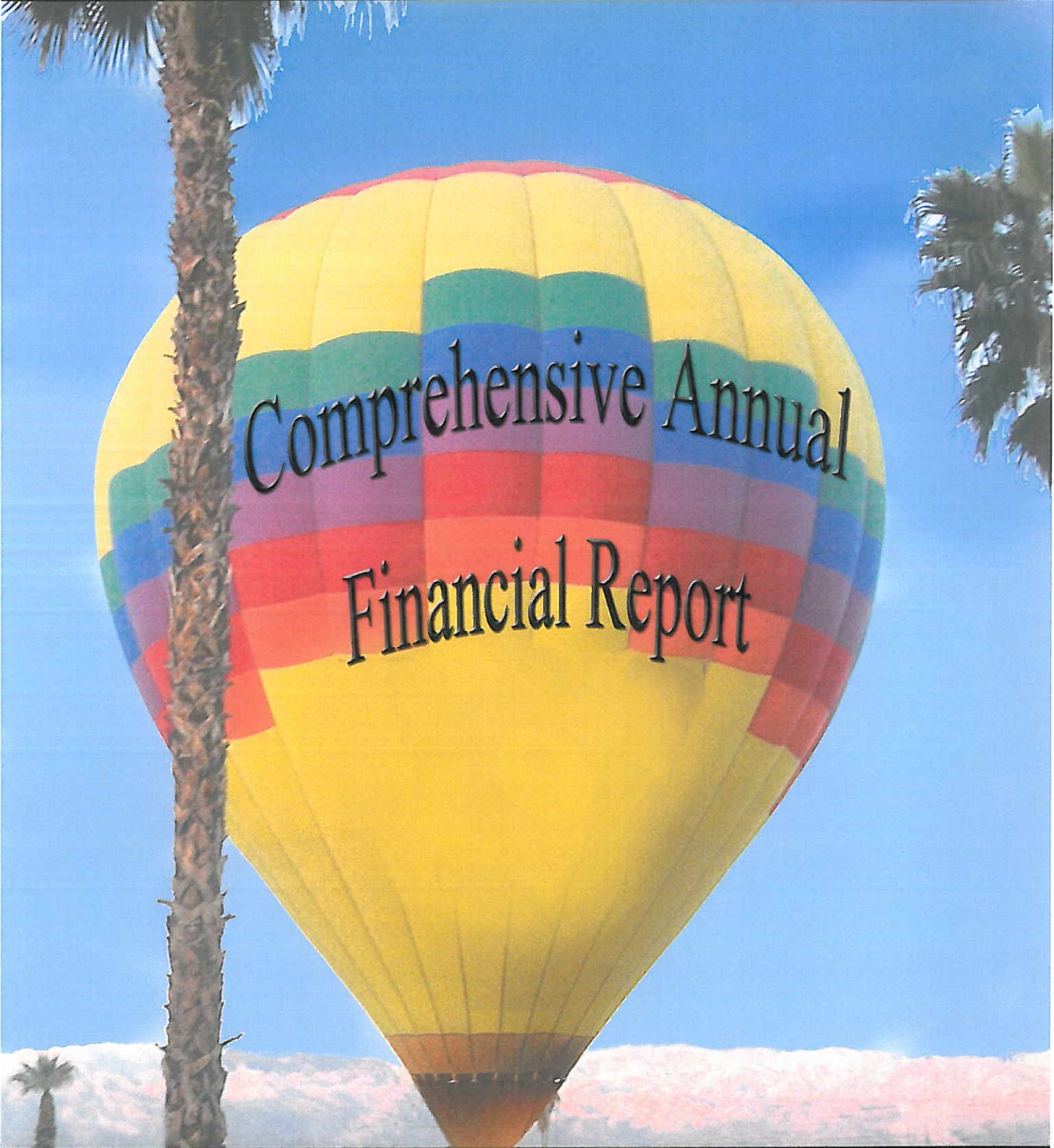


City of Indio



Comprehensive Annual
Financial Report

For Fiscal Year Ended June 30, 2015

CITY OF INDIO, CALIFORNIA
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015

Prepared by
FINANCE DEPARTMENT



CITY OF INDIO

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

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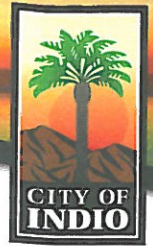
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INTRODUCTORY SECTION

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December 31, 2015

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended June 30, 2015. In compliance with City policy, a licensed certified public accountant conducted the audit and validated the 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 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 City 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, 2015, 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 “unmodified opinion,” which means that the City’s financial statements for the fiscal year ended June 30, 2015 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 85,000, 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 accommodates several county administration and service complexes along with the county’s alternate emergency operations center. 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 multiple 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 both the Empire Polo Club Grounds and the Eldorado Polo Club 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 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 Indio Housing Authority
- The Indio Public Financing Authority
- The Indio Financing Authority
- The Industrial Development Authority of the City of Indio

BUDGET PROCESS OF THE CITY

The City's fiscal year begins on the first day of July and ends on the last day of June, the following year. Usually in April, the City Manager and key staff members review revenue estimates and expenditures projections 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 budget proposal. In at least one public meeting, but more commonly over three to four, 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 three of the five members. Upon approval of the budget by the City Council, the expenditure levels and revenue assumptions stated as proposed become adopted and are appropriated at the many agency, department, and unit levels for the objects and purposes

authorized. During the fiscal year, the City Manager may transfer appropriations from one object or purpose to another without seeking City Council approval, but only within a divisional budget unit. 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

Employment growth during FY 2014-15 was strong and that trend is expected to continue through FY 2015-16. Local wages and salaries are expected to grow, producing more income for families as well as raising local retail sales. The City is now in unprecedented territory regarding local businesses licenses, building permits, and discretionary revenue growth. Fiscal Year 2014-15 was the City's fifth year of strong increase in discretionary revenue and FY 2015-16 is looking just as progressive. The opening of a new super Walmart in October 2014 and the opening of a new Dodge Chrysler auto dealer in early 2015 are complements to a local economy that is expanding across all tax sources: properties, sales, transient occupancy, utility users, and business licenses.

Consumer confidence and sentiment indicators are at post-recessionary highs. Home prices continue to rise, though the pace of price appreciation has eased, and with tight credit conditions still easing, more home sales are expected next year. The City permitted 291 new single-family rooftops in 2015, the highest number among Coachella Valley cities. The City experienced a net taxable property value increase of 8.3 percent this past year, which was slightly more than the increase experienced countywide at 5.5 percent. The City's assessed value increase between FY 2014-15 and 2015-16 was \$559 million. The increase was attributed to a 1.998 percent Proposition 13 inflation adjustment (\$77.2 million) and the balance was mostly due to the recapture of values lost over several years due to market losses under Proposition 8. In 2015, median sales prices rose 14.9 percent, which is expected to cause additional recovery of Proposition 8 values in the coming year. The State Board of Equalization has already directed the county assessor to use 1.525 percent as the Proposition 13 inflation adjustment factor for FY 2016-17, which is somewhat less than the previous year. However, with an estimated 25 percent of the Proposition 8 values lost during the Great Recession still to be recaptured, the City expects a few more years of constructive property value and property tax increases.

LONG-TERM FINANCIAL PLANNING

The City utilizes a five-year planning model that forecasts general fund revenue as well as future-year expenditures. 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 three times a year. The City Council, relying on this forecast, has successfully limited expenditure levels, while diligently restoring City reserve funds to benchmark levels.

The City's financial model prognosticates modest revenue growth at a somewhat slower pace than actual growth the past few years. Projections indicate positive cash flows after FY 2016-17 of about \$1 million a year, maintained by revenue growth of three percent (\$1.5 million) each year. On-going general fund revenue grew on average 6.5 percent over the past three years, but slowed this past fiscal year to about five percent. The biggest financial impact to

the City continues to be from rising pension costs, which are expected to cost an additional \$400,000 a year. Labor agreements, which are currently limiting impacts on the City, expire at the end of FY 2016-17. Out-year labor-related financial impacts are subject to negotiation and are neither reflected in the model nor a factor of the currently-projected surplus.

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. The City has leaned heavily on policies drafted in 2010 that established the requirement for a five-year general fund forecast and laid down clear steps to rebuild a general fund reserve, which now exceeds the policy's required benchmark: 15 percent of annual general fund revenue. The City Council has asked that this important policy be brought back to the full Council in early 2016 as part of a five-year modernization effort to make sure the policy is still pertinent and to consider increasing the reserve benchmark.

In early 2016, the City Council also intends to update its municipal purchasing ordinance. The plan is to assess the appropriateness of certain controls and update procedures, taking into consideration advancing technology and internet purchasing opportunities.

Under the City's existing Procurement Card Policy, all City credit purchases are posted on the City's website for public view.

The City's Reimbursement for Travel and Necessary Expenses Policy was updated in 2015 to differentiate between employees and elected officials, where reimbursements to elected officials are also highly regulated by state code. In both cases, the policy limits reimbursements for lodging, travel, and meals, when traveling on City business and warrants fiscal prosperity by minimizing costs, while ensuring that City officials are able to perform their duties as efficiently and effectively as possible.

MAJOR INITIATIVES FOR THE FUTURE

The Indio City Council is resolute in their effort to inspire more local economic development. In connection with that endeavor, the City Council recently approved the creation of a new economic development director position that will focus on business development in order to increase local employment and business retention through various incentive programs. The City's economic development goal is to facilitate investment in the community that ultimately improves the quality of life for Indio residents.

The City diligently plans for the future by setting both ten-year and three-year goals. The City Council and management meet every six months to formulate six-month objectives that ultimately will lead to the fulfillment of these goals. The City's ten-year goals are to:

- Construct a new city hall, including Council chambers, and public safety facilities
- Build a Youth Super Park and Science Center
- Complete the Downtown Arts and Entertainment District
- Complete all 4 interchanges in the City
- Reconstruct and/or maintain all City streets and infrastructure

- Expand public and private educational opportunities in partnership with the community

The City's three-year goals are to:

- Develop entrance gateways
- Increase the visibility of and attraction to the City
- Enhance and maintain the City's infrastructure, facilities and water resources
- Expand economic development
- Achieve and maintain financial viability and sustainability

During the last strategic planning retreat in August 2015, the City Council identified a set of target elements for the City to be "A vibrant community of arts and entertainment, education, commerce and culture." The target elements assert that the City of Indio will have or be:

- The City of festivals
- A multi-use downtown and shopping environment
- A partner to expand educational opportunities
- A new mall

With this guideline, 41 objectives for August 2015 through March 2016 were identified. These six-month objectives can be found on the City's webpage, along with updated information on the City's progress.

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, 2014. This was the eighth 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.

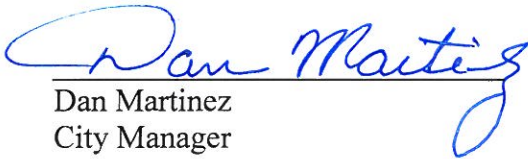
CONCLUSION

The City of Indio's mission is to embrace its diversity and provide outstanding municipal services to enhance the quality of life for its residents, visitors, and business community. The City's vision is to be recognized as a vibrant community for arts, entertainment, education,

commerce and culture. The City values honesty and integrity, fiscal responsibility, open and honest communication, exceptional service, cooperation and collaboration, community involvement, effectiveness and efficiency, and its diversity. While focusing on these values, and prudently stewarding finances, the City is prospering as the economy rebounds from the Great Recession. With economic signals indicating that a quick change in the economy is unlikely to occur any time soon, this progressive trend is expected to continue. The City is benefitting from solid gains in local assessed property values, driven by continued development in a quickly growing city, where an improving housing market and an advancing labor market are aiding in that growth.

Five years ago the City implemented a number of fiscally-minded actions to achieve, maintain, and restore its financial stability. The City now has successfully set aside \$12.7 million into a reserve fund that will help stabilize service levels during the next economic downturn. Having established a suitable reserve, the City is entering an era dedicated to smart growth; expanding services where the residents need it most. Raising pension costs are still expected to be a source of financial anxiety, but projections indicate that the City is on the verge of service expansion.

Respectfully submitted,



Dan Martinez
City Manager



CITY OF INDIO
City Officials
as of June 30, 2015

CITY COUNCIL

LUPE RAMOS WATSON
Mayor

GLENN MILLER
Mayor Pro Tempore

ELAINE HOLMES
Council Member

MICHAEL H. WILSON
Council Member

TROY STRANGE
Council Member

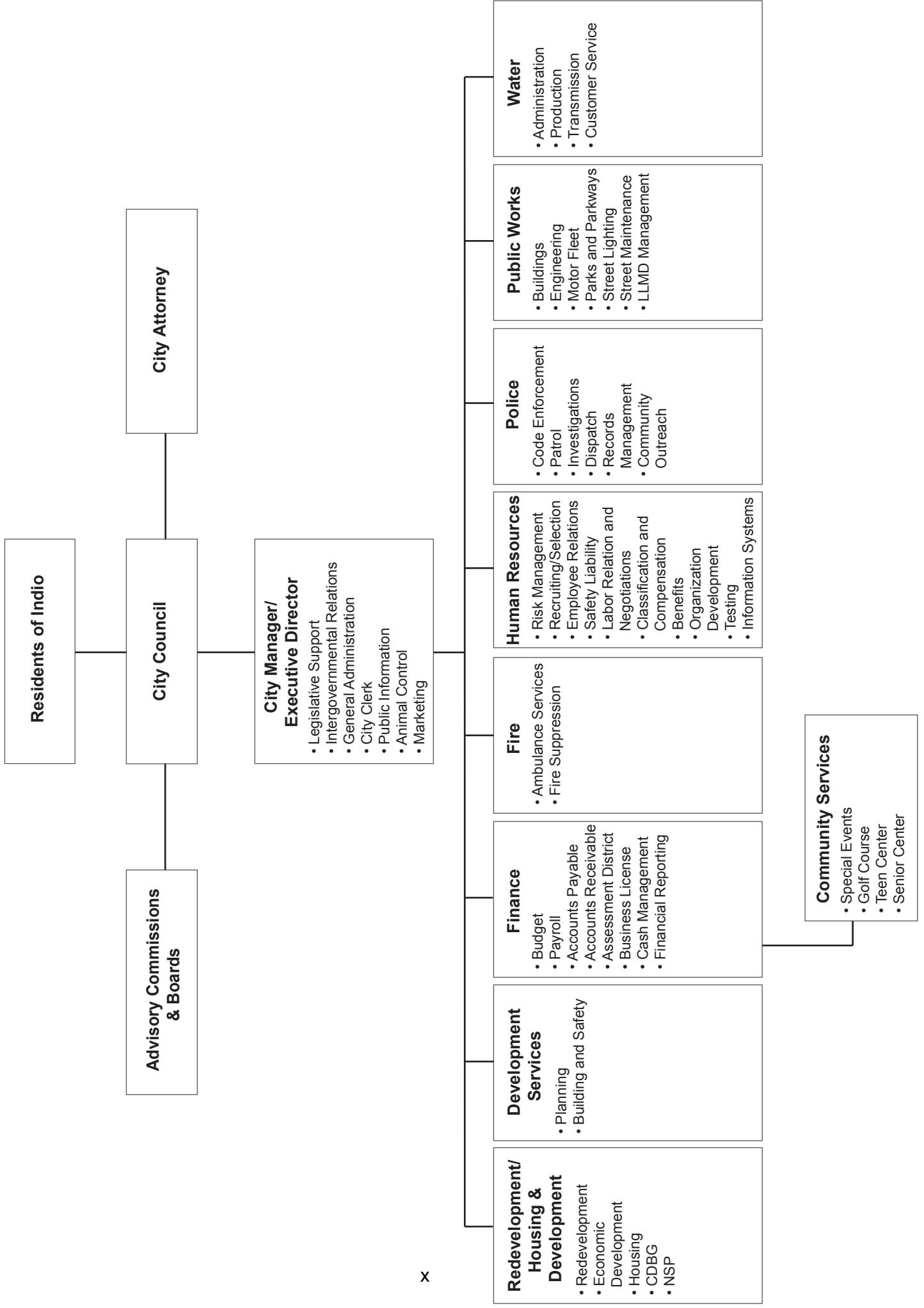
OTHER ELECTED OFFICIALS

Cynthia Hernandez, City Clerk
Sharon Ellis, Treasurer

EXECUTIVE TEAM

Dan Martinez, City Manager
Mariano Aguirre, Director of Housing & Development
Jason Chan, Principal Management Analyst
Jim Curtis, Community Services Manager
Grant Eklund, Director of Public Works / City Engineer
Jesus Gomez, Housing Program Manager
Vacant, Director of Development Services
Jasmin Loi, Director of Human Resources / Risk Management
Brian Macy, IWA General Manager
Rob Rockwell, Director of Finance
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, 2014

Executive Director/CEO



FINANCIAL SECTION

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Indio
Indio, California

Report on the Financial Statements

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 the City of Indio (City), California, as of and for the fiscal year ended June 30, 2015, 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, 2015, 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

Change in Accounting Principle

As discussed in Note 1 of the notes to the basic financial statements, effective July 1, 2014, the City adopted the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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 13, budgetary comparison information on pages 91 and 92, the schedule of Postemployment Retiree Benefits Funding Progress on page 94, Agent-Multiple Employer Defined Pension Plan: the schedule of changes in the net pension liability on page 95 and the schedule of pension contributions on page 98, and Cost Sharing Defined Pension Plan: the schedule of plan's proportionate share of net pension liability on page 97 and the schedule of pension contributions on page 98, 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 inquiry, 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, internal service, and fiduciary fund financial statements and schedules, 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 governmental 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 governmental 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 23, 2015 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.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 23, 2015



MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the City of Indio's financial statements provides a narrative overview of the City's financial activities for the fiscal year that ended June 30, 2015. Please read this analysis in conjunction with the accompanying transmittal letter, the financial statements, and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

Citywide:

At the close of the 2014-15 fiscal year, the City's assets exceeded its liabilities by \$549.8 million (net position). The City's net position decreased \$7.2 million this past year. More specifically, net position for the City's governmental activities increased \$2.7 million and the net position of the business-type activities decreased \$9.9 million. This outcome was mainly driven by a decrease in assets value, due to depreciation.

The City's total long-term debt increased \$43.8 million. Increases in water bond debt (\$4.5 million), post-employment benefits (\$1.5 million) and net pension liability (\$45.7 million) were partially offset by reductions in CalPERS side fund (\$4.1 million), notes payable (\$1.1 million), lease revenue bonds (\$975,000), claims payable (\$727,622), and various other miscellaneous debts (\$941,201).

Within the Governmental Fund Group:

At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$49.1 million, a year-over-year increase of \$7.8 million. Approximately 34 percent (\$16.8 million) of the \$49.1 million was available for spending at the government's discretion (unassigned, assigned, or committed). Fund balance in the City's General Fund increased \$7.5 million. In the Other Governmental Funds group, fund balance increased \$281,404. Capital projects fund balance increased \$583,113 and assessment district capital projects fund balance was drawn down \$566,977.

Within the Major Fund Group:

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$23.6 million, up \$7.5 million in comparison with the prior year. Approximately, 68 percent (\$15.9 million) of the \$23.6 million was available for spending at the government's discretion (unassigned, assigned, or committed). Unassigned fund balance in the General Fund was \$7.1 million, an increase of \$2.6 million from the prior fiscal year. This increase was due to the continued implementation of cost controls while the City recognized growth in revenue. Assigned fund balance in the General Fund was \$3.2 million, a decrease of \$3.7 million from the prior fiscal year. The decrease was the result of the City purchasing land and the associated costs of land improvements that were used to complement local economic development. Committed fund balance in the General Fund totaled \$5.6 million, an increase of \$4.5 million. Funds "committed" by the City Council finance general operations between large revenue remittances and serve as a contingency against future tribulations caused by economic downturn. The remaining \$7.6 million is nonspendable fund balance, which represents resources that cannot be spent because they are not in a spendable form. At the end of the fiscal year, the City's nonspendable fund balance consisted of some prepaid expenditures \$31,784, land held for resale \$3.5 million, and a note receivable (\$4.1 million).

The Capital Project Fund group accumulated \$2.9 million in fund balance at the end of the fiscal year, an increase of \$667,113 over the previous year. Revenue exceeded expenditures by \$1.6 million, however, interfund transfers out exceeded interfund transfers in by \$1.0 million. Within the Capital Project Fund group, fund balance related to the various assessment and community facility district infrastructure improvements, where obligation improvement bond proceeds are used, fund balance decreased \$566,977. The decrease was mainly associated with infrastructure expenditures incurring within a community facilities district (CFD 2004-3) and an assessment district (AD2003-3).

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 Indio Housing Authority, the Indio Public Financing Authority, the Indio Financing Authority, and the Industrial Development 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. Two statements are designed to provide the reader with a broad overview of the City's finances. Both the statement of net position as well as the statement of activities and changes in net position report information about the City in a manner similar to a private-sector business. 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 net position provide insight into whether the City's 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 cash was received or disbursed. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, and community services (recreation). Property taxes, sales taxes, utility users' taxes, service fees, interest income, and state and federal grants finance these activities. The business-type activities of the City include: water services, managed by the Indio Water Authority; municipal golf operations, managed by Landmark Golf LP; and solid waste services managed by Burrtec. The Indio Water Authority, although legally separate, is overseen by the Indio City Council, and therefore has been included as an integral part of the primary government.

The governmental-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds for the City are divided into one of three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental activities within the governmental fund group 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 calculated using the economic-resources-measurement focus and the accrual basis of accounting. 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 segregate and manage resources collected for particular purposes. Funds are created to isolate certain taxes, grants, and other legally restricted resources from general purpose resources. A 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.

Governmental Funds:

The City's basic services are reported in the governmental fund group. Governmental fund financial statements focus on near-term flows of spendable resources in and out of various funds and the balances left at year-end that remain available for spending in the future. Such information is useful in evaluating the City's near-term financing requirements. 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 on pages 20 and 24.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers might better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 112 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, a capital project fund, and an assessment district capital project fund, which are considered to be major funds. Within the capital project fund, 11 individual capital funds are aggregated in that major fund group. Within the assessment district capital project fund, 11 funds are aggregated into that major fund group. Data from the other 89 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 89 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for all of its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the fiscal year's adopted budget.

The governmental fund financial statements can be found on pages 18-24 of this report.

Proprietary Funds:

When the City charges for specific services to outside customers or to other internal governmental units of the City, those services are generally reported within the proprietary fund group. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same function presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water services, golf course operations, and solid waste services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various departments and functions. The City uses internal service funds to account and manage its fleet of vehicles, vehicle replacements, risk and insurance, centralized (shared) services, building maintenance, and information systems. Because these six services principally benefit the City rather than business-type functions, which predominantly benefit the public, they have been included within the governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water services. The golf and solid waste services are aggregated and reported as non-major funds and reported individually elsewhere in this report. Only the water services managed by the Indio Water Authority are considered to be major proprietary fund of the City. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund group is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds:

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:

These 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 basic financial statements can be found on pages 31-89 of this report.

Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations to provide retiree health and pension benefits to its employees. Also a budget to actual comparison schedule is provided from the City's general fund. Required supplementary information can be found on pages 91-98 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

By far the largest portion of the City's net position 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.

City of Indio's Net Position

	Governmental activities		Business-Type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 64,177,248	\$ 56,561,294	\$ 15,920,016	\$ 21,242,556	\$ 80,097,264	\$ 77,803,850
Capital assets	476,596,182	484,905,966	191,935,001	192,730,562	668,531,183	677,636,528
Other noncurrent assets	9,434,052	9,071,510	-	-	9,434,052	9,071,510
Total assets	550,207,482	550,538,770	207,855,017	213,973,118	758,062,499	764,511,888
Pensions	4,175,754	-	674,486	-	4,850,240	-
Deferred loss on refunding of debt	-	-	1,369,323	689,239	1,369,323	689,239
Total deferred outflows	4,175,754	-	2,043,809	689,239	6,219,563	689,239
Long-term liabilities outstanding	117,796,159	84,843,919	68,207,549	57,318,158	186,003,708	142,162,077
Other liabilities	14,955,479	15,083,563	2,374,230	2,382,636	17,329,709	17,466,199
Total liabilities	132,751,638	99,927,482	70,581,779	59,700,794	203,333,417	159,628,276
Pensions	8,036,002	-	989,869	-	9,025,871	-
Unamortized gain on refunding of debt	2,163,434	2,259,944	-	-	2,163,434	2,259,944
Total deferred inflows	10,199,436	2,259,944	989,869	-	11,189,305	2,259,944
Net position:						
Net investment in capital assets	419,607,076	425,528,330	133,626,675	136,333,813	553,233,751	561,788,438
Restricted	26,095,510	26,841,674	-	-	26,095,510	26,841,674
Unrestricted	(34,270,424)	(4,018,660)	4,700,503	18,627,750	(29,569,921)	14,682,795
Total net position	\$ 411,432,162	\$ 448,351,344	\$ 138,327,178	\$ 154,961,563	\$ 549,759,340	\$ 603,312,907

Governmental Activities:

Expenses for Governmental Activities total \$94.7 million. This is an increase of \$10.4 million over the prior fiscal year, driven by increases in capital outlay and salaries and benefits.

Governmental revenue is broken down into program revenues and general revenues. Program revenue totaled \$42.3 million, which is \$2.4 million less than last fiscal year due to decreases in capital contributions and grants of \$3.1 million which were offset by charges for services and operating contributions and grants. This decrease is due to less public works revenue. General revenue totaled \$55.1 million and was \$12.8 million more than prior fiscal year revenues. The increase in general revenue is due to a combination of increases in property taxes (\$887,340), other taxes (\$2 million), and other general revenues (\$10 million). Specifically, these increases in other general revenues were due to an advance lease payment from the Indio Water Authority (\$6 million) and the sale of real property (\$3.9 million).

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 was \$31.3 million. The majority of the costs, \$30.1 million, were for water activities, which increased \$6.7 million from the prior fiscal year, golf activities increased by \$177,651 to \$1.1 million.

Total revenue was \$21.3 million, a decrease of \$152,152 over last fiscal year which was due to increases in charges for services (\$995,597), a decrease in capital grants and contributions (\$1.2 million), and an increase in other general revenue (\$69,167).

