

City of Indian Wells, California

Annual Comprehensive Financial Report

Year Ended June 30, 2023

CITY OF INDIAN WELLS, CALIFORNIA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

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INDIAN WELLS

CALIFORNIA

November 15, 2023

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

We are delighted to present the Annual Financial Report for the City of Indian Wells, covering the fiscal year that concluded on June 30, 2023. The City's unwavering commitment remains focused on enhancing the quality of life within the boundaries of Indian Wells. City officials have diligently cultivated open and amicable lines of communication with all residents to adeptly respond to the evolving needs of this distinguished and exceptional community.



Indian Wells continues to bask in the privileges associated with its status as one of California's most affluent and prudently managed municipalities. The vigilant oversight exercised by the City's Finance Committee guarantees the perpetuation of this esteemed financial standing and prudent fiscal practices. The City's financial robustness is inherently attributed to the Council's unwavering emphasis on conservative fiscal stewardship of its resources and the harmonious collaboration between the City Council and its management team. This synergy, in tandem with a thriving local tourism sector anchored by the City's opulent resort hotels, world-renowned tennis facility, and Golf Resort, collectively sustains the City's robust financial well-being.

Tourism serves as the paramount catalyst for the City's revenue streams, significantly influencing categories such as transient occupancy tax, admissions tax, and sales tax. Notably, tourism and Golf Resort revenues for the fiscal year surpassed expectations, with historic collections achieved in both transient occupancy tax and admissions tax categories.

It is important to note that the City's fiscal prosperity in one year does not invariably guarantee economic success in the subsequent year. Considering persisting concerns related to the ongoing pandemic, the plausible release of pent-up demand, escalating fuel prices, potential effects of quantitative easing, and the City's long-term economic outlook, Indian Wells maintains a stance of "optimistic caution" and has judiciously adopted a fiscally conservative approach for the upcoming year's expenditures.

City services, particularly those related to public safety, are subject to constant scrutiny and enhancement to ensure their alignment with the needs of our residents, all while upholding the highest standard of fiscal responsibility. The City diligently adheres to the time-honored tradition of reserving an annual amount exceeding \$2.0 million for long-term capital replacements. Additionally, it prudently manages pension and other post-employment benefits by fully funding its retirement obligations.

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, 2023.

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 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, 2023.

Farr Davis, Certified Public Accountant, issued an unmodified opinion on the City of Indian Wells Financial Statements for the fiscal year ended June 30, 2023. 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, Farr Davis 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, which achieved incorporation in the year 1967, is situated within the state of California, approximately 120 miles to the east of Los Angeles, nestled in the eastern expanse of Riverside County, renowned as the Coachella Valley.

Distinguished by its immaculate natural surroundings, exclusive residential country clubs, world-class resorts, championship-caliber golf courses, and a profusion of recreational and cultural pursuits, the Indian Wells community stands apart. The city is home to 4,774 permanent residents, occupying an area covering 15.04 square miles, with an additional 4,000 to 5,000 seasonal residents who make Indian Wells their abode during the winter months.

Indian Wells adheres to a City Council/City Manager system of governance. The authority for policy formulation and legislative



decisions is vested in a governing council, known as the Council, comprised of the Mayor and four other members, all elected in a non-partisan manner. These Council members serve four-year terms and are elected on a citywide basis. Moreover, the City Council holds the prerogative to appoint the City Manager and Attorney.

The City Manager is the chief executive of the municipal government, tasked with executing policies as directed and established by the City Council and overseeing the administrative and operational functions utilizing the municipal workforce. The City provides a comprehensive array of services, encompassing aspects such as law enforcement, fire protection, infrastructure development and maintenance, economic advancement, urban planning, community development, building code enforcement, promotion of arts and culture, and the facilitation of recreational activities.

The bedrock of the City's fiscal planning and control mechanisms is founded upon the biennial budget and the City's five-year Capital Improvement Program. The City Council is mandated to adopt the biennial budget resolution by July 1. The budget is presented in a manner consistent with generally accepted accounting principles. Notably, the City's budget format has undergone a transformation, with an emphasis on program budgeting as opposed to the conventional departmental structure. This novel format streamlines the reporting of City expenditures and the allocation of resources in alignment with the City's overarching objectives. Program budgets underscore the goals of the City while apportioning expenses accordingly.

Outstanding Community Benefits

The City of Indian Wells epitomizes an exceptional quality of life, marked by a rich tapestry of cultural and social offerings, a forward-thinking and unified municipal administration, opulent hotel establishments, and the presence of the esteemed Indian Wells Golf Resort, renowned for its championship golf facilities.



Furthermore, the city plays host to a myriad of significant sporting and cultural events. These noteworthy occasions include the BNP

Paribas Open, recognized as the largest two-week event worldwide, encompassing the Association of Tennis Professionals (ATP) World Tour and the Women's Tennis Association (WTA), conducted at the prestigious Indian Wells Tennis Garden. In addition, the city embraces the Coachella Valley Firebirds, a professional ice hockey expansion team, Ironman 70.3, Desert Town Hall, Winterfest, and the Indian Wells Arts Festival. Adding to the area's cultural vibrancy, the Living Desert Zoo is conveniently situated within Indian Wells and its neighboring city, Palm Desert.

Indian Wells proudly maintains one of the most favorable crime rates and expeditious public safety response times in the Coachella Valley, a testament to the vigilant efforts of its law enforcement and fire/paramedic services. The Joslyn Center caters to an array of activities designed to cater to diverse interests and energy levels.

Furthermore, Indian Wells showcases a thriving resident benefit program. Possession of an Indian Wells Resident Benefit Card affords residents exclusive discounts at the Indian Wells Golf Resort, Indian Wells Tennis Garden, the Acrisure Arena, and all four distinguished Indian Wells hotel properties. The City additionally hosts art exhibitions and lectures and offers complimentary access to events such as the BNP Paribas Open and Desert Town Hall, complemented by resident social gatherings, patriotic community celebrations, and diverse, engaging activities.

Financial Communication

Financial communication with residents and other stakeholders is a fundamental Council Goal and top priority. Throughout the year, the Council utilizes the following methods to keep residents fiscally informed:

1. Council meetings and study sessions to encourage public engagement.
2. Presentation of the financial Forecast during the Council's annual Strategic Planning sessions to encourage public engagement.
3. Finance Committee Meetings.
4. Presentation of the annual financial statements.
5. The City's website.
6. The Mayor's letter.
7. Fiscal update eblasts.
8. The Financial Primer mailer was sent to all residents.
9. The Capital Improvements overview mailer was sent to all residents.
10. Indian Wells Check Book on the City's website.
11. The Budget at a Glance mailer was sent to all residents.
12. Resident meetings with the City's Finance Director.
13. Coffee with the City Manager.



Factors Affecting Financial Condition

Facing rising inflation, the Federal Reserve, tasked with maintaining stable price growth, has repeatedly enacted interest rate increases throughout 2022 to cool the economy and, in turn, slow inflation. The longer inflation persists, the higher the Federal Reserve will increase interest rates in response. The chance that the Federal Reserve can tame inflation without inducing a recession is narrow, especially with an inverted yield curve.

A yield curve inversion, when rates for two-year U.S. Treasury notes rise above those for 10-year notes, has preceded every recession since the 1960s. The first apparent inversion in 15 years happened in July 2022, although there were brief and shallow inversions in August 2019 and April 2022.

All of that is old news. What has happened since July is that the inversion, unlike all others since the early 1980s, has become more profound. The two-year yield is now almost 80 basis points, or 0.8 percentage points, higher than the 10-year yield. This inversion was only exceeded by 1978 to 1982 when the Federal Reserve chairman Paul Volcker ramped up benchmark rates to double digits to reverse high inflation at

the cost of two long and deep recessions. Investors are asking whether the next recession will be more prolonged and profound than the previous 40 years.

Despite recent interest rate increases, inflation remains well above the Federal Reserve’s stated stability goal. Further, factors that tend to predict future inflation—such as recent changes in consumer spending, incomes, and prices for food and energy—suggest that heightened inflation pressures could remain for some time. These observations indicate that the Federal Reserve will take additional steps to curb inflation in the coming months, raising the risk of a recession.

Before predicting disaster, remember that the current inversion is only 77 basis points, compared with the 241-basis-point peak in 1978-1980 and 170 basis points in 1980-1982. Additionally, federal rate increases of 124 basis points are well below the 194 basis points of 1978-1980, and the stock market decline of 14% is not as severe as the 18% of 1980-1982. So, while the signs are ominous, they’re not yet at a level to expect Volcker Shock conditions.

A recession seems likely, but how disruptive it will be to Indian Wells isn't clear. Hotel revenues and occupancy are near record highs, and there is a clear indication that the March 2023 tennis tournament will return to pre-pandemic levels. Moreover, long-term forecasts provided by hotel partners anticipate continued growth through 2023. However, this could all change instantly if the national economy falls into a significant recession.

Why does Indian Wells care about the national economy? Tourism! During the fiscal year 2022, tourism revenues (transient occupancy tax, admissions tax, and a portion of sales tax) accounted for approximately 70% of all General Fund revenues.

Tourism significantly impacts the Leisure and Hospitality industries of the Coachella Valley; when the economy is in a recession, people travel less. While international tourism has yet to return to pre-pandemic levels in Southern California and the Coachella Valley, much of it has been compensated by Southern Californians traveling to the area even during hot months. Falling into a new recession will cut tourism from the rest of the U.S. and California.

Some early tourism reports indicate that economic concerns have replaced health as the main apprehension for summer and fall travel. Of course, financial concerns will cause some to stay home, but those who plan to travel are prepared to increase their budgets. Nearly three in 10 travelers plan to spend more than they did in 2019, and high airfares and hotel room rates are the number one reason why.

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. Goals are incorporated into the budget as the City's strategic planning process unfolds.

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 delivering 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's Goals for the upcoming budget cycle:

Fiscal Policies

Continue the Council Policy of reserving \$2.0 million annually for long-term capital replacements. Continue the Council Policy of maintaining a fully funded pension program. Educate the Council on the merits of the Public Safety and Capital Community Facilities District and bring them back for further discussion. Develop a plan to expand the pension program to pre-fund future pension obligations. Examine a new revenue measure designed to diversify revenue streams and provide a dedicated funding source to address future funding needs of the City (e.g., public safety cost increases). Provide direction on the best use of one-time loan funds paid to the City by the former RDA.

Capital Improvement Program Update

Council-recommended goals for 2023 include developing a new five-year CIP for the upcoming budget cycle. Continue investing in the street maintenance program to achieve a City average Pavement Condition Index of 80 points or higher. Maintain and add healthy, vibrant, and water-conscious landscaping citywide. Perform annual sidewalk repairs to remove tripping hazards.

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 Coffee with a Cop event(s), quarterly Public Safety Committee meetings, quarterly updates to the City Council, 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.

Tourism Update and Opportunities

In collaboration with Visit Greater Palm Springs, the Tourism program strategically supports the resort partners to influence Transient Occupancy Tax (TOT) growth. In addition, the programs developed create demand for the product of Indian Wells by building brand awareness and strategically leveraging Indian Wells to develop and execute marketing strategies to influence both group and leisure markets.

Evaluating Energy Efficiency Opportunities

Energy costs are significant in the City and Golf Resort's operating budgets. Over the years, the City has made upgrades to City facilities to become more energy efficient. In May 2021, the City approved an \$8.9 million energy efficiency program to install solar at the City Hall and the Golf Resort, replace inefficient heating and cooling systems, install efficient lighting, electric car chargers, backup generators, and a battery backup system at the Golf Resort.

General Plan Update

Complete the General Plan update. State law requires every city and county in California to adopt regular updates to their General Plan. A General Plan is often compared to a "constitution" for local development. It serves as the long-range policy and planning document for all city land use decisions and resource management. The City's existing General Plan has effectively guided the community's growth and direction since its adoption in February 1996.

According to City staff, the primary vision embodied in the General Plan continues, for the most part, to reflect community goals and values, promoting an excellent quality of life for our residents, business owners, and visitors. However, the City wishes to update the General Plan for various reasons, including compliance with new state housing laws, establishing new goals and policies for future development, and expanding economic development opportunities within the City. Consequently, the General Plan Update shall be focused on the following goals:

- Establish goals and policies directing growth, circulation, and development of the vacant properties in the northeast section of the City consistent with the City's desire for a mix of hospitality, entertainment, residential, and commercial land uses.
- Incorporate goals and policies within the land use and housing elements to incentivize affordable housing and identify possible mixed-use and accessory dwelling unit (ADUs) opportunities to help meet those requirements.
- Establish form-based development standards to ensure that new development is at a scale and intensity that does not overburden public services or utilities and protect views from established residential neighborhoods.
- Improve the City's circulation plan by identifying safe alternative transportation and bikeway opportunities.
- Identify goals and policies for the future development of 5G wireless facilities and infrastructure.
- Update the Highway 111 Specific Plan to establish consistent standards for building setbacks, landscaping, monument signage, lighting/bollards, and opportunities for art in public places.
- Identify wayfinding and branding opportunities for the Indian Wells Resort Campus, Tennis Garden, and City Hall.

Community Events and Activities

The Indian Wells Community Activities Committee serves as an advisory body responsible for formulating recommendations to promote and cultivate community engagement among the city's residents, which it duly conveys to the City Council. Within the committee's purview lies the task of formulating an annual calendar encompassing a comprehensive array of community activities and, in turn, overseeing the meticulous planning and execution of these activities. The Committee is constituted of five members and operates under the aegis of the City Managers Department. Noteworthy initiatives that align with the directives of the City Council also fall within the Committee's sphere of responsibility, including endeavors such as Sister City relations and the administration of Resident Benefits.

Develop Landscape Uniformity Along Highway 111

The landscaping along Highway 111 is an iconic characteristic of the City and requires high-quality maintenance to preserve the City's standards. Unfortunately, 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, the five Landscape and Lighting Maintenance Districts (LLMDs) managed HOAs and commercial property owners.

Council and staff have expressed interest in developing uniform standards for landscaping materials used and consistency of maintenance efforts. The General Plan update will assist in this process. In addition, the staff is to discuss partnerships with HOAs along Highway 111 to discuss options for more consistent landscaping in HOA-owned areas.

Encourage and Expand Economic Development Opportunities in the Community

Economic Development opportunities in Indian Wells remain strong. Therefore, in 2020, the City Council formed an Economic Development Division of the City Manager's Office focused on shaping the city's future through relationship building, research, and development advocacy. 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.

Update Communications Plan

The residents of Indian Wells are notably engaged and exhibit a keen interest in the affairs of their community. On an annual basis, the City fosters communication with its residents through a multifaceted approach, encompassing email notifications, newsletters, postings on social media platforms, targeted mailings, the official city website, and cable access channels. Recognizing the evolving landscape of communication and the growing demand for enhanced engagement, the City Council has expressed a strong desire to revisit and revitalize the City's Communication Policy, last amended in 2018, with a view toward expanding and enriching the range of communication programs at its disposal.

Expand Partnership with the Indian Wells Preservation Foundation

For the last several months, the Indian Wells Historic Preservation Foundation (IWHPF) has been cataloging all items documenting the history of Indian Wells. The relationship between the City and IWHPF has never been better. The City is looking to further expand its relationship with the IWHPF in 2023 to help educate the community on the history of Indian Wells and support the IWHPF's efforts to become more involved with its community.

Review of City Administrative Processes and Municipal Code Update

The City routinely reviews its administrative processes and recommends Municipal Code updates. Regular review and updates are essential to policy and procedure best practices.

Housing Authority Goals

The City's Housing Authority holds title on two age-restricted affordable housing properties totaling 218 rental units. Indian Wells Villas consist of 90 one-bedroom units, built in 1996 with affordability covenants set to expire in 2031. Mountain View Villas consists of 97 one-bedroom and 31 two-bedroom units with affordability covenants recorded expiring in 2036.

The Housing Authority also currently owns a 10.8-acre vacant site along HWY 111, just west of Mountain View Villas and south of the Whitewater River Channel, but is waiting on partnering with Abode Communities to develop that site with affordable housing after the design of the channel lining project is complete in CVWD's adjacent stormwater channel. In addition, the City has initiated the acquisition of the vacant 34-acre housing opportunity site on the northeast corner of Miles and Warner Trail. Still, there is no current timetable for completing that acquisition.

Accomplishments

City Finances

- Added new sections to the Budget document, improving transparency.
- Negotiated extension of agreements with Tennis Garden due to COVID-19.
- Negotiated shared design expenses with Brixton on Channel lining design, saving the City tens of thousands of dollars.
- Updated User Fee Schedule.

Economic Development

- Created a new Economic Development Division of the City to focus efforts on promoting existing businesses and new investments in Indian Wells.
- Improved relationship with IW Chamber and other chambers.
- Moving forward with the EIFD study.
- General Plan Update to include significant incentives for Economic Development.

Golf Resort

- Financial Reporting - Redesigned financial reporting of IWGR operations, improving transparency and financial analysis.
- Implementation of Council Performance Goals and Deliverables.

Public Safety

- Promoted positive changes in Sheriff patrols, Ring Partnership, community outreach, and increased traffic enforcement.
- Changed the fire staffing model to provide a paramedic on every shift of the fire engine.

Housing Items

- Attempted a partnership with CSUSB-Palm Desert on developing student housing for the university and earned RHNA credit for the City.
- Completed Short Term Rental Ordinance update.

City Internal Operations

- Added some fun activities for staff (i.e., Ice Cream Social, baseball and football jersey days).
- Ride-a-longs with Cal Fire and Sheriff's Department.

Stakeholder Meetings and Community Outreach

- Visited both Affordable Housing Projects and met with residents.
- Met with developers to seek their investment in the City (i.e., Lewis, Majestic, Lennar, etc.).
- Meet regularly with General Managers at local resorts.
- Established relationships with local HOAs.
- Presented at Rotary Club.
- Spend a significant amount of time meeting with other stakeholders in the community.

Communication

- Improved communication with the City Council.
- Worked with staff to improve communication with staff reports, email blasts, etc.
- 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 the Management's Discussion and Analysis (MD&A) narrative section. 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 various 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 that (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 Farr Davis 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, 2023, 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 complete 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 that comprise 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, 2022. 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 Annual Comprehensive Financial Report of the City of Indian Wells for the fiscal year ending June 30, 2023, 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 understand the City's financial activities are included.

Acknowledgments

The preparation of this report was made feasible through the unwavering commitment and exemplary professionalism exhibited by the members of the Finance Department. Gratitude is extended to all City departments for their invaluable contributions to the aforementioned report. Furthermore, I express my profound appreciation to the City's independent auditors, Farr Davis, Certified Public Accountants, for their dedicated efforts and exemplary professionalism in the annual audit. Lastly, my heartfelt thanks are extended to the esteemed members of the City Council and the Finance Committee for their provision of resources and diligent safeguarding of the City's internal controls framework.

Respectfully submitted,



Chris Freeland
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Indian Wells
California**

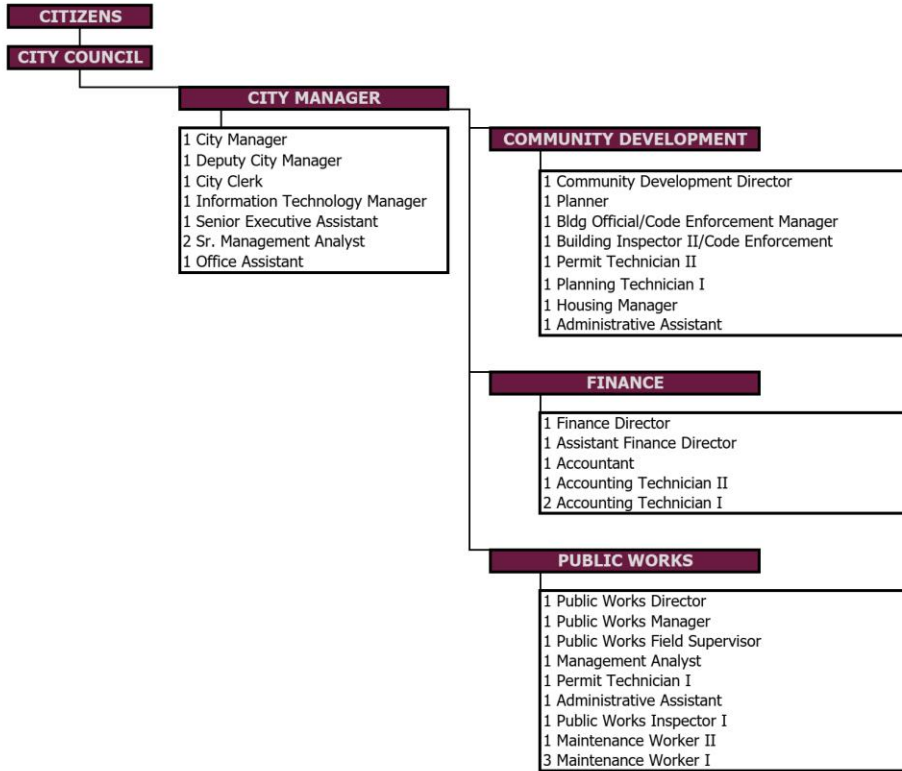
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**City of Indian Wells
ORGANIZATIONAL CHART
2023**



CITY OF INDIAN WELLS

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2023

Council – Manager Form of Government

City Council

Donna Griffith
Mayor

Greg Sanders
Mayor Pro Tem

Ty Peabody
Council Member

Bruce Whitman
Council Member

Dana Reed
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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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, 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 15, 2023, 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.



Irvine, California
November 15, 2023

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, 2023.

