

CITY OF INDIO, CALIFORNIA
Financial Statements and Supplemental Data
Year ended June 30, 2004

Prepared by
FINANCE DEPARTMENT

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CITY OF INDIO
 Financial Statements and Supplemental Data
 Year ended June 30, 2004

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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, 2004, 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 opinions 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, 2004, 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 City has not presented *management's discussion and analysis*. The Government Accounting Standards Board has determined that the aforementioned item is necessary to supplement, although not required to be part of, the basic financial statements.

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 October 21, 2004 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.

October 21, 2004

BASIC FINANCIAL STATEMENTS

CITY OF INDIO
Statement of Net Assets
June 30, 2004

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	2004	2003
Assets:				
Cash and investments (note 2)	\$ 52,680,493	998,759	53,679,252	38,405,301
Cash with fiscal agent (note 2)	11,630,755	-	11,630,755	6,996,337
Deposits with other agencies	49,654	-	49,654	-
Accounts receivable, net	551,030	-	551,030	721,422
Interest receivable	166,490	3,566	170,056	147,659
Notes receivable (note 4)	2,503,172	-	2,503,172	2,654,245
Due from other governments	2,225,934	-	2,225,934	1,148,247
Advances to component unit (note 3)	4,758,719	-	4,758,719	4,856,567
Prepaid items	650,675	-	650,675	31,284
Inventory	33,872	5,857	39,729	5,857
Deposits	570,000	-	570,000	-
Land held for resale	1,917,709	-	1,917,709	1,917,709
Capital assets, not depreciated (note 5)	12,675,677	386,142	13,061,819	9,592,567
Capital assets, depreciated, net (note 5)	<u>14,533,921</u>	<u>169,164</u>	<u>14,703,085</u>	<u>9,758,287</u>
Total assets	<u>104,948,101</u>	<u>1,563,488</u>	<u>106,511,589</u>	<u>76,235,482</u>
Liabilities:				
Accounts payable	7,367,606	24,625	7,392,231	2,511,599
Accrued payroll	341,027	-	341,027	218,469
Deposits	2,031,797	-	2,031,797	1,934,712
Interest payable	392,139	-	392,139	354,357
Pass-through payable	1,223,983	-	1,223,983	63,775
Retentions payable	336,902	-	336,902	125,477
Deferred revenue	400,000	-	400,000	-
Noncurrent liabilities (notes 6 to 12):				
Due within one year	1,985,777	-	1,985,777	2,273,109
Due in more than one year	<u>18,989,168</u>	<u>-</u>	<u>18,989,168</u>	<u>21,327,916</u>
Total liabilities	<u>33,068,399</u>	<u>24,625</u>	<u>33,093,024</u>	<u>28,809,414</u>
Net Assets:				
Invested in capital assets, net of related debt	24,599,819	555,306	25,155,125	15,939,353
Restricted for:				
Public works	13,827,818	-	13,827,818	8,997,483
Low and moderate housing	1,524,022	-	1,524,022	1,142,520
Economic development	6,510,928	-	6,510,928	8,857,189
Other	1,139,899	-	1,139,899	954,282
Unrestricted	<u>24,277,216</u>	<u>983,557</u>	<u>25,260,773</u>	<u>11,535,241</u>
Total net assets	<u>\$ 71,879,702</u>	<u>1,538,863</u>	<u>73,418,565</u>	<u>47,426,068</u>

See accompanying notes to the basic financial statements.

Component Unit	
Totals	
<u>2004</u>	<u>2003</u>
7,472,377	6,445,472
-	-
-	-
990,630	1,066,707
24,437	34,462
-	-
1,896	-
-	-
-	10,825
111,644	116,397
-	-
-	-
155,777	487,187
<u>17,190,789</u>	<u>15,646,041</u>
<u>25,947,550</u>	<u>23,807,091</u>
183,990	398,501
29,599	27,402
291,394	246,544
-	-
-	-
2,750	-
-	-
257,206	184,045
<u>4,797,505</u>	<u>5,051,277</u>
<u>5,562,444</u>	<u>5,907,769</u>
17,176,670	15,883,136
-	-
-	-
-	-
-	-
<u>3,208,436</u>	<u>2,016,186</u>
<u>20,385,106</u>	<u>17,899,322</u>

CITY OF INDIO
Statement of Activities
Year ended June 30, 2004

	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	\$ 4,855,169	354,874	-	-
Public safety	14,004,440	1,503,703	316,189	879,919
Public works	6,932,980	1,117,450	2,334,722	19,706,690
Community development	3,745,343	6,984,080	192,307	-
Culture and leisure	968,091	597,738	-	764,854
Low and moderate housing	13,525	-	-	-
Utilities	1,878,467	-	-	-
Interest expense and other charges	1,234,363	-	-	-
Total governmental activities	<u>33,632,378</u>	<u>10,557,845</u>	<u>2,843,218</u>	<u>21,351,463</u>
Business-type activities:				
Golf	586,773	686,388	-	-
Total business-type activities	<u>586,773</u>	<u>686,388</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 34,219,151</u>	<u>11,244,233</u>	<u>2,843,218</u>	<u>21,351,463</u>
Component unit:				
Water	5,898,483	6,278,980	-	1,805,148
Total component unit	<u>\$ 5,898,483</u>	<u>6,278,980</u>	<u>-</u>	<u>1,805,148</u>

General revenues:

Taxes:

Property taxes

Sales taxes

Transient occupancy taxes

Franchise taxes

Other taxes

Investment income

Intergovernmental

State motor vehicle in lieu tax

Other

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net assets

Net asset at beginning of year,
as restated (note 19)

Net assets at end of year

See accompanying notes to the basic financial statements.

Net (Expenses) Revenues
and Changes in Net Assets

Governmental Activities	Primary Government		Component Unit Water Authority		
	Business-type Activities	2004	2003	2004	2003
(4,500,295)	-	(4,500,295)	(3,600,919)	-	-
(11,304,629)	-	(11,304,629)	(13,148,788)	-	-
16,225,882	-	16,225,882	9,450,150	-	-
3,431,044	-	3,431,044	278,958	-	-
394,501	-	394,501	(66,855)	-	-
(13,525)	-	(13,525)	-	-	-
(1,878,467)	-	(1,878,467)	(1,406,329)	-	-
(1,234,363)	-	(1,234,363)	(1,158,548)	-	-
<u>1,120,148</u>	<u>-</u>	<u>1,120,148</u>	<u>(9,652,331)</u>	<u>-</u>	<u>-</u>
-	99,615	99,615	125,382	-	-
-	99,615	99,615	125,382	-	-
<u>1,120,148</u>	<u>99,615</u>	<u>1,219,763</u>	<u>(9,526,949)</u>	<u>-</u>	<u>-</u>
-	-	-	-	<u>2,185,645</u>	<u>2,375,939</u>
-	-	-	-	<u>2,185,645</u>	<u>2,375,939</u>
5,496,657	-	5,496,657	5,112,645	-	-
7,198,215	-	7,198,215	6,390,064	-	-
1,162,354	-	1,162,354	1,017,759	-	-
834,582	-	834,582	493,023	-	-
3,623,089	-	3,623,089	2,614,730	-	-
727,175	13,775	740,950	951,921	108,894	153,648
788,409	-	788,409	1,682,163	-	-
2,503,242	-	2,503,242	3,039,652	-	-
2,764,564	2,500	2,767,064	2,632,307	191,245	-
13,192	-	13,192	25,886	-	-
50,700	(50,700)	-	-	-	-
<u>25,162,179</u>	<u>(34,425)</u>	<u>25,127,754</u>	<u>23,960,150</u>	<u>300,139</u>	<u>153,648</u>
26,282,327	65,190	26,347,517	14,433,201	2,485,784	2,529,587
<u>45,597,375</u>	<u>1,473,673</u>	<u>47,071,048</u>	<u>32,992,867</u>	<u>17,899,322</u>	<u>15,369,735</u>
<u>\$ 71,879,702</u>	<u>1,538,863</u>	<u>73,418,565</u>	<u>47,426,068</u>	<u>20,385,106</u>	<u>17,899,322</u>

CITY OF INDIQ
Governmental Funds

Balance Sheet

June 30, 2004

	General Fund	Capital Projects Fund	Assessment Districts Fund	Other Governmental Funds	Totals	
					2004	2003
<u>Assets</u>						
Cash and investments (note 2)	\$ 18,374,866	17,911,237	-	13,097,385	49,383,488	34,707,876
Cash with fiscal agent (note 2)	-	-	8,193,831	3,436,924	11,630,755	6,996,337
Accounts receivable	545,547	1,000	-	2,540	549,087	721,422
Due from other governments	1,748,839	-	-	477,095	2,225,934	1,148,247
Due from other funds (note 3)	53,420	-	-	-	53,420	277,534
Interest receivable	55,397	52,258	3	48,910	156,568	136,318
Notes receivable	-	-	-	2,503,172	2,503,172	2,654,245
Prepaid items	625,970	-	-	-	625,970	27,925
Advances to other funds (note 3)	-	-	-	602,169	602,169	569,416
Advances to water authority (note 3)	4,758,719	-	-	-	4,758,719	4,856,567
Deposit	-	-	-	570,000	570,000	-
Land held for resale	-	-	-	1,917,709	1,917,709	1,917,709
Total assets	\$ 26,162,758	17,964,495	8,193,834	22,655,904	74,976,991	54,013,596
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 5,125,176	1,862,914	-	261,431	7,249,521	2,337,075
Accrued expenses	318,393	-	-	-	318,393	205,052
Due to other funds (note 3)	-	-	-	53,420	53,420	277,534
Advances from other funds (note 3)	1,352,169	-	-	-	1,352,169	1,319,416
Deferred revenue	-	400,000	-	135,261	535,261	102,508
Retentions payable	-	336,902	-	-	336,902	125,477
Pass-through payable	-	-	-	1,223,983	1,223,983	63,775
Deposits payable	1,816,765	155,862	-	59,170	2,031,797	1,934,712
Total liabilities	8,612,503	2,755,678	-	1,733,265	13,101,446	6,365,549
Fund balances:						
Reserved:						
Encumbrances	867,907	-	-	16,523	884,430	-
Gas tax	-	-	-	527,173	527,173	874,862
Notes receivable	-	-	-	2,503,172	2,503,172	2,654,245
Low and moderate housing	-	-	-	1,082,671	1,082,671	625,831
Advances	4,758,719	-	-	602,169	5,360,888	5,425,983
Land held for resale	-	-	-	1,917,709	1,917,709	1,917,709
Debt service	-	-	-	4,087,464	4,087,464	2,281,547
Unreserved, reported in:						
General fund	11,923,629	-	-	-	11,923,629	6,855,769
Special revenue funds	-	-	-	5,682,281	5,682,281	5,906,202
Capital projects funds	-	15,208,817	8,193,834	4,503,477	27,906,128	21,105,899
Total fund balances	17,550,255	15,208,817	8,193,834	20,922,639	61,875,545	47,648,047
Total liabilities and fund balances	\$ 26,162,758	17,964,495	8,193,834	22,655,904	74,976,991	54,013,596

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, 2004

Fund balances of governmental funds \$ 61,875,545

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	37,630,947
Accumulated depreciation	(10,511,396)

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

Bonds payable	(14,390,000)
Certificates of participation	(3,750,000)
Capital lease obligations	(1,385,207)
Claims payable	(80,250)
Compensated absences	(1,142,832)

Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds. (392,139)

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. 135,261

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. 3,889,773

Net assets of governmental activities \$ 71,879,702

See accompanying notes to the basic financial statements.

CITY OF INDIO
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2004

	General	Capital	Assessment	Other	Totals	
	Fund	Projects	Districts	Governmental	2004	2003
Revenues:						
Taxes	\$ 17,484,284	-	-	6,526,455	24,010,739	18,440,448
Special assessments	-	-	-	496,989	496,989	2,180,914
Licenses and permits	5,092,871	-	-	-	5,092,871	4,787,462
Intergovernmental	876,607	5,265,618	-	475,803	6,618,028	7,857,967
Charges for services	5,640,993	-	-	69,750	5,710,743	4,042,113
Fines	661,668	-	-	-	661,668	737,028
Investment income	484,560	188,023	43,926	245,658	962,167	777,640
Developer fees	-	4,136,335	-	-	4,136,335	1,921,921
Miscellaneous	474,888	-	5,920	471,119	951,927	2,414,549
Contributions from property owners	-	-	11,485,563	-	11,485,563	6,434,102
Total revenues	30,715,871	9,589,976	11,535,409	8,285,774	60,127,030	49,594,144
Expenditures						
Current:						
General government	5,162,882	-	-	2,240	5,165,122	4,797,848
Public safety	13,943,984	-	-	197,877	14,141,861	15,248,702
Public works	1,726,104	5,365,850	6,513,006	481,004	14,085,964	18,252,988
Community development	3,714,236	-	-	1,892,956	5,607,192	5,194,292
Culture and leisure	830,465	-	-	124,878	955,343	890,949
Low and moderate housing	-	-	-	13,525	13,525	61,490
Utilities	-	1,878,467	-	-	1,878,467	1,406,329
Debt service:						
Principal	-	-	-	1,452,418	1,452,418	4,119,796
Interest	-	-	-	1,096,571	1,096,571	1,172,819
Fiscal charges	-	-	-	1,252	1,252	118,315
ERAF payment	-	-	-	145,052	145,052	76,399
Pass-through payments	-	-	-	1,052,445	1,052,445	510,053
Total expenditures	25,377,671	7,244,317	6,513,006	6,460,218	45,595,212	51,849,980
Excess (deficiency) of revenues over (under) expenditures	5,338,200	2,345,659	5,022,403	1,825,556	14,531,818	(2,255,836)
Other financing sources (uses):						
Interfund transfers in (note 3)	2,555,684	1,448,936	-	2,678,552	6,683,172	7,513,122
Interfund transfers out (note 3)	(1,465,831)	(41,950)	-	(5,124,691)	(6,632,472)	(7,423,872)
Lease purchase and loan proceeds	-	-	-	-	-	942,639
Issuance of bond	-	-	-	-	-	3,750,000
Total other financing sources (uses)	1,089,853	1,406,986	-	(2,446,139)	50,700	4,781,889
Net change in fund balances	6,428,053	3,752,645	5,022,403	(620,583)	14,582,518	2,526,053
Fund balances at beginning of year, as restated (note 19)	11,122,202	11,456,172	3,171,431	21,543,222	47,293,027	45,121,994
Fund balances at end of year	\$ 17,550,255	15,208,817	8,193,834	20,922,639	61,875,545	47,648,047

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
 Year ended June 30, 2004

Changes in fund balances of governmental funds \$ 14,582,518

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. 8,756,740

Repayment of long term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,508,471

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. (47,541)

To record as an expense the net change in compensated absences in the statement of activities. (73,382)

To record as an expense the net change in claims payable in the statement of activities 260,250

Revenues that are measurable but not available are recorded as deferred revenue under the modified accrual basis of accounting. 32,753

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. 1,262,518

Changes in net assets of governmental activities \$ 26,282,327

See accompanying notes to the basic financial statements.

CITY OF INDIO
Proprietary Funds

Statement of Net Assets

June 30, 2004

	Business Type Activities		Governmental Activities	
	Nonmajor - Golf Course		Internal Service Funds	
	2004	2003	2004	2003
Assets:				
Current assets:				
Cash and investments (note 2)	\$ 998,759	946,832	3,297,005	2,700,939
Deposit with other agencies	-	-	49,654	49,654
Accounts receivable	-	-	1,943	-
Interest receivable	3,566	4,022	9,922	7,319
Advances to other funds (note 3)	-	-	750,000	750,000
Prepaid items	-	-	24,705	3,359
Inventory	5,857	5,857	33,872	-
Total current assets	1,008,182	956,711	4,167,101	3,511,271
Noncurrent assets:				
Capital assets (note 5):				
Land	386,141	386,141	-	-
Structures and improvements	92,130	92,130	-	-
Machinery, equipment and vehicles	174,858	154,211	3,494,497	3,577,053
Accumulated depreciation	(97,823)	(80,671)	(3,404,450)	(3,140,821)
Total capital assets (net of accumulated depreciation)	555,306	551,811	90,047	436,232
Total assets	1,563,488	1,508,522	4,257,148	3,947,503
Liabilities:				
Current liabilities:				
Accounts payable	24,625	34,849	118,085	149,434
Accrued payroll	-	-	22,634	13,417
Noncurrent liabilities:				
Claims payable (note 6)	-	-	226,656	1,157,397
Total liabilities	24,625	34,849	367,375	1,320,248
Net assets:				
Invested in capital assets	555,306	551,811	90,047	436,232
Unrestricted	983,557	921,862	3,799,726	2,191,023
Total net assets	\$ 1,538,863	1,473,673	3,889,773	2,627,255

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, 2004

	Business Type Activities		Governmental Activities	
	Nonmajor - Golf Course		Internal Service Funds	
	2004	2003	2004	2003
Operating revenues:				
Charges for services	\$ 686,388	778,585	4,281,436	5,746,162
Total operating revenues	686,388	778,585	4,281,436	5,746,162
Operating expenses:				
Personnel services	-	-	420,983	558,128
Contractual services	291,396	469,705	398,007	1,777,347
Depreciation	17,152	16,824	263,629	258,938
Repairs and maintenance	11,238	93,469	262,484	627,532
Supplies	266,987	74,824	1,042,184	1,562,603
Claims and judgments	-	-	1,259,652	1,180,958
Total operating expenses	586,773	654,822	3,646,939	5,965,506
Operating income	99,615	123,763	634,497	(219,344)
Nonoperating revenues (expenses):				
Investment income	13,775	17,932	26,553	32,630
Miscellaneous	2,500	1,618	601,468	175,640
Total nonoperating revenues (expenses)	16,275	19,550	628,021	208,270
Income before transfers	115,890	143,313	1,262,518	(11,074)
Interfund transfers:				
Interfund transfers out (note 3)	(50,700)	(89,250)	-	-
Net income	65,190	54,063	1,262,518	(11,074)
Net assets at beginning of year	1,473,673	1,419,610	2,627,255	2,638,329
Net assets at end of year	\$ 1,538,863	1,473,673	3,889,773	2,627,255

See accompanying notes to the basic financial statements.

