

CITY OF INDIO



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2017**

CITY OF INDIO, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2017

Prepared by:
FINANCE DEPARTMENT

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 FOR THE YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION

FINANCIAL SECTION



January 30, 2018

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, 2017. 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, 2017, 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, 2017 do fairly represent the City’s financial position. The “unmodified 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 of about 90,000, 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. In October 2016, 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 as well as 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. However, over the last several years, cities, school districts, and community college districts throughout the State of California have been changing from at-large to by-district elections to comply with the California Voting Rights Act of 2001 (CVRA) and, in many cases, to avoid litigation. The Indio City Council authorized the transition of the City’s election system from at-large to by-district commencing with the November 2018 general municipal election. 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 Manager appoints and supervises all City department directors. 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 of Riverside and contains a large number of County facilities including 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 are included as part of the City's financial report. The basic tests that qualify a separate legal entity as a component unit are: 1) the separate organization's ultimate authority is significantly compliant to the City Council; 2) the separate organization is fiscally dependent on the City or; 3) excluding the separate organization's finances would result in misleading financial information. The following organizations are component units of the City of Indio:

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

BUDGET PROCESS OF THE CITY

The City's fiscal year begins on 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 revised expenditure plans 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 reserves to balance its budget and maintain core-service levels. By the end of fiscal year 2010-11, fund balance within the General Fund dropped to a low \$1.93 million.

Since that lull, the City has experienced a strong financial rebound made possible by conscientious spending restraints and revenue enhancements implemented in cooperation with residents, employees, and its business partners. Fund balance within the General Fund totaled \$29.9 million at the end of fiscal year 2016-17.

The City’s path to economic stability and its increase in fund balance has been aided by strong growth in general-purpose revenue. During the past five years, General Fund revenue increased 28 percent (\$14.3 million). The greatest growth came in the form of tax revenue. Sales tax revenue doubled attributable to an increase in post-recessionary consumer spending enhanced by the openings of a new Walmart Supercenter in 2014 and a new Dodge Chrysler auto dealer in 2015. Transient occupancy tax revenue grew 147 percent in five years due to an increase in the tax rate on lodging facilities with less than 50 rooms in 2012, expanded camping during music festivals, and an arrangement with Airbnb to collect and remit tax for short-term rentals booked through their web-based rental platform. The City has also experienced property-value recovery, which has driven up property taxes. In 2012, the City entered into a revenue-sharing agreement with the promoters of the Coachella Valley Music and Arts Festival and the Stagecoach Country Music Festival. That agreement generates about \$2 million a year for the City. A one-percent transaction and use tax went into effect in April of 2017 and is expected to generate \$170 million over the next 20 years.

General Fund Revenue Source	FY 11/12	FY 16/17	5-year change	
Taxes	\$31,357,531	44,992,595	13,635,064	43.5%
Franchise Fees	2,193,645	2,424,340	230,695	10.5%
State and Federal	96,147	325,233	229,086	238.3%
Licenses and Permits	786,314	2,736,810	1,950,496	248.1%
Fines and Forfeitures	1,028,822	594,636	(434,186)	-42.2%
Use of Assets	3,639,956	805,712	(2,834,244)	-77.9%
Charges for Services	4,871,261	8,718,918	3,847,657	79.0%
Other Financing Sources	5,728,244	3,438,658	(2,289,586)	-40.0%
Misc. Revenue	785,365	2,887,570	2,102,205	267.7%
Misc. Reimbursements	429,787	138,169	(291,618)	-67.9%
Totals	\$50,917,072	\$67,062,641	\$16,145,569	31.7%

Most California cities are facing financial challenges brought on by rising public pension costs and many are facing uncharacteristic rises in fire-contract costs due to changes in pay for state-fire employees. The City is facing such challenges and has incorporated those impacts into its long-range financial plan. The sustainability of City revenue, driven by the passage of the one-percent sales tax measure, and its solid financial reserves, gives the City leeway to address many of the challenges facing municipal governments today. The City’s economic outlook is promising.

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, known expenditure increases, and is updated three times a year. The projection is published in each quarterly-budget report. The model gives the City time to adjust expenditure plans, thereby avoiding budget overruns or unplanned draws from fund balance.

The latest financial projection, published in November 2017, projects five-years of modest revenue growth offset by pension and fire-contract costs. Economic deterioration is not expected to be a factor through fiscal year 2021-22. In order to avoid potential small draws on reserves in the out years, revenue will have to outpace the assumed 2.5 percent growth rate. If the City's past revenue history is any indication of what future growth might be, revenue will surely exceed the current assumption. Even with the likelihood of more favorable revenue results, out of caution, the City diligently evaluates all expenditures with a wary eye on future-year impacts.

A unique feature built into the City's financial projection is the assumed receipt and usage of Measure X resources. The Indio City Council is adamant that new revenue generated through the passage of the one-percent sales tax measure—approved in 2017 and expiring in 2037—be sequestered for public safety and infrastructure; although, the tax revenue is not legally restricted for any specific purpose. All Measure X resources are therefore assumed to be obligated in the City's financial projection for purposes other than balancing the budget. At this time however, only 20 percent (\$1.6 million) of the expected \$8.5 million in annual receipts has been formally committed by the City Council toward on-going costs: four police officers (\$443,264) and bond debt associated with construction of the Jefferson Interchange (\$1.2 million). This provides the City with a great deal of financial flexibility even though the City Council has tentatively earmarked all the funding for various public safety, economic development, transportation, and facility projects.

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.

The City continues to act in accordance with the Financial and Budget Management Policy adopted in 2010, as well as 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.

MAJOR INITIATIVES FOR THE FUTURE

There are a number of important projects on the horizon for the City. Staff has recently completed a review of City fees and plans on presenting an implementation strategy to the City Council in early 2018. Staff has diligently been working to complete the Downtown Specific Plan, which will also be presented to the City Council in early 2018. Staff is putting the final touches on multiple downtown facility plans for Council consideration that include a new library, police headquarters, and potentially a new city hall. The City is also poised to put its resources to work replacing dilapidated roads, restoring parks, and building new infrastructure. Other significant projects on the horizon include: Highway 111 improvements, a new Police Department management team, an earlier review of the Capital Improvement Project plan, construction of a second College of the Desert downtown Indio campus building, the opening of the Loma Linda Children's Clinic, potential redevelopment of the Indio Fashion Mall, planning for a 4th of July event, and the move-out of White's Steel from downtown Indio.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Indio for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the tenth 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

In January of 2018, after serving four months as interim, the City Council appointed me to the permanent position of City Manager. I have worked the last 28 years as City Manager in a number of California cities including: Beverly Hills, Culver City, Fresno, Burbank and San Bernardino, as well as the city of Spartanburg in South Carolina. I feel privileged to have the opportunity to service this community. I see Indio poised for impressive growth and positive expansion, taking advantage of a favorable market location and a sound fiscal foundation. I believe Indio offers an excellent investment opportunity, whether to start a business or buy a home. Indio offers exceptional schools, a business friendly environment, and highly regarded safety services. I sincerely look forward to working with the Indio City Council and continuing to meet and hear from Indio residents and businesses in moving this City forward.

Respectfully submitted,



Mark Scott
City Manager

CITY OF INDIO
City Officials
as of June 30, 2017

CITY COUNCIL

ELAINE HOLMES
Mayor

MICHAEL H. WILSON
Mayor Pro Tempore

TROY STRANGE
Council Member

LUPER RAMOS WATSON
Council Member

GLENN MILLER
Council Member

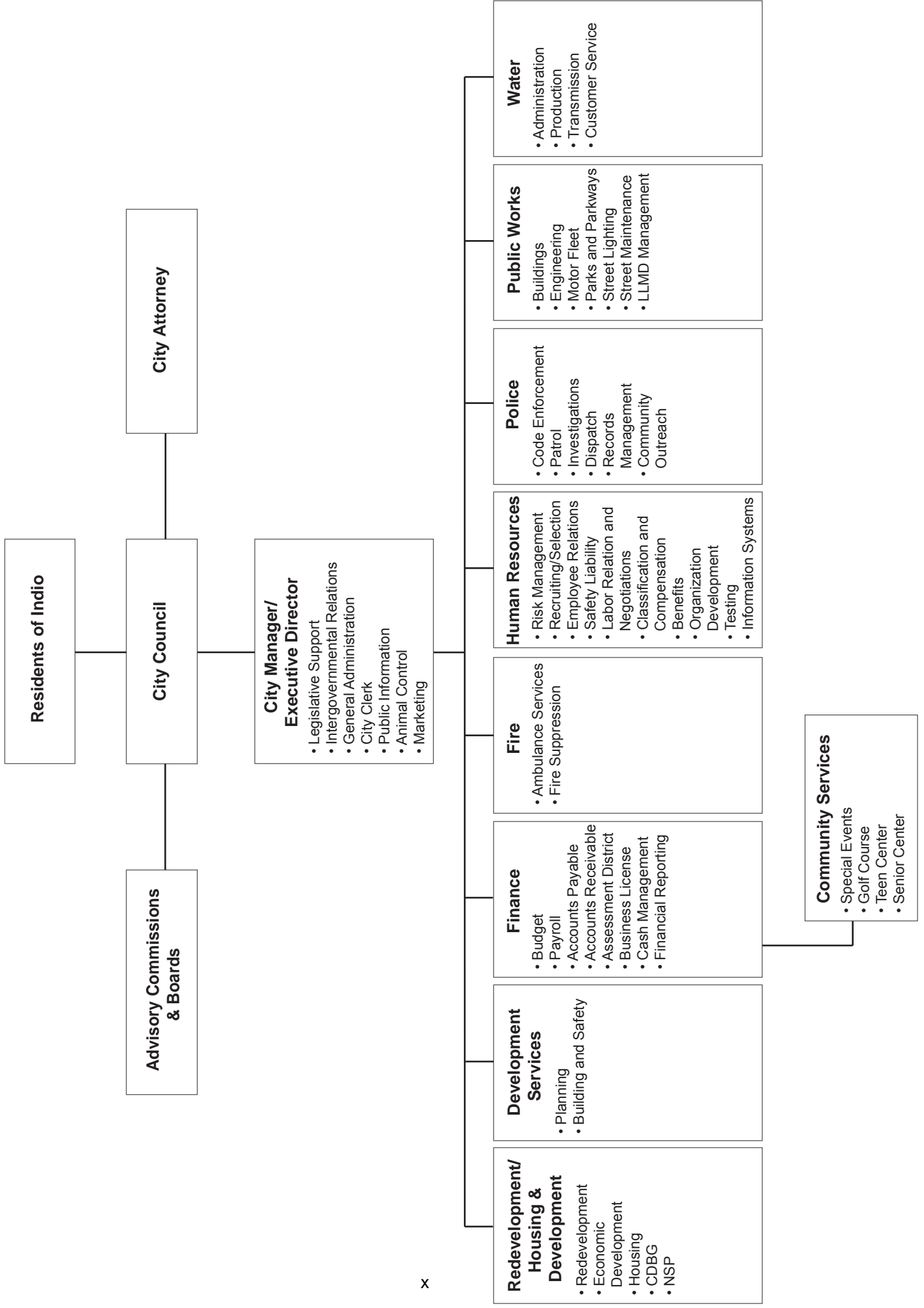
OTHER ELECTED OFFICIALS

Cynthia Hernandez, City Clerk
Balvina Ramos, Treasurer

EXECUTIVE TEAM

Dan Martinez, City Manager
Rob Rockwell, Asst. City Manager & Finance Director
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
Carl Morgan, Economic Development Director
Jorge Rodriguez, Fire Chief
Mike Washburn, 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, 2016

Executive Director/CEO

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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 the City of Indio, California (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indio, California, as of June 30, 2017, 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.