City of Indio's Statement of Activities

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 21,772,405	\$ 21,092,237	\$ 19,880,202	\$ 18,887,305	\$ 41,652,607	\$ 39,979,542
Operating contributions and grants	14,808,705	14,846,912	-	-	14,808,705	14,846,912
Capital contributions and grants	5,766,470	8,841,075	1,265,367	2,479,583	7,031,837	11,320,658
General Revenues:						
Property taxes	13,887,306	12,999,966	-	-	13,887,306	12,999,966
Other taxes	26,132,860	24,174,874	-	-	26,132,860	24,174,874
Other	15,153,810	5,175,187	139,600	70,433	15,293,410	5,245,620
Total revenues	97,521,556	87,130,251	21,285,169	21,437,321	118,806,725	108,567,572
Expenses:						
Water	-	-	30,144,576	23,562,832	30,144,576	23,562,832
Golf	-	-	1,120,150	942,499	1,120,150	942,499
General government	10,395,418	6,534,935	-	-	10,395,418	6,534,935
Public safety	43,687,422	47,339,078	-	-	43,687,422	47,339,078
Public works	21,289,191	16,018,521	-	-	21,289,191	16,018,521
Community development	11,099,106	8,709,976	-	-	11,099,106	8,709,976
Human services	1,788,735	2,664,569	-	-	1,788,735	2,664,569
Interest expense and other charges	6,483,884	3,013,214	-	-	6,483,884	3,013,214
Total Expenses	94,743,756	84,280,293	31,264,726	24,505,331	126,008,482	108,785,624
Change in net position before transfers	2,777,800	2,849,958	(9,979,557)	(3,068,010)	(7,201,757)	(218,052)
Transfers	(75,000)	(6,245,165)	75,000	6,245,165	-	-
Change in net position	2,702,800	(3,395,207)	(9,904,557)	3,177,155	(7,201,757)	(218,052)
Net Position - beginning of fiscal year	448,351,344	452,622,818	154,961,563	152,535,926	603,312,907	605,158,744
Prior period adjustments	(39,621,982)	(876,267)	(6,729,828)	(751,518)	(46,351,810)	(1,627,785)
Net Position - beginning of fiscal year, restated	408,729,362	451,746,551	148,231,735	151,784,408	556,961,097	603,530,959
Net Position - end of fiscal year	\$ 411,432,162	\$ 448,351,344	\$ 138,327,178	\$ 154,961,563	\$ 549,759,340	\$ 603,312,907

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 totaled \$117.8 million, an increase of \$32.9 million from the prior fiscal year. Postemployment benefits (OPEB) liability increased by \$1.5 million and net pension liability increased \$39.4 million due to the implementation of GASB No. 68 and No. 71. These increases were offset by a combination of decreases in claims payable, lease revenue bonds, capital leases, certificates of participation, notes payables and compensated absences. Debt considered a liability of business-type activities was \$68.2 million, an increase of \$10.9 million from the prior fiscal year, due to the refinance of water bonds (\$4.5 million) and the net increase in pension liability (\$6.4 million). 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 14 on pages 51-61 and note 18 on pages 66-76.

City of Indio's Outstanding Debt

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Claims Payable	\$ 3,746,715	\$ 4,474,337	\$ -	\$ -	\$ 3,746,715	\$ 4,474,337
Lease Revenue Bonds	39,190,000	40,165,000	-	-	39,190,000	40,165,000
Water Bonds	-	-	61,615,289	57,085,988	61,615,289	57,085,988
Capital Lease	2,052,897	2,411,808	-	-	2,052,897	2,411,808
Certificates of Participation	4,535,000	5,005,000	-	-	4,535,000	5,005,000
Notes payable	9,920,051	11,048,842	-	-	9,920,051	11,048,842
PERS side fund	-	4,111,192	-	-	-	4,111,192
Net pension liability	39,368,436	-	6,353,467	-	45,721,903	-
Post employment benefit	17,082,074	15,607,841	-	-	17,082,074	15,607,841
Compensated absences	1,900,986	2,019,899	238,793	232,170	2,139,779	2,252,069
Total	\$ 117,796,159	\$ 84,843,919	\$ 68,207,549	\$ 57,318,158	\$ 186,003,708	\$ 142,162,077

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 \$476.6 million and the net capital assets of the business-type activities totaled \$191.9 million. The City’s net capital assets value decreased by \$9.1 million from the prior fiscal 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 48-50.

City of Indio's Capital Assets

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 41,728,484	\$ 40,811,973	\$ 2,168,969	\$ 2,168,969	\$ 43,897,453	\$ 42,980,942
Right of way	54,437,892	54,434,282	-	-	54,437,892	54,434,282
Structures and improvements	34,688,262	32,911,564	15,299,783	15,258,474	49,988,045	48,170,038
Machinery, equipment and vehicles	17,095,607	16,736,923	4,394,911	4,354,382	21,490,518	21,091,305
Infrastructure	545,687,087	541,173,828	279,131,036	277,589,242	824,818,123	818,763,070
Construction in progress	15,931,629	16,488,852	5,912,221	607,182	21,843,850	17,096,034
Capital Assets	709,568,961	702,557,422	306,906,920	299,978,249	1,016,475,881	1,002,535,671
Accumulated depreciation	232,972,779	217,651,456	114,971,919	107,247,687	347,944,698	324,899,143
Net Capital Assets	\$ 476,596,182	\$ 484,905,966	\$ 191,935,001	\$ 192,730,562	\$ 668,531,183	\$ 677,636,528

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 (public service 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. On occasion, expenditures exceed budgeted appropriation levels. Those overruns are reflected on page 77.

The Fiscal Year 14/15 General Fund Budget:

The originally-adopted fiscal year 2014-15 general fund budget authorized \$53 million in expenditures, supported by \$52 million in expected general fund revenue. The budget incorporated a \$350,000 drawdown from assigned fund balance to partially fund a multi-year citywide general plan update. The budget as finally adjusted before the end of the fiscal year authorized \$60.3 million in expenditures, supported by \$60.4 million in revenue, including transfers. The final budget reflected a planned \$317,843 drawdown from assigned fund balance. During the fiscal year, the budget was adjusted, per City Council action, to reflect changes in revenue projections and department approved spending levels. The Indio City Council largely appropriates newly identified general fund revenue in a budgetary account called Appropriations for Contingencies, thereby maintaining a balance between appropriations and expected revenue. Funds appropriated in the contingency account represent resources that have not been appropriated for a specific purpose and later are either moved into an appropriate departmental budget unit for expenditure or left in the contingency account, unobligated, to supplement reserves. At the end of the fiscal year, the City Council had appropriated \$1 million in the contingency account.

By the end of the fiscal year, general fund expenditures totaled \$57.7 million, \$2.6 million in expenditures less than budgeted. About \$1 million of the savings was associated with planned savings reflected in the account for contingencies. The balance, approximately \$1.6 million, was the result of various departments under-spending their respective budgets. Overall, actual general fund expenditures were 2.5 percent under budgeted expectations.

By the end of the fiscal year, general fund revenue totaled \$64.9 million, \$4.5 million in revenue over budgeted expectations. During the fiscal year, the City received \$3.9 million in unbudgeted revenue associated with the sale of land and about \$700,000 from a mix of other sources including taxes, fees, and reimbursements. Overall, actual general fund revenue exceeded budgeted expectations by 6.8 percent.

The cumulative effect of expenditures under budget and revenue in excess of the budget netted a \$7.1 million increase in general fund unassigned fund balance at the end of fiscal year 2014-15.

Economic Factors and Next Year's Budget and Rates:

The City of Indio continues to benefit from a strong economic rebound that is bringing new business and residents into the area. During fiscal year 2014-15, the City experienced its fifth consecutive year of increases in tax revenue, business licenses, and development permits. Since fiscal year 2010-11, the City's population has grown almost 11 percent and local ongoing general-purpose revenue has almost doubled. With the resources gained during the 2014-15 fiscal year, the City completed its goal to reestablish a baseline emergency reserve fund, which will total \$12.7 million once formally committed by the City Council and represent 21 percent of annual general fund operating cash. The city recently came to terms with its local labor unions, which will help steady City's finances through fiscal year 2016-17. With little to hamper economic growth, a quick change in the local economy is not expected to occur any time soon. As long as revenue continues to grow at the pace experienced these past few years, in spite of growing pension costs, the city's five-year financial forecast is optimistic.

The City completed a comprehensive rate and fee review in December 2012 that incorporated incremental fee increases at the beginning, middle, and end of 2013. The City is currently going through a fee review in order to determine if subsequent increase in operational costs warrant increases in various city fees and charges. Changes, if any, will likely be deferred until late 2016, pending the results of that study.

The City adopted the fiscal year 2015-16 budget in June after multiple customary public sessions. When adopted, the citywide budget authorized \$124.3 million in appropriations, funded with \$118.7 million in expected annual revenue. The budget incorporated a \$5.6 million drawdown from fund balance to partially fund various projects mostly appropriated within the City's special revenue fund and capital project fund groups. The City's adopted general fund budget authorized \$58.8 million in expenditures, supported by \$58.8 million in expected general fund revenue.

Following is a list of the highlights from the City's adopted fiscal year 2015-16 budget:

The Citizens' Finance Advisory Commission (CFAC) convened public meetings on April 13, May 5, and June 15, 2015, to review the fiscal year 15-16 proposed general fund budget. The CFAC supported the city manager's budget plan, formally voting to:

- postpone bonding for capital projects for at least one year in order to avoid any possible reductions in city services that might occur with the redirection of monetary resources towards bonds;
- allow the commission the opportunity to review and comment on any changes to the city's reserve policy;
- not pursue FY 15-16 Federal COPS grant funding, which requires a 68 percent local cash match, in light of the tight budget situation.

The Indio City Council held public budget study sessions on April 15, May 20, and June 3, 2015, to review the city manager's FY 15-16 proposed budget plan. From those public discussions, the following changes have been incorporated into the city manager's recommended budget:

- \$44,000 was added to the Fire Department budget to upgrade three firefighter positions to firefighter paramedics on Truck 86;
- \$25,000 has been added to the Fire Department budget to construct security fencing around Station #3 (Madison Station);
- a Geographic Information Systems Coordinator position was added to the Information Technology budget to enhance GIS services across multiple city departments. The cost of the position is about \$90,000 and will be absorbed into the budgets of user departments;
- \$37,500 was added to the Promotion and Publicity budget to grow the partnership between the city and the Indio Chamber of Commerce by supporting three city events: a community Octoberfest BBQ, a community Easter egg hunt, and to enhance the city's December community holiday lighting event;
- \$13,000 was added to the Economic Development budget in support of a proposed East Valley Coalition that will manage, coordinate, market, and administer economic development activities within the boundaries of participating member jurisdictions;
- \$20,000 was added to the Promotion and Publicity budget in support of additional city sponsorships, bringing the programs total for grants and sponsorships up to \$70,000.

The fiscal year 15-16 recommended budget also incorporates the following key changes from the previous-year's adopted budget:

- \$60,000 previously appropriated to research and analyze potential changes to the city's transient occupancy tax was re-appropriated to research and analyze potential changes to the city's sales tax;
- \$60,000 previously appropriated to support of the city's 85th anniversary events was re-appropriated to augment the city's banner program, bringing the program's total funding up to \$90,000;
- \$100,000 previously appropriated to research and potentially implement an east valley innovation hub to spur local business was re-appropriated to augment city marketing efforts, bringing the program's total funding up to \$250,000;
- \$350,000 was appropriated in the Planning budget to fund the city's multi-year general plan update.

In the city's general fund, \$98,914 will be appropriated within the account for contingencies and earmarked for the following city council priorities:

- \$3,020 in support of landscape and lighting maintenance;
- \$95,894 for future, to be determined, city council priorities.

Following are the financial highlights incorporated into the FY 15-16 recommended budget related to changes in labor costs:

- The recommended budget supports 230 full-time, 7 elected, 37 appointed, and 15 part-time positions.
- The recommended budget adds two full-time positions: an Office Assistant for the Indio Water Authority and a Geographic Information Systems Coordinator for the city's Information Technology Division.
- The recommended budget adds three part-time positions for the Indio Water Authority: Accounting Technician I, Office Assistant, and a Water Intern.
- Contributions to CalPERS for miscellaneous members will increase 1.6 percent. For safety members, the increase is 4.1 percent. These increases will drive benefit costs up for the city by an estimated \$500,000. For fiscal 15-16, the retirement contribution rate for miscellaneous employees stands at 23.461 percent of pay. For safety employees, the contribution rate is effectively 40.5 percent of pay.
- Consistent with the city's goal to keep labor expenditures close to their current levels, no salary or benefit enhancements are incorporated into the recommended budget, other than increases approved by the city council through a prior labor agreement. The City did come to terms with all of its labor unions on contracts ending on June 30, 2017.

Contacting the City's Finance Department:

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, 2015

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments (note 2)	\$ 42,080,006	\$ 11,961,248	\$ 54,041,254
Cash and investments with fiscal agent (note 2)	4,333,542	1,937,640	6,271,182
Deposits with other agencies	1,089,045		1,089,045
Accounts receivable, net	3,427,493	2,199,676	5,627,169
Interest receivable	15,553	209	15,762
Notes receivable (note 4)	9,996,297		9,996,297
Due from other governments	2,595,474		2,595,474
Internal balances	591,443	(591,443)	
Prepaid items	48,395	238,415	286,810
Inventory		174,271	174,271
Advance to private-purpose trust funds	5,496,151		5,496,151
Property held for resale	125,204		125,204
Land held for resale (note 5)	3,812,697		3,812,697
Capital assets, not depreciated (note 6)	112,098,005	8,081,190	120,179,195
Capital assets, depreciated, net (note 6)	364,498,177	183,853,811	548,351,988
Total assets	<u>550,207,482</u>	<u>207,855,017</u>	<u>758,062,499</u>
Deferred Outflows of Resources:			
Pensions	4,175,754	674,486	4,850,240
Deferred loss on refunding of debt		1,369,323	1,369,323
Total deferred outflows of resources	<u>4,175,754</u>	<u>2,043,809</u>	<u>6,219,563</u>
Liabilities:			
Accounts payable	5,821,582	1,019,461	6,841,043
Accrued payroll	1,421,103	677,303	2,098,406
Deposits payable	5,357,275	398,098	5,755,373
Interest payable	427,758	189,394	617,152
Retentions payable	27,763	89,974	117,737
Unearned revenue	1,899,998		1,899,998
Long-term liabilities (notes 7 to 14 and 18):			
Portion due within one year	4,425,157	1,689,288	6,114,445
Portion due in more than one year	113,371,002	66,518,261	179,889,263
Total liabilities	<u>132,751,638</u>	<u>70,581,779</u>	<u>203,333,417</u>
Deferred Inflows of Resources:			
Pensions	8,036,002	989,869	9,025,871
Unamortized gain on refunding of debt	2,163,434		2,163,434
Total deferred inflows of resources	<u>10,199,436</u>	<u>989,869</u>	<u>11,189,305</u>
Total liabilities and deferred inflows	<u>142,951,074</u>	<u>71,571,648</u>	<u>214,522,722</u>
Net position:			
Net investment in capital assets	419,607,076	133,626,675	553,233,751
Restricted for:			
Public works	7,178,233		7,178,233
Assessment districts	872,746		872,746
Housing	9,130,092		9,130,092
Community development	5,904,572		5,904,572
Debt service	2,333,948		2,333,948
Public safety	675,919		675,919
Unrestricted (deficit)	<u>(34,270,424)</u>	<u>4,700,503</u>	<u>(29,569,921)</u>
Total net position	<u>\$ 411,432,162</u>	<u>\$ 138,327,178</u>	<u>\$ 549,759,340</u>

See accompanying notes to basic financial statements

CITY OF INDIO
Statement of Activities
Fiscal Year Ended June 30, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 10,395,418	\$ 12,113,200	\$ -	\$ -
Public safety	43,607,227	2,578,169	5,444,402	
Public works	21,289,191	1,738,200	6,191,717	5,766,470
Community development	11,179,301	2,248,299	3,172,586	
Human services	1,788,735	3,094,537		
Interest expense and other charges	6,483,884			
Total governmental activities	<u>94,743,756</u>	<u>21,772,405</u>	<u>14,808,705</u>	<u>5,766,470</u>
Business-type activities:				
Water	30,144,576	18,767,417		1,265,367
Golf	1,120,150	1,112,785		
Total business-type activities	<u>31,264,726</u>	<u>19,880,202</u>		<u>1,265,367</u>
Total primary government	<u>\$ 126,008,482</u>	<u>\$ 41,652,607</u>	<u>\$ 14,808,705</u>	<u>\$ 7,031,837</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

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	Totals
\$ 1,717,782	\$ -	\$ 1,717,782
(35,584,656)		(35,584,656)
(7,592,804)		(7,592,804)
(5,758,416)		(5,758,416)
1,305,802		1,305,802
(6,483,884)		(6,483,884)
<u>(52,396,176)</u>		<u>(52,396,176)</u>
	(10,111,792)	(10,111,792)
	(7,365)	(7,365)
	(10,119,157)	(10,119,157)
(52,396,176)	(10,119,157)	(62,515,333)
13,887,306		13,887,306
10,040,379		10,040,379
3,906,773		3,906,773
2,441,259		2,441,259
9,744,449		9,744,449
4,024,570	139,600	4,164,170
34,291		34,291
11,094,949		11,094,949
(75,000)	75,000	
<u>55,098,976</u>	<u>214,600</u>	<u>55,313,576</u>
<u>2,702,800</u>	<u>(9,904,557)</u>	<u>(7,201,757)</u>
448,351,344	154,961,563	603,312,907
(39,621,982)	(6,729,828)	(46,351,810)
<u>408,729,362</u>	<u>148,231,735</u>	<u>556,961,097</u>
<u>\$ 411,432,162</u>	<u>\$ 138,327,178</u>	<u>\$ 549,759,340</u>

CITY OF INDIO
Governmental Funds
Balance Sheet
June 30, 2015

	General Fund	Capital Projects Fund	Assessment Districts Capital Projects Fund
<u>Assets</u>			
Cash and investments	\$ 21,416,892	\$ 4,502,489	\$ 470
Cash and investments with fiscal agent			872,276
Accounts receivable	2,721,419	397,784	
Due from other governments	1,615,688		
Due from other funds (note 3)	1,384,291		
Interest receivable	6,176	4,126	
Notes receivable (note 4)	4,099,928		
Prepaid items	31,784		
Advance to private-purpose trust funds (note 4)			
Property held for resale			
Land held for resale	3,508,697		
Total assets	<u>\$ 34,784,875</u>	<u>\$ 4,904,399</u>	<u>\$ 872,746</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 4,273,465	\$ 194,001	\$ -
Accrued liabilities	1,262,967	269	
Due to other funds (note 3)			
Unearned revenue	125,000	1,774,998	
Retentions payable	19,002		
Deposits payable	5,357,275		
Total liabilities	<u>11,037,709</u>	<u>1,969,268</u>	
Deferred Inflows of Resources:			
Deferred revenue	157,690		
Total deferred inflows of resources	<u>157,690</u>		
Total liabilities and deferred inflows	<u>11,195,399</u>	<u>1,969,268</u>	
Fund balances:			
Nonspendable:			
Advances			
Prepaid items	31,784		
Property held for resale			
Land held for resale	3,508,697		
Notes receivable	4,099,928		
Restricted		1,950,262	872,746
Committed	5,619,500		
Assigned			
General government	454,294		
Special Projects	2,788,000		
Construction projects		984,869	
Unassigned			
Total fund balances	<u>23,589,476</u>	<u>2,935,131</u>	<u>872,746</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 34,784,875</u>	<u>\$ 4,904,399</u>	<u>\$ 872,746</u>

See accompanying notes to basic financial statements

Other Governmental Funds	Totals
\$ 9,130,619	\$ 35,050,470
3,461,266	4,333,542
273,318	3,392,521
979,786	2,595,474
	1,384,291
5,251	15,553
5,896,369	9,996,297
	31,784
5,496,151	5,496,151
125,204	125,204
304,000	3,812,697
<u>\$ 25,671,964</u>	<u>\$ 66,233,984</u>

\$ 890,563	\$ 5,358,029
84,978	1,348,214
345,529	345,529
	1,899,998
8,761	27,763
	5,357,275
<u>1,329,831</u>	<u>14,336,808</u>

<u>2,613,688</u>	<u>2,771,378</u>
<u>2,613,688</u>	<u>2,771,378</u>
<u>3,943,519</u>	<u>17,108,186</u>

5,496,151	5,496,151
	31,784
125,204	125,204
304,000	3,812,697
	4,099,928
15,937,632	18,760,640
	5,619,500
	454,294
	2,788,000
	984,869
(134,542)	6,952,731
<u>21,728,445</u>	<u>49,125,798</u>
<u>\$ 25,671,964</u>	<u>\$ 66,233,984</u>



CITY OF INDIO
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Fund balances of governmental funds		\$ 49,125,798
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		691,609,918
Accumulated depreciation		(219,045,119)
Long-term debt has not been included in governmental fund activity:		
Bonds payable		(39,190,000)
Installment agreement		(4,535,000)
Capital lease obligations		(1,295,455)
Note payable		(9,920,051)
Compensated absences		(1,900,986)
Net pension liability		(37,623,032)
Post employment benefit liability		(17,082,074)
In governmental funds, deferred gain on debt refunding has not been included as deferred inflows of resources		(2,163,434)
Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds.		(427,758)
The focus of governmental funds is on short-term financing, therefore, some assets will not be available to pay for current-period expenditures. Those assets are offset by deferred inflows in the governmental funds and are not included in fund balance. Unearned revenue associated with these assets is included in the statement of net position.		2,771,378
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.		
Deferred inflows of resources relating to pensions	\$ (7,764,068)	
Deferred outflows of resources relating to pensions	3,990,462	
Net		(3,773,606)
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		4,031,383
Long-term liabilities		(6,249,561)
Other assets and liabilities		7,099,761
Net position of governmental activities		\$ 411,432,162

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, 2015

	General Fund	Capital Projects Fund	Assessment Districts Capital Projects Fund
Revenues:			
Taxes	\$ 31,866,345	\$ -	\$ -
Special assessments			
Licenses and permits	2,915,505		
Intergovernmental	8,121,321	331,939	
Charges for services	15,110,200		
Fines	856,190		
Investment income	4,024,006	16,742	2,483
Developer fees		4,491,352	
Miscellaneous	2,020,440	1,247,664	
Total revenues	<u>64,914,007</u>	<u>6,087,697</u>	<u>2,483</u>
Expenditures:			
Current:			
General government	4,619,835		
Public safety	36,391,977		
Public works	5,003,100	4,187,063	569,460
Community development	5,909,221		
Human services	1,558,946		
Other	3,884,348		
Debt service:			
Principal	252,917	279,087	
Interest and other charges	109,451	4,611	
Total expenditures	<u>57,729,795</u>	<u>4,470,761</u>	<u>569,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,184,212</u>	<u>1,616,936</u>	<u>(566,977)</u>
Other financing sources (uses):			
Interfund transfers in (note 3)	3,109,989	168,267	
Interfund transfers out (note 3)	(2,792,838)	(1,202,090)	
Total other financing sources (uses)	<u>317,151</u>	<u>(1,033,823)</u>	
Net change in fund balances	<u>7,501,363</u>	<u>583,113</u>	<u>(566,977)</u>
Fund balances at beginning of fiscal year	16,088,113	2,268,018	1,439,723
Prior period adjustments		84,000	
Fund balances at beginning of fiscal year, restated	<u>16,088,113</u>	<u>2,352,018</u>	<u>1,439,723</u>
Fund balances at end of fiscal year	<u>\$ 23,589,476</u>	<u>\$ 2,935,131</u>	<u>\$ 872,746</u>

See accompanying notes to basic financial statements

Other Governmental Funds	Totals
\$ 4,453,676	\$ 36,320,021
4,015,296	4,015,296
	2,915,505
3,300,383	11,753,643
	15,110,200
82,080	938,270
1,290,068	5,333,299
	4,491,352
<u>1,329,755</u>	<u>4,597,859</u>
<u>14,471,258</u>	<u>85,475,445</u>
426,800	5,046,635
1,293,851	37,685,828
5,290,207	15,049,830
2,903,626	8,812,847
	1,558,946
	3,884,348
2,294,704	2,826,708
2,517,338	2,631,400
<u>14,726,526</u>	<u>77,496,542</u>
<u>(255,268)</u>	<u>7,978,903</u>
3,752,977	7,031,233
<u>(3,216,305)</u>	<u>(7,211,233)</u>
<u>536,672</u>	<u>(180,000)</u>
<u>281,404</u>	<u>7,798,903</u>
21,531,041	41,326,895
<u>(84,000)</u>	
<u>21,447,041</u>	<u>41,326,895</u>
<u>\$ 21,728,445</u>	<u>\$ 49,125,798</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, 2015

Changes in fund balances of governmental funds \$ 7,798,903

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	5,789,419
Depreciation of capital assets	(14,435,294)

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. Also, governmental funds report the effect of 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	2,826,708
To record as an expense the net change in post employment benefit liability in the Statement of Activities.	(1,474,233)
To record as a reduction of expense the net change in compensated absences in the Statement of Activities.	118,913
To record as a revenue or a reduction of expense the amortization of gain on refunding in the Statement of Activities.	96,510

Pension Cost

In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

487,739

Accrued Interest

The Statement of Net Position includes accrued interest on long-term debt, this is the net change

(33,140)

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.

1,768,818

Unearned Revenue

The focus of governmental funds is on short-term financing, therefore, some assets are offset by unearned revenue or deferred inflows. Loans and notes issued during the fiscal year are reported as expenditures in the governmental funds when paid. Collections of loans and notes are reported as revenues in the governmental funds when received. The annual activity for loans and notes is not reported as revenues and expenses in the statement of activities. Net activity including establishment of an allowance.

