



CITY OF INDIO CALIFORNIA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED
June 30, 2016

PRESENTED BY DAN MARTINEZ

CITY OF INDIO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016

Prepared by:
FINANCE DEPARTMENT



CITY OF INDIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2016

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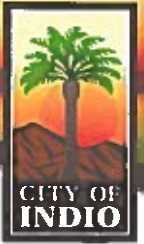
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INTRODUCTORY SECTION



December 28, 2016

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, 2016. 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 Lance, Soll & Lunghard, LLP. 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, 2016, 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, 2016 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

The City of Indio is a general law city incorporated in 1930 and encompasses approximately 33 square miles at the geographic mid-point of Riverside County, California. With a population just over 88,000, Indio is the largest city by population in the sub-region of the County known as the Coachella Valley. The City is located about 125 miles east of the center of the Los Angeles region, 75 miles north of the California-Baja California Mexican border and 30 miles southeast of Palm Springs. The climate of the Coachella Valley is influenced by the surrounding geography. High mountain ranges on three sides contribute to its unique and year-round warm climate, with some of the warmest winters west of the Rocky Mountains. The City has a warm-winter hot-summer climate. According to data from the National Oceanic and Atmospheric Administration for 1981-2010, the City’s average annual high temperature is 89.5 degrees Fahrenheit and average annual low is 62.1 degrees. Summer highs above 108 degrees are common and sometimes exceed 120 degrees. Winters are warm with daytime highs, often between 68-86 degrees. Under four inches of annual precipitation are average, with typically over 348 days of sunshine per year.

The City is a center for business, government and entertainment within the Coachella Valley. The City has many golf and retirement communities in addition to a sizable population of families that enjoy the benefits of local parks, recreation, and youth programs. Known as the

“City of Festivals,” 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, and the Indio International Tamale Festival. The Coachellafest and Stagecoach Music Festival have been held in the City since 1999 and 2007, respectively. This past October, the City hosted the epic classic rock festival Desert Trip. 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 and the Eldorado Polo Club, which are large-scale outdoor entertainment venues, unique to 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 Mayor, whose position rotates annually, conducts council meetings and represents the City on ceremonial occasions. The City Council serves as the legislative board for the municipality, establishes policy, passes 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, where the City Council appoints the City Manager, who is responsible for the day-to-day administration of city business. The City Council also appoints the City Attorney and members to various municipal advisory boards and commissions.

The City provides a broad range of services to its citizens, including police and fire protection, water service, trash collection, street construction and maintenance, parks and recreation, planning and zoning, housing and community development, building inspection and general and administrative support services. The City cooperates with Riverside County in the provision of flood control. The Coachella Valley Recreation District operates a 39,000 square foot comprehensive recreational facility in the City. The City maintains over 15 parks. The City is the alternate county seat for the County and contains a large County administration and services complex which also serves as the alternate emergency operations center for Riverside County, the primary emergency operations center being located in the City of Riverside.

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 fiscal year of the City begins on July 1 of each year and ends on June 30 of the following year. The City Manager and key staff members review revenues and expenditures for each department for the ensuing fiscal year. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a budget proposal. In at least one public meeting (but more commonly three to four), the City Council considers the proposed budget and makes any revision 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, expenditure levels and revenue assumptions stated in the proposed budget become adopted and are appropriated to the various agencies, departments and units for which the objects and purposes were authorized. During the fiscal year, following each consecutive operating quarter, the City Manager presents a budget update to the City Council, recommending changes to the budget and expenditure plan as deemed necessary. Appropriation (budget) changes are approved by the City Council. 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

Between fiscal years 2007-08 and 2009-10, in the face of significant financial strains, the City heavily relied on fund reserves to balance its budget. City fund balance, within the General Fund, reached a low of \$1.93 million by the end of fiscal year 2010-11. Since that lull, the City has achieved a strong financial rebound, made possible through the support of its residents, cooperation from its employees, corroboration with business partners, and conscientious spending restraint. These actions and operational practices have created financial stability that will safeguard service levels well into the future. The City's General Fund balance as of the end of fiscal year 2015-16 totaled \$25.45 million.

During the past five years, the City experienced annual revenue increases from various tax sources as well as from business licenses and building permits. Between 2010 and 2015, the City's population grew by 14 percent. The opening of a new Walmart Supercenter in October 2014 and the opening of a new Dodge Chrysler auto dealer in 2015 complement an expanding local economy. Voters of the City approved a utility users' tax increase in 2010, a transient occupancy tax increase in 2014, and a transaction and use tax (sales tax) increase in 2016. Revenue from the newly approved sales tax measure, which is expected to generate \$8.5 million a year for 20 years, has not yet been programmed into the City's budget. The one-percent sales tax increase is expected to be implemented on April 1, 2017, but that date is heavily dependent upon processes controlled by the State Board of Equalization. The City will not realize much of the new revenue in fiscal year 2016-17, but efforts are underway to prioritize expenditures that enhance: police programs; 911 emergency operations; patrols of neighborhoods, parks, and schools; traffic flows; and roadway conditions. Having the means to better the lives of Indio residents is an exciting and positive prospect for the City of Indio.

A risk to future City finances continues from external forces that would negatively affect the local economy. The Great Recession technically ended in the middle of 2009 and considering that economic expansions do not typically last more than seven years, the City anticipates economic growth to continue for another year, two at most. Based on this expectation, the

City has adjusted its outlook accordingly and lowered revenue projections (outside the expected increase in revenue driven by the new one-percent sales tax measure). Another financial risk to the City is from the ever-increasing cost of employee pensions. After announcing a gradual 20-year reduction in interest-income assumptions, the California Public Employees Retirement System is now planning to bring down their rate-of-return assumptions more rapidly. Such an action would inevitably increase City costs in an area that has been a financial strain for most of this decade. Nonetheless, the prospect of revenue growth driven by passage of the one-cent sales tax measure gives the City leeway to address these concerns without impacting service levels or fund balance levels.

LONG-TERM FINANCIAL PLANNING

The City utilizes a five-year financial 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 and all known expenditure increases. The model is updated three times a year and published with each quarterly-budget report. The City's financial planning model assumes modest revenue growth at a slower pace than actual growth experienced over the past few years. The last model, published in November 2016, projects a slowdown in the fiscal year 2018-19 economy that will decelerate revenue growth. On average, revenue is assumed to grow around \$1 million a year, or about 1.6 percent. Anticipated financial impacts on the City continue to be from rising pension costs, which are expected to cost an additional \$400,000 a year, as well as increases in contractual fire and ambulance services, which are expected to increase \$350,000 a year (three percent). Labor agreements with all five of the City's employee unions expire on June 30, 2017. Labor-related financial impacts are subject to negotiation and are therefore not presupposed until an agreement is reached. Projections indicate positive cash flows through fiscal year 2020/21, ranging from 400,000 to about \$1 million a year. At this time, revenue generated from the one-percent sales tax increase, approved by voters in November 2016, is not included in the model.

RELEVANT FINANCIAL POLICIES

In 2016, the City adopted a Bond Disclosure Policy. The policy ensures, with respect to municipal bonds, compliance with applicable federal securities laws and continuing disclosure requirements. The adopted continuing disclosure procedures designate the City Finance Director as the initial "Responsible Officer" responsible for compiling and filing annual reports and notices regarding the occurrence of certain events listed in the continuing disclosure undertakings pursuant to U.S. Securities and Exchange Commission Rule 15c2-12. The procedures require, among other things, the Responsible Officer to become familiar with the EMMA website and to identify the filing compliance dates indicated in the continuing disclosure agreements for all outstanding bond issues, the contents that need to be included in the annual report for each bond issue, and—either individually or with the assistance of consultants engaged to monitor compliance—the types and timing of listed event notices that must be filed.

Two important policies are being finalized by the City and are expected to be implemented in early 2017. The first is a new fund balance policy that combines aspects of the City's

Financial and Budget Management Policy, adopted in 2010, and the City's Fund Balance Policy adopted in 2013. The 2010 policy enforces consistent and professional conduct in all fiscal matters by requiring sound fiscal management through the establishment of strategies in the areas of accounting, financial planning, budgeting, revenue projection, fees, reserves (fund balance), debt, and cash flow. The 2013 policy established procedures for financial reporting of fund balance classifications and the hierarchy for spending fund balance. This policy authorizes and directs the Finance Director to prepare financial reports which accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The new 2017 Fund Balance Policy will meet Statement No. 54 requirements and reiterate the purpose of fund balance, confirm the levels necessary to maintain fiscal stability, and formalize the processes to which fund balance will be restored in the event of a drawn down. The second policy, expected to be adopted in early 2017, is related to debt management. This policy will ensure compliance with applicable federal and state laws and regulations and to comply with requirements set forth by Senate Bill 1029 that was passed into law in September 2016.

MAJOR INITIATIVES FOR THE FUTURE

The City 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 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:

- Increase the visibility of and attraction to the City, including developing and implementing entrance gateways
- Enhance and maintain the City's infrastructure, facilities and water resources
- Expand economic development
- Achieve and maintain financial viability and sustainability
- Mitigate the negative impacts of homelessness

In November 2016, Indio voters authorized a one-percent sales tax increase that will be implemented over the next 20 years. The revenue gained from this initiative will allow the City to achieve many of the goals outlined above. The City is embarking on a process that will identify projects and program enhancements, vet those plans through a citizens' committee for feedback and prioritization, and ultimately bring priority projects to the City Council for approval. Preliminary expenditure priorities are enhancing: 9-1-1 emergency response times; police gang and drug enforcement programs; police patrols of neighborhoods, parks, and schools; water quality and delivery; roadways; and traffic flows.

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, 2015. This was the ninth 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 provides a broad range of municipal services to what will soon be a population of 90,000 residents. Public safety remains the City's highest priority, accounting for two-thirds of the General Fund budget. The City is a relatively affordable community adjacent to several wealthy desert communities. Uniquely, when hosting major music festivals throughout the year, like the Coachellafest, Stage Coach Music Festival, and more recently Desert Trip, the City's population doubles. Since the Great Recession, City revenue performance has been sensational. Augmented by economic development, population growth, and conscientious policy actions by the City Council, revenue has exceeded expenditures, allowing the City to rebuild fund balance. Fund balance, mainly supported by a reserve for economic uncertainty totaling \$11.2 million (18 percent of general fund revenue) provides the City with flexibility to offset future recessionary revenue declines. City general fund revenues come from a diverse array of sources, including: sales tax, utility user's tax, property tax, transient occupancy tax, charges for services, licenses and permits, as well as surcharges on festival tickets. Voter approval of a local sales tax measure in November 2016 is expected to raise an additional \$8.5 million in revenue annually for 20 years. The City is on the cusps of a major expansion that will bring forth new facilities, enhanced services, and a higher quality of life for its residents.

Respectfully submitted,


Dan Martinez
City Manager

CITY OF INDIO
City Officials
as of June 30, 2016

CITY COUNCIL

GLENN MILLER
Mayor

ELAINE HOLMES
Mayor Pro Tempore

MICHAEL H. WILSON
Council Member

TROY STRANGE
Council Member

LUPE RAMOS WATSON
Council Member

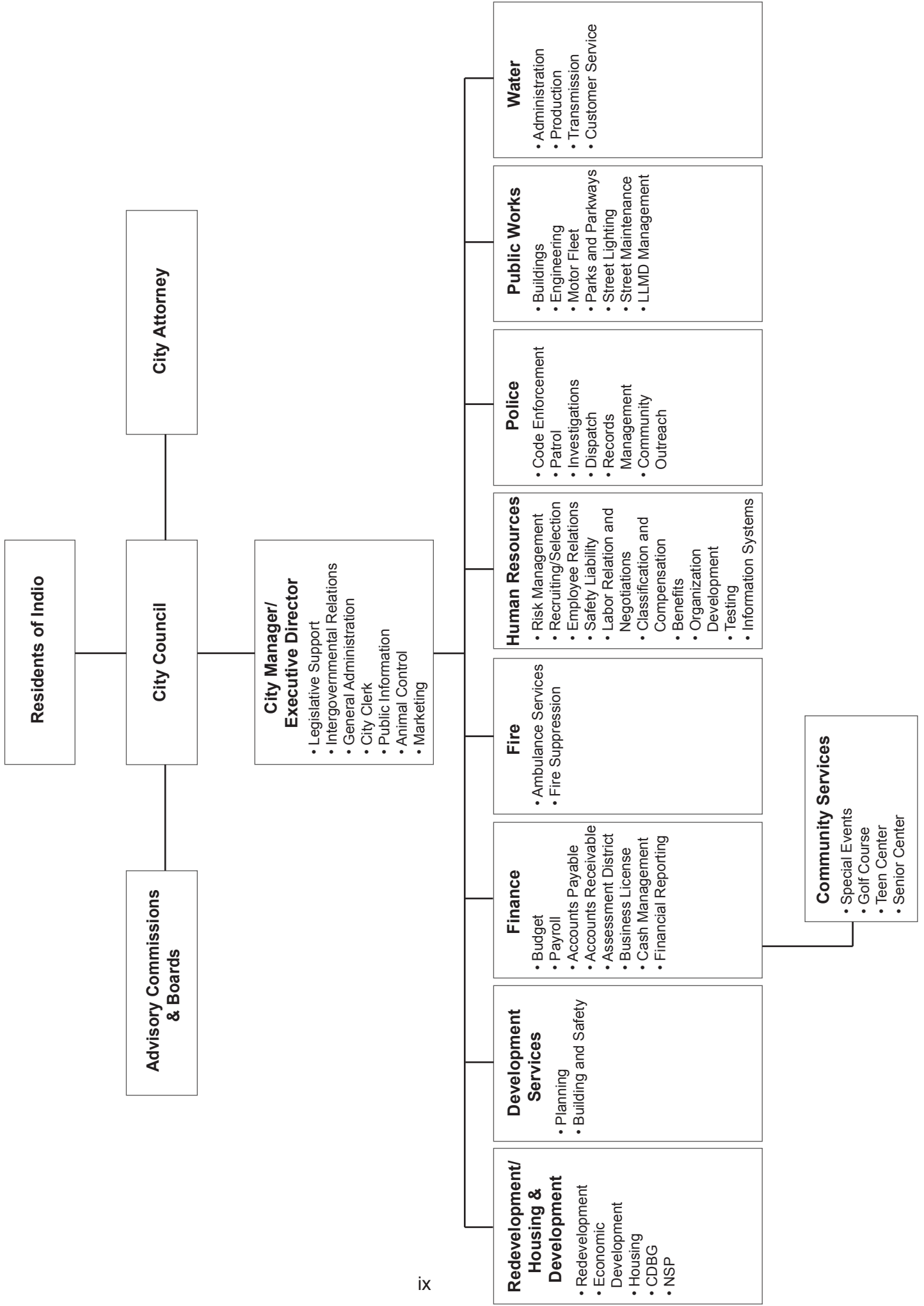
OTHER ELECTED OFFICIALS

Cynthia Hernandez, City Clerk
Sharon Ellis, Treasurer

EXECUTIVE TEAM

Dan Martinez, City Manager
Mariano Aguirre, Director of Housing & Development
Terry Deeringer, Director of Human Resources / Risk Management
PJ Gagajena, Principal Management Analyst
Les Johnson, Director of Development Services
Brian Macy, IWA General Manager
Rob Rockwell, Asst. City Manager & Finance Director
Jorge Rodriguez, Fire Chief
Richard Twiss, Police Chief
Tim Wassil, Director of Public Works

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, 2015

Executive Director/CEO



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of 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 City of Indio, California, (the "City") as of and for the year ended June 30, 2016, 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.



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

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the general fund, the schedule of funding progress, the schedule of changes in the net pension liability and related ratios, the schedule of contributions, the schedule of proportionate share of the net pension liability, and the schedule of plan contributions 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 to 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide 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 fund financial statements, nonmajor fund budgetary comparison 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 fund financial statements and the nonmajor fund budgetary comparison 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. The 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 fund financial statements and the nonmajor fund budgetary comparison 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.



CPAs AND ADVISORS

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 not to 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.

Lance, Soll & Lughard, LLP

Brea, California
December 28, 2016



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, 2016. 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 2015-16 fiscal year, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$545.2 million—its net position. The City's net position decreased \$4.5 million this past year, a drop of less than one percent. More specifically, net position for the City's governmental activities decreased \$3.3 million and the net position of the business-type activities decreased \$1.2 million. The outcome was mainly driven by a decrease in the value of assets', due to depreciation.

Overall, City long-term debt decreased \$2.6 million. Specifically, increases in lease revenue bond debt (\$4.0 million), post-employment benefits (\$1.9 million) and net pension liability (\$4.1 million) were offset by reductions in notes payable (\$6.6 million), claims payable (\$3.6 million), water bond debt (\$1.5 million) and reductions in various other miscellaneous debts (\$939,013).

Within the Governmental Fund Group:

At the close of the fiscal year, governmental funds reported a combined ending fund balance of \$47.6 million, a year-over-year decrease of \$1.5 million. Approximately, 35 percent (\$16.5 million) of the \$47.6 million was available for spending at the government's discretion (unassigned, assigned, and committed). Fund balance in the City's General Fund increased \$1.9 million. General debt service fund balance decreased \$554,125. In the Other Governmental Funds group, fund balance decreased \$2.7 million due to decreases in capital project fund balance (\$1.5 million), special revenue fund balance (\$752,891), and assessment district capital project fund balance (\$508,398).

Within the Major Fund Group:

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$25.5 million, up \$1.9 million in comparison to the prior year. Approximately, 65 percent (\$16.5 million) of the \$25.5 million was available for spending at the government's discretion (unassigned, assigned, and committed). Unassigned fund balance in the General Fund, which represents resources that have not been categorized as nonspendable, restricted, committed, or assigned, totaled \$1.8 million, a decrease of \$5.3 million from the prior fiscal year. Assigned fund balance in the General Fund, which represents resources that are earmarked by city administration for particular city priorities, totaled \$3.5 million, an increase of \$216,532 from the prior fiscal year. Committed fund balance in the General Fund, which represents resources that are formally set aside by the City Council for emergencies or to fund an urgent city priority, totaled \$11.2 million, an increase of \$5.6 million from the year before. Nonspendable fund balance, which represents resources that cannot be spent because they are not in a spendable form, totaled \$9.0 million. Nonspendable fund balance included prepaid expenditures (\$196,561), land held for resale (\$4.7 million), and a note receivable (\$4.1 million).

Other Governmental Funds accumulated \$20 million in fund balance at the end of the fiscal year, a decrease of \$2.7 million from the previous year. Within this fund group, revenues exceeded expenditures by \$1.4 million; however, interfund transfers-out exceeded interfund transfers-in by \$4.1 million. Specifically, special revenue funds accumulated \$18 million in fund balance at the end of the year, a decrease of \$752,891 and capital project funds accumulated \$1.59 million in fund balance at the end of the fiscal year, a decrease of \$1.5 million. Within the capital project fund group, fund balance related to community facility district infrastructure improvements decreased \$364,348. 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 contains supplementary information in addition to what can be found within 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 19 and 21.

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 36 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and general debt service 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 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these 34 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 and 20 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 87-93 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 its 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 debt must be provided from other sources.

Net Position
(in thousands)

	Governmental activities		Business-Type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 58,873	\$ 64,177	\$ 22,474	\$ 15,920	\$ 81,347	\$ 80,097
Capital assets	468,541	476,596	186,591	191,935	655,132	668,531
Other noncurrent assets	10,378	9,434	-	-	10,378	9,434
Total assets	<u>537,792</u>	<u>550,207</u>	<u>209,065</u>	<u>207,855</u>	<u>746,857</u>	<u>758,062</u>
Pensions	5,341	4,176	747	675	6,088	4,851
Deferred loss on refunding of debt	-	-	1,304	1,369	1,304	1,369
Total deferred outflows	<u>5,341</u>	<u>4,176</u>	<u>2,051</u>	<u>2,044</u>	<u>7,392</u>	<u>6,220</u>
Long-term liabilities outstanding	116,390	117,796	67,001	68,208	183,391	186,004
Other liabilities	12,756	14,956	6,550	2,374	19,306	17,330
Total liabilities	<u>129,146</u>	<u>132,752</u>	<u>73,551</u>	<u>70,582</u>	<u>202,697</u>	<u>203,334</u>
Pensions	3,766	8,036	476	990	4,242	9,026
Unamortized gain on refunding of debt	2,067	2,163	-	-	2,067	2,163
Total deferred inflows	<u>5,833</u>	<u>10,199</u>	<u>476</u>	<u>990</u>	<u>6,309</u>	<u>11,189</u>
Net position:						
Net investment in capital assets	414,227	419,607	128,429	133,627	542,656	553,234
Restricted	22,180	26,096	-	-	22,180	26,096
Unrestricted	(28,253)	(34,271)	8,660	4,700	(19,593)	(29,571)
Total net position	<u>\$ 408,154</u>	<u>\$ 411,432</u>	<u>\$ 137,089</u>	<u>\$ 138,327</u>	<u>\$ 545,243</u>	<u>\$ 549,759</u>

Governmental Activities:

Expenses for all Governmental Activities total \$78.7 million, \$16.1 million less than the prior fiscal-year's total. Most programs had decreased expenses except for general government and community services.

Governmental revenue is broken down into program revenues and general revenues, where program revenue must be used for the purpose it was collected and general revenues are spent at the discretion of the City Council. Program revenue totaled \$23.5 million, which is \$18.8 million less than last fiscal year due to decreases in charges for services (\$7.2 million) and operating grants and contributions (\$7.1 million) and capital grants and contributions (\$4.5 million). This decrease is due to less revenue in all categories except community development. General revenue totaled \$52 million and was \$3.1 million less than prior fiscal year revenues. The decrease in general revenue is due to decreases in use of money and property (\$2.3 million) and other general revenues (\$6 million). Specifically, these decreases in other general revenues were due to an advance lease payment from the Indio Water Authority in the prior fiscal year (\$6 million). The decreases were offset by increases in property taxes (\$1.1 million), Sales taxes (\$1.6 million, property taxes (\$613,355) and other taxes (\$1.7 million).

City programs include the General Government, Public Safety, Public Works, Community Development, and Community 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 \$27.5 million. The majority of the costs, \$26.4 million, were for water activities, which decreased \$3.7 million from the prior fiscal year, golf activities decreased by \$34,605 to \$1.1 million.

Total revenue was \$26.1 million, an increase of \$4.8 million over last fiscal year which was due to increases in capital grants and contributions (\$3.5 million) and in other general revenue (\$2.5 million) which were offset by a decrease in charges for services (\$1.1 million).

