City of Indian Wells, California

Annual Comprehensive Financial Report

Year Ended June 30, 2025

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CITY OF INDIAN WELLS, CALIFORNIA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

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December 23, 2025

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



It is my privilege to present the Annual Comprehensive Financial Report (ACFR) of the City of Indian Wells for the fiscal year ended June 30, 2025. This report reflects our continuing commitment to sound financial management, long-range strategic planning, and transparency to our community.

Management Responsibility

Management is responsible for the preparation and fair presentation of the City of Indian Wells' Annual Comprehensive Financial Report (ACFR). This responsibility includes the selection and application of appropriate accounting principles; the maintenance of internal controls designed to ensure that financial information is reliable and that assets are safeguarded; and the assurance that the financial statements are free from material misstatement. Management believes that the data presented in this report are accurate in all material respects and that all disclosures necessary to enable readers to gain an understanding of the City's financial activities have been included.

Overview and Fiscal Discipline

The City of Indian Wells remains one of California's most fiscally secure municipalities. Guided by a conservative financial philosophy, the City Council — working closely with the Finance Committee and management staff — has maintained policies that preserve long-term fiscal resilience while supporting high-quality services and community priorities.

During FY 2024/25, tourism-driven revenues significantly exceeded projections. Record transient occupancy and admissions tax receipts underscore Indian Wells' unique status as a premier resort destination, and confirm the strength and resilience of our local economy.

At the same time, fiscal prudence remains at the core of our strategy. We continue to maintain robust reserves, prioritize essential services, and make strategic investments in critical infrastructure — positioning the City to weather economic uncertainty while preserving fiscal flexibility for community needs and opportunities.

Public Safety, Pension Funding & Capital Reserves

Public safety remains our highest priority. We continue dedicating substantial resources to law enforcement and fire protection to ensure the safety and well-being of residents and visitors. In addition:

- We maintain a capital replacement reserve that exceeded $2 million during the fiscal year.
- We are proud that the pension program remains fully funded — a rare and commendable achievement that exemplifies long-term fiscal stewardship.

These actions reflect our commitment to sustainable service delivery and responsible financial planning for current and future generations.

This Transmittal Letter

This transmittal letter provides a high-level overview of the City's financial condition. A more detailed analysis is presented in the accompanying Management's Discussion and Analysis (MD&A). The audited financial statements, prepared in accordance with Generally Accepted Accounting Principles (GAAP), present a complete and accurate picture of the City's financial position as of June 30, 2025. Internal controls are designed to ensure reliability and integrity while balancing cost efficiency.

In accordance with Government Code Section 26909(a), the City engaged Davis Farr, CPAs, to perform the annual independent audit. For FY 2024/25, Davis Farr issued an unmodified (clean) opinion, affirming that the financial statements present fairly the City's financial position in all material respects. Davis Farr also completed agreed-upon procedures reviews for the Golf Resort, Housing Authority properties, the Tennis Stadium, and hotel partners—supporting transparency and accountability across core operations.

Financial Strategy and Long-Term Outlook

The City Council maintains a long-term financial strategy focused on structural balance, disciplined reserve policies, full pension funding, sustainable capital investment, and thoughtful revenue diversification. This strategy ensures that the City continues to meet current service demands while preserving financial capacity for future generations.

Profile of the City of Indian Wells



Founded in 1967 and located in Riverside County's Coachella Valley, Indian Wells is a premier residential and resort community situated approximately 120 miles east of Los Angeles. The City encompasses roughly 15 square miles and is home to approximately 4,862 permanent residents, with an additional 4,000 to 5,000 seasonal residents during the winter months.

Indian Wells operates under a Council–Manager form of government, with a five-member City Council responsible for policy direction and the appointment of the City Manager and City Attorney. The City provides a wide range of municipal services, including public safety, infrastructure maintenance, community development, code enforcement, cultural programming, and recreation. Fiscal operations are

guided by a biennial budget and five-year Capital Improvement Program aligned with GAAP and presented in a program-based format to strengthen accountability and alignment with community priorities.

Community Character & Quality of Life

Indian Wells offers an exceptional quality of life, anchored by luxury resorts, world-class amenities, and a rich calendar of cultural and community events. The City is home to the renowned Indian Wells Golf Resort, and hosts major events such as the BNP Paribas Open, Indian Wells Arts Festival, and cultural engagements like Desert Town Hall. Residents enjoy one of the lowest crime rates in the Coachella Valley, strong emergency-response services, and a variety of recreational and civic programs.

The Indian Wells Resident Benefit Program further distinguishes our community, offering exclusive resident discounts at local resorts and amenities, complimentary or reduced-cost access to major events, and year-round opportunities for civic engagement and enrichment.

Financial Communication

Transparent communication of financial performance remains a cornerstone of City policy. The Council and Finance Department employ multiple channels to ensure residents are well-informed, including:

- Regular Council meetings and study sessions.
- Annual Strategic Planning sessions with financial forecasts.
- Finance Committee meetings.
- Publication of annual audited financial statements.
- The City's website and "Indian Wells Checkbook" transparency portal.
- Direct-to-resident communications, including mailers ("Budget at a Glance," "Capital Improvements Overview," and the "Financial Primer").
- Fiscal updates via e-blasts and the Mayor's letter.
- Coffee with the City Manager.

Together, these efforts underscore Indian Wells' philosophy of fiscal prudence, accountability, and engagement—hallmarks of its enduring financial strength and civic excellence.

Factors Affecting Financial Condition

The national economic outlook is challenged by a high degree of policy uncertainty, particularly regarding federal tariff policies, shifting regulatory priorities, and labor market instability. This uncertainty has caused both businesses and households to postpone investment and major financial decisions. The Federal Reserve remains cautious, balancing inflationary risks associated with tariffs against potential labor contraction in key sectors.

Leading economic indicators—including the yield curve, consumer confidence, and equity markets—suggest elevated recession risk in late 2025 or early 2026. Nonetheless, most economists project continued, albeit slower, national economic growth over the next two years. Inflation is expected to remain above the Federal Reserve's 2 percent target through 2026, limiting the likelihood of material reductions in interest rates.

These conditions are expected to dampen activity in the housing market, as homeowners with low-rate mortgages are unlikely to relocate, constraining supply and limiting turnover.

Economic Outlook for Indian Wells

Indian Wells is one of nine cities in the Coachella Valley, home to approximately 370,000 residents regionwide and roughly 500,000 residents across the broader metropolitan area. While Riverside County is part of the larger Los Angeles–Long Beach Combined Statistical Area, the Coachella Valley operates largely as a self-contained economic region, insulated from volatility in the Inland Empire's logistics sector.

The Coachella Valley remains the region's premier tourism destination, drawing visitors from across the U.S. and abroad, particularly during the winter season. Major events—including the BNP Paribas Open, the Coachella and Stagecoach music festivals, and seasonal tourism—continue to drive strong economic performance.

Indian Wells' formal lodging market consists of 1,587 rooms across five major resorts and hotels. Average annual utilization is in the mid-50 percent range, peaking between February and April. Early 2025 occupancy exceeded historical levels, positioning the year to surpass all performance metrics since 2017. Average daily room rates have increased annually since 2021, contributing to strong nominal revenue growth of 8.3 percent annually since 2017.

Financial Risk Management and Fiscal Discipline

Given the current economic uncertainty, the City has intensified its focus on financial risk management. Key actions include conservative revenue forecasting, strategic use of one-time revenues, active monitoring of market indicators, and continued adherence to the City's 70 percent General Fund reserve requirement. These measures insulate the City from economic volatility and maintain long-term fiscal resilience.

Strategic Goals and Priorities

These principles formed the basis for discussions on the city's fiscal strategy and long-term community investment priorities during the April 17, 2025, City Council Strategic Planning Session. The City Council and Housing Authority adopted the following financial goals.

Fiscal Sustainability

Improve the City's long-term sustainability
Time Frame: Next 12 Months
Responsible Department: Finance

- Maintain annual $2 million allocation for long-term capital replacement
- Advance revenue diversification efforts

- Continue maintaining fully funded pension obligations
- Preserve a 70% General Fund reserve
- Develop strategies to address declining Housing Authority fund balances

Housing Authority

- Continue implementing the 6th Cycle Housing Element
- Begin planning for the 7th Cycle Housing Element
- Develop strategies to extend covenants at Indian Wells and Mountain View Villas
- Monitor and advocate for RHNA-related legislation
- Advance new affordable housing developments at Lissoy and Highway 111 sites

Indian Wells Golf Resort

- Review resident and guest rate structures
- Identify funding for Celebrity Course rehabilitation
- Engage design consultants for capital improvements
- Evaluate the feasibility of hosting a major golf tournament
- Activate the Celebrity Ballroom for expanded use
- Advance public art installations and enhancements
- Plan the November 2025 reopening of the Players Course

Commitment to the Future

Looking ahead, the City will continue to enhance financial transparency, invest strategically in capital assets, strengthen core services, and preserve the exceptional quality of life that defines Indian Wells. Through disciplined governance and collaborative leadership, the City remains well-positioned for long-term success. Collectively, these safeguards reinforce the City's longstanding commitment to fiscal integrity, accountability, and transparent financial management.

City of Indian Wells Key Achievements

A comprehensive set of achievements across finance, housing, economic development, tourism, public safety, and capital improvement projects. These accomplishments reflect disciplined financial management, strategic investment, and collaboration across City operations.

City Finances

- **Strong Budget Performance:** Achieved a $5.0 million surplus in the FY 2024–25 Mid-Cycle Budget Update, following an increase of the FY 2023–24 surplus to over $8.0 million.
- **Robust Cash Reserves:** General Fund cash reserves are projected to reach $20.7 million by June 2024 and $26.4 million by June 2025.
- **Pension Sustainability:** Maintained a fully funded pension system, complemented by a new pre-funding program for future obligations.
- **Public Safety Funding:** Established a Community Facilities District (CFD) to provide a dedicated funding source for future public safety needs.
- **Enhanced Financial Transparency:** Expanded resident communications through:
    - *Financial Primer* — annual direct mailer highlighting financial performance.
    - *Budget at a Glance* — concise overview of Council goals, savings initiatives, public safety, and capital investments.
- **External Funding Success:** Secured more than $13.0 million in grant funding since 2019, with an additional $5.0 million in anticipated federal earmarks in FY 2026–27.
- **Developer Fee Modernization:** Updated developer fees to reflect current infrastructure and service demands.

Housing

- Partnered with Abode to address maintenance needs at Indian Wells Villas and Mountain View Villas.
- Continued progress toward acquisition of the Lissoy Opportunity Parcel to support future housing initiatives.

Economic Development

- Supported the successful entitlement and grand opening of Sprouts Farmers Market (Council Goal).
- Implemented a streamlined electronic plan check and permit system to improve efficiency and customer service (Council Goal).
- Continued efforts to advance the Genton development project.

Housing Element

- Successfully completed the City's Housing Element update in compliance with State requirements.

Tourism

- Appointed a new Director of Tourism.
- Strengthened collaboration among the City, the Indian Wells Golf Resort, and hotel partners.
- Secured the Epson Tour event for October 2024, enhancing regional and national visibility.

Public Safety

- Presented and advanced a new public safety initiative (Council Goal).
- Implemented traffic calming measures, including speed reductions along Fairway Drive and Eldorado Drive.
- Increased enforcement targeting excessive vehicle noise.
- Participated in a regional task force addressing speeding throughout Indian Wells.
- Completed installation of license plate recognition (LPR) technology to enhance public safety capabilities.

Parks and Community Facilities

- Celebrated the ribbon cutting of Fairway Park in April, completed under budget and with positive community impact.

City Council Governance

- Completed a comprehensive update to the City Council Policy Manual, strengthening governance clarity and consistency.

Indian Wells Golf Resort

- Renegotiated the Troon Management Agreement to include performance-based incentives.
- Achieved Golf Resort profitability following capital adjustments, eliminating the need for resident subsidies.
- Initiated the redesign of the Players Course.
- Advanced a new restaurant concept by Chef Richard Blais, including Troon's $1.25 million investment commitment.

Additional Citywide Initiatives

- Advanced a Sister City partnership with Kelowna, Canada.
- Expanded event funding and improved resident communications across multiple platforms.
- Earned Tree City USA designation and the Growth Award for excellence in urban forestry.
- Finalized the Local Hazard Mitigation Plan and updated the Landscape Ordinance.
- Hosted the City's first HOA Community Workshop.
- Completed major citywide capital improvement projects, including Highway 111 pavement improvements, neighborhood repaving, and a new pedestrian path at the Indian Wells Golf Resort traffic circle.
- Supported the Council Ad-Hoc Committee on commissions and expanded resident benefits, including pickleball programming and enhanced community events.

Identification of Appropriated Governmental Funds

In accordance with applicable financial reporting standards, the governmental funds subject to biannual appropriation by the City Council are as follows:

- **General Fund:** This fund serves as the city's principal operating fund, supporting essential services such as public safety, public works, and administrative operations.

- **Special Revenue Funds:** These funds account for resources dedicated to specific purposes, such as public safety funds, state gas tax funds, and landscape and lighting maintenance district funds.

- **Debt Service Funds:** These funds are used to repay principal and interest on general obligation bonds and other long-term debt.

- **Capital Projects Funds:** These funds support the construction, acquisition, or improvement of significant capital assets, including infrastructure projects such as roads and facilities.

- **Housing Funds:** These funds provide financial resources to support affordable housing initiatives, including housing development, rehabilitation programs, and rental assistance.

- **Enterprise Fund:** This fund operates as a self-sustaining entity funded primarily through user fees and charges. It is accounted for separately to ensure the financial integrity of operations.

- **Internal Service Fund:** This fund accounts for services provided internally to other city departments.

The City Council appropriates these funds biannually during the formal budget process to ensure fiscal accountability and compliance with legal and policy guidelines. Midcycle updates are also performed to provide additional transparency and accountability. The appropriation of governmental funds reflects our ongoing commitment to transparency, accountability, and excellence in financial management.

Structure of This Report

This ACFR is presented in accordance with best practices recommended by the Government Finance Officers Association. It is organized into three principal sections:

- Introductory Section — includes this Letter of Transmittal, a list of principal City officials, and an organizational chart.

- Financial Section — comprises the independent auditor's report, the required Management's Discussion & Analysis (MD&A), the basic financial statements (government-wide and fund-based), notes to the financial statements, and combining and individual fund statements and schedules.

- Statistical Section — presents comparative financial and demographic data for multiple years, giving broader context to the City's financial and operational trends.

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 Davis Farr 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, 2025, 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

For FY 2023/24, the City received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The FY 2024/25 report continues to uphold the high standards required for this recognition.

Acknowledgments

This report reflects the dedicated efforts of the Finance Department, City staff, and the independent auditors at Davis Farr. The support and policy leadership of the City Council and Finance Committee continue to play a foundational role in sustaining the City's long-standing record of financial integrity, transparency, and excellence.

Respectfully submitted,



_____
Dr. Chris Freeland
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Indian Wells
California

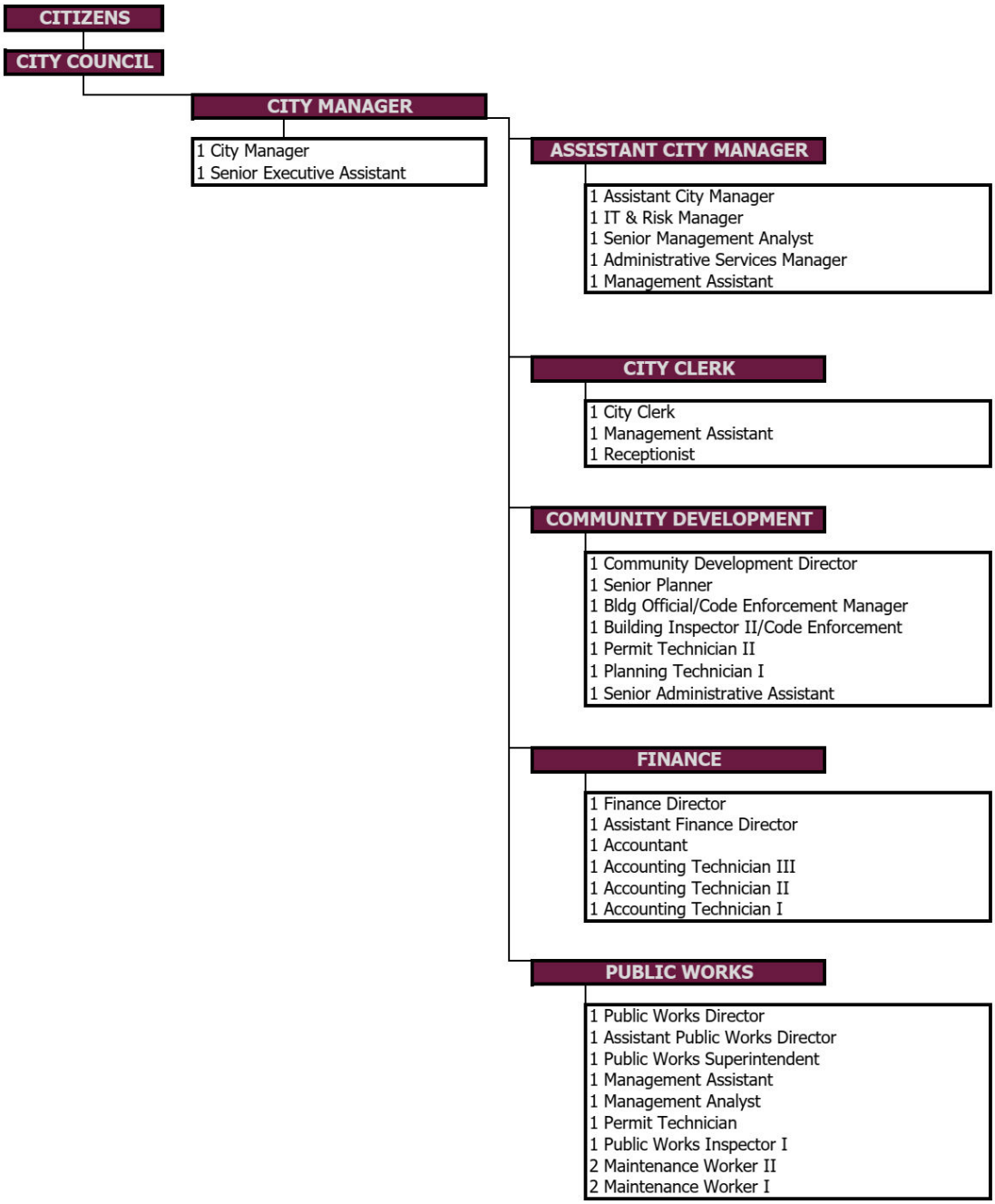
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

City of Indian Wells
ORGANIZATIONAL CHART
2025



CITY OF INDIAN WELLS

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2025

Council – Manager Form of Government

City Council

Bruce Whitman
Mayor

Dana Reed
Mayor Pro Tem

Dr. Toper Taylor Council Member	Brian M. Penna Council Member	Greg Sanders Council Member

City Administration

Dr. Christopher J. Freeland
City Manager

Kevin McCarthy, Finance Director
Ken Seumalo, Public Works Director
Jon Berg, Community Development Director

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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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

Opinions

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, 2025, 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, 2025, 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 Opinions

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 opinions.

Emphasis of Matter

The financial statements for the year ended June 30, 2025 reflect certain prior period adjustments as described further in note 19 to the financial statements. Our opinions are not modified with respect to this matter.

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 B*udgetary 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 S*tatistical 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 December 23, 2025, 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
December 23, 2025

Management's Discussion and Analysis

The management of the City of Indian Wells is pleased to present this Management's Discussion and Analysis (MD&A) of the City's financial activities for the fiscal year ended June 30, 2025. This narrative provides an overview of the City's financial performance, position, and key trends, highlighting the results of operations and significant changes in fund balances, capital assets, and long-term obligations.

The MD&A is intended to complement, and should be read in conjunction with, the Letter of Transmittal on page i, the Basic Financial Statements on pages 31-32, and the accompanying notes. It is organized to provide both a high-level summary of financial highlights—including net position, fund balances, revenues, expenditures, and long-term obligations—and a more detailed analysis of Government-Wide and Fund Financial Statements, capital assets, and economic outlook.

The discussion begins with the City's Financial Highlights, offering key measures of fiscal health and operational sustainability. Subsequent sections provide a comprehensive review of Governmental and Business-Type Activities, fund-level performance, budgetary compliance, and long-term strategic considerations, ensuring that readers gain a complete understanding of the City's financial position and stewardship of public resources.

Financial Highlights

- **Overall Financial Position:** At June 30, 2025, the City's assets exceeded liabilities by $309,956,722, reflecting strong fiscal health. Of this total, $195,517,298 represents net investment in capital assets, supporting long-term infrastructure and service delivery; $87,583,495 is unrestricted and available for operational needs or future projects; and $26,855,929 is restricted by external mandates. The City's net position increased by $12,557,730, driven by revenue growth, prudent cost management, and strategic investments in both operational programs and capital infrastructure, as discussed in the Government-Wide Financial Analysis section.

- **Governmental Fund Balances:** The combined ending fund balance for all governmental funds totaled $104,467,935, demonstrating robust short-term liquidity. This total includes:

    - Nonspendable: $9,594,750, primarily prepaids, long-term receivables, and other non-liquid assets
    - Restricted: $27,041,841, constrained by external regulations or legal requirements
    - Committed: $782,232, formally designated by the City Council for capital projects
    - Assigned: $47,926,044, reflecting management's intent for future capital investments and long-term priorities
    - Unassigned: $19,123,068, available for any lawful purpose and serving as a financial cushion.
    - These classifications, detailed further in the Analysis of Governmental Funds and Individual Fund Highlights, provide flexibility for operational needs while ensuring disciplined investment in future capital projects.

- **General Fund Strength:** The General Fund, the City's primary operating fund, reported a fund balance of $30,319,217, including $9,574,948 in nonspendable assets and $20,744,269 in unassigned funds. This unassigned balance represents 110.4% of General Fund expenditures, providing substantial capacity to meet operational needs, respond to unforeseen contingencies, and support the City's reserve policy, as discussed in the General Fund Budgetary Highlights section.

- **Capital Assets:** Net capital assets for Governmental Activities increased by $5,058,294 to $157,347,103, reflecting $9,328,428 in acquisitions, $40,322 in retirements, and $4,270,134 in depreciation. For Business-Type Activities (primarily the Indian Wells Golf Resort), net capital assets totaled $50,328,657, an increase of $7,620,381. These investments, detailed in the Capital Assets section, underscore the City's commitment to maintaining and improving its infrastructure and enterprise operations.

- **Long-Term Liabilities and Retirement Obligations:** The City's compensated absences liability rose to $1,346,146, while lease revenue bonds totaled $12,585,000 with a premium of $1,116,984. The net pension asset of $2,033,276 and net OPEB liability of $4,739,209 demonstrate the City's proactive approach to retirement obligations. Strategic use of Section 115 Trusts, with total assets of $5,818,393, supports long-term fiscal sustainability, as described in the Long-Term Liabilities section.

- **Revenue and Expenditure Highlights:** Governmental Activities revenues increased to $54,862,133, driven by property tax growth, tourism recovery, the BNP Paribas tournament, and higher investment earnings. Governmental Activities expenses decreased to $43,418,341, primarily due to targeted cost containment in General Government. This resulted in net positive contributions to the City's fund balances and net position. Business-Type Activities (Golf Resort) incurred an operating deficit of $4,682,316, offset by nonoperating revenues totaling $5,796,253, resulting in a net profit of $1,113,937 and demonstrating enterprise sustainability.

- **Strategic Financial Positioning:** The City's combination of strong fund balances, disciplined expense management, prudent capital investment, and proactive long-term liability management positions Indian Wells to:

    - Maintain high-quality municipal services
    - Respond to unforeseen economic or operational contingencies
    - Fund both ongoing and future capital projects
    - Ensure compliance with regulatory requirements for restricted and trust-held assets

- **Outlook:** Robust tourism and stable property tax growth provide favorable near-term revenue projections. The City will continue monitoring economic indicators, operational efficiencies, and long-term obligations to preserve financial stability and align with community expectations, as further discussed in the Economic Factors and Next Year's Budgets and Rates section.