(241,543)

Change in net position of governmental activities

\$ 2,702,800

See accompanying notes to basic financial statements

CITY OF INDIO
Proprietary Funds
Statement of Net Position
June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Major Fund Water Fund	Nonmajor Funds	Totals	
Assets:				
Current assets:				
Cash and investments	\$ 11,958,483	\$ 2,765	\$ 11,961,248	\$ 7,029,536
Cash and investments with fiscal agent	1,937,640		1,937,640	
Deposit with other agencies				1,089,045
Accounts receivable, net	2,198,244	1,432	2,199,676	34,972
Interest receivable	37	172	209	
Prepaid items	163,415	75,000	238,415	16,611
Inventory	156,111	18,160	174,271	
Total current assets	<u>16,413,930</u>	<u>97,529</u>	<u>16,511,459</u>	<u>8,170,164</u>
Noncurrent assets:				
Capital assets:				
Land	1,703,010	465,959	2,168,969	
Construction in progress	5,912,221		5,912,221	
Structures and improvements	14,939,434	360,349	15,299,783	863,436
Machinery and equipment	2,919,467	50,076	2,969,543	7,724,716
Vehicles	1,425,368		1,425,368	9,370,891
Utility distribution system	279,131,036		279,131,036	
Accumulated depreciation	(114,839,097)	(132,822)	(114,971,919)	(13,927,660)
Total capital assets (net of accumulated depreciation)	<u>191,191,439</u>	<u>743,562</u>	<u>191,935,001</u>	<u>4,031,383</u>
Total noncurrent assets	<u>191,191,439</u>	<u>743,562</u>	<u>191,935,001</u>	<u>4,031,383</u>
Total assets	<u>207,605,369</u>	<u>841,091</u>	<u>208,446,460</u>	<u>12,201,547</u>
Deferred Outflows of Resources:				
Pensions	667,503	6,983	674,486	185,292
Deferred loss on refunding of debt	1,369,323		1,369,323	
Total deferred outflows of resources	<u>2,036,826</u>	<u>6,983</u>	<u>2,043,809</u>	<u>185,292</u>
Total assets and deferred outflows	<u>209,642,195</u>	<u>848,074</u>	<u>210,490,269</u>	<u>12,386,839</u>
Liabilities:				
Current liabilities:				
Accounts payable	974,227	45,234	1,019,461	463,553
Accrued liabilities	673,807	3,496	677,303	72,889
Due to other funds		591,443	591,443	447,319
Deposits payable	398,098		398,098	
Interest payable	189,394		189,394	
Retention payable	89,974		89,974	
Long-term liabilities, portion due within one year	1,689,288		1,689,288	76,637
Total current liabilities	<u>4,014,788</u>	<u>640,173</u>	<u>4,654,961</u>	<u>1,060,398</u>
Noncurrent liabilities:				
Long-term liabilities, portion due in more than one year	66,452,479	65,782	66,518,261	6,172,924
Total liabilities	<u>70,467,267</u>	<u>705,955</u>	<u>71,173,222</u>	<u>7,233,322</u>
Deferred Inflows of Resources:				
Pensions	979,620	10,249	989,869	271,934
Total deferred inflows of resources	<u>979,620</u>	<u>10,249</u>	<u>989,869</u>	<u>271,934</u>
Total liabilities and deferred inflows	<u>71,446,887</u>	<u>716,204</u>	<u>72,163,091</u>	<u>7,505,256</u>
Net position:				
Net investment in capital assets	132,883,113	743,562	133,626,675	3,273,941
Unrestricted	5,312,195	(611,692)	4,700,503	1,607,642
Total net position	<u>\$ 138,195,308</u>	<u>\$ 131,870</u>	<u>\$ 138,327,178</u>	<u>\$ 4,881,583</u>

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, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Fund Water Fund	Nonmajor Funds	Totals	
Operating revenues:				
Charges for services	\$ 18,062,777	\$ 1,112,785	\$ 19,175,562	\$ 11,273,297
Other income	704,640		704,640	870,712
Total operating revenues	<u>18,767,417</u>	<u>1,112,785</u>	<u>19,880,202</u>	<u>12,144,009</u>
Operating expenses:				
Personnel services	4,133,883	45,505	4,179,388	5,573,402
Contractual services	3,357,277	535,592	3,892,869	763,360
Utilities	1,392,961		1,392,961	
Depreciation	7,715,981	8,251	7,724,232	886,029
Rental and leases	7,368,533		7,368,533	
Repairs and maintenance	1,684,180	72,028	1,756,208	467,237
Materials and supplies	1,373,038	458,774	1,831,812	2,711,881
Bad debt	53,840		53,840	
Claims and judgments	307		307	190,421
Total operating expenses	<u>27,080,000</u>	<u>1,120,150</u>	<u>28,200,150</u>	<u>10,592,330</u>
Operating income (loss)	<u>(8,312,583)</u>	<u>(7,365)</u>	<u>(8,319,948)</u>	<u>1,551,679</u>
Nonoperating revenues (expenses):				
Investment income	139,376	224	139,600	9
Interest expense	(2,225,848)		(2,225,848)	(31,506)
Bond issuance cost	(838,289)		(838,289)	
Loss on disposal of capital assets	(439)		(439)	
Total nonoperating revenues (expenses)	<u>(2,925,200)</u>	<u>224</u>	<u>(2,924,976)</u>	<u>(31,497)</u>
Income (loss) before transfers and capital contributions	<u>(11,237,783)</u>	<u>(7,141)</u>	<u>(11,244,924)</u>	<u>1,520,182</u>
Interfund transfers and capital contributions:				
Interfund transfers in		75,000	75,000	105,000
Capital contributions	1,265,367		1,265,367	143,636
Changes in net position	<u>(9,972,416)</u>	<u>67,859</u>	<u>(9,904,557)</u>	<u>1,768,818</u>
Net position at beginning of fiscal year	154,827,873	133,690	154,961,563	4,961,562
Prior period adjustments	(6,660,149)	(69,679)	(6,729,828)	(1,848,797)
Net position at beginning of fiscal year, restated	<u>148,167,724</u>	<u>64,011</u>	<u>148,231,735</u>	<u>3,112,765</u>
Net position at end of fiscal year	<u>\$ 138,195,308</u>	<u>\$ 131,870</u>	<u>\$ 138,327,178</u>	<u>\$ 4,881,583</u>

See accompanying notes to basic financial statements

CITY OF INDIO
Proprietary Funds
Statement of Cash Flows
Fiscal Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Fund Water Fund	Nonmajor Funds	Totals	
Cash flows from operating activities:				
Cash received from customers	\$ 19,147,507	\$ 1,121,738	\$ 20,269,245	\$ -
Cash received from user departments				11,917,168
Cash payments to suppliers for for goods and services	(15,116,887)	(1,142,782)	(16,259,669)	(4,936,609)
Cash payments to employees for services	(4,384,895)	(46,136)	(4,431,031)	(5,582,054)
Net cash provided by (used for) operating activities	<u>(354,275)</u>	<u>(67,180)</u>	<u>(421,455)</u>	<u>1,398,505</u>
Cash flows from non-capital and related financing activities:				
Cash received (paid) to/from other funds		75,000	75,000	105,000
Due to/from other funds		(7,370)	(7,370)	(76,928)
Net cash provided by (used for) non- capital and related financing activities		<u>67,630</u>	<u>67,630</u>	<u>28,072</u>
Cash flows from capital and related financing activities:				
Capital contributions	1,265,367		1,265,367	143,636
Acquisition of capital assets	(6,850,386)		(6,850,386)	(1,222,120)
Principal payments on debt	(55,205,000)		(55,205,000)	(105,994)
Issuance of debt, net	61,619,957		61,619,957	
Bond issuance costs	(838,289)		(838,289)	
Interest payments on debt	(3,437,001)		(3,437,001)	(31,506)
Net cash provided by (used for) capital and related financing activities	<u>(3,445,352)</u>		<u>(3,445,352)</u>	<u>(1,215,984)</u>
Cash flows from investing activities:				
Interest received on investments	144,318	297	144,615	9
Net cash provided by (used for) investing activities	<u>144,318</u>	<u>297</u>	<u>144,615</u>	<u>9</u>
Net increase (decrease) in cash and cash equivalents	(3,655,309)	747	(3,654,562)	210,602
Cash and cash equivalents at beginning of fiscal year	17,551,432	2,018	17,553,450	6,818,934
Cash and cash equivalents at end of fiscal year	<u>\$ 13,896,123</u>	<u>\$ 2,765</u>	<u>\$ 13,898,888</u>	<u>\$ 7,029,536</u>
Reconciliation of amounts reported on the Statement of Net Position:				
Cash and investments	\$ 11,958,483	\$ 2,765	\$ 11,961,248	\$ 7,029,536
Cash and investments with fiscal agents	<u>1,937,640</u>		<u>1,937,640</u>	
Cash and cash equivalents at end of fiscal year	<u>\$ 13,896,123</u>	<u>\$ 2,765</u>	<u>\$ 13,898,888</u>	<u>\$ 7,029,536</u>

(Continued)

See accompanying notes to basic financial statements

CITY OF INDIO
Proprietary Funds
Statement of Cash Flows
Fiscal Year Ended June 30, 2015
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Fund Water Fund	Nonmajor Funds	Totals	
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (8,312,583)	\$ (7,365)	\$ (8,319,948)	\$ 1,551,679
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	7,715,979	8,251	7,724,230	886,029
(Increase) decrease in deposits with other agencies				(279,522)
(Increase) decrease in accounts receivable	436,661	(32)	436,629	52,681
(Increase) decrease in prepaid items	42,927	(75,000)	(32,073)	(16,611)
(Increase) decrease in inventory	31,875	8,985	40,860	
(Increase) decrease in deferred outflows of resources - pensions	(667,503)	(6,983)	(674,486)	(185,292)
Increase (decrease) in deferred inflows of resources - pensions	979,620	10,249	989,869	271,934
Increase (decrease) in net pension liability	(995,747)	(3,897)	(999,644)	(103,393)
Increase (decrease) in accounts payable	(15,391)	(1,388)	(16,779)	(59,477)
Increase (decrease) in accrued liabilities	425,995		425,995	8,099
Increase (decrease) in deposits payable	(2,731)		(2,731)	
Increase (decrease) in compensated absences	6,623		6,623	
Increase (decrease) in claims and judgments payable				(727,622)
Net cash provided by (used for) operating activities	<u>\$ (354,275)</u>	<u>\$ (67,180)</u>	<u>\$ (421,455)</u>	<u>\$ 1,398,505</u>
Non-cash investing, capital, and financing activities:				
Loss on disposal of capital assets	<u>\$ (439)</u>	<u>\$ -</u>	<u>\$ (439)</u>	<u>\$ -</u>

See accompanying notes to basic financial statements

CITY OF INDIO
 Fiduciary Funds
 Statement of Net Position
 June 30, 2015

	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments (note 2)	\$ 5,108,545	\$ 10,581,988
Cash and investments with fiscal agents (note 2)	5,743,993	5,858,960
Accounts receivable, net	48,819	85,225
Due from other governments		107,355
Interest receivable	1,748	5,552
Notes receivable	483,381	
Land held for resale	26,947,264	
Total assets	\$ 38,333,750	\$ 16,639,080
LIABILITIES		
Accounts payable	\$ 159,962	\$ 299,672
Accrued liabilities	23,703	
Interest payable	1,409,622	
Advances from the City of Indio	5,496,151	
Due to members		315,084
Due to bondholders		15,822,212
Deposits payable		202,112
Long-term debt due within one year	2,160,000	
Long-term debt due in more than one year	67,280,000	
Total liabilities	76,529,438	\$ 16,639,080
NET POSITION (DEFICIT)		
Unrestricted	(38,195,688)	
Total Net Position (Deficit)	\$ (38,195,688)	

See accompanying notes to basic financial statements

CITY OF INDIO
Fiduciary Funds
Statement Of Changes In Net Position
For the Fiscal Year Ended June 30, 2015

	Private-Purpose Trust Funds
Additions:	
Investment revenue	\$ 7,167
Taxes and assessments	5,922,548
Charges for services	604,485
Other revenue	267,807
Total additions	6,802,007
Deductions:	
Community development	12,099,099
Interest expense	3,836,602
Total deductions	15,935,701
Change in net position	(9,133,694)
Net Position (deficit) - July 1, 2014	(29,061,994)
Net Position (deficit) - June 30, 2015	\$ (38,195,688)

See accompanying notes to basic financial statements

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(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, 2015

(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 and the management of the City has operational responsibility for the Housing 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 and the management of the City has operational responsibility for the 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 issue revenue bonds and oversee water services on behalf of the City of Indio. Since the component unit's governing body is the same as the governing body of the primary government and there is a financial relationship between the primary government and the component unit 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.

- Indio Financing Authority

The Indio 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 Housing Authority formed the Authority by the execution of a joint exercise of powers agreement dated as of April, 18, 2012. 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, 2015

(1) Summary of Significant Accounting Policies (Continued)

(a) Reporting Entity (Continued)

Since the component units primarily serve the City, the members of the City Council sit as the governing board or appoint the governing board of the component units, and the City Council has the ability to impose its will upon, and is financially accountable for its 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

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

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

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

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

Fund Financial Statements

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

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

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

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

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

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

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

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

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.

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(c) Fund Classifications (Continued)

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.

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 position and statement of changes in net position. 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.

Agency Funds- These funds have been established to account for items that are custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

(d) Appropriations Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2015, 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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(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.

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(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.

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

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(k) Property Taxes (Continued)

complex formulas. Accordingly, the City of Indio accrues only those taxes, which are received within 60 days after fiscal year-end.

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) Amortization of Bond Premiums and Discounts

Bond premiums and discounts 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 or addition to the face amount of the bonds payable.

(n) Unamortized Gain/Loss on Refunding

Gain/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 the effective interest method. These are now recorded, per GASB Statement No. 65, as deferred inflows or outflows of resources.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(o) Property/Land Held for Resale

Home purchased for the purpose of resale under the federally funded Neighborhood Stabilization Program. 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.

(p) 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.

(q) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources on the deferred loss on refunding of debt and pensions in the statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has deferred inflow of resources deferred revenue on the fund financial statements and unamortized gain on refunding of debt and pensions in the statement of net position.

(r) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported as fair value.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(1) Summary of Significant Accounting Policies (Continued)

(s) New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of Statement No. 50, "Pension Disclosures". This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Implementation of the GASB Statement No. 68 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 1 (r) – Pensions, Note 18 – Pensions Plan, and Note 28 – Prior Period Adjustments.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the City's financial statements for the fiscal year ended June 30, 2015, see Note 1 (r) – Pensions, Note 18 – Pension Plan, and Note 28 – Prior Period Adjustments.

(2) Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$	54,041,254
Cash and investments held by bond trustee		6,271,182

Fiduciary Funds:

Cash and investments		15,690,533
Cash and investments held by bond trustee		11,602,953

Total cash and investments	\$	<u>87,605,922</u>
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CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(2) Cash and Investments (Continued)

Cash on hand	\$	9,100
Deposits with financial institutions		13,621,668
Investments		73,975,154
Total cash and investments	<u>\$</u>	<u>87,605,922</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.

<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	5 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%	5%
Certificates of Deposit (Nonnegotiable)	Yes	5 years	None	None
Certificates of Deposit (Negotiable)	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	5%
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	Yes	5 years	30%	5%
Municipal Investments	Yes	5 years	10%	5%
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(2) Cash and Investments (Continued)

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

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:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 36 Months</u>	<u>37 to 60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool	\$ 35,757,662	\$ 35,757,662	\$ -	\$ -	\$ -
Federal Agency Securities	18,836,522	6,447,758	11,884,426	504,338	
Money Market Funds	44,163	44,163			
Held by Bond Trustee:					
Money Market Funds	19,336,807	19,336,807			
Total	\$ 73,975,154	\$ 61,586,390	\$ 11,884,426	\$ 504,338	\$ -

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(2) Cash and Investments (Continued)

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	A	Not Rated
State Investment Pool	\$ 35,757,662	N/A	\$ -	\$ -	\$ -	\$ -	\$ 35,757,662
Federal Agency Securities	18,836,522	N/A			17,167,834	1,668,688	
Money Market Funds	44,163	N/A		44,163			
Held by Bond Trustee:							
Money Market Funds	19,336,807	AAA		19,336,807			
Total	<u>\$ 73,975,154</u>		<u>\$ -</u>	<u>\$ 19,380,970</u>	<u>\$ 17,167,834</u>	<u>\$ 1,668,688</u>	<u>\$ 35,757,662</u>

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, 2015, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(2) Cash and Investments (Continued)

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, 2015 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 2,444,571 (a)
Capital Projects Fund	Other Governmental Funds	1,202,090 (a)
Other Governmental Funds	General Fund	3,109,989 (b)
General Fund	Capital Projects Fund	168,267
General Fund	Golf Fund	75,000
General Fund	Internal Service Funds	105,000
Other Governmental Funds	Other Governmental Funds	106,316
	Total	<u>\$ 7,211,233</u>

Interfund transfers were principally used for the following purposes:

- (a) \$2,154,882 and \$1,202,090 was 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) \$2,836,000 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, 2015 are as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 345,529
General Fund	Internal Service Fund	447,319
General Fund	Nonmajor Enterprise Funds	591,443
	Total	<u>\$ 1,384,291</u>

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

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(4) Notes Receivable and Long Term Receivable

	<u>Outstanding at June 30, 2015</u>
First time home buyer notes issued to homeowners	\$ 53,600
Neighborhood Stabilization deferred loan program	1,270,392
Housing rehabilitation deferred loan program	1,052,304
Horizons at Indio senior housing project	3,520,073
Advance to private-purpose trust funds	5,496,151
Geovel, Inc. secured promissory note	4,099,928
Total	<u>\$15,492,448</u>

The City administered 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, 2015, notes receivable of \$53,600 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, 2015 was \$3,520,073.

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, 2015 was \$1,052,304.

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, 2015 was \$1,270,392.

The Geovel, Inc. promissory note was provided to a major auto dealer so that the dealer could purchase 18 acres located on the north side of Varner Road between Adams Street and Jefferson Street in an area known as the I-10 Auto Mall. The auto dealership generates sales tax for the City. The site also fills the gap between the I-10 Auto Mall and other proposed dealership, making the site area more attractive for future development. The note was issued December 22, 2014 and is due in full on February 19, 2030 or at an earlier time if the Note is prepaid in whole or in part at any time, without charge, fee or premium, based on the prepayment clause defined in the

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(4) Notes Receivable and Long Term Receivable (Continued)

agreement. The note accrues interest at 4% annually, provided, however, that after the outstanding principal becomes due and payable, interest shall commence accruing at the lesser of 8% annually or the highest rate permitted by law. The amount of the note outstanding as of June 30, 2015 was \$4,099,928.

Long Term Receivable

The Indio Housing Authority will be repaid in installments or in a lump sum by fiscal year ending June 30, 2016 from the Successor Agency of the Redevelopment Agency of City of Indio. The loan balance as of June 30, 2015 was \$5,496,151.

(5) Land Held for Resale and Property 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 businesses 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. During the fiscal year, the successor agency transferred six properties to the housing authority at a total fair market value of \$304,000. As of June 30, 2015, land held for resale is as follows:

	<u>General Fund</u>	<u>Indio Housing Authority</u>
Land held for resale	\$ 7,017,394	\$ 304,000
Impairment allowance	(3,508,697)	
Total	<u>\$ 3,508,697</u>	<u>\$ 304,000</u>

Property Held for Resale

The City of Indio received federal funding in Neighborhood Stabilization Program (NSP3) from the U.S. Department of Housing and Urban Development (HUD) pursuant to Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (aka Dodd-Frank Act) for the purpose of addressing the growing inventory of abandoned, foreclosed residential properties. During the fiscal year, the City purchased a property at a total cost of \$125,204.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(6) Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

Governmental activities:

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Structures and improvements	\$ 32,911,564	\$ 913,262	\$ -	\$ 863,436	\$ 34,688,262
Machinery and equipment	7,878,845	709,307		(863,436)	7,724,716
Vehicles	8,858,078	512,813			9,370,891
Infrastructure: street network	541,173,828	489,334		4,023,925	545,687,087
Total cost of depreciable assets	590,822,315	2,624,716		4,023,925	597,470,956
Less accumulated depreciation:					
Structures and improvements	6,263,346	881,910			7,145,256
Machinery and equipment	5,310,172	422,485			5,732,657
Vehicles	7,731,459	431,166			8,162,625
Infrastructure: street network	198,346,479	13,585,762			211,932,241
Total accumulated depreciation	217,651,456	15,321,323			232,972,779
Net depreciable assets	373,170,859	(12,696,607)		4,023,925	364,498,177
Capital assets not depreciated:					
Construction in process	16,488,852	3,466,702		(4,023,925)	15,931,629
Land	40,811,973	916,511			41,728,484
Right of way	54,434,282	3,610			54,437,892
Capital assets, net	\$ 484,905,966	\$ (8,309,784)	\$ -	\$ -	\$ 476,596,182

Depreciation expense, including \$886,029 of internal service depreciation, was charged in the following functions in the

General government	\$ 5,850,118
Public safety	377,708
Public works	7,110,989
Community development	1,961,932
Human services	20,576
	<u>\$ 15,321,323</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(6) Capital Assets (Continued)

Business-type activities – Golf Course:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
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	75,032	8,037		83,069
Machinery and equipment	49,539	214		49,753
Total accumulated depreciation	124,571	8,251		132,822
Net depreciable assets	285,854	(8,251)		277,603
Capital assets not depreciated:				
Land	465,959			465,959
Capital assets, net	\$ 751,813	\$ (8,251)	\$ -	\$ 743,562

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

Golf	\$ 8,251
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Business-type activities – Water:

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Structures and improvements	\$ 14,898,125	\$ 41,309	\$ -	\$ -	\$ 14,939,434
Machinery and equipment	2,878,938	40,529			2,919,467
Vehicles	1,425,368				1,425,368
Utility distribution system	277,589,242			1,541,794	279,131,036
Total cost of depreciable assets	296,791,673	81,838		1,541,794	298,415,305
Less accumulated depreciation:					
Structures and improvements	1,300,659	372,951			1,673,610
Machinery and equipment	1,444,924	296,085			1,741,009
Vehicles	1,194,769	87,940			1,282,709
Utility distribution system	103,182,764	6,959,005			110,141,769
Total accumulated depreciation	107,123,116	7,715,981			114,839,097
Net depreciable assets	189,668,557	(7,634,143)		1,541,794	183,576,208
Capital assets not depreciated:					
Construction in Process	607,182	6,847,272	(439)	(1,541,794)	5,912,221
Land	1,703,010				1,703,010
Capital assets, net	\$ 191,978,749	\$ (786,871)	\$ (439)	\$ -	\$ 191,191,439

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

Water	\$ 7,715,981
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CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(7) Changes in Long-Term Liabilities

Changes in long-term liabilities during the fiscal year ended June 30, 2015 were as follows:

	Balance at July 1, 2014	Prior Period Adjustments	Additions	Retirements	Balance at June 30, 2015	Amount Due Within One Year	Beyond One Year
Governmental activities:							
Bonds payable:							
2007 A Lease Revenue	\$ 15,665,000	\$ -	\$ -	\$ -	\$ 15,665,000	\$ -	\$ 15,665,000
2012 Lease Revenue refunding	24,500,000			(975,000)	23,525,000	995,000	22,530,000
Subtotal	40,165,000			(975,000)	39,190,000	995,000	38,195,000
Capital lease obligation	2,411,808			(358,911)	2,052,897	378,766	1,674,131
Installment agreement	5,005,000			(470,000)	4,535,000	490,000	4,045,000
Post employment benefit liability	15,607,841		3,031,327	(1,557,094)	17,082,074		17,082,074
PERS side fund	4,111,192	(4,111,192)					
Net pension liability		47,637,547	14,451,100	(22,720,211)	39,368,436		39,368,436
Notes payable	11,048,842			(1,128,791)	9,920,051	1,135,651	8,784,400
Compensated absences	2,019,899		1,332,968	(1,451,881)	1,900,986	1,425,740	475,246
Claims payable	4,474,337		982,412	(1,710,034)	3,746,715		3,746,715
Subtotal	44,678,919	43,526,355	19,797,807	(29,396,922)	78,606,159	3,430,157	75,176,002
Total	\$ 84,843,919	\$ 43,526,355	\$ 19,797,807	\$ (30,371,922)	\$ 117,796,159	\$ 4,425,157	\$ 113,371,002

	Balance at July 1, 2014	Prior Period Adjustments	Additions	Retirements	Balance at June 30, 2015	Amount Due Within One Year	Beyond One Year
Business-type activities:							
Bonds payable:							
2006 Water Revenue Bond	\$ 55,205,000	\$ -	\$ -	\$ (55,205,000)	\$ -	\$ -	\$ -
2015A Water Revenue Refunding			51,065,000		51,065,000		51,065,000
2015B Water Revenue Refunding			9,150,000		9,150,000	1,490,000	7,660,000
Issue Premium on bonds	1,880,988		1,404,957	(1,885,656)	1,400,289	56,012	1,344,277
Bonds, net	57,085,988		61,619,957	(57,090,656)	61,615,289	1,546,012	60,069,277
Net pension liability		7,359,632	2,030,515	(3,036,680)	6,353,467		6,353,467
Compensated absences	232,170		164,749	(158,126)	238,793	143,276	95,517
Total	\$ 57,318,158	\$ 7,359,632	\$ 63,815,221	\$ (60,285,462)	\$ 68,207,549	\$ 1,689,288	\$ 66,518,261

(8) Obligations under Capital Leases

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, 2015 on this contract was \$1,295,455.

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

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(8) Obligations under Capital Leases (Continued)

Governmental Activities: (Continued)

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

2016	\$ 362,368
2017	362,368
2018	362,368
2019	<u>362,368</u>
Subtotal	1,449,472
Less amount representing interest	<u>(154,017)</u>
Present value of future lease payments	<u>\$ 1,295,455</u>

Facilities Energy Efficient Equipment – A ten year contract was entered into for the purchase of energy efficient equipment to be installed in various City facilities. The balance at June 30, 2015 on this contract was \$757,442.

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,

2016	\$ 105,211
2017	103,212
2018	101,728
2019	102,629
2020	102,526
2021-2024	<u>368,150</u>
Subtotal	883,456
Less amount representing interest	<u>(126,014)</u>
Present value of future lease payments	<u>\$ 757,442</u>

(9) Bonds Payable

Lease Revenue Bonds, Series 2007A

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(9) Bonds Payable (Continued)

Lease Revenue Bonds, Series 2007A (Continued)

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.

Per the terms of the bond indenture, the Series 2007A is 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 by the 2012 Series Lease Revenue Refunding Bonds. At June 30, 2015, 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, 2015, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$23,525,000.

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
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	1,135,000	1,622,351	2,757,351
2020	1,190,000	1,567,001	2,757,001
2021-2025	6,840,000	6,633,519	13,473,519
2026-2030	8,530,000	4,949,257	13,479,257
2031-2035	10,675,000	3,124,738	13,799,738
2036-2038	7,715,000	564,950	8,279,950
	<u>\$ 39,190,000</u>	<u>\$ 23,636,194</u>	<u>\$ 62,826,194</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(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 \$4,535,000 as of June 30, 2015

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.

