	2,804,408	16,765,605	-	-	2,804,408	16,765,605
Public safety	9,003,835	9,448,083	-	-	9,003,835	9,448,083
Community development	5,479,125	4,918,929	-	-	5,479,125	4,918,929
Public works	4,719,058	7,956,690	-	-	4,719,058	7,956,690
Interest	463,970	-	-	-	463,970	-
Golf resort	-	-	18,815,101	13,451,868	18,815,101	13,451,868
<b>Total Expenses</b>	<b>22,470,396</b>	<b>39,089,307</b>	<b>18,815,101</b>	<b>13,451,868</b>	<b>41,285,497</b>	<b>52,541,175</b>
Increase (decrease) in net position before transfers	14,264,617	(15,265,049)	(1,436,163)	(2,275,885)	12,828,454	(17,540,934)
Transfers	(2,390,072)	-	2,390,072	-	-	-
Increase (decrease) in net position	11,874,545	(15,265,049)	953,909	(2,275,885)	12,828,454	(17,540,934)
Net Position, Beginning of Year	244,479,478	259,744,527	41,588,280	43,864,165	286,067,758	303,608,692
Net Position, End of Year	\$ 256,354,023	\$ 244,479,478	\$ 42,542,189	\$ 41,588,280	\$ 298,896,212	\$ 286,067,758

### Revenues:

#### Governmental Activities

The City collected \$36,735,013 during the fiscal year 2021/22 compared to \$23,824,258 the previous year. The increase in revenue is primarily due to the following:

- Strong property tax growth.
- Resurgence in the tourism economy since the coronavirus shutdown.
- Reopening of the BNP Paribas tennis tournament.

#### Business Type Activities

The Golf Resort collected \$17,378,938 during the fiscal year 2021/22 compared to \$11,175,983 the previous year. The increase in revenue is primarily due to the following:

- Resurgence in the tourism economy since the coronavirus shutdown.
- Resuming onsite food and beverage operations.
- Increased demand for golf rounds.

Expenses:

Governmental Activities

- Expenses for all governmental activities totaled \$22,470,396. Operational cost increases were essentially inflationary and, in many cases, were offset by management savings opportunities acquired during the pandemic.

Business Type Activities

- Indian Wells Golf Resort's operating costs totaled \$18,815,101, including operations costs of \$16,042,178, general and administrative expenses of \$89,569, interest expenses of \$21,379, and \$2,661,975 in depreciation expenses.

**Financial Analysis of Governmental Funds**

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information helps assess the City's financing requirements. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$108,141,609 as follows:

**Table 3**  
**Fund Balances by Category**  
**Fiscal Year Ending 6/30/2022**

	General Fund	All Other Funds	Total Funds
Nonspendable:			
Prepaid costs	\$ 41,691	\$ -	\$ 41,691
Notes and loans	17,497,027	650,462	18,147,489
Restricted for:			
Community development	-	17,735,782	17,735,782
Public safety	-	7,054,610	7,054,610
Public works	-	2,317,493	2,317,493
Deby service	-	12,094,086	12,094,086
Committed for:			
Capital projects	-	311,735	311,735
Assigned To:			
Capital projects	-	34,196,650	34,196,650
Unassigned:	17,725,585	(1,483,512)	16,242,073
Total Fund Balances	<u>\$ 35,264,303</u>	<u>\$ 72,877,306</u>	<u>\$ 108,141,609</u>

Governmental fund balances ended the year, totaling \$108,141,609. Of this amount, \$18,189,180 constitutes non-spendable reserves; an additional \$39,201,971 are restricted fund balances because of external limitations on spending.

Approximately \$311,735 of the governmental fund balances are committed to capital projects. Assigned fund balances total \$34,196,650 and are reserved for long-term capital projects and replacements. The assigned fund balances are internally imposed limitations placed upon the funds by the Governing Board responsible for adopting the fund budget. The remainder of the fund balance is \$16,242,073 representing unassigned fund balances.

**Business-type activities** The City intends to charge fees to customers to cover all or most of the cost of certain services it provides. The Indian Wells Golf Resort activities are reported in this category.

**Table 4**  
**Business-Type Activities**  
**Fiscal Year Ending 6/30/2022**

	Golf Resort Operations	Total
Operating Revenues:		
Charges for services	\$ 18,592,502	\$ 18,592,502
Total Revenues	18,592,502	18,592,502
Operating Expenses:		
Operations	16,042,178	16,042,178
General and Administration	89,569	89,569
Depreciation	2,661,975	2,661,975
Total Expenditures	18,793,722	18,793,722
Operating Income (loss)	(201,220)	(201,220)
Non-operating Revenues (Expenses)		
Investment Income (loss)	(70,543)	(70,543)
Interest expense	(21,379)	(21,379)
Other nonoperating revenue	1,247,051	1,247,051
Total nonoperating revenues (expenses)	1,155,129	1,155,129
Changes in Net Position	953,909	953,909
Net Position, Beginning of the Year	41,588,280	41,588,280
Net Position at End of Year	\$ 42,542,189	\$ 42,542,189

As a result of this year's business activities, the Indian Wells Golf Resort collected \$18,592,502 in operating revenues. Revenues from operations include golf fees, food & beverage receipts, and event sales.

Operating expenses at the Indian Wells Golf Resort totaled \$18,793,722. This total includes operations, general and administrative costs, and depreciation. Operations totaled \$16,042,178, general and administrative expenses totaled \$89,569, and depreciation totaled \$2,661,975.

Nonoperating revenues (expenses) totaled \$1,155,129 and were broken down as follows: investment income (\$70,543) due to a GASB 31 adjustment, interest expense (\$21,379), and other nonoperating revenue totaling \$1,247,051.

## Analysis of Individual Funds

### The General Fund

The General Fund is the primary operating fund of the City. At the end of the most recent fiscal year, the fund balance in the City's General Fund was \$35,264,303. The fund balance breaks down as follows: non-spendable assets comprise \$17,538,718 in notes and loans, and \$17,725,585 is unassigned.

To measure the General Fund's liquidity, it may be helpful to compare unassigned and total fund balance to total general fund expenditures. For example, the unassigned fund balance represents 102.5% of total general fund expenditures, while the total fund balance represents 203.9%.

**Table 5**  
**General Fund Financial Summary**

	2022	2021	\$ Change	% Change
<b>Revenues:</b>				
Taxes	\$ 21,992,915	\$ 9,779,512	\$ 12,213,403	124.9%
Licenses and permits	917,861	499,644	418,217	83.7%
Intergovernmental	2,173,340	505,900	1,667,440	329.6%
Charges for services	651,014	317,458	333,556	105.1%
Interest income	(697,652)	147,618	(845,270)	-572.6%
Fines and forfeitures	47,687	41,412	6,275	15.2%
Other income	196,358	496,198	(299,840)	-60.4%
<b>Total Revenues</b>	<b>25,281,523</b>	<b>11,787,742</b>	<b>13,493,781</b>	<b>114.5%</b>
<b>Expenditures:</b>				
General government	8,799,054	6,628,933	2,170,121	32.7%
Public safety	4,080,884	3,711,435	369,449	10.0%
Community development	1,622,505	1,400,549	221,956	15.8%
Public works	2,795,477	2,235,399	560,078	25.1%
<b>Total Expenditures</b>	<b>17,297,920</b>	<b>13,976,316</b>	<b>3,321,604</b>	<b>23.8%</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>7,983,603</b>	<b>(2,188,574)</b>	<b>10,172,177</b>	<b>-464.8%</b>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	100.0%
Transfer out	(5,395,273)	-	(5,395,273)	100.0%
<b>Total Transfers</b>	<b>(5,395,273)</b>	<b>-</b>	<b>(5,395,273)</b>	<b>100.0%</b>
<b>Net Change in Fund Balance</b>	<b>\$ 2,588,330</b>	<b>\$ (2,188,574)</b>	<b>\$ 4,776,904</b>	<b>218.3%</b>

Tourism is the primary driver of the City's revenues. Tourism and Golf Resort revenues throughout the fiscal year returned better than predicted. Transient occupancy tax and admissions tax revenue reached historic collections during the year. As a result, General Fund revenues increased by 114.5% during the fiscal year 2021/22 compared to the prior year, primarily due to the expansion of tourism since the shutdown caused by the pandemic.

General Fund expenditures increased by \$3,321,604 (23.8%) during the fiscal year 2021/22 as the City resumed normal operations. See Fund Financial Statements tab pages 27-36.

### The Housing Authority Fund

The Indian Wells Housing Authority was created to promote and encourage affordable housing units' retention, rehabilitation, and development. Affordable housing units are units occupied by households not exceeding the affordable income limits established by the Department of Housing and Urban Development (HUD).

The Housing Authority Fund oversees the City's affordable housing operations. The fund accounts for the general expenditures for affordable housing operations and reports to the State Department of Housing Community Development on community housing projects annually. At the end of the most recent fiscal year, the fund balance of the Housing Authority was \$13,016,874.

**Table 6**  
**Housing Authority Financial Summary**

	2022	2021	\$ Change	% Change
<b>Revenues:</b>				
Interest income	\$ (564,442)	\$ 49,256	\$ (613,698)	-1245.9%
Total Revenues	(564,442)	49,256	(613,698)	-1245.9%
<b>Expenditures:</b>				
General government	1,923,007	916,125	1,006,882	109.9%
Community development	250,000	250,000	-	0.0%
Total Expenditures	2,173,007	1,166,125	1,006,882	86.3%
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	(2,737,449)	(1,116,869)	(1,620,580)	145.1%
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Land	-	3,641,822	(3,641,822)	0.0%
Transfer in	267,838	-	267,838	0.0%
Transfer out	-	-	-	0.0%
Total Transfers	267,838	3,641,822	(3,373,984)	-92.6%
Net Change in Fund Balance	\$ (2,469,611)	\$ 2,524,953	\$ (4,994,564)	-197.8%

Revenues consist of (\$564,442) in interest income earned during the fiscal year 2021/22 due to a GASB 31 adjustment. Expenditures totaling \$2,173,007 during the fiscal year 2021/22 include staff salaries and benefits, professional services such as annual audits and legal counsel, general liability insurance premiums, contributions to non-profit homelessness organizations, and capital maintenance projects. The fiscal year 2021/22 expenditures increased by \$1,006,882 compared to the prior year, primarily due to additional capital infrastructure and maintenance projects. See Fund Financial Statements tab pages 27-36.

## The Emergency Services Upgrade Fund

The Emergency Services Upgrade Fund oversees contractual services for fire suppression, fire prevention, fire investigation, fire safety education, emergency management, and paramedic services. The City of Indian Wells contracts with the Riverside County Fire Department, a subcontract of CALFIRE. At the end of the most recent fiscal year, the fund balance in the Emergency Services Upgrade Fund was \$4,891,059.

**Table 7**  
**Emergency Services Upgrade Financial Summary**

	2022	2021	\$ Change	% Change
<b>Revenues:</b>				
Taxes	\$ 4,217,707	\$ 3,714,412	\$ 503,295	13.5%
Charges for services	603,203	485,118	118,085	24.3%
Interest income	(175,012)	8,098	(183,110)	-2261.2%
Assessments	602,774	609,682	(6,908)	-1.1%
Other income	8,598	1,888	6,710	355.4%
<b>Total Revenues</b>	<b>5,257,270</b>	<b>4,819,198</b>	<b>438,072</b>	<b>9.1%</b>
<b>Expenditures:</b>				
Public safety	4,252,793	4,030,376	222,417	5.5%
Capital Outlay	18,064	490,822	(472,758)	-96.3%
<b>Total Expenditures</b>	<b>4,270,857</b>	<b>4,521,198</b>	<b>(250,341)</b>	<b>-5.5%</b>
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	986,413	298,000	688,413	231.0%
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	0.0%
Transfer out	-	-	-	0.0%
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Net Change in Fund Balance</b>	<b>\$ 986,413</b>	<b>\$ 298,000</b>	<b>\$ 688,413</b>	<b>231.0%</b>

Revenues collected during the fiscal year 2021/22 include a \$4,217,707 fire tax credit (a form of property tax) collected by the County of Riverside on behalf of the City. In addition, charges for services of \$603,203 were collected from the ambulance billing program and a citywide assessment that generates another 602,774 annually. Interest income was (\$175,012) due to a GASB 31 adjustment.

Expenditures totaling \$4,270,857 during the fiscal year 2021/22 include staff salaries and benefits, professional services, contract fire costs, general liability insurance premiums, maintenance projects, and capital outlay. The fiscal year 2021/22 expenditures decreased by \$250,341 compared to the prior year, primarily due to capital acquisitions. See Fund Financial Statements tab pages 27-36.



## The Indian Wells Financing Authority

In February 2022, the Indian Wells Financing Authority issued lease revenue bonds of \$13,930,000 to provide funds to finance public improvements and energy efficiency improvements in the City. The bonds dated February 10, 2022, and issued at a premium of \$1,338,171.35 are payable semiannually on April 1 and October 1 of each year, commencing October 1, 2022, and mature in 2042.

The bonds are payable from base rental payments to be made by the City for the right to use certain real property and improvements of the City pursuant to a Lease Agreement dated February 1, 2022. The balance on June 30, 2022, including the unamortized bond premium of \$1,338,171, amounted to \$15,268,171.

**Table 8**  
**Indian Wells Financing Authority Financial Summary**

	2022	2021	\$ Change	% Change
<b>Revenues:</b>				
Investment income	\$ 10,250	\$ -	\$ 10,250	100.0%
Total Revenues	10,250	-	10,250	100.0%
<b>Expenditures:</b>				
Bond issuance costs	235,117	-	235,117	100.0%
Total Expenditures	235,117	-	235,117	100.0%
<b>Excess (Deficiency) of Revenues</b>				
Over (Under) Expenditures	(224,867)	-	(224,867)	100.0%
<b>Other Financing Sources (Uses)</b>				
Issuance of bonds	13,930,000	-	13,930,000	100.0%
Premium on sale of bonds	1,338,171	-	1,338,171	100.0%
Transfer in	-	-	-	0.0%
Transfer out	(2,949,218)	-	(2,949,218)	100.0%
Total Transfers	12,318,953	-	12,318,953	100.0%
Net Change in Fund Balance	\$ 12,094,086	\$ -	\$ 12,094,086	100.0%

## The Capital Improvements Fund

The Capital Improvement Program is the City's comprehensive multi-year plan for the development of the City's capital facilities and improvements. The plan outlines the expected capital projects over the next five years. Capital projects usually involve high costs, take a year or more to complete, and result in the creation of a capital asset.

A capital improvement project includes the construction, acquisition, expansion, rehabilitation, or non-routine maintenance work that generally costs \$5,000 or more and results in the creation or preservation of a capital asset. The Capital Improvement Program attempts to identify all capital maintenance, facilities, and improvements needed within the next five years. It may include significant equipment purchases such as vehicles, capital-related studies, and master plans. At the end of the most recent fiscal year, the fund balance in the Capital Improvements Fund was \$9,176,269.

**Table 9**  
**Capital Improvements Financial Summary**

	2022	2021	\$ Change	% Change
<b>Revenues:</b>				
Intergovernmental	\$ 233,642	\$ 17,314	\$ 216,328	1249.4%
Investment income	(298,938)	23,758	(322,696)	-1358.3%
Other income	1,013	-	1,013	100.0%
<b>Total Revenues</b>	<b>(64,283)</b>	<b>41,072</b>	<b>(105,355)</b>	<b>-256.5%</b>
<b>Expenditures:</b>				
General government	228,553	237,974	(9,421)	-4.0%
Community development	2,500,000	-	2,500,000	100.0%
Capital outlay	4,133,746	203,144	3,930,602	1934.9%
<b>Total Expenditures</b>	<b>6,862,299</b>	<b>441,118</b>	<b>6,421,181</b>	<b>1455.7%</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>(6,926,582)</b>	<b>(400,046)</b>	<b>(6,526,536)</b>	<b>1631.4%</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	525,000	-	525,000	100.0%
Transfer in	6,939,608	154,080	6,785,528	4403.9%
Transfer out	-	-	-	0.0%
<b>Total Transfers</b>	<b>7,464,608</b>	<b>154,080</b>	<b>7,310,528</b>	<b>4744.6%</b>
<b>Net Change in Fund Balance</b>	<b>\$ 538,026</b>	<b>\$ (245,966)</b>	<b>\$ 783,992</b>	<b>-318.7%</b>

Revenues collected during the fiscal year 2021/22 include \$233,642 in intergovernmental revenues and interest income totaling (\$298,938) due to a GASB 31 adjustment.

Expenditures totaling \$6,862,299 during the fiscal year 2021/22 include \$228,553 in general government costs, \$2,500,000 for Community Development, and \$4,133,746 in new capital investments within the community. See Fund Financial Statements tab pages 27-36.

## City Streets Capital Reserve

City Streets Capital Reserve Fund is part of the City’s good governance replacement plan. The purpose of capital reserves is to provide the funding necessary to construct capital improvement projects within the City. In addition, the capital asset replacement plan establishes annual contribution requirements to fund the long-term capital replacement program.

Contributions to the Capital Reserve program are made in accordance with the City’s Capital Contribution Policy and fund future infrastructure projects, streets, bridges, and City facilities. Financial reserves are an effective tool to support municipal asset management planning, as they allow funds to be set aside to manage assets throughout their lifecycle. As a general budget principle concerning the use of reserves, the City Council decides whether to appropriate funds from Reserve accounts.

**Table 10**  
**City Streets Capital Reserve Financial Summary**

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues:</b>				
Investment income	\$ (811,971)	\$ 49,330	\$ (861,301)	-1746.0%
Total Revenues	(811,971)	49,330	(861,301)	-1746.0%
<b>Expenditures:</b>				
Public Works	-	-	-	0.0%
Total Expenditures	-	-	-	0.0%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(811,971)	49,330	(861,301)	-1746.0%
<b>Other Financing Sources (Uses)</b>				
Transfer in	820,000	-	820,000	100.0%
Transfer out	-	-	-	0.0%
Total Transfers	820,000	-	820,000	100.0%
Net Change in Fund Balance	\$ 8,029	\$ 49,330	\$ (41,301)	-83.7%

The City Streets Capital Reserve is funded through interest income and transfers. When capital funding is needed, the City Council approves the transfer of funds from the capital replacement funds to the capital improvement fund.

The City Council may approve this transfer as a part of the annual budget cycle or as a transfer for a specific capital improvement. Before such approval, the City shall present applicable financial information regarding the capital replacement funds, including beginning fund balances, anticipated revenues, and the anticipated ending fund balance after the proposed funds' transfer. See Fund Financial Statements tab pages 27-36.

## General Fund Budgetary Highlights

Actual revenues received in the General Fund were \$6,078,776 higher than budgeted, primarily attributed to the following:

- Strong property tax growth.
- Resurgence in the tourism economy since the coronavirus shutdown.
- Reopening of the BNP Paribas tennis tournament.

The final budget for General Fund expenditures was \$754,602 less than the original budget due to the following:

- Maintained lessons learned during COVID spending reductions and implemented many management savings opportunities during the fiscal year 2021-22.

## Government Activities

Table 11 presents the cost of each of the City's five most extensive programs: general government, community development, public safety, public works, and golf resort—and each program's *net* cost (total cost less revenues generated by the activities).

The net cost of services indicates that the overall cost of government is greater than the revenues generated to support it from fees and user charges. This suggests that the taxes and general revenues charged by the City are necessary to support its operations.

**Table 11**  
**Net Cost of Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
<b>Government Activities</b>				
General government	\$ 2,804,408	\$ 16,765,605	\$ (1,997,180)	\$ (16,200,979)
Public safety	9,003,835	9,448,083	(883,494)	(3,320,127)
Community development	5,479,125	4,918,929	(3,910,250)	(4,101,827)
Public works	4,719,058	7,956,690	(587,974)	(4,931,675)
Interest	463,970	-	(463,970)	-
<b>Total Governmental Activities</b>	<b>22,470,396</b>	<b>39,089,307</b>	<b>(7,842,868)</b>	<b>(28,554,608)</b>
<b>Business-Type Activities</b>				
Golf resort	18,815,101	13,451,868	(2,612,671)	(2,273,663)
Other	-	-	-	-
<b>Total Business-Type Activates</b>	<b>18,815,101</b>	<b>13,451,868</b>	<b>(2,612,671)</b>	<b>(2,273,663)</b>
<b>Total Primary Government</b>	<b>\$ 41,285,497</b>	<b>\$ 52,541,175</b>	<b>\$ (10,455,539)</b>	<b>\$ (30,828,271)</b>

See the Statement of Activities on page 26 for further detail.

## Capital Assets

The Statement of Net Position includes such infrastructure assets as City-maintained buildings, bridges, streets, storm drains, equipment, traffic signals, and vehicles. Infrastructure assets, except land, are depreciated to reflect a net infrastructure amount.

### Government Activities

**Table 12**  
**Summary of Changes in Capital Assets**  
**Governmental Activities**

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 32,338,987	\$ 1,071,025	\$ (120,624)	\$ 33,289,388
Construction in progress	216,641	3,265,402	(214,021)	3,268,022
Total capital assets not being depreciated	<u>32,555,628</u>	<u>4,336,427</u>	<u>(334,645)</u>	<u>36,557,410</u>
Capital assets, being depreciated:				
Intangible	2,500,000	-	-	2,500,000
Buildings and improvements	67,624,510	10,798	(29,930)	67,605,378
Equipment	1,955,835	228,249	-	2,184,084
Infrastructure	114,181,458	547,395	(23,380)	114,705,473
Total capital assets being depreciated	<u>186,261,803</u>	<u>786,442</u>	<u>(53,310)</u>	<u>186,994,935</u>
Less accumulated depreciation for:				
Intangible	(2,125,000)	(250,000)	-	(2,375,000)
Buildings and improvements	(29,619,604)	(1,597,121)	-	(31,216,725)
Equipment	(1,605,957)	(127,948)	-	(1,733,905)
Infrastructure	(37,091,642)	(2,013,969)	-	(39,105,611)
Total accumulated depreciation	<u>(70,442,203)</u>	<u>(3,989,038)</u>	<u>-</u>	<u>(74,431,241)</u>
Total capital assets being depreciated, net	<u>115,819,600</u>	<u>(3,202,596)</u>	<u>(53,310)</u>	<u>112,563,694</u>
Total capital assets, net	<u>\$ 148,375,228</u>	<u>\$ 1,133,831</u>	<u>\$ (387,955)</u>	<u>\$ 149,121,104</u>

Governmental Activities capital assets net of depreciation increased by \$745,876 from \$148,375,228 to \$149,121,104. The City acquired \$5,122,869 in new capital assets, and construction in progress during the fiscal year. Deletions totaled \$387,955, and the depreciation expense reached \$3,989,038. Details of the City's capital assets can be found in Note 7 Capital Assets on pages 55-57 of the Notes to Basic Financial Statements.

Business-Type Activities

**Table 13**  
**Summary of Changes in Capital Assets**  
**Business-Type Activities**

	Balance at * July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 13,910,956	\$ -	\$ -	\$ 13,910,956
Construction in progress	85,923	121,421	(85,923)	121,421
Total capital assets not being depreciated	<u>13,996,879</u>	<u>121,421</u>	<u>(85,923)</u>	<u>14,032,377</u>
Capital assets, being depreciated:				
Buildings and improvements	85,109,488	169,690	-	85,279,178
Equipment	5,702,193	1,828,985	-	7,531,178
Infrastructure	433,390	-	-	433,390
Right to use asset	313,856	315,811	(84,642)	545,025
Total capital assets being depreciated	<u>91,558,927</u>	<u>2,314,486</u>	<u>(84,642)</u>	<u>93,788,771</u>
Less accumulated depreciation for:				
Buildings and improvements	(52,823,976)	(1,857,891)		(54,681,867)
Equipment	(5,112,251)	(603,870)		(5,716,121)
Infrastructure	(108,346)	(7,223)		(115,569)
Right to use asset	-	(192,991)	84,642	(108,349)
Total accumulated depreciation	<u>(58,044,573)</u>	<u>(2,661,975)</u>	<u>84,642</u>	<u>(60,621,906)</u>
Total capital assets being depreciated, net	<u>33,514,354</u>	<u>(347,489)</u>	<u>-</u>	<u>33,166,865</u>
Total capital assets, net	<u>\$ 47,511,233</u>	<u>\$ (226,068)</u>	<u>\$ (85,923)</u>	<u>\$ 47,199,242</u>

*\*Beginning balances have been restated to reflect the implementation of GASB Statement No. 87.*

Capital assets from Business-type Activities net of depreciation decreased by \$311,991 from 47,511,233 to \$47,199,242. In addition, the Indian Wells Golf Resort acquired \$2,435,907 in new capital assets, and construction in progress during the fiscal year. Deletions totaled \$85,923, and the depreciation expense reached \$2,661,975. Details of the City's capital assets can be found in Note 7 Capital Assets on pages 55-57 of the Notes to Basic Financial Statements.

## Long-term Liabilities

At year-end, the City's governmental activities had \$6,314,358 in long-term liabilities.

**Table 14**  
**Summary of Changes in Long-Term Liabilities**

Description	2022	2021	\$ Change	% Change
Compensated absences	582,270	623,835	(41,565)	-6.7%
2022 Lease Revenue Bonds	13,930,000	-	13,930,000	100.0%
Lease Payables	447,855	-	447,855	100.0%
Net Pension Liability (asset)	(6,449,180)	(781,863)	(5,667,317)	724.8%
Net OPEB Liability (asset)	(2,196,587)	30,772	(2,227,359)	-7238.3%
Total Long Term Debt	<u>6,314,358</u>	<u>(127,256)</u>	<u>6,441,614</u>	<u>-5061.9%</u>

The City reported \$582,270 in compensated absences liability as of June 30, 2022. The City reserves the outstanding compensated absences liability in the Employee Leave Accrual Fund. The long-term strategy of the Employee Leave Accrual Fund is to set aside cash reserves in case of separation. Several types of paid leave accrue to full-time employees, including vacation, holiday, administrative, sick, and compensatory time accruals. In addition, the number of leave employees is eligible to accrue governed by Memorandum of Understanding (MOUs), personnel contracts, and Personnel Rules and Regulations.

The Indian Wells Financing Authority issued lease revenue bonds of \$13,930,000 to provide funds to finance public improvements and energy efficiency improvements in the City.

The City reported a net pension liability (asset) for its proportionate share of the net pension liability of the Miscellaneous Plan as of June 30, 2022, in the amount of (\$6,449,180). The City's net pension liability for the Miscellaneous Plan is measured as a proportionate share of the net pension liability.

The City's proportion of the net pension liability (asset) 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. Accordingly, the City's proportionate share of the net pension liability for the Miscellaneous Plan as of June 30, 2020, and 2021 was as follows:

Proportion - June 30, 2020	-0.01854%
Proportion - June 30, 2021	<u>-0.33964%</u>
Change - Increase/(Decrease)	-0.32110%

The City has established a Retiree Healthcare Plan (HC Plan) and participates in an agent multiple employers defined benefit retiree healthcare plan administered by the CalPERS, which acts as a typical investment and administrative agent for its participating member employers. City contracts with the employee associations establish benefit provisions under the HC Plan. In addition, the City participates in the California Employers' Retiree Benefits Fund (CERBT). The City reported a net liability (asset) of (\$2,196,587) as of June 30, 2022.

Details of the City's outstanding debt can be found in Note 8, Long-Term Liabilities, Note 9, Defined Benefit Pension Plan, and Note 12, Other Post Employment Benefit Plan of the Notes to Basic Financial Statements.

