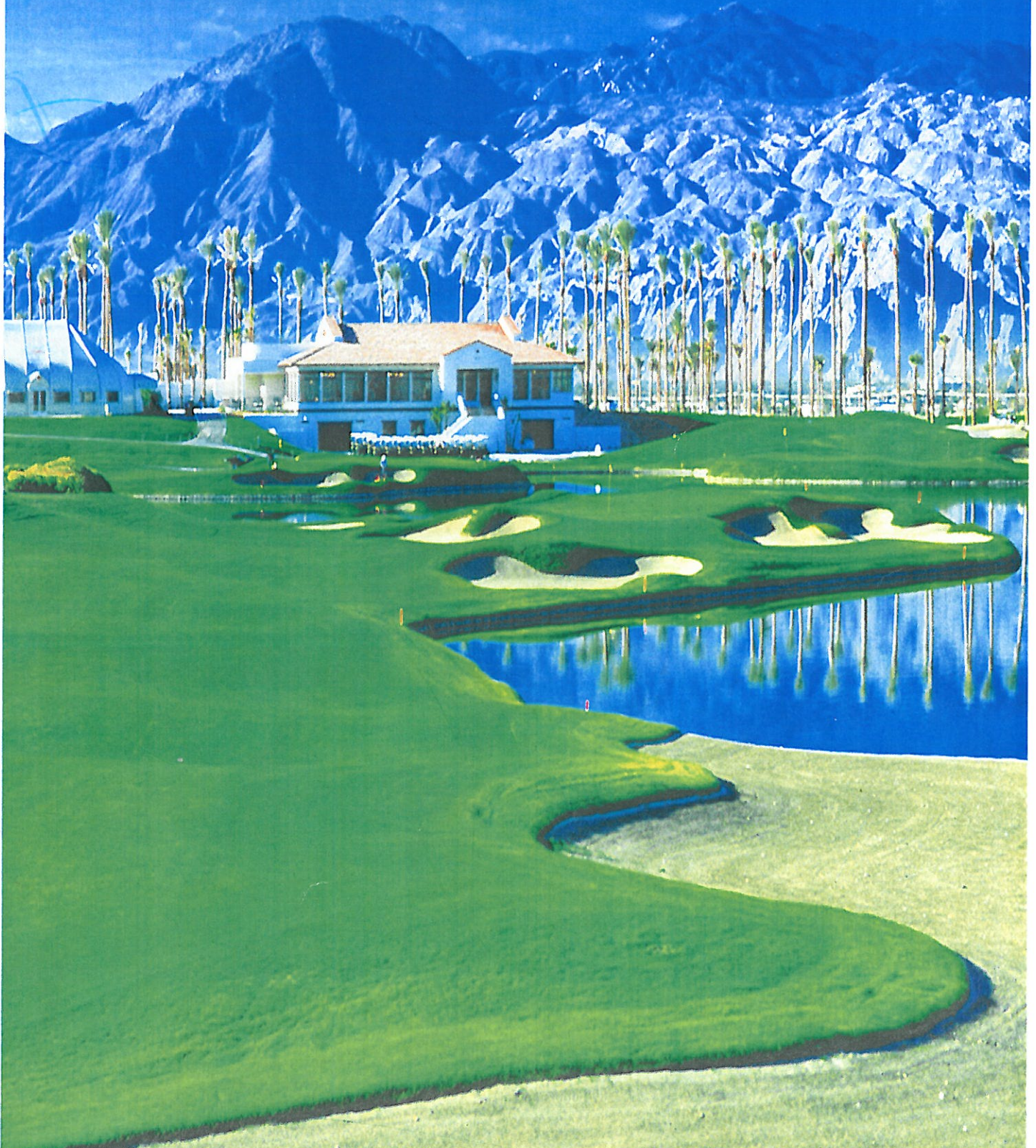


CITY OF INDIO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ending June 30, 2003



CITY OF INDIO, CALIFORNIA
Comprehensive Annual Financial Report
Year ended June 30, 2003

Prepared by
FINANCE DEPARTMENT

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CITY OF INDIO
Comprehensive Annual Financial Report
Year ended June 30, 2003

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INTRODUCTORY SECTION

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CITY OF INDIO

INCORPORATED 1930

November 10, 2003

To the Members of the City Council and Citizens of the City of Indio:

It is the policy of the City of Indio to annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial statements of the City of Indio ("the City") for the fiscal year ended June 30, 2003.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by CONRAD AND ASSOCIATES, L.L.P., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2003, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited City's internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

CITY OF INDIO • 100 CIVIC CENTER MALL • P.O. DRAWER 1788 • INDIO, CA 92202

DEPARTMENT TELEPHONE NUMBERS, ALL IN 760 AREA CODE

City Clerk 865-5437 • City Manager 342-6580 • Economic Development/Redevelopment 342-6541
Finance 342-6560 • Fire 347-0756 • Human Resources 342-6540 • City Hall Fax 342-6556
Police 347-8522 Fax 347-4317 • Engineering 342-6530 • City Yard 347-1058 • Senior Center 347-5111
Community Development Services/Building & Safety 342-6541 • Special Events 342-6532 • www.Indio.org

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1930, is located in the Coachella Valley (eastern part of Riverside County), which is considered to be in the top growth area in the state. The City currently occupies a land area of 24.8 square miles and serves a population of 52,500. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the council-manager form of government since 1930. Policy-making and legislative authority are vested in a City Council consisting of the mayor and four other council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is rotated annually between the five council members.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events. The City is financially accountable for a redevelopment agency and financing authority, both of which are reported separately within the City's financial statements. The City is also accountable for the housing authority and industrial development authority, but no separate reporting financial statements are prepared. The Indio Water Authority is discretely presented within the attached statements. Additional information regarding all five of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All agencies of the City are required to submit requests for appropriation to the City's manager on or before the last Tuesday in January each year. The City's manager uses these requests as the starting point for developing a proposed budget. The City's manager then presents this proposed budget to the council for review prior to May 31. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the

City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Manager. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The City currently enjoys a favorable economic environment and local indicators point to continued stability. The City is the largest and one of the fastest growing cities, within the Coachella Valley. In recent months, the City has had more than 16,000 single family units approved for development. In addition, over 750,000 square feet of commercial and industrial space has been either built, or recently approved for development.

Long-term financial planning. The City Council plans to develop the Downtown Area between Indio Boulevard and Highway 111, with central emphasis placed upon Oasis Street. Eventually, the project could include the development and construction of public safety facilities, restaurant and shopping complexes, and medical offices. Preliminary estimates point to project timetable of one to seven years with a projected total cost to the City of \$20 million. The City also believes that development of park facilities could result in significant additional ongoing costs involved with staffing, operating, and maintaining the new facilities. The City has already obtained indications from state officials that partial funding for the project may be available through one or more existing state grant or loan programs.

It is expected that due to the significant growth in residential development that increased demands will be placed on our water resources. In order to help stabilize our water resources, the Indio Water Authority is developing plans for the construction of a 10 million gallon reservoir to service Shadow Hills. The project would encompass new facilities and infrastructure for distribution of the water. The overall project could cost in excess of \$12 million and would be financed by the issuance of revenue bonds.

State of California Fiscal Issues While the financial outlook for the local community is very healthy, especially considering the current slow economic times nationally, there is reason for caution relative to the City's financial condition.

The size of the State's deficit has grown to such proportions that it is almost inconceivable that no significant reductions will be made in local revenues. While the League of California Cities and many, many other organizations are taking a very aggressive stand against further financial reductions to cities, it is my opinion that cities will again be expected to pay for some portion of the financial mismanagement of the State. The City has maintained many of the cost control measures enacted in the early 1990's as a "way of conducting business" due to the State's ongoing fiscal issues.

Cash management policies and practices. It is the policy of the City to invest public funds in a manner, which will provide the highest investment return with the maximum security. While meeting the daily cash flow demands of the entity and conforming to all State of California and local statutes governing the investment of public funds. Cash temporarily idle during the year was invested in the State Treasurer's investment pool (LAIF). The average yield on investments was 1 to 2 percent.

Risk management. The City has a limited risk management program for workers' compensation. As part of this comprehensive plan, resources are being accumulated in an internal service fund to meet current and potential losses. In addition, various control techniques, including employee accident prevention training, have been implemented during the year to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$250,000 and all other potential losses. Additional information on the City's risk management activity can be found in the notes to the financial statements.

Pension and other post employment benefits. The City contributes to the California Public Employees Retirement System, an agent multiple-employer public employee defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan as determined by this funding policy. The unfunded actuarial liability associated with employee services rendered to date is being systematically funded over 17 years as part of the annual required contribution calculated by the actuary.

The City also provides postretirement health benefits for retirees and their dependents. As of the end of the current fiscal year, there were 100 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information regarding the City's pension arrangements and postemployment benefits can be found in the notes to the financial statements.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

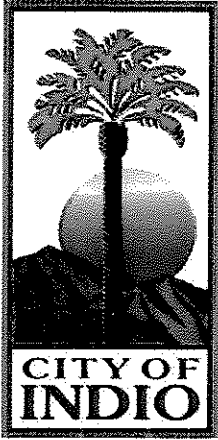


Tom Ramirez
City Manager



Jerry Carter
Finance Director

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CITY OF INDIO, CALIFORNIA

**City Council Members,
Administration and Department Directors,
And Other Officials
As of June 30, 2003**



ELECTED AND EXECUTIVE OFFICIALS (left to right)

MAYOR/CHAIRPERSON
MAYOR PRO-TEM/VICE CHAIR
COUNCIL /AGENCY MEMBER
COUNCIL /AGENCY MEMBER
COUNCIL /AGENCY MEMBER

MIKE WILSON
JACQUELINE BETHEL
BEN GODFREY
MELANIE FESMIRE
GENE GILBERT

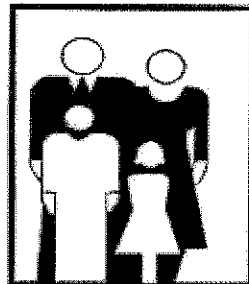
ADMINISTRATION AND DEPARTMENT DIRECTORS

City Manager..... Roy T. Ramirez
Assistant City Manager Ken Weller
Assistant to the City Manager Henry Casdan
Finance Director..... Jerry Carter
Police Chief..... Brad Ramos
Community Development-Building Safety Director..... Susan Williams
RDA/Economic Development Director Rudy Acosta
City Engineer/Public Works Director..... John Corella

OTHER OFFICIALS

City Clerk Juanita Ramos
City Treasurer..... Sharon Ellis

Organizational Chart



Citizens of Indio



City Council
Mayor and Four Council Members



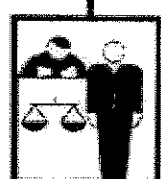
Planning Commission



Council Appointed Commissions



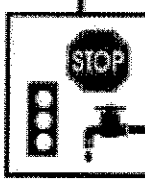
City Manager



City Attorney



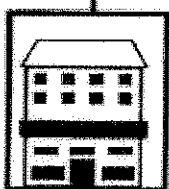
Fire Paramedic



Public Works
Engineering
Public Services



Finance



Community Development
Planning
Building & Safety



Administration
Human Resources
City Clerk
Special Events
Senior Center



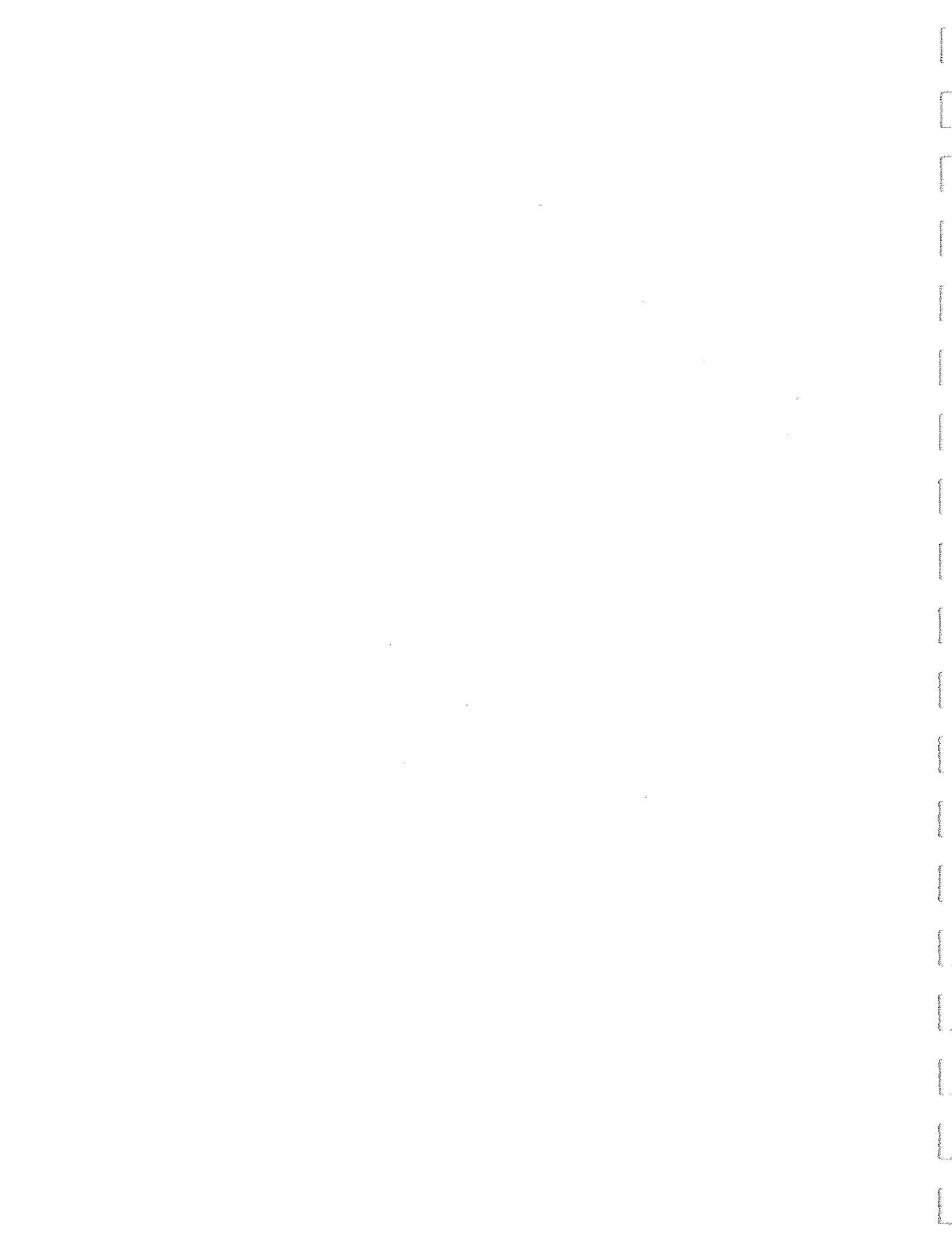
Police
Code Enforcement



Economic Development
Redevelopment



Visit us on the web at: www.indio.org



FINANCIAL SECTION

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City Council
City of Indio
Indio, California

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Indio, California, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Indio. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Indio, California, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, of the City of Indio, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Indio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

City Council
City of Indio
Indio, California

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2003 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Conrad and Associates, L.L.P.

November 10, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the City of Indio provides an overview of the City's financial activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for nonmajor governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* uses services like public safety were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates like businesses, such as the water and sewer system.
 - *Fiduciary fund* statements provide information about the fiduciary relationships – like the agency funds of the City – in which the City acts solely as *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provided additional financial and budgetary information.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of the City's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's fiduciary funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid.

Reporting the City as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the City as a whole. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health, or *financial position*. Over time, *increases and decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds.
- **Discretely presented component units** – The City includes one separate "discretely presented" legal entity in its report – the Water Authority.

Reporting the City's Major Funds

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (like grants received). The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- **Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities) and *governmental funds* in reconciliation at the bottom of the fund financial statements.

- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City’s enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities.

Reporting the City’s Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City’s fiduciary activities are reported in a separate Statement of Fiduciary Assets. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *statement of net assets* follows:

Table 1
Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Unit- Water Authority</u>
	<u>2003</u>	<u>2003</u>	<u>2003</u>
Total			
Current and other assets	\$ 55,927,917	956,711	7,673,863
Capital assets	18,799,043	551,811	16,133,228
Total assets	<u>74,726,960</u>	<u>1,508,522</u>	<u>23,807,091</u>
Long-term debt outstanding	23,601,025	-	5,235,322
Other liabilities	5,173,540	34,849	672,447
Total liabilities	<u>28,774,565</u>	<u>34,849</u>	<u>5,907,769</u>
Net assets:			
Invested in capital assets, net of debt	15,387,542	551,811	15,883,136
Restricted	19,951,474	-	-
Unrestricted	<u>10,613,379</u>	<u>921,862</u>	<u>2,016,186</u>
Total net assets	<u>\$ 45,952,395</u>	<u>1,473,673</u>	<u>17,899,322</u>

A summary of the government-wide *statement of activities* follows:

Table 2
Changes in Net Assets

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Unit - Water Authority</u>
	<u>2003</u>	<u>2003</u>	<u>2003</u>
<u>Revenues</u>			
Program revenues:			
Charges for services	\$ 8,094,414	780,204	7,718,930
Operating contributions and grants	3,237,291	-	-
Capital contributions and grants	13,672,420	-	-
Total program revenues	<u>25,004,125</u>	<u>780,204</u>	<u>7,718,930</u>
General revenues:			
Taxes:			
Property taxes	5,112,645	-	-
Sales taxes	6,390,064	-	-
Transient occupancy taxes	1,017,759	-	-
Franchise taxes	493,023	-	-
Other taxes	2,614,730	-	-
Investment income	933,990	17,931	153,648
Intergovernmental	1,682,163	-	-
State motor vehicle in lieu	3,039,652	-	-
Other	2,632,307	-	-
Sale of capital assets	25,886	-	-
Total general revenue	<u>23,942,219</u>	<u>17,931</u>	<u>153,648</u>
Total revenues	<u>48,946,344</u>	<u>798,135</u>	<u>7,872,578</u>
Program expenses			
General Government	3,973,160	-	-
Public Safety	16,041,720	-	-
Public Works	6,632,894	-	-
Community development	4,478,149	-	-
Culture and leisure	965,656	654,822	-
Utilities	1,406,329	-	5,342,991
Interest expense and other charges	1,158,548	-	-
Total expenses	<u>34,656,456</u>	<u>654,822</u>	<u>5,342,991</u>
Excess (deficiency) before transfers	14,289,888	143,313	2,529,587
Transfers	<u>89,250</u>	<u>(89,250)</u>	<u>-</u>
Increase (decrease) in net assets	14,379,138	54,063	2,529,587
Beginning net assets	31,573,257	1,419,610	15,369,735
Ending net assets	<u>\$ 45,952,395</u>	<u>1,473,673</u>	<u>17,899,322</u>

Governmental Activities

The increase or decrease in net assets can provide an indication as to whether the overall financial position of the City improved or deteriorated during the year. Net assets of the City's governmental activities increased by 45.5 percent (\$31.6 million compared to \$45.9 million).

The reasons for significant changes in the revenues and expenses of the City's governmental activities presented above are as follows:

- Development throughout the City is at a record pace and currently 75% of new homes sold in the Coachella Valley are located in Indio. The City Council has entitled approximately 16,000 new homes to be constructed, with more than 30% of those completed or underway. Building permit values alone were up 32%, which ended the year with another record-setting year. This follows on the heels of a record year for 2002. It is expected to continue for the next several years.
- Funding sources were received during the year to significantly enhance our Parks. The City is in process on implementing Master Plans for several parks, including, Miles Park, North and South Jackson Parks, and constructing an Indio Soccer Complex. Also, planned are baseball and softball fields at various locations in the City.
- Licenses and permits increased 90.3% over the prior year due to the Mathis Brothers Furniture expansion on Highway 111, the I-10 Auto Mall expansion, and new residential home developments underway throughout the City.
- The City's Utility User Taxes reflects an increase of \$405,400 or 17.63% over the prior year, attributed primarily to the increase in water rates by the Indio Water Authority and development growth in the City.
- Investment earnings have continued to decrease as a result of the recessionary economic environment and monetary policy actions by the Federal Open Market Committee (FOMC). The FOMC cut interest rates 12 times or 5.25% since 2001, in hopes of reinvigorating the economy by spurring capital spending. Staff achieved a weighted average rate of return of between 1-2%.

Business-Type Activities

During the year ended June 30, 2003, the financial condition of the City's business-type activities improved as indicated by the increase in business-type net assets in the amount of \$54,063. The reasons for significant changes in the revenues and expenses of the City's business-type activities from the prior year are as follows:

- The Golf Course revenues and expenses have not varied significantly for the past several years. Net income did decrease by 46% (\$54,063 versus \$115,772), which is attributable to repairs and maintenance at the course and upgrade of security measures for the clubhouse.

Component Unit – Water Authority

During the year ended June 30, 2003, the financial condition of the Indio Water Authority improved by \$2.5 million. The reasons for this significant increase in revenue are as follows:

- The Indio Water Authority realized a full year of revenue attributable to significant water rate increases (20% plus) implemented in late 2001.
- The number of customers being served has increased due to the ongoing new home construction in North Indio and South Indio.

MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds. The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$6,855,769, while total fund balance reached \$11,712,336. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25.7 percent of total general fund expenditures, while total fund balance represents 42.3 percent of that same amount.

The reasons for significant changes in the revenues and expenditures of the City's' General Fund from the prior year are as follows:

- Revenues from licenses and permits increased by over 90% due to significant new home development and new commercial development. This revenue brought in \$2.3 million more than planned for the year.
- Public safety expenditures were \$1.1 million more than planned due to cost of living increases for fire personnel, police department overtime, and increased costs associated with the Police Department take home car program.

The **Capital Projects** fund has a total fund balance of \$11,456,172. The net increase in fund balance during the current year in the capital projects fund was \$2,136,885. The reason for significant changes in the revenues and expenditures of the City's' Capital Projects Fund from the prior year are as follows:

- Due to the ongoing new home construction, the City received developer impact fees that will be utilized to fund infrastructure improvements to the new homes.
- The City plans on spending these funds within the next five years.

The **Redevelopment Capital Projects** fund has a total fund balance of \$8,857,189. The net decrease in fund balance during the current year in the redevelopment capital projects fund was \$110,915. The reason for significant changes in the revenues and expenditures of the City's' Capital Projects Fund from the prior year are as follows:

- The Redevelopment Agency prepared a Downtown Redevelopment Specific Plan which is being implemented.
- Due to significant development activity within the Redevelopment Agency Project Areas, tax increment revenue sources increased by 14% over the prior year.

The **2002 Park Bonds** fund has a total fund balance of \$2,244,244. This was a new fund during the current year generated from the issuance of debt to fund improvements for park improvements. The City will be constructing several soccer fields and park facilities at various locations.

