



CITY OF INDIO CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CITY OF INDIO, CALIFORNIA
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2013

Prepared by
FINANCE DEPARTMENT



CITY OF INDIO

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

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INTRODUCTORY SECTION



December 31, 2013

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Indio:

I am pleased to submit the City of Indio's (the City's) Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended June 30, 2013. In compliance with City Council policy, a licensed certified public accountant conducted the audit and provided a complete set of financial statements. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and the audit was conducted in accordance with generally accepted auditing standards. The financial report includes all funds of the City of Indio and its blended component units for which the City is financially accountable. The report is intended to provide relevant financial information to the citizens of the City, creditors, investors, and other concerned readers. Readers are encouraged to contact the Finance Department with any questions or comments concerning the report.

GAAP requires that management include a narrative introduction, an overview, and analyses with the financial statements in order to help the reader interpret the data. That commentary is titled Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Responsibility for the accuracy of the data in the CAFR and the objectivity of presentation, including all footnotes and disclosures, rests with the City. I am confident that the data and material presented in this report are accurate. Statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. Financial operations of the City occur within an internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to aid in the compilation of reliable statistics in order to prepare financial statements that are accurate and conform to GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The City's financial statements have been audited by Moss, Levy & Hartzheim, LLP, Certified Public Accountants. The goal of their independent audit is to provide reasonable assurance that the financial statements of the City, for the fiscal year ending June 30, 2013, are free of material misstatements and conform to GAAP. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation to provide a reasonable

basis for their opinion. The audit also included assessing the accounting principles used and the significant financial estimates made by City management.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an “unqualified opinion,” which states that the City’s financial statements for the fiscal year ended June 30, 2013 do fairly represent the City’s financial position. The unqualified opinion expressed by the auditor indicates that the City is in compliance with Governmental Auditing Standards and that the City’s financial statements are presented fairly in all material respects.

The independent auditor’s report is presented as the first component within the financial section of this report.

The report is divided into three sections:

I. Introductory Section

- Letter of Transmittal
- List of Officials
- City Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting

II. Financial Section

- Independent Auditor’s Report
- Management’s Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Financial Statements and Schedules

III. Statistical Section

- Pertinent financial and non-financial data that presents historical trends and facts about the City

PROFILE OF THE CITY OF INDIO

Incorporated in 1930 as a general law city, Indio provides municipal services that include public safety, public works, community development, and culture and leisure. With a population nearing 82,000, Indio is the largest city in the Coachella Valley, covering approximately a 33 square-mile area. The City is the geographic midpoint of both Riverside County and the Coachella Valley, and is about 75 miles north of the California-Baja California Mexican border and 125 miles east of the center of the Los Angeles metropolitan complex. The City is the alternate county seat for Riverside County and contains a large county administration and services complex, which also serves as the alternate emergency operations center for the county. The City has many golf and retirement communities that appeal to senior citizens and retirees, in addition to a sizable population of families that enjoy the benefits of the City’s dedication to parks, recreation, and youth programs. Known as the “City of Festivals,” the City hosts eight annual festivals which draw more than one million people annually to events held in the City. The City hosts the Coachella Valley Music and Arts Festival (Coachellafest), the Stagecoach Country Music Festival, Riverside County Fair & Date Festival, Palm Springs Kennel Club Dog Show, Southwest Arts Festival, Indio

International Tamale Festival and others. The Coachellafest and Stagecoach Music Festival have been held in the City since 1999 and 2007, respectively. The City's ability to draw and host worldwide festivals is based on being home to the Riverside County Fairgrounds and Empire Club Polo Grounds (site of Coachellafest) which are large-scale, outdoor entertainment venues which are unique to the City within the Coachella Valley.

The Indio City Council consists of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The positions of Mayor and Mayor Pro Tem are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the Council meetings and represents the City on ceremonial occasions. The City Council serves as the legislative board for the municipality and establishes policy, passes local ordinances, adopts annual appropriations, and sets priorities for the City. In addition to serving as the policy makers, the City Council is responsible for numerous land use decisions within the City's borders, including the General Plan.

The City has a council-manager form of municipal government, which means the Council appoints a professional manager, the City Manager, to oversee the administrative operations and implement its policies. The City Council also appoints the City Attorney and all members of advisory boards and commissions.

COMPONENT UNITS

Component units are legally separate organizations from the City of Indio, but because their operations are closely tied to the City's, their financial activities must be included as part of the City's financial report. The categories that qualify a separate legal entity as a component unit are: 1) the separate organization's ultimate authority is significantly compliant to the City Council, 2) the separate organization is fiscally dependent on the City or 3) excluding the separate organization's finances would result in misleading financial information. The following organizations are component units of the City of Indio:

- The Indio Water Authority
- The Housing Authority of the City of Indio
- The Indio Public Financing Authority
- The Indio Financing Authority
- The Industrial Development Authority of the City of Indio

BUDGET PROCESS OF THE CITY

The fiscal year of the City begins on the first day of July of each year and ends on the thirtieth day of June, the following year. The City Manager and City staff review estimates of revenues and expenditures for each department, for the ensuing fiscal year. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget. At a public meeting, the City Council considers the proposed budget and makes revisions that it deems appropriate. On or before June 30, the City Council adopts the budget with revisions, if any, by the affirmative vote of at least a majority of the total members. From the effective date of the budget, the amounts stated as proposed expenditures become appropriated to the several departments, offices and agencies for the objects and purposes named. The City Manager may transfer appropriations from one object or purpose to another within a divisional budget. All

appropriations lapse at the end of the fiscal year to the extent that they have not been expended or lawfully encumbered.

ECONOMIC CONDITION AND OUTLOOK

Despite a lackluster recovery of the economy and little change in local property values, the City of Indio has significantly improved its unrestricted reserve balance in fiscal year 2012-13, increasing it from \$803,927 to over \$5.7 million. This financial improvement was the hard-earned outcome of multiple strategies implemented to curb spending, defer debt, shift some pension obligations back to employees, and increase revenue. In three years, the City has successfully dug its way out of a \$4 million unrestricted reserve deficit. The next stage of the City's economic growth is expected to be driven by development, reinforced by conventional economic recovery. Based on local permit activity, both residential and commercial development will increase in fiscal year 2013-14.

The Great Recession brought significant financial strain to the City beginning in fiscal year 2007-08, when revenue began to decline just as the City was experiencing unprecedented growth and increasing expenditures to fund expanded public safety services. In that year, the City used \$13.4 million of its General Fund reserves to balance the fiscal year 2007-08 budget. In subsequent years, revenues continued to drop, operational costs remained relatively flat, and the City continued to use its General Fund reserves to balance its budget. Over fiscal years 2008-09 to 2009-10 the City further reduced its General Fund reserves by \$5.3 million and \$12.2 million, respectively. In fiscal year 2009-10, the City's General Fund financial statement fund balance was reduced to \$3.8 million, which consisted primarily of \$7 million of book value for land being held for resale. Due to the illiquidity and likely lower valuation of that asset, the City's unassigned General Fund reserves fell to nearly negative \$4 million in fiscal year 2009-10.

The City began efforts to decelerate reliance on fund balance (reserves) and restructure City services in 2010 through reductions in staffing, labor concessions, and other operational efficiencies. Some of the budgetary reduction measures undertaken by the City included the following:

- Reorganization plans that included position cutbacks and reassignments of personnel that resulted in a 22 percent reduction in the City's workforce since fiscal year 2007-08;
- Implementation of an early retirement incentive program that facilitated the reorganization plan by eliminating positions or replacing certain positions with lower pay positions;
- Implementation of a hiring freeze, except for essential positions which would be filled at reduced pay;
- Negotiation of compensation reductions from the City's labor groups resulting in across the board City employee furloughs (10 percent fewer hours worked, amounting to a 10 percent reduction in pay) and no merit increases for all labor groups;
- Closing of non-emergency City facilities on Fridays to facilitate maximum customer contact on Mondays through Thursdays;
- Reduction of line items within the operating budget in professional services, travel, conferences, promotions and publicity; and

- Delay or termination of capital improvement or other public facility projects funded by the General Fund.

Based on these and other budgetary reduction measures, the City's General Fund expenditures were reduced by over 18 percent from approximately \$54.9 million in fiscal year 2009-10 to \$44.8 million in fiscal year 2011-12 (excluding an expense recognizing a capital project loan liability).

The City also undertook significant revenue enhancement measures to increase its General Fund revenues over the past three years by implementing the following efforts:

- Increased the utility users tax rate from three percent to six percent through passage of Measure S in November 2010, resulting in a 91 percent increase in utility users tax revenues from approximately \$4.4 million in fiscal year 2009-10 to \$8.4 million in fiscal year 2011-12;
- Restructured bond debt obligations, deferring principal payments for two years;
- In fiscal year 2011-12, the City negotiated an increase in its share of funding derived by the number of tickets sold for the world renowned Coachella Valley Music and Arts Festival and the Stagecoach Music Festival, which now generates approximately \$500,000, in addition to approximately \$328,000 in transient occupancy taxes for concert campers, in new General Fund revenue; and,
- Attracted new development to the City which has increased property, sales and utility users' taxes.

In fiscal year 2011-12, the City experienced another year of positive change in its General Fund balance of approximately \$2.7 million. Based on positive year-end results for fiscal year 2011-12 and the improved cash position, statements by the City's independent auditors raising doubt about the City's inability to continue as a going concern were removed from the audit letter.

In fiscal year 2012-13, the City continued its fiscal stabilization efforts, but also began an incremental recovery effort. In 2013, the City Council embraced a strategic recovery plan that identifies and prioritizes recovery needs. Through this plan, the City has:

- Reopened its doors on Fridays. Expanded customer service hours were achieved by incrementally bringing General Fund supported positions, which were furloughed, back to full-time status;
- Increased its volunteer and unpaid intern programs;
- Took significant steps to negotiate new employment contracts with its four labor groups. The City has successfully negotiated new contracts with all its labor groups which implement pay and benefits concessions. By late 2013, employees paid all their respective eight percent (non-sworn) or nine percent (sworn) employee share of annual CalPERS retirement plan costs. No cost of living adjustments will be awarded throughout the term of the contract, through fiscal year 2014-15. New retirement formulas for new hires and new retiree health vesting requirements. Lower contributions from the City to pay for employee medical, dental, and vision benefits;
- Adopted a new fee schedule and cost recovery allocation methodology, which is expected to incrementally increase fees \$1.3 million over the coming two fiscal years;

- Negotiated a long-term contract with the event producers, Goldenvoice, LLC, and Coachella Music Festival, LLC (together, “Goldenvoice”), to keep the Coachellafest and Stagecoach music festivals in the City for the next 18 years.

LONG-TERM FINANCIAL PLANNING

The City’s management team will continue to implement financial controls as well as short-term and long-term strategies that reduce unessential expenditures, increase revenues, and generally increase General Fund cash flows and reserves. The City intends to grow smartly by adhering to the strategic recovery plan embraced by the City Council in May of 2013 and continue to fill only essential positions, which will be filled at lower pay levels whenever practical. The City will also continue to increase its volunteer and unpaid intern programs.

The City utilizes a planning instrument that forecasts general fund revenue as well as future-year expenditures for five years. The model serves as a financial tool that reflects potential budget surpluses as well as possible budget deficits, allowing for advance planning. The model incorporates conservative revenue assumptions, all known expenditure obligations, and is updated quarterly with each formal budget review. Over the past three years, revenue has grown about nine percent per year, but future growth is not expected to be so robust. Known cost increases include; labor, retirement, and payments for debt. The model does anticipate some budget shortfalls, indicating that revenue growth will have to be more than the three percent predicted in order to avoid withdrawals from reserves.

Besides the typical increase in labor cost, in fiscal year 2014-15 the City will absorb a \$1 million increase in its annual debt obligation, and fund three police officer positions that are currently funded through a grant. The biggest financial pressure on the City is the potential for increased pension costs. Generous increases in local pension benefits implemented throughout the state over the last 14 years, coupled with poor earnings by CalPERS, and increases in retirements have pushed costs skyward. CalPERS has adopted a more conservative investment strategy and already told member agencies to expect increases in their mandatory contributions to underwrite its immense unfunded pension liability. Based on their new approach, pension costs are expected to climb by up to 50 percent by the end of a five-year phase-in period, starting in fiscal year 2015-16. This increase could cause years of fiscal distress from rapidly rising pension costs. The City has accounted for this increase in its multi-year plan, but the real impact won’t be known until CalPERS annually discloses the City’s required contribution rate.

The City historically has had to use inter- and intra-fund borrowing during each fiscal year to maintain adequate cash flow and liquidity. Although still necessary for fiscal year 2012-13, the City has significantly reduced the need for such borrowings. The City intends to eventually rebuild its General Fund cash reserve to 15 percent of annual General Fund revenue, which would be approximately \$8 million, based on fiscal year 2012-13 revenue.

RELEVANT FINANCIAL POLICIES

The City continues to review, update, and draft policies that are relevant, ensure honest stewardship of the City’s resources, and pilot long-term financial stability. In the last three years, the City has implemented or updated the following policies:

Procurement Card Policy:

In 2010, the updated Procurement Card policy reiterated and clarified the proper use of City procurement cards and included timely reporting as well as public disclosure requirements. The City continues to post procurement card statements on its website for public review.

Reimbursement for Travel and Necessary Expenses Policy

In 2010, the updated Reimbursement for Travel and Necessary Expenses Policy, among other stipulations, limited reimbursements for lodging, travel, and meals, when traveling on City business. The purpose of the policy is to insure the City's fiscal prosperity by minimizing costs, while being certain that City officials are able to perform their duties as efficiently and effectively as possible.

Financial and Budget Management Policy

In 2010, the Financial and Budget Management Policy was adopted to promote sound and consistent financial management in all fiscal and budgetary matters and to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. Among other things, the financial budget management policy outlines a number of contingency and reserve goals and policies. Among such contingencies and reserves, the City endeavors to:

- Budget in the General Fund a contingency at a level equal to five percent of the General Fund's operating discretionary revenue, which shall be used for City Council approved expenditures not previously appropriated during the annual budget process, to cover unanticipated revenue shortfalls, as a funding source for interfund loans and other loans or advances from the General Fund as approved by the City Council, and in situations of extreme physical or financial emergency (with the approval of the City Council);
- Maintain a General Fund emergency reserve at a level equal to 10 percent of the General Fund's annual discretionary revenue, to be used only for qualifying emergencies as declared by the Mayor and/or City Council;
- Maintain a compensated absences reserve in the General Fund in anticipation of funding disbursements of terminated or retired employees for accrued vacation and sick leave;
- Maintain a workers' compensation reserve at a level deemed adequate to meet projected liabilities; and
- Maintain a retirees' health insurance reserve.

To the extent a reserve is below the minimum of the target range, the policy provides that a solution to replenish the reserve over a one to three year period shall be structured. To the extent a reserve is below its midpoint target balance, the policy provides that a solution to replenish the reserve over a three to five year period shall be structured. To the extent a reserve is below 75 percent of the target balance, the policy provides that a solution to replenish the reserve over a five to seven year period shall be structured. The General Fund reserve for economic uncertainty at the end of fiscal year 2012-13 was about \$5 million, which is 60 percent of the target emergency reserve level of \$8 million. Therefore, the City currently is structuring its budgets to build the General Fund emergency reserve to the requisite level over a one to three year period.

Rent Defaults Under Leases Policy

In 2011, the City adopted the Rent Defaults Under Leases Policy to ensure equitable management of delinquent lease payments for City and Redevelopment Agency owned property. This policy created incremental notifications and penalties for misuse of public property.

Fund Balance Policy

In 2013, the City adopted a Fund Balance Policy that establishes procedures for financial reporting of fund balance classifications and the hierarchy for spending fund balance. The policy authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

MAJOR INITIATIVES FOR THE FUTURE

The City has initiated a comprehensive economic development and recruitment program to bolster the City's commercial critical mass and overall business offerings within City boundaries. This strategic initiative is deemed to be crucial and timely in order to re-establish Indio as a significant commercial market within the vibrant Coachella Valley and to provide the commensurate level of economic and job growth to the significant population increase that is occurring within the City. As a foundational element to the overall program, an economic development expert was retained to conduct a series of focus groups and interviews with City residents, influential developers and brokers. The results, findings and directional input from that initial round of public consultations formed the basis for a citywide commercial demand and preferences survey, ascertaining the general commercial needs and aspirations of the population base. Over the coming years, the City will review, update and amend its existing economic development plan, define key development goals and segment them into immediate, short-term, and medium-term objectives, and make the City of Indio a target market for retailers and businesses across the nation.

The City's commitment for the future is to continue looking at new ways and means to effectively meet the needs of the community. Included in this year's goals are:

- Infrastructure – The City Council will continue to improve and construct infrastructure by appropriating millions for capital improvement projects. These projects include additional improvements to the water system, streets, sidewalks, parks, bridges, public buildings, and storm drains; seismic retrofitting bridges; and moving forward on improving freeway interchanges for the Indio community.
- Public Safety – The City Council's commitment to public safety remains a top priority. The City's focus will be on reducing crime by deploying higher levels of resources in high crime areas, while maintaining regular patrols throughout the City. The City will continue to address blight through graffiti removal, code enforcement, and demolition of unsafe/uninhabitable buildings. The City has established a quality of life police team aimed at reducing crime in key target areas of the community. In addition, Community Emergency Response Training classes are offered to enhance the City's readiness in the event of an emergency or natural disaster.

- Land Use/Planning – The City continues to implement land use plan for west Highway 111, to provide hospitality, shopping and offices for visitors, residents and businesses. As part of this effort, road, curb, and median landscaping improvements along Hwy 111 will continue. The City will also continue the Better Neighborhoods Program. The objective of the Better Neighborhoods Program is to create self-sustainable neighborhoods by improving the City’s physical appearance, promoting neighborhood improvement programs/projects, engaging residents and neighborhood groups, and educating residents of City codes, programs, services, and processes. The efforts involve identifying low and moderate-income neighborhoods that exhibit signs of deferred maintenance and are at risk of further economic, physical and social decline. City staff will continue to work directly with the residents to identify infrastructure and neighborhood needs, and to develop neighborhood action plans to address them.
- Economic Development – The City has completed the public infrastructure improvements to support the future College of the Desert East Valley Educational Center. The multi-story 41,431 square foot Education Center will include a minimum of 12,274 square feet of retail space on the first floor. The Education Center will offer education and support services to approximately 3,000 students. Several new commercial projects are either under construction or in the pipeline for construction. They include new retail, mixed use, commercial office, and industrial projects with nationally known businesses who will occupy those new buildings.
- Water Infrastructure - The Indio Water Authority will remain focused on expanding the Authority’s water supply portfolio and ensuring that a sustainable supply is available for both existing and future customers. Moving forward, the Authority recognizes the importance of continuing to expand the City’s water supply portfolio in a fiscally sustainable manner. Water supply diversification will help provide high quality water to our customers for the long-term while protecting our groundwater resources and providing for sustainable economic growth by securing additional water supplies, water supply substitution using reclaimed water, and enhancing our water conservation efforts.
- Community Outreach/Public Information - The City will continue to implement its communication and outreach program by conducting town hall meetings, community forums, and opportunities for members of the public to address the City Council and City staff. The City will continue to use newsletters, e-publications, Facebook, iPhone applications, and a revamped City website to communicate information to residents. In addition, the city’s new marketing/branding efforts are aimed at increasing tourism, providing increased access to the public, and expanding on opportunities created by the several festivals that take place in Indio.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Indio for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the sixth consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and

efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I am confident that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and I am submitting it to the GFOA to determine its eligibility for another certificate.

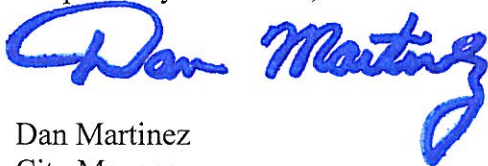
Preparation of this report was accomplished by the combined staff efforts of the Finance Department, the City Manager's Office, as well as many other City departments. I appreciate the high level of professionalism and dedication that these staff members bring to the City. I would also like to thank the members of the City Council for their leadership and the opportunity to serve the residents of the City.

CONCLUSION

The City of Indio weathered the worst recession since the Great Depression by drawing down reserves, implementing meaningful fiscal controls, and working diligently with its many labor groups to reshape the cost of its labor force. The City's focus has changed from cutbacks to strategic recovery, where rebuilding the reserve and enhancing public safety are its highest priorities. The fiscal discipline is no longer an exercise in cutting costs, but rather a matter of limiting service enhancements to what the economy and local development will finance. Rebuilding the General Fund reserve is still the City's highest priority. The City has steadfastly waited for a reemergence in development. Construction is thriving and the number of single family homes and commercial buildings is expanding. The feeling is that Indio is on the verge of a major expansion.

These are very exciting times for the City and I look forward to leading the City of Indio through both the challenges and the opportunities, while serving the City Council and the residents of this community.

Respectfully submitted,



Dan Martinez
City Manager

Prepared by:



Rob Rockwell
Finance Director

CITY OF INDIO
City Officials
as of
June 30, 2013

CITY COUNCIL

Mayor Elaine Holmes
Mayor Pro Tem Michael Wilson
Councilmember Ascencion “Sam” Torres
Councilmember Lupe Ramos Watson
Councilmember Glenn Miller

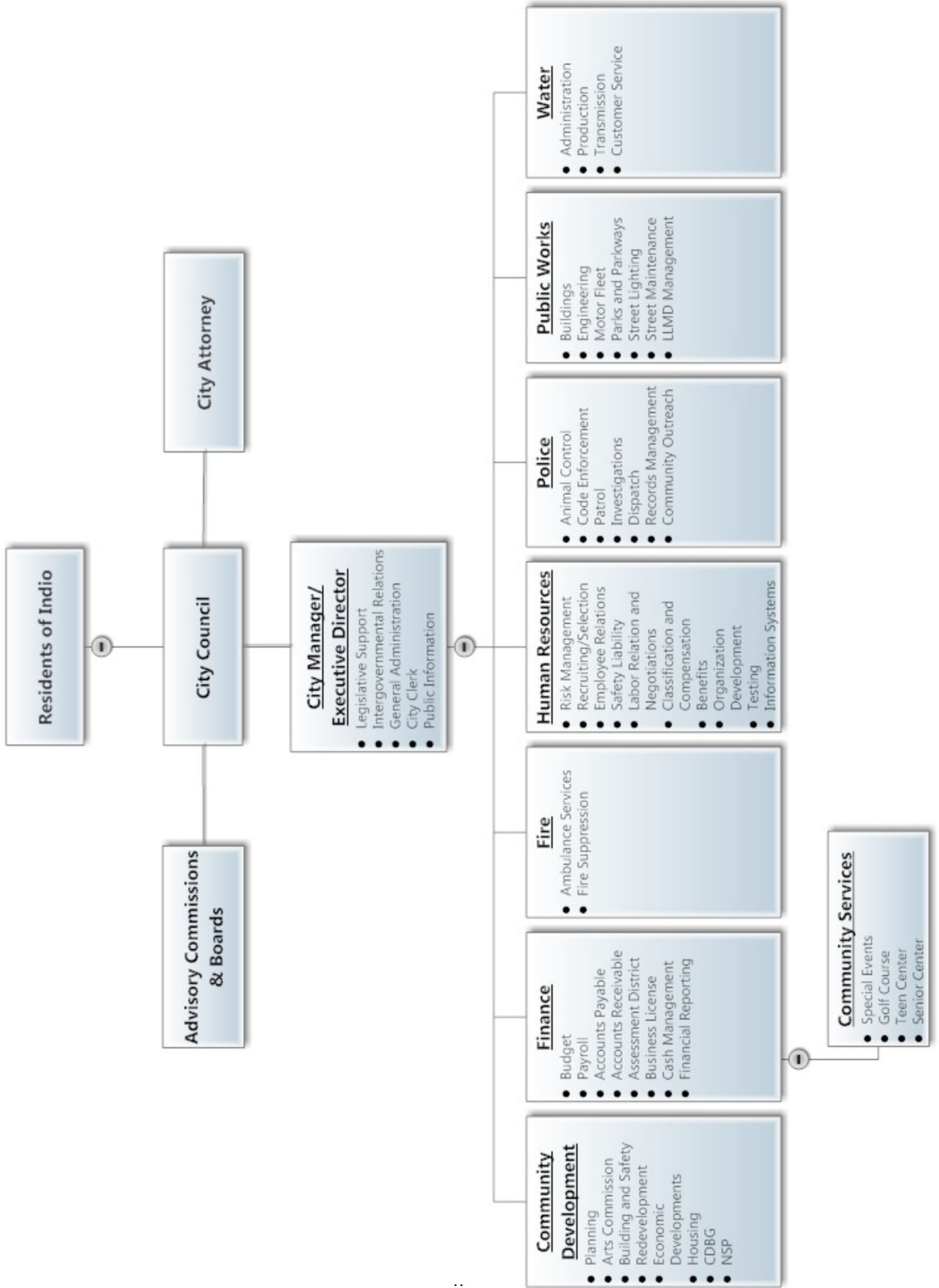
OTHER ELECTED OFFICIALS

Cynthia Hernandez, City Clerk
Sharon Ellis, Treasurer

EXECUTIVE TEAM

Dan Martinez, City Manager
Mariano Aguirre, Development Manager
Jason Chan, Senior Management Analyst
Jim Curtis, Human Services Manager
Grant Eklund, Public Works Director
Jesus Gomez, Housing Program Manager
Joe Lim, Planning Manager
Jasmin Loi, Human Resources Manager
Brian Macy, General Manager
Rob Rockwell, Finance Director
Jeff Stowells, Fire Chief
Richard Twiss, Police Chief

City of Indio Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Indio
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA

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City Council
City of Indio
Indio, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Indio (City), California, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, each major fund, and the aggregate remaining fund information of the City of Indio, California, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 of the notes to the basic financial statements, effective July 1, 2012, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60 – *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 61 – *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11, budgetary comparison information on pages 79 and 80, the schedule of Postemployment Retiree Benefits Funding Progress on page 82, and the schedule of Funding Progress – California Public Employees Retirement System on page 83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provided any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor governmental, enterprise, and internal service fund financial statements, major capital projects budgetary schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor funds, nonmajor enterprise funds, fiduciary funds, internal service funds, and the major capital project budgetary financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The combining and individual nonmajor funds, nonmajor enterprise funds, fiduciary funds, internal service funds, and the major capital project budgetary financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 27, 2013 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and do not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the City's June 30, 2012 financial statements and our audit report dated December 26, 2012, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 27, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Indio's financial performance provides an overview for the fiscal year that ended June 30, 2013. Please read this analysis in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

Citywide

At the close of the 2012-13 fiscal year the City's assets exceeded its liabilities by \$605.1 million (net position). Of this amount, \$4 million is unrestricted and may be used to meet the City's ongoing obligation to citizens and creditors, \$575.4 million is invested in capital assets net of related debt, and \$25.7 million is restricted for specific use. The City's unrestricted net position increased \$2.3 million. Its position tied to Capital assets, net of related debt, decreased \$3.1 million. The City's restricted net position increased \$2 million. Overall the City's total net position increased \$1.1 million, less than 1 percent. Total assets increased \$11.7 million, but were offset by \$10.5 million in new liabilities. The positive outcome was driven by an increase in cash and investments.

The City's total long-term debt increased \$5.2 million. Increases in lease-revenue bond debt (\$5.5 million), post-employment-benefit liabilities (\$2.2 million) and claims payable (\$773,266) were partially offset by reductions in water bond debt (\$1.4 million), the CalPERS public safety side fund debt (\$1.1 million) and various other debts (\$801,364).

Governmental Funds

At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$38.1 million, a year-over-year increase of \$8.4 million. Approximately, 20 percent (\$7.7 million) of the \$38.1 million is available for spending at the government's discretion (unassigned, assigned, or committed). The increase occurred in the City's General Fund, where fund balance increased \$5.2 million and in Other Governmental Funds, where fund balance increased \$4.3 million. Assessment District fund balance was drawn down about \$1.2 million during the fiscal year.

Major Funds

At the close of the fiscal year, the City's General Fund reported a combined ending fund balance of \$9.8 million, up almost \$5.2 million in comparison with the prior year. Approximately, 59 percent (\$5.8 million) of the \$9.8 million is available for spending at the government's discretion. Unassigned fund balance in the General Fund was \$4.3 million, a positive increase of over \$3.5 million from the prior fiscal year. This increase was due to the implementation of cost controls while the City recognized additional revenue. Assigned fund balance in the General Fund was \$783,850, a positive increase of \$766,280 from the prior fiscal year because encumbrances increased and the City set aside funds for a new general plan. Committed fund balance in the General Fund was established (\$730,000) as a contingency against future implications caused by economic downturn.

Capital Project funds accumulated \$7 million at the beginning of the fiscal year. This amount was increased to \$7.2 million by year-end. While both project revenue and expenditures were higher this year, overall revenue exceeded expenditures by \$141,208.

Fund balance for the Assessment Districts and the Community Facility District Construction Fund decreased about \$1.2 million. The reduction was due to various infrastructure improvement projects

occurring within various assessment districts, mainly the Desert Trace development, as well as in various community facility districts, primarily in Terra Lago and Talavera developments. All of these infrastructure improvements were funded with limited obligation improvement bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City of Indio's basic financial statements incorporate three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. Financial statements separate governmental activities from business-like activities for the City and its component units. Component units are other governmental entities where the City's governing authority, the City Council, has majority influence (51 percent or more) over the entities' operations. Component units in the City of Indio's financial statements include the Indio Water Authority, the Housing Authority, the Indio Public Financing Authority, and the Indio Financing Authority.

Government-Wide Financial Statements:

The Government-Wide Financial Statements present the financial picture of the City from the economic-resources-measurement focus using the accrual basis of accounting. The Statement of Net Position and the Statement of Activities and Changes in Net Position report information about the City as a whole and about its various activities. The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the City's net position indicate whether its financial health is improving or deteriorating. The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported regardless of when the cash was received or disbursed. These two statements provide a measurement of the City's financial health or financial position by reporting the difference between assets and liabilities (net assets), and comparing that data to the year before. These financial statements present governmental activities and business-type activities separately and include all assets of the City and its component units, including infrastructure, as well as all liabilities and long-term debt. Additionally, certain eliminations have occurred as prescribed by GASB in regard to interfund transfers, payables, and receivables. These statements include all assets and liabilities of the City and its component units using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies.

In the Statement of Net Position and the Statement of Activities and Changes in Net Position, City activities are separated as follows:

Governmental Activities – Most of the City's basic services are reported in this category, including the General Government, Finance and Administrative Services, Public Works, Economic Development, Police and Fire. Property taxes, sales taxes, utility users' taxes, service fees, interest income, and state and federal grants finance these activities.

Business-type Activities – This category represents operations where the City charges a fee to customers to cover all or most of the cost of a specific service. Activities captured in this section include operations of the Indio Water Authority, the City's solid waste recovery effort, and the municipal golf course.

Fund Financial Statements:

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary. Governmental activities are calculated using the current financial-resources-measurement focus and modified on the accrual basis of accounting. Proprietary activities are calculated using the economic-resources-measurement focus and the accrual basis of accounting. Fiduciary activities are agency funds, which only report balance sheet activity and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to help explain the differences created by this integrated reporting approach.

The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or by bond covenant. However, management establishes many other funds to help control and manage resources collected for particular purposes. Funds are created to isolate certain taxes, grants, and other legally restricted resources from general purpose resources.

Governmental Funds – The City’s basic services are reported in the governmental fund group. Governmental fund statements focus on money flows, in and out of various funds, and the balances left at year-end that remain available for spending in the future. The governmental fund statements provide a detailed short-term view of the City’s general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available to be spent in the future to finance City’s programs. The differences between the Governmental Fund financial statements and those in the Government-Wide financial statements are explained in a reconciliation following the Governmental Fund financial statement.