	Change in Net Position					
	(in thousands)					
	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 14,572	\$ 21,772	\$ 18,767	\$ 19,880	\$ 33,339	\$ 41,652
Operating grants and contributions	7,637	14,809	-	-	7,637	14,809
Capital grants and contributions	1,290	5,766	4,735	1,265	6,025	7,031
General Revenues:						
Property taxes	15,055	13,887	-	-	15,055	13,887
Other taxes	30,052	26,133	-	-	30,052	26,133
Other	7,010	15,154	2,618	140	9,628	15,294
Total revenues	<u>75,616</u>	<u>97,521</u>	<u>26,120</u>	<u>21,285</u>	<u>101,736</u>	<u>118,806</u>
Expenses:						
Water	-	-	26,424	30,145	26,424	30,145
Golf	-	-	1,085	1,120	1,085	1,120
General government	11,968	10,395	-	-	11,968	10,395
Public safety	36,041	43,687	-	-	36,041	43,687
Public works	16,619	21,289	-	-	16,619	21,289
Community development	9,275	11,099	-	-	9,275	11,099
Community services	2,314	1,789	-	-	2,314	1,789
Interest expense and other charges	2,463	6,484	-	-	2,463	6,484
Total Expenses	<u>78,680</u>	<u>94,743</u>	<u>27,509</u>	<u>31,265</u>	<u>106,189</u>	<u>126,008</u>
Change in net position before transfers	(3,064)	2,778	(1,389)	(9,980)	(4,453)	(7,202)
Transfers	(151)	(75)	151	75	-	-
Change in net position	<u>(3,215)</u>	<u>2,703</u>	<u>(1,238)</u>	<u>(9,905)</u>	<u>(4,453)</u>	<u>(7,202)</u>
Net Position - beginning of fiscal year	411,432	448,351	138,327	154,962	549,759	603,313
Prior period adjustments	(63)	(39,622)	-	(6,730)	(63)	(46,352)
Net Position - beginning of fiscal year, restated	<u>411,369</u>	<u>408,729</u>	<u>138,327</u>	<u>148,232</u>	<u>549,696</u>	<u>556,961</u>
Net Position - end of fiscal year	<u>\$ 408,154</u>	<u>\$ 411,432</u>	<u>\$ 137,089</u>	<u>\$ 138,327</u>	<u>\$ 545,243</u>	<u>\$ 549,759</u>

Cash Management:

To effectively manage cash, 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 cash from all funds, with investment maturities planned to coincide with expenditure needs. Idle cash is invested in eligible securities, as allowable by law and limited by the City's Investment Policy. The goals of the City's Investment Policy, in priority order are, safety (preserving principal), liquidity (accessibility), and then yield (return on investment).

Debt Administration:

Debt, which is considered a liability of governmental activities, totaled \$116.4 million, a decrease of \$1.4 million from the prior fiscal year. Lease revenue bonds increased \$4.0 million, postemployment benefits (OPEB) liability increased by \$1.9 million, and net pension liability increased \$3.8. These increases were offset by a combination of decreases in claims payable, capital leases, certificates of participation, notes payables and compensated absences. Debt considered a liability of business-type activities was \$67.0 million, a decrease of \$1.2 million from the prior fiscal year, due to the decrease of \$1.5 million in water bonds which was offset by increases in compensated absences (\$11,144) and increase in pension liability (\$328,000). 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 8 through 18 on pages 48-72.

	Outstanding Debt (in thousands)					
	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Claims Payable	\$ 178	\$ 3,747			\$ 178	\$ 3,747
Lease Revenue Bonds	43,179	39,190			43,179	39,190
Water Bonds			60,069	61,615	60,069	61,615
Capital Lease	1,674	2,053			1,674	2,053
Certificates of Participation	4,045	4,535			4,045	4,535
Notes payable	3,350	9,920			3,350	9,920
PERS side fund					-	-
Net pension liability	43,160	39,368	6,682	6,354	49,842	45,722
Post employment benefit	18,984	17,082			18,984	17,082
Compensated absences	1,820	1,901	250	239	2,070	2,140
Total	\$ 116,390	\$ 117,796	\$ 67,001	\$ 68,208	\$ 183,391	\$ 186,004

Capital Assets:

The capital assets of the City are those assets used in the performance of municipal functions and include infrastructure assets. Net capital assets of governmental activities totaled \$468.5 million and the net capital assets of the business-type activities totaled \$186.6 million. The City’s net capital assets value decreased by \$13.4 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 7 on pages 45-47.

	Capital Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 41,748	\$ 41,728	\$ 2,169	\$ 2,169	\$ 43,917	\$ 43,897
Right of way	54,438	54,438			54,438	54,438
Structures and improvements	34,747	34,688	15,300	15,300	50,047	49,988
Machinery, equipment and vehicles	17,287	17,096	4,783	4,395	22,070	21,491
Infrastructure	551,142	545,687	279,449	279,131	830,591	824,818
Construction in progress	16,562	15,932	7,411	5,912	23,973	21,844
Capital Assets	715,924	709,569	309,112	306,907	1,025,036	1,016,476
Accumulated depreciation	247,382	232,973	122,521	114,972	369,903	347,945
Net Capital Assets	\$ 468,542	\$ 476,596	\$ 186,591	\$ 191,935	\$ 655,133	\$ 668,531

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 37.

The Fiscal Year 15/16 General Fund Budget:

The originally-adopted fiscal year 2015-16 general fund budget authorized \$58.8 million in expenditures, supported by \$58.8 million in expected general fund revenue. The budget as finally adjusted before the end of the fiscal year authorized \$63.2 million in expenditures, supported by \$59.8 million in revenue, including transfers. The final budget reflected a planned \$3.4 million 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.

By the end of the fiscal year, general fund expenditures totaled \$58.2 million, \$5 million in expenditures less than budgeted. The savings were attributed in salary expenditures, the deferral of the White Steel land purchase, the sewer project at Varner Road and various departments under-spending their respective budgets. Overall, actual general fund expenditures were 7.9 percent under budgeted expectations.

By the end of the fiscal year, general fund revenue totaled \$60 million, \$277,436 in revenue over budgeted expectations. During the fiscal year, total taxes received were less than budgeted, however, most revenues exceeded budgeted expectations.

The cumulative effect of expenditures under budget and revenue in excess of the budget netted a \$1.9 million increase in fund balance at the end of fiscal year 2015-16.

Economic Factors and Next Year's Budget and Rates:

The City is growing and revenue is increasing. Between 2010 and 2015, the City's population grew by 14 percent. The opening of a new Walmart Supercenter in October 2014 and the opening of a new Dodge Chrysler auto dealer in 2015 complement an expanding local economy. Voting residents approved a utility users' tax increase in 2010, a transient occupancy tax increase in 2014, and a transaction and use tax (sales tax) increase in 2016. Revenue from the newly approved sales tax measure is expected to total \$8.5 million a year for 20 years. This one-percent sales tax increase is expected to be implemented on April 1, 2017, but that date is heavily dependent upon processes controlled by the State Board of Equalization. The City will not realize much of the new revenue in fiscal year 2016-17. Efforts are underway to prioritize expenditures that enhance: police programs; 911 emergency operations; patrols of neighborhoods, parks, and schools; traffic flows; and roadway conditions. Having the means to better the lives of Indio residents is an exciting and positive prospect for the City of Indio.

The City Council adopted the fiscal year 2016-17 budget in June of 2016 after multiple customary public sessions. When adopted, the citywide budget authorized \$121.4 million in appropriations, funded with \$117.2 million in expected annual revenue. The budget incorporated a \$4.2 million drawdown from fund balance (retained earnings) to fund plan expenditures in excess of expected revenue. The City's adopted general fund budget authorized \$60.8 million in expenditures, supported by \$60.3 million in expected general fund revenue. The general fund budget incorporated a \$484,090 drawdown from fund balance to cover expenditures in excess of expected revenue.

Following is a list of the highlights from the City's adopted fiscal year 2016-17 budget:

- ◆ The Indio City Council held public budget study sessions on May 11 and May 18, 2016, to review the city manager's FY 16/17 proposed budget plan. From those public discussions, no changes to the budget were directed by the City Council at adoption.
- ◆ The Citizens' Finance Advisory Commission (CFAC) convened public meetings on April 25 and May 2, 2016, to review the FY 16/17 proposed general fund budget. No changes to the budget were recommended by the CFAC.
- ◆ \$248,000 has been incorporated into the general fund Parks and Parkways budget to cover irrigation costs that were erroneously appropriated and paid from another fund.
- ◆ \$200,000 has been incorporated into the general fund budget to rebuild a retention basin located near Interstate 10 in order to incentivize commercial development.
- ◆ \$110,000 has been incorporated into the general fund budget to cover debt obligations that were previously funded by development impact fees.
- ◆ \$100,000 has been incorporated into the general budget for yet-to-be-determined economic development incentives.
- ◆ \$100,000 has been incorporated in the budget for a development impact fee rate study.
- ◆ \$75,000 has been incorporated into the general fund City Clerk's budget to cover November 2016 election and ballot costs.
- ◆ \$65,943 has been incorporated into the general fund budget to cover golf course overhead expenditures in excess of projected golf revenue.
- ◆ \$42,000 has been incorporated into the general fund budget to cover police radio repair and replacement costs that were previously funded with surplus Proposition 172 funds.
- ◆ \$40,366 has been incorporated into the general fund's account for contingencies. This account captures and quantifies general fund resources in excess of planned expenditures. Funds within this account provide a backstop to backfill potential shortfalls in discretionary revenue, finance unforeseen expenditures, or fund priority City Council objectives.

The FY 2016-17 adopted budget also incorporates the following priority rollovers from the previous-year's adopted budget:

- ◆ \$500,000 to purchase new vehicles, machinery, and equipment
- ◆ \$250,000 for city marketing and promotional media efforts
- ◆ \$199,500 to support the city's partnership with the Greater Coachella Valley Chamber of Commerce and to support coordinated events with the Indio Chamber of Commerce
- ◆ \$90,000 for city banners
- ◆ \$75,305 to support the city's partnership with the Indio Performing Arts Center
- ◆ \$45,000 for various local grants
- ◆ \$45,000 for various local sponsorships

Following are the financial highlights incorporated into the FY 2016-17 recommended budget related to changes in labor costs:

- ◆ The recommended budget supports 233 full-time, seven elected, 37 appointed, and 15 part-time positions with no new positions being added to the budget.
- ◆ Safety members of the Indio Police Officers Association (IPOA) and the Police Command Unit (PCU) will pick up three percent of the city's pension obligation. Members in these groups that are at the top level of their salary classification, who are not eligible for a merit increase and have at least 15 years of service, will receive a one-time lump-sum payout to help offset the contribution increase.
- ◆ Members of Management, Confidential, and Unrepresented; the Indio City Employee Association (ICEA); and the Service Employees International Union (SEIU) will receive a \$100 increase in their monthly medical benefit stipend starting on January 1, 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.

CITY OF INDIO

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 34,323,182	\$ 15,642,744	\$ 49,965,926
Cash and investments with fiscal agent	4,050,819	602,719	4,653,538
Receivables:			
Accounts	2,943,977	5,999,712	8,943,689
Taxes	2,024,256	-	2,024,256
Notes and loans	10,220,237	-	10,220,237
Accrued interest	21,325	309	21,634
Due from other governments	4,407,666	-	4,407,666
Internal balances	669,830	(669,830)	-
Prepaid costs	211,657	742,249	953,906
Inventories	-	156,365	156,365
Advance to Successor Agency	5,376,151	-	5,376,151
Land held for resale	5,001,446	-	5,001,446
Capital assets not being depreciated	112,747,084	9,580,102	122,327,186
Capital assets, net of depreciation	355,794,365	177,011,015	532,805,380
Total Assets	537,791,995	209,065,385	746,857,380
Deferred Outflows of Resources:			
Deferred charge on refunding	-	1,304,117	1,304,117
Deferred pension related items	5,340,669	746,422	6,087,091
Total Deferred Outflows of Resources	5,340,669	2,050,539	7,391,208
Liabilities:			
Accounts payable	5,985,773	4,797,308	10,783,081
Accrued liabilities	1,058,959	710,340	1,769,299
Accrued interest	332,582	569,109	901,691
Unearned revenue	1,774,998	-	1,774,998
Pass-through payable	-	30,309	30,309
Deposits payable	3,603,619	442,970	4,046,589
Noncurrent liabilities:			
Due within one year	4,618,513	2,091,578	6,710,091
Due in more than one year	49,627,289	58,227,636	107,854,925
Other post employment benefits liability	18,984,199	-	18,984,199
Net pension liability	43,160,353	6,681,432	49,841,785
Total Liabilities	129,146,285	73,550,682	202,696,967
Deferred Inflows of Resources:			
Deferred pension related items	3,766,063	476,315	4,242,378
Unamortized gain on refunding of debt	2,066,602	-	2,066,602
Total Deferred Inflows of Resources	5,832,665	476,315	6,308,980
Net Position:			
Net investment in capital assets	414,226,936	128,428,676	542,655,612
Restricted for:			
Community development projects	137,483	-	137,483
Public safety	237,033	-	237,033
Public works	5,085,739	-	5,085,739
Capital projects	14,025,222	-	14,025,222
Debt service	2,207,581	-	2,207,581
Assessment districts	486,397	-	486,397
Unrestricted (deficit)	(28,252,677)	8,660,251	(19,592,426)
Total Net Position	\$ 408,153,714	\$ 137,088,927	\$ 545,242,641

CITY OF INDIO

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 11,968,106	\$ 1,458,756	\$ 373,070	\$ 515,478
Public safety	36,041,287	5,559,462	351,851	-
Community development	9,274,555	261,490	5,202,758	-
Community services	2,313,542	106,711	-	-
Public works	16,618,973	7,185,270	1,709,804	774,252
Interest on long-term debt	2,463,088	-	-	-
Total Governmental Activities	78,679,551	14,571,689	7,637,483	1,289,730
Business-Type Activities:				
Water	26,423,911	17,831,960	-	4,735,312
Golf	1,085,545	935,089	-	-
Total Business-Type Activities	27,509,456	18,767,049	-	4,735,312
Total Primary Government	\$ 106,189,007	\$ 33,338,738	\$ 7,637,483	\$ 6,025,042

General Revenues:

Taxes:

- Property taxes
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other
- Gain on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (9,620,802)	\$ -	\$ (9,620,802)
(30,129,974)	-	(30,129,974)
(3,810,307)	-	(3,810,307)
(2,206,831)	-	(2,206,831)
(6,949,647)	-	(6,949,647)
(2,463,088)	-	(2,463,088)
(55,180,649)	-	(55,180,649)
-	(3,856,639)	(3,856,639)
-	(150,456)	(150,456)
-	(4,007,095)	(4,007,095)
(55,180,649)	(4,007,095)	(59,187,744)
15,055,189	-	15,055,189
4,520,128	-	4,520,128
11,691,700	-	11,691,700
2,413,186	-	2,413,186
665,430	-	665,430
8,573,210	-	8,573,210
2,188,689	-	2,188,689
33,974	-	33,974
1,756,932	72,372	1,829,304
5,096,689	2,544,973	7,641,662
122,140	-	122,140
(151,499)	151,499	-
51,965,768	2,768,844	54,734,612
(3,214,881)	(1,238,251)	(4,453,132)
411,432,162	138,327,178	549,759,340
(63,567)	-	(63,567)
\$ 408,153,714	\$ 137,088,927	\$ 545,242,641

CITY OF INDIO

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
		General Debt Service		
Assets:				
Pooled cash and investments	\$ 18,422,792	\$ 499,999	\$ 11,310,827	\$ 30,233,618
Receivables:				
Accounts	243,132	980	1,762,302	2,006,414
Taxes	2,024,256	-	-	2,024,256
Notes and loans	4,181,686	-	6,038,551	10,220,237
Accrued interest	6,661	-	14,664	21,325
Prepaid costs	196,561	-	-	196,561
Due from other governments	3,547,985	-	859,681	4,407,666
Due from other funds	1,178,893	-	-	1,178,893
Advances to private-purpose trust funds	-	-	5,376,151	5,376,151
Land held for resale	4,697,446	-	304,000	5,001,446
Restricted assets:				
Cash and investments with fiscal agents	-	1,706,602	1,064,043	2,770,645
Total Assets	\$ 34,499,412	\$ 2,207,581	\$ 26,730,219	\$ 63,437,212
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,540,240	\$ -	\$ 1,022,488	\$ 5,562,728
Accrued liabilities	906,829	-	70,640	977,469
Unearned revenues	-	-	1,774,998	1,774,998
Deposits payable	3,598,400	-	5,219	3,603,619
Due to other funds	-	-	367,573	367,573
Total Liabilities	9,045,469	-	3,240,918	12,286,387
Deferred Inflows of Resources:				
Unavailable revenues	-	-	3,523,553	3,523,553
Total Deferred Inflows of Resources	-	-	3,523,553	3,523,553
Fund Balances:				
Nonspendable	8,977,830	-	-	8,977,830
Restricted	-	2,207,581	19,971,874	22,179,455
Committed	11,196,775	-	-	11,196,775
Assigned	3,458,826	-	-	3,458,826
Unassigned	1,820,512	-	(6,126)	1,814,386
Total Fund Balances	25,453,943	2,207,581	19,965,748	47,627,272
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,499,412	\$ 2,207,581	\$ 26,730,219	\$ 63,437,212

CITY OF INDIO

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Fund balances of governmental funds		\$ 47,627,272
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		464,128,596
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (42,260,000)	
Unamortized bond premiums/discounts	(919,278)	
Unamortized gain on defeasance	(2,066,602)	
Notes payable	(3,349,503)	
Installment agreement	(4,045,000)	
Capital lease obligations	(993,325)	
Compensated Absences	<u>(1,819,596)</u>	(55,453,304)
Deferred outflows related to pensions:		
Miscellaneous contributions subsequent to measurement date	1,681,918	
Safety contributions subsequent to measurement date	2,563,777	
Safety adjustment due to difference in proportion	900,494	
Safety contributions subsequent to measurement date	<u>3,615</u>	5,149,804
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability.		(18,984,199)
Governmental funds report all pension contributions as expenditures, however the unfunded net pension liability is reported in the statement of net position:		
Miscellaneous net pension liability	(16,039,944)	
Safety net pension liability	<u>(25,303,963)</u>	(41,343,907)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(332,582)
Deferred inflows related to pensions:		
Miscellaneous change in assumptions	(610,615)	
Miscellaneous net difference between projected and actual experience	(301,830)	
Miscellaneous net difference between projected and actual earnings	(332,463)	
Safety change in assumptions	(1,380,641)	
Safety net difference between projected and actual experience	(300,181)	
Safety net difference between projected and actual earnings	<u>(699,718)</u>	(3,625,448)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		3,523,553
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>7,463,929</u>
Net Position of governmental activities		<u>\$ 408,153,714</u>

CITY OF INDIO

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	General	Debt Service Fund General Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 43,013,543	\$ -	\$ 2,251,679	\$ 45,265,222
Licenses and permits	2,438,031	-	-	2,438,031
Intergovernmental	640,664	-	5,065,307	5,705,971
Charges for services	7,176,025	-	-	7,176,025
Use of money and property	739,409	3,932	1,013,544	1,756,885
Fines and forfeitures	801,708	-	59,773	861,481
Contributions	-	-	4,112,164	4,112,164
Developer participation	-	-	1,639,556	1,639,556
Miscellaneous	1,919,132	-	3,672,662	5,591,794
Total Revenues	56,728,512	3,932	17,814,685	74,547,129
Expenditures:				
Current:				
General government	4,475,316	-	636,982	5,112,298
Public safety	37,301,523	-	816,665	38,118,188
Community development	4,686,680	-	3,216,038	7,902,718
Community Services	2,383,681	-	-	2,383,681
Public works	5,927,503	-	4,722,888	10,650,391
Non-departmental	102,318	-	-	102,318
Capital outlay	127,824	-	4,908,632	5,036,456
Debt service:				
Principal retirement	302,130	22,401,234	1,319,314	24,022,678
Interest and fiscal charges	60,240	2,248,349	317,933	2,626,522
Payment to refunded bond escrow agent	-	-	486,367	486,367
Total Expenditures	55,367,215	24,649,583	16,424,819	96,441,617
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,361,297	(24,645,651)	1,389,866	(21,894,488)
Other Financing Sources (Uses):				
Transfers in	3,314,165	3,442,248	503,219	7,259,632
Transfers out	(2,810,995)	-	(4,638,386)	(7,449,381)
Refunding bonds issued	-	19,730,000	-	19,730,000
Bond discount	-	919,278	-	919,278
Total Other Financing Sources (Uses)	503,170	24,091,526	(4,135,167)	20,459,529
Net Change in Fund Balances	1,864,467	(554,125)	(2,745,301)	(1,434,959)
Fund Balances, Beginning of Year, as previously reported	23,589,476	2,761,706	22,774,616	49,125,798
Restatements	-	-	(63,567)	(63,567)
Fund Balances, Beginning of Year, as restated	23,589,476	2,761,706	22,711,049	49,062,231
Fund Balances, End of Year	\$ 25,453,943	\$ 2,207,581	\$ 19,965,748	\$ 47,627,272

CITY OF INDIO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds \$ (1,434,959)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 6,297,605	
Depreciation	(14,598,888)	
Gain/(loss) on sale of capital assets	<u>(134,920)</u>	(8,436,203)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond, capital lease, installment repayments	2,616,444	
2016 bond debt issuance	(19,730,000)	
2016 bond premium	(919,278)	
2007A Lease Revenue Bond debt defeasance	15,665,000	
Notes payable defeasance	5,741,234	
Amortization of gain on defeasance	<u>96,832</u>	3,470,232

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 95,176

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 81,390

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (1,902,125)

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 1,577,087

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 752,175

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 2,582,346

Change in net position of governmental activities \$ (3,214,881)

CITY OF INDIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Other Enterprise Funds	Totals	Activities- Internal Service Funds
Assets:				
Current:				
Cash and investments	\$ 15,489,494	\$ 153,250	\$ 15,642,744	\$ 4,089,564
Receivables:				
Accounts	5,987,521	12,191	5,999,712	937,563
Accrued interest	-	309	309	-
Prepaid costs	667,249	75,000	742,249	15,096
Inventories	140,175	16,190	156,365	-
Restricted:				
Cash with fiscal agent	602,719	-	602,719	1,280,174
Total Current Assets	22,887,158	256,940	23,144,098	6,322,397
Noncurrent:				
Capital assets - net of accumulated depreciation	185,790,817	800,300	186,591,117	4,412,853
Total Noncurrent Assets	185,790,817	800,300	186,591,117	4,412,853
Total Assets	208,677,975	1,057,240	209,735,215	10,735,250
Deferred Outflows of Resources:				
Deferred charge on refunding	1,304,117	-	1,304,117	-
Deferred outflows related to pensions	743,499	2,923	746,422	190,865
Total Deferred Outflows of Resources	2,047,616	2,923	2,050,539	190,865
Total Assets and Deferred Outflows of Resources	\$ 210,725,591	\$ 1,060,163	\$ 211,785,754	\$ 10,926,115
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current:				
Accounts payable	\$ 4,758,209	\$ 39,099	\$ 4,797,308	\$ 423,045
Accrued liabilities	708,629	1,711	710,340	81,490
Accrued interest	569,109	-	569,109	-
Retentions payable	30,309	-	30,309	-
Deposits payable	442,970	-	442,970	-
Due to other funds	4,975	664,855	669,830	141,490
Accrued compensated absences	231,578	-	231,578	-
Bonds, notes, and capital leases	1,860,000	-	1,860,000	105,212
Total Current Liabilities	8,605,779	705,665	9,311,444	751,237
Noncurrent:				
Accrued compensated absences	18,359	-	18,359	-
Accrued claims and judgments	-	-	-	178,295
Net pension liability	6,618,707	62,725	6,681,432	1,816,446
Bonds, notes, and capital leases	58,209,277	-	58,209,277	575,593
Total Noncurrent Liabilities	64,846,343	62,725	64,909,068	2,570,334
Total Liabilities	73,452,122	768,390	74,220,512	3,321,571
Deferred Inflows of Resources:				
Deferred inflows related to pensions	468,077	8,238	476,315	140,615
Total Deferred Inflows of Resources	468,077	8,238	476,315	140,615
Net Position:				
Net investment in capital assets	127,628,376	800,300	128,428,676	4,412,853
Unrestricted	9,177,016	(516,765)	8,660,251	3,051,076
Total Net Position	136,805,392	283,535	137,088,927	7,463,929
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 210,725,591	\$ 1,060,163	\$ 211,785,754	\$ 10,926,115