GENERAL FUND BUDGET

Differences between the original budget and the final amended budget of the General Fund were relatively minor and can be briefly summarized as follows:

- \$77,220 increase in the budget for general government activities
- \$375,780 increase in the budget for the police department
- \$651,400 increase in the budget for community development

Major deviations between the final budget of the General Fund and its actual operating results were as follows:

- General Government expenditures exceeded budget by \$431,095 as a result of payments resulting from employee terminations, increased supply costs, and increased benefit costs related to worker's compensation claims
- Public safety expenditures exceeded budget by \$1,132,511 as a result of coverage for overtime in the police department and salary and benefit increases related to cost of living and wage update in the fire department

These deviations did not significantly affect the City's liquidity or ability to provide future government services.

CAPITAL ASSETS

Capital Assets
(net of depreciation)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component unit - Water Authority</u>	<u>Totals</u>
Structures and improvements	\$ 1,300,178	62,282	13,324,825	14,687,285
Machinery and equipment	4,422,969	103,387	1,096,163	5,622,519
Utility distribution system	-	-	1,225,053	1,225,053
Infrastructure	3,869,471	-	-	3,869,471
Land	918,572	386,142	155,777	1,460,491
Construction in progress	8,287,853	-	331,410	8,619,263
Totals	<u>\$ 18,799,043</u>	<u>551,811</u>	<u>16,133,228</u>	<u>35,484,082</u>

The major additions to capital assets during the year ended June 30, 2003 were as follows:

- The City added approximately fifteen new police vehicles with related equipment for approximately \$800,000.
- The City purchased three alternate fuel vehicles.
- The City purchased two new BMW motorcycles for the police department.
- The City purchased three new copier machines for City Hall and the Police Department.
- The City added new point-of-sale system, fairway mower, and closed circuit security system for the golf course (business-type activities).
- The Water Authority added ten new maintenance trucks to its fleet.
- The City expended approximately \$3.8 million reconstructing streets.

Total unexpended construction commitments as of year-end were \$11 million; \$8 million of this was for reconstruction of arterial streets and construction of new water wells. Additional information on the City's capital assets can be found in the notes to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total long-term liabilities outstanding of \$23,601,025 and the Water Authority has long-term liabilities outstanding of \$5,235,322.

Outstanding Debt

	<u>Governmental Activities</u>	<u>Component unit - Water Authority</u>	<u>Totals</u>
Bonds payable	\$ 14,690,000	-	14,690,000
Capital lease obligations	2,369,369	250,092	2,619,461
Participation agreements	80,000	-	80,000
Certificates of participation	3,750,000	-	3,750,000
Advance from City		4,856,567	4,856,567
Loans payable	144,309	-	144,309
Compensated absences	1,069,450	128,663	1,198,113
Claims payable	1,497,897	-	1,497,897
	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 23,601,025</u>	<u>5,235,322</u>	<u>28,836,347</u>

The City's total debt increased by \$5,608,315 (27.7 percent) during the current fiscal year. The key factor in this increase was the following:

- The City issued \$3,750,000 in certificates of participation. This debt is marked for improving and construction of our parks, which will include new soccer fields, Skate

Park, baseball and softball fields, playground equipment, restrooms and recreational facilities.

- During the current fiscal year, the City entered into new capital leases for police vehicles totaling approximately \$748,000.

The City and the Redevelopment Agency both maintain an “A” rating from Standard & Poor’s and Fitch and an “A” rating from Moody’s for general obligation debt. Additional information on the City’s long-term debt can be found in the notes to the accompanying financial statements.

Contacting the City’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director’s Office, at 100 Civic Center Mall, Indio, California 92201.

BASIC FINANCIAL STATEMENTS

CITY OF INDIO
Statement of Net Assets
June 30, 2003

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Water
	Activities	Activities		Authority
Assets:				
Cash and investments (note 2)	37,458,469	946,832	38,405,301	6,445,472
Cash with fiscal agent (note 2)	6,996,337	-	6,996,337	-
Accounts receivable, net	721,422	-	721,422	1,066,707
Interest receivable	143,637	4,022	147,659	34,462
Notes receivable (note 4)	2,654,245	-	2,654,245	-
Due from other governments	1,148,247	-	1,148,247	-
Advances to component unit (note 3)	4,856,567	-	4,856,567	-
Prepaid expenses	31,284	-	31,284	10,825
Inventory	-	5,857	5,857	116,397
Land held for resale	1,917,709	-	1,917,709	-
Capital assets, not depreciated (note 5)	9,206,425	386,142	9,592,567	487,187
Capital assets, depreciated, net (note 5)	9,592,618	165,669	9,758,287	15,646,041
Total assets	<u>74,726,960</u>	<u>1,508,522</u>	<u>76,235,482</u>	<u>23,807,091</u>
Liabilities:				
Accounts payable	2,476,750	34,849	2,511,599	398,501
Accrued payroll	218,469	-	218,469	27,402
Deposits	1,934,712	-	1,934,712	246,544
Interest payable	354,357	-	354,357	-
Pass-through payable	63,775	-	63,775	-
Retentions payable	125,477	-	125,477	-
Noncurrent liabilities (notes 6 to 12):				
Due within one year	2,273,109	-	2,273,109	184,045
Due in more than one year	21,327,916	-	21,327,916	5,051,277
Total liabilities	<u>28,774,565</u>	<u>34,849</u>	<u>28,809,414</u>	<u>5,907,769</u>
Net Assets:				
Invested in capital assets, net of related debt	15,387,542	551,811	15,939,353	15,883,136
Restricted for:				
Public safety	676,639	-	676,639	-
Public works	8,997,483	-	8,997,483	-
Low and moderate housing	1,142,520	-	1,142,520	-
Community development	9,134,832	-	9,134,832	-
Unrestricted	10,613,379	921,862	11,535,241	2,016,186
Total net assets	<u>45,952,395</u>	<u>1,473,673</u>	<u>47,426,068</u>	<u>17,899,322</u>

See accompanying notes to the basic financial statements.

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CITY OF INDIO
Statement of Activities
Year ended June 30, 2003

	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Governmental activities:				
General government	\$ 3,973,160	372,241	-	-
Public safety	16,041,720	1,925,772	299,379	667,781
Public works	6,632,894	926,363	2,665,041	12,491,640
Community development	4,478,149	4,484,236	272,871	-
Culture and leisure	965,656	385,802	-	512,999
Utilities	1,406,329	-	-	-
Interest on long term debt	1,158,548	-	-	-
Total governmental activities	<u>34,656,456</u>	<u>8,094,414</u>	<u>3,237,291</u>	<u>13,672,420</u>
Business-type activities:				
Golf	654,822	780,204	-	-
Total business-type activities	<u>654,822</u>	<u>780,204</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 35,311,278</u>	<u>8,874,618</u>	<u>3,237,291</u>	<u>13,672,420</u>
Component unit:				
Water	5,342,991	7,718,930	-	-
Total component unit	<u>\$ 5,342,991</u>	<u>7,718,930</u>	<u>-</u>	<u>-</u>

General revenues:

Taxes:

Property taxes

Sales taxes

Transient occupancy taxes

Franchise taxes

Other taxes

Investment income

Intergovernmental

State motor vehicle in lien

Other

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net assets at beginning of year

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues
and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Water Authority
(3,600,919)	-	(3,600,919)	-
(13,148,788)	-	(13,148,788)	-
9,450,150	-	9,450,150	-
278,958	-	278,958	-
(66,855)	-	(66,855)	-
(1,406,329)	-	(1,406,329)	-
(1,158,548)	-	(1,158,548)	-
(9,652,331)	-	(9,652,331)	-
-	125,382	125,382	-
-	125,382	125,382	-
(9,652,331)	125,382	(9,526,949)	-
-	-	-	2,375,939
-	-	-	2,375,939
5,112,645	-	5,112,645	-
6,390,064	-	6,390,064	-
1,017,759	-	1,017,759	-
493,023	-	493,023	-
2,614,730	-	2,614,730	-
933,990	17,931	951,921	153,648
1,682,163	-	1,682,163	-
3,039,652	-	3,039,652	-
2,632,307	-	2,632,307	-
25,886	-	25,886	-
89,250	(89,250)	-	-
24,031,469	(71,319)	23,960,150	153,648
14,379,138	54,063	14,433,201	2,529,587
31,573,257	1,419,610	32,992,867	15,369,735
45,952,395	1,473,673	47,426,068	17,899,322

CITY OF INDIO
Governmental Funds - Balance Sheet
June 30, 2003

	General	Capital Projects Fund	Redevelopment Capital Projects Fund	2002 Park Bonds Fund	Other Governmental Funds	Totals
<u>Assets</u>						
Cash and investments	\$ 9,601,890	11,916,735	4,411,632	-	8,777,619	34,707,876
Cash with fiscal agent	-	-	-	2,519,988	4,476,349	6,996,337
Accounts receivable, net	658,695	-	30,684	-	32,043	721,422
Interest receivable	58,383	26,764	14,335	-	36,836	136,318
Notes receivable (note 4)	-	-	2,137,556	-	516,689	2,654,245
Due from other funds (note 3)	277,534	-	-	-	-	277,534
Due from other governments	998,514	-	-	-	149,733	1,148,247
Prepaid expenses	27,925	-	-	-	-	27,925
Advances to other funds (note 3)	-	-	569,416	-	-	569,416
Advances to component unit (note 3)	4,856,567	-	-	-	-	4,856,567
Land held for resale	-	-	1,917,709	-	-	1,917,709
Total assets	<u>\$16,479,508</u>	<u>11,943,499</u>	<u>9,081,332</u>	<u>2,519,988</u>	<u>13,989,269</u>	<u>54,013,596</u>
<u>Liabilities and Fund Balances</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 1,545,921	209,311	121,635	-	460,208	2,337,075
Accrued payroll	202,513	2,539	-	-	-	205,052
Pass-through payable	-	-	-	-	63,775	63,775
Deposits	1,699,322	150,000	-	-	85,390	1,934,712
Due to other funds	-	-	-	275,744	1,790	277,534
Advances from other funds (note 3)	1,319,416	-	-	-	-	1,319,416
Deferred revenue	-	-	102,508	-	-	102,508
Retentions payable	-	125,477	-	-	-	125,477
Total liabilities	<u>4,767,172</u>	<u>487,327</u>	<u>224,143</u>	<u>275,744</u>	<u>611,163</u>	<u>6,365,549</u>
<u>Fund balances:</u>						
<u>Reserved for:</u>						
Notes receivable	-	-	2,137,556	-	516,689	2,654,245
Advances	4,856,567	-	569,416	-	-	5,425,983
Land held for resale	-	-	1,917,709	-	-	1,917,709
Low and moderate housing	-	-	-	-	625,831	625,831
Debt service	-	-	-	-	2,281,547	2,281,547
<u>Unreserved:</u>						
<u>Reported in:</u>						
General fund	6,855,769	-	-	-	-	6,855,769
Special revenue funds	-	-	-	-	6,781,064	6,781,064
Capital projects funds	-	11,456,172	4,232,508	2,244,244	3,172,975	21,105,899
Total fund balances	<u>11,712,336</u>	<u>11,456,172</u>	<u>8,857,189</u>	<u>2,244,244</u>	<u>13,378,106</u>	<u>47,648,047</u>
Total liabilities and fund balances	<u>\$16,479,508</u>	<u>11,943,499</u>	<u>9,081,332</u>	<u>2,519,988</u>	<u>13,989,269</u>	<u>54,013,596</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO

Governmental Funds

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets

June 30, 2003

Fund balances of governmental funds \$ 47,648,047

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

Capital assets have not been included as financial resources in governmental
fund activity:

Capital assets	27,772,531
Accumulated depreciation	(9,409,720)

Long term liabilities and compensated absences that have not been included
in governmental fund activity:

Bonds payable	(14,914,309)
Certificates of participation	(3,750,000)
Capital lease obligations	(2,369,369)
Claims payable	(340,500)
Compensated absences	(1,069,450)

Accrued interest payable for the current portion of interest due on bonds
payable has not been reported in the governmental funds. (344,598)

Deferred revenue balances relating to certain receivables are not reported
as liabilities in the Statement of Net Assets since revenue recognition is not
based upon measurable and available criteria. 102,508

Internal service funds are used by management to charge the costs of
certain activities, such as equipment management, to individual funds.
The assets and liabilities of the internal service funds must be added to
the statement of net assets. 2,627,255

Net assets of governmental activities \$ 45,952,395

See accompanying notes to the basic financial statements.

CITY OF INDIO
 Governmental Fund Types - Statement of Revenues, Expenditures and Changes in Fund Balances
 June 30, 2003

	General	Capital Projects Fund	Redevelopment Capital Projects Fund	2002 Park Bonds Fund	Other Governmental Funds	Totals
Revenues:						
Taxes	\$ 12,041,719	-	-	-	5,715,530	17,757,249
Special assessments	-	-	-	-	2,180,914	2,180,914
Intergovernmental	3,432,509	3,618,297	272,871	-	534,290	7,857,967
Charges for services	4,042,113	-	-	-	-	4,042,113
Fines and forfeitures	737,028	-	-	-	-	737,028
Licenses and permits	4,787,462	-	-	-	-	4,787,462
Franchise fees	683,199	-	-	-	-	683,199
Investment income	541,927	119,328	23,627	15,583	77,175	777,640
Developer fees	-	1,921,921	-	-	-	1,921,921
Miscellaneous	69,703	-	256,347	-	406,336	732,386
Contributions from property owners	-	-	-	-	6,434,102	6,434,102
Total revenues	<u>26,335,660</u>	<u>5,659,546</u>	<u>552,845</u>	<u>15,583</u>	<u>15,348,347</u>	<u>47,911,981</u>
Expenditures:						
Current:						
General government	3,908,975	-	-	-	243	3,909,218
Public safety	15,019,851	-	-	-	228,851	15,248,702
Public works	1,657,641	-	-	-	499,938	2,157,579
Transportation	2,305,323	-	-	-	-	2,305,323
Community development	2,514,043	-	1,906,238	-	5,000	4,425,281
Culture and leisure	890,949	-	-	-	-	890,949
Low and moderate housing	-	-	-	-	61,490	61,490
Utilities	1,406,329	-	-	-	-	1,406,329
Capital outlay	-	6,349,146	-	846,693	8,251,888	15,447,727
Debt service:						
Pass-through payments	-	-	-	-	510,053	510,053
Principal	-	-	-	-	4,119,796	4,119,796
Interest	-	-	-	-	1,172,819	1,172,819
ERAF payment	-	-	76,399	-	-	76,399
Fiscal charges	-	-	-	-	118,315	118,315
Total expenditures	<u>27,703,111</u>	<u>6,349,146</u>	<u>1,982,637</u>	<u>846,693</u>	<u>14,968,393</u>	<u>51,849,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,367,451)</u>	<u>(689,600)</u>	<u>(1,429,792)</u>	<u>(831,110)</u>	<u>379,954</u>	<u>(3,937,999)</u>
Other financing sources (uses):						
Transfers in (note 3)	1,600,952	2,550,651	1,743,290	-	1,618,229	7,513,122
Transfers out (note 3)	(1,786,766)	-	(424,413)	-	(5,212,693)	(7,423,872)
Transfers from water authority	1,406,329	275,834	-	-	-	1,682,163
Lease purchase and loan procee	942,639	-	-	-	-	942,639
Issuance of debt	-	-	-	3,075,354	674,646	3,750,000
Total other financing sources (uses)	<u>2,163,154</u>	<u>2,826,485</u>	<u>1,318,877</u>	<u>3,075,354</u>	<u>(2,919,818)</u>	<u>6,464,052</u>
Net change in fund balance	<u>795,703</u>	<u>2,136,885</u>	<u>(110,915)</u>	<u>2,244,244</u>	<u>(2,539,864)</u>	<u>2,526,053</u>
Fund balances at beginning of year, as restated (note 18)	10,916,633	9,319,287	8,968,104	-	15,917,970	45,121,994
Fund balances at end of year	<u>\$ 11,712,336</u>	<u>11,456,172</u>	<u>8,857,189</u>	<u>2,244,244</u>	<u>13,378,106</u>	<u>47,648,047</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO
 Governmental Funds
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to Statement Activities

June 30, 2003

Changes in fund balances of governmental funds	\$ 2,526,053
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	12,594,358
Proceeds from the issuance of bonds is reported as other financing sources in the governmental funds. The issuance of bonds increases liabilities in the statement of net assets, but does not result in an increase in the statement of activities.	(4,642,536)
Retirement of bonds	2,695,000
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,408,780
Accrued interest expense related to the long-term liabilities. This amount is the difference between the amount of interest paid and the amount of interest incurred on long-term liabilities.	(65,357)
To record as an expense the net change in compensated absences in the statement of activities.	(156,094)
To record as an expense the net change in claims payable in the statement of activities	(72,500)
Revenues that are measurable but not available. Amounts are recorded as deferred revenues under the modified accrual basis of accounting.	102,508
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal services funds is reported with governmental activities.	<u>(11,074)</u>
Changes in net assets of governmental activities	<u>\$ 14,379,138</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO
Proprietary Funds
Statement of Fund Net Assets
June 30, 2003

	<u>Business Type Activities NonMajor - Golf Course</u>	<u>Governmental Activities - Internal Service Funds</u>
<u>Assets</u>		
Current assets:		
Cash and investments (note 2)	\$ 946,832	2,750,593
Interest receivable	4,022	7,319
Advances to other funds (note 3)	-	750,000
Prepaid expenses	-	3,359
Inventory	<u>5,857</u>	<u>-</u>
Total current assets	<u>956,711</u>	<u>3,511,271</u>
Non-current assets:		
Capital assets:		
Property, plant and equipment, net (note 5)	<u>551,811</u>	<u>436,232</u>
Total noncurrent assets	<u>551,811</u>	<u>436,232</u>
Total assets	<u>1,508,522</u>	<u>3,947,503</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	34,849	139,675
Accrued payroll	-	13,417
Interest payable	<u>-</u>	<u>9,759</u>
Total current liabilities	<u>34,849</u>	<u>162,851</u>
Noncurrent liabilities:		
Claims payable (note 9)	<u>-</u>	<u>1,157,397</u>
Total noncurrent liabilities	<u>-</u>	<u>1,157,397</u>
Total liabilities	<u>34,849</u>	<u>1,320,248</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	511,811	436,232
Unrestricted	<u>961,862</u>	<u>2,191,023</u>
Total net assets	<u>\$ 1,473,673</u>	<u>2,627,255</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO

Proprietary Funds
 Statement of Revenues, Expenses and Changes in Fund Net Assets
 Year ended June 30, 2003

	Business Type Activities <u>NonMajor - Golf Course</u>	Governmental Activities - <u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 778,585	5,746,162
Other	<u>1,618</u>	<u>175,640</u>
Total operating revenues	<u>780,203</u>	<u>5,921,802</u>
Operating expenses:		
Personnel services	-	558,128
Contractual services	469,705	1,777,347
Depreciation	16,824	258,938
Repairs and maintenance	93,469	627,532
Supplies	74,824	1,562,603
Claims expense	<u>-</u>	<u>1,180,958</u>
Total operating expenses	<u>654,822</u>	<u>5,965,506</u>
Operating income (loss)	<u>125,381</u>	<u>(43,704)</u>
Nonoperating revenues (expenses):		
Investment income	<u>17,932</u>	<u>32,630</u>
Total nonoperating revenues (expenses)	<u>17,932</u>	<u>32,630</u>
Income (loss) before transfers	<u>143,313</u>	<u>(11,074)</u>
Transfers:		
Transfers out (note 3)	<u>(89,250)</u>	<u>-</u>
Total transfers	<u>(89,250)</u>	<u>-</u>
Changes in net assets	54,063	(11,074)
Net assets at beginning of year, as restated (note 18)	<u>1,419,610</u>	<u>2,638,329</u>
Net assets at end of year	<u>\$ 1,473,673</u>	<u>2,627,255</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO
Proprietary Funds
Statement of Cash Flows
Year ended June 30, 2003

	<u>Business Type Activities</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>NonMajor - Golf Course</u>	
Cash flows from operating activities:		
Cash received from customers	\$ 778,585	-
Cash received from user departments	-	5,754,723
Cash payments to suppliers for goods and services	(642,307)	(5,084,871)
Cash payments to employees for services	-	(676,010)
Miscellaneous income	<u>1,618</u>	<u>175,640</u>
Net cash provided by (used for) operating activities	<u>137,896</u>	<u>169,482</u>
Cash flows from noncapital financing activities:		
Cash received from water authority	-	279,735
Cash paid to other funds	<u>(89,250)</u>	<u>-</u>
Net cash provided by (used for) noncapital financing activities	<u>(89,250)</u>	<u>279,735</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	<u>(80,041)</u>	<u>(98,471)</u>
Cash flows from investing activities:		
Interest received on investments	<u>18,238</u>	<u>36,927</u>
Net increase (decrease) in cash and cash equivalents	(13,157)	387,673
Cash and cash equivalents at beginning of year	<u>959,989</u>	<u>2,363,280</u>
Cash and cash equivalents at end of year	<u>\$ 946,832</u>	<u>2,750,953</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO
Proprietary Funds
Statement of Cash Flows
Year ended June 30, 2003

	Business Type Activities	Governmental Activities -
	NonMajor - Golf Course	Internal Service Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 125,381	(43,704)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	16,824	258,938
(Increase) decrease in accounts receivable	-	8,561
(Increase) decrease in inventory	138	54,544
(Increase) decrease in prepaid expenses	-	(3,359)
Increase (decrease) in accounts payable	(4,447)	12,384
Increase (decrease) in accrued payroll	-	13,417
Increase (decrease) in claims payable	-	(131,299)
 Net cash provided by (used for) operating activities	 \$ 137,896	 \$ 169,482

Noncash investing, capital and related financing activities:

During fiscal year 2002-2003, there were no significant noncash investing, capital or related financing activities.

CITY OF INDIO
Fiduciary Funds
Statement of Assets and Liabilities
June 30, 2003

Assets

Cash and investments (note 2)	\$ 604,825
Cash with fiscal agent (note 2)	2,382,999
Due from other governments	189,148
Interest receivable	<u>4,249</u>
 Total assets	 <u><u>\$ 3,181,221</u></u>

Liabilities

Accounts payable	\$ 20,500
Deposits	34,674
Due to bondholders	<u>3,126,047</u>
 Total liabilities	 <u><u>\$ 3,181,221</u></u>

See accompanying notes to the basic financial statements.

CITY OF INDIO

Notes to Basic Financial Statements

Year ended June 30, 2003

(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 government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

(a) Reporting Entity

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

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

Blended Component Units:

- 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.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

- Indio Public Financing Authority

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

- 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.