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	
2016	\$ 490,000	\$ 186,313	\$ 676,313	
2017	510,000	166,712	676,712	
2018	530,000	146,312	676,312	
2019	555,000	125,112	680,112	
2020	575,000	102,913	677,913	
2021-2023	1,875,000	163,663	2,038,663	
	<u>\$ 4,535,000</u>	<u>\$ 891,025</u>	<u>\$ 5,426,025</u>	

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(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, 2015 was \$2,504,294.

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, 2015 was \$5,741,234.

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 Coachella Valley Association of Governments (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, 2015 was \$1,674,523.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(11) Notes Payable (Continued)

Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,135,651	\$ 467,028	\$ 1,602,679
2017	1,227,737	484,461	1,712,198
2018	1,282,855	358,272	1,641,127
2019	1,341,212	299,170	1,640,382
2020	884,034	245,965	1,129,999
2021-2025	2,934,763	772,875	3,707,638
2026-2030	1,113,799	66,988	1,180,787
	<u>\$9,920,051</u>	<u>\$2,694,759</u>	<u>\$ 12,614,810</u>

(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 CalPERS pension. Membership of the plan consisted of the following at July 1, 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	162
Active plan members	<u>220</u>
Total	<u>382</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 2014-15 the City contributed \$1,557,094 to the plan for current premiums.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(12) Post Employment Benefits (Continued)

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:

Annual required contribution	\$ 3,287,163
Interest on net OPEB obligation	702,353
Adjustments to annual required contributions	<u>(958,189)</u>
Annual OPEB cost (expense)	3,031,327
Contributions made (including premiums paid)	<u>(1,557,094)</u>
Increase in net OPEB obligation	1,474,233
Net OPEB obligation-beginning of fiscal year	<u>15,607,841</u>
Net OPEB obligation-end of fiscal year	<u><u>\$ 17,082,074</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the preceding fiscal years were as follows:

<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
6/30/2013	\$ 3,835,990	40.59%	\$ 14,151,986
6/30/2014	3,055,190	52.35%	15,607,841
6/30/2015	3,031,327	50.97%	17,082,074

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2013 was as follows:

Actuarial accrued liability (AAL)	\$37,563,242
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$37,563,242</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$16,718,443
UAAL as a percentage of covered payroll	225%

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(12) Post Employment Benefits (Continued)

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.

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 7 percent, investment rate of return of 4.5 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 2013 was over 30 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 2005-06 fiscal year, the City was required to participate in the California Public Employees Retirement System (CalPERS) 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, 2014 was \$4,111,192. The outstanding balance was restated during fiscal year per implementation of GASB Statements No. 68 and No. 71. See Note 28 for further details.

(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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(14) Water Enterprise Revenue Bond (Continued)

Enterprise Revenue Bonds, Series 2006 (Continued)

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.

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. The Series 2006 bonds were completely refunded by the 2015 Series A and B Water Revenue Refunding Bonds. At June 30, 2015, the outstanding balance of the Series 2006 bonds was \$0.

Enterprise Revenue Refunding Bonds, Series 2015 A and B

In June 2015, the Indio Water Authority (Authority) issued \$51,065,000 of Water Revenue Refunding Bonds Series 2015A, and \$9,150,000 of Water Revenue Refunding Bonds Series 2015B (Taxable). The proceeds were used to cause the refunding of the Authority's 2006 Water Revenue Bonds, finance certain capital improvements to the Authority's water system (only proceeds of the Series 2015A bonds), and to pay costs of issuance of the bonds.

The 2015A bonds consist of \$32,910,000 of serial bonds and \$18,155,000 of term bonds. The serial bonds accrue interest at rates between 3.250% and 5.000% and the principal amounts mature between April 1, 2021 and April 1, 2040 in amounts ranging from \$1,025,000 to \$3,250,000. Term bonds of \$14,320,000 accrue interest at 4.000% and mature on April 1, 2036, and bonds of \$3,835,000 accrue interest at 4.125% and mature on April 1, 2040. The 2015B bonds consist of \$9,150,000 of serial bonds and accrue interest at rates between 1.033% and 2.820%.

The Series 2015A term bonds maturing in the years 2036 and 2040 are subject to mandatory sinking account redemption on each April 1, commencing on April 1, 2033 and April 1, 2037, respectively, at a redemption price equal to the principal amount thereof together with accrued interest, without premium.

At June 30, 2015, the outstanding balance of the Series 2015A bonds and Series 2015B bonds were \$51,065,000 and \$9,150,000, respectively.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(14) Water Enterprise Revenue Bond (Continued)

Enterprise Revenue Refunding Bonds, Series 2015 A and B (Continued)

The Authority and the City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each fiscal year:

- a. which shall be at least sufficient to yield gross water revenues for the Water Authority which are sufficient to pay the following amounts in the following order of priority:
 - i. all operation and maintenance costs estimated by the City, in consultation with the Authority and based on information provided by the Authority, to become due and payable in such fiscal year
 - ii. the base rental payments and the principal of and interest on any outstanding parity water obligations as they become due and payable during such fiscal year, without preference or priority
 - iii. the amount, if any, required to restore the balance in the reserve subaccounts to the full amount of the respective reserve requirements and, with respect to any other outstanding parity water obligations, to restore the balance in the related debt service reserve fund to the full amount of the applicable reserve requirement; and
 - iv. All other additional rental and other payments required to meet any other obligations of the City which are charges, liens, encumbrances upon gross water revenues during such fiscal year
- b. So that gross water revenues less operation and maintenance costs will be at least equal to 120% of the annual parity obligation payments for such fiscal year.

A portion of the net proceeds of the Water Revenue Refunding Bonds Series 2015A and 2015B bonds estimated to be \$56,233,153 were deposited into an escrow fund with MUFG Union Bank, N.A., and used for the purposes of redeeming the 2006 bonds. The amounts so deposited will be in an amount which will be sufficient to pay the principal of and interest, and the redemption price equal to the principal amount of the 2006 bonds outstanding and accrued interest upon their optional redemption. The 2006 bonds are expected to be called for redemption on April 1, 2016. As a result, the Water Revenue Bonds Series 2006 are considered defeased and the liability for those bonds has been removed from the statement of net position of the Water enterprise fund.

Defeased Debt

The full refunding of Series 2006 Water Revenue Bonds by the issuance of the Series 2015A Water Revenue Refunding Bonds reduced the total debt service payments over the life of the 2006 Water Revenue Bonds by \$2,774,137, and obtained an economic gain (difference between net present value of the debt service payments on the old debt and new debt) of \$3,357,889, plus the refunding funds on hand of \$896, for a net gain of \$3,358,785.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(14) Water Enterprise Revenue Bond (Continued)

Enterprise Revenue Refunding Bonds, Series 2015 A and B (Continued)

Defeased Debt (Continued)

The full refunding of Series 2006 Water Revenue Bonds by the issuance of the Series 2015B Water Revenue Refunding Bonds reduced the total debt service payments over the life of the 2006 Water Revenue Bonds by \$2,598,510, and obtained an economic gain (difference between net present value of the debt service payments on the old debt and new debt) of \$585,884, plus the refunding funds on hand of \$3,077, for a net gain of \$588,961. As of June 30, 2015, the total outstanding defeased debt is \$87,432,463.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity for 2015A bonds are as follows:

Fiscal Year Ending			
June 30,	Principal	Interest	Total
2016	\$ -	\$ 1,746,336	\$ 1,746,336
2017		2,102,613	2,102,613
2018		2,102,613	2,102,613
2019		2,102,613	2,102,613
2020		2,102,613	2,102,613
2021-2025	11,340,000	9,434,065	20,774,065
2026-2030	14,160,000	6,619,914	20,779,914
2031-2035	16,910,000	3,858,412	20,768,412
2036-2040	8,655,000	908,614	9,563,614
	<u>\$ 51,065,000</u>	<u>\$ 30,977,793</u>	<u>\$ 82,042,793</u>

The annual debt service requirements to maturity for 2015B bonds are as follows:

Fiscal Year Ending			
June 30,	Principal	Interest	Total
2016	\$ 1,490,000	\$ 157,155	\$ 1,647,155
2017	1,860,000	173,824	2,033,824
2018	1,890,000	144,976	2,034,976
2019	1,930,000	105,437	2,035,437
2020	1,980,000	55,836	2,035,836
	<u>\$ 9,150,000</u>	<u>\$ 637,228</u>	<u>\$ 9,787,228</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(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 balance was paid off during the fiscal year.

\$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, 2015 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.

<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, 2015</u>
AD99-1/R	7/26/2012	\$ 1,520,000	4.690%	9/2/2020	\$ 1,015,000
AD2001-1/R	7/26/2012	\$ 3,295,000	4.690%	9/2/2026	\$ 2,720,000
AD2002-1/R	7/26/2012	\$ 3,410,000	4.690%	9/2/2026	\$ 2,870,000
AD2002-2/R	7/26/2012	\$ 2,162,900	4.690%	9/2/2027	\$ 1,828,101
AD2002-3/R	7/26/2012	\$ 4,119,800	4.710%	9/2/2027	\$ 3,474,800
AD2003-1/R	7/23/2014	\$ 1,752,000	3.550%	9/2/2029	\$ 1,752,000
AD2003-2/R	7/23/2014	\$ 1,402,000	3.550%	9/2/2029	\$ 1,402,000
AD2004-1	9/30/2004	\$ 2,265,000	2.80% to 6.00%	9/2/2030	\$ 1,730,000
AD2004-2	11/4/2004	\$ 3,604,000	1.67% to 3.86%	9/2/2030	\$ 2,755,000
AD2004-3	2/24/2005	\$ 7,350,000	2.90% to 5.50%	9/2/2030	\$ 5,584,000
CFD2004-3	9/15/2005	\$ 26,330,000	3.35% to 5.15%	9/1/2035	\$ 19,750,000
CFD2005-1 A1/R	7/23/2014	\$ 8,337,000	4.030%	9/1/2036	\$ 8,337,000
CFD2005-1 A2/R	7/23/2014	\$ 8,499,000	4.030%	9/1/2036	\$ 7,554,000
CFD2006-1/R	7/23/2014	\$ 7,554,000	4.030%	9/1/2036	\$ 8,499,000

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(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	\$1,459,720	\$675,113	46%

(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 118 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 at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years 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. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

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

Liability

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes 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 from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Workers Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes 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 from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2014-15 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits 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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

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

Purchased Insurance

Pollution legal Liability Insurance

The City of Indio participates in the pollution legal liability insurance program 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, 2014 through July 1, 2017. 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 \$127,416,155. 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.

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 2014-15.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

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

Adequacy of Protection (Continued)

Changes in the claims payable amounts in fiscal years 2013, 2014, and 2015 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>	<u>Balance at Fiscal Year End</u>
2012-13	\$6,131,827	\$1,171,843	\$(398,577)	\$6,905,093
2013-14	\$6,905,093	\$(1,935,740)	\$(495,016)	\$4,474,337
2014-15	\$4,474,337	\$(226,847)	\$(500,775)	\$3,746,715

(18) Pension Plan

Agent Multiple-Employer Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the City's separate Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	City Miscellaneous Plan		
	Classic I Prior to July 1, 2011	Classic I On or after July 1, 2011	PEPRA On or after July 1, 2013
Hire date			
Benefit formula	2.7% @ 55	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.00%	8.00%	6.25%
Required employer contribution rates	21.867%	21.867%	21.867%

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Agent Multiple-Employer Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	198
Inactive employees entitled to but not yet receiving benefits	156
Active employees	<u>147</u>
Total	<u><u>501</u></u>

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Agent Multiple-Employer Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

	Miscellaneous
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payrol Growth	3.00%
Projected Salary Increase	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Agent Multiple-Employer Defined Benefit Pension Plan (Continued)

B. Net Pension Liability (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Agent Multiple-Employer Defined Benefit Pension Plan (Continued)

C. Changes in the Net Pension Liability

The change in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2013	\$ 73,330,146	\$ 46,089,169	\$ 27,240,977
Changes during the year:			
Service Cost	2,067,477	-	2,067,477
Interest on the Total Pension Liability	5,452,950	-	5,452,950
Contributions from the Employer	-	2,331,161	(2,331,161)
Contributions from the Employees	-	914,677	(914,677)
Net investment income	-	7,998,811	(7,998,811)
Benefit Payments	(3,315,765)	(3,315,765)	-
Net Changes	4,204,662	7,928,884	(3,724,222)
Balance at June 30, 2014	\$ 77,534,808	\$ 54,018,053	\$ 23,516,755

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.50%
Net Pension Liability	\$ 34,218,634
Current Discount Rate	7.50%
Net Pension Liability	\$ 23,516,755
1% Increase	8.50%
Net Pension Liability	\$ 14,692,835

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$2,270,845. At June 30, 2015, the Local Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Agent Multiple-Employer Defined Benefit Pension Plan (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions
(Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,496,547	\$ -
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>(3,663,906)</u>
Total	<u>\$ 2,496,547</u>	<u>\$ (3,663,906)</u>

\$2,496,547 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended	
<u>June 30</u>	
2016	\$ (915,977)
2017	(915,977)
2018	(915,977)
2019	(915,975)

Cost-Sharing Employer Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the City's separate Safety (police) Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Cost-Sharing Employer Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	City Safety Plan		
	Classic I	Classic II	PEPRA
	Prior to July 1, 2012	On or after July 1, 2012	On or after July 1, 2012
Hire date			
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.4% to 3%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	12.25%
Required employer contribution rates	36.408%	23.065%	12.250%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended June 30, 2015, the contributions recognized as part of pension expense were as follows:

Contributions – employer (Safety Plan) \$2,203,016

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liability for its proportionate share of the net pension liability was \$22,205,148.

The City's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2013 was 0.58015% and as of June 30, 2014 was 0.59198%, with an increase of 0.01183%.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Cost-Sharing Employer Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$2,203,016. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	(5,361,965)
Changes in proportion and differences between City contributions and proportionate share of contributions	66,941	-
City contributions subsequent to the measurement date	2,286,752	-
	<u>\$ 2,353,693</u>	<u>\$ (5,361,965)</u>

\$2,286,752 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30</u>	
2016	\$ (1,316,583)
2017	(1,316,583)
2018	(1,321,366)
2019	(1,340,492)

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Cost-Sharing Employer Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Payrol Growth	3.00%
Projected Salary Increase	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Cost-Sharing Employer Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(18) Pension Plan (Continued)

Cost-Sharing Employer Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Safety
1% Decrease	6.50%
Net Pension Liability	\$ 35,602,512
Current Discount Rate	7.50%
Net Pension Liability	\$ 22,205,148
1% Increase	8.50%
Net Pension Liability	\$ 11,166,298

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(19) Compliance with Budgetary Limitations

For the fiscal year ended June 30, 2015, the following funds reflected expenditures in excess of budgeted amounts:

<u>Major fund</u>	<u>Amount of Excess</u>
General Fund	
General Government:	
City attorney	\$ (125,467)
Public Safety:	
Police administration	(87,463)
Police field services	(102,570)
Police investigations	(25,557)
Police support services	(69,412)
<u>Non-major funds</u>	
Special Revenue Funds:	
Public Safety	(40,900)
Proposition 1B	(86)
Abandoned Vehicle	(41,724)
Article 3	(1,825)
Community Facilities District	(13,095)
Cal Emergency Management	(1,388)

(20) Contingent Liabilities and Commitment

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 2014-2015, payment in the amount of \$439,209 was made to the County.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(20) Contingent Liabilities and Commitments (Continued)

Interim Housing Facilities for Indio High School

In April 2010, the City entered into an agreement with the Desert Sands Unified School District (District) to equally share the actual Interim Housing costs during the course of construction on rebuilding the Indio High School campus. The City recently constructed a new “Teen Center” directly across from the High School. The City envisions an inter-generational campus for this area and believes the Original Design is not consistent with the City’s vision. Pursuant to the City’s request, the District prepared a revised design. The revised design will require an interim campus during the construction the City and District agreed to share the interim housing cost. As of June 2015, the total cost is estimated to be \$5,890,420, which 50% of the cost is committed by the City. Starting August 2018, the annual City’s payment to the Indio High School will be \$147,260, until July 2037.

(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.

East Valley Reclamation Authority (“EVRA”)

The East Valley Reclamation Authority (EVRA) was created on December 18, 2013 under a joint powers agreement between The City of Indio through the Indio Water Authority (IWA) and the Valley Sanitary District (VSD) to plan, implement and operate a recycled water program including the tertiary or enhanced treatment of water, as well as the lease, ownership, operation and maintenance of Facilities and the financing costs relation to Public Capital Improvements. Primary funding for the EVRA is through contributions from the IWA and the VSD. The EVRA is governed by a Board appointed by the IWA and VSD and administered by either the IWA or VSD based on a rotation determined by the Board. For the fiscal year ended June 30, 2015, the IWA was the administrator of the EVRA and therefore maintains the books and records of the EVRA. The IWA’s contribution to the EVRA for the fiscal year ended June 30, 2015 was \$25,000 for operations. Audited financial statements may be obtained from the City of Indio, 100 Civic Center Mall, Indio, CA 92201.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

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

The following governmental funds had deficit fund balances as of June 30, 2015 due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

HBRRP	\$ (12,395)
Cal Emergency Management	(1,389)
Article 3	(77,883)
Community Development Block Grant	(23,484)

The following internal service funds had deficit net position as of June 30, 2015 and the City anticipates that these deficits will be reduced during the next fiscal year as part of the City's financial recovery plan.

Fleet Maintenance	\$ (893,598)
Buildings and Grounds	(751,104)
Centralized Services	(84,922)

(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 position are divided into three captions under GASB Statement No. 34. These captions apply only to net position, which is determined only at the government-wide level, proprietary funds, and fiduciary funds and are described below.

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(23) Net Position and Fund Balances (Continued)

B. Fund Balances (Continued)

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, 2015, 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.

Assigned – amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager, Finance Officer or Deputy Finance Officer for the purpose of reporting these amounts in the annual financial statements.

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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(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, 2015 is as follows:

	<u>Governmental Activities</u>
Restricted for:	
Assessment districts	\$ 872,746
Community development	5,904,572
Debt service	2,333,948
Housing	9,130,092
Public safety	675,919
Public works	7,178,233
Total restricted net position	<u>\$ 26,095,510</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(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, 2015 is as follows:

	General Fund	Capital Projects Fund	Assessment Districts Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid items	\$ 31,784	\$ -	\$ -	\$ -	\$ 31,784
Property held for resale				125,204	125,204
Land held for resale	3,508,697			304,000	3,812,697
Notes receivable	4,099,928				4,099,928
Advances				5,496,151	5,496,151
Total nonspendable fund balances	7,640,409			5,925,355	13,565,764
Restricted for:					
Debt service				2,761,706	2,761,706
Construction projects		1,950,262	872,746		2,823,008
Gas tax				973,336	973,336
Traffic safety				1,927	1,927
Public safety				76,039	76,039
Supplemental law enforcement				183,032	183,032
Proposition 1B				7	7
LLEBG				17,365	17,365
Homeland security				5,208	5,208
Abandoned vehicle				60,552	60,552
Unclaimed property				5,473	5,473
Measure A				1,484,193	1,484,193
NPDES				22,850	22,850
Air quality				246,852	246,852
Department of conservation recycling				42,438	42,438
Indian gaming SB 621				104,586	104,586
Waste recycling AB939				584,116	584,116
Community facilities district				120,870	120,870
Certified access specialist SB 1186				1,179	1,179
Public education government channel				783,315	783,315
COPS Hiring Recovery				72,736	72,736
Neighborhood stabilization 2				1,048,021	1,048,021
Lighting and landscape				3,866,886	3,866,886
Asset forfeiture				4,410	4,410
Emergency, abandoned and recalcitrant				89,746	89,746
Donations				50,848	50,848
Indio Housing Authority				3,329,941	3,329,941
Total restricted fund balances		1,950,262	872,746	15,937,632	18,760,640
Committed	5,619,500				5,619,500
Assigned					
General government	454,294				454,294
General plan	2,788,000				2,788,000
Construction projects		984,869			984,869
Total assigned fund balances	3,242,294	984,869			4,227,163
Unassigned	7,087,273			(134,542)	6,952,731
Total fund balances	\$ 23,589,476	\$ 2,935,131	\$ 872,746	\$ 21,728,445	\$ 49,125,798

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(25) Fund Balances (Continued)

At June 30, 2015, outstanding encumbrances by major fund are as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 454,294
Capital Projets Fund	517,595
Nonmajor Governmental Funds	254,026
	<u>\$ 1,225,915</u>

(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.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

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

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.

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, 2015 consisted of the following:

Jackalope	\$ 436,664
Housing rehabilitation deferred loan program	<u>46,717</u>
Total	<u>\$ 483,381</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, 2015 was \$436,664.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(27) Successor Agency (Continued)

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 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 balance was paid off during the fiscal year 2014-2015.

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, 2015 was \$46,717.

B. Land held for resale in the RDA Capital Project Fund consists of 97 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, 2015, land held for resale totaled \$26,947,264.

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, 2016. Long term payable balance as of June 30, 2015 was \$5,496,151.

D. Long-term debt of the Successor Agency as of June 30, 2015, consisted of the following:

	Balance at July 1, 2014	Additions	Retirements	Balance at June 30, 2015	Amount Due Within One Year
Bonds payable:					
1997 Series A	\$ 480,000	\$ -	\$ (65,000)	\$ 415,000	\$ 70,000
1999 Revenue Refunding	2,305,000		(205,000)	2,100,000	215,000
2004A Tax Allocation	8,760,000		(145,000)	8,615,000	150,000
2008A Tax Allocation	56,460,000		(1,040,000)	55,420,000	1,075,000
2008B Tax Allocation	3,500,000		(610,000)	2,890,000	650,000
Total	\$ 71,505,000	\$ -	\$ (2,065,000)	\$ 69,440,000	\$ 2,160,000

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(27) Successor Agency (Continued)

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.

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, 2015 was \$415,000.

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, 2015 was \$2,100,000.

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 \$205,000. At June 30, 2015 the actual reserve amount was \$332,350.

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(27) Successor Agency (Continued)

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.

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, 2015, the reserve was fully funded and the outstanding balance of the Series 2004A was \$8,615,000.

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, 2015

(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, 2015, the reserves were fully funded and the outstanding balance of the Series 2008A and Series 2008B bonds were \$55,420,000 and \$2,890,000, 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
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	2,525,000	3,304,831	5,829,831
2020	2,660,000	3,162,556	5,822,556
2021-2025	13,730,000	13,750,776	27,480,776
2026-2030	17,555,000	9,749,632	27,304,632
2031-2035	22,090,000	4,161,518	26,251,518
2036-2037	4,060,000	110,382	4,170,382
	<u>\$ 69,440,000</u>	<u>\$ 44,969,339</u>	<u>\$ 114,409,339</u>

CITY OF INDIO

Notes to Basic Financial Statements

June 30, 2015

(28) Prior Period Adjustments

The accompanying financial statements include adjustments that resulted in the restatements of beginning net position and fund balances. The following summarizes the effect of the prior period adjustments to beginning net position and fund balances as of July 1, 2014:

	Governmental Activities	Business-type Activities	Enterprise Funds	Governmental Activities - Internal Service Funds
Net position at July 1, 2014	\$ 448,351,344	\$ 154,961,563	\$ 154,961,563	\$ 4,961,562
PERS side fund	4,111,192			
Net pension liabilities	(47,637,547)	(7,359,632)	(7,359,632)	(2,021,815)
Deferred outflow of resources - City's contribution subsequent of the measurement	3,904,373	629,804	629,804	173,018
Net position at July 1, 2014, as restated	<u>\$ 408,729,362</u>	<u>\$ 148,231,735</u>	<u>\$ 148,231,735</u>	<u>\$ 3,112,765</u>

	Governmental Major Fund Capital Projects Fund	Governmental Funds Nonmajor Funds
Fund balances at July 1, 2014	\$ 2,268,018	\$ 21,531,041
Expenditures reclassification - prior year TDA audit	84,000	(84,000)
Fund balances at July 1, 2014, as Restated	<u>\$ 2,352,018</u>	<u>\$ 21,447,041</u>



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF INDIO
General Fund
Schedule of Revenues - Budget and Actual
Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Property taxes	\$ 6,086,590	\$ 6,431,590	\$ 6,362,543	\$ (69,047)
Document transfer tax	300,000	300,000	362,304	62,304
Sales tax	7,525,840	7,710,215	7,580,743	(129,472)
In-lieu sales tax	2,339,785	2,459,636	2,459,636	
Utility taxes	8,531,000	8,806,000	8,753,087	(52,913)
Franchise taxes	2,437,612	2,387,612	2,441,259	53,647
Transient occupancy tax	3,150,000	3,400,000	3,906,773	506,773
Total taxes	30,370,827	31,495,053	31,866,345	371,292
Licenses and permits:				
Business licenses	700,000	590,000	620,496	30,496
Building permits	1,730,000	1,833,015	1,566,634	(266,381)
Other licenses and permits	408,050	731,035	728,375	(2,660)
Total licenses and permits	2,838,050	3,154,050	2,915,505	(238,545)
Intergovernmental:				
Motor vehicle license fees	7,280,961	7,524,764	7,559,054	34,290
Grants	290,000	476,227	562,267	86,040
Total intergovernmental	7,570,961	8,000,991	8,121,321	120,330
Charges for services:				
Plan checks and inspections	1,551,200	1,601,200	1,691,490	90,290
Facility rentals	1,671,316	7,671,316	7,762,291	90,975
Fire and ambulance	1,300,000	1,478,581	1,494,702	16,121
Police	182,000	217,000	227,277	10,277
Other	3,978,215	4,007,885	3,934,440	(73,445)
Total charges for services	8,682,731	14,975,982	15,110,200	134,218
Fines:				
Vehicle fines	265,000	265,000	288,304	23,304
Parking fines	110,000	270,000	346,160	76,160
Other fines	464,000	229,000	221,726	(7,274)
Total fines	839,000	764,000	856,190	92,190
Investment income		50,000	4,024,006	3,974,006
Miscellaneous:				
Other	1,762,766	1,990,940	2,020,440	29,500
Total miscellaneous	1,762,766	1,990,940	2,020,440	29,500
Total revenues	\$ 52,064,335	\$ 60,431,016	\$ 64,914,007	\$ 4,482,991

See Note to Required Supplementary Information

CITY OF INDIO
General Fund
Schedule of Expenditures - Budget and Actual
Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
City council	\$ 331,857	\$ 331,857	\$ 303,038	\$ 28,819
City attorney	850,000	850,000	975,467	(125,467)
City manager	740,589	740,589	695,501	45,088
Human resources	738,104	963,104	959,988	3,116
City clerk	305,456	305,456	291,609	13,847
Finance	1,445,984	1,445,984	1,394,232	51,752
Total general government	<u>4,411,990</u>	<u>4,636,990</u>	<u>4,619,835</u>	<u>17,155</u>
Public Safety:				
Police administration	1,257,779	1,257,779	1,345,242	(87,463)
Police field services	9,429,025	9,457,733	9,560,303	(102,570)
Police investigations	6,317,251	6,317,251	6,342,808	(25,557)
Police traffic safety	802,405	802,405	646,484	155,921
Police support services	3,662,227	3,673,454	3,742,866	(69,412)
Fire and ambulance services	11,903,030	12,503,030	12,206,557	296,473
Animal control	925,000	925,000	879,477	45,523
Code enforcement	1,451,908	1,713,442	1,668,240	45,202
Total public safety	<u>35,748,625</u>	<u>36,650,094</u>	<u>36,391,977</u>	<u>258,117</u>
Public works:				
Street maintenance	2,409,766	2,409,766	2,184,053	225,713
Engineering	1,500,931	1,635,091	1,272,359	362,732
Parks and parkways	1,572,542	1,572,542	1,546,688	25,854
Total public works	<u>5,483,239</u>	<u>5,617,399</u>	<u>5,003,100</u>	<u>614,299</u>
Community development:				
Promotion and publicity	464,100	602,100	522,363	79,737
Building safety	1,517,728	1,653,213	1,432,567	220,646
Economic development	1,678,642	3,010,006	2,969,331	40,675
Planning	741,221	1,266,221	984,960	281,261
Total community development	<u>4,401,691</u>	<u>6,531,540</u>	<u>5,909,221</u>	<u>622,319</u>
Human services:				
Youth services	674,238	674,238	672,694	1,544
Human services	375,189	350,189	312,856	37,333
Senior services	573,384	598,384	573,396	24,988
Total human services	<u>1,622,811</u>	<u>1,622,811</u>	<u>1,558,946</u>	<u>63,865</u>
Other	985,840	4,909,510	3,884,348	1,025,162
Debt service:				
Principal	275,876	275,876	288,705	(12,829)
Interest and other charges	86,492	86,492	73,663	12,829
Total debt service	<u>362,368</u>	<u>362,368</u>	<u>362,368</u>	
Total expenditures	<u>\$ 53,016,564</u>	<u>\$ 60,330,712</u>	<u>\$ 57,729,795</u>	<u>\$ 2,600,917</u>

See Note to Required Supplementary Information

CITY OF INDIO

Note to Required Supplementary Information

June 30, 2015

(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 accounting principles generally accepted in the United States.