Proprietary Funds – When the City charges for specific services, whether to outside customers or to other units of the City, those services are generally reported within the proprietary fund group. Proprietary fund activities are reported in the same manner used in the Statement of Net Assets and as business-type activities in the government-wide statements; however, more detailed information is usually provided such as cash flow data. The City uses internal service funds, a component of proprietary funds, to report activities where supplies and services are exchanged between City programs. Facility maintenance costs and insurance costs are examples of financial transactions that occur between two City programs. The internal service funds are reported with governmental activities in the Government-Wide financial statements.

Fiduciary Funds – Are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for the fiduciary fund financial statements is much like that used for the proprietary funds. The City’s fiduciary activities are reported in separate Statements of Fiduciary Net Position. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes and are kept separate from City resources.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

By far the largest portion of the City's net assets (95 percent) reflects its investment in capital assets (e.g., land, building, machinery, and equipment) less any related debt, still outstanding, used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not spendable resources. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate those liabilities.

City of Indio's Net Position

	Governmental activities		Business-Type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 57,473,722	\$ 45,866,647	\$ 11,868,565	\$ 12,401,931	\$ 69,342,287	\$ 58,268,578
Capital assets	491,663,506	486,143,433	199,842,032	205,103,435	691,505,538	691,246,868
Noncurrent assets	9,780,563	9,424,129	751,518	783,811	10,532,081	10,207,940
Total assets	558,917,791	541,434,209	212,462,115	218,289,177	771,379,906	759,723,386
Long-term liabilities outstanding	89,361,451	78,497,150	58,119,187	59,526,353	147,480,638	138,023,503
Other liabilities	16,933,522	15,914,276	1,807,002	1,749,090	18,740,524	17,663,366
Total liabilities	106,294,973	94,411,426	59,926,189	61,275,443	166,221,162	155,686,869
Net assets:						
Net investment in capital assets	432,106,381	431,924,299	143,310,776	146,604,431	575,417,157	578,528,730
Restricted	25,715,300	23,733,345	-	-	25,715,300	23,733,345
Unrestricted	(5,198,863)	(8,634,861)	9,225,150	10,409,303	4,026,287	1,774,442
Total net assets	\$ 452,622,818	\$ 447,022,783	\$ 152,535,926	\$ 157,013,734	\$ 605,158,744	\$ 604,036,517

Governmental Activities

Expenses for Governmental Activities total \$80.42 million. This is a decrease of \$5.8 million over the prior fiscal year. This is due to decreases in expenses in community development and public safety.

Governmental revenue is broken down into program revenues and general revenues. Program revenue totals \$41.0 million, which is \$15.1 million more than last fiscal year due to increases of charges for services of \$285,258 and in operating contributions and grants of \$14.7 million. Capital contributions and grants total \$9.7 million and is \$3.3 million more than what was received in the prior year. This increase is due to higher public works revenue. General revenue totals \$39.7 million and was \$7.0 million less than prior year receipts. The decrease in general revenue is due to a combination of decreases in property taxes (\$2.7 million), franchise taxes (\$103,360), other taxes (\$2.8 million), and other revenue (\$2.1 million). These decreases were offset by increases in sales taxes (\$710,443), transient occupant taxes (\$273,655) and business license taxes (\$79,484).

City programs include the General Government, Public Safety, Public Works, Community Development, and Human Services. Each program's net costs – total cost less revenues generated by the activities – are presented below.

Business-type Activities

The cost of all business type activities is \$23 million. The majority of the costs, \$22.5 million, are for water infrastructure expenses, a decrease of \$1.6 million from the prior year, and decrease in golf activities of \$53,480 to \$850,526.

Total revenue is \$18.9 million, an increase of \$1.5 million over last fiscal year which was primarily due to increases in capital grants and contributions (\$1.8 million). These increases were offset by a decrease in charges for services (\$359,074).

City of Indio's Change in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	\$ 19,058,462	\$ 18,773,204	\$ 16,657,502	\$ 16,962,311	\$ 35,715,964	\$ 35,735,515
Operating grants and contributions	21,959,243	7,097,740	-	-	21,959,243	7,097,740
Capital grants and contributions	9,688,728	6,346,851	1,767,535	-	11,456,263	6,346,851
General Revenues:						
Property taxes	13,373,498	16,120,221	-	-	13,373,498	16,120,221
Other taxes	22,718,151	24,697,092	-	-	22,718,151	24,697,092
Other	3,583,753	5,701,785	494,975	464,334	4,078,728	6,166,119
Total revenues	90,381,835	78,736,893	18,920,012	17,426,645	109,301,847	96,163,538
Expenses:						
General government	7,004,841	6,965,233	850,526	904,006	7,855,367	7,869,239
Public safety	32,930,354	41,502,040	-	-	32,930,354	41,502,040
Public works	22,945,862	16,440,461	22,562,294	24,125,463	45,508,156	40,565,924
Community development	8,653,360	15,226,310	-	-	8,653,360	15,226,310
Human services	2,693,193	2,821,086	-	-	2,693,193	2,821,086
Interest expense and other charges	6,234,934	3,317,513	-	-	6,234,934	3,317,513
Total Expenses	80,462,544	86,272,643	23,412,820	25,029,469	103,875,364	111,302,112
Change in net position before transfers	9,919,291	(7,535,750)	(4,492,808)	(7,602,824)	5,426,483	(15,138,574)
Transfers	(15,000)	206,453	15,000	(206,453)	-	-
Special Item gain (loss) RDA	-	8,852,164	-	-	-	8,852,164
Extraordinary Item gain (loss) RDA	-	3,216,643	-	-	-	3,216,643
Change in net position	9,904,291	4,739,510	(4,477,808)	(7,809,277)	5,426,483	(3,069,767)
Net Position - beginning of year	447,022,783	442,968,468	157,013,734	164,823,011	604,036,517	607,791,479
Prior period adjustments	(4,304,256)	(685,195)	-	-	(4,304,256)	(685,195)
Net Position - end of year	\$452,622,818	\$447,022,783	\$152,535,926	\$157,013,734	\$605,158,744	\$604,036,517

CASH MANAGEMENT

To obtain flexibility in cash management, the City employs a pooled cash system (reference Note 2 in the Notes to the Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and then yield.

DEBT ADMINISTRATION

Debt considered a liability of governmental activities is \$89.4 million, an increase of \$6.7 million from the prior year. Claims payable increased \$773,266, lease revenue bonds increased \$5.5 million, and other post-employment benefit (OPEB) liability increased by \$2.2 million. These increases were offset by a combination of \$1.8 million in scheduled debt service payments, the decreases in compensated absences (\$49,785) and the PERS side fund (\$63,626). Debt considered a liability of business-type activities was \$58.1 million, a decrease of \$1.4 million from prior fiscal year, due to scheduled debt service payments (\$1.4 million) and an increase in compensated absences (\$10,665). Fiscal-year activity for outstanding debt is represented in the chart below. Additional information on the City's long-term debt can be found in notes 7 through 18 on pages 50-58.

City of Indio's Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Claims Payable	\$ 6,905,093	\$ 6,131,827			\$ 6,905,093	\$ 6,131,827
Lease Revenue Bonds	42,521,454	37,000,000			42,521,454	37,000,000
Water Bonds			57,849,580	59,267,411	57,849,580	59,267,411
Capital Lease	1,860,036	2,123,654			1,860,036	2,123,654
Certificates of Participation	5,460,000	5,895,000			5,460,000	5,895,000
Notes payable	12,130,994	13,247,085			12,130,994	13,247,085
PERS side fund	4,240,630	4,304,256			4,240,630	4,304,256
Post employment benefit	14,151,986	11,958,541			14,151,986	11,958,541
Compensated absences	2,091,258	2,141,043	269,607	258,942	2,360,865	2,399,985
Total	\$ 89,361,451	\$ 82,801,406	\$ 58,119,187	\$ 59,526,353	\$ 147,480,638	\$ 142,327,759

CAPITAL ASSETS

The capital assets of the City are those assets used in the performance of the City's functions and include infrastructure assets. Net capital assets of governmental activities totaled \$491 million and the net capital assets of the business-type activities totaled \$199 million. The City's total net capital assets increased by \$258,670 from the prior year.

Fiscal-year activity is presented in the chart below. Additional information on the City's capital assets can be found in Note 6 on pages 47-49.

City of Indio's Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 40,978,405	\$ 40,978,405	\$ 2,168,969	\$ 2,168,969	\$ 43,147,374	\$ 43,147,374
Right of way	54,293,654	54,103,572			54,293,654	54,103,572
Structures and improvements	32,574,657	32,574,657	15,249,734	15,191,645	47,824,391	47,766,302
Machinery, equipment and vehicles	16,722,922	16,382,500	4,130,694	3,660,219	20,853,616	20,042,719
Infrastructure	531,983,932	514,501,124	277,347,706	273,778,196	809,331,638	788,279,320
Construction in progress	18,467,727	16,014,645	484,989	2,219,683	18,952,716	18,234,328
Capital Assets	695,021,297	674,554,903	299,382,092	297,018,712	994,403,389	971,573,615
Accumulated depreciation	203,357,791	188,411,470	99,540,060	91,915,277	302,897,851	280,326,747
Net Capital Assets	\$ 491,663,506	\$ 486,143,433	\$ 199,842,032	\$ 205,103,435	\$ 691,505,538	\$ 691,246,868

BUDGETS AND BUDGETARY ACCOUNTING

The Indio City Council establishes an annual budget that serves as the City's operational plan. The City's adopted budget sanctions appropriate use of the City's resources through transparent practices that convey the highest degree of constituent confidence. When adopting a budget, the City Council assures that service costs and debt obligations do not exceed, in any one year, anticipated revenue plus any resources held over from a prior period. Department managers, with assistance from finance staff, monitor expenditures and publicly report irregularities to the Council on a quarterly basis. Even though the City Council adopts a line-item budget, which identifies expenditure at a micro level, spending controls are maintained at a program's appropriation level (general spending type). This level of control is believed to be more cost effective and along with quarterly departmental reporting requirements, strengthens cost-controls and allows early detection of potential fiscal irregularities. Expenditures that exceed budgeted appropriation levels are reflected on page 66-67.

THE GENERAL FUND BUDGET

The fiscal year 2012-13 originally-adopted General Fund budget authorized \$45.9 million in expenditures. The budget as finally adjusted at the end of the fiscal year authorized \$51.1 million in expenditures. During the fiscal year, the budget was adjusted to better reflect expenditure projections and to increase appropriations held in contingency. At fiscal year-end, actual expenditures totaled \$46.7 million. General Fund revenue originally budgeted at \$45.9 million was increased to \$51.1 million during the fiscal year to reflect additional anticipated revenue. At fiscal year-end, actual revenue totaled \$51.9 million.

During fiscal year 2012-13, the City continued its fiscal stabilization efforts, but also began an incremental recovery effort. In 2013, the City Council embraced a strategic recovery plan that identifies and prioritizes recovery needs. Through this plan, the City has:

- Reopened its doors on Fridays. Expanded customer service hours were achieved by incrementally bringing General Fund supported positions, which were furloughed, back to full-time status;
- Taken significant steps to negotiate new employment contracts with its four labor groups. The City has successfully negotiated new contracts with all its labor groups which implement pay and benefits concessions; and,
- Implemented a new fee schedule and cost recovery allocation methodology, which incrementally increase fees \$1.3 million over two fiscal years.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City adopted the fiscal year 2013-14 budget in June after multiple public sessions, where the budget was discussed in detail. When adopted, General Fund expenditures and revenue balanced, totaling \$51 million. The citywide budget established \$126.3 million in appropriations that were funded with \$113.1 million in expected annual revenue and \$13.2 million in fund balance (revenue received in a prior year). Anticipating growth in general fund discretionary resources, the City Council reviewed the list of strategic recovery objectives and directed funding be allocated for the following priorities:

- \$237,000 for a property and evidence officer I, a street maintenance worker I, and a community improvement aide
- \$25,000 for local sponsorships
- \$73,600 was added to the fire service contract for fire engine replacement
- \$400,000 was set aside in contingency to fund economic development efforts
- \$500,000 was set aside in contingency to increase the general fund reserves
- \$100,000 was set aside in contingency for community development
- \$33,000 was added for maintenance at Hjorth Park
- \$40,000 was added to fund an environmental programs coordinator position
- \$25,000 was added to fund business travel and lobbying efforts for the council
- \$67,500 was added to fund a community survey and voter initiative
- \$350,000 was set aside to fund the first phase of a new city general plan
- The city budget supported 205 full-time employees, 37 elected or appointed positions, and 21 part-time positions

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Finance Department at 100 Civic Center Mall, Indio, California, 92201, phone (760) 391-4115, www.finance@indio.org.



BASIC FINANCIAL STATEMENTS



CITY OF INDIO
Statement of Net Position
June 30, 2013
With Comparative Totals as of June 30, 2012

	Primary Government		Totals	
	Governmental	Business-Type		
	Activities	Activities	2013	2012
Assets:				
Cash and investments (note 2)	\$ 38,289,061	\$ 9,264,915	\$ 47,553,976	\$ 38,432,071
Cash and investments with fiscal agent (note 2)	5,017,699	566,806	5,584,505	4,722,010
Deposits with other agencies	51,534		51,534	51,636
Accounts receivable, net	4,761,347	2,007,893	6,769,240	6,628,566
Interest receivable	13,560	3,667	17,227	21,297
Notes receivable (note 4)	5,395,599		5,395,599	4,601,264
Due from other governments	2,749,707		2,749,707	2,204,994
Internal balances	385,654	(385,654)		
Prepaid items	481,310	251,514	732,824	512,868
Inventory		159,424	159,424	198,985
Deferred charges	876,267	751,518	1,627,785	2,097,979
Advance to private-purpose trust funds	5,496,151		5,496,151	5,496,151
Property held for resale	227,699		227,699	
Land held for resale (note 5)	3,508,697		3,508,697	3,508,697
Capital assets, not depreciated (note 6)	113,739,786	2,653,958	116,393,744	115,485,274
Capital assets, depreciated, net (note 6)	377,923,720	197,188,074	575,111,794	575,761,594
Total assets	<u>558,917,791</u>	<u>212,462,115</u>	<u>771,379,906</u>	<u>759,723,386</u>
Liabilities:				
Accounts payable	6,045,176	565,130	6,610,306	6,824,428
Accrued payroll	1,346,485	226,255	1,572,740	1,430,619
Deposits payable	6,133,138	339,814	6,472,952	2,944,233
Interest payable	391,772	671,813	1,063,585	1,030,521
Retentions payable	291,953	3,990	295,943	240,586
Unearned revenue	2,724,998		2,724,998	5,192,979
Long-term liabilities (notes 7 to 14):				
Portion due within one year	8,009,169	1,652,340	9,661,509	5,596,482
Portion due in more than one year	81,352,282	56,466,847	137,819,129	132,427,021
Total liabilities	<u>106,294,973</u>	<u>59,926,189</u>	<u>166,221,162</u>	<u>155,686,869</u>
Net position:				
Net investment in capital assets	432,106,381	143,310,776	575,417,157	578,528,730
Restricted for:				
Public works	6,345,052		6,345,052	6,178,686
Assessment districts	1,539,560		1,539,560	2,734,901
Housing	8,852,164		8,852,164	8,852,164
Community development	6,298,895		6,298,895	4,886,847
Debt service	2,075,403		2,075,403	
Public safety	604,226		604,226	1,080,747
Unrestricted (deficit)	(5,198,863)	9,225,150	4,026,287	1,774,442
Total net position	<u>\$ 452,622,818</u>	<u>\$ 152,535,926</u>	<u>\$ 605,158,744</u>	<u>\$ 604,036,517</u>

See accompanying notes to basic financial statements

CITY OF INDIO
Statement of Activities
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 7,004,841	\$ 11,085,981	\$ -	\$ -
Public safety	32,930,354	2,489,429	4,260,463	
Public works	22,945,862	1,115,348	9,120,885	9,688,728
Community development	8,653,360	1,311,927	8,577,895	
Human services	2,693,193	3,055,777		
Interest expense and other charges	6,234,934			
Total governmental activities	<u>80,462,544</u>	<u>19,058,462</u>	<u>21,959,243</u>	<u>9,688,728</u>
Business-type activities:				
Water	22,561,834	15,970,837		1,767,535
Golf	850,526	686,665		
Solid waste	460			
Total business-type activities	<u>23,412,820</u>	<u>16,657,502</u>		<u>1,767,535</u>
Total primary government	<u>\$ 103,875,364</u>	<u>\$ 35,715,964</u>	<u>\$ 21,959,243</u>	<u>\$ 11,456,263</u>

General revenues:

Taxes:

 Property taxes, net
 Sales taxes
 Transient occupancy taxes
 Franchise taxes
 Other taxes

Investment income
State motor vehicle in lieu tax (unrestricted)
Other
Transfers

Total general revenues and transfers

Change in net position before Special and Extraordinary Item

Special Item

 Gain (loss) on transfer of net position and liabilities to
 Indio Housing Authority from RDA Successor Trust Fund

Extraordinary Item

 Gain (loss) on transfer of net position and liabilities to
 RDA successor trust funds

Change in net position

Net position at beginning of the fiscal year
Prior period adjustments
Net position at beginning of the fiscal year, restated

Net position at end of fiscal year

See accompanying notes to basic financial statements

Net (Expenses) Revenues
and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	2013	2012
\$ 4,081,140	\$ -	\$ 4,081,140	\$ (3,267,052)
(26,180,462)		(26,180,462)	(31,908,709)
(3,020,901)		(3,020,901)	(7,188,941)
1,236,462		1,236,462	(6,336,777)
362,584		362,584	(2,035,856)
(6,234,934)		(6,234,934)	(3,317,513)
(29,756,111)		(29,756,111)	(54,054,848)
	(4,823,462)	(4,823,462)	(7,918,505)
	(163,861)	(163,861)	(148,653)
	(460)	(460)	
	(4,987,783)	(4,987,783)	(8,067,158)
(29,756,111)	(4,987,783)	(34,743,894)	(62,122,006)
13,373,498		13,373,498	16,120,221
8,377,197		8,377,197	7,666,754
2,820,398		2,820,398	2,546,743
2,090,285		2,090,285	2,193,645
9,430,271		9,430,271	12,289,950
73,174	91,616	164,790	393,224
42,893		42,893	
3,467,686	403,359	3,871,045	5,772,895
(15,000)	15,000		
39,660,402	509,975	40,170,377	46,983,432
9,904,291	(4,477,808)	5,426,483	(15,138,574)
			8,852,164
			3,216,643
9,904,291	(4,477,808)	5,426,483	(3,069,767)
447,022,783	157,013,734	604,036,517	607,791,479
(4,304,256)		(4,304,256)	(685,195)
442,718,527	157,013,734	599,732,261	607,106,284
\$ 452,622,818	\$ 152,535,926	\$ 605,158,744	\$ 604,036,517

CITY OF INDIO
Governmental Funds
Balance Sheet
June 30, 2013
With Comparative Totals as of June 30, 2012

	General Fund	Capital Projects Fund	Assessment Districts Capital Projects Fund
<u>Assets</u>			
Cash and investments	\$ 11,365,464	\$ 10,053,696	\$ 468
Cash and investments with fiscal agent			1,539,092
Accounts receivable	3,822,959	462,256	
Due from other governments	1,521,225		
Due from other funds (note 3)	1,782,498		
Interest receivable	6,505	3,961	
Notes receivable (note 4)			
Prepaid items	480,231		
Advance to private-purpose trust funds (note 4)			
Property held for resale			
Land held for resale	3,508,697		
Total assets	<u>\$ 22,487,579</u>	<u>\$ 10,519,913</u>	<u>\$ 1,539,560</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 3,380,017	\$ 1,335,776	\$ -
Accrued liabilities	1,196,190	32	
Due to other funds (note 3)		643	
Unearned revenue	2,008,125	1,774,998	
Retentions payable	796	236,338	
Deposits payable	6,133,138		
Total liabilities	<u>12,718,266</u>	<u>3,347,787</u>	
Fund balances:			
Nonspendable:			
Prepaid items	480,231		
Land held for resale	3,508,697		
Restricted		5,875,629	1,539,560
Committed	730,000		
Assigned			
General government	83,850		
General plan	700,000		
Construction projects		1,296,497	
Unassigned	4,266,535		
Total fund balances	<u>9,769,313</u>	<u>7,172,126</u>	<u>1,539,560</u>
Total liabilities and fund balances	<u>\$ 22,487,579</u>	<u>\$ 10,519,913</u>	<u>\$ 1,539,560</u>

See accompanying notes to basic financial statements

Other Governmental Funds	Totals	
	2013	2012
\$ 8,441,114	\$ 29,860,742	\$ 23,205,889
3,478,607	5,017,699	3,694,661
470,310	4,755,525	4,049,958
1,228,482	2,749,707	2,204,994
	1,782,498	1,909,909
3,094	13,560	12,000
5,395,599	5,395,599	4,601,264
	480,231	286,696
5,496,151	5,496,151	5,496,151
227,699	227,699	
	3,508,697	3,508,697
<u>\$ 24,741,056</u>	<u>\$ 59,288,108</u>	<u>\$ 48,970,219</u>
\$ 1,108,075	\$ 5,823,868	\$ 6,034,566
84,165	1,280,387	3,817,883
1,136,165	1,136,808	1,333,069
2,774,674	6,557,797	7,928,126
54,819	291,953	234,684
	6,133,138	
<u>5,157,898</u>	<u>21,223,951</u>	<u>19,348,328</u>
	480,231	284,696
	3,508,697	3,508,697
18,917,776	26,332,965	24,153,251
	730,000	
	83,850	20,570
	700,000	
	1,296,497	2,293,886
665,382	4,931,917	(639,209)
<u>19,583,158</u>	<u>38,064,157</u>	<u>29,621,891</u>
<u>\$ 24,741,056</u>	<u>\$ 59,288,108</u>	<u>\$ 48,970,219</u>



CITY OF INDIO
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Fund balances of governmental funds	\$ 38,064,157
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets have not been included as financial resources in governmental fund activity:	
Capital assets	678,298,375
Accumulated depreciation	(190,404,268)
Long-term debt and compensated absences that have not been included in governmental fund activity:	
Bonds payable	(40,165,000)
Deferred gain on refunding	(2,356,454)
Certificates of participation	(5,460,000)
Capital lease obligations	(1,860,036)
Note payable	(12,130,994)
Compensated absences	(2,091,258)
PERS side fund liability	(4,240,630)
Post employment benefit liability	(14,151,986)
Unamortized bond issuance costs	876,267
Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds.	(391,772)
Unearned revenue balances relating to certain receivables are not reported as liabilities in the statement of net position since revenue recognition is not based upon measurable and available criteria.	3,832,799
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 are included in governmental activities in the statement of net position:	
Capital assets, net of depreciation	3,769,399
Long-term liabilities	(6,905,093)
Other assets and liabilities	7,939,312
Net position of governmental activities	\$ 452,622,818

See accompanying notes to basic financial statements

CITY OF INDIO
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	General Fund	Capital Projects Fund	Assessment Districts Capital Projects Fund	Other Governmental Funds
Revenues:				
Taxes	\$ 28,708,076	\$ -	\$ -	\$ 3,853,704
Special assessments				3,865,959
Licenses and permits	2,026,711			
Intergovernmental	6,857,796	4,019,362		7,862,681
Charges for services	8,335,405			
Fines	1,117,974			96,728
Investment income	35,350	106,146	3,950	3,943,577
Developer fees		5,559,270		
Miscellaneous	1,362,014			1,109,166
Total revenues	<u>48,443,326</u>	<u>9,684,778</u>	<u>3,950</u>	<u>20,731,815</u>
Expenditures:				
Current:				
General government	3,717,789			485,878
Public safety	31,041,656			1,561,589
Public works	4,378,193	7,881,393	1,199,292	7,841,228
Community development	2,808,651			4,922,113
Human services	1,545,023			
Other	323,011			
Debt service:				
Principal	263,618	279,087		1,272,004
Interest and other charges	98,750	9,620		2,581,494
Bond issuance costs				381,214
Pass-through payments				
Total expenditures	<u>44,176,691</u>	<u>8,170,100</u>	<u>1,199,292</u>	<u>19,045,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,266,635</u>	<u>1,514,678</u>	<u>(1,195,342)</u>	<u>1,686,295</u>
Other financing sources (uses):				
Payment to bond escrow agent				(21,335,000)
Proceeds from notes payable				
Interfund transfers in (note 3)	3,441,086		1	2,345,660
Interfund transfers out (note 3)	(2,535,728)	(1,373,470)		(2,872,549)
Issuance of debt				24,500,000
Total other financing sources (uses)	<u>905,358</u>	<u>(1,373,470)</u>	<u>1</u>	<u>2,638,111</u>
Net change in fund balances before Special and Extraordinary Items				
	5,171,993	141,208	(1,195,341)	4,324,406
Special Item				
Gain (loss) on transfer of assets and liabilities to Indio Housing Authority				
Extraordinary Item				
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds				
Net change in fund balances	5,171,993	141,208	(1,195,341)	4,324,406
Fund balances at beginning of fiscal year	<u>4,597,320</u>	<u>7,030,918</u>	<u>2,734,901</u>	<u>15,258,752</u>
Fund balances at end of fiscal year	<u>\$ 9,769,313</u>	<u>\$ 7,172,126</u>	<u>\$ 1,539,560</u>	<u>\$ 19,583,158</u>

See accompanying notes to basic financial statements

Totals	
2013	2012
\$ 32,561,780	\$ 35,537,352
3,865,959	3,950,287
2,026,711	1,380,901
18,739,839	14,046,817
8,335,405	9,034,035
1,214,702	1,198,482
4,089,023	314,249
5,559,270	2,238,016
2,471,180	1,383,839
<u>78,863,869</u>	<u>69,083,978</u>
4,203,667	4,000,133
32,603,245	32,874,999
21,300,106	14,839,752
7,730,764	12,304,561
1,545,023	1,715,889
323,011	69,741
1,814,709	4,065,002
2,689,864	4,707,166
381,214	
	1,510,568
<u>72,591,603</u>	<u>76,087,811</u>
<u>6,272,266</u>	<u>(7,003,833)</u>
(21,335,000)	
	2,787,457
5,786,747	9,514,022
(6,781,747)	(9,307,569)
24,500,000	
<u>2,170,000</u>	<u>2,993,910</u>
8,442,266	(4,009,923)
	8,852,164
	(70,078,164)
8,442,266	(65,235,923)
29,621,891	94,857,814
<u>\$ 38,064,157</u>	<u>\$ 29,621,891</u>

CITY OF INDIO
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement Activities
Fiscal Year Ended June 30, 2013

Changes in fund balances of governmental funds \$ 8,442,266

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital expenditures	20,125,972
Depreciation of capital assets	(13,891,100)

Long-Term Debt Transactions

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	1,814,709
Amortization of bond issuance costs	(437,901)
To record as an expense the net change in post employment benefit liability in the Statement of Activities.	(2,193,445)
To record as an expense the net change in compensated absences in the Statement of Activities.	49,785
To record as an expense the net change in PERS side fund liability in the Statement of Activities.	63,626

Debt proceeds:

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amount recognized in governmental funds as proceeds from debt. (5,521,454)

Accrued Interest

The Statement of Net Position includes accrued interest on long-term debt. (46,490)

Internal Service Funds

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. 400,671

Unearned Revenue

Earned revenue has been deferred in the fund financial statements if it is collectible after the availability period. 1,097,652

Change in net position of governmental activities \$ 9,904,291

See accompanying notes to basic financial statements

CITY OF INDIO
Proprietary Funds
Statement of Net Position
June 30, 2013
With Comparative Totals as of June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Major Fund Water Fund	Nonmajor Funds	2013	2012	2013	2012
Assets:						
Current assets:						
Cash and investments	\$ 8,961,749	\$ 303,166	\$ 9,264,915	\$ 8,612,107	\$ 8,428,319	\$ 6,614,075
Cash and investments with fiscal agent	566,806		566,806	1,027,349		
Deposit with other agencies					51,534	51,636
Accounts receivable, net	2,007,866	27	2,007,893	2,563,760	5,822	14,848
Interest receivable	3,423	244	3,667	5,926		3,371
Prepaid items	251,514		251,514	225,096	1,079	1,076
Inventory	130,234	29,190	159,424	198,985		
Total current assets	11,921,592	332,627	12,254,219	12,633,223	8,486,754	6,685,006
Noncurrent assets:						
Deferred charges	751,518		751,518	783,811		
Capital assets:						
Land	1,703,010	465,959	2,168,969	2,168,969		
Structures and improvements	14,889,385	360,349	15,249,734	15,191,644		
Machinery and equipment	2,655,250	50,076	2,705,326	2,234,852	6,744,029	6,727,714
Vehicles	1,425,368		1,425,368	1,425,368	9,978,892	9,654,785
Utility distribution system	277,347,706		277,347,706	273,778,196		
Construction in progress	484,989		484,989	2,219,683		
Accumulated depreciation	(99,425,706)	(114,354)	(99,540,060)	(91,915,277)	(12,953,522)	(11,898,301)
Total capital assets (net of accumulated depreciation)	199,080,002	762,030	199,842,032	205,103,435	3,769,399	4,484,198
Total noncurrent assets	199,831,520	762,030	200,593,550	205,887,246	3,769,399	4,484,198
Total assets	211,753,112	1,094,657	212,847,769	218,520,469	12,256,153	11,169,204
Liabilities:						
Current liabilities:						
Accounts payable	554,204	10,926	565,130	559,093	221,308	230,769
Accrued liabilities	216,606	9,649	226,255	201,644	66,098	58,113
Due to other funds		385,654	385,654	231,292	260,036	345,548
Deposits payable	339,814		339,814	297,212		
Interest payable	671,813		671,813	685,239		
Retention payable	3,990		3,990	5,902		
Long-term liabilities, portion due within one year	1,652,340		1,652,340	1,609,448		
Total current liabilities	3,438,767	406,229	3,844,996	3,589,830	547,442	634,430
Noncurrent liabilities:						
Long-term liabilities, portion due in more than one year	56,466,847		56,466,847	57,916,905	6,905,093	6,131,827
Total liabilities	59,905,614	406,229	60,311,843	61,506,735	7,452,535	6,766,257
Net position:						
Net investment in capital assets	142,548,746	762,030	143,310,776	146,604,431	3,769,399	4,484,198
Unrestricted	9,298,752	(73,602)	9,225,150	10,409,303	1,034,219	(81,251)
Total net position	\$ 151,847,498	\$ 688,428	\$ 152,535,926	\$ 157,013,734	\$ 4,803,618	\$ 4,402,947