Since the City Council serves as the governing board for these component units, they are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Discretely Presented Component Unit:

- Indio Water Authority

The Indio Water Authority was established on November 1, 2001 to provide water service on behalf of the City of Indio. Since the governing board is comprised of City Council members, as well as, other citizens of the City of Indio, it is reported as a discretely presented component unit. No separate financial statements of the Indio Water Authority are prepared.

(b) Measurement Focus and Basis of Accounting

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in preparation of the accompanying financial statements.

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The City of Indio has one discretely presented component unit. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Measurement Focus and Basis of Accounting, (Continued)

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

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

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

Fund Financial Statements

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

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are represented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Measurement Focus and Basis of Accounting, (Continued)

Governmental Funds

In the fund financial statement, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

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

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

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

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Measurement Focus and Basis of Accounting, (Continued)

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

Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of long-term receivables are offset by fund balance reserve accounts.

Due to their nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

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

Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the *economic resources measurement focus*. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Measurement Focus and Basis of Accounting, (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as an expenditures. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expenditure. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses.

(c) Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB 34. The City reports the following major governmental funds:

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

Capital Projects Fund – This fund is used to account for capital projects of the City with resources from bond financing, government grants and investment income.

Redevelopment Agency Capital Projects Fund – This fund is used to account for the financial resources to be used for the development and redevelopment of the project areas, including acquisition of properties, cost of site improvements, other costs of benefit to the project area, and administrative expenses incurred in sustaining the Redevelopment Agency of the City of Indio.

2002 Park Bonds Fund – This fund is used to account for the bond proceeds and related expenditures of certain park developments.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(c) Fund Classification, (Continued)

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

Internal Service Funds. These funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. Such goods and services include: worker's compensation, employee accrued liability, data processing equipment and services, equipment maintenance and equipment repair.

Agency Funds. These funds are established to account for assets received and held by the City while acting in the capacity as agents or custodians. Cash and deposits are maintained for activities associated with various associations and third party projects.

(d) Appropriations Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2003, proceeds of taxes did not exceed appropriations.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in 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.

(f) Pooled Cash and Investments

In order to maximize investment return, the City pools its available cash for investment purposes. The City's cash management pool is used essentially as a demand deposit account by the various funds. Therefore, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 9, the City has defined, for purposes of the preparation of its statements of cash flows, cash and cash equivalents as demand deposits plus all investments maintained in its cash management pool, regardless of maturity period.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

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

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

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

(g) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed fixed assets are valued at their estimated fair market value at the date of the contribution. Generally, fixed asset purchases in excess of \$1,000 are capitalized if they have an expected useful life of three years or more.

Capital assets include additions to public domain (infrastructure) general fixed assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. Public domain assets acquired prior to July 1, 2002 have not been included in the accompanying financial statements. The City expects to value and record all infrastructure asset data in its entirety by fiscal year end June 30, 2004.

The following schedule summarizes fixed asset useful lives:

Buildings	20 years
Equipment	3-25 years
Improvements	10-50 years
Infrastructure	5-50 years
Water Wells and pumps	70 years

Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(h) Compensated Absences

Employees can carry forward, for use in subsequent years, earned but unused vacation and sick leave benefits. Upon termination, the City is obligated to compensate employees for all earned but unused vacation days. Upon termination, employees that have provided at least 15 years of service to the City are reimbursed for 50% to 75% of earned but unused sick leave benefits.

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 are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

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.

If material, a proprietary fund liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year end. All other amounts are recorded in the government-wide financial statements. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due.

(i) Advances to Other Funds

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

(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.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(k) 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 11 Second Installment - April 11

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

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

(l) Claims and Judgments

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

(2) Cash and Investments

Cash and investments are reported as follows:

Statement of Net Assets:	
Cash and investments	\$ 44,850,773
Cash and investments with fiscal agent	6,996,337
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	604,825
Cash and investments with fiscal agent	<u>2,382,999</u>
	<u>\$ 54,834,934</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Cash and investments held by the City at June 30, 2003 consisted of the following:

Petty cash	\$ 3,363
Demand deposits	1,927,239
State of California Treasurer's investment pool (LAIF)	<u>43,524,994</u>
Total cash and investments held by the City and the Water Authority	<u>\$45,455,596</u>

Cash and investments held by fiscal agents at June 30, 2003 consisted of the following:

Mutual funds (money market)	<u>\$9,379,338</u>
Total cash and investments held by fiscal agents	<u>\$9,379,338</u>

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

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.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Deposits 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. Category 1 includes deposits that are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 2 also includes deposits collateralized by an interest in an undivided collateral pool held by an authorized Agent of Depository and subject to certain regulatory requirements under State law. Category 3 includes deposits collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name. Category 3 also includes any uncollateralized deposits:

	<u>Category</u>			<u>Bank</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
Deposits held by City and Water Authority:					
Demand deposits	<u>\$100,000</u>	<u>2,981,960</u>	<u>-</u>	<u>3,081,960</u>	<u>1,927,239</u>

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. Category 1 includes investments that are insured or registered or for which the securities are held by the City or the City's custodial agent (which must be a different institution other than the party through which the City purchased the securities) in the City's name. Investments held "in the City's name" include securities held in a separate custodial or fiduciary account and identified as owned by the City in the custodian's internal accounting records. Category 2 includes uninsured and unregistered investments for which the securities are held in the City's name by the dealer's agent (or by the trust department of the dealer if the dealer was a financial institution and another department of the institution purchased the securities for the City). Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer's agent but not in the City's name. Category 3 also includes all securities held by the broker-dealer agent of the City (the party that purchased the securities for the City) regardless of whether or not the securities are being held in the City's name. None of the investments held by the City or its fiscal agents are subject to categorization.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

	<u>Carrying Amount</u>
Investments held by City not subject to categorization:	
Investment in State Treasurer's Investment Pool	\$43,524,994
Investments held by fiscal agent not subject to categorization:	
Investment in mutual funds (Money Market)	<u>9,379,338</u>
	<u>\$52,904,332</u>

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities issued by federal agencies, government-sponsored enterprises, and corporations.

(3) Interfund Receivables, Payables and Transfers

Long-term interfund receivables and payables as of June 30, 2003 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Redevelopment Capital Projects	General Fund	\$ 569,416
Internal Service Funds	General Fund	<u>750,000</u>
Total		<u>\$1,319,416</u>

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

In December 1999, the Redevelopment Capital Projects Fund advanced to the General Fund \$466,908. The note accrues interest at a rate of 5.752% and is due December 29, 2000. The balance outstanding at June 30, 2003 was \$569,416.

Due to/due from other funds as of June 30, 2003 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	2002 Park Bonds Fund	\$ 275,744
	Other Governmental Funds	<u>1,790</u>
		<u>\$ 277,534</u>

These short-term interfund borrowings were made to cover deficits at June 30, 2003.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(3) Interfund Receivables, Payables and Transfers, (Continued)

Transfers in and out for the year ended June 30, 2003 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Capital Projects Fund Other Governmental Funds	\$ 1,185,000 (a) 601,766
Redevelopment Capital Projects Projects Fund	Capital Projects Fund Other Governmental Funds	7,682 416,731
Golf Course Enterprise Fund	General Fund	89,250
Other Governmental Funds	General Fund Capital Projects Fund Redevelopment Capital Projects Fund Other Governmental Funds	1,511,702 (b) 1,357,969 (c) 1,743,290 (d) <u>599,732</u>
		<u>\$7,513,122</u>

Interfund transfers were principally used for the following purposes:

- (a) to fund future City capital projects;
- (b) \$982,602 was from the Gas Tax Fund to reimburse the General Fund for street related expenditures; \$494,740 was from the Public Safety Fund to reimburse the General Fund for public safety related expenditures;
- (c) \$936,243 was from the Measure A Fund for street related purposes and \$421,726 was from the ISTEPA Fund to reimburse the City Capital Projects Fund for previously incurred expenditures;
- (d) to move excess redevelopment agency tax increment funds to the redevelopment agency capital projects fund.

Advances to/from primary government and component unit as of June 30, 2003 are as follows:

Advances from General Fund to:	
Water Authority	<u>\$ 4,856,567</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(3) Interfund Receivables, Payables and Transfers, (Continued)

On July 1, 2001, the Indio Water Authority and the City of Indio entered into a lease agreement that allows the Indio Water Authority to use the assets of the City of Indio's Water Enterprise for a specified period for \$10,000,000. In accordance with generally accepted accounting principles, the underlying inter-entity lease was eliminated and the \$10,000,000 lease payment was recorded as a transfer from the Indio Water Authority to the City's General Fund in fiscal year 2001-2002. \$5,000,000 was paid in cash and the other \$5,000,000 was covered through an advance from the City's General Fund. Interest on the advance is payable monthly at a rate of 6%. Principal installments are payable monthly in increasing amounts from \$7,215 to \$32,055.

(4) Notes Receivable

Outstanding at
June 30, 2003

A promissory note secured by deed of trust for \$2,233,897 was issued to the City by Lawrence M. Chank on March 1, 2002 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 20 years.

\$ 2,144,484

Various first time home buyer notes were issued to homeowners in the amount of \$516,689.

516,689

Notes amounting to \$140,281 were issued as interest-free commercial rehabilitation loans. The principal is due in installments of varying amounts in 1995 through 2001.

21,611

Less: Allowance for doubtful accounts

(28,539)

Total

\$ 2,654,245

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2003 is as follows:

Governmental Activities:

	<u>Balance at June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
Structures and improvements	\$ 5,950,833	67,995	-	6,018,828
Machinery, equipment and vehicles	10,560,439	1,560,613	-	12,121,052
Infrastructure:				
Street network	<u>-</u>	<u>3,869,471</u>	<u>-</u>	<u>3,869,471</u>
Total cost of depreciable assets	<u>16,511,272</u>	<u>5,498,079</u>	<u>-</u>	<u>22,009,351</u>
Less accumulated depreciation:				
Structures and improvements	4,576,013	142,637	-	4,718,650
Machinery, equipment and vehicles	<u>6,488,679</u>	<u>1,209,404</u>	<u>-</u>	<u>7,698,083</u>
Total accumulated depreciation	<u>11,064,692</u>	<u>1,352,041</u>	<u>-</u>	<u>12,416,733</u>
Net depreciable assets	5,446,580	4,146,038	-	9,592,618
Capital assets not depreciated:				
Construction in progress	-	8,287,853	-	8,287,853
Land	<u>918,572</u>	<u>-</u>	<u>-</u>	<u>918,572</u>
Capital assets, net	<u>\$ 6,365,152</u>	<u>12,433,891</u>	<u>-</u>	<u>18,799,043</u>

Depreciation expense, including \$258,938 of internal service depreciation, was charged in the following functions in the Statement of Activities:

General government	\$ 54,082
Public works	419,133
Public safety	811,224
Community development	54,082
Culture and leisure	<u>13,520</u>
	<u>\$ 1,352,041</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets, (Continued)

Business-type activities:

	<u>Balance at June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
Structures and improvements	\$ 92,130	-	-	92,130
Machinery, equipment and vehicles	<u>74,169</u>	<u>80,041</u>	<u>-</u>	<u>154,210</u>
Total cost of depreciable assets	<u>166,299</u>	<u>80,041</u>	<u>-</u>	<u>246,340</u>
Less accumulated depreciation:				
Structures and improvements	23,623	6,225	-	29,848
Machinery, equipment and vehicles	<u>40,224</u>	<u>10,599</u>	<u>-</u>	<u>50,823</u>
Total accumulated depreciation	<u>63,847</u>	<u>16,824</u>	<u>-</u>	<u>80,671</u>
Net depreciable assets	102,452	63,217	-	165,669
Capital assets not depreciated:				
Land	<u>386,142</u>	<u>-</u>	<u>-</u>	<u>386,142</u>
Capital assets, net	<u>\$488,594</u>	<u>63,217</u>	<u>-</u>	<u>551,811</u>

Depreciation expense was charged in the following functions in the Statement of Activities:

Golf \$ 16,824

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets, (Continued)

Component Unit:

	<u>Balance at June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
Structures and improvements	\$ 20,606,088	-	-	20,606,088
Machinery, equipment and vehicles	1,385,530	343,786	-	1,729,316
Utility distribution system	<u>-</u>	<u>1,225,053</u>	<u>-</u>	<u>1,225,053</u>
Total cost of Depreciable assets	<u>21,991,618</u>	<u>1,568,839</u>	<u>-</u>	<u>23,560,457</u>
Less accumulated depreciation:				
Structures and improvements	6,753,687	527,576	-	7,281,263
Machinery, equipment and vehicles	<u>587,277</u>	<u>45,876</u>	<u>-</u>	<u>633,153</u>
Total accumulated depreciation	<u>7,340,964</u>	<u>573,452</u>	<u>-</u>	<u>7,914,416</u>
Net depreciable assets	14,650,654	995,387	-	15,646,041
Capital assets not depreciated:				
Construction in progress	-	331,410	-	331,410
Land	<u>155,777</u>	<u>-</u>	<u>-</u>	<u>155,777</u>
Capital assets, net	<u>\$14,806,431</u>	<u>1,326,797</u>	<u>-</u>	<u>16,133,228</u>

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

Water \$ 573,452

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(6) Changes in Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2003 were as follows:

<u>Governmental activities:</u>	Balance at July 1, 2002, as restated *	Additions	Retirements	Balance at June 30, 2003	Amount Due Within One Year	Amount Due Beyond One Year
Bonds payable:						
1997 Series A Bonds	\$ 1,010,000	-	(30,000)	980,000	30,000	950,000
1997 Series B Bonds	7,430,000	-	(140,000)	7,290,000	150,000	7,140,000
1997 Series C Bonds	2,460,000	-	(40,000)	2,420,000	40,000	2,380,000
1999 Revenue Refunding Bonds	<u>4,120,000</u>	<u>-</u>	<u>(120,000)</u>	<u>4,000,000</u>	<u>120,000</u>	<u>3,880,000</u>
Subtotal	15,020,000	-	(330,000)	14,690,000	340,000	14,350,000
Capital lease obligations	2,659,922	748,227	(1,038,780)	2,369,369	974,516	1,394,853
Special assessment debt	2,695,000	-	(2,695,000)	-	-	-
Participation agreements	120,000	-	(40,000)	80,000	40,000	40,000
Certificates of participation	-	3,750,000	-	3,750,000	-	3,750,000
Loans payable	-	144,309	-	144,309	18,593	125,716
Compensated absences	913,356	615,779	(459,685)	1,069,450	470,000	599,450
Claims payable	<u>1,556,696</u>	<u>350,000</u>	<u>(408,799)</u>	<u>1,497,897</u>	<u>430,000</u>	<u>1,067,897</u>
Subtotal	<u>7,944,974</u>	<u>5,608,315</u>	<u>(4,642,264)</u>	<u>8,911,025</u>	<u>1,933,109</u>	<u>6,977,916</u>
Total	<u>\$ 22,964,974</u>	<u>5,608,315</u>	<u>(4,972,264)</u>	<u>23,601,025</u>	<u>2,273,109</u>	<u>21,327,916</u>
Component Unit:						
Capital lease obligations	\$ 327,278	-	(77,186)	250,092	80,196	169,896
Advance from General Fund	4,948,731	-	(92,164)	4,856,567	97,849	4,758,718
Compensated absences	<u>100,242</u>	<u>28,421</u>	<u>-</u>	<u>128,663</u>	<u>6,000</u>	<u>122,663</u>
Total	<u>\$5,376,251</u>	<u>28,421</u>	<u>(169,350)</u>	<u>5,235,322</u>	<u>184,045</u>	<u>5,051,277</u>

* Interfund advances of \$1,257,193 previously reflected as long-term debt have been recorded as fund liabilities in accordance with GASB 34. Claims liabilities recorded in the internal service fund are considered part of governmental activities.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(7) Obligations under Capital Leases

Component Unit:

SCADA System – A five-year contract was entered into May 9, 2002 for the purchase of a SCADA System. Annual payments consisting of principal and interest are \$89,949. The balance at June 30, 2003 on this contract was \$250,092.

Governmental Activities:

Street Equipment – A four-year contract was entered into November 1, 2001 for the purchase of street equipment. Annual payments consisting of principal and interest are \$68,796. Upon completion of all lease payments the City has the option to purchase the street equipment for \$1. The balance at June 30, 2003 on this contract was \$128,650.

HTE System – A five-year contract was entered into April 10, 2001 for the purchase of an Accounting System. Annual payments consisting of principal and interest are \$174,239. The balance at June 30, 2003 on this contract was \$322,858.

Police Department Computer System Lease – A seven-year contract was entered into April 25, 2000 for the purchase of the police department computer system. Annual payments consisting of principal and interest are \$187,399. The balance at June 30, 2003 on this contract was \$619,780.

Street Sweepers – A five-year contract was entered into September 10, 2001 for the purchase of four street sweepers. Annual payments consisting of principal and interest are \$72,150. Upon completion of all lease payments the City has the option to purchase the street sweepers for \$1. The balance at June 30, 2003 on this contract was \$195,564.

Ford Vehicles – A four-year contract was entered into December 15, 2000 for the purchase of twenty-three Ford vehicles. Annual payments consisting of principal and interest are \$202,719. Upon completion of all lease payments the City has the option to purchase the vehicles for \$1.

An additional four-year contract was entered into September 28, 2001 for the purchase of eleven Ford vehicles. Annual payments consisting of principal and interest are \$151,531. Upon completion of all lease payments the City has the option to purchase the vehicles for \$1.

The balance at June 30, 2003 for the above Ford vehicle contracts was \$474,831.

Ford Pickups – A four-year contract was entered into May 15, 2000 for the purchase of six Ford pickups. Payments of principal and interest are payable in quarterly installments of \$9,873. Upon completion of all lease payments the City has the option to purchase the pickups for \$1.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(7) Obligations under Capital Leases, (Continued)

A three-year contract was entered into September 15, 2000 for the purchase of three Ford pickups. Payments of principal and interest are payable in quarterly installments of \$5,499. Upon completion of all lease payments the City has the option to purchase the pickups for \$1.

An additional four-year contract was entered into January 18, 2002 for the purchase of seven Ford pickups. Annual payments of principal and interest are \$42,268. Upon completion of all lease payments the City has the option to purchase the pickups for \$1.

The balance at June 30, 2003 for the above Ford pickup contracts was \$79,041.

Squad Cars – A four-year contract was entered into September 17, 2002 for the purchase of 12 squad cars. Annual payments of principal and interest are \$199,582. Upon completion of all lease payments the City has the option to purchase the vehicles for \$1. The balance at June 30, 2003 on this contract was \$548,645.

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

Amount of future lease payments for the year ending	Governmental Activities							Totals	Component Unit Scada System
	Street Equipment	HTE System	Police Computer	Sweepers	Ford Vehicles	Ford Pickups	Squad Cars		
June 30,									
2004	68,796	174,239	187,400	72,150	354,250	42,268	-	899,103	89,949
2005	68,797	174,239	187,400	72,150	151,531	42,268	199,582	895,967	89,949
2006	-	-	187,400	72,150	-	-	199,582	459,132	89,949
2007	-	-	187,400	-	-	-	199,583	386,982	-
Less amount representing interest	(8,943)	(25,620)	(129,820)	(20,886)	(30,950)	(5,495)	(50,102)	(271,815)	(19,755)
Present value of future lease payments	<u>\$128,650</u>	<u>322,858</u>	<u>619,780</u>	<u>195,564</u>	<u>474,831</u>	<u>79,041</u>	<u>548,645</u>	<u>2,369,369</u>	<u>250,092</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(8) Other Debt Agreements

Participation Agreement:

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 \$80,000 at June 30, 2003.

Loan Payable:

In July 2003, the City entered into an agreement with the California Energy Commission. Per the agreement, the City received a loan in the amount of \$144,309 for Public Works and Engineering projects. This loan accrues interest at a rate of 3%. Principal payments are due each December 22 and June 22 in amounts ranging from \$7,026 to \$13,431, with the final principal payment on June 22, 2009. The outstanding balance at June 30, 2003 was \$144,309.

(9) 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 currently is 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.

Claims payable in the internal service fund type represent estimates of claims against the City of Indio for workers' compensation. General liability claims payable are recorded in the government-wide financial statements. The estimated claims payable represents the claims administrator's best estimate of the amount to be paid on workers' compensation and general liability claims and incurred but not yet reported claims. The City is self-insured for the first \$250,000 of each workers' compensation claim. The Independent Cities Risk Management Authority (ICRMA) provides insurance coverage for individual workers' compensation claims in excess of \$250,000 up to a maximum regulated by California Statute. An amount of \$1,157,397 was recorded as claims payable in the internal service fund for workers' compensation. ICRMA provides for general liability insurance coverage in excess of \$100,000 with a maximum of \$20,000,000. An amount of \$340,000 was recorded in the General Fund of the City for estimated liability claims payable at June 30, 2003.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(9) Claims Payable/Self Insurance, (continued)

Changes in the claim payable amounts in fiscal years 2002 and 2003 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Prior Year Changes <u>in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2001-02	1,899,000	158,428	(500,732)	1,556,696
2002-03	1,556,696	350,000	(408,799)	1,497,897

(10) Tax Increment Revenue Bonds

Tax Increment Revenue Refunding Bonds, 1997 Series A, B and C

On August 1, 1997, the Authority issued \$1,105,000 of Taxable Tax 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 maturity in principal amounts ranging from \$20,000 to \$95,000, as outlined in the bond indenture. The outstanding balance at June 30, 2003 was \$980,000.

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, 2003 was \$7,290,000.

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, 2003 was \$2,420,000.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(10) Tax Increment Revenue Bonds, (Continued)

Tax Increment Revenue Refunding Bonds, 1997 Series A, B and C (continued)

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 \$284,429. The required amount of the reserve fund for the Series C Bonds was \$200,800. At June 30, 2003, the actual reserves for Series B and C were \$297,731 and \$210,180, 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 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 principal amounts ranging from \$165,000 to \$315,000, as outlined in the bond indenture. The outstanding balance at June 30, 2003 was \$4,000,000.

As required in the official statement, a reserve fund is required to be maintained. The amount to be maintained in the reserve fund is an amount equal to or greater than the maximum annual debt service on the bonds. The required amount of the reserve fund was \$332,779. At June 30, 2003 the actual reserve amount was \$333,377.

Prior Year Defeasance of Debt

In prior years, the City defeased the \$14,000,000 1992 Revenue (Tax Allocation) Bonds placing the proceeds of 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. On June 30, 2003, \$12,420,000 of bonds outstanding are considered defeased.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(11) Certificates of Participation

Certificates of Participation (Parks Improvement Project) 2002 Series A

On October 1, 2002, the City of Indio issued Certificates of Participation 2002 Series A, in the amount of \$3,750,000. The proceeds from the issue will be used to finance certain public improvements to the City's park system. The certificates are in denominations of \$5,000 each and bear interest ranging from 3% to 5.25%. Principal is payable on November 1. Interest is payable semiannually on May 1 and November 1. The outstanding principal balance at June 30, 2003 was \$3,750,000.