City of Indio
 Required Supplementary Information
 June 30, 2015

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%
7/1/2013	37,563,242	-	37,563,242	0%	16,718,443	225%

City of Indio
Required Supplementary Information
June 30, 2015

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*
Miscellaneous Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

	Miscellaneous Plan
	2015
Measurement Period	2013-14 ¹
Total Pension Liability	
Service Cost	\$ 2,067,477
Interest on the Total Pension Liability	5,452,950
Benefit Payments, including Refunds of Employee Contributions	(3,315,765)
Net Change in Total Pension Liability	4,204,662
Total Pension Liability - Beginning	73,330,146
Total Pension Liability - Ending (a)	\$ 77,534,808
 Plan Fiduciary Net Position	
Contributions from the Employer	\$ 2,331,161
Contributions from the Employees	914,677
Net investment income ²	7,998,811
Benefit Payments	(3,315,765)
Net Change in Plan Fiduciary Net Position	7,928,884
Plan Fiduciary Net Position - Beginning	46,089,169
Plan Fiduciary Net Position - Ending (b)	\$ 54,018,053
 Net Pension Liability - Ending (a)-(b)	\$ 23,516,755
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.67%
 Covered Employee Payroll	\$ 10,908,447
 Net Pension Liability as Percentage of Covered Employee Payroll	215.58%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Net of administrative expenses.

Note to Schedule:

Benefit Changes: The figures above do not include any liability impact may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: There were no changes in assumptions.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Indio
Required Supplementary Information
June 30, 2015

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*
Miscellaneous Plan

Schedule of Contributions ¹

	Miscellaneous Plan
	Fiscal Year 2014-15
Actuarially Determined Contribution ²	\$ 2,496,547
Contributions in Relation to the Actuarially Determined Contribution ²	(2,496,547)
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll ^{3,4}	\$ 11,314,463
Contributions as a Percentage of Covered Employee Payroll ³	22.07%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year \$10,590,725 was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2011 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Indio
 Required Supplementary Information
 June 30, 2015

Cost Sharing Defined Benefit Pension Plan
 Last 10 Fiscal Years*
 Safety Plan

Schedule of Plan's Proportionate Share of the Net Pension Liability and Related Ratios

	Safety Plan 2015 ¹
Plan's proportion of the Net Pension Liability (Asset)	0.35685%
Plan's proportionate share of the Net Pension Liability (Asset)	\$ 22,205,148
Covered employee payroll ²	\$ 6,311,549
Plan's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	351.82%
Plan's fiduciary net position	\$ 14,603,091
Plan's proportionate share of the Fiduciary Net Pension Liability (Asset) as a percentage of the Plan's Total Pension Liability	65.76%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Indio
Required Supplementary Information
June 30, 2015

Cost Sharing Defined Benefit Pension Plan
Last 10 Fiscal Years*
Safety Plan

Schedule of Contributions ¹

	Safety Plan Fiscal Year 2014-15
Actuarially Determined Contribution ²	\$ 2,286,752
Contributions in Relation to the Actuarially Determined Contribution ²	(2,286,752)
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll ^{3,4}	\$ 6,643,024
Contributions as a Percentage of Covered Employee Payroll ³	34.42%

¹ Historical information is required only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

⁴ Payroll from prior year (\$6,127,718) was assumed to increase by the 3.00 percent payroll growth assumption.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2013-14 were from the June 30, 2011 public agency valuations.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For detail, see June 30, 2011 Funding Valuation Report
Asset Valuation Method	Actuarial Value of Assets. For details, see June 30, 2011 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates included 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SUPPLEMENTARY SCHEDULES



CITY OF INDIO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Totals</u>
<u>Assets</u>			
Cash and investments	\$ 9,130,611	\$ 8	\$ 9,130,619
Cash and investments with fiscal agent	699,568	2,761,698	3,461,266
Accounts receivable	273,318		273,318
Due from other governments	979,786		979,786
Interest receivable	5,251		5,251
Notes receivable	5,896,369		5,896,369
Advances to private-purpose trust funds	5,496,151		5,496,151
Property held for resale	125,204		125,204
Land held for resale	304,000		304,000
	<u>\$ 22,910,258</u>	<u>\$ 2,761,706</u>	<u>\$ 25,671,964</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 890,563	\$ -	\$ 890,563
Accrued liabilities	84,978		84,978
Due to other funds	345,529		345,529
Retentions payable	8,761		8,761
	<u>1,329,831</u>		<u>1,329,831</u>
Deferred Inflows of Resources:			
Deferred revenue	2,613,688		2,613,688
Total deferred inflows of resources	<u>2,613,688</u>		<u>2,613,688</u>
	<u>3,943,519</u>		<u>3,943,519</u>
Fund balances:			
Nonspendable	5,925,355		5,925,355
Restricted	13,175,926	2,761,706	15,937,632
Unassigned	(134,542)		(134,542)
	<u>18,966,739</u>	<u>2,761,706</u>	<u>21,728,445</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,910,258</u>	<u>\$ 2,761,706</u>	<u>\$ 25,671,964</u>

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2015

	Special Revenue Funds	Debt Service Fund	Totals
Revenues:			
Taxes	\$ 4,453,676	\$ -	\$ 4,453,676
Special assessments	4,015,296		4,015,296
Intergovernmental	3,300,383		3,300,383
Fines	82,080		82,080
Investment income	1,289,613	455	1,290,068
Miscellaneous	1,329,755		1,329,755
Total revenues	<u>14,470,803</u>	<u>455</u>	<u>14,471,258</u>
Expenditures:			
Current:			
General government	426,800		426,800
Public safety	1,293,851		1,293,851
Public works	5,290,207		5,290,207
Community development	2,903,626		2,903,626
Debt service:			
Principal	991,040	1,303,664	2,294,704
Interest and other charges	359,867	2,157,471	2,517,338
Total expenditures	<u>11,265,391</u>	<u>3,461,135</u>	<u>14,726,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,205,412</u>	<u>(3,460,680)</u>	<u>(255,268)</u>
Other financing sources (uses):			
Interfund transfers in	396,005	3,356,972	3,752,977
Interfund transfers out	<u>(3,216,305)</u>		<u>(3,216,305)</u>
Total other financing sources (uses)	<u>(2,820,300)</u>	<u>3,356,972</u>	<u>536,672</u>
Net change in fund balances	<u>385,112</u>	<u>(103,708)</u>	<u>281,404</u>
Fund balances at beginning of fiscal year	18,665,627	2,865,414	21,531,041
Prior period adjustments	<u>(84,000)</u>		<u>(84,000)</u>
Fund balances at beginning of fiscal year, restated	<u>18,581,627</u>	<u>2,865,414</u>	<u>21,447,041</u>
Fund balances at end of fiscal year	<u>\$ 18,966,739</u>	<u>\$ 2,761,706</u>	<u>\$ 21,728,445</u>

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.

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.

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

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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.

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.

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.

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.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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, 2015

	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement	Proposition 1B
<u>Assets</u>					
Cash and investments	\$ 369,060	\$ 6,656	\$ 44,265	\$ 176,811	\$ 7
Cash and investments with fiscal agent	699,568				
Accounts receivable	31,657				
Due from other governments			31,774	46,790	
Interest receivable	306			136	
Notes receivable					
Advances to private-purpose trust funds					
Property held for resale					
Land held for resale					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,100,591</u>	<u>\$ 6,656</u>	<u>\$ 76,039</u>	<u>\$ 223,737</u>	<u>\$ 7</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 115,243	\$ -	\$ -	\$ 39,659	\$ -
Accrued liabilities	12,012	4,729		1,046	
Due to other funds					
Retentions payable					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>127,255</u>	<u>4,729</u>	<u></u>	<u>40,705</u>	<u></u>
Deferred Inflows of Resources:					
Deferred revenue					
Total deferred inflows of resources	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and deferred inflows	<u>127,255</u>	<u>4,729</u>	<u></u>	<u>40,705</u>	<u></u>
Fund balances:					
Nonspendable:					
Property held for resale					
Land held for resale					
Advances					
Restricted	973,336	1,927	76,039	183,032	7
Unassigned					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>973,336</u>	<u>1,927</u>	<u>76,039</u>	<u>183,032</u>	<u>7</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,100,591</u>	<u>\$ 6,656</u>	<u>\$ 76,039</u>	<u>\$ 223,737</u>	<u>\$ 7</u>

<u>LLEBG</u>	<u>Homeland Security</u>	<u>Abandoned Vehicle</u>	<u>Unclaimed Property</u>	<u>Measure A</u>	<u>Article 3</u>	<u>NPDES</u>	<u>Air Quality</u>
\$ 11,545	\$ -	\$ -	\$ 75,375	\$ 1,348,400	\$ -	\$ 22,850	\$ 235,978
7,557 7	14,984	127,939		42,260 439,655 916	48,511		26,826 143
<u>\$ 19,109</u>	<u>\$ 14,984</u>	<u>\$ 127,939</u>	<u>\$ 75,375</u>	<u>\$ 1,831,231</u>	<u>\$ 48,511</u>	<u>\$ 22,850</u>	<u>\$ 262,947</u>
\$ - 1,744	\$ 1,277 8,499	\$ 243 67,144	\$ 69,902	\$ 331,819 15,219	\$ 69,442 48,191 8,761	\$ -	\$ 16,095
<u>1,744</u>	<u>9,776</u>	<u>67,387</u>	<u>69,902</u>	<u>347,038</u>	<u>126,394</u>		<u>16,095</u>
<u>1,744</u>	<u>9,776</u>	<u>67,387</u>	<u>69,902</u>	<u>347,038</u>	<u>126,394</u>		<u>16,095</u>
17,365	5,208	60,552	5,473	1,484,193	(77,883)	22,850	246,852
<u>17,365</u>	<u>5,208</u>	<u>60,552</u>	<u>5,473</u>	<u>1,484,193</u>	<u>(77,883)</u>	<u>22,850</u>	<u>246,852</u>
<u>\$ 19,109</u>	<u>\$ 14,984</u>	<u>\$ 127,939</u>	<u>\$ 75,375</u>	<u>\$ 1,831,231</u>	<u>\$ 48,511</u>	<u>\$ 22,850</u>	<u>\$ 262,947</u>

(Continued)

CITY OF INDIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(Continued)

<u>Assets</u>	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Community Facilities District	Certified Access Specialist SB 1186
Cash and investments	\$ -	\$ 104,499	\$ 575,450	\$ 65,069	\$ 2,499
Cash and investments with fiscal agent					
Accounts receivable	69,338		16,580		
Due from other governments			1,444	55,570	
Interest receivable		87	342	231	
Notes receivable					
Advances to private-purpose trust funds					
Property held for resale					
Land held for resale					
Total assets	<u>\$ 69,338</u>	<u>\$ 104,586</u>	<u>\$ 593,816</u>	<u>\$ 120,870</u>	<u>\$ 2,499</u>
<u>Liabilities, Deferred Inflows of Resources</u>					
<u>and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 12,395	\$ -	\$ 2,381	\$ -	\$ 1,320
Accrued liabilities			7,319		
Due to other funds	69,338				
Retentions payable					
Total liabilities	<u>81,733</u>		<u>9,700</u>		<u>1,320</u>
Deferred Inflows of Resources:					
Deferred revenue					
Total deferred inflows of resources					
Total liabilities and deferred inflows	<u>81,733</u>		<u>9,700</u>		<u>1,320</u>
Fund balances:					
Nonspendable:					
Property held for resale					
Land held for resale					
Advances					
Restricted		104,586	584,116	120,870	1,179
Unassigned	(12,395)				
Total fund balances (deficits)	<u>(12,395)</u>	<u>104,586</u>	<u>584,116</u>	<u>120,870</u>	<u>1,179</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 69,338</u>	<u>\$ 104,586</u>	<u>\$ 593,816</u>	<u>\$ 120,870</u>	<u>\$ 2,499</u>

Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel	Donations	COPS Hiring Recovery	Neighborhood Stabilization Grant 1	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
\$ 48,059	\$ 44,993	\$ 734,107	\$ 49,869	\$ -	\$ -	\$ 1,058,298	\$ -
		49,208	1,000	186,144			
31						684	15
4,625,977						1,147,992	122,400
5,496,151							125,204
304,000							
<u>\$ 10,474,218</u>	<u>\$ 44,993</u>	<u>\$ 783,315</u>	<u>\$ 50,869</u>	<u>\$ 186,144</u>	<u>\$ -</u>	<u>\$ 2,206,974</u>	<u>\$ 247,619</u>
\$ 830	\$ 2,555	\$ -	\$ 21	\$ -	\$ -	\$ 996	\$ 107
				17,311		9,965	
				96,097			19,299
<u>830</u>	<u>2,555</u>	<u>-</u>	<u>21</u>	<u>113,408</u>	<u>-</u>	<u>10,961</u>	<u>19,406</u>
1,343,296						1,147,992	122,400
<u>1,343,296</u>						<u>1,147,992</u>	<u>122,400</u>
1,344,126	2,555		21	113,408		1,158,953	141,806
							125,204
304,000							
5,496,151							
3,329,941	42,438	783,315	50,848	72,736		1,048,021	(19,391)
<u>9,130,092</u>	<u>42,438</u>	<u>783,315</u>	<u>50,848</u>	<u>72,736</u>	<u>-</u>	<u>1,048,021</u>	<u>105,813</u>
<u>\$ 10,474,218</u>	<u>\$ 44,993</u>	<u>\$ 783,315</u>	<u>\$ 50,869</u>	<u>\$ 186,144</u>	<u>\$ -</u>	<u>\$ 2,206,974</u>	<u>\$ 247,619</u>

(Continued)

CITY OF INDIO
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(Continued)

	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Congestion Management Air Quality
<u>Assets</u>					
Cash and investments	\$ 4,046,426	\$ 4,407	\$ 16,249	\$ 89,739	\$ -
Cash and investments with fiscal agent					
Accounts receivable					14,764
Due from other governments	18,893				
Interest receivable	2,343	3		7	
Notes receivable					
Advances to private-purpose trust funds					
Property held for resale					
Land held for resale					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 4,067,662</u>	<u>\$ 4,410</u>	<u>\$ 16,249</u>	<u>\$ 89,746</u>	<u>\$ 14,764</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 200,776	\$ -	\$ 24,100	\$ -	\$ -
Accrued liabilities			15,633		
Due to other funds					14,764
Retentions payable					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>200,776</u>	<u></u>	<u>39,733</u>	<u></u>	<u>14,764</u>
Deferred Inflows of Resources:					
Deferred revenue					
Total deferred inflows of resources					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and deferred inflows	<u>200,776</u>	<u></u>	<u>39,733</u>	<u></u>	<u>14,764</u>
Fund balances:					
Nonspendable					
Property held for resale					
Land held for resale					
Advances					
Restricted	3,866,886	4,410		89,746	
Unassigned			(23,484)		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>3,866,886</u>	<u>4,410</u>	<u>(23,484)</u>	<u>89,746</u>	<u></u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,067,662</u>	<u>\$ 4,410</u>	<u>\$ 16,249</u>	<u>\$ 89,746</u>	<u>\$ 14,764</u>

Cal Emergency Management	Totals
\$ -	\$ 9,130,611
	699,568
	273,318
22,210	979,786
	5,251
	5,896,369
	5,496,151
	125,204
	304,000
<u>\$ 22,210</u>	<u>\$ 22,910,258</u>

\$ 1,402	\$ 890,563
	84,978
22,197	345,529
	8,761
<u>23,599</u>	<u>1,329,831</u>

	2,613,688
	<u>2,613,688</u>
<u>23,599</u>	<u>3,943,519</u>

	125,204
	304,000
	5,496,151
	13,175,926
<u>(1,389)</u>	<u>(134,542)</u>
<u>(1,389)</u>	<u>18,966,739</u>
<u>\$ 22,210</u>	<u>\$ 22,910,258</u>

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2015

	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement	Proposition 1B
Revenues:					
Taxes	\$ 2,345,092	\$ -	\$ 386,494	\$ -	\$ -
Special assessments					
Intergovernmental	12,140		8,081	178,268	
Fines		72,399			
Investment income	32,586		133	527	93
Miscellaneous	53,160				
Total revenues	2,442,978	72,399	394,708	178,795	93
Expenditures:					
Current:					
General government					
Public safety		68,742	222,281	197,128	
Public works	1,853,280				73,449
Community development					
Debt service:					
Principal	470,000				
Interest and other charges	207,525				
Total expenditures	2,530,805	68,742	222,281	197,128	73,449
Excess (deficiency) of revenues over (under) expenditures	(87,827)	3,657	172,427	(18,333)	(73,356)
Other financing sources (uses):					
Interfund transfers in					
Interfund transfers out	(38,103)		(253,658)		
Total other financing sources (uses)	(38,103)		(253,658)		
Net change in fund balances	(125,930)	3,657	(81,231)	(18,333)	(73,356)
Fund balances (deficits) at beginning of fiscal year	1,099,266	(1,730)	157,270	201,365	73,363
Prior period adjustments					
Fund balance (deficits) at beginning of fiscal year, restated	1,099,266	(1,730)	157,270	201,365	73,363
Fund balances (deficits) at end of fiscal year	\$ 973,336	\$ 1,927	\$ 76,039	\$ 183,032	\$ 7

LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property	Measure A	Article 3	NPDES	Air Quality
\$ -	\$ -	\$ -	\$ -	\$ 1,722,090	\$ -	\$ -	\$ -
52,129	21,258	156,598		10,072	48,511		128,454
18			432	3,593	142		514
				408,740			
52,147	21,258	156,598	432	2,144,495	48,653		128,968
					175,225		
49,719	15,654	121,599		1,679,696		82,042	61,338
				521,040			
				152,342			
49,719	15,654	121,599		2,353,078	175,225	82,042	61,338
2,428	5,604	34,999	432	(208,583)	(126,572)	(82,042)	67,630
					48,511	85,000	
				(48,511)			
				(48,511)	48,511	85,000	
2,428	5,604	34,999	432	(257,094)	(78,061)	2,958	67,630
14,937	(396)	25,553	5,041	1,741,287	84,178	19,892	179,222
					(84,000)		
14,937	(396)	25,553	5,041	1,741,287	178	19,892	179,222
\$ 17,365	\$ 5,208	\$ 60,552	\$ 5,473	\$ 1,484,193	\$ (77,883)	\$ 22,850	\$ 246,852

(Continued)

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2015
(Continued)

	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Community Facilities District	Certified Access Specialist SB 1186
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments				2,871,340	
Intergovernmental	294,093	190,960	10,849		
Fines					
Investment income		572	1,298	568	
Miscellaneous			222,334	78,192	2,245
Total revenues	294,093	191,532	234,481	2,950,100	2,245
Expenditures:					
Current:					
General government			212,335		5,500
Public safety		206,176			
Public works	344,591				
Community development				80,195	
Debt service:					
Principal					
Interest and other charges					
Total expenditures	344,591	206,176	212,335	80,195	5,500
Excess (deficiency) of revenues over (under) expenditures	(50,498)	(14,644)	22,146	2,869,905	(3,255)
Other financing sources (uses):					
Interfund transfers in	38,103				
Interfund transfers out				(2,836,000)	
Total other financing sources (uses)	38,103			(2,836,000)	
Net change in fund balances	(12,395)	(14,644)	22,146	33,905	(3,255)
Fund balances (deficits) at beginning of fiscal year		119,230	561,970	86,965	4,434
Prior period adjustments					
Fund balance (deficits) at beginning of fiscal year, restated		119,230	561,970	86,965	4,434
Fund balances (deficits) at end of fiscal year	\$ (12,395)	\$ 104,586	\$ 584,116	\$ 120,870	\$ 1,179

Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel	Donations	COPS Hiring Recovery	Neighborhood Stabilization Grant 1	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	74,427			416,933		408,911	563
100					12	1,142,908	97,176
306,000		192,867	37,808			14,718	224
306,100	74,427	192,867	37,808	416,933	12	1,566,537	97,963
	29,755		3,985	385,937			
21,159						1,856,111	163,574
21,159	29,755		3,985	385,937		1,856,111	163,574
284,941	44,672	192,867	33,823	30,996	12	(289,574)	(65,611)
19,702					(19,703)		
19,702					(19,703)		
304,643	44,672	192,867	33,823	30,996	(19,691)	(289,574)	(65,611)
8,825,449	(2,234)	590,448	17,025	41,740	19,691	1,337,595	171,424
8,825,449	(2,234)	590,448	17,025	41,740	19,691	1,337,595	171,424
\$ 9,130,092	\$ 42,438	\$ 783,315	\$ 50,848	\$ 72,736	\$ -	\$ 1,048,021	\$ 105,813

(Continued)

CITY OF INDIO
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Fiscal Year Ended June 30, 2015
(Continued)

	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Congestion Management Air Quality
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	1,143,956				
Intergovernmental			1,158,564	92,598	14,764
Fines		9,681			
Investment income	8,907	3		7	
Miscellaneous	13,463	4			
Total revenues	1,166,326	9,688	1,158,564	92,605	14,764
Expenditures:					
Current:					
General government					
Public safety		21		2,995	
Public works	1,195,811				
Community development			782,587		
Debt service:					
Principal					
Interest and other charges					
Total expenditures	1,195,811	21	782,587	2,995	
Excess (deficiency) of revenues over (under) expenditures	(29,485)	9,667	375,977	89,610	14,764
Other financing sources (uses):					
Interfund transfers in	204,689				
Interfund transfers out					
Total other financing sources (uses)	204,689				
Net change in fund balances	175,204	9,667	375,977	89,610	14,764
Fund balances (deficits) at beginning of fiscal year	3,691,682	(5,257)	(399,461)	136	(14,764)
Prior period adjustments					
Fund balance (deficits) at beginning of fiscal year, restated	3,691,682	(5,257)	(399,461)	136	(14,764)
Fund balances (deficits) at end of fiscal year	\$ 3,866,886	\$ 4,410	\$ (23,484)	\$ 89,746	\$ -

Cal Emergency Management	Totals
\$ -	\$ 4,453,676
	4,015,296
22,210	3,300,383
	82,080
24	1,289,613
	1,329,755
<u>22,234</u>	<u>14,470,803</u>
	426,800
23,599	1,293,851
	5,290,207
	2,903,626
	991,040
	359,867
<u>23,599</u>	<u>11,265,391</u>
<u>(1,365)</u>	<u>3,205,412</u>
	396,005
<u>(20,330)</u>	<u>(3,216,305)</u>
<u>(20,330)</u>	<u>(2,820,300)</u>
<u>(21,695)</u>	<u>385,112</u>
20,306	18,665,627
	(84,000)
<u>20,306</u>	<u>18,581,627</u>
<u>\$ (1,389)</u>	<u>\$ 18,966,739</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 2,095,769	\$ 2,345,092	\$ 249,323
Intergovernmental		12,140	12,140
Investment income	2,000	32,586	30,586
Miscellaneous		53,160	53,160
Total revenues	2,097,769	2,442,978	345,209
Expenditures:			
Current:			
Public works	2,410,297	1,853,280	557,017
Debt service:			
Principal	470,000	470,000	
Interest and other charges	208,313	207,525	788
Total expenditures	3,088,610	2,530,805	557,805
Excess (deficiency) of revenues over (under) expenditures	(990,841)	(87,827)	903,014
Other financing sources (uses):			
Interfund transfers out		(38,103)	(38,103)
Total other financing sources (uses)		(38,103)	(38,103)
Net change in fund balance	(990,841)	(125,930)	864,911
Fund balance at beginning of fiscal year	1,099,266	1,099,266	
Fund balance at end of fiscal year	\$ 108,425	\$ 973,336	\$ 864,911