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 31-32 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 a*ccumulate 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, 2025, and 2024.

Table 1
Statement of Net Position

	Governmental Activities		Business -Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and restricted assets	$ 120,033,972	$ 127,525,367	$ 4,623,459	$ 1,004,121	$ 124,657,431	$ 128,529,488
Capital assets	157,347,103	151,870,603	50,506,777	42,708,276	207,853,880	194,578,879
Total Assets	277,381,075	279,395,970	55,130,236	43,712,397	332,511,311	323,108,367
Deferred Outflows of Resources	6,119,238	5,901,289	182,108	105,410	6,301,346	6,006,699
Current Liabilities	4,978,871	5,810,115	2,340,374	1,185,231	7,319,245	6,995,346
Non-current Liabilities	19,252,598	22,220,880	759,240	535,380	20,011,838	22,756,260
Total Liabilities	24,231,469	28,030,995	3,099,614	1,720,611	27,331,083	29,751,606
Deferred Inflows of Resources	1,480,784	1,927,049	44,068	37,419	1,524,852	1,964,468
Net Position:						
Net investment in capital assets	145,413,139	142,190,278	50,104,159	42,518,369	195,517,298	184,708,647
Restricted						
Community development	459,123	945,799	-	-	459,123	945,799
Housing	12,646,741	12,034,055	-	-	12,646,741	12,034,055
Public safety	7,652,573	5,863,937	-	-	7,652,573	5,863,937
Public works	3,952,146	2,494,602	-	-	3,952,146	2,494,602
Pension obligations	1,974,514	2,041,991	58,762	31,475	2,033,276	2,073,466
OPEB obligations	112,070	2,833,540	-	-	112,070	2,833,540
Unrestricted	85,577,754	86,935,013	2,005,741	(490,067)	87,583,495	86,444,946
Total Net Position	$ 257,788,060	$ 255,339,215	$ 52,168,662	$ 42,059,777	$ 309,956,722	$ 297,398,992

As of fiscal year-end, the City's total assets exceeded total liabilities by $309,956,722, resulting in a favorable net position. That net position is comprised of three components:

- Net investment in capital assets — $195,517,298 represents the City's investment in capital assets (e.g., land, buildings, infrastructure, equipment), net of accumulated depreciation and any outstanding debt attributable to those assets.

- Restricted net position — $26,855,929 is subject to externally-imposed constraints (by grantors, bondholders, or higher levels of government) and therefore is reserved for the specific purposes mandated by those external parties.

- Unrestricted net position — $87,583,495 remains available to the City for general use to meet ongoing obligations, fund operations, or finance future projects.

The unrestricted net position provides the City with financial flexibility to meet operating needs and respond to unforeseen contingencies. The net investment in capital assets — while a significant portion of total net position — reflects resources that are not available for future spending because they are tied up in long-term capital infrastructure.

Analysis of the Statement of Activities

Table 2 below lists a condensed Statement of Activities for the fiscal years ending June 30, 2025, and 2024.

Table 2
Statement of Activities

	Governmental Activities		Business -Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for services	$ 4,670,287	$ 4,782,673	$ 16,976,221	$ 22,331,661	$ 21,646,508	$ 27,114,334
Operating contributions and grants	16,951,546	16,225,266	-	-	16,951,546	16,225,266
Capital contributions and grants	200,791	68,032	1,250,000	-	1,450,791	68,032
General Revenues:						
Taxes						
Property taxes	4,406,703	4,362,305	-	-	4,406,703	4,362,305
Transient occupancy taxes	13,523,137	12,159,497	-	-	13,523,137	12,159,497
Sales taxes	2,148,619	1,824,421	-	-	2,148,619	1,824,421
Franchise taxes	1,388,780	1,398,516	-	-	1,388,780	1,398,516
Business licenses taxes	217,528	225,554	-	-	217,528	225,554
Admission taxes	5,266,503	5,067,845	-	-	5,266,503	5,067,845
Investment income (loss)	5,721,683	4,965,343	186,311	(9,374)	5,907,994	4,955,969
Other	366,556	296,204	210,000	-	576,556	296,204
Total Revenues	54,862,133	51,375,656	18,622,532	22,322,287	73,484,665	73,697,943
Expenses:						
General government	11,604,322	14,392,102	-	-	11,604,322	14,392,102
Public safety	13,355,081	13,334,797	-	-	13,355,081	13,334,797
Community development	5,923,067	5,638,377	-	-	5,923,067	5,638,377
Public works	12,136,865	12,071,338	-	-	12,136,865	12,071,338
Interest	399,006	329,643	-	-	399,006	329,643
Golf resort	-	-	17,508,594	22,307,753	17,508,594	22,307,753
Total Expenses	43,418,341	45,766,257	17,508,594	22,307,753	60,926,935	68,074,010
Increase (decrease) in net position before transfers	11,443,792	5,609,399	1,113,938	14,534	12,557,730	5,623,933
Transfers	(8,994,947)	(102,584)	8,994,947	102,584	-	-
Increase (decrease) in net position	2,448,845	5,506,815	10,108,885	117,118	12,557,730	5,623,933
Net Position, Beginning of Year, as Restated	255,339,215	249,832,400	42,059,777	41,942,659	297,398,992	291,775,059
Net Position, End of Year	$ 257,788,060	$ 255,339,215	$ 52,168,662	$ 42,059,777	$ 309,956,722	$ 297,398,992

Revenues:

Governmental Activities: The City collected $54,862,133 in fiscal year 2024/25, up from $51,375,656 the previous year. This revenue increase was driven by property tax growth, a resurgence in tourism, the BNP Paribas tennis tournament, and higher investment earnings.

Business-Type Activities: The Golf Resort collected $18,622,532 in fiscal year 2024/25, compared to $22,322,287 the prior year. The decline in revenue was due to the closure of the restaurant, the closure of the Player's golf course during remodeling and rehabilitation, and the closure of banquet events at the Pavilion during the remodeling and rehabilitation work.

Expenses:

Governmental Activities: Governmental activities reported total expenses of $43,418,341 for the fiscal year, representing a net decrease of $2,347,916 compared to the prior year. This overall reduction reflects both targeted decreases in certain functional areas and inflationary increases in others.

The most significant year-over-year change occurred within the General Government function, where expenditures decreased by $2,787,780. This decline is primarily attributable to deliberate cost-containment measures implemented during the fiscal year. These measures included the refinement of administrative operating procedures and continued emphasis on organizational efficiencies. As a result, the City realized material savings without compromising core municipal services.

While General Government experienced a notable reduction in operating costs, several other governmental functions recorded moderate increases. These increases were primarily the result of inflationary pressures affecting personnel services, utilities, contracted services, and materials. Rising market prices for commodities and professional services particularly contributed to cost growth in public safety, public works, and community services programs. Although these increases partially offset the savings achieved in General Government, the City's overall governmental expenditures still decreased for the year.

It is important to note that the City's expense profile continues to reflect its service priorities and long-term financial stewardship. The reduction in General Government costs demonstrates the City's proactive approach to managing its administrative cost structure, while the inflation-driven increases in other functional areas highlight the external economic forces that influence service delivery costs. Despite these pressures, the City maintained stable operations and delivered essential services effectively.

Overall, the net decline in total governmental activities expenses underscores the City's commitment to prudent financial management and its ability to adjust its expenditure patterns in response to economic conditions. The City will continue to monitor inflationary trends, evaluate operational efficiencies, and prioritize resource allocation to ensure that governmental activities remain sustainable and aligned with community expectations.

Business-Type Activities: The Golf Resort incurred $17,508,594 in operating costs, including $18,529,777 for operations, $494,777 for general and administrative expenses, $10,228 for interest expenses, a $4,160,170 gain on asset disposition, and $2,633,982 for depreciation.

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. This information is useful in assessing the City's short-term liquidity and financing requirements — that is, whether the City has sufficient resources available to meet upcoming expenditure needs.

Table 3
Fund Balances by Category
Fiscal Year Ending 6/30/2025

	General Fund	All Other Funds	Total Funds
Nonspendable:			
Prepaid costs	$ 102,331	$ 19,802	$ 122,133
Notes and loans	9,472,617	-	9,472,617
Restricted for:			
Community development	-	13,105,864	13,105,864
Public safety	-	7,652,573	7,652,573
Public works	-	3,952,146	3,952,146
Debt service	-	2,331,258	2,331,258
Committed for:			
Capital projects	-	782,232	782,232
Assigned To:			
Capital projects	-	47,926,044	47,926,044
Unassigned:	20,744,269	(1,621,201)	19,123,068
Total Fund Balances	$ 30,319,217	$ 74,148,718	$ 104,467,935

At the close of the fiscal year, the combined ending fund balance for all governmental funds was $104,467,935. That total is composed of the following fund balance classifications:

- **Nonspendable – $9,594,750**: These are amounts that cannot be spent because they are either not in spendable form (e.g., prepaids, inventories, long-term receivables, or other non-liquid assets) or must be "maintained intact" under legal or contractual constraints.
- **Restricted – $27,041,841**: These resources are constrained by external parties (such as grantors, bondholders or other government agencies) or by laws and regulations. They are reserved for specific purposes and cannot be used for general operations.
- **Committed – $782,232**: These amounts have been formally set aside by the City Council (or other governing authority) for capital projects, per Council action consistent with applicable policy or ordinance. As such, they can be used only for those designated purposes, unless the Council formally rescinds or modifies the commitment.
- **Assigned – $47,926,044**: These amounts reflect the City's intent — as expressed by the Governing Board — to use these funds for long-term capital projects, replacements, or other

long-term purposes. While they are not constrained by external mandate or formal Council commitment, they are not considered available for arbitrary general fund spending.

- **Unassigned – $19,123,068**: This residual portion represents the fund balance in the General Fund that is not restricted, committed, or assigned. These resources are the City's most flexible — available for any lawful purpose, and represent a "financial cushion" for unanticipated needs, contingencies, or near-term obligations.

The total fund balance of $104,467,935 demonstrates the City's robust short-term financial position, with a balanced mix of flexibility (through unassigned and assigned balances) and fiscal discipline (through restricted, committed, and nonspendable classifications). This structure supports prudent cash-flow management, provides a buffer against economic or revenue fluctuations, and ensures resources are available for both general needs and future capital commitments.

Moreover, the significant assigned portion earmarked for long-term capital projects reflects strategic planning and sustainability — an important signal to stakeholders, rating agencies, and the public that the City is actively investing in infrastructure and future service delivery capacity without compromising operational stability.

This fund-balance composition positions the City well to meet near-term obligations while maintaining financial flexibility and fulfilling long-term capital and replacement needs.

Business-type activities The City's business-type activities, shown in Table 4, are designed to recover all or a substantial portion of their costs through user fees and charges. The Indian Wells Golf Resort is the primary activity reported in this category. The City monitors these activities closely to ensure that revenues generally cover operating costs, while maintaining financial sustainability and high-quality service delivery.

During the fiscal year, the Indian Wells Golf Resort generated $16,976,220 in operating revenues, primarily from golf fees, food and beverage sales, and special events. Operating expenses totaled $21,658,536, which includes:

- Operations: $18,529,777
- General and administrative expenses: $494,777
- Depreciation: $2,633,982

This resulted in an operating loss of approximately $4,682,316. The operating deficit reflects a combination of planned depreciation, rising operational costs, and investments in maintaining high-quality facilities and service standards.

Table 4
Business-Type Activities
Fiscal Year Ending 6/30/2025

	Golf Resort Operations	Total
Operating Revenues:		
Charges for services	$ 16,976,220	$ 16,976,220
Total Revenues	16,976,220	16,976,220
Operating Expenses:		
Operations	18,529,777	18,529,777
General and Administration	494,777	494,777
Depreciation	2,633,982	2,633,982
Total Expenditures	21,658,536	21,658,536
Operating Income (loss)	(4,682,316)	(4,682,316)
Non-operating Revenues (Expenses)		
Investment Income (loss)	186,311	186,311
Capital contributions	1,250,000	1,250,000
Interest expense	(10,228)	(10,228)
Loss on disposition of capital assets	4,160,170	4,160,170
Other nonoperating revenue	210,000	210,000
Total nonoperating revenues (expenses)	5,796,253	5,796,253
Income before transfers	1,113,937	1,113,937
Transfers In	10,284,948	10,284,948
Transfers Out	(1,290,000)	(1,290,000)
Total transfers	8,994,948	8,994,948
Changes in Net Position	10,108,885	10,108,885
Net Position, Beginning of the Year	42,059,777	42,059,777
Net Position at End of Year	$ 52,168,662	$ 52,168,662

Nonoperating revenues and expenses totaled $5,796,253, comprised of:

- Investment income: $186,311
- Capital contributions: $1,250,000

- Interest expense: ($10,228)
- Gain on disposition of capital assets: $4,160,170
- Other nonoperating revenue: $210,000

When combined, these nonoperating items offset the operating deficit, resulting in a net profit of $1,113,937 for the Resort.

Analysis of Individual Funds

The General Fund

The General Fund serves as the City's primary operating fund, supporting essential municipal services and daily operations. At the close of the fiscal year, the General Fund reported a fund balance of $30,319,217, composed of:

- Nonspendable assets: $9,574,948, consisting primarily of notes and loans receivable that are not in spendable form.
- Unassigned fund balance: $20,744,269, representing resources available for any lawful purpose.

Assessing fund balance relative to total expenditures provides insight into the City's liquidity and short-term financial flexibility. The unassigned fund balance represents 110.4% of total General Fund expenditures, while the total fund balance represents 161.3%, indicating a strong capacity to meet operational needs and respond to unforeseen contingencies.

Revenue performance remained robust, driven largely by tourism-related activities, which are the City's primary revenue source. Transient occupancy tax and admissions tax revenues reached record levels, contributing to a 4.9% increase in General Fund revenues compared to the prior year. This growth reflects both increased visitation and effective revenue collection strategies.

On the expenditure side, General Fund spending decreased by $1,458,062 (7.2%) compared to the prior year, largely due to the removal of Golf Resort resident golf rate subsidies and targeted cost containment measures. The combination of increased revenues and reduced expenditures contributed to a strong net fund position, further enhancing the City's financial stability and operational flexibility.

Table 5
General Fund Financial Summary

	2025	2024	$ Change	% Change
Revenues:				
Taxes	$ 26,521,861	$ 24,526,087	$ 1,995,774	8.1%
Licenses and permits	514,897	683,169	(168,272)	-24.6%
Intergovernmental	882,078	942,282	(60,204)	-6.4%
Charges for services	502,588	666,372	(163,784)	-24.6%
Interest income (loss)	1,164,549	1,404,591	(240,042)	-17.1%
Fines and forfeitures	73,534	64,546	8,988	13.9%
Other income	36,745	31,117	5,628	18.1%
Total Revenues	29,696,252	28,318,164	1,378,088	4.9%
Expenditures:				
General government	8,268,874	10,405,052	(2,136,178)	-20.5%
Public safety	5,224,479	4,854,763	369,716	7.6%
Community development	2,092,755	2,078,322	14,433	0.7%
Public works	3,208,946	2,914,979	293,967	10.1%
Total Expenditures	18,795,054	20,253,116	(1,458,062)	-7.2%
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,901,198	8,065,048	2,836,150	35.2%
Other Financing Sources (Uses)				
Transfer in	-	-	-	100.0%
Transfer out	(21,870,034)	(3,425,053)	(18,444,981)	100.0%
Total Transfers	(21,870,034)	(3,425,053)	(18,444,981)	100.0%
Net Change in Fund Balance	$ (10,968,836)	$ 4,639,995	$ (15,608,831)	336.4%

Refer to the Fund Financial Statements (pages 34–43) for additional detail on revenue and expenditure trends, as well as a detailed breakdown of fund balances.

The Housing Authority Fund

The Indian Wells Housing Authority was established to support the retention, rehabilitation, and development of affordable housing for households meeting HUD income limits. The Housing Authority Fund manages expenditures for affordable housing operations and provides annual reporting to the State Department of Housing and Community Development on community housing projects and initiatives.

At the close of fiscal year 2024/25, the Housing Authority Fund reported a fund balance of $12,646,741, demonstrating a strong financial position to support ongoing and future housing programs.

Table 6
Housing Authority Financial Summary

	2025	2024	$ Change	% Change
Revenues:				
Intergovernmental	$ 135,812	$ 113,172	$ 22,640	0.0%
Interest income	560,004	434,381	125,623	28.9%
Total Revenues	695,816	547,553	148,263	28.9%
Expenditures:				
General government	1,783,272	3,404,143	(1,620,871)	-47.6%
Community development	250,000	250,000	-	0.0%
Total Expenditures	2,033,272	3,654,143	(1,620,871)	-44.4%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,337,456)	(3,106,590)	1,769,134	-56.9%
Other Financing Sources (Uses)				
Transfer in	2,460,000	517,445	1,942,555	375.4%
Transfer out	(509,858)	(806,269)	296,411	-36.8%
Total Transfers	1,950,142	(288,824)	2,238,966	-775.2%
Net Change in Fund Balance	$ 612,686	$ (3,395,414)	$ 4,008,100	-118.0%

Revenues for the fiscal year totaled $695,816, including $135,812 in intergovernmental fees and $560,004 in interest income. Expenditures totaled $2,033,272, covering staff salaries and benefits, professional services (including audits and legal counsel), liability insurance premiums, contributions to nonprofit organizations addressing homelessness, and capital maintenance projects. This represents a decrease of $1,620,871 compared to the prior year, primarily due to the completion of major housing initiatives in the prior period and tighter cost management during the current fiscal year.

The net reduction in expenditures, coupled with consistent revenue collection, has contributed to a sustainable fund balance that positions the Housing Authority to continue its mission of supporting affordable housing programs. These resources provide flexibility to address both operational needs and future housing development opportunities, while ensuring compliance with state and federal reporting requirements.

Refer to the Fund Financial Statements (pages 34–43) for additional detail on revenues, expenditures, and fund balances.

The Emergency Services Upgrade Fund

The Emergency Services Upgrade Fund is dedicated to supporting fire suppression, prevention, investigation, safety education, emergency management, and paramedic services. These services are provided by the Riverside County Fire Department under a CALFIRE subcontract, ensuring high-quality emergency response throughout the City.

Table 7
Emergency Services Upgrade Financial Summary

	2025	2024	$ Change	% Change
Revenues:				
Taxes	$ 7,075,678	$ 4,206,481	$ 2,869,197	68.2%
Charges for services	745,461	737,398	8,063	1.1%
Interest income (loss)	319,018	207,355	111,663	53.9%
Assessments	629,744	610,241	19,503	3.2%
Other income	20,623	21,171	(548)	-2.6%
Total Revenues	8,790,524	5,782,646	3,007,878	52.0%
Expenditures:				
Public safety	4,940,677	5,350,057	(409,380)	-7.7%
Capital Outlay	183,771	29,297	154,474	527.3%
Total Expenditures	5,124,448	5,379,354	(254,906)	-4.7%
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,666,076	403,292	3,262,784	809.0%
Other Financing Sources (Uses)				
Transfer out	(1,644,983)	(146,616)	(1,498,367)	0.0%
Total Transfers	(1,644,983)	(146,616)	(1,498,367)	0.0%
Net Change in Fund Balance	$ 2,021,093	$ 256,676	$ 1,764,417	687.4%

At the close of fiscal year 2024/25, the Emergency Services Upgrade Fund reported a fund balance of $6,750,305, reflecting a strong fiscal position to support ongoing emergency services and maintain operational readiness.

Revenues for the fiscal year totaled $8,790,524, comprised of:

- $7,075,678 from the fire tax credit collected by Riverside County on behalf of the City
- $745,461 from ambulance billing
- $629,744 from a citywide assessment
- $319,018 in interest income
- $20,623 in other income

Expenditures totaled $5,124,448, covering staff salaries and benefits, professional services, the fire services contract, liability insurance premiums, maintenance projects, and capital outlay. This represents a decrease of $254,906 from the prior year, primarily due to efficient management of the fire services contract and careful monitoring of operational expenses.

The fund balance and revenue structure provide the City with flexibility to ensure continuity of critical emergency services, respond to unforeseen events, and invest in safety and emergency management improvements. The strong fiscal position reflects disciplined financial management while maintaining compliance with funding and contractual requirements.

Refer to the Fund Financial Statements (pages 34–43) for additional detail on revenues, expenditures, and fund balances.

The Capital Improvements Fund

The Capital Improvements Fund supports the City's multi-year Capital Improvement Program (CIP), which outlines planned capital projects over the next five years. Capital projects include the construction, acquisition, expansion, rehabilitation, or non-routine maintenance of facilities, infrastructure, or equipment costing $5,000 or more, resulting in a capital asset. The program identifies required capital maintenance, facility improvements, major equipment purchases, and capital-related studies or master plans.

Table 8
Capital Improvements Financial Summary

	2025	2024	$ Change	% Change
Revenues:				
Intergovernmental	$ 3,048,943	$ 3,911,420	$ (862,477)	-22.1%
Investment income	827,071	566,598	260,473	46.0%
Other income	13,867	1,096	12,771	100.0%
Total Revenues	3,889,881	4,479,114	(589,233)	-13.2%
Expenditures:				
General government	332,740	91,847	240,893	262.3%
Capital outlay	10,936,146	6,411,443	4,524,703	70.6%
Total Expenditures	11,268,886	6,503,290	4,765,596	73.3%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,379,005)	(2,024,176)	(5,354,829)	264.5%
Other Financing Sources (Uses)				
Transfer in	14,945,346	6,093,037	8,852,309	145.3%
Transfer out	(501,493)	-	-	100.0%
Total Transfers	14,443,853	6,093,037	8,852,309	137.1%
Net Change in Fund Balance	$ 7,064,848	$ 4,068,861	$ 3,497,480	73.6%

At the close of fiscal year 2024/25, the Capital Improvements Fund reported a fund balance of $18,988,451, reflecting the City's capacity to finance ongoing and future capital projects while maintaining fiscal flexibility.

Revenues for the fiscal year totaled $3,889,881, including:

- $3,048,943 in intergovernmental revenues
- $827,071 in interest income
- $13,867 in other miscellaneous income

Expenditures totaled $11,268,886, of which $332,740 was for general government costs and $10,936,146 represented new capital investments within the community, including facility improvements, infrastructure upgrades, and equipment acquisition.

The fund balance and revenue collections provide the City with the financial resources necessary to implement the multi-year CIP, enabling the timely completion of capital projects and long-term planning for community infrastructure needs. The strong fiscal position of the Capital Improvements Fund ensures that resources are available to address both planned projects and unforeseen capital requirements while supporting efficient and strategic investment in the City's facilities and public assets.

Refer to the Fund Financial Statements (pages 34–43) for additional detail on revenues, expenditures, and fund balances.

City Streets Capital Reserve

The City Streets Capital Reserve Fund is part of the City's long-term capital asset replacement plan, designated to support future capital improvement projects, including streets, bridges, and City facilities. The capital asset replacement plan outlines annual contributions to ensure resources are available for the ongoing maintenance, rehabilitation, and replacement of municipal infrastructure.

Table 9
City Streets Capital Reserve Financial Summary

	2025	2024	$ Change	% Change
Revenues:				
Investment income	$ 982,602	$ 662,416	$ 320,186	48.3%
Total Revenues	982,602	662,416	320,186	48.3%
Expenditures:				
Capital outlay	-	-	-	0.0%
Total Expenditures	-	-	-	0.0%
Excess (Deficiency) of Revenues Over (Under) Expenditures	982,602	662,416	320,186	48.3%
Other Financing Sources (Uses)				
Transfer in	162,500	162,500	-	100.0%
Total Transfers	162,500	162,500	-	100.0%
Net Change in Fund Balance	$ 1,145,102	$ 824,916	$ 320,186	38.8%

Under the City's Capital Contribution Policy, funds are allocated to the Capital Reserve program to maintain adequate reserves for lifecycle management of key assets. These reserves support prudent municipal asset management by ensuring that funds are available when needed for major infrastructure projects. Appropriations from the reserve are determined by the City Council, providing governance and oversight of long-term capital planning.