CITY OF INDIO

Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2004

	<u>Business Type Activities</u>		<u>Governmental Activities</u>	
	<u>Nonmajor - Golf Course</u>		<u>Internal Service Funds</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:				
Cash received from customers	\$ 686,388	778,585	-	-
Cash received from user departments	-	-	4,279,493	5,705,069
Cash payments to suppliers for for goods and services	(579,845)	(642,307)	(3,864,413)	(5,084,871)
Cash payments to employees for services	-	-	(411,595)	(676,010)
Miscellaneous receipts	<u>2,500</u>	<u>1,618</u>	<u>601,468</u>	<u>175,640</u>
Net cash provided by (used for) operating activities	<u>109,043</u>	<u>137,896</u>	<u>604,953</u>	<u>119,828</u>
Cash flows from non-capital and related financing activities:				
Cash received from water authority	-	-	-	279,375
Cash paid to other funds	<u>(50,700)</u>	<u>(89,250)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) non-capital and related financing activities	<u>(50,700)</u>	<u>(89,250)</u>	<u>-</u>	<u>279,375</u>
Cash flows from capital and related activities:				
Acquisition of capital assets	<u>(20,647)</u>	<u>(80,041)</u>	<u>(32,837)</u>	<u>(98,471)</u>
Net cash provided by (used for) capital and related financing activities	<u>(20,647)</u>	<u>(80,041)</u>	<u>(32,837)</u>	<u>(98,471)</u>
Cash flows from investing activities:				
Interest received on investments	<u>14,231</u>	<u>18,238</u>	<u>23,950</u>	<u>36,927</u>
Net cash provided by (used for) investing activities	<u>14,231</u>	<u>18,238</u>	<u>23,950</u>	<u>36,927</u>
Net increase (decrease) in cash and cash equivalents	51,927	(13,157)	596,066	337,659
Cash and cash equivalents at beginning of year	<u>946,832</u>	<u>959,989</u>	<u>2,700,939</u>	<u>2,363,280</u>
Cash and cash equivalents at end of year	<u>\$ 998,759</u>	<u>946,832</u>	<u>3,297,005</u>	<u>2,700,939</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO
Proprietary Funds

Statement of Cash Flows

(Continued)

	Business Type Activities		Governmental Activities	
	Nonmajor - Golf Course		Internal Service Funds	
	2004	2003	2004	2003
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 99,615	123,763	634,497	(219,344)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	17,152	16,824	263,629	258,938
Miscellaneous nonoperating income (expense)	2,500	1,618	601,468	175,640
(Increase) decrease in accounts receivable	-	-	(1,943)	8,561
(Increase) decrease in prepaid items	-	-	(21,346)	(3,359)
(Increase) decrease in inventory	-	138	(33,872)	54,544
(Increase) decrease in other assets	-	-	115,393	(49,654)
Increase (decrease) in accounts payable	(10,224)	(4,447)	(31,349)	12,384
Increase (decrease) in accrued payroll	-	-	9,217	13,417
Increase (decrease) in claims payable	-	-	(930,741)	(131,299)
Net cash provided by (used for) operating activities	\$ 109,043	137,896	604,953	119,828

There were no noncash financing, capital or investing transactions for the years ended June 30, 2004 and 2003.

See accompanying notes to the basic financial statements.

CITY OF INDIO
Fiduciary Funds

Statement of Assets and Liabilities

June 30, 2004

	<u>2004</u>	<u>2003</u>
<u>Assets</u>		
Cash and investments (note 2)	\$ 1,940,582	604,825
Cash with fiscal agent (note 2)	3,587,915	2,382,999
Due from other governments	73,737	189,148
Interest receivable	<u>5,335</u>	<u>4,249</u>
Total assets	<u>\$ 5,607,569</u>	<u>3,181,221</u>
<u>Liabilities</u>		
Accounts payable	\$ 155,304	20,500
Deposits payable	225,000	34,674
Due to bondholders	<u>5,227,265</u>	<u>3,126,047</u>
Total liabilities	<u>\$ 5,607,569</u>	<u>3,181,221</u>

See accompanying notes to the basic financial statements.

CITY OF INDIO

Notes to Basic Financial Statements

Year ended June 30, 2004

(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. Separate financial statements of the Authority are not prepared.

- 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.

Assessment District Fund – This fund is used to account for revenues and expenditures associated with construction in the various Assessment Districts.

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.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

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

(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, 2004, 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) Cash and Investments

For purposes of the statement of cash flows, cash and investments are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

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.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

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

(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, 2005.

The following schedule summarizes fixed asset useful lives:

Buildings	20 years
Equipment	3-25 years
Vehicles	5-7 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.

(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.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

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

(h) Compensated Absences, (Continued)

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. The General Fund is typically used to liquidate the liability for compensated absences.

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.

(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:

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

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

(k) Property Taxes, (Continued)

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

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.

(m) Comparative Data

Totals for the prior year have been presented in the accompanying financial statements for comparison purposes. However, these totals do not represent a complete presentation of the prior year data in accordance with accounting principles generally accepted in the United State of America because a breakdown by fund type has not also been presented. Certain reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments

Cash and investments are reported as follows:

Statement of Net Assets:	
Cash and investments	\$61,151,629
Cash with fiscal agent	11,630,755
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	1,940,582
Cash with fiscal agent	<u>3,587,915</u>
Total	<u>\$78,310,881</u>

Cash and investments held by the City at June 30, 2004 consisted of the following:

Petty cash	\$ 3,363
Demand deposits	3,243,372
State of California Treasurer's investment pool (LAIF)	<u>59,845,476</u>
Total cash and investments held by the City and the Water Authority	<u>\$63,092,211</u>

Cash held by fiscal agent at June 30, 2004 consisted of the following:

Mutual funds (money market)	<u>\$15,218,670</u>
Total cash held by fiscal agents	<u>\$15,218,670</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

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

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.

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>\$ 300,000</u>	<u>2,969,332</u>	<u>-</u>	<u>3,269,332</u>	<u>3,243,372</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	\$59,845,476
Investments held by fiscal agent not subject to categorization:	
Investment in mutual funds (Money Market)	<u>15,218,670</u>
	<u>\$75,064,146</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, 2004 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Redevelopment Capital Projects	General Fund	\$ 602,169
Internal Service Funds	General Fund	<u>750,000</u>
Total		<u>\$ 1,352,169</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 had an original due date of December 29, 2000. The balance outstanding at June 30, 2004 was \$602,169.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

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

Due to/due from other funds as of June 30, 2004 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	<u>\$53,420</u>

These short-term interfund borrowings were made to cover cash deficits at June 30, 2004.

Transfers in and out for the year ended June 30, 2004 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$1,465,831(a)
Capital Projects Fund	General Fund	41,950
Golf Course Enterprise Fund	General Fund	50,700
Other Governmental Funds	General Fund	2,463,034(b)
	Capital Projects Fund	1,448,936(c)
	Other Governmental Funds	<u>1,212,721(d)</u>
	Total	<u>\$6,683,172</u>

Interfund transfers were principally used for the following purposes:

- (a) To fund debt service payments relating to capital lease obligations;
- (b) \$1,406,836 was from the Gas Tax Fund to reimburse the General Fund for street related expenditures; \$412,646 was from the Public Safety Fund to reimburse the General Fund for public safety related expenditures;
- (c) \$1,260,975 was from the Measure A Fund for street related purposes; and
- (d) \$1,152,989 was used to help fund debt service payments relating specifically to the Indio Redevelopment Agency.

Advances to/from primary government and component unit as of June 30, 2004 are as follows:

Advances from General Fund to:	
Water Authority	<u>\$4,758,719</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, 2004

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.

\$2,062,121

Various first time home buyer notes were issued to homeowners in the amount of \$441,051.

441,051

Total

\$2,503,172

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets

Capital asset activity for the year ended June 30, 2004 is as follows:

Governmental Activities:

	<u>Balance at June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2004</u>
Structures and improvements	\$ 6,018,828	-	-	6,018,828
Machinery, equipment and vehicles	12,121,052	370,308	(22,492)	12,468,868
Infrastructure:				
Street network	<u>3,869,471</u>	<u>6,092,600</u>	<u>-</u>	<u>9,962,071</u>
Total cost of depreciable assets	<u>22,009,351</u>	<u>6,462,908</u>	<u>(22,492)</u>	<u>28,449,767</u>
Less accumulated depreciation:				
Structures and improvements	4,718,650	142,637	-	4,861,287
Machinery, equipment and vehicles	7,698,083	1,153,149	-	8,851,232
Infrastructure				
Street network	<u>-</u>	<u>203,327</u>	<u>-</u>	<u>203,327</u>
Total accumulated depreciation	<u>12,416,733</u>	<u>1,499,113</u>	<u>-</u>	<u>13,915,846</u>
Net depreciable assets	9,592,618	4,963,795	(22,492)	14,533,921
Capital assets not depreciated:				
Construction in progress	8,287,853	3,296,390	(156,333)	11,427,910
Land	<u>918,572</u>	<u>329,195</u>	<u>-</u>	<u>1,247,767</u>
Capital assets, net	<u>\$18,799,043</u>	<u>8,589,380</u>	<u>(178,825)</u>	<u>27,209,598</u>

Depreciation expense, including \$263,629 of internal service depreciation, was charged in the following functions in the Statement of Activities:

General government	\$ 349,639
Public works	587,928
Public safety	359,492
Community development	101,027
Culture and leisure	<u>101,027</u>
	<u>\$1,499,113</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets, (Continued)

Business-type activities:

	<u>Balance at June 30, 2003 as restated*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2004</u>
Structures and improvements	\$ 92,130	-	-	92,130
Machinery, equipment and vehicles	<u>154,210</u>	<u>20,647</u>	<u>-</u>	<u>174,857</u>
Total cost of depreciable assets	<u>246,340</u>	<u>20,647</u>	<u>-</u>	<u>266,987</u>
Less accumulated depreciation:				
Structures and improvements	62,156	3,607	-	65,763
Machinery, equipment and vehicles	<u>18,515</u>	<u>13,545</u>	<u>-</u>	<u>32,060</u>
Total accumulated depreciation	<u>80,671</u>	<u>17,152</u>	<u>-</u>	<u>97,823</u>
Net depreciable assets	165,669	3,495	-	169,164
Capital assets not depreciated:				
Land	<u>386,142</u>	<u>-</u>	<u>-</u>	<u>386,142</u>
Capital assets, net	<u>\$551,811</u>	<u>3,495</u>	<u>-</u>	<u>555,306</u>

* Restatements have been reflected in the June 30, 2003 balances due to the receipt of additional information.

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

Golf \$17,152

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(5) Capital Assets, (Continued)

Component Unit:

	<u>Balance at June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2004</u>
Structures and improvements	\$20,606,088	-	-	20,606,088
Machinery, equipment and vehicles	1,729,316	-	-	1,729,316
Utility distribution system	<u>1,225,053</u>	<u>2,170,457</u>	<u>-</u>	<u>3,395,510</u>
Total cost of Depreciable assets	<u>23,560,457</u>	<u>2,170,457</u>	<u>-</u>	<u>25,730,914</u>
Less accumulated depreciation:				
Structures and improvements	6,482,095	526,661	-	7,008,756
Machinery, equipment and vehicles	1,410,086	50,541	-	1,460,627
Utility distribution system	<u>22,235</u>	<u>48,507</u>	<u>-</u>	<u>70,742</u>
Total accumulated depreciation	<u>7,914,416</u>	<u>625,709</u>	<u>-</u>	<u>8,540,125</u>
Net depreciable assets	15,646,041	1,544,748	-	17,190,789
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>\$16,133,228</u>	<u>1,544,748</u>	<u>(331,410)</u>	<u>17,346,566</u>

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

Water	<u>\$625,709</u>
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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, 2004 were as follows:

<u>Governmental activities:</u>	<u>Balance at</u>			<u>Balance at</u>	<u>Amount Due</u>	<u>Amount Due</u>
	<u>June 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2004</u>	<u>Within One</u>	<u>Beyond One</u>
					<u>Year</u>	<u>Year</u>
Bonds payable:						
1997 Series A Bonds	\$ 980,000	-	(30,000)	950,000	35,000	915,000
1997 Series B Bonds	7,290,000	-	(150,000)	7,140,000	155,000	6,985,000
1997 Series C Bonds	2,420,000	-	(40,000)	2,380,000	45,000	2,335,000
1999 Revenue						
Refunding Bonds	<u>4,000,000</u>	<u>-</u>	<u>(120,000)</u>	<u>3,880,000</u>	<u>125,000</u>	<u>3,755,000</u>
Subtotal	14,690,000	-	(340,000)	14,350,000	360,000	13,990,000
Capital lease obligations	2,369,369	-	(984,162)	1,385,207	815,777	569,430
Participation agreements	80,000	-	(40,000)	40,000	40,000	-
Certificates of participation	3,750,000	-	-	3,750,000	210,000	3,540,000
Loans payable	144,309	-	(144,309)	-	-	-
Compensated absences	1,069,450	547,522	(474,140)	1,142,832	480,000	662,832
Claims payable	<u>1,497,897</u>	<u>80,000</u>	<u>(1,270,991)</u>	<u>306,906</u>	<u>80,000</u>	<u>226,906</u>
Subtotal	<u>8,911,025</u>	<u>627,522</u>	<u>(2,913,602)</u>	<u>6,624,945</u>	<u>1,625,777</u>	<u>4,999,168</u>
Total	<u>\$23,601,025</u>	<u>627,522</u>	<u>(3,253,602)</u>	<u>20,974,945</u>	<u>1,985,777</u>	<u>18,989,168</u>
 <u>Component Unit:</u>						
Capital lease obligations	250,092	-	(80,196)	169,896	83,323	86,573
Advance from General						
Fund	4,856,567	-	(97,848)	4,758,719	103,883	4,654,836
Compensated absences	<u>128,663</u>	<u>65,885</u>	<u>(68,452)</u>	<u>126,096</u>	<u>70,000</u>	<u>56,096</u>
Total	<u>\$ 5,235,322</u>	<u>65,885</u>	<u>(246,496)</u>	<u>5,054,711</u>	<u>257,206</u>	<u>4,797,505</u>

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, 2004 on this contract was \$169,896.

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, 2004 on this contract was \$65,771.

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, 2004 on this contract was \$165,624.

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, 2004 on this contract was \$464,835.

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, 2004 on this contract was \$133,682.

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, 2004 for the above Ford vehicle contracts was \$141,134.

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, 2004 for the above Ford pickup contracts was \$40,409.

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, 2004 on this contract was \$373,752.

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

Amount of future lease payments for the year ending <u>June 30,</u>	Governmental Activities							<u>Totals</u>	Component
	<u>Street Equipment</u>	<u>HTE System</u>	<u>Police Computer</u>	<u>Sweepers</u>	<u>Ford Vehicles</u>	<u>Ford Pickups</u>	<u>Squad Cars</u>		<u>Unit Scada System</u>
2005	\$ 68,797	174,239	187,400	72,150	147,485	42,268	199,582	891,921	89,949
2006	-	-	187,400	72,150	-	-	199,582	459,132	89,949
2007	-	-	187,400	-	-	-	-	187,400	-
Subtotal	68,797	174,239	562,200	144,300	147,485	42,268	399,164	1,538,453	179,898
Less amount representing interest	<u>(3,026)</u>	<u>(8,615)</u>	<u>(97,365)</u>	<u>(10,618)</u>	<u>(6,351)</u>	<u>(1,859)</u>	<u>(25,412)</u>	<u>(153,246)</u>	<u>(10,002)</u>
Present value of future lease payments	<u>\$ 65,771</u>	<u>165,624</u>	<u>464,835</u>	<u>133,682</u>	<u>141,134</u>	<u>40,409</u>	<u>373,752</u>	<u>1,385,207</u>	<u>169,896</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 \$40,000 at June 30, 2004.

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. The balance outstanding at June 30, 2004 was \$0.

(9) Liability, Property and Workers Compensation Protection

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Indio is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 106 California public entities and is organized under a joint powers agreement pursuant to California Government Code Subsection 6500, et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

Self-Insurance Programs of the Authority

General Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member; costs from \$30,001 to \$750,000 are pooled based on a member's share of costs under \$30,000; costs from \$750,001 to \$15,000,000 are pooled based on payroll. Costs of covered claims above \$15,000,000 are currently paid by reinsurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(9) Liability, Property and Workers Compensation Protection, (Continued)

Workers Compensation - The City of Indio also participates in the workers compensation pool administered by the Authority. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The City of Indio is charged for the first \$50,000 of each claim. Costs from \$50,001 to \$100,000 per claim are pooled based on the member's losses under its retention level. Costs between \$100,001 and \$2,000,000 per claim are pooled based on payroll. Costs between \$2,000,000 and \$50,000,000 are paid by excess insurance purchased by the Authority. Costs in excess of \$50,000,000 are pooled by the members based on payroll.

Purchased Insurance

Environmental Insurance - The City of Indio participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Indio. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$120,000,000 for the 3-year period from July 1, 2002 through June 30, 2005. Each member of the Authority has a \$10,000,000 limit during the 3-year term of the policy.

Property Insurance - The City of Indio participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Indio property is currently insured according to a schedule of covered property submitted by the City of Indio to the Authority. Total all-risk property insurance coverage is \$100,000,000. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Earthquake and Flood Insurance - The City of Indio purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City of Indio property currently has earthquake protection in the amount of \$300,000,000. There is a deductible of 5% of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Fidelity Bonds - The City of Indio purchases blanket fidelity bond coverage in the amount of \$1,000,000 with \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant Use Liability Insurance - The City of Indio further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City of Indio according to a schedule. The City of Indio then pays for the insurance. The insurance is arranged by the Authority.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(9) Liability, Property and Workers Compensation Protection, (Continued)

Adequacy of Protection

During the past three fiscal (claims) years non of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

Changes in the claim payable amounts in fiscal years 2003 and 2004 were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Prior Year Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
2002-03	\$1,556,696	350,000	(408,799)	1,497,897
2003-04	1,497,897	80,000	(1,270,991)	306,906

(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, 2004 was \$950,000.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(10) Tax Increment Revenue Bonds, (Continued)

The Series B bonds consist of \$2,490,000 of serial bonds and \$5,445,000 of term bonds. The serial bonds accrue interest at rates ranging from 3.90% to 5.20%. Principal payments are due each August 15 in amounts ranging from \$115,000 to \$225,000, with the final principal payment on August 15, 2012. The term bonds accrue interest at a rate of 5.35% with \$1,330,000 of the term bonds maturing on August 15, 2017 and the remaining \$4,115,000 of the term bonds maturing on August 15, 2027. The Series B term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$235,000 to \$460,000, as outlined in the bond indenture. The outstanding balance at June 30, 2004 was \$7,140,000.

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

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, 2004 was \$2,380,000.

As required in the official statement, each bond issue is required to maintain a reserve fund. The required amount of the reserve fund for the Series B Bonds was \$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.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(10) Tax Increment Revenue Bonds, (Continued)

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, 2004 was \$3,880,000.

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 \$332,350. At June 30, 2004 the actual reserve amount was \$333,171.

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, 2004, \$12,420,000 of bonds outstanding are considered defeased.

(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 were 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, 2004 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, 2004, the actual reserve amount was \$374,549.

CITY OF INDIO
Notes to Basic Financial Statements
(Continued)

(12) Debt Service Requirements to Maturity

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

Governmental Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
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>\$14,350,000</u>	<u>10,717,968</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 certificates of participations are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
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>1,381,169</u>

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

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

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(13) Compliance with Budgetary Limitations

For the fiscal year ended June 30, 2004, the following funds reflected expenditures in excess of budgeted amounts:

	<u>Amount of Excess</u>
General Fund:	
City council	\$ (33,946)
Finance	(19,884)
General administration	(70,033)
Police special services	(776,695)
Street lighting	(28,996)
Street cleaning	(6,872)
Engineering	(64,928)
Senior center	(26,496)
Special Revenue Funds:	
CDBG	(5,256)
Air Quality (AB2766)	(46,652)
Lighting and Landscape	(12,386)
Community Facilities District	(33,600)
Debt Service Funds:	
2002 Park COP's	(165,115)
Redevelopment Agency Debt Service	(424,976)
General Debt Service	(72,410)
Capital Projects Funds:	
2002 Park Bonds	(124,878)
Capital Projects	(7,244,317)
Assessment Districts	(6,513,006)

(14) Deficit Fund Balances/Net Assets

As of June 30, 2004, a deficit fund balance/net assets was recorded in the following funds:

	<u>Fund Deficit</u>
Special Revenue Funds:	
Community Facilities District	\$(33,600)

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(15) 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, 2004 was \$500,000.