See Notes to Financial Statements

CITY OF INDIO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Operating Revenues:				
Sales and service charges	\$ 17,831,960	\$ 935,089	\$ 18,767,049	\$ 11,743,324
Drought rate penalties	1,288,617	-	1,288,617	-
Other income	74,781	150,000	224,781	1,087,833
Total Operating Revenues	19,195,358	1,085,089	20,280,447	12,831,157
Operating Expenses:				
Personnel services	4,033,274	18,563	4,051,837	5,527,336
Contractual services	8,310,452	608,627	8,919,079	905,801
Repairs and maintenance	1,670,899	68,431	1,739,330	536,210
Depreciation expense	7,534,999	13,251	7,548,250	994,496
Materials and supplies	1,178,872	376,673	1,555,545	2,611,509
Bad debt expense	49,645	-	49,645	-
Rentals and leases	10,661	-	10,661	-
Utilities	1,251,231	-	1,251,231	-
Total Operating Expenses	24,040,033	1,085,545	25,125,578	10,575,352
Operating Income (Loss)	(4,844,675)	(456)	(4,845,131)	2,255,805
Nonoperating Revenues (Expenses):				
Intergovernmental	4,264,134	-	4,264,134	-
Interest revenue	71,750	622	72,372	47
Interest expense	(2,383,878)	-	(2,383,878)	(28,574)
Gain (loss) on disposal of capital assets	-	-	-	122,140
Total Nonoperating Revenues (Expenses)	1,952,006	622	1,952,628	93,613
Income (Loss) Before Transfers and Capital Contributions	(2,892,669)	166	(2,892,503)	2,349,418
Capital Contributions	1,502,753	-	1,502,753	194,678
Transfers in	-	151,499	151,499	38,250
Changes in Net Position	(1,389,916)	151,665	(1,238,251)	2,582,346
Net Position:				
Beginning of Year	138,195,308	131,870	138,327,178	4,881,583
End of Fiscal Year	\$ 136,805,392	\$ 283,535	\$ 137,088,927	\$ 7,463,929

CITY OF INDIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 15,401,308	\$ 1,074,330	\$ 16,475,638	\$ -
Cash received from/(paid to) interfund service provided	-	-	-	11,903,576
Cash paid to suppliers for goods and services	(8,660,599)	(1,057,896)	(9,718,495)	(7,773,111)
Cash paid to employees for services	(4,243,826)	(21,356)	(4,265,182)	(5,584,585)
Cash received from others	-	-	-	137,178
Net Cash Provided (Used) by Operating Activities	2,496,883	(4,922)	2,491,961	(1,316,942)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	-	151,499	151,499	38,250
Due to/from other funds	4,975	73,412	78,387	(305,829)
Net Cash Provided (Used) by Non-Capital Financing Activities	4,975	224,911	229,886	(267,579)
Cash Flows from Capital and Related Financing Activities:				
Capital contributions	1,502,753	-	1,502,753	-
Acquisition and construction of capital assets	(2,134,377)	(69,989)	(2,204,366)	(1,181,298)
Intergovernmental grant revenue	4,264,134	-	4,264,134	-
Principal paid on capital debt	(1,490,000)	-	(1,490,000)	(76,637)
Interest paid on capital debt	(1,994,969)	-	(1,994,969)	(28,574)
Proceeds from sales of capital assets	-	-	-	122,140
Net Cash Provided (Used) by Capital and Related Financing Activities	147,541	(69,989)	77,552	(1,164,369)
Cash Flows from Investing Activities:				
Interest received	71,788	485	72,273	47
Net Cash Provided (Used) by Investing Activities	71,788	485	72,273	47
Net Increase (Decrease) in Cash and Cash Equivalents	2,721,187	150,485	2,871,672	(2,748,843)
Cash and Cash Equivalents at Beginning of Year	13,371,026	2,765	13,373,791	8,118,581
Cash and Cash Equivalents at End of Year	\$ 16,092,213	\$ 153,250	\$ 16,245,463	\$ 5,369,738
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (4,844,675)	\$ (456)	\$ (4,845,131)	\$ 2,255,805
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	7,534,999	13,251	7,548,250	994,496
(Increase) decrease in accounts receivable	(3,789,277)	(10,759)	(3,800,036)	(902,581)
(Increase) decrease in prepaid expense	21,263	-	21,263	1,515
(Increase) decrease in inventories	15,936	1,970	17,906	-
(Increase) decrease in deferred outflows due to pensions	(75,996)	4,060	(71,936)	(5,573)
Increase (decrease) in accounts payable	3,783,982	(6,135)	3,777,847	(40,508)
Increase (decrease) in accrued liabilities	34,822	(1,785)	33,037	8,601
Increase (decrease) in retentions payable	(59,665)	-	(59,665)	-
Increase (decrease) in deposits payable	44,872	-	44,872	-
Increase (decrease) in claims and judgments	-	-	-	(3,568,420)
Increase (decrease) in compensated absences	11,143	-	11,143	-
Increase (decrease) in net pension liability	331,022	(3,057)	327,965	71,042
Increase (decrease) in deferred inflows due to pensions	(511,543)	(2,011)	(513,554)	(131,319)
Total Adjustments	7,341,558	(4,466)	7,337,092	(3,572,747)
Net Cash Provided by (Used in) Operating Activities	\$ 2,496,883	\$ (4,922)	\$ 2,491,961	\$ (1,316,942)
Non-Cash Investing, Capital, and Financing Activities:				
Capital contributions	\$ 1,502,753	\$ -	\$ 1,502,753	\$ 194,678

CITY OF INDIO

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2016

	Agency Funds	Private-Purpose Trust Fund
	Agency Funds	RDA Successor Agency Fund
Assets:		
Pooled cash and investments	\$ 9,293,403	\$ 5,596,100
Receivables:		
Accounts	50,586	2,113
Notes and loans	-	496,270
Accrued interest	8,965	3,383
Due from other governments	102,591	-
Land held for resale	-	19,431,557
Restricted assets:		
Cash and investments with fiscal agents	5,213,485	5,463,166
Total Assets	\$ 14,669,030	30,992,589
Liabilities:		
Accounts payable	\$ 321,283	50,204
Accrued liabilities	-	26,465
Accrued interest	-	1,367,204
Pass-through payables	-	98
Deposits payable	322,654	-
Due to other funds	215	-
Due to bondholders	13,698,240	-
Due to members	326,638	-
Long-term liabilities:		
Due in one year	-	2,270,000
Due in more than one year	-	65,010,000
Advances from the City of Indio	-	5,376,151
Total Liabilities	\$ 14,669,030	74,100,122
Net Position:		
Held in trust for other purposes		(43,107,533)
Total Net Position		\$ (43,107,533)

CITY OF INDIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2016

	<u>Private-Purpose Trust Fund</u>
	<u>RDA Successor Agency Fund</u>
Additions:	
Charges for services	\$ 547,652
Taxes and assessments	6,501,376
Investment revenue	26,195
Miscellaneous	328,337
	<u>7,403,560</u>
Total Additions	7,403,560
Deductions:	
Community development	1,123,502
Interest expense	3,676,196
Transfer of land held for resale to City	7,515,707
	<u>12,315,405</u>
Total Deductions	12,315,405
Changes in Net Position	(4,911,845)
Net Position - Beginning of the Year	<u>(38,195,688)</u>
Net Position - End of the Year	<u>\$ (43,107,533)</u>

I. SIGNIFICANT ACCOUNTING POLICIES

Note 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.

Note 1: Summary of Significant Accounting Policies (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.

Note 1: Summary of Significant Accounting Policies (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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

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

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

Governmental Funds

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

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

Proprietary and Fiduciary Funds

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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

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:

Special Revenue Funds- These funds are used to account for the proceeds of specific revenue sources (other than for debt service or capital projects) that are restricted by law or administrative action or committed to expenditures for specified purposes.

Capital Projects Funds- These funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities, other than those financed by Internal Service Funds.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

d. Appropriations Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2016, proceeds of taxes did not exceed appropriations.

e. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in the governmental funds. Encumbrances are reported as restrictions of fund balances since they do not constitute expenditures or liabilities.

f. Cash Equivalents

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

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

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

The following schedule summarizes capital asset useful lives:

Buildings	40 years
Equipment	3-20 years
Improvements	40 years
Infrastructure	40 years
Water Wells and pumps	70 years

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

h. Compensated Absences

Employees hired prior to 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

k. Property Taxes

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

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Stewardship, Compliance, and Accountability

a. Compliance with Budgetary Limitations

For the fiscal year ended June 30, 2016, the following funds reflected expenditures in excess of budgeted amounts:

<u>Major fund</u>	<u>Amount of Excess</u>
General Fund	
General Government:	
City manager's office	\$ 10,636
Finance	4,010
Public Safety:	
Police support services	44,723
Human Services:	
Promotions and publicity	2,084
Public Works:	
Parks and parkways	25,814
Nondepartmental:	
Other	60,800

b. Deficit Fund Balances and Deficits in Internal Service Funds

The following governmental funds had deficit fund balances as of June 30, 2016 due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

HBRRP	\$ (4,737)
Cal Emergency Management	(1,389)

The following internal service funds had deficit net position as of June 30, 2016 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	\$ (889,525)
Buildings and Grounds	(255,871)
Centralized Services	(84,360)

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2016, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 49,965,926
Cash and investments held by bond trustee	4,653,538

Fiduciary Funds:

Cash and investments	14,889,503
Cash and investments held by bond trustee	<u>10,676,651</u>

Total cash and investments	<u>\$ 80,185,618</u>
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Cash on hand	\$ 9,100
Deposits with financial institutions	16,073,648
Investments	<u>64,102,870</u>

Total cash and investments	<u>\$ 80,185,618</u>
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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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 3: Cash and Investments (Continued)

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
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 Funds	Yes	N/A	None	\$50 million
JPA Pools (other investment pools)	No	N/A	None	None

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

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than 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.

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

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 3: Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Total	Remaining Maturing (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More Than 60 Months
Money Market Mutual Funds	\$ 617,177	\$ 617,177	\$ -	\$ -	\$ -
U.S. Treasury Obligations	6,529,150	2,393,256	3,733,752	402,142	-
U.S. Agency Securities	9,211,654	2,609,273	5,142,061	1,460,320	-
Medium Term Notes	2,574,404	188,019	2,386,385	-	-
Local Agency Investment Fund	29,840,296	29,840,296	-	-	-
Held by Bond Trustee:					
Money Market Funds	15,330,189	15,330,189	-	-	-
Total	\$ 64,102,870	\$ 50,978,210	\$ 11,262,198	\$ 1,862,462	\$ -

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	Moody's Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Money Market Mutual Funds	\$ 617,177	AAA	\$ -	\$ 617,177	\$ -	\$ -	\$ -
U.S. Treasury Obligations	6,529,150	N/A	6,529,150	-	-	-	-
U.S. Agency Securities	9,211,654	AAA	-	9,211,654	-	-	-
Medium Term Notes	2,574,404	A	-	-	389,757	2,184,647	-
Local Agency Investment Fund	29,840,296	N/A	-	-	-	-	29,840,296
Held by Bond Trustee:							
Money Market Mutual Funds	15,330,189	AAA	-	15,330,189	-	-	-
Total	\$ 64,102,870		\$ 6,529,150	\$ 25,159,020	\$ 389,757	\$ 2,184,647	\$ 29,840,296

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 3: Cash and Investments (Continued)Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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

As of June 30, 2016, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

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

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2016:

Investment Type	Total	Level		
		1	2	3
Money Market Mutual Funds	\$ 617,177	\$ -	\$ 617,177	\$ -
U.S. Treasury Obligations	6,529,150	-	6,529,150	-
U.S. Agency Securities	9,211,654	-	9,211,654	-
Medium Term Notes	2,574,404	-	2,574,404	-
Local Agency Investment Fund	29,840,296	-	29,840,296	-
Held by Bond Trustee:				
Money Market Mutual Funds	15,330,189	-	15,330,189	-
Total	\$ 64,102,870	\$ -	\$ 64,102,870	\$ -

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 4: Interfund Receivables, Payables, and Transfers

Transfers in and out for the fiscal year ended June 30, 2016 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	General Debt Service	\$ 2,370,818 (a)
General Fund	Other Governmental Funds	250,428 (a)
General Fund	Nonmajor Enterprise Funds	151,499
General Fund	Internal Service Funds	38,250
Other Governmental Funds	General Fund	3,314,165 (b)
Other Governmental Funds	General Debt Service	1,071,430
Other Governmental Funds	Other Governmental Funds	252,791
		<u>\$ 7,449,381</u>

Interfund transfers were principally used for the following purposes:

- (a) \$2,370,818 and \$250,428 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) \$3,314,165 was transferred from the Community Facilities District Fund to the General Fund for police and fire services.

Current interfund receivables and payables as of June 30, 2016 are as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 367,573
General Fund	Water Fund	4,975
General Fund	Internal Service Funds	141,490
General Fund	Nonmajor Enterprise Funds	664,855
		<u>\$ 1,178,893</u>

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

Note 5: Notes Receivable and Long Term Receivable

	<u>Outstanding at June 30, 2016</u>
First time home buyer notes issued to homeowners	\$ 53,600
Neighborhood Stabilization deferred loan program	1,379,892
Housing rehabilitation deferred loan program	1,052,304
Horizons at Indio senior housing project	3,552,755
Geovel, Inc. secured promissory note	4,181,686
	<u>\$ 10,220,237</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 5: Notes Receivable and Long Term Receivable (Continued)

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, 2016, 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, 2016 was \$3,552,755.

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, 2016 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, 2016 was \$1,379,892.

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 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, 2016 was \$4,181,686.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 6: 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.

	General Fund	Indio Housing Authority	Total
Land held for resale	\$ 8,206,143	\$ 304,000	\$ 8,510,143
Impairment allowance	(3,508,697)	-	(3,508,697)
Total	<u>\$ 4,697,446</u>	<u>\$ 304,000</u>	<u>\$ 5,001,446</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.

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 7: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016, is as follows:

Governmental activities:

	Balance July 1, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Structures and improvements	\$ 34,688,262	\$ 72,744	\$ 13,784	\$ -	\$ 34,747,222
Machinery and equipment	7,724,716	236,165	111,854	-	7,849,027
Vehicles	9,370,891	1,169,961	1,102,358	-	9,438,494
Infrastructure: street network	<u>545,687,087</u>	<u>1,159,460</u>	<u>-</u>	<u>4,295,187</u>	<u>551,141,734</u>
Total cost of depreciable assets	<u>597,470,956</u>	<u>2,638,330</u>	<u>1,227,996</u>	<u>4,295,187</u>	<u>603,176,477</u>
Less accumulated depreciation:					
Structures and improvements	7,145,256	888,529	-	-	8,033,785
Machinery and equipment	5,732,657	451,653	106,368	-	6,077,942
Vehicles	8,162,625	542,842	1,077,683	-	7,627,784
Infrastructure: street network	<u>211,932,241</u>	<u>13,710,360</u>	<u>-</u>	<u>-</u>	<u>225,642,601</u>
Total accumulated depreciation	<u>232,972,779</u>	<u>15,593,384</u>	<u>1,184,051</u>	<u>-</u>	<u>247,382,112</u>
Net depreciable assets	<u>364,498,177</u>	<u>(12,955,054)</u>	<u>43,945</u>	<u>4,295,187</u>	<u>355,794,365</u>
Capital assets not depreciated:					
Construction in process	15,931,629	5,046,314	121,135	(4,295,187)	16,561,621
Land	41,728,484	19,087	-	-	41,747,571
Right of way	<u>54,437,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,437,892</u>
Total capital assets not depreciated	<u>112,098,005</u>	<u>5,065,401</u>	<u>121,135</u>	<u>(4,295,187)</u>	<u>112,747,084</u>
Capital assets, net	<u>\$ 476,596,182</u>	<u>\$ (7,889,653)</u>	<u>\$ 165,080</u>	<u>\$ -</u>	<u>\$ 468,541,449</u>

Depreciation expense, including \$994,496 of internal service depreciation, was charged in the following functions:

General government	\$ 5,953,554
Public safety	385,157
Public works	7,236,890
Community development	1,997,512
Human services	<u>20,271</u>
	<u>\$ 15,593,384</u>

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 7: Capital Assets (Continued)

Business-type activities – Golf Course:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Structures and improvements	\$ 360,349	\$ -	\$ -	\$ 360,349
Machinery and equipment	50,076	69,989	-	120,065
Total cost of depreciable assets	410,425	69,989	-	480,414
Less accumulated depreciation:				
Structures and improvements	83,069	8,037	-	91,106
Machinery and equipment	49,753	5,214	-	54,967
Total accumulated depreciation	132,822	13,251	-	146,073
Net depreciable assets	277,603	56,738	-	334,341
Capital assets not depreciated				
Land	465,959	-	-	465,959
Capital assets, net	<u>\$ 743,562</u>	<u>\$ 56,738</u>	<u>\$ -</u>	<u>\$ 800,300</u>

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

Golf \$13,251

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 7: Capital Assets (Continued)

Business-type activities – Water:

	Balance July 1, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Structures and improvements	\$ 14,939,434	\$ -	\$ -	\$ -	\$ 14,939,434
Machinery and equipment	2,919,467	20,571	-	-	2,940,038
Vehicles	1,425,368	297,144	-	-	1,722,512
Utility distribution system	279,131,036	-	-	317,750	279,448,786
Total cost of depreciable assets	298,415,305	317,715	-	317,750	299,050,770
Less accumulated depreciation:					
Structures and improvements	1,673,610	373,467	-	-	2,047,077
Machinery and equipment	1,741,009	133,790	-	-	1,874,799
Vehicles	1,282,709	43,754	-	-	1,326,463
Utility distribution system	110,141,769	6,983,988	-	-	117,125,757
Total accumulated depreciation	114,839,097	7,534,999	-	-	122,374,096
Net depreciable assets	183,576,208	(7,217,284)	-	317,750	176,676,674
Capital assets not depreciated:					
Construction in process	5,912,221	1,816,662	-	(317,750)	7,411,133
Land	1,703,010	-	-	-	1,703,010
Total capital assets not depreciated	7,615,231	1,816,662	-	(317,750)	9,114,143
Capital assets, net	\$ 191,191,439	\$ (5,400,622)	\$ -	\$ -	\$ 185,790,817

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

Water \$7,534,999

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 8: Changes in Long-Term Liabilities

Changes in long-term liabilities during the fiscal year ended June 30, 2016, were as follows:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Amount Due Within One Year	Beyond One Year
Governmental activities						
Bonds payable:						
2007A Lease Revenue	\$ 15,665,000	\$ -	\$ 15,665,000	\$ -	\$ -	\$ -
2012 Lease Revenue	23,525,000	-	995,000	22,530,000	1,030,000	21,500,000
2016A Lease Revenue Refunding	-	14,150,000	-	14,150,000	-	14,150,000
2016B Taxable Lease Revenue Refunding	-	5,580,000	-	5,580,000	445,000	5,135,000
Issue premium on bonds	-	919,278	-	919,278	-	919,278
Subtotal	39,190,000	20,649,278	16,660,000	43,179,278	1,475,000	41,704,278
Capital lease obligations	2,052,897	-	378,767	1,674,130	421,390	1,252,740
Installment agreement	4,535,000	-	490,000	4,045,000	510,000	3,535,000
Post employment benefit liability	17,082,074	3,510,961	1,608,836	18,984,199	-	18,984,199
Net pension liability	39,368,436	9,773,513	5,981,596	43,160,353	-	43,160,353
Notes payable	9,920,051	-	6,570,548	3,349,503	860,133	2,489,370
Compensated absences	1,900,986	1,331,074	1,412,464	1,819,596	1,351,990	467,606
Claims payable	3,746,715	328,855	3,897,275	178,295	-	178,295
Subtotal	78,606,159	14,944,403	20,339,486	73,211,076	3,143,513	70,067,563
Total	\$ 117,796,159	\$ 35,593,681	\$ 36,999,486	\$ 116,390,354	\$ 4,618,513	\$ 111,771,841

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Amount Due Within One Year	Beyond One Year
Business-type activities:						
Bonds payable:						
2015A Water Revenue Refunding	\$ 51,065,000	\$ -	\$ -	\$ 51,065,000	\$ -	\$ 51,065,000
2015B Water Revenue Refunding	9,150,000	-	1,490,000	7,660,000	1,860,000	5,800,000
Issue Premium on bonds	1,400,289	-	56,012	1,344,277	-	1,344,277
Bonds, net	61,615,289	-	1,546,012	60,069,277	1,860,000	58,209,277
Net pension liability	6,353,467	1,620,512	1,292,547	6,681,432	-	6,681,432
Compensated absences	238,793	232,397	221,253	249,937	231,578	18,359
Total	\$ 68,207,549	\$ 1,852,909	\$ 3,059,812	\$ 67,000,646	\$ 2,091,578	\$ 64,909,068

Note 9: 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. The balance as of June 30, 2016 on this contract was \$993,325.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 9: Obligations under Capital Leases (Continued)

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,		
	2017	\$ 362,368
	2018	352,091
	2019	352,091
Subtotal		1,066,550
Less amount representing interest		(73,225)
Present value of future lease payments		<u>\$ 993,325</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, 2016 on this contract was \$680,805.

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,		
	2017	\$ 105,212
	2018	105,212
	2019	105,212
	2020	105,212
	2021	105,212
	2022-2024	263,029
Subtotal		789,089
Less amount representing interest		(108,284)
Present value of future lease payments		<u>\$ 680,805</u>

Note 10: Bonds PayableLease 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 consisted 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.

Note 10: Bonds Payable (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. The Bonds were completely refunded by the 2016A Lease Revenue Refunding Bonds.

Lease Revenue Refunding Bonds, Series 2012

In October 2012, the City of Indio Public Financing Authority issued the \$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, 2016, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$22,530,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 10: Bonds Payable (Continued)Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,030,000	\$ 1,049,031	\$ 2,079,031
2018	1,080,000	996,281	2,076,281
2019	1,135,000	940,906	2,075,906
2020	635,000	896,656	1,531,656
2021	670,000	864,031	1,534,031
2022-2026	3,900,000	3,791,809	7,691,809
2027-2031	4,910,000	2,804,705	7,714,705
2032-2036	6,215,000	1,525,754	7,740,754
2037-2041	2,955,000	149,625	3,104,625
	<u>\$ 22,530,000</u>	<u>\$ 13,018,798</u>	<u>\$ 35,548,798</u>

Lease Revenue Refunding Bonds, Series 2016A

In April 2016, the City of Indio Public Financing Authority issued the \$14,150,000 Lease Revenue Refunding Bonds Series 2016A. The proceeds were used to refund the remaining outstanding balance of Series 2007A.