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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines	<u>\$ 100,000</u>	<u>\$ 72,399</u>	<u>\$ (27,601)</u>
Total revenues	<u>100,000</u>	<u>72,399</u>	<u>(27,601)</u>
Expenditures:			
Current:			
Public safety	<u>96,682</u>	<u>68,742</u>	<u>27,940</u>
Total expenditures	<u>96,682</u>	<u>68,742</u>	<u>27,940</u>
Excess of revenues over expenditures	3,318	3,657	339
Fund balance (deficit) at beginning of fiscal year	<u>(1,730)</u>	<u>(1,730)</u>	<u>_____</u>
Fund balance at end of fiscal year	<u><u>\$ 1,588</u></u>	<u><u>\$ 1,927</u></u>	<u><u>\$ 339</u></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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 390,000	\$ 386,494	\$ (3,506)
Intergovernmental		8,081	8,081
Investment income		133	133
Total revenues	<u>390,000</u>	<u>394,708</u>	<u>4,708</u>
Expenditures:			
Current:			
Public safety	<u>181,381</u>	<u>222,281</u>	<u>(40,900)</u>
Total expenditures	<u>181,381</u>	<u>222,281</u>	<u>(40,900)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>208,619</u>	<u>172,427</u>	<u>(36,192)</u>
Other financing sources (uses):			
Interfund transfers out	<u>(268,620)</u>	<u>(253,658)</u>	<u>14,962</u>
Total other financing sources (uses)	<u>(268,620)</u>	<u>(253,658)</u>	<u>14,962</u>
Net change in fund balances	(60,001)	(81,231)	(21,230)
Fund balance at beginning of fiscal year	<u>157,270</u>	<u>157,270</u>	
Fund balance at end of fiscal year	<u><u>\$ 97,269</u></u>	<u><u>\$ 76,039</u></u>	<u><u>\$ (21,230)</u></u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 130,123	\$ 178,268	\$ 48,145
Investment income	37,125	527	(36,598)
	<u>167,248</u>	<u>178,795</u>	<u>11,547</u>
Total revenues			
Expenditures:			
Current:			
Public safety	368,612	197,128	171,484
	<u>368,612</u>	<u>197,128</u>	<u>171,484</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(201,364)	(18,333)	183,031
Fund balance at beginning of fiscal year	<u>201,365</u>	<u>201,365</u>	
Fund balance at end of fiscal year	<u><u>\$ 1</u></u>	<u><u>\$ 183,032</u></u>	<u><u>\$ 183,031</u></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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ -	\$ 93	\$ 93
Total revenues	<u> </u>	<u> 93</u>	<u> 93</u>
Expenditures:			
Current:			
Public works	<u> 73,363</u>	<u> 73,449</u>	<u> (86)</u>
Total expenditures	<u> 73,363</u>	<u> 73,449</u>	<u> (86)</u>
Excess (deficiency) of revenues over (under) expenditures	(73,363)	(73,356)	7
Fund balance at beginning of fiscal year	<u> 73,363</u>	<u> 73,363</u>	<u> </u>
Fund balance at end of fiscal year	<u> \$ -</u>	<u> \$ 7</u>	<u> \$ 7</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 63,527	\$ 52,129	\$ (11,398)
Investment income		18	18
Total revenues	63,527	52,147	(11,380)
Expenditures:			
Current:			
Public safety	63,527	49,719	13,808
Total expenditures	63,527	49,719	13,808
Excess of revenues over expenditures		2,428	2,428
Fund balance at beginning of fiscal year	14,937	14,937	
Fund balance at end of fiscal year	\$ 14,937	\$ 17,365	\$ 2,428

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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 25,094</u>	<u>\$ 21,258</u>	<u>\$ (3,836)</u>
Total revenues	<u>25,094</u>	<u>21,258</u>	<u>(3,836)</u>
Expenditures:			
Current:			
Public safety	<u>25,094</u>	<u>15,654</u>	<u>9,440</u>
Total expenditures	<u>25,094</u>	<u>15,654</u>	<u>9,440</u>
Excess of revenues over expenditures		5,604	5,604
Fund balance (deficit) at beginning of fiscal year	<u>(396)</u>	<u>(396)</u>	
Fund balance at end of fiscal year	<u><u>\$ (396)</u></u>	<u><u>\$ 5,208</u></u>	<u><u>\$ 5,604</u></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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 79,875</u>	<u>\$ 156,598</u>	<u>\$ 76,723</u>
Total revenues	<u>79,875</u>	<u>156,598</u>	<u>76,723</u>
Expenditures:			
Current:			
Public safety	<u>79,875</u>	<u>121,599</u>	<u>(41,724)</u>
Total expenditures	<u>79,875</u>	<u>121,599</u>	<u>(41,724)</u>
Excess of revenues over expenditures		34,999	34,999
Fund balance at beginning of fiscal year	<u>25,553</u>	<u>25,553</u>	<u> </u>
Fund balance at end of fiscal year	<u><u>\$ 25,553</u></u>	<u><u>\$ 60,552</u></u>	<u><u>\$ 34,999</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ -	\$ 432	\$ 432
Total revenues	<u> </u>	<u>432</u>	<u>432</u>
Excess of revenues over expenditures		432	432
Fund balance at beginning of fiscal year	<u>5,041</u>	<u>5,041</u>	<u> </u>
Fund balance at end of fiscal year	<u><u>\$ 5,041</u></u>	<u><u>\$ 5,473</u></u>	<u><u>\$ 432</u></u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 1,716,000	\$ 1,722,090	\$ 6,090
Intergovernmental		10,072	10,072
Investment income	5,000	3,593	(1,407)
Miscellaneous	2,250,000	408,740	(1,841,260)
Total revenues	3,971,000	2,144,495	(1,826,505)
Expenditures:			
Current:			
Public works	2,779,340	1,679,696	1,099,644
Debt service:			
Principal	518,679	521,040	(2,361)
Interest and other charges	154,703	152,342	2,361
Total expenditures	3,452,722	2,353,078	1,099,644
Excess (deficiency) of revenues over (under) expenditures	518,278	(208,583)	(726,861)
Other financing sources (uses):			
Interfund transfers out		(48,511)	(48,511)
Total other financing sources (uses)		(48,511)	(48,511)
Net change in fund balance	518,278	(257,094)	(775,372)
Fund balance at beginning of fiscal year	1,741,287	1,741,287	
Fund balance at end of fiscal year	\$ 2,259,565	\$ 1,484,193	\$ (775,372)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 173,400	\$ 48,511	\$ (124,889)
Investment income		142	142
Total revenues	<u>173,400</u>	<u>48,653</u>	<u>(124,747)</u>
Expenditures:			
Current:			
General government	<u>173,400</u>	<u>175,225</u>	<u>(1,825)</u>
Total expenditures	<u>173,400</u>	<u>175,225</u>	<u>(1,825)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(126,572)</u>	<u>(126,572)</u>
Other financing sources:			
Interfund transfers in		<u>48,511</u>	<u>48,511</u>
Total other financing sources (uses)		<u>48,511</u>	<u>48,511</u>
Net change in fund balance		<u>(78,061)</u>	<u>(78,061)</u>
Fund balance at beginning of fiscal year	84,178	84,178	
Prior period adjustments		(84,000)	(84,000)
Fund balance at beginning of fiscal year, restated	<u>84,178</u>	<u>178</u>	<u>(84,000)</u>
Fund balance (deficit) at end of fiscal year	<u>\$ 84,178</u>	<u>\$ (77,883)</u>	<u>\$ (162,061)</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Current:			
Public works	<u>\$ 105,000</u>	<u>\$ 82,042</u>	<u>\$ 22,958</u>
Total expenditures	<u>105,000</u>	<u>82,042</u>	<u>22,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(105,000)</u>	<u>(82,042)</u>	<u>22,958</u>
Other financing sources:			
Interfund transfers in	<u>105,000</u>	<u>85,000</u>	<u>(20,000)</u>
Total other financing sources	<u>105,000</u>	<u>85,000</u>	<u>(20,000)</u>
Net change in fund balance		2,958	2,958
Fund balance at beginning of fiscal year	<u>19,892</u>	<u>19,892</u>	
Fund balance at end of fiscal year	<u><u>\$ 19,892</u></u>	<u><u>\$ 22,850</u></u>	<u><u>\$ 2,958</u></u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 95,000	\$ 128,454	\$ 33,454
Investment income		514	514
Total revenues	<u>95,000</u>	<u>128,968</u>	<u>33,968</u>
Expenditures:			
Current:			
Public works	<u>209,000</u>	<u>61,338</u>	<u>147,662</u>
Total expenditures	<u>209,000</u>	<u>61,338</u>	<u>147,662</u>
Excess (deficiency) of revenues over (under) expenditures	(114,000)	67,630	181,630
Fund balance at beginning of fiscal year	<u>179,222</u>	<u>179,222</u>	
Fund balance at end of fiscal year	<u><u>\$ 65,222</u></u>	<u><u>\$ 246,852</u></u>	<u><u>\$ 181,630</u></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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 30,000</u>	<u>\$ 74,427</u>	<u>\$ 44,427</u>
Total revenues	<u>30,000</u>	<u>74,427</u>	<u>44,427</u>
Expenditures:			
Current:			
General government	<u>52,357</u>	<u>29,755</u>	<u>22,602</u>
Total expenditures	<u>52,357</u>	<u>29,755</u>	<u>22,602</u>
Excess (deficiency) of revenues over (under) expenditures	(22,357)	44,672	67,029
Fund balance (deficit) at beginning of fiscal year	<u>(2,234)</u>	<u>(2,234)</u>	<u></u>
Fund balance at end of fiscal year	<u><u>\$ (24,591)</u></u>	<u><u>\$ 42,438</u></u>	<u><u>\$ 67,029</u></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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessments	\$ 1,138,560	\$ 1,143,956	\$ 5,396
Investment income		8,907	8,907
Miscellaneous		13,463	13,463
Total revenues	<u>1,138,560</u>	<u>1,166,326</u>	<u>27,766</u>
Expenditures:			
Current:			
Public works	<u>1,246,905</u>	<u>1,195,811</u>	<u>51,094</u>
Total expenditures	<u>1,246,905</u>	<u>1,195,811</u>	<u>51,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(108,345)</u>	<u>(29,485)</u>	<u>78,860</u>
Other financing sources (uses):			
Interfund transfers in	<u>204,689</u>	<u>204,689</u>	
Total other financing sources (uses)	<u>204,689</u>	<u>204,689</u>	
Net change in fund balance	96,344	175,204	78,860
Fund balance at beginning of fiscal year	<u>3,691,682</u>	<u>3,691,682</u>	
Fund balance at end of fiscal year	<u>\$ 3,788,026</u>	<u>\$ 3,866,886</u>	<u>\$ 78,860</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines	\$ 9,681	\$ 9,681	\$ -
Investment income		3	3
Miscellaneous		4	4
	<u>9,681</u>	<u>9,688</u>	<u>7</u>
Total revenues			
Expenditures:			
Current:			
Public safety	<u>21</u>	<u>21</u>	
Total expenditures	<u>21</u>	<u>21</u>	
Excess of revenues over expenditures	9,660	9,667	7
Fund balance (deficit) at beginning of fiscal year	<u>(5,257)</u>	<u>(5,257)</u>	
Fund balance at end of fiscal year	<u>\$ 4,403</u>	<u>\$ 4,410</u>	<u>\$ 7</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 1,277,530</u>	<u>\$ 1,158,564</u>	<u>\$ (118,966)</u>
Total revenues	<u>1,277,530</u>	<u>1,158,564</u>	<u>(118,966)</u>
Expenditures:			
Current:			
Community development	<u>1,277,454</u>	<u>782,587</u>	<u>494,867</u>
Total expenditures	<u>1,277,454</u>	<u>782,587</u>	<u>494,867</u>
Excess of revenues over expenditures	76	375,977	375,901
Fund balance (deficit) at beginning of fiscal year	<u>(399,461)</u>	<u>(399,461)</u>	<u></u>
Fund balance (deficit) at end of fiscal year	<u><u>\$ (399,385)</u></u>	<u><u>\$ (23,484)</u></u>	<u><u>\$ 375,901</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 6,647,897</u>	<u>\$ 294,093</u>	<u>\$ (6,353,804)</u>
Total revenues	<u>6,647,897</u>	<u>294,093</u>	<u>(6,353,804)</u>
Expenditures:			
Current:			
Public works	<u>6,647,897</u>	<u>344,591</u>	<u>6,303,306</u>
Total expenditures	<u>6,647,897</u>	<u>344,591</u>	<u>6,303,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u></u>	<u>(50,498)</u>	<u>(50,498)</u>
Other financing sources:			
Interfund transfers in	<u></u>	<u>38,103</u>	<u>38,103</u>
Total other financing sources	<u></u>	<u>38,103</u>	<u>38,103</u>
Net change in fund balance	<u></u>	<u>(12,395)</u>	<u>(12,395)</u>
Fund balance at beginning of fiscal year	<u></u>	<u></u>	<u></u>
Fund balance (deficit) at end of fiscal year	<u><u>\$ -</u></u>	<u><u>\$ (12,395)</u></u>	<u><u>\$ (50,498)</u></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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 190,960	\$ 190,960	\$ -
Investment income		572	572
Total revenues	<u>190,960</u>	<u>191,532</u>	<u>572</u>
Expenditures:			
Current:			
Public safety	<u>308,282</u>	<u>206,176</u>	<u>102,106</u>
Total expenditures	<u>308,282</u>	<u>206,176</u>	<u>102,106</u>
Excess (deficiency) of revenues over (under) expenditures	(117,322)	(14,644)	102,678
Fund balance at beginning of fiscal year	<u>119,230</u>	<u>119,230</u>	
Fund balance at end of fiscal year	<u><u>\$ 1,908</u></u>	<u><u>\$ 104,586</u></u>	<u><u>\$ 102,678</u></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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 12,000	\$ 10,849	\$ (1,151)
Investment income		1,298	1,298
Miscellaneous	217,000	222,334	5,334
Total revenues	<u>229,000</u>	<u>234,481</u>	<u>5,481</u>
Expenditures:			
Current:			
General government	213,295	212,335	960
Total expenditures	<u>213,295</u>	<u>212,335</u>	<u>960</u>
Excess of revenues over expenditures	15,705	22,146	6,441
Fund balance at beginning of fiscal year	<u>561,970</u>	<u>561,970</u>	
Fund balance at end of fiscal year	<u><u>\$ 577,675</u></u>	<u><u>\$ 584,116</u></u>	<u><u>\$ 6,441</u></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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessments	\$ 2,685,038	\$ 2,871,340	\$ 186,302
Investment income		568	568
Miscellaneous		78,192	78,192
Total revenues	<u>2,685,038</u>	<u>2,950,100</u>	<u>265,062</u>
Expenditures:			
Current:			
Community development	<u>67,100</u>	<u>80,195</u>	<u>(13,095)</u>
Total expenditures	<u>67,100</u>	<u>80,195</u>	<u>(13,095)</u>
Excess of revenues over expenditures	<u>2,617,938</u>	<u>2,869,905</u>	<u>251,967</u>
Other financing sources (uses):			
Interfund transfers out	<u>(2,617,938)</u>	<u>(2,836,000)</u>	<u>(218,062)</u>
Total other financing sources (uses)	<u>(2,617,938)</u>	<u>(2,836,000)</u>	<u>(218,062)</u>
Net change in fund balance		33,905	33,905
Fund balance at beginning of fiscal year	<u>86,965</u>	<u>86,965</u>	
Fund balance at end of fiscal year	<u>\$ 86,965</u>	<u>\$ 120,870</u>	<u>\$ 33,905</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 395,364	\$ 416,933	\$ 21,569
Total revenues	<u>395,364</u>	<u>416,933</u>	<u>21,569</u>
Expenditures:			
Current:			
Public safety	395,364	385,937	9,427
Total expenditures	<u>395,364</u>	<u>385,937</u>	<u>9,427</u>
Excess of revenues over expenditures		30,996	30,996
Fund balance at beginning of fiscal year	<u>41,740</u>	<u>41,740</u>	
Fund balance at end of fiscal year	<u><u>\$ 41,740</u></u>	<u><u>\$ 72,736</u></u>	<u><u>\$ 30,996</u></u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ -	\$ 12	\$ 12
Total revenues	<u> </u>	<u> 12</u>	<u> 12</u>
Excess of revenues over expenditures	<u> </u>	<u> 12</u>	<u> 12</u>
Other financing sources (uses):			
Interfund transfers out	<u> (19,703)</u>	<u> (19,703)</u>	<u> </u>
Total other financing sources (uses)	<u> (19,703)</u>	<u> (19,703)</u>	<u> </u>
Net change in fund balance	<u> (19,703)</u>	<u> (19,691)</u>	<u> 12</u>
Fund balance at beginning of fiscal year	<u> 19,691</u>	<u> 19,691</u>	<u> </u>
Fund balance at end of fiscal year	<u> \$ (12)</u>	<u> \$ -</u>	<u> \$ 12</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 20,000	\$ 408,911	\$ 388,911
Investment income	1,005,000	1,142,908	137,908
Miscellaneous		14,718	14,718
Total revenues	<u>1,025,000</u>	<u>1,566,537</u>	<u>541,537</u>
Expenditures:			
Current:			
Community development	<u>2,041,824</u>	<u>1,856,111</u>	<u>185,713</u>
Total expenditures	<u>2,041,824</u>	<u>1,856,111</u>	<u>185,713</u>
Excess (deficiency) of revenues over (under) expenditures	(1,016,824)	(289,574)	727,250
Fund balance at beginning of fiscal year	<u>1,337,595</u>	<u>1,337,595</u>	
Fund balance at end of fiscal year	<u>\$ 320,771</u>	<u>\$ 1,048,021</u>	<u>\$ 727,250</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 225,000	\$ 563	\$ (224,437)
Investment income	360,000	97,176	(262,824)
Miscellaneous		224	224
	<u>585,000</u>	<u>97,963</u>	<u>(487,037)</u>
Total revenues			
Expenditures:			
Current:			
Community development	<u>700,000</u>	<u>163,574</u>	<u>536,426</u>
	<u>700,000</u>	<u>163,574</u>	<u>536,426</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(115,000)	(65,611)	49,389
Fund balance at beginning of fiscal year	<u>171,424</u>	<u>171,424</u>	
Fund balance at end of fiscal year	<u><u>\$ 56,424</u></u>	<u><u>\$ 105,813</u></u>	<u><u>\$ 49,389</u></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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	<u>\$ 180,000</u>	<u>\$ 192,867</u>	<u>\$ 12,867</u>
Total revenues	<u>180,000</u>	<u>192,867</u>	<u>12,867</u>
Expenditures:			
Current:			
Community development	<u>310,000</u>	<u></u>	<u>310,000</u>
Total expenditures	<u>310,000</u>	<u></u>	<u>310,000</u>
Excess (deficiency) of revenues over (under) expenditures	(130,000)	192,867	322,867
Fund balance at beginning of fiscal year	<u>590,448</u>	<u>590,448</u>	<u></u>
Fund balance at end of fiscal year	<u><u>\$ 460,448</u></u>	<u><u>\$ 783,315</u></u>	<u><u>\$ 322,867</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 50,000	\$ 92,598	\$ 42,598
Investment income		7	7
	<u>50,000</u>	<u>92,605</u>	<u>42,605</u>
Total revenues			
Expenditures:			
Current:			
Public safety	50,000	2,995	47,005
	<u>50,000</u>	<u>2,995</u>	<u>47,005</u>
Total expenditures			
Excess of revenues over expenditures		89,610	89,610
Fund balance at beginning of fiscal year	<u>136</u>	<u>136</u>	
Fund balance at end of fiscal year	<u>\$ 136</u>	<u>\$ 89,746</u>	<u>\$ 89,610</u>

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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	<u>\$ 332,000</u>	<u>\$ 14,764</u>	<u>\$ (317,236)</u>
Total revenues	<u>332,000</u>	<u>14,764</u>	<u>(317,236)</u>
Expenditures:			
Current:			
Public works	<u>332,000</u>	<u></u>	<u>332,000</u>
Total expenditures	<u>332,000</u>	<u></u>	<u>332,000</u>
Excess of revenues over expenditures		14,764	14,764
Fund balance (deficit) at beginning of fiscal year	<u>(14,764)</u>	<u>(14,764)</u>	<u></u>
Fund balance (deficit) at end of fiscal year	<u><u>\$ (14,764)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,764</u></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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	<u>\$ -</u>	<u>\$ 37,808</u>	<u>\$ 37,808</u>
Total revenues	<u> </u>	<u>37,808</u>	<u>37,808</u>
Expenditures:			
Current:			
General government	<u>13,354</u>	<u>3,985</u>	<u>9,369</u>
Total expenditures	<u>13,354</u>	<u>3,985</u>	<u>9,369</u>
Excess (deficiency) of revenues over (under) expenditures	(13,354)	33,823	47,177
Fund balance at beginning of fiscal year	<u>17,025</u>	<u>17,025</u>	<u> </u>
Fund balance at end of fiscal year	<u><u>\$ 3,671</u></u>	<u><u>\$ 50,848</u></u>	<u><u>\$ 47,177</u></u>

CITY OF INDIO
 Cal Emergency Management Agency Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 22,211	\$ 22,210	\$ (1)
Investment income		24	24
	<u>22,211</u>	<u>22,234</u>	<u>23</u>
Total revenues			
Expenditures:			
Current:			
Public safety	<u>22,211</u>	<u>23,599</u>	<u>(1,388)</u>
Total expenditures	<u>22,211</u>	<u>23,599</u>	<u>(1,388)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(1,365)</u>	<u>(1,365)</u>
Other financing sources (uses):			
Interfund transfers out		<u>(20,330)</u>	<u>(20,330)</u>
Total other financing sources (uses)		<u>(20,330)</u>	<u>(20,330)</u>
Net change in fund balance		(21,695)	(21,695)
Fund balance at beginning of fiscal year	<u>20,306</u>	<u>20,306</u>	
Fund balance (deficit) at end of fiscal year	<u>\$ 20,306</u>	<u>\$ (1,389)</u>	<u>\$ (21,695)</u>

CITY OF INDIO
Indio Housing Authority Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ -	\$ 100	\$ 100
Miscellaneous		306,000	306,000
Total revenues		306,100	306,100
Expenditures:			
Current:			
Community development	39,703	21,159	18,544
Total expenditures	39,703	21,159	18,544
Excess (deficiency) of revenues over (under) expenditures	(39,703)	284,941	324,644
Other financing sources:			
Interfund transfers in	19,703	19,702	(1)
Total other financing sources	19,703	19,702	(1)
Net change in fund balances	(20,000)	304,643	324,643
Fund balance at beginning of fiscal year	8,825,449	8,825,449	
Fund balance at end of fiscal year	\$ 8,805,449	\$ 9,130,092	\$ 324,643

CITY OF INDIO
 Certified Access Specialist SB 1186 Special Revenue Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Miscellaneous	<u>\$ 10,500</u>	<u>\$ 2,245</u>	<u>\$ (8,255)</u>
Total revenues	<u>10,500</u>	<u>2,245</u>	<u>(8,255)</u>
Expenditures:			
Current:			
General government	<u>10,500</u>	<u>5,500</u>	<u>5,000</u>
Total expenditures	<u></u>	<u>5,500</u>	<u>5,000</u>
Excess (deficiency) of revenues over (under) expenditures		(3,255)	(3,255)
Fund balance at beginning of fiscal year	<u>4,434</u>	<u>4,434</u>	<u></u>
Fund balance at end of fiscal year	<u><u>\$ 4,434</u></u>	<u><u>\$ 1,179</u></u>	<u><u>\$ (3,255)</u></u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ -	\$ 455	\$ 455
Total revenues	<u> </u>	<u>455</u>	<u>455</u>
Expenditures:			
Debt service:			
Principal	1,372,512	1,303,664	68,848
Interest and other charges	2,193,129	2,157,471	35,658
Total expenditures	<u>3,565,641</u>	<u>3,461,135</u>	<u>104,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,565,641)</u>	<u>(3,460,680)</u>	<u>104,961</u>
Other financing sources:			
Interfund transfers in	<u>3,565,642</u>	<u>3,356,972</u>	<u>(208,670)</u>
Total other financing sources	<u>3,565,642</u>	<u>3,356,972</u>	<u>(208,670)</u>
Net change in fund balance	1	(103,708)	(103,709)
Fund balance at beginning of fiscal year	<u>2,865,414</u>	<u>2,865,414</u>	<u> </u>
Fund balance at end of fiscal year	<u><u>\$ 2,865,415</u></u>	<u><u>\$ 2,761,706</u></u>	<u><u>\$ (103,709)</u></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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 52,957,295	\$ 331,939	\$ (52,625,356)
Investment income		16,742	16,742
Developer fees	3,180,000	4,491,352	1,311,352
Miscellaneous	52,799,938	1,247,664	(51,552,274)
Total revenues	108,937,233	6,087,697	(102,849,536)
Expenditures:			
Current:			
Public works	110,464,460	4,187,063	106,277,397
Debt service:			
Principal	285,450	279,087	6,363
Interest and other charges		4,611	(4,611)
Total expenditures	110,749,910	4,470,761	106,279,149
Excess (deficiency) of revenues over (under) expenditures	(1,812,677)	1,616,936	3,429,613
Other financing sources (uses):			
Interfund transfers in		168,267	168,267
Interfund transfers out	(1,200,000)	(1,202,090)	(2,090)
Total other financing sources (uses)	(1,200,000)	(1,033,823)	166,177
Net change in fund balance	(3,012,677)	583,113	3,595,790
Fund balance at beginning of fiscal year	2,268,018	2,268,018	
Prior period adjustments		84,000	84,000
Fund balance at beginning of fiscal year, restated	2,268,018	2,352,018	84,000
Fund balance at end of fiscal year	\$ (744,659)	\$ 2,935,131	\$ 3,679,790

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ -	\$ 2,483	\$ 2,483
Total revenues		2,483	2,483
Expenditures:			
Current:			
Public works	569,460	569,460	
Total expenditures	569,460	569,460	
Excess (deficiency) of revenues over (under) expenditures	(569,460)	(566,977)	2,483
Fund balance at beginning of fiscal year	1,439,723	1,439,723	
Fund balance at end of fiscal year	\$ 870,263	\$ 872,746	\$ 2,483