See accompanying notes to basic financial statements

CITY OF INDIO
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Major Fund Water Fund	Nonmajor Funds	2013	2012	2013	2012
Operating revenues:						
Charges for services	\$ 15,970,837	\$ 686,665	\$ 16,657,502	\$ 16,962,311	\$ 9,976,956	\$ 9,739,169
Total operating revenues	15,970,837	686,665	16,657,502	16,962,311	9,976,956	9,739,169
Operating expenses:						
Personnel services	4,770,032	171,052	4,941,084	4,550,827	5,498,073	5,180,611
Contractual services	1,537,958	303,357	1,841,315	2,008,951	589,831	685,853
Utility	1,496,702		1,496,702	1,589,634		
Depreciation	7,613,894	10,890	7,624,784	7,518,894	1,055,221	1,247,978
Rental and leases	1,358,056		1,358,056	3,310,353		
Repairs and maintenance	1,702,971	2,403	1,705,374	1,996,910	552,405	220,265
Materials and supplies	923,127	363,284	1,286,411	1,238,375	2,530,745	2,543,162
Bad debt	399,341		399,341			
Claims and judgments					773,368	389,062
Total operating expenses	19,802,081	850,986	20,653,067	22,213,944	10,999,643	10,266,931
Operating income (loss)	(3,831,244)	(164,321)	(3,995,565)	(5,251,633)	(1,022,687)	(527,762)
Nonoperating revenues (expenses):						
Investment income	87,322	4,294	91,616	64,881	37,574	14,094
Interest expense	(2,759,753)		(2,759,753)	(2,815,525)		
Other income	402,565	794	403,359	399,453	172,784	598,112
Total nonoperating revenues (expenses)	(2,269,866)	5,088	(2,264,778)	(2,351,191)	210,358	612,206
Income (loss) before transfers and capital contributions	(6,101,110)	(159,233)	(6,260,343)	(7,602,824)	(812,329)	84,444
Interfund transfers and capital and cash contributions:						
Interfund transfers in	15,000		15,000	2,145,000	980,000	
Interfund transfers out				(2,351,453)		
Capital and cash contributions	1,767,535		1,767,535		233,000	76,814
Changes in net position	(4,318,575)	(159,233)	(4,477,808)	(7,809,277)	400,671	161,258
Net position at beginning of fiscal year	156,166,073	847,661	157,013,734	164,823,011	4,402,947	4,241,689
Net position at end of fiscal year	\$ 151,847,498	\$ 688,428	\$ 152,535,926	\$ 157,013,734	\$ 4,803,618	\$ 4,402,947

See accompanying notes to basic financial statements

CITY OF INDIO
Proprietary Funds
Statement of Cash Flows
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Major Fund	Nonmajor	2013	2012	2013	2012
	Water Fund	Funds				
Cash flows from operating activities:						
Cash received from customers	\$ 16,169,978	\$ 684,218	\$ 16,854,196	\$ 17,395,146	\$ -	\$ -
Cash received from user departments					9,986,084	9,791,684
Cash payments to suppliers for goods and services	(6,997,707)	(669,031)	(7,666,738)	(11,549,816)	(3,682,547)	(4,254,204)
Cash payments to employees for services	(4,736,174)	(171,052)	(4,907,226)	(4,475,637)	(5,490,088)	(5,167,803)
Net cash provided by (used for) operating activities	4,436,097	(155,865)	4,280,232	1,369,693	813,449	369,677
Cash flows from non-capital and related financing activities:						
Miscellaneous income	402,565		402,565	399,378	172,784	598,112
Transfer in and out	15,000		15,000	(206,453)	980,000	
Due to/from other funds		154,362	154,362	231,292	(85,512)	(76,446)
Net cash provided by (used for) non-capital and related financing activities	417,565	154,362	571,927	424,217	1,067,272	521,666
Cash flows from capital and related financing activities:						
Cash contribution					233,000	76,814
Acquisition of capital assets	(595,845)		(595,845)	(427,009)	(340,422)	(85,248)
Principal payments on debt	(1,365,000)		(1,365,000)	(1,320,000)		
Interest payments on debt	(2,793,718)		(2,793,718)	(2,849,858)		
Net cash provided by (used for) capital and related financing activities	(4,754,563)		(4,754,563)	(4,596,867)	(107,422)	(8,434)
Cash flows from investing activities:						
Interest received on investments	89,297	5,372	94,669	65,151	40,945	13,501
Net cash provided by (used for) investing activities	89,297	5,372	94,669	65,151	40,945	13,501
Net increase (decrease) in cash and cash equivalents	188,396	3,869	192,265	(2,737,806)	1,814,244	896,410
Cash and cash equivalents at beginning of fiscal year	9,340,159	299,297	9,639,456	12,377,262	6,614,075	5,717,665
Cash and cash equivalents at end of fiscal year	\$ 9,528,555	\$ 303,166	\$ 9,831,721	\$ 9,639,456	\$ 8,428,319	\$ 6,614,075

(Continued)

See accompanying notes to basic financial statements

CITY OF INDIO
Proprietary Funds
Statement of Cash Flows
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012
(Continued)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Major Fund Water Fund	Nonmajor Funds	2013	2012	2013	2012
Reconciliation of amounts reported on the Statement of Net Position:						
Reported on the Statement of Net Position:						
Cash and investments	\$ 8,961,749	\$ 303,166	\$ 9,264,915	\$ 8,612,107	\$ 8,428,319	\$ 6,614,075
Cash and investments with fiscal agents	566,806		566,806	1,027,349		
Cash and cash equivalents at end of fiscal year	<u>\$ 9,528,555</u>	<u>\$ 303,166</u>	<u>\$ 9,831,721</u>	<u>\$ 9,639,456</u>	<u>\$ 8,428,319</u>	<u>\$ 6,614,075</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ (3,831,244)	\$ (164,321)	\$ (3,995,565)	\$ (5,251,633)	\$ (1,022,687)	\$ (527,762)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation other agencies	7,613,894	10,890	7,624,784	7,518,894	1,055,221	1,247,978
(Increase) decrease in accounts receivable	555,880	(13)	555,867	379,867	9,026	51,718
(Increase) decrease in prepaid items	(26,418)		(26,418)	20,027	(3)	804
(Increase) decrease in inventory	41,995	(2,434)	39,561	1,304		
Increase (decrease) in accounts payable	7,442	13	7,455	(1,313,752)	(9,461)	(111,088)
Increase (decrease) in accrued payroll	23,193		23,193	19,679	7,985	12,808
Increase (decrease) in deposits payable	42,602		42,602	(28,892)		
Increase (decrease) in retentions payable	(1,912)		(1,912)	(31,312)		
Increase (decrease) in compensated absences	10,665		10,665	55,511		
Increase (decrease) in claims and judgments payable					773,266	(305,578)
Net cash provided by (used for) operating activities	<u>\$ 4,436,097</u>	<u>\$ (155,865)</u>	<u>\$ 4,280,232</u>	<u>\$ 1,369,693</u>	<u>\$ 813,449</u>	<u>\$ 369,677</u>
Non-cash investing, capital, and financing activities:						
Contributed capital assets	<u>\$ 1,767,535</u>	<u>\$ -</u>	<u>\$ 1,767,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to basic financial statements

CITY OF INDIO
Fiduciary Funds
Statement of Net Position
June 30, 2013

	Private- Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments (note 2)	\$ 4,154,854	\$ 10,268,436
Cash and investments with fiscal agents (note 2)	8,539,314	7,529,264
Accounts receivable	67,681	69,071
Due from other governments		236,944
Interest receivable	526	3,555
Deferred charges	1,911,994	
Notes receivable	601,869	
Land held for resale	39,585,103	
	<u>\$ 54,861,341</u>	<u>\$ 18,107,270</u>
Total assets	<u>\$ 54,861,341</u>	<u>\$ 18,107,270</u>
 LIABILITIES		
Accounts payable	\$ 1,058,211	\$ 277,861
Accrued liabilities	26,091	
Unearned revenue	75,000	
Retention payable	282,038	
Interest payable	1,477,653	
Advances from the City of Indio	5,496,151	
Due to members		153,991
Due to bondholders		17,521,586
Deposits payable		153,832
Long-term debt due within one year	1,975,000	
Long-term debt due in more than one year	71,505,000	
	<u>81,895,144</u>	<u>\$ 18,107,270</u>
Total liabilities	<u>81,895,144</u>	<u>\$ 18,107,270</u>
 NET POSITION		
Restricted for Debt Service	1,763,056	
Unrestricted	(28,796,859)	
Total Net Position (Deficit)	<u>\$ (27,033,803)</u>	

See accompanying notes to basic financial statements

CITY OF INDIO
Private-Purpose Trust Funds
Statement Of Changes In Net Position
For the Fiscal Year Ended June 30, 2013

	Totals
Additions:	
Investment revenue	\$ 375,252
Taxes and assessments	5,867,448
Charges for services	611,395
Other revenue	352,273
Total additions	7,206,368
Deductions:	
Community development	17,702,525
Debt service	4,053,409
Total deductions	21,755,934
Change in net position	(14,549,566)
Net Position (Deficit) - July 1, 2012	(12,484,237)
Net Position (Deficit) - June 30, 2013	\$ (27,033,803)

See accompanying notes to basic financial statements

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies

The financial statements of the City of Indio (City) have been prepared in conformity with accounting principles generally accepted in the United States of America 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:

- 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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

(a) Reporting Entity (Continued)

- Housing Authority of the City of Indio

The Housing Authority of the City of Indio was activated by the City Council of Indio in 1985. The purpose of the Housing Authority is to respond to the need for affordable housing in Indio by providing a financing mechanism to encourage such development in the City. Even though it is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Authority. Separate financial statements of the Housing 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. There was no activity in the Industrial Development Authority in the current fiscal year.

- 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 majority governing board is comprised of City Council members, as well as other citizens of the City of Indio, it is reported as a blended component unit. Separate financial statements of the Indio Water Authority are prepared and can be obtained at City Hall.

Since the City Council serves as the majority 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.

(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 basic financial statements

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

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

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, Accounting Principles Board 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. 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) except for interfund services provided between departments and funds. However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

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 non-exchange 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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

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

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.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* 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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

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

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.

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 the 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 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 position.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(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 non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as 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. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans.

(c) Fund Classifications

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, developer fees, government grants and investment income.

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

The City uses proprietary funds to report an activity for which a fee is charged to external users to recover the cost of operation. The City reports the following fund as a major fund.

Water Fund – This fund is an enterprise fund used to account for the activities associated with the transmission and distribution of potable water by the City and its users.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

(c) Fund Classifications (Continued)

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

Internal Service Funds- These funds have been established to finance and account for goods and services provided by one City department to other City departments or agencies. Such goods and services include: worker's compensation, liability insurance, retiree medical insurance, information technology, vehicle replacement and maintenance, maintenance of City owned buildings and grounds, and centralized operating services.

Fiduciary Funds- Fiduciary fund financial statements include a statement of net assets and statement of changes in net assets. The City's fiduciary funds are used to account for assets held by the City as trustee for the Redevelopment Agency Successor Agency, and as an agent for employees and various independent entities as well as independent assessment districts. Trust funds use the flow of economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans.

(d) Appropriations Limit

Under Article XIIB 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, 2013, 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 the governmental funds. Encumbrances are reported as restrictions of fund balances since they do not constitute expenditures or liabilities.

(f) Cash Equivalents

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

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

(f) Cash Equivalents (Continued)

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

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

(g) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital assets include additions to public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. Public domain assets acquired prior to 1980 have been included in the accompanying financial statements.

The following schedule summarizes capital asset useful lives:

Buildings	40 years
Equipment	3-20 years
Improvements	40 years
Infrastructure	40 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 hired prior to the 1991, carry forward for use in subsequent years, earned but unused vacation and sick leave benefits. Upon termination, the City is obligated to compensate those employees for all earned but unused vacation days and 50% to 100% of earned but unused sick leave benefits depending on their date of hire.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

(h) Compensated Absences (Continued)

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, 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.

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 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 been 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 fiscal 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 nonspendable 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 fiscal year-end.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

(k) Property Taxes (Continued)

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	First Installment - November 1 Second Installment - February 1
Delinquent Date:	First Installment - December 11 Second Installment - April 11

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

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

(l) Claims and Judgments

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

(m) Prior Year Data

Selected information regarding the prior fiscal year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's prior fiscal year financial statements, from which this selected financial data was derived. Certain minor reclassifications of prior fiscal year data may have been made in order to enhance their comparability with current fiscal year figures.

(n) Deferred Charges

Bond premiums, discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which materially approximates the effective interest method. Bond premiums and discounts are presented as a reduction of the face amount of the bonds payable whereas issuance costs are recorded as an asset, deferred charges.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

(o) Unamortized Loss on Refunding

Loss on refunding debt is deferred and amortized over the shorter of the term of the new debt or the refunded debt using the straight-line method, which materially approximates that effective interest method. Unamortized loss on refunding is presented as a reduction of the face amount of the bonds payable.

(p) Land Held for Resale

Land purchased for the purpose of resale (or contribution to a redevelopment project) is recorded at the City's or Successor Agency's cost to purchase the property or, upon entering into a contract for sale, the estimated net realizable value, if lower.

(q) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(r) New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 60

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements". The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of this Statement did not have an effect on these financial statements.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(1) Summary of Significant Accounting Policies (Continued)

(r) New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 61

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 61, "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34". The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The implementation of this Statement did not have an effect on these financial statements.

Governmental Accounting Standards Board Statement No. 62

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations, (2) Accounting Principles Board Opinions, and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The implementation of this Statement did not have an effect on these financial statements.

Governmental Accounting Standards Board Statement No. 63

For the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows or resources, deferred inflows of resources, and net position in a statement of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the Statement and the impact on the City's financial statements are explained in Note 23.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(2) Cash and Investments

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$	47,553,976
Cash and investments held by bond trustee		5,584,505
Fiduciary Funds:		
Cash and investments		14,423,290
Cash and investments held by bond trustee		16,068,578
Total cash and investments	\$	<u>83,630,349</u>

Cash and investments as of June 30, 2013 consist of the following:

Cash on hand	\$	8,800
Deposits with financial institutions		3,718,264
Investments		79,903,285
Total cash and investments	\$	<u>83,630,349</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(2) Cash and Investments (Continued)

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	5%
Commercial Paper	Yes	270 days	25%	10%
Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	5%
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund	Yes	N/A	None	\$50 million
JPA Pools (other investment pools)	No	N/A	None	None

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	30 years	None	None

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(2) Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturing (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More Than 60 Months
State Investment Pool	\$ 44,395,176	\$ 44,395,176	\$ -	\$ -	\$ -
Federal Agency Securities Held by Bond Trustee:	13,845,411	3,345,131	9,050,705	1,449,575	
Money Market Funds	21,662,698	21,662,698			
Total	\$ 79,903,285	\$ 69,403,005	\$ 9,050,705	\$ 1,449,575	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
State Investment Pool	\$ 44,395,176	N/A	\$ -	\$ -	\$ -	\$ 44,395,176
Federal Agency Securities Held by Bond Trustee:	13,845,411	N/A		13,845,411		
Money Market Funds	21,662,698	AAA		21,662,698		
Total	\$ 79,903,285		\$ -	\$ 35,508,109	\$ -	\$ 44,395,176

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(2) Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% 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.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

As of June 30, 2013, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code 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.

(3) Interfund Receivables, Payables, and Transfers

Transfers in and out for the fiscal year ended June 30, 2013 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 2,535,728 (a)
Capital Projects Fund	Other Governmental Funds	1,358,470 (a)
Other Governmental Funds	General Fund	2,841,086 (b)
Other Governmental Funds	Other Governmental Funds	31,463
Capital Projects Fund	Water Fund	15,000
	Total	<u>\$ 6,781,747</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

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

Interfund transfers were principally used for the following purposes:

- (a) \$1,450,952 and \$733,247 were transferred from the General Fund and Capital Project Fund, respectively, to the General Debt Service Fund to cover debt service payments. The remaining amounts are for various other operating purposes.
- (b) \$2,587,429 was transferred from the Community Facilities District Fund to the General Fund to reimburse the General Fund for police and fire related expenditures. The remaining amounts are for various other operating purposes.

Current interfund receivables and payables as of June 30, 2013 are as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,136,165
General Fund	Capital Projects Fund	643
General Fund	Internal Service Fund	260,036
General Fund	Nonmajor Enterprise Fund	385,654
	Total	<u>\$ 1,782,498</u>

Interfund balances are a result of short-term interfund borrowings to manage cash flows.

(4) Notes Receivable and Long Term Receivable

Outstanding at
June 30, 2013

Various first time home buyer notes were issued to homeowners	\$ 80,350
Neighborhood Stabilization deferred loan program	769,153
Housing rehabilitation deferred loan program	1,091,386
Horizons at Indio senior housing project	3,454,710
Advance to private-purpose trust funds	<u>5,496,151</u>
Total	<u>\$10,891,750</u>

The City administers a First Time Home Buyer Program. The program is designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. As of June 30, 2013, notes receivable of \$80,350 reported under the Indio Housing Authority.

The Horizons at Indio Senior Housing Project note was issued on December 1, 2005 and is due in full on December 1, 2060 or at an earlier time if the acceleration clause of the agreement becomes effective as defined in the agreement. The note accrues interest at 1% annually. The amount of the note outstanding as of June 30, 2013 was \$3,454,710.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(4) Notes Receivable (Continued)

The Housing Rehabilitation Deferred Loan program provides financial assistance in the form of deferred low-interest loans to qualified homeowners, allowing them to eliminate health and safety-related property conditions, make basic improvements to the interior of the residence, and to make needed exterior aesthetic home improvements. After ten years of satisfactory program participation, continued home-owner occupancy, and exemplary maintenance/upkeep of the property, the loan would be forgiven and converted into a grant. The amount of loans outstanding as of June 30, 2013 was \$1,091,386.

The Neighborhood Stabilization Program is funded by the U.S. Department of Housing and Urban Development (HUD) to help very-low to moderate income first time home buyers purchase completely renovated foreclosed and/or abandoned homes. Three targeted areas in the City of Indio ("City") were selected to create the greatest impact by stabilizing and bringing new families into older established neighborhoods. The program will be available to anyone that is a first time home buyer and has not owned a home in the last three years, has an annual income that is not greater than 120% of the area median income as published by the U.S. Department of Housing and Urban Development (HUD). The amount of loans outstanding as of June 30, 2013 was \$769,153.

Long Term Receivable

The Indio Housing Authority will be repaid in installments or in a lump sum by fiscal year ending June 30, 2015 from the Successor Agency of the Redevelopment Agency of City of Indio. The loan balance as of June 30, 2013 was \$5,496,151.

(5) Land Held for Resale

The City of Indio purchased land on March 1, 2006 at a total cost of \$7,017,394. The land held for resale is recorded in the general fund with the intention to be sold to local business or developers. These land parcels were purchased at the peak of the real estate market and have since dropped significantly in value. Management estimates the value of the property to have declined approximately 50%. Land purchased for the purpose of resale (or contribution to a redevelopment project) is recorded at the City's cost to purchase the property or, upon entering into a contract for sale, the estimated net realizable value, if lower. As of June 30, 2013, land held for resale is as follows:

	<u>General Fund</u>
Land held for resale	\$ 7,017,394
Impairment allowance	(3,508,697)
Total	<u>\$ 3,508,697</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(6) Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

Governmental activities:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Structures and improvements	\$ 32,574,657	\$ -	\$ -	\$ 32,574,657
Machinery and equipment	6,727,715	16,315		6,744,030
Vehicles	9,654,785	324,107		9,978,892
Infrastructure: street network	514,501,124	17,482,808		531,983,932
Total cost of depreciable assets	<u>563,458,281</u>	<u>17,823,230</u>		<u>581,281,511</u>
Less accumulated depreciation:				
Structures and improvements	4,662,225	810,036		5,472,261
Machinery and equipment	4,534,093	393,002		4,927,095
Vehicles	7,364,207	662,219		8,026,426
Infrastructure: street network	171,850,945	13,081,064		184,932,009
Total accumulated depreciation	<u>188,411,470</u>	<u>14,946,321</u>		<u>203,357,791</u>
Net depreciable assets	375,046,811	2,876,909		377,923,720
Capital assets not depreciated:				
Construction in process	16,014,645	9,766,966	(7,313,884)	18,467,727
Land	40,978,405			40,978,405
Right of way	54,103,572	190,082		54,293,654
Capital assets, net	<u>\$ 486,143,433</u>	<u>\$ 12,833,957</u>	<u>\$ (7,313,884)</u>	<u>\$ 491,663,506</u>

Depreciation expense, including \$1,055,221 of internal service fund depreciation, was charged in the following functions in the Statement of Activities:

General government	\$ 451,949
Public safety	13,866,188
Public works	107,607
Community development	464,742
Human services	55,835
	<u>\$ 14,946,321</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(6) Capital Assets (Continued)

Business-type activities – Golf Course:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Structures and improvements	\$ 360,349	\$ -	\$ -	\$ 360,349
Machinery and equipment	50,076			50,076
 Total cost of Depreciable assets	 410,425			 410,425
Less accumulated depreciation:				
Structures and improvements	55,027	10,002		65,029
Machinery and equipment	48,437	888		49,325
 Total accumulated depreciation	 103,464	 10,890		 114,354
 Net depreciable assets	 306,961	 (10,890)		 296,071
Capital assets not depreciated:				
Land	465,959			465,959
 Capital assets, net	 \$ 772,920	 \$ (10,890)	 \$ -	 \$ 762,030

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

Golf	\$ 10,890
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CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(7) Changes in Long-Term Liabilities

Changes in long-term liabilities during the fiscal year ended June 30, 2013 were as follows:

	Balance at June 30, 2012	Additions	Retirements	Balance at June 30, 2013	Amount Due Within One Year
Governmental activities:					
Bonds payable:					
2007 A Lease Revenue	\$ 19,010,000	\$ -	\$ (3,345,000)	\$ 15,665,000	\$ -
2007 B Lease Revenue	17,990,000		(17,990,000)		
2012 Lease Revenue refunding		24,500,000		24,500,000	
Unamortized gain on refunding		2,420,794	(64,340)	2,356,454	96,510
Subtotal	<u>37,000,000</u>	<u>26,920,794</u>	<u>(21,399,340)</u>	<u>42,521,454</u>	<u>96,510</u>
Capital lease obligation	2,123,654		(263,618)	1,860,036	275,876
Installment agreement	5,895,000		(435,000)	5,460,000	455,000
Post employment benefit liability	11,958,541	3,835,990	(1,642,545)	14,151,986	
PERS side fund	* 4,304,256	309,095	(372,721)	4,240,630	431,593
Notes payable	13,247,085		(1,116,091)	12,130,994	1,079,916
Compensated absences	2,141,043	1,555,997	(1,605,782)	2,091,258	1,568,444
Claims payable	6,131,827	1,171,843	(398,577)	6,905,093	4,101,830
Subtotal	<u>45,801,406</u>	<u>6,872,925</u>	<u>(5,834,334)</u>	<u>46,839,997</u>	<u>7,912,659</u>
Total	<u>\$ 82,801,406</u>	<u>\$ 33,793,719</u>	<u>\$ (27,233,674)</u>	<u>\$ 89,361,451</u>	<u>\$ 8,009,169</u>

* Denotes a prior period adjustment. See note 28 for further detail.

	Balance at June 30, 2012	Additions	Retirements	Balance at June 30, 2013	Amount Due Within One Year	Beyond One Year
Business-type activities:						
Bonds payable:						
2006 Water Revenue Bond	\$ 57,970,000	\$ -	\$ (1,365,000)	\$ 56,605,000	\$ 1,400,000	\$ 55,205,000
Unamortized loss on refunding	(750,777)	30,769		(720,008)	(30,769)	(689,239)
Premium on bonds	2,048,188		(83,600)	1,964,588	83,600	1,880,988
Bonds payable, net	<u>59,267,411</u>	<u>30,769</u>	<u>(1,448,600)</u>	<u>57,849,580</u>	<u>1,452,831</u>	<u>56,396,749</u>
Compensated absences	<u>258,942</u>	<u>202,282</u>	<u>(191,617)</u>	<u>269,607</u>	<u>199,509</u>	<u>70,098</u>
Total	<u>\$ 59,526,353</u>	<u>\$ 233,051</u>	<u>\$ (1,640,217)</u>	<u>\$ 58,119,187</u>	<u>\$ 1,652,340</u>	<u>\$ 56,466,847</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(8) Obligations under Capital Lease

Governmental Activities:

Police Radios – A ten year contract was entered into for the purchase of radios to be used with the ERICA communication system. Annual payments of principal and interest are \$362,368. The balance at June 30, 2013 on this contract was \$1,860,036.

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

Amount of future lease payments
for the fiscal year ending June 30,

2014	\$ 362,368
2015	362,368
2016	362,368
2017	362,368
2018	362,368
2019	<u>362,368</u>
Subtotal	2,174,208
Less amount representing interest	<u>(314,172)</u>
Present value of future lease payments	<u>\$ 1,860,036</u>

(9) Bonds Payable

Lease Revenue Bonds, Series 2007A and B

In February 2007, the City of Indio Public Financing Authority issued \$20,210,000 Lease Revenue Bonds Series 2007A and \$19,115,000 Variable Rate Lease Revenue Bonds Series 2007B. The proceeds were used to finance the acquisition and constructions of certain capital improvements within the City and to advance refund Certificates of Participation 2002 Series A.

The 2007A bonds consist of \$11,380,000 of serial bonds and \$8,830,000 of term bonds. The serial bonds accrue interest at rates between 3.50% and 4.25% and the principal amounts mature between November 1, 2009 and November 1, 2032 in amounts ranging from \$385,000 to \$950,000. Term bonds of \$1,635,000 accrue interest at 4.375% and mature on November 1, 2029, bonds of \$1,780,000 accrue interest at 4.375% and mature on November 1, 2031, and bonds of \$5,415,000 accrue interest at 4.50% and mature on November 1, 2037.

The 2007B bonds consist of \$1,125,000 serial bonds and \$17,990,000 of term bonds. The serial bonds accrue interest at 3.50% and the principal amounts mature between November 1, 2009 and November 1, 2011 in amounts ranging from \$360,000 to \$390,000. Term bonds of \$17,990,000 accrue interest at 3.80% and mature on November 1, 2037.

The Series 2007A term bonds maturing in the years 2029, 2031, and 2037 are subject to mandatory sinking account redemption on each November 1, commencing on November 1, 2028, November 1, 2030, and November 1, 2033, respectively, at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(9) Bonds Payable (Continued)

The Series 2007B term bonds maturing in the years 2037 are subject to mandatory sinking account redemption on each November 1, commencing on November 1, 2012 at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

Per the terms of the bond indenture, the Series 2007A and Series 2007B are required to maintain a reserve in the amount of 10% of the original proceeds or 125% of the average annual debt service for that every subsequent bond year. The Series 2007A were partially refunded in the amount of \$2,830,000 and Series 2007B were completely refunded in the amount of \$21,760,000 by the 2012 Series Lease Revenue Refunding Bonds. At June 30, 2013, the reserves were fully funded and the outstanding balance of the Series 2007A bonds was \$15,665,000.

Lease Revenue Refunding Bonds, Series 2012

In October 2012, the City of Indio Public Financing Authority issued \$24,500,000 Lease Revenue Refunding Bonds Series 2012. The proceeds were used to finance the acquisition and construction of certain capital improvements within the City and to advance refund the partial outstanding balance of Series 2007A and all of the remaining outstanding Series 2007B.

The Series 2012 bonds consist of \$9,565,000 of serial bonds and \$14,935,000 of term bonds. The serial bonds accrue interest at rates between 2.00% and 4.375% and the principal amounts mature between November 1, 2014 and November 1, 2024 in amounts ranging from \$635,000 to \$1,135,000. Term bonds of \$4,690,000 accrue interest at 4.50% and mature on November 1, 2029, bonds of \$4,620,000 accrue interest at 4.625% and mature on November 1, 2033, and bonds of \$5,625,000 accrue interest at 5% and mature on November 1, 2037.

Reserve requirements for the Series 2012 bonds are disclosed in the bond documents. At June 30, 2013, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$24,500,000.

Defeasance Debt

The partial refunding of Series 2007A reduced its total debt service payments over the life of the bonds by \$35,798, and obtained an economic gain (difference between net present value of the debt service payments on the old debt and new debt) of \$92,707.

The full refunding of Series 2007B increased its total debt service payments over the life of the bonds by \$9,721,057, and obtained an economic loss (difference between net present value of the debt service payments on the old debts and new debts) of \$5,012,308, plus the refunding funds on hand of \$2,761,325, with net loss of \$2,250,983.

Portion of the Series 2007 A and B were refinanced due to the downgraded credit rating of Ambac Assurance Corporation bond insurance company by the Standard & Poor's Corporation. The City was not able to find another bond insurance company to insure to the bond.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(9) Bonds Payable (Continued)

Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ -	\$ 1,795,626	\$ 1,795,626
2015	975,000	1,785,876	2,760,876
2016	995,000	1,766,176	2,761,176
2017	1,030,000	1,730,476	2,760,476
2018	1,080,000	1,677,726	2,757,726
2019-2023	6,245,000	7,544,994	13,789,994
2024-2028	7,810,000	5,347,524	13,157,524
2029-2033	9,750,000	4,048,435	13,798,435
2034-2038	12,280,000	1,520,863	13,800,863
	<u>\$ 40,165,000</u>	<u>\$ 27,217,696</u>	<u>\$ 67,382,696</u>

(10) Installment Sale Agreement

In April 2008, the California Statewide Communities Development Authority issued \$14,665,000 of Gas Tax Revenue Certificates of Participation, Series 2008A, for the benefit of the City of Indio and the City of Coachella. Upon issuance of the Certificates, the Communities Authority caused the design, acquisition and construction of certain local roadway improvements and street resurfacing projects throughout the geographic boundaries of each local agency. The Communities Authority agreed to sell the projects to the local agencies and the local agencies agreed to purchase the projects. To fund the purchase price, the local agencies entered into Installment Sales Agreements. The purchase price paid by the local agencies under the Agreements is the sum of the principal amount of the local agency's obligation under the Agreements plus interest to accrue on the unpaid balance. The City of Indio's purchase price under the 2008 Installment Sales Agreement was \$7,450,000.

Principal installments are due annually on each Certificate payment date and the interest installments are due semiannually on each Certificate interest payment date. Principal installment payments range from \$340,000 to \$674,050 and are scheduled to terminate in 2023. The installments accrue interest at rates between 4.00% and 4.375%. The City of Indio's outstanding installment sale obligation is \$5,460,000 as of June 30, 2013.

All of the gas tax revenues and all money in the City's Gas Tax Fund are irrevocably pledged to the punctual payment of 2008 Installment Sales Payments, and the gas tax revenues shall not be used for any other purpose while any of the 2008 Installment Sales Payments remain outstanding.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(10) Installment Sale Agreement (Continued)

Per the terms of the trust agreement, the Series 2008A Certificates are required to maintain a reserve in the amount of 10% of the original proceeds or 125% of the average annual debt service for that every subsequent bond year. Each local agency is required to maintain a portion of that required reserve amount and the reserves were fully funded.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for the Installment Sales Agreement are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 455,000	\$ 223,312	\$ 678,312
2015	470,000	205,113	675,113
2016	490,000	186,313	676,313
2017	510,000	166,712	676,712
2018	530,000	146,312	676,312
2019-2023	3,005,000	391,688	3,396,688
	<u>\$ 5,460,000</u>	<u>\$ 1,319,450</u>	<u>\$ 6,779,450</u>

(11) Notes Payable

On December 15, 2005, the City of Indio entered into an agreement with the Riverside County Transportation Commission (the "Commission") where the Commission would advance the City \$4,000,000 of the City's Measure A revenues to fund current capital projects of the City. Per the terms of the agreement, the City may repay the entire unpaid principal balance of the advance, plus accrued interest, no later than December 31, 2008. Otherwise, the City shall repay the advance together with all accrued and unpaid interest in 120 monthly installments commencing on September 1, 2009. The note accrues interest on the unpaid portion of the advance at a rate of ½ percent over the interest rate of the Commission's funds outstanding under the 2005 Commercial Paper Program. The outstanding amount of the note as of June 30, 2013 was \$3,518,736.