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 page i and the accompanying basic financial statements found on pages 26-27 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 \$291,819,056 (net position). The unrestricted net position, representing the amounts available to meet the City's ongoing obligations to citizens and creditors, was \$67,107,966, about 23.0% of the total net position. The City's investment in capital assets is \$192,521,650, and \$32,189,440 is subject to legal restrictions on their use.
- The City of Indian Wells's total net position decreased by \$7,077,156 primarily due to the reduction of pension assets.
- At the close of the current fiscal year, the City of Indian Wells governmental funds reported combined fund balances of \$103,383,445, a decrease of \$4,758,164 compared with the prior year. Of this amount, \$19,522,041, or 18.9%, is available for spending at the government's discretion (unassigned fund balance). Of the remaining amount, \$494,155, or 0.5%, of the governmental fund balances are committed for capital projects; \$16,011,720, or 15.5%, constitutes non-spendable reserves; \$35,405,755, or 34.2%, are restricted fund balances because of external limitations on spending. Assigned fund balances total \$31,949,774, or 30.9%, 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 \$36,648,058. The fund balance breaks down as follows: non-spendable assets comprise \$15,367,495 in notes and loans, and \$21,280,563 is unassigned.
- Governmental Activities capital assets net of depreciation increased by \$2,881,027 from \$149,121,104 to \$152,002,131. The City acquired \$7,580,754 in new capital assets, and construction is in progress during the fiscal year. Deletions totaled \$719,209, and the depreciation expense reached \$3,980,518.
- 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, 2023, in the amount of (\$700,736). 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 Trust Fund (CERBT). The City reported a net liability (asset) of (\$745,061) as of June 30, 2023.

- The City reported \$634,307 in compensated absences liability as of June 30, 2023. 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 \$21,233,367 in operating revenues. Revenues from operations include golf fees, food & beverage receipts, and event sales. Operating expenses at the Indian Wells Golf Resort totaled \$21,528,644. This total comprises operations, general and administrative costs, and depreciation. Operations totaled \$18,230,460, general and administrative expenses totaled \$668,571, and depreciation totaled \$2,629,613. Nonoperating revenues (expenses) totaled (\$425,921) and were broken down as follows: investment income loss (\$9,708) due to a GASB 31 adjustment, interest expense (\$25,416), loss on disposition of capital assets (\$416,797), and other nonoperating revenue totaling \$26,000.
- Capital assets from Business-type Activities net of depreciation decreased by \$2,271,192 from \$47,199,242 to \$44,928,050. In addition, the Indian Wells Golf Resort acquired \$899,817 in new capital assets, and construction was in progress during the fiscal year. Deletions totaled \$541,396, and the depreciation expense reached \$2,629,613.

Overview of the Financial Statements

The discussion and analysis here will introduce the City of Indian Wells' basic financial statements. The City of Indian Wells' basic financial statements consist 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 City's governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Government-wide Financial Statements include the City (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 are on pages 26-27 of this report.

Fund Financial Statements - A *fund* is a grouping of related accounts that 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 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. The Biennial Operating Budget and the Capital Improvement Program are prepared and administered in accordance with established procedures set forth by the City Council. These procedures include guidelines, standards, and requirements for the preparation and monitoring of both the Operating and Capital Budgets. The budget is managed to ensure adequate funds are available to cover anticipated expenditures. Public input is considered throughout the process, with scheduled public meetings and study sessions at key City Council decision points. 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 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 - Besides 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. 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, 2023, and 2022.

Table 1
Statement of Net Position

	Governmental Activities		Business -Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and restricted assets	\$ 113,877,738	\$ 124,381,771	\$ (1,329,126)	\$ (3,118,980)	\$ 112,548,612	\$ 121,262,791
Capital assets	152,011,131	149,121,104	44,928,050	47,199,242	196,939,181	196,320,346
Total Assets	265,888,869	273,502,875	43,598,924	44,080,262	309,487,793	317,583,137
Deferred Outflows of Resources	7,294,736	8,576,696	163,316	224,345	7,458,052	8,801,041
Current Liabilities	5,297,852	5,395,957	1,566,592	1,242,184	6,864,444	6,638,141
Non-current Liabilities	15,434,003	15,941,599	330,461	447,855	15,764,464	16,389,454
Total Liabilities	20,731,855	21,337,556	1,897,053	1,690,039	22,628,908	23,027,595
Deferred Inflows of Resources	2,453,685	4,387,992	44,196	72,379	2,497,881	4,460,371
Net Position:						
Net investment in capital assets	147,924,061	145,969,138	44,597,589	46,751,387	192,521,650	192,720,525
Restricted						
Community development	725,787	4,718,908	-	-	725,787	4,718,908
Housing	15,429,469	13,016,874	-	-	15,429,469	13,016,874
Public safety	6,183,630	7,054,610	-	-	6,183,630	7,054,610
Public works	2,345,243	2,317,493	-	-	2,345,243	2,317,493
Pension obligations	5,567,799	11,369,223	139,371	338,347	5,707,170	11,707,570
OPEB obligations	1,798,141	2,301,464	-	-	1,798,141	2,301,464
Unrestricted	70,023,935	69,606,313	(2,915,969)	(4,547,545)	67,107,966	65,058,768
Total Net Position	\$ 249,998,065	\$ 256,354,023	\$ 41,820,991	\$ 42,542,189	\$ 291,819,056	\$ 298,896,212

Current and restricted assets decreased in governmental activities by \$8,714,179 from the prior year. Capital assets increased by \$618,835 from the previous year. Total liabilities in governmental activities decreased by \$398,687 in the prior year, primarily due to the reduction of non-current liabilities.

The City's assets exceeded liabilities by \$291,819,056 at the close of the most recent fiscal year. Of the total net position, the City's net investment in capital assets is \$192,521,650, and \$67,107,966 represents the unrestricted net position available for meeting the City's ongoing obligations to citizens and creditors. The City restricted \$32,189,440 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, 2023, and 2022.

Table 2
Statement of Activities

	Governmental Activities		Business -Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for services	\$ 2,218,818	\$ 2,237,538	\$ 21,188,761	\$ 16,202,430	\$ 23,407,579	\$ 18,439,968
Operating contributions and grants	11,256,801	11,435,024	-	-	11,256,801	11,435,024
Capital contributions and grants	202,766	954,966	-	-	202,766	954,966
General Revenues:						
Taxes						
Property taxes	3,945,967	3,721,408	-	-	3,945,967	3,721,408
Transient occupancy taxes	12,450,662	10,987,345	-	-	12,450,662	10,987,345
Sales taxes	1,766,438	1,539,776	-	-	1,766,438	1,539,776
Franchise taxes	1,231,605	1,108,065	-	-	1,231,605	1,108,065
Business licenses taxes	150,396	128,865	-	-	150,396	128,865
Admission taxes	3,939,996	4,859,434	-	-	3,939,996	4,859,434
Investment income (loss)	3,137,278	(1,192,487)	(9,708)	(70,543)	3,127,570	(1,263,030)
Gain on sale of capital assets	-	404,376	-	-	-	404,376
Other	481,138	550,703	26,000	1,247,051	507,138	1,797,754
Total Revenues	40,781,865	36,735,013	21,205,053	17,378,938	61,986,918	54,113,951
Expenses:						
General government	15,297,837	2,804,408	-	-	15,297,837	2,804,408
Public safety	13,309,494	9,003,835	-	-	13,309,494	9,003,835
Community development	6,782,254	5,479,125	-	-	6,782,254	5,479,125
Public works	11,245,752	4,719,058	-	-	11,245,752	4,719,058
Interest	457,880	463,970	-	-	457,880	463,970
Golf resort	-	-	21,970,857	18,815,101	21,970,857	18,815,101
Total Expenses	47,093,217	22,470,396	21,970,857	18,815,101	69,064,074	41,285,497
Increase (decrease) in net position before transfers	(6,311,352)	14,264,617	(765,804)	(1,436,163)	(7,077,156)	12,828,454
Transfers	(44,606)	(2,390,072)	44,606	2,390,072	-	-
Increase (decrease) in net position	(6,355,958)	11,874,545	(721,198)	953,909	(7,077,156)	12,828,454
Net Position, Beginning of Year	256,354,023	244,479,478	42,542,189	41,588,280	298,896,212	286,067,758
Net Position, End of Year	\$ 249,998,065	\$ 256,354,023	\$ 41,820,991	\$ 42,542,189	\$ 291,819,056	\$ 298,896,212

Revenues:

Governmental Activities

The City collected \$40,781,865 during the fiscal year 2022/23 compared to \$36,735,013 the previous year. The increase in revenue is primarily due to the following:

- Strong property tax growth.
- A stronger-than-expected resurgence in the tourism economy.
- Reopening of the BNP Paribas tennis tournament.
- Improved investment earnings

Business Type Activities

The Golf Resort collected \$21,205,053 during the fiscal year 2022/23 compared to \$17,378,938 the previous year. The increase in revenue is primarily due to the following:

- Resurgence in the tourism economy.
- Improvements to food and beverage operations.
- Expanded demand for golf rounds, escalating golf rates, and increased banquet events and weddings.

Expenses:

Governmental Activities

- Expenses for all governmental activities totaled \$47,093,217. Operational cost increases were essentially inflationary in nature. The comparative variance between fiscal year 2022/23 and fiscal year 2021/22 was essentially Governmental Accounting Standards Board (GASB) 68 reporting. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Under GASB 68, employers (like Indian Wells) must recognize their specific pension amounts, including Net Pension Liability (NPL), deferred outflows and inflows of resources, and pension expense. During the fiscal year 2021/22, the GASB 68 pension credit was \$11,523,076; during the fiscal year 2022/23, the GASB 68 pension adjustment increased Governmental Activities by \$6,686,056.

Business Type Activities

- The Golf Resort's operating costs totaled \$21,970,857, including operations costs of \$18,230,460, general and administrative expenses of \$668,571, interest expenses of \$25,416, loss on disposition of capital assets of \$416,797, and \$2,629,613 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 \$103,383,445 as follows:

**Table 3
Fund Balances by Category
Fiscal Year Ending 6/30/2023**

	General Fund	All Other Funds	Total Funds
Nonspendable:			
Prepaid costs	\$ 111,390	\$ 663	\$ 112,053
Notes and loans	15,256,105	643,562	15,899,667
Restricted for:			
Community development	-	16,155,256	16,155,256
Public safety	-	6,183,630	6,183,630
Public works	-	2,345,243	2,345,243
Debt service	-	10,721,626	10,721,626
Committed for:			
Capital projects	-	494,155	494,155
Assigned To:			
Capital projects	-	31,949,774	31,949,774
Unassigned:	21,280,563	(1,758,522)	19,522,041
Total Fund Balances	<u>\$ 36,648,058</u>	<u>\$ 66,735,387</u>	<u>\$ 103,383,445</u>

Governmental fund balances ended the year, totaling \$103,383,445. Of this amount, \$16,011,720 constitutes non-spendable reserves; an additional \$35,405,755 are restricted fund balances because of external limitations on spending.

Approximately \$494,155 of the governmental fund balances are committed to capital projects. Assigned fund balances total \$31,949,774 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 \$19,522,041, 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 6/30/2023

	Golf Resort Operations	Total
Operating Revenues:		
Charges for services	\$ 21,233,367	\$ 21,233,367
Total Revenues	21,233,367	21,233,367
Operating Expenses:		
Operations	18,230,460	18,230,460
General and Administration	668,571	668,571
Depreciation	2,629,613	2,629,613
Total Expenditures	21,528,644	21,528,644
Operating Income (loss)	(295,277)	(295,277)
Non-operating Revenues (Expenses)		
Investment Income (loss)	(9,708)	(9,708)
Interest expense	(25,416)	(25,416)
Loss on disposition of capital assets	(416,797)	(416,797)
Other nonoperating revenue	26,000	26,000
Total nonoperating revenues (expenses)	(425,921)	(425,921)
Changes in Net Position	(721,198)	(721,198)
Net Position, Beginning of the Year	42,542,189	42,542,189
Net Position at End of Year	\$ 41,820,991	\$ 41,820,991

As a result of this year’s business activities, the Indian Wells Golf Resort collected \$21,233,367 in operating revenues. Revenues from operations include golf fees, food & beverage receipts, and event sales.

Operating expenses at the Indian Wells Golf Resort totaled \$21,528,644. This total includes operations, general and administrative costs, and depreciation. Operations totaled \$18,230,460, general and administrative expenses totaled \$668,571, and depreciation totaled \$2,629,613.

Nonoperating revenues (expenses) totaled (\$425,921) and were broken down as follows: investment income loss (\$9,708) due to a GASB 31 adjustment, interest expense (\$25,416), loss on disposition of capital assets of (\$416,797), and other nonoperating revenue totaling \$26,000.

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 \$36,648,058. The fund balance breaks down as follows: non-spendable assets comprise \$15,367,495 in notes and loans, and \$21,280,563 is unassigned.

To measure the General Fund's liquidity, comparing unassigned and total fund balances to total general fund expenditures may be helpful. For example, the unassigned fund balance represents 104.4% of total general fund expenditures, while the total fund balance represents 179.7%.

Table 5
General Fund Financial Summary

	2023	2022	\$ Change	% Change
Revenues:				
Taxes	\$ 23,099,286	\$ 21,992,915	\$ 1,106,371	5.0%
Licenses and permits	925,135	917,861	7,274	0.8%
Intergovernmental	933,561	2,173,340	(1,239,779)	-57.0%
Charges for services	558,846	651,014	(92,168)	-14.2%
Interest income (loss)	101,144	(697,652)	798,796	-114.5%
Fines and forfeitures	107,012	47,687	59,325	124.4%
Other income	158,635	196,358	(37,723)	-19.2%
Total Revenues	25,883,619	25,281,523	602,096	2.4%
Expenditures:				
General government	10,257,611	8,799,054	1,458,557	16.6%
Public safety	5,096,149	4,080,884	1,015,265	24.9%
Community development	2,051,675	1,622,505	429,170	26.5%
Public works	2,985,140	2,795,477	189,663	6.8%
Total Expenditures	20,390,575	17,297,920	3,092,655	17.9%
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	5,493,044	7,983,603	(2,490,559)	-31.2%
Other Financing Sources (Uses)				
Transfer in	18,500	-	18,500	100.0%
Transfer out	(4,127,789)	(5,395,273)	1,267,484	100.0%
Total Transfers	(4,109,289)	(5,395,273)	1,285,984	100.0%
Net Change in Fund Balance	\$ 1,383,755	\$ 2,588,330	\$ (1,204,575)	46.5%

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 2.4% during the fiscal year 2022/23 compared to the prior year, primarily due to the expansion of tourism.

General Fund expenditures increased by \$3,092,655 (17.9%) during the fiscal year 2022/23, primarily due to the increase in public safety services, increased spending for resident amenities, and the implementation of the citywide turf rebate program, which provided incentive funding to homeowners and HOAs to reduce turf and replace with water-efficient plants. See the Fund Financial Statements tab, pages 28-37.

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 in the Housing Authority Fund was \$15,429,469.

Table 6
Housing Authority Financial Summary

	2023	2022	\$ Change	% Change
Revenues:				
Interest income	\$ 154,080	\$ (564,442)	\$ 718,522	-127.3%
Total Revenues	154,080	(564,442)	718,522	-127.3%
Expenditures:				
General government	1,847,021	1,923,007	(75,986)	-4.0%
Community development	250,000	250,000	-	0.0%
Total Expenditures	2,097,021	2,173,007	(75,986)	-3.5%
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,942,941)	(2,737,449)	794,508	-29.0%
Other Financing Sources (Uses)				
Transfer in	4,442,555	267,838	4,174,717	0.0%
Transfer out	(87,019)	-	(87,019)	0.0%
Total Transfers	4,355,536	267,838	4,087,698	1526.2%
Net Change in Fund Balance	\$ 2,412,595	\$ (2,469,611)	\$ 4,882,206	-197.7%

Revenues consist of \$154,080 in interest income earned during the fiscal year 2022/23 due to a GASB 31 adjustment. Expenditures totaling \$2,097,021 during the fiscal year 2022/23 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 2022/23 expenditures decreased by \$75,986 compared to the prior year, primarily due to a reduction in capital infrastructure and maintenance projects. See the Fund Financial Statements tab, pages 28-37.

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 \$4,472,536.

Table 7
Emergency Services Upgrade Financial Summary

	2023	2022	\$ Change	% Change
Revenues:				
Taxes	\$ 4,680,767	\$ 4,217,707	\$ 463,060	11.0%
Charges for services	604,356	603,203	1,153	0.2%
Interest income (loss)	(1,691)	(175,012)	173,321	-99.0%
Assessments	611,631	602,774	8,857	1.5%
Other income	10,677	8,598	2,079	24.2%
Total Revenues	<u>5,905,740</u>	<u>5,257,270</u>	<u>648,470</u>	<u>12.3%</u>
Expenditures:				
Public safety	6,160,835	4,252,793	1,908,042	44.9%
Capital Outlay	18,397	18,064	333	1.8%
Total Expenditures	<u>6,179,232</u>	<u>4,270,857</u>	<u>1,908,375</u>	<u>44.7%</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(273,492)</u>	<u>986,413</u>	<u>(1,259,905)</u>	<u>-127.7%</u>
Other Financing Sources (Uses)				
Transfer out	(145,031)	-	(145,031)	0.0%
Total Transfers	<u>(145,031)</u>	<u>-</u>	<u>(145,031)</u>	<u>0.0%</u>
Net Change in Fund Balance	<u>\$ (418,523)</u>	<u>\$ 986,413</u>	<u>\$ (1,404,936)</u>	<u>-142.4%</u>

Revenues collected during the fiscal year 2022/23 include a \$4,680,767 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 \$604,356 were collected from the ambulance billing program and a citywide assessment that generates another 611,631 annually. Interest income (loss) was (\$1,691) due to a GASB 31 adjustment.

Expenditures totaling \$6,160,835 during the fiscal year 2022/23 include staff salaries and benefits, professional services, contract fire costs, general liability insurance premiums, maintenance projects, and capital outlay. The fiscal year 2022/23 expenditures increased by \$1,908,042 compared to the prior year, primarily due to increased service levels on the engine. See the Fund Financial Statements tab, pages 28-37.

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. At the end of the most recent fiscal year, the fund balance in the Indian Wells Financing Authority Fund was \$10,721,626.

Table 8
Indian Wells Financing Authority Financial Summary

	2023	2022	\$ Change	% Change
Revenues:				
Investment income	\$ 379,938	\$ 10,250	\$ 369,688	100.0%
Total Revenues	379,938	10,250	369,688	100.0%
Expenditures:				
Bond issuance costs	-	235,117	(235,117)	-100.0%
Principal retirement	380,000	-	380,000	100.0%
Interest and fiscal charges	586,874	-	586,874	100.0%
Total Expenditures	966,874	235,117	731,757	311.2%
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(586,936)	(224,867)	(362,069)	100.0%
Other Financing Sources (Uses)				
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	966,875	-	966,875	100.0%
Transfer out	(1,752,399)	(2,949,218)	1,196,819	-40.6%
Total Transfers	(785,524)	12,318,953	(13,104,477)	-106.4%
Net Change in Fund Balance	\$ (1,372,460)	\$ 12,094,086	\$ (13,466,546)	-111.3%

Revenues collected during the fiscal year 2022/23 include \$379,938 in interest income. Debt service began during the fiscal year. Total debt service totaled \$966,874, including \$380,000 in principal retirements and \$586,874 in interest and fiscal charges.

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 \$7,854,742.

Table 9
Capital Improvements Financial Summary

	2023	2022	\$ Change	% Change
Revenues:				
Intergovernmental	\$ 184,414	\$ 233,642	\$ (49,228)	-21.1%
Investment income	3,484	(298,938)	302,422	-101.2%
Other income	-	1,013	(1,013)	100.0%
Total Revenues	187,898	(64,283)	252,181	-392.3%
Expenditures:				
General government	134,511	228,553	(94,042)	-41.1%
Community development	-	2,500,000	(2,500,000)	100.0%
Capital outlay	5,147,043	4,133,746	1,013,297	24.5%
Total Expenditures	5,281,554	6,862,299	(1,580,745)	-23.0%
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(5,093,656)	(6,926,582)	1,832,926	-26.5%
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	525,000	(525,000)	100.0%
Transfer in	3,772,129	6,939,608	(3,167,479)	-45.6%
Total Transfers	3,772,129	7,464,608	(3,692,479)	-49.5%
Net Change in Fund Balance	\$ (1,321,527)	\$ 538,026	\$ (1,859,553)	-345.6%

Revenues collected during the fiscal year 2022/23 include \$184,414 in intergovernmental revenues and interest income totaling \$3,484 due to a GASB 31 adjustment.

Expenditures totaling \$5,281,554 during the fiscal year 2022/23 include \$134,511 in general government costs and \$5,147,043 in new capital investments within the community. See the Fund Financial Statements tab, pages 28-37.

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.

The City’s Capital Contribution Policy contributes to the Capital Reserve program and funds 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

	2023	2022	\$ Change	% Change
Revenues:				
Investment income	\$ 55,779	\$ (811,971)	\$ 867,750	-106.9%
Total Revenues	55,779	(811,971)	867,750	-106.9%
Expenditures:				
Capital outlay	2,500,000	-	2,500,000	0.0%
Total Expenditures	2,500,000	-	2,500,000	0.0%
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,444,221)	(811,971)	(1,632,250)	201.0%
Other Financing Sources (Uses)				
Transfer in	814,000	820,000	(6,000)	100.0%
Total Transfers	814,000	820,000	(6,000)	100.0%
Net Change in Fund Balance	\$ (1,630,221)	\$ 8,029	\$ (1,638,250)	-20404.2%

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 the Fund Financial Statements tab, pages 28-37.

Park Facilities In Lieu

Park-in-lieu fees are used for the construction of recreation and open spaces charged under the Quimby Act to new residential development occurring in a subdivision at a standard of 3.0 acres per 1,000 residents. Under this framework, developers are required to pay a fee, often calculated based on the extent of their development project, in lieu of providing on-site park or recreational facilities. The collected fees are utilized to fund the acquisition, development, and maintenance of parks and open spaces within the jurisdiction, thereby ensuring that the community's recreational needs are met.