The City Streets Capital Reserve is funded primarily through interest income and transfers. When capital funding is required, the City Council authorizes transfers from the reserve to the Capital Improvements Fund, either as part of the annual budget cycle or for specific projects. Prior to any transfer, the City provides detailed financial information regarding the replacement funds, including beginning balances, projected revenues, and anticipated ending balances, ensuring transparency and informed decision-making.

This fund provides a dedicated, strategic resource for preserving and improving the City's infrastructure, enhancing fiscal sustainability, and ensuring that essential capital projects are funded in a timely and financially responsible manner.

Refer to the Fund Financial Statements (pages 34–43) for additional detail on fund balances, revenues, and transfers.

Park Facilities In Lieu

The Park Facilities In Lieu Fund (sometimes referred to as a "Quimby-in-Lieu" or "park-in-lieu fee" fund) is established to collect and manage fees (or land dedications) paid by developers in lieu of providing on-site park or recreational facilities, pursuant to statutory requirements under the Quimby Act. These in-lieu fees support the acquisition, development, expansion, and rehabilitation of parkland, open space, and recreation facilities for the benefit of new and existing residents.

Table 10
Park Facilities In Lieu Financial Summary

	2025	2024	$ Change	% Change
Revenues:				
Intergovernmental	$ 177,952	$ 3,328	$ 174,624	0.0%
Developer fees	6,334	40,341	(34,007)	-84.3%
Total Revenues	184,286	43,669	140,617	322.0%
Expenditures:				
General government	1,878	7,605	(5,727)	-75.3%
Capital Outlay	-	78,571	(78,571)	0.0%
Total Expenditures	1,878	86,176	(84,298)	-97.8%
Excess (Deficiency) of Revenues Over (Under) Expenditures	182,408	(42,507)	224,915	-529.1%
Other Financing Sources (Uses)				
Transfer in	1,434	31,083	(29,649)	100.0%
Total Transfers	1,434	31,083	(29,649)	100.0%
Net Change in Fund Balance	$ 183,842	$ (11,424)	$ 195,266	-1709.3%

At the close of the fiscal year, the City's Park Facilities In Lieu Fund reported a deficit fund balance of ($1,621,201). This deficit reflects expenditures on parkland acquisition, development, and capital improvements that exceeded the current-year collection of in-lieu fees and associated interest. The deficit is planned to be repaid in future years as additional in-lieu fees are collected from new residential development and interest income accrues.

Although currently in a deficit position, the fund remains a strategic resource for addressing the City's park and open space needs, including acquisition of new parkland, construction or expansion of recreational facilities, and rehabilitation of existing parks. The fund's long-term financial plan ensures compliance with state law, supports ongoing recreational planning, and helps maintain an adequate level of park/open space per capita as the community grows.

The City will continue to monitor growth trends, development activity, and park needs to allocate park-in-lieu resources efficiently. The ultimate goal is to translate these future revenues into high-quality, publicly accessible parks and recreation facilities, enhancing community livability and fulfilling the commitments associated with new development, without relying on general fund resources. Refer to the Fund Financial Statements (pages 34–43) for details on fee collections, interest income, expenditures (land purchases, capital improvements), and fund balance changes.

General Fund Budgetary Highlights

Actual General Fund revenues exceeded the final budget by $4,440,762, driven primarily by higher-than-projected receipts in the following categories:

- Property taxes. Collections outpaced projections due to higher assessed valuations and stronger-than-anticipated supplemental assessments.

- Tourism-related revenues. Recovery and growth in the tourism sector produced higher transient occupancy, admissions tax, and sales tax receipts than budgeted.

- Investment income. Rising interest rates and a larger available cash balance generated increased interest earnings.

On the expenditures side, final General Fund spending was $2,605,547 below the adopted (final) budget. The underspending reflects a combination of factors, including:

- Controlled operating expenditures through conservative purchasing.

- The removal of Golf Resort resident golf rate subsidies.

Net effect on fund balance and reserves:

The combined revenue favorable variance and expenditure underrun increased the General Fund ending fund balance by $10,901,198 (before transfers), supporting the City's policy-level reserves. As of year-end, the General Fund unassigned/unrestricted fund balance represents approximately 110.4% of annual expenditures, consistent with the City's reserve policy.

Budget management and amendments:

During the year, the City Council approved budget amendments totaling $781,306 to address mid-year revenue adjustments, grant awards, and capital project carryover; the final budget amounts cited above reflect those amendments. The City continues to monitor revenue trends, with contingency appropriations maintained to manage volatility.

Outlook and key risks:

While the near-term outlook is favorable due to tourism growth and stronger property tax collections, risks remain: slower regional visitation, changes in assessed values, and potential increases in personnel costs (pensions/healthcare). The City will continue to update multi-year projections and adjust expenditure plans to preserve fiscal stability.

Analysis of Governmental Activities

The government-wide financial statements — including the Statement of Activities — present both the gross cost of the City's major programs and the net cost after accounting for program revenues (charges for services, grants, contributions) that are directly associated with those programs.

Table 11
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Government Activities				
General government	$ 11,604,322	$ 14,392,102	$ (7,839,767)	$ (9,814,604)
Public safety	13,355,081	13,334,797	(3,844,167)	(5,251,697)
Community development	5,923,067	5,638,377	(1,970,760)	(1,556,021)
Public works	12,136,865	12,071,338	(7,542,017)	(7,738,321)
Interest	399,006	329,643	(399,006)	(329,643)
Total Governmental Activities	43,418,341	45,766,257	(21,595,717)	(24,690,286)
Business-Type Activities				
Golf resort	17,508,594	22,307,753	717,627	23,908
Total Business-Type Activates	17,508,594	22,307,753	717,627	23,908
Total Primary Government	$ 60,926,935	$ 68,074,010	$ (20,878,090)	$ (24,666,378)

Table 11 highlights the City's five largest governmental programs: General Government, Community Development, Public Safety, Public Works, and Golf Resort (for city-wide features). For each of these programs, the table displays both total cost and net cost (total cost less direct program revenues), which reveals the portion of costs not covered by fees or user charges.

The net cost of services demonstrates that — consistent with the fundamental purpose of governmental activities — the cost of providing public services substantially exceeds the revenues generated directly by those services. Consequently, these net costs must be subsidized by the City's general revenues (taxes, intergovernmental revenues, unrestricted grants, and other general sources).

In practical terms, this means that for core services such as public safety, public works, community development, and general administration, the City relies on its general revenue base — rather than solely on fees or charges — to meet the full cost of service delivery. This financing structure reflects a deliberate public policy choice: essential governmental services are provided for the benefit of all residents and not priced on a user-fee basis alone.

This structure also provides transparency about the burden placed on taxpayers to support governmental operations, and helps taxpayers and decision-makers understand which functions are self-supporting (if any) and which are inherently subsidized by general revenues.

As the City continues to deliver services, this analysis supports informed policy discussions about cost recovery, fee-setting, and the adequacy of general revenues to fund public-serving programs.

Capital Assets

The City's long-term investments in capital assets represent the foundation for providing high-quality services to the community. These assets include land, buildings, infrastructure (such as streets, bridges, sidewalks, storm drains, and traffic signals), vehicles, machinery and equipment, and enterprise systems. All infrastructure assets, except land, are depreciated to reflect their declining service value over time.

Government Activities

Table 12
Summary of Changes in Capital Assets
Governmental Activities

	Balance at July 1, 2024	Additions	Deletions	Transfers	Balance at June 30, 2025
Capital assets, not being depreciated:					
Land	$ 33,289,388	$ -	$ -	$ -	$ 33,289,388
Construction in progress	8,002,574	292,322	-	(7,382,342)	912,554
Total capital assets not being depreciated	41,291,962	292,322	-	(7,382,342)	34,201,942
Capital assets, being depreciated:					
Intangible	2,500,000	-	-	-	2,500,000
Buildings and improvements	65,683,081	-	-	-	65,683,081
Equipment	1,641,257	317,917	(40,322)	-	1,918,852
Infrastructure	119,738,122	8,718,189	-	7,382,342	135,838,653
Total capital assets being depreciated	189,562,460	9,036,106	(40,322)	7,382,342	205,940,586
Less accumulated depreciation for:					
Intangible	(500,000)	(250,000)	-	-	(750,000)
Buildings and improvements	(34,241,189)	(1,593,088)	-	-	(35,834,277)
Equipment	(1,124,990)	(206,752)	40,322	-	(1,291,420)
Infrastructure	(42,699,434)	(2,220,294)	-	-	(44,919,728)
Total accumulated depreciation	(78,565,613)	(4,270,134)	40,322	-	(82,795,425)
Total capital assets being depreciated, net	110,996,847	4,765,972	-	7,382,342	123,145,161
Total capital assets, net	$ 152,288,809	$ 5,058,294	$ -	$ -	$ 157,347,103

Governmental activities' capital assets, net of accumulated depreciation, increased by $5,058,294, from $152,288,809 to $157,347,103. During the year:

- The City acquired $9,328,428 in new assets, including completed infrastructure, equipment, and buildings.
- Asset retirements totaled $40,322, reflecting the removal of fully depreciated or obsolete items.
- Net depreciation expense amounted to $4,229,812, consistent with the City's capitalization and depreciation policies.

These investments demonstrate the City's ongoing commitment to maintaining and enhancing public infrastructure, while balancing fiscal responsibility.

Business-Type Activities

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

	Balance at July 1, 2024	Additions	Deletions	Transfers	Balance at June 30, 2025
Capital assets, not being depreciated:					
Land	$ 13,910,956	$ -	$ (139,830)	$ -	$ 13,771,126
Construction in progress	-	8,407,605	-	-	8,407,605
Total capital assets not being depreciated	13,910,956	8,407,605	(139,830)	-	22,178,731
Capital assets, being depreciated:					
Buildings and improvements	84,998,063	1,751,493	(14,755,715)	-	71,993,841
Equipment	5,187,588	115,416	-	-	5,303,004
Infrastructure	433,390	-	-	-	433,390
Right to use asset	555,109	119,679	(235,575)	-	439,213
Total capital assets being depreciated	91,174,150	1,986,588	(14,991,290)	-	78,169,448
Less accumulated depreciation for:					
Buildings and improvements	(58,111,555)	(1,973,554)	14,755,715	-	(45,329,394)
Equipment	(3,756,469)	(565,963)	-	-	(4,322,432)
Infrastructure	(130,016)	(7,224)	-	-	(137,240)
Right to use asset	(378,790)	(87,241)	235,575	-	(230,456)
Total accumulated depreciation	(62,376,830)	(2,633,982)	14,991,290	-	(50,019,522)
Total capital assets being depreciated, net	28,797,320	(647,394)	-	-	28,149,926
Total capital assets, net	$ 42,708,276	$ 7,760,211	$ (139,830)	$ -	$ 50,328,657

Business-type activities, primarily the Indian Wells Golf Resort, reported net capital assets of $50,328,657, an increase of $7,620,381 over the prior year. During the year:

- New asset acquisitions totaled $10,394,193, including facility improvements, equipment upgrades, and other infrastructure.
- Asset retirements totaled $14,991,290, representing the removal or replacement of fully depreciated or obsolete assets.
- Net depreciation expense declined $12,357,308 due to retirements.

These investments support the City's enterprise operations and reflect prudent stewardship of assets that generate revenue and provide community services.

Notes on Capitalization and Depreciation

- Capital assets are recorded at historical cost, or estimated historical cost for older assets, with donated assets recorded at fair value on the acquisition date.
- Normal maintenance and repairs are expensed and not capitalized.
- Depreciation is calculated using the straight-line method over estimated useful lives, varying by asset class.
- Construction in progress is capitalized as projects advance, and upon completion, reclassified to the appropriate asset class and depreciated accordingly.

For more detailed information, including asset classifications, additions, retirements, and depreciation by category, see Note 7 — Capital Assets in the Notes to Basic Financial Statements (pages 66-67).

Long-term Liabilities

At June 30, 2025, the City's governmental activities reported $17,978,561 in long-term liabilities, reflecting obligations for employee benefits, public infrastructure financing, and retiree health. The following sections summarize these obligations and the City's proactive management strategies.

Table 14
Summary of Changes in Long-Term Liabilities

Description	2025	2024	$ Change	% Change
Compensated absences	$ 1,346,146	$ 1,067,620	$ 278,526	26.1%
2022 Lease Revenue Bonds	12,585,000	13,080,000	(495,000)	-3.8%
Premium	1,116,984	1,183,340	(66,356)	-5.6%
Lease Payable	224,498	189,907	34,591	18.2%
Net Pension Liability (asset)	(2,033,276)	(1,089,114)	(944,162)	86.7%
Net OPEB Liability (asset)	4,739,209	7,235,393	(2,496,184)	-34.5%
Total Long Term Debt	$ 17,978,561	$ 21,667,146	$ (3,688,585)	-17.0%

Compensated Absences

The City's compensated absences liability totaled $1,346,146, representing accrued vacation, sick leave, and other employee leave benefits that are earned but not yet used. These obligations are expected to be paid from future resources as employees take leave or retire.

Lease Revenue Bonds

The Indian Wells Financing Authority maintains $12,585,000 in outstanding lease revenue bonds, with a bond premium of $1,116,984. These bonds finance public infrastructure and energy efficiency improvements, supporting the City's long-term capital and sustainability goals.

Net Pension Asset

The City recognized a net pension asset of $2,033,276, reflecting its proportional share of the Miscellaneous Plan's net pension liability. This allocation is based on the City's projected long-term contributions relative to all participating employers, as determined through actuarial analysis. The asset underscores the City's strong funding position and prudent management of retirement obligations.

Net OPEB Liability

The City participates in the Public Employees Medical and Hospital Care Act (PEMHCA), administered by CalPERS, providing health insurance for employees and eligible retirees. As of June 30, 2025, the City reported a net OPEB liability of $4,739,209, representing the remaining unfunded retiree health benefit obligation after accounting for trust assets. This approach demonstrates the City's commitment to fiscal stability and meeting long-term retiree obligations.

Section 115 Trusts

To strategically address pension and OPEB obligations, the City established Section 115 Trusts, administered by U.S. Bank and Public Agency Retirement Services (PARS), to accumulate assets dedicated to reducing long-term liabilities.

As of June 30, 2025:

- PARS – Pension: $1,104,177 in assets, $126,156 in interest income, $6,331 in plan costs
- PARS – OPEB: $4,714,216 in assets, $542,211 in interest income, $27,035 in plan costs
- Total restricted assets: $5,818,393

In accordance with GAAP, these trust assets are classified as restricted City assets rather than plan assets and will only be reclassified if transferred directly to the pension or OPEB plans. This structured approach demonstrates the City's commitment to responsibly managing long-term obligations while ensuring compliance with regulatory standards.

The City's long-term liabilities reflect a balanced approach to funding obligations for employees, retirees, and capital projects. The combination of proactive pre-funding for OPEB, strategic use of Section 115 trusts, and prudent management of bonds and compensated absences underscores the City's commitment to fiscal sustainability.

For additional detail on long-term liabilities, see Note 8 (Long-Term Liabilities), Note 9 (Defined Benefit Pension Plan), Note 12 (Other Post-Employment Benefit Plan), and Note 13 (PARS and Shuster Advisory Group Section 115 Trusts) in the Notes to Basic Financial Statements (pages 45–89).

Economic Factors and Next Year's Budgets and Rates

National and Regional Economic Outlook

The economic forecast for 2025–2026 remains uncertain due to ongoing federal policy changes, including tariff fluctuations and shifts in trade policy. These uncertainties can influence private-sector investment decisions, particularly in residential construction, and affect employment in certain industries.

The Federal Reserve is maintaining a cautious approach to monetary policy, balancing potential inflationary pressures against labor market conditions. Most leading economic indicators — including the yield curve, consumer sentiment, and financial markets — suggest moderate growth nationally over the next two years, with low risk of a full recession. Inflation is expected to remain above the 2 percent target, limiting the Federal Reserve's ability to stimulate the housing market through lower interest rates. Mortgage rates are therefore likely to remain elevated, constraining rapid growth in housing transactions.

Local Economic Conditions – Indian Wells and the Coachella Valley

Indian Wells is part of the nine-city Coachella Valley, with a combined population of just over 370,000. The broader Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA) encompasses approximately 4.7 million residents, making it the 12th largest in the U.S. While regional dynamics affect overall economic conditions, Indian Wells' economy is largely insulated from fluctuations in logistics, manufacturing, and other sectors that dominate the Inland Empire. The City primarily attracts employment and visitors from within the Coachella Valley, limiting exposure to external economic shocks.

The Coachella Valley is a premier visitor destination, drawing seasonal residents and tourists from across the U.S. and Canada. Major events such as the BNP Paribas Tennis Tournament, the Coachella Valley Music and Arts Festival, and the Stagecoach Music Festival generate substantial visitor activity.

Tourism and Lodging Market

Indian Wells' hotel and resort inventory consists of 1,587 rooms across properties including:

- Grand Hyatt Indian Wells Resort & Villas
- Sands Hotel & Spa
- Renaissance Esmeralda Resort & Spa
- Tommy Bahama Miramonte Resort & Spa
- Indian Wells Resort Hotel

Occupancy rates average in the mid-50 percent range year-round, peaking from February through April. Early 2025 occupancy was exceptionally strong, suggesting the annualized occupancy rate for the year may exceed all prior years since 2017. Average daily room rates have increased each year since 2021, driving nominal hotel revenues higher. Based on preliminary data, combined revenues for January and February 2025 were up 31 percent over the same period in 2024, and nominal revenues have grown at a compound annual rate of 8.3 percent since 2017.

Despite reports of temporary reductions in Canadian visitors due to national policy disagreements, historical patterns and seasonal behavior suggest that tourism levels will remain resilient.

Budget Implications

The City's economic outlook informs budget planning, particularly for the General Fund and enterprise activities such as the Indian Wells Golf Resort and hotel accommodations. Forecasted revenues are tempered by national uncertainties and persistent inflation, but local tourism and hospitality activity are

expected to support continued revenue growth. The City will continue monitoring regional and national economic indicators to adjust expenditures and rates as necessary, ensuring fiscal stability while maintaining high-quality services and infrastructure.

Request for Information

This financial report provides a general overview of the City of Indian Wells' finances. Questions regarding any information in this report or requests for additional financial details may 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, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	$ 83,858,050	$ 4,033,141	$ 87,891,191
Restricted cash and investments	8,740,184	-	8,740,184
Receivables			
Accounts	3,201,187	180,133	3,381,320
Accrued interest	429,112	12,460	441,572
Prepaid costs	122,133	42,109	164,242
Deposits	12,140,000	-	12,140,000
Inventories	-	474,974	474,974
Notes receivable	1,068,792	-	1,068,792
Due from Successor Agency	8,500,000	-	8,500,000
Net pension asset	1,974,514	58,762	2,033,276
Capital assets not being depreciated	34,201,942	22,178,731	56,380,673
Capital assets, net of depreciation	123,145,161	28,149,926	151,295,087
Total assets	277,381,075	55,130,236	332,511,311
Deferred Outflows of Resources			
Deferred amounts related to pensions	1,869,495	55,636	1,925,131
Deferred amounts related to OPEB	4,249,743	126,472	4,376,215
Total deferred outflows of resources	6,119,238	182,108	6,301,346
Liabilities			
Current liabilities			
Accounts payable	3,442,026	1,633,160	5,075,186
Accrued liabilities	339,170	376,192	715,362
Deposits payable	1,085,975	331,023	1,416,998
Interest payable	111,700	-	111,700
Noncurrent liabilities			
Due within one year			
Compensated absences	202,336	99,445	301,781
Long-term debt	581,356	92,273	673,629
Due in more than one year			
Compensated absences	746,032	298,334	1,044,366
Net OPEB liability	4,602,246	136,963	4,739,209
Long-term debt	13,120,628	132,225	13,252,853
Total liabilities	24,231,469	3,099,614	27,331,083
Deferred Inflows of Resources			
Deferred amounts related to pensions	1,090,390	32,450	1,122,840
Deferred amounts related to OPEB	390,394	11,618	402,012
Total deferred inflows of resources	1,480,784	44,068	1,524,852
Net Position			
Net investment in capital assets	145,413,139	50,104,159	195,517,298
Restricted for			
Community development projects	459,123	-	459,123
Housing	12,646,741	-	12,646,741
Public safety	7,652,573	-	7,652,573
Public works	3,952,146	-	3,952,146
Pension	1,974,514	58,762	2,033,276
OPEB	112,070	-	112,070
Unrestricted	85,577,754	2,005,741	87,583,495
Total Net Position	$ 257,788,060	$ 52,168,662	$ 309,956,722

See Notes to Financial Statements

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Government Activities							
General government	$ 11,604,322	$ 73,534	$ 3,691,021	$ -	$ (7,839,767)	$ -	$ (7,839,767)
Public safety	13,355,081	745,461	8,765,453	-	(3,844,167)	-	(3,844,167)
Community development	5,923,067	3,815,061	137,246	-	(1,970,760)	-	(1,970,760)
Public works	12,136,865	36,231	4,357,826	200,791	(7,542,017)	-	(7,542,017)
Interest	399,006	-	-	-	(399,006)	-	(399,006)
Total governmental activities	43,418,341	4,670,287	16,951,546	200,791	(21,595,717)	-	(21,595,717)
Business-type Activities							
Golf resort operations	17,508,594	16,976,221	-	1,250,000	-	717,627	717,627
Total business-type activities	17,508,594	16,976,221	-	1,250,000	-	717,627	717,627
Total Primary Government	$ 60,926,935	$ 21,646,508	$ 16,951,546	$ 1,450,791	(21,595,717)	717,627	(20,878,090)
General Revenues							
Taxes							
Property taxes, levied for general purpose					4,406,703	-	4,406,703
Transient occupancy taxes					13,523,137	-	13,523,137
Sales taxes					2,148,619	-	2,148,619
Franchise taxes					1,388,780	-	1,388,780
Business licenses taxes					217,528	-	217,528
Admission taxes					5,266,503	-	5,266,503
Investment income					5,721,683	186,311	5,907,994
Other					366,556	210,000	576,556
Total general revenues					33,039,509	396,311	33,435,820
Transfers					(8,994,947)	8,994,947	-
Change in Net Position					2,448,845	10,108,885	12,557,730
Net Position, Beginning of Year					255,339,215	42,059,777	297,398,992
Net Position, End of Year					$ 257,788,060	$ 52,168,662	$ 309,956,722

See Notes to Financial Statements

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City of Indian Wells, California
Balance Sheet - Governmental Funds
June 30, 2025

	General	Special Revenue Funds: Housing Authority	Special Revenue Funds: Emergency Services Upgrade	Capital Projects: Capital Improvements	Capital Projects: City Streets Capital Reserve	Capital Projects: Park Facilities In Lieu	Nonmajor Governmental Funds	Total Governmental Funds
Assets								
Cash and investments	$ 19,898,506	$ 385,430	$ 7,224,433	$ 19,289,727	$ 19,139,489	$ -	$ 15,756,306	$ 81,693,891
Restricted cash and investments	-	-	-	-	-	-	2,921,791	2,921,791
Receivables								
Accounts	2,135,547	-	638,255	10,614	-	-	416,771	3,201,187
Accrued interest	70,493	131,257	25,838	68,975	68,453	-	56,356	421,372
Prepaid costs	102,331	-	11,216	8,586	-	-	-	122,133
Deposits	-	12,140,000	-	-	-	-	-	12,140,000
Due from other funds	1,115,831	-	-	505,370	-	-	-	1,621,201
Notes receivable	972,617	-	-	96,175	-	-	-	1,068,792
Due from Successor Agency	8,500,000	-	-	-	-	-	-	8,500,000
Total assets	$ 32,795,325	$ 12,656,687	$ 7,899,742	$ 19,979,447	$ 19,207,942	$ -	$ 19,151,224	$ 111,690,367
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ 1,571,813	$ 5,893	$ 653,042	$ 562,835	$ -	$ -	$ 646,973	$ 3,440,556
Accrued liabilities	315,180	4,053	15,682	-	-	-	4,255	339,170
Deposits payable	509,465	-	-	428,161	-	-	148,349	1,085,975
Due to other funds	-	-	-	-	-	1,621,201	-	1,621,201
Total liabilities	2,396,458	9,946	668,724	990,996	-	1,621,201	799,577	6,486,902
Deferred Inflows of Resources								
Unavailable revenue	79,650	-	480,713	-	-	-	175,167	735,530
Fund Balances								
Nonspendable								
Prepaid costs	102,331	-	11,216	8,586	-	-	-	122,133
Notes and loans	9,472,617	-	-	-	-	-	-	9,472,617
Restricted for								
Community development	-	12,646,741	-	-	-	-	459,123	13,105,864
Public safety	-	-	6,739,089	-	-	-	913,484	7,652,573
Public works	-	-	-	1,250,000	-	-	2,702,146	3,952,146
Debt service	-	-	-	-	-	-	2,331,258	2,331,258
Committed to								
Capital projects	-	-	-	-	-	-	782,232	782,232
Assigned								
Capital projects	-	-	-	17,729,865	19,207,942	-	10,988,237	47,926,044
Unassigned	20,744,269	-	-	-	-	(1,621,201)	-	19,123,068
Total fund balances	30,319,217	12,646,741	6,750,305	18,988,451	19,207,942	(1,621,201)	18,176,480	104,467,935
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 32,795,325	$ 12,656,687	$ 7,899,742	$ 19,979,447	$ 19,207,942	$ -	$ 19,151,224	$ 110,954,837