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

On June 8, 1985 the City of Indio issued \$11,200,000 of 1985 Series A Variable Rate Demand Multifamily Housing Revenue Bonds. The bonds mature on June 1, 2005. The project is known as the Western Federal Savings and Loan Association Project. The Developer of the project was Quality Investments, Inc., a California corporation. The bonds are not a general obligation of the City of Indio and are payable only from certain revenues and receipts and certain other security pledged for the payment of the bonds pursuant to the Indenture of Trust. The principal amount of the bonds outstanding at June 30, 2004 was \$3,855,000.

\$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, 2004 was \$5,650,000.

\$8,500,000 City of Indio Variable Rate Demand Multifamily Housing Mortgage Revenue Refunding Bonds (Montevideo Apartments), 1998 Series

On October 1, 1998 the City of Indio issued \$8,500,000 of 1998 Series Variable Rate Demand Multifamily Housing Revenue Refunding Bonds. The bonds mature on October 1, 2008. The principal amount of the bonds outstanding at June 30, 2004 was \$8,500,000.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

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

Assessment District Limited Obligation Bonds

The City of Indio issued the following Limited Obligation Improvement Bonds to finance the costs of acquisition of certain public improvements serving property within the prospective Assessment Districts. The bonds are payable from annual installments collected on regular property tax bills sent to owners of property having unpaid assessments levied against land benefited by the projects. Neither the faith, credit nor taxing power of the City is pledged to the repayment of the bonds. Accordingly, no liability has been recorded in the financial statements.

<u>Description</u>	<u>Issuance Date</u>	<u>Face Value</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Outstanding
					Principal
					as of
					June 30, 2004
A.D. No. 99-1	12/16/1999	\$3,160,000	7.125%	9/2/2020	\$ 2,930,000
A.D. No. 01-1	7/10/2001	\$4,840,143	6.500%	9/2/2026	\$ 4,750,000
A.D. No. 02-1	5/2/2002	\$4,403,000	5.25% to 6.375%	9/2/2027	\$ 4,403,000
A.D. No. 02-2	8/8/2002	\$2,761,000	2.75% to 6.125%	9/2/2027	\$ 2,715,000
A.D. No. 02-3	11/27/2002	\$5,319,050	4.00% to 6.35%	9/2/2027	\$ 5,319,050
A. D. No. 90-1	7/18/2002	\$2,260,000	4.700%	9/2/2013	\$ 2,110,000
A.D. No. 03-1	1/15/2004	\$2,450,500	2.375% to 6.10%	9/2/2014	\$ 2,450,000
A.D. No. 03-2	1/15/2004	\$1,965,000	2.375% to 6.10%	9/2/2014	\$ 1,965,000
A.D. No. 03-3	12/23/2003	\$5,654,000	2.25% to 6.125%	9/2/2014	\$ 5,654,000
A.D. No. 03-5	3/9/2004	\$1,890,000	2.20% to 5.875%	9/2/2022	\$ 1,890,000
A.D. No. 03-6	3/31/2004	\$2,301,600	2.35% to 5.50%	9/2/2018	\$ 2,301,600

(16) Defined Benefit Plan

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, disability benefits, 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. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Participants are required to contribute 7% of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and town contract with employee bargaining groups.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(16) Defined Benefit Plan, (Continued)

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2003 to June 30, 2004 has been determined by an actuarial valuation of the plan as of June 30, 2001. The contribution rate indicated for the period is 20.407% of payroll for the safety plan and 1.529% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2004, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2003 to June 30, 2004.

A summary of principle assumptions and methods used to determine the ARC is shown below.

Valuation Date	June 30, 2001
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	16 to 19 Years as of the Valuation Date
Asset Valuation Method	3 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	8.25% (net of administrative expenses)
Projected Salary Increases	3.75% to 14.20% depending on Age, Service, and type of employment
Inflation	3.50%
Payroll Growth	3.75%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.5% and an annual production growth of 0.25%.

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level % of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization period may not be lower than the payment calculated over a 30 year amortization period.

For the safety plan, the unfunded liability is amortized over a period ending June 30, 2022. For the miscellaneous plan, the unfunded liability is amortized over a period ending June 30, 2019.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(16) Defined Benefit Plan, (Continued)

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded accrued liability to payroll.

Required Supplementary Information – 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%)

Required Supplementary Information – 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%	\$2,872,624	(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)	124.5%	4,298,594	(99.8%)

Three-Year Trend Information

Annual Pension Cost (Employer Contribution)

<u>Fiscal Year</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/02	\$ 0	-0-	100%	-
6/30/03	0	-0-	100%	-
6/30/04	326,099	395,073	100%	-

(17) 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 2003-04, those costs totaled \$578,188 for 102 such employees.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(18) 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 2003-2004, payment in the amount of \$782,526 was made to the County.

(19) Restatement of Fund Balances/Net Assets

During fiscal year 2003-2004 fund balances/net assets were restated based on the following:

- (a) The 2003 financial statements did not reflect as revenue the sales tax payments received in July 2003 and August 2003, in accordance with the revenue recognition criteria outlined in GASB Statement No. 22. The City only recorded the July 2003 sales tax receipt as revenue in the 2003 financial statements. As a result, the General Fund beginning fund balance and the Governmental Activities beginning net assets are restated by \$565,600 to reflect the unrecorded revenue.
- (b) Waste management fees are collected by the City and remitted to the company that performs the waste management services. In prior years, the fees collected by the City were recorded as revenue but should have been recorded as a liability that was owed to the waste management company. As a result, the General Fund beginning fund balance and the Governmental Activities beginning net assets are restated by \$1,155,734 to reflect the unrecorded liability.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(19) Restatement of Fund Balances/Net Assets, (Continued)

- (c) During the fiscal year ended June 30, 2002, the City made a deposit to purchase a certain parcel of park land. This deposit was expensed instead of being recorded as an asset. As of June 30, 2004 title has yet to transfer to the City. As a result, the 2002 Park COP's Capital Projects Fund beginning fund balance and the Governmental Activities beginning net assets are restated by \$570,000 to reflect the deposit.
- (d) The Redevelopment Agency has entered into various agreements to share certain tax increment revenue. In the prior year, \$334,886 of this revenue that was owed to the school district was not recorded as a liability. As a result, the Redevelopment Debt Service Fund beginning fund balance and the Governmental Activities beginning net assets are restated by \$334,886 to reflect the unrecorded liability.

The following schedules summarize the effects of the prior period adjustments to the Fund Financial Statements and the Government wide Statements.

Fund Financial Statements:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Fund balances at beginning of year, as previously reported	\$11,712,336	\$21,308,108
(a) – Adjustment for sales tax revenue accrual not recorded in the prior year	565,600	-
(b) – Adjustment for waste management fees that should not have been recorded as revenue	(1,155,734)	-
(c) -- Adjustment for land deposit that was expensed in the prior year	-	570,000
(d) – Adjustment for pass through liability that was not recorded in the prior year	<u>-</u>	<u>(334,886)</u>
Fund balances at beginning of year, as restated	<u>\$11,122,202</u>	<u>\$21,543,222</u>

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(19) Restatement of Fund Balances/Net Assets, (Continued)

Government Wide Statements:

	<u>Governmental Activities</u>
Net assets at beginning of year, as previously reported	\$45,952,395
(a) – Adjustment for sales tax revenue accrual not recorded in the prior year	565,600
(b) – Adjustment for waste management fees that should not have been recorded as revenue	(1,155,734)
(c) – Adjustment for land deposit that was expenses in the prior year	570,000
(d) – Adjustment for pass through liability that was not recorded in the prior year	<u>(334,886)</u>
Net assets at beginning of year, as restated	<u>\$45,597,375</u>

(20) Water Authority Revenues

The following is a breakdown of Charges for Services recorded by the Water Authority for the year ended June 30, 2004:

	<u>Amount</u>
Water payments	\$5,543,927
Connection fees	445,782
Service charges	<u>289,271</u>
Total charges for services	<u>\$6,278,980</u>

(21) Subsequent Events

Tax Allocation Bonds (Merged Project Area), 2004 Series A

On July 1, 2004, the Redevelopment Agency (Agency) of the City of Indio issued \$9,760,000 Taxable Tax Allocation Bonds (Merged Project Area), 2004 Series A. The proceeds were used to finance redevelopment activities of the Agency within or of benefit to the Agency's Merged Project Area and advance refund certain prior obligations of the Agency.

CITY OF INDIO

Notes to Basic Financial Statements

(Continued)

(21) Subsequent Events, (Continued)

Tax Allocation Bonds (Merged Project Area), 2004 Series A, (Continued)

These bonds consist of \$9,760,000 of term bonds. These bonds accrue interest at rates ranging from 5.60% to 6.30% with principal amounts maturing on August 15, 2033. The Series A term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$100,000 to \$1,170,000, as outlined in the bond indenture.

Subordinate Tax Allocation Bonds (Merged Project Area), 2004 Series B

On July 1, 2004, the Agency issued \$18,855,000 Subordinate Tax Allocation Bonds (Merged Project Area), 2004 Series B. The proceeds were used to finance redevelopment activities of the Agency within or of benefit to the Agency's Merged Project Area.

These bonds consist of \$18,855,000 of term bonds. These bonds accrue interest at rates ranging from 6.25% to 6.50% with principal amounts maturing on August 15, 2034. The Series B term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$240,000 to \$495,000, as outlined in the bond indenture.

Water Enterprise Revenue Bonds, 2004 Series

On July 1, 2004, the Water Authority, a discretely presented component unit of the City of Indio, issued \$12,000,000 Revenue Bonds, 2004 Series. The proceeds were used to repay the Promissory Note in full to the City of Indio. Proceeds deposited in the Project Fund are expected to be used by the Water Authority to construct a 10 MG reservoir and to acquire additional wells.

These bonds consist of \$5,160,000 in serial bonds and \$6,840,000 in term bonds. These bonds accrue interest at rates ranging from 5.00% to 5.125%. The principal payments range from \$200,000 to \$785,000 and mature on April 1, 2030.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INDIO

Notes to the Required Supplementary Information

Year Ended June 30, 2004

(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, 2004, expenditures exceeded appropriations in the following departments:

	<u>Amount of Excess</u>
General Fund:	
City council	\$ (33,946)
Finance	(19,884)
General administration	(70,033)
Police special services	(776,695)
Street lighting	(28,996)
Street cleaning	(6,872)
Engineering	(64,928)
Senior center	(26,496)

CITY OF INDIO
 General Fund
 Schedule of Revenues - Budget and Actual
 Year ended June 30, 2004

	Budget		Actual	Variance with	Prior
	Original	Final		Final Budget	
				Positive	Actual
				(Negative)	
Taxes:					
Property taxes	\$ 1,600,000	1,600,000	2,085,389	485,389	1,855,353
Document transfer tax	125,000	125,000	608,767	483,767	292,344
Sales tax	6,260,000	6,260,000	6,926,020	666,020	6,150,863
Utility taxes	2,705,400	2,705,400	3,363,930	658,530	2,470,490
Franchise taxes	600,000	640,000	834,582	194,582	683,199
Motor vehicle in lieu tax	3,000,000	2,392,657	2,503,242	110,585	3,009,902
Transient occupancy tax	1,000,000	1,000,000	1,162,354	162,354	1,017,759
Total taxes	<u>15,290,400</u>	<u>14,723,057</u>	<u>17,484,284</u>	<u>2,761,227</u>	<u>15,479,910</u>
Licenses and permits:					
Business licenses	295,000	311,300	425,537	114,237	340,382
Building permits	3,606,200	3,095,700	4,576,478	1,480,778	3,121,408
Other licenses and permits	60,300	60,300	90,856	30,556	219,112
Total licenses and permits	<u>3,961,500</u>	<u>3,467,300</u>	<u>5,092,871</u>	<u>1,625,571</u>	<u>3,680,902</u>
Intergovernmental:					
Grants	637,500	78,350	876,607	798,257	1,458,826
Total intergovernmental	<u>637,500</u>	<u>78,350</u>	<u>876,607</u>	<u>798,257</u>	<u>1,458,826</u>
Charges for services:					
Utility user fees	220,000	220,000	564,924	344,924	423,015
Plan checks and inspections	622,100	1,212,815	2,876,919	1,664,104	1,632,647
Facility rentals	1,085,000	1,085,000	1,319,781	234,781	1,139,748
Fire and ambulance	600,000	600,000	667,287	67,287	613,568
Other	148,000	148,000	212,082	64,082	154,031
Total charges for services	<u>2,675,100</u>	<u>3,265,815</u>	<u>5,640,993</u>	<u>2,375,178</u>	<u>3,963,009</u>
Fines:					
Vehicle fines	270,000	270,000	248,743	(21,257)	270,503
Parking fines	220,000	220,000	208,764	(11,236)	401,464
Other fines	41,000	41,000	204,161	163,161	192,463
Total fines	<u>531,000</u>	<u>531,000</u>	<u>661,668</u>	<u>130,668</u>	<u>864,430</u>
Investment income	<u>355,000</u>	<u>355,000</u>	<u>484,560</u>	<u>129,560</u>	<u>541,927</u>
Miscellaneous:					
Police	58,500	58,500	92,300	33,800	27,215
Building	8,000	8,000	5,800	(2,200)	9,760
Oher	316,500	316,500	376,788	60,288	309,681
Total miscellaneous	<u>383,000</u>	<u>383,000</u>	<u>474,888</u>	<u>91,888</u>	<u>346,656</u>
Total revenues	<u>\$ 23,833,500</u>	<u>22,803,522</u>	<u>30,715,871</u>	<u>7,912,349</u>	<u>26,335,660</u>

CITY OF INDIO
General Fund
Schedule of Expenditures - Budget and Actual
Year ended June 30, 2004

	Budget		Actual	Variance with	Prior Year Actual
	Original	Final		Final Budget Positive (Negative)	
General Government:					
City council	\$ 113,547	124,747	158,693	(33,946)	163,050
City manager	1,911,794	2,124,974	2,048,995	75,979	2,035,053
Finance	783,370	857,670	877,554	(19,884)	810,110
General administration	1,001,764	1,096,764	1,166,797	(70,033)	1,789,392
City attorney	650,000	961,600	910,843	50,757	-
Total general government	<u>4,460,475</u>	<u>5,165,755</u>	<u>5,162,882</u>	<u>2,873</u>	<u>4,797,605</u>
Public Safety:					
Police administration	1,138,491	1,249,494	797,952	451,542	1,246,308
Police field services	5,579,567	6,058,282	5,929,368	128,914	7,473,518
Police special services	1,079,612	1,197,701	1,974,396	(776,695)	1,485,625
Police traffic safety	187,263	205,063	187,623	17,440	240,986
Fire	3,670,144	4,018,144	3,605,269	412,875	3,257,036
Ambulance service	1,226,809	1,343,109	1,283,031	60,078	1,122,122
Animal control	108,670	117,770	116,639	1,131	171,893
Other public safety	65,850	72,150	49,706	22,444	22,363
Total public safety	<u>13,056,406</u>	<u>14,261,713</u>	<u>13,943,984</u>	<u>317,729</u>	<u>15,019,851</u>
Public works:					
Street lighting	298,000	326,300	355,296	(28,996)	336,569
Street maintenance	995,918	1,090,318	945,156	145,162	1,249,647
Slurry seal program	520,000	569,300	291,255	278,045	490,018
Street cleaning	116,525	127,525	134,397	(6,872)	229,089
Total public works	<u>1,930,443</u>	<u>2,113,443</u>	<u>1,726,104</u>	<u>387,339</u>	<u>2,305,323</u>
Community development:					
Engineering	904,595	1,262,395	1,327,323	(64,928)	769,011
Building/safety	884,203	1,023,951	823,620	200,331	810,570
Code enforcement	656,328	708,928	702,077	6,851	820,370
Economic redevelopment	179,219	196,219	164,285	31,934	217,280
Planning	581,022	871,186	696,931	174,255	665,823
Total community development	<u>3,205,367</u>	<u>4,062,679</u>	<u>3,714,236</u>	<u>348,443</u>	<u>3,283,054</u>
Culture and leisure:					
Parks and parkways	554,473	607,073	597,300	9,773	532,658
Senior center	172,208	188,508	215,004	(26,496)	237,234
Other	26,800	19,300	18,161	1,139	121,057
Total culture and leisure	<u>753,481</u>	<u>814,881</u>	<u>830,465</u>	<u>(15,584)</u>	<u>890,949</u>
Utilities:					
Administration	-	-	-	-	471,018
Water production	-	-	-	-	225,085
Water transmission	-	-	-	-	451,675
Water customer service	-	-	-	-	258,551
Total utilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,406,329</u>
Total expenditures	<u>\$ 23,406,172</u>	<u>26,418,471</u>	<u>25,377,671</u>	<u>1,040,800</u>	<u>27,703,111</u>

SUPPLEMENTARY SCHEDULES

CITY OF INDIO
Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2004

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	<u>Totals</u>	
				<u>2004</u>	<u>2003</u>
<u>Assets</u>					
Cash and investments	\$ 6,694,495	4,353,001	2,049,889	13,097,385	13,189,251
Cash and investments with fiscal agent	333,171	861,656	2,242,097	3,436,924	3,824,906
Accounts receivable	-	-	2,540	2,540	62,727
Due from other governments	374,346	102,749	-	477,095	149,733
Interest receivable	34,882	4,479	9,549	48,910	51,171
Notes receivable	441,051	-	2,062,121	2,503,172	2,654,245
Advances to other funds	-	-	602,169	602,169	569,416
Deposits	-	-	570,000	570,000	-
Land held for resale	-	-	1,917,709	1,917,709	1,917,709
	<u>\$ 7,877,945</u>	<u>5,321,885</u>	<u>9,456,074</u>	<u>22,655,904</u>	<u>22,419,158</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 74,250	-	187,181	261,431	581,843
Due to other funds	5,264	-	48,156	53,420	277,534
Deferred revenue	-	-	135,261	135,261	102,508
Pass-through payable	-	1,223,983	-	1,223,983	63,775
Deposits payable	59,170	-	-	59,170	85,390
	<u>138,684</u>	<u>1,223,983</u>	<u>370,598</u>	<u>1,733,265</u>	<u>1,111,050</u>
Fund balances:					
Reserved:					
Encumbrances	6,085	10,438	-	16,523	-
Gas tax	527,173	-	-	527,173	874,862
Notes receivable	441,051	-	2,062,121	2,503,172	2,654,245
Low and moderate housing	1,082,671	-	-	1,082,671	625,831
Advances	-	-	602,169	602,169	569,416
Land held for resale	-	-	1,917,709	1,917,709	1,917,709
Debt service	-	4,087,464	-	4,087,464	2,281,547
Unreserved:					
Designated for special projects and programs	5,682,281	-	4,501,487	10,183,768	12,382,954
Undesignated	-	-	1,990	1,990	1,544
	<u>7,739,261</u>	<u>4,097,902</u>	<u>9,085,476</u>	<u>20,922,639</u>	<u>21,308,108</u>
Total fund balances	<u>7,739,261</u>	<u>4,097,902</u>	<u>9,085,476</u>	<u>20,922,639</u>	<u>21,308,108</u>
Total liabilities and fund balances	<u>\$ 7,877,945</u>	<u>5,321,885</u>	<u>9,456,074</u>	<u>22,655,904</u>	<u>22,419,158</u>