Table 11
Park Facilities In Lieu Financial Summary

	2023	2022	\$ Change	% Change
Revenues:				
Intergovernmental	\$ -	\$ 536,863	\$ (536,863)	-100.0%
Developer fees	111,021	156,136	(45,115)	-28.9%
Total Revenues	111,021	692,999	(581,978)	-84.0%
Expenditures:				
General government	2,822	1,073,726	(1,070,904)	-99.7%
Total Expenditures	2,822	1,073,726	(1,070,904)	-99.7%
Excess (Deficiency) of Revenues Over (Under) Expenditures	108,199	(380,727)	488,926	-128.4%
Net Change in Fund Balance	\$ 108,199	\$ (380,727)	\$ 488,926	-128.4%

General Fund Budgetary Highlights

Actual revenues received in the General Fund were \$5,770,124 higher than budgeted, primarily attributed to the following:

- Strong property tax growth.
- Resurgence in the tourism economy.
- Reopening of the BNP Paribas tennis tournament.
- Increase in licenses and permits

The final budget for General Fund expenditures was \$1,156,531 more than the original budget due to the following:

- Increase in public safety services
- Increased spending for resident amenities
- The implementation of the citywide turf rebate program

Government Activities

Table 12 presents the cost 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 12
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Government Activities				
General government	\$ 15,297,837	\$ 2,804,408	\$ (14,444,907)	\$ (1,997,180)
Public safety	13,309,494	9,003,835	(5,934,663)	(883,494)
Community development	6,782,254	5,479,125	(5,277,241)	(3,910,250)
Public works	11,245,752	4,719,058	(7,300,141)	(587,974)
Interest	457,880	463,970	(457,880)	(463,970)
Total Governmental Activities	47,093,217	22,470,396	(33,414,832)	(7,842,868)
Business-Type Activities				
Golf resort	21,970,857	18,815,101	(782,096)	(2,612,671)
Total Business-Type Activates	21,970,857	18,815,101	(782,096)	(2,612,671)
Total Primary Government	<u>\$ 69,064,074</u>	<u>\$ 41,285,497</u>	<u>\$ (34,196,928)</u>	<u>\$ (10,455,539)</u>

See the Statement of Activities on page 27 for further details.

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 13
Summary of Changes in Capital Assets
Governmental Activities

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 33,289,388	\$ -	\$ -	\$ 33,289,388
Construction in progress	3,268,022	3,442,166	(97,876)	6,612,312
Total capital assets not being depreciated	<u>36,557,410</u>	<u>3,442,166</u>	<u>(97,876)</u>	<u>39,901,700</u>
Capital assets, being depreciated:				
Intangible	2,500,000	2,500,000	(2,500,000)	2,500,000
Buildings and improvements	67,605,378	265,455	(584,762)	67,286,071
Equipment	2,184,084	80,544	(230,825)	2,033,803
Infrastructure	114,705,473	1,292,589	(6,280)	115,991,782
Total capital assets being depreciated	<u>186,994,935</u>	<u>4,138,588</u>	<u>(3,321,867)</u>	<u>187,811,656</u>
Less accumulated depreciation for:				
Intangible	(2,375,000)	(250,000)	2,375,000	(250,000)
Buildings and improvements	(31,216,725)	(1,577,629)	88,429	(32,705,925)
Equipment	(1,733,905)	(144,057)	230,825	(1,647,137)
Infrastructure	(39,105,611)	(2,008,832)	6,280	(41,108,163)
Total accumulated depreciation	<u>(74,431,241)</u>	<u>(3,980,518)</u>	<u>2,700,534</u>	<u>(75,711,225)</u>
Total capital assets being depreciated, net	<u>112,563,694</u>	<u>158,070</u>	<u>(621,333)</u>	<u>112,100,431</u>
Total capital assets, net	<u>\$ 149,121,104</u>	<u>\$ 3,600,236</u>	<u>\$ (719,209)</u>	<u>\$ 152,002,131</u>

Governmental Activities capital assets net of depreciation increased by \$2,881,027 from \$149,121,104 to \$152,002,131. The City acquired \$7,580,754 in new capital assets, and construction is in progress during the fiscal year. Deletions totaled \$719,209, and the depreciation expense reached \$3,980,518. Details of the City's capital assets can be found in Note 7 Capital Assets on pages 59-61 of the Notes to Basic Financial Statements.

Business-Type Activities

Table 14
Summary of Changes in Capital Assets
Business-Type Activities

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 13,910,956	\$ -	\$ -	\$ 13,910,956
Construction in progress	121,421	-	(121,421)	-
Total capital assets not being depreciated	<u>14,032,377</u>	<u>-</u>	<u>(121,421)</u>	<u>13,910,956</u>
Capital assets, being depreciated:				
Buildings and improvements	85,279,178	480,372	(45,778)	85,713,772
Equipment	7,531,178	406,182	(3,441,138)	4,496,222
Infrastructure	433,390	-	-	433,390
Right to use asset	545,025	13,263	(3,179)	555,109
Total capital assets being depreciated	<u>93,788,771</u>	<u>899,817</u>	<u>(3,490,095)</u>	<u>91,198,493</u>
Less accumulated depreciation for:				
Buildings and improvements	(54,681,867)	(1,895,232)	20,255	(56,556,844)
Equipment	(5,716,121)	(592,206)	3,046,686	(3,261,641)
Infrastructure	(115,569)	(7,224)	-	(122,793)
Right to use asset	(108,349)	(134,951)	3,179	(240,121)
Total accumulated depreciation	<u>(60,621,906)</u>	<u>(2,629,613)</u>	<u>3,070,120</u>	<u>(60,181,399)</u>
Total capital assets being depreciated, net	<u>33,166,865</u>	<u>(1,729,796)</u>	<u>(419,975)</u>	<u>31,017,094</u>
Total capital assets, net	<u>\$ 47,199,242</u>	<u>\$ (1,729,796)</u>	<u>\$ (541,396)</u>	<u>\$ 44,928,050</u>

Capital assets from Business-type Activities net of depreciation decreased by \$2,271,192 from 47,199,242 to \$44,928,050. The Indian Wells Golf Resort acquired \$899,817 in new capital assets, and construction was in progress during the fiscal year. Deletions totaled \$541,396, and the depreciation expense reached \$2,629,613. Details of the City's capital assets can be found in Note 7 Capital Assets on pages 59-61 of the Notes to Basic Financial Statements.

Long-term Liabilities

At year-end, the City's governmental activities had \$14,318,667 in long-term liabilities.

Table 15
Summary of Changes in Long-Term Liabilities

Description	2023	2022	\$ Change	% Change
Compensated absences	\$ 634,307	\$ 582,270	\$ 52,037	8.9%
2022 Lease Revenue Bonds Premium	13,550,000	13,930,000	(380,000)	-2.7%
Lease Payable	1,249,696	1,316,052	(66,356)	-5.0%
Net Pension Liability (asset)	330,461	447,855	(117,394)	-26.2%
Net OPEB Liability (asset)	(700,736)	(6,449,180)	5,748,444	-89.1%
	(745,061)	(2,196,587)	1,451,526	-66.1%
Total Long Term Debt	\$ 14,318,667	\$ 7,630,410	\$ 6,688,257	87.7%

The City reported \$634,307 in compensated absences liability as of June 30, 2023. 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. Full-time employees accrue several types of paid leave, 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 reported \$13,550,000 in outstanding lease revenue bonds along with a premium of \$1,249,696 originally issued 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, 2023, in the amount of (\$700,736). 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, 2022, and 2023 was as follows:

Proportion - June 30, 2022	-0.33964%
Proportion - June 30, 2023	-0.01498%
Change - Increase/(Decrease)	0.32466%

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 (\$745,061) as of June 30, 2023.

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

Facing rising inflation, the Federal Reserve, tasked with maintaining stable price growth, has repeatedly enacted interest rate increases throughout 2022 to cool the economy and, in turn, slow inflation. The longer inflation persists, the higher the Federal Reserve will increase interest rates in response. The chance that the Federal Reserve can tame inflation without inducing a recession is narrow, especially with an inverted yield curve.

A yield curve inversion, when rates for two-year U.S. Treasury notes rise above those for 10-year notes, has preceded every recession since the 1960s. The first apparent inversion in 15 years happened in July 2022, although there were brief and shallow inversions in August 2019 and April 2022.

All of that is old news. What has happened since July is that the inversion, unlike all others since the early 1980s, has become more profound. The two-year yield is now almost 80 basis points, or 0.8 percentage points, higher than the 10-year yield. This inversion was only exceeded by 1978 to 1982 when the Federal Reserve chairman Paul Volcker ramped up benchmark rates to double digits to reverse high inflation at the cost of two long and deep recessions. Investors are asking whether the next recession will be more prolonged and profound than the previous 40 years.

Despite recent interest rate increases, inflation remains well above the Federal Reserve's stated stability goal. Further, factors that tend to predict future inflation—such as recent changes in consumer spending, incomes, and prices for food and energy—suggest that heightened inflation pressures could remain for some time. These observations indicate that the Federal Reserve will take additional steps to curb inflation in the coming months, raising the risk of a recession.

Before predicting disaster, remember that the current inversion is only 77 basis points, compared with the 241-basis-point peak in 1978-1980 and 170 basis points in 1980-1982. Additionally, federal rate increases of 124 basis points are well below the 194 basis points of 1978-1980, and the stock market decline of 14% is not as severe as the 18% of 1980-1982. So, while the signs are ominous, they're not yet at a level to expect Volcker Shock conditions.

A recession seems likely, but how disruptive it will be to Indian Wells isn't clear. Hotel revenues and occupancy are near record highs, and there is a clear indication that the March 2023 tennis tournament will return to pre-pandemic levels. Moreover, long-term forecasts provided by hotel partners anticipate continued growth through 2023. However, this could all change instantly if the national economy falls into a significant recession.

Why does Indian Wells care about the national economy? Tourism! During the fiscal year 2022, tourism revenues (transient occupancy tax, admissions tax, and a portion of sales tax) accounted for approximately 70.0% of all General Fund revenues.

Tourism significantly impacts the Leisure and Hospitality industries of the Coachella Valley; when the economy is in a recession, people travel less. While international tourism has yet to return to pre-pandemic levels in Southern California and the Coachella Valley, much of it has been compensated by Southern Californians traveling to the area even during hot months. Falling into a new recession will cut tourism from the rest of the U.S. and California.

Some early tourism reports indicate that economic concerns have replaced health as the main apprehension for summer and fall travel. Of course, financial concerns will cause some to stay home, but those who plan to travel are prepared to increase their budgets. Nearly three in 10 travelers plan to spend more than they did in 2019, and high fares and hotel room rates are the number one reason why.

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 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.

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City of Indian Wells, California
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 66,015,384	\$ 2,404,795	\$ 68,420,179
Restricted cash and investments	11,820,968	-	11,820,968
Receivables			
Accounts	2,315,187	47,259	2,362,446
Accrued interest	306,000	5,802	311,802
Prepaid costs	112,053	65,846	177,899
Deposits	12,140,000	-	12,140,000
Inventories	-	516,741	516,741
Internal balances	4,389,820	(4,389,820)	-
Notes receivable	1,174,554	-	1,174,554
Due from Successor Agency	14,187,226	-	14,187,226
Net pension asset	680,485	20,251	700,736
Net OPEB asset	745,061	-	745,061
Capital assets not being depreciated	39,901,700	13,910,956	53,812,656
Capital assets, net of depreciation	112,100,431	31,017,094	143,117,525
Total assets	<u>265,888,869</u>	<u>43,598,924</u>	<u>309,487,793</u>
Deferred Outflows of Resources			
Deferred amounts related to pensions	5,487,755	163,316	5,651,071
Deferred amounts related to OPEB	1,806,981	-	1,806,981
Total deferred outflows of resources	<u>7,294,736</u>	<u>163,316</u>	<u>7,458,052</u>
Liabilities			
Current liabilities			
Accounts payable	3,714,242	545,476	4,259,718
Accrued liabilities	205,638	687,644	893,282
Deposits payable	1,189,638	333,472	1,523,110
Interest payable	188,334	-	188,334
Noncurrent liabilities			
Due within one year			
Compensated absences	119,164	-	119,164
Long-term debt	536,356	139,597	675,953
Due in more than one year			
Compensated absences	515,143	-	515,143
Long-term debt	14,263,340	190,864	14,454,204
Total liabilities	<u>20,731,855</u>	<u>1,897,053</u>	<u>22,628,908</u>
Deferred Inflows of Resources			
Deferred amounts related to pensions	1,485,073	44,196	1,529,269
Deferred amounts related to OPEB	968,612	-	968,612
Total deferred inflows of resources	<u>2,453,685</u>	<u>44,196</u>	<u>2,497,881</u>
Net Position			
Net investment in capital assets	147,924,061	44,597,589	192,521,650
Restricted for			
Community development projects	725,787	-	725,787
Housing	15,429,469	-	15,429,469
Public safety	6,183,630	-	6,183,630
Public works	2,345,243	-	2,345,243
Pension obligations	5,567,799	139,371	5,707,170
OPEB obligations	1,798,141	-	1,798,141
Unrestricted	70,023,935	(2,915,969)	67,107,966
Total Net Position	<u>\$ 249,998,065</u>	<u>\$ 41,820,991</u>	<u>\$ 291,819,056</u>

City of Indian Wells, California

Statement of Activities

Year Ended June 30, 2023

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
Government Activities							
General government	\$ 15,297,837	\$ 107,012	\$ 745,918	\$ -	\$ (14,444,907)	\$ -	\$ (14,444,907)
Public safety	13,309,494	604,356	6,770,475	-	(5,934,663)	-	(5,934,663)
Community development	6,782,254	1,483,981	21,032	-	(5,277,241)	-	(5,277,241)
Public works	11,245,752	23,469	3,719,376	202,766	(7,300,141)	-	(7,300,141)
Interest	457,880	-	-	-	(457,880)	-	(457,880)
Total governmental activities	47,093,217	2,218,818	11,256,801	202,766	(33,414,832)	-	(33,414,832)
Business-type Activities							
Golf resort operations	21,970,857	21,188,761	-	-	-	(782,096)	(782,096)
Total business-type activities	21,970,857	21,188,761	-	-	-	(782,096)	(782,096)
Total Primary Government	\$ 69,064,074	\$ 23,407,579	\$ 11,256,801	\$ 202,766	(33,414,832)	(782,096)	(34,196,928)
General Revenues							
Taxes							
Property taxes, levied for general purpose					3,945,967	-	3,945,967
Transient occupancy taxes					12,450,662	-	12,450,662
Sales taxes					1,766,438	-	1,766,438
Franchise taxes					1,231,605	-	1,231,605
Business licenses taxes					150,396	-	150,396
Admission taxes					3,939,996	-	3,939,996
Investment income (loss)					3,137,278	(9,708)	3,127,570
Other					481,138	26,000	507,138
Total general revenues					27,103,480	16,292	27,119,772
Transfers					(44,606)	44,606	-
Change in Net Position					(6,355,958)	(721,198)	(7,077,156)
Net Position, Beginning of Year					256,354,023	42,542,189	298,896,212
Net Position, End of Year					\$ 249,998,065	\$ 41,820,991	\$ 291,819,056

City of Indian Wells, California
Balance Sheet - Governmental Funds
Year Ended June 30, 2023

	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	Park Facilities In Lieu		
Assets									
Cash and investments	\$ 16,695,987	\$ 3,358,493	\$ 5,297,686	\$ -	\$ 7,517,855	\$ 17,170,499	\$ -	\$ 13,109,589	\$ 63,150,109
Restricted cash and investments	-	-	-	10,721,625	-	-	-	-	10,721,625
Receivables									
Accounts	1,922,627	-	133,352	-	66,745	-	-	192,463	2,315,187
Accrued interest	82,578	57,882	20,804	1	21,387	67,425	-	50,820	300,897
Prepaid costs	111,390	-	-	-	-	-	-	663	112,053
Deposits	-	12,140,000	-	-	-	-	-	-	12,140,000
Due from other funds	5,810,737	-	-	-	537,887	-	-	-	6,348,624
Notes receivable	1,068,879	-	-	-	105,675	-	-	-	1,174,554
Due from Successor Agency	14,187,226	-	-	-	-	-	-	-	14,187,226
Total assets	\$ 39,879,424	\$ 15,556,375	\$ 5,451,842	\$ 10,721,626	\$ 8,249,549	\$ 17,237,924	\$ -	\$ 13,353,535	\$ 110,450,275
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 2,105,917	\$ 94,528	\$ 971,053	\$ -	\$ 90,639	\$ -	\$ 1,667	\$ 448,946	\$ 3,712,750
Accrued liabilities	160,548	32,378	8,253	-	-	-	-	4,459	205,638
Deposits payable	756,416	-	-	-	304,168	-	-	129,054	1,189,638
Due to other funds	208,485	-	-	-	-	-	1,373,646	376,673	1,958,804
Total liabilities	3,231,366	126,906	979,306	-	394,807	-	1,375,313.00	959,132	7,066,830
Fund Balances									
Nonspendable									
Prepaid costs	\$ 111,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 663	112,053
Notes and loans	15,256,105	-	-	-	-	-	-	-	15,256,105
Restricted for									
Community development	-	15,429,469	-	-	-	-	-	725,787	16,155,256
Public safety	-	-	4,472,536	-	-	-	-	1,711,094	6,183,630
Public works	-	-	-	-	-	-	-	2,345,243	2,345,243
Debt service	-	-	-	10,721,626	-	-	-	-	10,721,626
Committed to									
Capital projects	-	-	-	-	-	-	-	494,155	494,155
Assigned									
Capital projects	-	-	-	-	7,854,742	17,237,924	-	7,500,670	32,593,336
Unassigned	21,280,563	-	-	-	-	-	(1,375,313)	(383,209)	19,522,041
Total fund balances	36,648,058	15,429,469	4,472,536	10,721,626	7,854,742	17,237,924	(1,375,313)	12,394,403	103,383,445
Total Liabilities and Fund Balances	\$ 39,879,424	\$ 15,556,375	\$ 5,451,842	\$ 10,721,626	\$ 8,249,549	\$ 17,237,924	\$ -	\$ 13,353,535	\$ 110,450,275

City of Indian Wells, California
 Reconciliation of the Statement of Net Position - Governmental Funds
 June 30, 2023

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

Total fund balances - total governmental funds	\$ 103,383,445
Capital assets net of related accumulated depreciation have not been included as financial resources in governmental fund activity.	152,002,131
Compensated absences are not considered due and payable and therefore have not been included in the governmental funds.	(634,307)
Long-term debt is not considered due and payable and therefore has not been included in the governmental funds.	(14,799,696)
Interest payable is not considered due and payable and therefore has not been included in the governmental funds.	(188,334)
Deferred outflows related to pensions	5,487,755
Deferred inflows related to pensions	(1,485,073)
Proportionate share of net pension asset is not a financial resource and, therefore, has not been included in governmental fund activity.	680,485
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.	5,551,659
Net Position of Governmental Activities	\$ 249,998,065

City of Indian Wells, California
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2023

	General	Special Revenue Funds		Debt Service	Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
		Housing Authority	Emergency Services Upgrade	Indian Wells Financing Authority	Capital Improvements	City Streets Capital Reserve	Park Facilities In Lieu		
Revenues									
Taxes	\$ 23,099,286	\$ -	\$ 4,680,767	\$ -	\$ -	\$ -	\$ -	\$ 385,778	\$ 28,165,831
Licenses and permits	925,135	-	-	-	-	-	-	-	925,135
Intergovernmental	933,561	-	-	-	184,414	-	-	746,364	1,864,339
Charges for services	558,846	-	604,356	-	-	-	-	-	1,163,202
Investment income (loss)	101,144	147,595	(1,691)	379,938	3,484	55,779	-	62,550	748,799
Fines and forfeitures	107,012	-	-	-	-	-	-	23,469	130,481
Rental income	-	-	-	-	-	-	-	2,310,605	2,310,605
Assessments	-	-	611,631	-	-	-	-	3,920,352	4,531,983
Developer fees	-	-	-	-	-	-	111,021	571,456	682,477
Other income	158,635	6,485	10,677	-	-	-	-	5,342	181,139
Total revenues	25,883,619	154,080	5,905,740	379,938	187,898	55,779	111,021	8,025,916	40,703,991
Expenditures									
Current									
General government	10,257,611	1,847,021	-	-	134,511	-	2,822	-	12,241,965
Public safety	5,096,149	-	6,160,835	-	-	-	-	1,536,689	12,793,673
Community development	2,051,675	250,000	-	-	-	-	-	2,367,530	4,669,205
Public works	2,985,140	-	-	-	-	-	-	3,384,604	6,369,744
Capital outlay	-	-	18,397	-	5,147,043	2,500,000	-	710,648	8,376,088
Debt service:									
Principal retirement	-	-	-	380,000	-	-	-	-	380,000
Interest and fiscal charges	-	-	-	586,874	-	-	-	-	586,874
Total expenditures	20,390,575	2,097,021	6,179,232	966,874	5,281,554	2,500,000	2,822	7,999,471	45,417,549
Excess (Deficiency) of Revenues over (under) Expenditures	5,493,044	(1,942,941)	(273,492)	(586,936)	(5,093,656)	(2,444,221)	108,199	26,445	(4,713,558)
Other Financing Sources (Uses)									
Transfers in	18,500	4,442,555	-	966,875	3,772,129	814,000	-	788,398	10,802,457
Transfers out	(4,127,789)	(87,019)	(145,031)	(1,752,399)	-	-	-	(4,734,825)	(10,847,063)
Total other financing sources (uses)	(4,109,289)	4,355,536	(145,031)	(785,524)	3,772,129	814,000	-	(3,946,427)	(44,606)
Net Change in Fund Balances	1,383,755	2,412,595	(418,523)	(1,372,460)	(1,321,527)	(1,630,221)	108,199	(3,919,982)	(4,758,164)
Fund Balances, Beginning of Year	35,264,303	13,016,874	4,891,059	12,094,086	9,176,269	18,868,145	(1,483,512)	16,314,385	108,141,609
Fund Balances, End of Year	\$ 36,648,058	\$ 15,429,469	\$ 4,472,536	\$ 10,721,626	\$ 7,854,742	\$ 17,237,924	\$ (1,375,313)	\$ 12,394,403	\$ 103,383,445