The Series 2016A bonds consist of \$11,720,000 of serial bonds and \$2,430,000 of term bonds. The serial bonds accrue interest at rates between 3.00% and 5.00% and the principal amounts mature between November 1, 2019 and November 1, 2037 in amounts ranging from \$500,000 to \$1,005,000. Term bonds of \$2,430,000 accrue interest at 3.00% and mature on November 1, 2031. At June 30, 2016, the outstanding balance of the Series 2012 bonds was \$14,150,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 10: Bonds Payable (Continued)Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 281,632	\$ 281,632
2018	-	554,913	554,913
2019	-	546,563	546,563
2020	500,000	542,813	1,042,813
2021	515,000	530,163	1,045,163
2022-2026	2,975,000	2,268,525	5,243,525
2027-2031	3,755,000	1,469,125	5,224,125
2032-2036	4,430,000	764,538	5,194,538
2037-2041	1,975,000	91,253	2,066,253
	<u>\$ 14,150,000</u>	<u>\$ 7,049,525</u>	<u>\$ 21,199,525</u>

Taxable Lease Revenue Refunding Bonds, Series 2016B

In April 2016, the City of Indio Public Financing Authority issued the \$5,580,000 Lease Revenue Refunding Bonds Series 2016B. The proceeds were used to repay the remaining outstanding balance of the H.N. and Frances C. Berger Foundation note payable.

The Series 2016B bonds consist of \$5,580,000 of serial bonds. The serial bonds accrue interest at rates between 1.520% and 3.650% and the principal amounts mature between November 1, 2016 and November 1, 2026 in amounts ranging from \$445,000 to \$570,000. At June 30, 2016, the outstanding balance of the Series 2016B bonds was \$5,580,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 10: Bonds Payable (Continued)Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 445,000	\$ 153,391	\$ 598,391
2018	460,000	141,405	601,405
2019	465,000	132,915	597,915
2020	480,000	123,078	603,078
2021	490,000	111,551	601,551
2022-2026	2,670,000	330,358	3,000,358
2027-2031	570,000	10,403	580,403
	<u>\$ 5,580,000</u>	<u>\$ 1,003,101</u>	<u>\$ 6,583,101</u>

Refunded Debt

The full refunding of Series 2007A Lease Revenue Bonds and the H. N. and Frances C. Berger Foundation note payable by the issuance of the Series 2016A Lease Revenue Refunding Bonds and the Series 2016B Taxable Lease Revenue Bonds reduced the total debt service payments over the life of the old bonds and the new bonds by \$3,674,215, and obtained an economic gain (difference between net present value of the debt service payments on the old debt and new debt) of \$3,827,743.

Note 11: 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 \$4,045,000 as of June 30, 2016.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 11: Installment Sale Agreement (Continued)

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
2017	\$ 510,000	\$ 166,713	\$ 676,713
2018	530,000	146,313	676,313
2019	555,000	125,113	680,113
2020	575,000	102,913	677,913
2021	600,000	79,913	679,913
2022-2023	1,275,000	83,750	1,358,750
	<u>\$ 4,045,000</u>	<u>\$ 704,715</u>	<u>\$ 4,749,715</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 12: 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 1/2 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, 2016 was \$1,954,067.

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 required that 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 note was completed paid off and refunded by the 2016B Taxable Lease Revenue Refunding Bonds. At June 30, 2016, the outstanding balance of the note was \$0.

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, 2016 was \$1,395,436.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 12: Notes Payable (Continued)Debt Service Requirements to Maturity

The annual debt service requirements to maturity for the Notes Payable agreements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 860,133	\$ 92,337	\$ 952,470
2018	892,679	59,790	952,469
2019	927,048	25,421	952,469
2020	390,556	762	391,318
2021	279,087	-	279,087
	<u>\$ 3,349,503</u>	<u>\$ 178,310</u>	<u>\$ 3,527,813</u>

Note 13: 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 eligible dependents 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, 2015, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	172
Active plan members	<u>236</u>
Total	<u><u>408</u></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 2015-16 the City contributed \$1,608,836 to the plan for current premiums.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 13: 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 contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$ 3,790,963
Interest on net OPEB obligation	768,693
Adjustments to annual required contributions	<u>(1,048,695)</u>
Annual OPEB cost (expense)	3,510,961
Contributions made (including premiums paid)	<u>1,608,836</u>
Increase in net OPEB obligation	1,902,125
Net OPEB obligation-beginning of fiscal year	<u>17,082,074</u>
Net OPEB obligation-end of fiscal year	<u><u>\$ 18,984,199</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2014	\$ 3,055,190	52.35%	\$ 15,607,841
6/30/2015	3,031,327	50.97%	17,082,074
6/30/2016	3,510,961	45.82%	18,984,199

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2015 was as follows:

Actuarial accrued liability (AAL)	\$ 44,212,488
Actuarial value of plan assets	<u>(991,358)</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 43,221,130</u></u>
Funded ratio (actuarial value of plan assets/AAL)	2%
Covered payroll (active plan members)	17,957,486
UAAL as a percentage of covered payroll	241%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 13: 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 percent. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1 2015 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.

Note 14: Water Enterprise Revenue Bond

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 14: Water Enterprise Revenue Bond (Continued)

At June 30, 2016, the outstanding balance of the Series 2015A bonds and Series 2015B bonds were \$51,065,000 and \$7,660,000, respectively.

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 were 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 14: Water Enterprise Revenue Bond (Continued)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
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	2,055,000	2,102,613	4,157,613
2022-2026	11,905,000	8,867,063	20,772,063
2027-2031	14,675,000	6,102,063	20,777,063
2032-2036	17,570,000	3,201,894	20,771,894
2037-2041	4,860,000	547,375	5,407,375
	<u>\$ 51,065,000</u>	<u>\$ 29,231,460</u>	<u>\$ 80,296,460</u>

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$ 7,660,000</u>	<u>\$ 480,073</u>	<u>\$ 8,140,073</u>

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 15: Debt Issued Without Government Commitment

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.

Description	Issuance Date	Face Value	Interest Rate	Maturity Date	Outstanding 6/30/2015	FY15/16 DS Principal	Outstanding 6/30/2016
AD99-1/R	7/26/2012	\$ 1,520,000	4.690%	9/2/2020	\$ 1,015,000	\$ 150,000	\$ 865,000
AD2001-1/R	7/26/2012	3,295,000	4.690%	9/2/2026	2,720,000	175,000	2,545,000
AD2002-1/R	7/26/2012	3,410,000	4.690%	9/2/2026	2,870,000	165,000	2,705,000
AD2002-2/R	7/26/2012	2,162,900	4.690%	9/2/2027	1,828,101	114,331	1,713,770
AD2002-3/R	7/26/2012	4,119,800	4.710%	9/2/2027	3,474,800	200,800	3,274,000
AD2003-1/R	7/23/2014	1,752,000	3.550%	9/2/2029	1,752,000	87,000	1,752,000
AD2003-2/R	7/23/2014	1,402,000	3.550%	9/2/2029	1,402,000	70,000	1,402,000
AD2003-3/R	7/23/2014	4,038,000	3.550%	9/2/2029	4,038,000	196,000	4,038,000
AD2003-5/R	7/23/2014	1,343,000	3.550%	9/2/2029	1,343,000	68,000	1,343,000
AD2003-6/R	7/23/2014	1,627,000	3.550%	9/2/2029	1,627,000	77,000	1,627,000
AD2004-1	9/30/2004	2,265,000	2.80% to 6.00%	9/2/2030	1,730,000	70,000	1,660,000
AD2004-2	11/4/2004	3,604,000	1.67% to 3.86%	9/2/2030	2,755,000	115,000	2,640,000
AD2004-3	2/24/2005	7,350,000	2.90% to 5.50%	9/2/2030	5,584,000	464,500	5,119,500
CFD2004-3	8/4/2015	15,530,000	2.00% to 4.00%	9/1/2035	15,530,000	-	15,530,000
CFD2005-1 A1/R	7/23/2014	8,337,000	4.030%	9/1/2036	8,337,000	207,000	8,337,000
CFD2005-1 A2/R	7/23/2014	8,499,000	4.030%	9/1/2036	7,554,000	209,000	7,554,000
CFD2006-1/R	7/23/2014	7,554,000	4.030%	9/1/2036	8,499,000	212,000	8,499,000

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 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	\$ 1,386,001	\$ 680,121	49%

Note 17: Liability, Property and Workers Compensation ProtectionDescription 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 116 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.

Note 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 2015-16 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) \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million x/s \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority.

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 2015-16 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

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

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 \$130,363,470. 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 2015-16.

Changes in the claims payable amounts in fiscal years 2014, 2015, and 2016 were as follows:

	Beginning of Fiscal Year Liability	Current Fiscal Year Claims and Prior Fiscal Year Changes in Estimates	Claim Payments	Balance at Fiscal Year End
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
2015-16	3,746,715	328,855	(3,897,275)	178,295

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 18: Pension Plan***Plan Description***

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

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 for non-duty disability benefits after 10 statutorily reduced benefits.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	City Miscellaneous Plans		
	Classic*	PEPRA	
	Prior to July 1, 2013	On or after July 1, 2013	
Hire date			
Benefit formula	2.7% @ 55	2.7% @ 62	
Benefit vesting schedule	5 years of service	5 years of service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50-55	52-67	
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%	
Required employee contribution rates	8.00%	6.25%	
Required employer contribution rates	23.461%	23.461%	
	City Safety Plans		
	Classic 1*	Classic 2*	PEPRA
	Prior to July 1, 2011	On or after July 1, 2011	On or after July 1, 2013
Hire date			
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of 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	20.230%	17.295%	11.923%

*Plan closed to new entrants

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 18: Pension Plan (Continued)

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for the Miscellaneous Plans:

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

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as a reduction to the net pension liability was \$2,496,547 and \$2,286,752 for the miscellaneous and safety plans, respectively.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

Note 18: Pension Plan (Continued)

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. 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 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 18: Pension Plan (Continued)

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) 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 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 geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Estate	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

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

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

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Net Pension and Liability and Changes in Net Pension Liability

As of June 30, 2016, the City reported net pension liabilities of each as follows:

Net Pension Liability	
Miscellaneous agent	\$ 24,537,822
Safety cost-sharing proportionate share	25,303,963
Total Net Pension Liability:	<u>\$ 49,841,785</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 18: Pension Plan (Continued)

For the Safety proportionate share of the net pension liability, it is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 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 plans as of June 30, 2014 and June 30, 2015 is as follows:

	PEPRA			
	Safety Classic	Safety Tier 2	Safety Police	Total Plans
Proportion - June 30, 2014	0.59198%	0.00000%	0.00000%	0.59198%
Proportion - June 30, 2015	0.40665%	0.00000%	0.00000%	0.40666%
Change - Increase (Decrease)	-0.18533%	0.00000%	0.00000%	-0.18532%

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the miscellaneous agent multiple-employer plan.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Assets)
	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2014 (Valuation Date) (1)	\$ 77,534,808	\$ 54,018,053	\$ 23,516,755
Changes Recognized for the Measurement Period:			
Service Cost	2,054,043	-	2,054,043
Interest on the Total Pension Liability	5,714,555	-	5,714,555
Experience	(717,418)	-	(717,418)
Difference between Expected and Actual Earnings	-	(2,883,771)	2,883,771
Changes of Assumptions	(1,451,365)	-	(1,451,365)
Plan to plan resource movement	-	(123)	123
Contribution from the Employer	-	2,496,547	(2,496,547)
Contributions from Employees	-	940,052	(940,052)
Net Investment Income (2)	-	4,095,237	(4,095,237)
Benefit Payments including Refunds of Employee Contributions	(3,385,987)	(3,385,987)	-
Administration expense	-	(69,194)	69,194
Net Changes During 2014-15	2,213,828	1,192,761	1,021,067
Balance at: 6/30/2015 (Measurement Date) (1)	\$ 79,748,636	\$ 55,210,814	\$ 24,537,822

Note: Contributions from the Employer (City) has been adjusted from the GASB 68 report to reflect the actual contributions for the year ended June 30, 2015.

- (1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.
- (2) Net of administrative expenses.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 18: Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plans as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% 6.65%	Current Rate - 1% 7.65%	Discount Rate + 1% 8.65%
Miscellaneous Plans	\$ 35,752,152	\$ 24,537,822	\$ 15,415,435
Safety Classic	39,303,965	25,303,889	13,824,083
Safety Tier 2	306	33	(191)
Safety PEPRA	66	41	21

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the 2014-15 measurement period is 3.8 years for safety cost-sharing and miscellaneous agent, which was obtained by dividing the total service years of 467,023 safety and 1,388 miscellaneous (the sum of remaining service lifetimes of the active employees) by 122,410 safety and 522 miscellaneous (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 18: Pension Plan (Continued)***Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2016, the City recognized pension expense of \$860,884 and \$1,115,093 for the miscellaneous and safety plans, respectively. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Agent Multiple-Employer	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,619,205	\$ -
Change in Assumptions	-	950,894
Net Difference between Projected and Actual Experience	-	470,032
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	440,912
Total Miscellaneous	<u>\$ 2,619,205</u>	<u>\$ 1,861,838</u>
Safety Cost-Sharing Multiple-Employer	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,563,777	\$ -
Change in Assumptions	-	1,380,641
Net Difference between Projected and Actual Experience	-	300,181
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	699,718
Adjustment due to Difference in Proportions	900,494	-
Adjustment due to Difference in Proportions contribution	3,615	-
Total Safety	<u>\$ 3,467,886</u>	<u>\$ 2,380,540</u>
Total Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,182,982	\$ -
Change in Assumptions	-	2,331,535
Net Difference between Projected and Actual Experience	-	770,213
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,140,630
Adjustment due to Difference in Proportions	900,494	-
Adjustment due to Difference in Proportions contribution	3,615	-
Total Safety	<u>\$ 6,087,091</u>	<u>\$ 4,242,378</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 18: Pension Plan (Continued)

\$5,182,982 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 year ended June 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2016	\$ (1,875,494)
2017	(1,805,488)
2018	(1,092,990)
2019	1,435,703

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

Note 19: Contingent Liabilities and CommitmentNormal 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 2015-2016, payment in the amount of \$445,282 was made to the County.

Note 19: Contingent Liabilities and Commitment (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 2016, 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.

Note 20: 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, 2016, 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, 2016 was \$25,000 for operations. Audited financial statements may be obtained from the City of Indio, 100 Civic Center Mall, Indio, CA 92201.

Note 21: 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.

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, 2016, 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.

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 21: Net Position and Fund Balances (Continued)

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.

Note 22: 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, 2016 is as follows:

	Governmental Activities
Restricted for:	
Assessment districts	\$ 486,397
Community development	137,483
Debt service	2,207,581
Capital projects	14,025,222
Public safety	237,033
Public works	5,085,739
	<hr/>
Total restricted net position	\$ 22,179,455

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 23: Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 21 for a description of these categories). A detailed schedule of fund balances at June 30, 2016, is as follows:

	General Fund	General Debt Service	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Prepaid items	\$ 196,561	\$ -	\$ -	\$ 196,561
Land held for sale	4,697,446	-	-	4,697,446
Notes receivable	4,083,823	-	-	4,083,823
Total nonspendable fund balances	<u>8,977,830</u>	<u>-</u>	<u>-</u>	<u>8,977,830</u>
Restricted for:				
Debt service	-	2,207,581	-	2,207,581
Construction projects	-	-	1,815,468	1,815,468
Gas tax	-	-	967,996	967,996
Traffic safety	-	-	5,799	5,799
Public safety	-	-	17,482	17,482
Supplemental law enforcement	-	-	126,691	126,691
LLEBG	-	-	10,148	10,148
Homeland security	-	-	1,607	1,607
Abandoned vehicle	-	-	46,993	46,993
Unclaimed property	-	-	7,169	7,169
Measure A	-	-	1,055,062	1,055,062
Article 3	-	-	12	12
NPDES	-	-	18,283	18,283
Air quality	-	-	120,787	120,787
Department of conservation recycling	-	-	49,437	49,437
Indian gaming SB 621	-	-	15,990	15,990
Waste recycling AB939	-	-	636,887	636,887
Community facilities district	-	-	145,121	145,121
Certified access specialist SB 1186	-	-	5,321	5,321
Public education government channel	-	-	748,793	748,793
COPS Hiring Recovery	-	-	3,733	3,733
Neighborhood stabilization 2	-	-	972,917	972,917
Neighborhood stabilization 3	-	-	38,600	38,600
Lighting and landscape	-	-	3,862,196	3,862,196
Asset forfeiture	-	-	1,421	1,421
Community development block grant	-	-	54,880	54,880
Emergency, abandoned and recalcitrant	-	-	78,461	78,461
Housing related park program	-	-	3,321	3,321
Donations	-	-	50,728	50,728
Indio Housing Authority	-	-	9,110,571	9,110,571
Total restricted fund balances	<u>-</u>	<u>2,207,581</u>	<u>19,971,874</u>	<u>22,179,455</u>
Committed	<u>11,196,775</u>	<u>-</u>	<u>-</u>	<u>11,196,775</u>
Assigned				
General government	323,429	-	-	323,429
Community development projects	3,135,397	-	-	3,135,397
Total assigned fund balances	<u>3,458,826</u>	<u>-</u>	<u>-</u>	<u>3,458,826</u>
Unassigned	1,820,512	-	(6,126)	1,814,386
Total fund balances	<u>\$ 25,453,943</u>	<u>\$ 2,207,581</u>	<u>\$ 19,965,748</u>	<u>\$ 47,627,272</u>

CITY OF INDIO

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2016

Note 23: Fund Balances (Continued)

At June 30, 2016, outstanding encumbrances by major fund are as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 323,429
Nonmajor Governmental Funds	<u>832,413</u>
	<u>\$ 1,155,842</u>

Note 24: 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, 2015:

	<u>Nonmajor Governmental Fund COPS Hiring Recovery</u>
Fund balance at June 30, 2015	\$ 72,736
Correction of prior period revenues	<u>(63,567)</u>
Fund balance at July 1, 2015, as restated	<u>\$ 9,169</u>

	<u>Governmental Activities</u>
Net position at June 30, 2015	\$ 411,432,162
Correction of prior period revenues	<u>(63,567)</u>
Net position at July 1, 2015, as restated	<u>\$ 411,368,595</u>

Note 25: Successor Agency Trust for Assets of Former Redevelopment Agency

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

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

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

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

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

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

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

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

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).

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 25: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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.

a. Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 5,596,100
Cash and investments with fiscal agent	5,463,166
Total	<u>\$ 11,059,266</u>

b. Notes Receivable

As of June 30, 2016, notes receivable consisted of the following:

Jackalope	\$ 449,553
Housing rehabilitation deferred loan program	46,717
Total	<u>\$ 496,270</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, 2016 was \$449,553.

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, 2016 was \$46,717.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 25: Successor Agency (Continued)**c. Land Held for Resale**

Land held for resale in the RDA Capital Project Fund consists of 33 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, 2016, land held for resale totaled \$19,431,557.

d. SERAF Advance

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. Long term payable balance as of June 30, 2016 was \$5,376,151.

e. Long-Term Liabilities

Long-term debt of the Successor Agency as of June 30, 2016, consisted of the following:

	Balance July 1, 2015	Additions	Retirements	Balance at June 30, 2016	Amount Due Within One Year
Bonds payable:					
1997 Series A	\$ 415,000	\$ -	\$ 70,000	\$ 345,000	\$ 75,000
1999 Revenue Refunding	2,100,000	-	215,000	1,885,000	230,000
2004A Tax Allocation	8,615,000	-	150,000	8,465,000	160,000
2008A Tax Allocation	55,420,000	-	1,075,000	54,345,000	1,110,000
2008B Tax Allocation	2,890,000	-	650,000	2,240,000	695,000
Total	<u>\$ 69,440,000</u>	<u>\$ -</u>	<u>\$ 2,160,000</u>	<u>\$ 67,280,000</u>	<u>\$ 2,270,000</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 25: 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, 2016 was \$345,000.

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, 2016 was \$1,885,000.

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 \$330,319. At June 30, 2016 the actual reserve amount was \$332,350.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 25: 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, 2016, the reserve was fully funded and the outstanding balance of the Series 2004A was \$8,465,000.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016

Note 25: Successor Agency (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, 2016, the reserves were fully funded and the outstanding balance of the Series 2008A and Series 2008B bonds were \$54,345,000 and \$2,240,000, 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
2017	\$ 2,270,000	\$ 3,580,644	\$ 5,850,644
2018	2,390,000	3,446,566	5,836,566
2019	2,525,000	3,304,831	5,829,831
2020	2,660,000	3,162,556	5,822,556
2021	2,580,000	3,027,494	5,607,494
2022-2026	14,225,000	13,035,447	27,260,447
2027-2031	18,680,000	8,768,527	27,448,527
2032-2036	21,950,000	2,940,842	24,890,842
	<u>\$ 67,280,000</u>	<u>\$ 41,266,907</u>	<u>\$ 108,546,907</u>

f. Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$113,923,058 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$6,501,376 and the debt service obligation on the bonds was \$5,836,196.



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 23,589,476	\$ 23,589,476	\$ 23,589,476	\$ -
Resources (Inflows):				
Taxes	34,482,768	35,502,768	43,013,543	7,510,775
Licenses and permits	2,879,250	2,439,250	2,438,031	(1,219)
Intergovernmental	8,154,170	8,513,331	640,664	(7,872,667)
Charges for services	6,909,970	6,780,970	7,176,025	395,055
Use of money and property	710,672	710,672	739,409	28,737
Fines and forfeitures	794,000	752,000	801,708	49,708
Miscellaneous	1,728,592	1,912,592	1,919,132	6,540
Transfers in	3,153,658	3,153,658	3,314,165	160,507
Amounts Available for Appropriations	82,402,556	83,354,717	83,632,153	277,436
Charges to Appropriation (Outflow):				
General government				
City council	346,299	346,299	318,224	28,075
City manager	800,418	1,050,418	1,061,054	(10,636)
City clerk	214,547	214,547	206,209	8,338
City attorney	850,000	1,050,000	360,200	689,800
Human resources	910,755	1,045,755	1,042,745	3,010
Finance	1,482,874	1,482,874	1,486,884	(4,010)
Public safety				
Police administration	1,472,314	1,507,314	1,378,614	128,700
Police field services	10,152,395	9,925,727	9,755,993	169,734
Police investigations	6,103,050	6,110,450	6,037,598	72,852
Police traffic safety	953,952	953,952	798,883	155,069
Police support services	4,055,839	4,087,339	4,132,062	(44,723)
Animal control	925,000	925,000	794,597	130,403
Code enforcement	1,823,528	1,878,528	1,789,606	88,922
Fire and ambulance	13,124,831	13,087,386	12,614,170	473,216
Community development				
Building and safety	1,553,046	1,571,446	1,549,877	21,569
Planning	1,185,970	1,352,937	1,257,453	95,484
Economic development	1,716,336	2,414,189	1,879,350	534,839
Parks and recreation				
Youth service	684,017	687,017	685,277	1,740
Community services	304,640	304,640	290,508	14,132
Promotions and publicity	635,346	712,151	714,235	(2,084)
Senior services	669,293	699,293	693,661	5,632
Public works				
Street maintenance and operations	2,469,088	2,567,529	2,301,151	266,378
Engineering and administration	1,707,394	1,711,394	1,509,819	201,575
Parks and parkways	1,689,048	2,090,719	2,116,533	(25,814)
Non-departmental				
Other	41,518	41,518	102,318	(60,800)
Contingency	98,914	2,994	-	2,994
Capital outlay	-	2,143,677	127,824	2,015,853
Debt service:				
Principal retirement	362,368	362,368	302,130	60,238
Interest and fiscal charges	-	-	60,240	(60,240)
Transfers out	2,480,300	2,860,477	2,810,995	49,482
Total Charges to Appropriations	58,813,080	63,187,938	58,178,210	5,009,728
Budgetary Fund Balance, June 30	\$ 23,589,476	\$ 20,166,779	\$ 25,453,943	\$ 5,287,164

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

Note 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, 2016

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) (a-b)	Funded Ratio (b/a)	Annual Covered Payroll (c)	UAAL as a % of Payroll ((a-b)/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%
7/1/2015	44,212,488	991,358	43,221,130	2%	17,957,486	241%

CITY OF INDIO

**REQUIRED SUPPLEMENTARY INFORMATION
AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2016	2015
Total Pension Liability		
Service Cost	\$ 2,054,043	\$ 2,067,477
Interest on total pension liability	5,714,555	5,452,950
Differences between expected and actual experience	(717,418)	-
Changes in assumptions	(1,451,365)	-
Benefit payments, including refunds of employee contributions	(3,385,987)	(3,315,765)
Net change in total pension liability	2,213,828	4,204,662
Total pension liability - beginning	77,534,808	73,330,146
Total pension liability - ending (a)	\$ 79,748,636	\$ 77,534,808
 Plan fiduciary net position		
Contributions - employer	\$ 2,496,547	\$ 2,331,161
Contributions - employee	940,052	914,677
Net investment income	4,095,237	7,998,811
Benefit payments	(3,385,987)	(3,315,765)
Difference in projected and actual earnings	(2,883,771)	-
Plan to plan resource movement	(123)	-
Administration Expense	(69,194)	-
Net change in plan fiduciary net position	1,192,761	7,928,884
Plan fiduciary net position - beginning	54,018,053	46,089,169
Plan fiduciary net position - ending (b)	\$ 55,210,814	\$ 54,018,053
 Net pension liability - ending (a)-(b)	 \$ 24,537,822	 \$ 23,516,755
 Plan fiduciary net position as a percentage of the total pension liability	 69.23%	 69.67%
 Covered-employee payroll	 \$ 11,314,463	 \$ 10,908,447
 Net pension liability as a percentage of covered-employee payroll	 216.87%	 215.58%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administration expense) to 7.65 percent.

