

CITY OF INDIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Fiscal Year Ended June 30, 2001



**CITY OF INDIO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

Prepared by Finance Department

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CITY OF INDIO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2001

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INTRODUCTORY SECTION

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CITY OF INDIO

100 Civic Center Mall
PO Drawer 1788
Indio, CA 92202

Tel: 760 . 342-6500
Fax: 760 . 342-6556

May 1, 2002

City Clerk
Tel: 760 . 342-6581
Fax: 760 . 342-6597

Honorable Mayor and City Council
City of Indio
Indio, California

City Manager
Tel: 760 . 342-6580
Fax: 760 . 342-6597

Development Services
Tel: 760 . 342-6541
Fax: 760 . 342-6556

Finance
Tel: 760 . 342-6560
Fax: 760 . 342-6553

Fire
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Fax: 760 . 775-3710

Human Resources
Tel: 760 . 342-6540
Fax: 760 . 342-6597

Police
Tel: 760 . 347-8522
Fax: 760 . 347-4317

Engineering/Building
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Fax: 760 . 342-6556

City Yard
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Fax: 760 . 347-4190

Senior Center
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Fax: 760 . 342-6557

The Comprehensive Annual Financial Report (CAFR) of the City of Indio, California for the fiscal year ended June 30, 2001, is hereby submitted. Responsibility for the accuracy of financial data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

CONTENTS OF CAFR

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart and a list of principal officials. The Financial Section includes the General Purpose Financial Statements and the combining and individual fund and account group financial statements and schedules. The statistical section includes selected financial and other useful information.

REPORTING ENTITY

This report includes all funds and account groups of the City and its component units. The City provides a full range of municipal services and is considered a "full service" City. These services include general government and support, development; planning and zoning, economic programs, public works; engineering, building safety; public services; construction and maintenance streets, highways, parks and parkways, police protection, code enforcement; a water utility; and municipal golf course. The City also contracts with Riverside County/CDF for fire protection and emergency medical services, and a private firm for solid waste collection services. The City is also represented in different Joint power authorities; Coachella/Indio waste transfer station authority, and is developing the Indio Water Authority.

In addition to general government activities, the governing body is financially accountable to the Indio Redevelopment Agency, Indio Public Financing Authority, Indio Housing Authority, and the Indio Industrial Development Authority. As required by Statement No. 14 of the Governmental Accounting Standards Board (GASB), these financial statements present the government and its blended component units, entities for which the government is considered to be financially accountable. The components units mentioned above, although legally separate entities, are in substance part of the government's operations and accordingly, data from these units are combined, or blended, with data of the primary government. Each blended component unit has a June 30 year-end.



INTERNAL CONTROL STRUCTURE AND BUDGETARY CONTROLS

The City's accounting system includes internal control procedures, which provide reasonable assurance that the City's assets are safeguarded against loss from unauthorized use or disposition, and that adequate records are maintained for preparing financial statements and maintaining accountability for assets. The City's finance department, budgeting and purchasing municipal code authorities have been rewritten this past year to reflect changes to internal control procedures with the introduction of a new general ledger and enterprise electronic data processing (EDP) system which will provide stronger safeguards to assets and provide reasonable assurance of the proper classification and recording of financial transactions. The concept of reasonable assurance recognizes that the cost of control cannot exceed the benefit derived and the evaluation of cost and benefits received calls for judgments to be made by management.

In addition, the City maintains budgetary controls. As identified in previous audits these municipal authorities for the finance department have been updated to carry out policies of the City Council. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget as approved by the City's governing body. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The purchasing/inventory system forces levels of approval in the enterprise encumbrance system. Encumbrance amounts are not carried over at year-end. At the close of the fiscal year all unspent funds are returned to the general treasury from which the resource were originally derived. Departments must budget labor, material and supplies and capital expenses each year.

ECONOMIC OUTLOOK

The City is located in the eastern part of Riverside County, in the Coachella Valley, one of the fastest growing regions in the nation. The economic problems that beset the State and local economies over the last, few years are easing. The combined development activity in Indio last year is highlighted by over 75 million of construction valuation, which included single-family homes and, commercial -industrial units. Building permit activity continues June 2000 to June 2001 to 3.65% above the same period for last year. Overall, General Fund revenues increased 1.48% over the previous year. Certain categories of revenues reflecting the general status of commerce showing increased spending. Motor Vehicle in Lieu Tax increased by 22.50%, sales and use taxes increased 1.60%, and the transient occupancy tax increased by 4% above the previous year. Conservative estimate for 2000-2001 assessed values is \$1,688,914,416, an estimated increase of 11.50%. This estimate is not adjusted for ownership transfers and appeal losses.

MAJOR INITIATIVE – FOR THE FUTURE

The City has taken steps to assure that the undeveloped land north of Interstate 10 is ready for development. Updated land use guidelines included in the General Plan 2020 are now in place to guide development in that area. In addition, the construction of water, streets, and wastewater infrastructure has been completed through the Shadow Hills Assessment District (A.D. 90-1).

One additional Assessment District is forming during this fiscal year. A.D. 2001-1 in May 2001 was created to provide infrastructure for the construction of 445 residential units as infill residential projects in five locations in Indio. Anticipated valuation is estimated at \$31,700,000. Two additional assessment districts are forming: A.D. 2001-2 (If formation after December 30, 2001 then A.D. 2002-1 and A.D. 2002-2) to assist the developing community. These will be reported in next fiscal year.

The Jefferson Street – Interstate 10 interchange is also scheduled for extensive re-vamping to facilitate the increased volume of traffic in that area. As a result, this portion of Indio is positioned to assure quality growth throughout the next decade. In addition, cluster-planning efforts continue to revitalize Old Indio - downtown area. This combined with a continuing development of county office spaces around the Larson Justice Center, the regional civil and criminal courthouse for Riverside County, will allow business and restaurant opportunities for the many daily visitors to the downtown area.

A U.S. Home Corporation development, "Heritage Palms", is currently under construction. Heritage Palms is an 1100 unit active adult community with an 18-hole championship golf course open to the public. "The Hills", a 36 hole golf course was completed recently. The Hills includes a 20,000 sq. ft. clubhouse, and a 400 room resort hotel and residential sites in the planning stages. "The Plantation", a private golf club development adjacent to Empire and Eldorado Polo Clubs, is now in place and includes a number of custom home sites. Landmark "Home of the Skins Game" opened in December 1999 and Shadow Hills Estates in January 2000.

A regional auto mall, the "I-10 Auto Center", was completed within the past year. In partnership with Riverside County, Indio has annexed the auto mall site along the Interstate 10 corridor. The Travel- Plex north of Interstate I-10 and Jackson along with residential housing development, which is in the planning stages, would include golf & tennis resort and spa, hotel, and facilities for manufacturers of recreational vehicles, boats and marine products.

Approved or Under Development or Construction in 2000-01

Roger Snellenberger's Indian Springs development - 260 acres, redesigned golf course, 900 upscale residences, and 15,000 square foot clubhouse (this has been the largest single project in the City's history);

Paradise Volkswagen;

JFK Hospital expansion plans ;

Indio Mitsubishi;

Food-4-Less shopping center renovation at Monroe and Highway 111 with a new food supermarket and projected office supply store as well as shopping center renovations;

Reuse of the old Target Store building;

Major additions to the John F. Kennedy Hospital including a 2-story ICU/Medical surgery building and a new birthing center;

Entitlements approved for a new Ralph's shopping center (100,000 square feet of neighborhood retail) at Jefferson and Avenue 50;

Desert Shores RV Resort, 141 RV lots for sale on a 50-acre site providing luxury amenities;

Indio Ranchos subdivisions including: (TM 99-10-332) an 8-lot estate subdivision;

Mayflower Transit and Storage (Hartshorn) relocated from Palm Springs to new 20,000 industrial building;

Cook Street Printing in the former Desert Sun building Old Town Indio, relocated from Cathedral City;

Construction of 23-single family affordable homes by the Coachella Valley Housing Authority;

Creation of new estate lots in the Country Estate Indio Ranchos area;

Eurotec Cabinet Manufacturer new industrial building;

Creation and implementation of the new City Water Authority;

The assessed valuation used to compute the estimated City tax revenue is derived from the currently available data of the Riverside County Assessor's Office. Indio's 1999-2000 assessed value was \$1,514,626,735. Our preliminary estimate for 2000-2001 assessed value is \$1,688,914,416 an increase of 11.50%.

GENERAL GOVERNMENT FUNCTIONS

Revenues and Expenditures from general government functions include activity in the General, Special Revenue, Debt Service, and Capital Project Funds, and are together referred to as Governmental Fund Types. For this financial report separate pages showing resources by functions and expenditures have been removed due to the consolidation of 100 funds, which began in FY 2001 and continues into FY 2002. These pages will be restated based upon GASB 34 for reporting of governmental fund types in the FY 2003 Consolidated Financial Statements.

The fiscal year 2000-2001 General Fund operating budget is \$17,756,785, up 11.2% over the 1999-2000 budget of \$15,962,250. There are 197 regular positions, an increase of 17 above the 180 positions funded in the 1999-2000 budget.

The \$1,794,535 increase in the operating budget over the last year includes additions to all City departments. Major factors contributing to the budget increase include added positions; wage and benefit increases; continuation of an emergency contingency account; inflation; vacation/sick leave accrual liabilities.

The City has approximately \$2,500,000 in General Fund debt--representing primarily lease purchasing "borrowing"--to include in the budget process.

General Fund operating revenues increased by 8.17%, from \$13,700,698 in the 1999-2000 budgets to \$14,819,834 in the 2000-2001 budget. Certain revenue accounts--local taxes and state subventions--are projected to increase in the coming year. In addition, there are greater "transfers in" due to inflation and reimbursement of the general fund for functional activities. The 2000-2001 Consolidated budget is a companion to the budget book. General Fund expenditures increased by \$45,279, or .27% over the 1999-2000 adopted budget. Of special note here is a general fund contingency amount of \$800,000 (4.10% of revenues) established by Council policy.

APPROPRIATION LIMITATION

As required by Article XIII B of the California Constitution, the City's appropriation limitation for FY 2000-01 spending was calculated at \$35,370,367.

PROPRIETARY FUNDS

Proprietary Fund Types consist of Enterprise and Internal Service Funds. Enterprise Funds consist of the Water Revenue Maintenance & Operations Fund, Oasis Palms Water System, and the Water Production Facilities Fund, which, for financial reporting purposes, are combined into a single Water Fund. Also included in the Enterprise Funds is the City's Municipal Golf Course Revenues. The Internal Service Funds are similar to Enterprise Funds in the measurement focus and operating nature, except that they provide services internally to other City departments rather than to public customers. The Internal Service Funds include the Mobile Equipment Fund, and the Public Facilities Fund. Also included is the Workers Compensation Self Insurance Fund, and Unemployment Self Insurance Fund, which, for financial reporting purposes, are combined into a single Self Insurance Fund.

The Municipal Golf Course operating revenues for FY 2000-01 totaled \$794,203. Operating expenses totaled \$531,507. Operating revenues decreased by \$22,460 when compared to prior year revenues or 2.8%.

The Water Enterprise Funds operating revenues for FY 2000-01 totaled \$4,401,581. Operating expenses totaled \$3,606,878. Operating revenues increased by \$12,510 when compared to prior year revenues, or .28%.

The Internal Service Funds operating revenues for FY 2000-01 totaled \$1,686,965. Operating expenses totaled \$2,462,321. Operating expenses increases by \$1,292,790 or 111%. This change is due to setting up new departments within the Internal Service Fund. Costs are programmed and reimbursed through the operating budgets

FIDUCIARY FUNDS

Agency Funds, a type of Fiduciary Fund, are used to account for assets held by the City as a trustee or agent for individuals, organizations, other governmental entities, or other funds of the City. The Desert Sands School District Fund is used to account for pass through tax increment held by the Indio Redevelopment Agency as custodian in trust for the District pursuant to their pass through agreement. During FY 2000-01 assets decreased by \$427,276 due to disbursement of pass through tax increment funds held in trust at the District's request. The Assessment Districts are maintained in a single fund to account for expenses held on behalf of the Assessment District 99-1 and 2000-1. A separate Debt Service Fund has been established to hold sinking funds for operating capital leases indentures. In fiscal year 2000-01 the City undertook efforts to purchase and install a new EDP system, restructure the general ledger and place internal controls on purchasing. This will continue into the next fiscal year.

DEBT ADMINISTRATION

The City had the following obligations outstanding as of June 30, 2001:

<u>Bond Issue/Obligation</u>	<u>Funding Source</u>	<u>Amount Outstanding</u>
<i>Special Assessment District Bonds with City Commitment</i>	<i>Future Special Assessments collected from District property owners</i>	<i>\$2,840,000</i>
<i>Tax Increment Revenue Bonds</i>	<i>Future tax increment revenues Collected by the Agency</i>	<i>\$15,330,000</i>
<i>Debt Service – Operating Leases</i>	<i>Unrestricted revenues of the City</i>	<i>\$2,222,062</i>

CASH MANAGEMENT

Cash temporarily idle during the year and not restricted for other uses was invested in the California Local Agency Investment Fund (LAIF). Investments in LAIF are highly liquid and deposits may be converted to cash within twenty-four hours without loss of interest. Of LAIF's total investments as of June 30, 2001, approximately 19% were invested in Certificates of Deposit or Bank Notes, 28% in government securities of five years or less, 28% in Prime Commercial Paper of less than one year, and 25% in other types of investments. The year to date yield for June 30, 2001 for the Pooled Money Investment Account and other LAIF deposits was 6.12%.

RISK MANAGEMENT

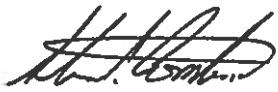
The City is a member of the Independent Cities Risk Management Authority, a self insured public entity formed by several cities in California to pool their insurance risk and help lower the overall cost of providing insurance coverage for excess municipal liability, excess workers compensation & employers liability, automobile physical damage, and property loss. The insurance limits are \$20,000,000 for municipal liability in excess of \$100,000 self-insured retention, \$1,000,000 each occurrence for workers compensation in excess of \$300,000 self insured retention, \$12,492,614 for property loss after a \$2,500 deductible, and \$500,000,000 limit for automobile physical damage after a \$5,000 deductible.

INDEPENDENT AUDIT

Each year the City requires an independent annual audit of its general-purpose financial statements. For the first time after seven years the City has hired a new firm to review finance policies, internal control and all use of funds by the City, agency and controlled entities. This document includes the report of Brown Armstrong, Paulden, McCown, Hill, Starbuck, and Keeter independent auditors for the general-purpose financial statements of the City, expressing an unqualified opinion on those financial statements.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department.



Stephen P. Compton
Director of Finance / Assistant City Manager

**CITY OF INDIO, CALIFORNIA
CITY COUNCIL
MEMBERS AND APPOINTED OFFICIALS
AS OF JUNE 30, 2001**

CITY COUNCIL

Melanie Fesmire, Mayor

Ben Godfrey, Mayor Pro Tem

Michael Wilson, Council Member

Jacquie Bethel, Council Member

Marcos Lopez, Council Member

ADMINISTRATION AND DEPARTMENT DIRECTORS

Harold L. Schilling, City Manager

Juanita Ramos, City Clerk

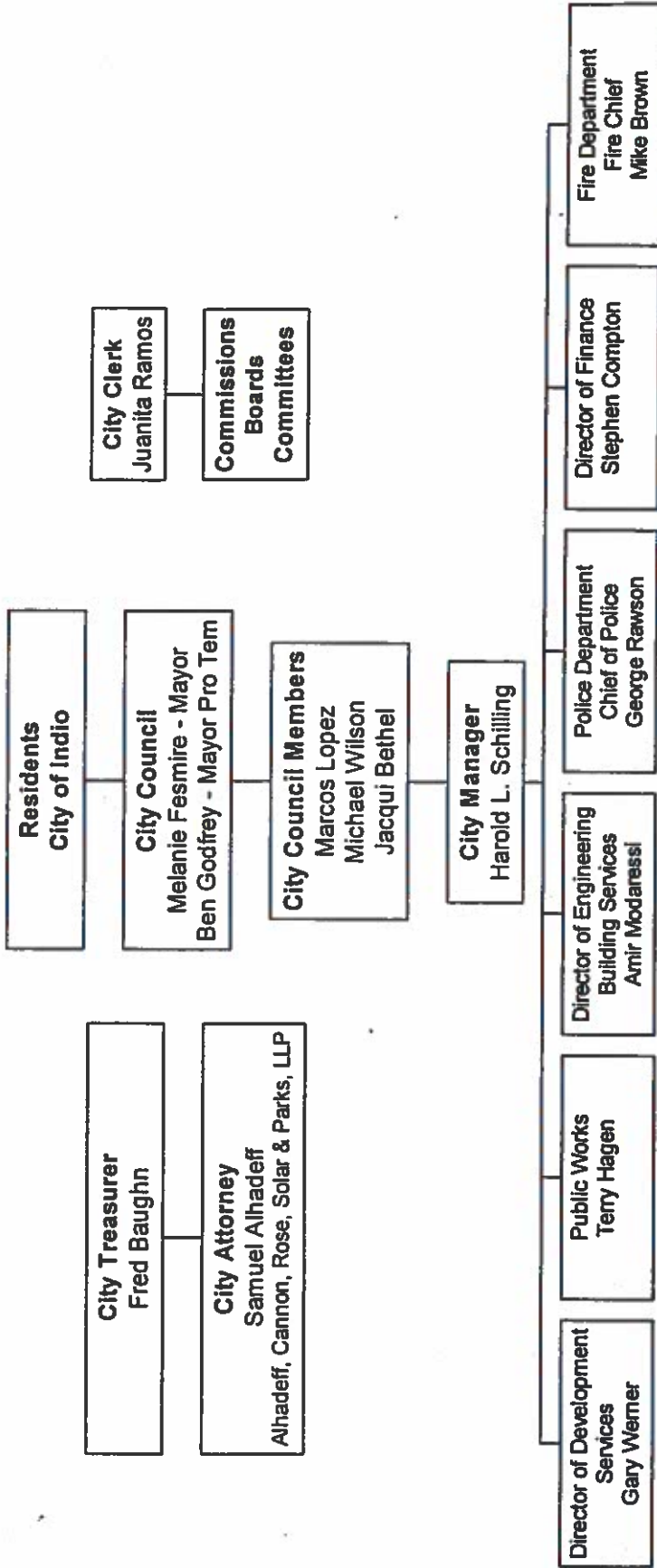
Gary Werner, Director of Community Development

Stephen P. Compton, Director of Finance

George Rawson, Chief of Police

Mike Brown, Fire Chief

Terry Hagen, Public Works



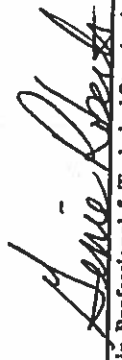
California Society of Municipal Finance Officers

Certificate of Award
Outstanding Financial Reporting 1999-2000

Presented to the
City of Indio

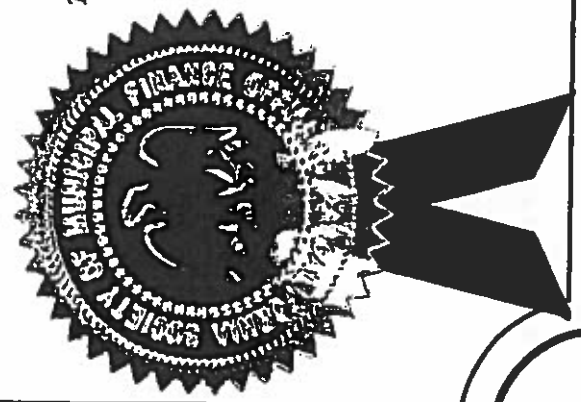
*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 26, 2001



Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management



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FINANCIAL SECTION

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PAULDEN MCCOWN HILL STARBUCK & KEETER
CERTIFIED PUBLIC ACCOUNTANTS

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- Peter C. Brown, CPA
- Burton H. Armstrong, CPA, MST
- Andrew J. Paulden, CPA
- Harvey J. McCown, CPA
- Andrea R. Hill, CPA
- Steven R. Starbuck, CPA
- Aileen K. Keeter, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the City of Indio, California, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of Indio, California. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The financial statements of the City of Indio, California as of June 30, 2000 were audited by another auditor whose report dated October 3, 2000, expressed an unqualified opinion on these statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Indio, California as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2002, on our consideration of the City of Indio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

- Lynn R. Krausse, CPA, MST
- Chris M. Thornburgh, CPA
- Joan M. Anderson, CPA
- Bradley M. Hankins, CPA
- Eric H. Xin, CPA
- Melinda A. McDaniels, CPA
- Thomas M. Young, CPA
- Michelle L. Gonzales, CPA
- Amanda E. Wilson, CPA
- Rebecca Thomas, CPA
- Fiona Lee, CPA
- Wendy Yuan-Sway, CPA
- Rosalva Flores, CPA
- Bryan J. Lewis, CPA
- Deborah A. Rapp, CPA

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Indio taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. These financial statements and schedules are also the responsibility of management of the City of Indio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical section listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Indio. The information in such statistical section has not been subjected to the auditing procedures applied to the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

BROWN ARMSTRONG PAULDEN
McCOWN HILL STARBUCK & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
April 1, 2002

FINANCIAL STATEMENTS

**CITY OF INDIO, CALIFORNIA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
ASSETS AND OTHER DEBITS						
ASSETS						
Cash and investments (Note 2)	\$ 8,485,009	\$ 4,892,625	\$ 2,262,641	\$ 11,436,339	\$ 7,817,376	\$ 3,937,003
Cash with fiscal agent (Note 2)	20,000	339,388	492,351	-	-	22,019
Receivables						
Accounts	410,132	32,826	-	145,627	42,832	5,561
Interest	-	-	-	-	417,794	556,300
Utility billing	-	-	-	-	847,291	-
Loans	22,300	-	-	-	-	-
Notes (Note 4)	-	385,895	-	3,008,780	2,910,000	-
Employee advances	-	-	-	175	-	-
Due from other funds (Note 3)	506,305	344,511	3,029,274	3,003,761	-	318,963
Due from other governments	418,530	-	10,760	-	-	-
Advances to other funds (Note 3)	-	-	-	-	-	750,000
Inventory	-	-	-	-	26,261	58,721
Deposits	507,193	-	-	-	-	-
Prepaid items	16,033	-	-	-	10,732	-
Land held for resale	-	-	-	1,275,000	-	-
Property, plant and equipment (net where applicable, of accumulated depreciation) (Note 5)	-	-	-	-	15,334,999	716,258
OTHER DEBITS						
Amount available for debt service	-	-	-	-	-	-
Amount to be provided for long-term debt	-	-	-	-	-	-
Total Assets and Other Debits	\$ 10,385,502	\$ 5,995,245	\$ 5,795,026	\$18,869,682	\$ 27,407,285	\$ 6,364,825

Fiduciary Fund Type	Account Groups		Totals		
	Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
			2001	2000	
\$ 145,067	\$ -	\$ -	\$ 38,976,060	\$ 35,199,905	
851,607	-	-	1,725,365	2,233,022	
-	-	-	636,978	890,260	
-	-	-	974,094	530,862	
-	-	-	847,291	681,997	
-	-	-	22,300	-	
-	-	-	175	-	
-	-	-	6,304,675	8,081,038	
35,456	-	-	7,238,270	1,651,583	
-	-	-	429,290	2,567,334	
-	-	-	750,000	750,000	
-	-	-	84,982	77,145	
-	-	-	507,193	466,908	
-	-	-	26,765	-	
-	-	-	1,275,000	1,275,000	
-	12,007,510	-	28,058,767	25,876,400	
-	-	3,186,403	3,186,403	2,784,152	
-	-	23,214,940	23,214,940	24,054,615	
<u>\$ 1,032,130</u>	<u>\$ 12,007,510</u>	<u>\$ 26,401,343</u>	<u>\$ 114,258,548</u>	<u>\$ 107,120,221</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF INDIO, CALIFORNIA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
LIABILITIES, EQUITY AND OTHER CREDITS						
LIABILITIES						
Accounts payable	\$ 1,128,476	\$ 30,132	\$ 9,873	\$ 67,908	\$ 357,598	\$ 154,656
Retentions payable	-	-	-	290,504	140,899	-
Interest payable	-	-	-	-	-	517,461
Accrued wages payable	491,417	-	-	-	40,784	-
Due to other funds (Note 3)	82,000	698,000	2,267,750	2,298,591	-	1,891,929
Due to other governments	-	-	331,000	-	-	-
Deposits payable	857,475	49,983	-	28,721	87,118	-
Advance from other funds (Notes 3 and 6)	-	-	-	-	-	-
Notes payable (Notes 6 and 7)	-	-	-	-	-	-
Capital leases payable (Notes 6 and 8)	-	-	-	-	-	-
Compensated absences payable (Note 6)	-	-	-	-	173,675	-
Claims payable (Notes 6 and 10)	-	-	-	-	-	1,631,000
Due to bondholders	-	-	-	-	-	-
Revenue refunding bonds payable Notes 6, 11 and 13)	-	-	-	-	-	-
Special assessment debt with government commitment (Notes 6, 12 and 13)	-	-	-	-	-	-
Participation agreements (Notes 6, 9 and 13)	-	-	-	-	-	-
Total Liabilities	<u>2,559,368</u>	<u>778,115</u>	<u>2,608,623</u>	<u>2,685,724</u>	<u>800,074</u>	<u>4,195,046</u>
EQUITY AND OTHER CREDITS						
Investment in general fixed assets	-	-	-	-	-	-
Contributed capital (Note 14)	-	-	-	-	11,058,605	1,449,482
Retained earnings unreserved	-	-	-	-	15,548,606	720,297
Fund balances						
Reserved	782,844	725,283	3,186,403	4,625,274	-	-
Unreserved	7,043,290	4,491,847	-	11,558,684	-	-
Total Equity and Other Credits	<u>7,826,134</u>	<u>5,217,130</u>	<u>3,186,403</u>	<u>16,183,958</u>	<u>26,607,211</u>	<u>2,169,779</u>
Total Liabilities, Equity and Other Credits	<u>\$ 10,385,502</u>	<u>\$ 5,995,245</u>	<u>\$ 5,795,026</u>	<u>\$ 18,869,682</u>	<u>\$ 27,407,285</u>	<u>\$ 6,364,825</u>