## **Economic Factors and Next Year's Budgets and Rates**

Many economic prognosticators have clarified where they stand on inflation and the Federal Reserve policy response: the economy and markets will worsen before they get better. As a result, financial Analysts cite Federal Reserve policy as the most significant risk factor. As a result, growth prospects for the U.S. economy and the global economy have dimmed, and the economy could be headed for a second consecutive quarter of negative growth, which meets a classic definition of recession.

Some early tourism reports indicate that economic concerns have replaced health as the main concern for summer and fall travel. Financial troubles have some staying home, but those who plan to travel are prepared to increase their budgets. Nearly three in ten travelers plan to spend more than they did in 2019, and high airfares and room rates are the number one reason why.

During the first quarter of 2022, the national GDP shrank by 1.6%, followed by another 0.6% decrease during the second quarter. Two consecutive quarters of negative growth raise fear in people that the country is in a recession – adequately defined by the National Bureau of Economic Research (NBER) as a period of “significant decline in economic activity that is spread across the economy and lasts more than a few months.” To make matters worse, the unemployment rate went up by 0.2 percentage points in August, from 3.5% to 3.7%. However, to clarify, two-quarters of negative growth does not automatically result in the period being classified as a recession.

Why Indian Wells cares about the national economy: Tourism significantly impacts the Leisure and Hospitality industries of the Coachella Valley; when the economy is in a recession, people travel less. COVID-19 played havoc with that industry and resulted in the downturn being more severe for the Coachella Valley area than elsewhere. While international tourism has yet to return to pre-pandemic levels in Southern California and the Coachella Valley, much of it has been compensated for by Southern Californians traveling to the area even during unpleasantly hot months. Falling into a new recession will significantly cut tourism from the rest of the U.S. and California.

The U.S. economy shows some symptoms of an upcoming illness. While some of the popular indicators, such as the consumer sentiment index, housing starts, and manufacturing employment, currently point towards a possible recession, their effect is outweighed by the signal from the interest rate spread of the 10-Year Government Bond staying above the 3-Month Treasury Bill (as of early September 2022). This means that the yield curve has not yet been inverted. Only when this happens, do many economists believe that a recession is imminent (will occur within the next 12 months). The GDPNow estimate of the Federal Reserve Bank of Atlanta suggests a positive 2.6% GDP growth rate for the third quarter.

Like the nation, the California unemployment rate has recovered to its pre-pandemic level. In July, the unemployment rate stood at 3.9%, while the February 2020 number was 4.1%. Although the current rate is the lowest on record, the situation could be more favorable for California.

The change in the unemployment rate is roughly the difference between the growth of the labor force and employment growth. The unemployment rate would shrink if employment grew faster than the labor force. However, a decline in employment and the labor force is consistent with the constant unemployment rate. Labor and employment in California have yet to reach pre-pandemic levels. Thus, a lower unemployment rate results from fewer people employed and a shrinking labor force even bigger. California's labor force has not recovered to pre-pandemic size and is still short by almost 210,000 workers (seasonally adjusted data).



Despite the bad news of California, our local region, the Inland Empire, has been doing remarkably well with a record low unemployment rate and complete recovery in employment and labor force. This recovery is mainly due to the boom in the Logistics sector (Wholesale Trade, Transportation, and Warehousing) during the pandemic and the trend shift to e-commerce. However, the sector hit the hardest in the pandemic – Leisure and Hospitality – is still short by 155,000 jobs compared to pre-pandemic.

The Coachella Valley was affected particularly harshly by the COVID-19 recession of early 2020. For the nation and the state, the following five sectors bore the brunt of the employment collapse:

- Leisure and Hospitality
- Other Services
- Retail Trade
- Health and Education
- Professional Business Services

Restaurants and hotels had to be shut down (Leisure and Hospitality); spas and beauty Salons (Other Services) had to operate under severe restrictions, if at all; tourists stayed away for a long time and did not purchase non-necessities (Retail Trade); hospitals and doctors initially suffered more than you would have expected (Health and Education) given that COVID-19 was a virus that required medical attention. The fifth sector (Professional Business Services) listed above is less relevant for the Coachella Valley, given its share of total employment.

### **Request for Information**

This financial report is designed to provide a general overview of the City of Indian Wells' finances for those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kevin McCarthy, City Finance Director, 44-950 Eldorado Drive, Indian Wells, California 92210.

City of Indian Wells, California  
Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 75,635,742	\$ 1,774,370	\$ 77,410,112
Restricted cash and investments	13,116,683	-	13,116,683
Receivables			
Accounts	3,573,780	86,504	3,660,284
Accrued interest	108,102	2,376	110,478
Prepaid costs	41,691	106,586	148,277
Inventories	-	561,588	561,588
Internal balances	5,836,785	(5,836,785)	-
Notes receivable	1,209,602	-	1,209,602
Due from Successor Agency	16,400,000	-	16,400,000
Net pension asset	6,262,799	186,381	6,449,180
Net OPEB asset	2,196,587	-	2,196,587
Capital assets not being depreciated	36,557,410	14,032,377	50,589,787
Capital assets, net of depreciation	112,563,694	33,166,865	145,730,559
Total assets	<u>273,502,875</u>	<u>44,080,262</u>	<u>317,583,137</u>
<b>Deferred Outflows of Resources</b>			
Deferred amounts related to pensions	7,538,487	224,345	7,762,832
Deferred amounts related to OPEB	1,038,209	-	1,038,209
Total deferred outflows of resources	<u>8,576,696</u>	<u>224,345</u>	<u>8,801,041</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	3,962,446	501,321	4,463,767
Accrued liabilities	145,836	432,421	578,257
Deposits payable	1,036,703	308,442	1,345,145
Interest payable	250,972	-	250,972
<b>Noncurrent liabilities</b>			
<b>Due within one year</b>			
Compensated absences	117,654	-	117,654
Long-term debt	446,356	128,216	574,572
<b>Due in more than one year</b>			
Compensated absences	577,893	-	577,893
Long-term debt	14,799,696	319,639	15,119,335
Total liabilities	<u>21,337,556</u>	<u>1,690,039</u>	<u>23,027,595</u>
<b>Deferred Inflows of Resources</b>			
Deferred amounts related to pensions	2,432,063	72,379	2,504,442
Deferred amounts related to OPEB	1,955,929	-	1,955,929
Total deferred inflows of resources	<u>4,387,992</u>	<u>72,379</u>	<u>4,460,371</u>
<b>Net Position</b>			
Net investment in capital assets	145,969,138	46,751,387	192,720,525
Restricted for			
Community development projects	4,718,908	-	4,718,908
Housing	13,016,874	-	13,016,874
Public safety	7,054,610	-	7,054,610
Public works	2,317,493	-	2,317,493
Pension obligations	11,369,223	338,347	11,707,570
OPEB obligations	2,301,464	-	2,301,464
Unrestricted	69,606,313	(4,547,545)	65,058,768
Total Net Position	<u>\$ 256,354,023</u>	<u>\$ 42,542,189</u>	<u>\$ 298,896,212</u>

City of Indian Wells, California

Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Government Activities</b>							
General government	\$ 2,804,408	\$ 47,687	\$ 759,541	\$ -	\$ (1,997,180)	\$ -	\$ (1,997,180)
Public safety	9,003,835	603,773	7,516,568	-	(883,494)	-	(883,494)
Community development	5,479,125	1,568,875	-	-	(3,910,250)	-	(3,910,250)
Public works	4,719,058	17,203	3,158,915	954,966	(587,974)	-	(587,974)
Interest	463,970	-	-	-	(463,970)	-	(463,970)
Total governmental activities	<u>22,470,396</u>	<u>2,237,538</u>	<u>11,435,024</u>	<u>954,966</u>	<u>(7,842,868)</u>	<u>-</u>	<u>(7,842,868)</u>
<b>Business-type Activities</b>							
Golf resort operations	18,815,101	16,202,430	-	-	-	(2,612,671)	(2,612,671)
Total business-type activities	<u>18,815,101</u>	<u>16,202,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,612,671)</u>	<u>(2,612,671)</u>
<b>Total Primary Government</b>	<u>\$ 41,285,497</u>	<u>\$ 18,439,968</u>	<u>\$ 11,435,024</u>	<u>\$ 954,966</u>	<u>(7,842,868)</u>	<u>(2,612,671)</u>	<u>(10,455,539)</u>
<b>General Revenues</b>							
<b>Taxes</b>							
Property taxes, levied for general purpose					3,721,408	-	3,721,408
Transient occupancy taxes					10,987,345	-	10,987,345
Sales taxes					1,539,776	-	1,539,776
Franchise taxes					1,108,065	-	1,108,065
Business licenses taxes					128,865	-	128,865
Admission taxes					4,859,434	-	4,859,434
Investment income (loss)					(1,192,487)	(70,543)	(1,263,030)
Gain on sale of capital assets					404,376	-	404,376
Other					550,703	1,247,051	1,797,754
Total general revenues					22,107,485	1,176,508	23,283,993
Transfers					(2,390,072)	2,390,072	-
Change in Net Position					11,874,545	953,909	12,828,454
Net Position, Beginning of Year					244,479,478	41,588,280	286,067,758
Net Position, End of Year					<u>\$ 256,354,023</u>	<u>\$ 42,542,189</u>	<u>\$ 298,896,212</u>

City of Indian Wells, California

Balance Sheet - Governmental Funds

Year Ended June 30, 2022

	Special Revenue Funds			Debt Service	Capital Projects Funds		Nonmajor Governmental Funds	Total Governmental Funds
	General	Housing Authority	Emergency Services Upgrade	Indian Wells Financing Authority	Capital Improvements	City Streets Capital Reserve		
<b>Assets</b>								
Cash and investments	\$ 12,086,056	\$ 13,533,242	\$ 3,929,844	\$ -	\$ 8,773,144	\$ 18,840,062	\$ 16,862,183	\$ 74,024,531
Restricted cash and investments	-	-	-	12,094,086	-	-	-	12,094,086
Receivables								
Accounts	1,887,301	-	1,500,082	-	12,315	-	172,357	3,572,055
Accrued interest	21,177	19,776	5,856	-	9,460	28,083	22,883	107,235
Prepaid costs	41,691	-	-	-	-	-	-	41,691
Due from other funds	7,105,990	-	-	-	537,887	-	-	7,643,877
Notes receivable	1,097,027	-	-	-	112,575	-	-	1,209,602
Due from Successor Agency	16,400,000	-	-	-	-	-	-	16,400,000
<b>Total assets</b>	<b>\$ 38,639,242</b>	<b>\$ 13,553,018</b>	<b>\$ 5,435,782</b>	<b>\$ 12,094,086</b>	<b>\$ 9,445,381</b>	<b>\$ 18,868,145</b>	<b>\$ 17,057,423</b>	<b>\$ 115,093,077</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 2,051,439	\$ 514,229	\$ 533,560	\$ -	\$ 244,578	\$ -	\$ 618,031	\$ 3,961,837
Accrued liabilities	114,474	21,740	6,463	-	-	-	3,159	145,836
Deposits payable	885,446	175	4,700	-	24,534	-	121,848	1,036,703
Due to other funds	323,580	-	-	-	-	-	1,483,512	1,807,092
<b>Total liabilities</b>	<b>3,374,939</b>	<b>536,144</b>	<b>544,723</b>	<b>-</b>	<b>269,112</b>	<b>-</b>	<b>2,226,550</b>	<b>6,951,468</b>
<b>Fund Balances</b>								
<b>Nonspendable</b>								
Prepaid costs	\$ 41,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	41,691
Notes and loans	17,497,027	-	-	-	650,462	-	-	18,147,489
<b>Restricted for</b>								
Community development	-	13,016,874	-	-	-	-	4,718,908	17,735,782
Public safety	-	-	4,891,059	-	-	-	2,163,551	7,054,610
Public works	-	-	-	-	-	-	2,317,493	2,317,493
Debt service	-	-	-	12,094,086	-	-	-	12,094,086
<b>Committed to</b>								
Capital projects	-	-	-	-	-	-	311,735	311,735
<b>Assigned</b>								
Capital projects	-	-	-	-	8,525,807	18,868,145	6,802,698	34,196,650
Unassigned	17,725,585	-	-	-	-	-	(1,483,512)	16,242,073
<b>Total fund balances</b>	<b>35,264,303</b>	<b>13,016,874</b>	<b>4,891,059</b>	<b>12,094,086</b>	<b>9,176,269</b>	<b>18,868,145</b>	<b>14,830,873</b>	<b>108,141,609</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 38,639,242</b>	<b>\$ 13,553,018</b>	<b>\$ 5,435,782</b>	<b>\$ 12,094,086</b>	<b>\$ 9,445,381</b>	<b>\$ 18,868,145</b>	<b>\$ 17,057,423</b>	<b>\$ 115,093,077</b>

City of Indian Wells, California  
 Reconciliation of the Statement of Net Position - Governmental Funds  
 June 30, 2022

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

Total fund balances - total governmental funds	\$	108,141,609
Capital assets net of related accumulated depreciation have not been included as financial resources in governmental fund activity.		149,121,104
Compensated absences are not considered due and payable and therefore have not been included in the governmental funds.		(695,547)
Long-term debt is not considered due and payable and therefore has not been included in the governmental funds.		(15,246,052)
Interest payable is not considered due and payable and therefore has not been included in the governmental funds.		(250,972)
Deferred outflows related to pensions		7,538,487
Deferred inflows related to pensions		(2,432,063)
Proportionate share of net pension asset is not a financial resource and, therefore, has not been included in governmental fund activity.		6,262,799
Internal service funds are used by management to charge the costs of certain activities, such as employee benefits, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities of the statement of net position.		<u>3,914,658</u>
Net Position of Governmental Activities	\$	<u><u>256,354,023</u></u>

City of Indian Wells, California

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2022

	Special Revenue Funds			Debt Service	Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
	General	Housing Authority	Emergency Services Upgrade	Indian Wells Financing Authority	Capital Improvements	City Streets Capital Reserve		
<b>Revenues</b>								
Taxes	\$ 21,992,915	\$ -	\$ 4,217,707	\$ -	\$ -	\$ -	\$ 351,978	\$ 26,562,600
Licenses and permits	917,861	-	-	-	-	-	570	918,431
Intergovernmental	2,173,340	-	-	-	233,642	-	1,266,668	3,673,650
Charges for services	651,014	-	603,203	-	-	-	-	1,254,217
Investment income (loss)	(697,652)	(564,442)	(175,012)	10,250	(298,938)	(811,971)	(662,433)	(3,200,198)
Fines and forfeitures	47,687	-	-	-	-	-	17,203	64,890
Rental income	-	-	-	-	-	-	2,137,105	2,137,105
Assessments	-	-	602,774	-	-	-	3,625,978	4,228,752
Developer fees	-	-	-	-	-	-	608,782	608,782
Other income	196,358	-	8,598	-	1,013	-	5,833	211,802
<b>Total revenues</b>	<b>25,281,523</b>	<b>(564,442)</b>	<b>5,257,270</b>	<b>10,250</b>	<b>(64,283)</b>	<b>(811,971)</b>	<b>7,351,684</b>	<b>36,460,031</b>
<b>Expenditures</b>								
<b>Current</b>								
General government	8,799,054	1,923,007	-	-	228,553	-	1,073,726	12,024,340
Public safety	4,080,884	-	4,252,793	-	-	-	1,488,989	9,822,666
Community development	1,622,505	250,000	-	-	2,500,000	-	1,710,470	6,082,975
Public works	2,795,477	-	-	-	-	-	3,256,653	6,052,130
Bond issuance costs	-	-	-	235,117	-	-	-	235,117
Capital outlay	-	-	18,064	-	4,133,746	-	633,670	4,785,480
<b>Total expenditures</b>	<b>17,297,920</b>	<b>2,173,007</b>	<b>4,270,857</b>	<b>235,117</b>	<b>6,862,299</b>	<b>-</b>	<b>8,163,508</b>	<b>39,002,708</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>7,983,603</b>	<b>(2,737,449)</b>	<b>986,413</b>	<b>(224,867)</b>	<b>(6,926,582)</b>	<b>(811,971)</b>	<b>(811,824)</b>	<b>(2,542,677)</b>
<b>Other Financing Sources (Uses)</b>								
Proceeds from sale of capital assets	-	-	-	-	525,000	-	-	525,000
Issuance of bonds	-	-	-	13,930,000	-	-	-	13,930,000
Premium on sale of bonds	-	-	-	1,338,171	-	-	-	1,338,171
Transfers in	-	267,838	-	-	6,939,608	820,000	881,827	8,909,273
Transfers out	(5,395,273)	-	-	(2,949,218)	-	-	(564,782)	(8,909,273)
<b>Total other financing sources (uses)</b>	<b>(5,395,273)</b>	<b>267,838</b>	<b>-</b>	<b>12,318,953</b>	<b>7,464,608</b>	<b>820,000</b>	<b>317,045</b>	<b>15,793,171</b>
<b>Net Change in Fund Balances</b>	<b>2,588,330</b>	<b>(2,469,611)</b>	<b>986,413</b>	<b>12,094,086</b>	<b>538,026</b>	<b>8,029</b>	<b>(494,779)</b>	<b>13,250,494</b>
<b>Fund Balances, Beginning of Year</b>	<b>32,675,973</b>	<b>15,486,485</b>	<b>3,904,646</b>	<b>-</b>	<b>8,638,243</b>	<b>18,860,116</b>	<b>15,325,652</b>	<b>94,891,115</b>
<b>Fund Balances, End of Year</b>	<b>\$ 35,264,303</b>	<b>\$ 13,016,874</b>	<b>\$ 4,891,059</b>	<b>\$ 12,094,086</b>	<b>\$ 9,176,269</b>	<b>\$ 18,868,145</b>	<b>\$ 14,830,873</b>	<b>\$ 108,141,609</b>

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances to the Statement of  
 Activities - Governmental Funds  
 Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds	\$ 13,250,494
Governmental funds report capital projects (outlays) as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. Adjustments for capital outlay, net of asset deletions, proceeds from the sale of assets, and the net depreciation expense is reported in the governmental activities.	745,876
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(71,712)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.	11,523,076
Issuance of bonds is a revenue in the governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.	
Issuance of bonds	(13,930,000)
Premium on sale of bonds	(1,338,171)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	(228,853)
Internal service funds are used by management to charge the costs of certain activities, such as employee benefits, to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities.	<u>1,923,835</u>
Change in net position of governmental activities	<u><u>\$ 11,874,545</u></u>

City of Indian Wells, California  
Statement of Net Position - Proprietary Funds  
June 30, 2022

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
<b>Assets</b>		
<b>Current Assets</b>		
Cash and investments	\$ 1,774,370	\$ 1,611,211
Restricted cash and investments	-	1,022,597
Receivables		
Accounts	86,504	1,725
Accrued interest	2,376	867
Due from other funds	323,580	-
Prepaid costs	106,586	-
Inventories	561,588	-
<b>Total current assets</b>	<b>2,855,004</b>	<b>2,636,400</b>
<b>Noncurrent Assets</b>		
Net pension asset	186,381	-
Net OPEB asset	-	2,196,587
Capital assets, not being depreciated	14,032,377	-
Capital assets, net of depreciation	33,166,865	-
<b>Total noncurrent assets</b>	<b>47,385,623</b>	<b>2,196,587</b>
<b>Total assets</b>	<b>50,240,627</b>	<b>4,832,987</b>
<b>Deferred Outflows of Resources</b>		
Deferred amounts related to pension	224,345	-
Deferred amounts related to OPEB	-	1,038,209
<b>Total deferred outflows of resources</b>	<b>224,345</b>	<b>1,038,209</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	501,321	609
Accrued liabilities	432,421	-
Deposits payable	308,442	-
Due to other funds	6,160,365	-
Leases payable	128,216	-
<b>Total current liabilities</b>	<b>7,530,765</b>	<b>609</b>
<b>Noncurrent Liabilities</b>		
Lease payable, net of current	319,639	-
<b>Total noncurrent liabilities</b>	<b>319,639</b>	<b>-</b>
<b>Total liabilities</b>	<b>7,850,404</b>	<b>609</b>
<b>Deferred Inflows of Resources</b>		
Deferred amounts related to pension	72,379	-
Deferred amounts related to OPEB	-	1,955,929
<b>Total deferred inflows of resources</b>	<b>72,379</b>	<b>1,955,929</b>
<b>Net Position</b>		
Net investment in capital assets	46,751,387	-
Restricted for Pension	338,347	-
Restricted for OPEB	-	2,301,464
Unrestricted	(4,547,545)	1,613,194
<b>Total Net Position</b>	<b>\$ 42,542,189</b>	<b>\$ 3,914,658</b>



City of Indian Wells, California  
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds  
Year Ended 30, 2022

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Operating Revenues		
Charges for services	\$ 18,592,502	\$ -
Interdepartmental charges	-	2,743,830
Total operating revenues	<u>18,592,502</u>	<u>2,743,830</u>
Operating Expenses		
Operations	16,042,178	-
General and administration	89,569	690,601
Depreciation	2,661,975	-
Total operating expenses	<u>18,793,722</u>	<u>690,601</u>
Operating Income (Loss)	<u>(201,220)</u>	<u>2,053,229</u>
Nonoperating Revenues (Expenses)		
Investment income (loss)	(70,543)	(129,394)
Interest expense	(21,379)	-
Other nonoperating revenue	1,247,051	-
Total nonoperating revenues (expenses)	<u>1,155,129</u>	<u>(129,394)</u>
Changes in Net Position	953,909	1,923,835
Net Position, Beginning of Year	<u>41,588,280</u>	<u>1,990,823</u>
Net Position, End of Year	<u>\$ 42,542,189</u>	<u>\$ 3,914,658</u>

City of Indian Wells, California  
Statement of Cash Flows - Proprietary Funds  
Year Ended 30, 2022

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Operating Activities		
Cash received from customers	\$ 18,606,678	\$ -
Cash received from interfund service provided	-	2,362,485
Cash received from others	1,247,051	-
Cash payments to suppliers for goods and services	(15,964,372)	(1,143,180)
Cash payments to employees for services	(431,709)	-
Net Cash used for Operating Activities	<u>3,457,648</u>	<u>1,219,305</u>
Non-Capital Financing Activities		
Cash paid to other funds	(3,110,501)	-
Net Cash from (used for) Noncapital Financing Activities	<u>(3,110,501)</u>	<u>-</u>
Capital and Related Financing Activities		
Purchase of capital assets	(2,349,981)	-
Proceeds from leases payable	315,811	-
Repayment of leases payable	(203,191)	-
Net Cash from Capital and Related Financing Activities	<u>(2,237,361)</u>	<u>-</u>
Investing Activities		
Loss on investments	(72,919)	(129,434)
Net Change in Cash and Cash Equivalents	(1,963,133)	1,089,871
Cash and Cash Equivalents, Beginning of Year	<u>3,737,503</u>	<u>1,543,937</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,774,370</u>	<u>\$ 2,633,808</u>

City of Indian Wells, California  
Statement of Cash Flows - Proprietary Funds  
Year Ended 30, 2022

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (201,220)	\$ 2,053,229
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation	2,661,975	-
Other nonoperating revenue	1,247,051	-
Changes in		
Accounts receivable	14,176	(1,725)
Prepaid costs	357,941	-
Inventory	(379,795)	-
Net OPEB asset and related balances	-	(446,883)
Net pension asset and related balances	(342,140)	-
Accounts payable	(608,691)	(5,696)
Accrued liabilities	427,154	-
Deposits payable	281,197	-
Due to other funds	-	(379,620)
Net Cash from (used for) operating activities	<u>\$ 3,457,648</u>	<u>\$ 1,219,305</u>

City of Indian Wells, California  
Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2022

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	Private-Purpose Trust Fund
	Successor Agency of the Former RDA
<b>Assets</b>	
Cash and investments	\$ 9,477,545
Restricted cash and investments	12
Receivables	
Accrued interest	13,362
Prepaid costs	116,080
Total assets	9,606,999
<b>Deferred Outflows of Resources</b>	
Deferred loss on refunding	236,477
<b>Liabilities</b>	
Interest payable	874,629
Due to City	16,400,000
Long-term liabilities	
Due in one year	6,540,000
Due in more than one year	60,209,777
Total liabilities	84,024,406
<b>Net Position (Deficit)</b>	
Held in trust for other purposes	\$ (74,180,930)

City of Indian Wells, California  
Statement of Changes in Fiduciary Net Position - Fiduciary Funds  
Year Ended June 30, 2022

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	Private-Purpose Trust Fund Successor Agency of the Former RDA
Additions	
Taxes	\$ 8,355,688
Investment income	59,589
Total additions	8,415,277
Deductions	
Administrative expenses	338,900
Interest and fiscal charges	2,099,087
Total deductions	2,437,987
Changes in Net Position	5,977,290
Net Position (Deficit), Beginning of the Year	(80,158,220)
Net Position (Deficit), End of the Year	\$ (74,180,930)

**Note 1 - Significant Accounting Policies****Reporting Entity**

The City of Indian Wells (City) was incorporated during July 1967, under the General Laws of the State of California. Indian Wells became a Charter City in 2003. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, sanitation, public improvements, planning and zoning, parks and recreation, and general administrative services.

Per GASB Statement No. 14, *The Financial Reporting Entity* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, the City (the primary government) has included within its reporting entity, for financial reporting purposes, all component units which meet the requirement described in these statements. GASB Statements No. 14 and No. 61 define financial accountability as follows: The primary government is accountable if the primary government appoints a voting majority of that organization and can impose its will or if there is a potential for the organization to provide specific financial burdens to or impose specific financial obligations on the primary government. A primary government may also be financially accountable for government organizations that are fiscally dependent on the primary government. For example, an organization is fiscally dependent if it cannot adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City. In some instances, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

All of the City's component units are considered to be blended component units. Although legally separate entities, Blended component units are, in substance, part of the City's operations, so data from these units are reported with the primary government. A brief description of each component unit follows:

The City of Indian Wells Fire Access Maintenance District No. 1 (FAMD No. 1) was established in April 1973 to provide for the maintenance of access roads for fire and safety vehicles within the special district referred to as FAMD No. 1. Even though the FAMD No. 1 is a legally separate entity, it is reported as if it were part of the City because the City Council serves as the governing board. The primary government and the component unit have a financial benefit or burden relationship. Therefore, separate financial statements are not prepared for FAMD No. 1.

The Housing Authority (Housing Authority) of the City of Indian Wells was established in February 2012 to assume the housing activities from the former Redevelopment Agency. The activity of the Housing Authority is reported in the Special Revenue Funds. Even though the Housing Authority is a legally separate entity, it is reported as if it were part of the City because the City Council, along with two appointed tenant commissioners, serves as the governing board of the Housing Authority. The primary government and the component unit also have a financial benefit or burden relationship. Therefore, separate financial statements are not prepared for the Housing Authority.

**Note 1 - Significant Accounting Policies (continued)****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 the basic financial statements

**Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). All fiduciary activities are reported only in the fund financial statements.

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). However, general government expenses have not been allocated as indirect expenses to the City's various functions.

Government-wide financial statements are presented using the economic resources measurement focus and the 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. The 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, liabilities, and deferred outflows/inflows of resources resulting from the exchange and exchange-like transactions are recognized when the exchange occurs.

Program revenues include charges for services, special assessments, 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. Internally dedicated resources, taxes, and other items not adequately included in program revenues are reported as general revenues.

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

**Note 1 - Significant Accounting Policies (continued)****Fund Financial Statements:**

The underlying accounting system of the City is organized and operated based on separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows (inflows), 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 how spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds.

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

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period 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 non-exchange transactions are recognized as revenues in the period they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenditures, gains, losses, assets, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33.

The fund financial statements present governmental funds 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 resources) 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 resources. 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 despite their spending measurement focus. However, special reporting treatments indicate that they should not be considered "available spendable resources" since they do not represent current resources.