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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison schedule, schedule of funding progress, schedule of changes in the net pension liability and related ratios, schedule of plan's proportionate share of net pension liability and related ratios, and schedules of 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 and 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 schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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 January 30, 2018 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.

Brea, California
January 30, 2018

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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, 2017. Please read this analysis in conjunction with the accompanying transmittal letter, the financial statements, and the accompanying notes to those financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This letter is 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 with 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.

Government-Wide Financial Highlights:

At the close of the 2016-17 fiscal year, the City's assets exceeded its liabilities by \$525.9 million—its net position. The City's overall net position decreased \$19.3 million this past year, a drop of 3.6 percent. Net position of the City's governmental activities decreased \$20.4 million, while net position of the City's business-type activities increased \$1.1 million. These residual outcomes were driven by a decrease in assets (\$7.7 million), an increase in the deferral of outflows mainly related to pensions (\$7.1 million), an increase in liabilities (\$21 million), and decrease in the deferral of inflows mainly related to pensions (\$2.3 million).

Within the asset category, increases in current, noncurrent, and miscellaneous assets (\$3.5 million) were offset by decreases in capital assets (\$11.2 million). Within the liability category, long-term liability increases were driven by the issuance of judgement obligation bonds (\$16.3 million) as well as increases in pension liability (\$9.9 million), post-employment benefits (\$1.8 million), and compensated absences (\$117,000). These increases were offset by decreases in water revenue bond debt (\$1.9 million), lease revenue bond debt (\$1.5 million), notes payable (\$861,000), certificates of participation debt (\$510,000) and capital lease debt (\$396,000). Additionally, other miscellaneous liabilities decreased \$1.6 million.

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, or 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 (business-like) 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 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, which are broken down into two groups for basic financial reporting: Major Funds and Other Governmental Funds. Major Funds consist of funds that are significant because of their purpose, size, or importance to the City. The City's financial statements report three Major Funds: General Fund, Capital Projects Fund, and Debt Service Fund. Unlike the Other Governmental Fund group, where the financial information is aggregated, Major Funds are reported independent of other fund groups. The General Fund is the primary operating fund of the City and it accounts for all activity not required to be accounted for in another specialized or restricted fund. The General Fund encompasses many of the commonly thought of activities occurring within a municipal government. These activities include: police, fire, senior and teen services, building and safety, planning, public works, finance, and general administration. The Capital Project Fund accounts for financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other facilities. The Debt Service Fund accounts for the accumulation of resources that are restricted, committed, or assigned to expenditure for principal and interest on debt. Within the Other Governmental Funds group, data from 33 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Governmental Fund Financial highlights:

At the close of the fiscal year, governmental funds reported a combined ending fund balance of \$48.6 million, a year-over-year increase of \$992,248. Approximately, 37 percent of the total fund balance (\$18.2 million) was available for spending at the government's discretion (assigned, unassigned, and committed).

Fund balance in the City's General Fund increased \$4.4 million. Fund balance within the City's Capital Project Fund decreased \$2.4 million. Judgment Bond Debt Service Fund balance increased \$12,892. In the Other Governmental Fund group, fund balance decreased \$1.1 million.

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$29.9 million, up \$4.4 million in comparison to the prior year. Approximately 66 percent (\$19.7 million) of the \$29.9 million was available for spending at the government's discretion (assigned, unassigned, and committed). Nonspendable fund balance represents resources that cannot be spent because they are not in a spendable form and totaled \$10.1 million. Nonspendable fund balance included prepaid expenditures (\$320,767), land held for resale (\$5.8 million), and a note receivable (\$4.0 million). Assigned fund balance represents resources that are earmarked by City administration for particular City priorities and totaled \$8.45 million, an increase of \$5 million from the prior fiscal year. Committed fund balance represents resources that are formally set aside by the City Council for emergencies or urgent City priorities and totaled \$11.3 million, an increase of \$88,105 from the year before. Unassigned fund balance represents resources that have not been categorized as nonspendable, restricted, committed, or assigned and totaled \$0-, a decrease of \$1.8 million from the prior fiscal year.

Other Governmental Funds accumulated \$19.6 million in fund balance at the end of the fiscal year, a decrease of \$1.1 million from the previous year. Specifically, special revenue funds accumulated \$17.1 million in fund balance, a decrease of \$1 million. Non-major capital project funds amassed \$293,038 in fund balance, a decrease of \$71,310. Non-major debt service funds accumulated \$2.2 million in fund balance, a decrease of \$9,380. Within this fund group, expenditures exceeded revenues by \$900,756; however, interfund transfers-out exceeded interfund transfers-in by \$188,275.

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-technology systems. Because these six services principally benefit the City rather than business-type functions, which predominantly benefit the public, they have been included as 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 water services. Only water services, managed by the Indio Water Authority, are considered to be Major and thusly reported independent from other proprietary funds. Golf and Solid Waste services are aggregated and reported as Other Enterprise Funds and are reported individually elsewhere in this report. 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 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. The City uses fiduciary funds to account and manage resources for: various Assessment Districts, the East Valley Reclamation Authority, the Waste Transfer Station, the East Valley Coalition, and the Eastern Riverside County Interoperable Communication Authority. The finances for these entities are aggregated under Agency Funds. The City also manages resources for the Successor Agency to the Indio Redevelopment Agency and the Indio employee post-employment health benefit trust.

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 27-82 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 84-91 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 City financial sources.

	Net Position (in thousands)					
	Governmental activities		Business-Type activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 58,804	\$ 58,873	\$ 24,507	\$ 22,474	\$ 83,311	\$ 81,347
Capital assets	464,247	468,541	179,721	186,591	643,968	655,132
Other noncurrent assets	11,886	10,378	-	-	11,886	10,378
Total assets	<u>534,937</u>	<u>537,792</u>	<u>204,228</u>	<u>209,065</u>	<u>739,165</u>	<u>746,857</u>
Pensions	11,847	5,341	1,239	747	13,086	6,088
Deferred loss on refunding of debt	-	-	1,429	1,304	1,429	1,304
Total deferred outflows	<u>11,847</u>	<u>5,341</u>	<u>2,668</u>	<u>2,051</u>	<u>14,515</u>	<u>7,392</u>
Long-term liabilities outstanding	140,696	116,390	65,287	67,001	205,983	183,391
Other liabilities	14,593	12,756	3,154	6,550	17,747	19,306
Total liabilities	<u>155,289</u>	<u>129,146</u>	<u>68,441</u>	<u>73,551</u>	<u>223,730</u>	<u>202,697</u>
Pensions	1,832	3,766	239	476	2,071	4,242
Unamortized gain on refunding of debt	1,970	2,067	-	-	1,970	2,067
Total deferred inflows	<u>3,802</u>	<u>5,833</u>	<u>239</u>	<u>476</u>	<u>4,041</u>	<u>6,309</u>
Net position:						
Net investment in capital assets	413,312	414,227	122,807	128,429	536,119	542,656
Restricted	20,259	22,180	606	-	20,865	22,180
Unrestricted	(45,878)	(28,253)	14,803	8,660	(31,075)	(19,593)
Total net position	<u>\$ 387,693</u>	<u>\$ 408,154</u>	<u>\$ 138,216</u>	<u>\$ 137,089</u>	<u>\$ 525,909</u>	<u>\$ 545,243</u>

Governmental Activities:

Expenses for all Governmental Activities totaled \$102.9 million, \$24.2 million more than the prior fiscal-year's total. Most programs had increased expenses except for community services.

Governmental revenue is broken down into program revenue and general revenue, where program revenue must be used for the purpose it was collected and general revenue is spent at the discretion of the City Council. Program revenue totaled \$25.5 million, which is \$2.0 million more than last fiscal year due to increases in charges for services (\$2.0 million). General revenue totaled \$58.1 million and was \$6.0 million more than prior fiscal year revenues. The increase in general revenue is due to increases in property taxes (\$951,450), transient occupancy taxes (\$1.8 million), sales taxes (\$1.9 million) and other revenues (\$2.0 million) offset by decreases in other taxes (\$196,879) and use of money and property (\$321,077).

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.

Proprietary (Business-Type) Activities:

The cost of all business type activities was \$25.0 million. The majority of the costs, \$24.0 million, were for water activities, which decreased \$2.4 million from the prior fiscal year, golf activities decreased by \$12,945 to \$1.1 million.

Total revenue was \$26.1 million, an increase of \$9,233 over last fiscal year which was due to increases in charges for services (\$4.5 million) which were offset by a decrease in other general revenue (\$2.4 million) and capital contributions and grants (\$2.1 million).

	Change in Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	16,589	14,572	23,308	18,767	39,897	33,339
Operating grants and contributions	7,677	7,637	-	-	7,677	7,637
Capital grants and contributions	1,266	1,290	2,643	4,735	3,909	6,025
General Revenues:						
Property taxes	16,007	15,055	-	-	16,007	15,055
Other taxes	33,527	30,052	-	-	33,527	30,052
Other taxes	8,595	7,010	177	2,618	8,772	9,628
Total revenues	83,661	75,616	26,128	26,120	109,789	101,736
Expenses:						
Water	-	-	24,018	26,424	24,018	26,424
Golf	-	-	1,072	1,085	1,072	1,085
General government	26,255	11,968	-	-	26,255	11,968
Public safety	42,467	36,041	-	-	42,467	36,041
Public works	17,873	16,619	-	-	17,873	16,619
Community development	8,164	9,275	-	-	8,164	9,275
Community services	2,608	2,314	-	-	2,608	2,314
Interest expense and other charges	5,505	2,463	-	-	5,505	2,463
Total expenses	102,872	78,680	25,090	27,509	127,962	106,189
Change in net position before transfers	(19,211)	(3,064)	1,038	(1,389)	(18,173)	(4,453)
Transfers	(89)	(151)	89	151	-	-
Change in net position	(19,300)	(3,215)	1,127	(1,238)	(18,173)	(4,453)
Net Position - beginning of fiscal year	408,154	411,432	137,089	138,327	545,243	549,759
Prior period adjustments	(1,161)	(63)	-	-	(1,161)	(63)
Net Position - beginning of fiscal year, restated	406,993	411,369	137,089	138,327	544,082	549,696
Net Position - end of fiscal year	\$ 387,693	\$ 408,154	\$ 138,216	\$ 137,089	\$ 525,909	\$ 545,243

Cash Management:

To effectively manage cash, the City employs a pooled cash system (reference Note 3 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 \$140.1 million, an increase of \$24.3 million from the prior fiscal year. The increase in debt was driven by a new bond issue (\$16.3 million) as well as increases in postemployment benefits (OPEB) liability (\$1.8 million), net pension liability (\$9.6 million), and compensated absences (\$153,869). These increases were offset by a combination of debt decreases in claims payable, lease revenue bonds, capital leases, certificates of participation and notes payable. Debt, which is considered a liability of business-type activities, totaled \$65.2 million, a decrease of \$1.7 million from the prior fiscal year, due to the payoff of \$1.9 million in water bonds and compensated absences (\$37,148) which was offset by increase in pension liability (\$239,397). 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 14 on pages 48-59 and note 18 on pages 64-71.

Outstanding Debt
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Claims Payable	\$ 161	\$ 178	\$ -	\$ -	\$ 161	\$ 178
Lease Revenue Bonds	41,662	43,179	-	-	41,662	43,179
Judgment Obligation Bonds	16,038	-	-	-	16,038	-
Water Bonds	-	-	58,153	60,069	58,153	60,069
Capital Lease	1,278	1,674	-	-	1,278	1,674
Certificates of Participation	3,535	4,045	-	-	3,535	4,045
Notes payable	2,489	3,350	-	-	2,489	3,350
Net pension liability	52,788	43,160	6,921	6,682	59,709	49,842
Post-employment benefit	20,771	18,984	-	-	20,771	18,984
Compensated absences	1,974	1,820	213	250	2,187	2,070
Total	\$ 140,696	\$ 116,390	\$ 65,287	\$ 67,001	\$ 205,983	\$ 183,391

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 \$464.2 million and the net capital assets of the business-type activities totaled \$179.7 million. The City’s net capital assets value decreased by \$11.1 million from the prior fiscal year.