On January 26, 2009, the City of Indio entered into an agreement with the H. N. and Frances C. Berger Foundation (the "Foundation"), where the Foundation provided a construction loan to the City of \$7,000,000 to be used for the construction of the Indio Senior Center. The note accrues interest at 6% on the unpaid balance of the 30 year term loan. On September 21, 2012 the City of Indio cancelled the Installment Note, dated January 26, 2009 with the H.N. and Frances C. Berger Foundation. On September 27, 2012, A Sublease Agreement was recorded between the Indio Public Finance Authority, as Sublessor, and the City of Indio as Sublessee. The City of Indio assigned this interest by deed of trust with the assignment of quarterly rent payments to the H.N. and Frances C. Berger Foundation as the Assignee. The terms of the agreement requires the City of Indio to make scheduled quarterly rent payments of \$171, 389 calculated at 6% on the unpaid balance to The H.N. and Frances C. Berger Foundation over a 15 year term. The outstanding amount of the lease as of June 30, 2013 was \$6,379,561.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(11) Notes Payable (Continued)

On June 20, 2007, the City of Indio entered into an agreement with the County of Riverside and Coachella Valley Association of Governments (CVAG) for the construction of Miles Bridge, the widening and reconstruction of Miles Avenue from Clinton Street westerly to the new Miles Bridge, and the widening and reconstruction of Clinton Street between Miles Avenue and Fred Waring Drive. The original agreement calls for CVAG to front all the money, with the County and City paying their obligations over the next 10 years in annual installments of approximately \$275,000 each, plus simple interest at Local Agency Investment Funds (LAIF) rates, in accordance with CVAG policy. City of Indio shares 50% of the total project cost. The outstanding amount of the note as of June 30, 2013 was \$2,232,697.

(12) Post Employment Benefits

In addition to providing pension benefits, the City provides certain health care benefits for retired employees. The postretirement medical plans are basically continuations of the plans for active employees and are single-employer defined benefit plans.

Plan Description: The City administers a single-employer defined benefit plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The City has not established a trust that is administered by the City for the purpose of holding assets accumulated for plan benefits.

Eligibility: Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 5 years of service, and are eligible for a PERS pension. Membership of the plan consisted of the following at July 1, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	157
Active plan members	<u>195</u>
Total	<u>352</u>

City's Funding Policy: The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2012-13 the City contributed \$1,642,545 to the plan for current premiums.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(12) Post Employment Benefits (Continued)

Annual required contribution	\$ 3,929,626
Interest on net OPEB obligation	597,927
Adjustments to annual required contributions	<u>(691,563)</u>
Annual OPEB cost (expense)	3,835,990
Contributions made (including premiums paid)	<u>(1,642,545)</u>
Increase in net OPEB obligation	2,193,445
Net OPEB obligation-beginning of fiscal year	<u>11,958,541</u>
Net OPEB obligation-end of fiscal year	<u><u>\$ 14,151,986</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding fiscal years were as follows:

<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>OPEB Cost</u>	Percentage of <u>Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	Net <u>OPEB</u> <u>Obligation</u>
6/30/2011	\$ 3,225,993	44.90%	\$ 10,308,103
6/30/2012	3,199,267	48.40%	11,958,541
6/30/2013	3,835,990	42.82%	14,151,986

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2012 was as follows:

Actuarial accrued liability (AAL)	\$46,336,672
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$46,336,672</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$15,804,940
UAAL as a percentage of covered payroll	293%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(12) Post Employment Benefits (Continued)

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. The actuarial assumptions included an annual healthcare cost trend rate of 8 percent, investment rate of return of 4 percent and inflation rate of 3%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1 2012 was over 20 years. It is assumed the City's payroll will increase 3 percent per year. The general fund has been typically used to liquidate prior fiscal years liabilities for OPEB.

(13) Public Employees Retirement System Side Fund

During the fiscal year 2005-06 fiscal year, the City was required to participate in the Public Employees Retirement System (PERS) risk pool. As a result, a side fund was created to account for the difference between the funded status of the pool and the funded status of the City's plan, in addition to the existing unfunded liability. The outstanding balance at June 30, 2013 was \$4,240,630.

(14) Water Enterprise Revenue Bond

Enterprise Revenue Bonds, Series 2006

In October 2006, the Indio Water Authority issued \$61,795,000 Water Revenue Bonds Series 2006. The proceeds were used to acquire and construct certain facilities for and improvements to the Water Enterprise and to advance refund the Enterprise Revenue Bonds, Series 2004.

The 2006 bonds consist of \$29,650,000 of serial bonds and \$32,145,000 of term bonds. The serial bonds accrue interest at rates between 4.00% and 5.00% and the principal amounts mature between April 1, 2010 and April 1, 2026 in amounts ranging from \$1,225,000 to \$2,450,000. Term bonds of \$14,125,000 accrue interest at 5.00% and mature on April 1, 2031, and bonds of \$18,020,000 accrue interest at 5.00% and mature on April 1, 2036.

The 2006 term bonds maturing in the years 2031 and 2036 are subject to mandatory sinking account redemption on each April 1, commencing on April 1, 2027 and April 1, 2032, respectively, at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(14) Water Enterprise Revenue Bond (Continued)

Enterprise Revenue Bonds, Series 2006 (Continued)

Per the terms of the bond indenture, the Series 2006 bonds are required to maintain a reserve in the amount of 10% of the original proceeds, 125% of the average annual debt service for then current or every subsequent bond year, or 100% of the maximum annual debt service for the current or every subsequent bond year. At June 30, 2013, the reserve was fully funded and the outstanding balance of the Series 2006 bonds was \$56,605,000.

The Authority and the City shall fix, prescribe, revise and collect rates, fees and charges for the services and improvements furnished by the Water Enterprise during each year which are sufficient to yield net revenues for the Water Enterprise, which are at least equal to 120% of the total debt service payments coming due and payable in the next fiscal year. The Authority did not meet this requirement for the fiscal year ended June 30, 2013.

A portion of the net proceeds of the Enterprise Revenue Bonds, Series 2006 bonds totaling \$11,040,192, plus an additional \$1,018,755 of the Enterprise Revenue Bonds, Series 2004 sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Enterprise Revenue Bonds, Series 2004 bonds. As a result, the Enterprise Revenue Bonds, Series 2004 bonds are considered defeased and the liability for those bonds has been removed from the statement of net assets of the Water enterprise fund.

The annual debt service requirements to maturity for the 2006 water bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,400,000	\$ 2,732,038	\$ 4,132,038
2015	1,490,000	2,676,037	4,166,037
2016	1,550,000	2,616,437	4,166,437
2017	1,610,000	2,554,437	4,164,437
2018	1,680,000	2,486,012	4,166,012
2019-2023	9,695,000	11,122,263	20,817,263
2024-2028	12,275,000	8,541,563	20,816,563
2029-2033	15,570,000	5,244,750	20,814,750
2034-2036	11,335,000	1,152,000	12,487,000
	\$ 56,605,000	\$ 39,125,537	\$ 95,730,537

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(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, 2013 was \$1,525,000.

\$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 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 principal amount of the bonds outstanding at June 30, 2013 was \$5,650,000.

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(15) Debt Issued Without Government Commitment (Continued)

Assessment District Limited Obligation Bonds (Continued)

<u>Description</u>	<u>Issuance Date</u>	<u>Face Value</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding Principal as of June 30, 2013</u>
AD99-1/R	7/26/2012	\$1,520,000	4.690%	9/2/2020	\$1,300,000
AD01-01/R	7/26/2012	\$3,295,000	4.690%	9/2/2026	\$3,040,000
AD02-01/R	7/26/2012	\$3,410,000	4.690%	9/2/2026	\$3,185,000
AD02-02/R	7/26/2012	\$2,255,905	4.690%	9/2/2027	\$2,117,905
AD02-03/R	7/26/2012	\$4,123,920	4.710%	9/2/2027	\$3,855,920
AD90-1	7/18/2002	\$2,260,000	4.700%	9/2/2013	\$165,000
AD03-1	1/15/2004	\$2,450,500	2.375% to 6.10%	9/2/2014	\$1,955,000
AD03-2	1/15/2004	\$1,965,000	2.375% to 6.10%	9/2/2014	\$1,575,000
AD03-3	12/23/2003	\$5,654,000	2.25% to 6.125%	9/2/2014	\$4,500,000
AD03-5	3/9/2004	\$1,890,000	2.20% to 5.875%	9/2/2022	\$1,500,000
AD03-6	3/31/2004	\$2,301,600	2.35% to 5.50%	9/2/2018	\$1,825,000
AD04-1	9/30/2004	\$2,265,000	2.80 to 6.00%	9/2/2030	\$1,864,750
AD04-2	11/4/2004	\$3,604,000	1.67% to 3.86%	9/2/2030	\$2,970,000
AD04-3	2/24/2005	\$7,350,000	2.90% to 5.50%	9/2/2030	\$6,065,000
CFD04-3 (Terra Lago)	9/15/2005	\$26,330,000	3.35% to 5.15%	9/1/2035	\$20,800,000
CFD05-1 (Talavera #1)	12/7/2005	\$10,170,000	3.50% to 5.25%	9/1/2036	\$9,110,000
CFD05-1 (Talavera #2)	12/14/2005	\$9,145,000	4.00% to 5.25%	9/1/2036	\$8,255,000
CFD06-1 (Sonora Wells)	10/18/2006	\$10,225,000	3.90 to 5.125%	9/1/2036	\$9,090,000

(16) Pledged Revenues

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

<u>Description of Pledged Revenue</u>	<u>Annual Amount of Pledged Revenue (net of expenses, where required)</u>	<u>Annual Debt Service Payments (of all debt secured by this revenue)</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
Gas tax revenues	\$1,216,666	\$675,713	56%

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(17) 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 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability - In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

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

Self-Insurance Programs of the Authority (Continued)

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

Workers Compensation - In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution legal Liability Insurance - The City of Indio participates in the pollution legal liability insurance program (formerly called environmental 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 \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-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. City of Indio property is currently insured according to a schedule of covered property submitted by the City of Indio to the Authority. City of Indio property currently has all-risk property insurance protection in the amount of \$120,015,296. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

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

Crime Insurance - The City of Indio purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective 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 agency 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.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2012-13.

Changes in the claim payable amounts in fiscal years 2012 and 2013 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Fiscal Year Claims and Prior Fiscal Year Changes <u>in Estimates</u>	<u>Claim Payments</u>	Balance at <u>Fiscal Year End</u>
2011-12	\$6,437,405	\$83,484	\$(389,062)	\$6,131,827
2012-13	\$6,131,827	\$1,171,843	\$(398,577)	\$6,905,093

(18) Defined Benefit Plan

The City of Indio contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer and a cost sharing 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. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. 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 8% and 9% for the miscellaneous and safety plans, respectively, of their annual covered salary. The City makes the employee required contributions for the Laborer's International Union of North America (LIUNA), Police Command Unit (PCU), and Service Employees Internal Union (SEIU) employee groups. Benefit provisions and all other requirements are established by state statute and City contracts with employee bargaining groups.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(18) Defined Benefit Plan (Continued)

Under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, 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, 2012 to June 30, 2013 has been determined by an actuarial valuation of the plan as of June 30, 2010. The contribution rate indicated for the period is 31.448% and 16.511% of payroll for the Safety Plan and Miscellaneous Plan, respectively. The City's covered payroll for PERS was \$5,768,710 and \$10,033,431 for the Safety Plan and Miscellaneous Plan, respectively, for the fiscal year ended June 30, 2013. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2013, the contribution rate would be multiplied by the payroll of covered employees that was actually paid from the period from July 1, 2012 to June 30, 2013.

Contributions

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

Miscellaneous Plan

Valuation Date	June 30, 2010
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	23 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.55% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%.

Safety Plan

Valuation Date	June 30, 2010
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	19 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	3.55% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.00% and an annual production growth of 0.25%.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(18) Defined Benefit Plan (Continued)

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 percentage 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 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

Annual Pension Cost

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>
6/30/2011	\$ 1,546,107	\$ 1,303,140	100%	\$ -
6/30/2012	1,796,499	1,566,948	100%	-
6/30/2013	1,882,719	1,791,450	100%	-

The Schedule of Funding Progress, presented as required supplementary information following the notes to basic financial statements, shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll. The Schedule of Funding Progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(19) Compliance with Budgetary Limitations

For the fiscal year ended June 30, 2013, the following funds reflected expenditures in excess of budgeted amounts:

<u>Major fund</u>	<u>Amount of Excess</u>
General Fund	
Public Safety:	
Police support services	\$ (6,497)
Public works:	
Street maintenance	(19,896)
Engineering	(950)

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(19) Compliance with Budgetary Limitations (Continued)

<u>Non-major fund</u>	<u>Amount of Excess</u>
Special Revenue Funds:	
Traffic Safety	\$ (1,013)
Public Safety	(10,605)
Local Law Enforcement Block Grant	(1,044)
NPDES	(5,253)
Air Quality	(7,914)
Department of Conservation Recycle Grant	(10,597)
Asset Forfeiture	(3,151)
Community Development Block Grant	(344,601)
Community Facilities District	(165)
Cal GRIP	(6,455)
COPS Hiring Recovery Grant	(26,900)
Capital Projects Fund:	
Assessment District	(1,199,292)

(20) 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 25% of sales and use taxes derived from the annexed property to the County for the remainder of a thirty-year period ending in the year 2027. 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 2012-2013, payment in the amount of \$256,616 was made to the County.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(21) Joint Venture Agreements

Eastern Riverside County Interoperable Communications Authority (“ERICA”)

The Eastern Riverside Interoperable Communications Authority (“ERICA”) was created in July 2008 by a Joint Exercise of Powers Agreement between public agency parties located in Riverside County, California. ERICA was formed to enable the Members to acquire real, personal and intangible property and to plan, design, finance, construct, operate, and maintain public safety radio communication systems, facilities and related structures to assist the Members in meeting public safety communication needs. The goal and intent of the ERICA is one of voluntary cooperation among cities for the collective benefit of cities in Riverside County. The City of Indio is a member of the ERICA and is responsible for the accounting records of the joint venture.

(22) Deficit Fund Balances and Deficits in Internal Service Funds

The following governmental funds had deficit fund balances as of June 30, 2013 due to the timing of grant reimbursement requests and temporary receivables where the City must front the cash and subsequently seek reimbursement.

Homeland Security	\$ (48,373)
HBRRP	(202,083)
Smart Policing Grant	(26,620)
Community Development Block Grant	(689,364)

The following internal service funds had deficit net position as of June 30, 2013 and the City anticipates that these deficits will be reduced during the next fiscal year as part of the City’s financial recovery plan.

Risk Management	\$ (318,559)
Building and Grounds	(329,745)

(23) Net Position and Fund Balances

A. Net Position

GASB Statement No. 63 adds the concept of Net Position, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net position is the excess of all the City’s assets over all its liabilities, regardless of fund. Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to net assets, which is determined only at the government-wide level, proprietary funds, and fiduciary funds and are described below.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(23) Net Position and Fund Balances (Continued)

A. Net Position (Continued)

Net Investment in capital assets describe the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describe the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, redevelopment funds restricted for low-and-moderate income purposes, and gas tax funds for street construction.

Unrestricted describes the portion of net position which is not restricted as to use.

B. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific Purposes for which amounts in the funds can be spent. As of June 30, 2013, fund balances for governmental funds are made up of the following:

Nonspendable – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed – includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (for example: resolution and ordinance). Ordinance is the highest level of the City Council's approval.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(23) Net Position and Fund Balances (Continued)

B. Fund Balances (Continued)

Assigned – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Council or (b) a body (for example: a budget or finance committee) or official to which the City Council has delegated through its fund balance policy the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted or committed.

Unassigned – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

(24) Restricted Net Position

Restricted net position is subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Restricted net position at June 30, 2013 is as follows:

	<u>Governmental Activities</u>
Restricted for:	
Assessment districts	\$ 1,539,560
Community development	6,298,895
Debt service	2,075,403
Housing	8,852,164
Public safety	604,226
Public works	6,345,052
Total restricted net position	<u>\$ 25,715,300</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(25) Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 23 for a description of these categories). A detailed schedule of fund balances at June 30, 2013 is as follows:

	General Fund	Capital Projects Fund	Assessment Districts Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid items	\$ 480,231	\$ -	\$ -	\$ -	\$ 480,231
Land held for resale	3,508,697				3,508,697
Total nonspendable fund balances	<u>3,988,928</u>				<u>3,988,928</u>
Restricted for:					
Debt service				2,467,175	2,467,175
Construction projects		5,875,629	1,539,560		7,415,189
Gas tax				905,191	905,191
Traffic safety				124,440	124,440
Public safety				160,876	160,876
Supplemental law enforcement				151,891	151,891
Proposition 1B				73,171	73,171
LLEBG				28,138	28,138
Energy efficiency and conservatism				978	978
Abandoned vehicle				15,138	15,138
Unclaimed property				1,822	1,822
Measure A				1,183,206	1,183,206
Air quality				164,312	164,312
Department of conservation recycling				35,418	35,418
Indian gaming SB 621				98,175	98,175
Waste recycling AB939				573,641	573,641
Community facilities district				75,580	75,580
Certified access specialist SB 1186				1,600	1,600
Public education government channel				413,968	413,968
Cal emergency management				20,213	20,213
Lighting and landscape				3,518,702	3,518,702
Asset forfeiture				46,471	46,471
Emergency, abandoned and recalcitrant				128	128
Donations				5,378	5,378
Indio Housing Authority				8,852,164	8,852,164
Total restricted fund balances		<u>5,875,629</u>	<u>1,539,560</u>	<u>18,917,776</u>	<u>26,332,965</u>
Committed	<u>730,000</u>				<u>730,000</u>
Assigned					
General government	83,850				83,850
General plan	700,000				700,000
Construction projects		1,296,497			1,296,497
Total assigned fund balances	<u>783,850</u>	<u>1,296,497</u>			<u>2,080,347</u>
Unassigned	<u>4,266,535</u>			<u>665,382</u>	<u>4,931,917</u>
Total fund balances	<u>\$ 9,769,313</u>	<u>\$ 7,172,126</u>	<u>\$ 1,539,560</u>	<u>\$ 19,583,158</u>	<u>\$ 38,064,157</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(26) Successor Agency Trust for Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Indio that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12-001.

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

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs that State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(26) Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The transfer of the assets and liabilities of the former redevelopment agency as of January 31, 2012 from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary gain (loss) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

(27) Successor Agency

A. Notes Receivable of the Successor Agency as of June 30, 2013 consisted of the following:

Jackalope	\$ 480,152
CV Volunteers in Medicine	75,000
Housing rehabilitation deferred loan program	<u>46,717</u>
Total	<u>\$ 610,869</u>

On November 5, 2008, and in furtherance of redevelopment goals to promote development on Highway 111, the RDA approved a \$500,000 loan agreement to Morcus Management and Jackalope for alterations to a restaurant located at 80-400 Highway 111, in Indio, California. The loan was scheduled to be paid over a seven year period at an interest rate of 4%, however, on November 16, 2010, due to financial difficulties encountered by Morcus Management and Jackalope, an amendment was made to the original loan agreement providing that no payments are necessary for the first 13.5 months following the amendment date, to accommodate for the cash flow concerns of Morcus Management and Jackalope. Morcus Management and Jackalope have agreed, with the City, to defer all loan payments, interest free, until March 31, 2012. In the beginning of fiscal year 2012-13, Morcus Management and Jackalope started making the regular payments. The amount of loans outstanding as of June 30, 2013 was \$480,152.

On August 4, 2010, the RDA approved a \$75,000 loan agreement to the Coachella Valley Volunteers in Medicine, a California based non-profit corporation. Funds from the Coachella Valley Volunteers in Medicine, have been allocated for construction of a new healthcare clinic to be operated at the intersection of 48th Street and Jackson Street in the City of Indio with the completion of construction estimated to occur in or about June 2013. During the construction and until completion of the Jackson Site, the Coachella Valley Volunteers in Medicine intends to and shall conduct its operations at 81-880 Dr. Carreon Boulevard. The RDA, in furtherance of the development goals to provide healthcare delivery options to lower-income individuals located in eastern Riverside County, California has provided financial assistance in the amount of \$75,000 solely and exclusively for the purchase of furniture, fixtures and equipment to the Coachella Valley

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(27) Successor Agency (Continued)

Volunteers in Medicine. From the date the temporary site opens for business, the Coachella Valley Volunteers in Medicine must maintain continuous operation within the City or must repay the City \$75,000 without any offset.

The Housing Rehabilitation Deferred Loan program provides financial assistance in the form of deferred low-interest loans to qualified homeowners, allowing them to eliminate health and safety-related property conditions, make basic improvements to the interior of the residence, and to make needed exterior aesthetic home improvements. After ten years of satisfactory program participation, continued home-owner occupancy, and exemplary maintenance/upkeep of the property, the loan would be forgiven and converted into a grant. The amount of loans outstanding as of June 30, 2013 was \$46,717.

B. Land held for resale in the RDA Capital Project Fund consists of 147 properties purchased as early as 1950. The purchases of these properties are spread over a longer period and recorded at cost. As of June 30, 2013, land held for resale totaled \$39,585,103.

C. In January 2010, the former Redevelopment Low/Moderate Fund loaned the former Redevelopment Capital Projects Fund \$4,557,784 for payment of the SERAF contribution. In fiscal year 2010-2011, the former Redevelopment Low/Moderate Fund loaned the Redevelopment Capital Project Funds \$938,367 for payment of the SERAF contribution. The Indio Housing Authority will be repaid in installments or in a lump sum by fiscal year ending June 30, 2015. Long term payable balance as of June 30, 2012 was \$5,496,151.

D. Long-term debt of the Successor Agency as of June 30, 2013, consisted of the following:

	Balance at June 30, 2012	Additions	Retirements	Balance at June 30, 2013	Amount Due Within One Year
Bonds payable:					
1997 Series A	\$ 605,000	\$ -	\$ (60,000)	\$ 545,000	\$ 65,000
1999 Revenue Refunding	2,685,000		(185,000)	2,500,000	195,000
2004A Tax Allocation	9,025,000		(130,000)	8,895,000	135,000
2008A Tax Allocation	58,200,000		(855,000)	57,345,000	885,000
2008B Tax Allocation	4,855,000		(660,000)	4,195,000	695,000
Total	<u>\$ 75,370,000</u>	<u>\$ -</u>	<u>\$ (1,890,000)</u>	<u>\$ 73,480,000</u>	<u>\$ 1,975,000</u>

Tax Increment Revenue Refunding Bonds, 1997 Series A

On August 1, 1997, the Authority issued \$1,105,000 of Taxable Tax Increment Revenue Refunding Bonds, 1997 Series A, and \$2,585,000 of Tax Increment Revenue Refunding Bonds. 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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(27) Successor Agency (Continued)

Tax Increment Revenue Refunding Bonds, 1997 Series A (Continued)

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, 2013 was \$545,000.

As required in the official statement, each bond issue is required to maintain a reserve fund. In the case of the Series A 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.

1999 Housing Set-Aside Revenue Refunding Bonds

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

These bonds consist of \$1,420,000 of serial bonds and \$3,025,000 of term bonds. The serial bonds accrue interest at rates ranging from 3.35% to 5.00%. Principal payments are due each August 15 in amounts ranging from \$100,000 to \$160,000, with the final principal payment on August 15, 2009. The term bonds accrue interest at a rate of 5.375% maturing on August 15, 2022. The term bonds are subject to mandatory redemption from sinking account payments prior to their maturity in principal amounts ranging from \$165,000 to \$315,000, as outlined in the bond indenture. The outstanding balance at June 30, 2013 was \$2,500,000.

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 \$195,000. At June 30, 2013 the actual reserve amount was \$332,359.

Tax Allocation Bonds, Series 2004A

In July 2004, the City of Indio Redevelopment Agency issued \$9,760,000 Tax Allocation Bonds Series 2004A. The proceeds were used to finance redevelopment activities of the Agency and to advance refund Tax Increment Revenue Refunding Bonds 1997 Series C.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(27) Successor Agency (Continued)

Tax Allocation Bonds, Series 2004A (Continued)

The 2004A bonds consist of \$500,000 of serial bonds and \$9,260,000 of term bonds. The serial bonds accrue interest at rates between 4.125% and 5.00% and the principal amounts mature between August 15, 2005 and August 15, 2009 in amounts ranging from \$95,000 to \$110,000. Term bonds of \$645,000 accrue interest at 5.60% and mature on August 15, 2014, and bonds of \$8,615,000 accrue interest at 6.30% and mature on August 15, 2033.

The Series 2004A term bonds maturing in the years 2014 and 2033 are subject to mandatory sinking account redemption on each August 15, commencing on August 15, 2010 and August 15, 2015, respectively, at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

Per the terms of the bond indenture, the Series 2004A are required to maintain a reserve in the amount of 10% of the original proceeds, 125% of the average annual debt service for that every subsequent bond year, or 10% of the issue price of the bonds held in the Special Escrow Fund. At June 30, 2013, the reserve was fully funded and the outstanding balance of the Series 2004A was \$8,895,000.

Tax Allocation Bonds, Series 2008A and B

In April 2008, the City of Indio Redevelopment Agency issued \$60,600,000 Tax Allocation Bonds Series 2008A and \$6,640,000 Subordinate Tax Allocation Bonds Series 2008B. The proceeds were used to finance redevelopment activities of the Agency and to advance refund the outstanding Tax Increment Revenue Refunding Bonds, 1997 Series B, and Tax Allocation Bonds, 2004 Series B.

The 2008A bonds consist of \$35,655,000 of serial bonds and \$24,945,000 of term bonds. The serial bonds accrue interest at rates between 4.00% and 5.25% and the principal amounts mature between August 15, 2009 and August 15, 2028 in amounts ranging from \$770,000 to \$2,925,000. Term bonds of \$9,685,000 accrue interest at 5.250% and mature on August 15, 2031, bonds of \$7,630,000 accrue interest at 5.625% and mature on August 15, 2035, and bonds of \$7,630,000 accrue interest at 5.250% and mature on August 15, 2035.

The 2008B bonds consist of \$6,640,000 of term bonds. Term bonds of \$3,140,000 accrue interest at 5.500% and mature on August 15, 2013, and term bonds of \$3,500,000 accrue interest at 6.750% and mature on August 15, 2018.

The Series 2008A term bonds maturing in the years 2031, 2035 (accruing interest at 5.625%), and 2035 (accruing interest at 5.250%) are subject to mandatory sinking account redemption on each August 15, commencing on August 15, 2029, August 15, 2032, and August 15, 2032, respectively, at redemption price equal to the principal amount thereof together with accrued interest, without premium.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(27) Successor Agency (Continued)

Tax Allocation Bonds, Series 2008A and B (Continued)

The Series 2008B term bonds maturing in the years 2013 and 2018 are subject to mandatory sinking account redemption on each August 15, commencing on August 15, 2009 at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

Reserve requirements for the Series 2008A and Series 2008B bonds are disclosed in the bond documents. At June 30, 2013, the reserves were fully funded and the outstanding balance of the Series 2008A and Series 2008B bonds were \$57,345,000 and \$4,195,000, respectively.

A portion of the net proceeds of the Series 2008A bonds totaling \$25,993,323, plus an additional \$286,179 and \$1,531,077 of the Tax Increment Revenue Refunding Bonds, 1997 Series B, and Tax Allocation Bonds, 2004 Series B, respectively, sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Tax Increment Revenue Refunding Bonds, 1997 Series B, and Tax Allocation Bonds, 2004 Series B. As a result, these bonds are considered defeased and the liability for those bonds have been removed from the financial statements.

Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,975,000	\$ 3,914,034	\$ 5,889,034
2015	2,065,000	3,812,381	5,877,381
2016	2,160,000	3,702,436	5,862,436
2017	2,270,000	3,580,643	5,850,643
2018	2,390,000	3,446,565	5,836,565
2019-2023	13,310,000	15,139,631	28,449,631
2024-2028	15,380,000	11,502,656	26,882,656
2029-2033	21,080,000	6,591,590	27,671,590
2034-2037	12,850,000	1,005,818	13,855,818
	<u>\$ 73,480,000</u>	<u>\$ 52,695,754</u>	<u>\$ 126,175,754</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2013

(28) Prior Period Adjustments

The accompanying financial statements include adjustments that resulted in the restatements of beginning net position. The following summarizes the effect of the prior period adjustments to beginning net position as of July 1, 2012:

	<u>Government-wide Statement</u>
Net position - beginning of fiscal year	\$ 447,022,783
To adjust long term liabilities for PERS side fund	(4,304,256)
Net position - beginning of fiscal year, restated	<u>\$ 442,718,527</u>

(29) Subsequent Events

Management of the City has evaluated subsequent events through December 27, 2013, the date these financial statements were available to be issued, and has determined there were no material events requiring disclosure.



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF INDIO
General Fund
Schedule of Revenues - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with	Prior Year
	Original	Final		Final Budget	
				Positive (Negative)	Actual
Taxes:					
Property taxes	\$ 5,025,000	\$ 5,900,000	\$ 6,677,046	\$ 777,046	\$ 5,457,718
Document transfer tax	300,000	300,000	344,121	44,121	262,129
Sales tax	6,125,000	6,185,000	6,371,904	186,904	5,610,186
In-lieu sales tax	1,850,000	2,005,293	2,005,293		1,722,582
Utility taxes	8,480,040	8,480,040	8,399,029	(81,011)	8,357,176
Franchise taxes	2,210,084	2,110,084	2,090,285	(19,799)	2,193,645
Transient occupancy tax	2,500,000	3,200,000	2,820,398	(379,602)	2,546,743
Total taxes	26,490,124	28,180,417	28,708,076	527,659	26,150,179
Licenses and permits:					
Business licenses	700,000	640,000	676,524	36,524	597,041
Building permits	511,000	711,000	947,544	236,544	579,454
Other licenses and permits	193,050	213,050	402,643	189,593	204,406
Total licenses and permits	1,404,050	1,564,050	2,026,711	462,661	1,380,901
Intergovernmental:					
Motor vehicle license fees	6,491,000	6,696,452	6,739,345	42,893	6,790,529
Grants	81,717	144,063	118,451	(25,612)	96,147
Total intergovernmental	6,572,717	6,840,515	6,857,796	17,281	6,886,676
Charges for services:					
Plan checks and inspections	362,500	732,500	1,088,663	356,163	639,743
Facility rentals	1,657,719	1,657,719	1,710,485	52,766	3,638,454
Fire and ambulance	1,240,000	1,040,000	1,233,092	193,092	1,245,021
Police	280,000	215,000	138,363	(76,637)	232,452
Other	724,275	4,974,673	4,164,802	(809,871)	2,864,980
Total charges for services	4,264,494	8,619,892	8,335,405	(284,487)	8,620,650
Fines:					
Vehicle fines	350,000	265,000	282,181	17,181	330,184
Parking fines	110,000	110,000	79,874	(30,126)	111,217
Other fines	464,000	664,000	755,919	91,919	587,420
Total fines	924,000	1,039,000	1,117,974	78,974	1,028,821
Investment income			35,350	35,350	1,502
Miscellaneous:					
Other	3,585,750	2,100,964	1,362,014	(738,950)	1,120,099
Total miscellaneous	3,585,750	2,100,964	1,362,014	(738,950)	1,120,099
Total revenues	\$ 43,241,135	\$ 48,344,838	\$ 48,443,326	\$ 98,488	\$ 45,188,828

See Notes to Required Supplementary Information

CITY OF INDIO
General Fund
Schedule of Expenditures - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Budget		Actual	Variance with	Prior Year Actual
	Original	Final		Final Budget Positive (Negative)	
General Government:					
City council	\$ 244,458	\$ 283,958	\$ 269,867	\$ 14,091	\$ 289,256
City attorney	705,329	1,023,487	972,099	51,388	1,062,947
City manager	512,495	512,495	490,826	21,669	364,695
Human resources	508,939	608,939	491,947	116,992	515,599
City clerk	252,331	252,331	244,375	7,956	297,910
Finance	1,157,064	1,248,764	1,248,675	89	1,249,944
Total general government	<u>3,380,616</u>	<u>3,929,974</u>	<u>3,717,789</u>	<u>212,185</u>	<u>3,780,351</u>
Public Safety:					
Police administration	1,175,150	1,164,690	1,082,110	82,580	1,279,431
Police field services	7,564,277	7,460,777	7,460,735	42	8,249,596
Police investigations	5,193,317	5,914,612	5,838,389	76,223	5,570,179
Police traffic safety	784,527	784,527	694,247	90,280	886,813
Police support services	2,802,395	3,053,895	3,060,392	(6,497)	2,797,447
Fire and ambulance service	10,851,347	10,678,893	10,504,724	174,169	10,407,327
Animal control	1,107,114	1,156,114	1,155,614	500	998,420
Code enforcement	1,166,750	1,250,965	1,245,445	5,520	1,225,590
Total public safety	<u>30,644,877</u>	<u>31,464,473</u>	<u>31,041,656</u>	<u>422,817</u>	<u>31,414,803</u>
Public works:					
Street maintenance	2,072,516	2,085,816	2,105,712	(19,896)	5,179,286
Engineering	982,316	1,046,316	1,047,266	(950)	1,037,739
Parks and parkways	1,490,630	1,255,385	1,225,215	30,170	1,222,339
Total public works	<u>4,545,462</u>	<u>4,387,517</u>	<u>4,378,193</u>	<u>9,324</u>	<u>7,439,364</u>
Community development:					
Promotion and publicity	249,398	292,798	292,773	25	266,808
Building safety	1,054,874	1,054,874	1,017,089	37,785	948,881
Economic development	960,750	960,750	857,985	102,765	800,421
Planning	659,659	659,659	640,804	18,855	834,512
Total community development	<u>2,924,681</u>	<u>2,968,081</u>	<u>2,808,651</u>	<u>159,430</u>	<u>2,850,622</u>
Human services:					
Special events	402,248	402,248	386,012	16,236	394,411
Youth services	515,686	515,686	500,041	15,645	570,187
Human services	144,671	146,571	146,499	72	195,064
Senior services	519,831	519,831	512,471	7,360	556,227
Total human services	<u>1,582,436</u>	<u>1,584,336</u>	<u>1,545,023</u>	<u>39,313</u>	<u>1,715,889</u>
Other					
	<u>156,519</u>	<u>306,519</u>	<u>323,011</u>	<u>(16,492)</u>	<u>69,741</u>
Debt service:					
Principal	263,618	263,618	263,618		251,904
Interest and other charges	98,750	98,750	98,750		110,463
Total debt service	<u>362,368</u>	<u>362,368</u>	<u>362,368</u>		<u>362,367</u>
Total expenditures	<u>\$ 43,596,959</u>	<u>\$ 45,003,268</u>	<u>\$ 44,176,691</u>	<u>\$ 826,577</u>	<u>\$ 47,633,137</u>

See Notes to Required Supplementary Information

CITY OF INDIO

Notes to Required Supplementary Information

June 30, 2013

(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.