**Note 1 - Significant Accounting Policies (continued)**

Due to their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Therefore, since they do not affect current resources, long-term amounts are not recognized as governmental fund-type expenditures or liabilities.

Amounts to acquire capital assets are recorded as expenditures in the year that resources were expended rather than as fund assets. Long-term debt proceeds are recorded as other financing sources rather than a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, and then from unrestricted resources.

**Proprietary Funds**

The City's enterprise funds, and internal service funds are proprietary funds. The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The main operating revenues of the enterprise funds and the government's internal service funds are charged to customers for services. Operating expenses for the proprietary funds include the cost of services, administrative fees, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Fiduciary Funds**

The private purpose trust fund is reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, the fiduciary fund is excluded from the government-wide financial statements.

**Fund Classifications**

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. The General Fund accounts for revenue and expenditures traditionally associated with the government but is not legally required or by sound financial management to be accounted for in another fund. The revenues and expenditures are often referred to as discretionary, meaning they can be allocated as directed by the City Council. The fund's primary revenues are transit occupancy, property, and sales tax. Most of the City's administrative and operating costs, such as salaries, benefits, professional consultants, supplies, and charitable contributions, are paid out of the General Fund.

The *Housing Authority Fund* is used to account for the housing activity of the former Redevelopment Agency for the benefit of providing low- and moderate-income housing in Indian Wells. The Indian Wells Housing Authority was created to promote and encourage affordable housing units' retention, rehabilitation, and development. The fund's revenue sources include investment income. Revenues are restricted by government code for funding housing units to benefit low- and moderate-income households.

**Note 1 - Significant Accounting Policies (continued)**

The *Emergency Services Upgrade Fund* is used to accumulate the resources from a special fire tax levied and restricted to enhance fire protection, suppression, fire prevention, fire investigation, fire safety education, and paramedic services.

The *Indian Wells Financing Authority Fund* was created in 2022 to account for the issuance and debt service payments for 2022 Solar and Infrastructure Lease Revenue Bonds.

The *Capital Improvement Fund* is used to account for the transfer of monies from the General Fund for the acquisition and construction of general governmental capital projects.

The *City Streets Capital Reserve Fund* establishes reserve funding for streets throughout the City. Funding allows for various maintenance projects to extend the city roadways' life. In addition, the City follows the Pavement Management Program (PMP) to identify street projects in slurry seal, overlay, and reconstruction.

The City reports the following major enterprise fund:

The *Golf Resort Operations Fund* accounts for the Indian Wells Golf Resort operations. Customer purchases received by the course will be used to support the day-to-day activities of the golf course.

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

The *Proprietary Fund - Internal Service Funds* account for employee benefits activities and services performed for other departments within the City on a cost reimbursement basis.

The *Fiduciary Fund - Private Purpose Trust Fund* is used to account for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

**Cash and Investments**

Investments are reported in the accompanying balance sheet at fair value, except for specific certificates of deposit and investment contracts registered at cost. These investments are not transferable, and they have terms that are not affected by changes in market interest rates. Therefore, investment income includes interest earnings and the net increase (decrease) in the fair value of investments.

The City categorized the fair value measurements for its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City pools cash and investments of all funds, except for amounts held within the Section 115 trust, amounts held by fiscal agents, and amounts held by management companies for the Indian Wells Golf Resort, Indian Wells Villas, and Mountain View Villas. Each fund's share in this pool is displayed as pooled cash and

**Note 1 - Significant Accounting Policies (continued)**

investments in the accompanying financial statements. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**Cash and Cash Equivalents**

For 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. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City.

**Restricted Section 115 Trust Cash and Investments**

All assets in the Section 115 Trust are irrevocably dedicated to funding obligations of the City's pension beneficiaries, other post-employment beneficiaries or costs of administering the Trust. The funds are not considered plan assets of either the pension plan or OPEB plan and are therefore considered restricted assets of the City.

**Capital Assets**

Capital assets, including property, plant, equipment, infrastructure, and intangible assets, are reported in the government-wide financial statements applicable governmental or business-type activities columns. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of over three years. The City has made one exception to this basic rule. All computer and computer-related equipment purchases will not be capitalized. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for constructing or acquiring infrastructure assets are capitalized and reported in the government-wide financial statements.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes routine maintenance and repairs, which are actual amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the acquisition value of the item at the date of its donation.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The ranges of lives used for depreciation purposes for each capital asset class are as follows:

Building and Improvements	10-50 years
Equipment	3-15 years
Infrastructure	5-60 years
Intangible Assets	Depreciated over contractual life
Right to Use Assets	The estimated life of the leased asset or the contract term whichever is shorter

**Note 1 - Significant Accounting Policies (continued)**

Intangible assets are amortized over their contractual useful lives using the straight-line method in government-wide financial statements. Amortization is charged as an expense against operations and accumulated amortization is reported on the respective balance sheet.

**Deferred Outflows/Inflows of Resources**

The City reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net assets the government that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net assets by the government that is applicable to a future period.

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits on the government-wide statement of net position and the proprietary fund's statement of the net position under the full accrual basis of accounting. Refer to Notes 9 and 12 for items identified as deferred inflows and outflows related to pension and other post-employment benefits, respectively, as of June 30.

**Property Taxes**

Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied on July 1, payable in two equal installments due November 1 and February 1, respectively, and delinquent if not paid by December 10 and April 10, respectively. The County of Riverside bills and collects the property taxes and remits them to the City in installments during the year. All material amounts associated with the reporting period are collected soon enough to be considered "available" to finance the expenditures of the reporting period.

The County of Riverside is permitted by State law (Proposition 13) to levy taxes at 1 percent of total market value (at time of purchase). It can increase the assessed values by no more than 2 percent annually. The City receives a share of this basic levy proportionate to what was received from 1976 to 1978.

The City of Indian Wells is one of thirty-nine cities in the State of California categorized as a No/Low property tax city because the City did not have an established property tax rate before Proposition 13. Cities without an established tax rate received the minimum tax rate formula. The rate has increased over time from 1% of the 1% of the assessed valuation to the maximum of 7% of the 1% of the assessed valuation.

After applying the formula, the City receives approximately 4.6% (net) of the property tax. This means that for every \$100 of property tax collected by the County, the City receives \$4.60. Therefore, as a No/Low city, Indian Wells receives only about half the property tax as other cities receive.

**Inventory**

Inventory in the Golf Resort Operations Enterprise Fund is carried at cost using the consumption method on a first-in, first-out basis.

**Note 1 - Significant Accounting Policies (continued)****Prepaid Costs**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the consumption method to record prepaid costs.

**Compensated Absences**

Governmental fund types recognize the vested vacation and compensatory time as an expenditure in the current year to the extent it is paid during the year. Accrued vacation and compensatory time relating to governmental funds is included as a liability in the long-term liabilities as those amounts are payable from future resources.

**Fund Balances**

In the fund financial statements, governmental funds report the following fund balance classifications:

- **Nonspendable** include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted** include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.
- **Committed** include amounts that can only be used for specific purposes according to constraints imposed by formal action of the City's highest authority, the city council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by resolution.
- **Assigned** include amounts constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Manager and Finance Director are authorized to assign amounts to a particular purpose, established by the governing body in Resolution No. 2011-30.
- **Unassigned** classification is to be used when negative residual resources are in excess of what can be appropriately classified as nonspendable, restricted, committed, or assigned in funds outside the General Fund. Within the General Fund, the unassigned classification represents the residual amounts that have not been restricted, committed, or assigned to specific purposes.

A guiding principle of the City is to maintain an unassigned fund balance in the general fund at fiscal year-end of not less than 25 percent of the operating budget. In addition, the City Council intends to limit the use of fund balances in the General Fund to address unanticipated one-time needs.

The City maintains a contingency reserve of \$2,250,000 in the unassigned general fund balance. The purpose of this reserve is to meet unexpected circumstances, such as a General Fund revenue shortfall.

**Note 1 - Significant Accounting Policies (continued)****Net Position and Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The City's policy considers the restricted – net position to have been depleted before the unrestricted – net position is used.

Sometimes the City will fund outlays for a particular purpose from restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. The City's policy is to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of the unrestricted fund balance can be used for the same purpose, the committed fund balance is depleted first, followed by the assigned fund balance. The unassigned fund balance is applied last.

**Use of Estimates**

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Leases**

The Golf Resort Operations Enterprise Fund recognizes a lease payable in the financial statements.

At the commencement of the lease, the City initially measures the lease payable at the present value of payments expected to be paid during the lease term. Subsequently, the lease payable is reduced by the principal portion of lease payments made.

Key estimates and judgments include how the district determines the discount rate it uses to discount the expected lease payments to present value.

- The City used the incremental borrowing rate for leases.
- The lease term includes the noncancellable period of the lease.

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

**Note 1 - Significant Accounting Policies (continued)****Pension**

In government-wide financial statements, the retirement plan (pension) is required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as the City's prior fiscal year-end. Changes in the net pension liability are recorded in the period incurred as pension expense or as deferred inflows of resources or deferred outflows of resources, depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan. They are recorded as a component of pension expenses beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expenses, information about the fiduciary net position of the City's pension plan with CalPERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as CalPERS reports them. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the benefit. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

**Other Post-Employment Benefits (OPEB)**

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) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results pertain to liability and asset information with specific timeframes. Accordingly, for this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**Note 1 - Significant Accounting Policies (continued)**

**New Accounting Pronouncements**

*Effective in Current Year*

- GASB Statement No. 87, Leases, effective for the fiscal year that ends June 30, 2022;

*Effective in Future Years*

The City is evaluating the potential impact of the following issued, but not yet effective, accounting standards.

- GASB Statement No. 91, Conduit Debt Obligations, effective for fiscal years beginning after December 31, 2022;
- GASB Statement No. 92, Omnibus 2020, effective for the fiscal year that ends June 30, 2022;
- GASB Statement No. 93, Replacement of Interbank Offered Rates, effective for the fiscal year that ends June 30, 2022;
- GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, effective for reporting periods beginning after June 30, 2023;
- GASB Statement 96 - “Subscription-Based Information Technology Arrangements”, effective for reporting periods beginning after June 30, 2023;
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, effective for the fiscal year that ends June 30, 2022.
- GASB Statement 99 - “Omnibus 2022”, effective for reporting periods beginning after June 15, 2023;
- GASB Statement 100 - “Accounting Changes and Error Corrections”, effective for reporting periods beginning after June 15, 2023;
- GASB Statement 101 - “Compensated Absences”, effective for reporting periods beginning after December 15, 2023.

**Note 2 - Cash and Investments**

Cash and investments at June 30, 2022, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Activities	Total
Cash and investments	\$ 75,635,742	1,774,370	9,477,545	86,887,657
Restricted assets				
Restricted cash and investments	13,116,683	-	12	13,116,695
	\$ 88,752,425	1,774,370	9,477,557	100,004,352



**Note 2 - Cash and Investments (continued)**

Cash and investments at June 30, 2022, consisted of the following:

Petty cash	\$	2,000
Demand accounts		2,273,960
Investments		<u>97,728,392</u>
Total cash and investments		<u><u>\$ 100,004,352</u></u>

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

The table on the next page identifies the investment types authorized for the City by the California Government Code or the City's investment policy. The table also identifies certain provisions of the California Government Code or the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not manage investments of debt proceeds held by bond trustee that is governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Investment Types	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Bills, Bonds and Notes	5 Years*	70%	N/A
Federal Agency Securities	5 Years*	70%	N/A
Local Agency Bonds	5 Years*	30%	\$ 5,000,000
State of California Obligations	5 Years*	30%	\$ 5,000,000
California Local Agency Obligations	5 Years*	30%	\$ 5,000,000
Money Market Funds	N/A	30%	10% per Single Issue
Certificate of Deposit and Negotiable Certificates of Deposit	5 Years	30%	\$ 250,000 Per Issuer
Repurchase Agreements	30 Days	10%	\$ 2,000,000
Medium-Term Corporate notes	5 Years	30%	\$ 3,000,000
Local Agency Investment Fund (LAIF)	N/A	70%	\$ 30,000,000 per Entity

\* Per the City's Investment Policy, the portfolio shall equal the amount of two years current General Fund operating reserves maturing at no more than five years from the date of the purchase. Once this requirement is met, a maximum of 30% of the total portfolio may be invested in maturities greater than five years, but not exceeding 10 years consisting of those investments listed in Government Code Section 53601 where there is no limitation specified therein regarding the term or remaining maturity of the instrument. Investments greater than 5 years from the date of purchase shall be brought to the City Council for review and approval prior to purchase.

**Note 2 - Cash and Investments (continued)****Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements and the general provisions of the California Government Code, rather than the City's investment policy. Investments authorized for funds held by fiscal agent include U.S. Treasury Obligations, U.S. Government Sponsored Entities Securities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Money Market Mutual Funds, Investment Contracts, and Repurchase Agreements. There are no limitations on the maximum amount that can be invested in one issuer, the maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Banker's Acceptance which are limited to one year.

**Investments Authorized by the City Section 115 Trust**

Trust investments are governed by the City of Indian Wells Section 115 Trust Agreement rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held in the Section 115 Trust include Equity and Fixed Income Mutual Funds. The strategic range allowed for Equity and Fixed Income Mutual Funds is 50-70% and 30-50%, respectively. There are no limitations on the maximum amount that can be invested in one issuer or the maximum maturity of an investment.

**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 an investment's maturity, the greater its fair value sensitivity to changes in market interest rates. Accordingly, 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 fiscal agents) to market interest rate fluctuations is provided in the following table that shows the distribution of the City's investments by maturity:

Type of Investment	Remaining Maturity (in Months)			Total
	12 Months or Less	13 - 36 Months	37 - 60 Months	
Federal Agency Securities	\$ -	\$ 10,342,827	\$ 26,955,180	\$ 37,298,007
Negotiable Certificates of Deposit	2,251,623	4,336,427	1,607,458	8,195,508
Local Agency Investment Fund	26,662,383	-	-	26,662,383
Medium Term Corporate Notes	1,985,200	1,913,040	4,394,220	8,292,460
Local Agency Bonds	-	470,780	279,483	750,263
Section 115 Trust				
PARS Blanaced Index Investment Pool	1,022,597	-	-	1,022,597
Held by Fiscal Agent				
Money Market Mutual Funds	15,507,174	-	-	15,507,174
<b>Total</b>	<b>\$ 47,428,977</b>	<b>\$ 17,063,074</b>	<b>\$ 33,236,341</b>	<b>\$ 97,728,392</b>

**Note 2 - Cash and Investments (continued)**

**Fair Value Classifications**

Fair value measurements are categorized based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments categorized as Level 2 are valued using the market approach using quoted market prices of similar assets.

Investments' fair value measurements are as follows as of June 30, 2022:

Investment	Level 1	Level 2	Level 3	Fair Value
Federal Agency Securities	\$ -	\$ 37,298,007	\$ -	\$ 37,298,007
Medium Term Corporate Notes	-	8,292,460	-	8,292,460
Negotiable Certificates of Deposit	-	8,195,508	-	8,195,508
Local Agency Bonds	-	750,263	-	750,263
	\$ -	\$ 54,536,238	\$ -	54,536,238
Local Agency Investment Fund				26,662,383
Section 115 Trust				
PARS Blanaced Index Investment Pool				1,022,597
Held by Fiscal Agent				
Money Market Mutual Funds				15,507,174
Total Investment Portfolio				\$ 97,728,392

Investments in LAIF are uncategorized as deposits and withdrawals are made on the basis of \$1 and not fair value. Money market mutual funds are valued at net asset value \$1 dollar per share (amortized cost) and are uncategorized in the fair value hierarchy.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The assignment of a rating measures this 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 Standards and Poor's credit rating as of year-end for each investment type:

Investment Type	Minimum Legal Rating	Total as of June 30, 2022	Not Rated	AAA	AA+ to AA-	A+ to A-
Federal Agency Securities	N/A	\$ 37,298,007	\$ -	\$ 37,298,007	\$ -	\$ -
Negotiable Certificates of Deposit	N/A	8,195,508	8,195,508	-	-	-
Local Agency Investment Fund	N/A	26,662,383	26,662,383	-	-	-
Medium Term Corporate Notes	A	8,292,460	-	1,773,840	3,592,210	2,926,410
Local Agency Bonds	A	750,263	-	-	750,263	-
Section 115 Trust						
PARS Blanaced Index Investment Pool	N/A	1,022,597	1,022,597	-	-	-
Held by Fiscal Agent						
Money Market Mutual Funds	A	15,507,174	-	12,061,000	-	3,446,174
Total		\$ 97,728,392	\$ 35,880,488	\$ 51,132,847	\$ 4,342,473	\$ 6,372,584

N/A - Not applicable

**Note 2 - Cash and Investments (continued)**

**Concentration of Credit Risk**

Investments in any one issuer that represent five percent or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Portfolio
Federal Home Loan Bank	Federal Agency Securities	\$ 19,551,587	20%
Federal Farm Credit Bank	Federal Agency Securities	10,154,390	10%

**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 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in 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 is not registered with the Securities and Exchange Commission and is not rated.

**Note 3 - Accounts Receivable**

Receivables at June 30, 2022, are composed of the following:

	Other Receivable	Taxes Receivable	Interest	Total
<b>Governmental Activities:</b>				
General Fund	\$ 695,721	\$ 1,191,580	\$ 21,177	\$ 1,908,478
Housing Authority Fund	-	-	19,776	19,776
Emergency Services Upgrade Fund	1,482,196	17,886	5,856	1,505,938
Capital Improvements Fund	12,315	-	9,460	21,775
City Streets Capital Reserve Fund	-	-	28,083	28,083
Nonmajor Governmental Funds	5,878	166,479	22,883	195,240
Internal Service Funds	1,725	-	867	2,592
Total Governmental Funds	<u>\$ 2,197,835</u>	<u>\$ 1,375,945</u>	<u>\$ 108,102</u>	<u>\$ 3,681,882</u>
<b>Business-type Activities</b>				
Golf Course Operations	<u>\$ 86,504</u>	<u>\$ -</u>	<u>\$ 2,376</u>	<u>\$ 88,880</u>

**Note 4 - Notes Receivable**

	Outstanding at June 30, 2022
<b>Governmental Activities</b>	
Indian Wells Village Utility Undergrounding	\$ 112,575
Club Drive Property Sale	1,097,027
	<u>\$ 1,209,602</u>

The notes issued relating to the Indian Wells Village Utility Undergrounding relate to the costs the City covered for the tenants of the Indian Wells Village to run electricity from the streets up to the individual properties. The tenants are responsible for repaying the City. The notes are due and payable in full on the earlier of (i) the date of any transfer not authorized by the Lender; (ii) the date of any default; or (iii) twenty years from the effective date of the Loan Agreement. The outstanding principal balance shall bear simple interest at the rate of one percent per annum, and if a default occurs, interest on the principal balance shall accrue at the lesser of ten percent compounded annually or the maximum amount permitted by law from the date of default to the date of repayment in full of the disbursed principal amount of the loan and any interest due thereon. The notes are secured by a Deed of Trust against the Property.

**Note 4 - Notes Receivable (continued)**

The note issued relating to the Club Drive Property sale at 45200 Club Drive to Indian Wells Medical Offices, LLC is amortized over 20 years commencing on May 1, 2018. During the fiscal year 2020-21, the City granted Indian Wells Medical Offices, LLC a three-month payment deferral due to economic hardship during the coronavirus pandemic. The final payment of the note is due and payable on July 1, 2038. Payments are due monthly in the amount of \$8,703. Prepayment in full of the principal sum plus a \$50,000 premium is allowed within the five years following the date of this note. No penalty or premium is due for prepayment following the initial five years of the note. The note is secured by a deed of Trust against the property.

**Note 5 - Due to and Due from Other Funds**

Interfund receivables and payable balances at June 30, 2022, are as follows:

<u>Due to Other Funds</u>	<u>Due From Other Funds</u>	<u>Amount</u>
Park Facilities in Lieu Fund	General Fund	\$ 945,625
Park Facilities in Lieu Fund	Capital Improvements Fund	537,887
Golf Resort Fund	General Fund	6,160,365
General Fund	Golf Resort Fund	<u>323,580</u>
		<u>\$ 7,967,457</u>

The General Fund Receivable from the Park Facilities in Lieu Fund of \$945,625 represents monies advanced to the Park Facilities in Lieu Fund for certain construction at the Golf Resort. As Park-in-Lieu fees are collected, the advance will be paid down. The advance is estimated to be paid off in 18 years.

The Capital Improvements Fund Receivable from the Park Facilities in Lieu Fund of \$537,887 represents monies advanced to the Park Facilities in Lieu Fund for parkland acquisition. As Park-in-Lieu fees are collected, the advance will be paid down. The advance is estimated to be paid off in 18 years.

The General Fund Receivable from the Golf Resort Operations Fund of \$6,160,365 represents monies advances to the Golf Resort Operations Fund for certain construction at the Golf Resort. The advance is estimated to be paid as funds become available, anticipated to be within five years.

The General Fund Payable to the Golf Resort Operations Fund of \$323,580 represents monies payable to the Golf Resort Operations fund for resident amenities and other miscellaneous operating expenses. The payable is estimated to be paid within the next fiscal year.

**Note 6 - Interfund Transfers**

Transfers in and out for the year ended June 30, 2022, are as follows:

Transfer Out of Fund	Transfer In to Fund	Amount
General Fund	Housing Authority Fund	\$ 267,838
General Fund	Capital Improvements Fund	3,654,922
General Fund	City Streets Capital Reserve Fund	820,000
General Fund	Non-major Governmental Funds	652,513
Indian Wells Financing Authority Fund	Capital Improvements Fund	2,949,218
Non-major Governmental Funds	Capital Improvements Fund	335,468
Non-major Governmental Funds	Non-major Governmental Funds	229,314
		\$ 8,909,273

The General Fund transferred \$267,838 to the Housing Authority Fund for the 20% set aside portion of the Redevelopment Property Tax Trust Fund (RPTTF) revenues for the year.

The General Fund transferred \$3,654,922 to the Capital Improvements Fund for the annual contribution for future capital improvement projects.

The General Fund transferred \$820,000 to the City Streets Capital Reserve Fund for the annual contribution for future city streets projects.

The General Fund transferred \$652,000 to various Non-major Governmental Funds (capital project funds) for future capital outlay needs.

The Indian Wells Financing Authority Debt Service Fund transferred \$2,949,218 to the Capital Improvements Fund to reimburse the Capital Improvements Fund for the Energy Efficiency Project.

The Non-major Governmental Funds transferred \$335,468 to the Capital Improvements Fund to reimburse the fund for the Washington Street Rehabilitation Project.

The Non-major Governmental Funds transferred \$229,314 to Non-major Governmental Funds to reimburse expenditures incurred for the Miles Avenue Bridge Project.

**Note 7 - Capital Assets**

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 32,338,987	\$ 1,071,025	\$ (120,624)	\$ 33,289,388
Construction in progress	216,641	3,265,402	(214,021)	3,268,022
Total capital assets, not being depreciated	<u>32,555,628</u>	<u>4,336,427</u>	<u>(334,645)</u>	<u>36,557,410</u>
Capital assets, being depreciated				
Intangible	2,500,000	-	-	2,500,000
Buildings and improvements	67,624,510	10,798	(29,930)	67,605,378
Equipment	1,955,835	228,249	-	2,184,084
Infrastructure	<u>114,181,458</u>	<u>547,395</u>	<u>(23,380)</u>	<u>114,705,473</u>
Total capital assets, not being depreciated	<u>186,261,803</u>	<u>786,442</u>	<u>(53,310)</u>	<u>186,994,935</u>
Less accumulated depreciation				
Intangible	(2,125,000)	(250,000)	-	(2,375,000)
Buildings and improvements	(29,619,604)	(1,597,121)	-	(31,216,725)
Equipment	(1,605,957)	(127,948)	-	(1,733,905)
Infrastructure	<u>(37,091,642)</u>	<u>(2,013,969)</u>	<u>-</u>	<u>(39,105,611)</u>
Total accumulated depreciation	<u>(70,442,203)</u>	<u>(3,989,038)</u>	<u>-</u>	<u>(74,431,241)</u>
Total capital assets being depreciated, net	<u>115,819,600</u>	<u>(3,202,596)</u>	<u>(53,310)</u>	<u>112,563,694</u>
Governmental activities capital assets, net	<u>\$ 148,375,228</u>	<u>\$ 1,133,831</u>	<u>\$ (387,955)</u>	<u>\$ 149,121,104</u>



**Note 7 - Capital Assets (continued)**

	Balance at July 1, 2021*	Additions	Deletions	Balance at June 30, 2022
<b>Business-type Activities</b>				
Capital assets, not being depreciated				
Land	\$ 13,910,956	\$ -	\$ -	\$ 13,910,956
Construction in progress	85,923	121,421	(85,923)	121,421
Total capital assets, not being depreciated	13,996,879	121,421	(85,923)	14,032,377
Capital assets, being depreciated				
Buildings and improvements	85,109,488	169,690	-	85,279,178
Equipment	5,702,193	1,828,985	-	7,531,178
Infrastructure	433,390	-	-	433,390
Right to use asset	313,856	315,811	(84,642)	545,025
Total capital assets, not being depreciated	91,558,927	2,314,486	(84,642)	93,788,771
Less accumulated depreciation				
Buildings and improvements	(52,823,976)	(1,857,891)	-	(54,681,867)
Equipment	(5,112,251)	(603,870)	-	(5,716,121)
Infrastructure	(108,346)	(7,223)	-	(115,569)
Right to use asset	-	(192,991)	84,642	(108,349)
Total accumulated depreciation	(58,044,573)	(2,661,975)	84,642	(60,621,906)
Total capital assets being depreciated, net	33,514,354	(347,489)	-	33,166,865
Business-type activities capital assets, net	\$ 47,511,233	\$ (226,068)	\$ (85,923)	\$ 47,199,242

\*Beginning balances have been restated to reflect the implementation of GASB Statement No. 87.

**Note 7 - Capital Assets (continued)**

**Depreciation Expense**

Depreciation expense was charged to the following functions in the statement of activities:

Governmental Activities		
General government	\$	323,126
Community development		1,410,413
Public safety		143,697
Public works		<u>2,111,802</u>
Total governmental activities	\$	<u><u>3,989,038</u></u>
Business-type Activities		
Golf resort operations	\$	<u><u>2,661,975</u></u>

**Note 8 - Long-Term Liabilities**

The changes in long-term liabilities for the year ended June 30, 2022, were as follows:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year
Governmental activities:					
Compensated absences	\$ 623,835	\$ 491,509	\$ (419,797)	\$ 695,547	\$ 117,654
2022 Lease revenue refunding bonds	-	13,930,000	-	13,930,000	380,000
Premium	-	1,338,171	(22,119)	1,316,052	66,356
	<u>\$ 623,835</u>	<u>\$ 15,759,680</u>	<u>\$ (441,916)</u>	<u>\$ 15,941,599</u>	<u>\$ 564,010</u>
	Balance at July 1, 2021*	Additions	Reductions	Balance at June 30, 2022	Due Within One Year
Business-type activities:					
Lease payable	\$ 313,856	\$ 315,811	\$ (181,812)	\$ 447,855	\$ 128,216
	<u>\$ 313,856</u>	<u>\$ 315,811</u>	<u>\$ (181,812)</u>	<u>\$ 447,855</u>	<u>\$ 128,216</u>

\*Beginning balances have been restated to reflect the implementation of GASB Statement No. 87

**Note 8 - Long-Term Liabilities (continued)****Compensated Absences**

The City's policies relating to compensated absences are described in Note 1. The City reserves the outstanding compensated absences liability in the Compensated Absences Fund. The long-term strategy of the Compensated Absences Reserve Fund is to set aside cash reserves in case of changes in staff. On June 30, 2022, the net position of the Compensated Absences Reserve Fund was \$582,270.