CITY OF INDIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended June 30, 2004

	Special	Debt	Capital	Totals	
	Revenue Funds	Service Funds	Projects Funds	2004	2003
Revenues:					
Taxes	\$3,434,497	3,091,958	-	6,526,455	5,715,530
Special assessments	496,989	-	-	496,989	2,180,914
Intergovernmental	475,803	-	-	475,803	807,161
Charges for services	-	-	69,750	69,750	-
Investment income	138,194	23,935	83,529	245,658	78,272
Miscellaneous	298,166	89,952	83,001	471,119	662,683
Total revenues	4,843,649	3,205,845	236,280	8,285,774	9,444,560
Expenditures:					
Current:					
General government	2,240	-	-	2,240	243
Public safety - police	197,877	-	-	197,877	228,851
Culture and leisure	-	-	124,878	124,878	-
Public works	481,004	-	-	481,004	1,616,685
Community development	3,016	1,400	1,888,540	1,892,956	1,911,238
Low and moderate housing	13,525	-	-	13,525	61,490
Debt service:					
Principal	-	1,452,418	-	1,452,418	4,119,796
Interest	-	1,096,571	-	1,096,571	1,172,819
Fiscal charges	-	1,252	-	1,252	118,315
ERAF payment	-	-	145,052	145,052	76,399
Pass-through payments	-	1,052,445	-	1,052,445	510,053
Total expenditures	697,662	3,604,086	2,158,470	6,460,218	9,815,889
Excess (deficiency) of revenues over (under) expenditures	4,145,987	(398,241)	(1,922,190)	1,825,556	(371,329)
Other financing sources (uses):					
Interfund transfers in	129,070	2,549,482	-	2,678,552	3,361,519
Interfund transfers out	(4,459,380)	-	(665,311)	(5,124,691)	(5,471,600)
Issuance of debt	-	-	-	-	3,750,000
Total other financing sources (uses)	(4,330,310)	2,549,482	(665,311)	(2,446,139)	1,639,919
Net change in fund balances	(184,323)	2,151,241	(2,587,501)	(620,583)	1,268,590
Fund balances at beginning of year, as restated	7,923,584	1,946,661	11,672,977	21,543,222	20,039,518
Fund balances at end of year	\$7,739,261	4,097,902	9,085,476	20,922,639	21,308,108

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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.

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.

Community Facilities District - To account for the revenues and expenditures restricted to finance a portion of the cost of providing law enforcement, fire and paramedic services.

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

CITY OF INDIO
Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2004

	<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	\$ 521,159	205,108	9,845	190,237	121,360
Cash with fiscal agent	-	-	-	-	-
Due from other governments	-	29,478	-	31,824	-
Interest receivable	6,014	1,943	1,436	633	433
Notes receivable	-	-	-	-	-
	<u>527,173</u>	<u>236,529</u>	<u>11,281</u>	<u>222,694</u>	<u>121,793</u>
Total assets	<u>\$ 527,173</u>	<u>236,529</u>	<u>11,281</u>	<u>222,694</u>	<u>121,793</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	1,314	11,281	1,120	5,970
Due to other funds	-	-	-	-	-
Deposits payable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>1,314</u>	<u>11,281</u>	<u>1,120</u>	<u>5,970</u>
Fund balances:					
Reserved for:					
Encumbrances	-	-	-	-	5,785
Gas tax	527,173	-	-	-	-
Notes receivable	-	-	-	-	-
Low and moderate housing	-	-	-	-	-
Unreserved:					
Designated for special projects and programs	-	235,215	-	221,574	110,038
	<u>-</u>	<u>235,215</u>	<u>-</u>	<u>221,574</u>	<u>110,038</u>
Total fund balances (deficits)	<u>527,173</u>	<u>235,215</u>	<u>-</u>	<u>221,574</u>	<u>115,823</u>
Total liabilities and fund balances (deficits)	<u>\$ 527,173</u>	<u>236,529</u>	<u>11,281</u>	<u>222,694</u>	<u>121,793</u>

US Home Public Safety <u>Impact</u>	<u>Measure A</u>	<u>Article 3</u>	<u>NPDES</u>	<u>Air Quality</u>	<u>Business Improvement District</u>	<u>Lighting and Landscaping</u>
-	4,121,914	79,207	376,798	6,918	738	273,554
-	-	-	-	-	-	-
264	185,982	-	-	88,030	-	13,081
-	17,839	264	1,254	46	2	1,399
-	-	-	-	-	-	-
<u>264</u>	<u>4,325,735</u>	<u>79,471</u>	<u>378,052</u>	<u>94,994</u>	<u>740</u>	<u>288,034</u>
-	-	-	-	-	-	24,215
264	-	-	-	-	-	-
-	-	-	-	-	-	<u>36,000</u>
<u>264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,215</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>4,325,735</u>	<u>79,471</u>	<u>378,052</u>	<u>94,994</u>	<u>740</u>	<u>227,819</u>
-	<u>4,325,735</u>	<u>79,471</u>	<u>378,052</u>	<u>94,994</u>	<u>740</u>	<u>227,819</u>
<u>264</u>	<u>4,325,735</u>	<u>79,471</u>	<u>378,052</u>	<u>94,994</u>	<u>740</u>	<u>288,034</u>

(Continued)

CITY OF INDIO
Combining Balance Sheet

Nonmajor Special Revenue Funds

(Continued)

	<u>Asset</u>	<u>Community</u>	<u>Low and</u>	<u>Totals</u>	
	<u>Forfeiture</u>	<u>Facilities</u>	<u>Moderate</u>	<u>2004</u>	<u>2003</u>
		<u>District</u>	<u>Housing</u>		
<u>Assets</u>					
Cash and investments	\$ 65,243	-	722,414	6,694,495	7,316,173
Cash with fiscal agent	-	-	333,171	333,171	333,377
Due from other governments	-	-	25,687	374,346	154,027
Interest receivable	170	-	3,449	34,882	34,092
Notes receivable	-	-	441,051	441,051	516,689
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 65,413</u>	<u> </u>	<u>1,525,772</u>	<u>7,877,945</u>	<u>8,354,358</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	28,600	1,750	74,250	343,594
Due to other funds	-	5,000	-	5,264	1,790
Deposits payable	23,170	-	-	59,170	85,390
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>23,170</u>	<u>33,600</u>	<u>1,750</u>	<u>138,684</u>	<u>430,774</u>
Fund balances:					
Reserved for:					
Encumbrances	-	-	300	6,085	-
Gas tax	-	-	-	527,173	874,862
Notes receivable	-	-	441,051	441,051	516,689
Low and moderate housing	-	-	1,082,671	1,082,671	625,831
Unreserved:					
Designated for special projects and programs	42,243	(33,600)	-	5,682,281	5,906,202
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficits)	<u>42,243</u>	<u>(33,600)</u>	<u>1,524,022</u>	<u>7,739,261</u>	<u>7,923,584</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances (deficits)	<u>\$ 65,413</u>	<u> </u>	<u>1,525,772</u>	<u>7,877,945</u>	<u>8,354,358</u>

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CITY OF INDIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended June 30, 2004

	<u>Gas Tax</u>	<u>Public Safety</u>	<u>Supplemental Law Enforcement</u>	<u>CDBG</u>	<u>LLEBG</u>
Revenues:					
Taxes	\$ 1,038,080	272,196	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental	-	21,726	100,000	187,244	63,004
Investment income	21,068	7,949	5,835	5,063	2,131
Miscellaneous	-	136,427	-	-	-
	<u>1,059,148</u>	<u>438,298</u>	<u>105,835</u>	<u>192,307</u>	<u>65,135</u>
Total revenues					
Expenditures:					
Current:					
General government	-	-	-	2,240	-
Public safety - police	-	18,588	61,145	-	84,544
Public works	-	-	-	-	-
Community development	-	-	-	3,016	-
Low and moderate housing	-	-	-	-	-
	<u>-</u>	<u>18,588</u>	<u>61,145</u>	<u>5,256</u>	<u>84,544</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>1,059,148</u>	<u>419,710</u>	<u>44,690</u>	<u>187,051</u>	<u>(19,409)</u>
Other financing sources (uses):					
Interfund transfers in	-	113,382	-	-	15,688
Interfund transfers out	<u>(1,406,837)</u>	<u>(436,294)</u>	<u>(415,099)</u>	<u>(186,124)</u>	<u>(1,217)</u>
Total other financing sources (uses)	<u>(1,406,837)</u>	<u>(322,912)</u>	<u>(415,099)</u>	<u>(186,124)</u>	<u>14,471</u>
Net change in fund balances	(347,689)	96,798	(370,409)	927	(4,938)
Fund balances (deficits) at beginning of year	<u>874,862</u>	<u>138,417</u>	<u>370,409</u>	<u>220,647</u>	<u>120,761</u>
Fund balances (deficits) at end of year	<u>\$ 527,173</u>	<u>235,215</u>	<u>-</u>	<u>221,574</u>	<u>115,823</u>

US Home Public Safety	Measure A	Article 3	NPDES	Air Quality	Business Improvement District	Lighting and Landscaping
<u>Impact</u>						
-	1,351,232	-	-	-	-	-
-	-	-	-	-	-	496,989
-	-	-	-	103,829	-	-
882	69,921	1,093	5,051	357	10	5,304
<u>21,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>22,482</u>	<u>1,421,153</u>	<u>1,093</u>	<u>5,051</u>	<u>104,186</u>	<u>10</u>	<u>502,293</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	46,652	-	434,352
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,652</u>	<u>-</u>	<u>434,352</u>
<u>22,482</u>	<u>1,421,153</u>	<u>1,093</u>	<u>5,051</u>	<u>57,534</u>	<u>10</u>	<u>67,941</u>
-	-	-	-	-	-	-
<u>(79,478)</u>	<u>(1,268,652)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129,239)</u>
<u>(79,478)</u>	<u>(1,268,652)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129,239)</u>
(56,996)	152,501	1,093	5,051	57,534	10	(61,298)
<u>56,996</u>	<u>4,173,234</u>	<u>78,378</u>	<u>373,001</u>	<u>37,460</u>	<u>730</u>	<u>289,117</u>
<u>-</u>	<u>4,325,735</u>	<u>79,471</u>	<u>378,052</u>	<u>94,994</u>	<u>740</u>	<u>227,819</u>

(Continued)

CITY OF INDIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

(Continued)

	Asset Forfeiture	Community Facilities District	Low and Moderate Housing	Totals	
				2004	2003
Revenues:					
Taxes	\$ -	-	772,989	3,434,497	2,935,529
Special assessments	-	-	-	496,989	400,762
Intergovernmental	-	-	-	475,803	534,290
Investment income	1,008	-	12,522	138,194	159,147
Miscellaneous	37,966	-	102,173	298,166	247,904
	<u>38,974</u>	<u>-</u>	<u>887,684</u>	<u>4,843,649</u>	<u>4,277,632</u>
Total revenues					
Expenditures:					
Current:					
General government	-	-	-	2,240	243
Public safety - police	-	33,600	-	197,877	228,851
Public works	-	-	-	481,004	769,992
Community development	-	-	-	3,016	2,000
Low and moderate housing	-	-	13,525	13,525	61,490
	<u>-</u>	<u>33,600</u>	<u>13,525</u>	<u>697,662</u>	<u>1,062,576</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>38,974</u>	<u>(33,600)</u>	<u>874,159</u>	<u>4,145,987</u>	<u>3,215,056</u>
Other financing sources (uses):					
Interfund transfers in	-	-	-	129,070	106,749
Interfund transfers out	(43,783)	-	(492,657)	(4,459,380)	(3,303,897)
	<u>(43,783)</u>	<u>-</u>	<u>(492,657)</u>	<u>(4,330,310)</u>	<u>(3,197,148)</u>
Total other financing sources (uses)					
Net change in fund balances	(4,809)	(33,600)	381,502	(184,323)	17,908
Fund balances (deficits) at beginning of year	<u>47,052</u>	<u>-</u>	<u>1,142,520</u>	<u>7,923,584</u>	<u>7,905,676</u>
Fund balances (deficit) at end of year	<u>\$ 42,243</u>	<u>(33,600)</u>	<u>1,524,022</u>	<u>7,739,261</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
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Taxes	\$ 1,000,000	1,038,080	38,080	982,602
Intergovernmental	-	-	-	136,181
Investment income	-	21,068	21,068	23,513
	<u>1,000,000</u>	<u>1,059,148</u>	<u>59,148</u>	<u>1,142,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,000,000</u>	<u>1,059,148</u>	<u>59,148</u>	<u>1,142,296</u>
Other financing sources (uses):				
Interfund transfers in	-	-	-	104,983
Interfund transfers out	(1,600,000)	(1,406,837)	193,163	(982,602)
	<u>(1,600,000)</u>	<u>(1,406,837)</u>	<u>193,163</u>	<u>(877,619)</u>
Net change in fund balance	(600,000)	(347,689)	252,311	264,677
Fund balance at beginning of year	<u>874,862</u>	<u>874,862</u>	-	<u>610,185</u>
Fund balance at end of year	<u>\$ 274,862</u>	<u>527,173</u>	<u>252,311</u>	<u>874,862</u>

CITY OF INDIO
Public Safety Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Taxes	\$ 210,000	272,196	62,196	239,200
Intergovernmental	-	21,726	21,726	119,457
Investment income	-	7,949	7,949	11,008
Miscellaneous	<u>168,000</u>	<u>136,427</u>	<u>(31,573)</u>	<u>130,622</u>
 Total revenues	 <u>378,000</u>	 <u>438,298</u>	 <u>60,298</u>	 <u>500,287</u>
Expenditures:				
Current:				
Public safety - police	<u>65,395</u>	<u>18,588</u>	<u>46,807</u>	<u>114,623</u>
 Total expenditures	 <u>65,395</u>	 <u>18,588</u>	 <u>46,807</u>	 <u>114,623</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>312,605</u>	 <u>419,710</u>	 <u>107,105</u>	 <u>385,664</u>
Other financing sources (uses):				
Interfund transfers in	-	113,382	113,382	-
Interfund transfers out	<u>(412,646)</u>	<u>(436,294)</u>	<u>(23,648)</u>	<u>(494,740)</u>
 Total other financing sources (uses)	 <u>(412,646)</u>	 <u>(322,912)</u>	 <u>89,734</u>	 <u>(494,740)</u>
 Net change in fund balances	 (100,041)	 96,798	 196,839	 (109,076)
 Fund balance at beginning of year	 <u>138,417</u>	 <u>138,417</u>	 <u>-</u>	 <u>247,493</u>
 Fund balance at end of year	 <u>\$ 38,376</u>	 <u>235,215</u>	 <u>196,839</u>	 <u>138,417</u>

CITY OF INDIO
Supplemental Law Enforcement Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 8,637	100,000	91,363	100,132
Investment income	<u>-</u>	<u>5,835</u>	<u>5,835</u>	<u>6,040</u>
 Total revenues	 <u>8,637</u>	 <u>105,835</u>	 <u>97,198</u>	 <u>106,172</u>
Expenditures:				
Current:				
Public safety - police	<u>62,000</u>	<u>61,145</u>	<u>855</u>	<u>-</u>
 Total expenditures	 <u>62,000</u>	 <u>61,145</u>	 <u>855</u>	 <u>-</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(53,363)</u>	 <u>44,690</u>	 <u>98,053</u>	 <u>106,172</u>
Other financing sources (uses):				
Interfund transfers out	<u>(362,846)</u>	<u>(415,099)</u>	<u>(52,253)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(362,846)</u>	 <u>(415,099)</u>	 <u>(52,253)</u>	 <u>-</u>
 Net change in fund balances	 (416,209)	 (370,409)	 45,800	 106,172
 Fund balance at beginning of year	 <u>370,409</u>	 <u>370,409</u>	 <u>-</u>	 <u>264,237</u>
 Fund balance at end of year	 <u>\$ (45,800)</u>	 <u>-</u>	 <u>45,800</u>	 <u>370,409</u>

CITY OF INDIO
Community Development Block Grant (CDBG) Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Intergovernmental	\$ 455,599	187,244	(268,355)	-
Investment income	<u>-</u>	<u>5,063</u>	<u>5,063</u>	<u>-</u>
 Total revenues	<u>455,599</u>	<u>192,307</u>	<u>(263,292)</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	2,240	(2,240)	-
Community development	<u>-</u>	<u>3,016</u>	<u>(3,016)</u>	<u>2,000</u>
 Total expenditures	<u>-</u>	<u>5,256</u>	<u>(5,256)</u>	<u>2,000</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>455,599</u>	<u>187,051</u>	<u>(268,548)</u>	<u>(2,000)</u>
Other financing sources (uses):				
Interfund transfers out	<u>(455,599)</u>	<u>(186,124)</u>	<u>269,475</u>	<u>-</u>
 Total other financing sources (uses)	<u>(455,599)</u>	<u>(186,124)</u>	<u>269,475</u>	<u>-</u>
 Net change in fund balances	-	927	927	(2,000)
 Fund balance at beginning of year	<u>220,647</u>	<u>220,647</u>	<u>-</u>	<u>222,647</u>
 Fund balance at end of year	<u>\$ 220,647</u>	<u>221,574</u>	<u>927</u>	<u>220,647</u>

CITY OF INDIO
 Local Law Enforcement Block Grant (LLEBG) Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 63,004	63,004	-	75,884
Investment income	<u>-</u>	<u>2,131</u>	<u>2,131</u>	<u>3,351</u>
 Total revenues	 <u>63,004</u>	 <u>65,135</u>	 <u>2,131</u>	 <u>79,235</u>
Expenditures:				
Current:				
Public safety - police	<u>203,353</u>	<u>84,544</u>	<u>118,809</u>	<u>109,428</u>
 Total expenditures	 <u>203,353</u>	 <u>84,544</u>	 <u>118,809</u>	 <u>109,428</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(140,349)</u>	 <u>(19,409)</u>	 <u>120,940</u>	 <u>(30,193)</u>
Other financing sources (uses):				
Interfund transfers in	7,000	15,688	8,688	-
Interfund transfers out	<u>(1,217)</u>	<u>(1,217)</u>	<u>-</u>	<u>-</u>
 Total other financing sources (uses)	 <u>5,783</u>	 <u>14,471</u>	 <u>8,688</u>	 <u>-</u>
 Net change in fund balances	 <u>(134,566)</u>	 <u>(4,938)</u>	 <u>129,628</u>	 <u>(30,193)</u>
 Fund balance at beginning of year	 <u>120,761</u>	 <u>120,761</u>	 <u>-</u>	 <u>150,954</u>
 Fund balance at end of year	 <u>\$ (13,805)</u>	 <u>115,823</u>	 <u>129,628</u>	 <u>120,761</u>