As required in the official statement, a reserve fund is required to be maintained. The amount to be maintained in the reserve fund is an amount equal to or greater than ten percent (10%) of the net proceeds of the Certificates. The required amount of the reserve fund was \$375,000. At June 30, 2003, the actual reserve amount was \$375,928.

(12) Debt Service Requirements to Maturity

The annual debt service requirements to maturity for bonds are as follows:

Governmental Activities:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 340,000	810,693
2005	360,000	793,421
2006	375,000	775,002
2007	400,000	755,259
2008	420,000	734,000
2009	440,000	711,318
2010	460,000	687,144
2011	485,000	661,091
2012	515,000	632,927
2013	545,000	602,852
2014	570,000	570,953
2015	605,000	537,196
2016	635,000	501,587
2017	680,000	463,776
2018	720,000	423,442
2019	760,000	380,748
2020	810,000	335,449
2021	840,000	288,880
2022	885,000	241,256
2023	940,000	190,866
2024	515,000	150,295
2025	550,000	120,081
2026	580,000	88,014
2027	615,000	54,093
2028	<u>645,000</u>	<u>18,318</u>
Total	<u>\$ 14,690,000</u>	<u>11,528,661</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(12) Debt Service Requirements to Maturity, (Continued)

The annual debt service requirements to maturity for certificate of participations are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ -	\$ 163,312
2005	210,000	160,163
2006	215,000	153,788
2007	220,000	147,263
2008	230,000	140,513
2009	235,000	132,363
2010	245,000	122,763
2011	255,000	112,763
2012	265,000	102,363
2013	275,000	90,531
2014	290,000	76,388
2015	300,000	60,900
2016	320,000	44,625
2017	335,000	27,431
2018	<u>355,000</u>	<u>9,315</u>
Total	<u>\$ 3,750,000</u>	<u>1,544,481</u>

The annual debt service requirements to maturity for participation agreements are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 40,000	-
2005	<u>40,000</u>	<u>-</u>
Total	<u>\$ 80,000</u>	<u>-</u>

CITY OF INDIO
Notes to Basic Financial Statements
(Continued)

(13) Budget Overages

At June 30, 2003, expenditures exceeded appropriations in the following funds:

	<u>Amount of Excess</u>
General:	
General government	\$ 431,095
Public Safety	1,132,511
Utilities	29,049
Special Revenue:	
Public Safety	114,623
CDBG	2,000
LLEBG	99,588
Measure A	270,054
Air Quality	152,001
Asset Forfeiture	4,800
Debt Service:	
2002 Park COP's	213,959

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(14) 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 Project

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, 2003 was \$1,870,000.

\$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 pledged 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, 2003 was \$11,000,000.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(14) Debt Issued Without Government Commitment, (Continued)

\$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, 2003 was \$11,200,000.

\$5,650,000 City of Indio Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Carreon Villa Project), 1996 Series A

On August 1, 1996 the City of Indio issued \$5,650,000 of 1996 Series A Variable Rate Demand Multifamily Housing Revenue Refunding Bonds. The bonds mature on July 15, 2031. The principal amount of the bonds outstanding at June 30, 2003 was \$5,650,000.

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 assessments 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 the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate. The outstanding principle balance at June 30, 2003 was \$3,020,000.

Assessment District No. 2001-1 Limited Obligation Bonds, Series 2001

The City of Indio issued \$4,840,143 of Limited Obligation Improvement Bonds, Series 2001, on June 28, 2001 to finance the costs of acquisition of certain public improvements serving property within Assessment District No. 2001-1. The bonds consist of \$4,840,143 of term bonds. The term bonds are due on September 2, 2026 and accrue interest at 6.50%. The bonds are secured by unpaid assessments levied against the property owners. The outstanding principal balance at June 30, 2003 was \$4,840,000.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(14) Debt Issued Without Government Commitment, (Continued)

Assessment District No. 2002-1 Limited Obligation Bonds, Series 2002

The city of Indio issued \$4,403,000 of Limited Obligation Improvement Bonds, Series 2002, on May 1, 2002 to finance the costs of acquisition of certain public improvements serving property within Assessment District No. 2002-1. The bonds consist of \$4,403,000 of term bonds. The term bonds are due on September 2, 2027 and accrue interest at rates ranging from 5.25% to 6.50%. The bonds are secured by unpaid assessments levied against the property owners. The outstanding principal balance at June 30, 2003 is \$4,403,000.

Assessment District No. 2002-2

On July 1, 2002, the City of Indio issued Limited Obligation Improvement Bond, Series 2002, in the amount of \$2,761,000. The proceeds from the issue will be used to finance the costs of acquisition of certain public improvements serving property within Assessment District No. 2002-2 of the City. The bonds are not a general obligation of the City of Indio and are secured by the unpaid assessment levied in proceedings against the property owners. The bonds are due September 2, 2027, with interest rates ranging from 4% to 6.125%. The outstanding principal balance at June 30, 2003 was \$2,761,000.

Assessment District No. 2002-3

On November 21, 2002, the City of Indio issued Limited Obligation Improvement Bond, Series 2002, in the amount of \$5,319,050. The proceeds from the issue will be used to finance the costs of acquisition of certain public improvements serving property within Assessment District No. 2002-3 of the City. The bonds are not a general obligation of the City of Indio and are secured by the unpaid assessment levied in proceedings against the property owners. The bonds are due September 2, 2027, with interest rates ranging from 4.6% to 6.6%. The outstanding principal balance at June 30, 2003 was \$5,319,050.

Assessment District No. 90-1, Series 2002

On July 10, 2002, the City of Indio issued Limited Obligation Improvement Bond, Series 2002, in the amount of \$2,260,000. The proceeds from the issue will be used to finance the costs of acquisition of certain public improvements serving property within Assessment District No. 90-1 of the City. The bonds are not a general obligation of the City of Indio and are secured by the unpaid assessment levied in proceedings against the property owners. The bonds are due September 2, 2013, with an interest rate of 4.7%. The outstanding principal balance at June 30, 2003 was \$2,260,000.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(15) 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.

Annual Pension Costs

For 2002-03, the City's annual pension cost (employer contribution) of \$0 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2002, 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 results 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, 2002 was completed and made available by PERS to the City. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of age, service and type of employment, 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 an indefinite period as a level percentage of projected payroll on a closed basis.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(15) Defined Benefit Plan, (Continued)

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>
6/30/01	\$0	100%	0
6/30/02	0	100%	0
6/30/03	0	100%	0

Safety

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/01	\$0	100%	0
6/30/02	0	100%	0
6/30/03	0	100%	0

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>UAAL As a % of Payroll</u>
6/30/00	\$14,415,783	\$22,787,411	(8,371,628)	158.1%	\$4,872,624	(291.4%)
6/30/01	16,033,168	23,429,216	(7,396,048)	146.1%	3,740,234	(197.7%)
6/30/02	17,507,708	21,797,651	(4,289,943)	124.0%	4,298,594	(99.8%)

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>UAAL As a % of Payroll</u>
6/30/00	\$35,813,291	\$47,212,376	(11,399,085)	131.8%	\$2,235,852	(509.8%)
6/30/01	38,371,232	47,897,021	(9,525,789)	124.8%	2,556,467	(372.6%)
6/30/02	40,357,825	43,995,343	(3,637,518)	109.0%	2,716,283	(133.9%)

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(16) 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 2002-03, those costs totaled \$522,241 for 100 such employees.

(17) 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. During fiscal year 2002-2003, payment in the amount of \$1,379,903 was made to the County.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(18) Restatement of Fund Balances/Net Assets

Governmental Activities:

During fiscal year 2002-2003, the City implemented a new accounting standard, GASB 34. Per the requirements of GASB 34, all interfund long term debt previously recorded in the General Long Term Debt Account must now be recorded in the fund responsible for repayment of the debt. In previous fiscal years, the Equipment and Facilities Fund and Redevelopment Agency Capital Projects Fund made advances to General Fund.

	<u>General Fund</u>
Fund balance at beginning of year, as previously reported	\$ 12,586,106
Adjustments:	
Advance made by the Equipment and Facilities Fund, previously recorded in the General Long Term Account Group	(750,000)
Advance made by the Redevelopment Agency Capital Projects Fund, previously recorded in the General Long Term Account Group	(569,416)
Other adjustments	<u>(350,057)</u>
Fund balance at beginning of year, as restated	<u>\$ 10,916,633</u>

Business-type Activities:

During the fiscal year 2002-2003, the City implemented a new accounting standard, GASB 34. Per the requirements of GASB 34, contributed capital is eliminated and combined with retained earnings to create the beginning net asset amount.

	<u>Golf Course</u>
Retained earnings/net assets, as previously reported	\$1,003,469
Adjustments:	
Combine contributed capital and retained earnings to create beginning net assets.	<u>416,141</u>
Retained earnings/net assets at beginning of year, as restated	<u>\$1,419,610</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(19) Changes in Accounting Principle

During the year ended June 30, 2003, the City implemented GASB Statement No. 34, which changed the financial reporting model of local governmental units. As a result, the government-wide financial statements presented in accordance with the accrual basis of accounting and the economic resources measurement focus are required as a part of the basic financial statements. In addition, fund financial statements are required to be presented with a focus on the *major funds* of that local government. Previously, financial reporting for local governments had focused on reporting by *fund type*.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INDIO

Notes to the Required Supplementary Information

Year Ended June 30, 2003

(1) Budgets and Budgetary Data

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

All appropriated amounts are as originally adopted or as amended by the City Council and lapse at year-end. Encumbrances and continuing appropriations are rebudgeted on July 1 by Council action. Original appropriations may be modified by supplementary budget revisions and transfers among budget categories. The City Council approves all budget changes at the department level. 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 general, certain special revenue, certain debt service and certain capital projects funds. Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.

At June 30, 2003, expenditures exceeded appropriations in the following:

General:	<u>Amount of Excess</u>
General government	\$ 431,095
Public safety	1,132,511
Utilities	29,049

**CITY OF INDIO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Budget		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 11,350,540	11,350,540	12,041,719	691,179
Intergovernmental	2,505,600	2,505,600	3,432,509	926,909
Charges for services	3,178,260	3,178,260	4,042,113	863,853
Fines and forfeitures	526,000	526,000	737,028	211,028
Licenses and permits	2,452,900	2,452,900	4,787,462	2,334,562
Franchise fees	740,000	740,000	683,199	(56,801)
Investment income	440,000	440,000	541,927	101,927
Miscellaneous	18,000	18,000	69,703	51,703
Total revenues	<u>21,211,300</u>	<u>21,211,300</u>	<u>26,335,660</u>	<u>5,124,360</u>
Expenditures:				
General government	3,400,660	3,477,880	3,908,975	(431,095)
Public safety	13,511,560	13,887,340	15,019,851	(1,132,511)
Public works	2,184,050	1,885,940	1,657,641	228,299
Transportation	3,329,910	3,186,780	2,305,323	881,457
Community development	3,072,810	3,724,210	2,514,043	1,210,167
Culture and leisure	1,052,030	1,168,560	890,949	277,611
Utilities	1,377,280	1,377,280	1,406,329	(29,049)
Total expenditures	<u>27,928,300</u>	<u>28,707,990</u>	<u>27,703,111</u>	<u>1,004,879</u>
Excess (deficiency) of revenues over (under) expenditures	(6,717,000)	(7,496,690)	(1,367,451)	6,129,239
Other financing sources (uses):				
Transfers in	8,476,790	8,476,790	1,600,952	(6,875,838)
Transfers out	(6,868,410)	(7,468,410)	(1,786,766)	5,681,644
Transfers from component unit	2,022,210	-	1,406,329	1,406,329
Lease purchase and loan proceeds	600,000	600,000	942,639	342,639
Total other financing sources (uses)	<u>4,230,590</u>	<u>1,608,380</u>	<u>2,163,154</u>	<u>554,774</u>
Net change in fund balances	(2,486,410)	(5,888,310)	795,703	6,684,013
Fund balance at beginning of year, as restated	<u>10,916,633</u>	<u>10,916,633</u>	<u>10,916,633</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,430,223</u>	<u>5,028,323</u>	<u>11,712,336</u>	<u>6,684,013</u>

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SUPPLEMENTARY SCHEDULES

CITY OF INDIO
Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2003

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	<u>Totals</u>
<u>Assets</u>				
Cash and investments	\$ 7,316,173	1,459,908	1,538	8,777,619
Cash with fiscal agent	333,377	971,541	3,171,431	4,476,349
Accounts receivable	32,043	-	-	32,043
Interest receivable	34,092	2,738	6	36,836
Notes receivable	516,689	-	-	516,689
Due from other governments	121,984	27,749	-	149,733
	<u>\$ 8,354,358</u>	<u>2,461,936</u>	<u>3,172,975</u>	<u>13,989,269</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 343,594	116,614	-	460,208
Pass-through payable	-	63,775	-	63,775
Deposits payable	85,390	-	-	85,390
Due to other funds	1,790	-	-	1,790
	<u>430,774</u>	<u>180,389</u>	<u>-</u>	<u>611,163</u>
 Fund balances:				
Reserved:				
Notes receivable	516,689	-	-	516,689
Low and moderate housing	625,831	-	-	625,831
Debt service	-	2,281,547	-	2,281,547
Unreserved:				
Designated for special projects and programs	6,781,064	-	-	6,781,064
Designated for capital projects	-	-	3,171,431	3,171,431
Undesignated	-	-	1,544	1,544
	<u>7,923,584</u>	<u>2,281,547</u>	<u>3,172,975</u>	<u>13,378,106</u>
Total fund balances	<u>7,923,584</u>	<u>2,281,547</u>	<u>3,172,975</u>	<u>13,378,106</u>
Total liabilities and fund balances	<u>\$ 8,354,358</u>	<u>2,461,936</u>	<u>3,172,975</u>	<u>13,989,269</u>

CITY OF INDIO
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes Fund Balances

Year ended June 30, 2003

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	<u>Totals</u>
Revenues:				
Taxes	\$ 2,935,529	2,780,001	-	5,715,530
Special assessments	400,762	1,780,152	-	2,180,914
Intergovernmental	534,290	-	-	534,290
Investment income	715	38,318	38,142	77,175
Miscellaneous	406,336	-	-	406,336
Contributions from property owners	-	-	6,434,102	6,434,102
	<u>4,277,632</u>	<u>4,598,471</u>	<u>6,472,244</u>	<u>15,348,347</u>
Expenditures:				
Current:				
General government	243	-	-	243
Public safety	228,851	-	-	228,851
Public works	499,938	-	-	499,938
Community development	2,000	3,000	-	5,000
Low and moderate housing	61,490	-	-	61,490
Debt service:				
Principal	-	4,119,796	-	4,119,796
Interest	-	1,172,819	-	1,172,819
Fiscal charges	-	118,315	-	118,315
Pass-through payments	-	510,053	-	510,053
Capital outlay	<u>270,054</u>	<u>-</u>	<u>7,981,834</u>	<u>8,251,888</u>
Total expenditures	<u>1,062,576</u>	<u>5,923,983</u>	<u>7,981,834</u>	<u>14,968,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,215,056</u>	<u>(1,325,512)</u>	<u>(1,509,590)</u>	<u>379,954</u>
Other financing sources (uses):				
Transfers in	106,749	1,511,480	-	1,618,229
Transfers out	(3,303,897)	(1,743,290)	(165,506)	(5,212,693)
Issuance of debt	<u>-</u>	<u>674,646</u>	<u>-</u>	<u>674,646</u>
Total other financing sources (uses)	<u>(3,197,148)</u>	<u>442,836</u>	<u>(165,506)</u>	<u>(2,919,818)</u>
Net change in fund balances	17,908	(882,676)	(1,675,096)	(2,539,864)
Fund balances at beginning of year	<u>7,905,676</u>	<u>3,164,223</u>	<u>4,848,071</u>	<u>15,917,970</u>
Fund balances at end of year	<u>\$ 7,923,584</u>	<u>2,281,547</u>	<u>3,172,975</u>	<u>13,378,106</u>

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NONMAJOR SPECIAL REVENUE FUNDS

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

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

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 Block Grant (CDBG) Fund - To account for the revenues and expenditures of approved Federal Housing and Community Development Act projects.

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

US Home Public Safety Impact Fund - To account for monies received and expenditures related to the U.S. Home Development.

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 Fund - 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
Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2003

	<u>Gas Tax</u>	<u>Public Safety</u>	<u>Supplemental Law Enforcement</u>	<u>CDBG</u>	<u>LLEBG</u>
<u>Assets</u>					
Cash and investments	\$ 832,644	132,590	369,054	188,823	124,615
Cash with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	-	31,824	-
Interest receivable	5,274	2,469	1,355	-	752
Notes receivable	-	-	-	-	-
Due from other governments	36,944	32,025	-	-	-
	<u>874,862</u>	<u>167,084</u>	<u>370,409</u>	<u>220,647</u>	<u>125,367</u>
Total assets	\$ 874,862	167,084	370,409	220,647	125,367
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	28,667	-	-	4,606
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u>-</u>	<u>28,667</u>	<u>-</u>	<u>-</u>	<u>4,606</u>
Total liabilities	-	28,667	-	-	4,606
<u>Fund balances:</u>					
<u>Reserved for:</u>					
Notes receivable	-	-	-	-	-
Low and moderate housing	-	-	-	-	-
<u>Unreserved:</u>					
Designated for special projects and programs	874,862	138,417	370,409	220,647	120,761
	<u>874,862</u>	<u>138,417</u>	<u>370,409</u>	<u>220,647</u>	<u>120,761</u>
Total fund balances	874,862 ✓	138,417 ✓	370,409 ✓	220,647 ✓	120,761 ✓
Total liabilities and fund balances	\$ 874,862	167,084	370,409	220,647	125,367

US Home
Public Safety
Impact

	<u>ISTEA</u>	<u>Measure A</u>	<u>Article 3</u>	<u>NPDES</u>	<u>Air Quality</u>
56,913	-	4,425,124	54,606	371,418	27,375
-	-	-	-	-	-
-	-	-	-	-	-
83	1,790	18,164	232	1,583	391
-	-	-	-	-	-
-	-	-	23,540	-	14,793
<u>56,996</u>	<u>1,790</u>	<u>4,443,288</u>	<u>78,378</u>	<u>373,001</u>	<u>42,559</u>

-	-	270,054	-	-	5,099
-	-	-	-	-	-
-	1,790	-	-	-	-
<u>-</u>	<u>1,790</u>	<u>270,054</u>	<u>-</u>	<u>-</u>	<u>5,099</u>

-	-	-	-	-	-
-	-	-	-	-	-

<u>56,996</u>	<u>-</u>	<u>4,173,234</u>	<u>78,378</u>	<u>373,001</u>	<u>37,460</u>
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<u>56,996</u> ✓	<u>-</u>	<u>4,173,234</u> ✓	<u>78,378</u> ✓	<u>373,001</u> ✓	<u>37,460</u> ✓
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<u>56,996</u>	<u>1,790</u>	<u>4,443,288</u>	<u>78,378</u>	<u>373,001</u>	<u>42,559</u>
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(Continued)

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CITY OF INDIO
Nonmajor Special Revenue Funds

Combining Balance Sheet

(Continued)

	Business Improvement <u>District</u>	Lighting and <u>Landscaping</u>	Asset <u>Forfeiture</u>	Low and Moderate <u>Housing</u>	<u>Total</u>
<u>Assets</u>					
Cash and investments	\$ 726	385,311	61,727	285,247	7,316,173
Cash with fiscal agent	-	-	-	333,377	333,377
Accounts receivable	4	-	215	-	32,043
Interest receivable	-	1,729	-	270	34,092
Notes receivable	-	-	-	516,689	516,689
Due from other governments	-	7,745	-	6,937	121,984
Total assets	\$ 730	394,785	61,942	1,142,520	8,354,358
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	35,168	-	-	343,594
Deposits payable	-	70,500	14,890	-	85,390
Due to other funds	-	-	-	-	1,790
Total liabilities	-	105,668	14,890	-	430,774
 Fund balances:					
Reserved:					
Notes receivable	-	-	-	516,689	516,689
Low and moderate housing	-	-	-	625,831	625,831
Unreserved:					
Designated for special projects and programs	730	289,117	47,052	-	6,781,064
Total fund balances	730	289,117	47,052	1,142,520	7,923,584
Total liabilities and fund balances	\$ 730	394,785	61,942	1,142,520	8,354,358

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CITY OF INDIO
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

June 30, 2003

	<u>Gas Tax</u>	<u>Public Safety</u>	<u>Supplemental Law Enforcement</u>	<u>CDBG</u>	<u>LLEBG</u>
Revenues:					
Taxes	\$ 982,602	239,200	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental	136,181	119,457	100,132	-	75,884
Investment income	-	-	-	-	-
Miscellaneous	23,513	141,630	6,040	-	3,351
Total revenues	<u>1,142,296</u>	<u>500,287</u>	<u>106,172</u>	<u>-</u>	<u>79,235</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	114,623	-	-	109,428
Public works	-	-	-	-	-
Community development	-	-	-	2,000	-
Low and moderate housing	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>114,623</u>	<u>-</u>	<u>2,000</u>	<u>109,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,142,296</u>	<u>385,664</u>	<u>106,172</u>	<u>(2,000)</u>	<u>(30,193)</u>
Other financing sources (uses):					
Transfers in	104,983	-	-	-	-
Transfers out	<u>(982,602)</u>	<u>(494,740)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(877,619)</u>	<u>(494,740)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	264,677	(109,076)	106,172	(2,000)	(30,193)
Fund balances at the beginning of the year	<u>610,185</u>	<u>247,493</u>	<u>264,237</u>	<u>222,647</u>	<u>150,954</u>
Fund balances at the end of the year	<u>\$ 874,862</u>	<u>138,417</u>	<u>370,409</u>	<u>220,647</u>	<u>120,761</u>

US Home Public Safety Impact	ISTEA	Measure A	Article 3	NPDES	Air Quality
-	-	1,018,727	-	-	-
-	-	-	-	-	-
-	-	-	23,540	-	79,096
-	-	-	-	-	-
<u>40,968</u>	<u>7,985</u>	<u>80,985</u>	<u>1,037</u>	<u>7,056</u>	<u>1,744</u>
<u>40,968</u>	<u>7,985</u>	<u>1,099,712</u>	<u>24,577</u>	<u>7,056</u>	<u>80,840</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	169,681
-	-	-	-	-	-
-	-	-	-	-	-
-	-	270,054	-	-	-
-	-	270,054	-	-	169,681
<u>40,968</u>	<u>7,985</u>	<u>829,658</u>	<u>24,577</u>	<u>7,056</u>	<u>(88,841)</u>
-	-	-	-	-	1,766
-	(421,726)	(1,041,226)	-	-	-
-	(421,726)	(1,041,226)	-	-	1,766
40,968	(413,741)	(211,568)	24,577	7,056	(87,075)
<u>16,028</u>	<u>413,741</u>	<u>4,384,802</u>	<u>53,801</u>	<u>365,945</u>	<u>124,535</u>
<u>56,996</u>	<u>-</u>	<u>4,173,234</u>	<u>78,378</u>	<u>373,001</u>	<u>37,460</u>