Fiscal-year activity is presented in the chart below. Additional information on the City’s capital assets can be found in Note 7 on pages 45-47.

Capital Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 41,746	\$ 41,748	\$ 2,169	\$ 2,169	\$ 43,915	\$ 43,917
Right of way	54,438	54,438	-	-	54,438	54,438
Structures and improvements	36,377	34,747	15,300	15,300	51,677	50,047
Machinery, equipment and vehicles	18,557	17,287	4,817	4,783	23,374	22,070
Infrastructure	555,530	551,142	280,509	279,449	836,039	830,591
Construction in progress	20,871	16,562	6,953	7,411	27,824	23,973
Capital Assets	727,519	715,924	309,748	309,112	1,037,267	1,025,036
Accumulated depreciation	263,272	247,382	130,027	122,521	393,299	369,903
Net Capital Assets	\$ 464,247	\$ 468,542	\$ 179,721	\$ 186,591	\$ 643,968	\$ 655,133

Budgets and Budgetary Accounting:

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

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 endeavoring to 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 84.

The Fiscal Year 16/17 General Fund Budget:

The originally-adopted fiscal year 2016-17 general fund budget authorized \$60.8 million in expenditures, supported by \$60.3 million in expected general fund revenue and \$484,090 from fund balance. Fund balance was appropriated for three priority projects: general plan update (\$250,000), a development impact fee study (\$100,000), and for remodeling the council chamber (\$134,090). The budget as finally adjusted by the end of the fiscal year authorized \$68.6 million in expenditures, supported by \$65.2 million in revenue and \$3.4 million from fund balance. Additional fund balance was appropriated for various infrastructure improvements, land purchases, and various other one-time City enhancements. During the fiscal year, the budget was adjusted upon action of the City Council, to incorporate changes in revenue projections and approved spending levels. Throughout the fiscal year, the Indio City Council largely appropriates newly identified general fund revenue in a budgetary account called Appropriations for Contingencies. As deemed appropriate by the City Council, spending capacity captured in the Appropriations for Contingencies account is later transferred to a particular department for a designated purpose. By maintaining appropriations in the contingency account, the City Council deliberately safeguards against unexpected expenditure overruns, plans to bolster fund balance, or earmarks the funds for a future purpose.

At the end of fiscal year 2016-17, general fund expenditures totaled \$62.6 million, almost \$5.9 million less than budgeted. The savings was attributed to salary savings mostly within the Police Department (\$1.4 million), contractual obligations that were deferred to a future year (\$1.3 million), and general departmental savings (\$1.9 million). Overall, actual expenditures were nine percent under budgeted expectations.

At the end of fiscal year 2016-17, general fund revenue totaled almost \$67.1 million, \$1.85 million over budgeted expectations. Across all revenue sources results were mixed, but cumulative yearend totals were about one percent over budgeted expectations. The majority of the surplus was associated with the newly implemented local one-percent Measure X sales tax increase, which exceeded budgeted expectations by \$946,459.

Economic Factors and Next Year's Budget and Rates:

Statistics from the State Employment Development Department indicate that the unemployment rate in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area was 6.2 percent in August 2017, up from July's 6.1 percent, but below the year-ago calculation of 6.4 percent. Unemployment in the City of Indio was recorded at seven percent for August 2017, with a reported 2,700 unemployed from a labor force of 39,100. A year ago, the unemployment rate in the City was 7.3 percent. While higher than the metropolitan statistical average, the City's unemployment rate remains at a seven-year low, down from 15.4 percent recorded in August of 2010.

Businesses operating or advertising within the boundaries of the City must obtain a business license and remit business taxes based on gross receipts. By monitoring license statistics and business tax payments, the City can assess the strength of the local business activity. During fiscal year 2016-17 the City issued or renewed 5,786 business licenses, about five percent more than were issued last fiscal year, and 35 percent more than were issued five years ago. More recently, the increase in license counts is associated with the registration of both long-term and short-term residential rentals, which now account for 30 percent of all business licenses issued by the City.

Fiscal year 2016-17 was an unusual year for building permits. Developers had until June 30 to submit plans before more strenuous state development codes were implemented, driving up the number of residential permits. Ultimately, 85 percent of the plans submitted for new development during fiscal year 2016-17 were for residential units. Residential construction activity, while tempered, has been constant in the City.

On top of a sound local economy, the City is in the throes of major road and infrastructure improvements made possible by the newly approved sales tax measure (Measure X), which was implemented in April of 2017. The new funding source is expected to generate \$8.5 million a year for 20 years. These funds are also being used to enhance police programs, 911 emergency operations, and patrols of neighborhoods, parks, and schools. A Citizens' Finance Advisory Commission (CFAC) convened public meetings on February 6, February 13, March 13, April 10, April 24, May 1, and May 5, 2017, in order to establish criteria and determine suitable City enhancements to be funded with new Measure X sales tax revenue.

The City Council adopted the fiscal year 2017-18 budget in June of 2017 after multiple customary public sessions. When adopted, the citywide budget authorized \$144.2 million in appropriations, funded with \$141.1 million in expected annual revenue and a \$3.1 million drawdown from fund balance (retained earnings). In total, the recommended budget supports 245 full-time, 7 elected, 37 appointed commissioners, and 16 part-time positions. The recommended budget supports 74 sworn police officer positions. The City's adopted general fund budget authorized \$70 million in expenditures, supported by \$70 million in expected general fund revenue. As part of the adopted budget, the City Council authorized the following new expenditures:

- \$443,264 for four new police officer positions.
- \$1,000,000 for additional road improvements.
- \$1,162,695 for the debt service payment on judgment obligation bonds.
- \$277,200 for two emergency generators to be placed at two local fire stations
- \$54,000 for firefighter cancer screenings
- \$500,000 for the initial design of a new police headquarters, emergency operations center, a library, and city hall improvements
- \$500,000 for a new dispatch 9-1-1 system and a new city business software system
- \$4.0 million in support of various capital infrastructure projects
- \$842,841 to cover various economic development priorities

In 2013, the City adopted new service fees that were based on 2012 level costs. Recently, the City completed a new fee review based on 2017 level costs. The City anticipates adopting new service fees in 2018.

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.

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CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 35,267,903	\$ 19,736,303	\$ 55,004,206
Cash and investments with fiscal agent	2,773,810	605,685	3,379,495
Receivables:			
Accounts	3,133,296	4,122,294	7,255,590
Taxes	1,520,542	-	1,520,542
Notes and loans	10,120,680	-	10,120,680
Accrued interest	40,566	441	41,007
Other	888,242	-	888,242
Due from other governments	3,920,968	-	3,920,968
Internal balances	766,199	(766,199)	-
Prepaid costs	372,971	723,540	1,096,511
Inventories	-	84,631	84,631
Advance to Successor Agency	4,966,693	-	4,966,693
Property held for resale	6,918,534	-	6,918,534
Capital assets not being depreciated	117,055,044	9,122,247	126,177,291
Capital assets, net of depreciation	347,191,690	170,599,077	517,790,767
Total Assets	534,937,138	204,228,019	739,165,157
Deferred Outflows of Resources:			
Deferred charge on refunding	-	1,238,911	1,238,911
Deferred pension-related items	11,846,991	1,429,321	13,276,312
Total Deferred Outflows of Resources	11,846,991	2,668,232	14,515,223
Liabilities:			
Accounts payable	8,227,556	1,353,789	9,581,345
Accrued liabilities	729,955	706,118	1,436,073
Accrued interest	374,181	561,897	936,078
Unearned revenue	1,774,998	-	1,774,998
Pass-through payable	-	15,055	15,055
Deposits payable	3,487,000	516,882	4,003,882
Noncurrent liabilities:			
Due within one year	5,100,038	2,102,789	7,202,827
Due in more than one year	62,037,314	56,263,265	118,300,579
Other post employment benefits liability	20,771,137	-	20,771,137
Net pension liability	52,787,444	6,920,829	59,708,273
Total Liabilities	155,289,623	68,440,624	223,730,247
Deferred Inflows of Resources:			
Deferred pension related items	1,832,213	239,138	2,071,351
Unamortized gain on refunding of debt	1,969,770	-	1,969,770
Total Deferred Inflows of Resources	3,801,983	239,138	4,041,121
Net Position:			
Net investment in capital assets	413,311,858	122,806,970	536,118,828
Restricted for:			
Community development projects	187,325	-	187,325
Public safety	557,478	-	557,478
Public works	6,174,510	-	6,174,510
Capital projects	10,794,095	-	10,794,095
Debt service	2,211,093	605,685	2,816,778
Assessment districts	163,090	-	163,090
Public education government channel	172,475	-	172,475
Unrestricted (deficit)	(45,879,401)	14,803,834	(31,075,567)
Total Net Position	\$ 387,692,523	\$ 138,216,489	\$ 525,909,012

The notes to financial statements are an integral part of this statement.

CITY OF INDIO, CALIFORNIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 26,255,364	\$ 1,633,311	\$ 81,234	\$ 369,920
Public safety	42,467,485	7,057,292	380,787	-
Community development	8,164,271	295,744	5,752,131	-
Community services	2,608,233	138,657	-	-
Public works	17,872,616	7,464,188	1,462,603	896,492
Interest on long-term debt	5,504,831	-	-	-
Total Governmental Activities	102,872,800	16,589,192	7,676,755	1,266,412
Business-Type Activities:				
Water	24,018,165	22,313,463	-	2,643,376
Golf	1,072,589	994,764	-	-
Total Business-Type Activities	25,090,754	23,308,227	-	2,643,376
Total Primary Government	\$ 127,963,554	\$ 39,897,419	\$ 7,676,755	\$ 3,909,788

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at the Beginning of the Year,
as Originally Reported

Restatements

Net Position at the Beginning of the Year,
as Restated

Net Position at the End of the Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (24,170,899)	\$ -	\$ (24,170,899)
(35,029,406)	-	(35,029,406)
(2,116,396)	-	(2,116,396)
(2,469,576)	-	(2,469,576)
(8,049,333)	-	(8,049,333)
(5,504,831)	-	(5,504,831)
(77,340,441)	-	(77,340,441)
-	938,674	938,674
-	(77,825)	(77,825)
-	860,849	860,849
(77,340,441)	860,849	(76,479,592)
16,006,639	-	16,006,639
6,298,367	-	6,298,367
13,579,142	-	13,579,142
2,424,340	-	2,424,340
648,133	-	648,133
8,534,925	-	8,534,925
2,041,923	-	2,041,923
39,449	-	39,449
1,435,855	127,055	1,562,910
7,120,891	50,281	7,171,172
(89,377)	89,377	-
58,040,287	266,713	58,307,000
(19,300,154)	1,127,562	(18,172,592)
408,153,714	137,088,927	545,242,641
(1,161,037)	-	(1,161,037)
406,992,677	137,088,927	544,081,604
\$ 387,692,523	\$ 138,216,489	\$ 525,909,012

The notes to financial statements are an integral part of this statement.