CITY OF INDIO
U.S. Home Public Safety Impact Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	882	882	368
Miscellaneous	<u>3,000</u>	<u>21,600</u>	<u>18,600</u>	<u>40,600</u>
 Total revenues	 <u>3,000</u>	 <u>22,482</u>	 <u>19,482</u>	 <u>40,968</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>3,000</u>	 <u>22,482</u>	 <u>19,482</u>	 <u>40,968</u>
Other financing sources (uses):				
Interfund transfers out	<u>(60,000)</u>	<u>(79,478)</u>	<u>(19,478)</u>	<u>-</u>
 Total expenditures	 <u>(60,000)</u>	 <u>(79,478)</u>	 <u>(19,478)</u>	 <u>-</u>
 Net change in fund balance	 (57,000)	 (56,996)	 4	 40,968
 Fund balance at beginning of year	 <u>56,996</u>	 <u>56,996</u>	 <u>-</u>	 <u>16,028</u>
 Fund balance (deficit) at end of year	 <u>\$ (4)</u>	 <u>-</u>	 <u>4</u>	 <u>56,996</u>

CITY OF INDIO
Measure A Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Taxes	\$ 900,000	1,351,232	451,232	1,018,727
Investment income	<u>-</u>	<u>69,921</u>	<u>69,921</u>	<u>80,985</u>
 Total revenues	 <u>900,000</u>	 <u>1,421,153</u>	 <u>521,153</u>	 <u>1,099,712</u>
Expenditures:				
Current:				
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,054</u>
 Total expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>270,054</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>900,000</u>	 <u>1,421,153</u>	 <u>521,153</u>	 <u>829,658</u>
Other financing sources (uses):				
Interfund transfers out	<u>-</u>	<u>(1,268,652)</u>	<u>(1,268,652)</u>	<u>(1,041,226)</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>(1,268,652)</u>	 <u>(1,268,652)</u>	 <u>(1,041,226)</u>
 Net change in fund balance	 900,000	 152,501	 (747,499)	 (211,568)
 Fund balance at beginning of year	 <u>4,173,234</u>	 <u>4,173,234</u>	 <u>-</u>	 <u>4,384,802</u>
 Fund balance at end of year	 <u>\$ 5,073,234</u>	 <u>4,325,735</u>	 <u>(747,499)</u>	 <u>4,173,234</u>

CITY OF INDIO
Article 3 Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ -	-	-	23,540
Investment income	<u>-</u>	<u>1,093</u>	<u>1,093</u>	<u>1,037</u>
Total revenues	<u>-</u>	<u>1,093</u>	<u>1,093</u>	<u>24,577</u>
Expenditures:				
Current:				
Parks and recreation	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Total expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(25,000)	1,093	26,093	24,577
Fund balance at beginning of year	<u>78,378</u>	<u>78,378</u>	<u>-</u>	<u>53,801</u>
Fund balance at end of year	<u>\$ 53,378</u>	<u>79,471</u>	<u>26,093</u>	<u>78,378</u>

CITY OF INDIO
 NPDES Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Investment income	\$ -	5,051	5,051	7,056
Total revenues	<u>-</u>	<u>5,051</u>	<u>5,051</u>	<u>7,056</u>
Expenditures:				
Current:				
Public works	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(15,000)	5,051	20,051	7,056
Fund balance at beginning of year	<u>373,001</u>	<u>373,001</u>	<u>-</u>	<u>365,945</u>
Fund balance at end of year	<u>\$ 358,001</u>	<u>378,052</u>	<u>20,051</u>	<u>373,001</u>

CITY OF INDIO
 Air Quality (AB2766) Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Intergovernmental	\$ 35,000	103,829	68,829	79,096
Investment income	<u>-</u>	<u>357</u>	<u>357</u>	<u>1,744</u>
Total revenues	<u>35,000</u>	<u>104,186</u>	<u>69,186</u>	<u>80,840</u>
Expenditures:				
Current:				
Public works	<u>-</u>	<u>46,652</u>	<u>(46,652)</u>	<u>169,681</u>
Total expenditures	<u>-</u>	<u>46,652</u>	<u>(46,652)</u>	<u>169,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,000</u>	<u>57,534</u>	<u>22,534</u>	<u>(88,841)</u>
Other financing sources (uses):				
Interfund transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,766</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,766</u>
Net change in fund balance	35,000	57,534	22,534	(87,075)
Fund balance at beginning of year	<u>37,460</u>	<u>37,460</u>	<u>-</u>	<u>124,535</u>
Fund balance at end of year	<u>\$ 72,460</u>	<u>94,994</u>	<u>22,534</u>	<u>37,460</u>

CITY OF INDIO
 Business Improvement District Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	Prior Year <u>Actual</u>
Revenues:				
Investment income	\$ -	10	10	14
Total revenues	<u>-</u>	<u>10</u>	<u>10</u>	<u>14</u>
Expenditures:				
Current:				
General government	-	-	-	243
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>243</u>
Excess (deficiency) of revenues over (under) expenditures	-	10	10	(229)
Fund balance at beginning of year	<u>730</u>	<u>730</u>	<u>-</u>	<u>959</u>
Fund balance at end of year	<u>\$ 730</u>	<u>740</u>	<u>10</u>	<u>730</u>

CITY OF INDIO
 Lighting and Landscape Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Special assessments	\$ 429,702	496,989	67,287	400,762
Investment income	<u> -</u>	<u> 5,304</u>	<u> 5,304</u>	<u> 22,356</u>
Total revenues	<u> 429,702</u>	<u> 502,293</u>	<u> 72,591</u>	<u> 423,118</u>
Expenditures:				
Current:				
Public works	<u> 421,966</u>	<u> 434,352</u>	<u> (12,386)</u>	<u> 330,257</u>
Total expenditures	<u> 421,966</u>	<u> 434,352</u>	<u> (12,386)</u>	<u> 330,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u> 7,736</u>	<u> 67,941</u>	<u> 60,205</u>	<u> 92,861</u>
Other financing sources (uses):				
Interfund transfers out	<u> (15,000)</u>	<u> (129,239)</u>	<u> (114,239)</u>	<u> (34,360)</u>
Total other financing sources (uses)	<u> (15,000)</u>	<u> (129,239)</u>	<u> (114,239)</u>	<u> (34,360)</u>
Net change in fund balance	(7,264)	(61,298)	(54,034)	58,501
Fund balance at beginning of year	<u> 289,117</u>	<u> 289,117</u>	<u> -</u>	<u> 230,616</u>
Fund balance at end of year	<u>\$ 281,853</u>	<u> 227,819</u>	<u> (54,034)</u>	<u> 289,117</u>

CITY OF INDIO
 Asset Forfeiture Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	1,008	1,008	960
Miscellaneous	<u>-</u>	<u>37,966</u>	<u>37,966</u>	<u>54,247</u>
 Total revenues	 <u>-</u>	 <u>38,974</u>	 <u>38,974</u>	 <u>55,207</u>
 Expenditures:				
Current:				
Public safety - police	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,800</u>
 Total expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>4,800</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>-</u>	 <u>38,974</u>	 <u>38,974</u>	 <u>50,407</u>
 Other financing sources (uses):				
Interfund transfers out	<u>(405)</u>	<u>(43,783)</u>	<u>(43,378)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(405)</u>	 <u>(43,783)</u>	 <u>(43,378)</u>	 <u>-</u>
 Net change in fund balance	 (405)	 (4,809)	 (4,404)	 50,407
 Fund balance at beginning of year	 <u>47,052</u>	 <u>47,052</u>	 <u>-</u>	 <u>(3,355)</u>
 Fund balance at end of year	 <u>\$ 46,647</u>	 <u>42,243</u>	 <u>(4,404)</u>	 <u>47,052</u>

CITY OF INDIO
Community Facilities District Special Revenue Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Expenditures:				
Current:				
Public safety - police	\$ -	33,600	(33,600)	-
Total expenditures	<u>-</u>	<u>33,600</u>	<u>(33,600)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	(33,600)	(33,600)	-
Fund balance (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>(33,600)</u>	<u>(33,600)</u>	<u>-</u>

CITY OF INDIO
 Low and Moderate Housing Special Revenue Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Taxes	\$ 734,900	772,989	38,089	695,000
Investment income	-	12,522	12,522	715
Miscellaneous	-	102,173	102,173	14,450
	<u>734,900</u>	<u>887,684</u>	<u>152,784</u>	<u>710,165</u>
Total revenues				
Expenditures:				
Current:				
Low and moderate housing	<u>362,100</u>	<u>13,525</u>	<u>348,575</u>	<u>61,490</u>
	<u>362,100</u>	<u>13,525</u>	<u>348,575</u>	<u>61,490</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>372,800</u>	<u>874,159</u>	<u>501,359</u>	<u>648,675</u>
Other financing sources (uses):				
Interfund transfers out	<u>(325,300)</u>	<u>(492,657)</u>	<u>(167,357)</u>	<u>(329,243)</u>
Total other financing sources (uses)	<u>(325,300)</u>	<u>(492,657)</u>	<u>(167,357)</u>	<u>(329,243)</u>
Net change in fund balance	47,500	381,502	334,002	319,432
Fund balance at beginning of year	<u>1,142,520</u>	<u>1,142,520</u>	-	<u>823,088</u>
Fund balance at end of year	<u>\$ 1,190,020</u>	<u>1,524,022</u>	<u>334,002</u>	<u>1,142,520</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:

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

Redevelopment Debt Service 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
Combining Balance Sheet

Nonmajor Debt Service Funds

June 30, 2004

	2002 <u>Park COP's</u>	Redevelopment Agency <u>Debt Service</u>	General <u>Debt Service</u>	<u>Totals</u>	
				<u>2004</u>	<u>2003</u>
<u>Assets</u>					
Cash and investments	\$ 90,932	2,977,477	1,284,592	4,353,001	1,459,908
Cash and investments with fiscal agent	374,573	487,083	-	861,656	971,541
Due from other governments	-	102,749	-	102,749	27,749
Interest receivable	-	4,479	-	4,479	2,738
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 465,505</u>	<u>3,571,788</u>	<u>1,284,592</u>	<u>5,321,885</u>	<u>2,461,936</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	-	-	-	116,614
Pass-through payable	-	1,223,983	-	1,223,983	63,775
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>1,223,983</u>	<u>-</u>	<u>1,223,983</u>	<u>180,389</u>
 Fund balances:					
Reserved:					
Encumbrances	-	-	10,438	10,438	-
Debt service	465,505	2,347,805	1,274,154	4,087,464	2,281,547
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>465,505</u>	<u>2,347,805</u>	<u>1,284,592</u>	<u>4,097,902</u>	<u>2,281,547</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 465,505</u>	<u>3,571,788</u>	<u>1,284,592</u>	<u>5,321,885</u>	<u>2,461,936</u>

CITY OF INDIO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

Year ended June 30, 2004

	Redevelopment			Totals	
	2002 Park COP's	Agency Debt Service	General Debt Service	2004	2003
Revenues:					
Taxes	\$ -	3,091,958	-	3,091,958	2,780,001
Investment income	3,683	14,777	5,475	23,935	38,318
Miscellaneous	-	-	89,952	89,952	-
Contributions from property owners	-	-	-	-	1,780,152
Total revenues	<u>3,683</u>	<u>3,106,735</u>	<u>95,427</u>	<u>3,205,845</u>	<u>4,598,471</u>
Expenditures:					
Current:					
Community development	-	1,400	-	1,400	3,000
Debt service:					
Principal	-	340,000	1,112,418	1,452,418	4,119,796
Interest and other charges	165,115	810,694	120,762	1,096,571	1,172,819
Fiscal charges	-	1,252	-	1,252	118,315
Pass-through payments	-	1,052,445	-	1,052,445	510,053
Total expenditures	<u>165,115</u>	<u>2,205,791</u>	<u>1,233,180</u>	<u>3,604,086</u>	<u>5,923,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(161,432)</u>	<u>900,944</u>	<u>(1,137,753)</u>	<u>(398,241)</u>	<u>(1,325,512)</u>
Other financing sources (uses):					
Interfund transfers in	163,313	1,152,989	1,233,180	2,549,482	1,511,480
Interfund transfers out	-	-	-	-	(1,743,290)
Issuance of bond	-	-	-	-	674,646
Total other financing sources (uses)	<u>163,313</u>	<u>1,152,989</u>	<u>1,233,180</u>	<u>2,549,482</u>	<u>442,836</u>
Net change in fund balance	1,881	2,053,933	95,427	2,151,241	(882,676)
Fund balances at beginning of year, as restated	<u>463,624</u>	<u>293,872</u>	<u>1,189,165</u>	<u>1,946,661</u>	<u>3,164,223</u>
Fund balances at end of year	<u>\$ 465,505</u>	<u>2,347,805</u>	<u>1,284,592</u>	<u>4,097,902</u>	<u>2,281,547</u>

CITY OF INDIO
2002 Park COP's Debt Service Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	3,683	3,683	2,937
Total revenues	<u>-</u>	<u>3,683</u>	<u>3,683</u>	<u>2,937</u>
Expenditures:				
Debt service:				
Interest and other charges	-	165,115	(165,115)	213,959
Total expenditures	<u>-</u>	<u>165,115</u>	<u>(165,115)</u>	<u>213,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(161,432)</u>	<u>(161,432)</u>	<u>(211,022)</u>
Other financing sources (uses):				
Interfund transfers in	-	163,313	163,313	-
Issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>674,646</u>
Total other financing sources (uses)	<u>-</u>	<u>163,313</u>	<u>163,313</u>	<u>674,646</u>
Net change in fund balance		1,881	1,881	463,624
Fund balance at beginning of year	<u>463,624</u>	<u>463,624</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 463,624</u>	<u>465,505</u>	<u>1,881</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
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Taxes	\$ 2,733,713	3,091,958	358,245	2,780,001
Investment income	<u>30,000</u>	<u>14,777</u>	<u>(15,223)</u>	<u>17,213</u>
Total revenues	<u>2,763,713</u>	<u>3,106,735</u>	<u>343,022</u>	<u>2,797,214</u>
Expenditures:				
Current:				
Community development	-	1,400	(1,400)	3,000
Debt service:				
Principal	380,000	340,000	40,000	330,000
Interest and other charges	265,815	810,694	(544,879)	716,429
Fiscal charges	-	1,252	(1,252)	118,315
Pass-through payments	<u>1,135,000</u>	<u>1,052,445</u>	<u>82,555</u>	<u>510,053</u>
Total expenditures	<u>1,780,815</u>	<u>2,205,791</u>	<u>(424,976)</u>	<u>1,677,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>982,898</u>	<u>900,944</u>	<u>(81,954)</u>	<u>1,119,417</u>
Other financing sources (uses):				
Interfund transfer in	325,300	1,152,989	827,689	745,974
Interfund transfers out	<u>(898,185)</u>	<u>-</u>	<u>898,185</u>	<u>(1,743,290)</u>
Total other financing sources (uses)	<u>(572,885)</u>	<u>1,152,989</u>	<u>1,725,874</u>	<u>(997,316)</u>
Net change in fund balance	410,013	2,053,933	1,643,920	122,101
Fund balance at beginning of year, as restated	<u>293,872</u>	<u>293,872</u>	<u>-</u>	<u>506,657</u>
Fund balance at end of year	<u>\$ 703,885</u>	<u>2,347,805</u>	<u>1,643,920</u>	<u>628,758</u>

CITY OF INDIO
 General Debt Service Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Investment income	\$ -	5,475	5,475	2,356
Miscellaneous	<u>-</u>	<u>89,952</u>	<u>89,952</u>	<u>-</u>
Total revenues	<u>-</u>	<u>95,427</u>	<u>95,427</u>	<u>2,356</u>
Expenditures:				
Debt service:				
Principal	1,027,093	1,112,418	(85,325)	1,094,796
Interest and other charges	<u>133,677</u>	<u>120,762</u>	<u>12,915</u>	<u>156,145</u>
Total expenditures	<u>1,160,770</u>	<u>1,233,180</u>	<u>(72,410)</u>	<u>1,250,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,160,770)</u>	<u>(1,137,753)</u>	<u>23,017</u>	<u>(1,248,585)</u>
Other financing sources (uses):				
Interfund transfers in	1,160,770	1,233,180	72,410	600,000
Total other financing sources (uses)	<u>1,160,770</u>	<u>1,233,180</u>	<u>72,410</u>	<u>600,000</u>
Net change in fund balance	-	95,427	95,427	(648,585)
Fund balance at beginning of year	<u>1,189,165</u>	<u>1,189,165</u>	<u>-</u>	<u>1,837,750</u>
Fund balance at end of year	<u>\$ 1,189,165</u>	<u>1,284,592</u>	<u>95,427</u>	<u>1,189,165</u>

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.

2002 Park COP's Fund – This fund is used to account for the bond proceeds and expenditures associated with certain park developments.

Redevelopment (RDA) 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.

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.

Assessment District Funds – To account for the revenues and expenditures associated with the construction in various Assessment District established by the City of Indio.