Several distinct types of paid leave accrue to full-time employees. These include vacation, holiday, administrative leave, sick leave, and compensatory time accruals. Employee leave accruals are governed by the Memorandum of Understandings (MOUs), personnel contracts, and the Personnel Rules and Regulations.

**City Issued Debt****2022 Lease Revenue Refunding Bonds**

In February 2022, the Indian Wells Financing Authority issued lease revenue bonds in the amount of \$13,930,000 to provide funds to finance public improvements and energy efficiency improvements in the City. The bonds dated February 10, 2022, were issued at a premium of \$1,338,171 are payable semiannually on April 1 and October 1 of each year, commencing October 1, 2022, and mature in 2042. The bonds are payable from base rental payments to be made by the City for the right to the use of certain real property and improvements of the City pursuant to a Lease Agreement dated February 1, 2022. The balance at June 30, 2022, including the unamortized bond premium of \$1,316,052 amounted to \$15,246,052. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 380,000	\$ 586,874	\$ 966,874
2024	470,000	495,050	965,050
2025	495,000	471,550	966,550
2026	515,000	446,800	961,800
2027	545,000	421,050	966,050
2028-2032	3,155,000	1,669,000	4,824,000
2033-2037	3,890,000	927,150	4,817,150
2038-2042	4,480,000	341,625	4,821,625
	<u>13,930,000</u>	<u>5,359,099</u>	<u>19,289,099</u>
Bond Premium	<u>1,316,052</u>	<u>-</u>	<u>1,316,052</u>
	<u>\$ 15,246,052</u>	<u>\$ 5,359,099</u>	<u>\$ 20,605,151</u>

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the City or may retain the Lease Agreement and hold the City liable for all base rental payments thereunder on an annual basis.

**Note 8 - Long-Term Liabilities (continued)****Lease Payable**

The Golf Fund has maintenance equipment and GPS Units as a lease payable with a lease term of 60 months. The City is required to make monthly payments ranging from \$5,124 to \$6,160 with a discount rate of 6.39%. As of June 30, 2022, the value of the lease payable is \$447,855. Future lease payable requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 128,216	\$ 24,826	\$ 153,042
2024	136,137	16,436	152,573
2025	141,284	13,584	154,868
2026	42,218	901	43,119
	<u>\$ 447,855</u>	<u>\$ 55,747</u>	<u>\$ 503,602</u>

**Note 9 - Defined Benefit Pension Plan****Miscellaneous Plan***Description of Plan*

All qualified permanent and probationary employees are eligible to participate in the City of Indian Well's Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Employees hired before January 1, 2013, and those who have CalPERS credited service prior to that date who are hired by the City less than six months after separation from that CalPERS contracting employer are "Classic" members with a classic formula benefit. Employees hired on or after January 1, 2013, or who separated from a CalPERS contracting employer more than six months prior to their date of hire with the City are "New" or "PEPRA" members with a PEPRA formula benefit. The CalPERS Plan consists of separate miscellaneous pools for Classic and PEPRA members, and separate safety pools for both Classic and PEPRA members (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The City does not participate in the CalPERS safety plans. The risk pools are included within the Public Employees' Retirement Fund C (PERF C). Benefit provisions under the Plan are established by State statute under the Public Employees' Retirement Law (PERL), where optional provisions may be adopted by amendment of the City's CalPERS contract if not added at contract inception. CalPERS issues publicly available reports that include a complete description of the pension plans regarding benefit provision, assumption, and membership information. Copies of the reports can be found on the CalPERS website.

**Note 9 - Defined Benefit Pension Plan (continued)**

*Benefits Provided*

CalPERS provides service retirement, disability, and pre-retirement death benefits, credited service for unused sick leave, and the annual cost of living adjustments for plan members, who must be public employees or beneficiaries. Benefits are based on years of credited service, where 1,720 compensated hours in a fiscal year equates to one year of credited service. After achieving five years of total credited service, classic members are eligible to retire at age 50, and PEPRAs members are eligible to retire at age 52, both with statutorily reduced benefits. All members are eligible for non-duty disability benefits after ten years of service. The pre-retirement death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022 are summarized below:

	Miscellaneous Plan	
	Classic Members	PEPRA Members
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years of credited service	5 years of credited service
Benefit payments	monthly for life	monthly for life
Retirement age	50 and up	52 and up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1% to 2.5%
Required employee contribution rates	8.00%	7.25%
Required employer contribution rates*	14.87%	7.73%

*\*The percentage reflects the normal cost rate only. The portion of the required employer contribution that is attributed to amortization of the unfunded actuarial liability (UAL) for the miscellaneous plans is reflected as a fixed dollar value.*

*For the classic plan, the annual UAL prepayment option was \$0. For illustrative purposes only, the combined normal cost rate and the UAL payment reflected as a percentage of payroll equals as total of 14.87%.*

*For the PEPRA plan, the annual UAL prepayment option was \$1,061. For illustrative purposes only, the combined normal cost rate and the UAL payment reflected as a percentage of payroll equals as total of 8.01%.*

**Note 9 - Defined Benefit Pension Plan (continued)**

*Contribution Description*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contributes 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 actuarial determination rate is the estimated amount necessary to finance 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.

*Pension Liabilities (Assets), Pension Expenses and Deferred Outflows/Inflows of Resources*

The City reported a net pension liability (asset) for its proportionate share of the net pension liability of the Miscellaneous Plan as of June 30, 2022, in the amount of \$(6,449,180).

The City's net pension liability (asset) for the Miscellaneous Plan is measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The City's net pension liability (asset) of the Plan is measured as of June 30, 2021, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 using standard updated 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 in those plans, actuarially determined. The City's proportionate share of the net pension liability (asset) for the Miscellaneous Plans as of the June 30, 2020 and 2021 measurement dates was as follows:

Proportion - June 30, 2020	(0.01854%)
Proportion - June 30, 2021	<u>(0.33964%)</u>
Change - Increase/(Decrease)	(0.32110%)

**Note 9 - Defined Benefit Pension Plan (continued)**

For the year ended June 30, 2022, the City recognized pension income of \$10,673,820 for the Miscellaneous Plan. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,165,007	\$ -
Changes in proportion and difference between City's contributions and proportionate share of contributions	968,032	223,012
Net difference between projected and actual earnings on pension plan investments	5,629,793	-
Difference between expected and actual experience	-	723,206
Difference between employer's contributions and proportionate share of contributions	-	1,558,224
	<u>\$ 7,762,832</u>	<u>\$ 2,504,442</u>

The amount of \$1,165,007 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. In addition, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,	
2023	\$ 387,353
2024	926,526
2025	1,223,721
2026	1,555,783
	<u>\$ 4,093,383</u>

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions.

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter
Mortality*	Derived using CalPERS Membership Data for All Funds

**Note 9 - Defined Benefit Pension Plan (continued)**

\* The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and postretirement 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.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study from December 2017, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that the City's contributions 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 period of projected benefit payments to determine the total pension liability.

In determining the long-term expected 7.15 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees Retirement Fund, CalPERS indicated that a 19-year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent adjusted to the account for assumed administrative expenses. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the table on the following page:



**Note 9 - Defined Benefit Pension Plan (continued)**

Asset Class <sup>(1)</sup>	New Strategic Allocation	Real Return Years 1 - 10 <sup>(1)</sup>	Real Return Years 11+ <sup>(2)</sup>
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
	100%		

<sup>1</sup> In the CalPERS ACFR, fixed income is included in Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00 percent was used for this period.

<sup>3</sup> An expected inflation of 2.92 percent was used for this period.

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

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

	1% Decrease in Discount Rate (6.15%)	Discount Rate (7.15%)	1% Increase in Discount Rate (8.15%)
City's Proportionate Share of the Plan's Net Pension Liability/(Asset)	\$ (1,999,708)	\$ (6,449,180)	\$ (10,127,495)

*Pension Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in a separately issued CalPERS financial report.

**Note 9 - Defined Benefit Pension Plan (continued)***Subsequent Events*

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**Note 10 - Defined Contribution Plan**

The City contributes to the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust, a defined contribution plan 401(a). The reportable payroll for the employees covered by the plan is \$3,388,875 compared with a total payroll of \$3,456,107 for the fiscal year ended June 30, 2022. The plan provisions are established and may be amended by the City Council.

All full-time employees are eligible to participate in the plan and benefits vest immediately. The required period of service is six months. Eligible employees at age 50 or more may begin to collect defined contribution benefits immediately upon retirement. The employer contribution is 2.5 percent of compensation, as that term is defined under the plan. No employee contributions are permitted. The total contribution made by the City was \$104,222. Contributions are established and amended by State Law and City Resolution.

**Note 11 - Defined Compensation Payable**

The City has adopted a deferred compensation plan in accordance with Internal Revenue Code Section 457(b) for its eligible employees wherein they may execute an individual agreement with the City for amounts earned by them to be paid at a future date when certain circumstances are met. These circumstances include death, disability, retirement, or an unforeseeable emergency. Employees may contribute to the deferred compensation plan up to \$20,500 in 2022. Employees aged fifty or older may contribute up to an additional \$6,500 in 2022 for a total of \$27,000. These amounts are adjusted annually by the Internal Revenue Service (IRS) for cost-of-living increases. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

**Note 11 - Deferred Compensation Payable (continued)**

On January 1, 1997, the City formally established a trust in accordance with IRC 457(g) for its deferred compensation plan for the exclusive benefit of plan participants and their beneficiaries. Accordingly, the deferred compensation assets placed in the Trust were not reported in the financial statements.

**Note 12 - Other Post Employment Benefit Plan (OPEB)**

The City participates in the Public Employees' Medical and Hospital Care Act ("PEMHCA") which is administered by CalPERS in order to make health insurance coverage available to its employees. Pursuant to its contract with CalPERS for participation in PEMHCA, the City is obligated to provide retiree health coverage to eligible retirees. The City's retiree health liability is pre-funded through an other post-employment benefit account ("OPEB Account") with the California Employers' Retiree Benefit Fund (CERBT) trust, which is also administered by CalPERS. The CERBT trust is a multiple employer Section 115 governmental trust.

A summary of the OPEB amounts for the City's plan is shown below:

Net OPEB Liability (Asset)	\$	(2,196,587)
Deferred Outflows Related to OPEB		1,038,209
Deferred Inflows Related to OPEB		1,955,929
OPEB Expense (Income)		(60,701)

**Plan Description**

The City provides retiree health benefits to all employees of the City that have retired, or will retire, from service with the City and meet the eligibility requirements set forth in Government Code Section 22760(c) to be considered an annuitant ("Annuitant"). The amount of the retiree health benefit allowance ("Allowance") available to an Annuitant is based on the date of hire as summarized below.

The Allowance is provided in two forms. The first is a direct payment to CalPERS equal to the minimum employer contribution required pursuant to Government Code Section 22893(b) ("PEMHCA Minimum"). The PEMHCA Minimum for 2022 is \$149 per month. If an Annuitant is eligible for a more significant retiree health benefit, the Annuitant will receive a reimbursement from a health reimbursement arrangement sponsored by the City for the health insurance premiums actually paid by the Annuitant in an amount not to exceed the difference between the applicable Allowance and the PEMHCA Minimum.

The amount of the Allowance depends on the tier for which the Annuitant is eligible as described below:

- Tier A Allowance:
  - The allowance for Annuitants hired before February 1, 2009 ("Tier A") is equal to up to 100% of the premium of any CalPERS health insurance plan in which the Tier A Annuitant, and eligible family members, enroll.

**Note 12 - Other Post Employment Benefit Plan (OPEB) (continued)**

- Tier B Allowance:
  - The allowance for Annuitants hired on or after February 1, 2009 but before July 1, 2020 who retire from the City with at least 10 years of CalPERS service credit, including five years of service credit with the City (“Tier B”) is equal to a percentage of the Government Code Section 22893 premium for the applicable coverage level based on years of CalPERS service credit. The percentage is equal to 50% for the first 10 years of CalPERS service credit, including five years of service credit with the City, plus an additional 5% for each additional year of service with any CalPERS employer after satisfying the 10 year minimum.
- Tier C Allowance:
  - The allowance for Annuitants hired on or after July 1, 2020, and employees hired by the City on or after February 1, 2009 but before July 1, 2020 that do not qualify for Tier B, is equal to the PEMHCA Minimum.

The amount of the Allowance is established through contracts between the City and the employee associations and may be amended by agreements between the City and the employee association.

*Employees Covered by Benefit Terms*

At June 30, 2021, the most recent measurement date, the following current and former employees were covered by the benefit terms of the plan:

Active employees	29
Inactive employees or beneficiaries currently receiving benefits	37
	66
	66

*Contributions*

The annual contribution to the City’s OPEB Account is based on the actuarially determined contribution. Employees do not make contributions to the OPEB Account but are responsible for the share of retiree health coverage that exceeds the value of the allowance. Contributions to the OPEB Account by the City for the year ended June 30, 2022 were \$386,181. Contributions are typically paid by the Employee Benefits fund.

*Net OPEB Liability*

The City’s net OPEB liability for the retiree health benefits was measured as the total OPEB liability, less the OPEB plan’s fiduciary net position. The net OPEB liability was calculated as of June 30, 2021, using an annual actuarial valuation as of June 30, 2021. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

**Note 12 - Other Post Employment Benefit Plan (OPEB) (continued)**

*Actuarial Assumptions*

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.50%
Investment Rate of Return	5.50%
Mortality	CalPERS 2000-2019 experience study
Healthcare Trend Rate	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years Medicare - 5.65% for 2023, decreasing to an ultimate 3.75% in 2076 and later years

Mortality rates were based on the CalPERS 2000-2019 Experience Study, which assumed future mortality improvements using Society of Actuaries (SOA) Scale MP-2021. The Experience Study report can be obtained on the CalPERS website under Forms and Publications.

The actuarial assumptions used in the June 30, 2021, valuation was based on the results of an actuarial experience study for the period.

*Changes in Actuarial Assumptions*

Certain key assumptions were changed as part of the actuary's updated study. Those changes are summarized below.

- Discount rate was updated based on newer capital market assumptions
- Decreased medical trend rate for Kaiser Senior Advantage
- Inflation was decreased from 2.75% to 2.50%, which decreased the discount rate, medical trend and aggregate salary increases by 0.25%
- Family coverage at retirement updated to 40% for future retirees until age 65
- Demographic assumptions updated to the 2000-2019 CalPERS Experience Study
- Updated assumption for Medicare eligible implied subsidy
- Mortality improvement scale was updated to Scale MP-2021

*Discount Rate*

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the fiduciary net position for the City's retiree health benefits was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of

**Note 12 - Other Post Employment Benefit Plan (OPEB) (continued)**

return on OPEB Account investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on the OPEB investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	40.00%	4.56%
Fixed Income	43.00%	0.78%
TIPS	5.00%	(0.08%)
Commodities	4.00%	1.22%
REITs	8.00%	4.06%
	100.00%	

*Changes in Net OPEB Liability (Asset)*

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021	\$ 9,200,290	\$ 9,169,518	\$ 30,772
Changes in the year:			
Service cost	259,910	-	259,910
Interest on the total OPEB liability	576,779	-	576,779
Changes of benefit terms	(15,495)	-	(15,495)
Actual vs. expected experience	(1,204,273)	-	(1,204,273)
Assumption changes	658,095	-	658,095
Contributions - employer	-	677,553	(677,553)
Net investment income			
employee contributions	-	1,830,412	(1,830,412)
Benefit payments	(463,466)	(463,466)	-
Administrative expenses	-	(5,590)	5,590
Net changes	(188,450)	2,038,909	(2,227,359)
Balance at June 30, 2022	\$ 9,011,840	\$ 11,208,427	\$ (2,196,587)

**Note 12 - Other Post Employment Benefit Plan (OPEB) (continued)**

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

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

	1% Decrease in Discount Rate (4.50%)	Discount Rate (5.50%)	1% Increase in Discount Rate (6.50%)
Net OPEB Liability/(Asset)	\$ (967,696)	\$ (2,196,587)	\$ (3,205,371)

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

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) 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	Trend Rate	1% Increase
Net OPEB Liability/(Asset)	\$ (3,311,836)	\$ (2,196,587)	\$ (811,853)

*OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial reports.

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the year ended June 30, 2022, the City recognized OPEB income of \$60,701. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to measurement date	\$ 386,181	\$ -
Changes in assumptions	559,196	-
Net difference between projected and actual earnings on plan investments	-	983,247
Difference between expected and actual experience	92,832	972,682
	\$ 1,038,209	\$ 1,955,929

**Note 12 - Other Post Employment Benefit Plan (OPEB) (continued)**

The \$386,181 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended June 30,</u>	
2023	\$ (289,430)
2024	(296,723)
2025	(342,237)
2026	(354,504)
2027	<u>(21,008)</u>
	<u>\$ (1,303,902)</u>

**Note 13 - PARS Section 115 Trust**

In June 2018, the City Council approved the creation of a Section 115 Trust Agreement with U.S. Bank National Association and Public Agency Retirement Services (PARS), Trust Administrator. The Section 115 Trust was established as a means to set aside monies to fund the City's pension and OPEB obligations. Contributions to the Section 115 Trust are irrevocable, the assets provide benefits to plan members, and the assets are protected from creditors of the City.

The Section 115 Trust was created to address the City's pension obligations by accumulating assets to reduce the net pension liability. However, in accordance with generally accepted accounting principles, the assets in the Section 115 Trust are not considered to have present service capacity as plan assets and are therefore regarded as restricted assets of the City rather than pension plan assets. Accordingly, the Section 115 Trust's assets are recorded as restricted for pension benefits in the City's Employee Benefits Internal Service Fund rather than assets of the pension plan during the measurement of the net pension liability. The assets held in Trust will be considered pension plan assets at the time they are transferred out of the Trust into the pension plan.

The balance in the Trust's pension assets for the fiscal year ended June 30, 2022, was \$822,919. During the fiscal year, the Trust earned \$108,978 in interest income, and plan costs totaled \$5,505.

The balance in the Trust's OPEB assets for the fiscal year ended June 30, 2022, was \$199,678. During the fiscal year, City contributions totaled \$200,000, the Trust earned \$322 in interest income, and there were no plan costs incurred.

**Note 14 - Risk Management****Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City of Indian Wells is a California Joint Powers Insurance Authority (Authority) member. The Authority



**Note 14 - Risk Management (continued)**

comprises 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, purchase excess insurance or reinsurance, and 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.

**Primary 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 costs incurred 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 costs incurred from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total costs incurred within the second layer. (4) costs incurred 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/>.

*Primary 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 costs incurred 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 costs incurred 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) costs incurred from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2021-22, 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

**Note 14 - Risk Management (continued)**

million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer’s Liability losses from \$5 million to \$10 million are pooled among members.

**Purchased Insurance**

*Property Insurance*

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City property currently has all-risk property insurance protection in the amount of \$106,748,474. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

*Earthquake and Flood Insurance*

The City of Indian Wells purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Indian Wells property currently has earthquake protection in the amount of \$104,235,663. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

*Crime Insurance*

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

**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 2021-22.

**Note 15 - Other Required Disclosures**

**Deficit Fund Balance and Net Position**

The following funds reported a deficit fund balance at June 30, 2022:

Park Facilities in Lieu Capital Projects Fund	\$ 1,483,512
Successor Agency of the Former Redevelopment Agency Private Purpose Trust Fund	74,180,930

**Note 15 - Other Required Disclosures (continued)**

The deficit in the Park Facilities in Lieu Capital Projects Fund will be eliminated through Quimby Act Park fees to be collected from developers. This deficit balance is temporary although it will take several years to expunge.

The deficit in the Successor Agency of the former RDA Private-Purpose Trust Fund was caused by the dissolution of the Redevelopment Agency. See Note 17 and 18 for additional information.

**Note 16 - Contingencies**

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these matters is not presently determinable in the opinion of legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**Note 17 - California Redevelopment Agency Dissolution**

On July 18, 2011, the California Redevelopment Association (“CRA”) and the League of California Cities (“League”) filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB X1 26 and 27 (California Redevelopment Association v. Matosantos). AB X1 26 dissolves redevelopment agencies effective October 1, 2011. AB X1 27 gave redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts.

On August 17, 2011, the Supreme Court issued a stay of the implementation of AB X1 26 and 27 which allowed a redevelopment agency to continue if it adopted an AB X1 27 ordinance. However, because of the effect of the stay order, the authority for the Redevelopment Agency to engage in most activities was suspended.

The Supreme Court heard oral arguments on November 10, 2011, and on December 29, 2011, announced its decision in California Redevelopment Association v. Matosantos. The court upheld AB X1 26 which dissolves redevelopment agencies but invalidated in its entirety AB X1 27 which allowed redevelopment agencies to continue as long as they made the required payments. AB X1 26 established deadlines for the process of Redevelopment Agency dissolution and the handling of existing obligations. The full text of AB X1 26 may be obtained from the California legislative information website maintained by the Legislative Counsel of the State of California at: <http://www.leginfo.ca.gov/bilinfo.html>.

On February 1, 2012, the Redevelopment Agency was dissolved, and the City of Indian Wells elected to become the Successor Agency. AB X1 26 provides that a successor agency is to be designated as the successor entity to the former Redevelopment Agency, vested with all authority, rights, powers, duties, and obligations previously vested with the former Agency under the Community Redevelopment Law (Health & Safety Code, § 33000 et seq.), with certain exceptions. The Successor Agency is responsible for winding down the remaining activities of the dissolved Redevelopment Agency.

**Note 18 - Successor Agency Trust for Assets of the Former Redevelopment Agency**

The California Supreme Court decision impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provided that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 12, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-03.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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. Payments for these enforceable obligations are secured from incremental tax revenues generated within the redevelopment project areas. It is essential to differentiate the Successor Agency from the City of Indian Wells, in that, the City itself has no outstanding debt or any obligation to fund Successor Agency debt.

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. 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.

**Cash and Investments**

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

Cash and investments pooled with the City	\$ 9,477,545
Cash and investments with fiscal agent	<u>12</u>
	<u><u>\$ 9,477,557</u></u>

**Note 18 - Successor Agency Trust for Assets of the Former Redevelopment Agency (continued)**

**Due to City**

The amount due to the City reported in the accompanying financial statements consisted of the following:

In a letter dated November 22, 2013, from the California Department of Finance, the loan between the Successor Agency and the City of Indian Wells for \$16,400,000 was determined to be for legitimate redevelopment purposes and therefore, approved as an enforceable obligation.

\$ 16,400,000

**Long-Term Debt**

The following debt is recorded in the Successor Agency:

Project Area 1	Balance at July 1, 2021	Additions	Repayments	Balance at June 30, 2022	Due Within One Year
SERAF Loan	\$ 1,473,000	\$ -	\$ 1,473,000	\$ -	\$ -
2014A-T Tax Allocation Bonds	8,385,000	-	4,110,000	4,275,000	4,275,000
2015 Refunding Tax Allocation Bonds	14,375,000	-	1,615,000	12,760,000	1,695,000
2016 A Tax Allocation Bonds	36,660,000	-	110,000	36,550,000	115,000
2020 A Tax Allocation Bonds	7,220,000	-	450,000	6,770,000	455,000
	<u>\$ 68,113,000</u>	<u>\$ -</u>	<u>\$ 7,758,000</u>	\$ 60,355,000	<u>\$ 6,540,000</u>
Adjustments:					
Unamortized net original issue (discount) or Premium				<u>6,394,777</u>	
Net Long-term Debt				<u>\$ 66,749,777</u>	

A description of long-term debt outstanding of the Successor Agency as of June 30, 2022, follows:

*2014A-T Tax Allocation Bonds*

On May 28, 2014, the Agency issued \$27,480,000 of Tax Allocation Bonds to refinance certain outstanding obligations of the Consolidated Whitewater Project Area, to fund the premium for a debt service reserve surety bond for the reserve account for the Agency Bonds, and to pay costs of issuance of the Bonds and the Agency Bonds, including the financial guaranty insurance premium for the Bonds.

The 2014A-T Tax Allocation Bonds are special obligations of the Agency secured by a pledge of, security interest in and lien on the Revenues which consist principally of payments to be made by the Agency to the Authority as debt service on the Agency Bonds. The reserve requirement is insured by a financial guaranty insurance policy issued simultaneously with the issuance of the bonds; the payment of scheduled debt service is not insured.

The Bonds are payable in annual installments ranging from \$575,000 to \$4,275,000 until maturity on September 1, 2022. Interest is payable semiannually on March 1 and September 1, with rates ranging from 0.540% to 4.266% per annum. Bonds outstanding at June 30, 2022, were \$4,275,000.

**Note 18 - Successor Agency Trust for Assets of the Former Redevelopment Agency (continued)**

Future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,275,000	\$ 91,186	\$ 4,366,186

*2015 A Tax Allocation Refunding Bonds*

On September 1, 2015, the Agency issued \$20,575,000 of Refunding Tax Allocation Bonds to provide funds to refund the 2005 Refunding Tax Allocation Bonds and a portion of the 2006 A Tax Allocation Bonds.

The Series 2015A Bonds are special obligations payable solely from certain payments from the Successor Agency and certain other funds.

The bonds are payable in annual installments ranging from \$865,000 to \$2,435,000 until maturity on September 1, 2027. Interest is payable semiannually on March 1 and September 1 of year, with rates ranging from 2.00 to 5.00 percent per annum. Bonds outstanding at June 30, 2022 were \$12,760,000.

Future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,695,000	\$ 595,625	\$ 2,290,625
2024	2,000,000	503,250	2,503,250
2025	2,105,000	400,625	2,505,625
2026	2,205,000	292,875	2,497,875
2027	2,320,000	179,750	2,499,750
2028	2,435,000	60,875	2,495,875
	<u>12,760,000</u>	<u>2,033,000</u>	<u>14,793,000</u>
Bond Premium	<u>1,267,263</u>	<u>-</u>	<u>1,267,263</u>
	<u>\$ 14,027,263</u>	<u>\$ 2,033,000</u>	<u>\$ 16,060,263</u>

**Note 18 - Successor Agency Trust for Assets of the Former Redevelopment Agency (continued)***2016 A Tax Allocation Refunding Bonds*

On September 1, 2016, the Agency issued \$37,470,000 in Series 2016A Tax Allocation Refunding Bonds to provide funds to refund the 2006 A Tax Allocation Bonds.

The Series 2016A Bonds are special obligations payable solely from certain payments from the Successor Agency and certain other funds.

The bonds are payable in annual installments ranging from \$515,000 to \$5,050,000 until maturity on September 1, 2034. Interest is payable semiannually on March 1 and September 1 of year, with rates ranging from 4.00 to 5.00 percent per annum. Bonds outstanding at June 30, 2022 were \$36,550,000.

Future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 115,000	\$ 1,691,225	\$ 1,806,225
2024	960,000	1,664,350	2,624,350
2025	1,010,000	1,615,100	2,625,100
2026	1,055,000	1,563,475	2,618,475
2027	1,110,000	1,509,350	2,619,350
2028-2032	17,825,000	5,613,450	23,438,450
2033-2035	14,475,000	1,083,750	15,558,750
	<u>36,550,000</u>	<u>14,740,700</u>	<u>51,290,700</u>
Bond Premium	5,127,514	-	5,127,514
	<u>\$ 41,677,514</u>	<u>\$ 14,740,700</u>	<u>\$ 56,418,214</u>

**2020 A Tax Allocation Refunding Bonds**

On June 12, 2020, the Agency issued \$7,220,000 in Series 2020A Tax Allocation Refunding Bonds to refund the 2010 A Tax Allocation Bonds.