CITY OF INDIO, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General	Capital Projects Funds	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	General	Capital Projects	Judgment Bonds		
Assets:					
Pooled cash and investments	\$ 22,689,188	\$ 1,011,203	\$ -	\$ 7,880,757	\$ 31,581,148
Receivables:					
Accounts	183,090	1,816,065	-	883,350	2,882,505
Taxes	1,520,542	-	-	-	1,520,542
Notes and loans	4,017,025	-	-	6,103,655	10,120,680
Accrued interest	24,857	7,017	-	8,692	40,566
Other	888,242	-	-	-	888,242
Prepaid costs	320,767	-	-	-	320,767
Due from other governments	3,460,077	-	-	460,891	3,920,968
Due from other funds	1,041,988	-	-	-	1,041,988
Advances to private-purpose trust funds	-	-	-	4,966,693	4,966,693
Property held for resale	5,803,655	-	-	1,114,879	6,918,534
Restricted assets:					
Cash and investments with fiscal agents	-	-	12,892	2,668,634	2,681,526
Total Assets	\$ 39,949,431	\$ 2,834,285	\$ 12,892	\$ 24,087,551	\$ 66,884,159
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):					
Liabilities:					
Accounts payable	\$ 5,933,379	\$ 299,827	\$ -	\$ 1,351,749	\$ 7,584,955
Accrued liabilities	656,428	-	-	31,632	688,060
Unearned revenues	-	1,774,998	-	-	1,774,998
Deposits payable	3,481,459	-	-	5,541	3,487,000
Due to other funds	-	-	-	240,400	240,400
Total Liabilities	10,071,266	2,074,825	-	1,629,322	13,775,413
Deferred Inflows of Resources:					
Unavailable revenues	-	1,664,175	-	2,825,051	4,489,226
Total Deferred Inflows of Resources	-	1,664,175	-	2,825,051	4,489,226
Fund Balances (Deficits):					
Nonspendable	10,141,447	-	-	-	10,141,447
Restricted	-	-	12,892	20,247,174	20,260,066
Committed	11,284,880	-	-	-	11,284,880
Assigned	8,451,838	-	-	-	8,451,838
Unassigned	-	(904,715)	-	(613,996)	(1,518,711)
Total Fund Balances (Deficits)	29,878,165	(904,715)	12,892	19,633,178	48,619,520
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 39,949,431	\$ 2,834,285	\$ 12,892	\$ 24,087,551	\$ 66,884,159

CITY OF INDIO, CALIFORNIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund balances of governmental funds		\$ 48,619,520
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.		459,752,935
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (57,085,000)	
Unamortized bond premiums/discounts	(615,456)	
Unamortized gain on defeasance	(1,969,770)	
Notes payable	(2,489,370)	
Installment agreement	(3,535,000)	
Capital lease obligations	(677,147)	
Compensated Absences	(1,973,465)	(68,345,208)
Deferred outflows related to pensions:		
Miscellaneous contributions subsequent to measurement date	1,962,353	
Miscellaneous net difference between projected and actual earnings on investments	2,051,197	
Safety contributions subsequent to measurement date	2,409,717	
Safety adjustment due to difference in proportion	648,142	
Safety net difference between projected and actual earnings on investments	4,338,134	
Safety difference between actual contributions and proportionate share of contributions	2,324	11,411,867
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.		(20,771,137)
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	(19,433,761)	
Safety net pension liability	(31,246,797)	(50,680,558)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(374,181)
Deferred inflows related to pensions:		
Miscellaneous change in assumptions	(307,553)	
Miscellaneous net difference between projected and actual experience	(363,949)	
Safety difference between actual contributions and proportionate share of contributions	(2,392)	
Safety net difference between projected and actual experience	(202,519)	
Safety adjustments due to differences in proportions	(882,999)	(1,759,412)
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.		4,489,226
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.		5,349,471
Net Position of governmental activities		<u>\$ 387,692,523</u>

CITY OF INDIO, CALIFORNIA

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	General	Capital Projects	Judgment Bonds	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 47,416,935	\$ -	\$ -	\$ 2,116,534	\$ 49,533,469
Licenses and permits	2,736,810	-	-	-	2,736,810
Intergovernmental	414,448	106,172	-	5,201,026	5,721,646
Charges for services	8,718,918	-	-	-	8,718,918
Use of money and property	805,712	31,683	-	598,355	1,435,750
Fines and forfeitures	594,636	-	-	81,355	675,991
Contributions	-	-	-	4,291,299	4,291,299
Developer participation	-	1,899,291	-	-	1,899,291
Miscellaneous	2,936,524	3,021,533	-	1,666,200	7,624,257
Total Revenues	63,623,983	5,058,679	-	13,954,769	82,637,431
Expenditures:					
Current:					
General government	4,303,641	-	15,745,500	221,664	20,270,805
Public safety	39,999,060	-	-	477,975	40,477,035
Community development	4,588,178	-	-	1,541,013	6,129,191
Community Services	2,523,974	-	-	-	2,523,974
Public works	6,995,757	-	-	6,038,787	13,034,544
Capital outlay	84,911	6,178,366	-	1,967,801	8,231,078
Debt service:					
Principal retirement	316,178	279,087	-	2,566,045	3,161,310
Interest and fiscal charges	46,190	7,061	3,480,855	2,042,240	5,576,346
Total Expenditures	58,857,889	6,464,514	19,226,355	14,855,525	99,404,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,766,094	(1,405,835)	(19,226,355)	(900,756)	(16,766,852)
Other Financing Sources (Uses):					
Transfers in	3,438,658	-	3,201,262	3,350,990	9,990,910
Transfers out	(3,780,530)	(950,000)	-	(3,539,265)	(8,269,795)
Judgment bonds issued	-	-	16,300,000	-	16,300,000
Bond discount	-	-	(262,015)	-	(262,015)
Total Other Financing Sources (Uses)	(341,872)	(950,000)	19,239,247	(188,275)	17,759,100
Net Change in Fund Balance	4,424,222	(2,355,835)	12,892	(1,089,031)	992,248
Fund Balances at the Beginning of the Year	25,453,943	1,451,120	-	20,722,209	47,627,272
Fund Balances (Deficits) at the End of the Year	\$ 29,878,165	\$ (904,715)	\$ 12,892	\$ 19,633,178	\$ 48,619,520

CITY OF INDIO, CALIFORNIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total governmental funds \$ 992,248

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	\$ 10,389,411	
Depreciation	(14,742,813)	
Gain/(loss) on sale of capital assets	<u>(22,259)</u>	(4,375,661)

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	3,161,310	
2017 judgment bond issuance	(16,300,000)	
2017 judgment bond discount	262,015	
Amortization of bond premiums/discounts	41,808	
Amortization of gain on defeasance	<u>96,832</u>	(12,738,035)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. (41,599)

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. (153,869)

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. (1,786,938)

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. (1,208,552)

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. 965,673

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. (953,421)

Change in net position of governmental activities \$ (19,300,154)

CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Assets:				
Current Assets:				
Cash and investments	\$ 19,555,901	\$ 180,402	\$ 19,736,303	\$ 3,686,681
Accounts receivable	4,121,175	1,119	4,122,294	250,865
Accrued interest receivable	-	441	441	-
Prepaid costs	648,540	75,000	723,540	52,204
Inventories	70,968	13,663	84,631	-
Restricted cash with fiscal agents	605,685	-	605,685	92,284
Total Current Assets	25,002,269	270,625	25,272,894	4,082,034
Noncurrent Assets:				
Capital assets, not being depreciated	8,656,288	465,959	9,122,247	-
Capital assets, being depreciated	300,145,937	480,414	300,626,351	19,419,973
Less accumulated depreciation	(129,863,058)	(164,216)	(130,027,274)	(14,926,174)
Total Noncurrent Assets	178,939,167	782,157	179,721,324	4,493,799
Total Assets	203,941,436	1,052,782	204,994,218	8,575,833
Deferred Outflows of Resources:				
Deferred charge on refunding	1,238,911	-	1,238,911	-
Deferred outflows related to pensions	1,423,314	6,007	1,429,321	435,124
Total Deferred Outflows of Resources	2,662,225	6,007	2,668,232	435,124
Liabilities:				
Current Liabilities:				
Accounts payable	1,350,790	2,999	1,353,789	642,601
Accrued liabilities	705,137	981	706,118	41,895
Accrued interest	561,897	-	561,897	-
Retentions payable	15,055	-	15,055	-
Deposits payable	516,882	-	516,882	-
Due to other funds	40,418	725,781	766,199	35,389
Compensated absences, due within one year	212,789	-	212,789	-
Bonds and capital leases, due within one year	1,890,000	-	1,890,000	82,856
Total Current Liabilities	5,292,968	729,761	6,022,729	802,741
Noncurrent Liabilities:				
Accrued claims and judgments	-	-	-	160,795
Net pension liability	6,891,743	29,086	6,920,829	2,106,886
Bonds and capital leases, due more than one year	56,263,265	-	56,263,265	518,263
Total Noncurrent Liabilities	63,155,008	29,086	63,184,094	2,785,944
Total Liabilities	68,447,976	758,847	69,206,823	3,588,685
Deferred Inflows of Resources:				
Deferred inflows related to pensions	238,133	1,005	239,138	72,801
Total Deferred Inflows of Resources	238,133	1,005	239,138	72,801
Net Position:				
Net investment in capital assets	122,024,813	782,157	122,806,970	3,892,680
Restricted for debt service	605,685	-	605,685	-
Unrestricted	15,287,054	(483,220)	14,803,834	1,456,791
Total Net Position	\$ 137,917,552	\$ 298,937	\$ 138,216,489	\$ 5,349,471

CITY OF INDIO, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Operating Revenues:				
Sales and service charges	\$ 19,807,739	\$ 994,764	\$ 20,802,503	\$ 12,412,068
Drought rate penalties	2,505,724	-	2,505,724	-
Other income	50,281	-	50,281	513,466
Total Operating Revenues	22,363,744	994,764	23,358,508	12,925,534
Operating Expenses:				
Personnel services	3,638,689	19,535	3,658,224	5,907,501
Contractual services	5,343,234	629,096	5,972,330	1,316,589
Repairs and maintenance	2,826,450	30,428	2,856,878	657,531
Claims expense	-	-	-	41,060
Depreciation expense	7,693,946	18,143	7,712,089	1,188,071
Materials and supplies	724,950	375,387	1,100,337	2,991,104
Bad debt expense	136,434	-	136,434	-
Rentals and leases	12,666	-	12,666	-
Utilities	1,307,365	-	1,307,365	-
Total Operating Expenses	21,683,734	1,072,589	22,756,323	12,101,856
Operating Income (Loss)	680,010	(77,825)	602,185	823,678
Nonoperating Revenues (Expenses):				
Intergovernmental	1,536,689	-	1,536,689	-
Interest revenue	123,205	3,850	127,055	105
Interest expense	(2,334,431)	-	(2,334,431)	(25,526)
Total Nonoperating Revenues (Expenses)	(674,537)	3,850	(670,687)	(25,421)
Income (Loss) Before Contributions and Transfers	5,473	(73,975)	(68,502)	798,257
Capital contributions	1,106,687	-	1,106,687	58,814
Transfers in	-	89,377	89,377	189,508
Transfers out	-	-	-	(2,000,000)
Changes in Net Position	1,112,160	15,402	1,127,562	(953,421)
Net Position at the Beginning of the Year, as Originally Reported	136,805,392	283,535	137,088,927	7,463,929
Restatements	-	-	-	(1,161,037)
Net Position at the Beginning of the Year, as Restated	136,805,392	283,535	137,088,927	6,302,892
Net Position at the End of the Year	\$ 137,917,552	\$ 298,937	\$ 138,216,489	\$ 5,349,471