CITY OF INDIO
Combining Balance Sheet

Nonmajor Capital Project Funds

June 30, 2004

	State Park Bond Act	2002 Park COP's	Redevelopment Capital Projects	<u>Total</u>	
				<u>2004</u>	<u>2003</u>
<u>Assets</u>					
Cash and investments	\$ 1,983	-	2,047,906	2,049,889	4,413,170
Cash with fiscal agent	-	2,242,097	-	2,242,097	2,519,988
Accounts receivable	-	-	2,540	2,540	30,684
Interest receivable	7	-	9,542	9,549	14,341
Notes receivable	-	-	2,062,121	2,062,121	2,137,556
Advances to other funds	-	-	602,169	602,169	569,416
Deposits	-	570,000	-	570,000	-
Land held for resale	-	-	1,917,709	1,917,709	1,917,709
	<u>-</u>	<u>-</u>	<u>1,917,709</u>	<u>1,917,709</u>	<u>1,917,709</u>
 Total assets	 <u>\$ 1,990</u>	 <u>2,812,097</u>	 <u>6,641,987</u>	 <u>9,456,074</u>	 <u>11,602,864</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	56,122	131,059	187,181	121,635
Due to other funds	-	48,156	-	48,156	275,744
Deferred revenue	-	-	135,261	135,261	102,508
	<u>-</u>	<u>-</u>	<u>135,261</u>	<u>135,261</u>	<u>102,508</u>
 Total liabilities	 <u>-</u>	 <u>104,278</u>	 <u>266,320</u>	 <u>370,598</u>	 <u>499,887</u>
 Fund balances:					
Reserved for:					
Notes receivable	-	-	2,062,121	2,062,121	2,137,556
Advances	-	-	602,169	602,169	569,416
Land held for resale	-	-	1,917,709	1,917,709	1,917,709
Unreserved:					
Designated	-	2,707,819	1,793,668	4,501,487	6,476,752
Undesignated	1,990	-	-	1,990	1,544
	<u>1,990</u>	<u>-</u>	<u>-</u>	<u>1,990</u>	<u>1,544</u>
 Total fund balances (deficits)	 <u>1,990</u>	 <u>2,707,819</u>	 <u>6,375,667</u>	 <u>9,085,476</u>	 <u>11,102,977</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 1,990</u>	 <u>2,812,097</u>	 <u>6,641,987</u>	 <u>9,456,074</u>	 <u>11,602,864</u>

CITY OF INDIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended June 30, 2004

	State Park <u>Bond Act</u>	2002 Park <u>COP's</u>	RDA Capital <u>Projects</u>	<u>Total</u>	
				<u>2004</u>	<u>2003</u>
Revenues:					
Intergovernmental	\$ -	-	-	-	272,871
Charges for services	-	-	69,750	69,750	-
Investment income	446	21,631	61,452	83,529	39,239
Miscellaneous	-	-	83,001	83,001	256,347
	<u>446</u>	<u>21,631</u>	<u>214,203</u>	<u>236,280</u>	<u>568,457</u>
Total revenues					
Expenditures:					
Current:					
Culture and leisure	-	124,878	-	124,878	-
Public works	-	-	-	-	846,693
Community development	-	-	1,888,540	1,888,540	1,906,238
Debt service:					
ERAF payment	-	-	145,052	145,052	76,399
	<u>-</u>	<u>124,878</u>	<u>2,033,592</u>	<u>2,158,470</u>	<u>2,829,330</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>446</u>	<u>(103,247)</u>	<u>(1,819,389)</u>	<u>(1,922,190)</u>	<u>(2,260,873)</u>
Other financing sources (uses):					
Interfund transfers in	-	-	-	-	1,743,290
Interfund transfers out	-	(3,178)	(662,133)	(665,311)	(424,413)
Issuance of debt	-	-	-	-	3,075,354
	<u>-</u>	<u>(3,178)</u>	<u>(662,133)</u>	<u>(665,311)</u>	<u>4,394,231</u>
Total other financing sources (uses)					
Net change in fund balances	446	(106,425)	(2,481,522)	(2,587,501)	2,133,358
Fund balances at beginning of year, as restated	<u>1,544</u>	<u>2,814,244</u>	<u>8,857,189</u>	<u>11,672,977</u>	<u>8,969,619</u>
Fund balances at end of year	<u>\$ 1,990</u>	<u>2,707,819</u>	<u>6,375,667</u>	<u>9,085,476</u>	<u>11,102,977</u>

CITY OF INDIO
 State Park Bond Act Capital Projects Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	446	446	29
Total revenues	<u>-</u>	<u>446</u>	<u>446</u>	<u>29</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>446</u>	<u>446</u>	<u>29</u>
Fund balance at beginning of year	<u>1,544</u>	<u>1,544</u>	<u>-</u>	<u>1,515</u>
Fund balance at end of year	<u>\$ 1,544</u>	<u>1,990</u>	<u>446</u>	<u>1,544</u>

CITY OF INDIO
2002 Park COP's Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	21,631	21,631	15,583
Total revenues	<u>-</u>	<u>21,631</u>	<u>21,631</u>	<u>15,583</u>
Expenditures:				
Current:				
Culture and leisure	-	124,878	(124,878)	846,693
Total expenditures	<u>-</u>	<u>124,878</u>	<u>(124,878)</u>	<u>846,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(103,247)</u>	<u>(103,247)</u>	<u>(831,110)</u>
Other financing sources (uses):				
Interfund transfers out	-	(3,178)	(3,178)	-
Issuance of debt	-	-	-	3,075,354
Total other financing sources (uses)	<u>-</u>	<u>(3,178)</u>	<u>(3,178)</u>	<u>3,075,354</u>
Net change in fund balance	-	(106,425)	(106,425)	2,244,244
Fund balance at beginning of year, as restated	<u>2,814,244</u>	<u>2,814,244</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,814,244</u>	<u>2,707,819</u>	<u>(106,425)</u>	<u>2,244,244</u>

CITY OF INDIO
 Redevelopment Capital Projects Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)	Prior Year <u>Actual</u>
Revenues:				
Intergovernmental	\$ -	-	-	272,871
Charges for services	-	69,750	69,750	-
Investment income	50,000	61,452	11,452	23,627
Miscellaneous	-	83,001	83,001	256,347
	<u>50,000</u>	<u>214,203</u>	<u>164,203</u>	<u>552,845</u>
Expenditures:				
Current:				
Community development	4,716,052	1,888,540	2,827,512	1,906,238
Debt service:				
ERAF payment	-	145,052	(145,052)	76,399
	<u>4,716,052</u>	<u>2,033,592</u>	<u>2,682,460</u>	<u>1,982,637</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,666,052)</u>	<u>(1,819,389)</u>	<u>2,846,663</u>	<u>(1,429,792)</u>
Other financing sources (uses):				
Interfund transfers in	898,185	-	(898,185)	1,743,290
Interfund transfers out	-	(662,133)	(662,133)	(424,413)
	<u>898,185</u>	<u>(662,133)</u>	<u>(1,560,318)</u>	<u>1,318,877</u>
Net change in fund balance	(3,767,867)	(2,481,522)	1,286,345	(110,915)
Fund balance at beginning of year	<u>8,857,189</u>	<u>8,857,189</u>	<u>-</u>	<u>8,968,104</u>
Fund balance at end of year	<u>\$ 5,089,322</u>	<u>6,375,667</u>	<u>1,286,345</u>	<u>8,857,189</u>

CITY OF INDIO
 Capital Projects Fund
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year ended June 30, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 2,972,633	5,265,618	2,292,985	3,618,297
Investment income	-	188,023	188,023	119,328
Miscellaneous	520	-	(520)	-
Contributions from property owners	<u>1,026,847</u>	<u>4,136,335</u>	<u>3,109,488</u>	<u>1,921,921</u>
 Total revenues	 <u>4,000,000</u>	 <u>9,589,976</u>	 <u>5,589,976</u>	 <u>5,659,546</u>
Expenditures:				
Current:				
Public works	-	5,365,850	(5,365,850)	4,740,380
Utilities	<u>-</u>	<u>1,878,467</u>	<u>(1,878,467)</u>	<u>1,608,766</u>
 Total expenditures	 <u>-</u>	 <u>7,244,317</u>	 <u>(7,244,317)</u>	 <u>6,349,146</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>4,000,000</u>	 <u>2,345,659</u>	 <u>(1,654,341)</u>	 <u>(689,600)</u>
Other financing sources (uses):				
Interfund transfers in	-	1,448,936	1,448,936	2,826,485
Interfund transfers out	<u>(4,780,000)</u>	<u>(41,950)</u>	<u>4,738,050</u>	<u>-</u>
 Total other financing sources (uses)	 <u>(4,780,000)</u>	 <u>1,406,986</u>	 <u>6,186,986</u>	 <u>2,826,485</u>
 Net change in fund balance	 (780,000)	 3,752,645	 4,532,645	 2,136,885
 Fund balance at beginning of year	 <u>11,456,172</u>	 <u>11,456,172</u>	 <u>-</u>	 <u>9,319,287</u>
 Fund balance at end of year	 <u>\$ 10,676,172</u>	 <u>15,208,817</u>	 <u>4,532,645</u>	 <u>11,456,172</u>

CITY OF INDIO
Assessment District Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>	Prior Year <u>Actual</u>
Revenues:				
Investment income	\$ -	43,926	43,926	38,113
Miscellaneous	-	5,920	5,920	-
Contributions from property owners	-	<u>11,485,563</u>	<u>11,485,563</u>	<u>6,434,102</u>
 Total revenues	 -	 <u>11,535,409</u>	 <u>11,535,409</u>	 <u>6,472,215</u>
 Expenditures:				
Current:				
Public works	-	<u>6,513,006</u>	<u>(6,513,006)</u>	<u>7,981,834</u>
 Total expenditures	 -	 <u>6,513,006</u>	 <u>(6,513,006)</u>	 <u>7,981,834</u>
 Excess (deficiency) of revenues over (under) expenditures	 -	 <u>5,022,403</u>	 <u>5,022,403</u>	 <u>(1,509,619)</u>
 Other financing sources (uses):				
Interfund transfers in	-	-	-	-
Interfund transfers out	-	-	-	<u>(165,506)</u>
 Total other financing sources (uses)	 -	 -	 -	 <u>(165,506)</u>
 Net change in fund balance	 -	 5,022,403	 5,022,403	 <u>(1,675,125)</u>
 Fund balance at beginning of year	 <u>3,171,431</u>	 <u>3,171,431</u>	 -	 <u>4,846,556</u>
 Fund balance at end of year	 <u>\$ 3,171,431</u>	 <u>8,193,834</u>	 <u>5,022,403</u>	 <u>3,171,431</u>

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:

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

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.

CITY OF INDIO
Internal Service Funds

Combining Statement of Net Assets

June 30, 2004

	<u>Self Insurance</u>	<u>Equipment and Facilities</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
Assets:				
Current assets:				
Cash and investments	\$ 1,962,187	1,334,818	3,297,005	2,700,939
Deposit with other agencies	49,654	-	49,654	49,654
Accounts receivable	1,943	-	1,943	-
Interest receivable	6,392	3,530	9,922	7,319
Advances to other funds	-	750,000	750,000	750,000
Prepaid items	24,705	-	24,705	3,359
Inventory of materials	-	34,872	34,872	-
	<u>2,044,881</u>	<u>2,123,220</u>	<u>4,168,101</u>	<u>3,511,271</u>
Noncurrent assets:				
Capital assets:				
Machinery, equipment and furniture	-	3,494,497	3,494,497	3,443,245
Accumulated depreciation	-	(3,404,450)	(3,404,450)	(3,007,013)
	<u>-</u>	<u>90,047</u>	<u>90,047</u>	<u>436,232</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>90,047</u>	<u>90,047</u>	<u>436,232</u>
Total assets	<u>2,044,881</u>	<u>2,213,267</u>	<u>4,258,148</u>	<u>3,947,503</u>
Liabilities:				
Current liabilities:				
Accounts payable	12,967	105,118	118,085	149,434
Accrued payroll	13,336	9,298	22,634	13,417
Noncurrent liabilities:				
Claims payable	226,656	-	226,656	1,157,397
	<u>252,959</u>	<u>114,416</u>	<u>367,375</u>	<u>1,320,248</u>
Total liabilities	<u>252,959</u>	<u>114,416</u>	<u>367,375</u>	<u>1,320,248</u>
Net assets:				
Invested in capital assets	-	90,047	90,047	436,232
Unrestricted	1,791,922	2,008,804	3,800,726	2,191,023
	<u>1,791,922</u>	<u>2,098,851</u>	<u>3,890,773</u>	<u>2,627,255</u>
Total net assets	<u>\$ 1,791,922</u>	<u>2,098,851</u>	<u>3,890,773</u>	<u>2,627,255</u>

CITY OF INDIO
Internal Service Funds

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

Year ended June 30, 2004

	Self <u>Insurance</u>	Equipment and Facilities	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
Operating revenues:				
Charges for services	\$ 2,195,676	2,085,760	4,281,436	5,746,162
Total operating revenues	<u>2,195,676</u>	<u>2,085,760</u>	<u>4,281,436</u>	<u>5,746,162</u>
Operating expenses:				
Personnel services	-	420,983	420,983	558,128
Contractual services	-	398,007	398,007	1,777,347
Depreciation	-	263,629	263,629	258,938
Repairs and maintenance	-	261,484	261,484	627,532
Supplies	3,439	1,038,745	1,042,184	1,562,603
Claims and judgments	<u>1,259,652</u>	-	<u>1,259,652</u>	<u>1,180,958</u>
Total operating expenses	<u>1,263,091</u>	<u>2,382,848</u>	<u>3,645,939</u>	<u>5,965,506</u>
Operating income (loss)	<u>932,585</u>	<u>(297,088)</u>	<u>635,497</u>	<u>(219,344)</u>
Nonoperating revenues:				
Investment income	15,289	11,264	26,553	32,630
Miscellaneous	<u>598,809</u>	<u>2,659</u>	<u>601,468</u>	<u>175,640</u>
Total nonoperating revenues	<u>614,098</u>	<u>13,923</u>	<u>628,021</u>	<u>208,270</u>
Net income (loss)	1,546,683	(283,165)	1,263,518	(11,074)
Net assets at beginning of year	<u>245,239</u>	<u>2,382,016</u>	<u>2,627,255</u>	<u>2,638,329</u>
Net assets at end of year	<u>\$ 1,791,922</u>	<u>2,098,851</u>	<u>3,890,773</u>	<u>2,627,255</u>

CITY OF INDIO
Internal Service Funds

Combining Statement of Cash Flows

Year ended June 30, 2004

	Self <u>Insurance</u>	Equipment <u>and Facilities</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
Cash flows from operating activities:				
Cash received from user departments	\$ 2,193,733	2,085,760	4,279,493	5,705,069
Cash payments to suppliers of goods and services	(2,234,145)	(1,630,268)	(3,864,413)	(5,084,871)
Cash payments to employee for services	-	(411,595)	(411,595)	(676,010)
Miscellaneous receipts (disbursements)	<u>598,809</u>	<u>2,659</u>	<u>601,468</u>	<u>175,640</u>
Net cash provided by (used for) operating activities	<u>558,397</u>	<u>46,556</u>	<u>604,953</u>	<u>119,828</u>
Cash flows from non-capital financing activities:				
Cash received from Water Authority	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,375</u>
Net cash provided by (used for) non-capital and related activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,375</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	<u>-</u>	<u>(32,837)</u>	<u>(32,837)</u>	<u>(98,471)</u>
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(32,837)</u>	<u>(32,837)</u>	<u>(98,471)</u>
Cash flows from investing activities:				
Interest received on investments	<u>13,283</u>	<u>10,667</u>	<u>23,950</u>	<u>36,927</u>
Net cash provided by (used for) investing activities	<u>13,283</u>	<u>10,667</u>	<u>23,950</u>	<u>36,927</u>
Net increase (decrease) in cash and cash equivalents	571,680	24,386	596,066	337,659
Cash and cash equivalents at beginning of year	<u>1,390,507</u>	<u>1,310,432</u>	<u>2,700,939</u>	<u>2,363,280</u>
Cash and cash equivalents at end of year	<u>\$ 1,962,187</u>	<u>1,334,818</u>	<u>3,297,005</u>	<u>2,700,939</u>

CITY OF INDIO
Internal Service Funds

Combining Statement of Cash Flows

(Continued)

	<u>Self Insurance</u>	<u>Equipment and Facilities</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 932,585	(297,088)	635,497	(219,344)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	263,629	263,629	258,938
Miscellaneous nonoperating income	598,809	2,659	601,468	175,640
(Increase) decrease in accounts receivable	(1,943)	-	(1,943)	8,561
(Increase) decrease in prepaid items	(24,705)	3,359	(21,346)	(3,359)
(Increase) decrease in inventory	-	(33,872)	(33,872)	54,544
(Increase) decrease in other assets	-	114,393	114,393	(49,654)
Increase (decrease) in accounts payable	(15,527)	(15,822)	(31,349)	12,384
Increase (decrease) in accrued payroll	(81)	9,298	9,217	13,417
Increase (decrease) in claims payable	(930,741)	-	(930,741)	(131,299)
			<u>604,953</u>	<u>(131,299)</u>
Net cash provided by (used for) operating activities	<u>\$ 558,397</u>	<u>46,556</u>	<u>604,953</u>	<u>119,828</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 Funds – To account for the City's fiduciary capacity as custodian of the monies held on behalf of the various Assessment District Bonds for debt service.

CITY OF INDIO
Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2004

	Shadow Hills Assessment District	Assessment Districts	Totals	
			2004	2003
Assets:				
Cash and investments	\$ 284,409	1,656,173	1,940,582	604,825
Cash with fiscal agent	231,248	3,356,667	3,587,915	2,382,999
Due from other governments	2,508	71,229	73,737	189,148
Interest receivable	758	4,577	5,335	4,249
Total assets	\$ 518,923	5,088,646	5,607,569	3,181,221
Liabilities:				
Accounts payable	\$ 11,750	143,554	155,304	20,500
Due to bondholders	507,173	4,720,092	5,227,265	3,126,047
Deposits payable	-	225,000	225,000	34,674
Total liabilities	\$ 518,923	5,088,646	5,607,569	3,181,221

CITY OF INDIO
Agency Funds

Combining Statement of Changes in Assets and Liabilities

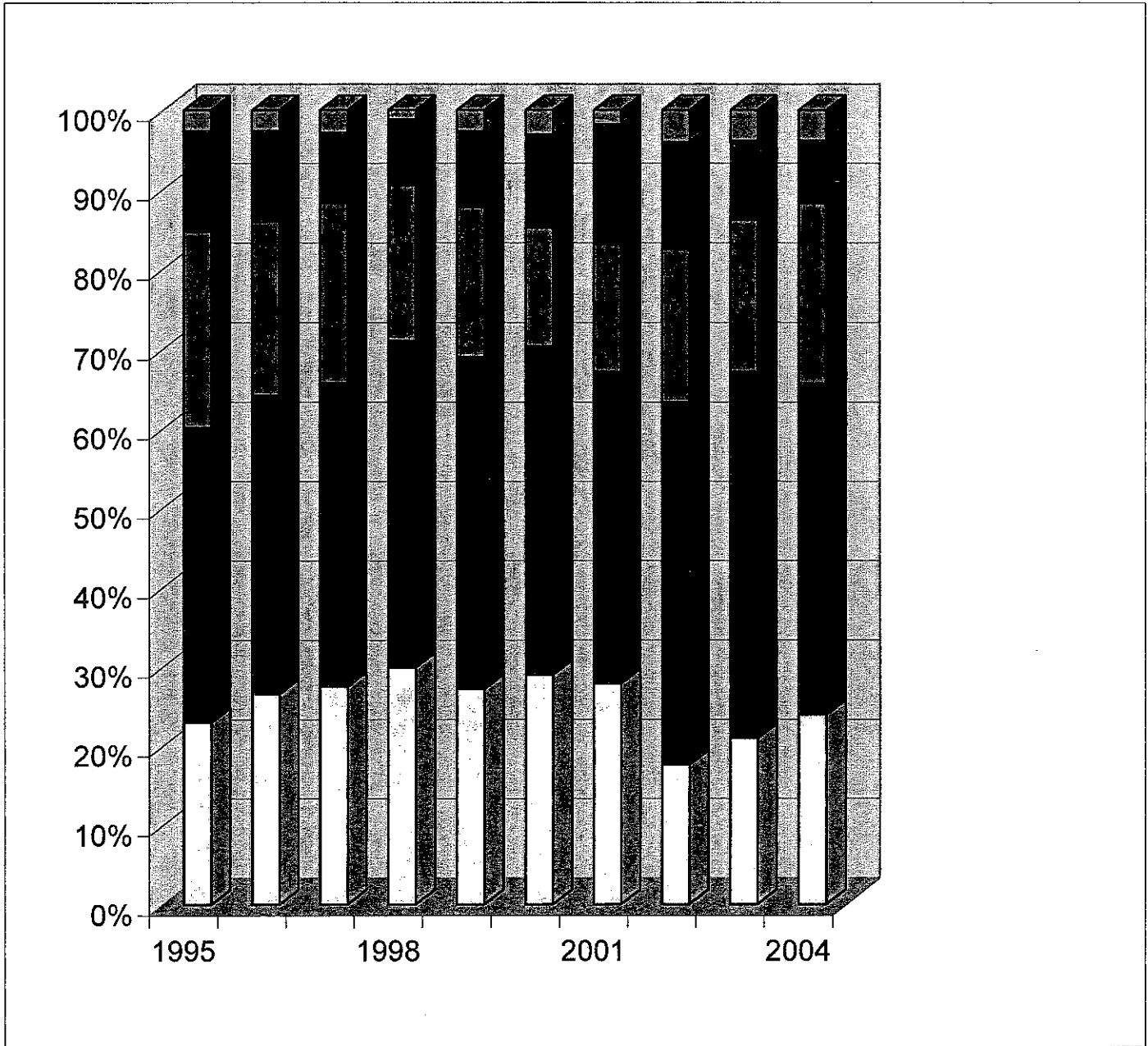
June 30, 2004

	<u>Balance at</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2004</u>
<u>SHADOW HILLS A.D.</u>				
<u>Assets</u>				
Cash and investments	\$ 158,976	125,433	-	284,409
Cash with fiscal agent	267,521	-	(36,273)	231,248
Due from other governments	6,846	-	(4,338)	2,508
Interest receivable	4,249	-	(3,491)	758
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 437,592</u>	<u>125,433</u>	<u>(44,102)</u>	<u>518,923</u>
<u>Liabilities</u>				
Accounts payable	\$ -	11,750	-	11,750
Due to bondholders	437,592	69,581	-	507,173
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 437,592</u>	<u>81,331</u>	<u>-</u>	<u>518,923</u>
 <u>ASSESSMENT DISTRICTS</u>				
<u>Assets</u>				
Cash and investments	\$ 445,849	1,210,324	-	1,656,173
Cash with fiscal agent	2,115,478	1,241,189	-	3,356,667
Due from other governments	182,302	-	(111,073)	71,229
Interest receivable	-	4,577	-	4,577
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,743,629</u>	<u>2,456,090</u>	<u>(111,073)</u>	<u>5,088,646</u>
<u>Liabilities</u>				
Accounts payable	\$ 20,500	123,054	-	143,554
Due to bondholders	2,688,455	2,031,637	-	4,720,092
Deposits payable	34,674	190,326	-	225,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 2,743,629</u>	<u>2,345,017</u>	<u>-</u>	<u>5,088,646</u>