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.

City of Indio
Required Supplementary Information
June 30, 2013

Schedule of Funding Progress - Other Post-employment Benefits (Retiree Health)

Actuarial Valuation Date	Entry Age Normal Cost Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Payroll ((b-a)/c)
7/1/2008	\$ 28,176,358	\$ -	\$ 28,176,358	0%	\$ 14,311,605	197%
7/1/2010	36,509,155	-	36,509,155	0%	15,233,624	240%
7/1/2012	46,336,672	-	46,336,672	0%	15,804,940	293%

City of Indio
Required Supplementary Information
June 30, 2013

Schedule of Funding Progress - California Public Employees Retirement System
Miscellaneous Plan

Actuarial Valuation Date	Entry Age Normal Cost Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/2008	\$ 41,066,850	\$ 35,393,329	\$ 5,673,521	86.2%	\$ 14,069,843	40.3%
6/30/2009	49,569,875	39,210,233	10,359,642	79.1%	15,342,922	67.5%
6/30/2010	55,418,570	43,741,473	11,677,097	78.9%	12,665,052	92.2%

Information is based on the most recent actuarial valuation.



SUPPLEMENTARY SCHEDULES



CITY OF INDIO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013
With Comparative Totals for June 30, 2012

	Special Revenue Funds	Debt Service Fund	Totals	
			2013	2012
<u>Assets</u>				
Cash and investments	\$ 8,269,724	\$ 171,390	\$ 8,441,114	\$ 7,000,845
Cash and investments with fiscal agent	700,108	2,778,499	3,478,607	962,224
Accounts receivable	470,310		470,310	208,968
Due from other governments	1,228,482		1,228,482	987,625
Interest receivable	3,094		3,094	4,434
Notes receivable	5,395,599		5,395,599	4,601,264
Advances to private-purpose trust funds	5,496,151		5,496,151	5,496,151
Property held for resale	227,699		227,699	
Total assets	<u>\$ 21,791,167</u>	<u>\$ 2,949,889</u>	<u>\$ 24,741,056</u>	<u>\$ 19,261,511</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 936,686	\$ 171,389	\$ 1,108,075	\$ 896,292
Accrued liabilities	84,165		84,165	78,005
Due to other funds	824,840	311,325	1,136,165	1,333,043
Unearned revenue	2,774,674		2,774,674	1,559,748
Retentions payable	54,819		54,819	135,671
Total liabilities	<u>4,675,184</u>	<u>482,714</u>	<u>5,157,898</u>	<u>4,002,759</u>
Fund balances:				
Restricted	16,450,601	2,467,175	18,917,776	16,681,318
Unassigned	665,382		665,382	(1,422,566)
Total fund balances	<u>17,115,983</u>	<u>2,467,175</u>	<u>19,583,158</u>	<u>15,258,752</u>
Total liabilities and fund balances	<u>\$ 21,791,167</u>	<u>\$ 2,949,889</u>	<u>\$ 24,741,056</u>	<u>\$ 19,261,511</u>

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Special Revenue Funds	Debt Service Fund	Totals	
			2013	2012
Revenues:				
Taxes	\$ 3,853,704	\$ -	\$ 3,853,704	\$ 5,081,811
Special assessments	3,865,959		3,865,959	3,950,287
Intergovernmental	7,862,681		7,862,681	5,921,298
Fines	96,728		96,728	169,661
Investment income	3,943,327	250	3,943,577	176,167
Miscellaneous	1,109,166		1,109,166	71,710
Total revenues	20,731,565	250	20,731,815	15,370,934
Expenditures:				
Current:				
General government	485,878		485,878	219,782
Public safety	1,561,589		1,561,589	1,460,196
Public works	7,841,228		7,841,228	4,368,054
Community development	4,922,113		4,922,113	4,624,711
Debt service:				
Principal	902,231	369,773	1,272,004	2,003,098
Interest and other charges	450,093	2,131,401	2,581,494	2,520,292
Bond issuance costs		381,214	381,214	
Total expenditures	16,163,132	2,882,388	19,045,520	15,196,133
Excess (deficiency) of revenues over (under) expenditures	4,568,433	(2,882,138)	1,686,295	174,801
Other financing sources (uses):				
Payment to bond escrow agent		(21,335,000)	(21,335,000)	
Interfund transfers in	161,461	2,184,199	2,345,660	2,533,339
Interfund transfers out	(2,872,549)		(2,872,549)	(3,175,754)
Issuance of debt		24,500,000	24,500,000	
Total other financing sources (uses)	(2,711,088)	5,349,199	2,638,111	(642,415)
Net change in fund balances before special and extraordinary item	1,857,345	2,467,061	4,324,406	(467,614)
Special Item				
Gain on transfer of assets and liabilities to Indio Housing Authority				8,852,164
Extraordinary Item				
Loss on transfer of assets and liabilities to RDA successor trust funds				(13,006,407)
Net change in fund balances	1,857,345	2,467,061	4,324,406	(4,621,857)
Fund balances at beginning of fiscal year	15,258,638	114	15,258,752	19,880,609
Fund balances at end of fiscal year	\$ 17,115,983	\$ 2,467,175	\$ 19,583,158	\$ 15,258,752

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.

Traffic Safety Fund - To account for the revenue and expenditures relating to the enforcement of, education for, and prosecution of a suspended or revoked driving privilege, unlicensed driver and persons driving under the influence of alcohol and/or drugs.

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.

Proposition 1B Fund - To account for the revenues and expenditures of the Proposition 1B State bond money restricted to local transportation projects.

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

Homeland Security Fund - To account for funds received from the Riverside County Operational Area 2009 Homeland Security Grant Program.

Energy Efficiency & Conservation Block Grant Fund - To account for revenues and expenditures to be used to reduce fossil fuel emissions, and total energy use, improve energy efficiency and create and retain jobs.

Abandoned Vehicle Fund - To account for cost associated with the removal and disposition of abandoned vehicles from private property and the State of California's partial reimbursement of those costs.

Unclaimed Property Fund - To account for revenues and expenditures associated with property seized during police activities.

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.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

HBRRP Fund - To account for Highway Bridge Replacement and Rehabilitation (HBRRP) grant funds used to improve the condition of the City's bridges.

Indian Gaming SB 621 Fund - To account for grants to local agencies impacted by tribal gaming.

Waste Recycling AB939 Fund - To account for revenues and expenditures related to compliance with State of California Assembly Bill 939, which requires cities to divert 50% of their waste away from landfills.

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

Certified Access Specialist SB 1186 Fund - To account for revenue and expenditures for funds received related to help bring local businesses into ADA compliance and develop tools to help educate the business community in expanding ADA access.

CalGRIP Fund – To account for the California Gang Reduction, Intervention and Prevention Program of the California Emergency Management Agency.

Indio Housing Authority Fund - To account for monies received and expended for housing related activities and housing functions.

Department of Conservation Recycle Grant Fund – To account for revenues and expenditures for grant funds received to promote can, bottle, and multi-family recycling.

Public Education Government Channel Fund – To account for revenues and expenditures for public education government channel.

SMART Policing Grant Fund – To account for revenues and expenditures for grant funds received to develop effective, economical, and innovative responses to precipitous or extraordinary increases in crime, or in a type or types of crime within their jurisdictions.

COPS Hiring Recovery Fund – To account for the Federal grant to hire additional police officer positions.

Neighborhood Stabilization Project Grant 1 Fund – To account for the revenues to assist in the redevelopment of abandoned or foreclosed homes.

Neighborhood Stabilization Project Grant 2 Fund – To account for grant funds provided by the Recovery Act to address abandoned and foreclosed properties.

Neighborhood Stabilization Project Grant 3 Fund – To account for grant funds provided by the Recovery Act to address abandoned and foreclosed properties.

Lighting and Landscape Fund - To account for the revenues and expenditures restricted for the lighting and landscape maintenance program for 51 districts. Property owners are assessed their share of the cost for lighting and maintaining parkways and medians.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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

Community Development Block Grant Fund - To account for Federal funds directed toward programs that improve low-income housing, public improvements, neighborhood programs, and community development needs.

Traffic Collision Database Fund – To account for revenue and expenditures for grant funds received related to GIS mapping systems, which will provide data input and management for traffic collision reports.

Emergency, Abandoned and Recalcitrant Fund – To account for revenue and expenditures to abate emergency situations or to cleanup abandoned or recalcitrant sites that pose a threat to human health, safety, and the environment, as a result of petroleum release from an underground storage tank.

Congestion Management Air Quality Fund – To account for revenue and expenditures for funding related to projects and programs in air quality nonattainment and maintenance areas for ozone, carbon monoxide, and particular matter, which reduce transportation related emissions.

Cal Emergency Management Fund – To account for the funds to be used for the Project Safe Neighborhoods.

Donations Fund – Donations to the City of items and funds for a designated purchase.

CITY OF INDIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013
With Comparative Totals At June 30, 2012

<u>Assets</u>	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement	Proposition 1B	LLEBG
Cash and investments	\$ 311,941	\$ 132,464	\$ 132,244	\$ 159,767	\$ 73,141	\$ 28,124
Cash and investments with fiscal agent	700,108					
Accounts receivable	137,410			32		
Due from other governments			28,593			
Interest receivable	196		39	42	30	14
Notes receivable						
Advances to private-purpose trust funds						
Property held for resale						
Total assets	<u>\$ 1,149,655</u>	<u>\$ 132,464</u>	<u>\$ 160,876</u>	<u>\$ 159,841</u>	<u>\$ 73,171</u>	<u>\$ 28,138</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 236,171	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	7,112	8,024		7,950		
Due to other funds						
Deferred revenue						
Retentions payable	1,181					
Total liabilities	<u>244,464</u>	<u>8,024</u>		<u>7,950</u>		
Fund balances:						
Restricted	905,191	124,440	160,876	151,891	73,171	28,138
Unassigned						
Total fund balances (deficits)	<u>905,191</u>	<u>124,440</u>	<u>160,876</u>	<u>151,891</u>	<u>73,171</u>	<u>28,138</u>
Total liabilities and fund balances	<u>\$ 1,149,655</u>	<u>\$ 132,464</u>	<u>\$ 160,876</u>	<u>\$ 159,841</u>	<u>\$ 73,171</u>	<u>\$ 28,138</u>

Homeland Security	Energy Efficiency and Conservation	Abandoned Vehicle	Unclaimed Property	Measure A	Article 3	NPDES	Air Quality
\$ -	\$ 978	\$ 12,459	\$ 1,822	\$ 965,104	\$ -	\$ -	\$ 154,394
7,861				8,647			
7,979		3,059		257,694			24,658
				363			55
<u>\$ 15,840</u>	<u>\$ 978</u>	<u>\$ 15,518</u>	<u>\$ 1,822</u>	<u>\$ 1,231,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,107</u>
\$ -	\$ -	\$ 380	\$ -	\$ 4,736	\$ -	\$ -	\$ 14,795
64,213				10,116			
				33,750			
<u>64,213</u>		<u>380</u>		<u>48,602</u>			<u>14,795</u>
	978	15,138	1,822	1,183,206			164,312
<u>(48,373)</u>							
<u>(48,373)</u>	<u>978</u>	<u>15,138</u>	<u>1,822</u>	<u>1,183,206</u>			<u>164,312</u>
<u>\$ 15,840</u>	<u>\$ 978</u>	<u>\$ 15,518</u>	<u>\$ 1,822</u>	<u>\$ 1,231,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,107</u>

(Continued)

CITY OF INDIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013
With Comparative Totals At June 30, 2012
(Continued)

<u>Assets</u>	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Community Facilities District	Certified Access Specialist SB 1186	CalGrip
Cash and investments	\$ -	\$ 384,309	\$ 562,179	\$ 7,352	\$ 1,863	\$ -
Cash and investments with fiscal agent						
Accounts receivable	256,424		13,421			
Due from other governments			1,560	68,165		73,044
Interest receivable		67	220	63		
Notes receivable						
Advances to private-purpose trust funds						
Property held for resale						
Total assets	<u>\$ 256,424</u>	<u>\$ 384,376</u>	<u>\$ 577,380</u>	<u>\$ 75,580</u>	<u>\$ 1,863</u>	<u>\$ 73,044</u>
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 187,231	\$ 7,079	\$ 29	\$ -	\$ 263	\$ -
Accrued liabilities			3,710			3,238
Due to other funds	271,276					43,206
Deferred revenue		279,122				
Retentions payable						
Total liabilities	<u>458,507</u>	<u>286,201</u>	<u>3,739</u>	<u>-</u>	<u>263</u>	<u>46,444</u>
 Fund balances:						
Restricted		98,175	573,641	75,580	1,600	
Unassigned	(202,083)					26,600
Total fund balances (deficits)	<u>(202,083)</u>	<u>98,175</u>	<u>573,641</u>	<u>75,580</u>	<u>1,600</u>	<u>26,600</u>
Total liabilities and fund balances	<u>\$ 256,424</u>	<u>\$ 384,376</u>	<u>\$ 577,380</u>	<u>\$ 75,580</u>	<u>\$ 1,863</u>	<u>\$ 73,044</u>

Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel	Smart Policing Grant	COPS Hiring Recovery	Neighborhood Stabilization Grant 1	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
\$ 7,500	\$ 46,258	\$ 380,469	\$ -	\$ -	\$ 19,599	\$ 1,263,043	\$ -
		45,383					808
			13,604	104,206		79,330	100,300
4,626,446						334	7
5,496,151						722,753	46,400
							227,699
<u>\$ 10,130,097</u>	<u>\$ 46,258</u>	<u>\$ 425,852</u>	<u>\$ 13,604</u>	<u>\$ 104,206</u>	<u>\$ 19,599</u>	<u>\$ 2,065,460</u>	<u>\$ 375,214</u>
\$ -	\$ 10,678	\$ 11,884	\$ -	\$ -	\$ -	\$ 14,779	\$ 301
	162		1,623	13,155		13,341	6,267
			24,997	74,349			67,912
1,277,933			13,604			722,753	46,400
<u>1,277,933</u>	<u>10,840</u>	<u>11,884</u>	<u>40,224</u>	<u>87,504</u>		<u>750,873</u>	<u>120,880</u>
8,852,164	35,418	413,968					
			(26,620)	16,702	19,599	1,314,587	254,334
<u>8,852,164</u>	<u>35,418</u>	<u>413,968</u>	<u>(26,620)</u>	<u>16,702</u>	<u>19,599</u>	<u>1,314,587</u>	<u>254,334</u>
<u>\$ 10,130,097</u>	<u>\$ 46,258</u>	<u>\$ 425,852</u>	<u>\$ 13,604</u>	<u>\$ 104,206</u>	<u>\$ 19,599</u>	<u>\$ 2,065,460</u>	<u>\$ 375,214</u>

(Continued)

CITY OF INDIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013
With Comparative Totals At June 30, 2012
(Continued)

	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Traffic Collision Database	Emergency Abandoned Recalcitrant	Congestion Management Air Quality
<u>Assets</u>						
Cash and investments	\$ 3,534,422	\$ 54,853	\$ -	\$ -	\$ 8,283	\$ -
Cash and investments with fiscal agent						
Accounts receivable	64	260				
Due from other governments	31,428		434,862			
Interest receivable	1,605	43			7	
Notes receivable						
Advances to private-purpose trust funds						
Property held for resale						
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,567,519</u>	<u>\$ 55,156</u>	<u>\$ 434,862</u>	<u>\$ -</u>	<u>\$ 8,290</u>	<u>\$ -</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 48,398	\$ 8,685	\$ 381,541	\$ -	\$ 8,162	\$ -
Accrued liabilities			9,467			
Due to other funds	419		278,468			
Deferred revenue			434,862			
Retentions payable			19,888			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>48,817</u>	<u>8,685</u>	<u>1,124,226</u>	<u>-</u>	<u>8,162</u>	<u>-</u>
Fund balances:						
Restricted	3,518,702	46,471			128	
Unassigned			(689,364)			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>3,518,702</u>	<u>46,471</u>	<u>(689,364)</u>	<u>-</u>	<u>128</u>	<u>-</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 3,567,519</u>	<u>\$ 55,156</u>	<u>\$ 434,862</u>	<u>\$ -</u>	<u>\$ 8,290</u>	<u>\$ -</u>

Cal Emergency Management		Donations	Totals	
			2013	2012
\$	20,204	\$ 6,952	\$ 8,269,724	\$ 7,000,784
			700,108	962,219
			470,310	208,968
			1,228,482	987,625
	9		3,094	4,386
			5,395,599	4,601,264
			5,496,151	5,496,151
			227,699	
<u>\$</u>	<u>20,213</u>	<u>\$ 6,952</u>	<u>\$ 21,791,167</u>	<u>\$ 19,261,397</u>
\$	-	\$ 1,574	\$ 936,686	\$ 896,292
			84,165	78,005
			824,840	1,333,043
			2,774,674	1,559,748
			54,819	135,671
		1,574	4,675,184	4,002,759
	20,213	5,378	16,450,601	16,681,204
			665,382	(1,422,566)
	20,213	5,378	17,115,983	15,258,638
<u>\$</u>	<u>20,213</u>	<u>\$ 6,952</u>	<u>\$ 21,791,167</u>	<u>\$ 19,261,397</u>

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement	Proposition 1B
Revenues:					
Taxes	\$ 1,944,365	\$ -	\$ 367,941	\$ -	\$ -
Special assessments					
Intergovernmental	1,598,138			77,741	
Fines		68,510			
Investment income	34,445	1,871	631	1,263	701
Miscellaneous					
Total revenues	3,576,948	70,381	368,572	79,004	701
Expenditures:					
Current:					
General government					
Public safety		220,849	161,144	195,136	
Public works	3,189,668				
Community development					
Debt service:					
Principal	435,000				
Interest and other charges	243,942				
Total expenditures	3,868,610	220,849	161,144	195,136	
Excess (deficiency) of revenues over (under) expenditures	(291,662)	(150,468)	207,428	(116,132)	701
Other financing sources (uses):					
Interfund transfers in					
Interfund transfers out			(253,658)		
Total other financing sources (uses)			(253,658)		
Net change in fund balances before special and extraordinary item	(291,662)	(150,468)	(46,230)	(116,132)	701
Special Item					
Gain (Loss) on transfer of assets and liabilities to Indio Housing Authority from RDA Successor Trust Funds					
Extraordinary Item					
Gain (Loss) on transfer of assets and liabilities to RDA successor trust funds					
Net change in fund balances	(291,662)	(150,468)	(46,230)	(116,132)	701
Fund balances (deficits) at beginning of fiscal year	1,196,853	274,908	207,106	268,023	72,470
Fund balances (deficits) at end of fiscal year	\$ 905,191	\$ 124,440	\$ 160,876	\$ 151,891	\$ 73,171

LLEBG	Homeland Security	Energy Efficiency and Conservation	Abandoned Vehicle	Unclaimed Property	Measure A	Article 3	NPDES	Air Quality
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,541,398	\$ -	\$ -	\$ -
	16,546	67,236	32,964			188,800		94,171
612		32	47		8,260			1,206
	197,994				395,684			
612	214,540	67,268	33,011		1,945,342	188,800		95,377
						203,848		
50,291	19,070		19,071		1,021,070		90,253	65,514
		67,236						
					467,231			
					206,151			
50,291	19,070	67,236	19,071		1,694,452	203,848	90,253	65,514
(49,679)	195,470	32	13,940		250,890	(15,048)	(90,253)	29,863
						31,462	90,201	14,575
					(31,462)			
					(31,462)	31,462	90,201	14,575
(49,679)	195,470	32	13,940		219,428	16,414	(52)	44,438
(49,679)	195,470	32	13,940		219,428	16,414	(52)	44,438
77,817	(243,843)	946	1,198	1,822	963,778	(16,414)	52	119,874
\$ 28,138	\$ (48,373)	\$ 978	\$ 15,138	\$ 1,822	\$ 1,183,206	\$ -	\$ -	\$ 164,312

(Continued)

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012
(Continued)

	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Community Facilities District	Certified Access Specialist SB 1186
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments				2,627,030	
Intergovernmental	1,890,310				
Fines				914	
Investment income		199	4,764	914	
Miscellaneous			283,203	8,200	1,600
Total revenues	<u>1,890,310</u>	<u>199</u>	<u>287,967</u>	<u>2,636,144</u>	<u>1,600</u>
Expenditures:					
Current:					
General government		94,291	146,315		
Public safety				67,265	
Public works	1,975,977				
Community development					
Debt service:					
Principal					
Interest and other charges					
Total expenditures	<u>1,975,977</u>	<u>94,291</u>	<u>146,315</u>	<u>67,265</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(85,667)</u>	<u>(94,092)</u>	<u>141,652</u>	<u>2,568,879</u>	<u>1,600</u>
Other financing sources (uses):					
Interfund transfers in					
Interfund transfers out				(2,587,429)	
Total other financing sources (uses)				<u>(2,587,429)</u>	
Net change in fund balances before special and extraordinary item	<u>(85,667)</u>	<u>(94,092)</u>	<u>141,652</u>	<u>(18,550)</u>	<u>1,600</u>
Special Item					
Gain (Loss) on transfer of assets and liabilities to Indio Housing Authority from RDA Successor Trust Funds					
Extraordinary Item					
Gain (Loss) on transfer of assets and liabilities to RDA successor trust funds					
Net change in fund balances	<u>(85,667)</u>	<u>(94,092)</u>	<u>141,652</u>	<u>(18,550)</u>	<u>1,600</u>
Fund balances (deficits) at beginning of fiscal year	<u>(116,416)</u>	<u>192,267</u>	<u>431,989</u>	<u>94,130</u>	
Fund balances (deficits) at end of fiscal year	<u>\$ (202,083)</u>	<u>\$ 98,175</u>	<u>\$ 573,641</u>	<u>\$ 75,580</u>	<u>\$ 1,600</u>

CalGrip	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel	Smart Policing Grant	COPS Hiring Recovery	Neighborhood Stabilization Grant 1	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
178,326		22,171		12,182	627,272	62,780	1,099,234	681,523
		409	2,293	43			3,504,734	342,562
			177,725			27,339		
178,326		22,580	180,018	12,225	627,272	90,119	4,603,968	1,024,085
		38,667		23,526	629,329			
143,231			11,883			276	2,694,678	752,121
143,231		38,667	11,883	23,526	629,329	276	2,694,678	752,121
35,095		(16,087)	168,135	(11,301)	(2,057)	89,843	1,909,290	271,964
35,095		(16,087)	168,135	(11,301)	(2,057)	89,843	1,909,290	271,964
35,095		(16,087)	168,135	(11,301)	(2,057)	89,843	1,909,290	271,964
(8,495)	8,852,164	51,505	245,833	(15,319)	18,759	(70,244)	(594,703)	(17,630)
\$ 26,600	\$ 8,852,164	\$ 35,418	\$ 413,968	\$ (26,620)	\$ 16,702	\$ 19,599	\$ 1,314,587	\$ 254,334

(Continued)

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012
(Continued)

	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Traffic Collision Database	Emergency Abandoned and Recalcitrant
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	1,238,929				
Intergovernmental			829,484	7,000	51,648
Fines		28,218			
Investment income	36,437	1,445		88	83
Miscellaneous	11,641				
Total revenues	1,287,007	29,663	829,484	7,088	51,731
Expenditures:					
Current:					
General government					
Public safety		123,151		1,109	51,648
Public works	1,234,445				
Community development			1,252,688		
Debt service:					
Principal					
Interest and other charges					
Total expenditures	1,234,445	123,151	1,252,688	1,109	51,648
Excess (deficiency) of revenues over (under) expenditures	52,562	(93,488)	(423,204)	5,979	83
Other financing sources (uses):					
Interfund transfers in					
Interfund transfers out					
Total other financing sources (uses)					
Net change in fund balances before special and extraordinary item	52,562	(93,488)	(423,204)	5,979	83
Special Item					
Gain (Loss) on transfer of assets and liabilities to Indio Housing Authority from RDA Successor Trust Funds					
Extraordinary Item					
Gain (Loss) on transfer of assets and liabilities to RDA successor trust funds					
Net change in fund balances	52,562	(93,488)	(423,204)	5,979	83
Fund balances (deficits) at beginning of fiscal year	3,466,140	139,959	(266,160)	(5,979)	45
Fund balances (deficits) at end of fiscal year	\$ 3,518,702	\$ 46,471	\$ (689,364)	\$ -	\$ 128

Congestion Management Air Quality	Cal Emergency Management	Donations	Totals	
			2013	2012
\$ -	\$ -	\$ -	\$ 3,853,704	\$ 5,081,811
325,155	-		3,865,959	3,950,287
			7,862,681	5,921,298
			96,728	169,661
45	194	49	3,943,327	174,109
		5,780	1,109,166	71,710
<u>325,200</u>	<u>194</u>	<u>5,829</u>	<u>20,731,565</u>	<u>15,368,876</u>
		2,757	485,878	219,782
			1,561,589	1,460,196
264,301			7,841,228	4,368,054
			4,922,113	4,624,711
			902,231	1,102,164
			450,093	430,449
<u>264,301</u>	<u></u>	<u>2,757</u>	<u>16,163,132</u>	<u>12,205,356</u>
<u>60,899</u>	<u>194</u>	<u>3,072</u>	<u>4,568,433</u>	<u>3,163,520</u>
25,223			161,461	47,080
			(2,872,549)	(3,115,294)
<u>25,223</u>	<u></u>	<u></u>	<u>(2,711,088)</u>	<u>(3,068,214)</u>
86,122	194	3,072	1,857,345	95,306
				8,852,164
				(13,006,407)
86,122	194	3,072	1,857,345	(4,058,937)
<u>(86,122)</u>	<u>20,019</u>	<u>2,306</u>	<u>15,258,638</u>	<u>19,317,575</u>
<u>\$ -</u>	<u>\$ 20,213</u>	<u>\$ 5,378</u>	<u>\$ 17,115,983</u>	<u>\$ 15,258,638</u>

CITY OF INDIO
Gas Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Taxes	\$ 2,175,936	\$ 1,944,365	\$ (231,571)	\$ 2,313,435
Intergovernmental	332,000	1,598,138	1,266,138	45,809
Investment income	25,000	34,445	9,445	36,686
Total revenues	<u>2,532,936</u>	<u>3,576,948</u>	<u>1,044,012</u>	<u>2,395,930</u>
Expenditures:				
Current:				
Public works	3,501,381	3,189,668	311,713	2,154,361
Debt service:				
Principal	435,000	435,000		420,000
Interest and other charges	242,573	243,942	(1,369)	262,005
Total expenditures	<u>4,178,954</u>	<u>3,868,610</u>	<u>310,344</u>	<u>2,836,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,646,018)</u>	<u>(291,662)</u>	<u>1,354,356</u>	<u>(440,436)</u>
Other financing sources (uses):				
Interfund transfers in				2,480
Total other financing sources (uses)				<u>2,480</u>
Net change in fund balance	(1,646,018)	(291,662)	1,354,356	(437,956)
Fund balance at beginning of fiscal year	1,196,853	1,196,853		1,634,809
Fund balance at end of fiscal year	<u>\$ (449,165)</u>	<u>\$ 905,191</u>	<u>\$ 1,354,356</u>	<u>\$ 1,196,853</u>

CITY OF INDIO
Traffic Safety Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Fines	\$ 100,000	\$ 68,510	\$ (31,490)	\$ 95,210
Investment income		1,871	1,871	499
Total revenues	100,000	70,381	(29,619)	95,709
Expenditures:				
Current:				
Public safety	210,736	220,849	(10,113)	18,355
Total expenditures	210,736	220,849	(10,113)	18,355
Excess (deficiency) of revenues over (under) expenditures	(110,736)	(150,468)	(39,732)	77,354
Fund balance at beginning of fiscal year	274,908	274,908		197,554
Fund balance at end of fiscal year	<u>\$ 164,172</u>	<u>\$ 124,440</u>	<u>\$ (39,732)</u>	<u>\$ 274,908</u>

CITY OF INDIO
Public Safety Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Taxes	\$ 325,000	\$ 367,941	\$ 42,941	\$ 333,986
Investment income		631	631	715
Total revenues	325,000	368,572	43,572	334,701
Expenditures:				
Current:				
Public safety	150,539	161,144	(10,605)	5,821
Total expenditures	150,539	161,144	(10,605)	5,821
Excess (deficiency) of revenues over (under) expenditures	174,461	207,428	32,967	328,880
Other financing sources (uses):				
Interfund transfers out	(253,658)	(253,658)		(253,658)
Total other financing sources (uses)	(253,658)	(253,658)		(253,658)
Net change in fund balances	(79,197)	(46,230)	32,967	75,222
Fund balance at beginning of fiscal year	207,106	207,106		131,884
Fund balance at end of fiscal year	\$ 127,909	\$ 160,876	\$ 32,967	\$ 207,106