The Series 2020A Bonds are special obligations payable solely from certain payments from the Successor Agency and certain other funds.

The bonds are payable in annual installments ranging from \$450,000 to 590,000 until maturity on September 1, 2034. Interest is payable semiannually on March 1 and September 1 of year, with rates ranging from 4.00 to 5.00 percent per annum. Bonds outstanding at June 30, 2022 were \$6,770,000.

**Note 18 - Successor Agency Trust for Assets of the Former Redevelopment Agency (continued)**

These bonds resulted in a full defeasance of the 2010A Tax Allocation Bonds, and the related liability has been removed from the financial statements of the City. The refunding resulted in a deferred loss of \$28,936, which represents the difference between the defeased bonds, and the amount placed in escrow. The advanced refunding also resulted in future cash flow savings of approximately \$2,974,000 and an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$2,000,000.

Future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 455,000	\$ 140,663	\$ 595,663
2024	465,000	130,774	595,774
2025	480,000	120,615	600,615
2026	490,000	110,188	600,188
2027	500,000	99,545	599,545
2028-2032	2,650,000	331,100	2,981,100
2033-2035	1,730,000	56,437	1,786,437
	<u>\$ 6,770,000</u>	<u>\$ 989,322</u>	<u>\$ 7,759,322</u>

**Insurance**

The Successor Agency of the former redevelopment agency is covered under the insurance policy of the City of Indian Wells at June 30, 2022.

**Commitments and Contingencies**

The Successor Agency is subject to litigation arising in the normal course of business. In the opinion of the legal counsel there is no pending litigation, which is likely to have a material adverse effect on the financial position of the Successor Agency.



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### **Required Supplementary Information**

The Schedule of Proportionate Share of Net Position Liability in accordance with GASB 68. The Schedule of Plan Contributions in accordance with GASB 68. The Schedule of Changes in the Net OPEB Liability in accordance with GASB 75. The Schedule of OPEB Contributions in accordance with GASB 75.

### **General Fund**

This fund has been classified as a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound fiscal management to be accounted for in another fund.

### **Special Revenue Funds**

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. The following funds have been classified as major funds and budget-actual comparisons for these funds have been presented in the accompanying financial statements as required supplementary information.

Housing Authority - This fund is used to account for the housing activity of the former Redevelopment Agency for the benefit of providing low- and moderate-income housing in Indian Wells. The Housing Authority was created to promote and encourage the retention, rehabilitation, and development of affordable housing units.

Emergency Services Upgrade – This fund is used to accumulate the resources accruing from a special fire tax levied to provide enhancement levels of fire protection, suppression, and emergency paramedic services.

City of Indian Wells, California  
 Schedule of the City's Proportionate Share of the Net Pension Liability - Miscellaneous Plan  
 Last 10 Fiscal Years\*

Measurement period	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Plan's proportion of the net pension liability	0.0017%	-0.0072%	-0.0119%	0.0008%	0.0154%	0.0480%	0.0695%	0.1456%
Plan's proportionate share of the net pension liability (asset)	\$ (6,449,180)	\$ (781,863)	\$ (1,218,808)	\$ 73,946	\$ 1,526,915	\$ 4,152,019	\$ 4,769,476	\$ 3,597,324
Plan's covered payroll	\$ 3,207,039	\$ 3,038,144	\$ 2,889,192	\$ 2,943,396	\$ 2,812,372	\$ 2,902,571	\$ 2,814,500	\$ 2,673,595
Plan's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-201.09%	-25.73%	-42.19%	2.51%	54.29%	143.05%	169.46%	134.55%
Plan's fiduciary net position as a percentage of the total pension liability	90.49%	77.71%	75.30%	75.30%	73.31%	74.06%	78.40%	79.82%

**Notes to Schedule:**

**Benefit changes** There were no changes to benefit terms that applied to all members of the Public Agency Pool.

**Changes in assumptions**

There were no changes in 2020 and 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review of Actuarial Assumptions. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

\*Fiscal Year 2014-15 was the first year of implementation; therefore, only eight years of information are shown.

City of Indian Wells, California  
Schedule of Plan Contributions - Miscellaneous Plan  
Last 10 Fiscal Years\*

Fiscal Year	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Actuarially determined contributions	\$ 408,794	\$ 455,250	\$ 475,302	\$ 430,310	\$ 974,198	\$ 544,107	\$ 566,489	\$ 0
Contributions in relation to the actuarially determined contributions	<u>(1,300,007)</u>	<u>(428,319)</u>	<u>(428,319)</u>	<u>(358,582)</u>	<u>(1,334,875)</u>	<u>(3,731,723)</u>	<u>(2,566,489)</u>	<u>(455,850)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ (891,213)</u>	<u>\$ 26,931</u>	<u>\$ 46,983</u>	<u>\$ 71,728</u>	<u>\$ (360,677)</u>	<u>\$ (3,187,616)</u>	<u>\$ (2,000,000)</u>	<u>\$ (455,850)</u>
Covered payroll	\$ 3,241,802	\$ 3,207,039	\$ 3,038,144	\$ 2,889,192	\$ 2,943,396	\$ 2,812,372	\$ 2,902,571	\$ 2,814,500
Contributions as a percentage of covered payroll	40.10%	13.36%	14.10%	12.41%	45.35%	132.69%	88.42%	16.20%

**Notes to Schedule**

Fiscal Year: June 30, 2022  
Valuation Date: June 30, 2019

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal
Amortization method/period	Level percent of payroll
Asset valuation method	Market Value
Inflation	2.50%
Projected salary increases	Varies by entry age and service
Payroll growth	2.75%
Discount rate	7.00%

\*Fiscal Year 2014-15 was the first year of implementation; therefore, only eight years of information are shown.

City of Indian Wells, California  
Schedule of Changes in the Net OPEB Liability and Related Ratios  
Last Ten Fiscal Years\*

Measurement Period	2020-21	2019-20	2018-19	2017-18	2016-17
<b>Total OPEB liability</b>					
Service cost	\$ 259,910	\$ 252,340	\$ 323,517	\$ 314,094	\$ 305,000
Interest on the total OPEB liability	576,779	554,551	513,612	485,756	459,000
Changes of benefit terms	(15,495)	-	-	-	-
Differences between expected and actual experience	(1,204,273)	-	239,406	-	-
Changes of assumptions	658,095	-	71,328	-	-
Benefit payments, including refunds of member contributions	(463,466)	(454,170)	(389,144)	(338,000)	(331,000)
Net change in total OPEB liability	(188,450)	352,721	758,719	461,850	433,000
Total OPEB liability - beginning	9,200,290	8,847,569	8,088,850	7,627,000	7,194,000
Total OPEB liability - ending (a)	<u>\$ 9,011,840</u>	<u>\$ 9,200,290</u>	<u>\$ 8,847,569</u>	<u>\$ 8,088,850</u>	<u>\$ 7,627,000</u>
<b>OPEB fiduciary net position</b>					
Contributions - employer	\$ 677,553	\$ 1,190,919	\$ 389,962	\$ 607,000	\$ 614,000
Net investment income	1,830,412	448,019	524,434	423,619	459,000
Benefit payments, including refunds of member contributions	(463,466)	(454,170)	(389,144)	(338,000)	(331,000)
Administrative expense	(5,590)	(5,115)	(2,424)	(13,582)	(4,000)
Net change in plan fiduciary net position	2,038,909	1,179,653	522,828	679,037	738,000
Plan fiduciary net position - beginning	9,169,518	7,989,865	7,467,037	6,788,000	6,050,000
Plan fiduciary net position - ending (b)	11,208,427	9,169,518	7,989,865	7,467,037	6,788,000
Plan net OPEB liability (asset) - ending (a) - (b)	<u>\$ (2,196,587)</u>	<u>\$ 30,772</u>	<u>\$ 857,704</u>	<u>\$ 621,813</u>	<u>\$ 839,000</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	124.37%	99.67%	90.31%	92.31%	89.00%
Covered-employee payroll	\$ 3,666,820	\$ 3,451,419	\$ 3,263,961	\$ 3,407,217	\$ 3,237,969
Plan net OPEB liability (asset) as a percentage of covered-employee payroll	-59.90%	0.89%	26.28%	18.25%	25.91%

\* Fiscal Year 2017-18 was the first year of implementation; therefore, only five years of information are shown.

City of Indian Wells, California  
Schedule of OPEB Contributions  
Last Ten Fiscal Years\*

Fiscal Year	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Actuarially determined contribution (ADC)	\$ 422,001	\$ 411,874	\$ 354,000	\$ 607,000	\$ 614,000
Contributions in relation to the ADC	<u>(386,181)</u>	<u>(677,553)</u>	<u>(1,190,919)</u>	<u>(389,962)</u>	<u>(573,377)</u>
<b>Contribution deficiency (excess)</b>	<u>\$ 35,820</u>	<u>\$ (265,679)</u>	<u>\$ (836,919)</u>	<u>\$ 217,038</u>	<u>\$ 40,623</u>
Covered employee payroll**	\$ 3,707,177	\$ 3,666,820	\$ 3,451,419	\$ 3,263,961	\$ 3,407,217
Contributions as a percentage of covered employee payroll	10.42%	18.48%	34.51%	11.95%	16.83%
Total OPEB liability - beginning Notes to Schedule					

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2021 actuarial valuation report.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll 6 - year fixed period for 2021-22
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Inflation	2.5% annually
Healthcare cost trend rates	Non-Medicare - 6.5% for 2023, decreasing to an ultimate 3.75% in 2076 and later years
Investment rate of return	5.50%
Retirement age	55
Mortality	CalPERS 2000-2019 experience study

\* Fiscal Year 2017-18 was the first year of implementation; therefore, only five years of information are shown.

\*\* Contributions are made on an ad hoc basis.

City of Indian Wells, California  
 Budgetary Comparison Schedule - General Fund  
 Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 15,736,287	\$ 16,886,287	\$ 21,992,915	\$ 5,106,628
Licenses and permits	476,070	476,070	917,861	441,791
Intergovernmental	806,880	806,880	2,173,340	1,366,460
Charges for services	466,340	466,340	651,014	184,674
Investment income (loss)	365,900	331,640	(697,652)	(1,029,292)
Fines and forfeitures	46,310	46,310	47,687	1,377
Other income	189,220	189,220	196,358	7,138
Total revenues	<u>18,087,007</u>	<u>19,202,747</u>	<u>25,281,523</u>	<u>6,078,776</u>
Expenditures				
Current				
General government	8,465,204	9,822,579	8,799,054	1,023,525
Public safety	4,409,818	4,034,348	4,080,884	(46,536)
Community development	1,434,995	1,493,167	1,622,505	(129,338)
Public works	2,551,382	2,702,428	2,795,477	(93,049)
Total expenditures	<u>16,861,399</u>	<u>18,052,522</u>	<u>17,297,920</u>	<u>754,602</u>
Other financing sources (uses)				
Transfers out	<u>(1,225,608)</u>	<u>(1,225,608)</u>	<u>(5,395,273)</u>	<u>(4,169,665)</u>
Total other financing sources (uses)	<u>(1,225,608)</u>	<u>(1,225,608)</u>	<u>(5,395,273)</u>	<u>(4,169,665)</u>
Net change in fund balance	-	(75,383)	2,588,330	2,663,713
Fund balance, beginning	<u>32,675,973</u>	<u>32,675,973</u>	<u>32,675,973</u>	<u>-</u>
Fund balance, ending	<u>\$ 32,675,973</u>	<u>\$ 32,600,590</u>	<u>\$ 35,264,303</u>	<u>\$ 2,663,713</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Housing Authority Special Revenue Fund  
 Year Ended 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income (loss)	\$ 300,000	\$ 304,969	\$ (564,442)	\$ (869,411)
Total revenues	300,000	304,969	(564,442)	(869,411)
Expenditures				
Current				
General government	3,357,343	4,105,267	1,923,007	2,182,260
Community development	250,000	250,000	250,000	-
Total expenditures	3,607,343	4,355,267	2,173,007	2,182,260
Other financing sources (uses)				
Transfers in	-	-	267,838	267,838
Total other financing sources (uses)	-	-	267,838	267,838
Net change in fund balance	(3,307,343)	(4,050,298)	(2,469,611)	1,580,687
Fund balance, beginning	15,486,485	15,486,485	15,486,485	-
Fund balance, ending	\$ 12,179,142	\$ 11,436,187	\$ 13,016,874	\$ 1,580,687



City of Indian Wells, California  
 Budgetary Comparison Schedule - Emergency Services Upgrade Special Revenue Fund  
 Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,365,000	\$ 3,365,000	\$ 4,217,707	\$ 852,707
Charges for services	550,000	550,000	603,203	53,203
Investment income (loss)	110,000	110,000	(175,012)	(285,012)
Assessments	610,000	610,000	602,774	(7,226)
Other income	15,000	15,000	8,598	(6,402)
Total revenues	4,650,000	4,650,000	5,257,270	607,270
Expenditures				
Current				
Public safety	4,637,087	4,637,087	4,252,793	384,294
Capital outlay	725,000	725,000	18,064	706,936
Total expenditures	5,362,087	5,362,087	4,270,857	1,091,230
Net change in fund balance	(712,087)	(712,087)	986,413	1,698,500
Fund balance, beginning	3,904,646	3,904,646	3,904,646	-
Fund balance, ending	<u>\$ 3,192,559</u>	<u>\$ 3,192,559</u>	<u>\$ 4,891,059</u>	<u>\$ 1,698,500</u>

**Note 1 - Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. In June, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at public workshops and City Council meetings to obtain taxpayer comments.
3. Prior to July 1, the budget is adopted by Council action.

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budgets to actual results for all governmental funds. Budgeted revenue amounts represent the original budget modified by Council-authorized adjustments during the year which were contingent upon new or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America, using the modified-accrual basis of accounting.

The Finance Director is authorized by City Council to transfer any amounts within a fund between administrative control accounts, as well as budget adjustments between departments and programs within a fund. The transfer of appropriations between funds or between capital projects in the capital budget must be approved by City Council. Any subsequent appropriations of additional amounts of moneys for the fiscal year ended June 30, 2022, shall be approved by the City Council in advance of any authorization to purchase services or goods; with the exception that the City Manager may appropriate funds under the emergency provision of State Law to effect repairs or make acquisitions to protect life and property of the City.

All appropriations for prior fiscal year shall lapse at the end of the fiscal year and any remaining amounts shall be credited to their respective fund balances, with the exception of any unexpected amounts deemed necessary by the Finance Director for specific orders or encumbrances outstanding at the end of the year, and any unexpected appropriations for uncompleted capital projects in the capital budget at the end of the year. These amounts shall be charged against the incumbent fiscal year operating budget, as directed by the Finance Director.

The following funds had expenditures in excess of appropriations for the year ended June 30, 2022:

	Final Budget	Actual	Excess Over Appropriation
Park Facilities in Lieu	\$ -	1,073,726	(1,073,726)

The Indian Wells Financing Authority Debt Service Fund was not included in the appropriated budget prepared for fiscal year ended June 30, 2022. Therefore, no budgetary to actual comparison schedule for this fund is presented.

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### **Special Revenue Funds**

The following Special Revenue funds have been classified as other governmental funds in the accompanying financial statements.

Traffic Safety – This fund is used to account for the revenue from traffic fines and forfeitures and used to pay the costs of issuing tickets.

Public Safety ½% Tax – This fund is used to account for the half-cent sales tax collected by the State of California and allocated to the City for public safety.

Measure “A” Transportation – This fund is used to account for the City’s allocation of the sales tax increase, one-half cent, authorized by the Riverside County residents within November 1988. The funds collected are divided into four categories: Regional Transportation board (40%) administered by the Coachella Valley Association of Governments (CVAG), Sunline Transit (10%), State Highways (15%), and local agencies (35%). The local share is based 50% on population and 50% on point-of-sale. The local monies are legally restricted for the acquisition, construction and improvements of the public streets.

Fire Access Maintenance District No. 1 – This fund is used to account for the accumulation of special assessments, ad valorem taxes and other revenues accruing to the benefit and for expenses of the special district referred to as the Fire Access Maintenance District No. 1.

South Coast Air Quality Management District Vehicle Registration – This fund is used to account for the City’s share of vehicle registration fees that the State of California has allocated to address air quality concerns in California. These monies are to be used in air quality maintenance programs locally.

Citizens Option for Public Safety Program – This fund is used for front line municipal police services including anti-gang and community crime prevention programs.

Gas Tax – This fund is used to account for the City’s share of motor vehicle gas tax imposed under the provisions of the Street and Highway Code of the State of California under Sections 2105, 2106, 2107 and 2107.5 which are legally restricted for the acquisition, construction, improvement, and maintenance of public streets.

AB 939 Recycling – This fund is used to account for the revenues and expenditures incurred in recycling.

Solid Waste – This fund is used to account for city-wide assessment revenues and related expenditures incurred in providing residential garbage and refuse collection to the various benefiting assessment districts.

Consolidated LLMD – This fund is used to account for the revenues and expenditures incurred in providing lighting and landscaping maintenance services to the various benefiting assessment districts.

Street Lighting District 2001-1 – This fund is used to account for the revenues and expenditures incurred in providing lighting maintenance services within the City.

Affordable Housing Operations – This fund is used to account for revenues and expenditures associated with the retention and development of affordable housing units.

### **Capital Projects Funds**

The following Capital Projects Funds have been classified as other governmental funds in the accompanying financial statements:

Hwy 111 Circulation Improvement – This fund accounts for fees collected from projects, which will create adverse impacts on the existing public facilities. It will finance future projects to mitigate the traffic impact.

Park Facilities in Lieu – This fund is used to account for the accumulation of resources from Quimby Act Park Fee exactions, which are restricted for the acquisition and construction of parks, recreation, and open space capital projects.

Citywide Public Improvement – This fund is used to account for the accumulation of resources from the citywide public improvement fee for the acquisition and construction of general government capital projects.

Art in Public Places – This fund is used to account for fees collected through the building permit process to support art in public places with the community. The program supports arts and culture throughout the City.

Bridges Capital Reserve – This fund establishes reserve funding for bridges in the City.

Building Capital Reserve – This fund establishes reserve funding for the City's assets in and around the City's Civic Center complex. These assets include City Hall, the Fire Station, Emergency Operations Command, and surrounding Public Works facilities.

Medians & Parkways Capital Reserve – This fund establishes reserve funding for medians and parkways throughout the City.

Storm Drains Capital Reserve – This fund establishes reserve funding for storm drains throughout the City. Funding is for construction and preventative maintenance of storm drains to extend roadway infrastructure.

Traffic Signals Capital Reserve – This fund establishes reserve funding for traffic signals throughout the City.

Technology Capital Reserve – This fund establishes reserve funding for citywide information technology.

City Vehicles Capital Reserve – This fund establishes reserve funding for the purchase and replacement of City vehicles and fleet. Vehicles and fleet are to be replaced as needed to reduce the cost of ongoing maintenance costs.

Disaster Recovery Reserve – This reserve sets aside funds for the initial stages of disaster recovery prior to the inclusion of County, State, and Federal funding. Reserve funds allow for immediate response and recovery under a range of domestic emergencies like floods or earthquakes. The funds are earmarked, remain unspent if not used for disaster recovery, and cannot be used for any other purpose.

City of Indian Wells, California  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue Funds											
	Traffic Safety	Public Safety 1/2% Tax	Measure "A" Transportation	Fire Access Maintenance District No. 1	South Coast AQMD Vehicle Registration	Citizens Option for Public Safety Program	Gas Tax	AB 939 Recycling	Solid Waste	Consolidated LLMD	Street Lighting District 2001-1	Affordable Housing Operations
<b>Assets</b>												
Cash and investments	\$ 2,685	\$ 3,369	\$ -	\$ 2,294,031	\$ 13,929	\$ 6,192	\$ 4,151	\$ 421,263	\$ 209,687	\$ 1,626,040	\$ 14,707	\$ 5,142,756
Receivables												
Accounts	1,037	2,902	70,533	30,573	1,785	-	9,327	7,142	24,904	23,906	24	224
Accrued interest	4	5	-	3,420	21	5	7	-	941	2,424	22	5,076
<b>Total assets</b>	<b>\$ 3,726</b>	<b>\$ 6,276</b>	<b>\$ 70,533</b>	<b>\$ 2,328,024</b>	<b>\$ 15,735</b>	<b>\$ 6,197</b>	<b>\$ 13,485</b>	<b>\$ 428,405</b>	<b>\$ 235,532</b>	<b>\$ 1,652,370</b>	<b>\$ 14,753</b>	<b>\$ 5,148,056</b>
<b>Liabilities and Fund Balances</b>												
<b>Liabilities</b>												
Accounts payable	\$ 26	\$ -	\$ -	\$ 175,991	\$ 2,385	\$ -	\$ -	\$ 851	\$ 29,627	\$ 99,828	\$ -	\$ 309,113
Accrued liabilities	-	-	-	-	-	-	-	2,056	1,103	-	-	-
Deposits payable	-	-	-	955	-	-	-	-	-	858	-	120,035
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>176,946</b>	<b>2,385</b>	<b>-</b>	<b>-</b>	<b>2,907</b>	<b>30,730</b>	<b>100,686</b>	<b>-</b>	<b>429,148</b>
<b>Fund Balances</b>												
Restricted for												
Community development	-	-	-	-	-	-	-	-	-	-	-	4,718,908
Public safety	-	6,276	-	2,151,078	-	6,197	-	-	-	-	-	-
Public works	3,700	-	70,533	-	13,350	-	13,485	425,498	204,802	1,551,684	14,753	-
Committed to												
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-
Assigned												
Capital projects	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>3,700</b>	<b>6,276</b>	<b>70,533</b>	<b>2,151,078</b>	<b>13,350</b>	<b>6,197</b>	<b>13,485</b>	<b>425,498</b>	<b>204,802</b>	<b>1,551,684</b>	<b>14,753</b>	<b>4,718,908</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,726</b>	<b>\$ 6,276</b>	<b>\$ 70,533</b>	<b>\$ 2,328,024</b>	<b>\$ 15,735</b>	<b>\$ 6,197</b>	<b>\$ 13,485</b>	<b>\$ 428,405</b>	<b>\$ 235,532</b>	<b>\$ 1,652,370</b>	<b>\$ 14,753</b>	<b>\$ 5,148,056</b>

City of Indian Wells, California  
Combining Balance Sheet - Nonmajor Governmental Funds  
June 30, 2022

	Capital Projects Funds											Total Nonmajor Governmental Funds	
	Hwy 111 Circulation Improvement	Park Facilities In Lieu	Citywide Public Improvement	Art in Public Places	Bridges Capital Reserve	Buildings Capital Reserve	Medians & Parkways Capital Reserve	Storm Drains Capital Reserve	Traffic Signals Capital Reserve	Technology Capital Reserve	City Vehicles Capital Reserve		Disaster Recovery Reserve
<b>Assets</b>													
Cash and investments	\$ 19,659	\$ -	\$ -	\$ 311,271	\$ 1,717,718	\$ 1,670,512	\$ 1,367,251	\$ 690,432	\$ 567,375	\$ 518,147	\$ 118,879	\$ 142,129	\$ 16,862,183
Receivables													
Accounts	-	-	-	-	-	-	-	-	-	-	-	-	172,357
Accrued interest	29	-	341	464	2,560	2,490	2,038	1,029	846	772	177	212	22,883
<b>Total assets</b>	<b>\$ 19,688</b>	<b>\$ -</b>	<b>\$ 341</b>	<b>\$ 311,735</b>	<b>\$ 1,720,278</b>	<b>\$ 1,673,002</b>	<b>\$ 1,369,289</b>	<b>\$ 691,461</b>	<b>\$ 568,221</b>	<b>\$ 518,919</b>	<b>\$ 119,056</b>	<b>\$ 142,341</b>	<b>\$ 17,057,423</b>
<b>Liabilities and Fund Balances</b>													
<b>Liabilities</b>													
Accounts payable	\$ -	\$ -	\$ 210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,031
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	3,159
Deposits payable	-	-	-	-	-	-	-	-	-	-	-	-	121,848
Due to other funds	-	1,483,512	-	-	-	-	-	-	-	-	-	-	1,483,512
<b>Total liabilities</b>	<b>-</b>	<b>1,483,512</b>	<b>210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,226,550</b>
<b>Fund Balances</b>													
Restricted for													
Community development	-	-	-	-	-	-	-	-	-	-	-	-	4,718,908
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	2,163,551
Public works	19,688	-	-	-	-	-	-	-	-	-	-	-	2,317,493
Committed to													
Capital projects	-	-	-	311,735	-	-	-	-	-	-	-	-	311,735
Assigned													
Capital projects	-	-	131	-	1,720,278	1,673,002	1,369,289	691,461	568,221	518,919	119,056	142,341	6,802,698
Unassigned	-	(1,483,512)	-	-	-	-	-	-	-	-	-	-	(1,483,512)
<b>Total fund balances</b>	<b>19,688</b>	<b>(1,483,512)</b>	<b>131</b>	<b>311,735</b>	<b>1,720,278</b>	<b>1,673,002</b>	<b>1,369,289</b>	<b>691,461</b>	<b>568,221</b>	<b>518,919</b>	<b>119,056</b>	<b>142,341</b>	<b>14,830,873</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,688</b>	<b>\$ -</b>	<b>\$ 341</b>	<b>\$ 311,735</b>	<b>\$ 1,720,278</b>	<b>\$ 1,673,002</b>	<b>\$ 1,369,289</b>	<b>\$ 691,461</b>	<b>\$ 568,221</b>	<b>\$ 518,919</b>	<b>\$ 119,056</b>	<b>\$ 142,341</b>	<b>\$ 17,057,423</b>

City of Indian Wells, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds  
Year Ended June 30, 2022

	Special Revenue Funds											
	Traffic Safety	Public Safety 1/2% Tax	Measure "A" Transportation	Fire Access Maintenance District No. 1	South Coast AQMD Vehicle Registration	Citizens Option for Public Safety Program	Gas Tax	AB 939 Recycling	Solid Waste	Consolidated LLMD	Street Lighting District 2001-1	Affordable Housing Operations
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ 351,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	570	-	-	-	-	-	-	-	-
Intergovernmental	-	33,497	278,348	1,765	5,580	161,285	228,796	-	20,534	-	-	-
Investment income (loss)	(122)	(138)	161	(99,258)	(621)	(267)	2,743	-	(25,387)	(70,224)	(649)	(146,988)
Fines and forfeitures	17,203	-	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	2,137,105
Assessments	-	-	-	1,191,000	-	-	-	99,218	1,066,363	1,267,163	2,234	-
Developer fees	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	2,120	-	-	-	-	3,713	-	-	-
<b>Total revenues</b>	<b>17,081</b>	<b>33,359</b>	<b>278,509</b>	<b>1,448,175</b>	<b>4,959</b>	<b>161,018</b>	<b>231,539</b>	<b>99,218</b>	<b>1,065,223</b>	<b>1,196,939</b>	<b>1,585</b>	<b>1,990,117</b>
Expenditures												
Current												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	35,000	-	1,298,989	-	155,000	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	1,710,470
Public works	17,500	-	302,845	-	2,570	-	121,721	241,769	1,135,418	1,434,633	197	-
Capital outlay	-	-	-	633,670	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>17,500</b>	<b>35,000</b>	<b>302,845</b>	<b>1,932,659</b>	<b>2,570</b>	<b>155,000</b>	<b>121,721</b>	<b>241,769</b>	<b>1,135,418</b>	<b>1,434,633</b>	<b>197</b>	<b>1,710,470</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(419)	(1,641)	(24,336)	(484,484)	2,389	6,018	109,818	(142,551)	(70,195)	(237,694)	1,388	279,647
Other Financing Sources (Uses)												
Transfers in	-	-	-	-	-	-	-	-	-	201,827	-	-
Transfers out	-	-	-	-	-	-	(335,468)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(335,468)</b>	<b>-</b>	<b>-</b>	<b>201,827</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(419)</b>	<b>(1,641)</b>	<b>(24,336)</b>	<b>(484,484)</b>	<b>2,389</b>	<b>6,018</b>	<b>(225,650)</b>	<b>(142,551)</b>	<b>(70,195)</b>	<b>(35,867)</b>	<b>1,388</b>	<b>279,647</b>
Fund Balances, Beginning of Year	4,119	7,917	94,869	2,635,562	10,961	179	239,135	568,049	274,997	1,587,551	13,365	4,439,261
<b>Fund Balances, End of Year</b>	<b>\$ 3,700</b>	<b>\$ 6,276</b>	<b>\$ 70,533</b>	<b>\$ 2,151,078</b>	<b>\$ 13,350</b>	<b>\$ 6,197</b>	<b>\$ 13,485</b>	<b>\$ 425,498</b>	<b>\$ 204,802</b>	<b>\$ 1,551,684</b>	<b>\$ 14,753</b>	<b>\$ 4,718,908</b>