City of Indian Wells, California
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances to the Statement of
Activities - Governmental Funds
Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$ (4,758,164)
<p>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.</p>	
	2,881,027
<p>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.</p>	
	61,240
<p>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.</p>	
	(6,686,056)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Principal repayments	380,000
Amortization of premium	66,356
<p>Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.</p>	
	62,638
<p>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.</p>	
	1,637,001
Change in net position of governmental activities	\$ (6,355,958)

City of Indian Wells, California
Statement of Net Position - Proprietary Funds
June 30, 2023

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Current Assets		
Cash and investments	\$ 2,404,795	\$ 2,865,275
Restricted cash and investments	-	1,099,343
Receivables		
Accounts	47,259	-
Accrued interest	5,802	5,103
Prepaid costs	65,846	-
Inventories	516,741	-
Total current assets	3,248,928	3,969,721
Noncurrent Assets		
Net pension asset	20,251	-
Net OPEB asset	-	745,061
Capital assets, not being depreciated	13,910,956	-
Capital assets, net of depreciation	31,017,094	-
Total noncurrent assets	44,948,301	745,061
Total assets	48,197,229	4,714,782
Deferred Outflows of Resources		
Deferred amounts related to pension	163,316	-
Deferred amounts related to OPEB	-	1,806,981
Total deferred outflows of resources	163,316	1,806,981
Liabilities		
Current Liabilities		
Accounts payable	545,476	1,492
Accrued liabilities	687,644	-
Deposits payable	333,472	-
Due to other funds	4,598,305	-
Leases payable	139,597	-
Total current liabilities	6,304,494	1,492
Noncurrent Liabilities		
Lease payable, net of current	190,864	-
Total noncurrent liabilities	190,864	-
Total liabilities	6,495,358	1,492
Deferred Inflows of Resources		
Deferred amounts related to pension	44,196	-
Deferred amounts related to OPEB	-	968,612
Total deferred inflows of resources	44,196	968,612
Net Position		
Net investment in capital assets	44,597,589	-
Restricted for Pension	139,371	884,632
Restricted for OPEB	-	1,798,141
Unrestricted	(2,915,969)	2,868,886
Total Net Position	\$ 41,820,991	\$ 5,551,659

City of Indian Wells, California
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Operating Revenues		
Charges for services	\$ 21,233,367	\$ -
Interdepartmental charges	-	2,563,611
Total operating revenues	<u>21,233,367</u>	<u>2,563,611</u>
Operating Expenses		
Operations	18,230,460	-
General and administration	668,571	1,049,090
Depreciation	2,629,613	-
Total operating expenses	<u>21,528,644</u>	<u>1,049,090</u>
Operating Income (Loss)	<u>(295,277)</u>	<u>1,514,521</u>
Nonoperating Revenues (Expenses)		
Investment income (loss)	(9,708)	77,874
Interest expense	(25,416)	-
Loss on disposition of capital assets	(416,797)	-
Other nonoperating revenue	26,000	-
Total nonoperating revenues (expenses)	<u>(425,921)</u>	<u>77,874</u>
Income before transfers	(721,198)	1,592,395
Transfers In	-	44,606
Changes in Net Position	(721,198)	1,637,001
Net Position, Beginning of Year	<u>42,542,189</u>	<u>3,914,658</u>
Net Position, End of Year	<u>\$ 41,820,991</u>	<u>\$ 5,551,659</u>

City of Indian Wells, California
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Operating Activities		
Cash received from customers	\$ 21,272,612	\$ -
Cash received from interfund service provided	-	2,565,336
Cash received from others	26,000	-
Cash payments to suppliers for goods and services	(17,820,465)	(1,352,770)
Cash payments to employees for services	(469,595)	-
Net Cash from (used for) Operating Activities	<u>3,008,552</u>	<u>1,212,566</u>
Non-Capital Financing Activities		
Cash received from other funds	-	44,606
Cash paid to other funds	(1,446,965)	-
Net Cash from (used for) Noncapital Financing Activities	<u>(1,446,965)</u>	<u>44,606</u>
Capital and Related Financing Activities		
Purchase of capital assets	(775,218)	-
Proceeds from leases payable	13,263	-
Repayment of leases payable	(156,073)	-
Net Cash from (used for) Capital and Related Financing Activities	<u>(918,028)</u>	<u>-</u>
Investing Activities		
Gain (loss) on investments	(13,134)	73,638
Net Change in Cash and Cash Equivalents	630,425	1,330,810
Cash and Cash Equivalents, Beginning of Year	<u>1,774,370</u>	<u>2,633,808</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,404,795</u>	<u>\$ 3,964,618</u>

City of Indian Wells, California
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2023

	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)	\$ (295,277)	\$ 1,514,521
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation	2,629,613	-
Other nonoperating revenue	26,000	-
Changes in		
Accounts receivable	39,245	1,725
Prepaid costs	40,740	-
Inventory	44,847	-
Net OPEB asset and related balances	-	(304,563)
Net pension asset and related balances	198,976	-
Accounts payable	44,155	883
Accrued liabilities	255,223	-
Deposits payable	25,030	-
	<u>\$ 3,008,552</u>	<u>\$ 1,212,566</u>
Net Cash from (used for) operating activities		
Noncash financing, capital and investing activities for the year ended June 30, 2023:		
Loss on disposal of capital assets	<u>\$ 416,797</u>	<u>\$ -</u>

City of Indian Wells, California
Statement of Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2023

	Private-Purpose Trust Fund <hr/> Successor Agency of the Former RDA <hr/>
Assets	
Cash and investments	\$ 7,385,305
Restricted cash and investments	2,523
Receivables	
Accrued interest	28,533
Prepaid costs	<u>103,885</u>
Total assets	<u>7,520,246</u>
Deferred Outflows of Resources	
Deferred loss on refunding	<u>189,202</u>
Liabilities	
Interest payable	781,690
Due to City	14,187,226
Long-term liabilities	
Due in one year	3,425,000
Due in more than one year	<u>56,118,061</u>
Total liabilities	<u>74,511,977</u>
Net Position (Deficit)	
Held in trust for other purposes	<u><u>\$ (66,802,529)</u></u>

City of Indian Wells, California
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2023

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions	
Taxes	\$ 9,418,295
Investment income	<u>78,621</u>
Total additions	<u>9,496,916</u>
Deductions	
Administrative expenses	300,000
Interest and fiscal charges	<u>1,818,515</u>
Total deductions	<u>2,118,515</u>
Changes in Net Position	7,378,401
Net Position (Deficit), Beginning of the Year	<u>(74,180,930)</u>
Net Position (Deficit), End of the Year	<u><u>\$ (66,802,529)</u></u>

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.

Note 1 - Significant Accounting Policies (continued)

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 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.

Note 1 - Significant Accounting Policies (continued)

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 lease asset or the contract term whichever is shorter

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 one percent of total market value (at time of purchase). It can increase the assessed values by no more than two 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.

Note 1 - Significant Accounting Policies (continued)

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.

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.

Note 1 - Significant Accounting Policies (continued)

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.

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

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.

Note 1 - Significant Accounting Policies (continued)

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, 2022
Measurement Period	July 1, 2021 to June 30, 2022

New Accounting Pronouncements

Effective in Current Year

- GASB Statement 96 - "Subscription-Based Information Technology Arrangements", effective for reporting periods beginning after June 30, 2023;
- GASB Statement No. 91, Conduit Debt Obligations, effective for fiscal years beginning after December 31, 2022;

Effective in Future Years

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

- 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, 2023, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Activities	Total
Cash and investments	\$ 66,015,384	\$ 2,404,795	\$ 7,385,305	\$ 75,805,484
Restricted assets				
Restricted cash and investments	11,820,968	-	2,523	11,823,491
	\$ 77,836,352	\$ 2,404,795	\$ 7,387,828	\$ 87,628,975

Cash and investments at June 30, 2023, consisted of the following:

Petty cash	\$ 2,000
Demand accounts	1,309,922
Investments	86,317,053
Total cash and investments	\$ 87,628,975

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.

Note 2 - Cash and Investments (continued)

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.

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.

Note 2 - Cash and Investments (continued)**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	\$ 2,925,560	\$ 27,032,401	\$ 8,305,770	\$ 38,263,731
Negotiable Certificates of Deposit	2,459,214	3,243,903	1,588,101	7,291,218
Local Agency Investment Fund	12,596,369	-	-	12,596,369
Medium Term Corporate Notes	1,986,800	5,366,000	1,859,080	9,211,880
Local Agency Bonds	-	750,439	-	750,439
U.S. Treasury Obligations	5,921,940	-	-	5,921,940
Section 115 Trust				
PARS Balanced Index Investment Pool	1,099,343	-	-	1,099,343
Held by Fiscal Agent				
Money Market Mutual Funds	11,182,133	-	-	11,182,133
Total	\$ 38,171,359	\$ 36,392,743	\$ 11,752,951	\$ 86,317,053

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, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
Federal Agency Securities	\$ -	\$ 38,263,731	\$ -	\$ 38,263,731
Medium Term Corporate Notes	-	9,211,880	-	9,211,880
Negotiable Certificates of Deposit	-	7,291,218	-	7,291,218
U.S. Treasury Obligations	-	5,921,940	-	5,921,940
Local Agency Bonds	-	750,439	-	750,439
	\$ -	\$ 61,439,208	\$ -	61,439,208
Local Agency Investment Fund				12,596,369
Section 115 Trust				
PARS Balanced Index Investment Pool				1,099,343
Held by Fiscal Agent				
Money Market Mutual Funds				11,182,133
Total Investment Portfolio				\$ 86,317,053

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 a net asset value of \$1 dollar per share (amortized cost) and are uncategorized in the fair value hierarchy.

Note 2 - Cash and Investments (continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that the 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, 2023	Not Rated	AAA	AA+ to AA-	A+ to A-
Federal Agency Securities	N/A	\$ 38,263,731	\$ -	\$ 38,263,731	\$ -	\$ -
Negotiable Certificates of Deposit	N/A	7,291,218	7,291,218	-	-	-
Local Agency Investment Fund	N/A	12,596,369	12,596,369	-	-	-
Medium Term Corporate Notes	A	9,211,880	2,928,130	-	1,737,060	4,546,690
U.S. Treasury Obligations *	N/A	5,921,940	5,921,940	-	-	-
Local Agency Bonds	A	750,439	-	-	-	750,439
Section 115 Trust						
PARS Balanced Index Investment Pool	N/A	1,099,343	1,099,343	-	-	-
Held by Fiscal Agent						
Money Market Mutual Funds	A	11,182,133	-	-	-	11,182,133
Total		<u>\$ 86,317,053</u>	<u>\$ 29,837,000</u>	<u>\$ 38,263,731</u>	<u>\$ 1,737,060</u>	<u>\$ 16,479,262</u>

N/A - Not applicable

* - U.S. Treasury Obligations are Exempt from rating

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	\$ 20,930,911	24%
Federal Farm Credit Bank	Federal Agency Securities	9,881,580	11%

Note 2 - Cash and Investments (continued)**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, 2023, are composed of the following:

	Other Receivable	Taxes Receivable	Interest	Total
Governmental Activities:				
General Fund	\$ 222,358	\$ 1,700,269	\$ 82,578	\$ 2,005,205
Housing Authority Fund	-	-	57,882	57,882
Emergency Services Upgrade Fund	115,056	18,296	20,804	154,156
Indian Wells Financing Authority	-	-	1	1
Capital Improvements Fund	66,745	-	21,387	88,132
City Streets Capital Reserve Fund	-	-	67,425	67,425
Nonmajor Governmental Funds	13,658	178,805	50,820	243,283
Internal Service Funds	-	-	5,103	5,103
	\$ 417,817	\$ 1,897,370	\$ 306,000	\$ 2,621,187
Business-type Activities				
Golf Course Operations	\$ 47,259	\$ -	\$ 5,802	\$ 53,061

Note 4 - Notes Receivable

	Outstanding at June 30, 2023
Governmental Activities	
Indian Wells Village Utility Undergrounding	\$ 105,675
Club Drive Property Sale	1,068,879
	\$ 1,174,554

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 bears 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, 2023, 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	\$ 835,759
Transportation Facilities Fees Fund	General Fund	61,670
Recreation Facilities Fees Fund	General Fund	257,894
Citywide Public Improvement Fee Fund	General Fund	57,109
Park Facilities in Lieu Fund	Capital Improvements Fund	537,887
Golf Resort Fund	General Fund	4,598,305
		<u>\$ 6,348,624</u>

The General Fund Receivable from the Park Facilities in Lieu Fund of \$835,759 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 six years based on the development of certain commercial projects along the Highway 111 corridor.

The General Fund Receivable from the Transportation Facilities Fees Fund of \$61,670 represents monies advanced to the Transportation Facilities Fees Fund to fund contributions for annual debt obligations. The advance is estimated to be paid as fees are collected, anticipated with the next fiscal year.

The General Fund Receivable from the Recreation Facilities Fees Fund of \$257,894 represents monies advanced to the Recreation Facilities Fees Fund to fund contributions for annual debt obligations. The advance is estimated to be paid as fees are collected, anticipated within the next fiscal year.

The General Fund Receivable from the Citywide Public Improvement Fees Fund of \$57,109 represents monies advanced to the Citywide Public Improvement Fees Fund to fund contributions for annual debt obligations. The advance is estimated to be paid as fees are collected, anticipated with the next fiscal year.

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 six years based on the development of certain commercial projects along the Highway 111 corridor.

The General Fund Receivable from the Golf Resort Operations Fund of \$4,598,305 represents monies advanced 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.

Note 5 - Due to Due from Other Funds (continued)

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

Due to	Due from	Amount
General Fund	Successor Agency	\$ 14,187,226

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.

Note 6 - Interfund Transfers

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

Transfer Out of Fund	Transfer In to Fund	Amount
Indian Wells Financing Authority Fund	General Fund	\$ 18,500
General Fund	Housing Authority Fund	4,442,555
Housing Authority	Indian Wells Financing Authority Fund	87,019
Emergency Services Upgrade Fund	Indian Wells Financing Authority Fund	145,031
Transportation Facilities Fund	Indian Wells Financing Authority Fund	150,000
Recreation Facilities Fund	Indian Wells Financing Authority Fund	434,825
Citywide Public Improvement Fund	Indian Wells Financing Authority Fund	150,000
General Fund	Capital Improvements Fund	2,038,230
Indian Wells Financing Authority Fund	Capital Improvements Fund	1,733,899
General Fund	City Streets Capital Reserve Fund	814,000
General Fund	Non-major Governmental Funds	788,398
General Fund	Compensated Absences Reserve Fund	44,606
		\$ 10,847,063

The Indian Wells Financing Authority transferred \$18,500 to the General Fund for reimbursement of cost of issuance costs paid for the 2022 Lease Revenue Bonds.

The General Fund transferred \$4,442,555 to the Housing Authority Fund for the 20% set aside portion of the Redevelopment Property Tax Trust Fund (RPTTF) revenues for the year and to fund Housing capital needs.

The Housing Authority Fund transferred \$87,019 to the Indian Wells Financing Authority Debt Service Fund for the annual debt service contribution.

The Transportation Facilities Fund, the Recreation Facilities Fund and the Citywide Public Improvement Fund transferred \$734,825 to the Indian Wells Financing Authority Debt Service Fund for the annual debt service contribution.

The Emergency Services Upgrade Fund transferred \$145,031 to the Indian Wells Financing Authority Debt Service Fund for the annual debt service contribution.

Note 6 - Interfund Transfers (continued)

The General Fund transferred \$2,038,230 to the Capital Improvements Fund for the annual contribution for future city streets projects.

The Indian Wells Financing Authority Debt Service Fund transferred \$1,733,899 to the Capital Improvements Fund to reimburse the Capital Improvements Fund for the Energy Efficiency and various capital projects.

The General Fund transferred \$814,000 to the City Streets Capital Reserve Fund for the annual contribution for future city streets projects.

The General Fund transferred \$788,398 to various Non-major Governmental Funds (capital project funds) for future capital outlay needs.

The General Fund transferred \$44,606 to the Compensated Absences Fund to fully fund the fiscal year 2022-23 liability.

Note 7 - Capital Assets

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

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 33,289,388	\$ -	\$ -	\$ 33,289,388
Construction in progress	3,268,022	3,442,166	(97,876)	6,612,312
Total capital assets, not being depreciated	<u>36,557,410</u>	<u>3,442,166</u>	<u>(97,876)</u>	<u>39,901,700</u>
Capital assets, being depreciated				
Intangible	2,500,000	2,500,000	(2,500,000)	2,500,000
Buildings and improvements	67,605,378	265,455	(584,762)	67,286,071
Equipment	2,184,084	80,544	(230,825)	2,033,803
Infrastructure	114,705,473	1,292,589	(6,280)	115,991,782
Total capital assets, not being depreciated	<u>186,994,935</u>	<u>4,138,588</u>	<u>(3,321,867)</u>	<u>187,811,656</u>
Less accumulated depreciation				
Intangible	(2,375,000)	(250,000)	2,375,000	(250,000)
Buildings and improvements	(31,216,725)	(1,577,629)	88,429	(32,705,925)
Equipment	(1,733,905)	(144,057)	230,825	(1,647,137)
Infrastructure	(39,105,611)	(2,008,832)	6,280	(41,108,163)
Total accumulated depreciation	<u>(74,431,241)</u>	<u>(3,980,518)</u>	<u>2,700,534</u>	<u>(75,711,225)</u>
Total capital assets being depreciated, net	<u>112,563,694</u>	<u>158,070</u>	<u>(621,333)</u>	<u>112,100,431</u>
Governmental activities capital assets, net	<u>\$ 149,121,104</u>	<u>\$ 3,600,236</u>	<u>\$ (719,209)</u>	<u>\$ 152,002,131</u>

Note 7 - Capital Assets (continued)

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 13,910,956	\$ -	\$ -	\$ 13,910,956
Construction in progress	121,421	-	(121,421)	-
Total capital assets, not being depreciated	<u>14,032,377</u>	<u>-</u>	<u>(121,421)</u>	<u>13,910,956</u>
Capital assets, being depreciated				
Buildings and improvements	85,279,178	480,372	(45,778)	85,713,772
Equipment	7,531,178	406,182	(3,441,138)	4,496,222
Infrastructure	433,390	-	-	433,390
Right to use asset	545,025	13,263	(3,179)	555,109
Total capital assets, not being depreciated	<u>93,788,771</u>	<u>899,817</u>	<u>(3,490,095)</u>	<u>91,198,493</u>
Less accumulated depreciation				
Buildings and improvements	(54,681,867)	(1,895,232)	20,255	(56,556,844)
Equipment	(5,716,121)	(592,206)	3,046,686	(3,261,641)
Infrastructure	(115,569)	(7,224)	-	(122,793)
Right to use asset	(108,349)	(134,951)	3,179	(240,121)
Total accumulated depreciation	<u>(60,621,906)</u>	<u>(2,629,613)</u>	<u>3,070,120</u>	<u>(60,181,399)</u>
Total capital assets being depreciated, net	<u>33,166,865</u>	<u>(1,729,796)</u>	<u>(419,975)</u>	<u>31,017,094</u>
Business-type activities capital assets, net	<u>\$ 47,199,242</u>	<u>\$ (1,729,796)</u>	<u>\$ (541,396)</u>	<u>\$ 44,928,050</u>

Note 7 - Capital Assets (continued)

Depreciation Expense

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

Governmental Activities	
General government	\$ 322,366
Community development	1,391,681
Public safety	151,297
Public works	<u>2,115,174</u>
Total governmental activities	<u>\$ 3,980,518</u>
Business-type Activities	
Golf resort operations	<u>\$ 2,629,613</u>

Note 8 - Long-Term Liabilities

The changes in long-term liabilities for the year ended June 30, 2023, were as follows:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
Governmental activities:					
Compensated absences	\$ 695,547	\$ 504,718	\$ (565,958)	\$ 634,307	\$ 119,164
2022 Lease revenue bonds	13,930,000	-	(380,000)	13,550,000	470,000
Premium	1,316,052	-	(66,356)	1,249,696	66,356
	<u>\$ 15,941,599</u>	<u>\$ 504,718</u>	<u>\$ (1,012,314)</u>	<u>\$ 15,434,003</u>	<u>\$ 655,520</u>
	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
Business-type activities:					
Lease payable	\$ 447,855	\$ 13,263	\$ (130,657)	\$ 330,461	\$ 139,597
	<u>\$ 447,855</u>	<u>\$ 13,263</u>	<u>\$ (130,657)</u>	<u>\$ 330,461</u>	<u>\$ 139,597</u>

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, 2023, the net position of the Compensated Absences Reserve Fund was \$627,068.

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, 2023, including the unamortized bond premium of \$1,249,696 amounted to \$14,799,696. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	570,000	393,800	963,800
2029-2033	3,305,000	1,518,200	4,823,200
2034-2038	4,020,000	796,150	4,816,150
2039-2043	3,630,000	229,625	3,859,625
	13,550,000	4,772,225	18,322,225
Bond Premium	1,249,696	-	1,249,696
	\$ 14,799,696	\$ 4,772,225	\$ 19,571,921

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, office equipment, and GPS Units as a lease payable with lease terms ranging from 36 months to 60 months. The City is required to make monthly payments ranging from \$5,124 to \$6,160 with a discount rates ranging from 5.49% to 7.00%. As of June 30, 2023, the value of the lease payable is \$330,461. Future lease payable requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 139,597	\$ 17,017	\$ 156,614
2025	81,732	9,417	91,149
2026	65,757	4,633	70,390
2027	43,024	957	43,981
2028	351	6	357
	<u>\$ 330,461</u>	<u>\$ 32,030</u>	<u>\$ 362,491</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, 2023 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*	14.90%	7.76%

**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 \$1,569. For illustrative purposes only, the combined normal cost rate and the UAL payment reflected as a percentage of payroll equals as total of 14.90%.