Fiduciary Fund Type	Account Groups		Totals		
	Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
				2001	2000
\$ -	\$ -	\$ -	\$ 1,748,643	\$ 1,031,497	
-	-	-	431,403	170,122	
-	-	-	517,461	-	
-	-	-	532,201	312,713	
-	-	-	7,238,270	1,651,583	
-	-	-	331,000	1,010,474	
-	-	-	1,023,297	1,965,695	
-	-	750,000	750,000	750,000	
-	-	3,417,193	3,417,193	5,461,908	
-	-	2,222,062	2,222,062	1,228,540	
-	-	1,414,088	1,587,763	356,121	
-	-	268,000	1,899,000	1,565,172	
1,032,130	-	-	1,032,130	448,932	
-	-	15,330,000	15,330,000	15,630,000	
-	-	2,840,000	2,840,000	2,980,000	
-	-	160,000	160,000	200,000	
<u>1,032,130</u>	<u>-</u>	<u>26,401,343</u>	<u>41,060,423</u>	<u>34,762,757</u>	
-	12,007,510	-	12,007,510	10,405,206	
-	-	-	12,508,087	12,508,087	
-	-	-	16,268,903	15,669,523	
-	-	-	9,319,804	11,153,952	
-	-	-	23,093,821	22,620,696	
-	<u>12,007,510</u>	<u>-</u>	<u>73,198,125</u>	<u>72,357,464</u>	
<u>\$ 1,032,130</u>	<u>\$ 12,007,510</u>	<u>\$ 26,401,343</u>	<u>\$ 114,258,548</u>	<u>\$ 107,120,221</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF INDIO, CALIFORNIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)	
					2001	2000
REVENUES						
Taxes	\$ 11,303,127	\$ 3,020,717	\$ 1,835,204	\$ 750,633	\$ 16,909,681	\$ 14,103,886
Licenses and permits	1,411,393	-	-	-	1,411,393	931,225
Intergovernmental	4,409,472	1,968,865	-	256,672	6,635,009	5,625,416
Charges for services	1,639,186	-	-	125,066	1,764,252	2,295,655
Fines and forfeits	124,333	220,385	-	-	344,718	307,473
Special assessments	-	292,453	315,204	-	607,657	642,339
Investment income	688,342	354,516	175,897	711,204	1,929,959	1,780,043
Miscellaneous	105,287	49,119	-	140,688	295,094	285,623
Contributions from property owners	-	-	-	-	-	2,396,022
Total Revenues	19,681,140	5,906,055	2,326,305	1,984,263	29,897,763	28,367,682
EXPENDITURES						
Current						
General government	5,214,651	378,574	-	1,125,871	6,719,096	7,111,610
Public safety	10,339,438	60,888	-	-	10,400,326	8,496,573
Public works	2,847,389	332,286	-	-	3,179,675	2,064,895
Parks, recreation, and culture	331,869	-	-	-	331,869	420,989
Debt service	-	-	773,525	-	773,525	955,634
Pass-through payments	-	-	3,173,782	-	3,173,782	752,811
Principal	-	-	1,385,713	-	1,385,713	1,305,355
Interest	-	-	10,803	-	13,056	14,952
Other fiscal charges	-	2,253	-	-	-	-
Capital outlay	10,000	32,127	-	6,219,942	6,262,069	4,918,320
Total Expenditures	18,743,347	806,128	5,343,823	7,345,813	32,239,111	26,041,139
Excess (deficiency) of revenues over (under) expenditures	937,793	5,099,927	(3,017,518)	(5,361,550)	(2,341,348)	2,326,543
OTHER FINANCING SOURCES (USES)						
Operating transfers in	3,734,490	593,492	4,886,039	8,343,604	17,557,625	2,892,118
Operating transfers out	(5,748,979)	(8,903,847)	(1,466,270)	(808,151)	(16,927,247)	(2,040,709)
Proceeds of notes	-	333,070	-	-	333,070	571,908
Proceeds of capital leases	1,602,304	-	-	-	1,602,304	1,449,104
Total Other Financing Sources (Uses)	(412,185)	(7,977,285)	3,419,769	7,535,453	2,565,752	2,872,421
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	525,608	(2,877,358)	402,251	2,173,903	224,404	5,198,964
Fund Balances at beginning of year, as restated (Note 23)	7,300,526	8,094,488	2,784,152	14,010,055	32,189,221	28,575,684
Fund Balances at end of year	\$ 7,826,134	\$ 5,217,130	\$ 3,186,403	\$ 16,183,958	\$ 32,413,625	\$ 33,774,648

The accompanying notes are an integral part of these financial statements.

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**CITY OF INDIO, CALIFORNIA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 ALL GOVERNMENTAL FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 9,678,250	\$ 11,303,127	\$ 1,624,877	\$ 675,010	\$3,020,717	\$ 2,345,707
Licenses and permits	733,280	1,411,393	678,113	-	-	-
Intergovernmental	2,453,355	4,409,472	1,956,117	1,053,512	1,968,865	915,353
Charges for services	1,006,700	1,639,186	632,486	-	-	-
Fines and forfeits	89,500	124,333	34,833	175,959	220,385	44,426
Special assessments	-	-	-	347,288	292,453	(54,835)
Investment income	265,000	688,342	423,342	270,601	354,516	83,915
Miscellaneous	593,749	105,287	(488,462)	27,804	49,119	21,315
Total Revenues	14,819,834	19,681,140	4,861,306	2,550,174	5,906,055	3,355,881
EXPENDITURES						
Current						
General government	5,094,950	5,214,651	(119,701)	842,678	378,574	464,104
Public safety	9,030,914	10,339,438	(1,308,524)	150,000	60,888	89,112
Public works	2,467,430	2,847,389	(379,959)	347,216	332,286	14,930
Parks, recreation and culture	312,667	331,869	(19,202)	-	-	-
Debt service	-	-	-	-	-	-
Pass-through payments	-	-	-	-	-	-
Principal	-	-	-	55,000	-	55,000
Interest	-	-	-	289,990	-	289,990
Other fiscal charges	-	-	-	-	2,253	(2,253)
Capital outlay	10,000	10,000	-	83,706	32,127	51,579
Total Expenditures	16,915,961	18,743,347	(1,827,386)	1,768,590	806,128	962,462
Excess (deficiency) of revenues over expenditures	(2,096,127)	937,793	3,033,920	781,584	5,099,927	4,318,343
OTHER FINANCING SOURCES (USES)						
Operating transfers in	2,936,951	3,734,490	797,539	370,000	593,492	223,492
Operating transfers out	(1,849,949)	(5,748,979)	(3,899,030)	(4,846,070)	(8,903,847)	(4,057,777)
Proceeds of notes	-	-	-	-	333,070	333,070
Proceeds of capital leases	-	1,602,304	1,602,304	-	-	-
Total Other Financing Sources (Uses)	1,087,002	(412,185)	(1,499,187)	(4,476,070)	(7,977,285)	(3,501,215)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(1,009,125)	525,608	1,534,733	(3,694,486)	(2,877,358)	817,128
Fund Balance at beginning of year, as restated (Note 23)	7,300,526	7,300,526	-	8,094,488	8,094,488	-
Fund Balances at end of year	\$ 6,291,401	\$ 7,826,134	\$ 1,534,733	\$ 4,400,002	\$ 5,217,130	\$ 817,128

Debt Service Funds			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 481,114	\$ 1,835,204	\$ 1,354,090	\$ 457,771	\$ 750,633	\$ 292,862	\$ 11,292,145	\$16,909,681	\$ 5,617,536
-	-	-	-	-	-	733,280	1,411,393	678,113
-	-	-	215,911	256,672	40,761	3,722,778	6,635,009	2,912,231
-	-	-	59,864	125,066	65,202	1,066,564	1,764,252	697,688
-	-	-	-	-	-	265,459	344,718	79,259
-	315,204	315,204	-	-	-	347,288	607,657	260,369
15,720	175,897	160,177	494,667	711,204	216,537	1,045,988	1,929,959	883,971
-	-	-	246,276	140,688	(105,588)	867,829	295,094	(572,735)
<u>496,834</u>	<u>2,326,305</u>	<u>1,829,471</u>	<u>1,474,489</u>	<u>1,984,263</u>	<u>509,774</u>	<u>19,341,331</u>	<u>29,897,763</u>	<u>10,556,432</u>
852,964	-	852,964	631,638	1,125,871	(494,233)	7,422,230	6,719,096	703,134
-	-	-	-	-	-	9,180,914	10,400,326	(1,219,412)
-	-	-	-	-	-	2,814,646	3,179,675	(365,029)
-	-	-	-	-	-	312,667	331,869	(19,202)
863,023	773,525	89,498	-	-	-	863,023	773,525	89,498
570,000	3,173,782	(2,603,782)	-	-	-	625,000	3,173,782	(2,548,782)
793,734	1,385,713	(591,979)	-	-	-	1,083,724	1,385,713	(301,989)
8,760	10,803	(2,043)	-	-	-	8,760	13,056	(4,296)
-	-	-	8,748,019	6,219,942	2,528,077	8,841,725	6,262,069	2,579,656
<u>3,088,481</u>	<u>5,343,823</u>	<u>(2,255,342)</u>	<u>9,379,657</u>	<u>7,345,813</u>	<u>2,033,844</u>	<u>31,152,689</u>	<u>32,239,111</u>	<u>(1,086,422)</u>
<u>(2,591,647)</u>	<u>(3,017,518)</u>	<u>(425,871)</u>	<u>(7,905,168)</u>	<u>(5,361,550)</u>	<u>2,543,618</u>	<u>(11,811,358)</u>	<u>(2,341,348)</u>	<u>9,470,010</u>
2,042,874	4,886,039	2,843,165	3,884,170	8,343,604	4,459,434	9,233,995	17,557,625	8,323,630
(766,524)	(1,466,270)	(699,746)	(2,015,161)	(808,151)	1,207,010	(9,477,704)	(16,927,247)	(7,449,543)
-	-	-	-	-	-	-	333,070	333,070
-	-	-	-	-	-	-	1,602,304	1,602,304
<u>1,276,350</u>	<u>3,419,769</u>	<u>2,143,419</u>	<u>1,869,009</u>	<u>7,535,453</u>	<u>5,666,444</u>	<u>(243,709)</u>	<u>2,565,752</u>	<u>2,809,461</u>
(1,315,297)	402,251	1,717,548	(6,036,159)	2,173,903	8,210,062	(12,055,067)	224,404	12,279,471
<u>2,784,152</u>	<u>2,784,152</u>	<u>-</u>	<u>14,010,055</u>	<u>14,010,055</u>	<u>-</u>	<u>32,189,221</u>	<u>32,189,221</u>	<u>-</u>
<u>\$ 1,468,855</u>	<u>\$ 3,186,403</u>	<u>\$ 1,717,548</u>	<u>\$ 7,973,896</u>	<u>\$16,183,958</u>	<u>\$ 8,210,062</u>	<u>\$ 20,134,154</u>	<u>\$32,413,625</u>	<u>\$ 12,279,471</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF INDIO, CALIFORNIA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)	
			2001	2000
OPERATING REVENUES				
Charges for services	\$ 5,195,784	\$ 1,148,918	\$ 6,344,702	\$ 6,426,503
Sale of merchandise	-	-	-	60,634
Miscellaneous	-	538,047	538,047	19,476
Total Operating Revenues	5,195,784	1,686,965	6,882,749	6,506,613
OPERATING EXPENSES				
Personnel services	1,306,410	-	1,306,410	1,267,300
Contractual services	821,556	331,900	1,153,456	434,762
Claims and judgements	-	1,115,789	1,115,789	463,447
Materials and supplies	425,757	293,868	719,625	505,813
Utilities	670,837	220,732	891,569	662,393
Repairs and maintenance	141,676	249,503	391,179	467,990
Depreciation	508,000	245,000	753,000	671,673
Capital outlay	99,666	-	99,666	-
Lease payment	99,483	-	99,483	-
Mobile equipment charges	65,000	-	65,000	86,124
Miscellaneous	-	5,529	5,529	-
Total Operating Expenses	4,138,385	2,462,321	6,600,706	4,559,502
OPERATING INCOME (LOSS)	1,057,399	(775,356)	282,043	1,947,111
NONOPERATING REVENUES (EXPENSES)				
Investment income	673,994	123,901	797,895	500,730
Interest expense	-	(9,759)	(9,759)	-
Gain on sale of assets	-	-	-	555
Total Nonoperating Revenues (Expenses)	673,994	114,142	788,136	501,285
Income (Loss) Before Operating Transfers	1,731,393	(661,214)	1,070,179	2,448,396
OPERATING TRANSFERS				
Operating transfers in	-	707,701	707,701	129,664
Operating transfers out	(1,071,611)	(266,468)	(1,338,079)	(981,073)
Total Operating Transfers	(1,071,611)	441,233	(630,378)	(851,409)
Net Income (Loss)	659,782	(219,981)	439,801	1,596,987
Retained Earnings at beginning of year, as restated	14,888,824	940,278	15,829,102	14,072,536
Retained Earnings at end of year	\$ 15,548,606	\$ 720,297	\$ 16,268,903	\$ 15,669,523

The accompanying notes are an integral part of these financial statements.

**CITY OF INDIO, CALIFORNIA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)	
			2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 5,033,918	\$ -	\$ 5,033,918	\$ 4,997,575
Cash received from user departments	-	1,136,541	1,136,541	1,418,942
Cash payments to suppliers for goods & services	(1,921,392)	(2,078,478)	(3,999,870)	(2,660,257)
Cash payments to employees for services	(1,188,089)	367,038	(821,051)	(1,233,440)
Other operating revenues	-	538,047	538,047	219,980
Net Cash Flows Provided by (Used for) Operating Activities	<u>1,924,437</u>	<u>(36,852)</u>	<u>1,887,585</u>	<u>2,742,800</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transferred from other funds	156,335	2,650,699	2,807,034	129,664
Cash transferred to other funds	(1,489,406)	(678,830)	(2,168,236)	(981,073)
Long-term advances collected	2,085,000	-	2,085,000	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>751,929</u>	<u>1,971,869</u>	<u>2,723,798</u>	<u>(851,409)</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,333,061)	-	(1,333,061)	(436,570)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Interest received on investments	673,994	114,142	788,136	396,285
Net Increase in Cash and Cash Equivalents	<u>2,017,299</u>	<u>2,049,159</u>	<u>4,066,458</u>	<u>1,851,106</u>
Cash and Cash Equivalents at Beginning of Year	<u>5,800,077</u>	<u>1,909,863</u>	<u>7,709,940</u>	<u>5,858,834</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,817,376</u>	<u>\$ 3,959,022</u>	<u>\$ 11,776,398</u>	<u>\$ 7,709,940</u>

The accompanying notes are an integral part of these financial statements.

CITY OF INDIO, CALIFORNIA
COMBINED STATEMENT OF CASH FLOWS (Continued)
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)	
			2001	2000
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating income (loss)	<u>\$ 1,057,399</u>	<u>\$ (775,356)</u>	<u>\$ 282,043</u>	<u>\$ 1,947,111</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	508,000	245,000	753,000	671,673
Decrease (increase) in accounts receivable	11,678	(2,058)	9,620	111,487
Decrease (increase) in utility billing receivable	(165,294)	-	(165,294)	(128,248)
Decrease (increase) in prepaid items	(10,732)	-	(10,732)	413
Decrease (increase) in inventory	2,482	(10,319)	(7,837)	(3,493)
Increase (decrease) in accounts payable	312,802	138,843	451,645	22,532
Increase (decrease) in retention payable	84,425	-	84,425	(52,604)
Increase (decrease) in accrued wages payable	6,924	-	6,924	33,860
Increase (decrease) in deposits payable	5,356	-	5,356	199
Increase (decrease) in claims payable	-	367,038	367,038	139,870
Increase (decrease) in compensated absences	111,397	-	111,397	-
Total adjustments	<u>867,038</u>	<u>738,504</u>	<u>1,605,542</u>	<u>795,689</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,924,437</u>	<u>\$ (36,852)</u>	<u>\$ 1,887,585</u>	<u>\$ 2,742,800</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF INDIO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Description of the Reporting Entity

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

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

All of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operation and so data from these units are reported with the interfund data of the City. The following organizations are considered to be component units of the City.

Redevelopment Agency of the City of Indio

The Redevelopment Agency ("Agency") was activated in January, 1981 by the City of Indio pursuant to the State of California Health and Safety Code Section 33000 entitled "Community Redevelopment Law". The primary purpose of the Agency is to eliminate blighted areas by encouraging development of residential, commercial, industrial, recreational and public facilities within the project areas. Even though the Agency is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Agency. Upon completion, separate financial statements of the Agency can be obtained at City Hall.

Indio Public Financing Authority

The Indio Public Financing Authority ("Authority") is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act. The City and the Agency formed the Authority by the execution of a joint exercise of powers agreement dated as of April 1, 1992. Pursuant to the Joint Powers Act, the Authority is authorized to issue revenue bonds to provide funds to make loans to public entities, such revenue bonds are to be repaid from the repayments of such loans. The Authority is governed by a five-member Board which consists of all members of the City council. The Mayor of the City is the Chairperson of the Authority. The City Manager acts as the Executive Director, the City Clerk acts as the Secretary and the Finance Director of the City acts as the Treasurer of the Authority. Upon completion, separate financial statements of the Authority can be obtained at City Hall.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Reporting Entity (Continued)

Housing Authority of the City of Indio

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

Industrial Development Authority

The Industrial Development Authority of the City of Indio was activated by the City Council of the City of Indio on December 4, 1985. The purpose of the Industrial Development Authority is to assist the community in industry development by providing a financing mechanism to encourage such development in the City. The City Council serves as the governing board of the Industrial Development Authority. No separate financial statements of the Industrial Development Authority are prepared.

B. Fund Accounting

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities. The funds and account groups are established for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. For financial reporting purposes, the City's funds and account groups have been grouped and are presented in the accompanying general-purpose financial statements.

Governmental Funds

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except for those that are required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary and trust funds.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt including capital lease obligations, principal, interest, and related costs.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for those operations that are financed primarily through user charges, or where the governing body has decided that determination of revenues earned, costs incurred and net income is necessary for management accountability.

Internal Service Funds - The Internal Service Funds are used to finance and account for activities involved in rendering services to various departments within the City. Costs of services used are accumulated in these funds and charged to the user department as such services are rendered.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Fiduciary Funds - The Agency Funds are used to account for assets held by the City in a trustee capacity for individuals, organizations, and other governmental units.

Account Groups

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to maintain control and cost information on capital assets owned by the City other than those accounted for in the Proprietary Funds.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for the unmatured long-term obligations of the City, other than those accounted for in the Proprietary Funds.

C. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to the fund is determined by the measurement focus. All governmental fund types are accounted for on a "spending" measurement focus. Accordingly, only current assets and current liabilities are included on their balance sheets. The reported fund balance provides an indication of available, spendable resources. Operating statements of governmental fund types report increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in available spendable resources.

The proprietary fund types are accounted for on an "income determination" or "cost of services" measurement focus. Accordingly, all assets and liabilities are included on the balance sheet, and the reported fund equity provides an indication of the economic net worth of the fund. Operating statements of proprietary fund types report increases (revenues) and decreases (expenses) in total economic net worth.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The modified accrual basis of accounting is followed by the governmental and agency funds. Under the modified accrual basis of accounting, revenues are susceptible to accrual when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when a current liability is incurred. Liabilities are considered current when they are normally expected to be liquidated with expendable available financial resources.

Property tax assessments are recognized as revenue in the fiscal year for which they are levied. Taxes, subventions, taxpayer-assessed taxes and entitlements held at year-end by intermediary collecting government are recognized as revenue under the modified accrual basis of accounting. Reimbursement grant revenues are recognized when the related expenditures are incurred. Revenues for the use of money and property are recorded when earned.

Material delinquent and total uncollected current year property taxes (net of estimated uncollectibles) are recorded as current year receivables. Property taxes (net of estimated uncollectibles) that are levied and measurable in the current year, but not available to finance current period expenditures, are recorded as a receivable and as deferred revenues. The deferred revenues are recognized as revenue in the fiscal year in which they become available.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Licenses, permits, fines, forfeits, charges for services, and miscellaneous revenues are recorded as governmental fund revenues when received in cash because they are generally not measurable until they are actually received.

The proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when the related liability is incurred. Unbilled service receivables, if material, have been reflected in the financial statements as accrued revenue. The City applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the committee on Accounting Procedure.

D. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. The budget process is as follows: Before the beginning of the fiscal year, the City Manager submits to the City Council a proposal budget for the year commencing the following July 1. Public hearings are then conducted to obtain taxpayer comments and the budget is subsequently adopted through the passage of resolution.

All appropriated amounts are as originally adopted or as amended by the City Council and lapse at year-end. Encumbrances and continuing appropriations are rebudgeted on July 1 by Council action. Original appropriations may be modified by supplementary budget revisions and transfers among budget categories. The City Council approves all budget changes at the department level. The City Manager is authorized to make budget transfers within departments. There were no significant budget amendments during the fiscal year.

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

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriate amount) is the department level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department.

E. Appropriations Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2001, proceeds of taxes did not exceed appropriations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the fund balance, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

G. Cash and Investments

Investments are recorded in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that would be reported at cost because they are not transferable and they have terms that are not affected by changes in the market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, in order to facilitate the management of cash and achieve the goal of obtaining the highest yield with greatest safety and least risk. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

H. Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents consist of short-term highly liquid investments that are both readily and convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds share in the cash and investment pool of the City of Indio. Cash equivalents have a maturity date of three months or less from the date of purchase.

I. Advances to Other Funds

Long-term interfund advances are recorded as a receivable and as reserved fund balance by advancing governmental fund.

J. Inventories

Inventories are stated at average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual at that time. The City uses the consumption method of accounting for inventories.

K. Due from Other Governments

The amounts recorded as a receivable due from other governments include sales taxes, property taxes, and grant revenues, collected or provided by Federal, State, County and City Governments and unremitted to the City as of June 30, 2001. The County of Riverside assessed, bills, and collects property taxes for the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City of Indio accrues only those taxes which are received within 60 days after year end.

The property tax calendar is as follows:

Lien Date:	March 1
Levy Date:	July 1
Due Date:	First Installment-November 1 Second Installment-February 1
Delinquent Date:	First Installment-December 1 Second Installment-April 1

Taxes are collected by Riverside County and are remitted to the City periodically. Dates and percentages are as follows:

December 10	30% Advance
January 16	Collection No.1
April 10	10% Advance
May 15	Collection No.2
July 31	Collection No.3

M. Claims and Judgements

The City records a liability for litigation, judgements, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

N. Compensated Absences

If material, a proprietary fund liability is accrued for all earned but unused leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year end. All other amounts are recorded in the general long-term debt account group. These noncurrent amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminate employees.

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances is attributed to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement.

Under GASB Statement No. 16 a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Property, Plant and Equipment

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchase fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and value only to the government.

Assets in the general fixed assets account group are not depreciated.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operation. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows.

Buildings	20 years
Improvements	10-50 years
Equipment	3-25 years

P. Due to Other Governments

The amounts recorded as a liability due to other governments includes tax increment owed to various districts and other entities within the City of Indio. The City is under agreement with such entities to pass a portion of the gross property tax increment through to them.

Q. Interfund Transfers

With the City Council approval, resources may be transferred from a new fund to another. Operating transfers are reported as other sources and uses of funds in the statement of revenues, expenditures and changes in fund balance. A residual equity transfer may be made to open or close a fund.

R. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, a complete presentation of prior year data (i.e., presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Totals (Memorandum Only) Columns

Columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments held by the City at June 30, 2001 consisted of the following:

Cash on hand	\$ 3,495
Demand deposits	4,466,235
Investments	<u>34,506,330</u>
Total cash and investments held by the City	<u>\$ 38,976,060</u>

Cash and investments held by fiscal agent at June 30, 2001 consisted of the following:

Demand deposits	\$ 42,019
Mutual funds (money market)	<u>1,683,346</u>
Total cash and investments held by fiscal agent	<u>\$ 1,725,365</u>

Authorized Investments

The City and its component units are generally authorized under provisions of the City's investment policy and Section 53601 of the Government Code to invest in investment instruments so long as the investment is appropriate when investment objectives and policies are taken into consideration. Investment instruments may include:

- U.S. Treasury obligations (bills, notes and bonds)
- U.S. Government agency securities
- Local Agency Investment Fund (California State Pool)
- Certificates of deposit
- Commercial paper (limited to 15% of portfolio)
- Repurchase agreements
- Money market funds (bond reserves held by trustee only)
- Bankers' acceptances (limited to 40% of portfolio)
- Interest bearing checking accounts
- General demand checking accounts

NOTE 2 - CASH AND INVESTMENTS (Continued)

Deposits

At year end, the carrying amount of the City's deposits was \$4,508,254 and the bank balance was \$5,498,866.

Under the California Government Code, a financial institution is required to secure deposits made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The City's cash deposits at various financial institutions (bank balances) are categorized below according to GASB Statement No. 3, "Deposits with Financial Institutions Investments (including repurchase agreements), and Reverse Repurchase Agreements", as follows:

- Category 1 - Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 - Uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City's name.

Category 1 included \$242,019 of the bank balance. The remaining funds of \$5,256,847 are included in Category 2.

Investments

Investments of cities and other state or local governments are classified in three categories to give an indication of the level of custodial risk assumed by the entity at year end. None of the investments held by the City or its fiscal agents are subject to categorization. The three categories are as follows:

- Category 1 - Insured or registered or securities held by the City or its agent in the City's name.
- Category 2 - Uninsured and unregistered with securities held by the pledging institutions or financial counterparty's trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered with securities held by a counterparty or by its trust department or agency, but not in the City's name.