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 24,167,568	\$ 1,005,836	\$ 25,173,404	\$ -
Receipts from interfund services and charges	-	-	-	13,612,232
Other receipts	-	-	-	71,623
Payments to suppliers and service providers	(13,549,422)	(1,068,484)	(14,617,906)	(4,854,399)
Payments to employees for salaries and benefits	(4,316,052)	(64,221)	(4,380,273)	(5,968,729)
Payments for claims and judgments	-	-	-	(58,560)
Net Cash Provided by (Used for) Operating Activities	6,302,094	(126,869)	6,175,225	2,802,167
Cash Flows from Non-Capital Financing Activities:				
Transfers to other funds	-	-	-	(2,000,000)
Transfers from other funds	-	89,377	89,377	189,508
Repayment made to other funds	-	-	-	(106,101)
Short-term borrowing from other funds	35,443	60,926	96,369	-
Net Cash Provided by (Used for) Non-Capital Financing Activities	35,443	150,303	185,746	(1,916,593)
Cash Flows from Capital and Related Financing Activities:				
Capital impact fees	1,106,687	-	1,106,687	58,814
Acquisition and construction of capital assets	(842,296)	-	(842,296)	(1,269,017)
Capital grants	1,536,689	-	1,536,689	-
Principal paid on capital debt	(1,860,000)	-	(1,860,000)	(79,686)
Interest paid on capital debt	(2,332,449)	-	(2,332,449)	(25,526)
Net Cash Used for Capital and Related Financing Activities	(2,391,369)	-	(2,391,369)	(1,315,415)
Cash Flows from Investing Activities:				
Interest on investments	123,205	3,718	126,923	105
Net Cash Provided by Investing Activities	123,205	3,718	126,923	105
Net Increase (Decrease) in Cash and Cash Equivalents	4,069,373	27,152	4,096,525	(429,736)
Cash and Cash Equivalents July 1 (including \$602,719 and \$1,280,174 reported in restricted accounts in the Water and Internal Service funds, respectively)	16,092,213	153,250	16,245,463	4,208,701
Cash and Cash Equivalents July 1 (including \$605,685 and \$92,284 reported in restricted accounts in the Water and Internal Service funds, respectively)	\$ 20,161,586	\$ 180,402	\$ 20,341,988	\$ 3,778,965
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ 680,010	\$ (77,825)	\$ 602,185	\$ 823,678
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	7,693,946	18,143	7,712,089	1,188,071
Decrease in accounts receivable	1,866,346	11,072	1,877,418	686,698
(Increase) decrease in prepaid costs	18,709	-	18,709	(37,108)
Decrease in inventories	69,207	2,527	71,734	-
Increase in deferred outflows related to pensions	(679,815)	(3,084)	(682,899)	(244,259)
Increase (decrease) in accounts payable	(3,407,419)	(36,100)	(3,443,519)	219,556
Decrease in accrued liabilities	(3,492)	(730)	(4,222)	(39,595)
Decrease in retentions payable	(15,254)	-	(15,254)	-
Increase in deposits payable	73,912	-	73,912	-
Decrease in compensated absences	(37,148)	-	(37,148)	-
Decrease in accrued claims and judgments	-	-	-	(17,500)
Increase (decrease) in net pension liability	273,036	(33,639)	239,397	290,440
Decrease in deferred inflows related to pensions	(229,944)	(7,233)	(237,177)	(67,814)
Total Adjustments	5,622,084	(49,044)	5,573,040	1,978,489
Net Cash Provided by (Used for) Operating Activities	\$ 6,302,094	\$ (126,869)	\$ 6,175,225	\$ 2,802,167

CITY OF INDIO, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017

	Agency Funds	Private-Purpose Trust Fund	Pension Trust Fund
		RDA Successor Agency Fund	Other Employee Benefits Trust Fund
Assets:			
Pooled cash and investments	\$ 9,770,167	\$ 6,095,369	\$ -
Accounts receivable	-	2,073	-
Notes and loans receivable	-	510,845	-
Accrued interest receivable	10,407	4,683	-
Prepaid costs	-	2,700	-
Due from other governments	156,316	-	-
Land held for resale	-	19,431,557	-
Restricted cash and mutual funds held with fiscal agents	5,217,978	5,451,238	1,383,772
Total Assets	\$ 15,154,868	31,498,465	1,383,772
Liabilities:			
Accounts payable	\$ 81,945	93,634	-
Accrued liabilities	-	6,644	-
Accrued interest	-	1,318,279	-
Deposits payable	393,793	-	-
Due to bondholders	14,195,905	-	-
Due to members	483,225	-	-
Long-term liabilities:			
Due in one year	-	2,390,000	-
Due in more than one year	-	62,620,000	-
Advances from the City of Indio	-	4,966,693	-
Total Liabilities	\$ 15,154,868	71,395,250	-
Net Position:			
Held in trust for other purposes		(39,896,785)	-
Held in trust for other post retirement benefits		-	1,383,772
Total Net Position		\$ (39,896,785)	\$ 1,383,772

CITY OF INDIO, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Private-Purpose Trust Fund</u>	<u>Pension Trust Fund</u>
	<u>RDA Successor Agency Fund</u>	<u>Other Employee Benefits Trust Fund</u>
Additions:		
Charges for services	\$ 512,428	\$ -
Taxes and assessments	6,884,870	-
Investment revenue	50,612	93,501
Contributions from City	-	130,259
Miscellaneous	128,213	-
Total Additions	<u>7,576,123</u>	<u>223,760</u>
Deductions:		
Community development	817,050	-
Administrative expense	-	1,025
Interest expense	3,548,325	-
Total Deductions	<u>4,365,375</u>	<u>1,025</u>
Changes in Net Position	3,210,748	222,735
Net Position at the Beginning of the Year, as Originally Reported	(43,107,533)	-
Restatements	-	1,161,037
Net Position at the Beginning of the Year, as Restated	<u>(43,107,533)</u>	<u>1,161,037</u>
Net Position at the End of the Year	<u>\$ (39,896,785)</u>	<u>\$ 1,383,772</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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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 another 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 another 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 another 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.

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.

Judgment Bonds – To accumulate funds for the payment of principal, interest and other related costs associated Judgment Obligation Bonds, Series 2017 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, in addition, pension trust funds are used to account for other post-employment benefits for employees. 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, 2017, 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the time of acquisition. 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, 2017

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, 2017

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

Homes purchased for the purpose of resale under the federally funded Neighborhood Stabilization Program and land purchased for the purpose of resale (or contribution to a redevelopment project) are recorded at the City's or Successor Agency's cost to purchase the property or, upon entering into a contract for sale, at the estimated net realizable value, if lower.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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.

s. Changes in Accounting Policies

During the fiscal year ended June 30, 2017, the City implemented the *GASB Statement No. 77 – Tax Abatement Disclosures*. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic conditions. As this Statement affects disclosures only, no adjustments to beginning fund balance or net position were required.

During the year-ended June 30, 2017, the City changed its accounting policy to account for cash and investments held by CalPERS in trust for the City's participation in the CERBT other post-employment benefits program administered by CalPERS. Previously this cash and investments were accounted for in the Risk Management internal service fund. As of June 30, 2017, these cash and investments are reported in the CERBT fiduciary trust fund. Beginning net position at July 1, 2016 is restated accordingly to account for this change in policy. For more information on the prior period adjustment, refer to Note 23.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Stewardship, Compliance, and Accountability

a. Deficit Fund Balances and Deficits in Internal Service Funds

The following governmental funds had deficit fund balances as of June 30, 2017 due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

Public Safety	\$ (2,389)
Homeland Security	(4,036)
HBRRP	(566,770)
Community Development Block Grant	(38,488)
Office of Traffic Safety	(2,313)

The following internal service funds had deficit net position as of June 30, 2017 and the City anticipates that these deficits will be reduced during the next fiscal year as part of the City's financial recovery plan.

Buildings and Grounds	\$ (968)
Fleet Maintenance	(765,615)
Centralized Services	(63,997)

b. Compliance with Budgetary Limitations

The Unclaimed Property, Neighborhood Stabilization Grant 3, Asset Forfeiture, Emergency Abandoned and Recalcitrant special revenue funds; the Assessment District capital projects fund; and the General Debt Service and Judgment Bonds debt service funds did not adopt budgets for the year ended June 30, 2017.

Note 2 to Required Supplementary Information, *Excess of Expenditures over Appropriations*, describes budgetary excesses in the General Fund that occurred for the year ended June 30, 2017.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 55,004,132
Cash and investments held by bond trustee	3,379,495

Fiduciary Funds:

Cash and investments	15,865,536
Cash and investments held by CalPERS for OPEB	1,383,772
Cash and investments held by bond trustee	<u>10,669,216</u>

Total cash and investments	<u>\$ 86,302,151</u>
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Cash on hand	\$ 9,100
Deposits with financial institutions	12,583,463
Investments	<u>73,709,662</u>

Total cash and investments	<u>\$ 86,302,225</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, 2017

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*
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%
Medium-Term Notes	Yes	5 years	30%	5%
Municipal Investments	Yes	5 years	10%	5%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
Local Agency Investment Funds	Yes	N/A	None	\$50 million

*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

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.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 3: Cash and Investments (Continued)

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	\$ 637,527	\$ 637,527	\$ -	\$ -	\$ -
U.S. Treasury Obligations	12,433,666	7,622,388	2,163,165	2,648,113	-
U.S. Agency Securities	11,050,873	4,406,181	3,497,382	3,147,310	-
Medium Term Notes	4,928,316	1,150,091	1,611,013	2,167,212	-
Local Agency Investment Fund	29,226,705	29,226,705	-	-	-
Held by Bond Trustee:					
Money Market Funds	15,432,575	15,432,575	-	-	-
Total	\$ 73,709,662	\$ 58,475,467	\$ 7,271,560	\$ 7,962,635	\$ -

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	\$ 637,527	AAA	\$ -	\$ 637,527	\$ -	\$ -	\$ -
U.S. Treasury Obligations	12,433,666	N/A	-	12,433,666	-	-	-
U.S. Agency Securities	11,050,873	AAA	-	11,050,873	-	-	-
Medium Term Notes	4,928,316	A	-	471,084	1,201,484	3,255,748	-
Local Agency Investment Fund	29,226,705	N/A	29,226,705	-	-	-	-
Held by Bond Trustee:							
Money Market Mutual Funds	15,432,575	AAA	-	15,432,575	-	-	-
Total	\$ 73,709,662		\$ 29,226,705	\$ 40,025,725	\$ 1,201,484	\$ 3,255,748	\$ -

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 3: Cash and Investments (Continued)

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, 2017, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Concentration of Credit Risk

The City diversifies its investments by security type and institution. The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2017, the only investments in any one issuer (other than United States Treasury Obligations, mutual funds, and external investment pools) that represent 5 percent or more of the total of the City's investments (excluding those investments held by fiscal agents) were U.S. agency securities in Federal Home Loan Banks in the amount of \$5,325,650 or 9.14 percent of the portfolio.

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 on 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. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

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, 2017:

Investment Type	Total	Level		
		1	2	N/A
Money Market Mutual Funds	\$ 637,527	\$ 637,527	\$ -	\$ -
U.S. Treasury Obligations	12,433,666	-	12,433,666	-
U.S. Agency Securities	11,050,873	-	11,050,873	-
Medium Term Notes	4,928,316	-	4,928,316	-
Local Agency Investment Fund	29,226,705	-	-	29,226,705
Held by Bond Trustee:				
Money Market Mutual Funds	15,432,575	15,432,575	-	-
Total	<u>\$ 73,709,662</u>	<u>\$ 16,070,102</u>	<u>\$ 28,412,855</u>	<u>\$ 29,226,705</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 4: Interfund Receivables, Payables, and Transfers

Transfers in and out for the fiscal year ended June 30, 2017 were as follows:

<u>Transfers from</u>	<u>Transfers to</u>	<u>Amount</u>
General Fund	Judgment Bonds	\$ 1,201,262 (a)
General Fund	Other Governmental Funds	2,355,802 (b)
General Fund	Nonmajor Enterprise Funds	89,377
General Fund	Internal Service Funds	134,089
Capital Projects Fund	Other Governmental Funds	950,000 (b)
Other Governmental Funds	General Fund	3,438,658 (c)
Other Governmental Funds	Other Governmental Funds	45,188
Other Governmental Funds	Internal Service Funds	55,419
Internal Service Funds	Judgment Bonds	<u>2,000,000 (a)</u>
Total		<u>\$ 10,269,795</u>

Interfund transfers were principally used for the following purposes:

- a. \$1,201,262 and \$2,000,000 were transferred from the General Fund and Internal Service Funds, respectively, to the Judgment Bonds fund to cover costs associated with the issuance of the 2017 Judgment Obligation Bonds.
- b. \$2,290,685 and \$950,000 were transferred from the General Fund and Capital Projects Fund, respectively, to the Other Governmental Funds to cover debt service payments. The remaining amounts are for various other operating purposes.
- c. \$3,438,658 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, 2017 are as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 240,400
General Fund	Water Fund	40,418
General Fund	Internal Service Funds	35,389
General Fund	Nonmajor Enterprise Funds	<u>725,781</u>
Total		<u>\$ 1,041,988</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, 2017</u>
First time home buyer notes issued to homebuyers	\$ 46,100
Neighborhood Stabilization deferred loan program	1,416,392
Housing rehabilitation deferred loan program	1,055,727
Horizons at Indio senior housing project	3,585,436
Geovel, Inc. secured promissory note	<u>4,017,025</u>
Total	<u>\$ 10,120,680</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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, 2017, notes receivable of \$46,100 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, 2017 was \$3,585,436.