See Notes to Financial Statements

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

Total fund balances - total governmental funds	$	104,467,935
Capital assets net of related accumulated depreciation have not been included as financial resources in governmental fund activity.		157,347,103
Unavailable revenue not collected within the availability period is included in revenue in the government wide financial statements.		735,530
Compensated absences are not considered due and payable and therefore have not been included in the governmental funds.		(948,368)
Long-term debt is not considered due and payable and therefore has not been included in the governmental funds.		(13,701,984)
Interest payable is not considered due and payable and therefore has not been included in the governmental funds.		(111,700)
Deferred outflows related to pensions		1,869,495
Deferred inflows related to pensions		(1,090,390)
Proportionate share of net pension asset is not a financial resource and, therefore, has not been included in governmental fund activity.		1,974,514
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.		7,245,925
Net Position of Governmental Activities	$	257,788,060

	General	Special Revenue Funds: Housing Authority	Special Revenue Funds: Emergency Services Upgrade	Capital Projects: Capital Improvements	Capital Projects: City Streets Capital Reserve	Capital Projects: Park Facilities In Lieu	Nonmajor Governmental Funds	Total Governmental Funds
Revenues								
Taxes	$ 26,521,861	$ -	$ 7,075,678	$ -	$ -	$ -	$ 434,153	$ 34,031,692
Licenses and permits	514,897	-	-	-	-	-	-	514,897
Intergovernmental	882,078	135,812	-	3,048,943	-	177,952	833,189	5,077,974
Charges for services	502,588	-	745,461	-	-	-	-	1,248,049
Investment income (loss)	1,164,549	560,004	319,018	827,071	982,602	-	1,059,470	4,912,714
Fines and forfeitures	73,534	-	-	-	-	-	36,231	109,765
Rental and lease income	-	-	-	-	-	-	2,797,576	2,797,576
Assessments	-	-	629,744	-	-	-	4,779,661	5,409,405
Developer fees	-	-	-	-	-	6,334	165,401	171,735
Other income	36,745	-	20,623	13,867	-	-	55,321	126,556
Total revenues	29,696,252	695,816	8,790,524	3,889,881	982,602	184,286	10,161,002	54,400,363
Expenditures								
Current								
General government	8,268,874	1,783,272	-	332,740	-	1,878	130,975	10,517,739
Public safety	5,224,479	-	4,940,677	-	-	-	1,777,947	11,943,103
Community development	2,092,755	250,000	-	-	-	-	3,175,797	5,518,552
Public works	3,208,946	-	-	-	-	-	4,098,626	7,307,572
Capital outlay	-	-	183,771	10,936,146	-	-	405,252	11,525,169
Debt service:								
Principal retirement	-	-	-	-	-	-	495,000	495,000
Interest and fiscal charges	-	-	-	-	-	-	471,550	471,550
Total expenditures	18,795,054	2,033,272	5,124,448	11,268,886	-	1,878	10,555,147	47,778,685
Excess (Deficiency) of Revenues over (under) Expenditures	10,901,198	(1,337,456)	3,666,076	(7,379,005)	982,602	182,408	(394,145)	6,621,678
Other Financing Sources (Uses)								
Transfers in	-	2,460,000	-	14,945,346	162,500	1,434	4,371,639	21,940,919
Transfers out	(21,870,034)	(509,858)	(1,644,983)	(501,493)	-	-	(5,651,974)	(30,178,342)
Total other financing sources (uses)	(21,870,034)	1,950,142	(1,644,983)	14,443,853	162,500	1,434	(1,280,335)	(8,237,423)
Net Change in Fund Balances	(10,968,836)	612,686	2,021,093	7,064,848	1,145,102	183,842	(1,674,480)	(1,615,745)
Fund Balances, Beginning of Year, as previously reported	41,288,053	12,034,055	4,729,212	11,923,603	18,062,840	(1,386,737)	19,850,960	106,501,986
Correction of error (Note 19)	-	-	-	-	-	(418,306)	-	(418,306)
Fund Balances, Beginning of Year, as restated	41,288,053	12,034,055	4,729,212	11,923,603	18,062,840	(1,805,043)	19,850,960	106,083,680
Fund Balances, End of Year	$ 30,319,217	$ 12,646,741	$ 6,750,305	$ 18,988,451	$ 19,207,942	$ (1,621,201)	$ 18,176,480	$ 104,467,935

See Notes to Financial Statements

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

Net change in fund balances - total governmental funds		$ (1,615,745)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.		
Capital outlay	9,288,006	
Depreciation	(4,229,812)	5,058,194
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.		(226,221)
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.		(631,443)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repayments		495,000
Amortization of premium		66,356
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		6,188
Revenues previously reported as unavailable revenue in the governmental funds are recognized as revenues in the current year, and recognized as revenues in the statement of activities in the prior year		(347,199)
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.		(356,285)
Change in net position of governmental activities		$ 2,448,845

See Notes to Financial Statements

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Current Assets		
Cash and investments	$ 4,033,141	$ 2,164,159
Restricted cash and investments - OPEB	-	4,714,316
Restricted cash and investments - pension	-	1,104,077
Receivables		
Accounts	180,133	-
Accrued interest	12,460	7,740
Prepaid costs	42,109	-
Inventories	474,974	-
Total current assets	4,742,817	7,990,292
Noncurrent Assets		
Net pension asset	58,762	-
Capital assets, not being depreciated	22,178,731	-
Capital assets, net of depreciation	28,149,926	-
Total noncurrent assets	50,387,419	-
Total assets	55,130,236	7,990,292
Deferred Outflows of Resources		
Deferred amounts related to pension	55,636	-
Deferred amounts related to OPEB	126,472	4,249,743
Total deferred outflows of resources	182,108	4,249,743
Liabilities		
Current Liabilities		
Accounts payable	1,633,160	1,470
Accrued liabilities	376,192	-
Deposits payable	331,023	-
Compensated absences	99,445	-
Leases payable	92,273	-
Total current liabilities	2,532,093	1,470
Noncurrent Liabilities		
Compensated absences, net of current	298,334	-
Lease payable, net of current	132,225	-
Net OPEB liability	136,963	4,602,246
Total noncurrent liabilities	567,522	4,602,246
Total liabilities	3,099,614	4,603,716
Deferred Inflows of Resources		
Deferred amounts related to pension	32,450	-
Deferred amounts related to OPEB	11,618	390,394
Total deferred inflows of resources	44,068	390,394
Net Position		
Net investment in capital assets	50,104,159	-
Restricted for Pension	58,762	1,104,077
Restricted for OPEB	-	112,070
Unrestricted	2,005,741	6,029,778
Total Net Position	$ 52,168,662	$ 7,245,925

See Notes to Financial Statements

City of Indian Wells, California

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

Year Ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Operating Revenues		
Charges for services	$ 16,976,220	$ -
Interdepartmental charges	-	1,261,146
Total operating revenues	16,976,220	1,261,146
Operating Expenses		
Operations	18,529,777	-
General and administration	494,777	1,668,876
Depreciation	2,633,982	-
Total operating expenses	21,658,536	1,668,876
Operating Income (Loss)	(4,682,316)	(407,730)
Nonoperating Revenues (Expenses)		
Investment income	186,311	808,969
Capital contributions	1,250,000	-
Interest expense	(10,228)	-
Gain (loss) on disposition of capital assets	4,160,170	-
Other nonoperating revenue	210,000	-
Total nonoperating revenues (expenses)	5,796,253	808,969
Income before transfers	1,113,937	401,239
Transfers In	10,284,948	-
Transfers Out	(1,290,000)	(757,524)
Total transfers	8,994,948	(757,524)
Changes in Net Position	10,108,885	(356,285)
Net Position, Beginning of Year	42,059,777	7,602,210
Net Position, End of Year	$ 52,168,662	$ 7,245,925

See Notes to Financial Statements

	Business-Type Activities	Governmental Activities
	Golf Resort Operations	Internal Service Funds
Operating Activities		
Cash received from customers	$ 17,113,041	$ -
Cash received from interfund service provided	-	1,261,146
Cash received from others	210,000	-
Cash payments to suppliers for goods and services	(17,246,718)	(6,513,085)
Cash payments to employees for services	(455,150)	-
Net Cash from (used for) Operating Activities	(378,827)	(5,251,939)
Non-Capital Financing Activities		
Cash received from other funds	9,498,752	-
Cash paid to other funds	(1,094,446)	(757,524)
Net Cash from (used for) Noncapital Financing Activities	8,404,306	(757,524)
Capital and Related Financing Activities		
Purchase of capital assets	(10,274,514)	-
Proceeds from the sale of capital assets	4,300,000	-
Cash received from capital contributions	1,250,000	
Repayment of leases payable	(85,088)	-
Net Cash from (used for) Capital and Related Financing Activities	(4,809,602)	-
Investing Activities		
Investment income received	164,056	809,479
Net Change in Cash and Cash Equivalents	3,379,933	(5,199,984)
Cash and Cash Equivalents, Beginning of Year	653,208	13,182,536
Cash and Cash Equivalents, End of Year	$ 4,033,141	$ 7,982,552

See Notes to Financial Statements

	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)	$ (4,682,316)	$ (407,730)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities		
Depreciation	2,633,982	-
Changes in		
Accounts receivable	136,821	-
Prepaid costs	4,008	-
Inventory	71,602	-
Net OPEB liability	136,963	(2,633,147)
Deferred outflows related to OPEB	(126,472)	(1,917,614)
Deferred inflows related to OPEB	11,618	(294,918)
Net pension asset and related balances	17,518	-
Accounts payable	784,553	1,470
Accrued liabilities	375,045	-
Compensated absences	52,305	-
Deposits payable	(4,454)	-
Net Cash from (used for) operating activities	$ (378,827)	$ (5,251,939)
Noncash financing, capital and investing activities for the year ended June 30, 2025:		
Right-of-use asset acquired through lease	$ 119,679	$ -

See Notes to Financial Statements

	Private-Purpose Trust Fund
	Successor Agency of the Former RDA
Assets	
Cash and investments	$ 8,919,029
Restricted cash and investments	5,496
Receivables	
Accrued interest	32,502
Prepaid costs	79,495
Total assets	9,036,522
Deferred Outflows of Resources	
Deferred loss on refunding	100,518
Liabilities	
Interest payable	675,136
Due to City	8,500,000
Long-term liabilities	
Due in one year	4,416,716
Due in more than one year	46,772,913
Total liabilities	60,364,765
Net Position (Deficit)	
Held in trust for other purposes	$ (51,227,725)

See Notes to Financial Statements

	Private-Purpose Trust Fund
	Successor Agency of the Former RDA
Additions	
Taxes	$ 9,803,306
Investment income	103,388
Total additions	9,906,694
Deductions	
Administrative expenses	240,000
Interest and fiscal charges	1,471,557
Total deductions	1,711,557
Changes in Net Position	8,195,137
Net Position (Deficit), Beginning of the Year	(59,422,862)
Net Position (Deficit), End of the Year	$ (51,227,725)

See Notes to Financial Statements

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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.

The City of Indian Wells Financing Authority (the "Authority") is a component unit of the City if Indian Wells, established to assist in financing public capital improvements and other projects for the benefit of the City. The Authority is governed by the City Council, which serves as its governing board. Although legally separate, the Authority is financially accountable to the City and its financial activities are blended into the City's financial statements.

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 non-operating 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 *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 *Park Facilities in Lieu Fund* is used to account for collection of fees to fund the construction of parks.

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 *Debt Service Fund – Debt Service Fund* is used to account for the accumulation of resources and the payment of principal and interest on long-term debt obligations of the City, including those issued through the City of Indian Wells Financing Authority.

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 an insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City.

Restricted Section 115 Trust Cash and Investments

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

Capital Assets

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

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

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

Note 1 - Significant Accounting Policies (continued)

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 the consumption of net assets by 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 and Business-Type funds 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 and business-type funds is included as a liability in the long-term liabilities as those amounts are payable from future resources.

The liability for compensated absences is reported in the government-wide financial statements and represents the amount that is due to employees for unused vacation and sick leave that has vested. The liability is calculated using current pay rates and includes employer-paid fringe benefits.

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.

Note 1 - Significant Accounting Policies (continued)

- **Unassigned** classification is to be used when negative residual resources are in excess of what can be appropriately classified as nonspendable, restricted, committed, or assigned in funds outside the General Fund. Within the General Fund, the unassigned classification represents the residual amounts that have not been restricted, committed, or assigned to specific purposes.

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

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

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.

Note 1 - Significant Accounting Policies (continued)

Key estimates and judgments include how the City 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 if changes occur that are expected to significantly affect the amount of the lease payable.

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.

Historically, the government has liquidated pensions (such as employer contributions and benefit payments) through the General Fund. It is expected that the General Fund will continue to be used for this purpose in future periods.

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, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Historically, the government has liquidated OPEB-related obligations (such as employer contributions and benefit payments) through the General Fund. It is expected that the General Fund will continue to be used for this purpose in future periods.

New Accounting Pronouncements

Effective in Current Year

- GASB Statement 102 – "Certain Risk Disclosures", effective for reporting periods beginning after June 15, 2024.

Effective in Future Years

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

- GASB Statement 103 – "Financial Reporting Model Improvements", effective for reporting periods beginning after June 15, 2025.
- GASB Statement 104 – "Disclosure of Certain Capital Assets", effective for fiscal years beginning after June 15, 2025.

Note 2 - Cash and Investments

Cash and investments at June 30, 2025, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Activities	Total
Cash and investments	$ 83,858,050	$ 4,033,141	$ 8,919,029	$ 96,810,220
Restricted assets				
Restricted cash and investments	8,740,184	-	5,496	8,745,680
	$ 92,598,234	$ 4,033,141	$ 8,924,525	$ 105,555,900

Cash and investments at June 30, 2025, consisted of the following:

Petty cash	$ 2,000
Demand accounts	5,122,700
Investments	100,431,200
Total cash and investments	$ 105,555,900

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	20%	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 five 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 trustees 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 agents 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:

	Remaining Maturity (in Months)			
Type of Investment	12 Months or Less	13 - 36 Months	37 - 60 Months	Total
Federal Agency Securities	$ 5,861,110	$ 5,891,200	$ 4,006,860	$ 15,759,170
Negotiable Certificates of Deposit	734,710	1,711,988	3,255,696	5,702,394
Local Agency Investment Fund	4,156,111	-	-	4,156,111
Medium Term Corporate Notes	3,887,890	1,983,490	1,008,020	6,879,400
Local Agency Bonds	299,238	-	-	299,238
U.S. Treasury Obligations	-	10,091,400	15,610,570	25,701,970
Reverse Repurchase Agreements	256,538	-	-	256,538
Section 115 Trust				
PARS Balanced Index Investment Pool	5,818,393	-	-	5,818,393
Held by Fiscal Agent				
Money Market Mutual Funds	35,857,986	-	-	35,857,986
Total	$ 56,871,976	$ 19,678,078	$ 23,881,146	$ 100,431,200

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.

Note 2 - Cash and Investments (continued)

Investments' fair value measurements are as follows as of June 30, 2025:

Investment	Level 1	Level 2	Level 3	Fair Value
Federal Agency Securities	$ -	$ 15,759,170	$ -	$ 15,759,170
Medium Term Corporate Notes	-	6,879,400	-	6,879,400
Negotiable Certificates of Deposit	-	5,702,394	-	5,702,394
U.S. Treasury Obligations	-	25,701,970	-	25,701,970
Reverse Repurchase Agreements	-	256,538	-	256,538
Local Agency Bonds	-	299,238	-	299,238
	$ -	$ 54,598,710	$ -	54,598,710
Local Agency Investment Fund				4,156,111
Section 115 Trust				
PARS Balanced Index Investment Pool				5,818,393
Held by Fiscal Agent				
Money Market Mutual Funds				35,857,986
Total Investment Portfolio				$ 100,431,200

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.

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:

Note 2 - Cash and Investments (continued)

Investment Type	Minimum Legal Rating	Total as of June 30, 2025	Not Rated	AA	A
Federal Agency Securities	N/A	$ 15,759,170	$ -	$ 15,759,170	$ -
Negotiable Certificates of Deposit	N/A	5,702,394	5,702,394	-	-
Local Agency Investment Fund	N/A	4,156,111	4,156,111	-	-
Medium Term Corporate Notes	A	6,879,400	-	1,946,180	4,933,220
U.S. Treasury Obligations *		25,701,970			
Reverse Repurchase Agreements	N/A	256,538	256,538	-	-
Local Agency Bonds	A	299,238	-	299,238	-
Section 115 Trust					
PARS Balanced Index Investment Pool	N/A	5,818,393	5,818,393	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	A	35,857,986	-	-	35,857,986
Total		$ 100,431,200	$ 15,933,436	$ 18,004,588	$ 40,791,206

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	$ 15,759,170	14%

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.

Note 2 - Cash and Investments (continued)

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, 2025, are composed of the following:

	Other Receivable	Taxes Receivable	Interest	Total
Governmental Activities:				
General Fund	$ 2,392,313	$ -	$ 70,493	$ 2,462,806
Housing Authority Fund	-	-	131,257	131,257
Emergency Services Upgrade Fund	619,960	18,295	25,838	664,093
Capital Improvements Fund	10,614	-	68,975	79,589
City Streets Capital Reserve Fund	-	-	68,453	68,453
Nonmajor Governmental Funds	67,498	92,507	56,356	216,361
Internal Service Funds	-	-	7,740	7,740
Total Governmental Funds	$ 3,090,385	$ 110,802	$ 429,112	$ 3,630,299
Business-type Activities				
Golf Course Operations	$ 180,133	$ -	$ 12,460	$ 192,593

Note 4 - Notes Receivable

	Outstanding at June 30, 2025
Governmental Activities	
Indian Wells Village Utility Undergrounding	$ 96,175
Club Drive Property Sale	972,617
	$ 1,068,792

Note 4 - Notes Receivable (continued)

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.

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, 2025, are as follows:

Due to Other Funds	Due From Other Funds	Amount
Park Facilities in Lieu Fund	General Fund	$ 1,115,831
Park Facilities in Lieu Fund	Capital Improvements Fund	505,370
		$ 1,621,201

The General Fund Receivable from the Park Facilities in Lieu Fund of $1,115,831 represents monies advanced to the Park Facilities in Lieu Fund for certain construction at the Golf Resort. As Park-in-Lieu fees are collected, the advance will be paid down. The advance is estimated to be paid off in 18 years based on the development of certain commercial projects along the Highway 111 corridor.

The Capital Improvements Fund Receivable from the Park Facilities in Lieu Fund of $505,370 represents monies advanced to the Park Facilities in Lieu Fund for parkland acquisition. As Park-in-Lieu fees are collected, the advance will be paid down. The advance is estimated to be paid off in 18 years.

Note 5 - Due to and 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	$ 8,500,000

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, 2025, are as follows:

Transfer Out of Fund	Transfer In to Fund	Amount
General Fund	Housing Authority Fund	$ 620,000
General Fund	Golf Resort Operations Fund	8,894,049
Capital Improvements Fund	Golf Resort Operations Fund	501,493
Internal Service Fund	Golf Resort Operations Fund	757,524
Non-major Governmental Funds	Housing Authority Fund	550,000
Golf Resort Operations Fund	Housing Authority Fund	1,290,000
Housing Authority	Non-major Governmental Funds	1,229,937
Emergency Services Upgrade Fund	Capital Improvements Fund	1,500,000
Emergency Services Upgrade Fund	Non-major Governmental Funds	144,984
Non-major Governmental Funds	Golf Resort Operations Fund	131,881
Non-major Governmental Funds	Non-major Governmental Funds	53,233
General Fund	Capital Improvements Fund	9,250,000
General Fund	City Streets Capital Reserve	162,500
Non-major Governmental Funds	Capital Improvements Fund	4,195,347
General Fund	Non-major Governmental Funds	2,943,484
Non-major Governmental Funds	Park Facilities in Lieu Fund	1,434
		$ 32,225,866

Note 6 - Interfund Transfers (continued)

The General Fund transferred $620,000 to the Housing Authority Fund for the 20% set aside portion of the Redevelopment Property Tax Trust Fund (RPTTF) Loan repayments for the year consistent with Housing Law.

The Housing Authority Fund transferred $422,868 to the Housing Authority's affordable housing communities, Indian Wells Villas and Mountain View Villas, respectively.

The Emergency Services Upgrade Fund transferred $144,984 to the Non-major Governmental Funds for the annual debt service contribution.

The Transportation Facilities Fund and the Recreation Facilities Fund transferred $14,498 to the Non-major Governmental Funds for the annual debt service contribution.

The General Fund transferred $162,500 to the Capital Improvements Fund for the annual contribution for future city streets projects.

The Financing Authority Fund transferred $4,195,347 in bond proceeds to the Capital Improvements Fund to reimburse energy efficiency, infrastructure, and roadway capital projects.

The Park Facilities Fund transferred $1,434 to the Park Facilities in Lieu Fund for the Fairway park expansion project.

The General Fund transferred $9,250,000 to the City's Capital Improvement Fund for ongoing capital projects.

The General Fund transferred $8,894,049 to the Golf Resort Operations Fund to fund operations and the Golf Resort remodel in fiscal year 2024-25.

The Golf Resort Operations Fund transferred $1,290,000 to the Housing Authority Fund for its 30% share of the sale of Hole 17 land.

The Housing Authority Fund transferred $807,069 for the annual debt service contribution.

Non-major Governmental Funds transferred $550,000 to the Housing Authority Fund to fully fund operations for fiscal year 2024-25.

The Emergency Services Fund transferred $1,500,000 to the Capital Improvements Fund for cost of the Golf Redesign fire access road.

The Art in Public Places Fund transferred $131,881 to the Golf Resort Operations Fund for artwork purchases.

The General Fund transferred $2,943,484 to the Non-major Governmental Funds for the annual contribution for disaster recovery, capital replacements, public improvements and the LLMDs for fiscal year 2024-25.

Note 6 - Interfund Transfers (continued)

The Compensated Absences Fund transferred $757,524 to the Golf Resort Operations Fund to close out the Compensated Absences Fund.

The Highway 111 Circulation Improvement Fund transferred $38,735 to the Transportation Facilities Fees Fund to close out activities.

The Capital Improvements Fund transferred $501,493 to the Golf Resort Operations Fund to fund a portion of the Kestrel Restaurant Remodel project.