	Category			Non-Categorized	Reported Amount	Fair Market Value
	1	2	3			
California LAIF	\$ -	\$ -	\$ -	\$34,506,330	\$34,506,330	\$34,506,330
Money Market Funds	-	-	-	1,683,346	1,683,346	1,683,346
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$36,189,676</u>	<u>\$36,189,676</u>	<u>\$36,189,676</u>

NOTE 2 - CASH AND INVESTMENTS (Continued)

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16492 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 relations 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. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities issued by federal agencies, government-sponsored enterprises, and corporations.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Current interfund receivable and payable balances at June 30, 2001 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 506,305	\$ 82,000
Special Revenue Funds		
Low and Moderate Housing	22,785	698,000
Measure A	196,815	-
Others	124,911	-
Debt Service Funds		
Shadow Hills Assessment District	44,669	-
Redevelopment	2,934,034	2,266,000
General	50,571	-
Indio Public Financial Authority	-	1,750
Capital Project Funds		
Capital Impact	247,665	-
Capital Projects	568,197	408,655
Capital Expenditures	-	187,714
Watermain Construction	2,175,224	1,702,222
Redevelopment	12,675	-
Internal Service Funds		
Mobile Equipment	318,963	
Self Insurance	-	1,572,966
Public Facilities	-	318,963
Agency Funds	<u>35,456</u>	<u>-</u>
Totals	<u>\$ 7,238,270</u>	<u>\$ 7,238,270</u>

Long-term interfund receivable and payable balances at June 30, 2001 are as follows:

Internal Service Funds		
Mobile Equipment Fund	\$ 750,000	\$ -
General Long-Term Debt Account Group	<u>-</u>	<u>750,000</u>
Totals	<u>\$ 750,000</u>	<u>\$ 750,000</u>

In June of 1998, the Mobile Equipment Fund advanced to the General Fund \$750,000. There is no stipulated interest rate or date of repayment

NOTE 4 - NOTES RECEIVABLE

	<u>Outstanding at June 30, 2001</u>
A promissory note for \$250,000 was issued September 12, 1995 to the City by Taymar Industries for a rehabilitation project with no interest except in the event of default. Equal quarterly installments of principal only in the amount of \$8,929 shall be paid for 27 consecutive quarters commencing three months after the date of the promissory note.	\$ 97,771
A promissory note secured by deed of trust for \$2,682,407 was issued to the City by Lawrence M. Chank on August 3, 1995 for the construction of the Metro 8 theaters. Interest is at 1% above prime. Monthly interest only payments are due beginning two years after the note proceeds are deposited with the borrower until such time that permanent financing is obtained, not to exceed 25 years.	2,241,212
A promissory note for \$150,151 was issued to the City by JPH Enterprises, Inc. The note is repayable out of property tax increment generated by the property or the positive cash flow as outlined in Section 5.27 of the DDA, whichever is the lesser amount. Interest is at 1% above prime rate per annum.	150,676
A note for \$466,908 was issued to the Agency by the City. The note accrues interest at 5.72% and was due December 29, 2000.	507,193
Various first time home buyers notes were issued to homeowners in the amount of \$385,895.	385,895
A note of \$60,000 was issued by Hills Cabinet. The note is forgiven at \$6,000 a year for 10 years as long as the business remains in Indio.	12,000
A demand promissory note issued between the Water Enterprise Fund and the Indio Redevelopment Agency in the amount of \$2,910,000. Interest is set at a rate per annum equivalent to the City's average investment earning rate earned on Debt Service Funds. The note is payable by the Date Capital Project Area.	2,910,000
Notes amounting to \$140,281 were issued as interest-free commercial rehabilitation loans. The principal is due in installments of one half in five years and one half in ten years.	21,611
Less: Allowance for doubtful accounts	<u>(21,683)</u>
Total	<u>\$ 6,304,675</u>

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Activities relating to the General Fixed Assets are presented as follows:

	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2001</u>
Land	\$ 607,024	\$ -	\$ -	\$ 607,024
Building	3,692,738	-	-	3,692,738
Improvements other than buildings	2,258,095	-	-	2,258,095
Improvements to land	311,548	-	-	311,548
Machinery, equipment and vehicles	<u>3,535,801</u>	<u>1,602,304</u>	-	<u>5,138,105</u>
Totals	<u>\$ 10,405,206</u>	<u>\$ 1,602,304</u>	<u>\$ -</u>	<u>\$ 12,007,510</u>

A summary of proprietary fund type property, plant and equipment at June 30, 2001 is as follows:

	<u>Enterprise</u>			<u>Internal Service Mobile Equipment Fund</u>
	<u>Water Fund</u>	<u>Golf Fund</u>	<u>Total</u>	
Land	\$ 155,777	\$ 386,142	\$ 541,919	\$ -
Building	153,632	20,000	173,632	-
Improvements other than buildings	20,500,055	72,130	20,572,185	-
Machinery and equipment	<u>900,573</u>	<u>39,095</u>	<u>939,668</u>	<u>3,205,395</u>
Totals	21,710,037	517,367	22,227,404	3,205,395
Less accumulated depreciation	<u>(6,839,665)</u>	<u>(52,740)</u>	<u>(6,892,405)</u>	<u>(2,489,137)</u>
Net property, plant and equipment	<u>\$ 14,870,372</u>	<u>\$ 464,627</u>	<u>\$ 15,334,999</u>	<u>\$ 716,258</u>

NOTE 6 - CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of changes in general long term debt:

	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2001</u>
Advances from the Mobile Equipment Fund	\$ 750,000	\$ -	\$ -	\$ 750,000
Notes payable	5,461,908	40,285	2,085,000	3,417,193
Capital lease obligations				
Ford F150 Pickups	-	60,330	19,474	40,856
Ford Vehicles	-	754,027	213,157	540,870
HTE System	-	787,947	172,987	614,960
Police computer	1,084,855	-	155,185	929,670
Ford Pickups	98,978	-	34,034	64,944
Chevrolet Tahoes	44,707	-	13,945	30,762
	<u>1,228,540</u>	<u>1,602,304</u>	<u>608,782</u>	<u>2,222,062</u>
Compensated absences payable	287,109	1,126,979	-	1,414,088
Claims payable	301,210	-	33,210	268,000
Tax Increment Revenue Bonds				
1997 Series A	1,060,000	-	25,000	1,035,000
1997 Series B	7,695,000	-	130,000	7,565,000
1977 Series C	2,530,000	-	35,000	2,495,000
1999 Series	4,345,000	-	110,000	4,235,000
	<u>15,630,000</u>	<u>-</u>	<u>300,000</u>	<u>15,330,000</u>
Special assessment debt with government commitment				
Shadow Hills Assessment District	2,980,000	-	140,000	2,840,000
Participation agreements	200,000	-	40,000	160,000
Total general long-term debt	\$ 26,838,767	\$ 2,769,568	\$ 3,206,992	\$ 26,401,343

NOTE 7 - NOTES PAYABLE**Redevelopment Agency Notes Payable to the Water Fund**

A demand promissory note payable to the City of Indio Water Fund, in the amount of \$2,910,000 at June 30, 2001. Interest is set at a rate per annum equivalent to the City's average investment earning rate from Debt Service Funds. The notes are to be repaid by the Date Capital Project Area of the Agency.

General Fund Notes Payable to the Redevelopment Agency

On December 30, 1999, the Agency loaned the City \$466,908 in which the City used the proceeds to enter into an owner participation agreement with Paradise Volkswagen. The note accrues interest at 5.752% and was due and payable in full on December 29, 2000. The outstanding amount of the notes is \$507,193 at June 30, 2001.

NOTE 8 - OBLIGATIONS UNDER CAPITAL LEASES

Ford Pickups - A three year contract was entered into on September 15, 2000 for the purchase of three Ford F150 pickups. Payments of principal and interest are payable in quarterly installments of \$5,499 ending June, 2003. Upon completion of all lease payments, the City has the option to purchase the vehicles for \$1. The balance at June 30, 2001 on this contract was \$40,856.

Ford Vehicles - A three year contract was entered into on December 15, 2000 for the purchase of 23 Ford vehicles. Payments of principal and interest are payable in annual installments of \$202,719 ending December, 2003. Upon completion of all lease payments the City has the option to purchase the vehicles for \$1. The balance at June 30, 2001 on this contract was \$540,870.

HTE System - A five year contract was entered into on March 27, 2001 for the purchase of an HTE AS400 operating system. Payments of principal and interest are payable in yearly installments of \$174,239 ending March, 2005. Upon completion of all lease payments the City has the option to purchase the system for \$1. The balance at June 30, 2001 was \$614,960.

Ford Pickups - A four year contract was entered into on May 15, 2000 for the purchase of six Ford pickups. Payments of principal and interest are payable in quarterly installments of \$9,873 ending February 2003. Upon completion of all lease payments the City has the option to purchase the vehicle for \$1. The balance at June 30, 2001 on this contract was \$64,944.

Chevrolet Tahoes - A four year contract was entered into on July 15, 1999 for the purchase of two Chevrolet Tahoes. Payments of principal and interest are payable in yearly installments of \$16,943 ending July 2002. Upon completion of all lease payments the City has the option to purchase the vehicles for \$1. The balance at June 30, 2001 on this contract was \$30,762.

Police Department Computer System Lease - A seven year contract was entered into on April 25, 2000 for the purchase of the police department computer system. Annual payments consisting of principal and interest range from \$2,829 to \$56,001. The balance at June 30, 2001 on this contract was \$929,670.

The calculation of the present value of the future lease payments is as follows:

<u>Fiscal Year</u>	<u>Ford Pickups</u>	<u>Ford Vehicles</u>	<u>HTE System</u>	<u>Ford Pickups</u>	<u>Chevrolet Tahoes</u>	<u>Police Computer</u>	<u>Totals</u>
2002	\$ 21,998	\$202,719	\$174,239	\$ 39,493	\$ 16,943	\$187,399	\$642,791
2003	21,998	202,719	174,239	29,620	16,943	187,399	632,918
2004	-	202,720	174,239	-	-	187,399	564,358
2005	-	-	174,238	-	-	187,399	361,637
2006	-	-	-	-	-	187,400	187,400
2007	-	-	-	-	-	187,400	187,400
	<u>43,996</u>	<u>608,158</u>	<u>696,955</u>	<u>69,113</u>	<u>33,886</u>	<u>1,124,396</u>	<u>2,576,504</u>
Less amount representing interest	<u>(3,140)</u>	<u>(67,288)</u>	<u>(81,995)</u>	<u>(4,169)</u>	<u>(3,124)</u>	<u>(194,726)</u>	<u>(354,442)</u>
Present value of future payments	<u>\$ 40,856</u>	<u>\$540,870</u>	<u>\$614,960</u>	<u>\$ 64,944</u>	<u>\$ 30,762</u>	<u>\$ 929,670</u>	<u>\$2,222,062</u>

NOTE 9 - PARTICIPATION AGREEMENTS

On May 5, 2000, the Agency entered into an agreement with Desert Suzuki, an automotive dealership, in which Desert Suzuki is required to operate the dealership at the site for a minimum of five years. This agreement obligates the Agency to provide payments to Desert Suzuki equal to 50% of the sales tax revenue generated by and received from the operations of the automobile dealership, but cannot exceed \$40,000 in any fiscal year. The term of the agreement is five years beginning fiscal year 1999/2000. The remaining maximum payment amount was \$160,000 at June 30, 2001.

NOTE 10 - CLAIMS PAYABLE/SELF INSURANCE

Independent Cities Risk Management Authority

The Independent Cities Risk Management Authority (ICRMA) was formed under a joint exercise of powers agreement between local governments for the purpose of jointly funding insurance programs. The City is currently insured through ICRMA for workers' compensation and general liability. The ICRMA is composed of approximately thirty cities. The activity is managed by expert outside specialists and a governing board is composed of representatives of the various cities participating in the ICRMA. Member cities may be assessed individually or as a group in the event of unexpected losses and premiums paid in excess of estimated risk have been refunded. The likelihood of the need for excess premiums is remote given the claims history of the cities involved and the length of time necessary to settle large claims.

The City is self-insured for the first \$250,000 of each workers' compensation claim and the excess, up to a maximum regulated by California statute, is covered by ICRMA. The City is insured for general liability claims by ICRMA for individual claims in excess of \$268,000.

Estimated claims payable amounting to \$1,899,000 represents the City's best estimate of unpaid claims and incurred but not reported costs at June 30, 2001, for workers compensation and general liability claims which were \$1,631,000 and \$268,000, respectively.

The City accounts for its self-insurance activities in two different fund types: workers' compensation in an Internal Services Fund, the Self Insurance Fund, and general liability in a governmental fund type, the General Fund. In accordance with accounting principles generally accepted in the United States of America applicable to the respective funds, the City has recorded the estimated workers' compensation claims payable of \$1,631,000 in the Self Insurance Fund and the estimated general liability claims payable of \$268,000 in the General Long-Term Debt Account Group.

Changes in the claim payable amounts in fiscal years 2000 and 2001 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Prior Year Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
1999-00	\$ 1,466,441	\$ 473,793	\$ (375,062)	\$ 1,565,172
2000-01	1,565,172	1,082,579	(748,751)	1,899,000

NOTE 11 - TAX INCREMENT REVENUE BONDS

Tax Increment Revenue Refunding Bonds, 1997 Series A,B,andC

On August 1, 1997, the Authority issued \$1,105,000 of Taxable Increment Revenue Refunding Bonds, 1997 Series A, \$7,935,000 of Tax Increment Revenue Refunding Bonds, 1997 Series B and \$2,585,000 of Tax Increment Revenue Refunding Bonds, 1997 Series C. The proceeds were used to advance refund a portion of the 1992 Revenue (Tax Allocation) Bonds and to retire the outstanding balance of the 1987 Tax Allocation Bonds. The bonds are payable solely from tax increment revenues of the Redevelopment Agency.

The Series A bonds consist of \$1,105,000 of term bonds. These bonds accrue interest at a rate of 7.48% with the principal amount maturing on August 15, 2019. The Series A term bonds are subject to mandatory redemption from sinking account payments prior to their bond indenture. The outstanding balance at June 30, 2001 was \$1,035,000.

NOTE 11 - TAX INCREMENT REVENUE BONDS (Continued)

The Series B bonds consist of \$2,490,000 of serial bonds and \$5,445,000 of term bonds. The serial bonds accrue interest at rates ranging from 3.90% to 5.20%. Principal payments are due each August 15 in amounts ranging from \$115,000 to \$225,000, with the final principal payment on August 15, 2012. The term bonds accrue interest at a rate of 5.35% with \$1,330,000 of the term bonds maturing on August 15, 2017 and the remaining \$4,115,000 of the term bonds maturing on August 15, 2027. The Series B term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$235,000 to \$460,000, as outlined in the bond indenture. The outstanding balance at June 30, 2001 was \$7,565,000.

The Series C bonds consist of \$2,585,000 of term bonds. These bonds accrue interest at a rate of 6.50% with the principal amount maturing on August 15, 2027. The Series C term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$25,000 to \$185,000, as outlined in the bond indentures. The outstanding balance at June 30, 2001 was \$2,495,000.

As required in the official statement, each bond issue is required to maintain a reserve fund. The required amount of the reserve fund for the Series B bonds was \$271,655. The required amount of the reserve fund for the Series C bonds was \$196,038. At June 30, 2001 the actual reserves for Series B and C were \$288,601 and \$203,750, respectively. In the case of the Series A reserve fund and the portion of the Series B reserve fund relating to the Indio Centre Parity Loan, the Authority substituted a reserve facility in place of making a cash deposit to such reserve funds. The indentures provide that in lieu of a cash deposit, the Authority may satisfy the reserve requirements by means of a qualified reserve fund credit instrument, which consists of a quality surety bond, insurance policy or a similar financial undertaking. The Authority deposited a Financial Guaranty Insurance Policy issued by MBIA Insurance Corporation in the reserve fund for the Series A bonds and in the reserve fund for the Series B bonds relating to that portion of the Series B reserve fund to be funded by the Indio Centre Parity Loan.

1999 Housing Set-Aside Revenue Refunding Bonds

On May 5, 1999, the Redevelopment Agency issued \$4,445,000 of Housing Set-Aside Revenue Refunding Bonds, Series 1999. The proceeds were used to enable the Agency to pay its 1992 Housing Loan to the Indio Public Financing Authority. The bonds are payable solely from housing set-aside tax increment revenues of the Redevelopment Agency.

These bonds consist of \$1,420,000 of serial bonds and \$3,025,000 of term bonds. The serial bonds accrue interest at rates ranging from 3.35% to 5.00%. Principal payments are due each August 15 in amounts ranging from \$100,000 to \$160,000, with the final principal payment on August 15, 2009. The term bonds accrue interest at a rate of 5.375% maturing on August 15, 2022. The term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in the principal amounts ranging from \$165,000 to \$315,000, as outlined in the bond indenture. The outstanding balance at June 30, 2001 was \$4,235,000.

As required in the official statement, a reserve fund is required to be maintained. The amount to be maintained in the reserve is an amount equal to or greater than the maximum annual debt service on the bonds. The required amount of the reserve fund was \$330,079. At June 30, 2001 the actual reserve amount was \$339,388.

Prior Year Defeasance of Debt

In prior years, the City defeased the \$14,000,000 1992 Revenue (Tax Allocation) Bonds placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2001, \$13,195,000 of bonds outstanding are considered defeased.

NOTE 12 - SPECIAL ASSESSMENT DEBT WITH GOVERNMENT COMMITMENT

Shadow Hills Assessment District

The City of Indio issued \$3,688,364 of Limited Obligation Improvement Bonds on March 15, 1993 for the construction of improvements to the City's Assessment District No. 90-1 (Shadow Hills). The bonds consist of \$2,303,364 of serial bonds and \$1,385,000 of term bonds. The serial bonds mature between September 2, 1994 and September 2, 2008 in amounts ranging from \$108,364 to \$225,000. The interest rates range between 3.50% and 6.90%. The term bonds are due on September 2, 2013 and accrue interest at 7%. The bonds are secured by unpaid assessments levied against the property owners. A reserve fund of \$340,427 is required and is fully funded at June 30, 2001. The outstanding principal balance at June 30, 2001 was \$2,840,000.

NOTE 13 - DEBT SERVICE REQUIREMENTS TO MATURITY

The annual requirements to amortize outstanding debt excluding advances from the Mobile Equipment Fund, notes payable, claims payable, compensated absences payable, and capital lease obligations of the City as of June 30, 2001, including interest payments of \$14,747,521, are as follows:

Year Ending June 30, '	1997 Series A Revenue Refunding Bonds	1997 Series B Revenue Refunding Bonds	1997 Series C Revenue Refunding Bonds	1999 Series Revenue Refunding Bonds	Shadow Hills A.D.	Participation Agreements	Totals
2002	\$ 101,483	\$ 524,421	\$ 196,038	\$ 330,079	\$ 336,945	\$ 40,000	\$1,528,966
2003	104,426	523,543	198,600	330,319	338,607	40,000	1,535,495
2004	102,182	527,233	196,000	325,279	339,308	40,000	1,530,002
2005	104,751	525,484	198,238	324,949	338,995	40,000	1,532,417
2006	102,133	523,395	195,313	329,161	337,620	-	1,487,622
2007-2011	509,850	2,630,585	985,213	1,628,164	1,686,765	-	7,440,577
2012-2016	505,553	2,615,640	976,338	1,617,984	1,011,700	-	6,727,215
2017-2021	399,043	2,707,211	978,788	1,617,253	-	-	5,702,295
2022-2026	-	2,650,874	966,312	643,325	-	-	4,260,511
2027-2028	-	948,689	383,732	-	-	-	1,332,421
Totals	1,929,421	14,177,075	5,274,572	7,146,513	4,389,940	160,000	33,077,521
Less:							
Interest Payments	(894,421)	(6,612,075)	(2,779,572)	(2,911,513)	(1,549,940)	-	(14,747,521)
Outstanding Principal	\$1,035,000	\$7,565,000	\$2,495,000	\$4,235,000	\$2,840,000	\$ 160,000	\$18,330,000

NOTE 14- CHANGES IN CONTRIBUTED CAPITAL

Activities relating to contributed capital are presented as follows:

	Enterprise			Internal Service
	Water Fund	Golf Fund	Total	Mobile Equipment Fund
Balance at July 1, 2000	\$ 10,642,464	\$ 416,141	\$ 11,058,605	\$ 1,449,482
Current year contribution	-	-	-	-
Balance at June 30, 2001	\$ 10,642,464	\$ 416,141	\$ 11,058,605	\$ 1,449,482

NOTE 15- FUND BALANCES

Fund balances at June 30, 2001 consisted of the following reserves and designations:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Reserved for				
Encumbrances	\$ 275,651	\$ -	\$ -	\$ 341,494
Deposits	507,193	-	-	-
Noncurrent receivables	-	385,895	-	3,008,780
Debt service	-	339,388	3,186,403	-
Land held for resale	-	-	-	1,275,000
Subtotal	<u>782,844</u>	<u>725,283</u>	<u>3,186,403</u>	<u>4,625,274</u>
Unreserved	7,043,290	-	-	-
Designated for special projects and programs	-	4,491,847	-	7,393,091
Undesignated	-	-	-	4,165,593
Subtotal	<u>7,043,290</u>	<u>4,491,847</u>	<u>-</u>	<u>11,558,684</u>
Total Fund Balances	<u>\$ 7,826,134</u>	<u>\$ 5,217,130</u>	<u>\$ 3,186,403</u>	<u>\$16,183,958</u>

NOTE 16- ACCUMULATED DEFICITS

The following funds reported an accumulated deficit in fund balance/retained earnings as of June 30, 2001:

	<u>Accumulated Deficit</u>
Special Revenue Funds	
Asset Forfeiture	\$ 10,877
Debt Service Funds	
Indio Public Financing Authority	1,750
Capital Projects Fund	
Watermain Construction	187,714
Capital Expenditures	299,163
Internal Service Funds	
Self Insurance	411,116
Public Facilities	466,920

NOTE 17- EXPENDITURES IN EXCESS OF APPROPRIATIONS

Expenditures for the year end June 30, 2001 exceeded the appropriations of the following expenditure categories of the General Fund or funds of the City as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
General Fund			
General Government	\$ 5,094,950	\$ 5,214,651	\$ (119,701)
Public Safety	9,030,914	10,339,438	(1,308,524)
Public Works	2,467,430	2,847,389	(379,959)
Parks, Recreation, and Culture	312,667	331,869	(19,202)
Special Revenue Fund			
Other Fiscal Charges	-	2,253	(2,253)
Debt Service Fund			
Principal	570,000	3,173,782	(2,603,782)
Interest	793,734	1,385,713	(591,979)
Other Fiscal Charges	8,760	10,803	(2,043)
Capital Projects Fund			
General Government	631,638	1,125,871	(494,233)

NOTE 18- DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT**\$2,000,000 (\$1,500,000 1996 Series A and \$500,000 Series B) City of Indio Multifamily Housing Revenue Bonds, Olive Court Apartments Projects**

On October 16, 1996, the City of Indio authorized the issuance of \$1,500,000 of Series A Multifamily Housing Revenue Bonds and \$500,000 of Series B. Variable Rate Demand Multifamily Housing Subordinate Revenue Bonds. The project is known as the Olive Court Apartments Project. The first maturity date is December 1, 2001 and the final maturity date is December 1, 2026. The bonds are not a general obligation of the City of Indio but are limited to certain revenues and receipts and certain other security pledged for the payment thereof pursuant to the Indenture of Trust pursuant to which the bonds were issued. The combined principal outstanding at June 30, 2001 was \$1,940,000.

\$11,000,000 Housing Authority of City of Indio Variable Rate Demand Multifamily Housing Revenue Bonds, 1985 Series A, Smoketree Apartments Project

On December 5, 1985 the Housing Authority of the City of Indio issued \$11,000,000 of 1985 Series A Variable Rate Multifamily Housing Revenue Bonds. The bonds mature on December 1, 2007 subject to certain redemption provisions. The project is known as the Smoketree Apartments Project. The bonds are not a general obligation of the City of Indio or Housing Authority of the City of Indio but are limited obligations payable by the Housing Authority of the City of Indio solely from certain revenues and receipts and certain other security pledges for the payment thereof pursuant to the Indenture of Trust pursuant to which the bonds were issued. The principal amount of the bonds outstanding at June 30, 2001 was \$8,750,000.

NOTE 18- DEBT ISSUED WITHOUT GOVERNMENT COMMITMENT (Continued)

\$8,500,000 City of Indio Multifamily Mortgage Revenue Refunding Bonds (Montevideo Apartments Project), 1988 Series

On October 1, 1988 the City of Indio issued \$8,500,000 of 1988 Series Multifamily Mortgage Revenue Refunding Bonds. The bonds bear interest at 8.625% and mature on October 1, 1998. The project is known as the Montevideo Apartments Project. The bonds were issued to refund the City of Indio's Multifamily Mortgage Revenue Bonds, Issue of 1983. The proceeds of the prior bonds were loaned to Monroe Associates, a California general partnership to finance the construction of the multifamily rental housing project within the City of Indio. The bonds are payable solely from the trust estate as defined and do not constitute an indebtedness of the City of Indio. The principal amount of bonds outstanding at June 30, 2001 was \$8,500,000.

\$11,200,000 City of Indio Variable Rate Demand Multifamily Housing Revenue Bonds (Western Federal Savings and Loan Association Project - Sunrise Pointe Apartments), 1985 Series A

On June 8, 1985 the City of Indio issued \$11,200,000 of 1985 Series A Variable Rate Demand Multifamily Housing Revenue Bonds. The bonds mature on June 1, 2005. The project is known as the Western Federal Savings and Loan Association Project. The developer of the project was Quality Investments, Inc., a California corporation. The bonds are not a general obligation of the City of Indio and are payable only from certain revenues and receipts and certain other security pledged for the payment of the bonds pursuant to the Indenture of Trust. The principal amount of the bonds outstanding at June 30, 2001 was \$4,590,000.

Assessment District No. 99-1 Limited Obligation Bonds, Series 1999

The City of Indio issued \$3,160,000 of Limited Obligation Improvement Bonds on September 2, 1999 for the construction of improvements to the City's Assessment District No. 99-1. The bonds consist of \$3,160,000 of term bonds that accrue interest at a rate of 7.125% with the principal amount maturing on September 2, 2020. The bonds are secured by unpaid assessment levied against the property owners and the City is in no way liable for repayment, but is only acting as an agent for the property owners in collecting assessments, forwarding the collections to bondholders, and initiating foreclosures proceedings, if appropriate. The outstanding principal balance at June 30, 2001 was \$3,160,000.