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, 2015

	Golf	Solid Waste	Totals
Assets:			
Current assets:			
Cash and investments	\$ 2,250	\$ 515	\$ 2,765
Accounts receivable	1,432		1,432
Interest receivable		172	172
Prepaid items	75,000		75,000
Inventory	18,160		18,160
Total current assets	<u>96,842</u>	<u>687</u>	<u>97,529</u>
Noncurrent assets:			
Capital assets:			
Land	465,959		465,959
Structures and improvements	360,349		360,349
Machinery and equipment	50,076		50,076
Less accumulated depreciation	<u>(132,822)</u>		<u>(132,822)</u>
Total capital assets (net of accumulated depreciation)	<u>743,562</u>		<u>743,562</u>
Total assets	<u>840,404</u>	<u>687</u>	<u>841,091</u>
Deferred Outflows of Resources:			
Pensions	6,983		6,983
Total deferred outflows of resources	<u>6,983</u>		<u>6,983</u>
Total assets and deferred outflows	<u>847,387</u>	<u>687</u>	<u>848,074</u>
Liabilities:			
Current liabilities:			
Accounts payable	45,234		45,234
Accrued liabilities	3,496		3,496
Due to other funds	591,443		591,443
Total current liabilities	<u>640,173</u>		<u>640,173</u>
Noncurrent liabilities:			
Long-term liabilities, portion due in more than one year	65,782		65,782
Total liabilities	<u>705,955</u>		<u>705,955</u>
Deferred Inflows of Resources:			
Pensions	10,249		10,249
Total deferred inflows of resources	<u>10,249</u>		<u>10,249</u>
Total liabilities and deferred inflows	<u>716,204</u>		<u>716,204</u>
Net position:			
Net investment in capital assets	743,562		743,562
Unrestricted	<u>(612,379)</u>	<u>687</u>	<u>(611,692)</u>
Total net position	<u>\$ 131,183</u>	<u>\$ 687</u>	<u>\$ 131,870</u>

CITY OF INDIO
 Non-major Enterprise Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 Fiscal Year Ended June 30, 2015

	Golf	Solid Waste	Totals
Operating revenues:			
Charges for services	\$ 1,112,785	\$ -	\$ 1,112,785
Total operating revenues	<u>1,112,785</u>		<u>1,112,785</u>
Operating expenses:			
Personnel services	45,505		45,505
Contractual services	535,592		535,592
Depreciation	8,251		8,251
Repairs and maintenance	72,028		72,028
Materials and supplies	458,774		458,774
Total operating expenses	<u>1,120,150</u>		<u>1,120,150</u>
Operating income (loss)	<u>(7,365)</u>		<u>(7,365)</u>
Nonoperating revenues:			
Investment income		224	224
Total nonoperating revenues		<u>224</u>	<u>224</u>
Income (loss) before transfers	(7,365)	224	(7,141)
Interfund transfers in	<u>75,000</u>		<u>75,000</u>
Change in net position	<u>67,635</u>	<u>224</u>	<u>67,859</u>
Net position at beginning of fiscal year	133,227	463	133,690
Prior period adjustments	(69,679)		(69,679)
Net position at beginning of fiscal year, restated	<u>63,548</u>	<u>463</u>	<u>64,011</u>
Net position at end of fiscal year	<u>\$ 131,183</u>	<u>\$ 687</u>	<u>\$ 131,870</u>

CITY OF INDIO
Non-major Enterprise Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2015

	Golf	Solid Waste	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 1,121,738	\$ -	\$ 1,121,738
Cash payments to suppliers of goods and services	(1,142,782)		(1,142,782)
Cash payments to employee for services	(46,136)		(46,136)
Net cash provided by operating activities	<u>(67,180)</u>		<u>(67,180)</u>
Cash flows from non-capital and related financing activities:			
Cash received (paid) to/from other funds	75,000		75,000
Due to/from other funds	(7,370)		(7,370)
Net cash provided by non-capital and related financing activities	<u>67,630</u>		<u>67,630</u>
Cash flows from investing activities:			
Interest received on investments		297	297
Net cash provided by investing activities		<u>297</u>	<u>297</u>
Net increase in cash and cash equivalents	450	297	747
Cash and cash equivalents at beginning of fiscal year	1,800	218	2,018
Cash and cash equivalents at end of fiscal year	<u>\$ 2,250</u>	<u>\$ 515</u>	<u>\$ 2,765</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (7,365)	\$ -	\$ (7,365)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	8,251		8,251
(Increase) decrease in accounts receivable	(32)		(32)
(Increase) decrease in prepaid items	(75,000)		(75,000)
(Increase) decrease in inventory	8,985		8,985
(Increase) decrease in deferred outflows of resources - pensions	(6,983)		(6,983)
Increase (decrease) in deferred inflows of resources - pensions	10,249		10,249
Increase (decrease) in net pension liability	(3,897)		(3,897)
Increase (decrease) in accounts payable	(1,388)		(1,388)
Net cash provided by operating activities	<u>\$ (67,180)</u>	<u>\$ -</u>	<u>\$ (67,180)</u>

INTERNAL SERVICE FUNDS

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

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, 2015

	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds
Assets:				
Current assets:				
Cash and investments	\$ 5,562,815	\$ 204,585	\$ 1,238,731	\$ -
Deposit with other agencies	1,020,903			68,142
Accounts receivable	34,716			128
Prepaid items				596
Total current assets	6,618,434	204,585	1,238,731	68,866
Noncurrent assets:				
Capital assets:				
Machinery and equipment		7,724,716		
Vehicles			9,370,891	
Structures and improvements				863,436
Less accumulated depreciation		(5,732,657)	(8,162,625)	(32,378)
Total capital assets (net of accumulated depreciation)		1,992,059	1,208,266	831,058
Total assets	6,618,434	2,196,644	2,446,997	899,924
Deferred Outflows of Resources:				
Pensions	16,127	55,088		37,512
Total deferred outflows of resources	16,127	55,088		37,512
Total assets and deferred outflows	6,634,561	2,251,732	2,446,997	937,436
Liabilities:				
Current liabilities:				
Accounts payable	168,179	14,320	23,260	89,438
Accrued liabilities	6,121	20,436		12,551
Due to other funds				388,411
Capital lease payable				76,637
Noncurrent liabilities:				
Capital lease payable				680,805
Claims payable	3,746,715			
Long-term liabilities, portion due in more than one year	151,911	518,915		353,356
Total liabilities	4,072,926	553,671	23,260	1,601,198
Deferred Inflows of Resources:				
Pensions	23,668	80,847		55,053
Total deferred inflows of resources	23,668	80,847		55,053
Total liabilities and deferred inflows	4,096,594	634,518	23,260	1,656,251
Net position (deficit):				
Net investment in capital assets		1,992,059	1,208,266	73,616
Unrestricted	2,537,967	(374,845)	1,215,471	(792,431)
Total net position (deficit)	\$ 2,537,967	\$ 1,617,214	\$ 2,423,737	\$ (718,815)

Fleet Maintenance	Centralized Services	Totals
\$ 23,405	\$ -	\$ 7,029,536
		1,089,045
128		34,972
14,300	1,715	16,611
<u>37,833</u>	<u>1,715</u>	<u>8,170,164</u>
		7,724,716
		9,370,891
		863,436
		<u>(13,927,660)</u>
		4,031,383
<u>37,833</u>	<u>1,715</u>	<u>12,201,547</u>
<u>76,565</u>		<u>185,292</u>
<u>76,565</u>		<u>185,292</u>
<u>114,398</u>	<u>1,715</u>	<u>12,386,839</u>
140,627	27,729	463,553
33,781		72,889
	58,908	447,319
		76,637
		680,805
		3,746,715
<u>721,222</u>		<u>1,745,404</u>
<u>895,630</u>	<u>86,637</u>	<u>7,233,322</u>
<u>112,366</u>		<u>271,934</u>
<u>112,366</u>		<u>271,934</u>
<u>1,007,996</u>	<u>86,637</u>	<u>7,505,256</u>
		3,273,941
<u>(893,598)</u>	<u>(84,922)</u>	<u>1,607,642</u>
<u>\$ (893,598)</u>	<u>\$ (84,922)</u>	<u>\$ 4,881,583</u>

CITY OF INDIO
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended June 30, 2015

	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds
Operating revenues:				
Charges for services	\$ 5,521,799	\$ 1,320,043	\$ 443,717	\$ 1,730,953
Other income	156,572	707,197		1,293
Total operating revenues	<u>5,678,371</u>	<u>2,027,240</u>	<u>443,717</u>	<u>1,732,246</u>
Operating expenses:				
Personnel services	4,362,418	390,873		266,050
Contractual services		314,790		73,417
Depreciation		422,485	431,166	32,378
Repairs and maintenance		180,856		259,125
Materials and supplies	5,437	352,278		911,371
Claims and judgments	190,421			
Total operating expenses	<u>4,558,276</u>	<u>1,661,282</u>	<u>431,166</u>	<u>1,542,341</u>
Operating income (loss)	<u>1,120,095</u>	<u>365,958</u>	<u>12,551</u>	<u>189,905</u>
Nonoperating revenues (expenses):				
Investment income				9
Interest expense				(31,506)
Total nonoperating revenues				<u>(31,497)</u>
Income (loss) before transfers and capital contributions	1,120,095	365,958	12,551	158,408
Transfers in			105,000	
Capital contributions			143,636	
Change in net position	<u>1,120,095</u>	<u>365,958</u>	<u>261,187</u>	<u>158,408</u>
Net position (deficit) at beginning of fiscal year	1,578,782	1,800,910	2,162,550	(502,935)
Prior period adjustments	(160,910)	(549,654)		(374,288)
Net position (deficit) at beginning of fiscal year, restated	<u>1,417,872</u>	<u>1,251,256</u>	<u>2,162,550</u>	<u>(877,223)</u>
Net position (deficit) at end of fiscal year	<u>\$ 2,537,967</u>	<u>\$ 1,617,214</u>	<u>\$ 2,423,737</u>	<u>\$ (718,815)</u>

Fleet Maintenance	Centralized Services	Totals
\$ 2,066,877	\$ 189,908	\$ 11,273,297
2,364	3,286	870,712
2,069,241	193,194	12,144,009
554,061		5,573,402
165,208	209,945	763,360
		886,029
27,256		467,237
1,365,977	76,818	2,711,881
		190,421
2,112,502	286,763	10,592,330
(43,261)	(93,569)	1,551,679
		9
		(31,506)
		(31,497)
(43,261)	(93,569)	1,520,182
		105,000
		143,636
(43,261)	(93,569)	1,768,818
(86,392)	8,647	4,961,562
(763,945)		(1,848,797)
(850,337)	8,647	3,112,765
\$ (893,598)	\$ (84,922)	\$ 4,881,583

CITY OF INDIO
Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2015

	<u>Risk Management</u>	<u>Information Technology</u>	<u>Vehicle Replacement</u>
Cash flows from operating activities:			
Cash received from user departments	\$ 5,289,863	\$ 2,029,389	\$ 443,717
Cash payments to suppliers of goods and services	(780,628)	(898,357)	(104,045)
Cash payments to employees for services	(4,363,593)	(398,068)	
Net cash provided by (used for) operating activities	<u>145,642</u>	<u>732,964</u>	<u>339,672</u>
Cash flows from non-capital and related financing activities:			
Cash received to/from other funds			105,000
Due to/from other funds			
Net cash provided by (used for) non-capital and related financing activities			<u>105,000</u>
Cash flows from capital and related financing activities:			
Capital contributions			143,636
Principal payments on debt			
Interest payments on debt			
Acquisition of capital assets		(709,307)	(512,813)
Net cash provided by (used for) capital and related financing activities		<u>(709,307)</u>	<u>(369,177)</u>
Cash flows from investing activities:			
Interest received on investments			
Net cash provided by investing activities			
Net increase (decrease) in cash and cash equivalents	145,642	23,657	75,495
Cash and cash equivalents at beginning of fiscal year	<u>5,417,173</u>	<u>180,928</u>	<u>1,163,236</u>
Cash and cash equivalents at end of fiscal year	<u>\$ 5,562,815</u>	<u>\$ 204,585</u>	<u>\$ 1,238,731</u>

<u>Buildings and Grounds</u>	<u>Fleet Maintenance</u>	<u>Centralized Services</u>	<u>Totals</u>
\$ 1,891,410	\$ 2,069,413	\$ 193,376	\$ 11,917,168
(1,349,691)	(1,522,395)	(281,493)	(4,936,609)
<u>(268,392)</u>	<u>(552,001)</u>		<u>(5,582,054)</u>
<u>273,327</u>	<u>(4,983)</u>	<u>(88,117)</u>	<u>1,398,505</u>
			105,000
<u>(135,836)</u>		<u>58,908</u>	<u>(76,928)</u>
<u>(135,836)</u>		<u>58,908</u>	<u>28,072</u>
			143,636
(105,994)			(105,994)
(31,506)			(31,506)
			<u>(1,222,120)</u>
<u>(137,500)</u>			<u>(1,215,984)</u>
<u>9</u>			<u>9</u>
<u>9</u>			<u>9</u>
	(4,983)	(29,209)	210,602
	<u>28,388</u>	<u>29,209</u>	<u>6,818,934</u>
<u>\$ -</u>	<u>\$ 23,405</u>	<u>\$ -</u>	<u>\$ 7,029,536</u>

(Continued)

CITY OF INDIO
Internal Service Funds
Combining Statement of Cash Flows
Fiscal Year Ended June 30, 2015
(Continued)

	<u>Risk Management</u>	<u>Information Technology</u>	<u>Vehicle Replacement</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,120,095	\$ 365,958	\$ 12,551
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation		422,485	431,166
(Increase) decrease in deposits with other agencies	(438,514)		
(Increase) decrease in accounts receivable	50,006	2,149	
(Increase) decrease in prepaid items			
(Increase) decrease in deferred outflows of resources - pensions	(16,127)	(55,088)	
Increase (decrease) in deferred inflows of resources - pensions	23,668	80,847	
Increase (decrease) in net pension liability	(8,999)	(30,739)	
Increase (decrease) in accounts payable	142,852	(50,433)	(104,045)
Increase (decrease) in accrued liabilities	283	(2,215)	
Increase (decrease) in claims and judgments payable	(727,622)		
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by (used for) operating activities	<u>\$ 145,642</u>	<u>\$ 732,964</u>	<u>\$ 339,672</u>

<u>Buildings and Grounds</u>	<u>Fleet Maintenance</u>	<u>Centralized Services</u>	<u>Totals</u>
\$ 189,905	\$ (43,261)	\$ (93,569)	\$ 1,551,679
32,378			886,029
158,992			(279,522)
172	172	182	52,681
(596)	(14,300)	(1,715)	(16,611)
(37,512)	(76,565)		(185,292)
55,053	112,366		271,934
(20,932)	(42,723)		(103,393)
(105,182)	50,346	6,985	(59,477)
1,049	8,982		8,099
			(727,622)
<u>\$ 273,327</u>	<u>\$ (4,983)</u>	<u>\$ (88,117)</u>	<u>\$ 1,398,505</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.

East Valley Reclamation Authority (“EVRA”) Fund – To account for the planning, implementation, and operations of the recycled water program including the tertiary or enhanced treatment of water.

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, 2015

	RDA Low/Mod Successor Agency Fund	RDA Debt Service Successor Agency Fund	RDA Successor Agency Fund	Totals
Assets:				
Cash and investments	\$ 266,339	\$ -	\$ 4,842,206	\$ 5,108,545
Cash and investments with fiscal agents	332,371	4,966,830	444,792	5,743,993
Interest receivable	162		1,586	1,748
Accounts receivable, net	2,380		46,439	48,819
Notes receivable	46,717		436,664	483,381
Land held for resale			26,947,264	26,947,264
Total assets	<u>\$ 647,969</u>	<u>\$ 4,966,830</u>	<u>\$ 32,718,951</u>	<u>\$ 38,333,750</u>
Liabilities:				
Accounts payable	\$ -	\$ 285	\$ 159,677	\$ 159,962
Accrued liabilities			23,703	23,703
Interest payable			1,409,622	1,409,622
Advances from City of Indio			5,496,151	5,496,151
Long-term debt, due within one year			2,160,000	2,160,000
Long-term debt, due in more than one year			67,280,000	67,280,000
Total liabilities		<u>285</u>	<u>76,529,153</u>	<u>76,529,438</u>
Net Position:				
Unrestricted	647,969	4,966,545	(43,810,202)	(38,195,688)
Total net position (deficit)	<u>\$ 647,969</u>	<u>\$ 4,966,545</u>	<u>\$ (43,810,202)</u>	<u>\$ (38,195,688)</u>

CITY OF INDIO
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2015

	RDA Low/Mod Successor Agency Fund	RDA Debt Service Successor Agency Fund	RDA Successor Agency Fund	Totals
Additions:				
Investment revenue	\$ 680	\$ 807	\$ 5,680	\$ 7,167
Taxes and assessments			5,922,548	5,922,548
Charges for services			604,485	604,485
Other revenue	4,923		262,884	267,807
Interfund transfer in		5,903,967	2,065,000	7,968,967
Total additions	5,603	5,904,774	8,860,597	14,770,974
Deductions:				
Community development			12,099,099	12,099,099
Interest expense		3,836,602		3,836,602
Interfund transfer out	47	2,065,000	5,903,920	7,968,967
Total deductions	47	5,901,602	18,003,019	23,904,668
Change in net position	5,556	3,172	(9,142,422)	(9,133,694)
Net Position (deficit) - July 1, 2014	642,413	4,963,373	(34,667,780)	(29,061,994)
Net Position (deficit) - June 30, 2015	\$ 647,969	\$ 4,966,545	\$ (43,810,202)	\$ (38,195,688)

CITY OF INDIO
Agency Funds
Combining Statement of Assets and Liabilities
June 30, 2015

	ERICA	Assessment Districts	East Valley Reclamation Authority	Waste Transfer Station	Totals
Assets:					
Cash and investments	\$ 364,583	\$ 10,073,304	\$ 56,387	\$ 87,714	\$ 10,581,988
Cash and investments with fiscal agents		5,858,960			5,858,960
Accounts receivable, net			2,104	83,121	85,225
Due from other governments		107,355			107,355
Interest receivable	239	5,144		169	5,552
	<u>364,822</u>	<u>16,044,763</u>	<u>58,491</u>	<u>171,004</u>	<u>16,639,080</u>
Total assets	<u>\$ 364,822</u>	<u>\$ 16,044,763</u>	<u>\$ 58,491</u>	<u>\$ 171,004</u>	<u>\$ 16,639,080</u>
Liabilities:					
Accounts payable	\$ 108,229	\$ 20,439	\$ -	\$ 171,004	\$ 299,672
Due to members	256,593		58,491		315,084
Due to bondholders		15,822,212			15,822,212
Deposits payable		202,112			202,112
	<u>364,822</u>	<u>16,044,763</u>	<u>58,491</u>	<u>171,004</u>	<u>16,639,080</u>
Total liabilities	<u>\$ 364,822</u>	<u>\$ 16,044,763</u>	<u>\$ 58,491</u>	<u>\$ 171,004</u>	<u>\$ 16,639,080</u>

CITY OF INDIO
Agency Funds
Statement of Changes in Assets and Liabilities
Fiscal Year Ended June 30, 2015

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
<u>ERICA</u>				
<u>Assets</u>				
Cash and investments	\$ 339,015	\$ 1,456,427	\$ (1,430,859)	\$ 364,583
Interest receivable	137	4,039	(3,937)	239
Total assets	<u>\$ 339,152</u>	<u>\$ 1,460,466</u>	<u>\$ (1,434,796)</u>	<u>\$ 364,822</u>
<u>Liabilities</u>				
Accounts payable	\$ 118,988	\$ 1,415,791	\$ (1,426,550)	\$ 108,229
Due to members	220,164	44,675	(8,246)	256,593
Total liabilities	<u>\$ 339,152</u>	<u>\$ 1,460,466</u>	<u>\$ (1,434,796)</u>	<u>\$ 364,822</u>
<u>ASSESSMENT DISTRICTS</u>				
<u>Assets</u>				
Cash and investments	\$ 10,033,049	\$ 57,112	\$ (16,857)	\$ 10,073,304
Cash and investments with fiscal agent	7,247,549	41,424,543	(42,813,132)	5,858,960
Accounts receivable, net	5,712		(5,712)	
Due from other governments	113,140	7,454,639	(7,460,424)	107,355
Interest receivable	3,249	18,345	(16,450)	5,144
Total assets	<u>\$ 17,402,699</u>	<u>\$ 48,954,639</u>	<u>\$ (50,312,575)</u>	<u>\$ 16,044,763</u>
<u>Liabilities</u>				
Accounts payable	\$ 9,518	\$ 639,076	\$ (628,155)	\$ 20,439
Due to bondholders	17,192,324	48,314,308	(49,684,420)	15,822,212
Deposits payable	200,857	1,255		202,112
Total liabilities	<u>\$ 17,402,699</u>	<u>\$ 48,954,639</u>	<u>\$ (50,312,575)</u>	<u>\$ 16,044,763</u>
<u>EAST VALLEY</u>				
<u>RECLAMATION AUTHORITY</u>				
<u>Assets</u>				
Cash and investments	\$ 4,914	\$ 54,539	\$ (3,066)	\$ 56,387
Accounts receivable, net	5,000		(2,896)	2,104
Total assets	<u>\$ 9,914</u>	<u>\$ 54,539</u>	<u>\$ (5,962)</u>	<u>\$ 58,491</u>
<u>Liabilities</u>				
Due to members	\$ 9,914	\$ 54,539	\$ (5,962)	\$ 58,491
Total liabilities	<u>\$ 9,914</u>	<u>\$ 54,539</u>	<u>\$ (5,962)</u>	<u>\$ 58,491</u>

CITY OF INDIO
Agency Funds
Statement of Changes in Assets and Liabilities
Fiscal Year Ended June 30, 2015

<u>WASTE TRANSFER STATION</u>	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
<u>Assets</u>				
Cash and investments	\$ 90,662	\$ 440,236	\$ (443,184)	\$ 87,714
Interest receivable	86	83		169
Accounts receivable, net	31,502	51,619		83,121
Total assets	<u>\$ 122,250</u>	<u>\$ 491,938</u>	<u>\$ (443,184)</u>	<u>\$ 171,004</u>
<u>Liabilities</u>				
Accounts payable	\$ 122,250	\$ 491,938	\$ (443,184)	\$ 171,004
Total liabilities	<u>\$ 122,250</u>	<u>\$ 491,938</u>	<u>\$ (443,184)</u>	<u>\$ 171,004</u>
<u>TOTALS - ALL AGENCY FUNDS</u>	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
<u>Assets</u>				
Cash and investments	\$ 10,467,640	\$ 2,008,314	\$ (1,893,966)	\$ 10,581,988
Cash and investments with fiscal agent	7,247,549	41,424,543	(42,813,132)	5,858,960
Accounts receivable, net	42,214	4,122	(9,649)	36,687
Due from other governments	113,140	7,506,258	(7,463,320)	156,078
Interest receivable	3,472	18,345	(16,450)	5,367
Total assets	<u>\$ 17,874,015</u>	<u>\$ 50,961,582</u>	<u>\$ (52,196,517)</u>	<u>\$ 16,639,080</u>
<u>Liabilities</u>				
Accounts payable	\$ 250,756	\$ 2,546,805	\$ (2,497,889)	\$ 299,672
Due to bondholders	17,192,324	48,368,847	(49,690,382)	15,870,789
Due to members	230,078	45,930	(8,246)	267,762
Deposits payable	200,857			200,857
Total liabilities	<u>\$ 17,874,015</u>	<u>\$ 50,961,582</u>	<u>\$ (52,196,517)</u>	<u>\$ 16,639,080</u>



STATISTICAL SECTION



CITY OF INDIO
STATISTICAL SECTION TABLE OF CONTENTS
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Financial Trends	174-178
<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	179-182
<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	183-187
<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	188-190
<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	191-195
<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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$278,101	\$326,774	\$379,737	\$416,262	\$435,697	\$372,187	\$431,924	\$432,106	\$425,528	\$419,607
Restricted	79,377	72,743	36,977	22,249	22,533	82,334	23,734	25,716	26,842	26,095
Unrestricted	23,690	11,164	27,035	17,375	(10,396)	(11,553)	(8,635)	(5,199)	(4,019)	(34,270)
Total governmental activities net position	<u>\$381,168</u>	<u>\$410,681</u>	<u>\$443,749</u>	<u>\$455,886</u>	<u>\$447,834</u>	<u>\$442,968</u>	<u>\$447,023</u>	<u>\$452,623</u>	<u>\$448,351</u>	<u>\$411,432</u>
Business-type activities:										
Net investment in capital assets	\$140,536	\$158,649	\$159,962	\$159,716	\$159,188	\$153,658	\$146,605	\$143,311	\$136,334	\$133,627
Unrestricted	11,314	11,192	10,426	8,860	9,622	11,165	10,409	9,225	18,628	4,700
Total business-type activities net position	<u>\$151,850</u>	<u>\$169,841</u>	<u>\$170,388</u>	<u>\$168,576</u>	<u>\$168,810</u>	<u>\$164,823</u>	<u>\$157,014</u>	<u>\$152,536</u>	<u>\$154,962</u>	<u>\$138,327</u>
Primary government:										
Net investment in capital assets	\$418,637	\$485,423	\$539,699	\$575,978	\$594,885	\$525,845	\$578,529	\$575,417	\$561,862	\$553,234
Restricted	79,377	72,743	36,977	22,249	22,533	82,334	23,734	25,716	26,842	26,095
Unrestricted	35,004	22,356	37,461	26,235	(774)	(388)	1,774	4,026	14,609	(29,570)
Total primary government net position	<u>\$533,018</u>	<u>\$580,522</u>	<u>\$614,137</u>	<u>\$624,462</u>	<u>\$616,644</u>	<u>\$607,791</u>	<u>\$604,037</u>	<u>\$605,159</u>	<u>\$603,313</u>	<u>\$549,759</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental activities:										
General government	\$ 8,532	\$ 8,947	\$ 5,831	\$ 4,825	\$ 5,190	\$ 6,774	\$ 6,965	\$ 7,005	\$ 6,535	\$ 10,395
Public safety	22,793	33,986	41,487	35,625	35,810	37,665	41,502	32,930	47,339	43,688
Public works	17,074	25,051	16,203	16,286	13,224	14,689	16,441	22,946	16,019	21,289
Community development	10,255	6,890	8,068	6,747	18,221	19,779	15,226	8,653	8,710	11,099
Human services	1,776	1,888	3,682	2,832	3,040	2,974	2,821	2,693	2,665	1,789
Interest expense and other charges	3,268	4,624	7,460	8,366	8,303	10,450	3,318	6,235	3,013	6,484
Total governmental activities expenses	63,698	81,386	82,731	74,681	83,788	92,331	86,273	80,462	84,281	94,744
Business-type activities:										
Water	11,346	16,453	21,552	22,689	21,518	21,710	24,125	22,562	23,563	30,145
Golf	718	793	890	1,077	852	899	904	851	942	1,120
Solid Waste	-	-	-	186	147	83	-	-	-	-
Total business-type activities expenses	12,064	17,246	22,442	23,952	22,517	22,692	25,029	23,413	24,505	31,265
Total primary government expenses	75,762	98,632	105,173	98,633	106,305	115,023	111,302	103,875	108,786	126,009
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,636	87	485	561	902	1,037	3,698	11,086	10,520	12,113
Public safety	2,628	3,434	2,515	2,297	4,343	7,017	5,917	2,489	2,316	2,578
Public works	2,679	3,587	3,178	3,891	2,405	2,005	3,255	1,115	1,828	1,738
Community development	10,140	5,592	3,172	3,112	1,360	3,120	5,118	1,312	2,560	2,248
Human services	5	1	1,005	619	1,530	2,317	785	3,056	3,869	3,095
Operating contributions and grants	4,660	12,863	14,797	18,633	8,316	8,443	7,098	21,959	14,847	14,809
Capital contributions and grants	83,871	32,490	41,437	14,035	19,062	13,617	6,347	9,689	8,841	5,767
Total governmental activities program revenues	105,619	58,054	66,589	43,148	37,918	37,556	32,218	50,706	44,781	42,348
Business-type activities:										
Charges for services:										
Water	8,182	10,442	12,278	14,377	15,235	15,578	16,207	15,971	18,198	18,767
Golf	615	621	1,035	952	847	840	755	687	689	1,113
Solid Waste	-	-	-	153	100	229	-	-	-	-
Capital contributions and grants	8,482	21,689	6,347	4,016	5,340	1,906	-	1,768	2,480	1,266
Total business-type activities program revenues	17,279	32,752	19,660	19,498	21,522	18,553	16,962	18,426	21,367	21,146
Total primary government activities program revenues	122,898	90,806	86,249	62,646	59,440	56,109	49,180	69,132	66,148	63,494
Net revenues (expenses):										
Governmental activities	41,921	(23,332)	(16,142)	(31,533)	(45,870)	(54,775)	(54,055)	(29,756)	(39,500)	(52,396)
Business-type activities	5,215	15,506	(2,782)	(4,454)	(995)	(4,139)	(8,067)	(4,987)	(3,138)	(10,119)
Total primary government net expense	47,136	(7,826)	(18,924)	(35,987)	(46,865)	(58,914)	(62,122)	(34,743)	(42,638)	(62,515)