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, 2017 was \$1,055,727.

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, 2017 was \$1,416,392.

The Geovel, Inc. promissory note was provided to a major auto dealer so that the dealer could purchase 18 acres located on the north side of Varner Road between Adams Street and Jefferson Street in an area known as the I-10 Auto Mall. The auto dealership generates sales tax for the City. The site also fills the gap between the I-10 Auto Mall and other proposed dealership, making the site area more attractive for future development. The note was issued December 22, 2014 and is due in full on February 19, 2030 or at an earlier time if the Note is prepaid in whole or in part at any time, without charge, fee or premium, based on the prepayment clause defined in the 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, 2017 was \$4,017,025.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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	Neighborhood Stabilization Grant 2	Total
Land held for resale	\$ 9,312,352	\$ 304,000	\$ 810,879	\$ 10,427,231
Impairment allowance	(3,508,697)	-	-	(3,508,697)
Total	<u>\$ 5,803,655</u>	<u>\$ 304,000</u>	<u>\$ 810,879</u>	<u>\$ 6,918,534</u>

Property Held for Resale

The City of Indio received federal funding in Neighborhood Stabilization Program (NSP2 and 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, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017, is as follows:

Governmental activities:

	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Structures and improvements	\$ 34,747,222	\$ 1,425,911	\$ 41,026	\$ 245,122	\$ 36,377,229
Machinery and equipment	7,849,027	153,621	-	-	8,002,648
Vehicles	9,438,494	1,115,395	-	-	10,553,889
Infrastructure: street network	551,141,734	1,005,484	-	3,382,675	555,529,893
Total cost of depreciable assets	<u>603,176,477</u>	<u>3,700,411</u>	<u>41,026</u>	<u>3,627,797</u>	<u>610,463,659</u>
Less accumulated depreciation:					
Structures and improvements	8,033,785	909,418	41,026	-	8,902,177
Machinery and equipment	6,077,942	453,625	-	-	6,531,567
Vehicles	7,627,784	734,445	-	-	8,362,229
Infrastructure: street network	225,642,601	13,833,395	-	-	239,475,996
Total accumulated depreciation	<u>247,382,112</u>	<u>15,930,883</u>	<u>41,026</u>	<u>-</u>	<u>263,271,969</u>
Net depreciable assets	<u>355,794,365</u>	<u>(12,230,472)</u>	<u>-</u>	<u>3,627,797</u>	<u>347,191,690</u>
Capital assets not depreciated:					
Construction in process	16,561,621	7,958,016	20,770	(3,627,797)	20,871,070
Land	41,747,571	-	1,489	-	41,746,082
Right of way	54,437,892	-	-	-	54,437,892
Total capital assets not depreciated	<u>112,747,084</u>	<u>7,958,016</u>	<u>22,259</u>	<u>(3,627,797)</u>	<u>117,055,044</u>
Capital assets, net	<u>\$ 468,541,449</u>	<u>\$ (4,272,456)</u>	<u>\$ 22,259</u>	<u>\$ -</u>	<u>\$ 464,246,734</u>

Depreciation expense, including \$1,188,071 of internal service depreciation, was charged in the following functions:

General government	\$ 5,716,842
Public safety	1,022,457
Public works	7,104,466
Community development	2,040,746
Human services	46,372
	<u>\$ 15,930,883</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Capital Assets (Continued)

Business-type activities – Golf Course:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Structures and improvements	\$ 360,349	\$ -	\$ -	\$ 360,349
Machinery and equipment	120,065	-	-	120,065
Total cost of depreciable assets	480,414	-	-	480,414
Less accumulated depreciation:				
Structures and improvements	91,106	8,037	-	99,143
Machinery and equipment	54,967	10,106	-	65,073
Total accumulated depreciation	146,073	18,143	-	164,216
Net depreciable assets	334,341	(18,143)	-	316,198
Capital assets not depreciated				
Land	465,959	-	-	465,959
Capital assets, net	\$ 800,300	\$ (18,143)	\$ -	\$ 782,157

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

Golf \$18,143

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 7: Capital Assets (Continued)

Business-type activities – Water:

	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Structures and improvements	\$ 14,939,434	\$ -	\$ -	\$ -	\$ 14,939,434
Machinery and equipment	2,940,038	-	-	-	2,940,038
Vehicles	1,722,512	239,724	204,984	-	1,757,252
Utility distribution system	279,448,786	-	-	1,060,427	280,509,213
Total cost of depreciable assets	<u>299,050,770</u>	<u>239,724</u>	<u>204,984</u>	<u>1,060,427</u>	<u>300,145,937</u>
Less accumulated depreciation:					
Structures and improvements	2,047,077	373,467	-	-	2,420,544
Machinery and equipment	1,874,799	237,742	-	-	2,112,541
Vehicles	1,326,463	94,308	204,984	-	1,215,787
Utility distribution system	117,125,757	6,988,429	-	-	124,114,186
Total accumulated depreciation	<u>122,374,096</u>	<u>7,693,946</u>	<u>204,984</u>	<u>-</u>	<u>129,863,058</u>
Net depreciable assets	<u>176,676,674</u>	<u>(7,454,222)</u>	<u>-</u>	<u>1,060,427</u>	<u>170,282,879</u>
Capital assets not depreciated:					
Construction in process	7,411,133	602,572	-	(1,060,427)	6,953,278
Land	1,703,010	-	-	-	1,703,010
Total capital assets not depreciated	<u>9,114,143</u>	<u>602,572</u>	<u>-</u>	<u>(1,060,427)</u>	<u>8,656,288</u>
Capital assets, net	<u>\$ 185,790,817</u>	<u>\$ (6,851,650)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,939,167</u>

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

Water \$7,693,946

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 8: Changes in Long-Term Liabilities

Changes in long-term liabilities during the fiscal year ended June 30, 2017, were as follows:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017	Amount Due Within One Year	Beyond One Year
Governmental activities:						
Bonds payable:						
2012 Lease Revenue Refunding	\$ 22,530,000	\$ -	\$ 1,030,000	\$ 21,500,000	\$ 1,080,000	\$ 20,420,000
2016A Lease Revenue Refunding	14,150,000	-	-	14,150,000	-	14,150,000
2016B Lease Revenue Refunding	5,580,000	-	445,000	5,135,000	460,000	4,675,000
2017 Judgment Obligation Bond	-	16,300,000	-	16,300,000	650,000	15,650,000
Issue premium on bonds	919,278	-	41,808	877,470	-	877,470
Issue (discount) on bonds	-	(262,014)	-	(262,014)	-	(262,014)
Subtotal	43,179,278	16,037,986	1,516,808	57,700,456	2,190,000	55,510,456
Capital lease obligations	1,674,130	-	395,864	1,278,266	413,737	864,529
Installment agreement	4,045,000	-	510,000	3,535,000	530,000	3,005,000
Post employment benefit liability	18,984,199	3,460,361	1,673,423	20,771,137	-	20,771,137
Net pension liability	43,160,353	14,063,691	4,436,600	52,787,444	-	52,787,444
Notes payable	3,349,503	-	860,133	2,489,370	892,679	1,596,691
Compensated absences	1,819,596	1,143,782	989,913	1,973,465	1,073,622	899,843
Claims payable *	178,295	-	17,500	160,795	-	160,795
Subtotal	73,211,076	18,667,834	8,883,433	82,995,477	2,910,038	80,085,439
Total governmental activities	\$ 116,390,354	\$ 34,705,820	\$ 10,400,241	\$ 140,695,933	\$ 5,100,038	\$ 135,595,895
Business-type activities:						
Bonds payable:						
2015A Water Revenue Refunding	\$ 51,065,000	\$ -	\$ -	\$ 51,065,000	\$ -	\$ 51,065,000
2015B Water Revenue Refunding	7,660,000	-	1,860,000	5,800,000	1,890,000	3,910,000
Issue premium on bonds	1,344,277	-	56,012	1,288,265	-	1,288,265
Subtotal	60,069,277	-	1,916,012	58,153,265	1,890,000	56,263,265
Net pension liability	6,681,432	985,819	746,422	6,920,829	-	6,920,829
Compensated absences **	249,937	262,678	299,826	212,789	212,789	-
Subtotal	6,931,369	1,248,497	1,046,248	7,133,618	212,789	6,920,829
Total business-type activities	\$ 67,000,646	\$ 1,248,497	\$ 2,962,260	\$ 65,286,883	\$ 2,102,789	\$ 63,184,094

* All claims as of June 30, 2017 are considered to be noncurrent.

** Compensated absences are considered to be current as of June 30, 2017.

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, 2017 on this contract was \$677,147.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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,		
	2018	\$ 352,091
	2019	352,091
Subtotal		<u>704,182</u>
Less amount representing interest		(27,035)
Present value of future lease payments		<u>\$ 677,147</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, 2017 on this contract was \$601,119.

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,		
	2018	\$ 105,212
	2019	105,212
	2020	105,212
	2021	105,212
	2022	105,212
	2023-2024	157,817
Subtotal		<u>683,877</u>
Less amount representing interest		(82,758)
Present value of future lease payments		<u>\$ 601,119</u>

Note 10: Bonds PayableLease 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, 2017, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$21,500,000.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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
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	705,000	829,656	1,534,656
2023-2027	4,090,000	3,609,516	7,699,516
2028-2032	5,140,000	2,576,533	7,716,533
2033-2037	6,530,000	1,218,313	7,748,313
2038	1,515,000	37,875	1,552,875
	<u>\$ 21,500,000</u>	<u>\$ 11,969,767</u>	<u>\$ 33,469,767</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, 2017, the outstanding balance of the Series 2012 bonds was \$14,150,000.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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
2018	\$ -	\$ 546,563	\$ 546,563
2019	-	546,563	546,563
2020	500,000	539,063	1,039,063
2021	515,000	521,263	1,036,263
2022	540,000	497,463	1,037,463
2023-2027	3,120,000	2,044,813	5,164,813
2028-2032	3,905,000	1,237,838	5,142,838
2033-2037	4,565,000	552,697	5,117,697
2038-2039	1,005,000	16,959	1,021,959
	<u>\$ 14,150,000</u>	<u>\$ 6,503,222</u>	<u>\$ 20,653,222</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, 2017, the outstanding balance of the Series 2016B bonds was \$5,135,000.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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
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	500,000	98,353	598,353
2023-2027	2,740,000	242,408	2,982,408
	<u>\$ 5,135,000</u>	<u>\$ 849,710</u>	<u>\$ 5,984,710</u>

Judgment Obligation Bonds, Series 2017

In May 2017, the City of Indio issued the \$16,300,000 Judgment Obligation Bonds, Series 2017. The proceeds were used to pay the judgment ordered against the City in the case of *Jefferson Street Ventures, LLC v. City of Indio* on December 6, 2016.