For the PEPRA plan, the annual UAL prepayment option was \$322. For illustrative purposes only, the combined normal cost rate and the UAL payment reflected as a percentage of payroll equals as total of 7.76%.

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, 2023, in the amount of \$(700,736).

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, 2022, 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, 2021, rolled forward to June 30, 2022 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, 2022 and 2023 measurement dates was as follows:

Proportion - June 30, 2022	(0.33964%)
Proportion - June 30, 2023	<u>(0.01498%)</u>
Change - Increase/(Decrease)	0.32466%

Note 9 - Defined Benefit Pension Plan (continued)

For the year ended June 30, 2023, the City recognized pension expense of \$8,275,889 for the Miscellaneous Plan. At June 30, 2023, 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	\$ 1,390,856	\$ -
Changes of Assumptions	-	71,805
Changes in proportion and difference between City's contributions and proportionate share of contributions	4,250,790	-
Net difference between projected and actual earnings on pension plan investments	-	128,356
Difference between expected and actual experience	9,425	14,072
Difference between employer's contributions and proportionate share of contributions	-	1,315,036
	<u>\$ 5,651,071</u>	<u>\$ 1,529,269</u>

The amount of \$1,390,856 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, 2024. 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,	Deferred Outflows/(Inflows) of Resources
2024	\$ 936,179
2025	1,090,048
2026	783,226
2027	(78,507)
	<u>\$ 2,730,946</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS Membership Data for All Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

Note 9 - Defined Benefit Pension Plan (continued)

¹- The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 Experience Study Report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of the 2021 CalPERS Experience Study and Review of Actuarial Assumptions, 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 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Note 9 - Defined Benefit Pension Plan (continued)

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return ^(1,2)
Global Equity - Cap weighted	30%	4.54%
Global Equity - Non-Cap weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	-5%	-0.59%

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study.

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 6.90 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 (5.90 percent), or 1-percentage point higher (7.90 percent), than the current rate:

	1% Decrease in Discount Rate (5.90%)	Discount Rate (6.90%)	1% Increase in Discount Rate (7.90%)
City's Proportionate Share of the Plan's Net Pension Liability/(Asset)	\$ 4,272,124	\$ (700,736)	\$ (4,792,166)

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 2021-22. 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 \$3,852,881 compared with a total payroll of \$4,176,150 for the fiscal year ended June 30, 2023. 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 \$115,822. 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 \$22,500 in 2023. Employees aged fifty or older may contribute up to an additional \$7,500 in 2022 for a total of \$30,000. 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 another 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)	\$	(745,061)
Deferred Outflows Related to OPEB		1,806,981
Deferred Inflows Related to OPEB		(968,612)
OPEB Expense (Income)		234,633

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 2023 is \$151 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:
 - o 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, 2023, the most recent measurement date, the following current and former employees were covered by the benefit terms of the plan:

Active employees	33
Inactive employees or beneficiaries currently receiving benefits	37
	70
	70

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, 2023 were \$459,025. Contributions are typically paid by the Employee Benefits fund.

The municipal administration employs a prioritized funding mechanism to finance the Employee Benefits Fund. The foremost priority pertains to the accrued interest income within the fund, with the secondary priority being contingent on the allocation of payroll resources. The allocated payroll encompasses contributions from the Solid Waste Fund, the Emergency Services Fund, the Housing Authority, the Golf Resort, Recycling, and the General Fund. It is noteworthy that the General Fund assumes a prominent role as the primary source of funding for the Employee Benefits Fund due to its utilization of administrative services.

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, 2023, 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	5.75%
Inflation	2.50%
Investment Rate of Return	5.75%
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 an updated CERBT asset allocation and resulting an updated discount rate to 5.75% from 5.50%
- 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

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

The discount rate used to measure the total OPEB liability was 5.75 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 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 weighing 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	34.00%	4.56%
Fixed Income	41.00%	1.56%
TIPS	5.00%	(0.08%)
Commodities	3.00%	1.22%
REITs	17.00%	4.06%
	100.00%	

Note 12 - Other Post Employment Benefit Plan (OPEB) (continued)*Changes in Net OPEB Liability (Asset)*

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2022	\$ 9,011,840	\$ 11,208,427	\$ (2,196,587)
Changes in the year:			
Service cost	282,966	-	282,966
Interest on the total OPEB liability	498,483	-	498,483
Assumption changes	(279,230)	-	(279,230)
Contributions - employer	-	466,353	(466,353)
Net investment income	-	(1,409,406)	1,409,406
Benefit payments	(462,932)	(462,932)	-
Administrative expenses	-	(6,254)	6,254
Net changes	39,287	(1,412,239)	1,451,526
Balance at June 30, 2023	\$ 9,051,127	\$ 9,796,188	\$ (745,061)

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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current discount rate:

	1% Decrease in Discount Rate (4.75%)	Discount Rate (5.75%)	1% Increase in Discount Rate (6.75%)
Net OPEB Liability/(Asset)	\$ 259,706	\$ (945,061)	\$ (1,937,664)

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)	\$ (2,120,598)	\$ (945,061)	\$ 513,891

OPEB Plan Fiduciary Net Position

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

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to measurement date	\$ 459,025	\$ -
Changes in assumptions	418,081	227,521
Net difference between projected and actual earnings on plan investments	885,901	-
Difference between expected and actual experience	43,974	741,091
	\$ 1,806,981	\$ 968,612

For the year ended June 30, 2023, the City recognized OPEB expense of \$234,633. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

The \$459,025 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 56,902
2025	11,388
2026	(879)
2027	332,618
2028	(20,685)
	\$ 379,344

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.

Note 13 - PARS Section 115 Trust (continued)

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, 2023, was \$884,632. During the fiscal year, the Trust earned \$66,562 in interest income, and plan costs totaled \$4,849.

The balance in the Trust's OPEB assets for the fiscal year ended June 30, 2023, was \$214,711. During the fiscal year, the Trust earned \$16,153 in interest income, and plan costs totaled \$1,120.

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 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.

Note 14 - Risk Management (continued)

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 \$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 incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million are distributed based on the outcome of cost allocation within the first and second loss layers.

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

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 \$113,710,167. 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. 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 \$109,209,988. 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.

Note 14 - Risk Management (continued)

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-23.

Note 15 - Other Required Disclosures

Deficit Fund Balance and Net Position

The following funds reported a deficit fund balance at June 30, 2023:

Park Facilities in Lieu Capital Projects Fund	\$ 1,375,313
Transportation Facilities Fee Fund	63,628
Recreation Facilities Fees Fund	261,816
Citywide Public Improvement Fund	57,765
Successor Agency of the Former Redevelopment Agency Private Purpose Trust Fund	66,802,529

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 Transportation Facilities Fee Fund will be eliminated through the collection of fees from developers. This deficit balance is temporary and is anticipated to be dissolved within the next fiscal year.

The deficit in the Recreation Facilities Fees Fund will be eliminated through the collection of fees from developers. This deficit balance is temporary and is anticipated to be dissolved within the next fiscal year.

The deficit in the Citywide Public Improvement Fund will be eliminated through the collection of fees from developers. This deficit balance is temporary and is anticipated to be dissolved within the next fiscal year.

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).

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

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	\$ 7,385,305
Cash and investments with fiscal agent	<u>2,523</u>
	<u><u>\$ 7,387,828</u></u>

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.	<u><u>\$ 14,187,226</u></u>
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Note 18 - Successor Agency Trust for Assets of the Former Redevelopment Agency (continued)

Long-Term Debt

The following debt is recorded in the Successor Agency:

Project Area 1	Balance at July 1, 2022	Additions	Repayments	Balance at June 30, 2023	Due Within One Year
2014A-T Tax Allocation Bonds	\$ 4,275,000	\$ -	\$ 4,275,000	\$ -	\$ -
2015 Refunding Tax Allocation Bonds	12,760,000	-	1,695,000	11,065,000	2,000,000
2016 A Tax Allocation Bonds	36,550,000	-	115,000	36,435,000	960,000
2020 A Tax Allocation Bonds	6,770,000	-	455,000	6,315,000	465,000
	<u>\$ 60,355,000</u>	<u>\$ -</u>	<u>\$ 6,540,000</u>	\$ 53,815,000	<u>\$ 3,425,000</u>
Adjustments:					
Unamortized net original issue (discount) or Premium				<u>5,728,061</u>	
Net Long-term Debt				<u>\$ 59,543,061</u>	

A description of long-term debt outstanding of the Successor Agency as of June 30, 2023, follows:

2015 A Tax Allocation Refunding Bonds

On September 1, 2015, the Successor 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, 2023 were \$11,065,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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
	11,065,000	1,437,375	12,502,375
Bond Premium	1,021,987	-	1,021,987
	<u>\$ 12,086,987</u>	<u>\$ 1,437,375</u>	<u>\$ 13,524,362</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 Successor 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, 2023 were \$36,435,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,165,000	1,452,475	2,617,475
2029-2033	21,285,000	4,745,975	26,030,975
2034-2035	9,850,000	498,750	10,348,750
	<u>36,435,000</u>	<u>13,049,475</u>	<u>49,484,475</u>
Bond Premium	4,706,074	-	4,706,074
	<u>\$ 41,141,074</u>	<u>\$ 13,049,475</u>	<u>\$ 54,190,549</u>

2020 A Tax Allocation Refunding Bonds

On June 12, 2020, the Successor 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, 2023 were \$6,315,000.

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:

Year Ending June 30,	Principal	Interest	Total
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	505,000	88,741	593,741
2029-2033	2,705,000	273,534	2,978,534
2034-2035	1,170,000	25,262	1,195,262
	\$ 6,315,000	\$ 848,659	\$ 7,163,659

Insurance

The Successor Agency of the former redevelopment agency is covered under the insurance policy of the City of Indian Wells at June 30, 2023.

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	2021-22	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%	0.0017%	-0.0072%	-0.0119%	0.0008%	0.0154%	0.0480%	0.0695%	0.1456%
Plan's proportionate share of the net pension liability (asset)	\$ (700,736)	\$ (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	\$ 3,241,802	\$ 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	-21.62%	-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	78.19%	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. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as a CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no changes in 2020 and 2019. In 2018, demographic assumptions and the inflation rate were changed in accordance with 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 nine years of information are shown.

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

Fiscal Year	<u>2022-23</u>	<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	\$ 452,975	\$ 408,794	\$ 455,250	\$ 475,302	\$ 430,310	\$ 974,198	\$ 544,107	\$ 566,489	\$ -
Contributions in relation to the actuarially determined contributions	<u>(1,390,856)</u>	<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>
Contribution deficiency (excess)	<u>\$ (937,881)</u>	<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	\$ 3,529,517	\$ 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	39.41%	40.10%	13.36%	14.10%	12.41%	45.35%	132.69%	88.42%	16.20%

Notes to Schedule

Fiscal Year: June 30, 2023
Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing.
Asset valuation method	Fair Value of Assets
Inflation	2.50%
Projected salary increases	Varies by entry age and service
Payroll growth	2.75%
Discount rate	7.00% (net of investment and administrative expenses)

*Fiscal Year 2014-15 was the first year of implementation; therefore, only nine 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	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Total OPEB liability						
Service cost	\$ 282,966	\$ 259,910	\$ 252,340	\$ 323,517	\$ 314,094	\$ 305,000
Interest on the total OPEB liability	498,483	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	(279,230)	658,095	-	71,328	-	-
Benefit payments, including refunds of member contributions	(462,932)	(463,466)	(454,170)	(389,144)	(338,000)	(331,000)
Net change in total OPEB liability	39,287	(188,450)	352,721	758,719	461,850	433,000
Total OPEB liability - beginning	9,011,840	9,200,290	8,847,569	8,088,850	7,627,000	7,194,000
Total OPEB liability - ending (a)	\$ 9,051,127	\$ 9,011,840	\$ 9,200,290	\$ 8,847,569	\$ 8,088,850	\$ 7,627,000
OPEB fiduciary net position						
Contributions - employer	\$ 466,353	\$ 677,553	\$ 1,190,919	\$ 389,962	\$ 607,000	\$ 614,000
Net investment income	(1,409,406)	1,830,412	448,019	524,434	423,619	459,000
Benefit payments, including refunds of member contributions	(462,932)	(463,466)	(454,170)	(389,144)	(338,000)	(331,000)
Administrative expense	(6,254)	(5,590)	(5,115)	(2,424)	(13,582)	(4,000)
Net change in plan fiduciary net position	(1,412,239)	2,038,909	1,179,653	522,828	679,037	738,000
Plan fiduciary net position - beginning	11,208,427	9,169,518	7,989,865	7,467,037	6,788,000	6,050,000
Plan fiduciary net position - ending (b)	9,796,188	11,208,427	9,169,518	7,989,865	7,467,037	6,788,000
Plan net OPEB liability (asset) - ending (a) - (b)	\$ (745,061)	\$ (2,196,587)	\$ 30,772	\$ 857,704	\$ 621,813	\$ 839,000
Plan fiduciary net position as a percentage of the total OPEB Liability	108.23%	124.37%	99.67%	90.31%	92.31%	89.00%
Covered-employee payroll	\$ 3,707,177	\$ 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	-20.10%	-59.90%	0.89%	26.28%	18.25%	25.91%

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

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

Fiscal Year	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Actuarially determined contribution (ADC)	\$ -	\$ 422,001	\$ 411,874	\$ 354,000	\$ 607,000	\$ 614,000
Contributions in relation to the ADC	<u>(459,025)</u>	<u>(386,181)</u>	<u>(677,553)</u>	<u>(1,190,919)</u>	<u>(389,962)</u>	<u>(573,377)</u>
Contribution deficiency (excess)	<u>\$ (459,025)</u>	<u>\$ 35,820</u>	<u>\$ (265,679)</u>	<u>\$ (836,919)</u>	<u>\$ 217,038</u>	<u>\$ 40,623</u>
Covered employee payroll**	\$ 4,176,150	\$ 3,707,177	\$ 3,666,820	\$ 3,451,419	\$ 3,263,961	\$ 3,407,217
Contributions as a percentage of covered employee payroll	10.99%	10.42%	18.48%	34.51%	11.95%	16.83%

Notes to Schedule

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 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
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 six 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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 17,605,080	\$ 17,605,080	\$ 23,099,286	\$ 5,494,206
Licenses and permits	487,970	487,970	925,135	437,165
Intergovernmental	827,050	926,335	933,561	7,226
Charges for services	477,630	477,630	558,846	81,216
Investment income (loss)	375,050	375,050	101,144	(273,906)
Fines and forfeitures	47,480	47,480	107,012	59,532
Other income	193,950	193,950	158,635	(35,315)
Total revenues	20,014,210	20,113,495	25,883,619	5,770,124
Expenditures				
Current				
General government	7,869,156	9,723,434	10,257,611	(534,177)
Public safety	5,628,350	5,038,150	5,096,149	(57,999)
Community development	1,699,653	1,766,454	2,051,675	(285,221)
Public works	2,754,599	2,706,006	2,985,140	(279,134)
Total expenditures	17,951,758	19,234,044	20,390,575	(1,156,531)
Other financing sources (uses)				
Transfers in	-	-	18,500	18,500
Transfers out	(4,101,958)	(4,083,958)	(4,127,789)	(43,831)
Total other financing sources (uses)	(4,101,958)	(4,083,958)	(4,109,289)	(25,331)
Net change in fund balance	(2,039,506)	(3,204,507)	1,383,755	4,588,262
Fund balance, beginning	35,264,303	35,264,303	35,264,303	-
Fund balance, ending	<u>\$ 33,224,797</u>	<u>\$ 32,059,796</u>	<u>\$ 36,648,058</u>	<u>\$ 4,588,262</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Housing Authority Special Revenue Fund
 Year Ended 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income (loss)	\$ 200,000	\$ 200,000	\$ 147,595	\$ (52,405)
Other income	-	-	6,485	6,485
Total revenues	200,000	200,000	154,080	(45,920)
Expenditures				
Current				
General government	1,719,905	4,502,147	1,847,021	2,655,126
Community development	250,000	250,000	250,000	-
Total expenditures	1,969,905	4,752,147	2,097,021	2,655,126
Other financing sources (uses)				
Transfers in	-	-	4,442,555	4,442,555
Transfers out	-	-	(87,019)	(87,019)
Total other financing sources (uses)	-	-	4,355,536	4,355,536
Net change in fund balance	(1,769,905)	(4,552,147)	2,412,595	6,964,742
Fund balance, beginning	13,016,874	13,016,874	13,016,874	-
Fund balance, ending	\$ 11,246,969	\$ 8,464,727	\$ 15,429,469	\$ 6,964,742

City of Indian Wells, California
 Budgetary Comparison Schedule - Emergency Services Upgrade Special Revenue Fund
 Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,739,286	\$ 3,739,286	\$ 4,680,767	\$ 941,481
Charges for services	563,750	563,750	604,356	40,606
Investment income (loss)	112,750	112,750	(1,691)	(114,441)
Assessments	625,250	625,250	611,631	(13,619)
Other income	15,380	15,380	10,677	(4,703)
Total revenues	<u>5,056,416</u>	<u>5,056,416</u>	<u>5,905,740</u>	<u>849,324</u>
Expenditures				
Current				
Public safety	5,219,122	5,219,122	6,160,835	(941,713)
Capital outlay	<u>65,000</u>	<u>725,000</u>	<u>18,397</u>	<u>706,603</u>
Total expenditures	<u>5,284,122</u>	<u>5,944,122</u>	<u>6,179,232</u>	<u>(235,110)</u>
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(145,031)</u>	<u>(145,031)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(145,031)</u>	<u>(145,031)</u>
Net change in fund balance	(227,706)	(887,706)	(418,523)	614,214
Fund balance, beginning	<u>4,891,059</u>	<u>4,891,059</u>	<u>4,891,059</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,663,353</u>	<u>\$ 4,003,353</u>	<u>\$ 4,472,536</u>	<u>\$ 614,214</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, 2023, 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.

Note 1 - Budgets and Budgetary Accounting (continued)

The following funds had expenditures in excess of appropriations for the year ended June 30, 2023:

	Final Budget	Actual	Excess Over Appropriation
General Fund	\$ 19,234,044	20,390,575	(1,156,531)
Emergency Services Upgrade Special Revenue Fund	\$ 5,944,122	6,179,232	(235,110)
Solid Waste Fund	\$ 1,225,908	1,234,124	(8,216)
Affordable Housing Operations Fund	\$ 2,124,989	2,367,530	(242,541)

The Indian Wells Financing Authority Debt Service Fund and the Storm Drain Facilities Fees Fund were not included in the appropriated budget prepared for fiscal year ended June 30, 2023. Therefore, no budgetary to actual comparison schedule for these funds 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 Fees – This fund accounts for the accumulated fees collected to fund the park facilities needed to serve new development. It is a fee-in-lieu of land dedication charged under the Quimby Act to new residential development occurring in a subdivision.

Transportation Facilities Fees – This fund accounts for the accumulation of fees collected to fund transportation facilities needed to serve new development to fund capacity-expanding transportation projects. This fee replaces the Highway 111 Circulation Improvement Fee.

Storm Drain Facilities Fees – This fund accounts for the accumulated fees collected to fund storm drain facilities needed to serve new development.

Recreation Facilities Fees – This fee accounts for the accumulation of fees collected to fund recreation facilities needed to serve new development. As new development occurs, the City will need to make additional, capacity-expanding improvements to the golf course as demand for use of the facility increases.