NOTE 19- SEGMENTS OF ENTERPRISE ACTIVITIES

The City maintains two enterprise funds which provides golf and water services. Key financial data for the year ended June 30, 2001 for these services were as follows:

	<u>Water Fund</u>	<u>Golf Course Fund</u>	<u>Total</u>
Operating Revenues	<u>\$ 4,401,581</u>	<u>\$ 794,203</u>	<u>\$ 5,195,784</u>
Operating Expenses:			
Depreciation	500,400	7,600	508,000
Others	<u>3,106,478</u>	<u>523,907</u>	<u>3,630,385</u>
Total	<u>3,606,878</u>	<u>531,507</u>	<u>4,138,385</u>
Net Operating Income	794,703	262,696	1,057,399
Non-operating Revenues (Expenses)	631,382	42,612	673,994
Transfers to Other Funds	<u>(1,011,611)</u>	<u>(60,000)</u>	<u>(1,071,611)</u>
Net Income	<u>\$ 414,474</u>	<u>\$ 245,308</u>	<u>\$ 659,782</u>
Property, Plant and Equipment:			
Additions	<u>\$ 1,333,062</u>	<u>\$ -</u>	<u>\$ 1,333,062</u>
Net Working Capital	<u>\$10,433,001</u>	<u>\$ 839,211</u>	<u>\$ 11,272,212</u>
Total Assets	<u>\$26,081,430</u>	<u>\$ 1,325,855</u>	<u>\$ 27,407,285</u>
Total Equity	<u>\$25,303,373</u>	<u>\$ 1,303,838</u>	<u>\$ 26,607,211</u>

NOTE 20- DEFINED BENEFIT PLAN

Plan Description

The City of Indio contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 P. Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 0% (0% for safety employees) for employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

NOTE 20- DEFINED BENEFIT PLAN (Continued)

Annual Pension Costs

For 2000-01, the City's annual pension cost (employer contribution) of \$0 for PERS was equal to the City's required and actual contributions. The required contributions were determined as part of the June 30, 1999, actuarial valuation using the entry-age normal actuarial cost method. Paragraph 9 of GASB Statement No. 27 requires that the annual required contribution reported for the current year should be based on the result of an actuarial valuation performed as of a date not more than 24 months before the beginning of the employer's fiscal year. Paragraph 22 of GASB Statement No. 27 requires that agent employers also disclose actuarial information for the most recent actuarial valuation. An actuarial valuation as of June 30, 2000 has not yet been completed and made available by the PERS to the City. The actuarial assumptions included (a) 8.25% investment rate return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized through June 30, 2016 (through June, 30, 2011 for safety employees) as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for PERS

Miscellaneous

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/99	\$ 132,992	100%	-
06/30/00	\$ -	100%	-
06/30/01	\$ 203,992	100%	-

Safety

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/99	\$ 334,668	100%	-
06/30/00	\$ -	100%	-
06/30/01	343,441	100%	-

NOTE 20- DEFINED BENEFIT PLAN (Continued)

Schedule of Funding Progress for PERS

Miscellaneous

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability/ (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UALL as a % of Payroll</u>
06/30/97	\$ 12,349,102	\$ 15,049,479	\$ (2,700,377)	121.9%	\$ 3,036,898	(883.919)%
06/30/98	12,961,280	17,962,245	(5,000,965)	138.6%	2,648,051	(188.855)%
06/30/99	13,798,218	20,102,253	(6,304,035)	145.7%	2,804,140	(224.812)%

Safety

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability/ (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UALL as a % of Payroll</u>
06/30/97	\$ 29,918,800	\$ 32,684,050	\$ (2,765,250)	109.2%	\$ 2,281,332	(121.212)%
06/30/98	32,084,012	38,167,672	(6,083,660)	119.0%	2,236,366	(272.0331)%
06/30/99	33,352,807	42,272,939	(8,920,132)	126.71%	2,109,837	(422.788)%

NOTE 21- POST RETIREMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City provides certain health care benefits for retired employees. Some employees may become eligible for those benefits if they reach normal retirement age while working for the City for five years. The cost of retiree health care benefits is recognized as an expense as claims are paid. For fiscal year 2000-01, those costs totaled \$405,977 for 98 such employees.

NOTE 22- CONTINGENT LIABILITIES

Normal Course of Operations

The City is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from actions will not have a material adverse effect on the City's financial position.

Revenue Tax Sharing Agreement Commitment

In March 1997, the City entered into an agreement with the County of Riverside in order to obtain the County's cooperation to annex property in the unincorporated County area with the intention of developing a relocation site for the new and used auto dealers of the City of Indio. The development of the Desert Cities Auto Center and its annexation into the City of Indio is expected to generate significant sales and use taxes as well as property taxes from the improved site. In return, the City agrees to provide maintenance of certain County facilities. In return for the County's cooperation in approving the Desert Cities Auto Center site plan and its annexation into the City of Indio, this agreement provides that the City of Indio will dedicate the equivalent of 50% of sales and use taxes derived from the annexed property to the County until a maximum of \$2,640,000 is paid to the County, and thereafter the City shall dedicate 25% of said sales and use taxes for the remainder of a thirty-year period. Upon expiration of the term of the agreement and upon payment by the City to the County of the sum of \$1, the County shall convey fee title to the County Improvements.

NOTE 23 - PRIOR PERIOD ADJUSTMENTS

The accompanying financial statements reflect reclassifications and adjustments which resulted in a restatement of beginning fund balances/retained earnings of the General, Special Revenue, Capital Projects, Internal Service, and Enterprise Funds.

- (a) Adjustment to the beginning fund balance of the Lighting and Landscaping Special Revenue Fund for revenue reflected in prior year and reversed in incorrect fund.
- (b) Adjustment to the beginning fund balance of the Community Development Special Revenue Fund to reverse accrual that was posted in error in the prior year.
- (c) Adjustments were made to the beginning fund balances of the General Fund to properly account certain tax revenues in accordance with Governmental Accounting Standards Board Statement No. 22.
- (d) An adjustment to the beginning fund balance of the Community Development Special Revenue to reduce a grant receivable that was reflected in the prior year.
- (e) During the fiscal year ended June 30, 2001 the City reassessed its fund structure and eliminated two funds consolidating them with the General Fund. The City consolidated the General Fund, Buildings Fund, and the Self-Insurance Worker's Compensation Fund with the General Fund.
- (f) An adjustment was made to the beginning fund balances of the Mobile Equipment Fund to reduce compensated absences reflected in prior years.
- (g) During the fiscal year ended June 30, 2001, the City reassessed its fund structure and eliminated certain funds. The ISTE A Fund was consolidated with the General Fund.
- (h) Adjustment was made to the beginning fund balance of the Lighting and Landscaping Special Revenue to increase assessment refunds in prior year.
- (i) An adjustment was made to the beginning fund balance of the General Fund to write off various accounts receivable that are no longer valid.
- (j) The beginning fund balance of the Assessment District 99-1 Capital Projects Fund was adjusted to zero out cash with fiscal agent relating to Assessment District 99-1 that was already adjusted in the Trust and Agency Fund.
- (k) An adjustment was made to the beginning fund balance of the General Fund to clear out suspense that had payroll accruals that should have been reversed in the prior year.
- (l) Adjustments were made to the beginning fund balances of the Capital Projects Watermain construction Fund and Capital Impact Fund to correct a prior year transfer that should have been done in the Enterprise Fund.
- (m) An adjustment was made to the beginning fund balances of the Capital Expenditures Capital Projects Fund to adjust a receivable that was not reversed but revenue was reflected in the prior year.
- (n) An adjustment was made to the beginning fund balances of the Capital Projects and Capital Impact Funds to correct a prior year transfer to the correct fund.

NOTE 23 - PRIOR PERIOD ADJUSTMENTS (Continued)

The following summarizes the effects of the prior period adjustments:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Internal Service Fund</u>	<u>Enterprise Fund</u>
Funding Balances at beginning of year as, previously reported	\$ 7,706,159	\$ 8,101,529	\$ 15,182,808	\$ 937,035	\$ 14,732,488
(a) Adjustment for revenue reflected in prior year	-	(48,044)	-	-	-
(b) Adjustment to include assessment refund in prior year	-	81	-	-	-
(c) Adjustment to include motor vehicle in lieu tax in current year	(430,800)	-	-	-	-
(c) Adjustment to include sales and use tax in current year	(180,803)	-	-	-	-
(d) Adjustment for revenue reflected in prior year	-	(42,145)	-	-	-
(e) Consolidation of Self-Insurance Workers Compensation Fund with General Fund	2,577	-	-	(2,577)	-
(e) Consolidation of General Land and Buildings Fund with General Fund	914	-	-	(914)	-
(f) Adjustment to reduce compensated absences reflected in prior year	-	-	-	6,734	-
(g) Consolidation of ISTEPA Fund with General Fund	(74,064)	74,064	-	-	-
(h) Adjustment to include an assessment refund in prior year	-	9,003	-	-	-
(i) Adjustment to write off accounts receivable	(66,775)	-	-	-	-
(j) Adjustment to reduce Assessment District 99-1 cash with fiscal agent not adjusted	-	-	(906,925)	-	-
(k) Adjustment to reduce payroll accruals	343,318	-	-	-	-
(l) Adjustment to reflect a transfer in correct fund	-	-	(119,121)	-	119,121
(l) Adjustment to reflect a transfer in correct fund	-	-	(37,215)	-	37,215
(m) Adjustment to reduce a receivable that was received in prior year but not reversed	-	-	(109,492)	-	-
(n) Adjustment to reflect a transfer in correct fund	-	-	11,753	-	-
(n) Adjustment to reflect a transfer in correct fund	-	-	(11,753)	-	-
Fund Balances/Retained Earnings at beginning of year, as restated	<u>\$ 7,300,526</u>	<u>\$ 8,094,488</u>	<u>\$ 14,010,055</u>	<u>\$ 940,278</u>	<u>\$ 14,888,824</u>

NOTE 24 – SUBSEQUENT EVENTS

Assessment District No. 2001-1

On July 1, 2001, the City of Indio issued Limited Obligation Improvement Bond, Series 2001, in the amount of \$4,840,142. The proceeds from the issue will be used to finance the costs of acquisition of certain public improvements serving property within Assessment District No. 2001-1 (the "District") of the City. The bonds are not a general obligation of the City of Indio and are secured by unpaid assessment levied in proceedings against the property owners. The bonds are due September 2, 2026, with an interest rate of 6.5%.

Assessment District No. 2002-1

On May 9, 2002, the City of Indio issued Limited Obligation Improvement Bonds, Series 2002, in the amount of \$4,403,000. The proceeds from the issue will be used to finance the costs of acquisition of certain public improvements serving property within Assessment District No. 2002-1 (the "District") of the City. The City is not liable for repayment. The term bonds are due September 2, 2027, and are secured by unpaid assessment levied in proceedings against the property owners.

No events have occurred subsequent to the balance sheet date that requires consideration as adjustments to, or disclosures in the financial statements except for the above.

GENERAL FUND

To account for resources that are traditionally associated with a municipality which are not required to be accounted for in a separate fund.

**CITY OF INDIO, CALIFORNIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and investments	\$ 8,485,009	\$ 6,062,837
Cash with fiscal agent	20,000	20,000
Receivables		
Accounts	410,132	624,588
Interest	-	530,862
Loans	22,300	-
Due from other funds	506,305	1,569,583
Due from other governments	418,530	1,285,327
Deposits	507,193	466,908
Prepaid items	16,033	-
	<u>10,385,502</u>	<u>10,560,105</u>
Total Assets	\$ 10,385,502	\$ 10,560,105
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 1,128,476	\$ 677,988
Accrued wages payable	491,417	278,853
Due to other funds	82,000	82,000
Deposits payable	857,475	1,815,105
	<u>2,559,368</u>	<u>2,853,946</u>
Total Liabilities	2,559,368	2,853,946
FUND BALANCES		
Reserved	782,844	1,562,437
Unreserved	7,043,290	6,143,722
	<u>7,826,134</u>	<u>7,706,159</u>
Total Fund Balances	7,826,134	7,706,159
Total Liabilities and Fund Balances	\$ 10,385,502	\$ 10,560,105

**CITY OF INDIO, CALIFORNIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>General Fund</u>	<u>Prior Year Balance</u>
REVENUES		
Taxes	\$ 11,303,127	\$ 10,381,457
Licenses and permits	1,411,393	931,225
Intergovernmental	4,409,472	3,088,211
Charges for services	1,639,186	2,198,142
Fines and forfeits	124,333	89,014
Special assessments	-	18,288
Investment income	688,342	347,526
Miscellaneous	<u>105,287</u>	<u>92,426</u>
Total Revenues	<u>19,681,140</u>	<u>17,146,289</u>
EXPENDITURES		
Current		
General government	5,214,651	4,306,327
Public safety	10,339,438	8,378,821
Public works	2,847,389	1,754,165
Parks, recreation, and culture	331,869	420,989
Capital projects	<u>10,000</u>	<u>34,536</u>
Total Expenditures	<u>18,743,347</u>	<u>14,894,838</u>
Excess of revenues over expenditures	<u>937,793</u>	<u>2,251,451</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	3,734,490	2,033,070
Operating transfers out	(5,748,979)	(404,783)
Proceeds of notes	-	466,908
Proceeds of capital leases	<u>1,602,304</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(412,185)</u>	<u>2,095,195</u>
Excess of revenues and other financing sources (uses) over expenditures and other financing (sources) uses	525,608	4,346,646
Fund Balances at beginning of year, as restated	<u>7,300,526</u>	<u>3,359,513</u>
Fund Balances at end of year	<u>\$ 7,826,134</u>	<u>\$ 7,706,159</u>

**CITY OF INDIO, CALIFORNIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	General Fund			Prior Year Balance
	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES				
Taxes	\$ 9,678,250	\$ 11,303,127	\$ 1,624,877	\$ 10,381,457
Licenses and permits	733,280	1,411,393	678,113	931,225
Intergovernmental	2,453,355	4,409,472	1,956,117	3,088,211
Charges for services	1,006,700	1,639,186	632,486	2,198,142
Fines and forfeits	89,500	124,333	34,833	89,014
Special assessments	-	-	-	18,288
Investment income	265,000	688,342	423,342	347,526
Miscellaneous	593,749	105,287	(488,462)	92,426
Total Revenues	14,819,834	19,681,140	4,861,306	17,146,289
EXPENDITURES				
Current				
General government	5,094,950	5,214,651	(119,701)	4,306,327
Public safety	9,030,914	10,339,438	(1,308,524)	8,378,821
Public works	2,467,430	2,847,389	(379,959)	1,754,165
Parks, recreation, and culture	312,667	331,869	(19,202)	420,989
Capital outlay	10,000	10,000	-	34,536
Total Expenditures	16,915,961	18,743,347	(1,827,386)	14,894,838
Excess (deficiency) of revenues over (under) expenditures	(2,096,127)	937,793	3,033,920	2,251,451
OTHER FINANCING SOURCES (USES)				
Operating transfers in	2,936,951	3,734,490	797,539	2,033,070
Operating transfers out	(1,849,949)	(5,748,979)	(3,899,030)	(404,783)
Proceeds of notes	-	-	-	466,908
Proceeds of capital leases	-	1,602,304	1,602,304	-
Total Other Financing Sources (Uses)	1,087,002	(412,185)	(1,499,187)	2,095,195
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(1,009,125)	525,608	1,534,733	4,346,646
Fund Balances at beginning of year, as restated	7,300,526	7,300,526	-	3,359,513
Fund Balances at end of year	\$ 6,291,401	\$ 7,826,134	\$ 1,534,733	\$ 7,706,159

SPECIAL REVENUE FUNDS

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

Traffic Safety Fund - To account for the revenues and expenditures of Vehicle Code court fines expended for traffic safety related costs.

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

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

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

Community Development Fund - To account for the revenues and expenditures of approved Federal Housing and Community Development Act projects.

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

ISTEA Fund - To account for revenue and expenditures approved for Intermodal Surface Transportation Efficiency Act (ISTEA) projects.

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

Article 3 (SB 821) Fund - To account for the revenues and expenditures of licenses and grant money received for the promotion of bicycle safety and the development and maintenance of bicycle lanes and paths within the City.

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

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

Business Improvement District Fund - To account for the revenues and expenditures related to the Old Town Indio Business Acquisition.

Lighting and Landscaping Fund - To account for the revenues and expenditures restricted for the lighting and landscape maintenance program for 29 districts. Property owners are assessed their share of the cost for lighting and maintaining parkways and medians.

Asset Forfeiture - To account for assets and cash confiscated in police narcotic raids that are restricted for public safety expenditures.

Low and Moderate Housing Fund - To account for monies received and expended to assist low and moderate income households.

**CITY OF INDIO, CALIFORNIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Public Safety</u>	<u>Supplemental Law Enforcement</u>	<u>Community Development</u>	<u>Local Law Enforcement Block Grant</u>
ASSETS						
Cash and investments	\$ -	\$ -	\$ 268,224	\$ 523,163	\$ 179,701	\$ 84,568
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable	-	-	-	-	31,824	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	9,536	15,060	30,169	6,615	2,390
Due from other governments	-	-	-	-	-	-
Total Assets	\$ -	\$ 9,536	\$ 283,284	\$ 553,332	\$ 218,140	\$ 86,958
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ 5,988	\$ 2,700	\$ -	\$ -	\$ 2,556
Retentions payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Total Liabilities	-	5,988	2,700	-	-	2,556
FUND BALANCES (DEFICIT)						
Reserved for						
Encumbrances	-	-	-	-	-	-
Non-current receivable	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unreserved						
Designated for special projects and programs	-	3,548	280,584	553,332	218,140	84,402
Undesignated	-	-	-	-	-	-
Total Fund Balances (Deficit)	-	3,548	280,584	553,332	218,140	84,402
Total Liabilities and Fund Balances (Deficit)	\$ -	\$ 9,536	\$ 283,284	\$ 553,332	\$ 218,140	\$ 86,958

<u>ISTEA</u>	<u>Measure A</u>	<u>Article 3</u>	<u>NPDES</u>	<u>Air Quality</u>	<u>Business Improvement District</u>
\$ 324,383	\$ 1,810,197	\$ 49,541	\$ 337,614	\$ 90,390	\$ 667
-	-	-	-	-	-
-	-	-	-	-	243
5,529	196,815	3,155	20,816	2,753	34
<u>329,912</u>	<u>2,007,012</u>	<u>52,696</u>	<u>358,430</u>	<u>93,143</u>	<u>944</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,311	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,311	-
-	-	-	-	-	-
-	-	-	-	-	-
329,912	2,007,012	52,696	358,430	88,832	944
<u>329,912</u>	<u>2,007,012</u>	<u>52,696</u>	<u>358,430</u>	<u>88,832</u>	<u>944</u>
<u>\$ 329,912</u>	<u>\$ 2,007,012</u>	<u>\$ 52,696</u>	<u>\$ 358,430</u>	<u>\$ 93,143</u>	<u>\$ 944</u>

**CITY OF INDIO, CALIFORNIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	<u>Lighting and Landscaping</u>	<u>Asset Forfeiture</u>	<u>Low and Moderate Housing</u>	<u>Total</u>	<u>Prior Year Balance</u>
ASSETS					
Cash and investments	\$ 264,173	\$ 37,163	\$ 922,841	\$ 4,892,625	\$ 7,599,149
Cash with fiscal agent	-	-	339,388	339,388	339,386
Accounts receivable	759	-	-	32,826	48,508
Notes receivable	-	-	385,895	385,895	52,826
Due from other funds	26,911	1,943	22,785	344,511	-
Due from other governments	-	-	-	-	287,763
Total Assets	<u>\$ 291,843</u>	<u>\$ 39,106</u>	<u>\$ 1,670,909</u>	<u>\$ 5,995,245</u>	<u>\$ 8,327,632</u>
LIABILITIES AND FUND BALANCES (DEFICIT)					
LIABILITIES					
Accounts payable	\$ 14,577	\$ -	\$ -	\$ 30,132	\$ 24,909
Retentions payable	-	-	-	-	7,900
Due to other funds	-	-	698,000	698,000	151,512
Deposits payable	-	49,983	-	49,983	41,782
Total Liabilities	<u>14,577</u>	<u>49,983</u>	<u>698,000</u>	<u>778,115</u>	<u>226,103</u>
FUND BALANCES (DEFICIT)					
Reserved for					
Encumbrances	-	-	-	-	26,974
Non-current receivable	-	-	385,895	385,895	52,826
Debt service	-	-	339,388	339,388	339,386
Unreserved					
Designated for special projects and programs	277,266	(10,877)	247,626	4,491,847	7,780,158
Undesignated	-	-	-	-	(97,815)
Total Fund Balances (Deficit)	<u>277,266</u>	<u>(10,877)</u>	<u>972,909</u>	<u>5,217,130</u>	<u>8,101,529</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 291,843</u>	<u>\$ 39,106</u>	<u>\$ 1,670,909</u>	<u>\$ 5,995,245</u>	<u>\$ 8,327,632</u>

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**CITY OF INDIO, CALIFORNIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Public Safety</u>	<u>Supplemental Law Enforcement</u>	<u>Community Development</u>	<u>Local Law Enforcement Block Grant</u>
REVENUES						
Taxes	\$ -	\$ -	\$ 95,618	\$ -	\$ -	\$ -
Intergovernmental	-	867,672	-	100,057	359,012	154,571
Fines and forfeitures	215,368	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Investment income	9,642	9,536	15,060	30,169	6,615	2,390
Miscellaneous	-	-	-	-	1,120	-
Total Revenues	225,010	877,208	110,678	130,226	366,747	156,961
EXPENDITURES						
Current						
General government	-	-	-	11,960	4,396	-
Public safety	-	-	-	-	-	60,888
Public works	-	-	-	-	-	-
Debt services						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other fiscal charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	28,938	-
Total Expenditures	-	-	-	11,960	33,334	60,888
Excess (deficiency) of revenues over (under) expenditures	225,010	877,208	110,678	118,266	333,413	96,073
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	593,492	-	-	-	-
Operating transfers out	(555,619)	(1,859,429)	(50,000)	(25,000)	(147,463)	(5,000)
Proceeds of bonds, net	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(555,619)	(1,265,937)	(50,000)	(25,000)	(147,463)	(5,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(330,609)	(388,729)	60,678	93,266	185,950	91,073
Fund Balances (Deficit) at beginning of year, as restated	330,609	392,277	219,906	460,066	32,190	(6,671)
Fund Balances (Deficit) at end of year	\$ -	\$ 3,548	\$ 280,584	\$ 553,332	\$ 218,140	\$ 84,402

<u>ISTEA</u>	<u>Measure A</u>	<u>Article 3</u>	<u>NPDES</u>	<u>Air Quality</u>	<u>Business Improvement District</u>
\$ -	\$ 2,557,089	\$ -	\$ -	\$ -	\$ -
325,840	-	-	-	161,713	-
-	-	-	-	-	-
5,529	196,815	3,518	20,816	2,753	34
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>331,369</u>	<u>2,753,904</u>	<u>3,518</u>	<u>20,816</u>	<u>164,466</u>	<u>34</u>
-	-	-	-	16,889	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,189	-	-
-	-	-	3,189	16,889	-
<u>331,369</u>	<u>2,753,904</u>	<u>3,518</u>	<u>17,627</u>	<u>147,577</u>	<u>34</u>
-	-	-	-	-	-
-	(5,416,704)	-	-	(70,763)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(5,416,704)	-	-	(70,763)	-
331,369	(2,662,800)	3,518	17,627	76,814	34
(1,457)	4,669,812	49,178	340,803	12,018	910
<u>\$ 329,912</u>	<u>\$ 2,007,012</u>	<u>\$ 52,696</u>	<u>\$ 358,430</u>	<u>\$ 88,832</u>	<u>\$ 944</u>

**CITY OF INDIO, CALIFORNIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Lighting and Landscaping</u>	<u>Asset Forfeiture</u>	<u>Low and Moderate Housing</u>	<u>Total</u>	<u>Prior Year Balance</u>
REVENUES					
Taxes	\$ -	\$ -	\$ 368,010	\$ 3,020,717	\$ 888,134
Intergovernmental	-	-	-	1,968,865	1,068,230
Fines and forfeitures	-	5,017	-	220,385	218,459
Special assessments	292,453	-	-	292,453	270,134
Investment income	26,911	1,943	22,785	354,516	432,145
Miscellaneous	-	-	47,999	49,119	31,033
Total Revenues	<u>319,364</u>	<u>6,960</u>	<u>438,794</u>	<u>5,906,055</u>	<u>2,908,135</u>
EXPENDITURES					
Current					
General government	-	-	345,329	378,574	223,179
Public safety	-	-	-	60,888	117,752
Public works	332,286	-	-	332,286	310,730
Debt services					
Principal	-	-	-	-	100,000
Interest	-	-	-	-	175,622
Other fiscal charges	-	-	2,253	2,253	-
Capital outlay	-	-	-	32,127	188,319
Total Expenditures	<u>332,286</u>	<u>-</u>	<u>347,582</u>	<u>806,128</u>	<u>1,115,602</u>
Excess (deficiency) of revenues over expenditures	<u>(12,922)</u>	<u>6,960</u>	<u>91,212</u>	<u>5,099,927</u>	<u>1,792,533</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	593,492	445,306
Operating transfers out	(296,323)	(2,214)	(475,332)	(8,903,847)	(920,831)
Proceeds of bonds, net	-	-	333,070	333,070	-
Total Other Financing Sources (Uses)	<u>(296,323)</u>	<u>(2,214)</u>	<u>(142,262)</u>	<u>(7,977,285)</u>	<u>(475,525)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(309,245)</u>	<u>4,746</u>	<u>(51,050)</u>	<u>(2,877,358)</u>	<u>1,317,008</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>586,511</u>	<u>(15,623)</u>	<u>1,023,959</u>	<u>8,094,488</u>	<u>6,784,521</u>
Fund Balances (Deficit) at end of year	<u>\$ 277,266</u>	<u>\$ (10,877)</u>	<u>\$ 972,909</u>	<u>\$ 5,217,130</u>	<u>\$ 8,101,529</u>

**CITY OF INDIO, CALIFORNIA
TRAFFIC SAFETY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	168,532	215,368	46,836	204,129
Special assessments	-	-	-	-
Investment income	9,118	9,642	524	11,044
Miscellaneous	-	-	-	-
Total Revenues	<u>177,650</u>	<u>225,010</u>	<u>47,360</u>	<u>215,173</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>177,650</u>	<u>225,010</u>	<u>47,360</u>	<u>215,173</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(40,000)	(555,619)	(515,619)	(40,000)
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(555,619)</u>	<u>(515,619)</u>	<u>(40,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>137,650</u>	<u>(330,609)</u>	<u>(468,259)</u>	<u>175,173</u>
Fund Balances (Deficit) at beginning of year	<u>330,609</u>	<u>330,609</u>	<u>-</u>	<u>155,436</u>
Fund Balances (Deficit) at end of year	<u>\$ 468,259</u>	<u>\$ -</u>	<u>\$ (468,259)</u>	<u>\$ 330,609</u>