The Series 2017 bonds consist of \$16,300,000 of serial bonds. The serial bonds accrue interest at rates between 1.250% and 4.250% and the principal amounts mature between November 1, 2017 and November 1, 2036 in amounts ranging from \$650,000 to \$1,140,000. At June 30, 2017, the outstanding balance of the Series 2016B bonds was \$16,300,000.

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 650,000	\$ 512,694	\$ 1,162,694
2019	615,000	549,294	1,164,294
2020	625,000	538,431	1,163,431
2021	640,000	524,981	1,164,981
2022	655,000	509,594	1,164,594
2023-2027	3,580,000	2,245,534	5,825,534
2028-2032	4,280,000	1,544,744	5,824,744
2033-2037	5,255,000	575,838	5,830,838
	<u>\$ 16,300,000</u>	<u>\$ 7,001,110</u>	<u>\$ 23,301,110</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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 \$3,535,000 as of June 30, 2017.

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
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	625,000	55,313	680,313
2023	650,000	28,438	678,438
	<u>\$ 3,535,000</u>	<u>\$ 538,003</u>	<u>\$ 4,073,003</u>

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, 2017 was \$1,373,022.

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, 2017 was \$1,116,348.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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
2018	\$ 892,679	\$ 92,337	\$ 985,016
2019	927,048	59,790	986,838
2020	390,556	25,421	415,977
2021	279,087	762	279,849
	<u>\$ 2,489,370</u>	<u>\$ 178,310</u>	<u>\$ 2,667,680</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 agent multiple-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 a trust established through CalPERS CERBT 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 2016-17 the City contributed \$1,673,423 to the plan for current premiums.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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	854,289
Adjustments to annual required contributions	<u>(1,184,891)</u>
Annual OPEB cost (expense)	3,460,361
Contributions made (including premiums paid)	<u>1,673,423</u>
Increase in net OPEB obligation	1,786,938
Net OPEB obligation-beginning of fiscal year	<u>18,984,199</u>
Net OPEB obligation-end of fiscal year	<u><u>\$20,771,137</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding fiscal years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 3,031,327	50.97%	\$ 17,082,074
6/30/2016	3,510,961	45.82%	18,984,199
6/30/2017	3,460,361	48.36%	20,771,137

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, 2017

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, 2017

Note 14: Water Enterprise Revenue Bond (Continued)

At June 30, 2017, the outstanding balance of the Series 2015A bonds and Series 2015B bonds were \$51,065,000 and \$5,800,000, 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, 2017

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
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	2,155,000	1,999,863	4,154,863
2023-2017	12,500,000	8,271,813	20,771,813
2028-2032	15,175,000	5,601,569	20,776,569
2023-2037	15,460,000	2,507,219	17,967,219
2038-2040	3,720,000	337,931	4,057,931
	<u>\$ 51,065,000</u>	<u>\$ 27,128,847</u>	<u>\$ 78,193,847</u>

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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>\$ 5,800,000</u>	<u>\$ 306,249</u>	<u>\$ 6,106,249</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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 6/30/2016	FY16/17 DS Principal	Outstanding 6/30/2017
AD99-1/R	7/26/2012	\$ 1,520,000	4.690%	9/2/2020	\$ 865,000	\$ 160,000	\$ 705,000
AD2001-1/R	7/26/2012	3,295,000	4.690%	9/2/2026	2,545,000	180,000	2,365,000
AD2002-1/R	7/26/2012	3,410,000	4.690%	9/2/2026	2,705,000	170,000	2,535,000
AD2002-2/R	7/26/2012	2,162,900	4.690%	9/2/2027	1,713,770	104,437	1,609,333
AD2002-3/R	7/26/2012	4,119,800	4.710%	9/2/2027	3,274,000	217,543	3,056,457
AD2003-1/R	7/23/2014	1,752,000	3.550%	9/2/2029	1,665,000	96,000	1,569,000
AD2003-2/R	7/23/2014	1,402,000	3.550%	9/2/2029	1,332,000	73,000	1,259,000
AD2003-3/R	7/23/2014	4,038,000	3.550%	9/2/2029	3,842,000	216,000	3,626,000
AD2003-5/R	7/23/2014	1,343,000	3.550%	9/2/2029	1,275,000	71,000	1,204,000
AD2003-6/R	7/23/2014	1,627,000	3.550%	9/2/2029	1,550,000	87,000	1,463,000
AD2004-1	9/30/2004	2,265,000	2.80% to 6.00%	9/2/2030	1,660,000	75,000	1,585,000
AD2004-2	11/4/2004	3,604,000	1.67% to 3.86%	9/2/2030	2,640,000	120,000	2,520,000
AD2004-3	2/24/2005	7,350,000	2.90% to 5.50%	9/2/2030	5,119,500	280,400	4,839,100
CFD2004-3	8/4/2015	15,530,000	2.00% to 4.00%	9/1/2035	15,530,000	515,000	15,015,000
CFD2005-1 A1/R	7/23/2014	8,337,000	4.030%	9/1/2036	8,130,000	255,000	7,875,000
CFD2006-1/R	7/23/2014	7,554,000	4.030%	9/1/2036	8,287,000	262,000	8,025,000
CFD2005-1 A2/R	7/23/2014	8,499,000	4.030%	9/1/2036	7,345,000	229,000	7,116,000

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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	\$ 1,662,292	\$ 676,713	41%

Note 17: Liability, Property and Workers Compensation Protection

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Indio is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 117 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.

b. 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. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

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

Primary 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 2016-17 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 in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$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 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 2016-17 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.

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Indio participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Indio. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate 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 policy term.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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 \$131,248,760. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City of Indio purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Indio property currently has earthquake protection on the Council Chambers at City Hall in the amount of \$1,187,936. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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.

Special Event Tenant User 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 facilitated by the Authority.

d. 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 2016-17.

Changes in the claims payable amounts in fiscal years 2015, 2016, and 2017 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
2014-15	\$ 4,474,337	\$ (226,847)	\$ (500,775)	\$ 3,746,715
2015-16	3,746,715	328,855	(3,897,275)	178,295
2016-17	178,295	-	(17,500)	160,795

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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, 2017, are summarized as follows:

	Miscellaneous Plans	
	Classic *	PEPRA
Hire date	Prior to 7/1/2013	After 7/1/2013
Benefit formula	2.7% @ 55	2.7% @ 62
Benefit vesting schedule	5 yr. of service	5 yr. 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% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	24.72%	24.72%

	Safety Plans		
	Classic I *	Classic II *	PEPRA
Hire date	Prior to 7/1/2011	7/1/2011 - 7/1/2013	After 7/1/2013
Benefit formula	3.0% @ 50	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 yr. of service	5 yr. of service	5 yr. 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	3.0%	2.4% - 3.0%	2.0% - 2.7%
Required employee contribution rates	9.00%	9.00%	12.25%
Required employer contribution rates	21.23%	18.30%	12.82%

* Plan is closed to new entrants.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 18: Pension Plan (Continued)***Employees Covered***

At June 30, 2016, the following employees were covered by the benefit terms for the Miscellaneous Plans:

	<u>Miscellaneous Plans</u>
Inactive employees or beneficiaries currently receiving benefits	208
Inactive employees entitled to but not yet receiving benefits	155
Active employees	160
	<u>523</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, 2017, the contributions recognized as a reduction to the net pension liability was \$2,619,245 and \$2,567,055 for the miscellaneous and safety plans, respectively.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 18: Pension Plan (Continued)

All other actuarial assumptions used in the June 30, 2015 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.

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.

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	20.0	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	1.0	(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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 18: Pension Plan (Continued)

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, 2017, the City reported net pension liabilities of each as follows:

Net Pension Liability	
Miscellaneous agent	\$ 28,461,476
Safety cost-sharing proportionate share	31,246,797
Total Net Pension Liability:	<u>\$ 59,708,273</u>

For the Safety proportionate share of the net pension liability, it is measured as of June 30, 2016, 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, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2015 and June 30, 2016 is as follows:

	Total Plans
Proportion - June 30, 2016	0.60331%
Proportion - June 30, 2015	0.61411%
Change - Increase (Decrease)	<u>-0.01080%</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 18: Pension Plan (Continued)

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2015 (Valuation Date) (1)	\$ 79,748,636	\$ 55,160,955	\$ 24,587,681
Changes Recognized for the Measurement Period:			
Service Cost	2,144,177	-	2,144,177
Interest on the Total Pension Liability	6,008,228	-	6,008,228
Difference between Expected and Actual Experience	(465,558)	-	(465,558)
Contribution from the Employer	-	2,619,245	(2,619,245)
Contributions from Employees	-	927,413	(927,413)
Net Investment Income (2)	-	300,012	(300,012)
Benefit Payments including Refunds of Employee Contributions	(3,632,465)	(3,632,465)	-
Administration expense	-	(33,618)	33,618
Net Changes During 2015-16	<u>4,054,382</u>	<u>180,587</u>	<u>3,873,795</u>
Balance at: 6/30/2016 (Measurement Date) (1)	<u>\$ 83,803,018</u>	<u>\$ 55,341,542</u>	<u>\$ 28,461,476</u>

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, 2016.

- (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, 2017

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 Plan	\$ 40,084,678	\$ 28,461,476	\$ 18,898,366
Safety Plan	45,573,228	31,246,797	19,486,264

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 (the sum of remaining service lifetimes of the active employees) by the total number of plan participants (active, inactive, and retired).

The EARSL for the Miscellaneous Plan for the measurement period ending June 30, 2016 is 3.0 years, which was obtained by dividing the total service years of 1,592 by the total number of plan participants, 523.

The EARSL for the Safety Plan pooled in CalPERS Plan PERF C for the measurement dated ending June 30, 2016 is 3.7 years, which was obtained by dividing the pool's total service years of 475,689 by the total number of plan participants in the PERF C, 127,009.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 18: Pension Plan (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017, the City recognized pension expense as follows:

Miscellaneous	Safety	Total Plans
\$ 2,660,407	\$ 3,129,490	\$ 5,789,897

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan		
Employer contributions subsequent to measurement date	\$ 2,873,940	\$ -
Changes of assumptions	-	(450,423)
Differences between expected and actual experiences	-	(533,018)
Net difference between projected and actual earnings on pension plan investments	3,004,055	-
Total Miscellaneous Plan	5,877,995	(983,441)
Safety Plan		
Employer contributions subsequent to measurement date	2,409,717	-
Changes of assumptions	-	(882,999)
Differences between expected and actual experiences	-	(202,519)
Net difference between projected and actual earnings on pension plan investments	4,338,134	-
Adjustments due to differences in proportions	648,142	-
Difference in proportionate share	2,324	(2,392)
Total Safety Plan	7,398,317	(1,087,910)
Total All Plans	\$ 13,276,312	\$ (2,071,351)

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 18: Pension Plan (Continued)

The \$2,873,940 and \$2,409,717 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, 2018. 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	Deferred Outflows/(Inflows) of Resources			
	June 30,	Miscellaneous	Safety	Total Plans
2017	\$	(391,041)	\$ 365,919	\$ (25,122)
2018		282,030	404,730	686,760
2019		1,353,191	2,000,699	3,353,890
2020		776,434	1,129,342	1,905,776

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Pension Plan Subsequent Events

In December 2016, CalPERS' Board of Directors voted to lower the discount rate used in its actuarial valuations from 7.5% to 7.0% over three fiscal years, beginning in fiscal year 2018. The change in the discount rate will affect the contribution rates for employers beginning in fiscal year 2019, and results in increases to employers' normal costs and unfunded actuarial liabilities. For the GASB Statement 68 accounting valuations, the discount rate will move straight to 7% starting with the June 30, 2017 measurement date reports and will result in an increase to employer's total pension liabilities.