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	20,012	25,309	23,918	23,844	18,819	19,944	16,120	13,373	13,000	13,887
Sales tax	9,514	9,803	8,548	7,021	6,111	6,999	7,667	8,377	9,349	10,040
Transient occupancy taxes	1,331	1,818	2,070	1,941	1,845	1,945	2,547	2,820	3,078	3,907
Other taxes	6,073	7,054	7,869	7,049	6,602	11,707	14,485	11,521	11,747	12,186
Investment income	2,957	5,777	3,161	1,641	662	554	328	73	64	4,025
Motor vehicle in lieu, unrestricted	433	416	375	307	269	419	-	43	36	34
Other general revenues	2,352	2,668	3,268	3,773	2,785	4,518	5,373	3,468	5,076	11,095
Transfers	-	-	-	19	142	170	206	(15)	(6,245)	(75)
Total governmental activities	<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>	<u>36,105</u>	<u>55,099</u>
Business-type activities:										
Investment income	31	2,216	3,029	2,197	889	146	65	91	70	139
Transfers	-	-	-	(19)	(142)	(170)	(206)	15	6,245	75
Other general revenues	<u>15</u>	<u>268</u>	<u>300</u>	<u>465</u>	<u>481</u>	<u>303</u>	<u>399</u>	<u>403</u>	<u>-</u>	<u>-</u>
Total business-type activities	<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>	<u>6,315</u>	<u>214</u>
Total primary government	<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>	<u>42,420</u>	<u>55,313</u>
Changes in net position										
Governmental activities	84,593	29,513	33,067	14,062	(8,635)	(8,519)	(7,329)	9,904	(3,395)	2,703
Business-type activities	<u>5,261</u>	<u>17,990</u>	<u>547</u>	<u>(1,811)</u>	<u>233</u>	<u>(3,860)</u>	<u>(7,809)</u>	<u>(4,478)</u>	<u>3,177</u>	<u>(9,905)</u>
Total primary government	<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>	<u>\$ (218)</u>	<u>\$ (7,202)</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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Reserved	\$ 9,633	\$ 11,948	\$ 11,203	\$ 12,852	\$ 7,757	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>20,722</u>	<u>22,930</u>	<u>10,266</u>	<u>3,232</u>	<u>(3,956)</u>	-	-	-	-	-
Total general fund	<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>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:										
Reserved	\$ 74,693	\$ 104,226	\$ 133,137	\$ 112,380	\$ 98,812	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special revenue funds	7,649	6,134	6,599	4,787	1,994	-	-	-	-	-
Capital projects funds	<u>37,729</u>	<u>17,972</u>	<u>12,043</u>	<u>5,342</u>	<u>(1,241)</u>	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ -</u>	<u>\$ -</u>
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,640	\$ 3,793	\$ 3,989	\$ 3,536	\$ 7,641
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	730	1,140	5,619
Assigned	-	-	-	-	-	16	21	784	6,922	3,242
Unassigned	-	-	-	-	-	<u>(1,725)</u>	<u>783</u>	<u>4,266</u>	<u>4,490</u>	<u>7,087</u>
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,931</u>	<u>\$ 4,597</u>	<u>\$ 9,769</u>	<u>\$ 16,088</u>	<u>\$ 23,589</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,496	\$ 5,926
Restricted	-	-	-	-	-	92,801	24,153	26,334	19,182	18,761
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,315	2,294	1,296	985	985
Unassigned:	-	-	-	-	-	<u>(2,190)</u>	<u>(1,423)</u>	<u>665</u>	<u>(424)</u>	<u>(135)</u>
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,926</u>	<u>\$ 25,024</u>	<u>\$ 28,295</u>	<u>\$ 25,239</u>	<u>\$ 25,537</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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$ 33,922	\$ 40,159	\$ 42,998	\$ 39,059	\$ 35,182	\$ 37,526	\$ 35,537	\$ 32,562	\$ 34,073	\$ 36,320
Special assessments	1,444	2,412	2,940	3,539	3,697	3,782	3,950	3,866	3,792	4,015
Licenses and permits	7,871	4,340	2,630	2,260	1,680	1,691	1,381	2,027	3,384	2,916
Intergovernmental	11,620	19,710	23,168	27,640	18,218	20,053	14,047	18,740	14,818	11,754
Charges for services	9,573	11,070	11,141	10,926	5,801	6,835	9,034	8,335	9,482	15,110
Fines and forfeitures	815	1,072	1,002	1,122	1,205	913	1,199	1,215	887	938
Investment earnings	4,750	6,365	5,385	2,871	1,138	506	314	4,089	2,794	5,333
Developer fees	37,028	15,987	8,566	5,309	3,919	3,944	2,238	5,559	4,901	4,491
Contributions from property owners	35,964	8,380	2,485	3,894	2,931	1,447	1,384	2,471	2,401	4,598
Miscellaneous	4,738	4,596	2,175	1,991	-	-	-	-	-	-
Total revenues	<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>	<u>76,532</u>	<u>85,475</u>
Expenditures										
Current:										
General government	8,038	8,032	5,934	5,235	4,727	4,021	4,000	4,204	4,166	5,046
Public safety	21,594	27,272	33,534	33,104	33,599	30,958	32,875	32,603	35,080	37,766
Public works	66,092	85,887	66,646	68,722	30,642	14,604	14,840	21,300	14,174	15,050
Community development	10,963	10,100	9,483	17,041	18,155	18,349	12,304	7,731	7,382	8,733
Human services	1,722	1,827	1,643	2,301	2,537	1,692	1,716	1,545	1,461	1,559
Other	-	-	1,687	438	3,366	3,610	70	323	407	3,884
Debt service:										
Principal retirement	1,158	1,068	8,019	890	3,489	3,733	4,065	1,815	1,849	2,827
Interest and fiscal charges	2,759	4,656	4,884	5,547	7,052	6,853	4,707	2,690	2,700	2,631
Other charges	2,367	2,646	8,922	5,082	8,419	4,112	1,511	381	-	-
Total expenditures	<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>	<u>67,219</u>	<u>77,496</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>9,313</u>	<u>7,979</u>
Other financing sources (uses):										
Transfers in	21,050	17,456	16,841	22,165	16,131	9,238	9,514	5,787	6,862	7,031
Transfers out	(20,441)	(17,464)	(16,841)	(22,146)	(15,989)	(9,068)	(9,308)	(6,782)	(12,912)	(7,211)
Lease purchase and loan proceeds	-	-	-	-	2,846	854	2,788	-	-	-
Issuance of bonds	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	-	(2,811)	(25,999)	-	-	-	-	(21,335)	-	-
Total other financing sources (uses)	<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>	<u>(6,050)</u>	<u>(180)</u>
Extraordinary gain (loss) on dissolution of redevelopment agency	-	-	-	-	-	-	(61,226)	-	-	-
Net change in fund balances	<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>	<u>\$ 3,263</u>	<u>\$ 7,799</u>
Debt service as a percentage of noncapital expenditures	-2.3%	10.0%	23.4%	16.9%	22.8%	20.2%	13.3%	7.2%	7.8%	7.6%

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
2015	\$ 5,083,136	\$ 799,883	\$ 229,871	\$ 704,982	\$ 81,457	\$ 6,736,415	0.0998
2014	4,596,084	778,639	232,313	709,675	87,181	6,229,530	0.0998
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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City of Indio	0.19501	0.19501	0.19501	0.13251	0.13251	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	-	-	-
Total Direct Rate	0.25394	0.25847	0.24644	0.24571	0.25437	0.25412	0.25684	0.25133	0.09979	0.09986
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	0.05956	0.05990	0.05708	0.05949	0.07247	0.09332	0.07487	0.07968	0.14919	0.14919
Coachella Valley Water District	0.02080	0.02080	0.04000	0.04000	0.06000	0.08000	0.08000	0.08000	0.10000	0.10000
CVWD Imp Dist 53	0.00020	-	0.00090	-	-	-	-	-	-	-
CVWD Imp Dist 55	0.02340	0.01240	0.00840	0.00640	0.00600	0.00600	-	-	-	-
CVWD Imp Dist 58	0.02520	0.01560	0.00230	-	-	-	-	-	-	-
Desert Community College	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.02325
Desert Sands Unified School District	0.07674	0.07613	0.07561	0.07990	0.08112	0.10036	0.11467	0.11156	0.10954	0.10984
Total Direct & Overlapping Tax Rates	1.22585	1.20478	1.20424	1.20574	1.23954	1.29963	1.28949	1.29119	1.37868	1.38228

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	2015		2006	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 59,714,755	0.89%		
Jackson 42	39,557,949	0.59%		
Time Warner Entertainment	36,923,226	0.55%		
Trendwest Resorts Inc,	36,092,992	0.54%		
Desert Polo Land Company, LLC	32,067,242	0.48%		
JFK Memorial Hospital, Inc.	31,042,543	0.46%	33,457,010	0.83%
JDG Properties	27,373,769	0.41%		
ALJACKS	24,968,351	0.37%		
Peterson Ranch Properties, LLC	23,855,324	0.35%		
Target Corporation	23,390,366	0.35%		
Lennar Homes of California			31,030,160	0.77%
Shadow Hills			30,134,887	0.75%
Western Pacific Housing, Inc.			23,845,000	0.59%
LB Indio Land			20,670,230	0.52%
LB Hills Golf			19,840,878	0.49%
Smoketree Apartments 288			19,741,823	0.49%
Zaphiro Group			18,840,324	0.47%
Pulte Home Corporation			16,172,209	0.40%
AG Indio Fashion Mall			16,014,000	0.40%
	<u>\$334,986,517</u>	4.97%	<u>\$ 229,746,521</u>	5.73%

Note: The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: HdL, Coren & Cone

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	5,748,507	6,244,272	108.62%	112,922 *	6,357,194	110.59%
2014	5,251,198	6,043,843	115.09%	118,271 *	6,162,114	117.35%
2013	4,949,402	6,712,961 ^A	135.63%	131,576 *	6,844,537	138.29%
2012	16,782,104	14,597,944	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 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:

Amounts presented include City property taxes and residual revenue for former Redevelopment Agency. 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.

^A Includes proceeds from redistribution of former Redevelopment and Low/Mod Housing funds relinquished to the State in 2012.

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 Ten 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)	Business-type Activities						
								Revenue Bonds (1)	Income					
2015	-	-	\$4,535	\$39,190	\$11,973	\$55,698	\$60,215	\$115,913	84,201	\$1,651,948	7.02%	1.38		
2014	-	-	5,005	40,165	13,461	58,631	55,205	113,836	82,398	1,560,289	7.30%	1.38		
2013	-	-	5,460	40,165	12,132	57,757	56,605	114,362	81,393	1,584,233	7.22%	1.41		
2012	-	-	5,895	37,000	13,171	56,066	57,970	114,036	78,065	1,546,312	7.37%	1.46		
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		

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 Ten Fiscal Years

Fiscal Year Ended June 30	Water Revenue Bond	Outstanding General Bonded Debt					Population (1)	Personal Income (2)	Percent of Assessed Value	Debt Per Capita
		Revenue Refunding Bonds	Tax Allocation Bonds	Lease Revenue Bonds	Certificates of Participation	Total				
2015	\$60,215	-	-	\$39,190	\$4,535	\$103,940	84,201	\$1,651,948	2.72%	1.23
2014	55,205	-	-	40,165	5,005	100,375	82,398	1,560,289	2.94%	1.22
2013	56,605	-	-	40,165	5,460	102,230	81,393	1,584,233	3.00%	1.26
2012	57,970	-	-	37,000	5,895	100,865	78,065	1,546,312	3.07%	1.29
2011	59,290	3,520	73,660	37,805	6,392	180,667	77,165	1,402,529	2.92%	2.34
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

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, 2015

2014-15 Assessed Valuation: \$6,736,088,434

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/15</u>	<u>% Applicable (1)</u>	<u>City's Share of</u> <u>Debt 6/30/15</u>
Desert Community College District	\$308,619,492	9.897%	\$ 30,544,071
Coachella Valley Unified School District	178,113,759	9.662	17,209,351
Desert Sands Unified School District	267,444,474	17.098	45,727,656
City of Indio Community Facilities District No. 2004-3	19,750,000	100.000	19,750,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	15,891,000	100.000	15,891,000
City of Indio Community Facilities District No. 2006-1	8,499,000	100.000	8,499,000
Desert Recreation and Park District 1915 Act Bonds	885,000	99.849	883,664
City of Indio 1915 Act Bonds	32,471,901	100.000	32,471,901
Valley Sanitary District Assessment District No. 2004-VSD	6,785,000	100.000	<u>6,785,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$177,761,643
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$961,952,082	2.984%	\$28,704,650
Riverside County Pension Obligation Bonds	320,470,000	2.984	9,562,825
Riverside County Board of Education Certificates of Participation	1,835,000	2.984	54,756
Coachella Valley Unified School District Certificates of Participation	42,435,000	9.662	4,100,070
Desert Sands Unified School District Certificates of Participation	61,360,000	17.098	10,491,333
City of Indio General Fund Obligations	55,734,000	100.000	55,734,000
Desert Recreation and Park District Certificates of Participation	1,652,264	15.649	<u>258,563</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$108,906,197
Less: Riverside County supported obligations			<u>225,740</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$108,680,457
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>	 \$69,440,000	 100.000%	 \$69,440,000
 TOTAL DIRECT DEBT			 \$55,734,000
TOTAL GROSS OVERLAPPING DEBT			\$300,373,840
TOTAL NET OVERLAPPING DEBT			\$300,148,100
 GROSS COMBINED TOTAL DEBT			 \$356,107,840 (2)
NET COMBINED TOTAL DEBT			\$355,882,100

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.64%
Combined Direct Debt (\$55,734,000)	0.83%
Gross Combined Total Debt	5.04%
Net Combined Total Debt	5.04%

Ratios to Redevelopment Incremental Valuation (\$1,094,371,255):

Total Overlapping Tax Increment Debt.....	1.03%
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Source: California Municipal Statistics, Inc.
City of Indio

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

	2006	2007	2008	2009	Fiscal Year 2010	2011	2012	2013	2014	2015
Assessed valuation (1)	\$ 5,122,808	\$ 5,580,002	\$ 7,055,452	\$ 7,432,737	\$ 6,600,295	\$ 6,358,734	\$ 5,984,868	\$ 6,097,869	\$ 6,229,530	\$ 6,736,088
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	768,421	837,000	1,058,318	1,114,911	990,044	953,810	897,730	914,680	934,430	1,010,413
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 768,421	\$ 837,000	\$ 1,058,318	\$ 1,114,911	\$ 990,044	\$ 953,810	\$ 897,730	\$ 914,680	\$ 934,430	\$ 1,010,413
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 Ci

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

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

Water Revenue Bonds						
Fiscal Year Ended June 30	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	3,393	65	3,458	1,490	1,903	1.02
2014	4,194	62	4,132	1,400	2,732	1.00
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	
2015	675	-	675	470	205	1.00
2014	689	11	678	455	223	1.00
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

Lease Revenue Bonds						
Fiscal Year Ended June 30	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	2,761	-	1,790	975	1,786	0.65
2014	1,796	6	1,790	-	1,796	1.00
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	
2015	-	-	-	-
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
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	
2015	-	-	-	-
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
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

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 Ten Calendar Years

Fiscal Year	Population (1)	Median Age (2)	Average Household Size (2)	Median Household Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)(4)
2015	84,201	34.0	3.12	\$ 47,280	\$ 20,354	6.8%
2014	82,398	32.7	3.13	51,202	21,702	9.3%
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%

- 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)	2015		2006	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
County of Riverside	1,443	3.96%	800	3.33%
Desert Sands Unified School District	1,154	3.17%	1,141	4.75%
Fantasy Springs Resort Casino	1,065	2.93%	969	4.04%
John F. Kennedy Memorial Hospital	782	2.15%	700	2.92%
City of Indio	232	0.64%	260	1.08%
Riverside Superior Court	169	0.46%		
Cardenas Market	125	0.34%		
Super Target	150	0.41%		
Home Depot	Not available			
Ralphs	135	0.37%		
Granite Construction			450	1.88%
Kirkpatrick Landscaping Services			300	1.25%
Mathis Brothers Furniture			195	0.81%
PHB Contracting Inc			175	0.73%
Tidwell Concrete Construction			170	0.71%
Total Employment Listed	5,255	14.44%	5,160	21.50%
Total City Employment (2)	36,400		24,000	

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

Sources: (1) City of Indio

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

(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>	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>	<u>2014</u>	<u>2015</u>
General government	32	46	41	55	46	46	41	45	39	36
Police	121	127	136	139	123	104	113	107	99	100
Public works	41	50	53	54	36	27	29	24	26	33
Community development	39	30	29	28	23	26	18	15	16	17
Water	<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>44</u>	<u>46</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>	<u>224</u>	<u>232</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 Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	Fiscal Year		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
					2010	2011				
Police:										
Arrests	5,311	2,462	2,909	3,012	2,713	2,416	2,163	2,062	2,119	2,178
Traffic citations issued	8,332	10,914	9,306	7,984	5,755	5,129	4,066	4,206	3,134	2,889
Parking citations issued	Unavailable	1,574	972	1,670	1,172	1,428	686	437	355	204
Fire:										
Emergency calls	9,896	10,384	9,948	6,058	9,817	7,918	8,138	8,442	8,564	9,319
Inspections	1,262	1,340	536	2,228	1,993	2,564	2,287	2,535	2,254	2,629
Public works:										
Street resurfacing (miles)	40.6	56.8	34.0	15.0	16.5	5.0	1.0	0.0	3.3	1.0
Water:										
New connections	2,196	823	964	489	261	330	0	258	488	397
Average daily consumption (millions of gallons)	22	21	20	19	18	18	18	18	20	18
Golf Course:										
Golf rounds played	20,980	24,402	29,533	33,753	25,680	23,762	20,576	19,753	18,908	26,464

Source: City of Indio

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

	Fiscal Year								
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:									
Stations	1	1	1	1	1	1	1	1	1
Sub-stations	2	2	2	1	1	1	1	1	1
Animal care centers	1	1	1	1	1	1	1	1	0
Fire:									
Fire stations	3	4	4	4	4	4	4	4	4
Public works:									
Paved streets (miles)	220	230	238	243	244	244	244	251	253
Streetlights	2,644	2,754	2,822	2,885	2,903	2,825	2,869	2,858	2,886
Traffic signals	64	68	75	83	85	87	89	92	95
Recreation:									
Parks	10	11	11	14	13	13	15	17	17
Senior centers	1	1	1	1	1	1	1	1	1
Teen centers	-	-	1	1	1	1	1	1	1
Water:									
Water mains (miles)	301	313	315	321	327	327	327	329	332
Maximum daily capacity (millions of gallons)	67	59	72	63	66	66	66	66	66
Golf Course:									
Municipal golf courses	1	1	1	1	1	1	1	1	1

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

Source: City of Indio

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

Type of Customer:	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single-Family Residential	5,220,351	5,978,060	5,837,410	5,498,690	5,300,683	5,308,272	5,413,435	5,392,718	5,392,822	4,982,247
Multi-Family Residential	1,168,366	1,190,415	1,252,174	1,211,311	1,159,934	1,149,631	1,165,519	1,066,970	978,114	838,995
Commercial/Institutional	2,012,073	2,018,372	1,581,580	1,383,664	1,192,074	1,164,122	1,195,118	1,138,652	1,228,943	1,158,582
Industrial	102,982	108,758	90,848	69,675	63,468	56,401	59,114	61,707	72,389	66,423
Landscaping Irrigation	664,680	821,906	955,825	1,101,207	1,085,119	1,196,706	1,229,869	1,067,837	1,205,557	1,023,955
Total	9,168,452	10,117,511	9,717,837	9,264,547	8,801,278	8,875,132	9,063,055	8,727,884	8,877,825	8,070,202
Total commodity rate per 100 cubic feet	\$ 0.71	\$ 0.71	\$ 0.88	\$ 1.06	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	Tiered Rates	Tiered Rates

Note:
 During FY 2013-2014, IWA changed its rate structure to a customized water budget with a five tiered rate structure.

Source: Indio Water Authority

INDIO WATER AUTHORITY
Water Rates
Last Nine Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rate (1)		Rate per 100 Cubic Feet
2015	\$ 16.79	Tier 1	\$ 0.83
		Tier 2	1.25
		Tier 3	1.67
		Tier 4	2.51
		Tier 5	3.34
2014	15.55	Tier 1	0.77
		Tier 2	1.16
		Tier 3	1.55
		Tier 4	2.32
		Tier 5	3.09
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 nine 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.

Note:

During FY 2013-2014, IWA changed its rate structure to a customized water budget with a five tiered water rate structure.

Source: Indio Water Authority

INDIO WATER AUTHORITY
Ten Largest Water Customers
 Last Ten Fiscal Years

Water Customer	Account Class	Fiscal Year																	
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015								
		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	\$ 46,965	0.68%	\$ 58,385	0.59%	\$ 65,683	0.54%	\$ 75,515	0.54%	\$ 79,053	0.55%	\$ 82,672	0.56%	\$ 81,947	0.54%				
Arabian Gardens MHP	Mobile Home Park									68,073	0.47%	82,550	0.55%	78,368	0.51%				
CV Housing	Apartments			139,773	1.41%	72,834	0.61%	86,367	0.62%	82,001	0.57%	84,531	0.57%	71,419	0.47%				
Cabazon Indian Reservation	Casino	117,983	1.70%																
Capital Foresight Comm., LP	Apartments			42,415	0.43%			71,193	0.49%					70,577	0.46%				
Casa Monroe Apartments	Apartments	37,830	0.55%	57,539	0.58%	67,248	0.57%	79,743	0.57%	89,362	0.62%	93,581	0.63%	94,242	0.62%				
Desert Air Homeowner's Assoc	RV Park			41,301	0.42%	53,909	0.45%	63,925	0.46%	78,292	0.54%	83,952	0.56%	76,611	0.49%				
DSUSD - Indio High School	School	47,443	0.68%			37,432	0.31%	44,387	0.32%										
DSUSD - Middle School	School									82,661	0.56%								
Empire Polo Club	Commercial													74,759	0.47%				
Indio Housing Authority	Apartments	66,824	0.96%	59,828	0.60%	69,175	0.58%	82,028	0.58%										
Indio Housing Corporation	Apartments	38,326	0.55%	33,919	0.34%														
John F. Kennedy Memorial Hospital	Hospital	41,635	0.60%							64,227	0.44%								
Pueblo Del Sol	Mobile Home Park	51,715	0.75%	46,907	0.47%	56,671	0.48%	67,200	0.48%	67,307	0.46%	71,210	0.49%	74,098	0.48%				
Rancho Casa Blanca	Mobile Home Park	29,035	0.42%	51,805	0.52%	84,352	0.71%	100,025	0.71%	102,037	0.70%	113,278	0.76%	107,277	0.70%				
Riverside County-Juvenile Hall	Government					36,990	0.31%	43,863	0.31%					85,164	0.54%				
Snoketree Apartments	Apartments											80,478	0.54%	80,742	0.52%				
Summerbreeze Homeowner's Assoc	Apartments											89,015	0.60%	72,385	0.47%				
Summerfield Apartments	Apartments											124,103	0.83%	118,006	0.77%				
Sunrise Point Apartments	Apartments	33,723	0.49%	51,324	0.52%	70,721	0.59%	83,861	0.60%	88,089	0.60%	136,612	0.92%	135,586	0.89%				
The Club Worldmark	Time Share									152,944	1.05%								
		<u>\$ 511,479</u>	<u>7.38%</u>	<u>\$ 583,196</u>	<u>5.88%</u>	<u>\$ 613,015</u>	<u>5.15%</u>	<u>\$ 726,914</u>	<u>5.19%</u>	<u>\$ 796,704</u>	<u>5.50%</u>	<u>\$ 970,772</u>	<u>6.52%</u>	<u>\$ 903,905</u>	<u>5.91%</u>	<u>\$ 898,552</u>	<u>5.75%</u>	<u>\$ 785,187</u>	<u>4.92%</u>

Source: Indio Water Authority



City of Indio
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