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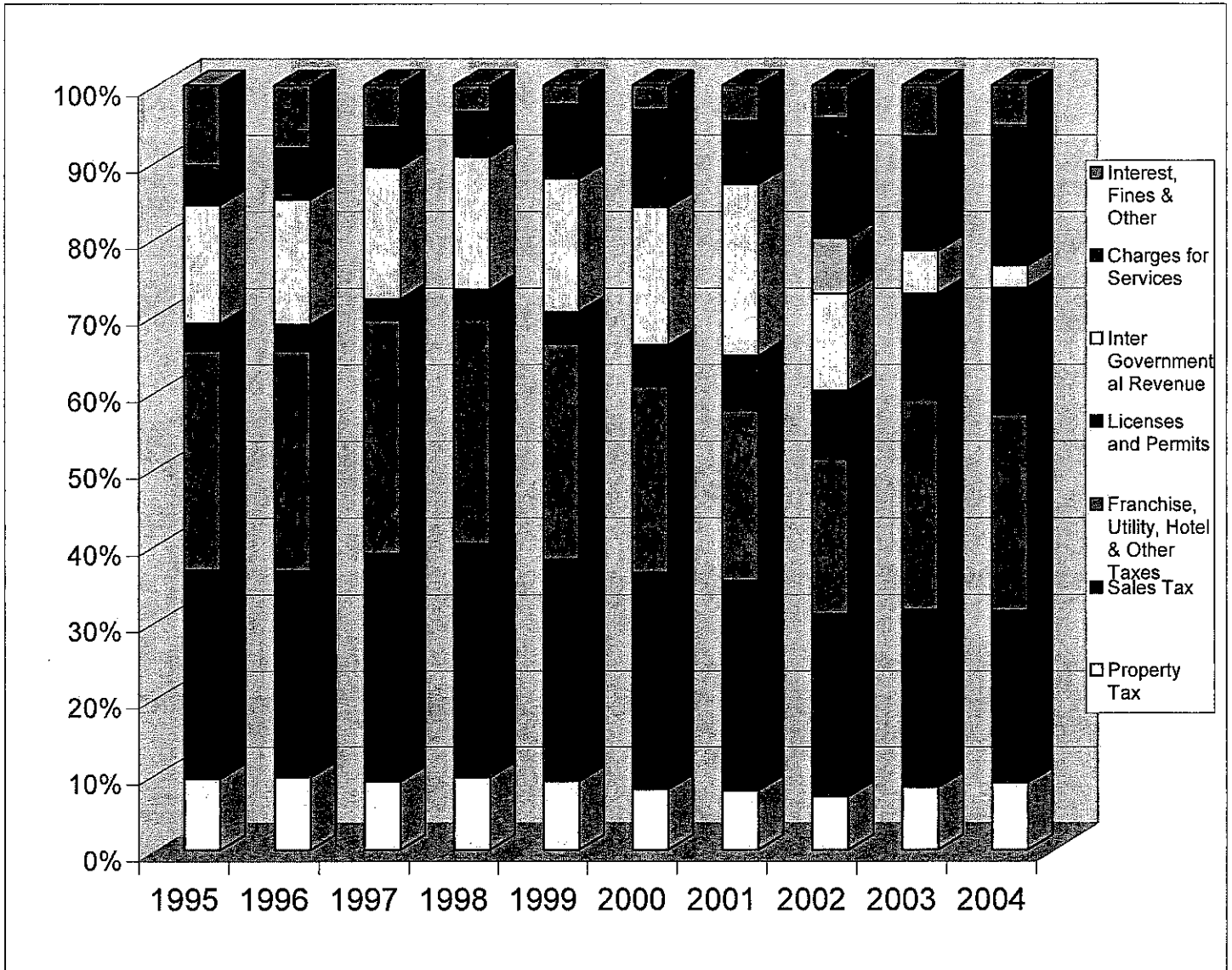
STATISTICAL SECTION

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



FISCAL YEAR	GENERAL GOVERNMENT	POLICE	FIRE AND AMBULANCE	PUBLIC WORKS	PARKS & SENIOR CENTER	TOTAL
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	4,797,605	10,640,693	4,379,158	2,305,323	890,949	23,013,728
2004	5,162,882	9,055,684	4,888,300	1,726,104	830,465	21,663,435

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
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	1,520,168	5,427,963	4,355,006	1,411,393	4,409,472	1,639,186	917,962	19,681,140
2002	1,580,835	5,460,394	4,595,243	2,040,372	2,887,180	3,584,908	984,171	22,772,289
2003	2,147,697	6,150,863	7,181,350	3,680,902	1,458,826	3,963,009	1,753,013	26,335,660
2004	2,694,156	6,926,020	7,864,108	5,092,871	876,607	5,640,993	1,621,116	30,715,871

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.

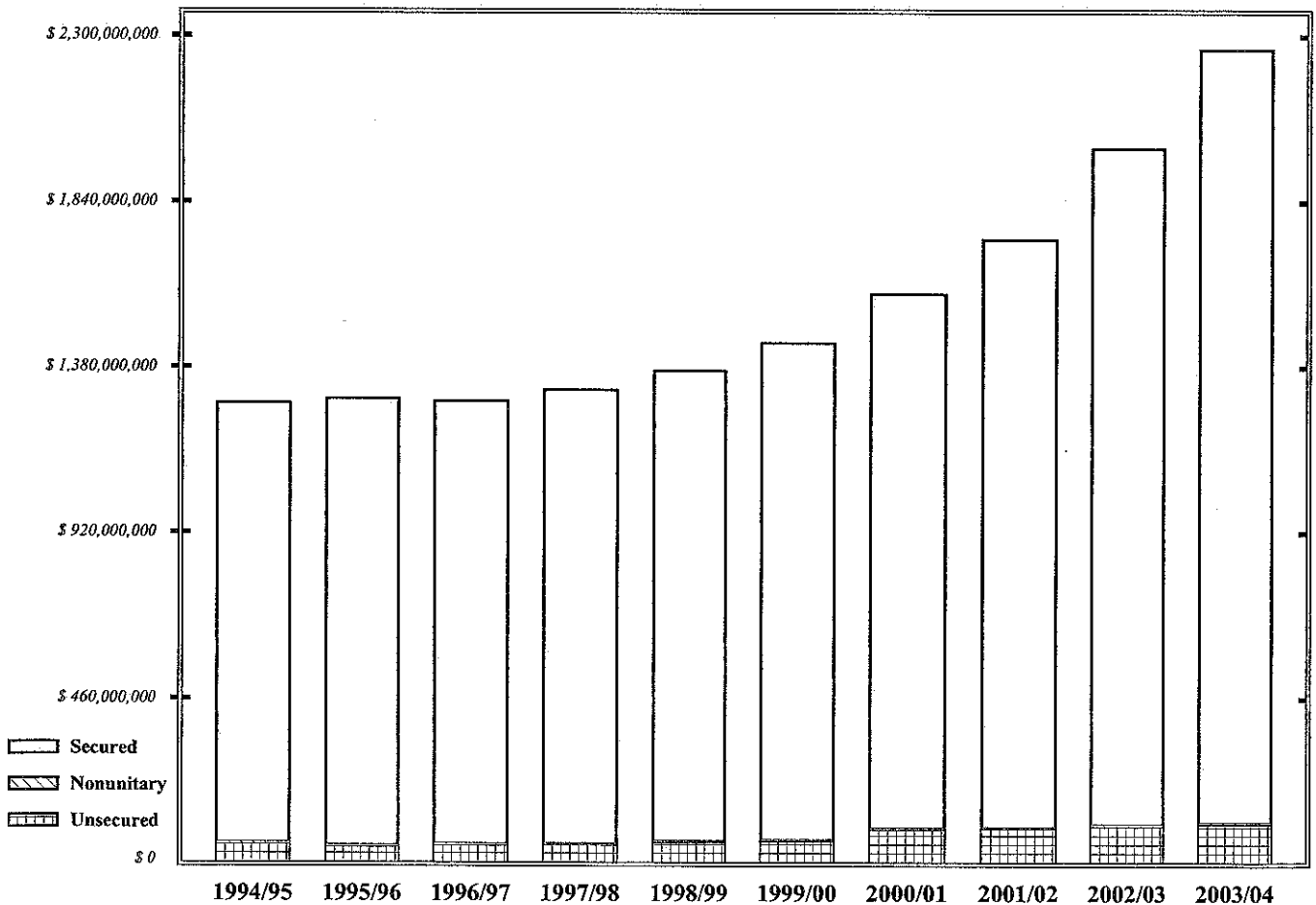
Source: City of Indio Finance Department

THE CITY OF INDIO

NET TAXABLE ASSESSED VALUES - TEN YEAR HISTORY

Lien Year:	1994/95	1995/96	1996/97	1997/98	1998/99
Secured	\$ 1,224,059,872	\$ 1,244,252,538	\$ 1,233,178,245	\$ 1,259,953,063	\$ 1,305,899,449
Nonunitary	\$ 0	\$ 0	\$ 0	\$ 3,149,815	\$ 3,333,540
Unsecured	\$ 55,514,990	\$ 48,034,087	\$ 51,813,657	\$ 53,340,630	\$ 60,032,169
Net Total AV	\$ 1,279,574,862	\$ 1,292,286,625	\$ 1,284,991,902	\$ 1,316,443,508	\$ 1,369,265,158

Lien Year:	1999/00	2000/01	2001/02	2002/03	2003/04
Secured	\$ 1,381,150,126	\$ 1,484,255,646	\$ 1,634,016,137	\$ 1,881,218,348	\$ 2,148,907,941
Nonunitary	\$ 3,058,109	\$ 3,073,205	\$ 3,136,529	\$ 0	\$ 1,692,240
Unsecured	\$ 63,177,204	\$ 96,149,109	\$ 98,761,309	\$ 106,785,292	\$ 111,687,981
Net Total AV	\$ 1,447,385,439	\$ 1,583,477,960	\$ 1,735,913,975	\$ 1,988,003,640	\$ 2,262,288,162



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

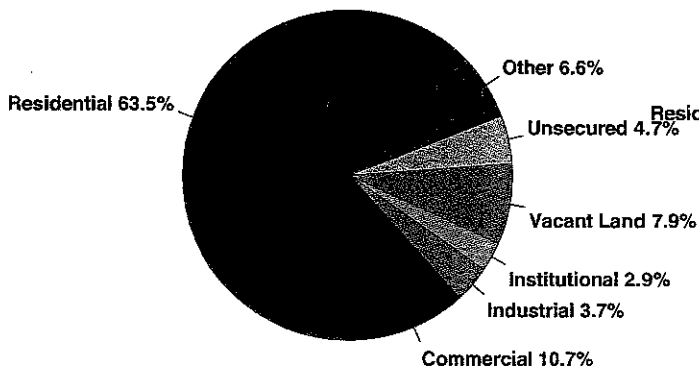
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THE CITY OF INDIO

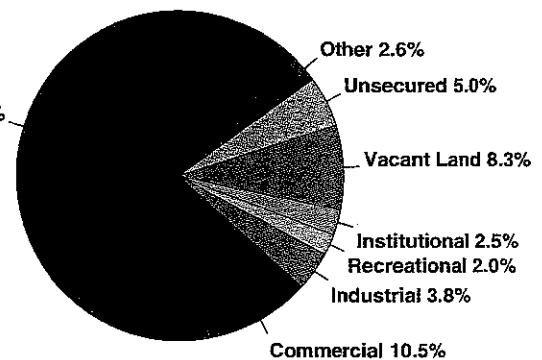
USE CATEGORY SUMMARY, 2003/04

<i>BASIC PROPERTY VALUE TABLE</i>			
CATEGORY	PARCELS	ASSESSED VALUE	NET TAXABLE VALUE
Residential	12,935	\$ 1,504,404,602 (62.7%)	\$ 1,474,790,876 (64.4%)
Commercial	568	\$ 252,718,764 (10.5%)	\$ 236,163,077 (10.3%)
Industrial	260	\$ 86,888,415 (3.6%)	\$ 86,598,343 (3.8%)
Irrigated	20	\$ 8,741,977 (0.4%)	\$ 8,741,977 (0.4%)
Dry Farm	53	\$ 23,412,236 (1.0%)	\$ 23,412,236 (1.0%)
Recreational	46	\$ 46,154,898 (1.9%)	\$ 46,154,898 (2.0%)
Institutional	78	\$ 68,434,833 (2.9%)	\$ 56,206,936 (2.5%)
Government	2	\$ 266,116 (0.0%)	\$ 0 (0.0%)
Miscellaneous	1	\$ 288,710 (0.0%)	\$ 288,710 (0.0%)
Vacant Land	2,696	\$ 186,854,633 (7.8%)	\$ 186,597,793 (8.2%)
Exempt	936	\$ 44,771,819 (1.9%)	\$ 0 (0.0%)
SBE Nonunitary	[40]	\$ 1,692,240 (0.1%)	\$ 1,692,240 (0.1%)
Possessory Int.	[1,080]	\$ 22,594,668 (0.9%)	\$ 20,508,347 (0.9%)
Unsecured	[1,423]	\$ 111,852,598 (4.7%)	\$ 111,687,981 (4.9%)
Unknown	9	\$ 9,000,008 (0.4%)	\$ 3,225,688 (0.1%)
TOTALS	17,604	\$ 2,368,076,517	\$ 2,256,069,102

ASSESSED VALUE



NET TAXABLE VALUE



THE CITY OF INDIO

2003/04 CITY ROLL SUMMARY

Taxable Property Values

	Secured Taxable	Nonunitary Utilities		Unsecured Roll
Parcels	16,668	40		1,423
TRAs	118	12		61

Values			
Land	\$ 744,041,212	\$ 1,256,980	\$ 103,734
Improvements	\$ 1,441,944,245	\$ 276,801	\$ 6,905,209
Personal Property	\$ 17,711,648	\$ 158,459	\$ 68,205,744
Fixtures	\$ 6,062,755	\$ 0	\$ 36,221,211
Aircraft*		\$ 0	\$ 416,700
Total Value*	\$ 2,209,759,860	\$ 1,692,240	\$ 111,435,898

Exemptions			
Real Estate	\$ 67,070,979	\$ 0	\$ 164,617
Personal Property	\$ 0	\$ 0	
Fixtures	\$ 0	\$ 0	
Aircraft*		\$ 0	\$ 0
Homeowners*	\$ 38,672,151	\$ 0	\$ 0
Total Exemptions*	\$ 67,070,979	\$ 0	\$ 164,617

Total Net Value*	\$ 2,142,688,881	\$ 1,692,240	\$ 111,271,281
-------------------------	-------------------------	---------------------	-----------------------

Combined Values*	Total
Total Values	\$ 2,322,887,998
Total Exemptions	\$ 67,235,596
Net Total Values	\$ 2,255,652,402
Net Aircraft Values	\$ 416,700

Notes:

Totals Do Not Include Aircraft Values Or Exemptions

Homeowners Exemption Not Included In Total Exemptions

Source: HdL Coren & Cone, Riverside County Assessor 2003/04 Combined Tax Rolls

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THE CITY OF INDIO

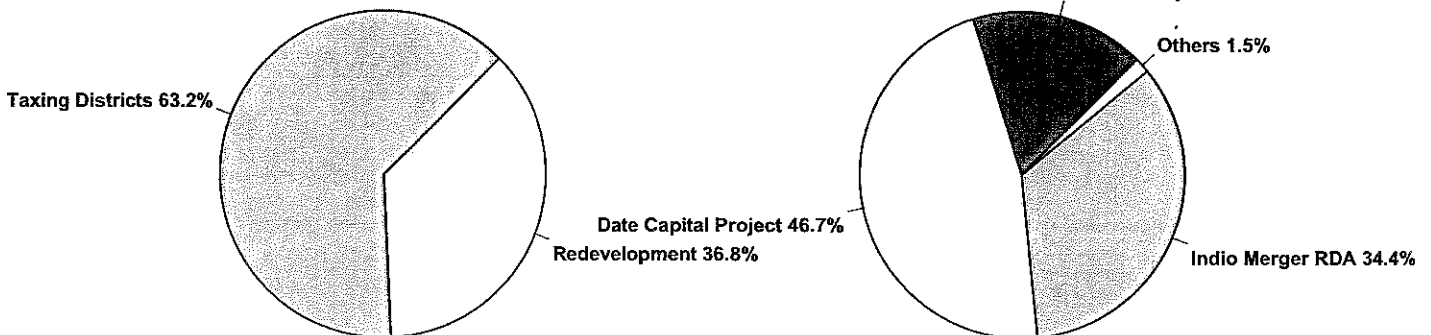
2003/04 GROWTH SUMMARY BY AGENCY

Percentage Growth Of Assessed Values By Agency Between 2002/03 And 2003/04

	County	City	General Taxing Agenc	Centre Renew. Proj.	Centre Ren.pro. 83ax	Date Capital Project	Indio Annex
Secured							
Land	+10.2%	+13.4%	+17.2%	+1.8%	+1.1%	+9.3%	0.0%
Improvements	+13.5%	+15.8%	+20.2%	+1.0%	+9.3%	+9.9%	0.0%
Personal Prop.	-13.2%	+4.8%	+4.5%	-53.9%	+1.8%	-5.5%	0.0%
Exemptions	+10.9%	+80.1%	+71.4%	+82.6%	+93.9%	+84.5%	0.0%
Net Total	+12.2%	+13.6%	+18.5%	-3.9%	+3.8%	+4.6%	0.0%
SBE Nonunitary							
Land	+7.1%	-43.1%	+11.3%	-100.0%	-11.2%	0.0%	0.0%
Improvements	+3,870.7%	+14.2%	+14.2%	0.0%	+14.2%	0.0%	0.0%
Personal Prop.	-4.1%	+14.2%	+14.2%	0.0%	+14.2%	0.0%	0.0%
Exemptions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Total	+632.0%	-34.7%	+12.3%	-100.0%	-6.0%	0.0%	0.0%
Unsecured							
Land	-30.0%	-27.6%	-20.2%	0.0%	-49.3%	-24.3%	0.0%
Improvements	+10.0%	+4.8%	+11.8%	+10.5%	-41.0%	+23.9%	0.0%
Personal Prop.	+5.9%	+4.2%	+1.0%	+111.1%	+11.5%	+5.3%	0.0%
Exemptions	+7.1%	-52.3%	-100.0%	0.0%	-22.1%	-8.3%	0.0%
Net Total	+7.6%	+4.6%	+5.4%	+54.3%	-15.3%	+12.2%	0.0%
Combined							
Land	+10.2%	+13.2%	+17.2%	-12.8%	+0.7%	+9.3%	0.0%
Improvements	+14.0%	+15.4%	+20.0%	+1.4%	+4.8%	+10.7%	0.0%
Personal Prop.	+1.2%	+4.4%	+2.3%	+80.1%	+9.8%	+4.8%	0.0%
Exemptions	+10.7%	+78.9%	+68.6%	+82.3%	+90.5%	+84.2%	0.0%
Net Total AV	+12.4%	+13.1%	+18.2%	-3.7%	+1.5%	+5.4%	0.0%
Net Taxable AV	+12.4%	+13.4%	+18.7%	-3.7%	+1.4%	+5.5%	0.0%

2003/04 Total Net AV

2003/04 Redevelopment Net AV



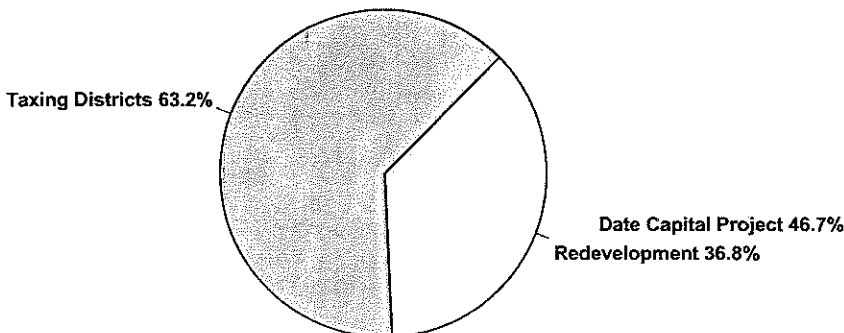
THE CITY OF INDIO

2003/04 GROWTH SUMMARY BY AGENCY

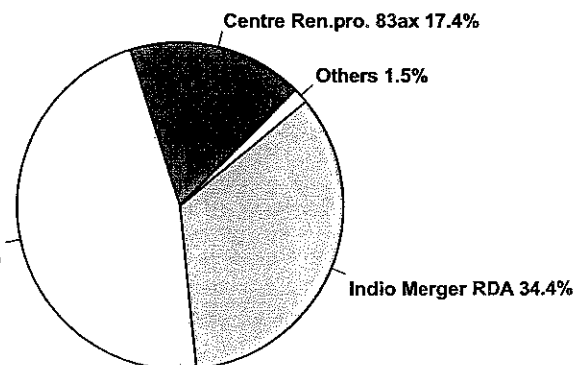
Percentage Growth Of Assessed Values By Agency Between 2002/03 And 2003/04

	County	City	Indio Merger RDA
Secured			
Land	+10.2%	+13.4%	+6.7%
Improvements	+13.5%	+15.8%	+8.1%
Personal Prop.	-13.2%	+4.8%	+56.6%
Exemptions	+10.9%	+80.1%	-7.8%
Net Total	+12.2%	+13.6%	+7.7%
SBE Nonunitary			
Land	+7.1%	-43.1%	-81.7%
Improvements	+3,870.7%	+14.2%	+14.2%
Personal Prop.	-4.1%	+14.2%	+14.3%
Exemptions	0.0%	0.0%	0.0%
Net Total	+632.0%	-34.7%	-81.2%
Unsecured			
Land	-30.0%	-27.6%	-11.4%
Improvements	+10.0%	+4.8%	+7.8%
Personal Prop.	+5.9%	+4.2%	-1.0%
Exemptions	+7.1%	-52.3%	0.0%
Net Total	+7.6%	+4.6%	+1.8%
Combined			
Land	+10.2%	+13.2%	+6.2%
Improvements	+14.0%	+15.4%	+8.1%
Personal Prop.	+1.2%	+4.4%	+1.8%
Exemptions	+10.7%	+78.9%	-7.8%
Net Total AV	+12.4%	+13.1%	+7.2%
Net Taxable AV	+12.4%	+13.4%	+7.3%

2003/04 Total Net AV

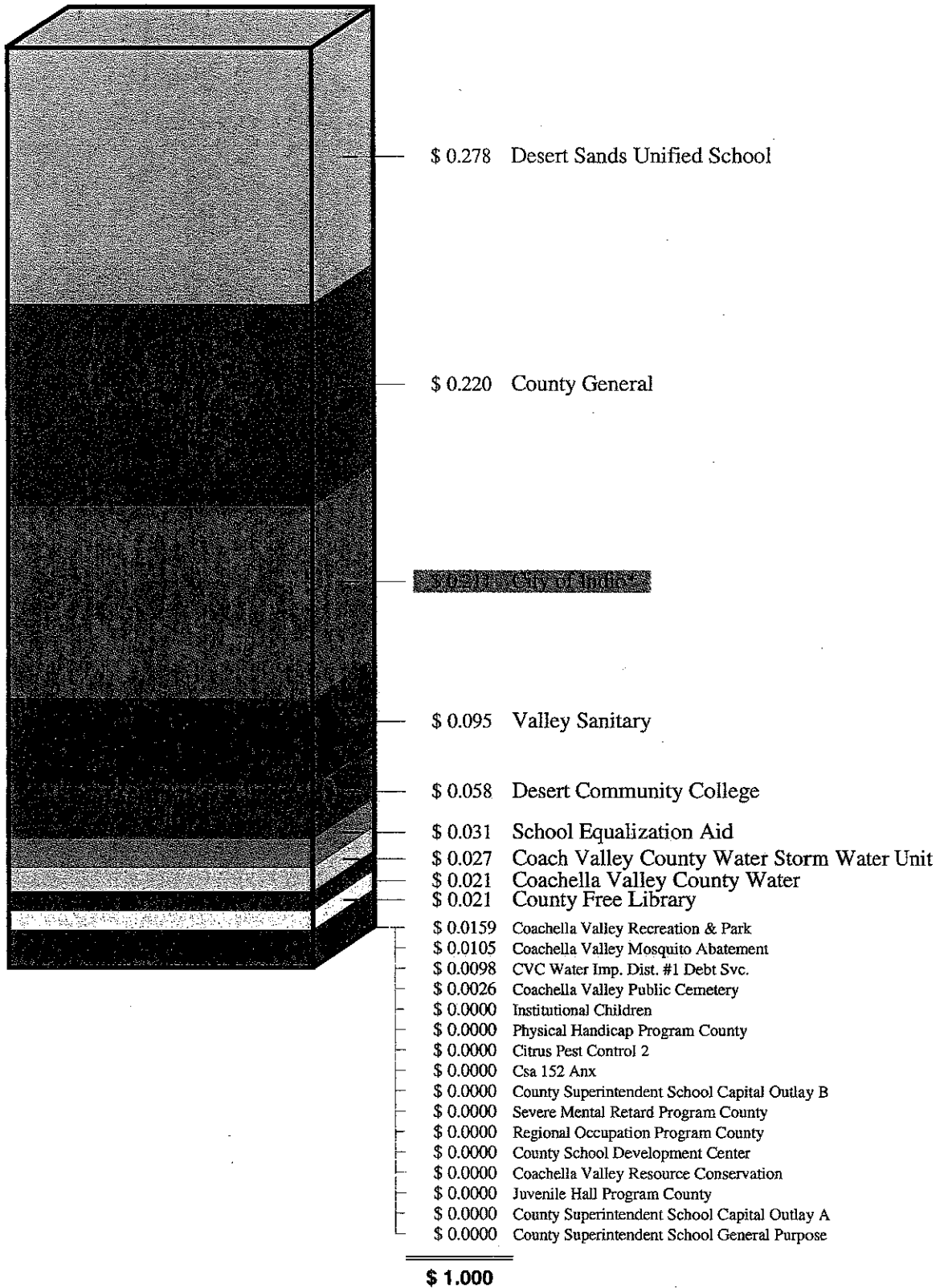


2003/04 Redevelopment Net AV



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 2003/04 Annual Tax Increment Tables

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THE CITY OF INDIO

2003/04 TOP TEN PROPERTY OWNERS

Top Property Owners Based On Gross Assessed Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value	Parcels	Value	Value	Portion Of City	
1) JFK Memorial Hospital Inc.	2	\$ 30,163,066			\$ 30,163,066	1.27%	Institutional GENERAL TAXING AGENC
2) LB Hills Golf	15	\$ 19,133,797			\$ 19,133,797	0.81%	Recreational GENERAL TAXING AGENC
3) Indio Summer Field	7	\$ 14,183,787			\$ 14,183,787	0.60%	Residential DATE CAPITAL PROJECT
4) AG Indio Fashion Mall LLC	11	\$ 14,049,512			\$ 14,049,512	0.59%	Commercial DATE CAPITAL PROJECT
5) 7709 Lankershim Limited	3	\$ 13,005,000	1	\$ 5,700	\$ 13,010,700	0.55%	Residential GENERAL TAXING AGENC
6) EQR Smoketree	1	\$ 12,369,013			\$ 12,369,013	0.52%	Residential GENERAL TAXING AGENC
7) Richard K. Riftenbark Trust	1	\$ 11,847,966			\$ 11,847,966	0.50%	Residential DATE CAPITAL PROJECT
8) Time Warner Entertainment			2	\$ 11,726,817	\$ 11,726,817	0.50%	Unsecured GENERAL TAXING AGENC
9) Plantation Golf Club Inc.	7	\$ 11,248,510			\$ 11,248,510	0.48%	Recreational GENERAL TAXING AGENC
10) S & D Indian Palms California Limited	85	\$ 10,929,945			\$ 10,929,945	0.46%	Recreational GENERAL TAXING AGENC
Top Ten Totals	132	\$ 136,930,596	3	\$ 11,732,517	\$ 148,663,113	6.28%	
City Totals		\$ 2,256,223,919		\$ 111,852,598	\$ 2,368,076,517		

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2003 TOP PROPERTY OWNER SUMMARY

Owner (Number of Parcels)	Assessed Value
1 JFK Memorial Hospital Inc. (2)	\$ 30,163,066
2 LB Hills Golf (15)	\$ 19,133,797
3 Indio Summer Field (7)	\$ 14,183,787
4 AG Indio Fashion Mall LLC (11)	\$ 14,049,512
5 7709 Lankershim Limited (4)	\$ 13,010,700
6 EQR Smoketree (1)	\$ 12,369,013
7 Richard K. Rifembark Trust (1)	\$ 11,847,966
8 Time Warner Entertainment (2)	\$ 11,726,817
9 Plantation Golf Club Inc. (7)	\$ 11,248,510
10 S & D Indian Palms California Limited (85)	\$ 10,929,945
11 J D G Properties (13)	\$ 10,909,276
12 First American Company Trust (39)	\$ 10,361,575
13 Rich Development Indio III (3)	\$ 9,395,576
14 Marthas Village Limited Partnership (1)	\$ 9,370,028
15 LB Indio Land LLC (4)	\$ 8,744,500
16 Richard M. Marsh (10)	\$ 8,428,309
17 ARC III LLC (4)	\$ 8,191,144
18 Wells Associates (1)	\$ 8,171,301
19 American Stores Properties Inc. (2)	\$ 7,546,261
20 Weinberger Trust (1)	\$ 7,425,600
21 Hensley Properties Limited Partnership (1)	\$ 7,366,449
22 Coachella Valley Housing Coalition (2)	\$ 7,086,500
23 Faracos NV (11)	\$ 7,047,261
24 Requa Associates (2)	\$ 6,806,605
25 Indio Desert Palms Limited Partnership (1)	\$ 6,637,150

THE CITY OF INDIO

2003 TOP PROPERTY TAXPAYERS

Owner (Number of Parcels)	Assessed Value
1 AG Indio Fashion Mall LLC (11)	\$ 14,049,512
2 Richard K. Rifenkark Trust (1)	\$ 11,847,966
3 J D G Properties (13)	\$ 10,909,276
4 Indio Summer Field (7)	\$ 14,183,787
5 Rich Development Indio III (3)	\$ 9,395,576
6 American Stores Properties Inc. (2)	\$ 7,546,261
7 Hensley Properties Limited Partnership (1)	\$ 7,366,449
8 Requa Associates (2)	\$ 6,806,605
9 Richard M. Marsh (10)	\$ 8,428,309
10 Nicholas Labeledz Trust (3)	\$ 6,286,500
11 JFK Memorial Hospital Inc. (2)	\$ 30,163,066
12 Calvin F. Worth Trust (2)	\$ 5,517,947
13 Lawrence M. Chank (3)	\$ 5,050,678
14 Arabia Homes (2)	\$ 4,790,580
15 Seecon XIX Partners Limited Partnership (8)	\$ 5,719,169
16 Seecon XVII Partners (6)	\$ 5,174,053
17 Wells Associates (1)	\$ 8,171,301
18 Motel 6 Operating Limited Partnership (1)	\$ 4,114,589
19 K Mart Corporation (2)	\$ 4,215,884
20 Triangle Distributing Company (3)	\$ 3,919,561
21 Summit Cable Services of Georgia (1)	\$ 3,884,021
22 Dimare Enterprises Inc. (9)	\$ 4,878,949
23 Villa Montego LLC (79)	\$ 3,645,675
24 Katherine E. Dagermangy Trust (4)	\$ 3,365,601
25 Faracos NV (11)	\$ 7,047,261

Source: HdL Coren & Cone, Riverside County Assessor 2003/04 Combined Tax Rolls

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THE CITY OF INDIO

2003 TOP PROPERTY TAXPAYERS

Owner (Number of Parcels)	Assessed Value	Est. Total Revenue	Est. RDA 1% Revenue
1 AG Indio Fashion Mall LLC (11)	\$ 14,049,512	\$ 90,892.12	\$ 77,690.41
2 Richard K. Rifembark Trust (1)	\$ 11,847,966	\$ 76,649.41	\$ 65,516.39
3 J D G Properties (13)	\$ 10,909,276	\$ 73,698.27	\$ 64,250.77
4 Indio Summer Field (7)	\$ 14,183,787	\$ 70,380.10	\$ 60,157.68
5 Rich Development Indio III (3)	\$ 9,395,576	\$ 60,783.88	\$ 51,955.27
6 American Stores Properties Inc. (2)	\$ 7,546,261	\$ 48,819.89	\$ 41,729.00
7 Hensley Properties Limited Partnership (1)	\$ 7,366,449	\$ 47,656.61	\$ 40,734.69
8 Requa Associates (2)	\$ 6,806,605	\$ 44,050.80	\$ 37,657.91
9 Richard M. Marsh (10)	\$ 8,428,309	\$ 41,765.13	\$ 32,798.56
10 Nicholas Labeledz Trust (3)	\$ 6,286,500	\$ 40,676.98	\$ 34,770.93
11 JFK Memorial Hospital Inc. (2)	\$ 30,163,066	\$ 38,532.21	\$ 0.00
12 Calvin F. Worth Trust (2)	\$ 5,517,947	\$ 35,697.89	\$ 30,512.92
13 Lawrence M. Chank (3)	\$ 5,050,678	\$ 31,603.89	\$ 26,758.32
14 Arabia Homes (2)	\$ 4,790,580	\$ 30,992.25	\$ 26,490.75
15 Seecon XIX Partners Limited Partnership (8)	\$ 5,719,169	\$ 30,125.51	\$ 26,321.94
16 Seecon XVII Partners (6)	\$ 5,174,053	\$ 29,459.80	\$ 24,785.82
17 Wells Associates (1)	\$ 8,171,301	\$ 28,520.29	\$ 18,088.78
18 Motel 6 Operating Limited Partnership (1)	\$ 4,114,589	\$ 27,796.35	\$ 24,233.09
19 K Mart Corporation (2)	\$ 4,215,884	\$ 27,579.42	\$ 23,663.42
20 Triangle Distributing Company (3)	\$ 3,919,561	\$ 26,478.83	\$ 23,084.47
21 Summit Cable Services of Georgia (1)	\$ 3,884,021	\$ 25,127.34	\$ 21,477.70
22 Dimare Enterprises Inc. (9)	\$ 4,878,949	\$ 24,024.67	\$ 19,928.43
23 Villa Montego LLC (79)	\$ 3,645,675	\$ 23,585.38	\$ 20,159.70
24 Katherine E. Dagermangy Trust (4)	\$ 3,365,601	\$ 21,773.47	\$ 18,610.96
25 Faracos NV (11)	\$ 7,047,261	\$ 21,670.28	\$ 12,874.03

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 2003/04 Combined Tax Rolls

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TOP 25 SALES TAX PRODUCERS

FOR THE FISCAL YEAR 2003/2004

<u>BUSINESS NAME</u>	<u>BUSINESS CATEGORY</u>
A C Houston Lumber Co	Lumber/Building Materials
American Contractors Supply	Lumber/Building Materials
Arco Am Pm Mini Mart	Service Stations
Audi Leasing	Auto Lease
Circle K	Grocery Stores Beer/Wine
Coachella Valley Pontiac Buick	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
National Waterworks	Heavy Industrial
Paradise Volkswagen	New Motor Vehicle Dealers
Ralphs	Grocery Stores Liquor
Sears	Department Stores
Soco Group	Service Stations
Stater Bros	Grocery Stores Liquor
Toyota Motor Credit	Auto Lease
Ultramar	Service Stations
Unicars Honda	New Motor Vehicle Dealers

Percent Of City Fiscal Year Total Paid By
 Top 25 Accounts = 67.48%

** Firms Listed Alphabetically
 Period: April 03 Thru March 04*

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