**CITY OF INDIO, CALIFORNIA
GAS TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	817,973	867,672	49,699	830,393
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	14,137	9,536	(4,601)	15,774
Miscellaneous	-	-	-	-
Total Revenues	<u>832,110</u>	<u>877,208</u>	<u>45,098</u>	<u>846,167</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services				
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	26,200	-	26,200	19,626
Total Expenditures	<u>26,200</u>	<u>-</u>	<u>26,200</u>	<u>19,626</u>
Excess (deficiency) of revenues over expenditures	<u>805,910</u>	<u>877,208</u>	<u>71,218</u>	<u>826,541</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	593,492	593,492	-
Operating transfers out	(1,020,981)	(1,859,429)	(838,448)	(679,000)
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(1,020,981)</u>	<u>(1,265,937)</u>	<u>(244,956)</u>	<u>(679,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(215,071)</u>	<u>(388,729)</u>	<u>(173,658)</u>	<u>147,541</u>
Fund Balances (Deficit) at beginning of year	<u>392,277</u>	<u>392,277</u>	<u>-</u>	<u>244,736</u>
Fund Balances (Deficit) at end of year	<u>\$ 177,206</u>	<u>\$ 3,548</u>	<u>\$ (173,658)</u>	<u>\$ 392,277</u>

**CITY OF INDIO, CALIFORNIA
PUBLIC SAFETY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ 157,451	\$ 95,618	\$ (61,833)	\$ 132,416
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	8,854	15,060	6,206	7,446
Miscellaneous	-	-	-	-
Total Revenues	<u>166,305</u>	<u>110,678</u>	<u>(55,627)</u>	<u>139,862</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	150,000	-	150,000	2,700
Public works	-	-	-	-
Debt services				
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>2,700</u>
Excess (deficiency) of revenues over expenditures	<u>16,305</u>	<u>110,678</u>	<u>94,373</u>	<u>137,162</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(3,600)	(50,000)	(46,400)	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(3,600)</u>	<u>(50,000)</u>	<u>(46,400)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>12,705</u>	<u>60,678</u>	<u>47,973</u>	<u>137,162</u>
Fund Balances (Deficit) at beginning of year	<u>219,906</u>	<u>219,906</u>	<u>-</u>	<u>82,744</u>
Fund Balances (Deficit) at end of year	<u>\$ 232,611</u>	<u>\$ 280,584</u>	<u>\$ 47,973</u>	<u>\$ 219,906</u>

**CITY OF INDIO, CALIFORNIA
SUPPLEMENTAL LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	127,739	100,057	(27,682)	98,969
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	26,721	30,169	3,448	20,703
Miscellaneous	-	-	-	-
Total Revenues	<u>154,460</u>	<u>130,226</u>	<u>(24,234)</u>	<u>119,672</u>
EXPENDITURES				
Current				
General government	11,960	11,960	-	24,800
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>11,960</u>	<u>11,960</u>	<u>-</u>	<u>24,800</u>
Excess (deficiency) of revenues over expenditures	<u>142,500</u>	<u>118,266</u>	<u>(24,234)</u>	<u>94,872</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(7,634)	(25,000)	(17,366)	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(7,634)</u>	<u>(25,000)</u>	<u>(17,366)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>134,866</u>	<u>93,266</u>	<u>(41,600)</u>	<u>94,872</u>
Fund Balances (Deficit) at beginning of year	<u>460,066</u>	<u>460,066</u>	<u>-</u>	<u>365,194</u>
Fund Balances (Deficit) at end of year	<u>\$ 594,932</u>	<u>\$ 553,332</u>	<u>\$ (41,600)</u>	<u>\$ 460,066</u>

**CITY OF INDIO, CALIFORNIA
COMMUNITY DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	60,100	359,012	298,912	68,120
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	6,615	6,615	-
Miscellaneous	-	1,120	1,120	-
Total Revenues	<u>60,100</u>	<u>366,747</u>	<u>306,647</u>	<u>68,120</u>
EXPENDITURES				
Current				
General government	6,000	4,396	1,604	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	45,106	28,938	16,168	98,944
Total Expenditures	<u>51,106</u>	<u>33,334</u>	<u>17,772</u>	<u>98,944</u>
Excess (deficiency) of revenues over expenditures	<u>8,994</u>	<u>333,413</u>	<u>324,419</u>	<u>(30,824)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(266,609)	(147,463)	119,146	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(266,609)</u>	<u>(147,463)</u>	<u>119,146</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(257,615)</u>	<u>185,950</u>	<u>443,565</u>	<u>(30,824)</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>32,190</u>	<u>32,190</u>	<u>-</u>	<u>105,078</u>
Fund Balances (Deficit) at end of year	<u>\$ (225,425)</u>	<u>\$ 218,140</u>	<u>\$ 443,565</u>	<u>\$ 74,254</u>

**CITY OF INDIO, CALIFORNIA
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	154,571	154,571	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	775	2,390	1,615	559
Miscellaneous	-	-	-	-
Total Revenues	<u>775</u>	<u>156,961</u>	<u>156,186</u>	<u>559</u>
EXPENDITURES				
Current				
General government	64,718	60,888	3,830	69,464
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services				
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>64,718</u>	<u>60,888</u>	<u>3,830</u>	<u>69,464</u>
Excess (deficiency) of revenues over expenditures	<u>(63,943)</u>	<u>96,073</u>	<u>160,016</u>	<u>(68,905)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	(5,000)	(5,000)	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(63,943)</u>	<u>91,073</u>	<u>155,016</u>	<u>(68,905)</u>
Fund Balances (Deficit) at beginning of year	<u>(6,671)</u>	<u>(6,671)</u>	<u>-</u>	<u>62,234</u>
Fund Balances (Deficit) at end of year	<u>\$ (70,614)</u>	<u>\$ 84,402</u>	<u>\$ 155,016</u>	<u>\$ (6,671)</u>

**CITY OF INDIO, CALIFORNIA
ISTEA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	325,840	325,840	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	5,529	5,529	3,875
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>331,369</u>	<u>331,369</u>	<u>3,875</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	2,200
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,200</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>331,369</u>	<u>331,369</u>	<u>1,675</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>331,369</u>	<u>331,369</u>	<u>1,675</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>(1,457)</u>	<u>(1,457)</u>	<u>-</u>	<u>(77,196)</u>
Fund Balances (Deficit) at end of year	<u>\$ (1,457)</u>	<u>\$ 329,912</u>	<u>\$ 331,369</u>	<u>\$ (75,521)</u>

**CITY OF INDIO, CALIFORNIA
 MEASURE A FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ 517,559	\$ 2,557,089	\$ 2,039,530	\$ 755,718
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	150,141	196,815	46,674	240,469
Miscellaneous	-	-	-	-
Total Revenues	<u>667,700</u>	<u>2,753,904</u>	<u>2,086,204</u>	<u>996,187</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services				
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	58,240
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,240</u>
Excess (deficiency) of revenues over expenditures	<u>667,700</u>	<u>2,753,904</u>	<u>2,086,204</u>	<u>937,947</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(3,090,571)	(5,416,704)	(2,326,133)	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(3,090,571)</u>	<u>(5,416,704)</u>	<u>(2,326,133)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(2,422,871)</u>	<u>(2,662,800)</u>	<u>(239,929)</u>	<u>937,947</u>
Fund Balances (Deficit) at beginning of year	<u>4,669,812</u>	<u>4,669,812</u>	<u>-</u>	<u>3,731,865</u>
Fund Balances (Deficit) at end of year	<u>\$ 2,246,941</u>	<u>\$ 2,007,012</u>	<u>\$ (239,929)</u>	<u>\$ 4,669,812</u>

CITY OF INDIO, CALIFORNIA
ARTICLE 3 (SB 821) FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	775	3,518	2,743	2,450
Miscellaneous	-	-	-	-
Total Revenues	<u>775</u>	<u>3,518</u>	<u>2,743</u>	<u>2,450</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services				
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	12,400	-	12,400	9,309
Total Expenditures	<u>12,400</u>	<u>-</u>	<u>12,400</u>	<u>9,309</u>
Excess (deficiency) of revenues over expenditures	<u>(11,625)</u>	<u>3,518</u>	<u>15,143</u>	<u>(6,859)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(11,625)</u>	<u>3,518</u>	<u>15,143</u>	<u>(6,859)</u>
Fund Balances (Deficit) at beginning of year	<u>49,178</u>	<u>49,178</u>	<u>-</u>	<u>56,037</u>
Fund Balances (Deficit) at end of year	<u>\$ 37,553</u>	<u>\$ 52,696</u>	<u>\$ 15,143</u>	<u>\$ 49,178</u>

**CITY OF INDIO, CALIFORNIA
NPDES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	8,875	20,816	11,941	23,599
Miscellaneous	-	-	-	-
Total Revenues	<u>8,875</u>	<u>20,816</u>	<u>11,941</u>	<u>23,599</u>
EXPENDITURES				
Current				
General government	-	-	-	203,659
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	3,189	(3,189)	-
Total Expenditures	<u>-</u>	<u>3,189</u>	<u>(3,189)</u>	<u>203,659</u>
Excess (deficiency) of revenues over expenditures	<u>8,875</u>	<u>17,627</u>	<u>8,752</u>	<u>(180,060)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>8,875</u>	<u>17,627</u>	<u>8,752</u>	<u>(180,060)</u>
Fund Balances (Deficit) at beginning of year	<u>340,803</u>	<u>340,803</u>	<u>-</u>	<u>520,863</u>
Fund Balances (Deficit) at end of year	<u>\$ 349,678</u>	<u>\$ 358,430</u>	<u>\$ 8,752</u>	<u>\$ 340,803</u>

**CITY OF INDIO, CALIFORNIA
AIR QUALITY (AB2766/CMAQ) FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	47,700	161,713	114,013	70,748
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Investment income	-	2,753	2,753	1,028
Miscellaneous	-	-	-	-
Total Revenues	<u>47,700</u>	<u>164,466</u>	<u>116,766</u>	<u>71,776</u>
EXPENDITURES				
Current				
General government	20,000	16,889	3,111	16,104
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>20,000</u>	<u>16,889</u>	<u>3,111</u>	<u>16,104</u>
Excess (deficiency) of revenues over expenditures	<u>27,700</u>	<u>147,577</u>	<u>119,877</u>	<u>55,672</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(881)	(70,763)	(69,882)	(85,250)
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(881)</u>	<u>(70,763)</u>	<u>(69,882)</u>	<u>(85,250)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	26,819	76,814	49,995	(29,578)
Fund Balances (Deficit) at beginning of year	<u>12,018</u>	<u>12,018</u>	<u>-</u>	<u>41,596</u>
Fund Balances (Deficit) at end of year	<u>\$ 38,837</u>	<u>\$ 88,832</u>	<u>\$ 49,995</u>	<u>\$ 12,018</u>

**CITY OF INDIO, CALIFORNIA
BUSINESS IMPROVEMENT DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	29,867	-	(29,867)	20,114
Investment income	33	34	1	22
Miscellaneous	-	-	-	-
Total Revenues	<u>29,900</u>	<u>34</u>	<u>(29,866)</u>	<u>20,136</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services				
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>29,900</u>	<u>34</u>	<u>(29,866)</u>	<u>20,136</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>29,900</u>	<u>34</u>	<u>(29,866)</u>	<u>20,136</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>910</u>	<u>910</u>	<u>-</u>	<u>28,818</u>
Fund Balances (Deficit) at end of year	<u>\$ 30,810</u>	<u>\$ 944</u>	<u>\$ (29,866)</u>	<u>\$ 48,954</u>

**CITY OF INDIO, CALIFORNIA
LIGHTING AND LANDSCAPING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	298,352	292,453	(5,899)	250,020
Investment income	28,664	26,911	(1,753)	31,692
Miscellaneous	6,508	-	(6,508)	-
Total Revenues	<u>333,524</u>	<u>319,364</u>	<u>(14,160)</u>	<u>281,712</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	347,216	332,286	14,930	310,730
Debt services	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>347,216</u>	<u>332,286</u>	<u>14,930</u>	<u>310,730</u>
Excess (deficiency) of revenues over expenditures	<u>(13,692)</u>	<u>(12,922)</u>	<u>770</u>	<u>(29,018)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(129,261)	(296,323)	(167,062)	(29,791)
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(129,261)</u>	<u>(296,323)</u>	<u>(167,062)</u>	<u>(29,791)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(142,953)</u>	<u>(309,245)</u>	<u>(166,292)</u>	<u>(58,809)</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>586,511</u>	<u>586,511</u>	<u>-</u>	<u>636,317</u>
Fund Balances (Deficit) at end of year	<u>\$ 443,558</u>	<u>\$ 277,266</u>	<u>\$ (166,292)</u>	<u>\$ 577,508</u>

**CITY OF INDIO, CALIFORNIA
ASSET FORFEITURE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	7,427	5,017	(2,410)	14,330
Special assessments	-	-	-	-
Investment income	373	1,943	1,570	719
Miscellaneous	-	-	-	-
Total Revenues	<u>7,800</u>	<u>6,960</u>	<u>(840)</u>	<u>15,049</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	20,788
Public works	-	-	-	-
Debt services				
Principal	-	-	-	-
Interest	-	-	-	-
Other fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,788</u>
Excess (deficiency) of revenues over expenditures	7,800	6,960	(840)	(5,739)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(4,301)	(2,214)	2,087	-
Proceeds of bonds, net	-	-	-	-
Total Other Financing Sources (Uses)	<u>(4,301)</u>	<u>(2,214)</u>	<u>2,087</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	3,499	4,746	1,247	(5,739)
Fund Balances (Deficit) at beginning of year	<u>(15,623)</u>	<u>(15,623)</u>	<u>-</u>	<u>(9,884)</u>
Fund Balances (Deficit) at end of year	<u>\$ (12,124)</u>	<u>\$ (10,877)</u>	<u>\$ 1,247</u>	<u>\$ (15,623)</u>

**CITY OF INDIO, CALIFORNIA
LOW AND MODERATE HOUSING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	19,069	368,010	348,941	72,765
Investment income	22,135	22,785	650	31,033
Miscellaneous	21,296	47,999	26,703	-
Total Revenues	<u>62,500</u>	<u>438,794</u>	<u>376,294</u>	<u>103,798</u>
EXPENDITURES				
Current	-	-	-	-
General government	740,000	345,329	394,671	3,416
Public safety	-	-	-	-
Public works	-	-	-	-
Debt services	-	-	-	-
Principal	55,000	-	55,000	100,000
Interest	289,990	-	289,990	175,622
Other fiscal charges	-	2,253	(2,253)	-
Capital outlay	-	-	-	-
Total Expenditures	<u>1,084,990</u>	<u>347,582</u>	<u>737,408</u>	<u>279,038</u>
Excess (deficiency) of revenues over expenditures	<u>(1,022,490)</u>	<u>91,212</u>	<u>1,113,702</u>	<u>(175,240)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	370,000	-	(370,000)	445,306
Operating transfers out	(282,232)	(475,332)	(193,100)	(86,790)
Proceeds of bonds, net	-	333,070	333,070	-
Total Other Financing Sources (Uses)	<u>87,768</u>	<u>(142,262)</u>	<u>(230,030)</u>	<u>358,516</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(934,722)</u>	<u>(51,050)</u>	<u>883,672</u>	<u>183,276</u>
Fund Balances (Deficit) at beginning of year	<u>1,023,959</u>	<u>1,023,959</u>	<u>-</u>	<u>840,683</u>
Fund Balances (Deficit) at end of year	<u>\$ 89,237</u>	<u>\$ 972,909</u>	<u>\$ 883,672</u>	<u>\$ 1,023,959</u>

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and the payment of principal, interest and other related costs associated with general long-term debt of the City. Funds included are:

Shadow Hills Assessment District Fund - To accumulate funds for the payment of principal, interest and related costs associated with the Shadow Hills Special Assessment Bonds.

Indio Public Financing Authority Fund - To assist the Redevelopment Agency of the City of Indio in financing its redevelopment district.

Redevelopment Agency Fund - To account for tax increment revenues accumulated for the payment of principal and interest associated with general long-term debt, the proceeds of which were used to further the goals and objective of the Indio Center and Date and Capital project areas.

General Debt Service Fund - To accumulate funds for the payment of principal interest and other related costs associated with general long-term debt of the City.

**CITY OF INDIO, CALIFORNIA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	Shadow Hills Assessment District	Indio Public Financing Authority Debt Service	Redevelopment Agency	General Debt Service	Totals	
					2001	2000
ASSETS						
Cash and investments	\$ 717,594	\$ -	\$ 249	\$1,544,798	\$2,262,641	\$2,278,782
Cash with fiscal agent	-	-	492,351	-	492,351	495,760
Due from other governments	-	-	10,760	-	10,760	-
Due from other funds	44,669	-	2,934,034	50,571	3,029,274	9,610
Total Assets	<u>\$ 762,263</u>	<u>\$ -</u>	<u>\$ 3,437,394</u>	<u>\$1,595,369</u>	<u>\$5,795,026</u>	<u>\$2,784,152</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 9,873	\$ 9,873	\$ -
Interest payable	-	-	-	-	-	-
Due to other funds	-	1,750	2,266,000	-	2,267,750	-
Due to other governments	-	-	331,000	-	331,000	-
Total Liabilities	<u>-</u>	<u>1,750</u>	<u>2,597,000</u>	<u>9,873</u>	<u>2,608,623</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Debt service	762,263	(1,750)	840,394	1,585,496	3,186,403	2,784,152
Total Liabilities and Fund Balances (Deficit)	<u>\$ 762,263</u>	<u>\$ -</u>	<u>\$ 3,437,394</u>	<u>\$1,595,369</u>	<u>\$5,795,026</u>	<u>\$2,784,152</u>

**CITY OF INDIO, CALIFORNIA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	Shadow Hills	Indio Public	Redevelopment	General	Totals	
	Assessment District	Financing Authority Debt Service		Debt Service	2001	2000
REVENUES						
Taxes	\$ -	\$ -	\$ 1,835,204	\$ -	\$1,835,204	\$2,229,385
Special assessments	315,204	-	-	-	315,204	353,917
Investment income	44,669	-	82,407	48,821	175,897	125,488
Total Revenues	359,873	-	1,917,611	48,821	2,326,305	2,708,790
EXPENDITURES						
Current						
General government	-	-	-	-	-	1,486,372
Debt service						
Pass-through payments	-	-	773,525	-	773,525	955,634
Principal	140,000	-	2,425,000	608,782	3,173,782	652,811
Interest	195,795	-	1,112,239	77,679	1,385,713	1,129,733
Other fiscal charges	-	1,750	9,053	-	10,803	14,952
Total Expenditures	335,795	1,750	4,319,817	686,461	5,343,823	4,239,502
Excess (deficiency) of revenues over expenditures	24,078	(1,750)	(2,402,206)	(637,640)	(3,017,518)	(1,530,712)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	2,709,224	2,176,815	4,886,039	413,742
Operating transfers out	-	-	(1,466,270)	-	(1,466,270)	(454,236)
Proceeds of notes	-	-	-	-	-	105,000
Proceeds of capital leases	-	-	-	-	-	1,449,104
Total Other Financing Sources (Uses)	-	-	1,242,954	2,176,815	3,419,769	1,513,610
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	24,078	(1,750)	(1,159,252)	1,539,175	402,251	(17,102)
Fund Balances at beginning of year	738,185	-	1,999,646	46,321	2,784,152	2,801,254
Fund Balances (Deficit) at end of year	\$ 762,263	\$ (1,750)	\$ 840,394	\$1,585,496	\$3,186,403	\$2,784,152

**CITY OF INDIO, CALIFORNIA
 SHADOW HILLS ASSESSMENT DISTRICT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001
 (With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	79,405	315,204	235,799	353,917
Investment income	<u>7,995</u>	<u>44,669</u>	<u>36,674</u>	<u>25,053</u>
Total Revenues	<u>87,400</u>	<u>359,873</u>	<u>272,473</u>	<u>378,970</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Debt service	-	-	-	-
Pass-through payments	-	-	-	-
Principal	-	140,000	(140,000)	130,000
Interest	-	195,795	(195,795)	203,058
Other fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,445</u>
Total Expenditures	<u>-</u>	<u>335,795</u>	<u>(335,795)</u>	<u>339,503</u>
Excess (deficiency) of revenues over expenditures	<u>87,400</u>	<u>24,078</u>	<u>(63,322)</u>	<u>39,467</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Proceeds of notes	-	-	-	-
Proceeds of capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>87,400</u>	<u>24,078</u>	<u>(63,322)</u>	<u>39,467</u>
Fund Balances (Deficit) at beginning of year	<u>738,185</u>	<u>738,185</u>	<u>-</u>	<u>698,718</u>
Fund Balances (Deficit) at end of year	<u>\$ 825,585</u>	<u>\$ 762,263</u>	<u>\$ (63,322)</u>	<u>\$ 738,185</u>

CITY OF INDIO, CALIFORNIA
INDIO PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Investment income	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Debt service	-	-	-	-
Pass-through payments	-	-	-	-
Principal	115,000	-	115,000	-
Interest	-	-	-	-
Other fiscal charges	1,760	1,750	10	-
Total Expenditures	<u>116,760</u>	<u>1,750</u>	<u>115,010</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(116,760)</u>	<u>(1,750)</u>	<u>115,010</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	972,874	-	(972,874)	-
Operating transfers out	-	-	-	-
Proceeds of notes	-	-	-	-
Proceeds of capital leases	-	-	-	-
Total Other Financing Sources (Uses)	<u>972,874</u>	<u>-</u>	<u>(972,874)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	856,114	(1,750)	(857,864)	-
Fund Balances (Deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) at end of year	<u>\$ 856,114</u>	<u>\$ (1,750)</u>	<u>\$ (857,864)</u>	<u>\$ -</u>

**CITY OF INDIO, CALIFORNIA
REDEVELOPMENT AGENCY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ 401,709	\$ 1,835,204	\$ 1,433,495	\$ 2,229,385
Special assessments	-	-	-	-
Investment income	<u>7,725</u>	<u>82,407</u>	<u>74,682</u>	<u>100,435</u>
Total Revenues	<u>409,434</u>	<u>1,917,611</u>	<u>1,508,177</u>	<u>2,329,820</u>
EXPENDITURES				
Current				
General government	68,350	-	68,350	37,268
Debt service				
Pass-through payments	863,023	773,525	89,498	955,634
Principal	135,000	2,425,000	(2,290,000)	180,000
Interest	793,734	1,112,239	(318,505)	902,065
Other fiscal charges	<u>7,000</u>	<u>9,053</u>	<u>(2,053)</u>	<u>8,507</u>
Total Expenditures	<u>1,867,107</u>	<u>4,319,817</u>	<u>(2,452,710)</u>	<u>2,083,474</u>
Excess (deficiency) of revenues over expenditures	<u>(1,457,673)</u>	<u>(2,402,206)</u>	<u>(944,533)</u>	<u>246,346</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	2,709,224	2,709,224	-
Operating transfers out	(766,524)	(1,466,270)	(699,746)	(445,306)
Proceeds of notes	-	-	-	105,000
Proceeds of capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(766,524)</u>	<u>1,242,954</u>	<u>2,009,478</u>	<u>(340,306)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(2,224,197)</u>	<u>(1,159,252)</u>	<u>1,064,945</u>	<u>(93,960)</u>
Fund Balances (Deficit) at beginning of year	<u>1,999,646</u>	<u>1,999,646</u>	<u>-</u>	<u>2,093,606</u>
Fund Balances (Deficit) at end of year	<u>\$ (224,551)</u>	<u>\$ 840,394</u>	<u>\$ 1,064,945</u>	<u>\$ 1,999,646</u>

**CITY OF INDIO, CALIFORNIA
GENERAL DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Investment income	-	48,821	48,821	-
Total Revenues	-	48,821	48,821	-
EXPENDITURES				
Current				
General government	784,614	-	784,614	1,449,104
Debt service	-	-	-	-
Pass-through payments	-	-	-	-
Principal	320,000	608,782	(288,782)	342,811
Interest	-	77,679	(77,679)	24,610
Other fiscal charges	-	-	-	-
Total Expenditures	1,104,614	686,461	418,153	1,816,525
Excess (deficiency) of revenues over expenditures	(1,104,614)	(637,640)	466,974	(1,816,525)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,070,000	2,176,815	1,106,815	413,742
Operating transfers out	-	-	-	-
Proceeds of notes	-	-	-	-
Proceeds of capital leases	-	-	-	1,449,104
Total Other Financing Sources (Uses)	1,070,000	2,176,815	1,106,815	1,862,846
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(34,614)	1,539,175	1,573,789	46,321
Fund Balances (Deficit) at beginning of year	46,321	46,321	-	-
Fund Balances (Deficit) at end of year	\$ 11,707	\$ 1,585,496	\$ 1,573,789	\$ 46,321

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition or construction of major capital items not financed by proprietary funds. Funds included are:

Watermain Construction Fund - To account for developer fees used for watermain construction projects.

State Park Bond Act Fund - To account for park fees received from developers for the acquisition, improvement and expansion of public parks, playgrounds and recreational facilities.

Capital Impact Fund - To account for developer fees used for council established capital improvements for parks, storm drains and other municipal improvements.

Street Lighting Construction Fund - To account for the financial transactions for council established Street Lighting Improvements.

Shadow Hills Assessment District Fund - To account for the revenues and expenditures associated with construction in the Shadow Hills Assessment District.

Capital Projects Fund - To account for the revenues and expenditures associated with the construction of the Fred Waring Bridge.

Capital Expenditures Fund - To account for the revenues and expenditures associated with various capital projects of the City.

Redevelopment Agency Fund - To account for the revenues and expenditures associated with the administration and acquisition or construction of capital items for the Indio Centre and Date Capital redevelopment project areas.