Note 7 - Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance at July 1, 2024	Additions	Deletions	Transfers	Balance at June 30, 2025
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 33,289,388	$ -	$ -	$ -	$ 33,289,388
Construction in progress *	8,002,574	292,322	-	(7,382,342)	912,554
Total capital assets, not being depreciated	41,291,962	292,322	-	(7,382,342)	34,201,942
Capital assets, being depreciated					
Intangible	2,500,000	-	-	-	2,500,000
Buildings and improvements	65,683,081	-	-	-	65,683,081
Equipment	1,641,257	317,917	(40,322)	-	1,918,852
Infrastructure	119,738,122	8,718,189	-	7,382,342	135,838,653
Total capital assets, not being depreciated	189,562,460	9,036,106	(40,322)	7,382,342	205,940,586
Less accumulated depreciation					
Intangible	(500,000)	(250,000)	-	-	(750,000)
Buildings and improvements	(34,241,189)	(1,593,088)	-	-	(35,834,277)
Equipment	(1,124,990)	(206,752)	40,322	-	(1,291,420)
Infrastructure	(42,699,434)	(2,220,294)	-	-	(44,919,728)
Total accumulated depreciation	(78,565,613)	(4,270,134)	40,322	-	(82,795,425)
Total capital assets being depreciated, net	110,996,847	4,765,972	-	7,382,342	123,145,161
Governmental activities capital assets, net	$ 152,288,809	$ 5,058,294	$ -	$ -	$ 157,347,103

** Construction in progress beginning balance was restated.*

Note 7 - Capital Assets (continued)

	Balance at July 1, 2024	Additions	Deletions	Transfers	Balance at June 30, 2025
Business-type Activities					
Capital assets, not being depreciated					
Land	$ 13,910,956	$ -	$ (139,830)	$ -	$ 13,771,126
Construction in progress	-	8,407,605	-	-	8,407,605
Total capital assets, not being depreciated	13,910,956	8,407,605	(139,830)	-	22,178,731
Capital assets, being depreciated					
Buildings and improvements	84,998,063	1,751,493	(14,755,715)	-	71,993,841
Equipment	5,187,588	115,416	-	-	5,303,004
Infrastructure	433,390	-	-	-	433,390
Right to use asset	555,109	119,679	(235,575)	-	439,213
Total capital assets, not being depreciated	91,174,150	1,986,588	(14,991,290)	-	78,169,448
Less accumulated depreciation					
Buildings and improvements	(58,111,555)	(1,973,554)	14,755,715	-	(45,329,394)
Equipment	(3,756,469)	(565,963)	-	-	(4,322,432)
Infrastructure	(130,016)	(7,224)	-	-	(137,240)
Right to use asset	(378,790)	(87,241)	235,575	-	(230,456)
Total accumulated depreciation	(62,376,830)	(2,633,982)	14,991,290	-	(50,019,522)
Total capital assets being depreciated, net	28,797,320	(647,394)	-	-	28,149,926
Business-type activities capital assets, net	$ 42,708,276	$ 7,760,211	$ (139,830)	$ -	$ 50,328,657

Depreciation Expense

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

Governmental Activities	
General government	$ 322,366
Community development	1,380,117
Public safety	191,293
Public works	2,376,358
Total governmental activities	$ 4,270,134
Business-type Activities	
Golf resort operations	$ 2,633,982

Note 8 - Long-Term Liabilities

The changes in long-term liabilities for the year ended June 30, 2025, were as follows:

	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025	Due Within One Year
Governmental activities:					
Compensated absences	$ 722,147	$ 632,358	$ (406,137)	$ 948,368	$ 202,336
2022 Lease revenue bonds	13,080,000	-	(495,000)	12,585,000	515,000
Premium	1,183,340	-	(66,356)	1,116,984	66,356
	$ 14,985,487	$ 632,358	$ (967,493)	$ 14,650,352	$ 783,692

	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025	Due Within One Year
Business-type activities:					
Compensated absences	$ 345,473	$ 274,757	$ (222,452)	$ 397,778	$ 99,445
Lease payable	189,907	119,679	(85,088)	224,498	92,273
	$ 535,380	$ 394,436	$ (307,540)	$ 622,276	$ 191,718

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, 2025, the net position of the Compensated Absences Reserve Fund was $0.

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, 2025, including the unamortized bond premium of $1,116,984 amounted to $13,701,984. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2025, including interest, are as follows:

Note 8 - Long-Term Liabilities (continued)

Year Ending June 30,	Principal	Interest	Total
2026	$ 515,000	$ 446,800	$ 961,800
2027	545,000	421,050	966,050
2028	570,000	393,800	963,800
2029	600,000	365,300	965,300
2030	630,000	335,300	965,300
2031-2035	3,605,000	1,216,000	4,821,000
2036-2040	4,260,000	557,375	4,817,375
2041-2043	1,860,000	70,000	1,930,000
	12,585,000	3,805,625	16,390,625
Bond Premium	1,116,984	-	1,116,984
	$ 13,701,984	$ 3,805,625	$ 17,507,609

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.

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 discount rates ranging from 5.49% to 7.00%. As of June 30, 2025, the value of the lease payable is $224,498. Future lease payable requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 92,273	$ 10,555	$ 102,828
2027	71,284	5,978	77,262
2028	28,611	4,063	32,674
2029	28,260	3,052	31,312
2030	4,070	1,611	5,681
	$ 224,498	$ 25,259	$ 249,757

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.

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 PEPRA 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, 2025 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%	8.25%
Required employer contribution rates*	16.94%	8.18%

Note 9 - Defined Benefit Pension Plan (continued)

**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, for illustrative purposes only, the combined normal cost rate and the UAL payment reflected as a percentage of payroll equals as total of 16.94%.

For the PEPRA plan, for illustrative purposes only, the combined normal cost rate and the UAL payment reflected as a percentage of payroll equals as total of 8.18%.

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, 2025, in the amount of $(2,033,276).

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, 2024, 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, 2023, rolled forward to June 30, 2024 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 June 30, 2024 and 2025 was as follows:

Proportion - June 30, 2024	(0.02178%)
Proportion - June 30, 2025	(0.04204%)
Change - Increase/(Decrease)	(0.02026%)

Note 9 - Defined Benefit Pension Plan (continued)

For the year ended June 30, 2025, the City recognized pension expense of $1,268,403 for the Miscellaneous Plan. At June 30, 2025, 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	$ 662,213	$ -
Changes of Assumptions	-	52,259
Changes in proportion and difference between City's contributions and proportionate share of contributions	1,256,059	161,232
Net difference between projected and actual earnings on pension plan investments	-	117,053
Difference between expected and actual experience	6,859	175,795
Difference between employer's contributions and proportionate share of contributions	-	616,501
	$ 1,925,131	$ 1,122,840

The amount of $662,213 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, 2026. 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:

Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	$ 518,808
2027	(400,351)
2028	(18,493)
2029	40,114
	$ 140,078

Note 9 - Defined Benefit Pension Plan (continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions.

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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 lessor of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

1 - The mortality table was developed based on CalPERS-specific data. The probabilities of mortality are based on *2021 CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full generational mortality 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 from November 2021 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of the 2023 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.

Note 9 - Defined Benefit Pension Plan (continued)

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 below:

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)	$ 3,382,939	$ (2,033,276)	$ (6,491,618)

Pension Plan Fiduciary Net Position

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

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 $4,117,998 compared with a total payroll of $4,776,462 for the fiscal year ended June 30, 2025. 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 $121,212. 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 $23,500 in 2025. Employees aged fifty or older may contribute up to an additional $7,500 in 2025 for a total of $31,000. 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.

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 an agent multiple employer Section 115 governmental trust.

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

Net OPEB Liability	$	4,739,209
Deferred Outflows related to OPEB		4,376,215
Deferred Inflows related to OPEB		(402,012)
OPEB Expense		1,564,564

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

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 2025 is $158 per month. If an Annuitant is eligible for a more significant retiree health benefit, the Annuitant will receive a reimbursement from a health reimbursement arrangement sponsored by the City for the health insurance premiums actually paid by the Annuitant in an amount not to exceed the difference between the applicable Allowance and the PEMHCA Minimum.

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

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

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.

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

Employees Covered by Benefit Terms

At June 30, 2025, 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	35
	68

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 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.

As described further in footnote 13, the City also contributes to the PARS Section 115 Trusts with total assets at June 30, 2025 of $4,714,216 irrevocably restricted for the payment of OPEB benefits.

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, 2025, using an annual actuarial valuation as of June 30, 2023. 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, 2023, 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 - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% 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, 2023, 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.

- During fiscal year 2024/2025, the CERBT trust was liquidated and transferred to the Shuster Trust. The Fiduciary Net Position as of June 30, 2024 reflects the Shuster Trust asset value.

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.

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

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%	

Changes in Net OPEB Liability (Asset)

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2024	$ 10,207,721	$ 2,972,328	$ 7,235,393
Changes in the year:			
Service cost	296,713	-	296,713
Interest on the total OPEB liability	590,051	-	590,051
Contributions - employer	-	488,925	(488,925)
Net investment income	-	335,581	(335,581)
Benefit payments	(485,373)	(485,373)	-
Administrative expenses	-	(5,142)	5,142
Transfer of fiduciary assets	-	2,563,584	(2,563,584)
Net changes	401,391	2,897,575	(2,496,184)
Balance at June 30, 2025	$ 10,609,112	$ 5,869,903	$ 4,739,209

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

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)	$ 6,155,046	$ 4,739,209	$ 3,572,975

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

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

	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	$ 3,372,336	$ 4,739,209	$ 6,429,515

OPEB Plan Fiduciary Net Position

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

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

For the year ended June 30, 2025, the City recognized OPEB expense of $1,564,564. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to measurement date	$ 3,051,917	$ -
Changes in assumptions	559,818	124,103
Net difference between projected and actual earnings on plan investments	656,010	-
Difference between expected and actual experience	108,470	277,909
	$ 4,376,215	$ 402,012

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

The $3,051,917 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, 2026. 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
2026	$ 181,090
2027	514,587
2028	161,284
2029	65,325
2030	-
	$ 922,286

Note 13 - PARS Section 115 Trusts

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

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

The balance in the PARS Trust's pension assets for the fiscal year ended June 30, 2025, was $1,104,177. During the fiscal year, the Trust earned $126,156 in interest income, and plan costs totaled $6,331.

The balance in the PARS Trust's OPEB assets for the fiscal year ended June 30, 2025, was $4,714,216. During the fiscal year, the Trust earned $542,211 in interest income, and plan costs totaled $27,025.

Note 13 - PARS Section 115 Trusts (continued)

The restricted trust assets are as follows at June 30, 2025:

PARS – Pension	$1,104,177
PARS – OPEB	4,714,216
Total restricted assets	$5,818,393

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 over 120 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.

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/.

Note 14 - Risk Management (continued)

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 2024-25, 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 $131,582,726. 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 $126,786,202. There is a deductible of 5% per unit of value with a minimum deductible of $100,000.

Crime Insurance

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

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2024-25.

Note 15 - Other Required Disclosures

Deficit Fund Balance and Net Position

The following funds reported a deficit fund balance at June 30, 2025:

Park Facilities in Lieu Capital Projects Fund	$ 1,621,201
Successor Agency of the Former Redevelopment Agency Private Purpose Trust Fund	51,227,725

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

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

Note 16 - Contingencies

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

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.

Note 17 - California Redevelopment Agency Dissolution

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.

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

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

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

Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated. Payments for these enforceable obligations are secured from incremental tax revenues generated within the redevelopment project areas. It is essential to differentiate the Successor Agency from the City of Indian Wells, in that, the City itself has no outstanding debt or any obligation to fund Successor Agency debt.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Cash and Investments

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

Cash and investments pooled with the City	$ 8,919,029
Cash and investments with fiscal agent	5,496
	$ 8,924,525

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

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.	$ 8,500,000

Long-Term Debt

The following debt is recorded in the Successor Agency:

Project Area 1	Balance at July 1, 2024	Additions	Repayments	Balance at June 30, 2025	Due Within One Year
2015 Refunding Tax Allocation Bonds	$ 9,065,000	$ -	$ 2,105,000	$ 6,960,000	$ 2,205,000
2016 A Tax Allocation Bonds	35,475,000	-	1,010,000	34,465,000	1,055,000
2020 A Tax Allocation Bonds	5,850,000	-	480,000	5,370,000	490,000
	$ 50,390,000	$ -	$ 3,595,000	$ 46,795,000	$ 3,750,000
Adjustments:					
Unamortized net original issue (discount) or Premium				4,394,629	666,716
Net Long-term Debt				$ 51,189,629	$ 4,416,716

A description of long-term debt outstanding of the Successor Agency as of June 30, 2025, 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, 2025 were $6,960,000.

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

Long-Term Debt (continued)

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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
	6,960,000	533,500	7,493,500
Bond Premium	531,435	-	531,435
	$ 7,491,435	$ 533,500	$ 8,024,935

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, 2025 were $34,465,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	3,880,000	1,326,350	5,206,350
2030	4,065,000	1,127,725	5,192,725
2031-2034	23,190,000	2,790,650	25,980,650
	34,465,000	9,770,025	44,235,025
Bond Premium	3,863,194	-	3,863,194
	$ 38,328,194	$ 9,770,025	$ 48,098,219

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

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, 2025 were $5,370,000.

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
2026	$ 490,000	$ 110,188	$ 600,188
2027	500,000	99,545	599,545
2028	505,000	88,741	593,741
2029	515,000	77,776	592,776
2030	535,000	66,489	601,489
2031-2034	2,825,000	154,535	2,979,535
	$ 5,370,000	$ 597,274	$ 5,967,274

Insurance

The Successor Agency of the former redevelopment agency is covered under the insurance policy of the City of Indian Wells at June 30, 2025.

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.

Note 19 - Restatement

The accompanying financial statements for the year ended June 30, 2025, have been restated to correct an error in the recording of capital outlay expenditures of $418,206 in the Park Facilities in Lieu Fund. This restatement increased construction in progress and accounts payable in governmental activities but had no impact on net position.

	Park Facilities in Lieu Fund
Beginning net position, as previously reported	$ (1,386,737)
Correction of an error	(418,306)
Beginning net position, as restated	$ (1,805,043)

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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.

Measurement period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Plan's proportion of the net pension liability	0.0017%	0.0017%	0.0017%	0.0017%	-0.0072%	-0.0119%	0.0008%	0.0154%	0.0480%	0.0695%
Plan's proportionate share of the net pension liability (asset)	$ (2,033,276)	$ (1,089,114)	$ (700,736)	$ (6,449,180)	$ (781,863)	$ (1,218,808)	$ 73,946	$ 1,526,915	$ 4,152,019	$ 4,769,476
Plan's covered payroll	$ 3,694,552	$ 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
Plan's proportionate share of the net pension liability (asset) as a percentage of covered payroll	-55.03%	-30.86%	-21.62%	-201.09%	-25.73%	-42.19%	2.51%	54.29%	143.05%	169.46%
Plan's fiduciary net position as a percentage of the total pension liability	79.91%	77.97%	78.19%	90.49%	77.71%	75.30%	75.30%	73.31%	74.06%	78.40%

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. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2022 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in assumptions

There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021 valuation date (June 30, 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 flow. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

Fiscal Year	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially determined contributions	$ 554,909	$ 502,145	$ 452,975	$ 408,794	$ 455,250	$ 475,302	$ 430,310	$ 974,198	$ 544,107	$ 566,489
Contributions in relation to the actuarially determined contributions	(662,213)	(1,124,057)	(1,390,856)	(1,300,007)	(428,319)	(428,319)	(358,582)	(1,334,875)	(3,731,723)	(2,566,489)
Contribution deficiency (excess)	$ (107,304)	$ (621,912)	$ (937,881)	$ (891,213)	$ 26,931	$ 46,983	$ 71,728	$ (360,677)	$ (3,187,616)	$ (2,000,000)
Covered payroll	$ 3,916,114	$ 3,694,552	$ 3,529,517	$ 3,241,802	$ 3,207,039	$ 3,038,144	$ 2,889,192	$ 2,943,396	$ 2,812,372	$ 2,902,571
Contributions as a percentage of covered payroll	16.91%	30.42%	39.41%	40.10%	13.36%	14.10%	12.41%	45.35%	132.69%	88.42%

Notes to Schedule

Fiscal Year: June 30, 2025
Valuation Date: June 30, 2022

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	Market Value of Assets
Inflation	2.30%
Projected salary increases	Varies by category, entry age and duration of service.
Discount rate	6.90% (net of investment and administrative expenses)

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

Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Total OPEB liability								
Service cost	$ 296,713	$ 275,595	$ 282,966	$ 259,910	$ 252,340	$ 323,517	$ 314,094	$ 305,000
Interest on the total OPEB liability	590,051	523,241	498,483	576,779	554,551	513,612	485,756	459,000
Changes of benefit terms	-	-	-	(15,495)	-	-	-	-
Differences between expected and actual experience	-	170,452	-	(1,204,273)	-	239,406	-	-
Changes of assumptions	-	641,067	(279,230)	658,095	-	71,328	-	-
Benefit payments, including refunds of member contributions	(485,373)	(453,761)	(462,932)	(463,466)	(454,170)	(389,144)	(338,000)	(331,000)
Net change in total OPEB liability	401,391	1,156,594	39,287	(188,450)	352,721	758,719	461,850	433,000
Total OPEB liability - beginning	10,207,721	9,051,127	9,011,840	9,200,290	8,847,569	8,088,850	7,627,000	7,194,000
Total OPEB liability - ending (a)	$ 10,609,112	$ 10,207,721	$ 9,051,127	$ 9,011,840	$ 9,200,290	$ 8,847,569	$ 8,088,850	$ 7,627,000
OPEB fiduciary net position								
Contributions - employer	$ 488,925	$ 459,025	$ 466,353	$ 677,553	$ 1,190,919	$ 389,962	$ 607,000	$ 614,000
Net investment income	335,581	348,850	(1,409,406)	1,830,412	448,019	524,434	423,619	459,000
Benefit payments, including refunds of member contributions	(485,373)	(453,761)	(462,932)	(463,466)	(454,170)	(389,144)	(338,000)	(331,000)
Administrative expense	(5,142)	(8,071)	(6,254)	(5,590)	(5,115)	(2,424)	(13,582)	(4,000)
Section 115 trust adjustment	(4,606,319)	-	-	-	-	-	-	-
Distribution of fiduciary assets[1]	7,169,903	(7,169,903)	-	-	-	-	-	-
Net change in plan fiduciary net position	2,897,575	(6,823,860)	(1,412,239)	2,038,909	1,179,653	522,828	679,037	738,000
Plan fiduciary net position - beginning	2,972,328	9,796,188	11,208,427	9,169,518	7,989,865	7,467,037	6,788,000	6,050,000
Plan fiduciary net position - ending (b)	5,869,903	2,972,328	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)	$ 4,739,209	$ 7,235,393	$ (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	55.33%	29.12%	108.23%	124.37%	99.67%	90.31%	92.31%	89.00%
Covered-employee payroll	$ 4,310,233	$ 4,176,150	$ 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	109.95%	173.26%	-20.10%	-59.90%	0.89%	26.28%	18.25%	25.91%

* Fiscal Year 2017-18 was the first year of implementation; therefore, only eight years of information are shown.
[1] Fiduciary assets were transferred to the PARS and Shuster Section 115 trusts that are irrevocably restricted for payment of OPEB benefits

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

Fiscal Year	2024-25	2023-24	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	(550,750)	(488,925)	(459,025)	(386,181)	(677,553)	(1,190,919)	(389,962)	(573,377)
Contribution deficiency (excess)	$ (550,750)	$ (488,925)	$ (459,025)	$ 35,820	$ (265,679)	$ (836,919)	$ 217,038	$ 40,623
Covered employee payroll**	$ 4,540,554	$ 4,310,233	$ 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	12.13%	11.34%	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 2024-25 were from the June 30, 2023 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 - 8.5% for 2025, decreasing to an ultimate 3.45% in 2076 and later years
Investment rate of return	5.75%
Retirement age	55
Mortality	CalPERS 2000-2019 experience study

* Fiscal Year 2017-18 was the first year of implementation; therefore, only eight years of information are shown.
** Contributions are made on an ad hoc basis.

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 21,827,560	$ 21,827,560	$ 26,521,861	$ 4,694,301
Licenses and permits	938,510	938,510	514,897	(423,613)
Intergovernmental	830,360	830,360	882,078	51,718
Charges for services	694,550	694,550	502,588	(191,962)
Investment income (loss)	710,000	710,000	1,164,549	454,549
Fines and forfeitures	49,390	49,390	73,534	24,144
Other income	205,120	205,120	36,745	(168,375)
Total revenues	25,255,490	25,255,490	29,696,252	4,440,762
Expenditures				
Current				
General government	8,130,928	9,113,940	8,268,874	845,066
Public safety	6,425,187	6,188,337	5,224,479	963,858
Community development	2,489,594	2,458,976	2,092,755	366,221
Public works	3,573,586	3,639,348	3,208,946	430,402
Total expenditures	20,619,295	21,400,601	18,795,054	2,605,547
Other financing sources (uses)				
Transfers out	(4,359,225)	(4,363,883)	(21,870,034)	(17,506,151)
Total other financing sources (uses)	(4,359,225)	(4,363,883)	(21,870,034)	(17,506,151)
Net change in fund balance	276,970	(508,994)	(10,968,836)	(10,459,842)
Fund balance, beginning	41,288,053	41,288,053	41,288,053	-
Fund balance, ending	$ 41,565,023	$ 40,779,059	$ 30,319,217	$ (10,459,842)

See Notes to Required Supplementary Information

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 135,812	$ 135,812
Investment income (loss)	135,000	135,000	560,004	425,004
Total revenues	6,135,000	6,135,000	695,816	(5,439,184)
Expenditures				
Current				
General government	6,725,392	11,567,112	1,783,272	9,783,840
Community development	250,000	250,000	250,000	-
Total expenditures	6,975,392	11,817,112	2,033,272	9,783,840
Other financing sources (uses)				
Transfers in	550,000	550,000	2,460,000	1,910,000
Transfers out	(86,990)	(86,990)	(509,858)	(422,868)
Total other financing sources (uses)	463,010	463,010	1,950,142	1,487,132
Net change in fund balance	(377,382)	(5,219,102)	612,686	5,831,788
Fund balance, beginning	12,034,055	12,034,055	12,034,055	-
Fund balance, ending	$ 11,656,673	$ 6,814,953	$ 12,646,741	$ 5,831,788

See Notes to Required Supplementary Information

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes	$ 4,608,800	$ 4,608,800	$ 7,075,678	$ 2,466,878
Charges for services	672,750	672,750	745,461	72,711
Investment income (loss)	119,030	119,030	319,018	199,988
Assessments	671,840	671,840	629,744	(42,096)
Other income	9,320	9,320	20,623	11,303
Total revenues	6,081,740	6,081,740	8,790,524	2,708,784
Expenditures				
Current				
Public safety	5,049,458	5,056,050	4,940,677	115,373
Capital outlay	1,575,000	1,583,500	183,771	1,399,729
Total expenditures	6,624,458	6,639,550	5,124,448	1,515,102
Other financing sources (uses)				
Transfers out	(144,983)	(144,983)	(1,644,983)	(1,500,000)
Total other financing sources (uses)	(144,983)	(144,983)	(1,644,983)	(1,500,000)
Net change in fund balance	(687,701)	(702,793)	2,021,093	4,223,886
Fund balance, beginning	4,729,212	4,729,212	4,729,212	-
Fund balance, ending	$ 4,041,511	$ 4,026,419	$ 6,750,305	$ 4,223,886

See Notes to Required Supplementary Information

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, 2025, 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, 2025:

	Final Budget	Actual	Excess Over Appropriation
Traffic Safety	$ 18,000	45,019	(27,019)
Public Safety 1/2% Tax	$ 37,500	43,999	(6,499)
Measure "A" Transportation Fund	$ 305,000	327,378	(22,378)
Citizens Option for Public Safety Program Fund	$ 186,550	195,131	(8,581)
Gas Tax Fund	$ 116,400	130,975	(14,575)
Solid Waste Fund	$ 1,269,969	1,873,434	(603,465)

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.

Debt Service Funds

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

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

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.

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.