(1) Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

CITY OF INDIO

**REQUIRED SUPPLEMENTARY INFORMATION
AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2016</u>	<u>2015</u>
MISCELLANEOUS:		
Actuarially Determined Contribution	\$ 2,619,205	\$ 2,496,547
Contribution in Relation to the Actuarially Determined Contributions	<u>(2,619,205)</u>	<u>(2,496,547)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 11,818,755	\$ 11,314,463
Contributions as a Percentage of Covered-Employee Payroll	22.16%	22.07%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll, closed 20 years
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% - 14.20% depending on age, service and type of employment
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	RP-2000 Heath Annuitant Mortality Table

CITY OF INDIO

**REQUIRED SUPPLEMENTARY INFORMATION
 COST-SHARING MULTIPLE EMPLOYER SAFETY PLANS
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2016</u>	<u>2015</u>
SAFETY CLASSIC:		
Proportion of the Net Pension Liability	0.40665%	0.35685%
Proportionate Share of the Net Pension Liability	\$ 25,303,889	\$ 22,205,148
Covered-Employee Payroll	\$ 5,988,462	\$ 6,311,549
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	422.54%	351.82%
SAFETY SECOND TIER PLAN:		
Proportion of the Net Pension Liability	0.00000%	
Proportionate Share of the Net Pension Liability	\$ 33	
Covered-Employee Payroll	\$ 202,859	
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	0.02%	
PEPRA SAFETY PLAN:		
Proportion of the Net Pension Liability	0.00000%	
Proportionate Share of the Net Pension Liability	\$ 41	
Covered-Employee Payroll	\$ 432,734	
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	0.01%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.22%	65.76%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administration expense) to 7.65 percent.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

CITY OF INDIO

**REQUIRED SUPPLEMENTARY INFORMATION
COST-SHARING MULTIPLE EMPLOYER SAFETY PLANS
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2016</u>	<u>2015</u>
SAFETY CLASSIC:		
Actuarially Determined Contribution	\$ 2,455,354	\$ 2,186,834
Contribution in Relation to the Actuarially Determined Contributions	<u>(2,455,354)</u>	<u>(2,186,834)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 5,698,493	\$ 5,988,462
Contributions as a Percentage of Covered-Employee Payroll	43.09%	36.52%
SAFETY SECOND TIER PLAN:		
Actuarially Determined Contribution	\$ 53,854	\$ 46,789
Contribution in Relation to the Actuarially Determined Contribution	<u>(53,854)</u>	<u>(46,789)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 311,386	\$ 202,859
Contributions as a Percentage of Covered-Employee Payroll	17.29%	23.06%
PEPRA SAFETY PLAN:		
Actuarially Determined Contribution	\$ 54,569	\$ 53,129
Contribution in Relation to the Actuarially Determined Contribution	<u>(54,569)</u>	<u>(53,129)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 457,682	\$ 432,734
Contributions as a Percentage of Covered-Employee Payroll	11.92%	12.28%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only two years are shown.

Note to Schedule:

Valuation Date:	June 30, 2013
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 Years as of the Valuation Date
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment.
Investment rate of return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	50 and 57 years
Mortality	RP-2000 Heath Annuitant Mortality Table

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.

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.

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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 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.

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 – To account for donations to the City of items and funds for a designated purchase.

HUD Special Projects Fund – To account and monitor special projects funded with HUD monies.

Housing Related Park Program Fund – To account for housing projects throughout the city.

CITY OF INDIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Assets:				
Pooled cash and investments	\$ 317,451	\$ 5,799	\$ -	\$ 127,214
Receivables:				
Accounts	10,163	-	-	-
Notes and loans	-	-	-	-
Accrued interest	448	-	-	154
Due from other governments	-	-	35,153	8,333
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	700,219	-	-	-
Total Assets	\$ 1,028,281	\$ 5,799	\$ 35,153	\$ 135,701
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 46,425	\$ -	\$ -	\$ 8,254
Accrued liabilities	13,860	-	-	756
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	17,671	-
Total Liabilities	60,285	-	17,671	9,010
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	967,996	5,799	17,482	126,691
Unassigned	-	-	-	-
Total Fund Balances	967,996	5,799	17,482	126,691
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,028,281	\$ 5,799	\$ 35,153	\$ 135,701

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Proposition 1B	LLEBG	Homeland Security	Abandoned Vehicle
Assets:				
Pooled cash and investments	\$ -	\$ 2,494	\$ -	\$ 47,429
Receivables:				
Accounts	-	7,751	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	8,951	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 10,245	\$ 8,951	\$ 47,429
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,473	\$ 436
Accrued liabilities	-	97	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	5,871	-
Total Liabilities	-	97	7,344	436
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	-	10,148	1,607	46,993
Unassigned	-	-	-	-
Total Fund Balances	-	10,148	1,607	46,993
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 10,245	\$ 8,951	\$ 47,429

CITY OF INDIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds			
	Unclaimed Property	Measure A	Article 3	NPDES
Assets:				
Pooled cash and investments	\$ 77,071	\$ 858,268	\$ -	\$ 20,699
Receivables:				
Accounts	-	188,820	-	-
Notes and loans	-	-	-	-
Accrued interest	-	1,179	12	-
Due from other governments	-	280,600	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 77,071	\$ 1,328,867	\$ 12	\$ 20,699
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 69,902	\$ 256,356	\$ -	\$ 2,416
Accrued liabilities	-	17,449	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	69,902	273,805	-	2,416
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	7,169	1,055,062	12	18,283
Unassigned	-	-	-	-
Total Fund Balances	7,169	1,055,062	12	18,283
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 77,071	\$ 1,328,867	\$ 12	\$ 20,699

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Air Quality	HBRRP	Indian Gaming SB 621	Waste Recycling AB939
Assets:				
Pooled cash and investments	\$ 109,073	\$ -	\$ 17,521	\$ 627,760
Receivables:				
Accounts	-	28,907	-	15,286
Notes and loans	-	-	-	-
Accrued interest	190	-	27	708
Due from other governments	28,809	-	-	1,407
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 138,072	\$ 28,907	\$ 17,548	\$ 645,161
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 17,285	\$ 4,737	\$ 497	\$ 850
Accrued liabilities	-	-	1,061	7,424
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	28,907	-	-
Total Liabilities	17,285	33,644	1,558	8,274
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	120,787	-	15,990	636,887
Unassigned	-	(4,737)	-	-
Total Fund Balances	120,787	(4,737)	15,990	636,887
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 138,072	\$ 28,907	\$ 17,548	\$ 645,161

CITY OF INDIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds			
	Communities Facilities District	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant
Assets:				
Pooled cash and investments	\$ 76,395	\$ 6,970	\$ 147,772	\$ 50,496
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	4,658,659	-
Accrued interest	737	-	170	-
Due from other governments	67,989	-	-	-
Advances to other funds	-	-	5,376,151	-
Land held for resale	-	-	304,000	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 145,121	\$ 6,970	\$ 10,486,752	\$ 50,496
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 203	\$ 1,059
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	1,649	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1,649	203	1,059
Deferred Inflows of Resources:				
Unavailable revenues	-	-	1,375,978	-
Total Deferred Inflows of Resources	-	-	1,375,978	-
Fund Balances:				
Restricted	145,121	5,321	9,110,571	49,437
Unassigned	-	-	-	-
Total Fund Balances	145,121	5,321	9,110,571	49,437
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 145,121	\$ 6,970	\$ 10,486,752	\$ 50,496

CITY OF INDIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Public Education Government Channel	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
Assets:				
Pooled cash and investments	\$ 773,156	\$ -	\$ 982,451	\$ 47,456
Receivables:				
Accounts	47,757	-	-	-
Notes and loans	-	-	1,199,492	180,400
Accrued interest	-	-	1,209	-
Due from other governments	-	20,241	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 820,913	\$ 20,241	\$ 2,183,152	\$ 227,856
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 72,120	\$ -	\$ 523	\$ 8,856
Accrued liabilities	-	4,456	10,220	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	12,052	-	-
Total Liabilities	72,120	16,508	10,743	8,856
Deferred Inflows of Resources:				
Unavailable revenues	-	-	1,199,492	180,400
Total Deferred Inflows of Resources	-	-	1,199,492	180,400
Fund Balances:				
Restricted	748,793	3,733	972,917	38,600
Unassigned	-	-	-	-
Total Fund Balances	748,793	3,733	972,917	38,600
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 820,913	\$ 20,241	\$ 2,183,152	\$ 227,856

CITY OF INDIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds			
	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant
Assets:				
Pooled cash and investments	\$ 3,942,936	\$ 1,419	\$ -	\$ 150,567
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	4,321	2	-	130
Due from other governments	12,728	-	375,044	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,959,985	\$ 1,421	\$ 375,044	\$ 150,697
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 94,219	\$ -	\$ 23,967	\$ 72,236
Accrued liabilities	-	-	14,940	-
Unearned revenues	-	-	-	-
Deposits payable	3,570	-	-	-
Due to other funds	-	-	281,257	-
Total Liabilities	97,789	-	320,164	72,236
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	3,862,196	1,421	54,880	78,461
Unassigned	-	-	-	-
Total Fund Balances	3,862,196	1,421	54,880	78,461
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,959,985	\$ 1,421	\$ 375,044	\$ 150,697

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Cal Emergency Management	Donations	HUD Special Projects	Housing Related Park Program
Assets:				
Pooled cash and investments	\$ -	\$ 50,728	\$ -	\$ 68,502
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	20,426	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 20,426	\$ 50,728	\$ -	\$ 68,502
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 65,181
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	21,815	-	-	-
Total Liabilities	21,815	-	-	65,181
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted	-	50,728	-	3,321
Unassigned	(1,389)	-	-	-
Total Fund Balances	(1,389)	50,728	-	3,321
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,426	\$ 50,728	\$ -	\$ 68,502

CITY OF INDIO

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>Capital Projects Funds</u>		
	<u>Capital Projects</u>	<u>Assessment District</u>	<u>Total Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ 2,800,730	\$ 470	\$ 11,310,827
Receivables:			
Accounts	1,463,618	-	1,762,302
Notes and loans	-	-	6,038,551
Accrued interest	5,323	54	14,664
Due from other governments	-	-	859,681
Advances to other funds	-	-	5,376,151
Land held for resale	-	-	304,000
Restricted assets:			
Cash and investments with fiscal agents	-	363,824	1,064,043
Total Assets	<u>\$ 4,269,671</u>	<u>\$ 364,348</u>	<u>\$ 26,730,219</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 275,493	\$ -	\$ 1,022,488
Accrued liabilities	377	-	70,640
Unearned revenues	1,774,998	-	1,774,998
Deposits payable	-	-	5,219
Due to other funds	-	-	367,573
Total Liabilities	<u>2,050,868</u>	<u>-</u>	<u>3,240,918</u>
Deferred Inflows of Resources:			
Unavailable revenues	767,683	-	3,523,553
Total Deferred Inflows of Resources	<u>767,683</u>	<u>-</u>	<u>3,523,553</u>
Fund Balances:			
Restricted	1,451,120	364,348	19,971,874
Unassigned	-	-	(6,126)
Total Fund Balances	<u>1,451,120</u>	<u>364,348</u>	<u>19,965,748</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,269,671</u>	<u>\$ 364,348</u>	<u>\$ 26,730,219</u>



CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Revenues:				
Taxes	\$ 1,818,538	\$ -	\$ 433,141	\$ -
Intergovernmental	6,569	-	-	110,688
Use of money and property	32,860	-	1,252	590
Fines and forfeitures	-	58,077	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	52,446	-	-	37,125
Total Revenues	1,910,413	58,077	434,393	148,403
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	54,205	239,292	204,744
Community development	-	-	-	-
Public works	1,221,256	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	490,000	-	-	-
Interest and fiscal charges	190,121	-	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	1,901,377	54,205	239,292	204,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,036	3,872	195,101	(56,341)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(14,376)	-	(253,658)	-
Total Other Financing Sources (Uses)	(14,376)	-	(253,658)	-
Net Change in Fund Balances	(5,340)	3,872	(58,557)	(56,341)
Fund Balances, Beginning of Year	973,336	1,927	76,039	183,032
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	973,336	1,927	76,039	183,032
Fund Balances, End of Year	\$ 967,996	\$ 5,799	\$ 17,482	\$ 126,691

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Proposition 1B	LLEBG	Homeland Security	Abandoned Vehicle
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	26,222	8,951	26,543
Use of money and property	-	15	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	26,237	8,951	26,543
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	33,454	12,552	40,102
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	-	33,454	12,552	40,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(7,217)	(3,601)	(13,559)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(7)	-	-	-
Total Other Financing Sources (Uses)	(7)	-	-	-
Net Change in Fund Balances	(7)	(7,217)	(3,601)	(13,559)
Fund Balances, Beginning of Year	7	17,365	5,208	60,552
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	7	17,365	5,208	60,552
Fund Balances, End of Year	\$ -	\$ 10,148	\$ 1,607	\$ 46,993

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Unclaimed Property	Measure A	Article 3	NPDES
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,822,139	119,620	-
Use of money and property	-	4,172	12	-
Fines and forfeitures	1,696	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	442,935	-	-
Total Revenues	1,696	2,269,246	119,632	-
Expenditures:				
Current:				
General government	-	-	182,790	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	1,883,940	-	64,567
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	550,227	-	-
Interest and fiscal charges	-	123,157	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	-	2,557,324	182,790	64,567
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,696	(288,078)	(63,158)	(64,567)
Other Financing Sources (Uses):				
Transfers in	-	48,681	189,734	60,000
Transfers out	-	(189,734)	(48,681)	-
Total Other Financing Sources (Uses)	-	(141,053)	141,053	60,000
Net Change in Fund Balances	1,696	(429,131)	77,895	(4,567)
Fund Balances, Beginning of Year	5,473	1,484,193	(77,883)	22,850
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	5,473	1,484,193	(77,883)	22,850
Fund Balances, End of Year	\$ 7,169	\$ 1,055,062	\$ 12	\$ 18,283

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Air Quality	HBRRP	Indian Gaming SB 621	Waste Recycling AB939
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	106,946	110,962	-	10,878
Use of money and property	810	-	238	2,162
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	223,110
Total Revenues	107,756	110,962	238	236,150
Expenditures:				
Current:				
General government	-	-	-	183,379
Public safety	-	-	88,834	-
Community development	-	-	-	-
Public works	233,821	117,680	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	233,821	117,680	88,834	183,379
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,065)	(6,718)	(88,596)	52,771
Other Financing Sources (Uses):				
Transfers in	-	14,376	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	14,376	-	-
Net Change in Fund Balances	(126,065)	7,658	(88,596)	52,771
Fund Balances, Beginning of Year	246,852	(12,395)	104,586	584,116
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	246,852	(12,395)	104,586	584,116
Fund Balances, End of Year	\$ 120,787	\$ (4,737)	\$ 15,990	\$ 636,887

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Communities Facilities District	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	45,127
Use of money and property	1,543	-	350	-
Fines and forfeitures	-	-	-	-
Contributions	3,022,084	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	4,142	6,098	-
Total Revenues	3,023,627	4,142	6,448	45,127
Expenditures:				
Current:				
General government	-	-	-	38,128
Public safety	-	-	-	-
Community development	81,376	-	25,969	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	81,376	-	25,969	38,128
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,942,251	4,142	(19,521)	6,999
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(2,918,000)	-	-	-
Total Other Financing Sources (Uses)	(2,918,000)	-	-	-
Net Change in Fund Balances	24,251	4,142	(19,521)	6,999
Fund Balances, Beginning of Year	120,870	1,179	9,130,092	42,438
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	120,870	1,179	9,130,092	42,438
Fund Balances, End of Year	\$ 145,121	\$ 5,321	\$ 9,110,571	\$ 49,437

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Public Education Government Channel	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	40,762	-	-
Use of money and property	-	-	824,569	110,409
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	195,276	-	29,843	-
Total Revenues	195,276	40,762	854,412	110,409
Expenditures:				
Current:				
General government	229,798	-	-	-
Public safety	-	46,198	-	-
Community development	-	-	929,356	177,622
Public works	-	-	160	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	229,798	46,198	929,516	177,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,522)	(5,436)	(75,104)	(67,213)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(34,522)	(5,436)	(75,104)	(67,213)
Fund Balances, Beginning of Year	783,315	72,736	1,048,021	105,813
Restatements	-	(63,567)	-	-
Fund Balances, Beginning of Year, as Restated	783,315	9,169	1,048,021	105,813
Fund Balances, End of Year	\$ 748,793	\$ 3,733	\$ 972,917	\$ 38,600

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Lighting and Landscape	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	885,292	62,220
Use of money and property	13,599	11	-	353
Fines and forfeitures	-	-	-	-
Contributions	1,090,080	-	-	-
Developer participation	-	-	-	-
Miscellaneous	66,315	-	-	-
Total Revenues	1,169,994	11	885,292	62,573
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	3,000	-	73,858
Community development	-	-	806,928	-
Public works	1,177,704	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	1,177,704	3,000	806,928	73,858
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,710)	(2,989)	78,364	(11,285)
Other Financing Sources (Uses):				
Transfers in	3,020	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	3,020	-	-	-
Net Change in Fund Balances	(4,690)	(2,989)	78,364	(11,285)
Fund Balances, Beginning of Year	3,866,886	4,410	(23,484)	89,746
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	3,866,886	4,410	(23,484)	89,746
Fund Balances, End of Year	\$ 3,862,196	\$ 1,421	\$ 54,880	\$ 78,461

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Special Revenue Funds			
	Cal Emergency Management	Donations	HUD Special Projects	Housing Related Park Program
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,426	-	142,500	1,010,700
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	2,767	-	-
Total Revenues	20,426	2,767	142,500	1,010,700
Expenditures:				
Current:				
General government	-	2,887	-	-
Public safety	20,426	-	-	-
Community development	-	-	-	1,194,787
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Pass-through agreement payments	-	-	-	-
Total Expenditures	20,426	2,887	-	1,194,787
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(120)	142,500	(184,087)
Other Financing Sources (Uses):				
Transfers in	-	-	-	187,408
Transfers out	-	-	(142,500)	-
Total Other Financing Sources (Uses)	-	-	(142,500)	187,408
Net Change in Fund Balances	-	(120)	-	3,321
Fund Balances, Beginning of Year	(1,389)	50,848	-	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(1,389)	50,848	-	-
Fund Balances, End of Year	\$ (1,389)	\$ 50,728	\$ -	\$ 3,321

CITY OF INDIO

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Capital Projects Funds</u>		<u>Total Governmental Funds</u>
	<u>Capital Projects</u>	<u>Assessment District</u>	
Revenues:			
Taxes	\$ -	\$ -	\$ 2,251,679
Intergovernmental	508,762	-	5,065,307
Use of money and property	18,870	1,729	1,013,544
Fines and forfeitures	-	-	59,773
Contributions	-	-	4,112,164
Developer participation	1,639,556	-	1,639,556
Miscellaneous	2,612,605	-	3,672,662
Total Revenues	<u>4,779,793</u>	<u>1,729</u>	<u>17,814,685</u>
Expenditures:			
Current:			
General government	-	-	636,982
Public safety	-	-	816,665
Community development	-	-	3,216,038
Public works	-	23,760	4,722,888
Capital outlay	4,908,632	-	4,908,632
Debt service:			
Principal retirement	279,087	-	1,319,314
Interest and fiscal charges	4,655	-	317,933
Pass-through agreement payments	-	486,367	486,367
Total Expenditures	<u>5,192,374</u>	<u>510,127</u>	<u>16,424,819</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(412,581)</u>	<u>(508,398)</u>	<u>1,389,866</u>
Other Financing Sources (Uses):			
Transfers in	-	-	503,219
Transfers out	(1,071,430)	-	(4,638,386)
Total Other Financing Sources (Uses)	<u>(1,071,430)</u>	<u>-</u>	<u>(4,135,167)</u>
Net Change in Fund Balances	<u>(1,484,011)</u>	<u>(508,398)</u>	<u>(2,745,301)</u>
Fund Balances, Beginning of Year	2,935,131	872,746	22,774,616
Restatements	-	-	(63,567)
Fund Balances, Beginning of Year, as Restated	<u>2,935,131</u>	<u>872,746</u>	<u>22,711,049</u>
Fund Balances, End of Year	<u>\$ 1,451,120</u>	<u>\$ 364,348</u>	<u>\$ 19,965,748</u>

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 973,336	\$ 973,336	\$ 973,336	\$ -
Resources (Inflows):				
Taxes	1,769,460	1,769,460	1,818,538	49,078
Intergovernmental	-	-	6,569	6,569
Use of money and property	-	-	32,860	32,860
Miscellaneous	-	-	52,446	52,446
Amounts Available for Appropriations	2,742,796	2,742,796	2,883,749	140,953
Charges to Appropriation (Outflow):				
Public works	1,279,152	1,279,152	1,221,256	57,896
Debt service:				
Principal retirement	475,000	475,000	490,000	(15,000)
Interest and fiscal charges	201,313	201,313	190,121	11,192
Transfers out	-	-	14,376	(14,376)
Total Charges to Appropriations	1,955,465	1,955,465	1,915,753	39,712
Budgetary Fund Balance, June 30	\$ 787,331	\$ 787,331	\$ 967,996	\$ 180,665