City of Indian Wells, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2022

	Capital Projects Funds											Total Nonmajor Governmental Funds	
	Hwy 111 Circulation Improvement	Park Facilities In Lieu	Citywide Public Improvement	Art in Public Places	Bridges Capital Reserve	Buildings Capital Reserve	Medians & Parkways Capital Reserve	Storm Drains Capital Reserve	Traffic Signals Capital Reserve	Technology Capital Reserve	City Vehicles Capital Reserve		Disaster Recovery Reserve
<b>Revenues</b>													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351,978
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	570
Intergovernmental	-	536,863	-	-	-	-	-	-	-	-	-	-	1,266,668
Investment income (loss)	(1,047)	-	(11,988)	(14,702)	(74,030)	(71,671)	(58,924)	(29,756)	(24,452)	(22,330)	(7,659)	(662,433)	
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	17,203
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	2,137,105
Assessments	-	-	-	-	-	-	-	-	-	-	-	-	3,625,978
Developer fees	49,725	156,136	241,433	161,488	-	-	-	-	-	-	-	-	608,782
Other income	-	-	-	-	-	-	-	-	-	-	-	-	5,833
<b>Total revenues</b>	<b>48,678</b>	<b>692,999</b>	<b>229,445</b>	<b>146,786</b>	<b>(74,030)</b>	<b>(71,671)</b>	<b>(58,924)</b>	<b>(29,756)</b>	<b>(24,452)</b>	<b>(22,330)</b>	<b>(7,659)</b>	<b>7,351,684</b>	
<b>Expenditures</b>													
<b>Current</b>													
General government	-	1,073,726	-	-	-	-	-	-	-	-	-	-	1,073,726
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	1,488,989
Community development	-	-	-	-	-	-	-	-	-	-	-	-	1,710,470
Public works	-	-	-	-	-	-	-	-	-	-	-	-	3,256,653
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	633,670
<b>Total expenditures</b>	<b>-</b>	<b>1,073,726.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,163,508</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>48,678</b>	<b>(380,727)</b>	<b>229,445</b>	<b>146,786</b>	<b>(74,030)</b>	<b>(71,671)</b>	<b>(58,924)</b>	<b>(29,756)</b>	<b>(24,452)</b>	<b>(22,330)</b>	<b>(7,659)</b>	<b>(811,824)</b>	
<b>Other Financing Sources (Uses)</b>													
Transfers in	-	-	-	-	75,000	312,000	60,000	30,000	25,000	23,000	5,000	150,000	881,827
Transfers out	-	-	(229,314)	-	-	-	-	-	-	-	-	-	(564,782)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(229,314)</b>	<b>-</b>	<b>75,000</b>	<b>312,000</b>	<b>60,000</b>	<b>30,000</b>	<b>25,000</b>	<b>23,000</b>	<b>5,000</b>	<b>150,000</b>	<b>317,045</b>
<b>Net Change in Fund Balances</b>	<b>48,678</b>	<b>(380,727)</b>	<b>131</b>	<b>146,786</b>	<b>970</b>	<b>240,329</b>	<b>1,076</b>	<b>244</b>	<b>548</b>	<b>670</b>	<b>(124)</b>	<b>142,341</b>	<b>(494,779)</b>
<b>Fund Balances, Beginning of Year</b>	<b>(28,990)</b>	<b>(1,102,785)</b>	<b>-</b>	<b>164,949</b>	<b>1,719,308</b>	<b>1,432,673</b>	<b>1,368,213</b>	<b>691,217</b>	<b>567,673</b>	<b>518,249</b>	<b>119,180</b>	<b>-</b>	<b>15,325,652</b>
<b>Fund Balances, End of Year</b>	<b>\$ 19,688</b>	<b>\$ (1,483,512)</b>	<b>\$ 131</b>	<b>\$ 311,735</b>	<b>\$ 1,720,278</b>	<b>\$ 1,673,002</b>	<b>\$ 1,369,289</b>	<b>\$ 691,461</b>	<b>\$ 568,221</b>	<b>\$ 518,919</b>	<b>\$ 119,056</b>	<b>\$ 142,341</b>	<b>\$ 14,830,873</b>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Traffic Safety  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Investment income (loss)	\$ 10	\$ (122)	\$ (132)
Fines and forfeitures	16,680	17,203	523
Total revenues	<u>16,690</u>	<u>17,081</u>	<u>391</u>
Expenditures			
Current			
Public works	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Total expenditures	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Net change in fund balance	(810)	(419)	391
Fund balance, beginning	<u>4,119</u>	<u>4,119</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,309</u>	<u>\$ 3,700</u>	<u>\$ 391</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Public Safety 1/2% Tax  
 Year Ended June 30, 2022

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	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 24,000	\$ 33,497	\$ 9,497
Investment income (loss)	1,400	(138)	(1,538)
Total revenues	25,400	33,359	7,959
Expenditures			
Current			
Public safety	35,000	35,000	-
Total expenditures	35,000	35,000	-
Net change in fund balance	(9,600)	(1,641)	7,959
Fund balance, beginning	7,917	7,917	-
Fund balance, ending	\$ (1,683)	\$ 6,276	\$ 7,959

City of Indian Wells, California  
 Budgetary Comparison Schedule - Measure "A" Transportation  
 Year Ended June 30, 2022

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	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 272,830	\$ 278,348	\$ 5,518
Investment income	1,200	161	(1,039)
Total revenues	274,030	278,509	4,479
Expenditures			
Current			
Public works	325,000	302,845	22,155
Total expenditures	325,000	302,845	22,155
Net change in fund balance	(50,970)	(24,336)	26,634
Fund balance, beginning	94,869	94,869	-
Fund balance, ending	\$ 43,899	\$ 70,533	\$ 26,634

City of Indian Wells, California  
 Budgetary Comparison Schedule - Fire Access Maintenance District No. 1  
 Year Ended June 30, 2022

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	<u>Budgeted</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Amounts</u>		
Revenues			
Taxes	\$ 352,960	\$ 351,978	\$ (982)
Licenses and permits	1,150	570	(580)
Intergovernmental	1,600	1,765	165
Investment income (loss)	90,000	(99,258)	(189,258)
Assessments	1,200,000	1,191,000	(9,000)
Other income	3,250	2,120	(1,130)
	<u>1,648,960</u>	<u>1,448,175</u>	<u>(200,785)</u>
Expenditures			
Current			
Public safety	1,406,875	1,298,989	107,886
Capital outlay	986,838	633,670	353,168
	<u>2,393,713</u>	<u>1,932,659</u>	<u>461,054</u>
Net change in fund balance	(744,753)	(484,484)	260,269
Fund balance, beginning	<u>2,635,562</u>	<u>2,635,562</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,890,809</u>	<u>\$ 2,151,078</u>	<u>\$ 260,269</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - South Coast AQMD Vehicle Registration  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Intergovernmental	\$ 6,990	\$ 5,580	\$ (1,410)
Investment income (loss)	300	(621)	(921)
	<u>7,290</u>	<u>4,959</u>	<u>(2,331)</u>
Total revenues			
Expenditures			
Current			
Public works	<u>7,300</u>	<u>2,570</u>	<u>4,730</u>
Total expenditures	<u>7,300</u>	<u>2,570</u>	<u>4,730</u>
Net change in fund balance	(10)	2,389	2,399
Fund balance, beginning	<u>10,961</u>	<u>10,961</u>	<u>-</u>
Fund balance, ending	<u>\$ 10,951</u>	<u>\$ 13,350</u>	<u>\$ 2,399</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Citizens Option for Public Safety Program  
 Year Ended June 30, 2022

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	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 153,550	\$ 161,285	\$ 7,735
Investment income (loss)	<u>3,800</u>	<u>(267)</u>	<u>(4,067)</u>
Total revenues	<u>157,350</u>	<u>161,018</u>	<u>3,668</u>
Expenditures			
Current			
Public safety	<u>180,000</u>	<u>155,000</u>	<u>25,000</u>
Total expenditures	<u>180,000</u>	<u>155,000</u>	<u>25,000</u>
Net change in fund balance	(22,650)	6,018	28,668
Fund balance, beginning	<u>179</u>	<u>179</u>	<u>-</u>
Fund balance, ending	<u>\$ (22,471)</u>	<u>\$ 6,197</u>	<u>\$ 28,668</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Gas Tax  
 Year Ended June 30, 2022

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 228,693	\$ 228,796	\$ 103
Investment income	4,130	2,743	(1,387)
<b>Total revenues</b>	<b>232,823</b>	<b>231,539</b>	<b>(1,284)</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	250,000	-	250,000
Public works	133,030	121,721	11,309
<b>Total expenditures</b>	<b>383,030</b>	<b>121,721</b>	<b>261,309</b>
<b>Other financing sources (uses)</b>			
Transfers out	-	(335,468)	(335,468)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(335,468)</b>	<b>(335,468)</b>
<b>Net change in fund balance</b>	<b>(150,207)</b>	<b>(225,650)</b>	<b>(75,443)</b>
Fund balance, beginning	239,135	239,135	-
<b>Fund balance, ending</b>	<b>\$ 88,928</b>	<b>\$ 13,485</b>	<b>\$ (75,443)</b>



City of Indian Wells, California  
 Budgetary Comparison Schedule - AB 939 Recycling  
 Year Ended June 30, 2022

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Assessments	\$ 92,000	\$ 99,218	\$ 7,218
Total revenues	<u>92,000</u>	<u>99,218</u>	<u>7,218</u>
Expenditures			
Current			
Public works	<u>334,047</u>	<u>241,769</u>	<u>92,278</u>
Total expenditures	<u>334,047</u>	<u>241,769</u>	<u>92,278</u>
Net change in fund balance	(242,047)	(142,551)	99,496
Fund balance, beginning	<u>568,049</u>	<u>568,049</u>	-
Fund balance, ending	<u><u>\$ 326,002</u></u>	<u><u>\$ 425,498</u></u>	<u><u>\$ 99,496</u></u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Solid Waste  
 Year Ended June 30, 2022

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 20,534	\$ 20,534
Investment income (loss)	35,000	(25,387)	(60,387)
Assessments	1,315,000	1,066,363	(248,637)
Other income	2,500	3,713	1,213
<b>Total revenues</b>	<b>1,352,500</b>	<b>1,065,223</b>	<b>(287,277)</b>
<b>Expenditures</b>			
<b>Current</b>			
Public works	1,149,540	1,135,418	14,122
<b>Total expenditures</b>	<b>1,149,540</b>	<b>1,135,418</b>	<b>14,122</b>
<b>Net change in fund balance</b>	<b>202,960</b>	<b>(70,195)</b>	<b>(273,155)</b>
Fund balance, beginning	274,997	274,997	-
Fund balance, ending	<u>\$ 477,957</u>	<u>\$ 204,802</u>	<u>\$ (273,155)</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Consolidating LLMD  
 Year Ended June 30, 2022

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 50,295	\$ (70,224)	\$ (120,519)
Assessments	1,383,213	1,267,163	(116,050)
Total revenues	<u>1,433,508</u>	<u>1,196,939</u>	<u>(236,569)</u>
Expenditures			
Current			
Public works	1,616,100	1,434,633	181,467
Total expenditures	<u>1,616,100</u>	<u>1,434,633</u>	<u>181,467</u>
Other financing sources (uses)			
Transfers in	172,763	201,827	29,064
Total other financing sources (uses)	<u>172,763</u>	<u>201,827</u>	<u>29,064</u>
Net change in fund balance	(9,829)	(35,867)	(26,038)
Fund balance, beginning	<u>1,587,551</u>	<u>1,587,551</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,577,722</u>	<u>\$ 1,551,684</u>	<u>\$ (26,038)</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Street Lighting District 2001-1  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>			
Investment income (loss)	\$ 375	\$ (649)	\$ (1,024)
Assessments	1,380	2,234	854
Total revenues	<u>1,755</u>	<u>1,585</u>	<u>(170)</u>
<b>Expenditures</b>			
Current			
Public works	<u>1,730</u>	<u>197</u>	<u>1,533</u>
Total expenditures	<u>1,730</u>	<u>197</u>	<u>1,533</u>
Net change in fund balance	25	1,388	1,363
Fund balance, beginning	<u>13,365</u>	<u>13,365</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,390</u>	<u>\$ 14,753</u>	<u>\$ 1,363</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Affordable Housing Operations  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>			
Investment income (loss)	\$ 114,000	\$ (146,988)	\$ (260,988)
Rental income	1,960,000	2,137,105	177,105
Total revenues	<u>2,074,000</u>	<u>1,990,117</u>	<u>(83,883)</u>
<b>Expenditures</b>			
Current			
Community development	<u>2,073,160</u>	<u>1,710,470</u>	<u>362,690</u>
Total expenditures	<u>2,073,160</u>	<u>1,710,470</u>	<u>362,690</u>
Net change in fund balance	840	279,647	278,807
Fund balance, beginning	<u>4,439,261</u>	<u>4,439,261</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,440,101</u>	<u>\$ 4,718,908</u>	<u>\$ 278,807</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Capital Improvements  
 Year Ended June 30, 2022

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 500,000	\$ 233,642	\$ (266,358)
Investment income (loss)	400,000	(298,938)	(698,938)
Other income	10,000	1,013	(8,987)
	<u>910,000</u>	<u>(64,283)</u>	<u>(974,283)</u>
<b>Total revenues</b>			
<b>Expenditures</b>			
<b>Current</b>			
General government	492,272	228,553	263,719
Community development	2,500,000	2,500,000	-
Capital outlay	12,785,619	4,133,746	8,651,873
	<u>15,777,891</u>	<u>6,862,299</u>	<u>8,915,592</u>
<b>Total expenditures</b>			
<b>Other financing sources (uses)</b>			
Proceeds from sale of capital assets	-	525,000	525,000
Transfers in	1,000,000	6,939,608	5,939,608
	<u>1,000,000</u>	<u>7,464,608</u>	<u>6,464,608</u>
<b>Total other financing sources (uses)</b>			
Net change in fund balance	(13,867,891)	538,026	14,405,917
Fund balance, beginning	<u>8,638,243</u>	<u>8,638,243</u>	<u>-</u>
Fund balance, ending	<u>\$ (5,229,648)</u>	<u>\$ 9,176,269</u>	<u>\$ 14,405,917</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - City Streets Capital Reserve  
 Year Ended June 30, 2022

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	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 625,000	\$ (811,971)	\$ (1,436,971)
Total revenues	625,000	(811,971)	(1,436,971)
Other financing sources (uses)			
Transfers in	-	820,000	820,000
Total other financing sources (uses)	-	820,000	820,000
Net change in fund balance	625,000	8,029	(616,971)
Fund balance, beginning	18,860,116	18,860,116	-
Fund balance, ending	\$ 19,485,116	\$ 18,868,145	\$ (616,971)

City of Indian Wells, California  
 Budgetary Comparison Schedule - Highway 111 Circulation Improvements  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Investment income (loss)	\$ -	\$ (1,047)	\$ (1,047)
Developer fees	100	49,725	49,625
	<u>100</u>	<u>48,678</u>	<u>48,578</u>
Total revenues			
	100	48,678	48,578
Net change in fund balance			
	100	48,678	48,578
Fund balance, beginning	<u>(28,990)</u>	<u>(28,990)</u>	<u>-</u>
Fund balance, ending	<u>\$ (28,890)</u>	<u>\$ 19,688</u>	<u>\$ 48,578</u>



City of Indian Wells, California  
 Budgetary Comparison Schedule - Park Facilities in Lieu  
 Year Ended June 30, 2022

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 536,863	\$ 536,863
Developer fees	60,000	156,136	96,136
<b>Total revenues</b>	<b>60,000</b>	<b>692,999</b>	<b>632,999</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	-	1,073,726	(1,073,726)
<b>Total expenditures</b>	<b>-</b>	<b>1,073,726</b>	<b>(1,073,726)</b>
<b>Net change in fund balance</b>	<b>60,000</b>	<b>(380,727)</b>	<b>(440,727)</b>
Fund balance, beginning	(1,102,785)	(1,102,785)	-
Fund balance, ending	<u>\$ (1,042,785)</u>	<u>\$ (1,483,512)</u>	<u>\$ (440,727)</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - City Wide Public Improvements  
 Year Ended June 30, 2022

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	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 2,000	\$ (11,988)	\$ (13,988)
Developer fees	128,000	241,433	113,433
Total revenues	130,000	229,445	99,445
Other financing sources (uses)			
Transfers out	-	(229,314)	(229,314)
Total other financing sources (uses)	-	(229,314)	(229,314)
Net change in fund balance	130,000	131	(129,869)
Fund balance, beginning	-	-	-
Fund balance, ending	\$ 130,000	\$ 131	\$ (129,869)

City of Indian Wells, California  
 Budgetary Comparison Schedule - Art in Public Places  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Investment income (loss)	\$ 4,800	\$ (14,702)	\$ (19,502)
Developer fees	14,500	161,488	146,988
Total revenues	<u>19,300</u>	<u>146,786</u>	<u>127,486</u>
Fund balance, beginning	<u>164,949</u>	<u>164,949</u>	<u>-</u>
Fund balance, ending	<u>\$ 184,249</u>	<u>\$ 311,735</u>	<u>\$ 127,486</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Bridges Capital Reserve  
 Year Ended June 30, 2022

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	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ -	\$ (74,030)	\$ (74,030)
Total revenues	-	(74,030)	(74,030)
Other financing sources (uses)			
Transfers in	58,000	75,000	17,000
Total other financing sources (uses)	58,000	75,000	17,000
Net change in fund balance	58,000	970	(57,030)
Fund balance, beginning	1,719,308	1,719,308	-
Fund balance, ending	\$ 1,777,308	\$ 1,720,278	\$ (57,030)

City of Indian Wells, California  
 Budgetary Comparison Schedule - Buildings Capital Reserve  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Investment income (loss)	\$ 48,000	\$ (71,671)	\$ (119,671)
Total revenues	<u>48,000</u>	<u>(71,671)</u>	<u>(119,671)</u>
Other financing sources (uses)			
Transfers in	<u>1,500,000</u>	<u>312,000</u>	<u>(1,188,000)</u>
Total other financing sources (uses)	<u>1,500,000</u>	<u>312,000</u>	<u>(1,188,000)</u>
Net change in fund balance	1,548,000	240,329	(1,307,671)
Fund balance, beginning	<u>1,432,673</u>	<u>1,432,673</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,980,673</u>	<u>\$ 1,673,002</u>	<u>\$ (1,307,671)</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Medians & Parkways Capital Reserve  
 Year Ended June 30, 2022

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	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 47,500	\$ (58,924)	\$ (106,424)
Total revenues	<u>47,500</u>	<u>(58,924)</u>	<u>(106,424)</u>
Other financing sources (uses)			
Transfers in	<u>-</u>	<u>60,000</u>	<u>60,000</u>
Total other financing sources (uses)	<u>-</u>	<u>60,000</u>	<u>60,000</u>
Net change in fund balance	47,500	1,076	(46,424)
Fund balance, beginning	<u>1,368,213</u>	<u>1,368,213</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,415,713</u>	<u>\$ 1,369,289</u>	<u>\$ (46,424)</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Storm Drains Capital Reserve  
 Year Ended June 30, 2022

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	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 23,500	\$ (29,756)	\$ (53,256)
Total revenues	23,500	(29,756)	(53,256)
Other financing sources (uses)			
Transfers in	-	30,000	30,000
Total other financing sources (uses)	-	30,000	30,000
Net change in fund balance	23,500	244	(23,256)
Fund balance, beginning	691,217	691,217	-
Fund balance, ending	\$ 714,717	\$ 691,461	\$ (23,256)

City of Indian Wells, California  
 Budgetary Comparison Schedule - Traffic Signals Capital Reserve  
 Year Ended June 30, 2022

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	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 20,500	\$ (24,452)	\$ (44,952)
Total revenues	<u>20,500</u>	<u>(24,452)</u>	<u>(44,952)</u>
Other financing sources (uses)			
Transfers in	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total other financing sources (uses)	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Net change in fund balance	20,500	548	(19,952)
Fund balance, beginning	<u>567,673</u>	<u>567,673</u>	<u>-</u>
Fund balance, ending	<u>\$ 588,173</u>	<u>\$ 568,221</u>	<u>\$ (19,952)</u>



City of Indian Wells, California  
 Budgetary Comparison Schedule - Technology Capital Reserve  
 Year Ended June 30, 2022

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	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 18,500	\$ (22,330)	\$ (40,830)
Total revenues	18,500	(22,330)	(40,830)
Other financing sources (uses)			
Transfers in	-	23,000	23,000
Total other financing sources (uses)	-	23,000	23,000
Net change in fund balance	18,500	670	(17,830)
Fund balance, beginning	518,249	518,249	-
Fund balance, ending	\$ 536,749	\$ 518,919	\$ (17,830)

City of Indian Wells, California  
 Budgetary Comparison Schedule - City Vehicles Capital Reserve  
 Year Ended June 30, 2022

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	<u>Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Investment income (loss)	\$ 4,500	\$ (5,124)	\$ (9,624)
Total revenues	<u>4,500</u>	<u>(5,124)</u>	<u>(9,624)</u>
Other financing sources (uses)			
Transfers in	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total other financing sources (uses)	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net change in fund balance	4,500	(124)	(4,624)
Fund balance, beginning	<u>119,180</u>	<u>119,180</u>	<u>-</u>
Fund balance, ending	<u>\$ 123,680</u>	<u>\$ 119,056</u>	<u>\$ (4,624)</u>

City of Indian Wells, California  
 Budgetary Comparison Schedule - Disaster Recovery Reserve  
 Year Ended June 30, 2022

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	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ -	\$ (7,659)	\$ (7,659)
Total revenues	<u>-</u>	<u>(7,659)</u>	<u>(7,659)</u>
Other financing sources (uses)			
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balance	150,000	142,341	(7,659)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ 150,000</u>	<u>\$ 142,341</u>	<u>\$ (7,659)</u>

City of Indian Wells, California  
Combining Statement of Net Position - Internal Service Funds  
June 30, 2022

	Governmental Activities - Internal Service Funds		Totals
	Employee Benefits	Compensated Absences	
<b>Assets</b>			
<b>Current Assets</b>			
Cash and investments	\$ 1,029,808	\$ 581,403	\$ 1,611,211
Restricted Section 115 Trust cash and investments	1,022,597	-	1,022,597
<b>Receivables</b>			
Accounts	1,725	-	1,725
Accrued interest	-	867	867
Total current assets	<u>2,054,130</u>	<u>582,270</u>	<u>2,636,400</u>
<b>Noncurrent Assets</b>			
Net OPEB Asset	<u>2,196,587</u>	-	<u>2,196,587</u>
Total assets	<u>4,250,717</u>	<u>582,270</u>	<u>4,832,987</u>
<b>Deferred Outflows of Resources</b>			
Deferred amounts related to OPEB	<u>1,038,209</u>	-	<u>1,038,209</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	<u>609</u>	-	<u>609</u>
Total liabilities	<u>609</u>	-	<u>609</u>
<b>Deferred Inflows of Resources</b>			
Deferred amounts related to OPEB	<u>1,955,929</u>	-	<u>1,955,929</u>
<b>Net Position</b>			
Restricted for OPEB	2,301,464	-	2,301,464
Unrestricted	<u>1,030,924</u>	<u>582,270</u>	<u>1,613,194</u>
Total net position	<u>\$ 3,332,388</u>	<u>\$ 582,270</u>	<u>\$ 3,914,658</u>

City of Indian Wells, California

Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds

Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds		Totals
	Employee Benefits	Compensated Absences	
Operating Revenues			
Interdepartmental charges	\$ 2,743,830	-	\$ 2,743,830
Total operating revenues	2,743,830	-	2,743,830
Operating Expenses			
Administration and general	690,601	-	690,601
Total operating expenses	690,601	-	690,601
Operating Income (Loss)	2,053,229	-	2,053,229
Nonoperating Revenue (Expenses)			
Investment income (loss)	(104,302)	(25,092)	(129,394)
Total nonoperating revenues (expenses)	(104,302)	(25,092)	(129,394)
Changes in Net Position	1,948,927	(25,092)	1,923,835
Net Position, Beginning of Year	1,383,461	607,362	1,990,823
Net Position, End of Year	\$ 3,332,388	\$ 582,270	\$ 3,914,658

City of Indian Wells, California  
Combining Statement of Cash Flows - Internal Service Funds  
Year Ended June 30, 2022

	Governmental Activities - Internal Service Funds		Totals
	Employee Benefits	Compensated Absences	
Operating Activities			
Cash received from interfund services provided	\$ 2,362,485	\$ -	\$ 2,362,485
Cash paid to suppliers for goods and services	(1,143,180)	-	(1,143,180)
Net Cash from (used for) Operating Activities	<u>1,219,305</u>	<u>-</u>	<u>1,219,305</u>
Investing Activities			
Interest loss	(104,302)	(25,132)	(129,434)
Net Cash from (used for) Investing Activities	<u>(104,302)</u>	<u>(25,132)</u>	<u>(129,434)</u>
Net Change in Cash and Cash Equivalents	1,115,003	(25,132)	1,089,871
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	<u>937,402</u>	<u>606,535</u>	<u>1,543,937</u>
Cash, Restricted Cash, and Cash Equivalents, End of Year	<u>\$ 2,052,405</u>	<u>\$ 581,403</u>	<u>\$ 2,633,808</u>
Reconciliation of Operating Income to Net Cash from (used for) Operating Activities			
Operating income (loss)	\$ 2,053,229	\$ -	\$ 2,053,229
Changes in			
Accounts receivable	(1,725)	-	(1,725)
Net OPEB asset and related balances	(446,883)	-	(446,883)
Accounts payable	(5,696)	-	(5,696)
Due to other funds	(379,620)	-	(379,620)
Net Cash from (used for) Operating Activities	<u>\$ 1,219,305</u>	<u>\$ -</u>	<u>\$ 1,219,305</u>

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

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

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

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



City of Indian Wells, California  
Net Position by Component  
Accrual Basis of Accounting  
Last Ten Fiscal Years