	Debt Service Funds	Special Revenue Funds								
	Indian Wells Financing Authority	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
Assets										
Cash and investments	$ 15,834	$ -	$ -	$ -	$ 987,199	$ 21,579	$ -	$ -	$ 237,195	$ 57,170
Restricted cash and investments	2,315,367	-	-	-	-	-	-	-	-	-
Receivables										
Accounts	-	10,951	2,841	56,683	49,688	1,670	101,537	22,857	6,862	78,142
Accrued interest	57	-	-	-	3,531	77	-	-	-	1,053
Total assets	$ 2,331,258	$ 10,951	$ 2,841	$ 56,683	$ 1,040,418	$ 23,326	$ 101,537	$ 22,857	$ 244,057	$ 136,365
Liabilities and Fund Balances										
Liabilities										
Accounts payable	$ -	$ -	$ -	$ -	$ 101,143	$ 3,572	$ -	$ -	$ 553	$ 77,084
Accrued liabilities	-	-	-	-	-	-	-	-	2,122	2,133
Deposits payable	-	-	-	-	11,221	-	-	-	-	-
Total liabilities	-	-	-	-	112,364	3,572	-	-	2,675	79,217
Deferred Inflow of Resources										
Unavailable revenue	-	4,542	-	-	17,411	1,670	101,537	-	594	30,931
Fund Balances										
Restricted for										
Community development	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	2,841	-	910,643	-	-	-	-	-
Public works	-	6,409	-	56,683	-	18,084	-	22,857	240,788	26,217
Debt service	2,331,258	-	-	-	-	-	-	-	-	-
Committed to										
Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned										
Capital projects	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	2,331,258	6,409	2,841	56,683	910,643	18,084	-	22,857	240,788	26,217
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,331,258	$ 10,951	$ 2,841	$ 56,683	$ 1,040,418	$ 23,326	$ 101,537	$ 22,857	$ 244,057	$ 136,365

City of Indian Wells, California
Combining Balance Sheet - Nonmajor Governmental Funds
.June 30, 2025

	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
Assets									
Cash and investments	$ 2,292,671	$ 22,645	$ 393,494	$ -	$ -	$ 1,999	$ 4,004	$ 669	$ 779,443
Restricted cash and investments	-	-	606,424	-	-	-	-	-	-
Receivables									
Accounts	85,501	39	-	-	-	-	-	-	-
Accrued interest	8,201	81	1,406	-	-	7	15	2	2,789
Total assets	$ 2,386,373	$ 22,765	$ 1,001,324	$ -	$ -	$ 2,006	$ 4,019	$ 671	$ 782,232
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ 59,548	$ -	$ 405,073	$ -	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-
Deposits payable	-	-	137,128	-	-	-	-	-	-
Total liabilities	59,548	-	542,201	-	-	-	-	-	-
Deferred Inflow of Resources									
Unavailable revenue	18,482	-	-	-	-	-	-	-	-
Fund Balances									
Restricted for									
Community development	-	-	459,123	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	2,308,343	22,765	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Committed to									
Capital projects	-	-	-	-	-	-	-	-	782,232
Assigned									
Capital projects	-	-	-	-	-	2,006	4,019	671	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	2,308,343	22,765	459,123	-	-	2,006	4,019	671	782,232
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,386,373	$ 22,765	$ 1,001,324	$ -	$ -	$ 2,006	$ 4,019	$ 671	$ 782,232

City of Indian Wells, California
Combining Balance Sheet - Nonmajor Governmental Funds
.June 30, 2025

	Capital Projects 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	Total Nonmajor Governmental Funds
Assets									
Cash and investments	$ 2,308,021	$ 2,527,545	$ 1,908,458	$ 1,136,783	$ 995,801	$ 939,676	$ 484,461	$ 641,659	$ 15,756,306
Restricted cash and investments	-	-	-	-	-	-	-	-	2,921,791
Receivables									
Accounts	-	-	-	-	-	-	-	-	416,771
Accrued interest	8,255	9,040	6,826	4,066	3,561	3,361	1,733	2,295	56,356
Total assets	$ 2,316,276	$ 2,536,585	$ 1,915,284	$ 1,140,849	$ 999,362	$ 943,037	$ 486,194	$ 643,954	$ 19,151,224
Liabilities and Fund Balances									
Liabilities									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 646,973
Accrued liabilities	-	-	-	-	-	-	-	-	4,255
Deposits payable	-	-	-	-	-	-	-	-	148,349
Total liabilities	-	-	-	-	-	-	-	-	799,577
Deferred Inflow of Resources									
Unavailable revenue	-	-	-	-	-	-	-	-	175,167
Fund Balances									
Restricted for									
Community development	-	-	-	-	-	-	-	-	459,123
Public safety	-	-	-	-	-	-	-	-	913,484
Public works	-	-	-	-	-	-	-	-	2,702,146
Debt service	-	-	-	-	-	-	-	-	2,331,258
Committed to									
Capital projects	-	-	-	-	-	-	-	-	782,232
Assigned									
Capital projects	2,316,276	2,536,585	1,915,284	1,140,849	999,362	943,037	486,194	643,954	10,988,237
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	2,316,276	2,536,585	1,915,284	1,140,849	999,362	943,037	486,194	643,954	18,176,480
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,316,276	$ 2,536,585	$ 1,915,284	$ 1,140,849	$ 999,362	$ 943,037	$ 486,194	$ 643,954	$ 19,151,224

	Debt Service Funds	Special Revenue Funds								
	Indian Wells Financing Authority	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	$ -	$ -	$ -	$ -	$ 434,153	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	36,858	325,086	1,460	4,724	194,663	270,398	-	-
Investment income (loss)	250,674	219	118	75	44,330	1,039	468	193	-	20,417
Fines and forfeitures	-	36,231	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	1,195,107	-	-	-	153,628	1,784,931
Developer fees	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	54,264	-	-	-	-	1,057
Total revenues	250,674	36,450	36,976	325,161	1,729,314	5,763	195,131	270,591	153,628	1,806,405
Expenditures										
Current										
General government	-	-	-	-	-	-	-	130,975	-	-
Public safety	-	-	43,999	-	1,538,817	-	195,131	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-
Public works	-	45,019	-	327,378	-	5,999	-	139,891	169,224	1,873,434
Capital outlay	-	-	-	-	405,252	-	-	-	-	-
Principal retirement	495,000	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	471,550	-	-	-	-	-	-	-	-	-
Total expenditures	966,550	45,019	43,999	327,378	1,944,069	5,999	195,131	270,866	169,224	1,873,434
Excess (Deficiency) of Revenues over (under) Expenditures	(715,876)	(8,569)	(7,023)	(2,217)	(214,755)	(236)	-	(275)	(15,596)	(67,029)
Other Financing Sources (Uses)										
Transfers in	966,551	-	-	-	-	-	-	-	-	-
Transfers out	(4,195,346)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(3,228,795)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(3,944,671)	(8,569)	(7,023)	(2,217)	(214,755)	(236)	-	(275)	(15,596)	(67,029)
Fund Balances, Beginning of Year	6,275,929	14,978	9,864	58,900	1,125,398	18,320	-	23,132	256,384	93,246
Fund Balances, End of Year	$ 2,331,258	$ 6,409	$ 2,841	$ 56,683	$ 910,643	$ 18,084	$ -	$ 22,857	$ 240,788	$ 26,217

	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	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment income (loss)	116,863	1,123	18,677	18	-	48	96	15	38,693
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Rental income	-	-	2,797,576	-	-	-	-	-	-
Assessments	1,643,770	2,225	-	-	-	-	-	-	-
Developer fees	-	-	-	-	1,434	41,783	31,861	16,505	73,818
Other income	-	-	-	-	-	-	-	-	-
Total revenues	1,760,633	3,348	2,816,253	18	1,434	41,831	31,957	16,520	112,511
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Community development	-	-	3,175,797	-	-	-	-	-	-
Public works	1,537,489	192	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	1,537,489	192	3,175,797	-	-	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	223,144	3,156	(359,544)	18	1,434	41,831	31,957	16,520	112,511
Other Financing Sources (Uses)									
Transfers in	113,883	-	422,868	-	-	261,867	999,492	319,478	-
Transfers out	-	-	(550,000)	(38,735)	(1,434)	(150,000)	(434,578)	(150,000)	(131,881)
Total other financing sources (uses)	113,883	-	(127,132)	(38,735)	(1,434)	111,867	564,914	169,478	(131,881)
Net Change in Fund Balances	337,027	3,156	(486,676)	(38,717)	-	153,698	596,871	185,998	(19,370)
Fund Balances, Beginning of Year	1,971,316	19,609	945,799	38,717	-	(151,692)	(592,852)	(185,327)	801,602
Fund Balances, End of Year	$ 2,308,343	$ 22,765	$ 459,123	$ -	$ -	$ 2,006	$ 4,019	$ 671	$ 782,232

	Capital Projects 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	Total Nonmajor Governmental Funds
Revenues									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 434,153
Intergovernmental	-	-	-	-	-	-	-	-	833,189
Investment income (loss)	58,956	119,046	130,309	98,547	52,204	48,840	25,001	33,501	1,059,470
Fines and forfeitures	-	-	-	-	-	-	-	-	36,231
Rental income	-	-	-	-	-	-	-	-	2,797,576
Assessments	-	-	-	-	-	-	-	-	4,779,661
Developer fees	-	-	-	-	-	-	-	-	165,401
Other income	-	-	-	-	-	-	-	-	55,321
Total revenues	58,956	119,046	130,309	98,547	52,204	48,840	25,001	33,501	10,161,002
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	130,975
Public safety	-	-	-	-	-	-	-	-	1,777,947
Community development	-	-	-	-	-	-	-	-	3,175,797
Public works	-	-	-	-	-	-	-	-	4,098,626
Capital outlay	-	-	-	-	-	-	-	-	405,252
Debt service									
Principal retirement	-	-	-	-	-	-	-	-	495,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	471,550
Total expenditures	-	-	-	-	-	-	-	-	10,555,147
Excess (Deficiency) of Revenues over (under) Expenditures	58,956	119,046	130,309	98,547	52,204	48,840	25,001	33,501	(394,145)
Other Financing Sources (Uses)									
Transfers in	162,500	162,500	162,500	162,500	162,500	162,500	162,500	150,000	4,371,639
Transfers out	-	-	-	-	-	-	-	-	(5,651,974)
Total other financing sources (uses)	162,500	162,500	162,500	162,500	162,500	162,500	162,500	150,000	(1,280,335)
Net Change in Fund Balances	221,456	281,546	292,809	261,047	214,704	211,340	187,501	183,501	(1,674,480)
Fund Balances, Beginning of Year	919,393	2,034,730	2,243,776	1,654,237	784,658	731,697	298,693	460,453	19,850,960
Fund Balances, End of Year	$ 1,140,849	$ 2,316,276	$ 2,536,585	$ 1,915,284	$ 999,362	$ 943,037	$ 486,194	$ 643,954	$ 18,176,480

City of Indian Wells, California
Budgetary Comparison Schedule - IWFA Debt Service Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income	$ 25,000	$ 250,674	$ 225,674
Total revenues	25,000	250,674	225,674
Expenditures			
Debt service			
Principal retirement	-	495,000	(495,000)
Interest and fiscal charges	477,050	471,550	5,500
Total expenditures	477,050	966,550	(489,500)
Other financing sources (uses)			
Transfers in	966,550	966,551	1
Transfers out	-	(4,195,346)	(4,195,346)
Total other financing sources (uses)	966,550	(3,228,795)	(4,195,345)
Net change in fund balance	514,500	(3,944,671)	(4,459,171)
Fund balance, beginning	6,275,929	6,275,929	-
Fund balance, ending	$ 6,790,429	$ 2,331,258	$ (4,459,171)

City of Indian Wells, California
Budgetary Comparison Schedule - Traffic Safety
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 10	$ 219	$ 209
Fines and forfeitures	18,000	36,231	18,231
Total revenues	18,010	36,450	18,440
Expenditures			
Current			
Public works	18,000	45,019	(27,019)
Total expenditures	18,000	45,019	(27,019)
Net change in fund balance	10	(8,569)	(8,579)
Fund balance, beginning	14,978	14,978	-
Fund balance, ending	$ 14,988	$ 6,409	$ (8,579)

City of Indian Wells, California
Budgetary Comparison Schedule - Public Safety 1/2% Tax
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	$ 36,500	$ 36,858	$ 358
Investment income (loss)	500	118	(382)
Total revenues	37,000	36,976	(24)
Expenditures			
Current			
Public safety	37,500	43,999	(6,499)
Total expenditures	37,500	43,999	(6,499)
Net change in fund balance	(500)	(7,023)	(6,523)
Fund balance, beginning	9,864	9,864	-
Fund balance, ending	$ 9,364	$ 2,841	$ (6,523)

City of Indian Wells, California
Budgetary Comparison Schedule - Measure "A" Transportation
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	$ 300,000	$ 325,086	$ 25,086
Investment income	560	75	(485)
Total revenues	300,560	325,161	24,601
Expenditures			
Current			
Public works	305,000	327,378	(22,378)
Total expenditures	305,000	327,378	(22,378)
Net change in fund balance	(4,440)	(2,217)	2,223
Fund balance, beginning	58,900	58,900	-
Fund balance, ending	$ 54,460	$ 56,683	$ 2,223

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Taxes	$ 345,500	$ 434,153	$ 88,653
Licenses and permits	1,110	-	(1,110)
Intergovernmental	1,880	1,460	(420)
Investment income (loss)	49,200	44,330	(4,870)
Assessments	1,195,000	1,195,107	107
Other income	3,540	54,264	50,724
Total revenues	1,596,230	1,729,314	133,084
Expenditures			
Current			
Public safety	1,744,816	1,538,817	205,999
Capital outlay	406,770	405,252	1,518
Total expenditures	2,151,586	1,944,069	207,517
Net change in fund balance	(555,356)	(214,755)	340,601
Fund balance, beginning	1,125,398	1,125,398	-
Fund balance, ending	$ 570,042	$ 910,643	$ 340,601

City of Indian Wells, California
Budgetary Comparison Schedule - South Coast AQMD Vehicle Registration
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	$ 6,970	$ 4,724	$ (2,246)
Investment income (loss)	170	1,039	869
Total revenues	7,140	5,763	(1,377)
Expenditures			
Current			
Public works	7,500	5,999	1,501
Total expenditures	7,500	5,999	1,501
Net change in fund balance	(360)	(236)	124
Fund balance, beginning	18,320	18,320	-
Fund balance, ending	$ 17,960	$ 18,084	$ 124

City of Indian Wells, California

Budgetary Comparison Schedule - Citizens Option for Public Safety Program

Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	$ 184,500	$ 194,663	$ 10,163
Investment income (loss)	2,050	468	(1,582)
Total revenues	186,550	195,131	8,581
Expenditures			
Current			
Public safety	186,550	195,131	(8,581)
Total expenditures	186,550	195,131	(8,581)
Net change in fund balance	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	$ -	$ -	$ -

City of Indian Wells, California
Budgetary Comparison Schedule - Gas Tax
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	$ 261,180	$ 270,398	$ 9,218
Investment income	1,725	193	(1,532)
Total revenues	262,905	270,591	7,686
Expenditures			
Current			
General government	116,400	130,975	(14,575)
Public works	146,710	139,891	6,819
Total expenditures	263,110	270,866	(7,756)
Net change in fund balance	(205)	(275)	(70)
Fund balance, beginning	23,132	23,132	-
Fund balance, ending	$ 22,927	$ 22,857	$ (70)

City of Indian Wells, California
Budgetary Comparison Schedule - AB 939 Recycling
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Assessments	$ 125,000	$ 153,628	$ 28,628
Total revenues	125,000	153,628	28,628
Expenditures			
Current			
Public works	251,772	169,224	82,548
Total expenditures	251,772	169,224	82,548
Net change in fund balance	(126,772)	(15,596)	111,176
Fund balance, beginning	256,384	256,384	-
Fund balance, ending	$ 129,612	$ 240,788	$ 111,176

City of Indian Wells, California
Budgetary Comparison Schedule - Solid Waste
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 20,000	$ 20,417	$ 417
Assessments	1,205,000	1,784,931	579,931
Other income	2,500	1,057	(1,443)
Total revenues	1,227,500	1,806,405	578,905
Expenditures			
Current			
Public works	1,269,969	1,873,434	(603,465)
Total expenditures	1,269,969	1,873,434	(603,465)
Net change in fund balance	(42,469)	(67,029)	(24,560)
Fund balance, beginning	93,246	93,246	-
Fund balance, ending	$ 50,777	$ 26,217	$ (24,560)

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 31,195	$ 116,863	$ 85,668
Assessments	1,586,800	1,643,770	56,970
Total revenues	1,617,995	1,760,633	142,638
Expenditures			
Current			
Public works	1,908,661	1,537,489	371,172
Total expenditures	1,908,661	1,537,489	371,172
Other financing sources (uses)			
Transfers in	113,883	113,883	-
Total other financing sources (uses)	113,883	113,883	-
Net change in fund balance	(176,783)	337,027	513,810
Fund balance, beginning	1,971,316	1,971,316	-
Fund balance, ending	$ 1,794,533	$ 2,308,343	$ 513,810

City of Indian Wells, California
Budgetary Comparison Schedule - Street Lighting District 2001-1
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 350	$ 1,123	$ 773
Assessments	1,370	2,225	855
Total revenues	1,720	3,348	1,628
Expenditures			
Current			
Public works	1,480	192	1,288
Total expenditures	1,480	192	1,288
Net change in fund balance	240	3,156	2,916
Fund balance, beginning	19,609	19,609	-
Fund balance, ending	$ 19,849	$ 22,765	$ 2,916

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 130,000	$ 18,677	$ (111,323)
Rental income	2,636,400	2,797,576	161,176
Total revenues	2,766,400	2,816,253	49,853
Expenditures			
Current			
Community development	2,770,000	3,175,797	(405,797)
Total expenditures	2,770,000	3,175,797	(405,797)
Other financing sources (uses):			
Transfers in	-	422,868	422,868
Transfers out	-	(550,000)	(550,000)
Total other financing sources (uses)	-	(127,132)	(127,132)
Net change in fund balance	(3,600)	(486,676)	(483,076)
Fund balance, beginning	945,799	945,799	-
Fund balance, ending	$ 942,199	$ 459,123	$ (483,076)

City of Indian Wells, California
Budgetary Comparison Schedule - Capital Improvements
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	$ 500,000	$ 3,048,943	$ 2,548,943
Investment income (loss)	195,000	827,071	632,071
Rental income	-	-	-
Other income	1,000	13,867	12,867
Total revenues	696,000	3,889,881	3,193,881
Expenditures			
Current			
General government	350,683	332,740	17,943
Capital outlay	24,976,258	10,936,146	14,040,112
Total expenditures	25,326,941	11,268,886	14,058,055
Other financing sources (uses)			
Transfers in	3,500,000	14,945,346	11,445,346
Total other financing sources (uses)	3,500,000	14,945,346	11,445,346
Net change in fund balance	(21,130,941)	7,566,341	28,697,282
Fund balance, beginning	11,923,603	11,923,603	-
Fund balance, ending	$ (9,207,338)	$ 19,489,944	$ 28,697,282

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 579,130	$ 982,602	$ 403,472
Total revenues	579,130	982,602	403,472
Other financing sources (uses)			
Transfers in	162,500	162,500	-
Total other financing sources (uses)	162,500	162,500	-
Net change in fund balance	741,630	1,145,102	403,472
Fund balance, beginning	18,062,840	18,062,840	-
Fund balance, ending	$ 18,804,470	$ 19,207,942	$ 403,472

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 2,000	$ 18	$ (1,982)
Developer fees	50,000	-	(50,000)
Total revenues	52,000	18	(51,982)
Other financing sources (uses):			
Transfers out	-	(38,735)	(38,735)
Total other financing sources (uses)	-	(38,735)	(38,735)
Net change in fund balance	52,000	(38,717)	(90,717)
Fund balance, beginning	38,717	38,717	-
Fund balance, ending	$ 90,717	$ -	$ (90,717)

City of Indian Wells, California
Budgetary Comparison Schedule - Park Facilities Fees
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Developer fees	$ -	$ 1,434	$ 1,434
Total revenues	-	1,434	1,434
Other financing sources (uses):			
Transfers out	-	(1,434)	(1,434)
Total other financing sources (uses)	-	(1,434)	(1,434)
Net change in fund balance	-	-	-
Fund balance, beginning	-	-	-
Fund balance, ending	$ -	$ -	$ -

City of Indian Wells, California
Budgetary Comparison Schedule - Park Facilities in Lieu Capital Projects Fund
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Intergovernmental	$ -	$ 177,952	$ 177,952
Developer fees	174,250	6,334	(167,916)
Total revenues	174,250	184,286	10,036
Expenditures			
Current			
General government	-	1,878	(1,878)
Capital outlay	383,155	-	383,155
Total expenditures	383,155	1,878	381,277
Other financing sources (uses):			
Transfers in	-	1,434	1,434
Total other financing sources (uses)	-	1,434	1,434
Net change in fund balance	(208,905)	183,842	392,747
Fund balance, beginning, as previously reported	(1,386,737)	(1,386,737)	-
Correction of error	(418,206)	(418,206)	-
Fund balance, beginning, as restated	(1,804,943)	(1,804,943)	-
Fund balance, ending	$ (2,013,848)	$ (1,621,101)	$ 392,747

City of Indian Wells, California
Budgetary Comparison Schedule - Transportation Facilities Fees
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 1,610	$ 48	$ (1,562)
Developer fees	150,000	41,783	(108,217)
Total revenues	151,610	41,831	(109,779)
Other financing sources (uses)			
Transfers in	-	261,867	261,867
Transfers out	-	(150,000)	(150,000)
Total other financing sources (uses)	-	111,867	111,867
Net change in fund balance	151,610	153,698	2,088
Fund balance, beginning	(151,692)	(151,692)	-
Fund balance, ending	$ (82)	$ 2,006	$ 2,088

City of Indian Wells, California
Budgetary Comparison Schedule - Recreation Facilities Fees
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 3,080	$ 96	$ (2,984)
Developer fees	445,880	31,861	(414,019)
Total revenues	448,960	31,957	(417,003)
Other financing sources (uses)			
Transfers in	-	999,492	(999,492)
Transfers out	-	(434,578)	434,578
Total other financing sources (uses)	-	564,914	(564,914)
Net change in fund balance	448,960	596,871	(981,917)
Fund balance, beginning	(592,852)	(592,852)	-
Fund balance, ending	$ (143,892)	$ 4,019	$ (981,917)

City of Indian Wells, California
Budgetary Comparison Schedule - City Wide Public Improvements
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 100	$ 15	$ (85)
Developer fees	153,750	16,505	(137,245)
Total revenues	153,850	16,520	(137,330)
Other financing sources (uses)			
Transfers in	-	319,478	319,478
Transfers out	-	(150,000)	(150,000)
Total other financing sources (uses)	-	169,478	169,478
Net change in fund balance	153,850	185,998	32,148
Fund balance, beginning	(185,327)	(185,327)	-
Fund balance, ending	$ (31,477)	$ 671	$ 32,148

City of Indian Wells, California
Budgetary Comparison Schedule - Art in Public Places
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 10,000	$ 38,693	$ 28,693
Developer fees	15,380	73,818	58,438
Total revenues	25,380	112,511	87,131
Other financing sources (uses):			
Transfers out	-	(131,881)	(131,881)
Total other financing sources (uses)	-	(131,881)	(131,881)
Net change in fund balance	25,380	(19,370)	(44,750)
Fund balance, beginning	801,602	801,602	-
Fund balance, ending	$ 826,982	$ 782,232	$ (44,750)

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 25,370	$ 58,956	$ 33,586
Total revenues	25,370	58,956	33,586
Other financing sources (uses)			
Transfers in	162,500	162,500	-
Total other financing sources (uses)	162,500	162,500	-
Net change in fund balance	187,870	221,456	33,586
Fund balance, beginning	919,393	919,393	-
Fund balance, ending	$ 1,107,263	$ 1,140,849	$ 33,586

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 36,900	$ 119,046	$ 82,146
Total revenues	36,900	119,046	82,146
Other financing sources (uses)			
Transfers in	162,500	162,500	-
Total other financing sources (uses)	162,500	162,500	-
Net change in fund balance	199,400	281,546	82,146
Fund balance, beginning	2,034,730	2,034,730	-
Fund balance, ending	$ 2,234,130	$ 2,316,276	$ 82,146

City of Indian Wells, California
Budgetary Comparison Schedule - Buildings Capital Reserve
Year Ended June 30, 2025

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 47,150	$ 130,309	$ 83,159
Total revenues	47,150	130,309	83,159
Other financing sources (uses)			
Transfers in	412,500	162,500	(250,000)
Total other financing sources (uses)	412,500	162,500	(250,000)
Net change in fund balance	459,650	292,809	(166,841)
Fund balance, beginning	2,243,776	2,243,776	-
Fund balance, ending	$ 2,703,426	$ 2,536,585	$ (166,841)