(Continued)

CITY OF INDIO

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

(Continued)

	Business Improvement District	Lighting and Landscaping	Asset Forfeiture	Low and Moderate Housing	Total
Revenues:					
Taxes	\$ -	-	-	695,000	2,935,529
Special assessments	-	400,762	-	-	400,762
Intergovernmental	-	-	-	-	534,290
Investment income	-	-	-	715	715
Miscellaneous	14	22,356	55,207	14,450	406,336
	<u>14</u>	<u>423,118</u>	<u>55,207</u>	<u>710,165</u>	<u>4,277,632</u>
Expenditures:					
Current:					
General government	243	-	-	-	243
Public safety	-	-	4,800	-	228,851
Public works	-	330,257	-	-	499,938
Community development	-	-	-	-	2,000
Low and moderate housing	-	-	-	61,490	61,490
Capital outlay	-	-	-	-	270,054
Total expenditures	<u>243</u>	<u>330,257</u>	<u>4,800</u>	<u>61,490</u>	<u>1,062,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(229)</u>	<u>92,861</u>	<u>50,407</u>	<u>648,675</u>	<u>3,215,056</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	106,749
Transfers out	-	(34,360)	-	(329,243)	(3,303,897)
Total other financing sources (uses)	<u>-</u>	<u>(34,360)</u>	<u>-</u>	<u>(329,243)</u>	<u>(3,197,148)</u>
Net change in fund balances	(229)	58,501	50,407	319,432	17,908
Fund balances at the beginning of the year	<u>959</u>	<u>230,616</u>	<u>(3,355)</u>	<u>823,088</u>	<u>7,905,676</u>
Fund balances at the end of the year	<u>\$ 730</u>	<u>289,117</u>	<u>47,052</u>	<u>1,142,520</u>	<u>7,923,584</u>

CITY OF INDIO
GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Taxes	\$ 960,000	982,602	22,602
Intergovernmental	-	136,181	136,181
Miscellaneous	-	23,513	23,513
	<u>960,000</u>	<u>1,142,296</u>	<u>182,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>960,000</u>	<u>1,142,296</u>	<u>182,296</u>
Other financing sources (uses):			
Transfers in	-	104,983	104,983
Transfers out	<u>(960,000)</u>	<u>(982,602)</u>	<u>(22,602)</u>
Total other financing sources (uses)	<u>(960,000)</u>	<u>(877,619)</u>	<u>82,381</u>
Net change in fund balances	-	264,677	264,677
Fund balances at beginning of year	<u>610,185</u>	<u>610,185</u>	<u>-</u>
Fund balances at end of year	<u>\$ 610,185</u>	<u>874,862</u>	<u>264,677</u>

CITY OF INDIO
PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Taxes	\$ 115,000	239,200	124,200
Intergovernmental	23,900	119,457	95,557
Miscellaneous	<u>74,510</u>	<u>141,630</u>	<u>67,120</u>
Total revenues	<u>213,410</u>	<u>500,287</u>	<u>286,877</u>
Expenditures:			
Current:			
Public safety	<u>77,775</u>	<u>114,623</u>	<u>(36,848)</u>
Total expenditures	<u>77,775</u>	<u>114,623</u>	<u>(36,848)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>135,635</u>	<u>385,664</u>	<u>250,029</u>
Other financing sources (uses):			
Transfers out	<u>(271,130)</u>	<u>(494,740)</u>	<u>(223,610)</u>
Total other financing sources (uses)	<u>(271,130)</u>	<u>(494,740)</u>	<u>(223,610)</u>
Net change in fund balances	(135,495)	(109,076)	26,419
Fund balances at beginning of year	<u>247,493</u>	<u>247,493</u>	<u>-</u>
Fund balances at end of year	<u>\$ 111,998</u>	<u>138,417</u>	<u>26,419</u>

CITY OF INDIO
SUPPLEMENTAL LAW ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 10,610	100,132	89,522
Miscellaneous	<u>-</u>	<u>6,040</u>	<u>6,040</u>
Total revenues	<u>10,610</u>	<u>106,172</u>	<u>95,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,610</u>	<u>106,172</u>	<u>95,562</u>
Other financing sources (uses):			
Transfers out	<u>(10,610)</u>	<u>-</u>	<u>10,610</u>
Total other financing sources (uses)	<u>(10,610)</u>	<u>-</u>	<u>10,610</u>
Net change in fund balances	-	106,172	106,172
Fund balances at beginning of year	<u>264,237</u>	<u>264,237</u>	<u>-</u>
Fund balances at end of year	<u>\$ 264,237</u>	<u>370,409</u>	<u>106,172</u>

CITY OF INDIO
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 128,030	-	(128,030)
Total revenues	<u>128,030</u>	<u>-</u>	<u>(128,030)</u>
Expenditures:			
Current:			
Community development	-	2,000	(2,000)
Total expenditures	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,030</u>	<u>(2,000)</u>	<u>(130,030)</u>
Other financing sources (uses):			
Transfers out	<u>(128,030)</u>	<u>-</u>	<u>(128,030)</u>
Total other financing sources (uses)	<u>(128,030)</u>	<u>-</u>	<u>(128,030)</u>
Net change in fund balances	-	(2,000)	(2,000)
Fund balances at beginning of year	<u>222,647</u>	<u>222,647</u>	<u>-</u>
Fund balances at end of year	<u>\$ 222,647</u>	<u>220,647</u>	<u>(2,000)</u>

CITY OF INDIO
LOCAL LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 67,820	75,884	8,064
Miscellaneous	-	3,351	3,351
	<u>67,820</u>	<u>79,235</u>	<u>11,415</u>
Expenditures:			
Current:			
Public safety	9,840	109,428	(99,588)
Total expenditures	<u>9,840</u>	<u>109,428</u>	<u>(99,588)</u>
Excess (deficiency) of revenues over (under) expenditures	57,980	(30,193)	(88,173)
Fund balances at beginning of year	<u>150,954</u>	<u>150,954</u>	-
Fund balances at end of year	<u><u>\$ 208,934</u></u>	<u><u>120,761</u></u>	<u><u>(88,173)</u></u>

CITY OF INDIO
US HOME PUBLIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Miscellaneous	\$ -	40,968	40,968
	<u> </u>	<u> </u>	<u> </u>
Total revenues	-	40,968	40,968
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	-	40,968	40,968
	<u> </u>	<u> </u>	<u> </u>
Fund balances at beginning of year	16,028	16,028	-
	<u> </u>	<u> </u>	<u> </u>
Fund balances at end of year	<u>\$ 16,028</u>	<u>56,996</u>	<u>40,968</u>

CITY OF INDIO
ISTEA SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Miscellaneous	\$ -	7,985	7,985
Total revenues	<u>-</u>	<u>7,985</u>	<u>7,985</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>7,985</u>	<u>7,985</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(421,726)</u>	<u>(421,726)</u>
Total other financing sources (uses)	<u>-</u>	<u>(421,726)</u>	<u>(421,726)</u>
Net change in fund balances	-	(413,741)	(413,741)
Fund balances at beginning of year	<u>413,741</u>	<u>413,741</u>	<u>-</u>
Fund balances at end of year	<u>\$ 413,741</u>	<u>-</u>	<u>(413,741)</u>

CITY OF INDIO
MEASURE A SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Taxes	\$ 900,000	1,018,727	118,727
Miscellaneous	-	80,985	80,985
Total revenues	<u>900,000</u>	<u>1,099,712</u>	<u>199,712</u>
Expenditures:			
Capital outlay	-	270,054	(270,054)
Total expenditures	<u>-</u>	<u>270,054</u>	<u>(270,054)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>900,000</u>	<u>829,658</u>	<u>(70,342)</u>
Other financing sources (uses):			
Transfers out	-	(1,041,226)	(1,041,226)
Total other financing sources (uses)	<u>-</u>	<u>(1,041,226)</u>	<u>(1,041,226)</u>
Net change in fund balances	900,000	(211,568)	(1,111,568)
Fund balances at beginning of year	<u>4,384,802</u>	<u>4,384,802</u>	<u>-</u>
Fund balances at end of year	<u>\$5,284,802</u>	<u>4,173,234</u>	<u>(1,111,568)</u>

CITY OF INDIO
ARTICLE 3 (SB 821) SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Intergovernmental	\$ -	23,540	23,540
Miscellaneous	-	1,037	1,037
	<hr/>	<hr/>	<hr/>
Total Revenues	-	24,577	24,577
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures)	-	24,577	24,577
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	53,801	53,801	-
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	<u>\$ 53,801</u>	<u>78,378</u>	<u>24,577</u>

CITY OF INDIO
NPDES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Miscellaneous	\$ -	7,056	7,056
	<u> </u>	<u> </u>	<u> </u>
Total revenues	-	7,056	7,056
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	-	7,056	7,056
	<u> </u>	<u> </u>	<u> </u>
Fund balances at beginning of year	365,945	365,945	-
	<u> </u>	<u> </u>	<u> </u>
Fund balances at end of year	\$ 365,945	373,001	7,056
	<u> </u>	<u> </u>	<u> </u>

CITY OF INDIO
AIR QUALITY (AB2766/CMAQ) SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Intergovernmental	\$ 53,040	79,096	26,056
Miscellaneous	-	1,744	1,744
	<u>53,040</u>	<u>80,840</u>	<u>27,800</u>
Total revenues			
Expenditures:			
Current:			
Public works	17,680	169,681	(152,001)
	<u>17,680</u>	<u>169,681</u>	<u>(152,001)</u>
Total expenditures			
	<u>17,680</u>	<u>169,681</u>	<u>(152,001)</u>
Excess (deficiency) of revenues over (under) expenditures			
	<u>35,360</u>	<u>(88,841)</u>	<u>(124,201)</u>
Other financing sources (uses):			
Transfers in	-	1,766	1,766
	<u>-</u>	<u>1,766</u>	<u>1,766</u>
Net change in fund balances			
	35,360	(87,075)	(122,435)
Fund balances at beginning of year			
	<u>124,535</u>	<u>124,535</u>	<u>-</u>
Fund balances at end of year			
	<u>\$ 159,895</u>	<u>37,460</u>	<u>(122,435)</u>

CITY OF INDIO
BUSINESS IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Miscellaneous	\$ -	14	14
	<u>-</u>	<u>14</u>	<u>14</u>
Total revenues			
Expenditures:			
Current:			
General government	-	243	(243)
	<u>-</u>	<u>243</u>	<u>(243)</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	-	(229)	(229)
Fund balances at beginning of year	<u>959</u>	<u>959</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 959</u></u>	<u><u>730</u></u>	<u><u>(229)</u></u>

CITY OF INDIO
LIGHTING AND LANDSCAPING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Special assessments	\$ 387,330	400,762	13,432
Miscellaneous	-	22,356	22,356
	<hr/>	<hr/>	<hr/>
Total revenues	387,330	423,118	35,788
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Public works	364,480	330,257	34,223
	<hr/>	<hr/>	<hr/>
Total expenditures	364,480	330,257	34,223
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	22,850	92,860	70,010
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers out	(34,360)	(34,360)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(11,510)	58,500	70,010
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	230,616	230,616	-
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	<u>\$ 219,106</u>	<u>289,116</u>	<u>70,010</u>

CITY OF INDIO
ASSET FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Miscellaneous	\$ 13,800	55,207	41,407
Total revenues	<u>13,800</u>	<u>55,207</u>	<u>41,407</u>
Expenditures:			
Current:			
Public safety	-	4,800	(4,800)
Total expenditures	<u>-</u>	<u>4,800</u>	<u>(4,800)</u>
Excess (deficiency) of revenues over (under) expenditures	13,800	50,407	36,607
Fund balances (deficits) at beginning of year	<u>(3,355)</u>	<u>(3,355)</u>	-
Fund balances at end of year	<u>\$ 10,445</u>	<u>47,052</u>	<u>36,607</u>

CITY OF INDIO
LOW AND MODERATE HOUSING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive <u>(Negative)</u>
Revenues:			
Taxes	\$ 639,800	695,000	55,200
Investment income	80,000	715	(79,285)
Miscellaneous	-	14,450	14,450
	<u>719,800</u>	<u>710,165</u>	<u>(9,635)</u>
Expenditures:			
Current:			
Community development	745,590	61,490	684,100
	<u>745,590</u>	<u>61,490</u>	<u>684,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,790)</u>	<u>648,675</u>	<u>674,465</u>
Other financing sources (uses):			
Transfers out	<u>(496,720)</u>	<u>(329,243)</u>	<u>167,477</u>
Total other financing sources (uses)	<u>(496,720)</u>	<u>(329,243)</u>	<u>167,477</u>
Net change in fund balances	(522,510)	319,432	841,942
Fund balances at beginning of year	<u>823,088</u>	<u>823,088</u>	<u>-</u>
Fund balances at end of year	<u>\$ 300,578</u>	<u>1,142,520</u>	<u>841,942</u>

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NONMAJOR 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.

2002 Park COP's - To accumulate funds for the payment of principal and interest associated with certain certificates of participation.

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 objectives of the Indio Centre and Date 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
Nonmajor Debt Service Funds

Combining Balance Sheet

June 30, 2003

	Shadow Hills Assessment <u>District</u>	2002 Park COP's	Redevelopment <u>Agency</u>	General <u>Debt Service</u>	<u>Total</u>
<u>Assets</u>					
Cash and investments	\$ -	-	268,743	1,191,165	1,459,908
Cash with fiscal agent	-	463,624	507,917	-	971,541
Due from other governments	-	-	27,749	-	27,749
Interest receivable	-	-	2,738	-	2,738
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ -	463,624	807,147	1,191,165	2,461,936
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Fund Balances</u>					
Accounts payable	\$ -	-	114,614	2,000	116,614
Pass-through payable	-	-	63,775	-	63,775
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	-	-	178,389	2,000	180,389
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances:					
Reserved:					
Debt service	-	463,624	628,758	1,189,165	2,281,547
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ -	463,624	807,147	1,191,165	2,461,936
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF INDIO
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

Year ended June 30, 2003

	Shadow Hills Assessment <u>District</u>	2002 Park COP's	Redevelopment <u>Agency</u>	General <u>Debt Service</u>	<u>Total</u>
Revenues:					
Taxes	\$ -	-	2,780,001	-	2,780,001
Special assessments	1,780,152	-	-	-	1,780,152
Investment income	15,812	2,937	17,213	2,356	38,318
Total revenues	<u>1,795,964</u>	<u>2,937</u>	<u>2,797,214</u>	<u>2,356</u>	<u>4,598,471</u>
Expenditures:					
Current:					
Community development	-	-	3,000	-	3,000
Debt service:					
Principal	2,695,000	-	330,000	1,094,796	4,119,796
Interest	86,286	213,959	716,429	156,145	1,172,819
Fiscal charges	-	-	118,315	-	118,315
Pass-through payments	-	-	510,053	-	510,053
Total expenditures	<u>2,781,286</u>	<u>213,959</u>	<u>1,677,797</u>	<u>1,250,941</u>	<u>5,923,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(985,322)</u>	<u>(211,022)</u>	<u>1,119,417</u>	<u>(1,248,585)</u>	<u>(1,325,512)</u>
Other financing sources (uses):					
Transfers in	165,506	-	745,974	600,000	1,511,480
Transfers out	-	-	(1,743,290)	-	(1,743,290)
Issuance of debt	-	674,646	-	-	674,646
Total other financing sources (uses)	<u>165,506</u>	<u>674,646</u>	<u>(997,316)</u>	<u>600,000</u>	<u>442,836</u>
Net change in fund balances	<u>(819,816)</u>	<u>463,624</u>	<u>122,101</u>	<u>(648,585)</u>	<u>(882,676)</u>
Fund balances at beginning of year	<u>819,816</u>	<u>-</u>	<u>506,657</u>	<u>1,837,750</u>	<u>3,164,223</u>
Fund balances at end of year	<u>\$ -</u>	<u>463,624</u>	<u>628,758</u>	<u>1,189,165</u>	<u>2,281,547</u>

CITY OF INDIO
SHADOW HILLS ASSESSMENT DISTRICT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Contributions from property owners	\$ 1,800,000	1,780,152	(19,848)
Investment income	-	15,812	15,812
	<u>1,800,000</u>	<u>1,795,964</u>	<u>(4,036)</u>
Expenditures:			
Debt service:			
Principal	2,695,000	2,695,000	-
Interest	90,000	86,286	(3,714)
	<u>2,785,000</u>	<u>2,781,286</u>	<u>(3,714)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(985,000)</u>	<u>(985,322)</u>	<u>(322)</u>
Other financing sources (uses):			
Transfers in	-	165,506	165,506
	<u>-</u>	<u>165,506</u>	<u>165,506</u>
Total other financing sources (uses)	<u>-</u>	<u>165,506</u>	<u>165,506</u>
Net change in fund balances	(985,000)	(819,816)	165,184
Fund balances at beginning of year	<u>819,816</u>	<u>819,816</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ (165,184)</u></u>	<u><u>-</u></u>	<u><u>165,184</u></u>

CITY OF INDIO
2002 PARK COP'S DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:			
Investment income	\$ -	2,937	2,937
Total revenues	<u>-</u>	<u>2,937</u>	<u>2,937</u>
Expenditures			
Debt Service:			
Interest	-	213,959	(213,959)
Total expenditures	<u>-</u>	<u>213,959</u>	<u>(213,959)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(211,022)</u>	<u>(211,022)</u>
Other financing sources (uses):			
Issuance of debt	-	674,646	674,646
Total other financing sources (uses)	<u>-</u>	<u>674,646</u>	<u>674,646</u>
Net change in fund balances	-	463,624	463,624
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>463,624</u>	<u>463,624</u>

**CITY OF INDIO
REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
Revenues:			
Taxes	\$ 2,559,200	2,780,001	220,801
Investment income	-	17,213	17,213
	<u>2,559,200</u>	<u>2,797,214</u>	<u>238,014</u>
Total revenues			
	<u>2,559,200</u>	<u>2,797,214</u>	<u>238,014</u>
Expenditures:			
Current:			
Community development	-	3,000	(3,000)
Debt service:			
Principal	330,000	330,000	-
Interest	335,600	716,429	(380,829)
Fiscal charges	-	118,315	(118,315)
Pass-through payments	1,121,400	510,053	611,347
	<u>1,787,000</u>	<u>1,677,797</u>	<u>109,203</u>
Total expenditures			
	<u>1,787,000</u>	<u>1,677,797</u>	<u>109,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>772,200</u>	<u>1,119,417</u>	<u>347,217</u>
Other financing sources (uses):			
Transfers in	-	745,974	745,974
Transfer out	-	(1,743,290)	(1,743,290)
	<u>-</u>	<u>(997,316)</u>	<u>(997,316)</u>
Total other financing sources (uses)			
	<u>-</u>	<u>(997,316)</u>	<u>(997,316)</u>
Net change in fund balances	772,200	122,101	(650,099)
Fund balances at beginning of year	<u>506,657</u>	<u>506,657</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,278,857</u>	<u>628,758</u>	<u>(650,099)</u>

**CITY OF INDIO
GENERAL DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:			
Investment income	\$ -	2,356	2,356
	<u>-</u>	<u>2,356</u>	<u>2,356</u>
Total revenues			
Expenditures:			
Debt service:			
Principal	1,132,050	1,094,796	37,254
Interest	1,247,750	156,145	1,091,605
	<u>2,379,800</u>	<u>1,250,941</u>	<u>1,128,859</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(2,379,800)</u>	<u>(1,248,585)</u>	<u>1,131,215</u>
Other financing sources (uses):			
Transfers in	1,930,280	600,000	(1,330,280)
	<u>1,930,280</u>	<u>600,000</u>	<u>(1,330,280)</u>
Total other financing sources (uses)			
Net change in fund balances	(449,520)	(648,585)	(199,065)
Fund balances at beginning of year	<u>1,837,750</u>	<u>1,837,750</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,388,230</u>	<u>1,189,165</u>	<u>(199,065)</u>

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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:

Nonmajor Capital Projects Funds:

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.

Assessment District 99-1 Fund - To account for the revenues and expenditures associated with construction in Assessment District 99-1.

Assessment District 01-1 Fund - To account for the revenues and expenditures associated with construction in Assessment District 01-1.

Assessment District 02-1 Fund - To account for the revenues and expenditures associated with construction in Assessment District 02-1.

Assessment District 02-2 Fund - To account for the revenues and expenditures associated with construction in Assessment District 02-2.

Assessment District 02-3 Fund - To account for revenues and expenditures associated with construction in Assessment District 02-3.

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

Major Capital Projects Funds:

Capital Projects Fund - This fund is used to account for capital projects of the City with resources from bond financing, government grants and investment income.

Redevelopment Capital Projects Fund - This fund is used to account for the financial resources to be used for the development and redevelopment of the redevelopment project areas, including acquisition of properties, cost of site improvements, other costs of benefit to the project area, and administrative expenses incurred in sustaining the Redevelopment Agency of the City of Indio.

2002 Park Bonds Fund - This fund is used to account for the bond proceeds and expenditures associated with certain park developments.