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, 2023

	Special Revenue Funds								
	Public Safety		Measure "A"	Fire Access	South Coast	Citizens	AB 939		Solid Waste
	Traffic Safety	1/2% Tax	Transportation	Maintenance District No. 1	AQMD Vehicle Registration	Option for Public Safety Program	Gas Tax	Recycling	
Assets									
Cash and investments	\$ 6,112	\$ 5,464	\$ 14,917	\$ 1,831,554	\$ 15,621	\$ 11,405	\$ 107,623	\$ 318,730	\$ 140,319
Receivables									
Accounts	4,002	2,840	52,067	35,098	1,588	-	20,499	7,280	35,495
Accrued interest	24	21	59	7,192	61	45	423	-	1,838
Prepaid costs	-	-	-	663	-	-	-	-	-
Total assets	\$ 10,138	\$ 8,325	\$ 67,043	\$ 1,874,507	\$ 17,270	\$ 11,450	\$ 128,545	\$ 326,010	\$ 177,652
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 182,500	\$ 3,688	\$ -	\$ -	\$ 5,640	\$ 35,518
Accrued liabilities	-	-	-	-	-	-	-	2,994	1,465
Deposits payable	-	-	-	25	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	182,525	3,688	-	-	8,634	36,983
Fund Balances									
Nonspendable									
Prepaid costs	-	-	-	663	-	-	-	-	-
Restricted for									
Community development	-	-	-	-	-	-	-	-	-
Public safety	-	8,325	-	1,691,319	-	11,450	-	-	-
Public works	10,138	-	67,043	-	13,582	-	128,545	317,376	140,669
Committed to									
Capital projects	-	-	-	-	-	-	-	-	-
Assigned									
Capital projects	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	10,138	8,325	67,043	1,691,982	13,582	11,450	128,545	317,376	140,669
Total Liabilities and Fund Balances	\$ 10,138	\$ 8,325	\$ 67,043	\$ 1,874,507	\$ 17,270	\$ 11,450	\$ 128,545	\$ 326,010	\$ 177,652

City of Indian Wells, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			Capital Projects Funds					
	Consolidated	Street Lighting	Affordable	Hwy 111	Park Facilities	Transportation	Recreation	Citywide	Art in Public
	LLMD	District 2001-1	Housing	Circulation	Fees	Facilities	Facilities	Public	Places
		Operations	Improvement		Fees	Fees	Improvement		
Assets									
Cash and investments	\$ 1,673,187	\$ 16,704	\$ 944,110	\$ 37,153	\$ 21,297	\$ -	\$ -	\$ -	\$ 494,061
Receivables									
Accounts	25,595	24	7,975	-	-	-	-	-	-
Accrued interest	6,570	66	3,013	146	84	-	-	-	1,940
Prepaid costs	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,705,352	\$ 16,794	\$ 955,098	\$ 37,299	\$ 21,381	\$ -	\$ -	\$ -	\$ 496,001
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 91,555	\$ -	\$ 121,185	\$ -	\$ 478	\$ 1,958	\$ 3,922	\$ 656	\$ 1,846
Accrued liabilities	-	-	-	-	-	-	-	-	-
Deposits payable	-	-	129,029	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	61,670	257,894	57,109	-
Total liabilities	91,555	-	250,214	-	478	63,628	261,816	57,765	1,846
Fund Balances									
Nonspendable									
Prepaid costs	-	-	-	-	-	-	-	-	-
Restricted for									
Community development	-	-	704,884	-	20,903	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	1,613,797	16,794	-	37,299	-	-	-	-	-
Committed to									
Capital projects	-	-	-	-	-	-	-	-	494,155
Assigned									
Capital projects	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(63,628)	(261,816)	(57,765)	-
Total fund balances	1,613,797	16,794	704,884	37,299	20,903	(63,628)	(261,816)	(57,765)	494,155
Total Liabilities and Fund Balances	\$ 1,705,352	\$ 16,794	\$ 955,098	\$ 37,299	\$ 21,381	\$ -	\$ -	\$ -	\$ 496,001

City of Indian Wells, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Capital Projects Funds								Total Nonmajor Governmental Funds
	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	
Assets									
Cash and investments	\$ 1,790,016	\$ 1,990,617	\$ 1,424,895	\$ 719,746	\$ 590,920	\$ 539,633	\$ 123,655	\$ 291,850	\$ 13,109,589
Receivables									
Accounts	-	-	-	-	-	-	-	-	192,463
Accrued interest	7,029	7,817	5,595	2,826	2,320	2,119	486	1,146	50,820
Prepaid costs	-	-	-	-	-	-	-	-	663
Total assets	\$ 1,797,045	\$ 1,998,434	\$ 1,430,490	\$ 722,572	\$ 593,240	\$ 541,752	\$ 124,141	\$ 292,996	\$ 13,353,535
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 448,946
Accrued liabilities	-	-	-	-	-	-	-	-	4,459
Deposits payable	-	-	-	-	-	-	-	-	129,054
Due to other funds	-	-	-	-	-	-	-	-	376,673
Total liabilities	-	-	-	-	-	-	-	-	959,132
Fund Balances									
Nonspendable									
Prepaid costs	-	-	-	-	-	-	-	-	663
Restricted for									
Community development	-	-	-	-	-	-	-	-	725,787
Public safety	-	-	-	-	-	-	-	-	1,711,094
Public works	-	-	-	-	-	-	-	-	2,345,243
Committed to									
Capital projects	-	-	-	-	-	-	-	-	494,155
Assigned									
Capital projects	1,797,045	1,998,434	1,430,490	722,572	593,240	541,752	124,141	292,996	7,500,670
Unassigned	-	-	-	-	-	-	-	-	(383,209)
Total fund balances	1,797,045	1,998,434	1,430,490	722,572	593,240	541,752	124,141	292,996	12,394,403
Total Liabilities and Fund Balances	\$ 1,797,045	\$ 1,998,434	\$ 1,430,490	\$ 722,572	\$ 593,240	\$ 541,752	\$ 124,141	\$ 292,996	\$ 13,353,535

City of Indian Wells, California

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

Year Ended June 30, 2023

	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
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ 385,778	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	37,055	296,540	1,655	6,286	165,271	239,557	-	-
Investment income (loss)	(31)	(6)	(30)	806	(1)	(18)	(355)	-	2,974
Fines and forfeitures	23,469	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-
Assessments	-	-	-	1,202,039	-	-	-	110,674	1,164,638
Developer fees	-	-	-	-	-	-	-	-	-
Other income	-	-	-	2,963	-	-	-	-	2,379
Total revenues	23,438	37,049	296,510	1,593,241	6,285	165,253	239,202	110,674	1,169,991
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	35,000	-	1,341,689	-	160,000	-	-	-
Community development	-	-	-	-	-	-	-	-	-
Public works	17,000	-	300,000	-	6,053	-	124,142	218,796	1,234,124
Capital outlay	-	-	-	710,648	-	-	-	-	-
Total expenditures	17,000	35,000	300,000	2,052,337	6,053	160,000	124,142	218,796	1,234,124
Excess (Deficiency) of Revenues over (under) Expenditures	6,438	2,049	(3,490)	(459,096)	232	5,253	115,060	(108,122)	(64,133)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	6,438	2,049	(3,490)	(459,096)	232	5,253	115,060	(108,122)	(64,133)
Fund Balances, Beginning of Year	3,700	6,276	70,533	2,151,078	13,350	6,197	13,485	425,498	204,802
Fund Balances, End of Year	\$ 10,138	\$ 8,325	\$ 67,043	\$ 1,691,982	\$ 13,582	\$ 11,450	\$ 128,545	\$ 317,376	\$ 140,669

City of Indian Wells, California

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

Year Ended June 30, 2023

	Special Revenue Funds			Capital Projects Funds					
	Consolidated LLMD	Street Lighting District 2001-1	Affordable Housing Operations	Hwy 111 Circulation Improvement	Park Facilities Fees	Transportation Facilities Fees	Recreation Facilities Fees	Citywide Public Improvement	Art in Public Places
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment income (loss)	3,236	8	42,901	61	(129)	220	441	359	11
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Rental income	-	-	2,310,605	-	-	-	-	-	-
Assessments	1,440,767	2,234	-	-	-	-	-	-	-
Developer fees	-	-	-	17,550	21,032	86,152	172,568	91,745	182,409
Other income	-	-	-	-	-	-	-	-	-
Total revenues	1,444,003	2,242	2,353,506	17,611	20,903	86,372	173,009	92,104	182,420
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Community development	-	-	2,367,530	-	-	-	-	-	-
Public works	1,484,288	201	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	1,484,288	201	2,367,530	-	-	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	(40,285)	2,041	(14,024)	17,611	20,903	86,372	173,009	92,104	182,420
Other Financing Sources (Uses)									
Transfers in	102,398	-	-	-	-	-	-	-	-
Transfers out	-	-	(4,000,000)	-	-	(150,000)	(434,825)	(150,000)	-
Total other financing sources (uses)	102,398	-	(4,000,000)	-	-	(150,000)	(434,825)	(150,000)	-
Net Change in Fund Balances	62,113	2,041	(4,014,024)	17,611	20,903	(63,628)	(261,816)	(57,896)	182,420
Fund Balances, Beginning of Year	1,551,684	14,753	4,718,908	19,688	-	-	-	131	311,735
Fund Balances, End of Year	\$ 1,613,797	\$ 16,794	\$ 704,884	\$ 37,299	\$ 20,903	\$ (63,628)	\$ (261,816)	\$ (57,765)	\$ 494,155

City of Indian Wells, California

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

Year Ended June 30, 2023

	Capital Projects Funds							Total Nonmajor Governmental Funds	
	Storm Drains Capital Reserve	Bridges Capital Reserve	Buildings Capital Reserve	Medians & Parkways Capital Reserve	Traffic Signals Capital Reserve	Technology Capital Reserve	City Vehicles Capital Reserve		Disaster Recovery Reserve
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,778
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	746,364
Investment income (loss)	1,111	2,767	3,432	2,201	1,019	833	85	655	62,550
Fines and forfeitures	-	-	-	-	-	-	-	-	23,469
Rental income	-	-	-	-	-	-	-	-	2,310,605
Assessments	-	-	-	-	-	-	-	-	3,920,352
Developer fees	-	-	-	-	-	-	-	-	571,456
Other income	-	-	-	-	-	-	-	-	5,342
Total revenues	1,111	2,767	3,432	2,201	1,019	833	85	655	8,025,916
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	1,536,689
Community development	-	-	-	-	-	-	-	-	2,367,530
Public works	-	-	-	-	-	-	-	-	3,384,604
Capital outlay	-	-	-	-	-	-	-	-	710,648
Total expenditures	-	-	-	-	-	-	-	-	7,999,471
Excess (Deficiency) of Revenues over (under) Expenditures	1,111	2,767	3,432	2,201	1,019	833	85	655	26,445
Other Financing Sources (Uses)									
Transfers in	30,000	74,000	322,000	59,000	24,000	22,000	5,000	150,000	788,398
Transfers out	-	-	-	-	-	-	-	-	(4,734,825)
Total other financing sources (uses)	30,000	74,000	322,000	59,000	24,000	22,000	5,000	150,000	(3,946,427)
Net Change in Fund Balances	31,111	76,767	325,432	61,201	25,019	22,833	5,085	150,655	(3,919,982)
Fund Balances, Beginning of Year	691,461	1,720,278	1,673,002	1,369,289	568,221	518,919	119,056	142,341	16,314,385
Fund Balances, End of Year	\$ 722,572	\$ 1,797,045	\$ 1,998,434	\$ 1,430,490	\$ 593,240	\$ 541,752	\$ 124,141	\$ 292,996	\$ 12,394,403

City of Indian Wells, California
 Budgetary Comparison Schedule - Traffic Safety
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 10	\$ (31)	\$ (41)
Fines and forfeitures	<u>17,100</u>	<u>23,469</u>	<u>6,369</u>
Total revenues	<u>17,110</u>	<u>23,438</u>	<u>6,328</u>
Expenditures			
Current			
Public works	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Total expenditures	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Net change in fund balance	110	6,438	6,328
Fund balance, beginning	<u>3,700</u>	<u>3,700</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,810</u>	<u>\$ 10,138</u>	<u>\$ 6,328</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Public Safety 1/2% Tax
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 24,600	\$ 37,055	\$ 12,455
Investment income (loss)	1,440	(6)	(1,446)
Total revenues	26,040	37,049	11,009
Expenditures			
Current			
Public safety	35,000	35,000	-
Total expenditures	35,000	35,000	-
Net change in fund balance	(8,960)	2,049	11,009
Fund balance, beginning	6,276	6,276	-
Fund balance, ending	\$ (2,684)	\$ 8,325	\$ 11,009

City of Indian Wells, California
 Budgetary Comparison Schedule - Measure "A" Transportation
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 279,650	\$ 296,540	\$ 16,890
Investment income	<u>1,230</u>	<u>(30)</u>	<u>(1,260)</u>
Total revenues	<u>280,880</u>	<u>296,510</u>	<u>15,630</u>
Expenditures			
Current			
Public works	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	(19,120)	(3,490)	15,630
Fund balance, beginning	<u>70,533</u>	<u>70,533</u>	<u>-</u>
Fund balance, ending	<u>\$ 51,413</u>	<u>\$ 67,043</u>	<u>\$ 15,630</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Fire Access Maintenance District No. 1
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Taxes	\$ 361,780	\$ 385,778	\$ 23,998
Licenses and permits	1,180	-	(1,180)
Intergovernmental	1,640	1,655	15
Investment income (loss)	92,250	806	(91,444)
Assessments	1,200,000	1,202,039	2,039
Other income	3,330	2,963	(367)
Total revenues	1,660,180	1,593,241	(66,939)
Expenditures			
Current			
Public safety	1,426,623	1,341,689	84,934
Capital outlay	706,061	710,648	(4,587)
Total expenditures	2,132,684	2,052,337	80,347
Net change in fund balance	(472,504)	(459,096)	13,408
Fund balance, beginning	2,151,078	2,151,078	-
Fund balance, ending	<u>\$ 1,678,574</u>	<u>\$ 1,691,982</u>	<u>\$ 13,408</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - South Coast AQMD Vehicle Registration
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 7,160	\$ 6,286	\$ (874)
Investment income (loss)	<u>310</u>	<u>(1)</u>	<u>(311)</u>
Total revenues	<u>7,470</u>	<u>6,285</u>	<u>(1,185)</u>
Expenditures			
Current			
Public works	<u>7,500</u>	<u>6,053</u>	<u>1,447</u>
Total expenditures	<u>7,500</u>	<u>6,053</u>	<u>1,447</u>
Net change in fund balance	(30)	232	262
Fund balance, beginning	<u>13,350</u>	<u>13,350</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,320</u>	<u>\$ 13,582</u>	<u>\$ 262</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Citizens Option for Public Safety Program
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 157,390	\$ 165,271	\$ 7,881
Investment income (loss)	3,900	(18)	(3,918)
Total revenues	<u>161,290</u>	<u>165,253</u>	<u>3,963</u>
Expenditures			
Current			
Public safety	190,000	160,000	30,000
Total expenditures	<u>190,000</u>	<u>160,000</u>	<u>30,000</u>
Net change in fund balance	(28,710)	5,253	33,963
Fund balance, beginning	<u>6,197</u>	<u>6,197</u>	<u>-</u>
Fund balance, ending	<u>\$ (22,513)</u>	<u>\$ 11,450</u>	<u>\$ 33,963</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Gas Tax
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 235,230	\$ 239,557	\$ 4,327
Investment income	4,230	(355)	(4,585)
Total revenues	<u>239,460</u>	<u>239,202</u>	<u>(258)</u>
Expenditures			
Current			
General government	110,000	-	110,000
Public works	136,030	124,142	11,888
Total expenditures	<u>246,030</u>	<u>124,142</u>	<u>121,888</u>
Net change in fund balance	(6,570)	115,060	121,630
Fund balance, beginning	<u>13,485</u>	<u>13,485</u>	-
Fund balance, ending	<u>\$ 6,915</u>	<u>\$ 128,545</u>	<u>\$ 121,630</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - AB 939 Recycling
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Assessments	\$ 94,300	\$ 110,674	\$ 16,374
Total revenues	<u>94,300</u>	<u>110,674</u>	<u>16,374</u>
Expenditures			
Current			
Public works	321,359	218,796	102,563
Total expenditures	<u>321,359</u>	<u>218,796</u>	<u>102,563</u>
Net change in fund balance	(227,059)	(108,122)	118,937
Fund balance, beginning	<u>425,498</u>	<u>425,498</u>	<u>-</u>
Fund balance, ending	<u>\$ 198,439</u>	<u>\$ 317,376</u>	<u>\$ 118,937</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Solid Waste
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 35,880	\$ 2,974	\$ (32,906)
Assessments	1,050,630	1,164,638	114,008
Other income	2,560	2,379	(181)
Total revenues	1,089,070	1,169,991	80,921
Expenditures			
Current			
Public works	1,225,908	1,234,124	(8,216)
Total expenditures	1,225,908	1,234,124	(8,216)
Net change in fund balance	(136,838)	(64,133)	72,705
Fund balance, beginning	204,802	204,802	-
Fund balance, ending	<u>\$ 67,964</u>	<u>\$ 140,669</u>	<u>\$ 72,705</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Consolidating LLMD
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 51,580	\$ 3,236	\$ (48,344)
Assessments	<u>1,417,800</u>	<u>1,440,767</u>	<u>22,967</u>
Total revenues	<u>1,469,380</u>	<u>1,444,003</u>	<u>(25,377)</u>
Expenditures			
Current			
Public works	<u>1,669,830</u>	<u>1,484,288</u>	<u>185,542</u>
Total expenditures	<u>1,669,830</u>	<u>1,484,288</u>	<u>185,542</u>
Other financing sources (uses)			
Transfers in	<u>177,090</u>	<u>102,398</u>	<u>(74,692)</u>
Total other financing sources (uses)	<u>177,090</u>	<u>102,398</u>	<u>(74,692)</u>
Net change in fund balance	(23,360)	62,113	85,473
Fund balance, beginning	<u>1,551,684</u>	<u>1,551,684</u>	-
Fund balance, ending	<u>\$ 1,528,324</u>	<u>\$ 1,613,797</u>	<u>\$ 85,473</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Street Lighting District 2001-1
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 380	\$ 8	\$ (372)
Assessments	1,410	2,234	824
Total revenues	1,790	2,242	452
Expenditures			
Current			
Public works	1,730	201	1,529
Total expenditures	1,730	201	1,529
Net change in fund balance	60	2,041	1,981
Fund balance, beginning	14,753	14,753	-
Fund balance, ending	\$ 14,813	\$ 16,794	\$ 1,981

City of Indian Wells, California
 Budgetary Comparison Schedule - Affordable Housing Operations
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 116,850	\$ 42,901	\$ (73,949)
Rental income	<u>2,124,980</u>	<u>2,310,605</u>	<u>185,625</u>
Total revenues	<u>2,241,830</u>	<u>2,353,506</u>	<u>111,676</u>
Expenditures			
Current			
Community development	<u>2,124,989</u>	<u>2,367,530</u>	<u>(242,541)</u>
Total expenditures	<u>2,124,989</u>	<u>2,367,530</u>	<u>(242,541)</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>
Net change in fund balance	116,841	(4,014,024)	(4,130,865)
Fund balance, beginning	<u>4,718,908</u>	<u>4,718,908</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,835,749</u>	<u>\$ 704,884</u>	<u>\$ (4,130,865)</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Capital Improvements
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 500,000	\$ 184,414	\$ (315,586)
Investment income (loss)	410,000	3,484	(406,516)
Other income	10,000	-	(10,000)
Total revenues	920,000	187,898	(732,102)
Expenditures			
Current			
General government	262,490	134,511	127,979
Capital outlay	16,261,116	5,147,043	11,114,073
Total expenditures	16,523,606	5,281,554	11,242,052
Other financing sources (uses)			
Transfers in	2,480,785	3,772,129	1,291,344
Total other financing sources (uses)	2,480,785	3,772,129	1,291,344
Net change in fund balance	(13,122,821)	(1,321,527)	11,801,294
Fund balance, beginning	9,176,269	9,176,269	-
Fund balance, ending	\$ (3,946,552)	\$ 7,854,742	\$ 11,801,294

City of Indian Wells, California
 Budgetary Comparison Schedule - City Streets Capital Reserve
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 640,630	\$ 55,779	\$ (584,851)
Total revenues	640,630	55,779	(584,851)
Other financing sources (uses)			
Transfers in	162,500	814,000	651,500
Transfers out	-	-	-
Total other financing sources (uses)	162,500	814,000	651,500
Net change in fund balance	803,130	869,779	66,649
Fund balance, beginning	18,868,145	18,868,145	-
Fund balance, ending	\$ 19,671,275	\$ 19,737,924	\$ 66,649

City of Indian Wells, California
Budgetary Comparison Schedule - Highway 111 Circulation Improvements
Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ -	\$ 61	\$ 61
Developer fees	100	17,550	17,450
Total revenues	100	17,611	17,511
Net change in fund balance	100	17,611	17,511
Fund balance, beginning	19,688	19,688	-
Fund balance, ending	\$ 19,788	\$ 37,299	\$ 17,511

City of Indian Wells, California
Budgetary Comparison Schedule - Park Facilities Fees
Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ -	\$ (129)	\$ (129)
Developer fees	-	21,032	21,032
Total revenues	-	20,903	20,903
Net change in fund balance	-	20,903	20,903
Fund balance, beginning	-	-	-
Fund balance, ending	\$ -	\$ 20,903	\$ 20,903

City of Indian Wells, California
 Budgetary Comparison Schedule - Transportation Facilities Fees
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ -	\$ 220	\$ 220
Developer fees	151,575	86,152	(65,423)
Total revenues	151,575	86,372	(65,203)
Other financing sources (uses)			
Transfers out	(150,000)	(150,000)	-
Total other financing sources (uses)	(150,000)	(150,000)	-
Net change in fund balance	1,575	(63,628)	(65,203)
Fund balance, beginning	-	-	-
Fund balance, ending	\$ 1,575	\$ (63,628)	\$ (65,203)

City of Indian Wells, California
 Budgetary Comparison Schedule - Recreation Facilities Fees
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 2,500	\$ 441	\$ (2,059)
Developer fees	-	172,568	172,568
Total revenues	<u>2,500</u>	<u>173,009</u>	<u>170,509</u>
Other financing sources (uses)			
Transfers out	(434,825)	(434,825)	-
Total other financing sources (uses)	<u>(434,825)</u>	<u>(434,825)</u>	<u>-</u>
Net change in fund balance	(432,325)	(261,816)	170,509
Fund balance, beginning	-	-	-
Fund balance, ending	<u>\$ (432,325)</u>	<u>\$ (261,816)</u>	<u>\$ 170,509</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - City Wide Public Improvements
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 2,050	\$ 359	\$ (1,691)
Developer fees	<u>131,200</u>	<u>91,745</u>	<u>(39,455)</u>
Total revenues	<u>133,250</u>	<u>92,104</u>	<u>(41,146)</u>
Other financing sources (uses)			
Transfers out	<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	(16,750)	(57,896)	(41,146)
Fund balance, beginning	<u>131</u>	<u>131</u>	<u>-</u>
Fund balance, ending	<u>\$ (16,619)</u>	<u>\$ (57,765)</u>	<u>\$ (41,146)</u>

City of Indian Wells, California
Budgetary Comparison Schedule - Art in Public Places
Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 4,920	\$ 11	\$ (4,909)
Developer fees	14,860	182,409	167,549
Total revenues	19,780	182,420	162,640
Fund balance, beginning	311,735	311,735	-
Fund balance, ending	\$ 331,515	\$ 494,155	\$ 162,640

City of Indian Wells, California
 Budgetary Comparison Schedule - Bridges Capital Reserve
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 59,450	\$ 2,767	\$ (56,683)
Total revenues	<u>59,450</u>	<u>2,767</u>	<u>(56,683)</u>
Other financing sources (uses)			
Transfers in	<u>162,500</u>	<u>74,000</u>	<u>(88,500)</u>
Total other financing sources (uses)	<u>162,500</u>	<u>74,000</u>	<u>(88,500)</u>
Net change in fund balance	221,950	76,767	(145,183)
Fund balance, beginning	<u>1,720,278</u>	<u>1,720,278</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,942,228</u>	<u>\$ 1,797,045</u>	<u>\$ (145,183)</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Buildings Capital Reserve
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 49,200	\$ 3,432	\$ (45,768)
Total revenues	49,200	3,432	(45,768)
Other financing sources (uses)			
Transfers in	1,537,500	322,000	(1,215,500)
Total other financing sources (uses)	1,537,500	322,000	(1,215,500)
Net change in fund balance	1,586,700	325,432	(1,261,268)
Fund balance, beginning	1,673,002	1,673,002	-
Fund balance, ending	\$ 3,259,702	\$ 1,998,434	\$ (1,261,268)