**CITY OF INDIO, CALIFORNIA
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	<u>Watermain Construction</u>	<u>State Park Bond Act</u>	<u>Capital Impact</u>	<u>Street Lighting Construction</u>
ASSETS				
Cash and investments	\$ -	\$ 1,397	\$ 4,272,813	\$ 55,293
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Notes receivable	-	-	-	-
Employee advances	-	-	-	-
Due from other funds	-	86	247,665	3,393
Due from other governments	-	-	-	-
Land held for resale	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ -</u>	<u>\$ 1,483</u>	<u>\$ 4,520,478</u>	<u>\$ 58,686</u>
LIABILITIES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 3,825	\$ -
Retentions payable	-	-	-	-
Due to other funds	187,714	-	-	-
Deposits payable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>187,714</u>	<u>-</u>	<u>3,825</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Reserved for				
Encumbrances	-	-	-	-
Land held for resale	-	-	-	-
Unreserved	-	-	-	-
Designated for special projects and programs	-	-	-	-
Undesignated	(187,714)	1,483	4,516,653	58,686
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	<u>(187,714)</u>	<u>1,483</u>	<u>4,516,653</u>	<u>58,686</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ -</u>	<u>\$ 1,483</u>	<u>\$ 4,520,478</u>	<u>\$ 58,686</u>

<u>Shadow Hills</u>	<u>Capital</u>	<u>Capital</u>	<u>Redevelopment</u>	<u>Totals</u>	
	<u>Projects</u>	<u>Expenditures</u>	<u>Agency</u>	<u>2001</u>	<u>2000</u>
\$ 149,844	\$ 123,987	\$ -	\$ 6,833,005	\$ 11,436,339	\$ 10,560,742
-	-	-	-	-	906,925
-	5,577	-	140,050	145,627	159,151
-	-	-	3,008,780	3,008,780	3,033,212
-	-	-	175	175	-
9,196	568,197	-	2,175,224	3,003,761	82,000
-	-	-	-	-	984,634
-	-	-	1,275,000	1,275,000	1,275,000
<u>\$ 159,040</u>	<u>\$ 697,761</u>	<u>\$ -</u>	<u>\$ 13,432,234</u>	<u>\$ 18,869,682</u>	<u>\$ 17,001,664</u>
\$ -	\$ 20,248	\$ -	\$ 43,835	\$ 67,908	\$ 267,991
-	281,603	-	8,901	290,504	105,748
-	-	408,655	1,702,222	2,298,591	1,418,071
-	-	-	28,721	28,721	27,046
-	301,851	408,655	1,783,679	2,685,724	1,818,856
-	210,770	-	130,724	341,494	2,079,965
-	-	-	3,008,780	3,008,780	3,033,212
-	-	-	1,275,000	1,275,000	1,275,000
159,040	-	-	7,234,051	7,393,091	11,214,880
-	185,140	(408,655)	-	4,165,593	(2,420,249)
159,040	395,910	(408,655)	11,648,555	16,183,958	15,182,808
<u>\$ 159,040</u>	<u>\$ 697,761</u>	<u>\$ -</u>	<u>\$ 13,432,234</u>	<u>\$ 18,869,682</u>	<u>\$ 17,001,664</u>

**CITY OF INDIO, CALIFORNIA
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Watermain Construction</u>	<u>State Park Bond Act</u>	<u>Capital Impact</u>	<u>Street Lighting Construction</u>
REVENUES				
Taxes	\$ -	\$ -	\$ 567,308	\$ -
Intergovernmental	-	-	199,914	-
Charges for services	125,066	-	-	-
Investment income	5,254	86	247,665	3,393
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>130,320</u>	<u>86</u>	<u>1,014,887</u>	<u>3,393</u>
EXPENDITURES				
Current				
General government	6,161	-	-	-
Capital outlay	-	-	20,315	-
Total Expenditures	<u>6,161</u>	<u>-</u>	<u>20,315</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>124,159</u>	<u>86</u>	<u>994,572</u>	<u>3,393</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	119,121	-	-	-
Operating transfers out	(556,945)	-	(251,206)	-
Total Other Financing Sources (Uses)	<u>(437,824)</u>	<u>-</u>	<u>(251,206)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(313,665)</u>	<u>86</u>	<u>743,366</u>	<u>3,393</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>125,951</u>	<u>1,397</u>	<u>3,773,287</u>	<u>55,293</u>
Fund Balances (Deficit) at end of year	<u>\$ (187,714)</u>	<u>\$ 1,483</u>	<u>\$ 4,516,653</u>	<u>\$ 58,686</u>

<u>Shadow Hills</u>	<u>Capital Projects</u>	<u>Capital Expenditures</u>	<u>Redevelopment Agency</u>	<u>Totals</u>	
				<u>2001</u>	<u>2000</u>
\$ -	\$ -	\$ -	\$ 183,325	\$ 750,633	\$ 604,910
-	56,758	-	-	256,672	1,468,975
-	-	-	-	125,066	97,513
9,196	-	-	445,610	711,204	874,884
-	-	-	140,688	140,688	162,164
-	-	-	-	-	2,396,022
<u>9,196</u>	<u>56,758</u>	<u>-</u>	<u>769,623</u>	<u>1,984,263</u>	<u>5,604,468</u>
-	-	-	1,119,710	1,125,871	1,095,732
-	5,883,386	60,096	256,145	6,219,942	4,695,465
-	5,883,386	60,096	1,375,855	7,345,813	5,791,197
<u>9,196</u>	<u>(5,826,628)</u>	<u>(60,096)</u>	<u>(606,232)</u>	<u>(5,361,550)</u>	<u>(186,729)</u>
-	6,595,745	36,468	1,592,270	8,343,604	-
-	-	-	-	(808,151)	(260,859)
-	6,595,745	36,468	1,592,270	7,535,453	(260,859)
9,196	769,117	(23,628)	986,038	2,173,903	(447,588)
<u>149,844</u>	<u>(373,207)</u>	<u>(385,027)</u>	<u>10,662,517</u>	<u>14,010,055</u>	<u>15,630,396</u>
<u>\$ 159,040</u>	<u>\$ 395,910</u>	<u>\$ (408,655)</u>	<u>\$ 11,648,555</u>	<u>\$ 16,183,958</u>	<u>\$ 15,182,808</u>

**CITY OF INDIO, CALIFORNIA
WATERMAIN CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	59,864	125,066	65,202	97,513
Investment income	9,866	5,254	(4,612)	16,070
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>69,730</u>	<u>130,320</u>	<u>60,590</u>	<u>113,583</u>
EXPENDITURES				
Current				
General government	244,321	6,161	238,160	-
Capital outlay	-	-	-	156,335
Total Expenditures	<u>244,321</u>	<u>6,161</u>	<u>238,160</u>	<u>156,335</u>
Excess (deficiency) of revenues over expenditures	<u>(174,591)</u>	<u>124,159</u>	<u>298,750</u>	<u>(42,752)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	139,509	119,121	(20,388)	-
Operating transfers out	(115,871)	(556,945)	(441,074)	-
Total Other Financing Sources (Uses)	<u>23,638</u>	<u>(437,824)</u>	<u>(461,462)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(150,953)</u>	<u>(313,665)</u>	<u>(162,712)</u>	<u>(42,752)</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>125,951</u>	<u>125,951</u>	<u>-</u>	<u>287,824</u>
Fund Balances (Deficit) at end of year	<u>\$ (25,002)</u>	<u>\$ (187,714)</u>	<u>\$ (162,712)</u>	<u>\$ 245,072</u>

**CITY OF INDIO, CALIFORNIA
STATE PARK BOND ACT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	25	86	61	66
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>25</u>	<u>86</u>	<u>61</u>	<u>66</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>25</u>	<u>86</u>	<u>61</u>	<u>66</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(7,500)	-	7,500	-
Total Other Financing Sources (Uses)	<u>(7,500)</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(7,475)</u>	<u>86</u>	<u>7,561</u>	<u>66</u>
Fund Balance (Deficit) at beginning of year	<u>1,397</u>	<u>1,397</u>	<u>-</u>	<u>1,331</u>
Fund Balances (Deficit) at end of year	<u>\$ (6,078)</u>	<u>\$ 1,483</u>	<u>\$ 7,561</u>	<u>\$ 1,397</u>

**CITY OF INDIO, CALIFORNIA
CAPITAL IMPACT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ 454,115	\$ 567,308	\$ 113,193	\$ 599,074
Intergovernmental	211,835	199,914	(11,921)	197,590
Charges for services	-	-	-	-
Investment income	114,786	247,665	132,879	159,766
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>780,736</u>	<u>1,014,887</u>	<u>234,151</u>	<u>956,430</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Capital outlay	16,000	20,315	(4,315)	196,221
Total Expenditures	<u>16,000</u>	<u>20,315</u>	<u>(4,315)</u>	<u>196,221</u>
Excess (deficiency) of revenues over expenditures	<u>764,736</u>	<u>994,572</u>	<u>229,836</u>	<u>760,209</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	(251,206)	(251,206)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(251,206)</u>	<u>(251,206)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>764,736</u>	<u>743,366</u>	<u>(21,370)</u>	<u>760,209</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>3,773,287</u>	<u>3,773,287</u>	<u>-</u>	<u>3,038,540</u>
Fund Balances (Deficit) at end of year	<u>\$ 4,538,023</u>	<u>\$ 4,516,653</u>	<u>\$ (21,370)</u>	<u>\$ 3,798,749</u>

**CITY OF INDIO, CALIFORNIA
STREET LIGHTING CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ 3,656	\$ -	\$ (3,656)	\$ 5,836
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,524	3,393	1,869	2,434
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>5,180</u>	<u>3,393</u>	<u>(1,787)</u>	<u>8,270</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>5,180</u>	<u>3,393</u>	<u>(1,787)</u>	<u>8,270</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>5,180</u>	<u>3,393</u>	<u>(1,787)</u>	<u>8,270</u>
Fund Balances (Deficit) at beginning of year	<u>55,293</u>	<u>55,293</u>	<u>-</u>	<u>47,023</u>
Fund Balances (Deficit) at end of year	<u>\$ 60,473</u>	<u>\$ 58,686</u>	<u>\$ (1,787)</u>	<u>\$ 55,293</u>

**CITY OF INDIO, CALIFORNIA
SHADOW HILLS ASSESSMENT DISTRICT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	3,250	9,196	5,946	11,206
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>3,250</u>	<u>9,196</u>	<u>5,946</u>	<u>11,206</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,250</u>	<u>9,196</u>	<u>5,946</u>	<u>11,206</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	(336,945)	-	336,945	-
Total Other Financing Sources (Uses)	<u>(336,945)</u>	<u>-</u>	<u>336,945</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(333,695)</u>	<u>9,196</u>	<u>342,891</u>	<u>11,206</u>
Fund Balances (Deficit) at beginning of year	<u>149,844</u>	<u>149,844</u>	<u>-</u>	<u>138,638</u>
Fund Balances (Deficit) at end of year	<u>\$ (183,851)</u>	<u>\$ 159,040</u>	<u>\$ 342,891</u>	<u>\$ 149,844</u>

**CITY OF INDIO, CALIFORNIA
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,076	56,758	52,682	1,271,385
Charges for services	-	-	-	-
Investment income	9	-	(9)	2,722
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>4,085</u>	<u>56,758</u>	<u>52,673</u>	<u>1,274,107</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Capital outlay	6,168,192	5,883,386	284,806	1,882,037
Total Expenditures	<u>6,168,192</u>	<u>5,883,386</u>	<u>284,806</u>	<u>1,882,037</u>
Excess (deficiency) of revenues over expenditures	<u>(6,164,107)</u>	<u>(5,826,628)</u>	<u>337,479</u>	<u>(607,930)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	3,577,923	6,595,745	3,017,822	-
Operating transfers out	(115,871)	-	115,871	-
Total Other Financing Sources (Uses)	<u>3,462,052</u>	<u>6,595,745</u>	<u>3,133,693</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(2,702,055)</u>	<u>769,117</u>	<u>3,471,172</u>	<u>(607,930)</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>(373,207)</u>	<u>(373,207)</u>	<u>-</u>	<u>246,476</u>
Fund Balances (Deficit) at end of year	<u>\$ (3,075,262)</u>	<u>\$ 395,910</u>	<u>\$ 3,471,172</u>	<u>\$ (361,454)</u>

**CITY OF INDIO, CALIFORNIA
CAPITAL EXPENDITURES FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Contributions from property owners	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Capital outlay	36,468	60,096	(23,628)	214,231
Total Expenditures	<u>36,468</u>	<u>60,096</u>	<u>(23,628)</u>	<u>214,231</u>
Excess (deficiency) of revenues over expenditures	<u>(36,468)</u>	<u>(60,096)</u>	<u>(23,628)</u>	<u>(214,231)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	36,468	36,468	-	-
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>36,468</u>	<u>36,468</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>(23,628)</u>	<u>(23,628)</u>	<u>(214,231)</u>
Fund Balances (Deficit) at beginning of year, as restated	<u>(385,027)</u>	<u>(385,027)</u>	<u>-</u>	<u>(61,304)</u>
Fund Balances (Deficit) at end of year	<u>\$ (385,027)</u>	<u>\$ (408,655)</u>	<u>\$ (23,628)</u>	<u>\$ (275,535)</u>

**CITY OF INDIO, CALIFORNIA
REDEVELOPMENT AGENCY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
REVENUES				
Taxes	\$ -	\$ 183,325	\$ 183,325	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	365,207	445,610	80,403	682,620
Miscellaneous	246,276	140,688	(105,588)	162,164
Contributions from property owners	-	-	-	-
Total Revenues	<u>611,483</u>	<u>769,623</u>	<u>158,140</u>	<u>844,784</u>
EXPENDITURES				
Current				
General government	387,317	1,119,710	(732,393)	1,095,732
Capital outlay	<u>2,527,359</u>	<u>256,145</u>	<u>2,271,214</u>	<u>757,544</u>
Total Expenditures	<u>2,914,676</u>	<u>1,375,855</u>	<u>1,538,821</u>	<u>1,853,276</u>
Excess (deficiency) of revenues over expenditures	<u>(2,303,193)</u>	<u>(606,232)</u>	<u>1,696,961</u>	<u>(1,008,492)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	130,270	1,592,270	1,462,000	-
Operating transfers out	<u>(1,438,974)</u>	<u>-</u>	<u>1,438,974</u>	<u>(260,371)</u>
Total Other Financing Sources (Uses)	<u>(1,308,704)</u>	<u>1,592,270</u>	<u>2,900,974</u>	<u>(260,371)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>(3,611,897)</u>	<u>986,038</u>	<u>4,597,935</u>	<u>(1,268,863)</u>
Fund Balances (Deficit) at beginning of year	<u>10,662,517</u>	<u>10,662,517</u>	<u>-</u>	<u>11,931,380</u>
Fund Balances (Deficit) at end of year	<u>\$ 7,050,620</u>	<u>\$ 11,648,555</u>	<u>\$ 4,597,935</u>	<u>\$ 10,662,517</u>

ENTERPRISE FUNDS

The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The cost of providing goods or services to the general public are financed primarily through user charges.

Water Fund - To account for the operations of the City's water distribution systems.

Golf Course Fund - To account for the operations of the City's golf course.

**CITY OF INDIO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	Water Fund	Golf Course Fund	Totals	
			2001	2000
ASSETS				
Current Assets				
Cash and investment	\$ 7,001,277	\$ 816,099	\$ 7,817,376	\$ 5,800,077
Accounts receivable	42,832	-	42,832	54,510
Utility billing receivable	847,291	-	847,291	681,997
Notes receivable	2,910,000	-	2,910,000	4,995,000
Interest receivable	375,182	42,612	417,794	-
Inventory	23,744	2,517	26,261	28,743
Prepaid items	10,732	-	10,732	-
Total Current Assets	11,211,058	861,228	12,072,286	11,560,327
Net Property, Plant and Equipment	14,870,372	464,627	15,334,999	14,509,936
Total Assets	\$ 26,081,430	\$ 1,325,855	\$ 27,407,285	\$ 26,070,263
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts payable	\$ 335,581	\$ 22,017	\$ 357,598	\$ 44,796
Retentions payable	140,899	-	140,899	56,474.00
Accrued wages payable	40,784	-	40,784	33,860
Deposits payable	87,118	-	87,118	81,762
Compensated absence payable	173,675	-	173,675	62,278
Due to other government agencies	-	-	-	-
Total Current Liabilities	778,057	22,017	800,074	279,170
FUND EQUITY				
Contributed capital	10,642,464	416,141	11,058,605	11,058,605
Retained earnings	14,660,909	887,697	15,548,606	14,732,488
Total Fund Equity	25,303,373	1,303,838	26,607,211	25,791,093
Total Liabilities and Fund Equity	\$ 26,081,430	\$ 1,325,855	\$ 27,407,285	\$ 26,070,263

**CITY OF INDIO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	Water Fund	Golf Course Fund	Totals	
			2001	2000
OPERATING REVENUES				
Charges for services	\$ 4,401,581	\$ 794,203	\$ 5,195,784	\$ 5,125,624
Sale of merchandise	-	-	-	60,634
Miscellaneous	-	-	-	19,476
Total Operating Revenues	4,401,581	794,203	5,195,784	5,205,734
OPERATING EXPENSES				
Personal services	1,306,410	-	1,306,410	1,267,300
Contractual services	536,538	285,018	821,556	363,324
Materials and supplies	314,481	111,276	425,757	295,849
Utilities	618,438	52,399	670,837	662,393
Repairs and maintenance	109,865	31,811	141,676	288,145
Depreciation	500,400	7,600	508,000	426,836
Capital outlay	93,697	5,969	99,666	-
Mobile equipment charges	50,000	15,000	65,000	86,124
Lease payment	77,049	22,434	99,483	-
Total Operating Expenses	3,606,878	531,507	4,138,385	3,389,971
Operating Income	794,703	262,696	1,057,399	1,815,763
NONOPERATING REVENUES				
Investment income	631,382	42,612	673,994	493,273
Gain on sale of assets	-	-	-	555
Total Nonoperating Revenues	631,382	42,612	673,994	493,828
Income Before Operating Transfers	1,426,085	305,308	1,731,393	2,309,591
OPERATING TRANSFERS				
Operating transfers out	(1,011,611)	(60,000)	(1,071,611)	(971,200)
Net Income	414,474	245,308	659,782	1,338,391
Retained Earnings at beginning of year, as restated	14,246,435	642,389	14,888,824	13,394,097
Retained Earnings at end of year	\$ 14,660,909	\$ 887,697	\$ 15,548,606	\$ 14,732,488

**CITY OF INDIO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	Water Fund	Golf Course Fund	Totals	
			2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 4,239,715	\$ 794,203	\$ 5,033,918	\$ 4,997,575
Cash payments to suppliers for goods and services	(1,414,876)	(506,516)	(1,921,392)	(1,741,764)
Cash payment to employees for services	(1,188,089)	-	(1,188,089)	(1,233,440)
Other operating revenues	-	-	-	80,110
Net Cash Provided by Operating Activities	1,636,750	287,687	1,924,437	2,102,481
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash transferred from other funds	156,335	-	156,335	-
Cash transferred to other funds	(1,386,793)	(102,613)	(1,489,406)	(971,200)
Long-term advances collected	2,085,000	-	2,085,000	-
Net Cash Provided by (Used for) Noncapital Financing Activities	854,542	(102,613)	751,929	(971,200)
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,333,061)	-	(1,333,061)	(386,643)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES				
Interest received on investments	631,382	42,612	673,994	388,828
Net Increase in Cash and Cash Equivalents	1,789,613	227,686	2,017,299	1,133,466
Cash and Cash Equivalents, beginning of year	5,211,664	588,413	5,800,077	4,666,611
Cash and Cash Equivalents, end of year	\$ 7,001,277	\$ 816,099	\$ 7,817,376	\$ 5,800,077
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 794,703	\$ 262,696	\$ 1,057,399	\$ 1,815,763
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	500,400	7,600	508,000	426,836
Decrease (increase) in accounts receivable	11,678	-	11,678	(6,576)
Decrease (increase) in utility billing receivable	(165,294)	-	(165,294)	(128,248)
Decrease (increase) in prepaid items	(10,732)	-	(10,732)	413
Decrease (increase) in inventory	2,482	-	2,482	1,459
Increase (decrease) in accounts payable	292,063	20,739	312,802	11,379
Increase (decrease) in retention payable	84,425	-	84,425	(52,604)
Increase (decrease) in accrued wages payable	6,924	-	6,924	33,860
Increase (decrease) in deposits payable	8,704	(3,348)	5,356	199
Increase (decrease) in compensated absences	111,397	-	111,397	-
Total adjustments	842,047	24,991	867,038	286,718
Net Cash Provided by Operating Activities	\$ 1,636,750	\$ 287,687	\$ 1,924,437	\$ 2,102,481

INTERNAL SERVICE FUNDS

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

Mobile Equipment Fund - To account for the repair and maintenance of City owned Mobile Equipment.

Self Insurance Fund - To account for the accumulation and allocation of costs associated with the City's Workers' Compensation Self Insurance Program.

Public Facilities Fund - To account for the accumulation and allocation of costs associated with the maintenance of certain public facilities.

**CITY OF INDIO, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	Mobile	Self Insurance	Public Facilities	Totals	
	Equipment			2001	2000
ASSETS					
Current Assets					
Cash and investments	\$ 1,124,412	\$ 2,812,591	\$ -	\$ 3,937,003	\$ 1,887,844
Cash with fiscal agent	-	22,019	-	22,019	22,019
Accounts receivable	2,250	-	3,311	5,561	3,503
Interest receivable	89,908	466,392	-	556,300	-
Due from other funds	318,963	-	-	318,963	-
Inventory	58,721	-	-	58,721	48,402
Total Current Assets	1,594,254	3,301,002	3,311	4,898,567	1,961,768
Advances from Other Funds	750,000	-	-	750,000	750,000
Net Property, Plant and Equipment	716,258	-	-	716,258	961,258
Total Assets	\$ 3,060,512	\$ 3,301,002	\$ 3,311	\$ 6,364,825	\$ 3,673,026
LIABILITIES AND FUND EQUITY (DEFICIT)					
Current Liabilities					
Accounts payable	\$ 12,697	\$ 450	\$ 141,509	\$ 154,656	\$ 15,813
Interest payable	-	507,702	9,759	517,461	-
Due to other funds	-	1,572,966	318,963	1,891,929	-
Compensated absences payable	-	-	-	-	6,734
Total Current Liabilities	12,697	2,081,118	470,231	2,564,046	22,547
Claims Payable	-	1,631,000	-	1,631,000	1,263,962
Total Liabilities	12,697	3,712,118	470,231	4,195,046	1,286,509
FUND EQUITY (DEFICIT)					
Contributed capital	1,449,482	-	-	1,449,482	1,449,482
Retained earnings (deficit)	1,598,333	(411,116)	(466,920)	720,297	937,035
Total Fund Equity (Deficit)	3,047,815	(411,116)	(466,920)	2,169,779	2,386,517
Total Liabilities and Fund Equity (Deficit)	\$ 3,060,512	\$ 3,301,002	\$ 3,311	\$ 6,364,825	\$ 3,673,026

**CITY OF INDIO, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	Mobile	Self Insurance	Public Facilities	Totals	
	Equipment			2001	2000
OPERATING REVENUES					
Charges for services	\$ 565,000	\$ 583,918	\$ -	\$ 1,148,918	\$ 1,300,879
Miscellaneous	-	538,047	-	538,047	-
Total Operating Revenues	565,000	1,121,965	-	1,686,965	1,300,879
OPERATING EXPENSES					
Contractual services	-	298,923	32,977	331,900	71,438
Claims and judgements	-	1,115,789	-	1,115,789	463,447
Materials and supplies	134,449	-	159,419	293,868	209,964
Repairs and maintenance	204,218	-	45,285	249,503	179,845
Utilities	-	-	220,732	220,732	-
Depreciation	245,000	-	-	245,000	244,837
Miscellaneous	5,529	-	-	5,529	-
Total Operating Expenses	589,196	1,414,712	458,413	2,462,321	1,169,531
Operating Income (Loss)	(24,196)	(292,747)	(458,413)	(775,356)	131,348
NONOPERATING REVENUES (EXPENSES)					
Interest expense	-	-	(9,759)	(9,759)	-
Investment income	89,908	33,993	-	123,901	7,457
Total Nonoperating Revenues (Expenses)	89,908	33,993	(9,759)	114,142	7,457
Income Before Operating Transfers	65,712	(258,754)	(468,172)	(661,214)	138,805
OPERATING TRANSFERS					
Operating transfers in	-	707,701	-	707,701	129,664
Operating transfers out	(266,468)	-	-	(266,468)	(9,873)
Total Operating Transfers	(266,468)	707,701	-	441,233	119,791
Net Income (Loss)	(200,756)	448,947	(468,172)	(219,981)	258,596
Retained Earnings (Deficit) at beginning of year, as restated	1,799,089	(860,063)	1,252	940,278	678,439
Retained Earnings (Deficit) at end of year	\$ 1,598,333	\$ (411,116)	\$ (466,920)	\$ 720,297	\$ 937,035

**CITY OF INDIO, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(With Comparative Totals for the Fiscal Year Ended June 30, 2000)**

	Equipment	Self Insurance	Public Facilities	Totals	
				2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from user departments	\$ 554,682	\$ 583,918	\$ (2,059)	\$ 1,136,541	\$ 1,418,942
Cash payments to suppliers for goods and services	(331,619)	(1,429,955)	(316,904)	(2,078,478)	(918,493)
Cash payment to employees for services	-	367,038	-	367,038	-
Other operating revenues	-	538,047	-	538,047	139,870
Net Cash Provided by (Used for) Operating Activities	223,063	59,048	(318,963)	(36,852)	640,319
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash transferred from other funds	-	2,321,977	328,722	2,650,699	129,664
Cash transferred to other funds	(675,339)	(2,577)	(914)	(678,830)	(9,873)
Net Cash Provided by (Used for) Noncapital Financing Activities	(675,339)	2,319,400	327,808	1,971,869	119,791
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	-	-	-	-	(49,927)
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES					
Interest received on investments	89,908	33,993	(9,759)	114,142	7,457
Net Increase (Decrease) in Cash and Cash Equivalents	(362,368)	2,412,441	(914)	2,049,159	717,640
Cash and Cash Equivalents at beginning of year	1,486,780	422,169	914	1,909,863	1,192,223
Cash and Cash Equivalents at end of year	\$ 1,124,412	\$ 2,834,610	\$ -	\$ 3,959,022	\$ 1,909,863
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (loss)	\$ (24,196)	\$ (292,747)	\$ (458,413)	\$ (775,356)	\$ 131,348
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	245,000	-	-	245,000	244,837
Decrease (increase) in accounts receivable	1	-	(2,059)	(2,058)	118,063
Decrease (increase) in inventory	(10,319)	-	-	(10,319)	(4,952)
Increase (decrease) in accounts payable	12,577	(15,243)	141,509	138,843	11,153
Increase (decrease) in claims payable	-	367,038	-	367,038	139,870
Total Adjustments	247,259	351,795	139,450	738,504	508,971
Net Cash Provided by (Used in) Operating Activities	\$ 223,063	\$ 59,048	\$ (318,963)	\$ (36,852)	\$ 640,319

AGENCY FUNDS

The Agency funds are used to account for assets held by the City as an agent for other governmental units.