CITY OF INDIO
Nonmajor Capital Projects Funds

Combining Balance Sheet

June 30, 2003

	<u>State Park Bond Act</u>	<u>Assessment District 99-1</u>	<u>Assessment District 01-1</u>	<u>Assessment District 02-1</u>
<u>Assets</u>				
Cash and investments	\$ 1,538	-	-	-
Cash with fiscal agent	-	214,338	774,639	487,684
Interest receivable	6	-	-	-
Total assets	<u>\$ 1,544</u>	<u>214,338</u>	<u>774,639</u>	<u>487,684</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Total liabilities	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Unreserved:				
Designated	-	214,338	774,639	487,684
Undesignated	1,544	-	-	-
Total fund balances	<u>1,544</u>	<u>214,338</u>	<u>774,639</u>	<u>487,684</u>
Total liabilities and fund balances	<u>\$ 1,544</u>	<u>214,338</u>	<u>774,639</u>	<u>487,684</u>
	303	410	411	412

Assessment District 02-2	Assessment District 02-3	Shadow Hills Assessment District	Total
-	-	-	1,538
1,468,610	226,160	-	3,171,431
-	-	-	6
<u>1,468,610</u>	<u>226,160</u>	<u>-</u>	<u>3,172,975</u>
-	-	-	-
1,468,610	226,160	-	3,171,431
-	-	-	1,544
<u>1,468,610</u>	<u>226,160</u>	<u>-</u>	<u>3,172,975</u>
<u>1,468,610</u>	<u>226,160</u>	<u>-</u>	<u>3,172,975</u>
413	414		

CITY OF INDIO
Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

Year ended June 30, 2003

	State Park Bond Act	Assessment District 99-1	Assessment District 01-1	Assessment District 02-1
Revenues:				
Investment income	\$ 29	-	-	-
Contributions from property owners	-	-	-	-
Total revenues	<u>29</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital outlay	-	17,542	309,603	2,880,376
Total expenditures	<u>-</u>	<u>17,542</u>	<u>309,603</u>	<u>2,880,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29</u>	<u>(17,542)</u>	<u>(309,603)</u>	<u>(2,880,376)</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	29	(17,542)	(309,603)	(2,880,376)
Fund balance at beginning of year	<u>1,515</u>	<u>231,880</u>	<u>1,084,242</u>	<u>3,368,060</u>
Fund balances at end of year	<u>\$ 1,544</u>	<u>214,338</u>	<u>774,639</u>	<u>487,684</u>

Assessment District 02-2	Assessment District 02-3	Shadow Hills Assessment District	Total
18,491	16,490	3,132	38,142
<u>2,257,775</u>	<u>4,176,327</u>	<u>-</u>	<u>6,434,102</u>
<u>2,276,266</u>	<u>4,192,817</u>	<u>3,132</u>	<u>6,472,244</u>
<u>807,656</u>	<u>3,966,657</u>	<u>-</u>	<u>7,981,834</u>
<u>807,656</u>	<u>3,966,657</u>	<u>-</u>	<u>7,981,834</u>
<u>1,468,610</u>	<u>226,160</u>	<u>3,132</u>	<u>(1,509,590)</u>
<u>-</u>	<u>-</u>	<u>(165,506)</u>	<u>(165,506)</u>
<u>-</u>	<u>-</u>	<u>(165,506)</u>	<u>(165,506)</u>
1,468,610	226,160	(162,374)	(1,675,096)
<u>-</u>	<u>-</u>	<u>162,374</u>	<u>4,848,071</u>
<u><u>1,468,610</u></u>	<u><u>226,160</u></u>	<u><u>-</u></u>	<u><u>3,172,975</u></u>

CITY OF INDIO
STATE PARK BOND ACT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
Revenues:			
Investment income	\$ -	29	29
	<u> </u>	<u> </u>	<u> </u>
Total revenues	-	29	29
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	-	29	29
	<u> </u>	<u> </u>	<u> </u>
Fund balances at beginning of year	1,515	1,515	-
	<u> </u>	<u> </u>	<u> </u>
Fund balances at end of year	\$ 1,515	1,544	29
	<u> </u>	<u> </u>	<u> </u>

CITY OF INDIO
ASSESSMENT DISTRICT 99-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Expenditures:			
Capital outlay	\$ 231,880	<u>17,542</u>	<u>214,338</u>
Total expenditures	<u>231,880</u>	<u>17,542</u>	<u>214,338</u>
Excess (deficiency) of revenues over (under) expenditures	(231,880)	(17,542)	214,338
Fund balances at beginning of year	<u>231,880</u>	<u>231,880</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>214,338</u>	<u>214,338</u>

CITY OF INDIO
ASSESSMENT DISTRICT 01-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
Expenditures:			
Capital outlay	<u>\$1,084,242</u>	<u>309,603</u>	<u>774,639</u>
Total expenditures	<u>1,084,242</u>	<u>309,603</u>	<u>774,639</u>
Excess (deficiency) of revenues over (under) expenditures	(1,084,242)	(309,603)	774,639
Fund balances at beginning of year	<u>1,084,242</u>	<u>1,084,242</u>	<u>-</u>
Fund balances at end of yer	<u>\$ -</u>	<u>774,639</u>	<u>774,639</u>

CITY OF INDIO
ASSESSMENT DISTRICT 02-1 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures:			
Capital outlay	<u>\$3,368,060</u>	<u>2,880,376</u>	<u>487,684</u>
Total expenditures	<u>3,368,060</u>	<u>2,880,376</u>	<u>487,684</u>
Excess (deficiency) of revenues over (under) expenditures	(3,368,060)	(2,880,376)	487,684
Fund balances at beginning of year	<u>3,368,060</u>	<u>3,368,060</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>487,684</u>	<u>487,684</u>

CITY OF INDIO
ASSESSMENT DISTRICT 02-2 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
Revenues:			
Investment income	\$ -	18,491	18,491
Contributions from property owners	<u>2,257,775</u>	<u>2,257,775</u>	<u>-</u>
Total revenues	<u>2,257,775</u>	<u>2,276,266</u>	<u>18,491</u>
Expenditures:			
Capital outlay	<u>2,257,775</u>	<u>807,656</u>	<u>1,450,119</u>
Total expenditures	<u>2,257,775</u>	<u>807,656</u>	<u>1,450,119</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,468,610	1,468,610
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>1,468,610</u>	<u>1,468,610</u>

CITY OF INDIO
ASSESSMENT DISTRICT 02-3 CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
Revenues:			
Investment income	\$ -	16,490	16,490
Contributions from property owners	<u>4,176,327</u>	<u>4,176,327</u>	<u>-</u>
Total revenues	<u>4,176,327</u>	<u>4,192,817</u>	<u>16,490</u>
Expenditures:			
Capital outlay	<u>4,176,327</u>	<u>3,966,657</u>	<u>209,670</u>
Total expenditures	<u>4,176,327</u>	<u>3,966,657</u>	<u>209,670</u>
Excess (deficiency) of revenues over (under) expenditures	-	226,160	226,160
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>226,160</u>	<u>226,160</u>

CITY OF INDIO
SHADOW HILLS ASSESSMENT DISTRICT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Investment income	\$ -	3,132	3,132
	<u>-</u>	<u>3,132</u>	<u>3,132</u>
Total revenues			
	<u>-</u>	<u>3,132</u>	<u>3,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,132</u>	<u>3,132</u>
Other financing sources (uses):			
Transfers out	(165,506)	(165,506)	-
	<u>(165,506)</u>	<u>(165,506)</u>	<u>-</u>
Total other financing sources (uses)			
	<u>(165,506)</u>	<u>(165,506)</u>	<u>-</u>
Net change in fund balances	(165,506)	(162,374)	3,132
Fund balances at beginning of year	<u>162,374</u>	<u>162,374</u>	<u>-</u>
Fund balances at end of year	<u>\$ (3,132)</u>	<u>-</u>	<u>3,132</u>

**CITY OF INDIO
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,127,753	3,618,297	(509,456)
Investment income	4,250,500	119,328	(4,131,172)
Miscellaneous	4,335,060	-	(4,335,060)
Contributions from property owners	<u>34,000</u>	<u>1,921,921</u>	<u>1,887,921</u>
 Total Revenues	 <u>12,747,313</u>	 <u>5,659,546</u>	 <u>(7,087,767)</u>
Expenditures:			
Capital outlay	<u>13,655,958</u>	<u>6,349,146</u>	<u>7,306,812</u>
 Total expenditures	 <u>13,655,958</u>	 <u>6,349,146</u>	 <u>7,306,812</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(908,645)</u>	 <u>(689,600)</u>	 <u>219,045</u>
Other financing sources (uses):			
Transfers in	1,793,580	2,826,485	1,032,905
Transfers out	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
 Total other financing sources (uses)	 <u>793,580</u>	 <u>2,826,485</u>	 <u>2,032,905</u>
 Net change in fund balances	 (115,065)	 2,136,885	 2,251,950
 Fund balances at beginning of year	 <u>9,319,287</u>	 <u>9,319,287</u>	 <u>-</u>
 Fund balances at end of year	 <u>\$ 9,204,222</u>	 <u>11,456,172</u>	 <u>2,251,950</u>

CITY OF INDIO
REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 2,559,200	-	(2,559,200)
Intergovernmental	-	272,871	272,871
Investment income	320,000	23,627	(296,373)
Miscellaneous	68,000	256,347	188,347
Total revenues	<u>2,947,200</u>	<u>552,845</u>	<u>(2,394,355)</u>
Expenditures:			
Debt service:			
ERAF payment	-	76,399	(76,399)
Capital outlay	4,689,840	1,906,238	2,783,602
Total expenditures	<u>4,689,840</u>	<u>1,982,637</u>	<u>2,707,203</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,742,640)</u>	<u>(1,429,792)</u>	<u>312,848</u>
Other financing sources (uses):			
Transfers in	-	1,743,290	1,743,290
Transfers out	(665,600)	(424,413)	241,187
Total other financing sources (uses)	<u>(665,600)</u>	<u>1,318,877</u>	<u>1,984,477</u>
Net change in fund balances	(2,408,240)	(110,915)	2,297,325
Fund balances at beginning of year	<u>8,968,104</u>	<u>8,968,104</u>	-
Fund balances at end of year	<u>\$ 6,559,864</u>	<u>8,857,189</u>	<u>2,297,325</u>

CITY OF INDIO
2002 PARK BONDS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive <u>(Negative)</u>
Revenues:			
Investment income	\$ -	15,583	15,583
Total Revenues	<u>-</u>	<u>15,583</u>	<u>15,583</u>
Expenditures:			
Capital outlay	<u>3,075,000</u>	<u>846,693</u>	<u>2,228,307</u>
Total expenditures	<u>3,075,000</u>	<u>846,693</u>	<u>2,228,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,075,000)</u>	<u>(831,110)</u>	<u>2,243,890</u>
Other financing sources (uses):			
Issuance of debt	<u>3,075,000</u>	<u>3,075,354</u>	<u>354</u>
Total other financing sources (uses)	<u>3,075,000</u>	<u>3,075,354</u>	<u>354</u>
Net change in fund balances	-	2,244,244	2,244,244
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>2,244,244</u>	<u>2,244,244</u>

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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:

Equipment and Facilities Fund - To account for the repair and maintenance of City owned Mobile Equipment and for the accumulation and allocation of costs associated with the maintenance of certain public facilities..

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

CITY OF INDIO
Internal Service Funds
Combining Statement of Fund Net Assets
June 30, 2003

	<u>Self Insurance</u>	<u>Equipment and Facilities</u>	<u>Totals</u>
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 1,440,161	1,310,432	2,750,593
Interest receivable	4,386	2,933	7,319
Advances to other funds	-	750,000	750,000
Prepaid expenses	-	3,359	3,359
	<u>1,444,547</u>	<u>2,066,724</u>	<u>3,511,271</u>
Property, plant and equipment:			
Machinery and equipment	-	3,443,245	3,443,245
Accumulated depreciation	-	<u>(3,007,013)</u>	<u>(3,007,013)</u>
	<u>-</u>	<u>436,232</u>	<u>436,232</u>
Net property, plant and equipment	<u>-</u>	<u>436,232</u>	<u>436,232</u>
Total assets	<u>1,444,547</u>	<u>2,502,956</u>	<u>3,947,503</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	28,494	111,181	139,675
Accrued payroll	13,417	-	13,417
Interest payable	-	9,759	9,759
	<u>41,911</u>	<u>120,940</u>	<u>162,851</u>
Total current liabilities			
Long-term liabilities:			
Claims payable	<u>1,157,397</u>	<u>-</u>	<u>1,157,397</u>
Total liabilities	<u>1,199,308</u>	<u>120,940</u>	<u>1,320,248</u>
<u>Net assets</u>			
Invested in capital assets, net of related debt	-	436,232	436,232
Unrestricted	<u>245,239</u>	<u>1,945,784</u>	<u>2,191,023</u>
Total net assets	<u>\$ 245,239</u>	<u>2,382,016</u>	<u>2,627,255</u>

CITY OF INDIO
Internal Service Funds

Combining Statement of Revenues, Expense and Changes in Fund Net Assets

Year ended June 30, 2003

	<u>Self Insurance</u>	<u>Equipment and Facilities</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 1,457,946	4,288,216	5,746,162
Miscellaneous	<u>35,142</u>	<u>140,498</u>	<u>175,640</u>
Total operating revenues	<u>1,493,088</u>	<u>4,428,714</u>	<u>5,921,802</u>
Operating expenses:			
Personnel services	86,446	471,682	558,128
Contractual services	-	1,777,347	1,777,347
Depreciation	-	258,938	258,938
Repairs and maintenance	-	627,532	627,532
Supplies	-	1,562,603	1,562,603
Claims and judgements	<u>1,180,958</u>	<u>-</u>	<u>1,180,958</u>
Total operating expenses	<u>1,267,404</u>	<u>4,698,102</u>	<u>5,965,506</u>
Operating income (loss)	<u>225,684</u>	<u>(269,388)</u>	<u>(43,704)</u>
Nonoperating revenues (expenses):			
Investment income	<u>19,555</u>	<u>13,075</u>	<u>32,630</u>
Net income (loss)	245,239	(256,313)	(11,074)
Net assets at beginning of year	<u>-</u>	<u>2,638,329</u>	<u>2,638,329</u>
Net assets at end of year	<u>\$ 245,239</u>	<u>2,382,016</u>	<u>2,627,255</u>

CITY OF INDIO
Internal Service Funds

Combining Statement of Cash Flows

Year ended June 30, 2003

	<u>Self Insurance</u>	<u>Equipment and Facilities</u>	<u>Totals</u>
Cash flows from operating activities:			
Cash received from user departments	\$ 1,457,946	4,296,777	5,754,723
Cash payments to supplies for goods and services	(1,152,464)	(3,932,407)	(5,084,871)
Cash payments to employees for services	(204,328)	(471,682)	(676,010)
Miscellaneous revenues	<u>35,142</u>	<u>140,498</u>	<u>175,640</u>
Net cash provided by (used for) operating activities	<u>136,296</u>	<u>33,186</u>	<u>169,482</u>
Cash flows from noncapital financing activities:			
Cash received from component unit water authority	<u>-</u>	<u>279,375</u>	<u>279,375</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>-</u>	<u>(98,471)</u>	<u>(98,471)</u>
Cash flows from investing activities:			
Interest received on investments	<u>21,181</u>	<u>15,746</u>	<u>36,927</u>
Net increase (decrease) in cash and cash equivalent	157,477	229,836	387,313
Cash and cash equivalents at beginning of year	<u>1,282,684</u>	<u>1,080,596</u>	<u>2,363,280</u>
Cash and cash equivalents at end of year	<u>\$ 1,440,161</u>	<u>1,310,432</u>	<u>2,750,593</u>

CITY OF INDIO
Internal Service Funds

Combining Statement of Cash Flows

Year ended June 30, 2003

	<u>Self Insurance</u>	<u>Equipment and Facilities</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 225,684	(269,388)	(43,704)
Adjustments to reconcile operating income (loss) to net income provided by operating activities:			
Depreciation	-	258,938	258,938
(Increase) decrease in accounts receivable	-	8,561	8,561
(Increase) decrease in inventory	-	54,544	54,544
(Increase) decrease in prepaid expenses	-	(3,359)	(3,359)
Increase (decrease) in accounts payable	28,494	(16,110)	12,384
Increase (decrease) in accrued payroll	13,417	-	13,417
Increase (decrease) in claims payable	<u>(131,299)</u>	<u>-</u>	<u>(131,299)</u>
 Total adjustments	 <u>(89,388)</u>	 <u>302,574</u>	 <u>213,186</u>
 Net cash provided by (used for) operating activities	 <u>\$ 136,296</u>	 <u>33,186</u>	 <u>169,482</u>

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AGENCY FUNDS

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

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

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.

Assessment District 01-1 Fund – To account for the City's fiduciary capacity as custodian of the monies held on behalf of the Assessment District 01-1 Bonds for debt service.

Assessment District 02-1 Fund – To account for the City's fiduciary capacity as custodian of the monies held on behalf of the Assessment District 02-1 Bonds for debt service.

Assessment District 02-2 Fund – To account for the City's fiduciary capacity as custodian of the monies held on behalf of the Assessment District 02-2 Bonds for debt service.

Assessment District 02-3 Fund – To account for the City's fiduciary capacity as custodian of the monies held on behalf of the Assessment District 02-3 Bonds for debt service.

Assessment District 03-1 Fund- To account for the City's fiduciary capacity as custodian of the monies held on behalf of the Assessment District 03-1 Bonds for debt service.

CITY OF INDIO
Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2003

	Shadow Hills Assessment District <u>District</u>	Assessment District <u>#99-1</u>	Assessment District <u>#01-1</u>	Assessment District <u>#02-1</u>
Assets:				
Cash and investments	\$ 158,976	302,936	23,320	5,673
Cash with fiscal agent	267,521	310,548	407,279	515,380
Due from other governments	6,846	13,949	82,582	-
Interest receivable	4,249	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 437,592</u>	<u>627,433</u>	<u>513,181</u>	<u>521,053</u>
Liabilities:				
Accounts payable	\$ -	-	2,000	2,000
Deposits	-	-	-	6,069
Due to bondholders	437,592	627,433	511,181	512,984
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 437,592</u>	<u>627,433</u>	<u>513,181</u>	<u>521,053</u>

Assessment District <u>#02-2</u>	Assessment District <u>#02-3</u>	Assessment District <u>#03-1</u>	<u>Totals</u>
113,723	-	197	604,825
240,735	641,536	-	2,382,999
85,771	-	-	189,148
-	-	-	4,249
<hr/>	<hr/>	<hr/>	<hr/>
<u>440,229</u>	<u>641,536</u>	<u>197</u>	<u>3,181,221</u>
14,500	2,000	-	20,500
23,605	5,000	-	34,674
402,124	634,536	197	3,126,047
<hr/>	<hr/>	<hr/>	<hr/>
<u>440,229</u>	<u>641,536</u>	<u>197</u>	<u>3,181,221</u>

CITY OF INDIO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

June 30, 2003

	<u>Balance at</u> <u>June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2003</u>
<u>SHADOW HILLS A.D.</u>				
<u>Assets</u>				
Cash and investments	\$ 3,377	155,599	-	158,976
Cash with fiscal agent	-	267,521	-	267,521
Due from other governments	-	6,846	-	6,846
Interest receivable	<u>1,016</u>	<u>3,233</u>	<u>-</u>	<u>4,249</u>
Total assets	<u>\$ 4,393</u>	<u>433,199</u>	<u>-</u>	<u>437,592</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$ 4,393</u>	<u>433,199</u>	<u>-</u>	<u>437,592</u>
Total liabilities	<u>\$ 4,393</u>	<u>433,199</u>	<u>-</u>	<u>437,592</u>
 <u>ASSESSMENT DISTRICT #99-1</u>				
<u>Assets</u>				
Cash and investments	\$ 79,562	223,374	-	302,936
Cash with fiscal agent	323,542	-	(12,994)	310,548
Due from other governments	<u>836</u>	<u>13,113</u>	<u>-</u>	<u>13,949</u>
Total assets	<u>\$ 403,940</u>	<u>236,487</u>	<u>(12,994)</u>	<u>627,433</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$ 403,940</u>	<u>223,493</u>	<u>-</u>	<u>627,433</u>
Total liabilities	<u>\$ 403,940</u>	<u>223,493</u>	<u>-</u>	<u>627,433</u>

CITY OF INDIO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

<u>ASSESSMENT DISTRICT #01-1</u>	<u>Balance at</u> <u>June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2003</u>
<u>Assets</u>				
Cash and investments	\$ 53,923	-	(30,603)	23,320
Cash with fiscal agent	553,249	-	(145,970)	407,279
Due from other governments	-	82,582	-	82,582
Interest receivable	<u>22</u>	<u>-</u>	<u>(22)</u>	<u>-</u>
Total assets	<u>\$ 607,194</u>	<u>82,582</u>	<u>(176,595)</u>	<u>513,181</u>
<u>Liabilities</u>				
Accounts payable	\$ -	2,000	-	2,000
Due to bondholders	<u>607,194</u>	<u>-</u>	<u>(96,013)</u>	<u>511,181</u>
Total liabilities	<u>\$ 607,194</u>	<u>2,000</u>	<u>(96,013)</u>	<u>513,181</u>
<u>ASSESSMENT DISTRICT #02-1</u>				
<u>Assets</u>				
Cash and investments	\$ 5,676	-	(3)	5,673
Cash with fiscal agent	780,025	-	(264,645)	515,380
Interest receivable	<u>2</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Total assets	<u>\$ 785,703</u>	<u>-</u>	<u>(264,650)</u>	<u>521,053</u>
<u>Liabilities</u>				
Accounts payable	\$ -	2,000	-	2,000
Deposits	-	6,069	-	6,069
Due to bondholders	<u>785,703</u>	<u>-</u>	<u>(272,719)</u>	<u>512,984</u>
Total liabilities	<u>\$ 785,703</u>	<u>8,069</u>	<u>(272,719)</u>	<u>521,053</u>

CITY OF INDIO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

<u>ASSESSMENT DISTRICT #02-2</u>	Balance at June 30, 2002	<u>Additions</u>	<u>Deletions</u>	Balance at June 30, 2003
<u>Assets</u>				
Cash and investments	\$ 48,952	64,771	-	113,723
Cash with fiscal agent	-	240,735	-	240,735
Due from other governments	-	85,771	-	85,771
Interest receivable	20	-	(20)	-
Total assets	<u>\$ 48,972</u>	<u>391,277</u>	<u>(20)</u>	<u>440,229</u>
<u>Liabilities</u>				
Accounts payable	\$ -	14,500	-	14,500
Deposits	-	23,605	-	23,605
Due to bondholders	48,972	353,152	-	402,124
Total liabilities	<u>\$ 48,972</u>	<u>391,257</u>	<u>-</u>	<u>440,229</u>
<u>ASSESSMENT DISTRICT #02-3</u>				
<u>Assets</u>				
Cash and investments	\$ 5,007	-	(5,007)	-
Cash with fiscal agent	-	641,536	-	641,536
Interest receivable	2	-	(2)	-
Total assets	<u>\$ 5,009</u>	<u>641,536</u>	<u>(5,009)</u>	<u>641,536</u>
<u>Liabilities</u>				
Accounts payable	\$ -	2,000	-	2,000
Deposits	-	5,000	-	5,000
Due to bondholders	5,009	629,527	-	634,536
Total liabilities	<u>\$ 5,009</u>	<u>636,527</u>	<u>-</u>	<u>641,536</u>

CITY OF INDIO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

<u>ASSESSMENT DISTRICT #03-1</u>	<u>Balance at June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2003</u>
<u>Assets</u>				
Cash and investments	\$ -	197	-	197
Total assets	<u>\$ -</u>	<u>197</u>	<u>-</u>	<u>197</u>
<u>Liabilities</u>				
Due to bondholders	\$ -	197	-	197
Total liabilities	<u>\$ -</u>	<u>197</u>	<u>-</u>	<u>197</u>