City of Indian Wells, California
 Budgetary Comparison Schedule - Medians & Parkways Capital Reserve
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 48,690	\$ 2,201	\$ (46,489)
Total revenues	48,690	2,201	(46,489)
Other financing sources (uses)			
Transfers in	162,500	59,000	(103,500)
Total other financing sources (uses)	162,500	59,000	(103,500)
Net change in fund balance	211,190	61,201	(149,989)
Fund balance, beginning	1,369,289	1,369,289	-
Fund balance, ending	\$ 1,580,479	\$ 1,430,490	\$ (149,989)

City of Indian Wells, California
 Budgetary Comparison Schedule - Storm Drains Capital Reserve
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 24,090	\$ 1,111	\$ (22,979)
Total revenues	<u>24,090</u>	<u>1,111</u>	<u>(22,979)</u>
Other financing sources (uses)			
Transfers in	<u>162,500</u>	<u>30,000</u>	<u>(132,500)</u>
Total other financing sources (uses)	<u>162,500</u>	<u>30,000</u>	<u>(132,500)</u>
Net change in fund balance	186,590	31,111	(155,479)
Fund balance, beginning	<u>691,461</u>	<u>691,461</u>	<u>-</u>
Fund balance, ending	<u>\$ 878,051</u>	<u>\$ 722,572</u>	<u>\$ (155,479)</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Traffic Signals Capital Reserve
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	\$ 21,010	\$ 1,019	\$ (19,991)
Total revenues	21,010	1,019	(19,991)
Other financing sources (uses)			
Transfers in	162,500	24,000	(138,500)
Total other financing sources (uses)	162,500	24,000	(138,500)
Net change in fund balance	183,510	25,019	(158,491)
Fund balance, beginning	568,221	568,221	-
Fund balance, ending	\$ 751,731	\$ 593,240	\$ (158,491)

City of Indian Wells, California
 Budgetary Comparison Schedule - Technology Capital Reserve
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 18,960	\$ 833	\$ (18,127)
Total revenues	<u>18,960</u>	<u>833</u>	<u>(18,127)</u>
Other financing sources (uses)			
Transfers in	<u>162,500</u>	<u>22,000</u>	<u>(140,500)</u>
Total other financing sources (uses)	<u>162,500</u>	<u>22,000</u>	<u>(140,500)</u>
Net change in fund balance	181,460	22,833	(158,627)
Fund balance, beginning	<u>518,919</u>	<u>518,919</u>	<u>-</u>
Fund balance, ending	<u>\$ 700,379</u>	<u>\$ 541,752</u>	<u>\$ (158,627)</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - City Vehicles Capital Reserve
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 4,610	\$ 85	\$ (4,525)
Total revenues	<u>4,610</u>	<u>85</u>	<u>(4,525)</u>
Other financing sources (uses)			
Transfers in	<u>162,500</u>	<u>5,000</u>	<u>(157,500)</u>
Total other financing sources (uses)	<u>162,500</u>	<u>5,000</u>	<u>(157,500)</u>
Net change in fund balance	167,110	5,085	(162,025)
Fund balance, beginning	<u>119,056</u>	<u>119,056</u>	<u>-</u>
Fund balance, ending	<u>\$ 286,166</u>	<u>\$ 124,141</u>	<u>\$ (162,025)</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Disaster Recovery Reserve
 Year Ended June 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ -	\$ 655	\$ 655
Total revenues	<u>-</u>	<u>655</u>	<u>655</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	150,655	655
Fund balance, beginning	<u>142,341</u>	<u>142,341</u>	<u>-</u>
Fund balance, ending	<u>\$ 292,341</u>	<u>\$ 292,996</u>	<u>\$ 655</u>

City of Indian Wells, California
 Budgetary Comparison Schedule - Park Facilities in Lieu Capital Projects Fund
 Year Ended June 30, 2023

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Developer fees	\$ 61,500	\$ 111,021	\$ 49,521
Total revenues	61,500	111,021	49,521
Expenditures			
Current			
General government	-	2,822	(2,822)
Total expenditures	-	2,822	(2,822)
Net change in fund balance	61,500	108,199	46,699
Fund balance, beginning	(1,483,512)	(1,483,512)	-
Fund balance, ending	\$ (1,422,012)	\$ (1,375,313)	\$ 46,699

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City of Indian Wells, California
Combining Statement of Net Position - Internal Service Funds
June 30, 2023

	Governmental Activities - Internal Service Funds		Totals
	Employee Benefits	Compensated Absences	
Assets			
Current Assets			
Cash and investments	\$ 2,240,488	\$ 624,787	\$ 2,865,275
Restricted Section 115 Trust cash and investments	1,099,343	-	1,099,343
Receivables			
Accrued interest	2,822	2,281	5,103
Total current assets	<u>3,342,653</u>	<u>627,068</u>	<u>3,969,721</u>
Noncurrent Assets			
Net OPEB Asset	745,061	-	745,061
Total assets	<u>4,087,714</u>	<u>627,068</u>	<u>4,714,782</u>
Deferred Outflows of Resources			
Deferred amounts related to OPEB	1,806,981	-	1,806,981
Liabilities			
Current Liabilities			
Accounts payable	1,492	-	1,492
Total liabilities	<u>1,492</u>	<u>-</u>	<u>1,492</u>
Deferred Inflows of Resources			
Deferred amounts related to OPEB	968,612	-	968,612
Net Position			
Restricted for OPEB	2,682,773	-	2,682,773
Unrestricted	2,241,818	627,068	2,868,886
Total net position	<u>\$ 4,924,591</u>	<u>\$ 627,068</u>	<u>\$ 5,551,659</u>

City of Indian Wells, California

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

Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds		Totals
	Employee Benefits	Compensated Absences	
Operating Revenues			
Interdepartmental charges	\$ 2,563,611	\$ -	\$ 2,563,611
Total operating revenues	<u>2,563,611</u>	<u>-</u>	<u>2,563,611</u>
Operating Expenses			
Administration and general	1,049,090	-	1,049,090
Total operating expenses	<u>1,049,090</u>	<u>-</u>	<u>1,049,090</u>
Operating Income (Loss)	<u>1,514,521</u>	<u>-</u>	<u>1,514,521</u>
Nonoperating Revenue (Expenses)			
Investment income (loss)	77,682	192	77,874
Total nonoperating revenues (expenses)	<u>77,682</u>	<u>192</u>	<u>77,874</u>
Transfers In	<u>-</u>	<u>44,606</u>	<u>44,606</u>
Changes in Net Position	1,592,203	44,798	1,637,001
Net Position, Beginning of Year	<u>3,332,388</u>	<u>582,270</u>	<u>3,914,658</u>
Net Position, End of Year	<u>\$ 4,924,591</u>	<u>\$ 627,068</u>	<u>\$ 5,551,659</u>

City of Indian Wells, California
Combining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds		Totals
	Employee Benefits	Compensated Absences	
Operating Activities			
Cash received from interfund services provided	\$ 2,565,336	\$ -	\$ 2,565,336
Cash paid to suppliers for goods and services	(1,352,770)	-	(1,352,770)
Net Cash from (used for) Operating Activities	<u>1,212,566</u>	<u>-</u>	<u>1,212,566</u>
Non-Capital Financing Activities			
Cash received from other funds	-	44,606	44,606
Net Cash from (used for) Non-Capital Financing Activities	<u>-</u>	<u>44,606</u>	<u>44,606</u>
Investing Activities			
Interest gain (loss)	74,860	(1,222)	73,638
Net Cash from (used for) Investing Activities	<u>74,860</u>	<u>(1,222)</u>	<u>73,638</u>
Net Change in Cash and Cash Equivalents	1,287,426	43,384	1,330,810
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	<u>2,052,405</u>	<u>581,403</u>	<u>2,633,808</u>
Cash, Restricted Cash, and Cash Equivalents, End of Year	<u>\$ 3,339,831</u>	<u>\$ 624,787</u>	<u>\$ 3,964,618</u>
Reconciliation of Operating Income to Net Cash from (used for) Operating Activities			
Operating income (loss)	\$ 1,514,521	\$ -	\$ 1,514,521
Changes in			
Accounts receivable	1,725	-	1,725
Net OPEB asset and related balances	(304,563)	-	(304,563)
Accounts payable	883	-	883
Net Cash from (used for) Operating Activities	<u>\$ 1,212,566</u>	<u>\$ -</u>	<u>\$ 1,212,566</u>

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

City of Indian Wells
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021**	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$ 147,924,061	\$ 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
Restricted for:										
Community development	725,787	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
Housing	15,429,469	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
Public safety	6,183,630	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
Public works	2,345,243	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
Debt service	-	-	-	-	-	-	-	-	-	-
Section 115 Trust	-	-	937,402	-	-	-	-	-	-	-
Pension obligations	5,567,799	11,369,223	-	-	-	-	-	-	-	-
OPEB obligations	1,798,141	2,301,464	-	-	-	-	-	-	-	-
Unrestricted	70,023,935	69,606,313	65,899,752	69,738,721	71,786,558	61,884,894	65,150,651	50,054,925	52,294,420	51,276,256
Total governmental activities net position	<u>249,998,065</u>	<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>
Business-type activities:										
Net investment in capital assets**	44,597,589	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	139,371	338,347	-	-	-	-	-	-	-	-
Unrestricted	(2,915,969)	(4,547,545)	(5,609,097)	(5,258,314)	(1,809,374)	1,024,501	1,657,668	1,798,085	-	-
Total business-type activities net position	<u>41,820,991</u>	<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>
Primary government:										
Net investment in capital assets	192,521,650	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
Restricted	24,823,500	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
Unrestricted	67,107,966	65,058,768	60,290,655	64,480,407	69,977,184	62,909,395	66,808,319	51,853,010	52,294,420	51,276,256
Total primary government net position	<u>\$ 291,819,056</u>	<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>

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental activities:										
General government	\$ 15,297,837	\$ 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
Public safety	13,309,494	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
Community development	6,782,254	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
Public works	11,245,752	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
Golf resort	-	-	-	-	-	-	-	-	13,564,356	12,945,121
Interest on long-term debt	457,880	463,970	-	-	-	-	-	-	-	-
Total governmental activities expenses	47,093,217	22,470,396	39,089,307	29,933,651	30,533,080	27,573,833	26,288,149	26,029,776	46,052,759	44,562,314
Business-type activities:										
Golf resort	21,970,857	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	21,970,857	18,815,101	13,451,868	15,504,561	17,322,778	16,418,280	20,072,072	21,071,535	-	-
Total primary government expenses	69,064,074	41,285,497	52,541,175	45,438,212	47,855,858	43,992,113	46,360,221	47,101,311	46,052,759	44,562,314
Program revenues:										
Governmental activities:										
Charges for services:										
General government	107,012	47,687	41,412	58,587	43,100	39,584	35,873	48,263	35,971	46,282
Public safety	604,356	603,773	485,403	525,383	600,091	199,095	134	4,522	8,599	6,883
Community development	1,483,981	1,568,875	817,102	969,257	990,040	1,038,569	1,121,873	968,377	1,003,232	854,755
Public works	23,469	17,203	14,463	9,288	12,124	21,064	22,884	27,412	22,723	28,038
Golf resort	-	-	-	-	-	-	-	-	13,179,508	12,429,070
Operating grants and contributions:										
General government	745,918	759,541	523,214	485,587	478,269	444,372	430,718	456,491	524,526	386,696
Public safety	6,770,475	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
Community development	21,032	-	-	-	-	-	52,738	-	60,559	-
Public works	3,719,376	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
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	1,050,000	500,000
Public works	202,766	954,966	119,842	487,500	236,175	215,870	143,993	104,869	775,943	2,352,481
Total governmental activities program revenue	13,678,385	14,627,528	10,534,699	10,604,208	10,209,105	9,329,074	9,220,172	8,612,099	23,495,164	23,403,188
Business-type activities:										
Charges for services:										
Golf resort	21,188,761	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	21,188,761	16,202,430	11,178,205	11,340,304	15,108,397	13,820,320	12,949,634	13,026,606	-	-
Total primary government program revenue	34,867,146	30,829,958	21,712,904	21,944,512	25,317,502	23,149,394	22,169,806	21,638,705	23,495,164	23,403,188

City of Indian Wells
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net revenues (expenses):										
Governmental activities	(33,414,832)	(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)
Business-type activities	(782,096)	(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>(34,196,928)</u>	<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>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	3,945,967	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
Transient occupancy taxes	12,450,662	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
Sales taxes	1,766,438	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
Franchise taxes	1,231,605	1,108,065	993,257	995,921	992,865	929,551	941,938	922,074	924,869	886,891
Other taxes	4,090,392	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
Investment income	3,137,278	(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
Gain on sale of asset	-	404,376.00	-	-	-	-	-	-	-	-
Extraordinary gain/(loss) on	-	-	-	-	-	-	-	-	-	16,400,000
Other	481,138	550,703	861,005	685,064	785,799	909,895	659,280	908,638	1,082,274	1,012,035
Transfers	-	-	-	-	-	-	6,139,623	(831,713)	-	-
Total governmental activities	<u>27,103,480</u>	<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>
Business-type activities:										
Investment income	(9,708)	(70,543)	(2,222)	16,498	8,006	-	1,809	3,095	-	-
Other	26,000	1,247,051	-	-	-	404,947	8,379,489	1,850,156	-	-
Transfers	-	-	-	-	-	-	(6,139,623)	831,713	-	-
Total business-type activities	<u>16,292</u>	<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>
Total primary government	<u>27,119,772</u>	<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>
Changes in net position:										
Governmental activities	(6,311,352)	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
Business-type activities	(765,804)	(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>\$ (7,077,156)</u>	<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>

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

**City of Indian Wells
Fund Balances of Governmental Funds**

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund:										
Nonspendable:										
Prepaid items	\$ 111,390	\$ 41,691	\$ 15,086	\$ 51,660	\$ 7,738	\$ 1,911	\$ 24,666	\$ 5,740	\$ 950	\$ 3,715
Notes and loans	15,256,105	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
Unassigned	-	-	-	-	-	19,397,674	18,859,826	10,727,499	7,442,635	5,841,717
Total general fund	<u>\$ 15,367,495</u>	<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>
All other governmental funds										
Nonspendable										
Inventory	-	-	-	-	-	-	-	-	728,323	695,998
Prepaid items	663	-	-	-	-	-	-	-	230,059	108,542
Notes	643,562	650,462	-	-	-	-	-	-	-	-
Restricted for:										
Community development	16,155,256	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
Public safety	6,183,630	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
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Public works	2,345,243	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
Debt service	10,721,626	12,094,086	-	-	-	-	-	-	-	-
Committed to:										
Capital projects	494,155	311,735	5,664,949	5,648,955	5,659,190	144,213	676,363	354,335	22,913,539	23,805,825
Golf Resort	-	-	-	-	-	-	-	-	1,347,155	-
Assigned to:										
Capital projects	31,949,774	34,196,650	33,914,872	34,045,927	30,525,572	23,325,122	23,643,770	23,199,044	-	-
Unassigned	19,522,041	16,242,073	7,150,948	9,346,368	14,785,317	(1,306,134)	(1,345,970)	(1,387,826)	(1,420,514)	(1,853,153)
Total all other governmental funds	<u>\$ 88,015,950</u>	<u>\$ 90,602,891</u>	<u>\$ 75,997,865</u>	<u>\$ 75,190,071</u>	<u>\$ 76,097,890</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>

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
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Taxes	\$ 28,165,831	\$ 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
Licenses and permits	925,135	918,431	499,929	542,715	504,876	465,327	642,162	466,550	479,296	426,382
Intergovernmental	1,864,339	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
Contribution from property owners	-	-	-	-	-	-	-	-	1,050,000	500,000
Charges for services	1,163,202	1,254,217	802,576	951,925	1,085,255	772,337	480,245	503,429	13,705,848	12,857,977
Investment income	748,799	(3,200,198)	314,893	2,316,373	2,492,431	212,021	225,978	727,908	527,212	1,623,137
Fines and forfeitures	130,481	64,890	55,875	67,875	55,224	60,648	58,359	78,595	64,889	80,669
Rental income	2,310,605	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
Assessments	4,531,983	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
Development fees	682,477	608,782	135,471	260,616	168,798	149,631	448,419	129,054	139,614	124,851
Other	181,139	211,802	744,391	685,064	785,799	909,895	659,280	908,638	1,082,274	1,012,035
Total revenues	40,703,991	36,460,031	23,638,081	25,695,003	33,648,772	28,999,254	27,930,760	27,026,169	41,356,713	41,196,614
Expenditures										
Current:										
General government	12,241,965	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
Public safety	12,793,673	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
Community development	4,669,205	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
Public works	6,369,744	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
Golf resort	-	-	-	-	-	-	-	-	13,564,356	12,945,121
Bond Issuance Costs	-	235,117	-	-	-	-	-	-	-	-
Capital outlay	8,376,088	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
Debt service:										
Principal retirement	380,000	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	586,874	-	-	-	-	-	-	-	-	-
Total expenditures	45,417,549	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
Excess (deficiency) of revenues over (under) expenditures	(4,713,558)	(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)
Other financing sources (uses):										
Transfers in	10,802,457	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
Transfers out	(10,847,063)	(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)
Issuance of bonds	-	13,930,000	-	-	-	-	-	-	-	-
Premium (discount) on bonds	-	1,338,171	-	-	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-	-	-	-	-	16,400,000
Sale of property	-	525,000	3,641,822	-	4,351,849	-	-	-	-	-
Total other financing sources (uses)	(44,606)	15,793,171	3,641,822	-	6,356,460	-	4,976,007	(831,713)	-	16,324,000
Net change in fund balances	\$ (4,758,164)	\$ 13,250,494	\$ 731,514	\$ (891,894)	\$ 10,924,553	\$ 1,116,292	\$ 8,309,120	\$ 1,967,244	\$ 2,582,561	\$ 12,683,314

City of Indian Wells
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

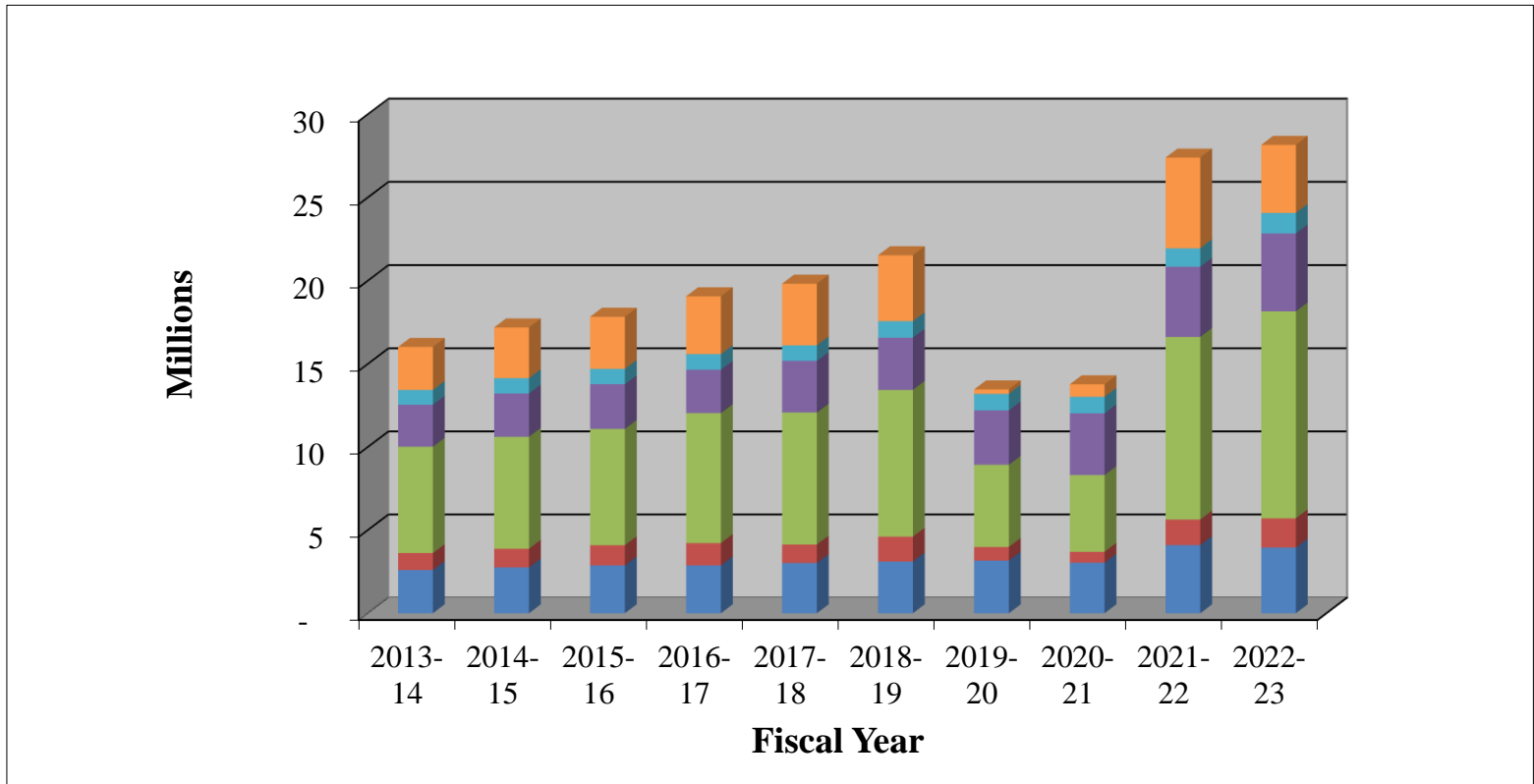
	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt service as a percentage of noncapital expenditures	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital outlay (Recon of Rev & Exp)	4,161,011	4,734,914	(11,576,784)	868,327	(1,681,711)	3,456,064	588,717	(102,981)	695,864	8,627,428
Total governmental expenditures	45,417,549	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
Less: Principal	(380,000)	-	-	-	-	-	-	-	-	-
Less: Interest	(586,874)	-	-	-	-	-	-	-	-	-
	44,450,675	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
Less: Capital Asset Additions	(4,161,011)	(4,734,914)	11,576,784	(868,327)	1,681,711	(3,456,064)	(588,717)	102,981	(695,864)	(8,627,428)
Non Capital Expenditures	40,289,664	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
Total Debt Service Payments	966,874	-	-	-	-	-	-	-	-	-
Debt Service as % of Non Capital Exp.	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