	Fiscal Year									
	2022**	2021	2020	2019	2018	2017	2016*	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$ 145,969,138	\$ 148,375,228	\$ 163,856,985	\$ 167,002,186	\$ 172,007,625	\$ 172,494,796	\$ 175,639,386	\$ 241,607,740	\$ 250,043,785	\$ 250,592,927
Restricted for:										
Community development	4,718,908	4,439,261	3,801,007	3,108,085	2,661,415	2,401,909	2,294,829	2,175,822	3,420,280	1,857,642
Housing	13,016,874	15,486,485	12,961,532	13,870,180	14,632,707	12,842,189	13,352,710	13,639,334	14,412,791	15,831,412
Public safety	7,054,610	6,548,304	6,728,419	5,737,133	5,308,643	6,034,523	9,535,112	5,680,112	5,558,075	5,074,097
Public works	2,317,493	2,793,046	2,657,863	2,412,413	2,223,810	2,135,793	2,201,769	2,138,313	1,967,998	1,832,508
Section 115 Trust	-	937,402	-	-	-	-	-	-	-	-
Pension obligations	11,369,223	-	-	-	-	-	-	-	-	-
OPEB obligations	2,301,464	-	-	-	-	-	-	-	-	-
Unrestricted	<u>69,606,313</u>	<u>65,899,752</u>	<u>69,738,721</u>	<u>71,786,558</u>	<u>61,884,894</u>	<u>65,150,651</u>	<u>50,054,925</u>	<u>52,294,420</u>	<u>51,276,256</u>	<u>37,447,463</u>
Total governmental activities net position	<u>256,354,023</u>	<u>244,479,478</u>	<u>259,744,527</u>	<u>263,916,555</u>	<u>258,719,094</u>	<u>261,059,861</u>	<u>253,078,731</u>	<u>317,535,741</u>	<u>326,679,185</u>	<u>312,636,049</u>
Business-type activities:										
Net investment in capital assets**	46,751,387	47,197,377	49,122,479	49,821,298	51,198,409	52,758,255	57,498,601	-	-	-
Restricted for:										
Pension Obligations	338,347	-	-	-	-	-	-	-	-	-
Unrestricted	<u>(4,547,545)</u>	<u>(5,609,097)</u>	<u>(5,258,314)</u>	<u>(1,809,374)</u>	<u>1,024,501</u>	<u>1,657,668</u>	<u>1,798,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net position	<u>42,542,189</u>	<u>41,588,280</u>	<u>43,864,165</u>	<u>48,011,924</u>	<u>52,222,910</u>	<u>54,415,923</u>	<u>59,296,686</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary government:										
Net investment in capital assets	192,720,525	195,572,605	212,979,464	216,823,484	223,206,034	225,253,051	233,137,987	241,607,740	250,043,785	250,592,927
Restricted	27,446,232	29,267,096	26,148,821	25,127,811	24,826,575	23,414,414	27,384,420	23,633,581	25,359,144	24,595,659
Unrestricted	<u>65,058,768</u>	<u>60,290,655</u>	<u>64,480,407</u>	<u>69,977,184</u>	<u>62,909,395</u>	<u>66,808,319</u>	<u>51,853,010</u>	<u>52,294,420</u>	<u>51,276,256</u>	<u>37,447,463</u>
Total primary government net position	<u>\$ 298,896,212</u>	<u>\$ 286,067,758</u>	<u>\$ 303,608,692</u>	<u>\$ 311,928,479</u>	<u>\$ 310,942,004</u>	<u>\$ 315,475,784</u>	<u>\$ 312,375,417</u>	<u>\$ 317,535,741</u>	<u>\$ 326,679,185</u>	<u>\$ 312,636,049</u>

\*As of 7/1/15, two business-type activities were created, Indian Wells Golf Resort and Club Drive Property

\*\*As of 7/1/21, GASB 87 was implemented

City of Indian Wells, California  
Changes in Net Position  
Accrual Basis of Accounting  
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016*	2015	2014	2013
Expenses:										
Governmental activities:										
General government	\$ 2,804,408	\$ 16,765,605	\$ 8,368,804	\$ 5,701,156	\$ 8,102,188	\$ 7,501,991	\$ 7,151,865	\$ 9,338,294	\$ 8,528,905	\$ 8,151,220
Public safety	9,003,835	9,448,083	9,192,146	9,115,680	9,918,617	7,830,608	7,853,892	7,988,613	7,689,486	7,413,099
Community development	5,479,125	4,918,929	4,586,068	6,117,322	2,867,417	4,331,134	4,502,450	4,058,871	4,114,707	11,783,596
Public works	4,719,058	7,956,690	7,786,633	9,598,922	6,685,611	6,624,416	6,521,569	11,102,625	11,284,095	11,050,272
Golf resort	-	-	-	-	-	-	-	13,564,356	12,945,121	12,088,530
Interest on long-term debt	463,970	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>22,470,396</u>	<u>39,089,307</u>	<u>29,933,651</u>	<u>30,533,080</u>	<u>27,573,833</u>	<u>26,288,149</u>	<u>26,029,776</u>	<u>46,052,759</u>	<u>44,562,314</u>	<u>50,486,717</u>
Business-type activities:										
Golf resort	18,815,101	13,451,868	15,504,561	17,315,778	16,386,499	20,011,357	21,006,393	-	-	-
Club drive	-	-	-	7,000	31,781	60,715	65,142	-	-	-
Total business-type expenses	<u>18,815,101</u>	<u>13,451,868</u>	<u>15,504,561</u>	<u>17,322,778</u>	<u>16,418,280</u>	<u>20,072,072</u>	<u>21,071,535</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>41,285,497</u>	<u>52,541,175</u>	<u>45,438,212</u>	<u>47,855,858</u>	<u>43,992,113</u>	<u>46,360,221</u>	<u>47,101,311</u>	<u>46,052,759</u>	<u>44,562,314</u>	<u>50,486,717</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	47,687	41,412	58,587	43,100	39,584	35,873	48,263	35,971	46,282	88,959
Public safety	603,773	485,403	525,383	600,091	199,095	134	4,522	8,599	6,883	7,900
Community development	1,568,875	817,102	969,257	990,040	1,038,569	1,121,873	968,377	1,003,232	854,755	934,524
Public works	17,203	14,463	9,288	12,124	21,064	22,884	27,412	22,723	28,038	32,978
Golf resort	-	-	-	-	-	-	-	13,179,508	12,429,070	12,051,307
Operating grants and contributions:										
General government	759,541	523,214	485,587	478,269	444,372	430,718	456,491	524,526	386,696	381,405
Public safety	7,516,568	5,642,553	5,308,307	5,143,462	4,864,606	4,768,453	4,637,918	4,514,697	4,436,574	4,211,296
Community development	-	-	-	-	-	52,738	-	60,559	-	-
Public works	3,158,915	2,890,710	2,760,299	2,705,844	2,505,914	2,643,506	2,364,247	2,319,406	2,362,409	2,303,057
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	1,050,000	500,000	1,450,000
Community development	-	-	-	-	-	-	-	-	-	-
Public works	954,966	119,842	487,500	236,175	215,870	143,993	104,869	775,943	2,352,481	119,513
Total governmental activities program revenue	<u>14,627,528</u>	<u>10,534,699</u>	<u>10,604,208</u>	<u>10,209,105</u>	<u>9,329,074</u>	<u>9,220,172</u>	<u>8,612,099</u>	<u>23,495,164</u>	<u>23,403,188</u>	<u>21,580,939</u>
Business-type activities:										
Charges for services:										
Golf resort	16,202,430	11,178,205	11,340,304	15,108,397	13,738,178	12,838,393	12,918,130	-	-	-
Club drive	-	-	-	-	82,142	111,241	108,476	-	-	-
Total business-type activities program revenue	<u>16,202,430</u>	<u>11,178,205</u>	<u>11,340,304</u>	<u>15,108,397</u>	<u>13,820,320</u>	<u>12,949,634</u>	<u>13,026,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenue	<u>30,829,958</u>	<u>21,712,904</u>	<u>21,944,512</u>	<u>25,317,502</u>	<u>23,149,394</u>	<u>22,169,806</u>	<u>21,638,705</u>	<u>23,495,164</u>	<u>23,403,188</u>	<u>21,580,939</u>

City of Indian Wells, California  
Changes in Net Position  
Accrual Basis of Accounting  
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016*	2015	2014	2013
Net revenues (expenses):										
Governmental activities	(7,842,868)	(28,554,608)	(19,329,443)	(20,323,975)	(18,244,759)	(17,067,977)	(17,417,677)	(22,557,595)	(21,159,126)	(28,905,778)
Business-type activities	(2,612,671)	(2,273,663)	(4,164,257)	(2,214,381)	(2,597,960)	(7,122,438)	(8,044,929)			
Total net revenues (expenses)	<u>(10,455,539)</u>	<u>(30,828,271)</u>	<u>(23,493,700)</u>	<u>(22,538,356)</u>	<u>(20,842,719)</u>	<u>(24,190,415)</u>	<u>(25,462,606)</u>	<u>(22,557,595)</u>	<u>(21,159,126)</u>	<u>(28,905,778)</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	3,721,408	3,554,123	3,303,647	3,398,657	3,255,668	3,115,910	3,039,371	2,915,229	2,820,856	2,689,149
Transient occupancy taxes	10,987,345	4,622,778	4,944,773	8,835,433	7,943,017	7,826,154	7,000,096	6,742,840	6,407,454	6,341,825
Sales taxes	1,539,776	656,060	821,533	1,493,254	1,111,159	1,347,804	1,217,570	1,121,191	1,016,141	945,359
Franchise taxes	1,108,065	993,257	995,921	992,865	929,551	941,938	922,074	924,869	886,891	860,303
Other taxes	4,988,299	122,955	131,115	3,674,785	3,474,244	3,227,361	2,968,981	2,887,538	2,375,414	1,914,222
Investment income	(1,192,487)	2,479,381	4,275,362	4,336,032	1,861,285	1,791,037	2,392,300	2,212,672	3,297,078	2,046,935
Gain on sale of asset	404,376.00	-	-	-	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-	-	-	-	16,400,000	48,767,526
Other	550,703	861,005	685,064	785,799	909,895	659,280	908,638	1,082,274	1,012,035	1,078,031
Transfers	-	-	-	-	-	6,139,623	(831,713)	-	-	-
Total governmental activities	<u>22,107,485</u>	<u>13,289,559</u>	<u>15,157,415</u>	<u>23,516,825</u>	<u>19,484,819</u>	<u>25,049,107</u>	<u>17,617,317</u>	<u>17,886,613</u>	<u>34,215,869</u>	<u>64,643,350</u>
Business-type activities:										
Investment income	(70,543)	(2,222)	16,498	8,006	-	1,809	3,095	-	-	-
Other	1,247,051	-	-	-	404,947	8,379,489	1,850,156	-	-	-
Transfers	-	-	-	-	-	(6,139,623)	831,713	-	-	-
Total business-type activities	<u>1,176,508</u>	<u>(2,222)</u>	<u>16,498</u>	<u>8,006</u>	<u>404,947</u>	<u>2,241,675</u>	<u>2,684,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>23,283,993</u>	<u>13,287,337</u>	<u>15,173,913</u>	<u>23,524,831</u>	<u>19,889,766</u>	<u>27,290,782</u>	<u>20,302,281</u>	<u>17,886,613</u>	<u>34,215,869</u>	<u>64,643,350</u>
Changes in net position:										
Governmental activities	14,264,617	(15,265,049)	(4,172,028)	3,192,850	1,240,060	7,981,130	199,640	(4,670,982)	13,056,743	35,737,572
Business-type activities	(1,436,163)	(2,275,885)	(4,147,759)	(2,206,375)	(2,193,013)	(4,880,763)	(5,359,965)	-	-	-
Total primary government	<u>\$ 12,828,454</u>	<u>\$ (17,540,934)</u>	<u>\$ (8,319,787)</u>	<u>\$ 986,475</u>	<u>\$ (952,953)</u>	<u>\$ 3,100,367</u>	<u>\$ (5,160,325)</u>	<u>\$ (4,670,982)</u>	<u>\$ 13,056,743</u>	<u>\$ 35,737,572</u>

\*As of 7/1/15, two business-type activities were created, Indian Wells Golf Resort and Club Drive Property

City of Indian Wells, California  
Fund Balances of Governmental Funds  
Modified Accrual Basis of Accounting  
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General fund:										
Nonspendable:										
Prepaid items	\$ 41,691	\$ 15,086	\$ 51,660	\$ 7,738	\$ 1,911	\$ 24,666	\$ 5,740	\$ 950	\$ 3,715	\$ 352,799
Notes and loans	17,497,027	18,878,164	18,917,870	18,945,867	17,739,192	17,739,192	17,889,192	17,889,192	17,889,192	-
Committed to:										
Emergency reserve	-	-	-	-	-	-	-	2,500,000	2,250,000	2,250,000
Unassigned	-	-	-	-	19,397,674	18,859,826	10,727,499	7,442,635	5,841,717	4,744,619
Total general fund	<u>\$ 17,538,718</u>	<u>\$ 18,893,250</u>	<u>\$ 18,969,530</u>	<u>\$ 18,953,605</u>	<u>\$ 37,138,777</u>	<u>\$ 36,623,684</u>	<u>\$ 28,622,431</u>	<u>\$ 27,832,777</u>	<u>\$ 25,984,624</u>	<u>\$ 7,347,418</u>
All other governmental funds										
Nonspendable										
Inventory	-	-	-	-	-	-	-	728,323	695,998	613,309
Prepaid items	-	-	-	-	-	-	-	230,059	108,542	83,196
Notes	650,462	-	-	-	-	-	-	-	-	15,831,412
Restricted for:										
Community development	17,735,782	19,925,746	16,762,539	16,978,265	17,294,122	15,244,098	15,647,539	15,815,156	16,414,450	1,857,642
Public safety	7,054,610	6,548,304	6,728,419	5,737,133	5,308,643	6,034,523	6,065,849	5,680,112	5,558,075	5,074,097
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Public works	2,317,493	2,793,046	2,657,863	2,412,413	2,223,810	2,135,793	2,201,769	2,138,313	1,967,998	1,832,508
Debt service	12,094,086	-	-	-	-	-	-	-	-	-
Committed to:										
Capital projects	311,735	5,664,949	148,955	159,190	144,213	676,363	354,335	22,913,539	23,805,825	25,431,121
Golf Resort	-	-	-	-	-	-	-	1,347,155	-	2,441,139
Assigned to:										
Capital projects	34,196,650	28,414,872	34,045,927	30,525,572	23,325,122	23,643,770	23,199,044	-	-	-
Unassigned	16,242,073	(1,131,775)	(1,171,973)	(1,254,477)	(1,306,134)	(1,345,970)	(1,387,826)	(1,420,514)	(1,853,153)	(1,499,190)
Total all other governmental funds	<u>\$ 90,602,891</u>	<u>\$ 62,215,142</u>	<u>\$ 59,171,730</u>	<u>\$ 54,558,096</u>	<u>\$ 46,989,776</u>	<u>\$ 46,388,577</u>	<u>\$ 74,703,141</u>	<u>\$ 47,432,143</u>	<u>\$ 46,697,735</u>	<u>\$ 51,665,234</u>

1) The City Council implemented the Governmental Accounting Standards Board (GASB) statement no. 54 during fiscal year 2010/11 recognizing new fund balance requirements

City of Indian Wells, California  
Changes in Fund Balances of Governmental Funds  
Modified Accrual Basis of Accounting  
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Taxes	\$ 26,562,600	\$ 13,780,199	\$ 13,474,030	\$ 21,534,317	\$ 19,825,390	\$ 19,067,088	\$ 17,840,371	\$ 17,196,257	\$ 16,031,054	\$ 15,036,212
Licenses and permits	918,431	499,929	542,715	504,876	465,327	642,162	466,550	479,296	426,382	439,139
Intergovernmental	3,673,650	1,224,015	1,467,346	1,246,106	1,098,333	1,024,757	959,741	1,765,403	3,151,753	863,584
Contribution from property owners	-	-	-	-	-	-	-	1,050,000	500,000	1,450,000
Charges for services	1,254,217	802,576	951,925	1,085,255	772,337	480,245	503,429	13,705,848	12,857,977	12,548,294
Investment income	(3,200,198)	314,893	2,316,373	2,492,431	212,021	225,978	727,908	527,212	1,623,137	400,607
Fines and forfeitures	64,890	55,875	67,875	55,224	60,648	58,359	78,595	64,889	80,669	128,235
Rental income	2,137,105	1,978,311	1,892,369	1,766,444	1,639,641	1,561,169	1,629,432	1,660,396	1,651,498	1,633,036
Assessments	4,228,752	4,102,421	4,036,690	4,009,522	3,866,031	3,763,303	3,782,451	3,685,524	3,737,258	3,643,882
Development fees	608,782	135,471	260,616	168,798	149,631	448,419	129,054	139,614	124,851	222,451
Other	211,802	744,391	685,064	785,799	909,895	659,280	908,638	1,082,274	1,012,035	1,078,031
<b>Total revenues</b>	<b>36,460,031</b>	<b>23,638,081</b>	<b>25,695,003</b>	<b>33,648,772</b>	<b>28,999,254</b>	<b>27,930,760</b>	<b>27,026,169</b>	<b>41,356,713</b>	<b>41,196,614</b>	<b>37,443,471</b>
Expenditures										
Current:										
General government	12,024,340	7,783,032	7,884,804	8,993,847	8,136,619	7,836,296	8,008,297	9,424,603	8,573,662	7,996,591
Public safety	9,822,666	9,256,346	9,108,526	8,780,570	8,488,123	8,047,904	8,151,039	8,036,589	7,685,383	3,211,837
Community development	6,082,975	3,068,540	2,916,391	3,010,110	2,890,706	2,861,354	3,084,249	2,807,307	2,820,027	5,109,097
Parks and recreation	-	-	-	-	-	-	-	-	-	1,920,320
Public works	6,052,130	5,169,930	5,326,339	4,811,267	4,456,328	4,546,968	4,423,715	4,080,034	4,135,007	3,866,883
Golf resort	-	-	-	-	-	-	-	13,564,356	12,945,121	12,088,530
Pass-through	-	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	235,117	-	-	-	-	-	-	-	-	-
Capital outlay	4,785,480	1,270,541	1,350,837	3,484,885	3,911,186	1,305,125	559,912	861,263	8,678,100	3,330,510
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>39,002,708</b>	<b>26,548,389</b>	<b>26,586,897</b>	<b>29,080,679</b>	<b>27,882,962</b>	<b>24,597,647</b>	<b>24,227,212</b>	<b>38,774,152</b>	<b>44,837,300</b>	<b>37,523,768</b>
Excess (deficiency) of revenues over (under) expenditures	(2,542,677)	(2,910,308)	(891,894)	4,568,093	1,116,292	3,333,113	2,798,957	2,582,561	(3,640,686)	(80,297)
Other financing sources (uses):										
Transfers in	8,909,273	154,080	15,530,608	25,325,206	4,206,586	7,932,137	1,429,989	2,462,520	64,112	6,587,021
Transfers out	(8,909,273)	(154,080)	(15,530,608)	(23,320,595)	(4,206,586)	(2,956,130)	(2,261,702)	(2,462,520)	(140,112)	(6,716,791)
Contributions to other governments	-	-	-	-	-	-	-	-	-	(7,522,110)
Issuance of bonds	13,930,000	-	-	-	-	-	-	-	-	-
Premium (discount) on bonds	1,338,171	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-	-	-	-	16,400,000	1,339,192
Sale of property	525,000	3,641,822	-	4,351,849	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>15,793,171</b>	<b>3,641,822</b>	<b>-</b>	<b>6,356,460</b>	<b>-</b>	<b>4,976,007</b>	<b>(831,713)</b>	<b>-</b>	<b>16,324,000</b>	<b>(6,312,688)</b>
<b>Net change in fund balances</b>	<b>\$ 13,250,494</b>	<b>\$ 731,514</b>	<b>\$ (891,894)</b>	<b>\$ 10,924,553</b>	<b>\$ 1,116,292</b>	<b>\$ 8,309,120</b>	<b>\$ 1,967,244</b>	<b>\$ 2,582,561</b>	<b>\$ 12,683,314</b>	<b>\$ (6,392,985)</b>

City of Indian Wells, California  
Changes in Fund Balances of Governmental Funds  
Modified Accrual Basis of Accounting  
Last Ten Fiscal Years

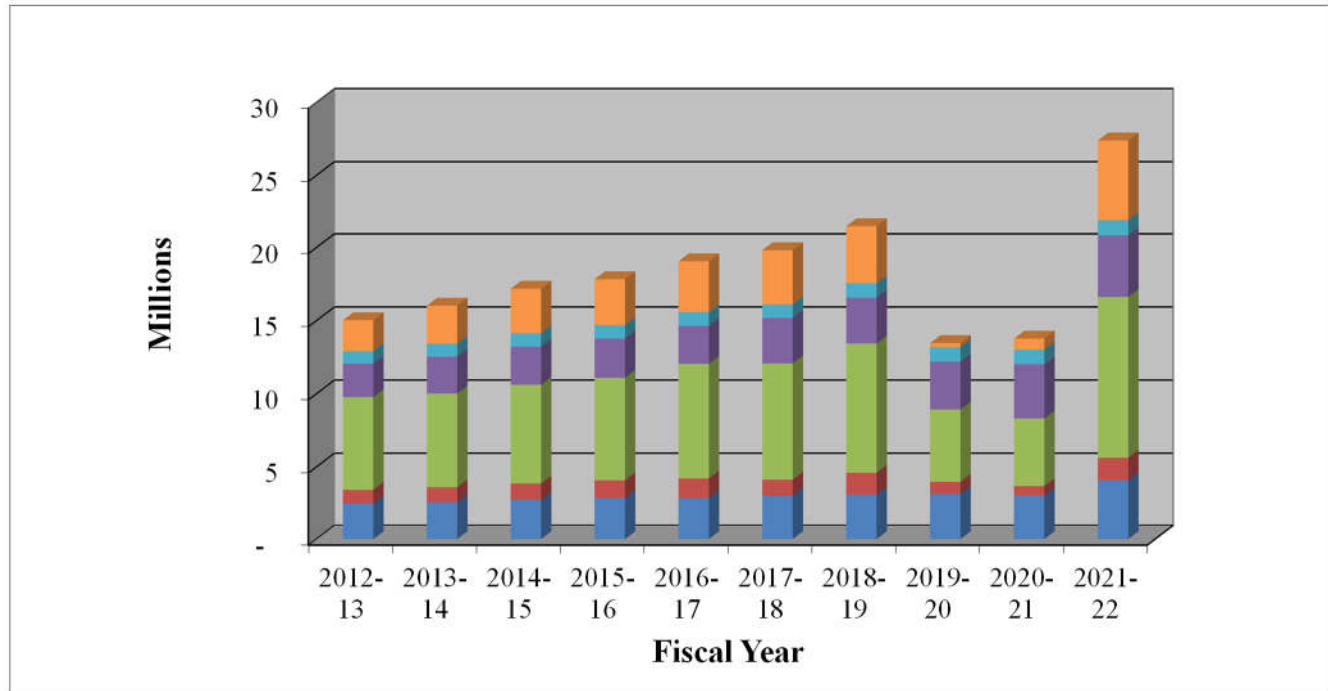
	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital outlay (Recon of Rev & Exp)	4,734,914	(11,576,784)	868,327	(1,681,711)	3,456,064	588,717	(102,981)	695,864	8,627,428	3,118,599
Total governmental expenditures	39,002,708	26,548,389	26,586,897	29,080,679	27,882,962	24,597,647	24,227,212	38,774,152	44,837,300	37,523,768
Less: Principal	-	-	-	-	-	-	-	-	-	-
Less: Interest	-	-	-	-	-	-	-	-	-	-
	39,002,708	26,548,389	26,586,897	29,080,679	27,882,962	24,597,647	24,227,212	38,774,152	44,837,300	37,523,768
Less: Capital Asset Additions	(4,734,914)	11,576,784	(868,327)	1,681,711	(3,456,064)	(588,717)	102,981	(695,864)	(8,627,428)	(3,118,599)
Non Capital Expenditures	34,267,794	38,125,173	25,718,570	30,762,390	24,426,898	24,008,930	24,330,193	38,078,288	36,209,872	34,405,169
Total Debt Service Payments	-	-	-	-	-	-	-	-	-	-
Debt Service as % of Non Capital Exp.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

City of Indian Wells, California  
 Tax Revenues by Source - Governmental Funds  
 Modified Accrual Basis of Accounting  
 Last Ten Fiscal Years

Fiscal Year End	Property Tax	Sales	Transient Occupancy	Emergency Services	Franchise	Other	Total
2012-13	2,495,027	945,359	6,341,825	2,285,354	860,303	2,108,344	15,036,212
2013-14	2,602,881	1,016,141	6,407,454	2,524,298	886,890	2,593,389	16,031,053
2014-15	2,757,592	1,121,191	6,742,840	2,604,590	924,868	3,045,175	17,196,256
2015-16	2,876,532	1,217,570	7,000,096	2,692,279	922,074	3,131,820	17,840,371
2016-17	2,873,141	1,347,804	7,826,154	2,607,921	941,937	3,470,131	19,067,088
2017-18	3,025,593	1,111,159	7,942,995	3,111,773	929,551	3,704,319	19,825,390
2018-19	3,113,540	1,493,254	8,835,433	3,139,323	992,866	3,959,902	21,534,317
2019-20	3,166,437	821,533	4,944,773	3,277,041	995,921	268,326	13,474,031
2020-21	3,039,148	656,060	4,622,778	3,714,412	993,258	754,545	13,780,201
2021-22	4,099,818	1,539,776	10,987,345	4,217,707	1,108,065	5,448,912	27,401,623

Percentage change:

2013-2022      64.3%      62.9%      73.3%      84.6%      28.8%      158.4%      82.2%



City of Indian Wells, California  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

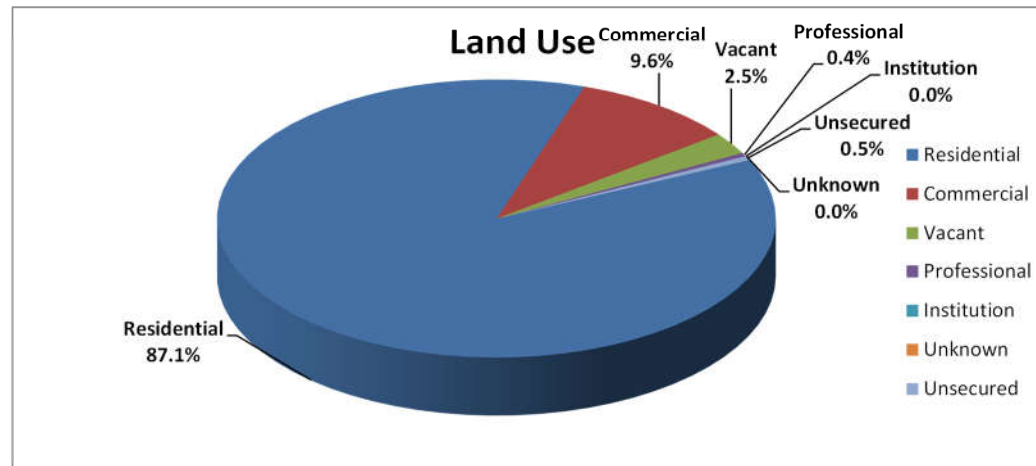
Fiscal Year Ended June 30	City (Excl. RDA)			Redevelopment Agency			City's Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	Secured	Unsecured	Taxable Assessed Value	
2012-13	838,497,693	3,781,585	842,279,278	3,732,437,881	28,481,837	3,760,919,718	1.21151
2013-14	857,895,036	4,330,282	862,225,318	3,863,716,982	28,639,321	3,892,356,303	1.22949
2014-15	963,012,088	8,006,824	971,018,912	4,010,096,483	26,674,312	4,036,770,795	1.23309
2015-16	1,067,731,252	7,803,011	1,075,534,263	4,142,943,142	21,086,098	4,164,029,240	1.23002
2016-17	1,078,783,335	8,645,905	1,087,429,240	4,244,054,809	21,150,335	4,265,205,144	1.20635
2017-18	1,216,459,774	7,719,195	1,224,178,969	4,356,466,470	17,947,116	4,374,413,586	1.21281
2018-19	1,323,102,487	10,855,110	1,333,957,597	4,606,551,347	20,122,839	4,626,674,186	1.21396
2019-20	1,424,021,370	9,989,753	1,434,011,123	4,729,044,820	31,487,665	4,760,532,485	1.21364
2020-21	1,505,059,403	13,164,761	1,518,224,164	4,868,974,853	21,852,265	4,890,827,118	1.21396
2021-22	1,597,949,272	13,725,307	1,611,674,579	5,017,783,630	17,954,729	5,035,738,359	1.22450