Desert Sands School District Agency Fund - To account for the City's fiduciary capacity as custodian of the Desert Sands School District pass through tax increment.

Assessment District 99-1 Fund - To account for the City's fiduciary capacity as custodian of the monies held on behalf of the Assessment District 99-1 Bonds for debt service.

**CITY OF INDIO, CALIFORNIA
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2001
 (With Comparative Totals for June 30, 2000)**

	<u>Assessment District 99-1</u>	<u>Desert Sands School District</u>	<u>Totals</u>	
			<u>2001</u>	<u>2000</u>
<u>ASSETS</u>				
Cash and investments	\$ 145,067	\$ -	\$ 145,067	\$ 1,010,474
Cash with fiscal agent	851,607	-	851,607	448,932
Due from other funds	<u>35,456</u>	<u>-</u>	<u>35,456</u>	<u>-</u>
Total Assets	<u>\$ 1,032,130</u>	<u>\$ -</u>	<u>\$ 1,032,130</u>	<u>\$ 1,459,406</u>
<u>LIABILITIES</u>				
Due to other governments	\$ -	\$ -	\$ -	\$ 1,010,474
Due to bondholders	<u>1,032,130</u>	<u>-</u>	<u>1,032,130</u>	<u>448,932</u>
Total Liabilities	<u>\$ 1,032,130</u>	<u>\$ -</u>	<u>\$ 1,032,130</u>	<u>\$ 1,459,406</u>

**CITY OF INDIO, CALIFORNIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2001
(With Comparative Totals for June 30, 2000)**

	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2001</u>
DESERT SANDS SCHOOL DISTRICT				
<u>ASSETS</u>				
Cash and investments	\$ 1,010,474	\$ -	\$ 1,010,474	\$ -
<u>LIABILITIES</u>				
Due to other governments	\$ 1,010,474	\$ -	\$ 1,010,474	\$ -
ASSESSMENT DISTRICT 99-1 FUND				
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 145,067	\$ -	\$ 145,067
Cash with fiscal agent	448,932	402,675	-	851,607
Due from other funds	-	35,456	-	35,456
Total Assets	\$ 448,932	\$ 583,198	\$ -	\$ 1,032,130
<u>LIABILITIES</u>				
Due to bondholders	\$ 448,932	\$ 583,198	\$ -	\$ 1,032,130
TOTALS - ALL AGENCY FUNDS				
<u>ASSETS</u>				
Cash and investments	\$ 1,010,474	\$ 145,067	\$ 1,010,474	\$ 145,067
Cash with fiscal agent	448,932	402,675	-	851,607
Due from other funds	-	35,456	-	35,456
Total Assets	\$ 1,459,406	\$ 583,198	\$ 1,010,474	\$ 1,032,130
<u>LIABILITIES</u>				
Due to other governments	\$ 1,010,474	\$ -	\$ 1,010,474	\$ -
Due to bondholders	448,932	583,198	-	1,032,130
Total Liabilities	\$ 1,459,406	\$ 583,198	\$ 1,010,474	\$ 1,032,130

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for the cost of fixed assets of the City that are used in the performance of general government functions and that are not accounted for in the Enterprise or Internal Service Funds of the City.

**CITY OF INDIO, CALIFORNIA
SCHEDULE OF GENERAL FIXED ASSETS -
BY SOURCE
JUNE 30, 2001**

General Fixed Assets:	
Land	\$ 607,024
Buildings and Improvements	6,262,381
Machinery, Equipment and Vehicles	<u>5,138,105</u>
Total General Fixed Assets	<u>\$ 12,007,510</u>
Investment in General Fixed Assets - by Fund:	
General Fund	<u>\$ 12,007,510</u>

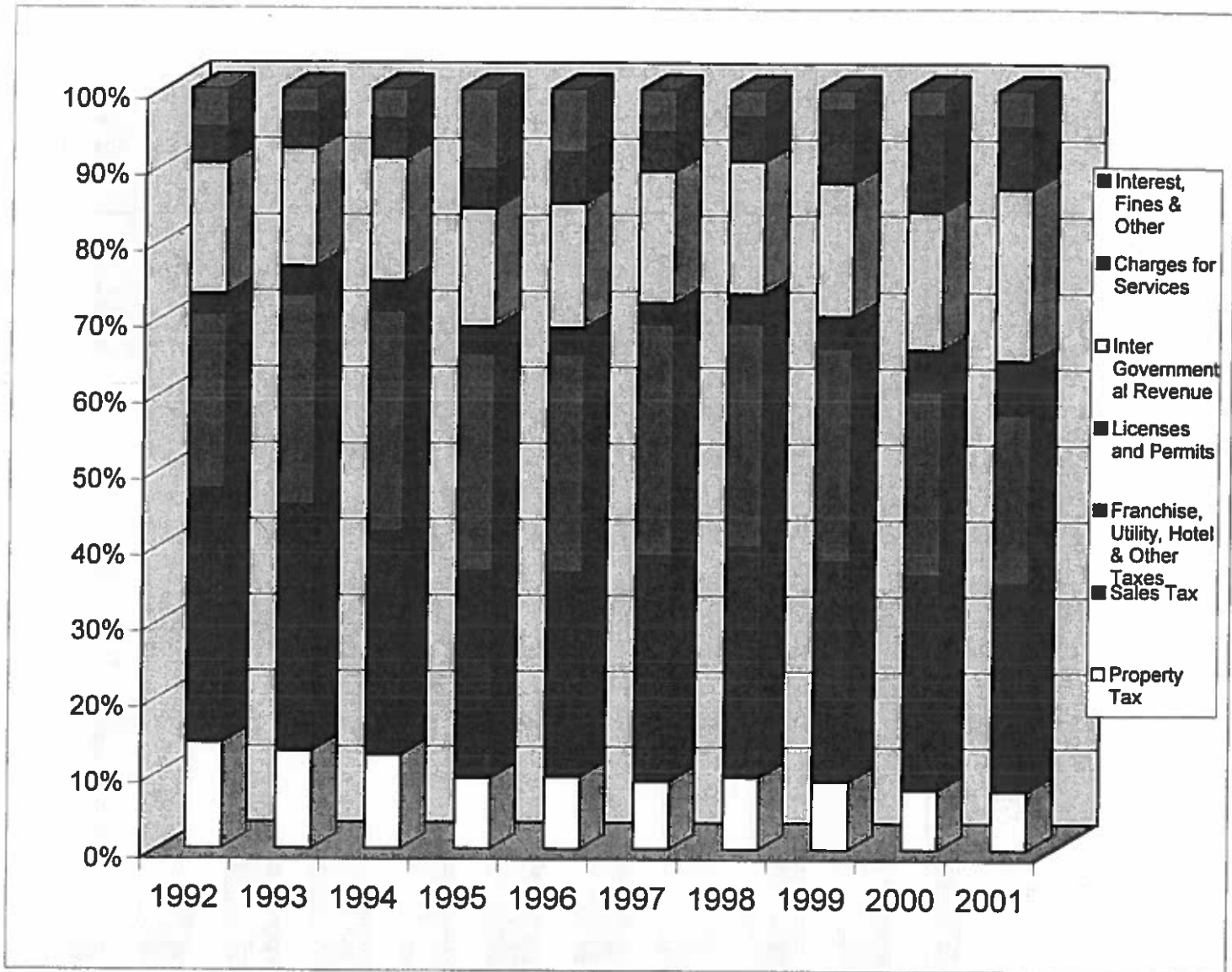
**CITY OF INDIO, CALIFORNIA
 SCHEDULE OF GENERAL FIXED ASSETS -
 BY FUNCTION AND ACTIVITY
 JUNE 30, 2001**

<u>Function and Activity</u>	<u>Land</u>	<u>Building and Improvements</u>	<u>Machinery, Equipment and Vehicles</u>	<u>Totals</u>
Administration	\$ 607,024	\$ 2,003,962	\$ 2,037,121	\$ 4,648,107
Police Department	-	3,569,557	1,942,242	5,511,799
Fire Department	-	688,862	316,714	1,005,576
Public Works	-	-	<u>842,028</u>	<u>842,028</u>
Total General Fixed Assets	<u>\$ 607,024</u>	<u>\$ 6,262,381</u>	<u>\$ 5,138,105</u>	<u>\$ 12,007,510</u>

**CITY OF INDIO, CALIFORNIA
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
 BY FUNCTION AND ACTIVITY
 JUNE 30, 2001**

<u>Function and Activity</u>	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2001</u>
Administration	\$ 3,860,160	\$ 787,947	\$ -	\$ 4,648,107
Police Department	4,697,442	814,357	-	5,511,799
Fire Department	1,005,576	-	-	1,005,576
Public Works	842,028	-	-	842,028
Total General Fixed Assets	<u>\$ 10,405,206</u>	<u>\$ 1,602,304</u>	<u>\$ -</u>	<u>\$ 12,007,510</u>

City of Indio, California
General Fund Revenues - Last Ten Fiscal Years



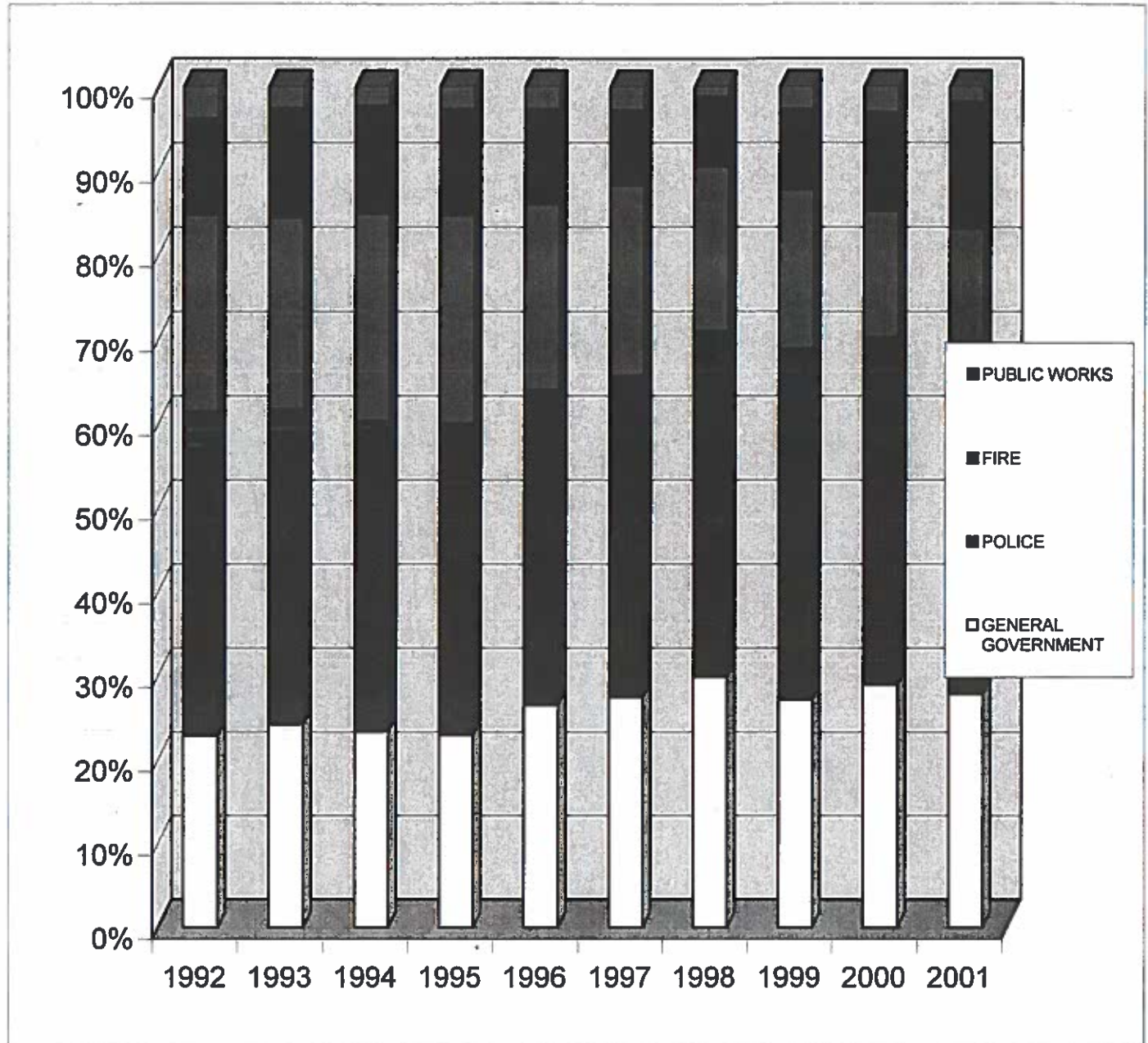
FISCAL YEAR	PROPERTY TAX	SALES TAX	FRANCHISE, UTILITY, HOTEL & OTHER TAXES	LICENSES AND PERMITS	INTER GOVERNMENTAL REVENUE	CHARGES FOR SERVICES	INTEREST, FINES, & OTHER	TOTAL
1992	1,492,831	3,596,412	2,460,755	292,644	1,833,600	514,044	540,044	10,730,330
1993	1,424,181	3,619,428	3,053,985	424,412	1,714,345	525,418	348,291	11,109,960
1994	1,368,571	3,292,247	3,210,224	449,565	1,784,188	578,424	433,487	11,116,706
1995	1,115,687	3,285,591	3,423,687	429,168	1,851,825	627,466	1,258,611	11,992,035
1996	1,145,505	3,267,659	3,458,688	419,354	1,964,282	817,691	997,140	12,070,319
1997	1,067,235	3,585,130	3,637,542	337,158	2,059,811	635,427	656,488	11,978,791
1998	1,162,289	3,767,919	3,588,492	487,786	2,128,569	734,803	425,516	12,295,374
1999	1,227,121	3,998,745	3,852,704	579,775	2,389,674	1,336,060	349,444	13,733,523
2000	1,351,983	4,881,160	4,148,314	931,225	3,088,211	2,198,142	547,254	17,146,289
2001	1,520,158	5,427,963	4,355,006	1,411,393	4,409,472	1,639,186	917,962	19,681,140

Note: The City's Utility Tax was increased from 3% to 5% effective April 1, 1992
The City's Transient Occupancy Tax rate was 10% for all ten fiscal years.

Source: City of Indio Finance Department

City of Indio, California

General Fund Expenditures - Last Ten Fiscal Years

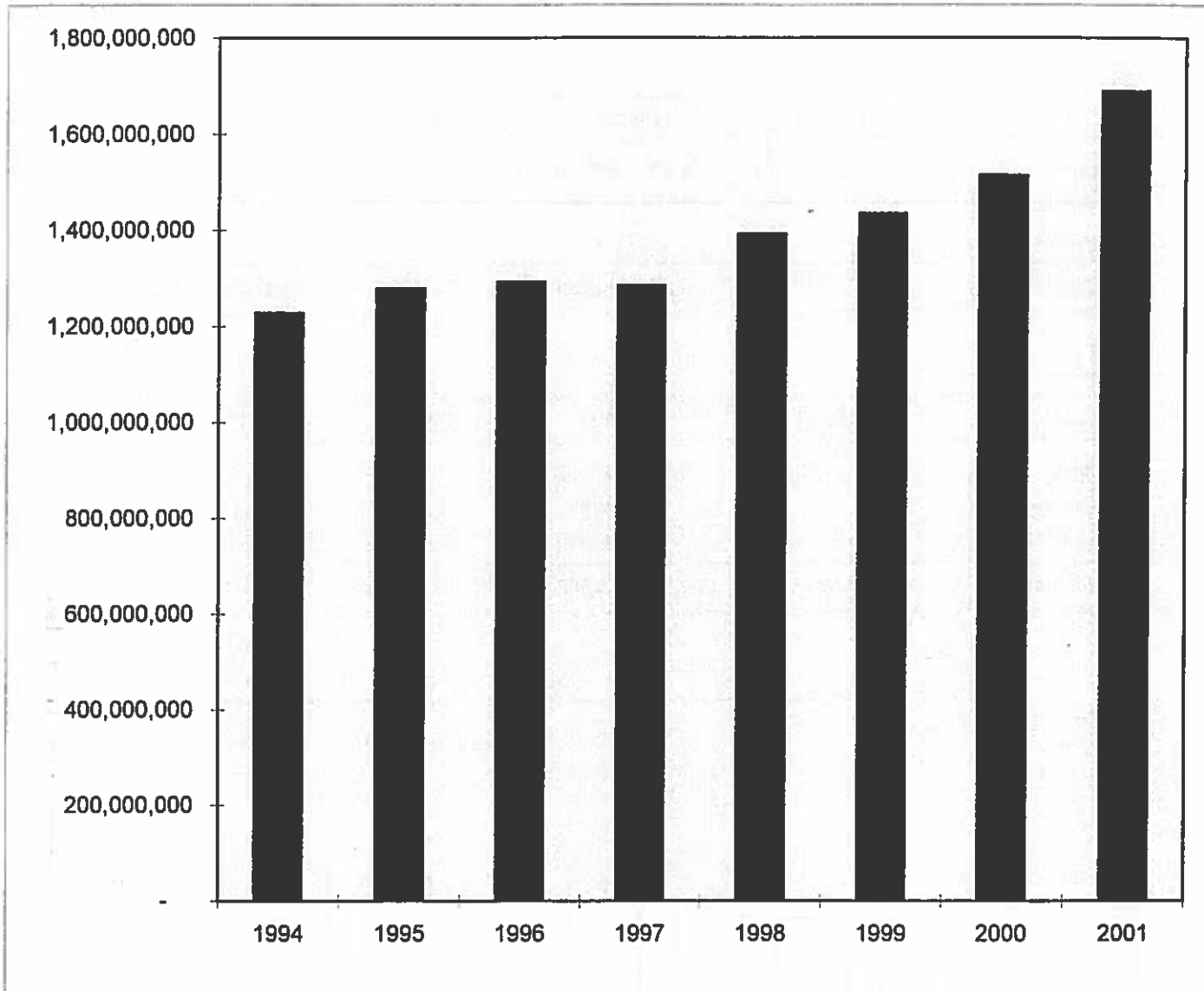


FISCAL YEAR	GENERAL GOVERNMENT	POLICE	FIRE	PUBLIC WORKS	PARKS & SENIOR CENTER	TOTAL
1992	3,041,031	5,160,184	3,090,051	1,543,950	500,379	13,335,595
1993	3,178,096	4,946,157	2,980,234	1,725,852	326,589	13,156,928
1994	3,042,770	4,847,084	3,191,204	1,682,479	301,900	13,065,437
1995	3,041,770	4,940,462	3,267,274	1,695,050	346,899	13,291,455
1996	3,816,864	5,416,645	3,143,841	1,654,547	374,573	14,406,470
1997	4,090,868	5,707,143	3,363,320	1,340,997	419,602	14,921,930
1998	4,552,778	6,286,509	2,968,308	1,279,933	177,710	15,265,238
1999	3,858,335	5,954,181	2,672,994	1,372,358	373,549	14,231,417
2000	4,306,327	6,158,380	2,220,441	1,754,165	455,525	14,894,838
2001	5,214,651	7,362,728	2,986,710	2,847,389	331,869	18,743,347

Note: The City's Budget was restructured using "Internal Service Costs" in FY 2002
 Source: City of Indio Finance Department

City of Indio, California

Assessed & Actual Value of Taxable Property - Last Ten Years



FISCAL YEAR	SECURED PROPERTY	UNSECURED PROPERTY	TOTAL ASSESSED	ESTIMATED MARKET
1992	1,050,351,048	52,625,275	1,102,976,323	1,102,976,323
1993	1,146,575,842	52,624,292	1,199,200,134	1,199,200,134
1994	1,173,148,165	54,991,774	1,228,139,939	1,228,139,939
1995	1,224,059,872	55,514,990	1,279,574,862	1,279,574,862
1996	1,244,252,538	48,034,087	1,292,286,625	1,292,286,625
1997	1,233,178,245	51,813,657	1,284,991,902	1,284,991,902
1998	1,305,612,331	85,857,526	1,391,469,857	1,391,469,857
1999	1,330,929,898	103,179,485	1,434,109,383	1,434,109,383
2000	1,381,215,724	133,411,011	1,514,626,735	1,514,626,735
2001	1,592,286,702	96,627,714	1,688,914,416	1,688,914,416

Note: The City's Budget was restructured using "Internal Service Costs" in FY 2002

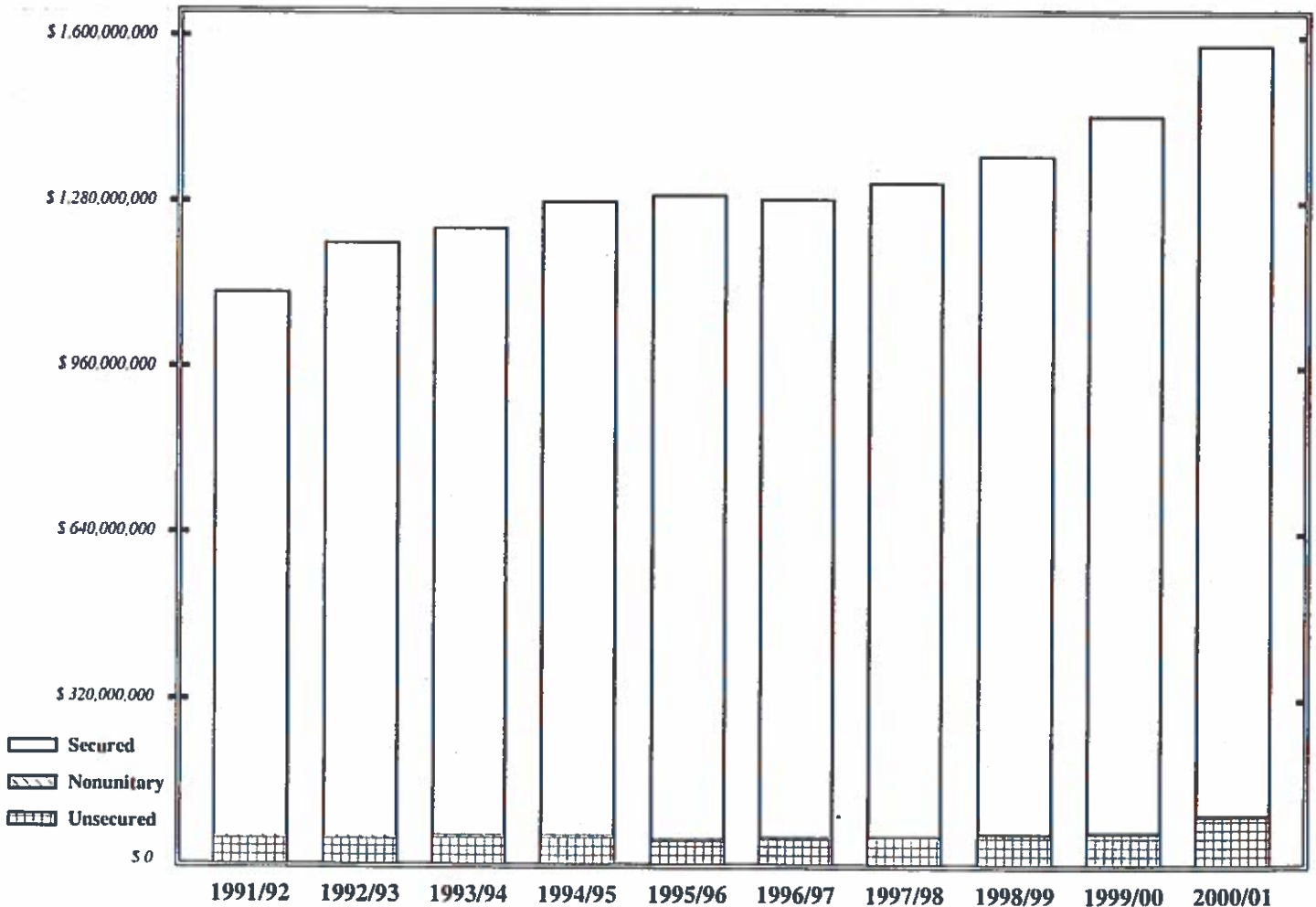
Source: City of Indio Finance Department

THE CITY OF INDIO

NET TAXABLE ASSESSED VALUES - TEN YEAR HISTORY

Lien Year:	1991/92	1992/93	1993/94	1994/95	1995/96
Secured	\$ 1,050,351,048	\$ 1,146,575,842	\$ 1,173,148,165	\$ 1,224,059,872	\$ 1,244,252,538
Nonunitary	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unsecured	\$ 52,625,275	\$ 52,624,292	\$ 54,991,774	\$ 55,514,990	\$ 48,034,087
Net Total AV	\$ 1,102,976,323	\$ 1,199,200,134	\$ 1,228,139,939	\$ 1,279,574,862	\$ 1,292,286,625

Lien Year:	1996/97	1997/98	1998/99	1999/00	2000/01
Secured	\$ 1,233,178,245	\$ 1,259,953,063	\$ 1,305,899,449	\$ 1,381,150,126	\$ 1,484,255,646
Nonunitary	\$ 0	\$ 3,149,815	\$ 3,333,540	\$ 3,058,109	\$ 3,073,205
Unsecured	\$ 51,813,657	\$ 53,340,630	\$ 60,032,169	\$ 63,177,204	\$ 96,149,109
Net Total AV	\$ 1,284,991,902	\$ 1,316,443,508	\$ 1,369,265,158	\$ 1,447,385,439	\$ 1,583,477,960