CITY OF INDIO
Supplemental Law Enforcement Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 140,000	\$ 77,741	\$ (62,259)	\$ 181,176
Investment income		1,263	1,263	671
Total revenues	140,000	79,004	(60,996)	181,847
Expenditures:				
Current:				
Public safety	228,449	195,136	33,313	42,273
Total expenditures	228,449	195,136	33,313	42,273
Excess (deficiency) of revenues over (under) expenditures	(88,449)	(116,132)	(27,683)	139,574
Fund balance at beginning of fiscal year	268,023	268,023		128,449
Fund balance at end of fiscal year	<u>\$ 179,574</u>	<u>\$ 151,891</u>	<u>\$ (27,683)</u>	<u>\$ 268,023</u>

CITY OF INDIO
Proposition 1B Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Investment income	\$ -	\$ 701	\$ 701	\$ 426
Total revenues	<u>701</u>	<u>701</u>	<u>701</u>	<u>426</u>
Expenditures:				
Current:				
Public works	<u>73,000</u>		<u>73,000</u>	
Total expenditures	<u>73,000</u>		<u>73,000</u>	
Excess (deficiency) of revenues over (under) expenditures	(73,000)	701	73,701	426
Fund balance at beginning of fiscal year	<u>72,470</u>	<u>72,470</u>		<u>72,044</u>
Fund balance at end of fiscal year	<u><u>\$ (530)</u></u>	<u><u>\$ 73,171</u></u>	<u><u>\$ 73,701</u></u>	<u><u>\$ 72,470</u></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
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 35,328
Investment income		612	612	480
Total revenues		612	612	35,808
Expenditures:				
Current:				
Public safety	49,247	50,291	(1,044)	49,131
Total expenditures	49,247	50,291	(1,044)	49,131
Excess (deficiency) of revenues over (under) expenditures	(49,247)	(49,679)	(432)	(13,323)
Fund balance at beginning of fiscal year	77,817	77,817		91,140
Fund balance at end of fiscal year	<u>\$ 28,570</u>	<u>\$ 28,138</u>	<u>\$ (432)</u>	<u>\$ 77,817</u>

CITY OF INDIO
Homeland Security Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 33,503	\$ 16,546	\$ (16,957)	\$ 247,102
Miscellaneous		197,994	197,994	
Total revenues	<u>33,503</u>	<u>214,540</u>	<u>181,037</u>	<u>247,102</u>
Expenditures:				
Current:				
Public safety	<u>33,503</u>	<u>19,070</u>	<u>14,433</u>	<u>529,638</u>
Total expenditures	<u>33,503</u>	<u>19,070</u>	<u>14,433</u>	<u>529,638</u>
Excess (deficiency) of revenues over (under) expenditures		195,470	195,470	(282,536)
Fund balance (deficit) at beginning of fiscal year	<u>(243,843)</u>	<u>(243,843)</u>		<u>38,693</u>
Fund balance (deficit) at end of fiscal year	<u>\$ (243,843)</u>	<u>\$ (48,373)</u>	<u>\$ 195,470</u>	<u>\$ (243,843)</u>

CITY OF INDIO
Abandoned Vehicle Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 50,000	\$ 32,964	\$ (17,036)	\$ 7,619
Investment income		47	47	
Total revenues	<u>50,000</u>	<u>33,011</u>	<u>(16,989)</u>	<u>7,619</u>
Expenditures:				
Current:				
Public safety	<u>50,000</u>	<u>19,071</u>	<u>30,929</u>	
Total expenditures	<u>50,000</u>	<u>19,071</u>	<u>30,929</u>	
Excess of revenues over expenditures		13,940	13,940	7,619
Fund balance (deficit) at beginning of fiscal year	<u>1,198</u>	<u>1,198</u>		<u>(6,421)</u>
Fund balance at end of fiscal year	<u><u>\$ 1,198</u></u>	<u><u>\$ 15,138</u></u>	<u><u>\$ 13,940</u></u>	<u><u>\$ 1,198</u></u>

CITY OF INDIO
 Unclaimed Property Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ 9
Total revenues				9
Expenditures:				
Current:				
Public safety				
Total expenditures				
Excess of revenues over expenditures				9
Fund balance at beginning of fiscal year	1,822	1,822		1,813
Fund balance at end of fiscal year	\$ 1,822	\$ 1,822	\$ -	\$ 1,822

CITY OF INDIO
Measure A Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Taxes	\$ 1,247,000	\$ 1,541,398	\$ 294,398	\$ 1,357,210
Investment income	5,000	8,260	3,260	2,767
Miscellaneous		395,684	395,684	47,200
Total revenues	<u>1,252,000</u>	<u>1,945,342</u>	<u>693,342</u>	<u>1,407,177</u>
Expenditures:				
Current:				
Public works	1,308,676	1,021,070	287,606	138,387
Debt service:				
Principal	672,382	467,231	205,151	682,164
Interest and other charges		206,151	(206,151)	168,444
Total expenditures	<u>1,981,058</u>	<u>1,694,452</u>	<u>286,606</u>	<u>988,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(729,058)</u>	<u>250,890</u>	<u>979,948</u>	<u>418,182</u>
Other financing sources (uses):				
Interfund transfers out	<u>(16,414)</u>	<u>(31,462)</u>	<u>(15,048)</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>(16,414)</u>	<u>(31,462)</u>	<u>(15,048)</u>	<u>(150,000)</u>
Net change in fund balance	<u>(745,472)</u>	<u>219,428</u>	<u>964,900</u>	<u>268,182</u>
Fund balance at beginning of fiscal year	<u>963,778</u>	<u>963,778</u>		<u>695,596</u>
Fund balance at end of fiscal year	<u>\$ 218,306</u>	<u>\$ 1,183,206</u>	<u>\$ 964,900</u>	<u>\$ 963,778</u>

CITY OF INDIO
Article 3 Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 188,800	\$ 188,800	\$ -	\$ -
Total revenues	<u>188,800</u>	<u>188,800</u>		
Expenditures:				
Current:				
General government	203,848	203,848		16,240
Total expenditures	<u>203,848</u>	<u>203,848</u>		<u>16,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,048)</u>	<u>(15,048)</u>		<u>(16,240)</u>
Other financing sources (uses):				
Interfund transfers in	16,414	31,462	15,048	
Total other financing sources (uses)	<u>16,414</u>	<u>31,462</u>	<u>15,048</u>	
Net change in fund balance	1,366	16,414	15,048	(16,240)
Fund balance (deficit) at beginning of fiscal year	<u>(16,414)</u>	<u>(16,414)</u>		<u>(174)</u>
Fund balance (deficit) at end of fiscal year	<u>\$ (15,048)</u>	<u>\$ -</u>	<u>\$ 15,048</u>	<u>\$ (16,414)</u>

CITY OF INDIO
NPDES Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ 140
Total revenues				140
Expenditures:				
Current:				
Public works	85,000	90,253	(5,253)	66,882
Total expenditures	85,000	90,253	(5,253)	66,882
Excess (deficiency) of revenues over (under) expenditures	(85,000)	(90,253)	(5,253)	(66,742)
Other financing sources:				
Interfund transfers in	85,000	90,201	5,201	44,600
Total other financing sources	85,000	90,201	5,201	44,600
Net change in fund balance		(52)	(52)	(22,142)
Fund balance at beginning of fiscal year	52	52		22,194
Fund balance at end of fiscal year	\$ 52	\$ -	\$ (52)	\$ 52

CITY OF INDIO
 Air Quality (AB2766) Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 96,000	\$ 94,171	\$ (1,829)	\$ 96,797
Investment income		1,206	1,206	859
Total revenues	<u>96,000</u>	<u>95,377</u>	<u>(623)</u>	<u>97,656</u>
Expenditures:				
Current:				
Public works	<u>57,600</u>	<u>65,514</u>	<u>(7,914)</u>	<u>128,505</u>
Total expenditures	<u>57,600</u>	<u>65,514</u>	<u>(7,914)</u>	<u>128,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,400</u>	<u>29,863</u>	<u>(8,537)</u>	<u>(30,849)</u>
Other financing sources (uses):				
Interfund transfers in		<u>14,575</u>	<u>14,575</u>	
Total other financing sources (uses)		<u>14,575</u>	<u>14,575</u>	
Net change in fund balance	38,400	44,438	6,038	(30,849)
Fund balance at beginning of fiscal year	<u>119,874</u>	<u>119,874</u>		<u>150,723</u>
Fund balance at end of fiscal year	<u>\$ 158,274</u>	<u>\$ 164,312</u>	<u>\$ 6,038</u>	<u>\$ 119,874</u>

CITY OF INDIO
 Department of Conservation Recycle Grant Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 22,605	\$ 22,171	\$ (434)	\$ 65,683
Investment income		409	409	300
Total revenues	<u>22,605</u>	<u>22,580</u>	<u>(25)</u>	<u>65,983</u>
Expenditures:				
Current:				
General government	<u>28,070</u>	<u>38,667</u>	<u>(10,597)</u>	<u>48,204</u>
Total expenditures	<u>28,070</u>	<u>38,667</u>	<u>(10,597)</u>	<u>48,204</u>
Excess (deficiency) of revenues over (under) expenditures	(5,465)	(16,087)	(10,622)	17,779
Fund balance at beginning of fiscal year	<u>51,505</u>	<u>51,505</u>		<u>33,726</u>
Fund balance at end of fiscal year	<u>\$ 46,040</u>	<u>\$ 35,418</u>	<u>\$ (10,622)</u>	<u>\$ 51,505</u>

CITY OF INDIO
 Lighting and Landscape Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Special assessments	\$ 1,143,989	\$ 1,238,929	\$ 94,940	\$ 1,471,883
Investment income		36,437	36,437	18,638
Miscellaneous		11,641	11,641	
Total revenues	1,143,989	1,287,007	143,018	1,490,521
Expenditures:				
Current:				
Public works	1,344,393	1,234,445	109,948	1,141,420
Total expenditures	1,344,393	1,234,445	109,948	1,141,420
Excess (deficiency) of revenues over (under) expenditures	(200,404)	52,562	252,966	349,101
Fund balance at beginning of fiscal year	3,466,140	3,466,140		3,117,039
Fund balance at end of fiscal year	<u>\$ 3,265,736</u>	<u>\$ 3,518,702</u>	<u>\$ 252,966</u>	<u>\$ 3,466,140</u>

CITY OF INDIO
 Asset Forfeiture Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Fines	\$ 25,000	\$ 28,218	\$ 3,218	\$ 74,451
Investment income		1,445	1,445	146
Total revenues	<u>25,000</u>	<u>29,663</u>	<u>4,663</u>	<u>74,597</u>
Expenditures:				
Current:				
Public safety	<u>120,000</u>	<u>123,151</u>	<u>(3,151)</u>	<u>16,636</u>
Total expenditures	<u>120,000</u>	<u>123,151</u>	<u>(3,151)</u>	<u>16,636</u>
Excess (deficiency) of revenues over (under) expenditures	(95,000)	(93,488)	1,512	57,961
Fund balance at beginning of fiscal year	<u>139,959</u>	<u>139,959</u>		<u>81,998</u>
Fund balance at end of fiscal year	<u>\$ 44,959</u>	<u>\$ 46,471</u>	<u>\$ 1,512</u>	<u>\$ 139,959</u>

CITY OF INDIO
Community Development Block Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 908,028	\$ 829,484	\$ (78,544)	\$ 1,761,402
Total revenues	<u>908,028</u>	<u>829,484</u>	<u>(78,544)</u>	<u>1,761,402</u>
Expenditures:				
Current:				
Community development	908,087	1,252,688	(344,601)	1,638,394
Total expenditures	<u>908,087</u>	<u>1,252,688</u>	<u>(344,601)</u>	<u>1,638,394</u>
Excess (deficiency) of revenues over (under) expenditures	(59)	(423,204)	(423,145)	123,008
Fund balance (deficit) at beginning of fiscal year	<u>(266,160)</u>	<u>(266,160)</u>		<u>(389,168)</u>
Fund balance (deficit) at end of fiscal year	<u><u>\$ (266,219)</u></u>	<u><u>\$ (689,364)</u></u>	<u><u>\$ (423,145)</u></u>	<u><u>\$ (266,160)</u></u>

CITY OF INDIO
 HBRRP Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 5,720,591	\$ 1,890,310	\$ (3,830,281)	\$ 24,965
Investment income				10
Total revenues	<u>5,720,591</u>	<u>1,890,310</u>	<u>(3,830,281)</u>	<u>24,975</u>
Expenditures:				
Current:				
Public works	<u>5,720,591</u>	<u>1,975,977</u>	<u>3,744,614</u>	<u>139,305</u>
Total expenditures	<u>5,720,591</u>	<u>1,975,977</u>	<u>3,744,614</u>	<u>139,305</u>
Excess (deficiency) of revenues over (under) expenditures		(85,667)	(85,667)	(114,330)
Fund balance (deficit) at beginning of fiscal year	<u>(116,416)</u>	<u>(116,416)</u>		<u>(2,086)</u>
Fund balance (deficit) at end of fiscal year	<u>\$ (116,416)</u>	<u>\$ (202,083)</u>	<u>\$ (85,667)</u>	<u>\$ (116,416)</u>

CITY OF INDIO
Indian Gaming SB 621 Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 192,267	\$ -	\$ (192,267)	\$ 192,267
Investment income		199	199	131
Total revenues	<u>192,267</u>	<u>199</u>	<u>(192,068)</u>	<u>192,398</u>
Expenditures:				
Current:				
General government	192,267	94,291	97,976	
Total expenditures	<u>192,267</u>	<u>94,291</u>	<u>97,976</u>	
Excess (deficiency) of revenues over (under) expenditures		<u>(94,092)</u>	<u>(94,092)</u>	<u>192,398</u>
Other financing sources (uses):				
Interfund transfers out				(26,500)
Total other financing sources (uses)				<u>(26,500)</u>
Net change in fund balance		(94,092)	(94,092)	165,898
Fund balance at beginning of fiscal year	<u>192,267</u>	<u>192,267</u>		<u>26,369</u>
Fund balance at end of fiscal year	<u>\$ 192,267</u>	<u>\$ 98,175</u>	<u>\$ (94,092)</u>	<u>\$ 192,267</u>

CITY OF INDIO
Waste Recycling AB939 Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 11,000	\$ -	\$ (11,000)	\$ 205,433
Investment income		4,764	4,764	
Miscellaneous	190,000	283,203	93,203	2,177
	<u>201,000</u>	<u>287,967</u>	<u>86,967</u>	<u>207,610</u>
Expenditures:				
Current:				
General government	180,366	146,315	34,051	142,833
	<u>180,366</u>	<u>146,315</u>	<u>34,051</u>	<u>142,833</u>
Excess of revenues over expenditures	20,634	141,652	121,018	64,777
Fund balance at beginning of fiscal year	431,989	431,989		367,212
Fund balance at end of fiscal year	<u>\$ 452,623</u>	<u>\$ 573,641</u>	<u>\$ 121,018</u>	<u>\$ 431,989</u>

CITY OF INDIO
Community Facilities District Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Special assessments	\$ 2,503,326	\$ 2,627,030	\$ 123,704	\$ 2,478,404
Investment income		914	914	567
Miscellaneous		8,200	8,200	
Total revenues	2,503,326	2,636,144	132,818	2,478,971
Expenditures:				
Current:				
Public safety	67,100	67,265	(165)	67,268
Total expenditures	67,100	67,265	(165)	67,268
Excess of revenues over expenditures	2,436,226	2,568,879	132,653	2,411,703
Other financing sources (uses):				
Interfund transfers out	(2,400,000)	(2,587,429)	(187,429)	(2,317,573)
Total other financing sources (uses)	(2,400,000)	(2,587,429)	(187,429)	(2,317,573)
Net change in fund balance	36,226	(18,550)	(54,776)	94,130
Fund balance at beginning of fiscal year	94,130	94,130		
Fund balance at end of fiscal year	\$ 130,356	\$ 75,580	\$ (54,776)	\$ 94,130

CITY OF INDIO
 Cal GRIP Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Fiscal Year Actual</u>
Revenues:				
Intergovernmental	\$ 139,708	\$ 178,326	\$ 38,618	\$ 211,410
Total revenues	<u>139,708</u>	<u>178,326</u>	<u>38,618</u>	<u>211,410</u>
Expenditures:				
Current:				
Community development	136,776	143,231	(6,455)	227,312
Total expenditures	<u>136,776</u>	<u>143,231</u>	<u>(6,455)</u>	<u>227,312</u>
Excess (deficiency) of revenues over (under) expenditures	2,932	35,095	32,163	(15,902)
Fund balance (deficit) at beginning of fiscal year	<u>(8,495)</u>	<u>(8,495)</u>		<u>7,407</u>
Fund balance (deficit) at end of fiscal year	<u>\$ (5,563)</u>	<u>\$ 26,600</u>	<u>\$ 32,163</u>	<u>\$ (8,495)</u>

CITY OF INDIO
COPS Hiring Recovery Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 602,429	\$ 627,272	\$ 24,843	\$ 561,550
Total revenues	602,429	627,272	24,843	561,550
Expenditures:				
Current:				
Public safety	602,429	629,329	(26,900)	538,306
Total expenditures	602,429	629,329	(26,900)	538,306
Excess (deficiency) of revenues over (under) expenditures		(2,057)	(2,057)	23,244
Fund balance (deficit) at beginning of fiscal year	18,759	18,759		(4,485)
Fund balance (deficit) at end of fiscal year	\$ 18,759	\$ 16,702	\$ (2,057)	\$ 18,759

CITY OF INDIO
 Neighborhood Stabilization Grant 1 Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ -	\$ 62,780	\$ 62,780	\$ -
Miscellaneous	200,000	27,339	(172,661)	9,704
Total revenues	<u>200,000</u>	<u>90,119</u>	<u>(109,881)</u>	<u>9,704</u>
Expenditures:				
Current:				
Community development	46,478	276	46,202	46,471
Total expenditures	<u>46,478</u>	<u>276</u>	<u>46,202</u>	<u>46,471</u>
Excess (deficiency) of revenues over (under) expenditures	153,522	89,843	(63,679)	(36,767)
Fund balance (deficit) at beginning of fiscal year	<u>(70,244)</u>	<u>(70,244)</u>		<u>(33,477)</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 83,278</u>	<u>\$ 19,599</u>	<u>\$ (63,679)</u>	<u>\$ (70,244)</u>

CITY OF INDIO
Neighborhood Stabilization Grant 2 Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 3,000,000	\$ 1,099,234	\$ (1,900,766)	\$ 1,065,435
Investment income	1,600,000	3,504,734	1,904,734	91,700
Total revenues	<u>4,600,000</u>	<u>4,603,968</u>	<u>3,968</u>	<u>1,157,135</u>
Expenditures:				
Current:				
Community development	3,280,907	2,694,678	586,229	1,782,948
Total expenditures	<u>3,280,907</u>	<u>2,694,678</u>	<u>586,229</u>	<u>1,782,948</u>
Excess (deficiency) of revenues over (under) expenditures	1,319,093	1,909,290	590,197	(625,813)
Fund balance (deficit) at beginning of fiscal year	<u>(594,703)</u>	<u>(594,703)</u>		<u>31,110</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 724,390</u>	<u>\$ 1,314,587</u>	<u>\$ 590,197</u>	<u>\$ (594,703)</u>

CITY OF INDIO
Neighborhood Stabilization Grant 3 Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Fiscal Year Actual</u>
Revenues:				
Intergovernmental	\$ 1,544,276	\$ 681,523	\$ (862,753)	\$ 43,155
Investment income		<u>342,562</u>	<u>342,562</u>	
Total revenues	<u>1,544,276</u>	<u>1,024,085</u>	<u>(520,191)</u>	<u>43,155</u>
Expenditures:				
Current:				
Community development	<u>1,155,076</u>	<u>752,121</u>	<u>402,955</u>	<u>60,601</u>
Total expenditures	<u>1,155,076</u>	<u>752,121</u>	<u>402,955</u>	<u>60,601</u>
Excess (deficiency) of revenues over (under) expenditures	389,200	271,964	(117,236)	(17,446)
Fund balance (deficit) at beginning of fiscal year	<u>(17,630)</u>	<u>(17,630)</u>		<u>(184)</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 371,570</u>	<u>254,334</u>	<u>(117,236)</u>	<u>(17,630)</u>

CITY OF INDIO
Energy Efficiency and Conservation Block Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 29,826	\$ 67,236	\$ 37,410	\$ 328,721
Investment income		32	32	184
Total revenues	<u>29,826</u>	<u>67,268</u>	<u>37,442</u>	<u>328,905</u>
Expenditures:				
Current:				
Community development	<u>75,000</u>	<u>67,236</u>	<u>7,764</u>	<u>306,116</u>
Total expenditures	<u>75,000</u>	<u>67,236</u>	<u>7,764</u>	<u>306,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,174)</u>	<u>32</u>	<u>45,206</u>	<u>22,789</u>
Other financing sources (uses):				
Interfund transfers out				<u>(38,781)</u>
Total other financing sources (uses)				<u>(38,781)</u>
Net change in fund balance	(45,174)	32	45,206	(15,992)
Fund balance at beginning of fiscal year	<u>946</u>	<u>946</u>		<u>16,938</u>
Fund balance at end of fiscal year	<u>\$ (44,228)</u>	<u>\$ 978</u>	<u>\$ 45,206</u>	<u>\$ 946</u>

CITY OF INDIO
Public Education Government Channel Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income		2,293	2,293	495
Miscellaneous	160,000	177,725	17,725	169,012
Total revenues	160,000	180,018	20,018	169,507
Expenditures:				
Current:				
Community development	200,000	11,883	188,117	2,491
Total expenditures	200,000	11,883	188,117	2,491
Excess (deficiency) of revenues over (under) expenditures	(40,000)	168,135	208,135	167,016
Fund balance at beginning of fiscal year	245,833	245,833		78,817
Fund balance at end of fiscal year	<u>\$ 205,833</u>	<u>\$ 413,968</u>	<u>\$ 208,135</u>	<u>\$ 245,833</u>

CITY OF INDIO
 SMART Policing Grant Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 63,902	\$ 12,182	\$ (51,720)	\$ 36,133
Investment income		43	43	9
Total revenues	63,902	12,225	(51,677)	36,142
Expenditures:				
Current:				
Public safety	100,000	23,526	76,474	54,558
Total expenditures	100,000	23,526	76,474	54,558
Excess (deficiency) of revenues over (under) expenditures	(36,098)	(11,301)	24,797	(18,416)
Fund balance (deficit) at beginning of fiscal year	(15,319)	(15,319)		3,097
Fund balance (deficit) at end of fiscal year	<u>\$ (51,417)</u>	<u>\$ (26,620)</u>	<u>\$ 24,797</u>	<u>\$ (15,319)</u>

CITY OF INDIO
Traffic Collision Database Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 1,110	\$ 7,000	\$ 5,890	\$ 40,000
Investment income		88	88	
Total revenues	<u>1,110</u>	<u>7,088</u>	<u>5,978</u>	<u>40,000</u>
Expenditures:				
Current:				
Public safety	<u>1,110</u>	<u>1,109</u>	<u>1</u>	<u>45,979</u>
Total expenditures	<u>1,110</u>	<u>1,109</u>	<u>1</u>	<u>45,979</u>
Excess (deficiency) of revenues over (under) expenditures		5,979	5,979	(5,979)
Fund balance (deficit) at beginning of fiscal year	<u>(5,979)</u>	<u>(5,979)</u>		
Fund balance (deficit) at end of fiscal year	<u><u>\$ (5,979)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,979</u></u>	<u><u>\$ (5,979)</u></u>

CITY OF INDIO
Emergency, Abandoned and Recalcitrant Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 69,725	\$ 51,648	\$ (18,077)	\$ 69,656
Investment income		83	83	45
Total revenues	69,725	51,731	(17,994)	69,701
Expenditures:				
Current:				
Public safety	69,725	51,648	18,077	69,656
Total expenditures	69,725	51,648	18,077	69,656
Excess (deficiency) of revenues over (under) expenditures		83	83	45
Fund balance at beginning of fiscal year	45	45		
Fund balance at end of fiscal year	\$ 45	\$ 128	\$ 83	\$ 45

CITY OF INDIO
 Congestion Management Air Quality Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 1,195,000	\$ 325,155	\$ (869,845)	\$ 513,072
Investment income		45	45	
Total revenues	<u>1,195,000</u>	<u>325,200</u>	<u>(869,800)</u>	<u>513,072</u>
Expenditures:				
Current:				
Public works	<u>1,195,000</u>	<u>264,301</u>	<u>930,699</u>	<u>599,194</u>
Total expenditures	<u>1,195,000</u>	<u>264,301</u>	<u>930,699</u>	<u>599,194</u>
Excess (deficiency) of revenues over (under) expenditures		<u>60,899</u>	<u>60,899</u>	<u>(86,122)</u>
Other financing sources (uses):				
Interfund transfers in		<u>25,223</u>	<u>25,223</u>	
Total other financing sources (uses)		<u>25,223</u>	<u>25,223</u>	
Net change in fund balance		86,122	86,122	(86,122)
Fund balance at beginning of fiscal year	<u>(86,122)</u>	<u>(86,122)</u>		
Fund balance (deficit) at end of fiscal year	<u>\$ (86,122)</u>	<u>\$ -</u>	<u>\$ 86,122</u>	<u>\$ (86,122)</u>

CITY OF INDIO
 Donations Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Investment income	\$ -	\$ 49	\$ 49	\$ 5
Miscellaneous	4,100	5,780	1,680	14,806
Total revenues		5,829	1,729	14,811
Expenditures:				
Current:				
General government	4,100	2,757	1,343	12,505
Total expenditures		2,757	1,343	12,505
Excess (deficiency) of revenues over (under) expenditures		3,072	3,072	2,306
Fund balance at beginning of fiscal year	2,306	2,306		
Fund balance at end of fiscal year	\$ 2,306	\$ 5,378	\$ 3,072	\$ 2,306

DEBT SERVICE FUND

Debt service fund is 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:

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

CITY OF INDIO
 General Debt Service Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Investment income	\$ -	\$ 250	\$ 250	\$ 2,058
Total revenues	<u> </u>	<u>250</u>	<u>250</u>	<u>2,058</u>
Expenditures:				
Debt service:				
Principal	27,525,541	369,773	27,155,768	900,934
Interest and other charges	1,891,979	2,131,401	(239,422)	2,089,843
Debt issuance costs	<u> </u>	<u>381,214</u>	<u>(381,214)</u>	<u> </u>
Total expenditures	<u>29,417,520</u>	<u>2,882,388</u>	<u>26,535,132</u>	<u>2,990,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,417,520)</u>	<u>(2,882,138)</u>	<u>26,535,382</u>	<u>(2,988,719)</u>
Other financing sources (uses):				
Payment to bond escrow agent		(21,335,000)	(21,335,000)	
Interfund transfers in	6,987,520	2,184,199	(4,803,321)	2,486,259
Interfund transfers out				(60,460)
Issuance of debt	<u>22,430,000</u>	<u>24,500,000</u>	<u>2,070,000</u>	<u> </u>
Total other financing sources (uses)	<u>29,417,520</u>	<u>5,349,199</u>	<u>(24,068,321)</u>	<u>2,425,799</u>
Net change in fund balance		2,467,061	2,467,061	(562,920)
Fund balance at beginning of fiscal year	<u>114</u>	<u>114</u>	<u> </u>	<u>563,034</u>
Fund balance at end of fiscal year	<u>\$ 114</u>	<u>\$ 2,467,175</u>	<u>\$ 2,467,061</u>	<u>\$ 114</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:

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 construction in various Assessment Districts established by the City of Indio.

CITY OF INDIO
 Capital Projects Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2013
 With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Intergovernmental	\$ 9,536,000	\$ 4,019,362	\$ (5,516,638)	\$ 1,238,843
Investment income		106,146	106,146	70,394
Developer fees	1,655,000	5,559,270	3,904,270	2,238,016
Total revenues	<u>11,191,000</u>	<u>9,684,778</u>	<u>(1,506,222)</u>	<u>3,547,253</u>
Expenditures:				
Current:				
Public works	16,909,178	7,881,393	9,027,785	2,668,826
Debt service:				
Principal	300,000	279,087	20,913	
Interest and other charges		9,620	(9,620)	
Total expenditures	<u>17,209,178</u>	<u>8,170,100</u>	<u>9,039,078</u>	<u>2,668,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,018,178)</u>	<u>1,514,678</u>	<u>7,532,856</u>	<u>878,427</u>
Other financing sources (uses):				
Interfund transfers in				36,301
Interfund transfers out	(380,000)	(1,373,470)	(993,470)	(1,838,854)
Total other financing sources (uses)	<u>(380,000)</u>	<u>(1,373,470)</u>	<u>(993,470)</u>	<u>(1,802,553)</u>
Net change in fund balance	(6,398,178)	141,208	6,539,386	(924,126)
Fund balance at beginning of fiscal year	<u>7,030,918</u>	<u>7,030,918</u>		<u>7,955,044</u>
Fund balance at end of fiscal year	<u>\$ 632,740</u>	<u>\$ 7,172,126</u>	<u>\$ 6,539,386</u>	<u>\$ 7,030,918</u>

CITY OF INDIO
Assessment District Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Fiscal Year Actual
Revenues:				
Investment income	\$ 2,000	\$ 3,950	\$ 1,950	\$ 6,221
Miscellaneous				2,000
Total revenues	2,000	3,950	1,950	8,221
Expenditures:				
Current:				
Public works		1,199,292	(1,199,292)	363,508
Total expenditures		1,199,292	(1,199,292)	363,508
Excess (deficiency) of revenues over (under) expenditures	2,000	(1,195,342)	(1,197,342)	(355,287)
Other financing sources (uses):				
Interfund transfers in		1	1	
Interfund transfers out				(2)
Total other financing sources (uses)		1	1	(2)
Net change in fund balance	2,000	(1,195,341)	(1,197,341)	(355,289)
Fund balance at beginning of fiscal year	2,734,901	2,734,901		3,090,190
Fund balance at end of fiscal year	\$ 2,736,901	\$ 1,539,560	\$ (1,197,341)	\$ 2,734,901

NON-MAJOR ENTERPRISE FUNDS

The enterprise funds are used to account for services for which the City charges customers. Funds included are:

Golf – To account for the operations and maintenance of the City’s municipal golf course.

Solid Waste – To account for the operations and maintenance of the City’s program to recover waste from the waste stream that the City’s contract hauler does not handle. The City has entered into a Transfer Station Joint Powers Agreement with the City of Coachella to facilitate this program.