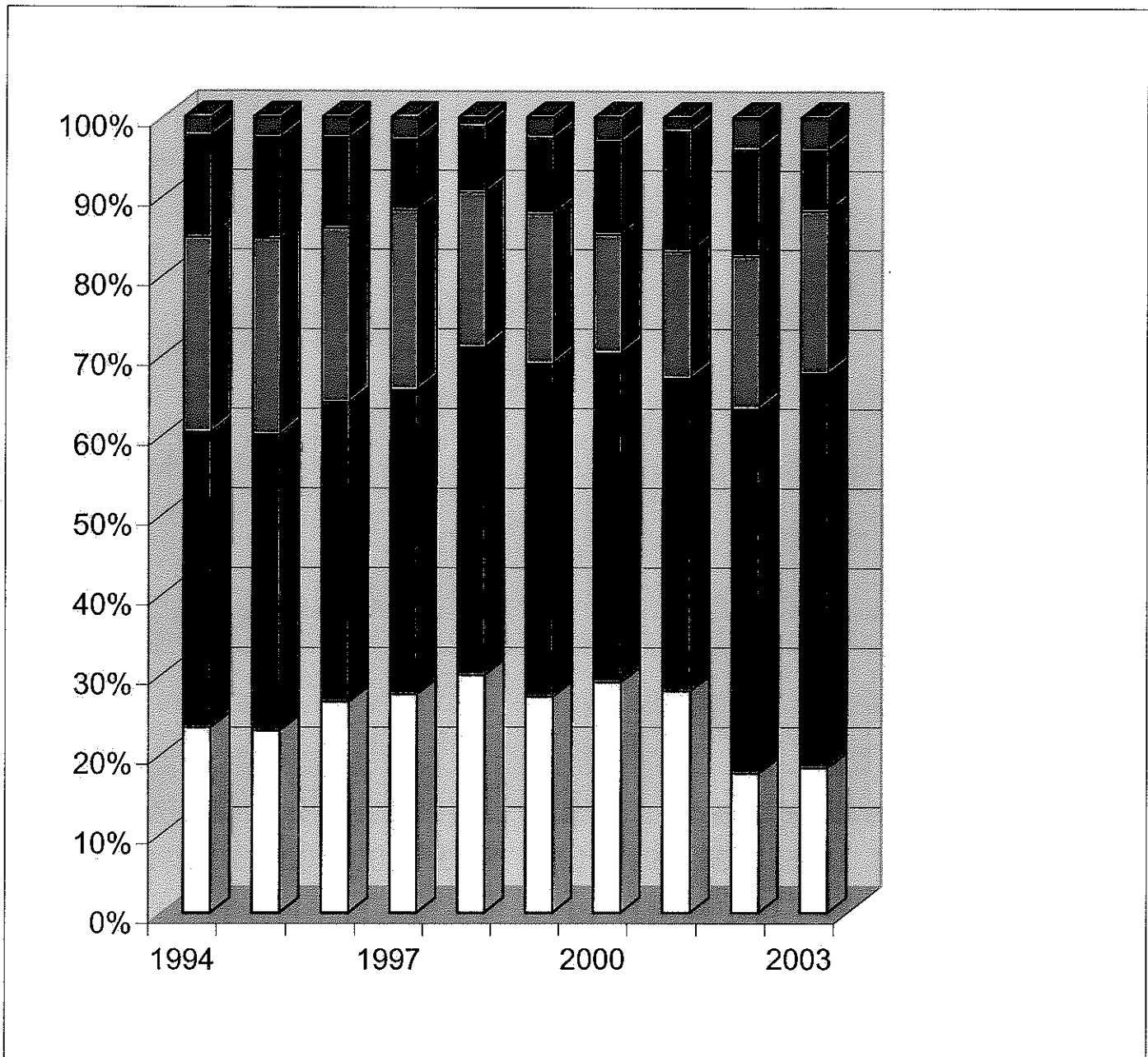
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STATISTICAL SECTION

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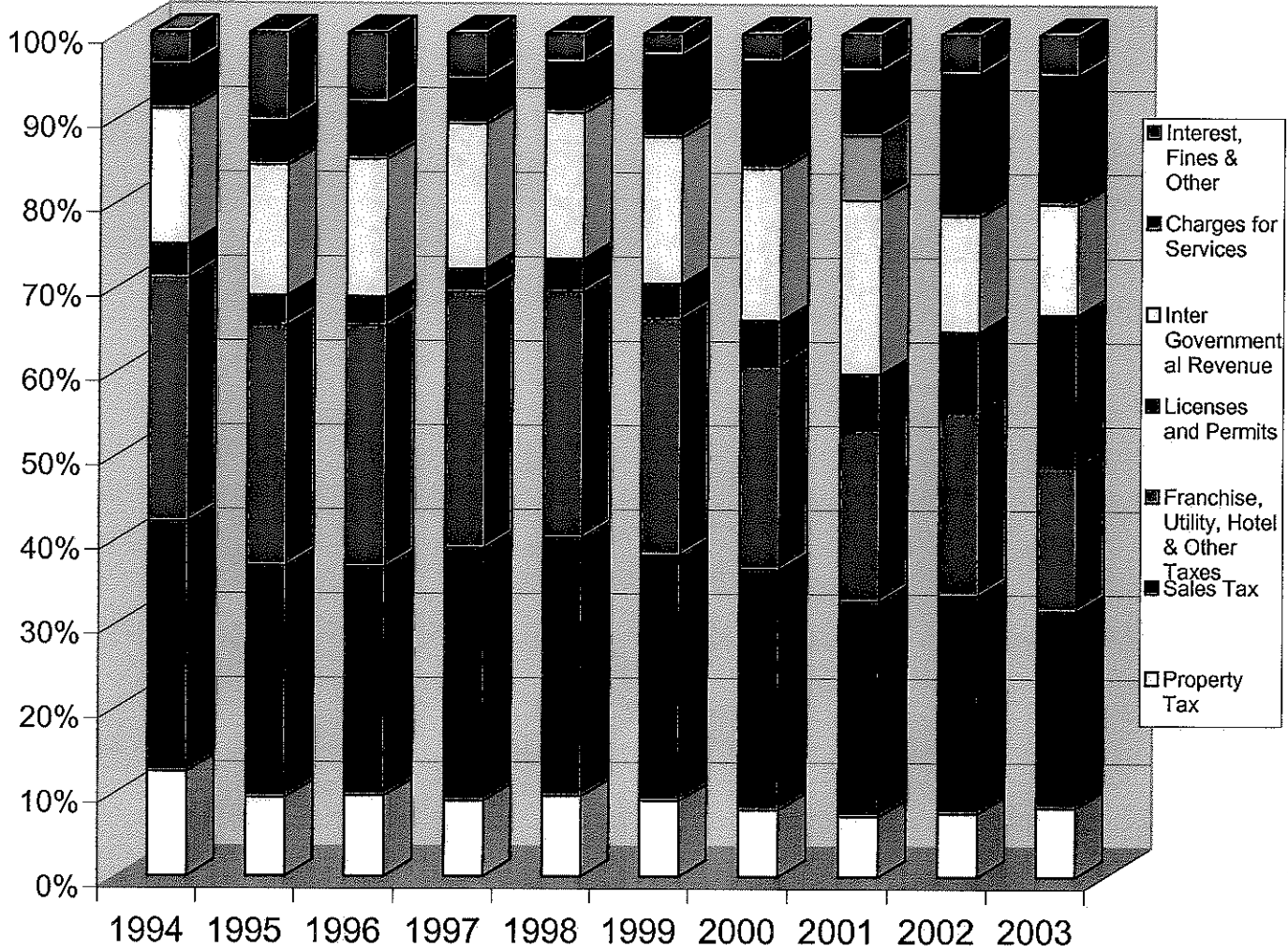
City of Indio, California

General Fund Expenditures - Last Ten Fiscal Years



FISCAL YEAR	GENERAL GOVERNMENT	POLICE	FIRE	PUBLIC WORKS	PARKS & SENIOR CENTER	TOTAL
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
2002	3,138,511	8,205,856	3,432,641	2,430,201	719,688	17,926,897
2003	3,908,975	10,640,693	4,379,158	1,657,641	890,949	21,477,416

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



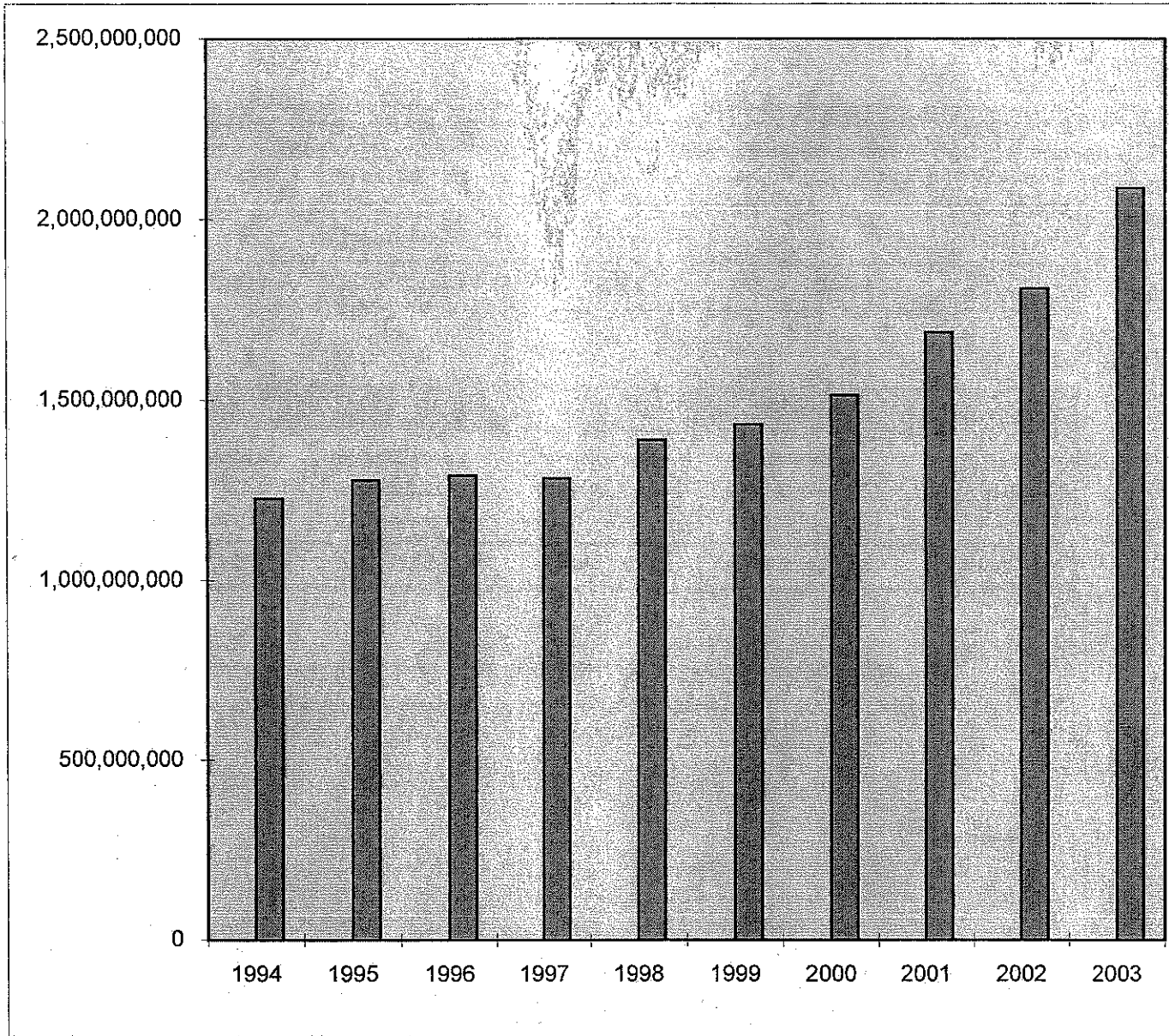
FISCAL YEAR	PROPERTY TAX	SALES TAX	FRANCHISE, UTILITY, HOTEL & OTHER TAXES	LICENSES AND PERMITS	INTER GOVERNMENTAL REVENUE	CHARGES FOR SERVICES	INTEREST, FINES & OTHER	TOTAL
1994	1,368,571	3,292,247	3,210,224	449,565	1,784,188	578,424	433,487	11,116,706
1995	1,115,687	3,285,591	3,423,687	429,168	1,851,825	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	21,320,326
2002	1,580,835	5,460,394	4,595,243	2,040,372	2,887,180	3,584,908	984,171	21,133,103
2003	2,147,697	6,150,863	4,496,061	4,787,462	3,432,509	4,042,113	1,278,955	26,335,660

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

Assessed & Actual Value of Taxable Property - Last Ten Years



FISCAL YEAR	SECURED PROPERTY	UNSECURED PROPERTY	TOTAL ASSESSED	ESTIMATED MARKET
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
2002	1,710,346,147	99,084,188	1,809,430,335	1,809,430,335
2003	1,990,266,000	96,627,714	2,086,893,714	2,086,893,714

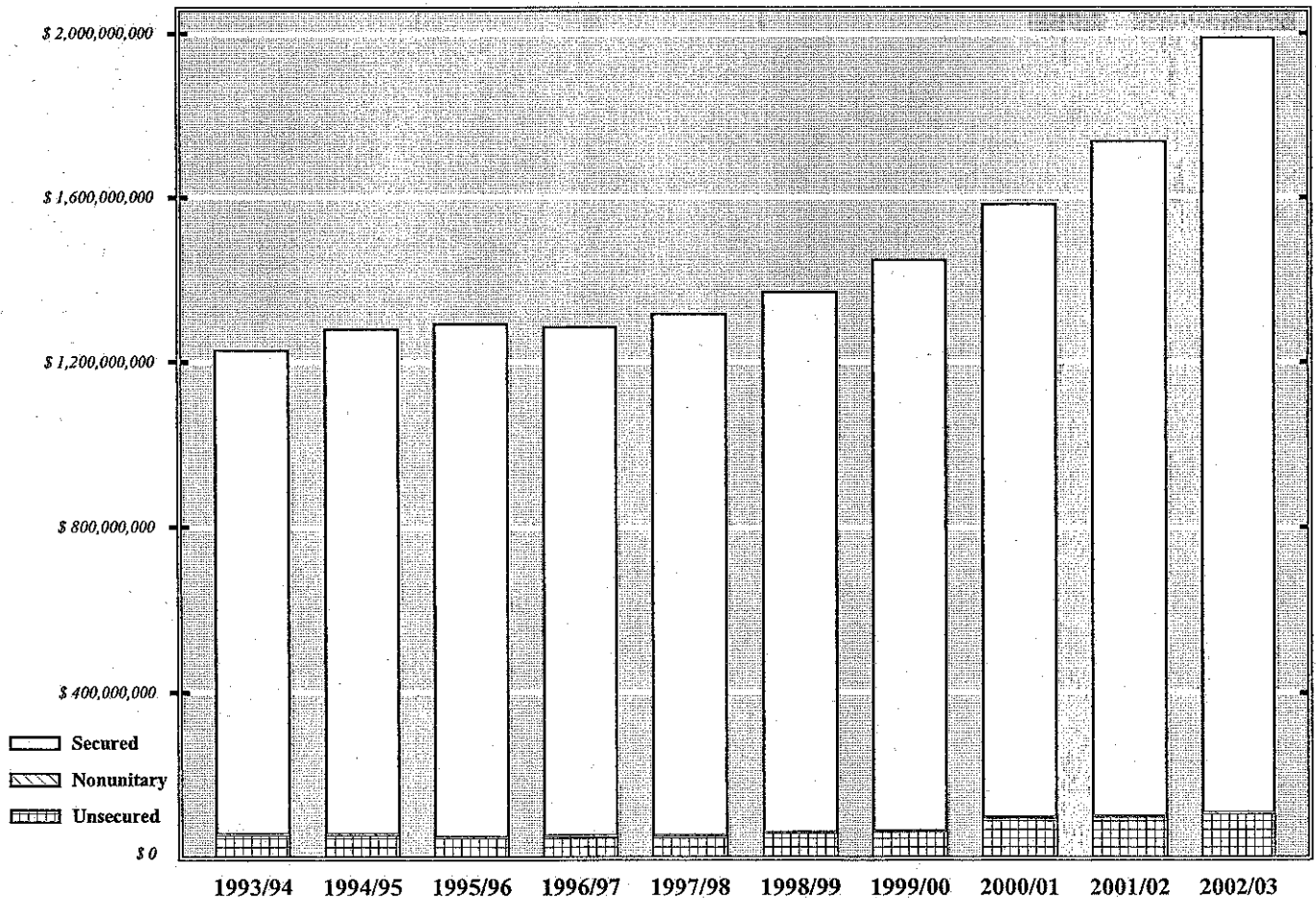
Source: City of Indio Finance Department

THE CITY OF INDIO

NET TAXABLE ASSESSED VALUES - TEN YEAR HISTORY

Lien Year:	1993/94	1994/95	1995/96	1996/97	1997/98
Secured	\$ 1,173,148,165	\$ 1,224,059,872	\$ 1,244,252,538	\$ 1,233,178,245	\$ 1,259,953,063
Nonunitary	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,149,815
Unsecured	\$ 54,991,774	\$ 55,514,990	\$ 48,034,087	\$ 51,813,657	\$ 53,340,630
Net Total AV	\$ 1,228,139,939	\$ 1,279,574,862	\$ 1,292,286,625	\$ 1,284,991,902	\$ 1,316,443,508

Lien Year:	1998/99	1999/00	2000/01	2001/02	2002/03
Secured	\$ 1,305,899,449	\$ 1,381,150,126	\$ 1,484,255,646	\$ 1,634,016,137	\$ 1,881,218,348
Nonunitary	\$ 3,333,540	\$ 3,058,109	\$ 3,073,205	\$ 3,136,529	\$ 0
Unsecured	\$ 60,032,169	\$ 63,177,204	\$ 96,149,109	\$ 98,761,309	\$ 106,785,292
Net Total AV	\$ 1,369,265,158	\$ 1,447,385,439	\$ 1,583,477,960	\$ 1,735,913,975	\$ 1,988,003,640

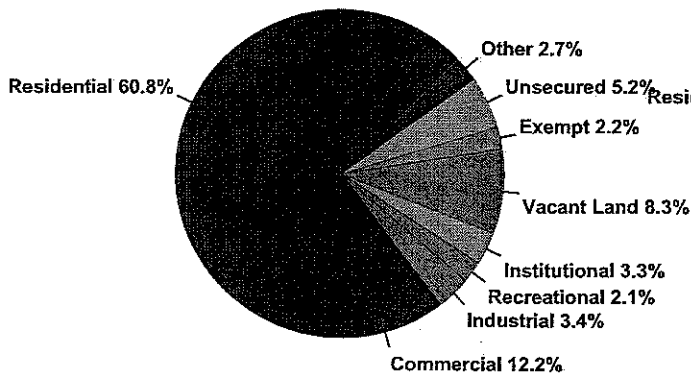


THE CITY OF INDIO

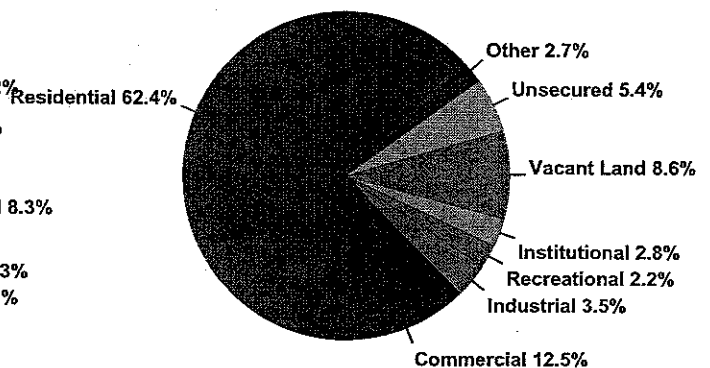
USE CATEGORY SUMMARY, 2002/03

<i>BASIC PROPERTY VALUE TABLE</i>			
CATEGORY	PARCELS	ASSESSED VALUE	NET TAXABLE VALUE
Residential	11,954	\$ 1,259,211,509 (59.9%)	\$ 1,241,421,111 (61.4%)
Commercial	575	\$ 252,364,610 (12.0%)	\$ 247,806,697 (12.3%)
Industrial	111	\$ 70,423,474 (3.3%)	\$ 69,879,870 (3.5%)
Irrigated	24	\$ 4,964,767 (0.2%)	\$ 4,964,767 (0.2%)
Dry Farm	53	\$ 22,256,047 (1.1%)	\$ 22,256,047 (1.1%)
Recreational	45	\$ 43,819,177 (2.1%)	\$ 43,819,177 (2.2%)
Institutional	79	\$ 67,517,059 (3.2%)	\$ 55,618,899 (2.8%)
Government	3	\$ 1,256,420 (0.1%)	\$ 995,520 (0.0%)
Miscellaneous	1	\$ 283,050 (0.0%)	\$ 283,050 (0.0%)
Vacant Land	2,327	\$ 171,917,484 (8.2%)	\$ 171,527,786 (8.5%)
Exempt	803	\$ 44,871,850 (2.1%)	\$ 0 (0.0%)
SBE Nonunitary	[44]	\$ 2,591,182 (0.1%)	\$ 2,591,182 (0.1%)
Possessory Int.	[1,076]	\$ 22,051,236 (1.0%)	\$ 20,260,491 (1.0%)
Unsecured	[1,380]	\$ 107,128,429 (5.1%)	\$ 106,783,203 (5.3%)
Unknown	10	\$ 2,058,332 (0.1%)	\$ 2,058,332 (0.1%)
TOTALS	15,985	\$ 2,072,714,626	\$ 1,990,266,132

ASSESSED VALUE



NET TAXABLE VALUE



THE CITY OF INDIO

2002/03 CITY ROLL SUMMARY

Taxable Property Values

	Secured Taxable	Nonunitary Utilities	Unsecured Roll
Parcels	15,182	44	1,380
TRAs	117	12	58
Values			
Land	\$ 653,272,765	\$ 2,210,048	\$ 143,239
Improvements	\$ 1,241,475,364	\$ 242,380	\$ 6,804,630
Personal Property	\$ 16,902,369	\$ 138,754	\$ 65,243,953
Fixtures	\$ 6,472,667	\$ 0	\$ 34,341,107
Aircraft*		\$ 0	\$ 595,500
Total Value*	\$ 1,918,123,165	\$ 2,591,182	\$ 106,532,929
Exemptions			
Real Estate	\$ 37,231,418	\$ 0	\$ 345,226
Personal Property	\$ 0	\$ 0	
Fixtures	\$ 0	\$ 0	
Aircraft*		\$ 0	\$ 0
Homeowners*	\$ 33,855,949	\$ 0	\$ 0
Total Exemptions*	\$ 37,231,418	\$ 0	\$ 345,226
Total Net Value*	\$ 1,880,891,747	\$ 2,591,182	\$ 106,187,703