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,927	\$ 1,927	\$ 1,927	\$ -
Resources (Inflows):				
Fines and forfeitures	72,000	72,000	58,077	(13,923)
Amounts Available for Appropriations	73,927	73,927	60,004	(13,923)
Charges to Appropriation (Outflow):				
Public safety	89,787	89,787	54,205	35,582
Total Charges to Appropriations	89,787	89,787	54,205	35,582
Budgetary Fund Balance, June 30	\$ (15,860)	\$ (15,860)	\$ 5,799	\$ 21,659

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 76,039	\$ 76,039	\$ 76,039	\$ -
Resources (Inflows):				
Taxes	430,000	430,000	433,141	3,141
Use of money and property	-	-	1,252	1,252
Amounts Available for Appropriations	506,039	506,039	510,432	4,393
Charges to Appropriation (Outflow):				
Public safety	239,293	239,293	239,292	1
Transfers out	253,658	253,658	253,658	-
Total Charges to Appropriations	492,951	492,951	492,950	1
Budgetary Fund Balance, June 30	\$ 13,088	\$ 13,088	\$ 17,482	\$ 4,394

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 183,032	\$ 183,032	\$ 183,032	\$ -
Resources (Inflows):				
Intergovernmental	130,000	131,614	110,688	(20,926)
Use of money and property	-	-	590	590
Miscellaneous	-	-	37,125	37,125
Amounts Available for Appropriations	313,032	314,646	331,435	16,789
Charges to Appropriation (Outflow):				
Public safety	203,700	314,346	204,744	109,602
Total Charges to Appropriations	203,700	314,346	204,744	109,602
Budgetary Fund Balance, June 30	\$ 109,332	\$ 300	\$ 126,691	\$ 126,391

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
LLEBG
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,365	\$ 17,365	\$ 17,365	\$ -
Resources (Inflows):				
Intergovernmental	50,587	51,242	26,222	(25,020)
Use of money and property	-	-	15	15
Amounts Available for Appropriations	67,952	68,607	43,602	(25,005)
Charges to Appropriation (Outflow):				
Public safety	50,587	51,242	33,454	17,788
Total Charges to Appropriations	50,587	51,242	33,454	17,788
Budgetary Fund Balance, June 30	\$ 17,365	\$ 17,365	\$ 10,148	\$ (7,217)

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
HOMELAND SECURITY
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,208	\$ 5,208	\$ 5,208	\$ -
Resources (Inflows):				
Intergovernmental	-	13,078	8,951	(4,127)
Amounts Available for Appropriations	5,208	18,286	14,159	(4,127)
Charges to Appropriation (Outflow):				
Public safety	-	13,078	12,552	526
Total Charges to Appropriations	-	13,078	12,552	526
Budgetary Fund Balance, June 30	\$ 5,208	\$ 5,208	\$ 1,607	\$ (3,601)

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
 ABANDONED VEHICLE
 YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 60,552	\$ 60,552	\$ 60,552	\$ -
Resources (Inflows):				
Intergovernmental	81,000	81,000	26,543	(54,457)
Amounts Available for Appropriations	141,552	141,552	87,095	(54,457)
Charges to Appropriation (Outflow):				
Public safety	81,000	81,000	40,102	40,898
Total Charges to Appropriations	81,000	81,000	40,102	40,898
Budgetary Fund Balance, June 30	\$ 60,552	\$ 60,552	\$ 46,993	\$ (13,559)

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
MEASURE A
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,484,193	\$ 1,484,193	\$ 1,484,193	\$ -
Resources (Inflows):				
Taxes	-	-	-	-
Intergovernmental	1,796,000	1,796,000	1,822,139	26,139
Use of money and property	-	-	4,172	4,172
Miscellaneous	-	-	442,935	442,935
Transfers in	-	-	48,681	48,681
Amounts Available for Appropriations	3,280,193	3,280,193	3,802,120	521,927
Charges to Appropriation (Outflow):				
Public works	2,343,091	2,343,091	1,883,940	459,151
Debt service:				
Principal retirement	518,679	518,679	550,227	(31,548)
Interest and fiscal charges	154,703	154,703	123,157	31,546
Transfers out	-	-	189,734	(189,734)
Total Charges to Appropriations	3,016,473	3,016,473	2,747,058	269,415
Budgetary Fund Balance, June 30	\$ 263,720	\$ 263,720	\$ 1,055,062	\$ 791,342

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
ARTICLE 3
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (77,883)	\$ (77,883)	\$ (77,883)	\$ -
Resources (Inflows):				
Intergovernmental	173,400	173,400	119,620	(53,780)
Use of money and property	-	-	12	12
Transfers in	-	-	189,734	189,734
Amounts Available for Appropriations	95,517	95,517	231,483	135,966
Charges to Appropriation (Outflow):				
General government	173,400	188,252	182,790	5,462
Transfers out	-	-	48,681	(48,681)
Total Charges to Appropriations	173,400	188,252	231,471	(43,219)
Budgetary Fund Balance, June 30	\$ (77,883)	\$ (92,735)	\$ 12	\$ 92,747

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
NPDES
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 22,850	\$ 22,850	\$ 22,850	\$ -
Resources (Inflows):				
Transfers in	105,000	105,000	60,000	(45,000)
Amounts Available for Appropriations	127,850	127,850	82,850	(45,000)
Charges to Appropriation (Outflow):				
Public works	120,500	120,500	64,567	55,933
Total Charges to Appropriations	120,500	120,500	64,567	55,933
Budgetary Fund Balance, June 30	\$ 7,350	\$ 7,350	\$ 18,283	\$ 10,933

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 246,852	\$ 246,852	\$ 246,852	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	106,946	6,946
Use of money and property	-	-	810	810
Amounts Available for Appropriations	346,852	346,852	354,608	7,756
Charges to Appropriation (Outflow):				
Public works	220,000	220,000	233,821	(13,821)
Capital outlay	-	9,653	-	9,653
Total Charges to Appropriations	220,000	229,653	233,821	(4,168)
Budgetary Fund Balance, June 30	\$ 126,852	\$ 117,199	\$ 120,787	\$ 3,588

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
HBRRP
YEAR ENDED JUNE 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (12,395)	\$ (12,395)	\$ (12,395)	\$ -
Resources (Inflows):				
Intergovernmental	3,468,121	3,468,121	110,962	(3,357,159)
Transfers in	-	-	14,376	14,376
Amounts Available for Appropriations	<u>3,455,726</u>	<u>3,455,726</u>	<u>112,943</u>	<u>(3,342,783)</u>
Charges to Appropriation (Outflow):				
Public works	3,468,121	3,468,121	117,680	3,350,441
Total Charges to Appropriations	<u>3,468,121</u>	<u>3,468,121</u>	<u>117,680</u>	<u>3,350,441</u>
Budgetary Fund Balance, June 30	<u>\$ (12,395)</u>	<u>\$ (12,395)</u>	<u>\$ (4,737)</u>	<u>\$ 7,658</u>

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
 INDIAN GAMING SB 621
 YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 104,586	\$ 104,586	\$ 104,586	\$ -
Resources (Inflows):				
Use of money and property	-	-	238	238
Amounts Available for Appropriations	104,586	104,586	104,824	238
Charges to Appropriation (Outflow):				
Public safety	60,836	102,105	88,834	13,271
Total Charges to Appropriations	60,836	102,105	88,834	13,271
Budgetary Fund Balance, June 30	\$ 43,750	\$ 2,481	\$ 15,990	\$ 13,509

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
WASTE RECYCLING AB939
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 584,116	\$ 584,116	\$ 584,116	\$ -
Resources (Inflows):				
Intergovernmental	12,000	12,000	10,878	(1,122)
Use of money and property	-	-	2,162	2,162
Miscellaneous	217,000	217,000	223,110	6,110
Amounts Available for Appropriations	813,116	813,116	820,266	7,150
Charges to Appropriation (Outflow):				
General government	189,774	189,774	183,379	6,395
Total Charges to Appropriations	189,774	189,774	183,379	6,395
Budgetary Fund Balance, June 30	\$ 623,342	\$ 623,342	\$ 636,887	\$ 13,545

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
COMMUNITIES FACILITIES DISTRICT
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 120,870	\$ 120,870	\$ 120,870	\$ -
Resources (Inflows):				
Use of money and property	-	-	1,543	1,543
Contributions	3,010,000	3,010,000	3,022,084	12,084
Amounts Available for Appropriations	3,130,870	3,130,870	3,144,497	13,627
Charges to Appropriation (Outflow):				
Community development	66,259	66,259	81,376	(15,117)
Transfers out	2,900,000	2,900,000	2,918,000	(18,000)
Total Charges to Appropriations	2,966,259	2,966,259	2,999,376	(33,117)
Budgetary Fund Balance, June 30	\$ 164,611	\$ 164,611	\$ 145,121	\$ (19,490)

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
 CERTIFIED ACCESS SPECIALIST SB 1186
 YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,179	\$ 1,179	\$ 1,179	\$ -
Resources (Inflows):				
Miscellaneous	2,800	2,800	4,142	1,342
Amounts Available for Appropriations	3,979	3,979	5,321	1,342
Charges to Appropriation (Outflow):				
General government	2,800	2,800	-	2,800
Total Charges to Appropriations	2,800	2,800	-	2,800
Budgetary Fund Balance, June 30	\$ 1,179	\$ 1,179	\$ 5,321	\$ 4,142

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
INDIO HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,130,092	\$ 9,130,092	\$ 9,130,092	\$ -
Resources (Inflows):				
Use of money and property	-	-	350	350
Miscellaneous	-	-	6,098	6,098
Amounts Available for Appropriations	9,130,092	9,130,092	9,136,540	6,448
Charges to Appropriation (Outflow):				
Community development	-	26,000	25,969	31
Total Charges to Appropriations	-	26,000	25,969	31
Budgetary Fund Balance, June 30	\$ 9,130,092	\$ 9,104,092	\$ 9,110,571	\$ 6,479

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
DEPARTMENT OF CONSERVATION RECYCLE GRANT
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 42,438	\$ 42,438	\$ 42,438	\$ -
Resources (Inflows):				
Intergovernmental	40,000	40,000	45,127	5,127
Amounts Available for Appropriations	82,438	82,438	87,565	5,127
Charges to Appropriation (Outflow):				
General government	44,927	44,927	38,128	6,799
Total Charges to Appropriations	44,927	44,927	38,128	6,799
Budgetary Fund Balance, June 30	\$ 37,511	\$ 37,511	\$ 49,437	\$ 11,926

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
PUBLIC EDUCATION GOVERNMENT CHANNEL
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 783,315	\$ 783,315	\$ 783,315	\$ -
Resources (Inflows):				
Miscellaneous	190,000	190,000	195,276	5,276
Amounts Available for Appropriations	973,315	973,315	978,591	5,276
Charges to Appropriation (Outflow):				
General government	500,000	500,000	229,798	270,202
Total Charges to Appropriations	500,000	500,000	229,798	270,202
Budgetary Fund Balance, June 30	\$ 473,315	\$ 473,315	\$ 748,793	\$ 275,478

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
COPS HIRING RECOVERY
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 9,169	\$ 9,169	\$ 9,169	\$ -
Resources (Inflows):				
Intergovernmental	86,739	86,739	40,762	(45,977)
Amounts Available for Appropriations	95,908	95,908	49,931	(45,977)
Charges to Appropriation (Outflow):				
Public safety	86,740	86,740	46,198	40,542
Total Charges to Appropriations	86,740	86,740	46,198	40,542
Budgetary Fund Balance, June 30	\$ 9,168	\$ 9,168	\$ 3,733	\$ (5,435)

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION GRANT 2
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,048,021	\$ 1,048,021	\$ 1,048,021	\$ -
Resources (Inflows):				
Intergovernmental	1,100,000	1,100,000	-	(1,100,000)
Use of money and property	-	-	824,569	824,569
Miscellaneous	-	-	29,843	29,843
Amounts Available for Appropriations	2,148,021	2,148,021	1,902,433	(245,588)
Charges to Appropriation (Outflow):				
Community development	1,837,771	1,837,771	929,356	908,415
Public works	-	-	160	(160)
Total Charges to Appropriations	1,837,771	1,837,771	929,516	908,255
Budgetary Fund Balance, June 30	\$ 310,250	\$ 310,250	\$ 972,917	\$ 662,667

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION GRANT 3
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 105,813	\$ 105,813	\$ 105,813	\$ -
Resources (Inflows):				
Use of money and property	-	-	110,409	110,409
Amounts Available for Appropriations	105,813	105,813	216,222	110,409
Charges to Appropriation (Outflow):				
Community development	450,000	450,000	177,622	272,378
Total Charges to Appropriations	450,000	450,000	177,622	272,378
Budgetary Fund Balance, June 30	\$ (344,187)	\$ (344,187)	\$ 38,600	\$ 382,787

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
LIGHTING AND LANDSCAPE
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,866,886	\$ 3,866,886	\$ 3,866,886	\$ -
Resources (Inflows):				
Use of money and property	-	-	13,599	13,599
Contributions	1,090,236	1,090,236	1,090,080	(156)
Miscellaneous	-	-	66,315	66,315
Transfers in	-	3,020	3,020	-
Amounts Available for Appropriations	4,957,122	4,960,142	5,039,900	79,758
Charges to Appropriation (Outflow):				
Public works	1,278,258	1,460,704	1,177,704	283,000
Capital outlay	-	124,507	-	124,507
Total Charges to Appropriations	1,278,258	1,585,211	1,177,704	407,507
Budgetary Fund Balance, June 30	\$ 3,678,864	\$ 3,374,931	\$ 3,862,196	\$ 487,265

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,410	\$ 4,410	\$ 4,410	\$ -
Resources (Inflows):				
Use of money and property	-	-	11	11
Amounts Available for Appropriations	4,410	4,410	4,421	11
Charges to Appropriation (Outflow):				
Public safety	-	4,419	3,000	1,419
Total Charges to Appropriations	-	4,419	3,000	1,419
Budgetary Fund Balance, June 30	\$ 4,410	\$ (9)	\$ 1,421	\$ 1,430

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (23,484)	\$ (23,484)	\$ (23,484)	\$ -
Resources (Inflows):				
Intergovernmental	869,128	919,128	885,292	(33,836)
Amounts Available for Appropriations	845,644	895,644	861,808	(33,836)
Charges to Appropriation (Outflow):				
Community development	868,742	918,742	806,928	111,814
Total Charges to Appropriations	868,742	918,742	806,928	111,814
Budgetary Fund Balance, June 30	\$ (23,098)	\$ (23,098)	\$ 54,880	\$ 77,978

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
EMERGENCY ABANDONED AND RECALCITRANT
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 89,746	\$ 89,746	\$ 89,746	\$ -
Resources (Inflows):				
Intergovernmental	-	-	62,220	62,220
Use of money and property	-	-	353	353
Amounts Available for Appropriations	89,746	89,746	152,319	62,573
Charges to Appropriation (Outflow):				
Public safety	-	73,859	73,858	1
Total Charges to Appropriations	-	73,859	73,858	1
Budgetary Fund Balance, June 30	\$ 89,746	\$ 15,887	\$ 78,461	\$ 62,574

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
CAL EMERGENCY MANAGEMENT
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,389)	\$ (1,389)	\$ (1,389)	\$ -
Resources (Inflows):				
Intergovernmental	-	20,426	20,426	-
Amounts Available for Appropriations	(1,389)	19,037	19,037	-
Charges to Appropriation (Outflow):				
Public safety	-	20,426	20,426	-
Total Charges to Appropriations	-	20,426	20,426	-
Budgetary Fund Balance, June 30	\$ (1,389)	\$ (1,389)	\$ (1,389)	\$ -

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
DONATIONS
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 50,848	\$ 50,848	\$ 50,848	\$ -
Resources (Inflows):				
Miscellaneous	-	-	2,767	2,767
Amounts Available for Appropriations	50,848	50,848	53,615	2,767
Charges to Appropriation (Outflow):				
General government	30,300	33,300	2,887	30,413
Total Charges to Appropriations	30,300	33,300	2,887	30,413
Budgetary Fund Balance, June 30	\$ 20,548	\$ 17,548	\$ 50,728	\$ 33,180

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
 HUD SPECIAL PROJECTS
 YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	142,000	142,000	142,500	500
Amounts Available for Appropriations	142,000	142,000	142,500	500
Charges to Appropriation (Outflow):				
Community development	142,000	142,000	-	142,000
Transfers out	-	-	142,500	(142,500)
Total Charges to Appropriations	142,000	142,000	142,500	(500)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
HOUSING RELATED PARK PROGRAM
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	1,010,700	1,743,625	1,010,700	(732,925)
Transfers in	-	187,408	187,408	-
Amounts Available for Appropriations	1,010,700	1,931,033	1,198,108	(732,925)
Charges to Appropriation (Outflow):				
Community development	1,010,700	1,931,033	1,194,787	736,246
Total Charges to Appropriations	1,010,700	1,931,033	1,194,787	736,246
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 3,321	\$ 3,321

CAPITAL PROJECTS FUNDS

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

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.

CITY OF INDIO

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,935,131	\$ 2,935,131	\$ 2,935,131	\$ -
Resources (Inflows):				
Intergovernmental	2,119,855	2,224,295	508,762	(1,715,533)
Use of money and property	-	-	18,870	18,870
Developer participation	3,337,000	3,337,000	1,639,556	(1,697,444)
Miscellaneous	6,140,000	6,140,000	2,612,605	(3,527,395)
Amounts Available for Appropriations	14,531,986	14,636,426	7,714,924	(6,921,502)
Charges to Appropriation (Outflow):				
Capital outlay	12,055,799	12,160,239	4,908,632	7,251,607
Debt service:				
Principal retirement	289,457	289,457	279,087	10,370
Interest and fiscal charges	-	-	4,655	(4,655)
Transfers out	1,260,000	1,260,000	1,071,430	188,570
Total Charges to Appropriations	13,605,256	13,709,696	6,263,804	7,445,892
Budgetary Fund Balance, June 30	\$ 926,730	\$ 926,730	\$ 1,451,120	\$ 524,390

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

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
YEAR ENDED JUNE 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,761,706	\$ 2,761,706	\$ 2,761,706	\$ -
Resources (Inflows):				
Use of money and property	-	-	3,932	3,932
Transfers in	3,565,943	3,565,943	3,442,248	(123,695)
Other debts issued	-	-	19,730,000	19,730,000
Amounts Available for Appropriations	6,327,649	6,327,649	25,937,886	19,610,237
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	1,420,469	1,420,469	22,401,234	(20,980,765)
Interest and fiscal charges	2,145,474	2,145,474	2,248,349	(102,875)
Bond premium	-	-	(919,278)	919,278
Total Charges to Appropriations	3,565,943	3,565,943	23,730,305	(20,164,362)
Budgetary Fund Balance, June 30	\$ 2,761,706	\$ 2,761,706	\$ 2,207,581	\$ (554,125)

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

COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Golf</u>	<u>Solid Waste</u>	<u>Totals</u>
Assets:			
Current:			
Cash and investments	\$ 2,250	\$ 151,000	\$ 153,250
Receivables:			
Accounts	12,191	-	12,191
Accrued interest	-	309	309
Prepaid costs	75,000	-	75,000
Inventories	16,190	-	16,190
Total Current Assets	105,631	151,309	256,940
Noncurrent:			
Capital assets - net of accumulated depreciation	800,300	-	800,300
Total Noncurrent Assets	800,300	-	800,300
Total Assets	905,931	151,309	1,057,240
Deferred Outflows of Resources:			
Deferred outflows related to pensions	2,923	-	2,923
Total Deferred Outflows of Resources	2,923	-	2,923
Total Assets and Deferred Outflows of Resources	\$ 908,854	\$ 151,309	\$ 1,060,163
Liabilities, Deferred Inflows of Resources, and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 39,099	\$ -	\$ 39,099
Accrued liabilities	1,711	-	1,711
Due to other funds	664,855	-	664,855
Total Current Liabilities	705,665	-	705,665
Noncurrent:			
Net pension liability	62,725	-	62,725
Total Noncurrent Liabilities	62,725	-	62,725
Total Liabilities	768,390	-	768,390
Deferred Inflows of Resources:			
Deferred inflows related to pensions	8,238	-	8,238
Total Deferred Inflows of Resources	8,238	-	8,238
Net Position:			
Net investment in capital assets	800,300	-	800,300
Unrestricted	(668,074)	151,309	(516,765)
Total Net Position	132,226	151,309	283,535
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 908,854	\$ 151,309	\$ 1,060,163

CITY OF INDIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Golf</u>	<u>Solid Waste</u>	<u>Totals</u>
Operating Revenues:			
Sales and service charges	\$ 935,089	\$ -	\$ 935,089
Miscellaneous	-	150,000	150,000
Total Operating Revenues	935,089	150,000	1,085,089
Operating Expenses:			
Personnel services	18,563	-	18,563
Contractual services	608,627	-	608,627
Repairs and maintenance	68,431	-	68,431
Depreciation expense	13,251	-	13,251
Materials and supplies	376,673	-	376,673
Total Operating Expenses	1,085,545	-	1,085,545
Operating Income (Loss)	(150,456)	150,000	(456)
Nonoperating Revenues (Expenses):			
Interest revenue	-	622	622
Total Nonoperating Revenues (Expenses)	-	622	622
Income (Loss) Before Transfers	(150,456)	150,622	166
Transfers in	151,499	-	151,499
Changes in Net Position	1,043	150,622	151,665
Net Position:			
Beginning of Year	131,183	687	131,870
End of Fiscal Year	\$ 132,226	\$ 151,309	\$ 283,535

CITY OF INDIO

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016**
Business-Type Activities - Enterprise Funds

	<u>Golf</u>	<u>Solid Waste</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 924,330	\$ 150,000	\$ 1,074,330
Cash paid to suppliers for goods and services	(1,057,896)	-	(1,057,896)
Cash paid to employees for services	(21,356)	-	(21,356)
Net Cash Provided (Used) by Operating Activities	(154,922)	150,000	(4,922)
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	151,499	-	151,499
Due to/from other funds	73,412	-	73,412
Net Cash Provided (Used) by Non-Capital Financing Activities	224,911	-	224,911
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(69,989)	-	(69,989)
Net Cash Provided (Used) by Capital and Related Financing Activities	(69,989)	-	(69,989)
Cash Flows from Investing Activities:			
Interest received	-	485	485
Net Cash Provided (Used) by Investing Activities	-	485	485
Net Increase (Decrease) in Cash and Cash Equivalents	-	150,485	150,485
Cash and Cash Equivalents at Beginning of Year	2,250	515	2,765
Cash and Cash Equivalents at End of Year	\$ 2,250	\$ 151,000	\$ 153,250
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (150,456)	\$ 150,000	\$ (456)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	13,251	-	13,251
(Increase) decrease in accounts receivable	(10,759)	-	(10,759)
(Increase) decrease in inventory	1,970	-	1,970
(Increase) decrease in deferred outflows related to pensions	4,060	-	4,060
Increase (decrease) in accounts payable	(6,135)	-	(6,135)
Increase (decrease) in accrued liabilities	(1,785)	-	(1,785)
Increase (decrease) in net pension liability	(3,057)	-	(3,057)
Increase (decrease) in deferred inflows related to pensions	(2,011)	-	(2,011)
Total Adjustments	(4,466)	-	(4,466)
Net Cash Provided (Used) by Operating Activities	\$ (154,922)	\$ 150,000	\$ (4,922)