CITY OF INDIO
Non-major Enterprise Funds
Combining Statement of Net Position
June 30, 2013
With Comparative Totals for June 30, 2012

	Golf	Solid Waste	Totals	
			2013	2012
Assets:				
Current assets:				
Cash and investments	\$ 1,800	\$ 301,366	\$ 303,166	\$ 299,297
Accounts receivable	27		27	14
Interest receivable		244	244	528
Inventory	29,190		29,190	26,756
Total current assets	31,017	301,610	332,627	326,595
Noncurrent assets:				
Capital assets:				
Land	465,959		465,959	465,959
Structures and improvements	360,349		360,349	360,349
Machinery and equipment	50,076		50,076	50,076
Less accumulated depreciation	(114,354)		(114,354)	(103,464)
Total capital assets (net of accumulated depreciation)	762,030		762,030	772,920
Total assets	793,047	301,610	1,094,657	1,099,515
Liabilities:				
Current liabilities:				
Accounts payable	10,926		10,926	12,331
Accrued liabilities	9,649		9,649	8,231
Deposits payable				
Due to other funds	385,654		385,654	231,292
Total liabilities	406,229		406,229	251,854
Net position:				
Net investment in capital assets	762,030		762,030	772,920
Unrestricted	(375,212)	301,610	(73,602)	74,741
Total net position	\$ 386,818	\$ 301,610	\$ 688,428	\$ 847,661

CITY OF INDIO
Non-major Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Golf	Solid Waste	Totals	
			2013	2012
Operating revenues:				
Charges for services	\$ 686,665	\$ -	\$ 686,665	\$ 755,353
Total operating revenues	686,665		686,665	755,353
Operating expenses:				
Personnel services	171,052		171,052	174,282
Contractual services	302,897	460	303,357	306,660
Depreciation	10,890		10,890	11,833
Repairs and maintenance	2,403		2,403	2,752
Materials and supplies	363,284		363,284	408,479
Total operating expenses	850,526	460	850,986	904,006
Operating income (loss)	(163,861)	(460)	(164,321)	(148,653)
Nonoperating revenues:				
Investment income	157	4,137	4,294	3,378
Other income	794		794	74
Total nonoperating revenues	951	4,137	5,088	3,452
Income (loss) before transfers	(162,910)	3,677	(159,233)	(145,201)
Interfund transfers in				45,000
Interfund transfers out				(164,203)
Change in net position	(162,910)	3,677	(159,233)	(264,404)
Net position at beginning of fiscal year	549,728	297,933	847,661	1,112,065
Net position at end of fiscal year	\$ 386,818	\$ 301,610	\$ 688,428	\$ 847,661

CITY OF INDIO
Non-major Enterprise Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Golf	Solid Waste	Totals	
			2013	2012
Cash flows from operating activities:				
Cash received from customers	\$ 684,218	\$ -	\$ 684,218	\$ 865,374
Cash payments to suppliers of goods and services	(668,571)	(460)	(669,031)	(1,075,342)
Cash payments to employee for services	(171,052)		(171,052)	(174,282)
Net cash provided by (used for) operating activities	(155,405)	(460)	(155,865)	(384,250)
Cash flows from non-capital and related financing activities:				
Cash received from other funds	154,362		154,362	112,088
Net cash provided by non-capital and related financing activities	154,362		154,362	112,088
Cash flows from investing activities:				
Interest received on investments	1,043	4,329	5,372	3,472
Net cash provided by investing activities	1,043	4,329	5,372	3,472
Net increase (decrease) in cash and cash equivalents		3,869	3,869	(268,690)
Cash and cash equivalents at beginning of fiscal year	1,800	297,497	299,297	567,987
Cash and cash equivalents at end of fiscal year	\$ 1,800	\$ 301,366	\$ 303,166	\$ 299,297
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (163,861)	\$ (460)	\$ (164,321)	\$ (148,653)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	10,890		10,890	11,833
(Increase) decrease in accounts receivable	(13)		(13)	109,304
(Increase) decrease in inventory	(2,434)		(2,434)	717
Increase (decrease) in accounts payable	13		13	(276,308)
Increase (decrease) in deposits payable				(81,143)
Net cash provided by (used for) operating activities	\$ (155,405)	\$ (460)	\$ (155,865)	\$ (384,250)



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:

Risk Management – This fund is used to account for activities involved in providing general liability and worker’s compensation programs, property insurance, and retiree health benefits.

Information Technology – This fund encompasses the City’s computer technology and telecommunications systems. It provides for future technology needs and assistance and provides technical training to employees to ensure equipment and software are used in the most efficient manner.

Vehicle Replacement – This fund accounts for activities involved in providing replacement of fully depreciated, damaged, or non-operational rolling stock.

Building and Grounds – This fund accounts for maintenance costs associated with City buildings and their grounds.

Fleet Maintenance – This fund accounts for the maintenance and repair of the City’s vehicles, motorcycles, and heavy equipment rolling stock.

Centralized Services – This fund accounts for the costs associated with services that can be applied to all City departments.

CITY OF INDIO
Internal Service Funds
Combining Statement of Net Position
June 30, 2013
With Comparative Totals for June 30, 2012

	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds	Fleet Maintenance
Assets:					
Current assets:					
Cash and investments	\$ 6,556,363	\$ 210,666	\$ 1,156,236	\$ -	\$ 241,673
Deposit with other agencies	51,534				
Accounts receivable	5,221	29		174	174
Interest receivable					
Prepaid items					
Total current assets	<u>6,613,118</u>	<u>210,695</u>	<u>1,156,236</u>	<u>174</u>	<u>241,847</u>
Noncurrent assets:					
Capital assets:					
Machinery and equipment		6,744,029			
Vehicles			9,978,892		
Less accumulated depreciation		<u>(4,927,096)</u>	<u>(8,026,426)</u>		
Total capital assets (net of accumulated depreciation)		<u>1,816,933</u>	<u>1,952,466</u>		
Total assets	<u>6,613,118</u>	<u>2,027,628</u>	<u>3,108,702</u>	<u>174</u>	<u>241,847</u>
Liabilities:					
Current liabilities:					
Accounts payable	9,829	38,694		59,261	101,079
Accrued payroll	16,755	17,535		10,622	21,186
Due to other funds				260,036	
Noncurrent liabilities:					
Claims payable	<u>6,905,093</u>				
Total liabilities	<u>6,931,677</u>	<u>56,229</u>		<u>329,919</u>	<u>122,265</u>
Net position (deficit):					
Net investment in capital assets		1,816,933	1,952,466		
Unrestricted	<u>(318,559)</u>	<u>154,466</u>	<u>1,156,236</u>	<u>(329,745)</u>	<u>119,582</u>
Total net position (deficit)	<u>\$ (318,559)</u>	<u>\$ 1,971,399</u>	<u>\$ 3,108,702</u>	<u>\$ (329,745)</u>	<u>\$ 119,582</u>

Centralized Services	Totals	
	2013	2012
\$ 263,381	\$ 8,428,319	\$ 6,614,075
	51,534	51,636
224	5,822	14,848
		3,371
1,079	1,079	1,076
<u>264,684</u>	<u>8,486,754</u>	<u>6,685,006</u>
	6,744,029	6,727,714
	9,978,892	9,654,785
	(12,953,522)	(11,898,301)
	<u>3,769,399</u>	<u>4,484,198</u>
<u>264,684</u>	<u>12,256,153</u>	<u>11,169,204</u>
12,445	221,308	230,769
	66,098	58,113
	260,036	345,548
	<u>6,905,093</u>	<u>6,131,827</u>
<u>12,445</u>	<u>7,452,535</u>	<u>6,766,257</u>
	3,769,399	4,484,198
252,239	1,034,219	(81,251)
<u>\$ 252,239</u>	<u>\$ 4,803,618</u>	<u>\$ 4,402,947</u>

CITY OF INDIO
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds
Operating revenues:				
Charges for services	\$ 5,801,658	\$ 721,362	\$ -	\$ 1,685,928
Total operating revenues	<u>5,801,658</u>	<u>721,362</u>	<u>-</u>	<u>1,685,928</u>
Operating expenses:				
Personnel services	4,509,607	314,445		228,387
Contractual services		250,034		104,839
Depreciation		393,002	662,219	
Repairs and maintenance		180,791		355,336
Materials and supplies	4,817	247,726		937,627
Claims and judgments	773,368			
Total operating expenses	<u>5,287,792</u>	<u>1,385,998</u>	<u>662,219</u>	<u>1,626,189</u>
Operating income (loss)	<u>513,866</u>	<u>(664,636)</u>	<u>(662,219)</u>	<u>59,739</u>
Nonoperating revenues:				
Investment income	22,347	2,767	6,125	
Other income	157,339	174	9,664	1,540
Total nonoperating revenues	<u>179,686</u>	<u>2,941</u>	<u>15,789</u>	<u>1,540</u>
Income (loss) before transfers and capital contributions	693,552	(661,695)	(646,430)	61,279
Transfers in	500,000		480,000	
Cash contributions			233,000	
Change in net position	1,193,552	(661,695)	66,570	61,279
Net position (deficit) at beginning of fiscal year	<u>(1,512,111)</u>	<u>2,633,094</u>	<u>3,042,132</u>	<u>(391,024)</u>
Net position (deficit) at end of fiscal year	<u>\$ (318,559)</u>	<u>\$ 1,971,399</u>	<u>\$ 3,108,702</u>	<u>\$ (329,745)</u>

Fleet Maintenance	Centralized Services	Totals	
		2013	2012
\$ 1,674,372	\$ 93,636	\$ 9,976,956	\$ 9,739,169
<u>1,674,372</u>	<u>93,636</u>	<u>9,976,956</u>	<u>9,739,169</u>
445,634		5,498,073	5,180,611
117,048	117,910	589,831	685,853
		1,055,221	1,247,978
16,278		552,405	220,265
1,232,794	107,781	2,530,745	2,543,162
		773,368	389,062
<u>1,811,754</u>	<u>225,691</u>	<u>10,999,643</u>	<u>10,266,931</u>
<u>(137,382)</u>	<u>(132,055)</u>	<u>(1,022,687)</u>	<u>(527,762)</u>
3,224	3,111	37,574	14,094
3,256	811	172,784	598,112
<u>6,480</u>	<u>3,922</u>	<u>210,358</u>	<u>612,206</u>
(130,902)	(128,133)	(812,329)	84,444
		980,000	
		233,000	76,814
<u>(130,902)</u>	<u>(128,133)</u>	<u>400,671</u>	<u>161,258</u>
<u>250,484</u>	<u>380,372</u>	<u>4,402,947</u>	<u>4,241,689</u>
<u>\$ 119,582</u>	<u>\$ 252,239</u>	<u>\$ 4,803,618</u>	<u>\$ 4,402,947</u>

CITY OF INDIO
Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012

	Risk Management	Information Technology	Vehicle Replacement
Cash flows from operating activities:			
Cash received from user departments	\$ 5,803,035	\$ 721,587	\$ -
Cash payments to suppliers of goods and services	(35,752)	(665,441)	
Cash payments to employees for services	(4,498,515)	(320,857)	
Net cash provided by (used for) operating activities	<u>1,268,768</u>	<u>(264,711)</u>	
Cash flows from non-capital and related financing activities:			
Miscellaneous receipts	157,339	174	9,664
Transfers in	500,000		480,000
Due to/from other funds			
Net cash provided by (used for) non-capital and related financing activities	<u>657,339</u>	<u>174</u>	<u>489,664</u>
Cash flows from capital and related financing activities:			
Cash contributions			233,000
Acquisition of capital assets		(16,315)	(324,107)
Net cash provided by (used for) capital and related financing activities		<u>(16,315)</u>	<u>(91,107)</u>
Cash flows from investing activities:			
Interest received on investments	<u>24,825</u>	<u>2,767</u>	<u>6,558</u>
Net cash provided by (used for) investing activities	<u>24,825</u>	<u>2,767</u>	<u>6,558</u>
Net increase (decrease) in cash and cash equivalents	1,950,932	(278,085)	405,115
Cash and cash equivalents at beginning of fiscal year	<u>4,605,431</u>	<u>488,751</u>	<u>751,121</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 6,556,363</u>	<u>\$ 210,666</u>	<u>\$ 1,156,236</u>

Buildings and Grounds	Fleet Maintenance	Centralized Services	Totals	
			2013	2012
\$ 1,693,680	\$ 1,674,198	\$ 93,584	\$ 9,986,084	\$ 9,791,684
(1,382,378)	(1,380,001)	(218,975)	(3,682,547)	(4,254,204)
(227,330)	(443,386)		(5,490,088)	(5,167,803)
83,972	(149,189)	(125,391)	813,449	369,677
1,540	3,256	811	172,784	598,112
(85,512)			980,000	
			(85,512)	(76,446)
(83,972)	3,256	811	1,067,272	521,666
			233,000	76,814
			(340,422)	(85,248)
			(107,422)	(8,434)
	3,467	3,328	40,945	13,501
	3,467	3,328	40,945	13,501
	(142,466)	(121,252)	1,814,244	896,410
	384,139	384,633	6,614,075	5,717,665
\$ -	\$ 241,673	\$ 263,381	\$ 8,428,319	\$ 6,614,075

(Continued)

CITY OF INDIO
Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2013
With Comparative Totals for Fiscal Year Ended June 30, 2012
(Continued)

	Risk Management	Information Technology	Vehicle Replacement
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 513,866	\$ (664,636)	\$ (662,219)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation		393,002	662,219
(Increase) decrease in deposits with other agencies	102		
(Increase) decrease in accounts receivable	1,275	225	
(Increase) decrease in prepaid items			
Increase (decrease) in accounts payable	(30,833)	13,110	
Increase (decrease) in accrued payroll	11,092	(6,412)	
Increase (decrease) in claims and judgments payable	773,266		
Net cash provided by (used for) operating activities	\$ 1,268,768	\$ (264,711)	\$ -

Buildings and Grounds	Fleet Maintenance	Centralized Services	Totals	
			2013	2012
\$ 59,739	\$ (137,382)	\$ (132,055)	\$ (1,022,687)	\$ (527,762)
			1,055,221	1,247,978
			102	797
7,752	(174)	(52)	9,026	51,718
		(3)	(3)	804
15,424	(13,881)	6,719	(9,461)	(111,088)
1,057	2,248		7,985	12,808
			773,266	(305,578)
<u>\$ 83,972</u>	<u>\$ (149,189)</u>	<u>\$ (125,391)</u>	<u>\$ 813,449</u>	<u>\$ 369,677</u>

FIDUCIARY FUNDS

Fiduciary fund are used to account for the receipt and disbursements of various taxes, deposits, deductions, and property collected by the City, acting in the capacity of an agent for distribution to other governmental units or other organizations. Fiduciary fund financial statements include a statement of net assets and statement of changes in net assets.

Trust Funds are used to account for assets held by the City as trustee for the Redevelopment Agency Successor Agency.

RDA Low and Moderate Housing Successor Agency Fund – To account for revenue and expenses incurred previously incurred in the Low and Moderate Fund.

RDA Debt Service Successor Agency Fund – To account for debt service payment previously paid in the Redevelopment Agency Debt Service Fund.

RDA Successor Agency Fund – To account for revenue and expenses incurred in the dissolution of the Redevelopment Agency.

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

Eastern Riverside County Interoperable Communications Authority (“ERICA”) Fund – To account for the development, implementation, and operations of the regional communications system joint powers authority known as ERICA.

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.

Waste Transfer Station Fund – To account for the City’s fiduciary capacity as custodian of the monies held on the operation of transfer station.

CITY OF INDIO
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2013

	RDA Low/Mod Successor Agency Fund	RDA Debt Service Successor Agency Fund	RDA Successor Agency Fund	Totals
Assets:				
Cash and investments	\$ 261,443	\$ -	\$ 3,893,411	\$ 4,154,854
Cash and investments with fiscal agents	332,359	4,966,246	3,240,709	8,539,314
Interest receivable	120		406	526
Accounts receivable, net			67,681	67,681
Notes receivable	46,717		555,152	601,869
Deferred charges			1,911,994	1,911,994
Land held for resale			39,585,103	39,585,103
	<u>640,639</u>	<u>4,966,246</u>	<u>49,254,456</u>	<u>54,861,341</u>
Total assets	<u>\$ 640,639</u>	<u>\$ 4,966,246</u>	<u>\$ 49,254,456</u>	<u>\$ 54,861,341</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,058,211	\$ 1,058,211
Accrued liabilities			26,091	26,091
Unearned revenue			75,000	75,000
Retention payable			282,038	282,038
Interest payable			1,477,653	1,477,653
Advances from City of Indio			5,496,151	5,496,151
Long-term debt, due within one year			1,975,000	1,975,000
Long-term debt, due in more than one year			71,505,000	71,505,000
			<u>81,895,144</u>	<u>81,895,144</u>
Total liabilities			<u>81,895,144</u>	<u>81,895,144</u>
Net Position:				
Restricted for debt service			1,763,056	1,763,056
Unrestricted	640,639	4,966,246	(34,403,744)	(28,796,859)
Total net position (deficit)	<u>\$ 640,639</u>	<u>\$ 4,966,246</u>	<u>\$ (32,640,688)</u>	<u>\$ (27,033,803)</u>

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CITY OF INDIO
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2013

	RDA Low/Mod Successor Agency Fund	RDA Debt Service Successor Agency Fund	RDA Successor Agency Fund	Totals
Additions:				
Investment revenue	\$ 16,974	\$ 541	\$ 357,737	\$ 375,252
Taxes and assessments			5,867,448	5,867,448
Charges for services			611,395	611,395
Other revenue	11,293		340,980	352,273
Interfund transfer in		3,867,095	1,927,218	5,794,313
Total additions	28,267	3,867,636	9,104,778	13,000,681
Deductions:				
Community development	3,029,437	15,756	14,657,332	17,702,525
Interest expenses		3,971,185	82,224	4,053,409
Interfund transfer out	326,254	1,927,218	3,540,841	5,794,313
Total deductions	3,355,691	5,914,159	18,280,397	27,550,247
Change in net position	(3,327,424)	(2,046,523)	(9,175,619)	(14,549,566)
Net Position (deficit) - July 1, 2012	3,968,063	7,012,769	(23,465,069)	(12,484,237)
Net Position (deficit) - June 30, 2013	\$ 640,639	\$ 4,966,246	\$ (32,640,688)	\$ (27,033,803)

CITY OF INDIO
Agency Funds
Combining Statement of Assets and Liabilities
June 30, 2013
With Comparative Totals for June 30, 2012

	<u>ERICA</u>	<u>Assessment Districts</u>	<u>Coachella Valley Violent Task Force</u>	<u>Waste Transfer Station</u>
Assets:				
Cash and investments	\$ 238,339	\$ 9,949,907	\$ -	\$ 80,190
Cash and investments with fiscal agents		7,529,264		
Accounts receivable		5,000		64,071
Due from other governments	44,056	192,888		
Interest receivable	103	3,355		97
	<u>103</u>	<u>3,355</u>		<u>97</u>
Total assets	<u>\$ 282,498</u>	<u>\$ 17,680,414</u>	<u>\$ -</u>	<u>\$ 144,358</u>
Liabilities:				
Accounts payable	\$ 128,507	\$ 4,996	\$ -	\$ 144,358
Due to members	153,991			
Due to bondholders		17,521,586		
Deposits payable		153,832		
		<u>153,832</u>		
Total liabilities	<u>\$ 282,498</u>	<u>\$ 17,680,414</u>	<u>\$ -</u>	<u>\$ 144,358</u>

Totals

<u>2013</u>	<u>2012</u>
\$ 10,268,436	\$ 9,944,426
7,529,264	7,816,917
69,071	28,125
236,944	246,992
3,555	4,992
<u>\$ 18,107,270</u>	<u>\$ 18,041,452</u>

\$ 277,861	\$ 356,741
153,991	85,256
17,521,586	17,445,623
153,832	153,832
<u>\$ 18,107,270</u>	<u>\$ 18,041,452</u>

CITY OF INDIO
Agency Funds
Statement of Changes in Assets and Liabilities
Fiscal Year Ended June 30, 2013

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
<u>ERICA</u>				
<u>Assets</u>				
Cash and investments	\$ 211,246	\$ 27,093	\$ -	\$ 238,339
Due from other governments	38,366	41,642	(35,952)	44,056
Interest receivable	138		(35)	103
Total assets	<u>\$ 249,750</u>	<u>\$ 68,735</u>	<u>\$ (35,987)</u>	<u>\$ 282,498</u>
<u>Liabilities</u>				
Accounts payable	\$ 164,494	\$ -	\$ (35,987)	\$ 128,507
Due to members	85,256	68,735		153,991
Total liabilities	<u>\$ 249,750</u>	<u>\$ 68,735</u>	<u>\$ (35,987)</u>	<u>\$ 282,498</u>
<u>ASSESSMENT DISTRICTS</u>				
<u>Assets</u>				
Cash and investments	\$ 9,568,048	\$ 381,859	\$ -	\$ 9,949,907
Cash and investments with fiscal agent	7,816,917		(287,653)	7,529,264
Accounts receivable	1,276	3,724		5,000
Due from other governments	208,626		(15,738)	192,888
Interest receivable	4,697		(1,342)	3,355
Total assets	<u>\$ 17,599,564</u>	<u>\$ 385,583</u>	<u>\$ (304,733)</u>	<u>\$ 17,680,414</u>
<u>Liabilities</u>				
Accounts payable	\$ 109	\$ 4,887	\$ -	\$ 4,996
Due to bondholders	17,445,623	380,696	(304,733)	17,521,586
Deposits payable	153,832			153,832
Total liabilities	<u>\$ 17,599,564</u>	<u>\$ 385,583</u>	<u>\$ (304,733)</u>	<u>\$ 17,680,414</u>
<u>COACHELLA VALLEY VIOLENT TASK FORCE</u>				
<u>Assets</u>				
Cash and investments	\$ 40	\$ -	\$ (40)	\$ -
Total assets	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ (40)</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts payable	\$ 40	\$ -	\$ (40)	\$ -
Total liabilities	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ (40)</u>	<u>\$ -</u>

CITY OF INDIO
Agency Funds
Statement of Changes in Assets and Liabilities
Fiscal Year Ended June 30, 2013

<u>WASTE TRANSFER STATION</u>	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
<u>Assets</u>				
Cash and investments	\$ 165,092	\$ -	\$ (84,902)	\$ 80,190
Interest receivable	157		(60)	97
Accounts receivable	26,849	37,222		64,071
Total assets	\$ 192,098	\$ 37,222	\$ (84,962)	\$ 144,358
<u>Liabilities</u>				
Accounts payable	\$ 192,098	\$ 37,222	\$ (84,962)	\$ 144,358
Total liabilities	\$ 192,098	\$ 37,222	\$ (84,962)	\$ 144,358
<u>Totals - All Agency Funds</u>	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
<u>Assets</u>				
Cash and investments	\$ 9,944,426	\$ 408,952	\$ (84,942)	\$ 10,268,436
Cash and investments with fiscal agent	7,816,917		(287,653)	7,529,264
Accounts receivable	28,125	40,946		69,071
Due from other governments	246,992	41,642	(51,690)	236,944
Interest receivable	4,992		(1,437)	3,555
Total assets	\$ 18,041,452	\$ 491,540	\$ (425,722)	\$ 18,107,270
<u>Liabilities</u>				
Accounts payable	\$ 356,741	\$ 42,109	\$ (120,989)	\$ 277,861
Due to bondholders	17,445,623	380,696	(304,733)	17,521,586
Due to members	85,256	68,735		153,991
Deposits payable	153,832			153,832
Total liabilities	\$ 18,041,452	\$ 491,540	\$ (425,722)	\$ 18,107,270



STATISTICAL SECTION



CITY OF INDIO

STATISTICAL SECTION TABLE OF CONTENTS

FISCAL YEAR ENDED JUNE 30, 2013

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Financial Trends	164-168
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity	169-172
<p>These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales tax, state motor vehicle in lieu tax, intergovernmental revenue and charges for services are the City's most significant revenue sources.</p>	
Debt Capacity	173-177
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	178-180
<p>These schedules offer demographic and economic indicators to help the reader understand the environment with which the City's financial activities take place.</p>	
Operating Information	181-185
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	

CITY OF INDIO

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$24,600	\$223,825	\$278,101	\$326,774	\$379,737	\$416,262	\$435,697	\$372,187	\$431,924	\$432,106
Restricted	23,003	53,566	79,377	72,743	36,977	22,249	22,533	82,334	23,734	25,716
Unrestricted	24,277	19,814	23,690	11,164	27,035	17,375	(10,396)	(11,553)	(8,635)	(5,199)
Total governmental activities net positio	\$71,880	\$297,205	\$381,168	\$410,681	\$443,749	\$455,886	\$447,834	\$442,968	\$447,023	\$452,623
Business-type activities:										
Net investment in capital assets	\$17,732	\$136,406	\$140,536	\$158,649	\$159,962	\$159,716	\$159,188	\$153,658	\$146,605	\$143,311
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,192	9,452	11,314	11,192	10,426	8,860	9,622	11,165	10,409	9,225
Total business-type activities net positio	\$21,924	\$145,858	\$151,850	\$169,841	\$170,388	\$168,576	\$168,810	\$164,823	\$157,014	\$152,536
Primary government:										
Net investment in capital assets	\$42,332	\$360,231	\$418,637	\$485,423	\$539,699	\$575,978	\$594,885	\$525,845	\$578,529	\$575,417
Restricted	23,003	53,566	79,377	72,743	36,977	22,249	22,533	82,334	23,734	25,716
Unrestricted	28,469	29,266	35,004	22,356	37,461	26,235	(774)	(388)	1,774	4,026
Total primary government net position	\$93,804	\$443,063	\$533,018	\$580,522	\$614,137	\$624,462	\$616,644	\$607,791	\$604,037	\$605,159

Source: City of Indio

CITY OF INDIO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities:										
General government	\$ 4,855	\$ 6,722	\$ 8,532	\$ 8,947	\$ 5,831	\$ 4,825	\$ 5,190	\$ 6,774	\$ 6,965	\$ 7,005
Public safety	14,005	17,660	22,793	33,986	41,487	35,625	35,810	37,665	41,502	32,930
Public works	8,811	16,952	17,074	25,051	16,203	16,286	13,224	14,689	16,441	22,946
Community development	3,759	7,639	10,255	6,890	8,068	6,747	18,221	19,779	15,226	8,653
Human services	968	3,731	1,776	1,888	3,682	2,832	3,040	2,974	2,821	2,693
Interest expense and other charges	1,234	4,108	3,268	4,624	7,460	8,366	8,303	10,450	3,318	6,235
Total governmental activities expenses	<u>33,632</u>	<u>56,812</u>	<u>63,698</u>	<u>81,386</u>	<u>82,731</u>	<u>74,681</u>	<u>83,788</u>	<u>92,331</u>	<u>86,273</u>	<u>80,462</u>
Business-type activities:										
Water	5,898	9,379	11,346	16,453	21,552	22,689	21,518	21,710	24,125	22,562
Golf	587	783	718	793	890	1,077	852	899	904	851
Solid Waste	-	-	-	-	-	186	147	83	-	-
Total business-type activities expenses	<u>6,485</u>	<u>10,162</u>	<u>12,064</u>	<u>17,246</u>	<u>22,442</u>	<u>23,952</u>	<u>22,517</u>	<u>22,692</u>	<u>25,029</u>	<u>23,413</u>
Total primary government expenses	<u>40,117</u>	<u>66,974</u>	<u>75,762</u>	<u>98,632</u>	<u>105,173</u>	<u>98,633</u>	<u>106,305</u>	<u>115,023</u>	<u>111,302</u>	<u>103,875</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	355	453	1,636	87	485	561	902	1,037	3,698	11,086
Public safety	1,504	1,692	2,628	3,434	2,515	2,297	4,343	7,017	5,917	2,489
Public works	1,117	1,712	2,679	3,587	3,178	3,891	2,405	2,005	3,255	1,115
Community development	6,984	7,777	10,140	5,592	3,172	3,112	1,360	3,120	5,118	1,312
Human services	598	599	5	1	1,005	619	1,530	2,317	785	3,056
Operating contributions and grants	2,843	6,272	4,660	12,863	14,797	18,633	8,316	8,443	7,098	21,959
Capital contributions and grants	21,351	32,662	83,871	32,490	41,437	14,035	19,062	13,617	6,347	9,689
Total governmental activities program revenues	<u>34,752</u>	<u>51,167</u>	<u>105,619</u>	<u>58,054</u>	<u>66,589</u>	<u>43,148</u>	<u>37,918</u>	<u>37,556</u>	<u>32,218</u>	<u>50,706</u>
Business-type activities:										
Charges for services:										
Water	6,279	6,233	8,182	10,442	12,278	14,377	15,235	15,578	16,207	15,971
Golf	686	673	615	621	1,035	952	847	840	755	687
Solid Waste	-	-	-	-	-	153	100	229	-	-
Capital contributions and grants	1,805	2,756	8,482	21,689	6,347	4,016	5,340	1,906	-	1,768
Total business-type activities program revenues	<u>8,770</u>	<u>9,662</u>	<u>17,279</u>	<u>32,752</u>	<u>19,660</u>	<u>19,498</u>	<u>21,522</u>	<u>18,553</u>	<u>16,962</u>	<u>18,426</u>
Total primary government activities program revenues	<u>43,522</u>	<u>60,829</u>	<u>122,898</u>	<u>90,806</u>	<u>86,249</u>	<u>62,646</u>	<u>59,440</u>	<u>56,109</u>	<u>49,180</u>	<u>69,132</u>
Net revenues (expenses):										
Governmental activities	1,120	(5,645)	41,921	(23,332)	(16,142)	(31,533)	(45,870)	(54,775)	(54,055)	(29,756)
Business-type activities	<u>2,285</u>	<u>(500)</u>	<u>5,215</u>	<u>15,506</u>	<u>(2,782)</u>	<u>(4,454)</u>	<u>(995)</u>	<u>(4,139)</u>	<u>(8,067)</u>	<u>(4,987)</u>
Total primary government net expense	3,405	(6,145)	47,136	(7,826)	(18,924)	(35,987)	(46,865)	(58,914)	(62,122)	(34,743)

CITY OF INDIO
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	5,497	11,908	20,012	25,309	23,918	23,844	18,819	19,944	16,120	13,373
Sales tax	7,198	8,879	9,514	9,803	8,548	7,021	6,111	6,999	7,667	8,377
Transient occupancy taxes	1,162	1,220	1,331	1,818	2,070	1,941	1,845	1,945	2,547	2,820
Other taxes	4,457	5,186	6,073	7,054	7,869	7,049	6,602	11,707	14,485	11,521
Investment income	727	1,768	2,957	5,777	3,161	1,641	662	554	328	73
Motor vehicle in lieu, unrestricted	2,503	387	433	416	375	307	269	419	-	43
Other general revenues	3,567	2,220	2,352	2,668	3,268	3,773	2,785	4,518	5,373	3,468
Transfers	51	-	-	-	-	19	142	170	206	(15)
Total governmental activities	<u>25,162</u>	<u>31,568</u>	<u>42,672</u>	<u>52,845</u>	<u>49,209</u>	<u>45,595</u>	<u>37,235</u>	<u>46,256</u>	<u>46,726</u>	<u>39,660</u>
Business-type activities:										
Investment income	14	19	31	2,216	3,029	2,197	889	146	65	91
Transfers	(51)	-	-	-	-	(19)	(142)	(170)	(206)	15
Other general revenues	3	2	15	268	300	465	481	303	399	403
Total business-type activities	<u>(34)</u>	<u>21</u>	<u>46</u>	<u>2,484</u>	<u>3,329</u>	<u>2,643</u>	<u>1,228</u>	<u>279</u>	<u>258</u>	<u>509</u>
Total primary government	<u>25,128</u>	<u>31,589</u>	<u>42,718</u>	<u>55,329</u>	<u>52,538</u>	<u>48,238</u>	<u>38,463</u>	<u>46,535</u>	<u>46,984</u>	<u>40,169</u>
Changes in net position										
Governmental activities	26,282	25,923	84,593	29,513	33,067	14,062	(8,635)	(8,519)	(7,329)	9,904
Business-type activities	2,251	(479)	5,261	17,990	547	(1,811)	233	(3,860)	(7,809)	(4,478)
Total primary government	<u>\$ 28,533</u>	<u>\$ 25,444</u>	<u>\$ 89,854</u>	<u>\$ 47,503</u>	<u>\$ 33,614</u>	<u>\$ 12,251</u>	<u>\$ (8,402)</u>	<u>\$ (12,379)</u>	<u>\$ (15,138)</u>	<u>\$ 5,426</u>

Source: City of Indio

CITY OF INDIO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Reserved	\$ 5,627	\$ 2,670	\$ 9,633	\$ 11,948	\$ 11,203	\$ 12,852	\$ 7,757	\$ -	\$ -	\$ -
Unreserved	11,923	16,187	20,722	22,930	10,266	3,232	(3,956)	-	-	-
Total general fund	<u>\$ 17,550</u>	<u>\$ 18,857</u>	<u>\$ 30,355</u>	<u>\$ 34,878</u>	<u>\$ 21,469</u>	<u>\$ 16,084</u>	<u>\$ 3,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:										
Reserved	\$ 10,738	\$ 52,484	\$ 74,693	\$ 104,226	\$ 133,137	\$ 112,380	\$ 98,812	\$ -	\$ -	\$ -
Unreserved:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	5,682	8,090	7,649	6,134	6,599	4,787	1,994	-	-	-
Capital projects funds	27,906	30,355	37,729	17,972	12,043	5,342	(1,241)	-	-	-
Total all other governmental funds	<u>\$ 44,326</u>	<u>\$ 90,929</u>	<u>\$ 120,071</u>	<u>\$ 128,332</u>	<u>\$ 151,779</u>	<u>\$ 122,509</u>	<u>\$ 99,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,640	\$ 3,793	\$ 3,989
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	730
Assigned	-	-	-	-	-	-	-	16	21	784
Unassigned	-	-	-	-	-	-	-	(1,725)	783	4,266
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,931</u>	<u>\$ 4,597</u>	<u>\$ 9,769</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	92,801	24,153	26,334
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	2,315	2,294	1,296
Unassigned:	-	-	-	-	-	-	-	(2,190)	(1,423)	665
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,926</u>	<u>\$ 25,024</u>	<u>\$ 28,295</u>

In fiscal year 2010-2011, the City implemented GASB 54 which changes the reporting requirements for fund balances in the financial statements.