Source: Riverside County Assessor, Avenu Insights & Analytics  
Source: 2012-13 and prior, previously published ACFR Report  
(1.) Total Direct Tax Rate is represented by TRA 016-000



City of Indian Wells, California  
Assessed Value of Property by Use Code, Citywide  
Last Ten Fiscal Years

Category	2012-13	2013-14	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Residential	3,935,778,173	4,121,937,903	4,329,962,569	4,509,106,870	4,636,416,971	4,787,212,021	5,046,143,990	5,225,907,189	5,482,677,084	5,737,097,740
Commercial	65,675,320	66,962,561	482,959,313	536,436,321	501,610,126	559,511,479	661,957,523	646,454,076	623,499,659	629,520,507
Vacant	157,858,323	170,302,487	160,186,689	165,131,203	184,811,047	172,148,781	166,625,355	224,972,607	175,159,873	165,270,882
Professional	-	-	-	-	-	-	-	-	35,928,381	26,455,998
Institutional	-	-	-	-	-	-	-	-	375,198	379,085
Agriculture	-	-	-	-	-	-	-	-	-	9,650
Unknown	411,623,758	362,409,067	-	-	-	-	-	-	-	-
Net Secured Value	4,570,935,574	4,721,612,018	4,973,108,571	5,210,674,394	5,322,838,144	5,518,872,281	5,874,726,868	6,097,333,872	6,317,640,195	6,558,733,862
Unsecured	32,263,422	32,969,603	34,681,136	28,889,109	29,796,240	25,666,311	30,977,949	41,477,418	35,017,026	31,680,036
Net Taxable Value	4,603,198,996	4,754,581,621	5,007,789,707	5,239,563,503	5,352,634,384	5,544,538,592	5,905,704,817	6,138,811,290	6,352,657,221	6,590,413,898



Source: Avenu Insights & Analytics  
 Source: 2012-13 and prior, previously published ACFR Report  
 Use code categories are based on Riverside County Assessor's data  
 \*Land Use description data updated from previous year(s)

City of Indian Wells, California  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>City Direct Rates:</b>										
City Basic Rate	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00779246	0.00779246
Agency Basic Rate	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
Low & Mod 20% Set-aside	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
<b>Total City Direct Rate</b>	<b>0.00649751</b>	<b>0.00649751</b>	<b>0.00649751</b>	<b>0.00649751</b>	<b>0.00649751</b>	<b>0.00649751</b>	<b>0.00649751</b>	<b>0.00649751</b>	<b>0.00779246</b>	<b>0.00779246</b>
<b>Overlapping Rates:</b>										
General	0.15716188	0.15716188	0.15716188	0.15716188	0.15716188	0.15716188	0.15716188	0.15716348	0.31458170	0.31458170
Riverside County General & Fire	0.06556884	0.06556884	0.06556884	0.06556884	0.06556884	0.06556884	0.06556884	0.06556119	0.06556922	0.06556922
Coachella Valley Water District	0.03055245	0.03055245	0.03055245	0.03055245	0.03055245	0.03055245	0.03055245	0.03055245	0.03055245	0.03055245
Desert Sands Unified School District	0.40439065	0.40439065	0.40439065	0.40439065	0.40439065	0.40439065	0.40439065	0.40439065	0.40439065	0.40439065
Riverside County Superintendent of Schools	0.04571713	0.04571713	0.04571713	0.04571713	0.04571713	0.04571713	0.04571713	0.04571713	0.04571713	0.04571713
College of Desert	0.08403091	0.08403091	0.08403091	0.08403091	0.08403091	0.08403091	0.08403091	0.08403091	0.08403091	0.08403091
Coachella Valley Parks & Recreation District	0.01321243	0.01321243	0.01321243	0.01321243	0.01321243	0.01321243	0.01321243	0.01321243	0.02312834	0.02312834
CV Mosquito & Vector Control District	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01529179	0.01529179
Riverside County Regional Park & Open Space	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00475859	0.00475859
Coachella Valley Public Cemetery	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00379506	0.00379506
Desert Regional Medical Center	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
Coachella Valley Resource Conservation	0.00039170	0.00039170	0.00039170	0.00039170	0.00039170	0.00039170	0.00039170	0.00039170	0.00039170	0.00039170
Education Revenue Augmentation Fund	0.17511749	0.17511749	0.17511749	0.17511749	0.17511749	0.17511749	0.17511749	0.17512353	0.00000000	0.00000000
<b>TOTAL</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>	<b>1.00000000</b>
<b>Override Assessments</b>										
Coachella Valley Water District	0.08000000	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.11000000
Desert Community College	0.01995000	0.01995000	0.02325000	0.02087000	0.02036000	0.04030000	0.03978000	0.03983000	0.03978000	0.03950000
Desert Sands Unified School District	0.11156000	0.10954000	0.10984000	0.10915000	0.08599000	0.07251000	0.07418000	0.07381000	0.07418000	0.07500000
<b>TOTAL</b>	<b>0.21151000</b>	<b>0.22949000</b>	<b>0.23309000</b>	<b>0.23002000</b>	<b>0.20635000</b>	<b>0.21281000</b>	<b>0.21396000</b>	<b>0.21364000</b>	<b>0.21396000</b>	<b>0.22450000</b>
<b>TOTAL TAX RATE</b>	<b>1.21151000</b>	<b>1.22949000</b>	<b>1.23309000</b>	<b>1.23002000</b>	<b>1.20635000</b>	<b>1.21281000</b>	<b>1.21396000</b>	<b>1.21364000</b>	<b>1.21396000</b>	<b>1.22450000</b>

Source: Riverside County Auditor data, Avenu Insights & Analytics  
Source: 2012-13 and prior, previously published ACFR Report  
(1.) Total Direct Tax Rate is represented by TRA 016-000

City of Indian Wells, California  
Principal Property Tax Payers  
Last Fiscal Year and Nine Years Ago

Taxpayer	2021-22		2012-13	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Garden Of Champions	\$ 282,329,153	4.28%	107,865,515	2.34%
H E Indian Wells	126,581,511	1.92%		
BBC Esmeralda	75,865,347	1.15%		
Toscana Country Club	50,256,276	0.76%	53,855,404	1.17%
Standard Pacific Corp	30,081,261	0.46%	12,157,314	0.26%
Vintage Club	28,854,934	0.44%	49,990,127	1.09%
Village Shopping Center At Indian Wells	24,172,829	0.37%	14,770,071	0.32%
Eldorado Country Club	17,960,421	0.27%	20,644,724	0.45%
Iw Golf Club	17,923,719	0.27%		
PCG & RGG General Partnership	17,154,070	0.26%		
Indian Wells Prop	16,000,000	0.24%		
Brinson Gary P Trust	15,305,472	0.23%	9,500,000	0.21%
Carletti Christopher M	15,142,400	0.23%		
Cook Leo W	14,665,818	0.22%	15,344,048	0.33%
Marion Anne W	14,491,544	0.22%	12,243,512	0.27%
47355 Las Cascadas	13,922,570	0.21%		
Schmid Inv	13,650,603	0.21%	12,926,783	0.28%
Indian Wells Village II	13,534,131	0.21%	11,663,321	0.25%
Gross William H Living Trust	13,440,000	0.20%		
DRW Desert Holdings	13,005,794	0.20%		
Jonagold Holdings	11,899,905	0.18%		
Coleman Sheldon C	11,873,454	0.18%	8,644,000	0.19%
49430 Hidden Valley Trail	11,568,622	0.18%		
Good Daniel J	11,449,664	0.17%		
Targoff Michael B	10,651,233	0.16%		
Grand Champions			59,368,207	1.29%
Felcor Esmeralda			47,600,000	1.03%
LH Indian Wells Holding			19,947,777	0.43%
Reserve Club			19,058,353	0.41%
Sanderson J Ray Indian Wells			16,393,944	0.36%
IWCC Acquisition Corp			13,367,979	0.29%
Gilleland Richard A			11,797,091	0.26%
Ryan Oil Co			11,406,847	0.25%
Washington Roy Dennis			10,055,453	0.22%
Neptune			9,809,908	0.21%
Dillard Kay			9,807,725	0.21%
Gilliland Gloria J			9,233,662	0.20%
Argyros George L			9,157,408	0.20%
<b>Total Top 25 Taxpayers</b>	<b>\$ 871,780,731</b>	<b>13.23%</b>	<b>576,609,173</b>	<b>12.53%</b>
<b>Total Taxable Value</b>	<b>\$ 6,590,413,898</b>	<b>100.00%</b>	<b>4,603,198,996</b>	<b>100.00%</b>

Source: County Assessor data, Avenu Insights & Analytics

City of Indian Wells, California  
Principal Sales Tax Producers  
Last Fiscal Year and Nine Years Ago

2021-22		2012-13	
Taxpayer	Business Type	Taxpayer	Business Type
CVS Pharmacy	Drug Stores	American Audio Visual Center	Business Services
Desert Horizons Country Club	Miscellaneous Retail	Cafe Italia	Restaurants
Don Diego Restaurante	Restaurants	Compliments	Apparel Stores
Eldorado Country Club	Miscellaneous Retail	Creative Pipe	Misc. Vehicle Sales
Eureka! Burger	Restaurants	CVS Pharmacy	Drug Stores
Hyatt Hotel	Restaurants	Desert Horizons Country Club	Restaurants
Indian Wells Country Club & Hotel	Miscellaneous Retail	Don Diegos	Restaurants
Indian Wells Golf Resort	Miscellaneous Retail	Eldorado Country Club	Restaurants
Indian Wells Resort Hotel	Restaurants	Hotel Indian Wells	Restaurants
Indian Wells Tennis Garden	Miscellaneous Retail	Hyatt Grand Champions Resort	Restaurants
IW Coffee	Food Markets	Indian Wells Country Club	Miscellaneous Retail
Karen Harlow For The Home	Miscellaneous Retail	Indian Wells Golf Resort	Restaurants
Kitchens & Baths By Lynn	Bldg.Matls-Whsle	Indian Wells Golf Resort	Miscellaneous Retail
Levy Premium Foodservice	Restaurants	Indian Wells Tennis Garden	Recreation Products
Miramonte Resort & Spa	Restaurants	Miramonte Resort And Spa Food	Restaurants
Renaissance Esmeralda Resort & Spa	Restaurants	Ralph's Grocery Company	Food Markets
Reserve Club	Miscellaneous Retail	Renaissance Esmeralda Resort	Restaurants
T. And B. Equipment Company	Light Industry	Reserve Club	Restaurants
Terry Beardsley Golf Shop	Recreation Products	Swank Audio Visuals	Light Industry
The Nest Restaurant & Piano Bar	Restaurants	Terry Beardsley Golf Shop	Recreation Products
The Sands Hotel & Spa	Restaurants	The Nest Restaurant & Piano Bar	Restaurants
The Vintage Club	Miscellaneous Retail	Toscana Country Club	Restaurants
Toscana Country Club	Miscellaneous Retail	Vicky's Of Santa Fe	Restaurants
Vicky's Of Santa Fe	Restaurants	Village Inscriber	Miscellaneous Retail
Vue Grille & Bar	Restaurants	Vintage Club	Restaurants

Source: Avenu Insights & Analytics

City of Indian Wells, California  
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
2013	2,172,899	2,478,806	114.08%	16,221	2,495,027	114.82%
2014	2,184,854	2,583,498	118.25%	19,383	2,602,881	119.13%
2015	2,330,206	2,665,988	114.41%	91,604	2,757,592	118.34%
2016	2,329,290	2,807,108	120.51%	69,424	2,876,532	123.49%
2017	2,420,606	2,802,166	115.76%	70,974	2,873,141	118.70%
2018	2,494,755	2,965,260	118.86%	60,334	3,025,594	121.28%
2019*	2,555,040	3,104,015	121.49%	9,525	3,113,540	121.86%
2020*	2,556,217	3,153,150	123.35%	13,287	3,166,437	123.87%
2021	2,704,296	3,039,148	112.38%	-	3,039,148	112.38%
2022	2,741,036	4,056,589	147.99%	43,229	4,099,818	149.57%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increment. On February 1, 2012, all redevelopment agencies in California were dissolved. Fiscal year ending June 30, 2013 is reflective of the RDA dissolution resulting in a decrease in property tax collections.

\*FY2019 & FY2020 revised per Riverside County Reporting Data

City of Indian Wells, California  
 Transient Occupancy Tax Collections  
 Last Ten Fiscal Years

	2012-13	2013-14	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Resort Hotels	6,318,721	6,374,616	6,625,288	6,719,057	7,626,203	7,716,357	8,635,851	4,811,599	4,451,687	10,699,937
Short-term Rentals	23,104	32,838	117,552	281,039	229,213	226,660	199,582	133,174	171,091	287,408
Total	6,341,825	6,407,454	6,742,840	7,000,096	7,855,416	7,943,017	8,835,433	4,944,773	4,622,778	10,987,345
Transient Occupany Tax Rate in effect	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	12.25%	12.25%	12.25%	12.25%

Source: Published ACFR Reports

- a. Specific revenue detail by operator is unavailable due to confidentiality.
- b. Voter approved 1% rate increase; effective January 1, 2019

City of Indian Wells, California  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year End	Governmental Activities				Percentage of Personal Income	Per Capita
	Tax Allocation Bonds	Notes Payable	Lease Revenue Bonds	Total		
2013	- 1	-	-	-	0.00%	-
2014	- 1	-	-	-	0.00%	-
2015	- 1	-	-	-	0.00%	-
2016	- 1	-	-	-	0.00%	-
2017	- 1	-	-	-	0.00%	-
2018	- 1	-	-	-	0.00%	-
2019	- 1	-	-	-	0.00%	-
2020	- 1	-	-	-	0.00%	-
2021	- 1	-	-	-	0.00%	-
2022	- 1	-	15,246,052	15,246,052	0.00255%	125,401

(1) Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Please see note 18 to the financial statements. During fiscal year 2011/12, the State of California took action to eliminate redevelopment. The remaining outstanding Redevelopment Agency Tax Allocation Bonds were transferred to a newly formed Successor Agency private-purpose trust.

City of Indian Wells, California  
Ratios of General Bonded Debt Outstanding and Legal Debt Margin  
(in Thousands, Except Per Capita)  
Last Ten Fiscal Years

<b>Fiscal Year End</b>	<b>Outstanding Tax Allocation Bonds</b>	<b>% of Assessed Value <sup>1</sup></b>	<b>Per Capita</b>	<b>Less: Amounts Set Aside To Repay Debt</b>	<b>Total Net Debt Applicable To Debt Limit</b>	<b>Legal Debt Limit</b>	<b>Legal Debt Margin</b>	<b>Legal Debt Margin as a % of Limit</b>
2013	-	0.0%	-	-	-	690,480	690,480	100.0%
2014	-	0.0%	-	-	-	713,187	713,187	100.0%
2015	-	0.0%	-	-	-	754,736	754,736	100.0%
2016	-	0.0%	-	-	-	781,696	781,696	100.0%
2017	-	0.0%	-	-	-	805,313	805,313	100.0%
2018	-	0.0%	-	-	-	833,007	833,007	100.0%
2019	-	0.0%	-	-	-	887,084	887,084	100.0%
2020	-	0.0%	-	-	-	922,223	922,223	100.0%
2021	-	0.0%	-	-	-	954,148	954,148	100.0%
2022	-	0.0%	-	-	-	989,800	989,800	100.0%

Legal Debt Margin Calculation for Fiscal Year 2022:

Assessed Value (From Assessor's net 02-2441)	<u>FY 2021/22</u> \$ 6,598,669,698
Legal Debt limit (15% of total assessed value)	989,800,455

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

All bonded debt is managed through the Agency's Debt Service Fund. Annual receipt of Tax Increment is reserved to pay annual debt service.

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California.



City of Indian Wells, California  
Direct and Overlapping Debt  
Last Ten Fiscal Years

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2021-22 Assessed Valuation: \$6,599,612,415

	Total Debt 6/30/2022	% Applicable (1)	City Share of Debt 6/30/22
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Desert Community College District	\$ 510,745,000	7.105%	\$ 36,288,432
Desert Sands Unified School District	389,440,000	14.623%	56,947,811
Desert Sands Unified School District Community Facilities District No. 1	575,000	1.550%	8,913
<b>City of Indian Wells</b>	<b>-</b>	<b>100.000%</b>	<b>-</b>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 93,245,156</b>
<b>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
Riverside County General Fund Obligations	\$ 720,218,351	1.994%	\$ 14,361,154
Riverside County Pension Obligations	820,060,000	1.994%	16,351,996
Desert Sands Unified School District Certificates of Participation	19,505,000	14.623%	2,852,216
City of Indian Wells Lease Revenue Bonds	13,930,000	100.000%	13,930,000
<b>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</b>			<b>47,495,366</b>
<b>OVERLAPPING TAX INCREMENT DEBT:</b>	<b>223,370,000</b>	<b>0.178-100%</b>	<b>\$ 60,645,167</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$ 13,930,000</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 187,455,689</b>
<b>COMBINED TOTAL DEBT</b>			<b>\$ 201,385,689 <sup>(2)</sup></b>

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

**Direct Debt (\$13,930,000) 0.21%**  
 Total Direct and Overlapping Tax and Assessment Debt 1.41%  
 Combined Total Debt 3.05%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$4,643,031,071):

Total Overlapping Tax Increment Debt 1.31%

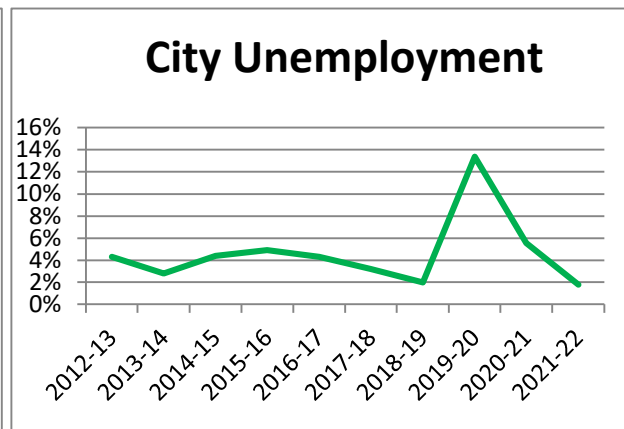
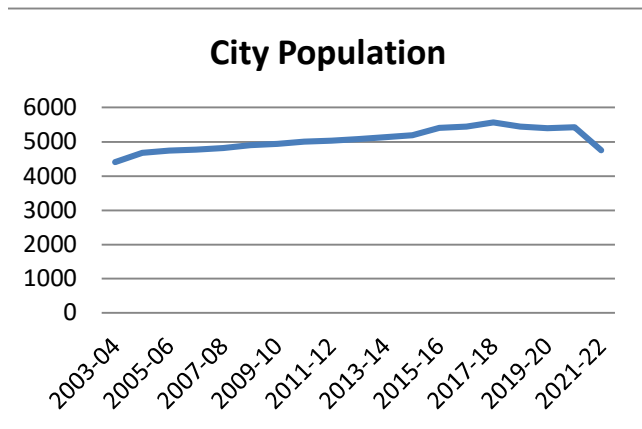
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Source: Avenu Insights & Analytics, California Municipal Statistics, Inc.

Fiscal Year Ended June 30	<b>Tax Allocation Bonds</b>				
	Tax Increment	Debt Service		Coverage	
		Principal	Interest		
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	
2016	-	-	-	-	
2017	-	-	-	-	
2018	-	-	-	-	
2019	-	-	-	-	
2020	-	-	-	-	
2021	-	-	-	-	
2022	-	-	-	-	

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

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age	Public School Enrollment (3)	City Unemployment Rate (%) (4)
2012-13	5,081	599,972,864	118,082	66.7	29,159	4.3%
2013-14	5,137	474,294,073	92,329	68.3	29,156	2.8%
2014-15	5,194	469,484,673	90,390	68.5	28,999	4.4%
2015-16	5,412	447,589,123	82,703	68.9	28,719	4.9%
2016-17	5,450	472,424,421	86,683	68.2	28,958	4.3%
2017-18	5,574	513,911,206	92,198	68.5	28,708	3.2%
2018-19	5,445	529,521,295	97,249	67.8	28,610	2.0%
2019-20	5,403	546,486,273	101,145	67.9	27,963	13.4%
2020-21	5,428	592,602,660	109,175	67.9	26,982	5.6%
2021-22	4,762	597,158,324	125,401	67.2	26,698	1.8%



Source: Avenu Insights & Analytics

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

3.) Student Enrollment reflects the total number of students enrolled in the Desert Sands Unified School District. Any other school districts within the City are not accounted for in this statistic.

4.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

City of Indian Wells, California  
Principal Employers  
Last Ten Fiscal Years

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<b>Business Name</b>	<b>2021-22</b>		<b>2012-13</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment (%)</b>	<b>Number of Employees</b>	<b>Percent of Total Employment (%)</b>
Hyatt Regency Resort & Spa	426	21.30%	440	24.44%
Renaissance Esmeralda Resort	331	16.55%	488	27.11%
Toscana Country Club	205	10.25%	154	8.56%
Indian Wells Golf Resort (1)	196	9.80%	228	12.67%
Desert Horizons Country Club (1)	125	6.25%	80	4.44%
Miramonte Resort and Spa	122	6.10%	212	11.78%
El Dorado Country Club (1)	102	5.10%	199	11.06%
Indian Wells Country Club	75	3.75%	117	6.50%
Indian Wells Resort Hotel	69	3.45%	77	4.28%
Gerald Ford Elementary School	61	3.05%		0.00%
Merrill Lynch Wealth Management			50	2.78%
Total Top Employers	1,712	85.60%	2,045	113.61%
Total City Employment (2)	2,000		1,800	

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Source: Avenu Insights & Analytics

Source: 2012-13, previously published ACFR

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

(1) Includes Seasonal Employees

(2) Total City Labor Force provided by EDD Labor Force Data.

City of Indian Wells, California  
Full-time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
City Manager/Clerk	4.75	4.75	4.52	4.48	4.48	5.05	5.05	5.75	5.85	4.30
Advertising/Marketing	2.00	2.00	1.97	1.97	1.97	-	-	-	0.95	0.95
Community Services	-	-	-	-	-	1.95	1.95	1.40	0.55	0.55
Risk Management	0.125	0.125	0.150	0.150	0.15	0.30	0.30	0.30	0.30	0.30
Personnel	0.125	0.125	0.450	0.450	0.45	0.55	0.55	0.45	0.45	0.40
City Attorney	0.25	0.25	0.05	0.09	0.09	0.20	0.20	0.20	0.10	0.10
Community										
Development	5.25	6.50	6.27	6.27	6.77	5.45	5.45	6.35	5.45	6.35
Finance Department	6.00	6.00	5.47	5.33	5.33	4.41	4.41	3.42	3.19	2.94
Public Safety	1.50	1.25	1.60	1.60	1.10	1.10	1.10	1.15	1.50	1.50
Public Works	8.00	8.00	7.53	7.44	7.44	7.44	7.51	8.47	8.63	9.61
Housing Authority	-	-	0.99	0.99	0.99	1.64	1.64	1.72	2.24	3.49
Golf Resort	-	-	-	0.18	0.18	0.84	0.84	0.79	0.79	0.51
Club Drive	-	-	-	0.05	0.05	0.07	-	-	-	-
<b>Total</b>	<b>28.00</b>	<b>29.00</b>	<b>29.00</b>	<b>29.00</b>	<b>29.00</b>	<b>29.00</b>	<b>29.00</b>	<b>30.00</b>	<b>30.00</b>	<b>31.00</b>

Source: City of Indian Wells Budget  
City implemented program budgeting commencing with the 2017-2018 fiscal year

City of Indian Wells, California  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	#	2019	2020	2021	2022
<b>Police</b>											
Violent Crime	-	-	3	6	6	2	8	8	14	8	
Thefts	141	97	87	91	96	89	101	101	67	108	
Burglaries	66	39	29	45	39	34	49	49	19	35	
Traffic Collisions	88	125	136	104	116	98	101	102	108	118	
Traffic Citations	838	1,251	971	1,101	1,248	1,231	853	393	949	1,011	
<b>Fire</b>											
Medical Aid Calls	704	659	751	794	818	934	951	1,135	766	918	
Public Service Assists	118	90	102	76	79	69	59	65	56	69	
Structure Fires	4	4	4	3	1	5	2	2	-	2	
Vegetation Fires	-	-	-	-	2	2	-	-	-	3	
<b>Building Activity</b>											
Permits Issued	774	914	845	887	774	764	758	722	751	682	
Inspections Performed	3,862	4,927	5,438	4,607	3,319	3,686	3,841	4,209	3,576	4,751	
New Dwelling Units	35	33	37	32	33	39	46	61	38	85	
<b>Public Works</b>											
Lot Line Adjustments	3	3	4	2	4	-	2	6	8	3	
Parcel Mergers	3	3	5	4	1	3	2	1	1	1	
Encroachment Permits	66	84	59	70	82	71	86	82	56	66	
Tract Maps	2	-	1	-	-	-	2	-	-	2	
<b>Golf Resort</b>											
Golf rounds played	82,712	81,696	78,829	77,613	74,358	74,828	74,589	56,402	64,968	76,500	
<b>Administration</b>											
City Council Meetings	21	20	18	15	8	10	9	21	20	27	
Public Hearings	11	23	18	14	15	11	9	18	17	16	
Adopted Resolutions	53	53	49	42	49	41	39	50	43	39	

City of Indian Wells, California  
Capital Assets Statistics by Function  
Last Ten Fiscal Years

Function	Units of Measure	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public safety</b>											
Police Sub-Stations	Buildings	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire Stations	Buildings	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Highways, Streets, Bridges, &amp; Infrastructure</b>											
Pavement (Roadway)	Centerline Miles	25.80	25.80	25.80	25.80	25.80	25.80	25.80	25.80	25.80	25.80
Sidewalks	Miles	12.70	12.70	12.70	12.70	12.70	12.70	12.70	12.70	12.70	12.70
Bridges	Each	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Traffic Signals	Each	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25	15.25
Traffic Signals equipped with Red Light Runner Camera	Each	-	-	-	-	-	-	-	-	-	-
Streetlights (not included with traffic signals)	Each	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Sanitary Sewer Lift Stations (CVWD)	Each	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Parks and recreation</b>											
Parks	Each	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
18-Hole Public Golf Courses	Each	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Golf Course Clubhouse	Each	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>City Vehicles</b>											
City-Owned Fleet Motor Vehicles	Each	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	12.00
City-Owned Ambulances	Each	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Affordable Housing</b>											
Senior Affordable Housing Complexes	Each	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Senior Affordable Housing Units	Each	218.00	218.00	218.00	218.00	218.00	218.00	218.00	218.00	218.00	218.00