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 36,900	$ 98,547	$ 61,647
Total revenues	36,900	98,547	61,647
Other financing sources (uses)			
Transfers in	162,500	162,500	-
Total other financing sources (uses)	162,500	162,500	-
Net change in fund balance	199,400	261,047	61,647
Fund balance, beginning	1,654,237	1,654,237	-
Fund balance, ending	$ 1,853,637	$ 1,915,284	$ 61,647

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 21,010	$ 52,204	$ 31,194
Total revenues	21,010	52,204	31,194
Other financing sources (uses)			
Transfers in	162,500	162,500	-
Total other financing sources (uses)	162,500	162,500	-
Net change in fund balance	183,510	214,704	31,194
Fund balance, beginning	784,658	784,658	-
Fund balance, ending	$ 968,168	$ 999,362	$ 31,194

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 15,840	$ 48,840	$ 33,000
Total revenues	15,840	48,840	33,000
Other financing sources (uses)			
Transfers in	162,500	162,500	-
Total other financing sources (uses)	162,500	162,500	-
Net change in fund balance	178,340	211,340	33,000
Fund balance, beginning	731,697	731,697	-
Fund balance, ending	$ 910,037	$ 943,037	$ 33,000

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 3,690	$ 25,001	$ 21,311
Total revenues	3,690	25,001	21,311
Other financing sources (uses)			
Transfers in	162,500	162,500	-
Total other financing sources (uses)	162,500	162,500	-
Net change in fund balance	166,190	187,501	21,311
Fund balance, beginning	298,693	298,693	-
Fund balance, ending	$ 464,883	$ 486,194	$ 21,311

	Budgeted Amounts	Actual	Variance with Budget Positive (Negative)
Revenues			
Investment income (loss)	$ 3,000	$ 33,501	$ 30,501
Total revenues	3,000	33,501	30,501
Other financing sources (uses)			
Transfers in	150,000	150,000	-
Total other financing sources (uses)	150,000	150,000	-
Net change in fund balance	153,000	183,501	30,501
Fund balance, beginning	460,453	460,453	-
Fund balance, ending	$ 613,453	$ 643,954	$ 30,501

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Compensated Absences	Totals
Assets			
Current Assets			
Cash and investments	$ 2,164,159	$ -	$ 2,164,159
Restricted Section 115 Trust cash and investments	5,818,393	-	5,818,393
Receivables			
Accrued interest	7,740	-	7,740
Total current assets	7,990,292	-	7,990,292
Total assets	7,990,292	-	7,990,292
Deferred Outflows of Resources			
Deferred amounts related to OPEB	4,249,743	-	4,249,743
Liabilities			
Current Liabilities			
Accounts payable	1,470	-	1,470
Net OPEB liability	4,602,246	-	4,602,246
Total liabilities	4,603,716	-	4,603,716
Deferred Inflows of Resources			
Deferred amounts related to OPEB	390,394	-	390,394
Net Position			
Restricted for OPEB	231,795	-	231,795
Restricted for Pension	984,352	-	984,352
Unrestricted	6,029,778	-	6,029,778
Total net position	$ 7,245,925	$ -	$ 7,245,925

City of Indian Wells, California

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

Year Ended June 30, 2025

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Compensated Absences	Totals
Operating Revenues			
Interdepartmental charges	$ 1,261,146	$ -	$ 1,261,146
Total operating revenues	1,261,146	-	1,261,146
Operating Expenses			
Administration and general	1,668,876	-	1,668,876
Total operating expenses	1,668,876	-	1,668,876
Operating Income (Loss)	(407,730)	-	(407,730)
Nonoperating Revenue (Expenses)			
Investment income (loss)	810,343	(1,374)	808,969
Total nonoperating revenues (expenses)	810,343	(1,374)	808,969
Transfers Out	-	(757,524)	(757,524)
Changes in Net Position	402,613	(758,898)	(356,285)
Net Position, Beginning of Year	6,843,312	758,898	7,602,210
Net Position, End of Year	$ 7,245,925	$ -	$ 7,245,925

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Compensated Absences	Totals
Operating Activities			
Cash received from interfund services provided	$ 1,261,146	$ -	$ 1,261,146
Cash paid to suppliers for goods and services	(6,513,085)	-	(6,513,085)
Net Cash from (used for) Operating Activities	(5,251,939)	-	(5,251,939)
Non-Capital Financing Activities			
Cash received from other funds	-	(757,524)	(757,524)
Net Cash from (used for) Non-Capital Financing Activities	-	(757,524)	(757,524)
Investing Activities			
Investment income	807,924	1,555	809,479
Net Cash from (used for) Investing Activities	807,924	1,555	809,479
Net Change in Cash and Cash Equivalents	(4,444,015)	(755,969)	(5,199,984)
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	12,426,567	755,969	13,182,536
Cash, Restricted Cash, and Cash Equivalents, End of Year	$ 7,982,552	$ -	$ 7,982,552
Reconciliation of Operating Income to Net Cash from (used for) Operating Activities			
Operating income (loss)	$ (407,730)	$ -	$ (407,730)
Changes in:			
Accounts receivable	-	-	-
Net OPEB asset/liability	(2,633,147)	-	(2,633,147)
Deferred outflows related to OPEB	(1,917,614)	-	(1,917,614)
Deferred inflows related to OPEB	(294,918)	-	(294,918)
Accounts payable	1,470	-	1,470
Net Cash from (used for) Operating Activities	$ (5,251,939)	$ -	$ (5,251,939)

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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2. Operating Indicators by Function 164
3. Capital Assets Statistics by Function 165

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									
	2025	**2024**	**2023**	**2022**	**2021****	**2020**	**2019**	**2018**	**2017**	**2016**
Governmental activities:										
Net investment in capital assets	$ 145,413,139	$ 142,190,278	$ 147,924,061	$ 145,969,138	$ 148,375,228	$ 163,856,985	$ 167,002,186	$ 172,007,625	$ 172,494,796	$ 175,639,386
Restricted for:										
Community development	459,123	945,799	725,787	4,718,908	4,439,261	3,801,007	3,108,085	2,661,415	2,401,909	2,294,829
Housing	12,646,741	12,034,055	15,429,469	13,016,874	15,486,485	12,961,532	13,870,180	14,632,707	12,842,189	13,352,710
Public safety	7,652,573	5,863,937	6,183,630	7,054,610	6,548,304	6,728,419	5,737,133	5,308,643	6,034,523	9,535,112
Public works	3,952,146	2,494,602	2,345,243	2,317,493	2,793,046	2,657,863	2,412,413	2,223,810	2,135,793	2,201,769
Debt service	-	-	-	-	-	-	-	-	-	-
Section 115 Trust	-	-	-	-	937,402	-	-	-	-	-
Pension obligations	1,974,514	2,041,991	5,567,799	11,369,223	-	-	-	-	-	-
OPEB obligations	112,070	2,833,540	1,798,141	2,301,464	-	-	-	-	-	-
Unrestricted	85,577,754	86,935,013	70,023,935	69,606,313	65,899,752	69,738,721	71,786,558	61,884,894	65,150,651	50,054,925
Total governmental activities net position	257,788,060	255,339,215	249,998,065	256,354,023	244,479,478	259,744,527	263,916,555	258,719,094	261,059,861	253,078,731
Business-type activites:										
Net investment in capital assets**	50,104,159	42,518,369	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	58,762	31,475	139,371	338,347	-	-	-	-	-	-
Unrestricted	2,005,741	(490,067)	(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	52,168,662	42,059,777	41,820,991	42,542,189	41,588,280	43,864,165	48,011,924	52,222,910	54,415,923	59,296,686
Primary government:										
Net investment in capital assets	195,517,298	184,708,647	192,521,650	192,720,525	195,572,605	212,979,464	216,823,484	223,206,034	225,253,051	233,137,987
Restricted	24,769,345	21,369,868	24,823,500	27,446,232	29,267,096	26,148,821	25,127,811	24,826,575	23,414,414	27,384,420
Unrestricted	87,583,495	86,444,946	67,107,966	65,058,768	60,290,655	64,480,407	69,977,184	62,909,395	66,808,319	51,853,010
Total primary government net position	$ 309,956,722	$ 297,398,992	$ 291,819,056	$ 298,896,212	$ 286,067,758	$ 303,608,692	$ 311,928,479	$ 310,942,004	$ 315,475,784	$ 312,375,417

*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									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Expenses:										
Governmental activities:										
General government	$ 11,604,322	$ 14,392,102	$ 15,297,837	$ 2,804,408	$ 16,765,605	$ 8,368,804	$ 5,701,156	$ 8,102,188	$ 7,501,991	$ 7,151,865
Public safety	13,355,081	13,334,797	13,309,494	9,003,835	9,448,083	9,192,146	9,115,680	9,918,617	7,830,608	7,853,892
Community development	5,923,067	5,638,377	6,782,254	5,479,125	4,918,929	4,586,068	6,117,322	2,867,417	4,331,134	4,502,450
Public works	12,136,865	12,071,338	11,245,752	4,719,058	7,956,690	7,786,633	9,598,922	6,685,611	6,624,416	6,521,569
Golf resort	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	399,006	329,643	457,880	463,970	-	-	-	-	-	-
Total governmental activities expenses	43,418,341	45,766,257	47,093,217	22,470,396	39,089,307	29,933,651	30,533,080	27,573,833	26,288,149	26,029,776
Business-type activities:										
Golf resort	17,508,594	22,307,753	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	17,508,594	22,307,753	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	60,926,935	68,074,010	69,064,074	41,285,497	52,541,175	45,438,212	47,855,858	43,992,113	46,360,221	47,101,311
Program revenues:										
Governmental activities:										
Charges for services:										
General government	73,534	64,546	107,012	47,687	41,412	58,587	43,100	39,584	35,873	48,263
Public safety	745,461	737,398	604,356	603,773	485,403	525,383	600,091	199,095	134	4,522
Community development	3,815,061	3,958,920	1,483,981	1,568,875	817,102	969,257	990,040	1,038,569	1,121,873	968,377
Public works	36,231	21,809	23,469	17,203	14,463	9,288	12,124	21,064	22,884	27,412
Golf resort	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	3,691,021	4,512,952	745,918	759,541	523,214	485,587	478,269	444,372	430,718	456,491
Public safety	8,765,453	7,345,702	6,770,475	7,516,568	5,642,553	5,308,307	5,143,462	4,864,606	4,768,453	4,637,918
Community development	137,246	123,436	21,032	-	-	-	-	-	52,738	-
Public works	4,357,826	4,243,176	3,719,376	3,158,915	2,890,710	2,760,299	2,705,844	2,505,914	2,643,506	2,364,247
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-
Public works	200,791	68,032	202,766	954,966	119,842	487,500	236,175	215,870	143,993	104,869
Total governmental activities program revenue	21,822,624	21,075,971	13,678,385	14,627,528	10,534,699	10,604,208	10,209,105	9,329,074	9,220,172	8,612,099
Business-type activities:										
Charges for services:										
Golf resort	16,976,221	22,331,661	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	-	-						82,142.00	111,241.00	108,476.00
Capital grants and contributions:	1,250,000	-	-	-	-	-	-	-	-	-
Total business-type activities program revenue	18,226,221	22,331,661	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	40,048,845	43,407,632	34,867,146	30,829,958	21,712,904	21,944,512	25,317,502	23,149,394	22,169,806	21,638,705
Net revenues (expenses):										
Governmental activities	(21,595,717)	(24,690,286)	(33,414,832)	(7,842,868)	(28,554,608)	(19,329,443)	(20,323,975)	(18,244,759)	(17,067,977)	(17,417,677)
Business-type activities	717,627	23,908	(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)	(20,878,090)	(24,666,378)	(34,196,928)	(10,455,539)	(30,828,271)	(23,493,700)	(22,538,356)	(20,842,719)	(24,190,415)	(25,462,606)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	4,406,703	4,362,305	3,945,967	3,721,408	3,554,123	3,303,647	3,398,657	3,255,668	3,115,910	3,039,371
Transient occupancy taxes	13,523,137	12,159,497	12,450,662	10,987,345	4,622,778	4,944,773	8,835,433	7,943,017	7,826,154	7,000,096
Sales taxes	2,148,619	1,824,421	1,766,438	1,539,776	656,060	821,533	1,493,254	1,111,159	1,347,804	1,217,570
Franchise taxes	1,388,780	1,398,516	1,231,605	1,108,065	993,257	995,921	992,865	929,551	941,938	922,074
Other taxes	5,484,031	5,293,399	4,090,392	4,988,299	122,955	131,115	3,674,785	3,474,244	3,227,361	2,968,981
Investment income	5,721,683	4,965,343	3,137,278	(1,192,487)	2,479,381	4,275,362	4,336,032	1,861,285	1,791,037	2,392,300
Gain on sale of asset	-	-	-	404,376.00	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-	-	-	-	-	-
Other	366,556	296,204	481,138	550,703	861,005	685,064	785,799	909,895	659,280	908,638
Transfers	-	-	-	-	-	-	-	-	6,139,623	(831,713)
Total governmental activities	33,039,509	30,299,685	27,103,480	22,107,485	13,289,559	15,157,415	23,516,825	19,484,819	25,049,107	17,617,317
Business-type activities:										
Investment income	186,311	(9,374)	(9,708)	(70,543)	(2,222)	16,498	8,006	-	1,809	3,095
Other	210000		26,000	1,247,051	-	-	-	404,947	8,379,489	1,850,156
Transfers	-	-	-	-	-	-	-	-	(6,139,623)	831,713
Total business-type activities	396,311	(9,374)	16,292	1,176,508	(2,222)	16,498	8,006	404,947	2,241,675	2,684,964
Total primary government	33,435,820	30,290,311	27,119,772	23,283,993	13,287,337	15,173,913	23,524,831	19,889,766	27,290,782	20,302,281
Changes in net position:										
Governmental activities	11,443,792	5,609,399	(6,311,352)	14,264,617	(15,265,049)	(4,172,028)	3,192,850	1,240,060	7,981,130	199,640
Business-type activities	1,113,938	14,534	(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	$ 12,557,730	$ 5,623,933	$ (7,077,156)	$ 12,828,454	$ (17,540,934)	$ (8,319,787)	$ 986,475	$ (952,953)	$ 3,100,367	$ (5,160,325)

*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									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General fund:										
Nonspendable:										
Prepaid items	$ 102,331	$ 63,162	$ 111,390	$ 41,691	$ 15,086	$ 2,865	$ 7,738	$ 1,911	$ 24,666	$ 5,740
Notes and loans	9,472,617	12,622,068	15,256,105	17,497,027	29,336,845	18,917,870	18,945,867	17,739,192	17,739,192	17,889,192
Committed to:										
Emergency reserve	-	-	-	-	-	-	-	-	-	-
Unassigned	20,744,269	28,602,823	21,280,563	17,725,585	3,324,042	10,443,842	16,039,794	19,397,674	18,859,826	10,727,499
Total general fund	$ 30,319,217	$ 41,288,053	$ 36,648,058	$ 35,264,303	$ 32,675,973	$ 29,364,577	$ 34,993,399	$ 37,138,777	$ 36,623,684	$ 28,622,431
All other governmental funds										
Nonspendable										
Inventory	-	-	-	-	-	-	-	-	-	-
Prepaid items	19,802	537	663	-	-	48,795		-	-	-
Notes				650,462	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-	-
Restricted for:										
Community development	13,105,864	12,979,854	16,155,256	17,735,782	19,925,746	16,762,539	16,978,265	17,294,122	15,244,098	15,647,539
Public safety	7,652,573	5,863,937	6,183,630	7,054,610	6,548,304	6,728,419	5,737,133	5,308,643	6,034,523	6,065,849
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Public works	3,952,146	2,494,602	2,345,243	2,317,493	2,793,046	2,732,362	2,412,413	2,223,810	2,135,793	2,201,769
Debt service	2,331,258	6,275,929	10,721,626	12,094,086	-	-	-	-	-	-
Committed to:										
Emergency Reserve	-	-	-	-	-	-	-	-	-	-
Capital projects	782,232	801,602	494,155	311,735	5,664,949	5,648,955	5,659,190	144,213	676,363	354,335
Golf Resort	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Capital projects	47,926,044	39,114,080	32,593,336	34,196,650	28,414,872	34,045,927	30,525,572	23,325,122	23,643,770	23,199,044
Unassigned	(1,621,201)	(2,316,608)	(1,758,522)	(1,483,512)	(1,131,775)	(1,171,973)	(1,254,477)	(1,306,134)	(1,345,970)	(1,387,826)
Total all other governmental funds	$ 74,148,718	$ 65,213,933	$ 66,735,387	$ 72,877,306	$ 62,215,142	$ 64,795,024	$ 60,058,096	$ 46,989,776	$ 46,388,577	$ 74,703,141

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 Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

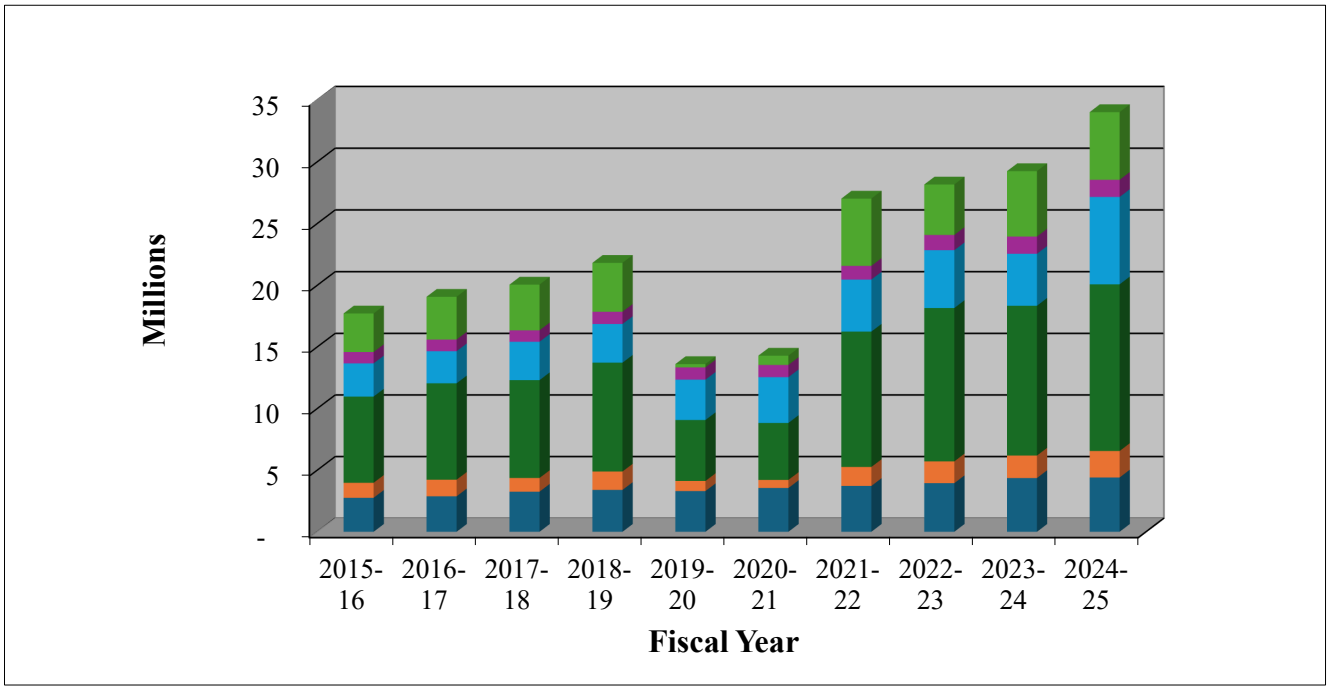
	Fiscal Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Revenues:										
Taxes	$ 34,031,692	$ 29,160,225	$ 28,165,831	$ 26,562,600	$ 13,780,199	$ 13,474,030	$ 21,534,317	$ 19,825,390	$ 19,067,088	$ 17,840,371
Licenses and permits	514,897	683,169	925,135	918,431	499,929	542,715	504,876	465,327	642,162	466,550
Intergovernmental	5,077,974	5,801,790	1,864,339	3,673,650	1,224,015	1,467,346	1,246,106	1,098,333	1,024,757	959,741
Contribution from property owners	-	-	-	-	-	-	-	-	-	-
Charges for services	1,248,049	1,403,770	1,163,202	1,254,217	802,576	951,925	1,085,255	772,337	480,245	503,429
Investment income	4,912,714	4,242,062	748,799	(3,200,198)	314,893	2,316,373	2,492,431	212,021	225,978	727,908
Fines and forfeitures	109,765	86,355	130,481	64,890	55,875	67,875	55,224	60,648	58,359	78,595
Rental income	2,797,576	2,609,379	2,310,605	2,137,105	1,978,311	1,892,369	1,766,444	1,639,641	1,561,169	1,629,432
Assessments	5,409,405	5,002,743	4,531,983	4,228,752	4,102,421	4,036,690	4,009,522	3,866,031	3,763,303	3,782,451
Development fees	171,735	523,949	682,477	608,782	135,471	260,616	168,798	149,631	448,419	129,054
Other	126,556	56,204	181,139	211,802	744,391	685,064	785,799	909,895	659,280	908,638
Total revenues	54,400,363	49,569,646	40,703,991	36,460,031	23,638,081	25,695,003	33,648,772	28,999,254	27,930,760	27,026,169
Expenditures										
Current:										
General government	10,517,739	14,132,050	12,241,965	12,024,340	7,783,032	7,884,804	8,993,847	8,136,619	7,836,296	8,008,297
Public safety	11,943,103	11,961,009	12,793,673	9,822,666	9,256,346	9,108,526	8,780,570	8,488,123	8,047,904	8,151,039
Community development	5,518,552	5,473,234	4,669,205	6,082,975	3,068,540	2,916,391	3,010,110	2,890,706	2,861,354	3,084,249
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Public works	7,307,572	6,556,224	6,369,744	6,052,130	5,169,930	5,326,339	4,811,267	4,456,328	4,546,968	4,423,715
Golf resort		-	-	-	-	-	-	-	-	-
Pass-through	-	-	-	-	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	235,117	-	-	-	-	-	-
Capital outlay	11,525,169	7,289,559	8,376,088	4,785,480	1,270,541	1,350,837	3,484,885	3,911,186	1,305,125	559,912
Debt service:										
Principal retirement	495,000	470,000	380,000							-
Interest and fiscal charges	471,550	466,445	586,874							-
Total expenditures	47,778,685	46,348,521	45,417,549	39,002,708	26,548,389	26,586,897	29,080,679	27,882,962	24,597,647	24,227,212
Excess (deficiency) of revenues over (under) expenditures	6,621,678	3,221,125	(4,713,558)	(2,542,677)	(2,910,308)	(891,894)	4,568,093	1,116,292	3,333,113	2,798,957
Other financing sources (uses):										
Transfers in	21,940,919	9,892,327	10,802,457	8,909,273	154,080	15,530,608	25,325,206	4,206,586	7,932,137	1,429,989
Transfers out	(30,178,342)	(9,994,911)	(10,847,063)	(8,909,273)	(154,080)	(15,530,608)	(23,320,595)	(4,206,586)	(2,956,130)	(2,261,702)
Contributions to other governments	-	-	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	13,930,000	-	-	-	-	-	-
Premium (discount) on bonds	-		-	1,338,171	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	525,000	3,641,822	-	4,351,849	-	-	-
Total other financing sources (uses)	(8,237,423)	(102,584)	(44,606)	15,793,171	3,641,822	-	6,356,460	-	4,976,007	(831,713)
Net change in fund balances	$ (1,615,745)	$ 3,118,541	$ (4,758,164)	$ 13,250,494	$ 731,514	$ (891,894)	$ 10,924,553	$ 1,116,292	$ 8,309,120	$ 1,967,244
Debt service as a percentage of noncapital expenditures	2.5%	2.1%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital outlay (Recon of Rev & Exp)	9,288,006	2,722,860	4,161,011	4,734,914	(11,576,784)	868,327	(1,681,711)	3,456,064	588,717	(102,981)
Total governmental expenditures	47,778,685	46,348,521	45,417,549	39,002,708	26,548,389	26,586,897	29,080,679	27,882,962	24,597,647	24,227,212
Less: Principal	(495,000)	(470,000)	(380,000)	-	-	-	-	-	-	-
Less: Interest	(471,550)	(466,445)	(586,874)	-	-	-	-	-	-	-
	46,812,135	45,412,076	44,450,675	39,002,708	26,548,389	26,586,897	29,080,679	27,882,962	24,597,647	24,227,212
Less: Capital Asset Additions	(9,288,006)	(2,722,860)	(4,161,011)	(4,734,914)	11,576,784	(868,327)	1,681,711	(3,456,064)	(588,717)	102,981
Non Capital Expenditures	37,524,129	42,689,216	40,289,664	34,267,794	38,125,173	25,718,570	30,762,390	24,426,898	24,008,930	24,330,193
Total Debt Service Payments	966,550	936,445	966,874	-	-	-	-	-	-	-
Debt Service as % of Non Capital Exp.	2.5%	2.1%	2.4%	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
2015-16	2,757,592	1,217,570	7,000,096	2,692,279	922,074	3,131,820	17,721,430
2016-17	2,876,532	1,347,804	7,826,154	2,607,921	941,937	3,470,131	19,070,480
2017-18	3,255,668	1,111,159	7,942,995	3,111,773	929,551	3,704,319	20,055,464
2018-19	3,398,657	1,493,254	8,835,433	3,139,323	992,866	3,959,902	21,819,434
2019-20	3,303,647	821,533	4,944,773	3,277,041	995,921	268,326	13,611,241
2020-21	3,554,123	656,060	4,622,778	3,714,412	993,258	754,545	14,295,176
2021-22	3,721,408	1,539,776	10,987,345	4,217,707	1,108,065	5,448,912	27,023,212
2022-23	3,945,967	1,766,438	12,450,662	4,680,767	1,231,605	4,090,393	28,165,832
2023-24	4,362,305	1,824,421	12,159,497	4,206,481	1,398,516	5,293,399	29,244,619
2024-25	4,406,703	2,148,619	13,523,137	7,075,678	1,388,780	5,484,030	34,026,947
Percentage change:							
2016-2025	59.8%	76.5%	93.2%	162.8%	50.6%	75.1%	92.0%