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

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016**

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds
Assets:				
Current:				
Cash and investments	\$ 2,558,449	\$ 483,677	\$ 1,047,438	\$ -
Receivables:				
Accounts	937,524	39	-	-
Prepaid costs	-	13,633	-	-
Restricted:				
Cash with fiscal agent	1,211,985	-	-	68,189
Total Current Assets	4,707,958	497,349	1,047,438	68,189
Noncurrent:				
Capital assets - net of accumulated depreciation	-	1,771,085	1,810,710	831,058
Total Noncurrent Assets	-	1,771,085	1,810,710	831,058
Total Assets	4,707,958	2,268,434	2,858,148	899,247
Deferred Outflows of Resources:				
Deferred outflows related to pensions	16,738	56,070	-	36,353
Total Deferred Outflows of Resources	16,738	56,070	-	36,353
Total Assets and Deferred Inflows of Resources	\$ 4,724,696	\$ 2,324,504	\$ 2,858,148	\$ 935,600
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current:				
Accounts payable	\$ 10,799	\$ 106,662	\$ 136,382	\$ 70,802
Accrued liabilities	6,881	22,830	-	15,800
Due to other funds	-	-	-	29,356
Bonds, notes, and capital leases	-	-	-	105,212
Total Current Liabilities	17,680	129,492	136,382	221,170
Noncurrent:				
Accrued claims and judgments	178,295	-	-	-
Net pension liability	158,263	539,129	-	364,667
Bonds, notes, and capital leases	-	-	-	575,593
Total Noncurrent Liabilities	336,558	539,129	-	940,260
Total Liabilities	354,238	668,621	136,382	1,161,430
Deferred Inflows of Resources:				
Deferred inflows related to pensions	12,152	42,270	-	30,041
Total Deferred Inflows of Resources	12,152	42,270	-	30,041
Net Position:				
Net investment in capital assets	-	1,771,085	1,810,710	831,058
Unrestricted	4,358,306	(157,472)	911,056	(1,086,929)
Total Net Position	4,358,306	1,613,613	2,721,766	(255,871)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 4,724,696	\$ 2,324,504	\$ 2,858,148	\$ 935,600

CITY OF INDIO

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Assets:			
Current:			
Cash and investments	\$ -	\$ -	\$ 4,089,564
Receivables:			
Accounts	-	-	937,563
Prepaid costs	-	1,463	15,096
Restricted:			
Cash with fiscal agent	-	-	1,280,174
Total Current Assets	-	1,463	6,322,397
Noncurrent:			
Capital assets - net of accumulated depreciation	-	-	4,412,853
Total Noncurrent Assets	-	-	4,412,853
Total Assets	-	1,463	10,735,250
Deferred Outflows of Resources:			
Deferred outflows related to pensions	81,704	-	190,865
Total Deferred Outflows of Resources	81,704	-	190,865
Total Assets and Deferred Inflows of Resources	\$ 81,704	\$ 1,463	\$ 10,926,115
Liabilities, Deferred Inflows of Resources, and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 78,811	\$ 19,589	\$ 423,045
Accrued liabilities	35,979	-	81,490
Due to other funds	45,900	66,234	141,490
Bonds, notes, and capital leases	-	-	105,212
Total Current Liabilities	160,690	85,823	751,237
Noncurrent:			
Accrued claims and judgments	-	-	178,295
Net pension liability	754,387	-	1,816,446
Bonds, notes, and capital leases	-	-	575,593
Total Noncurrent Liabilities	754,387	-	2,570,334
Total Liabilities	915,077	85,823	3,321,571
Deferred Inflows of Resources:			
Deferred inflows related to pensions	56,152	-	140,615
Total Deferred Inflows of Resources	56,152	-	140,615
Net Position:			
Net investment in capital assets	-	-	4,412,853
Unrestricted	(889,525)	(84,360)	3,051,076
Total Net Position	(889,525)	(84,360)	7,463,929
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 81,704	\$ 1,463	\$ 10,926,115

CITY OF INDIO

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacment	Buildings and Grounds
Operating Revenues:				
Sales and service charges	\$ 5,223,172	\$ 1,363,905	\$ 499,998	\$ 2,006,091
Other income	951,257	99,390	25,000	1,137
Total Operating Revenues	6,174,429	1,463,295	524,998	2,007,228
Operating Expenses:				
Personnel services	4,346,973	362,126	-	241,665
Contractual services	-	274,373	-	241,736
Repairs and maintenance	-	134,777	-	369,567
Depreciation expense	-	451,653	542,843	-
Materials and supplies	7,117	243,967	944	687,789
Total Operating Expenses	4,354,090	1,466,896	543,787	1,540,757
Operating Income (Loss)	1,820,339	(3,601)	(18,789)	466,471
Nonoperating Revenues (Expenses):				
Interest revenue	-	-	-	47
Interest expense	-	-	-	(28,574)
Gain (loss) on disposal of capital assets	-	-	122,140	-
Total Nonoperating Revenues (Expenses)	-	-	122,140	(28,527)
Income (Loss) Before Transfers and Capital Contributions	1,820,339	(3,601)	103,351	437,944
Capital Contributions	-	-	194,678	-
Transfers in	-	-	-	25,000
Changes in Net Position	1,820,339	(3,601)	298,029	462,944
Net Position:				
Beginning of Year	2,537,967	1,617,214	2,423,737	(718,815)
End of Fiscal Year	\$ 4,358,306	\$ 1,613,613	\$ 2,721,766	\$ (255,871)

CITY OF INDIO

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Operating Revenues:			
Sales and service charges	\$ 2,347,358	\$ 302,800	\$ 11,743,324
Other income	8,414	2,635	1,087,833
Total Operating Revenues	2,355,772	305,435	12,831,157
Operating Expenses:			
Personnel services	576,572	-	5,527,336
Contractual services	140,732	248,960	905,801
Repairs and maintenance	31,866	-	536,210
Depreciation expense	-	-	994,496
Materials and supplies	1,602,529	69,163	2,611,509
Total Operating Expenses	2,351,699	318,123	10,575,352
Operating Income (Loss)	4,073	(12,688)	2,255,805
Nonoperating Revenues (Expenses):			
Interest revenue	-	-	47
Interest expense	-	-	(28,574)
Gain (loss) on disposal of capital assets	-	-	122,140
Total Nonoperating Revenues (Expenses)	-	-	93,613
Income (Loss) Before Transfers and Capital Contributions	4,073	(12,688)	2,349,418
Capital Contributions	-	-	194,678
Transfers in	-	13,250	38,250
Changes in Net Position	4,073	562	2,582,346
Net Position:			
Beginning of Year	(893,598)	(84,922)	4,881,583
End of Fiscal Year	\$ (889,525)	\$ (84,360)	\$ 7,463,929

CITY OF INDIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacment	Buildings and Grounds
Cash Flows from Operating Activities:				
Cash received from/(paid to) interfund service provided	\$ 5,271,621	\$ 1,463,266	\$ 499,998	\$ 2,007,356
Cash paid to suppliers for goods and services	(3,732,917)	(574,408)	-	(1,317,132)
Cash paid to employees for services	(4,351,988)	(379,077)	-	(250,958)
Cash received from others	-	-	137,178	-
Net Cash Provided (Used) by Operating Activities	(2,813,284)	509,781	637,176	439,266
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	-	-	-	25,000
Due to/from other funds	-	-	-	(359,055)
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	-	(334,055)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(230,689)	(950,609)	-
Principal paid on capital debt	-	-	-	(76,637)
Interest paid on capital debt	-	-	-	(28,574)
Proceeds from sales of capital assets	-	-	122,140	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(230,689)	(828,469)	(105,211)
Cash Flows from Investing Activities:				
Interest received	-	-	-	47
Net Cash Provided (Used) by Investing Activities	-	-	-	47
Net Increase (Decrease) in Cash and Cash Equivalents	(2,813,284)	279,092	(191,293)	47
Cash and Cash Equivalents at Beginning of Year	6,583,718	204,585	1,238,731	68,142
Cash and Cash Equivalents at End of Year	\$ 3,770,434	\$ 483,677	\$ 1,047,438	\$ 68,189
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,820,339	\$ (3,601)	\$ (18,789)	\$ 466,471
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	451,653	542,843	-
(Increase) decrease in accounts receivable	(902,808)	(29)	-	128
(Increase) decrease in prepaid expense	-	(13,633)	-	596
(Increase) decrease in deferred outflows related to pensions	(611)	(982)	-	1,159
Increase (decrease) in accounts payable	(157,380)	92,342	113,122	(18,636)
Increase (decrease) in accrued liabilities	760	2,394	-	3,249
Increase (decrease) in claims and judgments	(3,568,420)	-	-	-
Increase (decrease) in net pension liability	6,352	20,214	-	11,311
Increase (decrease) in deferred inflows related to pensions	(11,516)	(38,577)	-	(25,012)
Total Adjustments	(4,633,623)	513,382	655,965	(27,205)
Net Cash Provided (Used) by Operating Activities	\$ (2,813,284)	\$ 509,781	\$ 637,176	\$ 439,266
Non-Cash Investing, Capital, and Financing Activities:				
Capital contributions	\$ -	\$ -	\$ 194,678	\$ -

CITY OF INDIO

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Cash Flows from Operating Activities:			
Cash received from/(paid to) interfund service provided	\$ 2,355,900	\$ 305,435	\$ 11,903,576
Cash paid to suppliers for goods and services	(1,822,643)	(326,011)	(7,773,111)
Cash paid to employees for services	(602,562)		(5,584,585)
Cash received from others	-	-	137,178
Net Cash Provided (Used) by Operating Activities	(69,305)	(20,576)	(1,316,942)
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	13,250	38,250
Due to/from other funds	45,900	7,326	(305,829)
Net Cash Provided (Used) by Non-Capital Financing Activities	45,900	20,576	(267,579)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	(1,181,298)
Principal paid on capital debt	-	-	(76,637)
Interest paid on capital debt	-	-	(28,574)
Proceeds from sales of capital assets	-	-	122,140
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(1,164,369)
Cash Flows from Investing Activities:			
Interest received	-	-	47
Net Cash Provided (Used) by Investing Activities	-	-	47
Net Increase (Decrease) in Cash and Cash Equivalents	(23,405)	-	(2,748,843)
Cash and Cash Equivalents at Beginning of Year	23,405	-	8,118,581
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ 5,369,738
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 4,073	\$ (12,688)	\$ 2,255,805
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	-	994,496
(Increase) decrease in accounts receivable	128	-	(902,581)
(Increase) decrease in prepaid expense	14,300	252	1,515
(Increase) decrease in deferred outflows related to pensions	(5,139)	-	(5,573)
Increase (decrease) in accounts payable	(61,816)	(8,140)	(40,508)
Increase (decrease) in accrued liabilities	2,198	-	8,601
Increase (decrease) in claims and judgments	-	-	(3,568,420)
Increase (decrease) in net pension liability	33,165	-	71,042
Increase (decrease) in deferred inflows related to pensions	(56,214)	-	(131,319)
Total Adjustments	(73,378)	(7,888)	(3,572,747)
Net Cash Provided (Used) by Operating Activities	\$ (69,305)	\$ (20,576)	\$ (1,316,942)
Non-Cash Investing, Capital, and Financing Activities:			
Capital contributions	\$ -	\$ -	\$ 194,678



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.

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

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2016

	ERICA	Assessment Districts	East Valley Reclamation Authority	Waste Transfer Station
Assets:				
Pooled cash and investments	\$ 427,415	\$ 8,600,311	\$ 100,798	\$ 126,821
Receivables:				
Accounts	-	-	215	50,371
Accrued interest	536	7,913	-	466
Due from other governments	-	102,591	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	5,213,485	-	-
Total Assets	\$ 427,951	\$ 13,924,300	\$ 101,013	\$ 177,658
Liabilities:				
Accounts payable	\$ 101,313	\$ 3,589	\$ 615	\$ 177,658
Deposits payable	-	222,471	100,183	-
Due to City	-	-	215	-
Due to bondholders	-	13,698,240	-	-
Due to members	326,638	-	-	-
Total Liabilities	\$ 427,951	\$ 13,924,300	\$ 101,013	\$ 177,658

CITY OF INDIO

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2016

	<u>East Valley Coalition</u>	<u>Totals</u>
Assets:		
Pooled cash and investments	\$ 38,058	\$ 9,293,403
Receivables:		
Accounts	-	50,586
Accrued interest	50	8,965
Due from other governments	-	102,591
Restricted assets:		
Cash and investments with fiscal agents	-	5,213,485
Total Assets	<u>\$ 38,108</u>	<u>\$ 14,669,030</u>
Liabilities:		
Accounts payable	\$ 38,108	\$ 321,283
Deposits payable	-	322,654
Due to City	-	215
Due to bondholders	-	13,698,240
Due to members	-	326,638
Total Liabilities	<u>\$ 38,108</u>	<u>\$ 14,669,030</u>

CITY OF INDIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016**

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2016</u>
<u>ERICA</u>				
Assets:				
Pooled cash and investments	\$ 364,583	\$ 62,832	\$ -	\$ 427,415
Receivables:				
Accrued interest	241	295	-	536
Total Assets	<u>\$ 364,824</u>	<u>\$ 63,127</u>	<u>\$ -</u>	<u>\$ 427,951</u>
Liabilities:				
Accounts payable	\$ 108,229	\$ 2,500	\$ 9,416	\$ 101,313
Due to members	256,595	822,586	752,543	326,638
Total Liabilities	<u>\$ 364,824</u>	<u>\$ 825,086</u>	<u>\$ 761,959</u>	<u>\$ 427,951</u>
<u>Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 10,073,347	\$ 426,562	\$ 1,899,598	\$ 8,600,311
Receivables:				
Accrued interest	5,224	3,338	649	7,913
Prepaid costs	77	-	77	-
Due from other governments	107,280	29,434	34,123	102,591
Restricted assets:				
Cash and investments with fiscal agents	5,858,960	1,219,286	1,864,761	5,213,485
Total Assets	<u>\$ 16,044,888</u>	<u>\$ 1,678,620</u>	<u>\$ 3,799,208</u>	<u>\$ 13,924,300</u>
Liabilities:				
Accounts payable	\$ 20,441	\$ 701	\$ 17,553	\$ 3,589
Deposits payable	202,112	20,799	440	222,471
Due to bondholders	15,822,335	95,984,523	98,108,618	13,698,240
Total Liabilities	<u>\$ 16,044,888</u>	<u>\$ 96,006,023</u>	<u>\$ 98,126,611</u>	<u>\$ 13,924,300</u>
<u>East Valley Reclamation Authority</u>				
Assets:				
Pooled cash and investments	\$ 56,387	\$ 44,411	\$ -	\$ 100,798
Receivables:				
Accounts	-	215	-	215
Total Assets	<u>\$ 56,387</u>	<u>\$ 44,626</u>	<u>\$ -</u>	<u>\$ 101,013</u>
Liabilities:				
Accounts payable	\$ 845	\$ -	\$ 230	\$ 615
Deposits payable	55,542	46,747	2,106	100,183
Due to City	-	2,805	2,590	215
Total Liabilities	<u>\$ 56,387</u>	<u>\$ 49,552</u>	<u>\$ 4,926</u>	<u>\$ 101,013</u>

CITY OF INDIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2016**

	<u>Balance 7/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2016</u>
<u>Waste Transfer Station</u>				
Assets:				
Pooled cash and investments	\$ 87,714	\$ 39,107	\$ -	\$ 126,821
Receivables:				
Accounts	83,121	-	32,750	50,371
Accrued interest	169	297	-	466
Total Assets	<u>\$ 171,004</u>	<u>\$ 39,404</u>	<u>\$ 32,750</u>	<u>\$ 177,658</u>
Liabilities:				
Accounts payable	\$ 171,004	\$ 218,614	\$ 211,960	\$ 177,658
Total Liabilities	<u>\$ 171,004</u>	<u>\$ 218,614</u>	<u>\$ 211,960</u>	<u>\$ 177,658</u>
<u>East Valley Coalition</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 38,058	\$ -	\$ 38,058
Receivables:				
Accrued interest	-	50	-	50
Total Assets	<u>\$ -</u>	<u>\$ 38,108</u>	<u>\$ -</u>	<u>\$ 38,108</u>
Liabilities:				
Accounts payable	\$ -	\$ 38,108	\$ -	\$ 38,108
Total Liabilities	<u>\$ -</u>	<u>\$ 38,108</u>	<u>\$ -</u>	<u>\$ 38,108</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 10,582,031	\$ 610,970	\$ 1,899,598	\$ 9,293,403
Receivables:				
Accounts	83,121	215	32,750	50,586
Accrued interest	5,634	3,980	649	8,965
Prepaid costs	77	-	77	-
Due from other governments	107,280	29,434	34,123	102,591
Restricted assets:				
Cash and investments with fiscal agents	5,858,960	1,219,286	1,864,761	5,213,485
Total Assets	<u>\$ 16,637,103</u>	<u>\$ 1,863,885</u>	<u>\$ 3,831,958</u>	<u>\$ 14,669,030</u>
Liabilities:				
Accounts payable	\$ 300,519	\$ 259,923	\$ 239,159	\$ 321,283
Deposits payable	257,654	67,546	2,546	322,654
Due to City	-	2,805	2,590	215
Due to bondholders	15,822,335	95,984,523	98,108,618	13,698,240
Due to members	256,595	825,391	755,133	326,853
Total Liabilities	<u>\$ 16,637,103</u>	<u>\$ 97,140,188</u>	<u>\$ 99,108,046</u>	<u>\$ 14,669,245</u>



STATISTICAL SECTION

CITY OF INDIO
STATISTICAL SECTION TABLE OF CONTENTS
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Financial Trends	169-173
<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	174-177
<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	178-182
<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	183-184
<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	185-187
<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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$326,774	\$379,737	\$416,262	\$435,697	\$372,187	\$431,924	\$432,106	\$425,528	\$419,607	\$414,227
Restricted	72,743	36,977	22,249	22,533	82,334	23,734	25,716	26,842	26,095	22,180
Unrestricted	11,164	27,035	17,375	(10,396)	(11,553)	(8,635)	(5,199)	(4,019)	(34,270)	(28,253)
Total governmental activities net position	\$410,681	\$443,749	\$455,886	\$447,834	\$442,968	\$447,023	\$452,623	\$448,351	\$411,432	\$408,154
Business-type activities:										
Net investment in capital assets	\$158,649	\$159,962	\$159,716	\$159,188	\$153,658	\$146,605	\$143,311	\$136,334	\$133,627	\$128,429
Unrestricted	11,192	10,426	8,860	9,622	11,165	10,409	9,225	18,628	4,700	8,660
Total business-type activities net position	\$169,841	\$170,388	\$168,576	\$168,810	\$164,823	\$157,014	\$152,536	\$154,962	\$138,327	\$137,089
Primary government:										
Net investment in capital assets	\$485,423	\$539,699	\$575,978	\$594,885	\$525,845	\$578,529	\$575,417	\$561,862	\$553,234	\$542,656
Restricted	72,743	36,977	22,249	22,533	82,334	23,734	25,716	26,842	26,095	22,180
Unrestricted	22,356	37,461	26,235	(774)	(388)	1,774	4,026	14,609	(29,570)	(19,593)
Total primary government net position	\$580,522	\$614,137	\$624,462	\$616,644	\$607,791	\$604,037	\$605,159	\$603,313	\$549,759	\$545,243

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 8,947	\$ 5,831	\$ 4,825	\$ 5,190	\$ 6,774	\$ 6,965	\$ 7,005	\$ 6,535	\$ 10,395	\$ 11,968
Public safety	33,986	41,487	35,625	35,810	37,665	41,502	32,930	47,339	43,688	36,041
Public works	25,051	16,203	16,286	13,224	14,689	16,441	22,946	16,019	21,289	16,619
Community development	6,890	8,068	6,747	18,221	19,779	15,226	8,653	8,710	11,099	9,275
Community services	1,888	3,682	2,832	3,040	2,974	2,821	2,693	2,665	1,789	2,314
Interest expense and other charges	4,624	7,460	8,366	8,303	10,450	3,318	6,235	3,013	6,484	2,463
Total governmental activities expenses	<u>81,386</u>	<u>82,731</u>	<u>74,681</u>	<u>83,788</u>	<u>92,331</u>	<u>86,273</u>	<u>80,462</u>	<u>84,281</u>	<u>94,744</u>	<u>78,680</u>
Business-type activities:										
Water	16,453	21,552	22,689	21,518	21,710	24,125	22,562	23,563	30,145	26,424
Golf	793	890	1,077	852	899	904	851	942	1,120	1,086
Solid Waste	-	-	186	147	83	-	-	-	-	-
Total business-type activities expenses	<u>17,246</u>	<u>22,442</u>	<u>23,952</u>	<u>22,517</u>	<u>22,692</u>	<u>25,029</u>	<u>23,413</u>	<u>24,505</u>	<u>31,265</u>	<u>27,510</u>
Total primary government expenses	<u>98,632</u>	<u>105,173</u>	<u>98,633</u>	<u>106,305</u>	<u>115,023</u>	<u>111,302</u>	<u>103,875</u>	<u>108,786</u>	<u>126,009</u>	<u>106,190</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	87	485	561	902	1,037	3,698	11,086	10,520	12,113	1,459
Public safety	3,434	2,515	2,297	4,343	7,017	5,917	2,489	2,316	2,578	5,559
Public works	3,587	3,178	3,891	2,405	2,005	3,255	1,115	1,828	1,738	7,185
Community development	5,592	3,172	3,112	1,360	3,120	5,118	1,312	2,560	2,248	262
Community services	1	1,005	619	1,530	2,317	785	3,056	3,869	3,095	107
Operating contributions and grants	12,863	14,797	18,633	8,316	8,443	7,098	21,959	14,847	14,809	7,637
Capital contributions and grants	32,490	41,437	14,035	19,062	13,617	6,347	9,689	8,841	5,767	1,290
Total governmental activities program revenues	<u>58,054</u>	<u>66,589</u>	<u>43,148</u>	<u>37,918</u>	<u>37,556</u>	<u>32,218</u>	<u>50,706</u>	<u>44,781</u>	<u>42,348</u>	<u>23,499</u>
Business-type activities:										
Charges for services:										
Water	10,442	12,278	14,377	15,235	15,578	16,207	15,971	18,198	18,767	17,832
Golf	621	1,035	952	847	840	755	687	689	1,113	935
Solid Waste	-	-	153	100	229	-	-	-	-	-
Capital contributions and grants	21,689	6,347	4,016	5,340	1,906	-	1,768	2,480	1,266	4,735
Total business-type activities program revenues	<u>32,752</u>	<u>19,660</u>	<u>19,498</u>	<u>21,522</u>	<u>18,553</u>	<u>16,962</u>	<u>18,426</u>	<u>21,367</u>	<u>21,146</u>	<u>23,502</u>
Total primary government activities program revenues	<u>90,806</u>	<u>86,249</u>	<u>62,646</u>	<u>59,440</u>	<u>56,109</u>	<u>49,180</u>	<u>69,132</u>	<u>66,148</u>	<u>63,494</u>	<u>47,001</u>
Net revenues (expenses):										
Governmental activities	(23,332)	(16,142)	(31,533)	(45,870)	(54,775)	(54,055)	(29,756)	(39,500)	(52,396)	(55,181)
Business-type activities	<u>15,506</u>	<u>(2,782)</u>	<u>(4,454)</u>	<u>(995)</u>	<u>(4,139)</u>	<u>(8,067)</u>	<u>(4,987)</u>	<u>(3,138)</u>	<u>(10,119)</u>	<u>(4,008)</u>
Total primary government net expense	<u>(7,826)</u>	<u>(18,924)</u>	<u>(35,987)</u>	<u>(46,865)</u>	<u>(58,914)</u>	<u>(62,122)</u>	<u>(34,743)</u>	<u>(42,638)</u>	<u>(62,515)</u>	<u>(59,189)</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	25,309	23,918	23,844	18,819	19,944	16,120	13,373	13,000	13,887	15,055
Sales tax	9,803	8,548	7,021	6,111	6,999	7,667	8,377	9,349	10,040	11,692
Transient occupancy taxes	1,818	2,070	1,941	1,845	1,945	2,547	2,820	3,078	3,907	4,520
Other taxes	7,054	7,869	7,049	6,602	11,707	14,485	11,521	11,747	12,186	13,840
Investment income	5,777	3,161	1,641	662	554	328	73	64	4,025	1,757
Motor vehicle in lieu, unrestricted	416	375	307	269	419	-	43	36	34	34
Other general revenues	2,668	3,268	3,773	2,785	4,518	5,373	3,468	5,076	11,095	5,219
Transfers	-	-	19	142	170	206	(15)	(6,245)	(75)	(151)
Total governmental activities	<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>	<u>51,966</u>
Business-type activities:										
Investment income	2,216	3,029	2,197	889	146	65	91	70	139	72
Transfers	-	-	(19)	(142)	(170)	(206)	15	6,245	75	152
Other general revenues	<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>	<u>2,545</u>
Total business-type activities	<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>	<u>2,769</u>
Total primary government	<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>	<u>54,735</u>
Changes in net position										
Governmental activities	29,513	33,067	14,062	(8,635)	(8,519)	(7,329)	9,904	(3,395)	2,703	(3,215)
Business-type activities	<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>	<u>(1,239)</u>
Total primary government	<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>	<u>\$ (4,454)</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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund:										
Reserved	\$ 11,948	\$ 11,203	\$ 12,852	\$ 7,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	22,930	10,266	3,232	(3,956)	-	-	-	-	-	-
Total general fund	<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>	<u>\$ -</u>
All other governmental funds:										
Reserved	\$ 104,226	\$ 133,137	\$ 112,380	\$ 98,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	6,134	6,599	4,787	1,994	-	-	-	-	-	-
Capital projects funds	17,972	12,043	5,342	(1,241)	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ -</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 3,640	\$ 3,793	\$ 3,989	\$ 3,536	\$ 7,641	\$ 8,978
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	730	1,140	5,619	11,197
Assigned	-	-	-	-	16	21	784	6,922	3,242	3,459
Unassigned	-	-	-	-	(1,725)	783	4,266	4,490	7,087	1,820
Total general fund	<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>	<u>\$ 25,454</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,496	\$ 5,926	\$ -
Restricted	-	-	-	-	92,801	24,153	26,334	19,182	18,761	22,179
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	2,315	2,294	1,296	985	985	-
Unassigned:	-	-	-	-	(2,190)	(1,423)	665	(424)	(135)	(6)
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 22,173</u>