THE CITY OF INDIO

2000/01 CITY ROLL SUMMARY

Taxable Property Values

	Secured Taxable	Nonunitary Utilities	Unsecured Roll
Parcels	13,763	43	1,225
TRAs	114	14	51
Values			
Land	\$ 545,203,395	\$ 2,711,621	\$ 195,748
Improvements	\$ 952,898,737	\$ 229,948	\$ 6,787,682
Personal Property	\$ 13,649,143	\$ 131,636	\$ 55,841,225
Fixtures	\$ 7,719,260	\$ 0	\$ 33,741,459
Aircraft*		\$ 0	
Total Value*	\$ 1,519,470,535	\$ 3,073,205	\$ 96,566,114
Exemptions			
Real Estate	\$ 35,184,685	\$ 0	\$ 471,469
Personal Property	\$ 0	\$ 0	
Fixtures	\$ 0	\$ 0	
Aircraft*		\$ 0	\$ 0
Homeowners*		\$ 0	\$ 0
Total Exemptions*	\$ 35,184,685	\$ 0	\$ 471,469
Total Net Value*	\$ 1,484,285,850	\$ 3,073,205	\$ 96,094,645

Combined Values*	Total
Total Values	\$ 1,619,109,854
Total Exemptions	\$ 35,656,154
Net Total Values	\$ 1,583,453,700
Net Aircraft Values	\$ 61,600

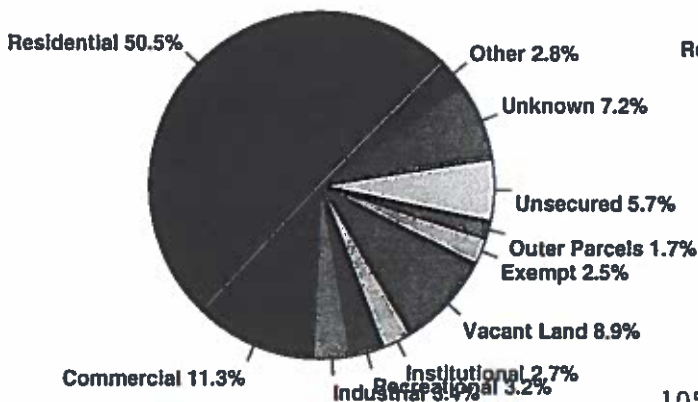
Notes:
 Totals Do Not Include Aircraft Values Or Exemptions
 Homeowners Exemption Not Included In Total Exemptions

THE CITY OF INDIO

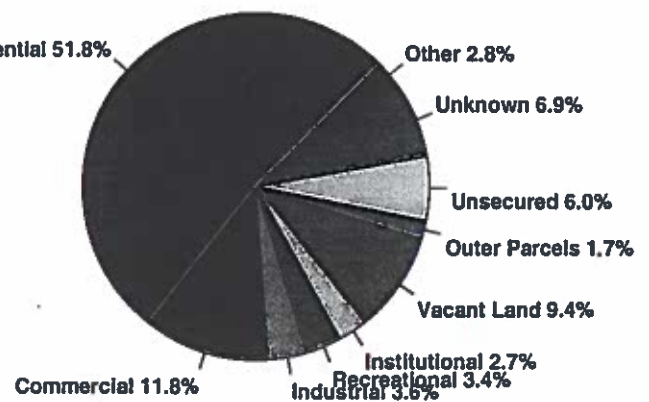
USE CATEGORY SUMMARY, 2000/01

<i>BASIC PROPERTY VALUE TABLE</i>			
CATEGORY	PARCELS	ASSESSED VALUE	NET TAXABLE VALUE
Residential	9,458	\$ 852,711,375 (50.5%)	\$ 835,327,074 (51.8%)
Commercial	428	\$ 191,312,401 (11.3%)	\$ 190,200,243 (11.8%)
Industrial	103	\$ 57,918,048 (3.4%)	\$ 57,528,146 (3.6%)
Irrigated	31	\$ 4,852,933 (0.3%)	\$ 4,852,933 (0.3%)
Dry Farm	47	\$ 18,892,184 (1.1%)	\$ 18,892,184 (1.2%)
Recreational	37	\$ 54,288,088 (3.2%)	\$ 54,288,088 (3.4%)
Institutional	46	\$ 46,225,199 (2.7%)	\$ 43,970,038 (2.7%)
Vacant Land	1,877	\$ 151,126,405 (8.9%)	\$ 150,742,905 (9.4%)
Exempt	657	\$ 41,579,523 (2.5%)	\$ 0 (0.0%)
SBE Nonunitary	[43]	\$ 3,073,205 (0.2%)	\$ 3,073,205 (0.2%)
Possessory Int.	[1,006]	\$ 19,740,064 (1.2%)	\$ 17,704,907 (1.1%)
Unsecured	[1,225]	\$ 96,627,714 (5.7%)	\$ 96,156,245 (6.0%)
Unknown	1,736	\$ 122,403,838 (7.2%)	\$ 110,779,332 (6.9%)
TOTALS	14,420	\$ 1,660,750,977	\$ 1,583,515,300

ASSESSED VALUE



NET TAXABLE VALUE



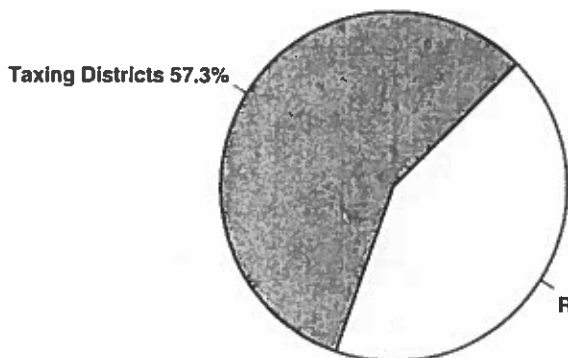
THE CITY OF INDIO

2000/01 GROWTH SUMMARY BY AGENCY

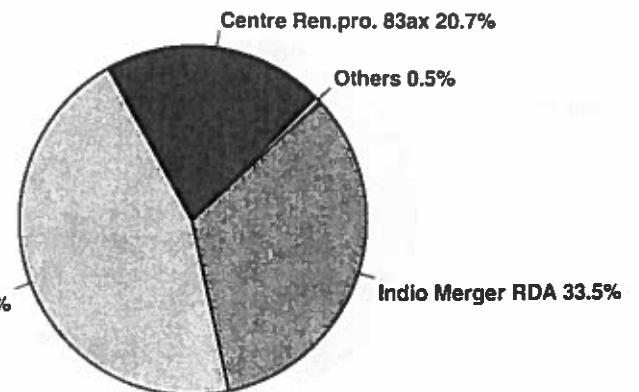
Percentage Growth Of Assessed Values By Agency Between 1999/00 And 2000/01

	County	City	General Taxing Agenc	Centre Renew. Proj.	Centre Ren.pro. 83ax	Date Capital Project	Indio Annex
Secured							
Land	+7.7%	+8.9%	-11.6%	-75.2%	-0.7%	+4.9%	0.0%
Improvements	+12.4%	+7.2%	-11.5%	-80.6%	+3.3%	+2.1%	0.0%
Personal Prop.	-0.2%	+5.8%	+4.7%	-26.4%	-8.0%	+5.9%	0.0%
Exemptions	+15.3%	+34.6%	-1.8%	-76.5%	+18.5%	+60.7%	0.0%
Net Total	+10.5%	+7.3%	-11.4%	-79.2%	+1.3%	+0.2%	0.0%
SBE Nonunitary							
Land	-100.0%	+1.7%	-54.7%	0.0%	-0.1%	0.0%	0.0%
Improvements	0.0%	-7.6%	-9.7%	0.0%	-7.6%	0.0%	0.0%
Personal Prop.	0.0%	-7.6%	-9.7%	0.0%	-7.6%	0.0%	0.0%
Exemptions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Total	-100.0%	+0.5%	-49.1%	0.0%	-1.3%	0.0%	0.0%
Unsecured							
Land	-9.2%	-13.2%	-22.2%	-100.0%	-7.0%	-9.2%	0.0%
Improvements	+14.0%	+41.0%	+28.7%	-43.3%	+166.7%	+9.5%	0.0%
Personal Prop.	+18.0%	+61.6%	+45.4%	-78.0%	+141.3%	+59.4%	0.0%
Exemptions	+23.3%	+23.1%	+155.1%	-100.0%	+37.0%	-56.4%	0.0%
Net Total	+16.0%	+52.2%	+37.1%	-60.3%	+152.6%	+38.7%	0.0%
Combined							
Land	+7.3%	+8.8%	-11.6%	-63.7%	-0.7%	+4.9%	0.0%
Improvements	+12.4%	+8.2%	-10.5%	-78.9%	+11.6%	+2.4%	0.0%
Personal Prop.	+13.2%	+46.3%	+30.4%	-71.7%	+93.8%	+55.4%	0.0%
Exemptions	+15.8%	+34.4%	-0.5%	-79.4%	+19.6%	+60.1%	0.0%
Net Total AV	+10.6%	+9.2%	-10.0%	-75.0%	+11.8%	+2.9%	0.0%
Net Taxable AV	+10.7%	+9.4%	-10.4%	-75.0%	+11.7%	+2.9%	0.0%

2000/01 Total Net AV



2000/01 Redevelopment Net AV



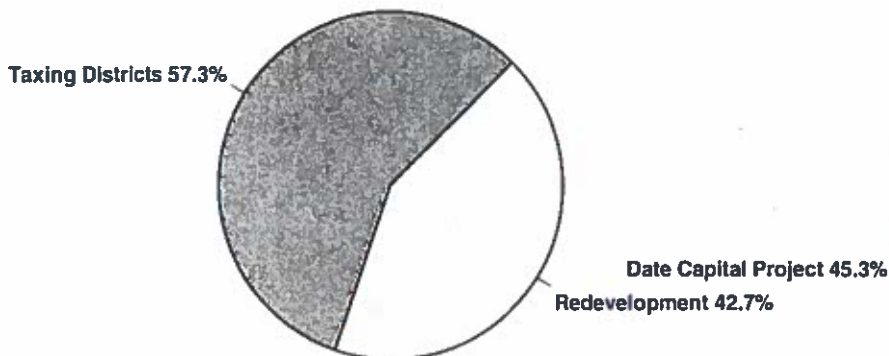
THE CITY OF INDIO

2000/01 GROWTH SUMMARY BY AGENCY

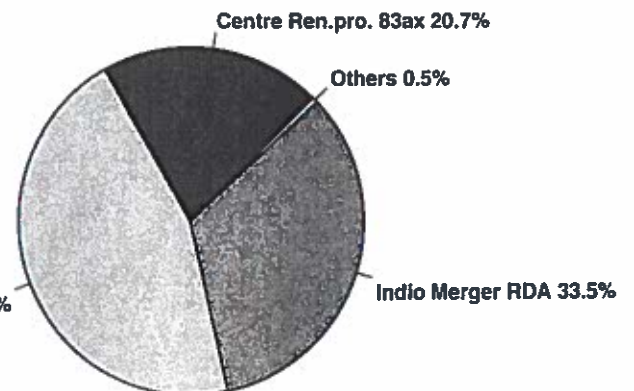
Percentage Growth Of Assessed Values By Agency Between 1999/00 And 2000/01

	County	City	Indio Merger RDA
Secured			
Land	+7.7%	+8.9%	+100%
Improvements	+12.4%	+7.2%	+100%
Personal Prop.	-0.2%	+5.8%	+100%
Exemptions	+15.3%	+34.6%	+100%
Net Total	+10.5%	+7.3%	+100%
SBE Nonunitary			
Land	-100.0%	+1.7%	+100%
Improvements	0.0%	-7.6%	+100%
Personal Prop.	0.0%	-7.6%	+100%
Exemptions	0.0%	0.0%	+100%
Net Total	-100.0%	+0.5%	+100%
Unsecured			
Land	-9.2%	-13.2%	+100%
Improvements	+14.0%	+41.0%	+100%
Personal Prop.	+18.0%	+61.6%	+100%
Exemptions	+23.3%	+23.1%	+100%
Net Total	+16.0%	+52.2%	+100%
Combined			
Land	+7.3%	+8.8%	+100%
Improvements	+12.4%	+8.2%	+100%
Personal Prop.	+13.2%	+46.3%	+100%
Exemptions	+15.8%	+34.4%	+100%
Net Total AV	+10.6%	+9.2%	+100%
Net Taxable AV	+10.7%	+9.4%	+100%

2000/01 Total Net AV

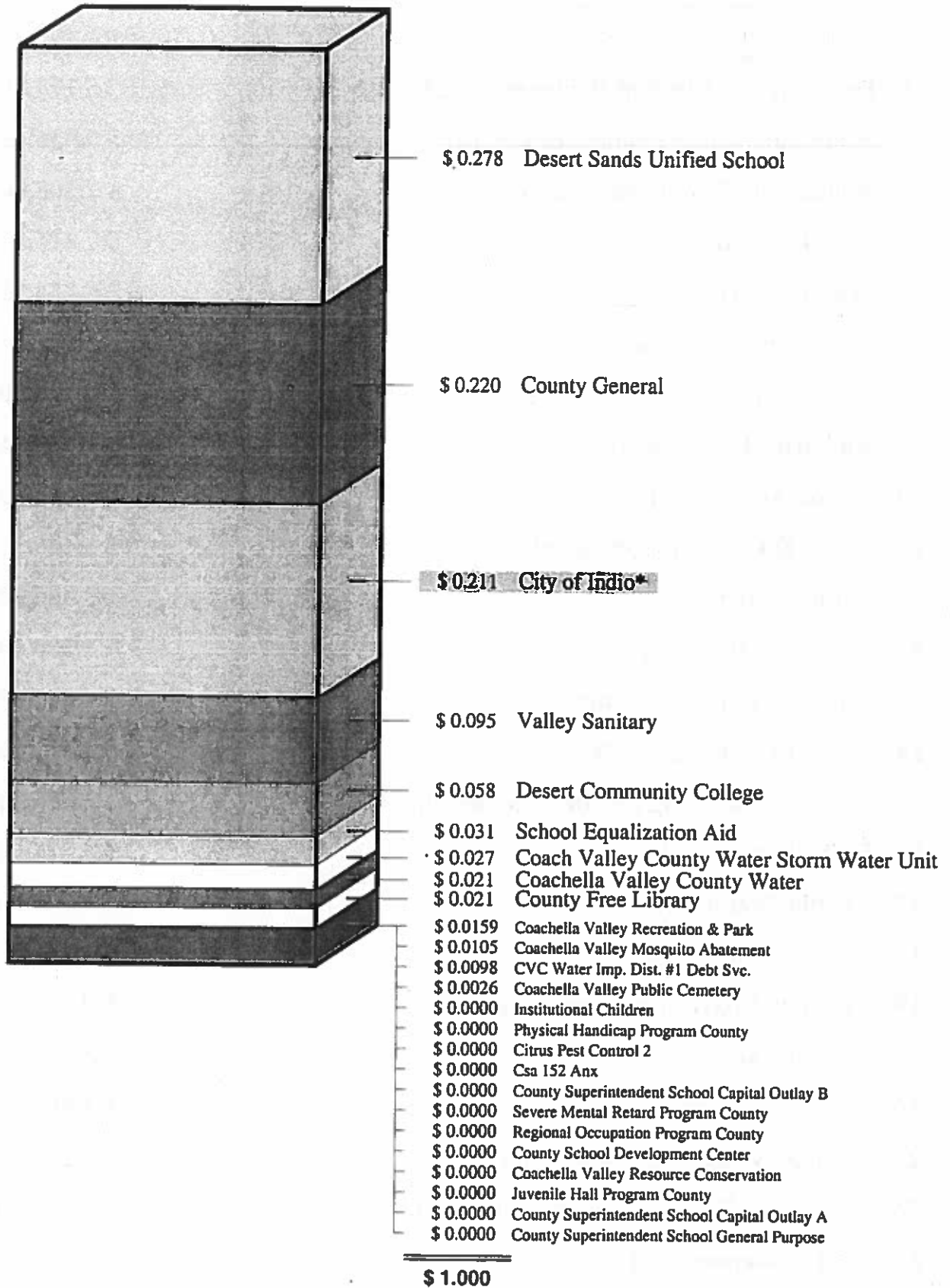


2000/01 Redevelopment Net AV



THE CITY OF INDIO

PROPERTY TAX DOLLAR BREAKDOWN



108

ATI (Annual Tax Increment) Ratios For Tax Rate Area 007-002, Excluding Redevelopment Factors & Additional Debt Service

*ERAF (Educational Revenue Augmentation Fund) general fund tax shifts are not included in tax ratio figures.

Source: HdL Coren & Cone, Riverside County Assessor 2000/01 Annual Tax Increment Tables

THE CITY OF INDIO

2000 TOP PROPERTY TAXPAYERS

Owner (Number of Parcels)	Assessed Value
1 Paseo Group Limited Partnership (21)	\$ 15,178,785
2 American Stores Properties Inc. (2)	\$ 9,936,459
3 Richard K. Rifenkark Trust (1)	\$ 7,405,000
4 Rich Dev Indio (3)	\$ 7,416,366
5 JDG Properties (12)	\$ 6,254,968
6 Sunrise Pointe Associates (1)	\$ 6,941,573
7 Richard J. Mazurek Trust (1)	\$ 6,416,500
8 Richard M. Marsh (10)	\$ 7,958,849
9 Requa Associates (1)	\$ 5,622,000
10 DG & D California Properties (5)	\$ 5,446,357
11 Sniper Fabrication (1)	\$ 3,300,000
12 George J. Jones (1)	\$ 3,300,000
13 Indio Community Homes (7)	\$ 4,840,632
14 Lawrence M. Chank (1)	\$ 4,511,772
15 Motel 6 Operating Limited Partnership (1)	\$ 3,936,216
16 Indio Associates (6)	\$ 4,875,641
17 Arabia Homes (2)	\$ 4,290,000
18 K Mart Corporation (2)	\$ 4,281,217
19 Triangle Distributing Company (3)	\$ 3,665,855
20 Admim (3)	\$ 3,739,946
21 Katherine E. Dagermangy Trust (4)	\$ 3,692,202
22 Michael Ward * Chris Werner (1)	\$ 3,211,153
23 Summit Cable Services of Georgia (1)	\$ 3,660,000
24 JPH Associates (10)	\$ 6,357,638
25 Earl Pellegrini (13)	\$ 3,051,571

THE CITY OF INDIO

2000 TOP PROPERTY OWNER SUMMARY

Owner (Number of Parcels)	Assessed Value
1 Hills Golf Club (16)	\$ 25,750,937
2 National Medical Hospital Monterey P (3)	\$ 22,415,820
3 S & D Indian Palms California Limited (233)	\$ 15,285,990
4 Paseo Group Limited Partnership (21)	\$ 15,178,785
5 Plantation Golf Club Inc. (5)	\$ 10,726,075
6 EQU Smoketree (1)	\$ 10,212,000
7 American Stores Properties Inc. (2)	\$ 9,936,459
8 First American Trust Company (7)	\$ 9,846,503
9 TWI Summit Cable Inc. (2)	\$ 8,894,626
10 7709 Lankershim Limited (3)	\$ 8,594,336
11 Richard M. Marsh (10)	\$ 7,958,849
12 CP Limited Partnership (5)	\$ 7,768,922
13 Wells Associates (2)	\$ 7,730,127
14 Rich Dev Indio (3)	\$ 7,416,366
15 Richard K. Rifenbark Trust (1)	\$ 7,405,000
16 U S Home Corporation (156)	\$ 7,128,043
17 Coachella Valley Housing Coalition (25)	\$ 7,025,485
18 Sunrise Pointe Associates (1)	\$ 6,941,573
19 Pacific Indio Properties Inc. (11)	\$ 6,928,043
20 Dimare Enterprises Inc. (23)	\$ 6,434,785
21 Richard J. Mazurek Trust (1)	\$ 6,416,500
22 JPH Associates (10)	\$ 6,357,638
23 JDG Properties (12)	\$ 6,254,968
24 Indio Desert Palms Limited Partnership (1)	\$ 6,254,337
25 Alexander Haagen III (13)	\$ 6,226,009

THE CITY OF INDIO

TOP 25 SALES TAX PRODUCERS

FOR THE FISCAL YEAR 2000/2001

<u>BUSINESS NAME</u>	<u>BUSINESS CATEGORY</u>
A C Houston Lumber	Lumber/Building Materials
A M P M Mini Mart	Service Stations
Cabazon Bingo	Fast Food
Circle K	Grocery Stores Beer/Wine
Clarks Union 76 Truck Stop	Service Stations
Coachella Valley Pontiac Buick Gm	New Motor Vehicle Dealers
Dependable Roofing	Lumber/Building Materials
Desert Suzuki	New Motor Vehicle Dealers
Fiesta Ford	New Motor Vehicle Dealers
G T E California	Public Utilities/Trans.
Gottschalks	Department Stores
Hertz Equipment Rental	Heavy Industrial
High Tech Irrigation	Lumber/Building Materials
I 10 Toyota	New Motor Vehicle Dealers
K Mart	Discount Dept Stores
Mathis Brothers Furniture	Home Furnishings
Mc Donalds	Fast Food
Morbark Inc	Light Industrial/Printers
Ralphs	Grocery Stores Liquor
Sears	Department Stores
Stater Bros	Grocery Stores Liquor
Super Saver Food	Grocery Stores Liquor
U S Filter Distribution	Heavy Industrial
Ultramar	Service Stations
Unicars Honda	New Motor Vehicle Dealers

Percent Of City Fiscal Year Total Paid By
Top 25 Accounts = 64.84%

** Firms Listed Alphabetically
Period: April 00 Thru March 01*

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

THE CITY OF INDI

2000/01 TOP TEN PROPERTY OWNERS

Top Property Owners Based On Gross Assessed Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value	Parcels	Value	Value	Portion Of City	
1) Hills Golf Club	15	\$ 24,403,962	1	\$ 1,346,975	\$ 25,750,937	1.55%	Recreational GENERAL TAXING AGENC
2) National Medical Hospital Monterey P	2	\$ 22,296,256	1	\$ 119,564	\$ 22,415,820	1.35%	Institutional GENERAL TAXING AGENC
3) S & D Indian Palms California Limited	233	\$ 15,285,990			\$ 15,285,990	0.92%	Recreational, Vacant Land GENERAL TAXING AGENC
4) Paseo Group Limited Partnership	21	\$ 15,178,785			\$ 15,178,785	0.91%	Commercial DATE CAPITAL PROJECT
5) Plantation Golf Club Inc.	5	\$ 10,726,075			\$ 10,726,075	0.65%	Recreational GENERAL TAXING AGENC
6) EQU Smoketree	1	\$ 10,212,000			\$ 10,212,000	0.61%	Residential GENERAL TAXING AGENC
7) American Stores Properties Inc.	2	\$ 9,936,459			\$ 9,936,459	0.60%	Commercial DATE CAPITAL PROJECT
8) First American Trust Company	7	\$ 9,846,503			\$ 9,846,503	0.59%	Recreational GENERAL TAXING AGENC
9) TWI Summit Cable Inc.			2	\$ 8,894,626	\$ 8,894,626	0.54%	Unsecured GENERAL TAXING AGENC
10) 7709 Lankershim Limited	3	\$ 8,594,336			\$ 8,594,336	0.52%	Residential GENERAL TAXING AGENC
Top Ten Totals	289	\$ 126,480,366	4	\$ 10,361,165	\$ 136,841,531	8.24%	
City Totals	\$ 1,564,123,263		\$ 96,627,714		\$ 1,660,750,977		

THE CITY OF INDIO

2000 TOP PROPERTY TAXPAYERS

Owner (Number of Parcels)	Assessed Value	Est. Total Revenue	Est. RDA 1% Revenue
1 Paseo Group Limited Partnership (21)	\$ 15,178,785	\$ 86,532.66	\$ 68,825.05
2 American Stores Properties Inc. (2)	\$ 9,936,459	\$ 56,645.55	\$ 45,053.65
3 Richard K. Rifenbark Trust (1)	\$ 7,405,000	\$ 42,565.68	\$ 33,926.99
4 Rich Dev Indio (3)	\$ 7,416,366	\$ 42,279.06	\$ 33,627.11
5 JDG Properties (12)	\$ 6,254,968	\$ 41,289.12	\$ 35,272.62
6 Sunrise Pointe Associates (1)	\$ 6,941,573	\$ 39,677.80	\$ 31,579.75
7 Richard J. Mazurek Trust (1)	\$ 6,416,500	\$ 36,750.10	\$ 29,264.59
8 Richard M. Marsh (10)	\$ 7,958,849	\$ 33,865.53	\$ 26,019.98
9 Requa Associates (1)	\$ 5,622,000	\$ 32,049.77	\$ 25,491.14
10 DG & D California Properties (5)	\$ 5,446,357	\$ 31,131.20	\$ 24,777.46
11 Sniper Fabrication (1)	\$ 3,300,000	\$ 27,940.87	\$ 26,407.58
12 George J. Jones (1)	\$ 3,300,000	\$ 27,768.26	\$ 26,234.96
13 Indio Community Homes (7)	\$ 4,840,632	\$ 27,595.37	\$ 21,948.28
14 Lawrence M. Chank (1)	\$ 4,511,772	\$ 25,934.73	\$ 20,671.28
15 Motel 6 Operating Limited Partnership (1)	\$ 3,936,216	\$ 25,586.88	\$ 21,800.73
16 Indio Associates (6)	\$ 4,875,641	\$ 24,839.62	\$ 19,957.35
17 Arabia Homes (2)	\$ 4,290,000	\$ 24,456.34	\$ 19,451.61
18 K Mart Corporation (2)	\$ 4,281,217	\$ 24,230.54	\$ 19,120.65
19 Triangle Distributing Company (3)	\$ 3,665,855	\$ 23,829.43	\$ 20,303.34
20 Admim (3)	\$ 3,739,946	\$ 21,474.79	\$ 17,111.75
21 Katherine E. Dagermangy Trust (4)	\$ 3,692,202	\$ 21,048.42	\$ 16,741.09
22 Michael Ward * Chris Werner (1)	\$ 3,211,153	\$ 20,873.70	\$ 17,784.97
23 Summit Cable Services of Georgia (1)	\$ 3,660,000	\$ 20,864.85	\$ 16,595.08
24 JPH Associates (10)	\$ 6,357,638	\$ 20,706.70	\$ 14,710.45
25 Earl Pellegrini (13)	\$ 3,051,571	\$ 18,180.02	\$ 14,817.69

The 'Est. Total Revenue' for each owner is the estimated revenue for that owner; the 'Est. RDA 1% Revenue' estimates the revenue apportioned as 1% increment. Although these estimated calculations are performed on a parcel level, county auditor/controllers' offices neither calculate nor apportion revenues at a parcel level.