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) Secured	City (Excl. RDA) Unsecured	City (Excl. RDA) Taxable Assessed Value	Redevelopment Agency Secured	Redevelopment Agency Unsecured	Redevelopment Agency Taxable Assessed Value	City's Direct Tax Rate
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
2023-24	1,838,789,619	13,174,858	1,851,964,477	5,697,960,224	18,611,514	5,716,571,738	1.22450
2024-25	2,065,358,785	13,796,898	2,079,155,683	5,954,081,509	16,765,376	5,970,846,885	1.22450

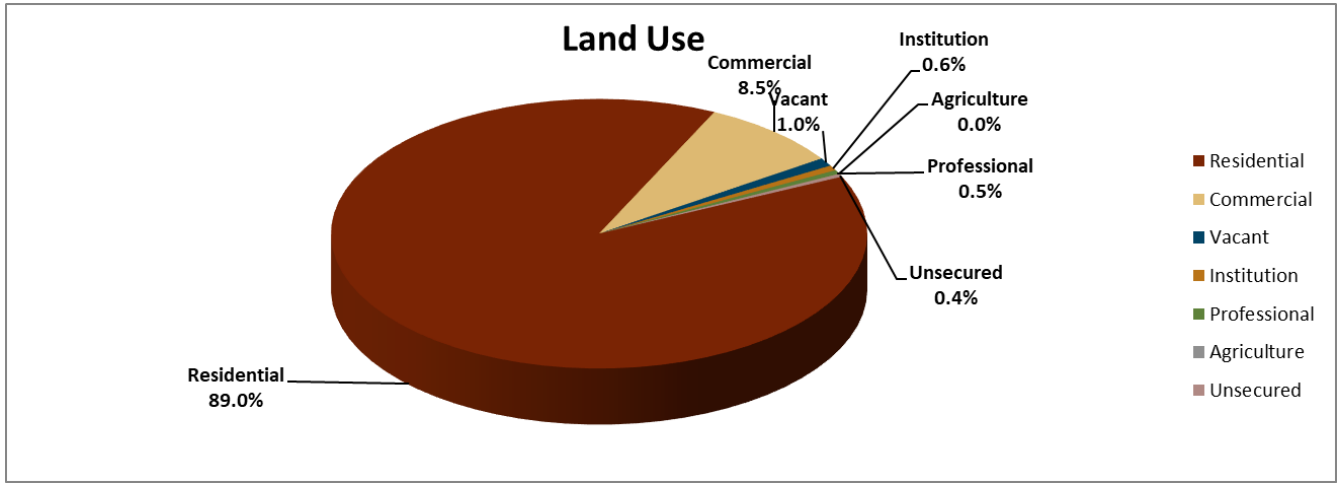
Source: Riverside County Assessor Data, Avenu Insights & Analytics

(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	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-2023	2023-24	2024-25
Residential	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	6,697,256,233	7,165,797,802
Commercial	536,436,321	501,610,126	559,511,479	661,957,523	646,454,076	623,499,659	629,520,507	684,902,466	717,785,574	685,290,914
Vacant	165,131,203	184,811,047	172,148,781	166,625,355	224,972,607	175,159,873	165,270,882	168,952,930	83,707,123	80,075,785
Institutional	0	0	0	0	0	375,198	379,085	0	394,400	49,986,103
Professional	0	0	0	0	0	35,928,381	26,455,998	31,596,435	37,605,136	38,287,986
Agriculture	0	0	0	0	0	0	9,650	9,732	1,377	1,404
Social	0	0	0	0	0	0	0	386,666	0	0
Unknown	0	0	0	0	0	0	0	0	0	0
Net Secured Value	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	7,536,749,843	8,019,439,994
Unsecured	28,889,109	29,796,240	25,666,311	30,977,949	41,477,418	35,017,026	31,680,036	29,685,196	31,786,372	30,562,274
Net Taxable Value	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	7,568,536,215	8,050,002,268



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

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
City Direct Rates:										
City Basic Rate	0.00649751	0.00649751	0.00649751	0.00649751	0.00649751	0.00779246	0.00779246	0.00779246	0.00649751	0.00649751
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	0.00779246	0.00779246	0.00779246	0.00649751	0.00649751
Overlapping Rates:										
General	0.15716188	0.15716188	0.15716188	0.15716188	0.15716348	0.31458170	0.31458170	0.31458170	0.15716349	0.15716349
Riverside County General & Fire	0.06556884	0.06556884	0.06556884	0.06556884	0.06556119	0.06556922	0.06556922	0.06556922	0.06556119	0.06556119
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	0.02312834	0.02312834	0.02312834	0.01321243	0.01321243
CV Mosquito & Vector Control District	0.01091312	0.01091312	0.01091312	0.01091312	0.01091312	0.01529179	0.01529179	0.01529179	0.01091312	0.01091312
Riverside County Regional Park & Open Space	0.00387930	0.00387930	0.00387930	0.00387930	0.00387930	0.00475859	0.00475859	0.00475859	0.00387930	0.00387930
Coachella Valley Public Cemetery	0.00256659	0.00256659	0.00256659	0.00256659	0.00256659	0.00379506	0.00379506	0.00379506	0.00256659	0.00256659
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	0.17512353	0.00000000	0.00000000	0.00000000	0.17512353	0.17512353
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	0.11000000	0.11000000	0.11000000	0.11000000
Desert Community College	0.02087000	0.02036000	0.04030000	0.03978000	0.03983000	0.03978000	0.03950000	0.03950000	0.03950000	0.03950000
Desert Sands Unified School District	0.10915000	0.08599000	0.07251000	0.07418000	0.07381000	0.07418000	0.07500000	0.07500000	0.07500000	0.07500000
TOTAL	0.23002000	0.20635000	0.21281000	0.21396000	0.21364000	0.21396000	0.22450000	0.22450000	0.22450000	0.22450000
TOTAL TAX RATE	1.23002000	1.20635000	1.21281000	1.21396000	1.21364000	1.21396000	1.22450000	1.22450000	1.22450000	1.22450000

Source: Riverside County Auditor data, Avenu Insights & Analytics

(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

	2024-25		2015-16	
Taxpayer	**Taxable Value ($)**	**Percent of Total City Taxable Value (%)**	**Taxable Value ($)**	**Percent of Total City Taxable Value (%)**
Garden of Champions	293,305,003	3.64%	181,532,989	3.46%
Indian Wells Hotel Owner	151,167,998	1.88%		
BBC Esmeralda	80,508,910	1.00%		
Toscana Country Club	48,828,100	0.61%		
Vintage Club	32,384,847	0.40%	22,590,988	0.43%
Village Shopping Center at Indian Wells	25,652,390	0.32%	15,436,236	0.29%
Indian Wells Prop	23,373,597	0.29%		
IW Golf Club	20,451,853	0.25%		
Eldorado Country Club	19,937,879	0.25%	22,710,946	0.43%
GHA Province IW	17,510,000	0.22%		
Cook Leo W	15,563,477	0.19%	16,036,410	0.31%
Brinson Gary P Trust Dtd	15,305,000	0.19%	10,674,000	0.20%
Schmid Inv	14,546,761	0.18%	13,509,793	0.26%
Indian Wells Village II	14,362,522	0.18%	12,189,361	0.23%
Jonagold Holdings	14,084,831	0.17%		
DRW Desert Holdings	13,801,836	0.17%		
Carletti, Christopher M	13,520,000	0.17%		
Summit Developments	13,260,000	0.16%		
Morgan Lisa Hofmann Revocable Trust	12,651,234	0.16%		
PRG Sands 2	11,622,363	0.14%		
Renard Hidden Valley Lts. Partnership	11,382,640	0.14%		
Targoff Michael B	11,303,171	0.14%	9,592,911	0.18%
Modern Development LLC	11,039,271	0.14%		
DMA Investments, LLC	10,918,057	0.14%		
Luttgens Jenise M	10,795,385	0.13%		
Felcor Esmeralda LLC			56,207,716	1.07%
Grand Champions LLC			54,270,603	1.04%
Toscana Lan			53,502,891	1.02%
Southwest Community Church Of			42,452,664	0.81%
RPCWG Miramonte Owner			25,819,481	0.49%
Standard Pacific Corp			21,837,668	0.42%
IWCC Acquisition Corp			17,881,238	0.34%
Marion Anne W			13,051,640	0.25%
Kayne Richard A Suzanne L			12,669,104	0.24%
Ryan Oil Co			11,702,030	0.22%
Smith Orin C			10,604,719	0.20%
KH Indian Wells			10,199,800	0.19%
Neptune			9,787,000	0.19%
Argyros George L			9,778,022	0.19%
Reserve Club			9,073,327	0.17%
Macmillan Donna J			9,007,323	0.17%
Total Top 25 Taxpayers	907,277,125	11.27%	672,118,860	12.83%
Total Taxable Value	8,050,002,568	100.00%	5,239,563,503	100.00%

Source: County Assessor data, Avenu Insights & Analytics

City of Indian Wells

Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2024-25		2015-16	
Taxpayer	**Business Type**	**Taxpayer**	**Business Type**
Audio Visual Services Group	Light Industry	Audio Visual Headquarters	Business Services
CVS/Pharmacy	Drug Stores	Creative Pipe	Light Industry
Desert Horizons Country Club	Miscellaneous Retail	CVS/Pharmacy	Drug Stores
Don Diego's Restaurant	Restaurants	Desert Horizons Country Club	Restaurants
Eldorado Country Club	Miscellaneous Retail	Don Diego's Restaurant	Restaurants
Eureka! Burger	Restaurants	Donna Diamond Designer	Miscellaneous Retail
Hyatt Regency Indian Wells	Restaurants	Eldorado Country Club	Restaurants
Indian Wells Country Club & Hotel	Miscellaneous Retail	Eureka Restaurants	Restaurants
Indian Wells Golf Resort	Miscellaneous Retail	Hotel Indian Wells	Restaurants
Indian Wells Tennis Garden	Miscellaneous Retail	Hyatt Grand Champions Resort	Restaurants
Iw Coffee	Food Markets	Indian Wells Country Club	Restaurants
Karen Harlow For The Home	Miscellaneous Retail	Indian Wells Golf Resort	Restaurants
Miramonte Resort & Spa	Restaurants	Indian Wells Tennis Garden	Miscellaneous Retail
Nobu Indian Wells	Restaurants	Karen Harlow For The Home	Furniture/Appliance
Renaissance Esmeralda Resort & Spa	Restaurants	Miramonte Resort & Spa	Restaurants
Reserve Club	Miscellaneous Retail	Ralph's Grocery Company	Food Markets
Sga Production Services	Heavy Industry	Renaissance Esmeralda Resort	Restaurants
Sodexo Live!	Restaurants	Reserve Club	Restaurants
Sprouts Farmers Market	Food Markets	Tennis Warehouse	Recreation Products
The Nest Restaurant & Piano Bar	Restaurants	Terry Beardsley Golf Shop	Recreation Products
The Sands Hotel & Spa	Restaurants	The Nest	Restaurants
The Vintage Club	Miscellaneous Retail	Toscana Country Club	Restaurants
Toscana Country Club	Miscellaneous Retail	Venezia Gourmet Foods	Restaurants
Venus Over Mahattan Art	Miscellaneous Retail	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
2016	2,757,592	2,688,168	97.48%	69,424	2,757,592	100.00%
2017	2,876,532	2,805,557	97.53%	70,974	2,876,531	100.00%
2018	3,255,668	3,181,192	97.71%	60,334	3,241,526	99.57%
2019	3,398,657	3,346,263	98.46%	9,525	3,355,788	98.74%
2020	3,303,647	3,290,360	99.60%	13,287	3,303,647	100.00%
2021	3,554,123	3,544,966	99.74%	-	3,544,966	99.74%
2022	3,721,408	3,678,179	98.84%	43,229	3,721,408	100.00%
2023	3,945,967	3,906,789	99.01%	39,177	3,945,966	100.00%
2024	4,362,305	4,307,625	98.75%	54,679	4,362,305	100.00%
2025	4,406,703	4,463,768	101.29%	27,327	4,491,096	101.92%

NOTE:
The amounts presented include City property taxes.
The City of Indian Wells participates in the Teeter Program, ensuring the collection of 100% of its property taxes. In years where full tax levies were not collected, the discrepancy is due to penalties and interest, which are excluded from this report.

City of Indian Wells

Transient Occupancy Tax Collections
Last Ten Fiscal Years

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Resort Hotels	6,719,057	7,626,203	7,716,357	8,635,851	4,811,599	4,451,687	10,699,937	12,165,268	11,716,364	13,168,714
Short-term Rentals	281,039	229,213	226,660	199,582	133,174	171,091	287,408	285,394	443,133	354,423
Total	7,000,096	7,855,416	7,943,017	8,835,433	4,944,773	4,622,778	10,987,345	12,450,662	12,159,497	13,523,137
Transient Occupany Tax Rate in effect	11.25%	11.25%	11.25%	12.25%	12.25%	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			Business Type Activities	Total	Percentage of Personal Income	Per Capita
	Tax Allocation Bonds	Notes Payable	Lease Revenue Bonds	Leases Payable			
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	0.00257%	125,401
2023	- [1]	-	14,799,696.00	330,461.00	15,130,157	0.00217%	146,267
2024	- [1]	-	14,263,340.00	189,907.00	14,453,247	0.00184%	163,639
2025	- [1]	-	13,701,984.00	224,498.00	13,926,482	0.00162%	176,434

(1) Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Please see note 8 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
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%
2024	-	0.0%	-	-	-	1,135,618	1,135,618	100.0%
2025	-	0.0%	-	-	-	1,210,413	1,210,413	100.0%

Legal Debt Margin Calculation for Fiscal Year 2024:

	FY 2024/25
Assessed Value (From Assessor's net 02-2441)	$ 8,069,423,302
Legal Debt limit (15% of total assessed value)	1,210,413,495

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, 2025

2024-25 Assessed Valuation: $8,057,635,368

	Total Debt 6/30/2025	% Applicable (1)	City Share of Debt 6/30/25
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Desert Community College District	$ 640,515,000	6.819%	$ 43,676,718
Desert Sands Unified School District	475,170,000	14.596	69,355,813
Desert Sands Unified School District Community Facilities District No. 1	155,000	11.088	17,186
City of Indian Wells	**-**	**100**	-
California Statewide Communities Development Authority Assessment Bonds	340,000	100	340,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$ 113,389,717
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	$ 1,134,209,783	1.899% 1	$ 21,538,644
Riverside County Pension Obligation Bonds	603,055,000	1.899	11,452,014
Desert Sands Unified School District Certificates of Participation	6,325,000	14.596	923,197
City of Indian Wells Lease Revenue Bonds	**12,585,000**	**100.000**	12,585,000
Desert Recreation District General Fund Obligations	993,462	11.159	110,860
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			46,609,715
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	159,035,000	.0187-100%	$ 47,004,889
TOTAL DIRECT DEBT			**$ 12,585,000**
TOTAL OVERLAPPING DEBT			$ 194,419,321
COMBINED TOTAL DEBT			$ 207,004,321

(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 2024-25 Assessed Valuation:

Direct Debt ($12,585,000)	**0.16%**
Total Direct and Overlapping Tax and Assessment Debt	1.41%
Combined Total Debt	2.57%

Ratios to Redevelopment Successor Agencies Incremental Valuation ($5,586,735,393):

Total Overlapping Tax Increment Debt	0.84%

City of Indian Wells

Pledged-Revenue Coverage

Last Ten Fiscal Years

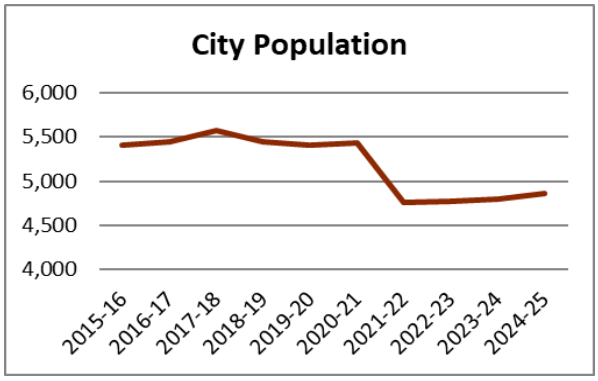
Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

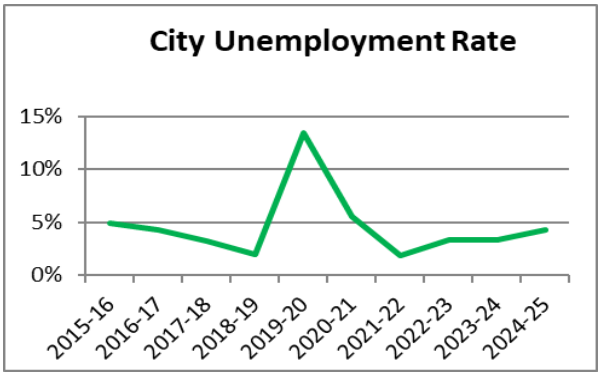
Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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)
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	698,280,138	146,267	67.4	26,379	3.3%
2023-24	4,797	784,977,051	163,639	68.3	25,898	3.3%
2024-25	4,862	857,819,677	176,434	67.5	25,615	4.3%





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

	2024-25		2015-16	
Business Name	**Number of Employees**	**Percent of Total Employment (%)**	**Number of Employees**	**Percent of Total Employment (%)**
Hyatt Regency Resort & Spa	463	25.72%	425	25.00%
Renaissance Esmeralda Resort	443	24.61%	467	27.47%
Miramonte Resort and Spa	203	11.28%	170	10.00%
Indian Wells Golf Resort (1)	191	10.61%	226	13.29%
Toscana Country Club	146	8.11%	220	12.94%
El Dorado Country Club (1)	115	6.39%	215	12.65%
Desert Horizons Country Club (1)	100	5.56%	84	4.94%
Southwest Community Church	95	5.28%		
Indian Wells Resort Hotel	68	3.78%	76	4.47%
Indian Wells Country Club	67	3.72%	96	5.65%
Merrill Lynch Wealth Management			43	2.53%
Total Top Employers	1,891	105.06%	2,022	118.94%
Total City Employment (2)	1,800		1,700	

Source: Avenu Insights & Analytics

Source: FY2016, City's FYE 2016 ACFR Publication Report

(1) Includes Seasonal Employees.

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

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

City of Indian Wells

Full-time Equivalent City Government Employees
by Function

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Manager/Clerk	4.48	4.48	5.05	5.05	5.75	5.85	4.30	4.25	4.50	5.90
Economic Development	-	-	-	-	-	-	-	0.35	0.15	0.35
Advertising/Marketing	1.97	1.97	-	-	-	0.95	0.95	1.05	0.90	0.70
Community Services	-	-	1.95	1.95	1.40	0.55	0.55	0.35	0.35	0.35
Risk Management	0.150	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.40	0.50
Personnel	0.450	0.45	0.55	0.55	0.45	0.45	0.40	0.35	0.15	0.35
City Attorney	0.09	0.09	0.20	0.20	0.20	0.10	0.10	0.25	0.25	0.10
Community Development	6.27	6.77	5.45	5.45	6.35	5.45	6.35	7.35	7.65	7.00
Finance Department	5.33	5.33	4.41	4.41	3.42	3.19	2.94	4.45	5.20	5.00
Public Safety	1.60	1.10	1.10	1.10	1.15	1.50	1.50	1.10	0.50	2.05
Public Works	7.44	7.44	7.44	7.51	8.47	8.63	9.61	10.15	10.30	11.00
Housing Authority	0.99	0.99	1.64	1.64	1.72	2.24	3.49	2.65	1.30	0.40
Golf Resort	0.18	0.18	0.84	0.84	0.79	0.79	0.51	0.40	0.35	0.30
Club Drive	0.05	0.05	0.07	-	-	-	-	-	-	-
Total	29.00	29.00	29.00	29.00	30.00	30.00	31.00	33.00	32.00	34.00

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

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Function										
Police										
Violent Crime	6	6	2	8	8	14	8	8	10	4
Thefts	91	96	89	101	101	67	108	90	69	53
Burglaries	45	39	34	49	49	19	35	29	19	13
Traffic Collisions	104	116	98	101	102	108	118	129	151	164
Traffic Citations	1,101	1,248	1,231	853	393	949	1,011	1,417	1,551	1,480
Fire										
Medical Aid Calls	794	818	934	951	1,135	766	918	980	979	952
Public Service Assists	76	79	69	59	65	56	69	93	96	125
Structure Fires	3	1	5	2	2	-	2	1	6	3
Vegetation Fires	-	2	2	-	-	-	3	-	1	-
Building Activity										
Permits Issued	887	774	764	758	722	751	682	1,167	900	751
Inspections Performed	4,607	3,319	3,686	3,841	4,209	3,576	4,751	6,044	5,327	3,195
New Dwelling Units	32	33	39	46	61	38	85	45	35	11
Public Works										
Lot Line Adjustments	2	4	-	2	6	8	3	1	7	2
Parcel Mergers	4	1	3	2	1	1	1	1	1	1
Encroachment Permits	70	82	71	86	82	56	66	86	78	55
Tract Maps	-	-	-	2	-	-	2	4	-	-
Grading Permits									28	14
Transportation Permits									14	32
Golf Resort										
Golf rounds played	77,613	74,358	74,828	74,589	56,402	64,968	76,500	78,522	80,629	66,721
Administration										
City Council Meetings	15	8	10	9	21	20	27	33	26	21
Public Hearings	14	15	11	9	18	17	16	33	15	17
Adopted Resolutions	42	49	41	39	50	43	39	12	49	34

City of Indian Wells

Capital Asset Statistics
by Function

Last Ten Fiscal Years

Function	Units of Measure	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	2.00	2.00	2.00
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	9.00	10.00	10.00	10.00	10.00	10.00	11.00	10.00	11.00	11.00
City-Owned Ambulances	Each	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Owned Police Motorcycles	Each	1.00	1.00	1.00	1.00	1.00	1.00	1.00	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