CITY OF INDIO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes	\$ 24,011	\$ 26,910	\$ 33,922	\$ 40,159	\$ 42,998	\$ 39,059	\$ 35,182	\$ 37,526	\$ 35,537	\$ 32,562
Special assessments	497	777	1,444	2,412	2,940	3,539	3,697	3,782	3,950	3,866
Licenses and permits	5,093	5,932	7,871	4,340	2,630	2,260	1,680	1,691	1,381	2,027
Intergovernmental	6,618	9,655	11,620	19,710	23,168	27,640	18,218	20,053	14,047	18,740
Charges for services	5,711	6,460	9,573	11,070	11,141	10,926	5,801	6,835	9,034	8,335
Fines and forfeitures	662	780	815	1,072	1,002	1,122	1,205	913	1,199	1,215
Investment earnings	962	2,350	4,750	6,365	5,385	2,871	1,138	506	314	4,089
Developer fees	4,136	15,731	37,028	15,987	8,566	5,309	3,919	3,944	2,238	5,559
Contributions from property owners	11,485	10,921	35,964	8,380	2,485	3,894	2,931	1,447	1,384	2,471
Miscellaneous	952	1,010	4,738	4,596	2,175	1,991	-	-	-	-
Total revenues	<u>60,127</u>	<u>80,526</u>	<u>147,725</u>	<u>114,091</u>	<u>102,490</u>	<u>98,611</u>	<u>73,771</u>	<u>76,697</u>	<u>69,084</u>	<u>78,864</u>
Expenditures										
Current:										
General government	5,165	6,150	8,038	8,032	5,934	5,235	4,727	4,021	4,000	4,204
Public safety	14,142	17,714	21,594	27,272	33,534	33,104	33,599	30,958	32,875	32,603
Public works	15,964	20,859	66,092	85,887	66,646	68,722	30,642	14,604	14,840	21,300
Community development	5,623	7,306	10,963	10,100	9,483	17,041	18,155	18,349	12,304	7,731
Human services	955	3,697	1,722	1,827	1,643	2,301	2,537	1,692	1,716	1,545
Other	-	-	-	-	1,687	438	3,366	3,610	70	323
Debt service:										
Principal retirement	1,452	1,505	1,158	1,068	8,019	890	3,489	3,733	4,065	1,815
Interest and fiscal charges	1,096	3,286	2,759	4,656	4,884	5,547	7,052	6,853	4,707	2,690
Other charges	1,198	1,690	2,367	2,646	8,922	5,082	8,419	4,112	1,511	381
Total expenditures	<u>45,595</u>	<u>62,207</u>	<u>114,693</u>	<u>141,488</u>	<u>140,752</u>	<u>138,360</u>	<u>111,986</u>	<u>87,932</u>	<u>76,088</u>	<u>72,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,532</u>	<u>18,319</u>	<u>33,032</u>	<u>(27,397)</u>	<u>(38,262)</u>	<u>(39,749)</u>	<u>(38,215)</u>	<u>(11,235)</u>	<u>(7,004)</u>	<u>6,272</u>
Other financing sources (uses):										
Transfers in	6,683	10,642	21,050	17,456	16,841	22,165	16,131	9,238	9,514	5,787
Transfers out	(6,632)	(10,642)	(20,441)	(17,464)	(16,841)	(22,146)	(15,989)	(9,068)	(9,308)	(6,782)
Lease purchase and loan proceeds	-	-	-	-	-	-	2,846	854	2,788	-
Issuance of bonds	-	28,615	7,000	43,000	74,767	7,000	-	-	-	24,500
Sale of real property	-	-	-	-	-	-	-	1,592	-	-
Original discount on bonds	-	-	-	-	(469)	-	-	-	-	-
Payment to bond escrow agent	-	(2,335)	-	(2,811)	(25,999)	-	-	-	-	(21,335)
Total other financing sources (uses)	<u>51</u>	<u>26,280</u>	<u>7,609</u>	<u>40,181</u>	<u>48,299</u>	<u>7,019</u>	<u>2,988</u>	<u>2,616</u>	<u>2,994</u>	<u>2,170</u>
Extraordinary gain (loss) on dissolution of redevelopment agency	-	-	-	-	-	-	-	-	(61,226)	-
Net change in fund balances	<u>\$ 14,583</u>	<u>\$ 44,599</u>	<u>\$ 40,641</u>	<u>\$ 12,784</u>	<u>\$ 10,037</u>	<u>\$ (32,730)</u>	<u>\$ (35,227)</u>	<u>\$ (8,619)</u>	<u>\$ (65,236)</u>	<u>\$ 8,442</u>
Debt service as a percentage of noncapital expenditures	47.0%	-2.4%	-2.3%	10.0%	23.4%	16.9%	22.8%	20.2%	15.6%	7.9%

Source: City of Indio

CITY OF INDIO
 Assessed Value and Estimated Actual Value of Taxable Property
 (amounts expressed in thousands)
 Last Ten Fiscal Years

Fiscal Year					Less:	Total Taxable	Total
Ended June 30	Residential Property	Commercial Property	Industrial Property	Other Property	Tax-Exempt Property	Assessed Value	Direct Tax Rate
2013	\$ 4,265,362	\$ 762,283	\$ 239,808	\$ 714,989	\$ 90,074	\$ 5,892,368	0.2513
2012	4,335,337	744,572	248,495	743,900	87,436	5,984,868	0.2568
2011	4,472,376	659,381	250,854	1,061,776	85,653	6,358,734	0.2541
2010	4,598,619	888,537	255,978	942,327	85,167	6,600,294	0.2544
2009	5,411,298	444,512	228,211	1,432,652	83,936	7,432,737	0.2453
2008	5,397,921	358,429	193,611	1,173,690	68,199	7,055,452	0.2460
2007	4,136,642	306,118	122,931	1,083,542	76,109	5,573,124	0.2479
2006	2,925,420	280,621	108,080	771,412	73,006	4,012,527	0.2532
2005	1,934,495	260,013	91,402	650,153	50,651	2,885,412	0.2623
2004	1,474,791	236,163	86,598	503,289	44,772	2,256,069	0.2518

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL, Coren & Cone

CITY OF INDIO
Direct and Overlapping Property Tax Rates
(rate per \$100 of assessed value)
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of Indio	0.19501	0.19501	0.19501	0.19501	0.19501	0.13251	0.13251	0.13251	0.13251	0.13251
Redevelopment Agency	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	-
Total Direct Rate	0.25135	0.26323	0.25394	0.25847	0.24644	0.24571	0.25437	0.25412	0.25684	0.25133
Direct & Overlapping Tax Rates										
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Coachella Valley Unified School	0.03258	0.03054	0.05956	0.05990	0.05708	0.05949	0.07247	0.09332	0.07487	0.07968
Coachella Valley Water District	0.02080	0.02080	0.02080	0.02080	0.04000	0.04000	0.06000	0.08000	0.08000	0.08000
CVWD Imp Dist 53	0.00060	0.00020	0.00020	-	0.00090	-	-	-	-	-
CVWD Imp Dist 55	0.03050	0.02690	0.02340	0.01240	0.00840	0.00640	0.00600	0.00600	-	-
CVWD Imp Dist 58	0.02870	0.02690	0.02520	0.01560	0.00230	-	-	-	-	-
Desert Community College	-	0.01994	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995
Desert Sands Unified School District	0.09750	0.09581	0.07674	0.07613	0.07561	0.07990	0.08112	0.10036	0.11467	0.11156
Total Direct & Overlapping Tax Rates	1.21068	1.22109	1.22585	1.20478	1.20424	1.20574	1.23954	1.29963	1.28949	1.29119

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at 1.00% fixed amount. The 1.00% is shared by all taxing agencies which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of certain other bonds.

Source: HdL, Coren & Cone

CITY OF INDIO
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2013		2004	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 58,513,067	0.99%		
Jackson 42	46,116,710	0.78%		
JFK Memorial Hospital	42,024,591	0.71%		
Trendwest Resorts Inc.	35,225,376	0.60%		
Polo Square Partners	34,095,136	0.58%		
Time Warner Entertainment	33,869,225	0.57%		
JDG Properties	26,318,252	0.45%		
ALJACKS	26,122,159	0.44%		
Target Corporation	23,390,729	0.40%		
Smoketree Apartments	18,685,905	0.32%		
JFK Memorial Hospital			\$ 30,163,066	1.34%
Hills Golf Club LLC			19,133,797	0.85%
S and D Indian Palms California Limited			16,877,411	0.75%
Paseo Group LP			16,116,447	0.71%
Roger Snellenberger Dev. Corp.			15,114,262	0.67%
7709 Lankershim Limited			13,010,700	0.58%
EQR Smoketree			12,444,070	0.55%
Villa Montego			12,098,237	0.54%
Richard K. Rifenbark			11,847,966	0.53%
Time Warner Entertainment			11,726,817	0.52%
	<u>\$344,361,150</u>	5.84%	<u>\$ 158,532,773</u>	7.03%

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Source: HdL, Coren & Cone

CITY OF INDIO
Property Tax Levies and Collections
Last Eight Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	4,949,402 ^A	6,712,961 ^c	135.63%	131,576 *	6,844,537	138.29%
2012	16,782,104	14,597,944 ^B	86.99%	274,460 *	14,872,404	88.62%
2011	16,461,513	16,748,822	101.75%	222,745 *	16,971,567	103.10%
2010	28,840,933	18,029,192	62.51%	10,811,741	28,840,933	100.00%
2009	30,919,127	19,918,794	64.42%	11,000,333	30,919,127	100.00%
2008	28,730,955	20,775,644	72.31%	7,955,311	28,730,955	100.00%
2007	22,935,574	18,193,653	79.33%	4,741,921	22,935,574	100.00%
2006	16,945,837	13,123,867	77.45%	3,821,970	16,945,837	100.00%

The City of Indio has elected to show only eight years of data for this schedule.

*The City participates in the County's "Teeter Plan" whereby the county pays current year delinquencies in November of the subsequent year but keeps subsequent collections and penalties.

NOTE:

^A The amounts presented include City property taxes and the pass through portion of Redevelopment ABx1 26 tax increment. ^B Effective February 1, 2012, ABx1 26 dissolved the Redevelopment Agencies throughout the State of California which resulted in the reduction of amounts collected for the Fiscal Year ended June, 2012 and subsequent years. ^c Also includes proceeds from the redistribution of former Redevelopment & Low Mod Housing funds relinquished to the State.

Sources: County of Riverside Auditor Controller's Office
HdL, Coren & Cone
City of Indio

CITY OF INDIO
Ratios of Outstanding Debt by Type
 (amounts expressed in thousands)
 Last Eight Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities			Total Primary Government (1)	Population (2)	Personal Income (3)	Percentage of Personal Income	Debt Per Capita
	Revenue Refunding Bonds (1)	Tax Allocation Bonds (1)	Certificates of Participation (1)	Lease Revenue Bonds (1)	Loans (1)	Total Governmental Activities	Water Revenue Bonds (1)	Total					
2013	3,045	70,435	5,460	40,165	12,132	131,237	56,605	187,842	81,393	1,584,233	11.86%	2.31	
2012	3,290	72,080	5,895	37,000	13,171	131,436	57,970	189,406	78,065	1,546,312	12.25%	2.43	
2011	3,520	73,660	6,392	37,805	11,201	132,578	59,290	191,868	77,165	1,402,529	13.68%	2.49	
2010	3,735	75,165	6,797	38,580	4,779	129,056	60,570	189,626	83,675	1,516,518	12.50%	2.27	
2009	3,940	76,610	7,187	39,325	4,000	131,062	61,795	192,857	82,230	1,255,000	15.37%	2.35	
2008	4,135	76,710	7,527	39,325	4,000	131,697	61,795	193,492	81,512	1,496,971	12.93%	2.37	
2007	10,975	28,425	-	39,325	11,000	89,725	61,795	151,520	77,146	1,254,780	12.08%	1.96	
2006	11,325	28,520	3,325	-	7,000	50,170	11,530	61,700	71,654	1,169,752	5.27%	0.86	

The City of Indio has elected to show only eight years of data for this schedule.

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

- Sources: (1) City of Indio
 (2) State Department of Finance
 (3) Coachella Valley Economic Partnership

CITY OF INDIO
Ratio of General Bonded Debt Outstanding
(amounts expressed in thousands)
Last Eight Fiscal Years

Fiscal Year Ended June 30	Outstanding General Bonded Debt										Debt Per Capita
	Water Revenue Bond	Revenue Refunding Bonds	Tax Allocation Bonds	Lease Revenue Bonds	Certificates of Participation	Total	Population (1)	Personal Income (2)	Percent of Assessed Value		
2013	56,605	3,045	70,435	40,165	12,132	182,382	81,393	1,584,233	3.00%	2.24	
2012	57,970	3,290	72,080	37,000	13,171	183,511	78,065	1,546,312	3.07%	2.35	
2011	59,290	3,520	73,660	37,805	11,201	185,476	77,165	1,402,529	2.92%	2.40	
2010	60,570	3,735	75,165	38,580	6,797	184,847	83,675	1,516,518	2.80%	2.21	
2009	61,795	3,940	76,610	39,325	7,187	188,857	82,230	1,255,000	2.30%	2.30	
2008	61,795	4,135	76,710	39,325	7,527	189,492	81,512	1,496,971	2.69%	2.32	
2007	61,795	10,975	28,425	39,325	-	140,520	77,146	1,254,780	2.52%	1.82	
2006	11,530	11,325	28,520	-	3,325	54,700	71,654	1,169,752	1.36%	0.76	

The City of Indio has elected to show only eight years of data for this schedule.

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

NOTE:

Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Sources: City of Indio

(1) State Department of Finance

(2) Coachella Valley Economic Partnership

CITY OF INDIO
Direct and Overlapping Debt
June 30, 2013

2012-13 Assessed Valuation: \$5,911,079,402

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/13	% Applicable	City's Share of Debt 6/30/13
Desert Community College District	\$318,557,917	9.602%	\$ 30,587,931
Coachella Valley Unified School District	183,662,102	8.774	16,114,513
Desert Sands Unified School District	299,439,842	16.492	49,383,619
City of Indio Community Facilities District No. 2004-3	20,800,000	100.	20,800,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	17,365,000	100.	17,365,000
City of Indio Community Facilities District No. 2006-1	9,080,000	100.	9,080,000
Desert Recreation and Park District 1915 Act Bonds	1,700,000	96.114	1,633,938
City of Indio 1915 Act Bonds	35,824,001	100.	35,824,001
Valley Sanitary District Assessment District No. 2004-VSD	7,330,000	100.	7,330,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$188,119,002</u>

Ratios to 2012-13 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....3.18%

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Riverside County General Fund Obligations	\$640,243,149	2.931%	\$18,765,527
Riverside County Pension Obligations	346,790,000	2.931	10,164,415
Riverside County Board of Education Certificates of Participation	3,900,000	2.931	114,309
Coachella Valley Unified School District Certificates of Participation	46,205,000	8.774	4,054,027
Desert Sands Unified School District Certificates of Participation	51,790,000	16.492	8,541,207
Desert Recreation and Park District Certificates of Participation	2,215,000	15.015	332,582
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			<u>\$41,972,067</u>
Less: Riverside County supported obligations			<u>319,325</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT			<u>\$41,652,742</u>

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$73,480,000 96.166-100. \$70,779,522

TOTAL GROSS OVERLAPPING DEBT \$300,870,591
CITY DIRECT DEBT 131,237,000

TOTAL DIRECT AND OVERLAPPING DEBT \$432,107,591

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

Source: California Municipal Statistics, Inc.
City of Indio

CITY OF INDIO
 Legal Debt Margin Information
 (amounts expressed in thousands)
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed valuation (1)	\$3,216,544	\$4,012,495	\$5,122,808	\$5,580,002	\$7,055,452	\$7,432,737	\$6,600,295	\$6,358,734	\$5,984,868	\$6,097,869
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	482,482	601,874	768,421	837,000	1,058,318	1,114,911	990,044	953,810	897,730	914,680
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 482,482	\$ 601,874	\$ 768,421	\$ 837,000	\$1,058,318	\$1,114,911	\$ 990,044	\$ 953,810	\$ 897,730	\$ 914,680
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Section 43605 of the Government Code of the State of California limits the amount of indebtedness for public improvements to 15% of assessed valuation of all real and personal property of the City

Sources: City of Indio
 (1) HdL, Coren & Cone

CITY OF INDIO
Pledged-Revenue Coverage
(amounts expressed in thousands)
Last Eight Fiscal Years

Water Revenue Bonds						
Fiscal Year Ended June 30	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	4,208	59	4,229	1,365	2,843	1.00
2012	4,179	16	4,163	1,320	2,843	1.00
2011	4,174	9	4,165	1,280	2,894	1.00
2010	3,795	12	3,783	1,225	2,575	1.00
2009	1,978	2	1,976	-	2,207	0.90
2008	2,949	6	2,943	-	2,943	1.00
2007	13,276	28	13,248	11,530	1,718	1.00
2006	890	21	869	270	556	1.05

Gas Tax Certificate of Participation						
Fiscal Year Ended June 30	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	676	4	676	435	241	1.00
2012	678	-	678	420	258	1.00
2011	679	-	679	405	274	1.00
2010	665	4	661	390	287	0.98
2009	29	-	29	340	335	0.04
2008	8	-	8	-	-	-
2007	-	-	-	-	-	-
2006	372	6	366	215	154	0.99

2007 Lease Revenue Bonds						
Fiscal Year Ended June 30	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	23,024	-	23,024	21,335	1,689	1.00
2012	2,309	1	2,308	805	1,503	1.00
2011	2,306	1	2,305	775	1,531	1.00
2010	2,311	9	2,302	745	1,557	1.00
2009	685	1	684	-	1,570	0.44
2008	1,571	1	1,570	-	1,570	1.00
2007	3,819	6	3,813	3,325	488	1.00
2006	-	-	-	-	-	-

RDA Tax Allocation Bonds				
Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2013	5,471	1,645	3,826	1.00 *
2012	9,017	1,580	3,902	1.64
2011	8,978	1,495	3,975	1.64
2010	9,847	1,445	2,656	2.40
2009	10,607	100	586	15.46
2008	11,252	18,955	1,770	0.54
2007	9,733	95	1,783	5.18
2006	7,181	95	1,787	3.82

RDA Revenue Refunding Bonds				
Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2013	427	245	182	1.00 *
2012	2,254	230	196	5.29
2011	2,245	215	209	5.29
2010	2,462	205	221	5.78
2009	2,652	195	232	6.21
2008	2,813	6,840	590	0.38
2007	2,437	350	615	2.53
2006	1,795	375	775	1.56

The City of Indio has elected to show only eight years of data for this schedule.

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

Source: City of Indio

CITY OF INDIO
Demographic and Economic Statistics
Last Nine Calendar Years

Calendar Year	Population (1)	Median Age (2)	Average Household Size (2)	Median Household Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)(4)
2013	81,393	34.1	3.48	\$ 46,822	\$ 18,772	12.1%
2012	78,065	34.3	3.23	41,082	19,748	14.0%
2011	77,165	29.6	3.22	52,001	20,734	15.5%
2010	83,675	29.3	3.12	53,824	22,350	15.7%
2009	82,230	28.8	3.18	47,708	19,855	15.9%
2008	81,512	29.6	3.16	56,039	18,365	10.1%
2007	77,146	29.0	3.45	43,001	16,265	6.2%
2006	71,654	30.3	2.97	41,791	16,325	5.3%
2005	66,118	Not Available	Not Available	39,021	15,243	5.2%

The City of Indio has elected to show only nine years of data for this schedule.

- Sources:
- (1) State Department of Finance
 - (2) U.S. Census Bureau
 - (3) Coachella Valley Economic Partnership
 - (4) Employment Development Department

CITY OF INDIO
Principal Employers
Current Year and Nine Years Ago

Employer (1)	2013		2004	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Riverside	1,283	5.24%		
Desert Sands Unified School District	1,062	4.33%		
John F. Kennedy Memorial Hospital	614	2.51%		
City of Indio	235	0.96%		
Granite Construction Co	200	0.82%		
Riverside Superior Court	191	0.78%		
Target	150	0.61%		
Home Depot	148	0.60%		
Mathis Brothers	124	0.51%		
Jackalope Ranch	116	0.47%		
Total Employment Listed	4,123	16.83%		Not Available
Total City Employment (2)	24,500		Not Available	

"Total Employment" as used above represents the total employment of all employers located within City limits.

Sources: (1) City of Indio
(2) State of California Employment Development Department website

CITY OF INDIO
 Full-time and Part-time City Employees
 by Function
 Last Ten Fiscal Years

<u>Function</u>	Full-Time and Part-time Employees as of June 30									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	32	34	32	46	41	55	46	46	41	45
Police	99	97	121	127	136	139	123	104	113	24
Public works	41	43	41	50	53	54	36	27	29	107
Community development	20	21	39	30	29	28	23	26	18	15
Water	<u>24</u>	<u>23</u>	<u>27</u>	<u>31</u>	<u>30</u>	<u>32</u>	<u>39</u>	<u>38</u>	<u>41</u>	<u>44</u>
	<u>216</u>	<u>218</u>	<u>260</u>	<u>284</u>	<u>289</u>	<u>308</u>	<u>267</u>	<u>241</u>	<u>242</u>	<u>235</u>

The City of Indio contracts with Riverside County for fire protection services.

Source: City of Indio

CITY OF INDIO
Operating Indicators
by Function
Last Eight Fiscal Years

	Fiscal Year							
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police:								
Arrests	5,311	2,462	2,909	3,012	2,713	2,416	2,163	2,062
Traffic citations issued	8,332	10,914	9,306	7,984	5,755	5,129	4,066	4,206
Parking citations issued	Unavailable	1,574	972	1,670	1,172	1,428	686	437
Fire:								
Number of emergency calls	9,896	10,384	9,948	6,058	9,817	7,918	8,138	8,442
Inspections	1,262	1,340	536	2,228	1,993	2,564	2,287	2,535
Public works:								
Street resurfacing (miles)	40.6	56.8	34.0	15.0	16.5	5.0	1.0	0.0
Water:								
New connections	2,196	823	964	489	261	330	0	258
Average daily consumption (millions of gallons)	22	21	20	19	18	18	18	18
Golf Course:								
Golf rounds played	20,980	24,402	29,533	33,753	25,680	23,762	20,576	19,753

The City of Indio has elected to show only eight years of data for this schedule.

Source: City of Indio

CITY OF INDIO
 Capital Asset Statistics
 by Function
 Last Seven Fiscal Years

	Fiscal Year						
	2007	2008	2009	2010	2011	2012	2013
Police:							
Stations	1	1	1	1	1	1	1
Sub-stations	2	2	2	1	1	1	1
Animal care centers	1	1	1	1	1	1	1
Fire:							
Fire stations	3	4	4	4	4	4	4
Public works:							
Paved streets (miles)	220	230	238	243	244	244	244
Streetlights	2,644	2,754	2,822	2,885	2,903	2,825	2,869
Traffic signals	66	73	79	84	89	89	95
Recreation:							
Parks	10	11	11	14	13	14	14
Senior centers	1	1	1	1	1	1	1
Teen centers	-	-	1	1	1	1	1
Water:							
Water mains (miles)	301	313	315	321	327	327	327
Maximum daily capacity (millions of gallons)	67	59	72	63	66	66	66
Golf Course:							
Municipal golf courses	1	1	1	1	1	1	1

The City of Indio has elected to show only seven years of data for this schedule.

Source: City of Indio

INDIO WATER AUTHORITY
Water Sold by Type of Customer
 Last Nine Fiscal Years
 (in hundred cubic feet)

Type of Customer:	Fiscal Year								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Single-Family Residential	4,435,620	5,220,351	5,978,060	5,837,410	5,498,690	5,300,683	5,308,272	5,413,435	5,392,718
Multi-Family Residential	1,221,544	1,168,366	1,190,415	1,252,174	1,211,311	1,159,934	1,149,631	1,165,519	1,066,970
Commercial/Institutional	2,445,359	2,012,073	2,018,372	1,581,580	1,383,664	1,192,074	1,164,122	1,195,118	1,138,652
Industrial	139,514	102,982	108,758	90,848	69,675	63,468	56,401	59,114	61,707
Landscaped Irrigation	541,712	664,680	821,906	955,825	1,101,207	1,085,119	1,196,706	1,229,869	1,067,837
Total	8,783,749	9,168,452	10,117,511	9,717,837	9,264,547	8,801,278	8,875,132	9,063,055	8,727,884
Total commodity rate per 100 cubic feet	\$ 0.63	\$ 0.71	\$ 0.71	\$ 0.88	\$ 1.06	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16

The City of Indio has elected to show only nine years of data for this schedule.

Source: Indio Water Authority

INDIO WATER AUTHORITY
 Water Rates
 Last Seven Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rate (1)	Rate per 100 Cubic Feet
2013	\$ 9.24	\$ 1.16
2012	9.24	1.16
2011	9.24	1.16
2010	9.24	1.16
2009	8.48	1.06
2008	7.01	0.88
2007	5.70	0.71

The City of Indio has elected to show only seven years of data for this schedule.

(1) Rates are based on a 3/4" x 1" meter size, which is the standard household meter size.

Source: Indio Water Authority

INDIO WATER AUTHORITY
Ten Largest Water Customers
Last Nine Fiscal Years

Water Customer	Account Class	2005			2006			2007			2008			2009			2010			2011			2012			2013		
		Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues			
ACDW Properties Inc.	Apartments	\$ 31,885	0.51%	\$ 46,965	0.68%	\$ 58,385	0.59%	\$ 63,683	0.54%	\$ 75,515	0.54%	\$ 79,053	0.55%	\$ 80,656	0.55%	\$ 82,672	0.56%	\$ 81,947	0.54%	\$ 82,672	0.56%	\$ 81,947	0.54%	\$ 82,672	0.56%	\$ 81,947	0.54%	
Arabian Gardens MHP	Mobile Home Park	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	68,073	0.47%	81,198	0.55%	82,550	0.55%	78,368	0.51%	82,550	0.55%	78,368	0.51%	82,550	0.55%	78,368	0.51%	
CV Housing	Apartments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	82,001	0.57%	79,682	0.54%	84,531	0.57%	71,419	0.47%	84,531	0.57%	71,419	0.47%	84,531	0.57%	71,419	0.47%	
Cabazon Indian Reservation	Casino	121,103	1.94%	117,983	1.70%	139,773	1.41%	72,834	0.61%	86,367	0.62%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Casa Monroe Apartments	Apartments	24,999	0.40%	37,830	0.55%	42,415	0.43%	-	0.00%	-	0.00%	71,193	0.49%	-	0.00%	89,362	0.62%	70,577	0.46%	89,362	0.62%	70,577	0.46%	89,362	0.62%	70,577	0.46%	
Desert Air Homeowner's Assoc	RV Park	27,690	0.44%	-	0.00%	57,539	0.58%	67,248	0.57%	79,743	0.57%	89,362	0.62%	85,169	0.58%	93,581	0.63%	94,242	0.62%	93,581	0.63%	94,242	0.62%	93,581	0.63%	94,242	0.62%	
DSUSD - Indio High	School	33,226	0.53%	47,443	0.68%	41,301	0.42%	53,909	0.45%	63,925	0.46%	78,292	0.54%	82,661	0.56%	83,952	0.56%	-	0.00%	83,952	0.56%	-	0.00%	83,952	0.56%	-	0.00%	
DSUSD - Middle School	School	-	0.00%	-	0.00%	-	0.00%	37,432	0.31%	44,387	0.32%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Indio Housing Authority	Apartments	43,496	0.70%	66,824	0.96%	59,828	0.60%	69,175	0.58%	82,028	0.58%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Indio Housing Corporation	Apartments	-	0.00%	38,326	0.55%	33,919	0.34%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
John F. Kennedy Memorial Hospital	Hospital	26,299	0.42%	41,635	0.60%	-	0.00%	-	0.00%	-	0.00%	64,227	0.44%	61,261	0.42%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Pueblo Del Sol	Mobile Home Park	32,847	0.53%	51,715	0.75%	46,907	0.47%	56,671	0.48%	67,200	0.48%	67,307	0.46%	71,210	0.49%	-	0.00%	74,098	0.48%	-	0.00%	74,098	0.48%	-	0.00%	74,098	0.48%	
Rancho Casa Blanca	Mobile Home Park	33,748	0.54%	29,035	0.42%	51,805	0.52%	84,352	0.71%	100,025	0.71%	102,057	0.70%	106,551	0.73%	113,278	0.76%	107,277	0.70%	113,278	0.76%	107,277	0.70%	113,278	0.76%	107,277	0.70%	
Riverside County-Juvenile Hall	Government	24,422	0.39%	-	0.00%	-	0.00%	36,990	0.31%	43,863	0.31%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Smoketree Apartments	Apartments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Summerbreeze Homeowner's Assoc	Apartments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Summerfield Apartments	Apartments	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	
Sunrise Point Apartments	Apartments	-	0.00%	33,723	0.49%	51,324	0.52%	70,721	0.59%	83,861	0.60%	95,139	0.66%	88,089	0.60%	-	0.00%	118,006	0.77%	-	0.00%	118,006	0.77%	-	0.00%	118,006	0.77%	
The Club Worldmark	Time Share	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	152,944	1.05%	136,612	0.92%	135,586	0.89%	-	0.00%	135,586	0.89%	-	0.00%	135,586	0.89%	
		<u>\$ 399,715</u>	<u>6.41%</u>	<u>\$ 511,479</u>	<u>7.37%</u>	<u>\$ 583,197</u>	<u>5.87%</u>	<u>\$ 613,015</u>	<u>5.16%</u>	<u>\$ 726,913</u>	<u>5.18%</u>	<u>\$ 796,704</u>	<u>5.50%</u>	<u>\$ 889,421</u>	<u>6.08%</u>	<u>\$ 970,773</u>	<u>6.53%</u>	<u>\$ 903,905</u>	<u>5.91%</u>	<u>\$ 970,773</u>	<u>6.53%</u>	<u>\$ 903,905</u>	<u>5.91%</u>	<u>\$ 970,773</u>	<u>6.53%</u>	<u>\$ 903,905</u>	<u>5.91%</u>	

The City of Indio has elected to show only nine years of data for this schedule.

Source: Indio Water Authority



City of Indio
Finance Department
100 Civic Center Mall, Indio, California 92202

(760) 391-4115