City of Indian Wells
Tax Revenues by Source - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year End	Property Tax	Sales	Transient Occupancy	Emergency Services	Franchise	Other	Total
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
2022-23	3,945,967	1,766,438	12,450,662	4,680,767	1,231,605	4,090,393	28,165,832

Percentage change:

2014-2023 51.6% 73.8% 94.3% 85.4% 38.9% 57.7% 75.7%



City of Indian Wells
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	
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
2022-23	1,735,214,095	13,447,558	1,748,661,653	5,390,822,776	16,237,638	5,407,060,414	1.22450

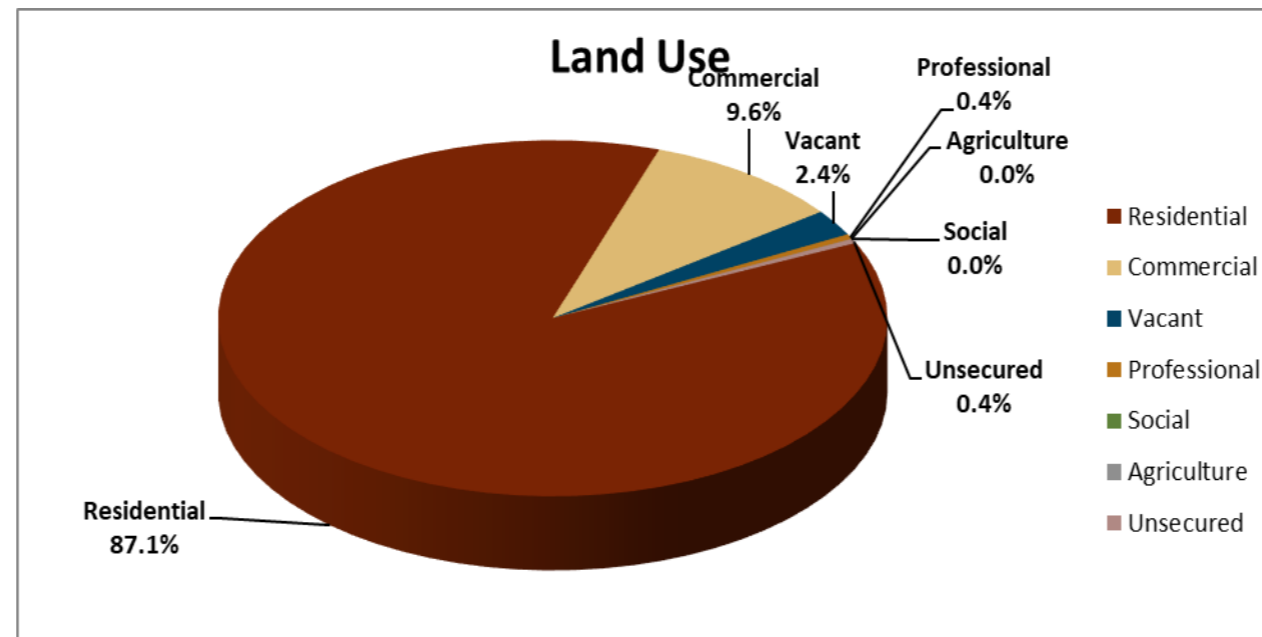
Source: Riverside County Assessor Data, Avenu Insights & Analytics

(1) Total Direct Tax Rate is represented by TRA 016-000

City of Indian Wells

**Assessed Value of Property by Use Code, Citywide
Last Ten Fiscal Years**

Category	2013-14	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Residential	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	6,182,418,185
Commercial	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	684,902,466
Vacant	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	168,952,930
Professional	0	0	0	0	0	0	0	35,928,381	26,455,998	31,596,435
Social	0	0	0	0	0	0	0	0	0	386,666
Agriculture	0	0	0	0	0	0	0	0	9,650	9,732
Institutional	0	0	0	0	0	0	0	375,198	379,085	0
Unknown	362,409,067	0	0	0	0	0	0	0	0	0
Net Secured Value	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	7,068,266,414
Unsecured	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	29,685,196
Net Taxable Value	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	7,097,951,610



Source: Avenu Insights & Analytics
 Use code categories are based on Riverside County Assessor's data
 Land Use description data updated from previous year(s)

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

		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
City Direct Rates:											
City Basic Rate	#	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00779246	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
Total City Direct Rate	#	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00779246	0.00779246	0.00779246
Overlapping Rates:											
General	#	0.15716188	0.15716188	0.15716188	0.15716188	0.15716188	0.15716188	0.15716348	0.31458170	0.31458170	0.31458170
Riverside County General & Fire	#	0.06556884	0.06556884	0.06556884	0.06556884	0.06556884	0.06556884	0.06556119	0.06556922	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	0.02312834	0.02312834	0.02312834
CV Mosquito & Vector Control District	#	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01529179	0.01529179	0.01529179
Riverside County Regional Park & Open Space	-	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00475859	0.00475859	0.00475859
Coachella Valley Public Cemetery	-	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00379506	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	0.17512353	0.00000000	0.00000000	0.00000000
TOTAL	#	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000
Override Assessments											
Coachella Valley Water District	#	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.10000000	0.11000000	0.11000000
Desert Community College	-	0.01995000	0.02325000	0.02087000	0.02036000	0.04030000	0.03978000	0.03983000	0.03978000	0.03950000	0.03950000
Desert Sands Unified School District	#	0.10954000	0.10984000	0.10915000	0.08599000	0.07251000	0.07418000	0.07381000	0.07418000	0.07500000	0.07500000
TOTAL	#	0.22949000	0.23309000	0.23002000	0.20635000	0.21281000	0.21396000	0.21364000	0.21396000	0.22450000	0.22450000
TOTAL TAX RATE	#	1.22949000	1.23309000	1.23002000	1.20635000	1.21281000	1.21396000	1.21364000	1.21396000	1.22450000	1.22450000

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

**Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago**

Taxpayer	2022-23		2013-14	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Garden of Champions	286,502,147	4.04%	113,370,367	2.38%
H E Indian Wells	129,237,578	1.82%		
BBC Esmeralda	77,382,653	1.09%		
Vintage Club	72,105,057	1.02%	26,828,353	0.56%
Lennar Homes of Calif Inc	26,886,058	0.38%		
Village Shopping Center at Indian Wells	24,656,283	0.35%	15,065,470	0.32%
Toscana Country Club Inc	21,999,742	0.31%		
PCG & RGG General Partnership	20,477,182	0.29%		
Brinson Gary P Trust Dtd	20,158,441	0.28%	9,910,000	0.21%
IW Golf Club	19,360,913	0.27%		
Eldorado Country Club	18,757,779	0.26%	21,568,341	0.45%
Carletti Christopher M	18,118,180	0.26%		
Indian Wells Prop	16,320,000	0.23%		
Toscana Homes	15,068,340	0.21%		
Cook Leo W	14,959,132	0.21%	12,891,348	0.27%
Blondie Trust Est	14,889,035	0.21%		
47355 Las Cascadas	14,201,021	0.20%		
Schmid Inv	14,013,268	0.20%	13,185,314	0.28%
Indian Wells Village II	13,804,812	0.19%	11,896,586	0.25%
Jonagold Holdings	13,537,902	0.19%		
DRW Desert Holdings	13,265,904	0.19%		
Redlich Christopher R Jr Revocable Trust Dtd	12,110,922	0.17%		
Targoff Michael B	10,864,257	0.15%		
Modern Dev	10,610,606	0.15%		
DMA Inv	10,479,680	0.15%		
Grand Champions			58,552,001	1.23%
Toscana Land			56,758,371	1.19%
Felcor Esmeralda			47,600,000	1.00%
LH Indian Wells Holding			19,798,732	0.42%
IWCC Acquisition Corp			13,940,255	0.29%
Reserve Club			13,076,414	0.28%
Standard Pacific Corp			12,459,004	0.26%
Marion Anne W			12,355,000	0.26%
Gilleland Richard A			12,273,692	0.26%
Ryan Oil Co			11,369,414	0.24%
Johnson Ralph William			10,000,000	0.21%
Neptune			9,575,000	0.20%
Argyros George L			9,558,651	0.20%
Gilliland Gloria J			9,418,334	0.20%
Macmillan Donna J			8,790,974	0.18%
Soret Ltd.			8,764,521	0.18%
Walters William T			8,764,092	0.18%
Total Top 25 Taxpayers	909,766,892	12.82%	547,770,234	11.52%
Total Taxable Value	7,097,951,610	100.00%	4,754,581,621	100.00%

Source: County Assessor data, Avenu Insights & Analytics

City of Indian Wells

**Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago**

2022-23		2013-14	
Taxpayer	Business Type	Taxpayer	Business Type
Audio Visual Services Group	Light Industry	American Audio Visual Center	Miscellaneous Retail
Christies	Miscellaneous Other	Cafe Italia	Restaurants
CVS Pharmacy	Drug Stores	Creative Pipe	Misc. Vehicle Sales
Don Diego Restaurante	Restaurants	CVS Pharmacy	Drug Stores
Donna Diamond Interior Design	Miscellaneous Retail	Desert Horizons Country Club	Restaurants
Eldorado Country Club	Miscellaneous Retail	Don Diegos	Restaurants
Eureka! Burger	Restaurants	Donna Diamond Designer	Miscellaneous Retail
Hyatt Hotel	Restaurants	Eldorado Country Club	Restaurants
Hyatt Regency Indian Wells	Restaurants	Eureka!	Restaurants
Indian Wells Country Club & Hotel	Miscellaneous Retail	Hotel Indian Wells	Restaurants
Indian Wells Golf Resort	Miscellaneous Retail	Hyatt Grand Champions Resort	Restaurants
Indian Wells Tennis Garden	Miscellaneous Retail	Indian Wells Country Club	Restaurants
IW Coffee	Food Markets	Indian Wells Golf Resort	Restaurants
Karen Harlow For The Home	Miscellaneous Retail	Indian Wells Tennis Garden	Recreation Products
Levy Premium Foodservice	Restaurants	Karen Harlow For The Home	Furniture/Appliance
Miramonte Resort & Spa	Restaurants	Miramonte Resort & Spa	Restaurants
Monique Stolle-Lemon	Miscellaneous Retail	Ralph's Grocery Company	Food Markets
Renaissance Esmeralda Resort & Spa	Restaurants	Renaissance Esmeralda Resort	Restaurants
Reserve Club	Miscellaneous Retail	Reserve Club	Restaurants
The Nest Restaurant & Piano Bar	Restaurants	Tennis Warehouse	Recreation Products
The Sands Hotel & Spa	Restaurants	Terry Beardsley Golf Shop	Recreation Products
The Vintage Club	Miscellaneous Retail	The Nest	Restaurants
Toscana Country Club	Miscellaneous Retail	Toscana Country Club	Restaurants
Vicky's of Santa Fe	Restaurants	Vicky's of Santa Fe	Restaurants
Vue Grille & Bar	Restaurants	Vintage Club	Restaurants

Source: Avenu Insights & Analytics

City of Indian Wells
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
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%
2023	2,824,394	3,906,790	138.32%	39,177	3,945,967	139.71%

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

**Transient Occupancy Tax Collections
Last Ten Fiscal Years**

	2013-14	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Resort Hotels	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	12,165,268
Short-term Rentals	32,838	117,552	281,039	229,213	226,660	199,582	133,174	171,091	287,408	285,394
Total	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	12,450,662
Transient Occupancy Tax Rate in effect	11.25%	11.25%	11.25%	11.25%	11.25%	12.25%	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
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		
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	-	15,246,052.00	15,246,052	0.00279%	125,401
2023	- 1	-	14,799,696.00	14,799,696	0.00248%	146,267

(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

Ratio of General Bonded Debt Outstanding and Legal Debt Margin

**Last Ten Fiscal Years
(In Thousands, except Per Capita)**

Fiscal Year End	Outstanding Tax Allocation Bonds	% of Assessed Value ¹	Per Capita	Less: Amounts Set Aside To Repay Debt	Total Net Debt Applicable To Debt Limit	Legal Debt Limit	Legal Debt Margin	Legal Debt Margin as a % of Limit
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%
2023	-	0.0%	-	-	-	1,062,939	1,062,939	100.0%

Legal Debt Margin Calculation for Fiscal Year 2023:

Assessed Value (From Assessor's net 02-2441)	<u>FY 2022/23</u> \$ 7,086,257,275
Legal Debt limit (15% of total assessed value)	1,062,938,591

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.

¹ 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
Direct and Overlapping Debt
June 30, 2023

2022-23 Assessed Valuation: \$7,104,277,352

	Total Debt 6/30/2023	% Applicable (1)	City Share of Debt 6/30/23
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Desert Community College District	\$ 486,615,000	7.019%	\$ 34,155,507
Desert Sands Unified School District	365,405,000	14.605	53,367,400
Desert Sands Unified School District Community Facilities District No. 1	445,000	11.088	49,342
City of Indian Wells	-	100	-
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 87,572,249
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$ 686,776,829	1.962% 1	\$ 13,474,561
Riverside County Pension Obligation Bonds	748,540,000	1.962	14,686,355
Desert Sands Unified School District Certificates of Participation	13,785,000	14.605	2,013,299
City of Indian Wells Lease Revenue Bonds	13,550,000	100.000	13,550,000
Desert Recreation District General Fund Obligations	1,389,522	11.419	158,670
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			43,882,885
<u>OVERLAPPING TAX INCREMENT DEBT:</u>	197,785,000	0.182-100%	\$ 54,077,025
TOTAL DIRECT DEBT			\$ 13,550,000
TOTAL OVERLAPPING DEBT			\$ 171,982,159
COMBINED TOTAL DEBT			\$ 185,532,159 ⁽²⁾

(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 2022-23 Assessed Valuation:
Direct Debt (\$13,550,000) 0.19%
Total Direct and Overlapping Tax and Assessment Debt 1.23%
Combined Total Debt 2.61%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$5,013,742,012):
Total Overlapping Tax Increment Debt 1.08%

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

**City of Indian Wells
Pledged-Revenue Coverage
Last Ten Fiscal Years**

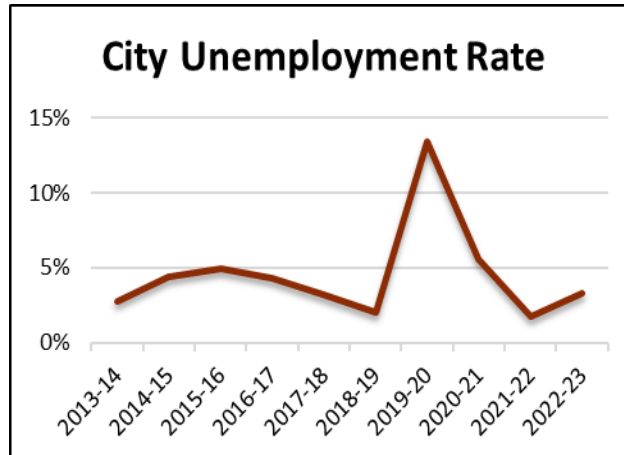
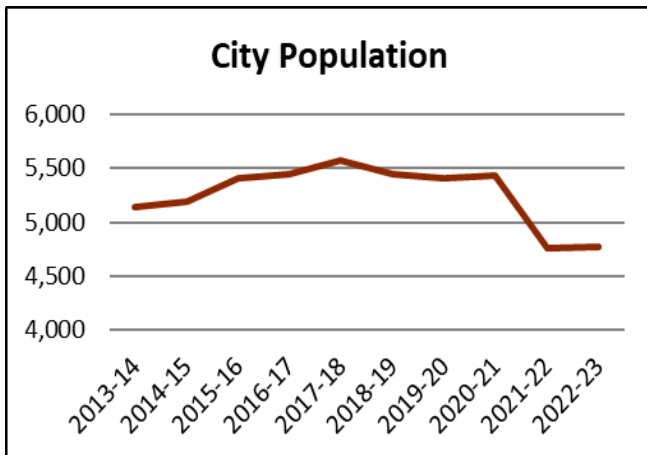
Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

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

City of Indian Wells

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age	Public School Enrollment (3)	City Unemployment Rate (%) (4)
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%
2022-23	4,774	598,280,138	146,267	67.4	26,379	3.3%



Source: Avenu Insights & Analytics

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau.
- 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
Principal Employers
Last Fiscal Year and Nine Years ago

Business Name	2022-23		2013-14	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Hyatt Regency Resort & Spa	460	27.06%	465	25.83%
Renaissance Esmeralda Resort	424	24.94%	499	27.72%
Toscana Country Club	299	17.59%	172	9.56%
Indian Wells Golf Resort (1)	198	11.65%	233	12.94%
Miramonte Resort and Spa	160	9.41%	207	11.50%
El Dorado Country Club (1)	135	7.94%	206	11.44%
Desert Horizons Country Club* (1)	123	7.24%	84	4.67%
Indian Wells Country Club	68	4.00%	128	7.11%
Indian Wells Resort Hotel	66	3.88%	79	4.39%
Gerald Ford Elementary School	65	3.82%		0.00%
Merrill Lynch Wealth Management			50	2.78%
Total Top Employers	1,998	117.53%	2,123	117.94%
Total City Employment (2)	1,700		1,800	

Source: Avenu Insights & Analytics

Source: 2014, previously published ACFR

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

* No response from business, prior year count applied.

(1) Includes Seasonal Employees

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

City of Indian Wells

**Full-time Equivalent City Government Employees
by Function**

Last Ten Fiscal Years

<u>Function</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Manager/Clerk	4.75	4.52	4.48	4.48	5.05	5.05	5.75	5.85	4.30	4.25
Economic Development	-	-	-	-	-	-	-	-	-	0.35
Advertising/Marketing	2.00	1.97	1.97	1.97	-	-	-	0.95	0.95	1.05
Community Services	-	-	-	-	1.95	1.95	1.40	0.55	0.55	0.35
Risk Management	0.125	0.150	0.150	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Personnel	0.125	0.450	0.450	0.45	0.55	0.55	0.45	0.45	0.40	0.35
City Attorney	0.25	0.05	0.09	0.09	0.20	0.20	0.20	0.10	0.10	0.25
Community Development	6.50	6.27	6.27	6.77	5.45	5.45	6.35	5.45	6.35	7.35
Finance Department	6.00	5.47	5.33	5.33	4.41	4.41	3.42	3.19	2.94	4.45
Public Safety	1.25	1.60	1.60	1.10	1.10	1.10	1.15	1.50	1.50	1.10
Public Works	8.00	7.53	7.44	7.44	7.44	7.51	8.47	8.63	9.61	10.15
Housing Authority	-	0.99	0.99	0.99	1.64	1.64	1.72	2.24	3.49	2.65
Golf Resort	-	-	0.18	0.18	0.84	0.84	0.79	0.79	0.51	0.40
Club Drive	-	-	0.05	0.05	0.07	-	-	-	-	-
Total	29.00	29.00	29.00	29.00	29.00	29.00	30.00	30.00	31.00	33.00

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

City of Indian Wells

**Operating Indicators
by Functions**

Last Ten Fiscal Years

<u>Function</u>	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Violent Crime	-	3	6	6	2	8	8	14	8	8
Thefts	97	87	91	96	89	101	101	67	108	90
Burglaries	39	29	45	39	34	49	49	19	35	29
Traffic Collisions	125	136	104	116	98	101	102	108	118	129
Traffic Citations	1,251	971	1,101	1,248	1,231	853	393	949	1,011	1,417
Fire										
Medical Aid Calls	659	751	794	818	934	951	1,135	766	918	980
Public Service Assists	90	102	76	79	69	59	65	56	69	93
Structure Fires	4	4	3	1	5	2	2	-	2	1
Vegetation Fires	-	-	-	2	2	-	-	-	3	-
Building Activity										
Permits Issued	914	845	887	774	764	758	722	751	682	1,167
Inspections Performed	4,927	5,438	4,607	3,319	3,686	3,841	4,209	3,576	4,751	6,044
New Dwelling Units	33	37	32	33	39	46	61	38	85	45
Public Works										
Lot Line Adjustments	3	4	2	4	-	2	6	8	3	1
Parcel Mergers	3	5	4	1	3	2	1	1	1	1
Encroachment Permits	84	59	70	82	71	86	82	56	66	86
Tract Maps	-	1	-	-	-	2	-	-	2	4
Golf Resort										
Golf rounds played	81,696	78,829	77,613	74,358	74,828	74,589	56,402	64,968	76,500	78,522
Administration										
City Council Meetings	20	18	15	8	10	9	21	20	27	33
Public Hearings	23	18	14	15	11	9	18	17	16	33
Adopted Resolutions	53	49	42	49	41	39	50	43	39	12

City of Indian Wells

**Capital Asset Statistics
by Function**

Last Ten Fiscal Years

Function	Units of Measure	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety											
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
Highways, Streets, Bridges, & Infrastructure											
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
Parks and recreation											
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
City Vehicles											
City-Owned Fleet Motor Vehicles	Each	10.00	10.00	10.00	11.00	11.00	11.00	11.00	11.00	12.00	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
Affordable Housing											
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