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

Source: City of Indio

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Taxes	\$ 40,159	\$ 42,998	\$ 39,059	\$ 35,182	\$ 37,526	\$ 35,537	\$ 32,562	\$ 34,073	\$ 36,320	\$ 38,864
Special assessments	2,412	2,940	3,539	3,697	3,782	3,950	3,866	3,792	4,015	-
Licenses and permits	4,340	2,630	2,260	1,680	1,691	1,381	2,027	3,384	2,916	2,438
Intergovernmental	19,710	23,168	27,640	18,218	20,053	14,047	18,740	14,818	11,754	12,107
Charges for services	11,070	11,141	10,926	5,801	6,835	9,034	8,335	9,482	15,110	7,176
Fines and forfeitures	1,072	1,002	1,122	1,205	913	1,199	1,215	887	938	860
Investment earnings	6,365	5,385	2,871	1,138	506	314	4,089	2,794	5,333	1,758
Developer fees	15,987	8,566	5,309	3,919	3,944	2,238	5,559	4,901	4,491	1,640
Contributions from property owners	4,596	2,175	1,991	-	-	-	-	-	-	4,112
Miscellaneous	8,380	2,485	3,894	2,931	1,447	1,384	2,471	2,401	4,598	5,592
Total revenues	114,091	102,490	98,611	73,771	76,697	69,084	78,864	76,532	85,475	74,547
Expenditures										
Current:										
General government	8,032	5,934	5,235	4,727	4,021	4,000	4,204	4,166	5,046	5,069
Public safety	27,272	33,534	33,104	33,599	30,958	32,875	32,603	35,080	37,766	38,118
Public works	85,887	66,646	68,722	30,642	14,604	14,840	21,300	14,174	15,050	10,693
Community development	10,100	9,483	17,041	18,155	18,349	12,304	7,731	7,382	8,733	7,903
Community services	1,827	1,643	2,301	2,537	1,692	1,716	1,545	1,461	1,559	2,384
Other	-	1,687	438	3,366	3,610	70	323	407	3,884	102
Capital outlay										5,032
Debt service:										
Principal retirement	1,068	8,019	890	3,489	3,733	4,065	1,815	1,849	2,827	24,023
Interest and fiscal charges	4,656	4,884	5,547	7,052	6,853	4,707	2,690	2,700	2,631	2,627
Other charges	2,646	8,922	5,082	8,419	4,112	1,511	381	-	-	486
Total expenditures	141,488	140,752	138,360	111,986	87,932	76,088	72,592	67,219	77,496	96,437
Excess (deficiency) of revenues over (under) expenditures	(27,397)	(38,262)	(39,749)	(38,215)	(11,235)	(7,004)	6,272	9,313	7,979	(21,890)
Other financing sources (uses):										
Transfers in	17,456	16,841	22,165	16,131	9,238	9,514	5,787	6,862	7,031	7,216
Transfers out	(17,464)	(16,841)	(22,146)	(15,989)	(9,068)	(9,308)	(6,782)	(12,912)	(7,211)	(7,406)
Lease purchase and loan proceeds	-	-	-	2,846	854	2,788	-	-	-	-
Issuance of bonds	43,000	74,767	7,000	-	-	-	24,500	-	-	19,730
Sale of real property	-	-	-	-	1,592	-	-	-	-	-
Original discount on bonds	-	(469)	-	-	-	-	-	-	-	919
Payment to bond escrow agent	(2,811)	(25,999)	-	-	-	-	(21,335)	-	-	-
Total other financing sources (uses)	40,181	48,299	7,019	2,988	2,616	2,994	2,170	(6,050)	(180)	20,459
Extraordinary gain (loss) on dissolution of redevelopment agency	-	-	-	-	-	(61,226)	-	-	-	-
Net change in fund balances	\$ 12,784	\$ 10,037	\$ (32,730)	\$ (35,227)	\$ (8,619)	\$ (65,236)	\$ 8,442	\$ 3,263	\$ 7,799	\$ (1,431)
Debt service as a percentage of noncapital expenditures	10.0%	23.4%	16.9%	22.8%	20.2%	13.3%	7.2%	7.8%	7.6%	29.4%

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 Ended June 30	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2016	\$ 5,562,654	\$ 849,716	\$ 236,337	\$ 733,842	\$ 87,548	\$ 7,295,001	0.1000
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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City of Indio	0.19501	0.19501	0.13251	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	-	-	-	-
Total Direct Rate	0.25847	0.24644	0.24571	0.25437	0.25412	0.25684	0.25133	0.09979	0.09986	0.10002
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	0.05990	0.05708	0.05949	0.07247	0.09332	0.07487	0.07968	0.14919	0.14919	0.13218
Coachella Valley Water District	0.02080	0.04000	0.04000	0.06000	0.08000	0.08000	0.08000	0.10000	0.10000	0.10000
CVWD Imp Dist 53	-	0.00090	-	-	-	-	-	-	-	-
CVWD Imp Dist 55	0.01240	0.00840	0.00640	0.00600	0.00600	-	-	-	-	-
CVWD Imp Dist 58	0.01560	0.00230	-	-	-	-	-	-	-	-
Desert Community College	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.02325	0.02087
Desert Sands Unified School District	0.07613	0.07561	0.07990	0.08112	0.10036	0.11467	0.11156	0.10954	0.10984	0.10915
Total Direct & Overlapping Tax Rates	1.20478	1.20424	1.20574	1.23954	1.29963	1.28949	1.29119	1.37868	1.38228	1.36220

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	2016		2007	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 60,907,841	0.83%		
Trendwest Resorts Inc,	36,814,120	0.50%		
Time Warner Entertainment	36,790,407	0.50%		
Desert Polo Land Company, LLC	33,117,713	0.45%		
Jackson 42	32,283,630	0.44%		
JFK Memorial Hospital, Inc.	31,542,338	0.43%	30,517,551	0.55%
Peterson Ranch Properties, LLC	26,621,952	0.36%		
JDG Properties	26,599,979	0.36%		
ALJACKS	25,551,489	0.35%		
Target Corporation	23,642,139	0.32%		
Lennar Homes of California			69,921,845	1.25%
Pulte Home Corporation			59,688,401	1.07%
D R Horton Los Angeles Holding Corp.			51,721,503	0.93%
Ryland Homes of California, Inc.			25,356,115	0.45%
Western Pacific Housing, Inc.			24,321,900	0.44%
Beazer Homes Holdings Corp.			23,778,133	0.43%
Talavera Sheffield			23,502,033	0.42%
Rilington Palazzo			22,936,023	0.41%
Peter Solomon			22,507,097	0.40%
	\$333,871,608	4.58%	\$ 354,250,601	6.36%

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
2016	6,215,647	6,091,830	98.01%	123,194 *	6,215,024	99.99%
2015	5,617,060	6,367,892	113.37%	112,922 *	6,480,814	115.38%
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%

*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			Debt Per Capita		
	Revenue Refunding Bonds (1)	Tax Allocation Bonds (1)	Certificates of Participation (1)	Lease Revenue Bonds (1)	Loans (1)	Total Governmental Activities	Water Revenue Bonds (1)	Total Primary Government (1)	Population (2)		Personal Income (3)	
												Percentage of Personal Income
2016	-	-	\$4,045	\$42,260	\$5,060	\$51,365	\$58,725	\$110,090	88,058	\$1,706,419	6.45%	1.25
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

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) HdL, Coren & Cone

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				
2016	\$58,725	-	-	\$42,260	\$4,045	\$105,030	88,058	\$1,706,419	2.51%	1.19
2015	60,215	-	-	39,190	4,535	103,940	86,683	1,651,948	2.72%	1.20
2014	55,205	-	-	40,165	5,005	100,375	84,655	1,560,289	2.94%	1.19
2013	56,605	-	-	40,165	5,460	102,230	83,450	1,584,233	3.00%	1.23
2012	57,970	-	-	37,000	5,895	100,865	79,185	1,546,312	3.07%	1.27
2011	59,290	3,520	73,660	37,805	6,392	180,667	77,168	1,402,529	2.92%	2.34
2010	60,570	3,735	75,165	38,580	6,797	184,847	76,036	1,516,518	2.80%	2.43
2009	61,795	3,940	76,610	39,325	7,187	188,857	74,590	1,255,000	2.30%	2.53
2008	61,795	4,135	76,710	39,325	7,527	189,492	74,007	1,496,971	2.69%	2.56
2007	61,795	10,975	28,425	39,325	-	140,520	70,948	1,254,780	2.52%	1.98

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, 2016

2015-16 Assessed Valuation: \$7,294,372,083

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/16	% Applicable (1)	City's Share of Debt 6/30/16
Desert Community College District	\$283,391,384	10.201%	\$ 28,908,755
Coachella Valley Unified School District	219,056,138	10.094	22,111,527
Desert Sands Unified School District	329,215,000	17.610	57,974,762
City of Indio Community Facilities District No. 2004-3	15,530,000	100.	15,530,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	215,495,000	100.	15,495,000
City of Indio Community Facilities District No. 2006-1	8,287,000	100.	8,287,000
Desert Recreation and Park District 1915 Act Bonds	450,000	99.120	446,040
City of Indio 1915 Act Bonds	30,684,270	100.	30,684,270
Valley Sanitary District Assessment District No. 2004-VSD	6,440,000	100.	<u>6,440,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$185,877,354
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$889,831,745	3.062%	\$27,246,648
Riverside County Pension Obligation Bonds	304,520,000	3.062	9,324,402
Riverside County Board of Education Certificates of Participation	935,000	3.062	28,630
Coachella Valley Unified School District Certificates of Participation	41,525,000	10.094	4,191,534
Desert Sands Unified School District Certificates of Participation	55,780,000	17.610	9,822,858
City of Indio General Fund Obligations	19,730,000	100.	51,365,000
Desert Recreation and Park District Certificates of Participation	1,368,228	16.124	<u>220,613</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$102,199,685
Less: Riverside County supported obligations			<u>190,975</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$102,008,710
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>			
	\$67,280,000	100. %	\$67,280,000
TOTAL DIRECT DEBT			\$51,365,000
TOTAL GROSS OVERLAPPING DEBT			\$303,992,039
TOTAL NET OVERLAPPING DEBT			\$303,801,064
GROSS COMBINED TOTAL DEBT			\$355,357,039 (2)
NET COMBINED TOTAL DEBT			\$355,166,064

- (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 2015-16 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.55%
Combined Direct Debt (\$51,365,000).....	0.70%
Gross Combined Total Debt	4.44%
Net Combined Total Debt.....	4.44%

Ratios to Redevelopment Incremental Valuation (\$1,201,597,582):

Total Overlapping Tax Increment Debt.....	0.92%
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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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed valuation (1)	\$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	\$7,295,001
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	837,000	1,058,318	1,114,911	990,044	953,810	897,730	914,680	934,430	1,010,413	1,094,250
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 837,000</u>	<u>\$1,058,318</u>	<u>\$1,114,911</u>	<u>\$ 990,044</u>	<u>\$ 953,810</u>	<u>\$ 897,730</u>	<u>\$ 914,680</u>	<u>\$ 934,430</u>	<u>\$1,010,413</u>	<u>\$ 1,094,250</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

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

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

Water Revenue Bonds						
Fiscal Year Ended June 30	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	4,136	69	3,458	1,860	2,276	0.84
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

Gas Tax Certificate of Participation						
Fiscal Year Ended June 30	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	676	-	676	490	186	1.00
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	-	-	-	-	-	-

Lease Revenue Bonds						
Fiscal Year Ended June 30	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	3,681	-	3,681	995	2,686	1.00
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

RDA Tax Allocation Bonds				
Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2016	-	-	-	-
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

RDA Revenue Refunding Bonds				
Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2016	-	-	-	-
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

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)
2016	88,058	35.9	3.08	\$ 52,343	\$ 23,584	7.0%
2015	86,683	34.0	3.12	47,280	20,354	6.8%
2014	84,655	32.7	3.13	51,202	21,702	9.3%
2013	83,450	34.1	3.48	46,822	18,772	12.1%
2012	79,185	34.3	3.23	41,082	19,748	14.0%
2011	77,168	29.6	3.22	52,001	20,734	15.5%
2010	76,036	29.3	3.12	53,824	22,350	15.7%
2009	74,590	28.8	3.18	47,708	19,855	15.9%
2008	74,007	29.6	3.16	56,039	18,365	10.1%
2007	70,948	29.0	3.45	43,001	16,265	6.2%

Sources: (1) State Department of Finance
(2) U.S. Census Bureau
(3) Employment Development Department

CITY OF INDIO
Principal Employers
Current Year and Nine Years Ago

Employer (1)	2016		2007	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Desert Sands Unified School District	1,477	3.90%	1,017	3.97%
County of Riverside	1,327	3.50%	800	3.13%
Fantasy Springs Resort Casino	1,150	3.03%	not available	
John F. Kennedy Memorial Hospital	750	1.98%	270	1.05%
City of Indio	237	0.63%	284	1.11%
Walmart Supercenter	200	0.53%		
Riverside Superior Court	168	0.44%	not available	
Ralphs	159	0.42%		
Super Target	146	0.39%		
Home Depot	137	0.36%		
KDI Stoneworks			657	2.57%
Desert Communities Concrete			421	1.64%
DiMari Incorporated			372	1.45%
Guy Evans			119	0.46%
Milmark Painting			97	0.38%
I-10 Toyota			81	
Total Employment Listed	5,751	15.17%	4,118	16.09%
Total City Employment (2)	37,900		25,600	

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

Sources: (1) MuniServices, LLC
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>	<u>Fiscal Year</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>	<u>2016</u>
General government	46	41	55	46	46	41	45	39	36	34
Police	127	136	139	123	104	113	107	99	100	103
Public works	50	53	54	36	27	29	24	26	33	33
Community development	30	29	28	23	26	18	15	16	17	19
Water	<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>48</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>	<u>237</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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Arrests	2,462	2,909	3,012	2,713	2,416	2,163	2,062	2,119	2,178	2,026
Traffic citations issued	7,507	7,146	8,064	7,320	7,403	5,938	4,293	4,658	3,876	4,591
Parking citations issued	1,574	1,172	1,670	3,150	2,492	2,097	1,554	3,231	5,312	4,191
Fire:										
Emergency calls	10,384	9,948	6,058	9,817	7,918	8,138	8,442	8,564	9,319	8,317
Inspections	1,340	536	2,228	1,993	2,564	2,287	2,535	2,254	2,629	2,473
Public works:										
Street resurfacing (miles)	56.8	34.0	15.0	16.5	5.0	1.0	0.0	3.3	1.0	10.0
Water:										
New connections	823	964	489	261	330	0	258	488	397	223
Average daily consumption (millions of gallons)	21	20	19	18	18	18	18	20	18	15
Golf Course:										
Golf rounds played	24,402	29,533	33,753	25,680	23,762	20,576	19,753	18,908	26,464	26,481

Source: City of Indio

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	2	2	2	1	1	1	1	1	1	1
Animal care centers	1	1	1	1	1	1	1	1	0	0
Fire:										
Fire stations	3	4	4	4	4	4	4	4	4	4
Public works:										
Paved streets (miles)	220	230	238	243	244	244	244	251	253	254
Streetlights	2,644	2,754	2,822	2,885	2,903	2,825	2,869	2,858	2,886	2,893
Traffic signals	64	68	75	83	85	87	89	92	95	97
Recreation:										
Parks	10	11	11	14	13	13	15	17	17	17
Senior centers	1	1	1	1	1	1	1	1	1	1
Teen centers	-	-	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	301	313	315	321	327	327	327	329	332	342
Maximum daily capacity (millions of gallons)	67	59	72	63	66	66	66	66	66	66
Golf Course:										
Municipal golf courses	1	1	1	1	1	1	1	1	1	1

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Single-Family Residential	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	4,236,748
Multi-Family Residential	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	639,273
Commercial/Institutional	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	1,091,004
Industrial	108,758	90,848	69,675	63,468	56,401	59,114	61,707	72,389	66,423	54,401
Landscaping/Irrigation	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	743,594
Total	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	6,765,020
Total commodity rate per 100 cubic feet	\$ 0.71	\$ 0.88	\$ 1.06	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	Tiered Rates	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 Ten Fiscal Years

Fiscal Year Ended June 30	Monthly Base Rate (1)		Rate per 100 Cubic Feet
2016	18.14	Tier 1	0.90
		Tier 2	1.35
		Tier 3	1.81
		Tier 4	2.71
		Tier 5	3.60
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

(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																			
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016										
ACDW Properties Inc.	Apartments	Water Charges \$ 58,385	Percent of Total Water Revenues 0.59%	Water Charges \$ 65,683	Percent of Total Water Revenues 0.54%	Water Charges \$ 75,515	Percent of Total Water Revenues 0.54%	Water Charges \$ 79,053	Percent of Total Water Revenues 0.55%	Water Charges \$ 80,656	Percent of Total Water Revenues 0.55%	Water Charges \$ 81,947	Percent of Total Water Revenues 0.54%	Water Charges \$ -	Percent of Total Water Revenues 0.00%	Water Charges 142,458	Percent of Total Water Revenues 0.91%				
Arabian Gardens MHP	Mobile Home Park																				
Artic Glacier USA	Commercial																				
Cabazon Indian Reservation	Casino	139,773	1.41%	72,834	0.61%	86,367	0.62%														
Capital Foresight Comm., LP	Apartments																				
Casa Monroe Apartments	Apartments	42,415	0.43%																		
CV Housing	Apartments																				
Desert Air Homeowner's Assoc	RV Park	57,539	0.58%	67,248	0.57%	79,743	0.57%	82,001	0.57%	79,682	0.54%	84,531	0.57%	70,577	0.46%	70,860	0.45%				
DSUSD - Indio High School	School	41,301	0.42%	53,909	0.45%	63,925	0.46%	89,362	0.62%	85,169	0.58%	93,581	0.63%	94,242	0.62%	86,822	0.56%				
DSUSD - Middle School	School			37,432	0.31%			78,292	0.54%	82,661	0.56%	83,952	0.56%	76,611	0.49%	76,611	0.49%				
Empire Polo Club	Commercial																				
Indio Housing Authority	Apartments	59,828	0.60%	69,175	0.58%	82,028	0.58%														
Indio Housing Corporation	Apartments	33,919	0.34%																		
John F. Kennedy Memorial Hospital	Hospital																				
Polo Estates Ventures	Commercial																				
Pueblo Del Sol	Mobile Home Park	46,907	0.47%	56,671	0.48%	67,200	0.48%	67,307	0.46%	71,210	0.49%	80,478	0.54%	74,098	0.48%	75,437	0.48%				
Rancho Casa Blanca	Mobile Home Park	51,805	0.52%	84,352	0.71%	100,025	0.71%	102,057	0.70%	106,551	0.73%	113,278	0.76%	107,277	0.70%	85,164	0.54%				
Riverside County Government	Government																				
Riverside County-Juvenile Hall	Government			36,990	0.31%																
Smoketree Apartments	Apartments																				
Summerbreze Homeowner's Assoc	Apartments																				
Summerfield Apartments	Apartments																				
Sunrise Point Apartments	Apartments	51,324	0.52%	70,721	0.59%	83,861	0.60%	95,139	0.66%	88,089	0.60%	124,103	0.83%	118,006	0.77%	136,069	0.87%				
Terra Lago	Commercial																				
The Club Worldmark	Time Share																				
		Water Charges \$ 583,196	Percent of Total Water Revenues 5.88%	Water Charges \$ 613,015	Percent of Total Water Revenues 5.15%	Water Charges \$ 726,914	Percent of Total Water Revenues 5.19%	Water Charges \$ 796,704	Percent of Total Water Revenues 5.50%	Water Charges \$ 889,421	Percent of Total Water Revenues 6.07%	Water Charges \$ 970,772	Percent of Total Water Revenues 6.52%	Water Charges \$ 903,905	Percent of Total Water Revenues 5.91%	Water Charges \$ 898,552	Percent of Total Water Revenues 5.75%	Water Charges \$ 785,187	Percent of Total Water Revenues 4.92%	Water Charges \$ 1,269,429	Percent of Total Water Revenues 8.10%

Source: Indio Water Authority