Combined Values*	Total
Total Values	\$ 2,027,247,276
Total Exemptions	\$ 37,576,644
Net Total Values	\$ 1,989,670,632
Net Aircraft Values	\$ 595,500

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

Source: HdL Coren & Cone, Riverside County Assessor 2002/03 Combined Tax Rolls

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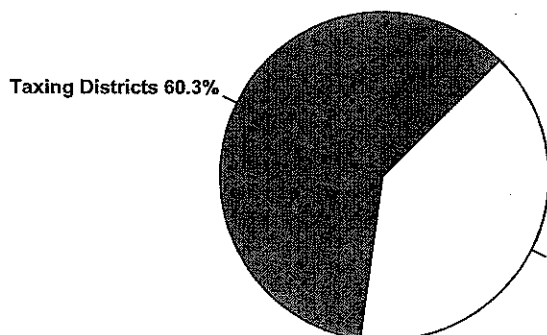
THE CITY OF INDIO

2002/03 GROWTH SUMMARY BY AGENCY

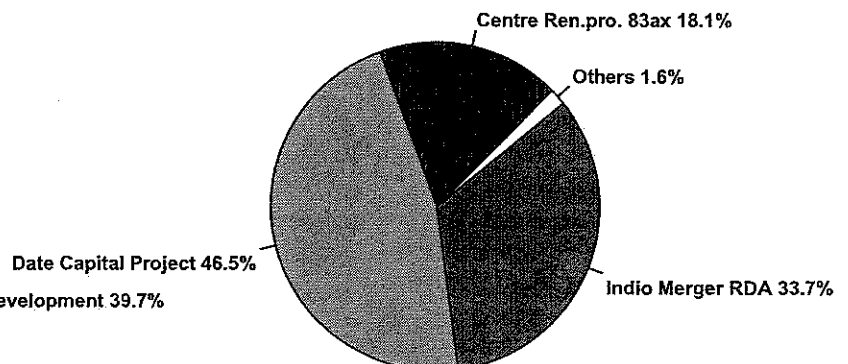
Percentage Growth Of Assessed Values By Agency Between 2001/02 And 2002/03

	County	City	General Taxing Agenc	Centre Renew. Proj.	Centre Ren.pro. 83ax	Date Capital Project	Indio Annex
Secured							
Land	+8.8%	+10.2%	+13.2%	-1.1%	+2.3%	+4.6%	0.0%
Improvements	+13.0%	+17.9%	+24.7%	-0.6%	+6.8%	+10.9%	0.0%
Personal Prop.	+6.2%	+0.9%	+3.2%	-1.7%	-11.9%	-11.3%	0.0%
Exemptions	+19.7%	+22.2%	+5.3%	+546.1%	+2.0%	+33.0%	0.0%
Net Total	+11.3%	+14.9%	+20.2%	-5.4%	+5.1%	+7.6%	0.0%
SBE Nonunitary							
Land	-30.1%	-19.4%	-46.2%	0.0%	-25.2%	0.0%	0.0%
Improvements	-7.2%	-3.7%	-3.7%	0.0%	-3.7%	0.0%	0.0%
Personal Prop.	-7.6%	-3.7%	-3.7%	0.0%	-3.7%	0.0%	0.0%
Exemptions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Total	-25.5%	-17.4%	-36.3%	0.0%	-21.7%	0.0%	0.0%
Unsecured							
Land	-28.6%	-10.9%	-63.6%	0.0%	-4.8%	-16.8%	0.0%
Improvements	+11.4%	+5.8%	+1.1%	+11.2%	+9.3%	+4.4%	0.0%
Personal Prop.	+7.2%	+9.6%	-2.5%	-14.1%	-3.1%	+9.7%	0.0%
Exemptions	-5.0%	+6.9%	+4.6%	+0.0%	+21.5%	-8.6%	0.0%
Net Total	+9.3%	+8.1%	-1.3%	-1.6%	+2.7%	+7.7%	0.0%
Combined							
Land	+8.7%	+10.0%	+13.2%	-0.9%	+1.4%	+4.6%	0.0%
Improvements	+12.9%	+17.5%	+24.2%	-0.2%	+7.0%	+10.5%	0.0%
Personal Prop.	+6.9%	+7.7%	-0.4%	-12.0%	-4.8%	+8.7%	0.0%
Exemptions	+17.8%	+22.0%	+5.3%	+548.1%	+2.5%	+32.8%	0.0%
Net Total AV	+11.2%	+14.4%	+19.4%	-4.9%	+4.5%	+7.6%	0.0%
Net Taxable AV	+11.3%	+14.6%	+19.9%	-5.0%	+4.6%	+7.7%	0.0%

2002/03 Total Net AV

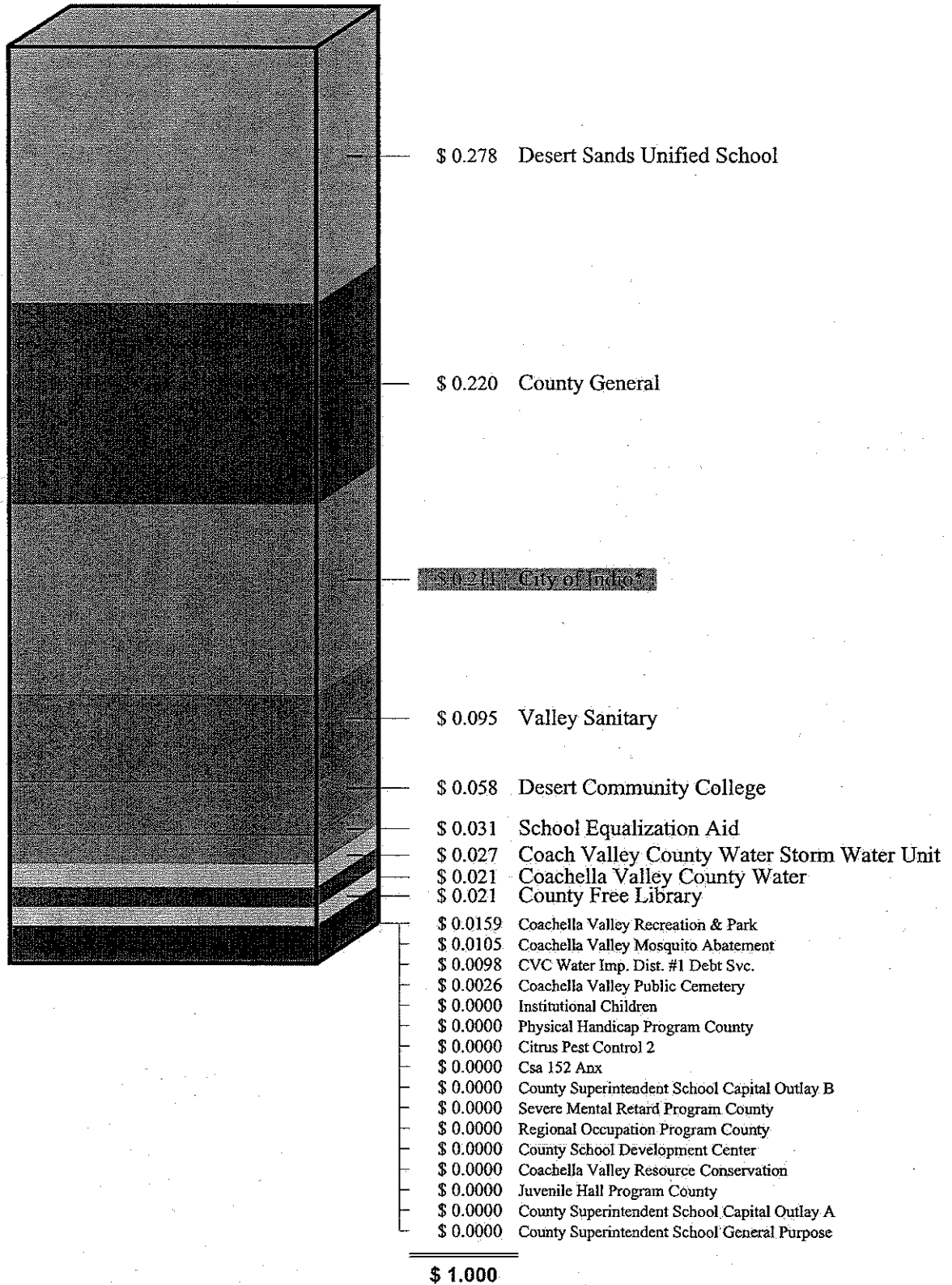


2002/03 Redevelopment Net AV



THE CITY OF INDIO

PROPERTY TAX DOLLAR BREAKDOWN



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 2002/03 Annual Tax Increment Tables

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THE CITY OF INDIO

2002/03 TOP TEN PROPERTY OWNERS

Top Property Owners Based On Gross Assessed Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value	Portion Of City	Parcels	Value	Portion Of City	
1) JFK Memorial Hospital Inc.	2	\$ 30,447,125	1.55%				Institutional GENERAL TAXING AGENC
2) Hills Golf Club	15	\$ 16,752,350	0.85%	2	\$ 1,290,999	1.21%	Recreational GENERAL TAXING AGENC
3) Paseo Group Limited Partnership	13	\$ 15,791,985	0.80%				Commercial DATE CAPITAL PROJECT
4) Indio Summer Field	7	\$ 13,885,090	0.71%				Residential DATE CAPITAL PROJECT
5) Richard K. Rifenbark Trust	1	\$ 11,615,654	0.59%				Residential DATE CAPITAL PROJECT
6) Egr Smoketree	1	\$ 11,362,107	0.58%				Residential GENERAL TAXING AGENC
7) Plantation Golf Club Inc.	7	\$ 10,998,183	0.56%				Recreational GENERAL TAXING AGENC
8) Time Warner Entertainment Advanc				3	\$ 10,867,751	10.14%	Unsecured GENERAL TAXING AGENC
9) U S Home Corporation	170	\$ 9,966,734	0.51%	1	\$ 319,000	0.30%	Vacant Land, Residential GENERAL TAXING AGENC
10) American Stores Properties Inc.	2	\$ 10,261,130	0.52%				Commercial DATE CAPITAL PROJECT
Top Ten Totals	218	\$ 131,080,358	6.67%	6	\$ 12,477,750	11.65%	
City Totals		\$ 1,965,586,197			\$ 107,128,429		
							\$ 2,072,714,626

THE CITY OF INDIO

2002 TOP PROPERTY OWNER SUMMARY

Owner (Number of Parcels)	Assessed Value
1 JFK Memorial Hospital Inc. (2)	\$ 30,447,125
2 Hills Golf Club (17)	\$ 18,043,349
3 Paseo Group Limited Partnership (13)	\$ 15,791,985
4 Indio Summer Field (7)	\$ 13,885,090
5 Richard K. Rifenbark Trust (1)	\$ 11,615,654
6 Eqr Smoketree (1)	\$ 11,362,107
7 Plantation Golf Club Inc. (7)	\$ 10,998,183
8 Time Warner Entertainment Advanc (3)	\$ 10,867,751
9 U S Home Corporation (171)	\$ 10,285,734
10 American Stores Properties Inc. (2)	\$ 10,261,130
11 First American Trust Company (9)	\$ 10,181,096
12 Rich Development Indio III (4)	\$ 9,942,938
13 S & D Indian Palms California Limited (74)	\$ 9,766,498
14 Marthas Village Limited Partnership (3)	\$ 9,208,301
15 JH Indio LLC (3)	\$ 8,937,555
16 Richard M. Marsh (11)	\$ 8,303,710
17 The Wells Associates Limited (6)	\$ 8,152,715
18 CP Limited Partnership (5)	\$ 8,049,067
19 Hensley Properties Limited Partnership (1)	\$ 7,222,010
20 Coachella Valley Housing Coalition (2)	\$ 6,993,955
21 JDG Properties (13)	\$ 6,950,350
22 Fallbrook QF LLC (2)	\$ 6,684,569
23 JPH Associates (10)	\$ 6,619,883
24 Indio Desert Palms Limited Partnership (1)	\$ 6,507,010
25 Pacific Indio Properties Inc. (10)	\$ 6,316,593

THE CITY OF INDIO

2002 TOP PROPERTY TAXPAYERS

Owner (Number of Parcels)	Assessed Value
1 Paseo Group Limited Partnership (13)	\$ 15,791,985
2 Indio Summer Field (7)	\$ 13,885,090
3 Richard K. Rifenkark Trust (1)	\$ 11,615,654
4 American Stores Properties Inc. (2)	\$ 10,261,130
5 Rich Development Indio III (4)	\$ 9,942,938
6 Marthas Village Limited Partnership (3)	\$ 9,208,301
7 JDG Properties (13)	\$ 6,950,350
8 Hensley Properties Limited Partnership (1)	\$ 7,222,010
9 Indio Desert Palms Limited Partnership (1)	\$ 6,507,010
10 Richard M. Marsh (11)	\$ 8,303,710
11 JPH Associates (10)	\$ 6,619,883
12 Richard J. Mazurek Trust (1)	\$ 6,262,500
13 JFK Memorial Hospital Inc. (2)	\$ 30,447,125
14 Requa Associates (1)	\$ 5,622,000
15 Calvin Worth Trust (2)	\$ 5,409,753
16 Lawrence M. Chank (2)	\$ 4,826,646
17 Ralphs Grocery Company (3)	\$ 4,569,613
18 Arabia Homes (2)	\$ 4,463,315
19 Motel 6 Operating Limited Partnership (1)	\$ 4,051,943
20 K Mart Corporation (2)	\$ 4,238,156
21 Sniper Fabrication (1)	\$ 3,300,000
22 Triangle Distributing Company (3)	\$ 3,811,093
23 The Wells Associates Limited (6)	\$ 8,152,715
24 ABC Recovery Center Inc. (7)	\$ 3,631,991
25 Summit Cable Services of Georgia (1)	\$ 3,807,864

THE CITY OF INDIO

2002 TOP PROPERTY TAXPAYERS

Owner (Number of Parcels)	Assessed Value	Est. Total Revenue	Est. RDA 1% Revenue
1 Paseo Group Limited Partnership (13)	\$ 15,791,985	\$ 101,196.42	\$ 85,661.23
2 Indio Summer Field (7)	\$ 13,885,090	\$ 88,975.42	\$ 75,316.11
3 Richard K. Rifenkark Trust (1)	\$ 11,615,654	\$ 74,859.57	\$ 63,432.80
4 American Stores Properties Inc. (2)	\$ 10,261,130	\$ 65,753.15	\$ 55,658.87
5 Rich Development Indio III (4)	\$ 9,942,938	\$ 63,714.18	\$ 53,932.92
6 Marthas Village Limited Partnership (3)	\$ 9,208,301	\$ 59,010.93	\$ 49,952.22
7 JDG Properties (13)	\$ 6,950,350	\$ 47,534.30	\$ 41,289.72
8 Hensley Properties Limited Partnership (1)	\$ 7,222,010	\$ 46,376.29	\$ 39,271.71
9 Indio Desert Palms Limited Partnership (1)	\$ 6,507,010	\$ 41,784.90	\$ 35,383.70
10 Richard M. Marsh (11)	\$ 8,303,710	\$ 41,010.49	\$ 31,977.30
11 JPH Associates (10)	\$ 6,619,883	\$ 40,687.66	\$ 35,664.14
12 Richard J. Mazurek Trust (1)	\$ 6,262,500	\$ 40,171.85	\$ 34,011.18
13 JFK Memorial Hospital Inc. (2)	\$ 30,447,125	\$ 38,223.10	\$ 0.00
14 Requa Associates (1)	\$ 5,622,000	\$ 36,025.68	\$ 30,495.10
15 Calvin Worth Trust (2)	\$ 5,409,753	\$ 34,738.84	\$ 29,417.05
16 Lawrence M. Chank (2)	\$ 4,826,646	\$ 30,429.06	\$ 25,634.07
17 Ralphs Grocery Company (3)	\$ 4,569,613	\$ 29,985.90	\$ 25,483.84
18 Arabia Homes (2)	\$ 4,463,315	\$ 28,600.85	\$ 24,210.11
19 Motel 6 Operating Limited Partnership (1)	\$ 4,051,943	\$ 27,326.46	\$ 23,685.97
20 K Mart Corporation (2)	\$ 4,238,156	\$ 27,322.78	\$ 23,152.39
21 Sniper Fabrication (1)	\$ 3,300,000	\$ 26,045.70	\$ 24,006.64
22 Triangle Distributing Company (3)	\$ 3,811,093	\$ 25,702.16	\$ 22,278.06
23 The Wells Associates Limited (6)	\$ 8,152,715	\$ 24,503.84	\$ 13,320.86
24 ABC Recovery Center Inc. (7)	\$ 3,631,991	\$ 24,494.29	\$ 21,231.11
25 Summit Cable Services of Georgia (1)	\$ 3,807,864	\$ 24,400.73	\$ 20,654.78

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.

Source: HdL Coren & Cone, Riverside County Assessor 2002/03 Combined Tax Rolls

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This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone.

THE CITY OF INDIO
TOP 25 SALES TAX PRODUCERS
FOR THE FISCAL YEAR 2002/2003

<u>BUSINESS NAME</u>	<u>BUSINESS CATEGORY</u>
A C Houston Lumber	Lumber/Building Materials
Circle K	Grocery Stores Beer/Wine
Clarks Union 76 Truck Stop	Service Stations
Club Car	Transportation-Non-Auto
Coachella Valley Pontiac Buick Gm	New Motor Vehicle Dealers
Dependable Roofing	Lumber/Building Materials
Desert Suzuki	New Motor Vehicle Dealers
Fiesta Ford Lincoln Mercury	New Motor Vehicle Dealers
Food 4 Less	Grocery Stores Liquor
Gottschalks	Department Stores
High Tech Irrigation	Lumber/Building Materials
I 10 Toyota	New Motor Vehicle Dealers
Jiquilpan Used Cars	Used Automotive Dealers
K Mart	Discount Dept Stores
Mathis Brothers Furniture	Home Furnishings
Mc Donalds	Fast Food
Mobil Oil	Service Stations
Paradise Volkswagen	New Motor Vehicle Dealers
Ralphs	Grocery Stores Liquor
Sears Roebuck And Co	Department Stores
Stater Bros	Grocery Stores Liquor
Toyota Motor Credit	Auto Lease
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 = 60.38%

** Firms Listed Alphabetically*

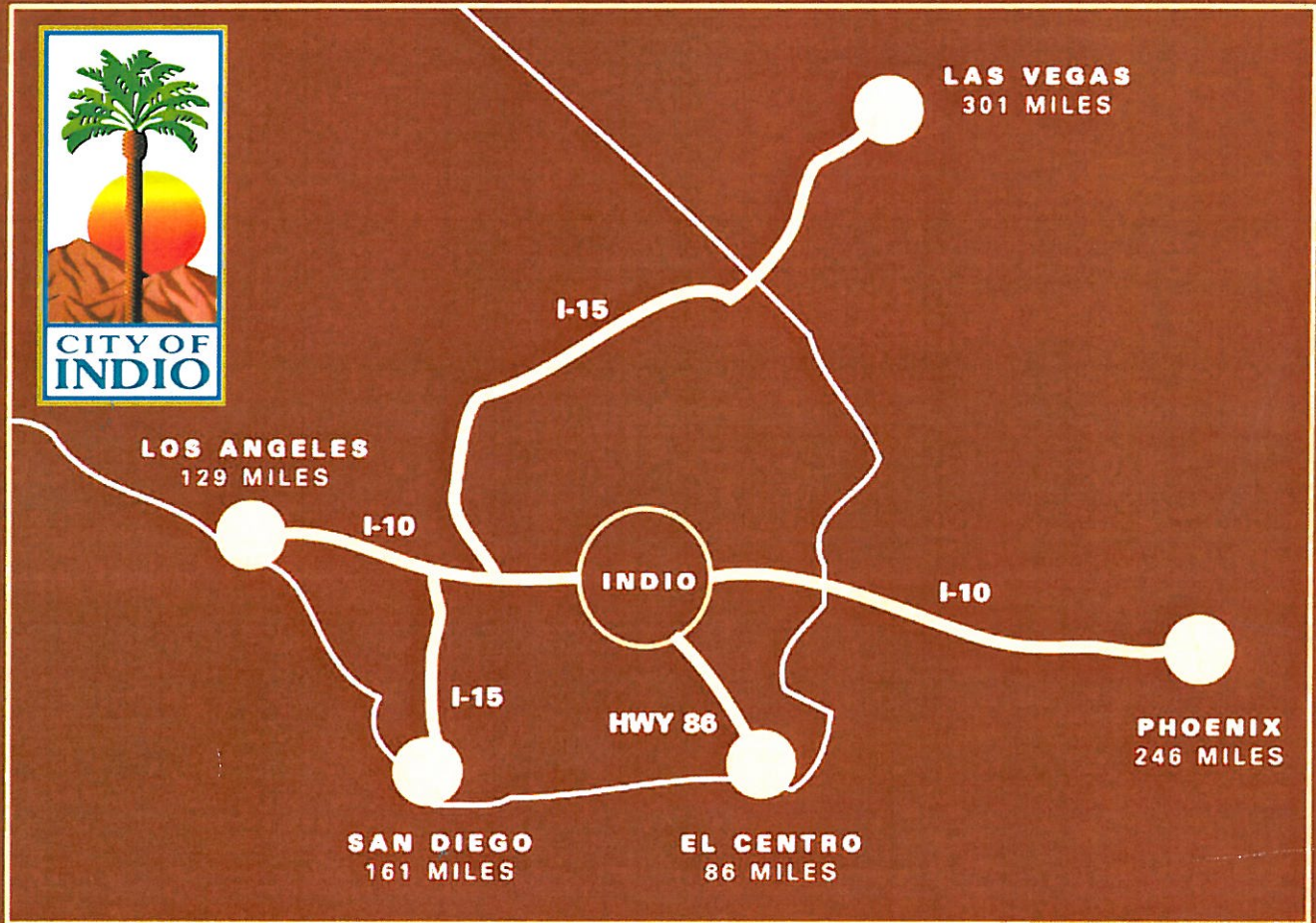
Period: April 02 thru March 03

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

City of Indio, California
Miscellaneous Information

Date Incorporated	May 16, 1930
Type of Municipality	General Law
Form of Government	Council – City Manager
Population	54,500
Fire protection	
Employees	Independent Fire District
Police protection	
Stations	1
Employees	96
Recreation and culture	
Park sites	9
Library	Provided by County of San Bernardino
Town employees	
Full time	188
Part time	11
Elected	5

Source: City of Indio



www.indio.org

CITY OF INDIO

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