Note 19: Contingent Liabilities and Commitment**Normal Course of Operations**

The City is a defendant in certain legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from actions will not have a material adverse effect on the City's financial position.

Revenue Tax Sharing Agreement Commitment

In March 1997, the City entered into an agreement with the County of Riverside in order to obtain the County's cooperation to annex property in the unincorporated County area with the intention of developing a relocation site for the new and used auto dealers of the City of Indio. The development of the Desert Cities Auto Center and its annexation into the City of Indio is expected to generate significant sales and use taxes as well as property taxes from the improved site. In return, the City agrees to provide maintenance of certain County facilities. In return for the County's cooperation in approving the Desert Cities Auto Center site plan and its annexation into the City of Indio, this agreement provides that the City of Indio will dedicate 25% of sales and use taxes derived from the annexed property to the County for the remainder of a thirty-year period ending in the year 2027. Upon expiration of the term of the agreement and upon payment by the City to the County of the sum of \$1, the County shall convey fee title to the County Improvements. During fiscal year 2016-2017, payment in the amount of \$480,653 was made to the County.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

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 30, 2017, the total cost is \$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.

Construction Commitments

The following material construction commitments existed at June 30, 2017:

Project	Contract Amount	Expenditures to date as of June 30, 2017	Remaining Commitments
Jackson St. Traffic Signal & Intersection Improvement Project	\$ 2,892,277	\$ 268,561	\$ 2,623,716
Indio Blvd. Overhead Seismic Retrofit Project	3,076,791	944,718	2,132,073

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, 2017 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 is 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, 2017, 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.

Note 21: Net Position and Fund Balances (Continued)

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

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

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2017

Note 22: 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, 2017, is as follows:

	General Fund	Capital Projects	Judgment Bonds	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid costs	\$ 320,767	\$ -	\$ -	\$ -	\$ 320,767
Property held for resale	5,803,655	-	-	-	5,803,655
Notes and loans receivable	4,017,025	-	-	-	4,017,025
Total nonspendable fund balance	10,141,447	-	-	-	10,141,447
Restricted:					
Debt service	-	-	12,892	2,198,201	2,211,093
Gas tax	-	-	-	783,146	783,146
Traffic safety	-	-	-	75,030	75,030
Supplemental law enforcement	-	-	-	217,921	217,921
LLEBG	-	-	-	17,385	17,385
Abandoned vehicle	-	-	-	103,564	103,564
Unclaimed property	-	-	-	7,169	7,169
Measure A	-	-	-	725,555	725,555
Article 3	-	-	-	12	12
NPDES	-	-	-	58,369	58,369
Air quality	-	-	-	146,954	146,954
Indian gaming SB 621	-	-	-	9,553	9,553
Waste recycling AB 939	-	-	-	671,915	671,915
Community facilities districts	-	-	-	163,090	163,090
Certified access specialist SB 1186	-	-	-	9,661	9,661
Department of Conservation recycling	-	-	-	56,497	56,497
Public education government channel	-	-	-	172,475	172,475
COPS hiring recovery	-	-	-	3,714	3,714
Lighting and landscape	-	-	-	3,684,321	3,684,321
Asset forfeiture	-	-	-	1,431	1,431
Emergency, abandoned, and recalcitrant	-	-	-	121,594	121,594
Cal emergency management	-	-	-	117	117
Donations	-	-	-	47,741	47,741
Indio Housing Authority	-	-	-	8,880,687	8,880,687
Neighborhood stabilization 2	-	-	-	1,581,773	1,581,773
Neighborhood stabilization 3	-	-	-	38,597	38,597
Housing related park program	-	-	-	177,664	177,664
Construction projects	-	-	-	293,038	293,038
Total restricted fund balance	-	-	12,892	20,247,174	20,260,066
Committed:					
Community development projects	11,284,880	-	-	-	11,284,880
Total committed fund balance	11,284,880	-	-	-	11,284,880
Assigned:					
Community development projects	7,777,600	-	-	-	7,777,600
General government	674,238	-	-	-	674,238
Total assigned fund balance	8,451,838	-	-	-	8,451,838
Unassigned:					
	-	(904,715)	-	(613,996)	(1,518,711)
Total fund balance (deficit)	\$ 29,878,165	\$ (904,715)	\$ 12,892	\$ 19,633,178	\$ 48,619,520

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 22: Fund Balances (Continued)

At June 30, 2017, outstanding encumbrances by major fund are as follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 674,238
Nonmajor Governmental Funds	<u>215,470</u>
	<u>\$ 889,708</u>

Note 23: 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 as of July 1, 2016:f

Governmental Activities:

To set up a fiduciary trust fund to account for fiscal agent cash held by CalPERS for the CERBT other post employment benefits plan. \$(1,161,037)

Internal Service Funds:*Risk Management Fund*

To set up a fiduciary trust fund to account for fiscal agent cash held by CalPERS for the CERBT other post employment benefits plan. (1,161,037)

Fiduciary Funds:*Other Post Employment Benefit Fund*

To set up a fiduciary trust fund to account for fiscal agent cash held by CalPERS for the CERBT other post employment benefits plan. 1,161,037

Note 24: Tax Abatement Agreements**a. Sales Tax Abatements with Private Developers**

On November 20, 2013, the City entered into a tax abatement agreement of sales and use tax revenues with a local developer under the authority of the City Council of the City of Indio. This agreement allows for a 50 percent abatement of sales taxes, with no maximum ceiling, during the three-calendar year period after business opened to the public. This agreement expired on November 20, 2016. For the fiscal year ended June 30, 2017, the City abated tax increments totaling \$67,445 under this agreement.

On July 1, 2014, the City entered into a tax abatement agreement of sales and use tax revenues with a local developer under the authority of the City Council of the City of Indio. This agreement allows for a 50 percent abatement of sales taxes, with no maximum ceiling, during for the duration of the developer's lease agreement with the City. For the fiscal year ended June 30, 2017, the City abated tax increments totaling \$85,191 under this agreement.

Note 24: Tax Abatement Agreements (Continued)

b. Transient Occupancy Tax Abatements with Private Entities

On July 1, 2011, the City entered into a tax abatement agreement of transient occupancy tax revenues with a local business under the authority of the City Council of the City of Indio. This agreement allows for a 45 percent abatement of transient occupancy taxes, with a maximum ceiling of \$2.6 million for the duration of the agreement. This agreement expires on August 1, 2017. For the fiscal year ended June 30, 2017, the City abated tax increments totaling \$41,617 under this agreement.

On April 1, 2014, the City entered into a tax abatement agreement of transient occupancy tax revenues with a local business under the authority of the City Council of the City of Indio. This agreement allows for a 50 percent abatement of transient occupancy taxes beginning at the opening of business and lasting for the duration of the agreement. This agreement expires on April 1, 2018. For the fiscal year ended June 30, 2017, the City abated tax increments totaling \$152,051 under this agreement.

On February 15, 2010, the City entered into a tax abatement agreement of transient occupancy tax revenues with a local business under the authority of the City Council of the City of Indio. This agreement allows for a 33 percent abatement of transient occupancy taxes for the purpose of assisting development of the property to expand guest accommodations. This agreement expired on February 18, 2017. For the fiscal year ended June 30, 2017, the City abated tax increments totaling \$4,696 under this agreement.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

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

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

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

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

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

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

a. Cash and Investments

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

Cash and investments pooled with the City	\$ 6,095,369
Cash and investments with fiscal agent	<u>5,451,238</u>
Total	<u><u>\$ 11,546,607</u></u>

b. Notes Receivable

As of June 30, 2017, notes receivable consisted of the following:

Jackalope	\$ 464,128
Housing rehabilitation deferred loan program	<u>46,717</u>
Total	<u><u>\$ 510,845</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017
Note 25: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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 last payment received was on June 5, 2015. The amount of loans outstanding as of June 30, 2017 was \$464,128.

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, 2017 was \$46,717.

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, 2017, 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, 2017 was \$4,966,693.

e. Long-Term Liabilities

Long-term debt of the Successor Agency as of June 30, 2017, consisted of the following:

	Balance at July 1, 2016	Additions	Retirements	Balance at June 30, 2017	Amount Due Within One Year
Bonds payable:					
1997 Series A	\$ 345,000	\$ -	\$ 75,000	\$ 270,000	\$ 85,000
1999 Revenue Refunding	1,885,000	-	230,000	1,655,000	240,000
2004A Tax Allocation	8,465,000	-	160,000	8,305,000	165,000
2008A Tax Allocation	54,345,000	-	1,110,000	53,235,000	1,155,000
2008B Tax Allocation	2,240,000	-	695,000	1,545,000	745,000
Total	<u>\$ 67,280,000</u>	<u>\$ -</u>	<u>\$ 2,270,000</u>	<u>\$ 65,010,000</u>	<u>\$ 2,390,000</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 25: Successor Agency Trust for Assets of Former Redevelopment 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, 2017 was \$270,000.

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, 2017 was \$1,655,000.

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, 2017 the actual reserve amount was \$332,350.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

Note 25: Successor Agency Trust for Assets of Former Redevelopment 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, 2017, the reserve was fully funded and the outstanding balance of the Series 2004A was \$8,305,000.

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, 2017

Note 25: Successor Agency Trust for Assets of Former Redevelopment 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, 2017, the reserves were fully funded and the outstanding balance of the Series 2008A and Series 2008B bonds were \$53,235,000 and \$1,545,000, 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
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	2,705,000	2,892,958	5,597,958
2023-2027	14,745,000	12,288,007	27,033,007
2028-2032	19,875,000	7,717,241	27,592,241
2033-2037	17,530,000	1,846,610	19,376,610
	\$ 65,010,000	\$ 37,686,263	\$ 102,696,263

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 \$102,696,263 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 \$6,884,870 and the debt service obligation on the bonds was \$5,850,644.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 25,453,943	\$ 25,453,943	\$ 25,453,943	\$ -
Resources (inflows):				
Taxes:				
Property taxes	7,321,210	7,321,210	16,006,639	8,685,429
Transient occupancy taxes	4,900,000	5,980,000	6,298,367	318,367
Sales taxes	11,252,535	12,252,535	13,132,400	879,865
Franchise taxes	2,531,440	2,431,440	2,424,340	(7,100)
Business license taxes	675,000	675,000	648,133	(26,867)
Utility users taxes	8,825,000	8,625,000	8,534,925	(90,075)
Other taxes	320,000	350,000	372,131	22,131
Total taxes	<u>35,825,185</u>	<u>37,635,185</u>	<u>47,416,935</u>	<u>9,781,750</u>
Licenses and permits:				
Business licenses	300,000	300,000	307,445	7,445
Building permits	1,811,500	1,651,500	2,005,905	354,405
Other permits	367,750	418,750	423,460	4,710
Total licenses and permits	<u>2,479,250</u>	<u>2,370,250</u>	<u>2,736,810</u>	<u>366,560</u>
Intergovernmental:				
Motor vehicle license fees	8,500,000	8,622,825	39,449	(8,583,376)
Grants	209,000	364,868	374,999	10,131
Total intergovernmental	<u>8,709,000</u>	<u>8,987,693</u>	<u>414,448</u>	<u>(8,573,245)</u>
Charges for services:				
Plan checks and inspections	1,479,000	1,320,000	1,475,430	155,430
Fire and ambulance	1,320,000	1,320,000	1,331,191	11,191
Police	3,107,470	5,377,679	5,007,061	(370,618)
Other	874,500	774,500	905,236	130,736
Total charges for services	<u>6,780,970</u>	<u>8,792,179</u>	<u>8,718,918</u>	<u>(73,261)</u>
Fines and forfeitures				
Vehicle	265,000	300,000	297,541	(2,459)
Parking	323,000	100,000	106,385	6,385
Other	164,000	213,000	190,710	(22,290)
Total fines and forfeitures	<u>752,000</u>	<u>613,000</u>	<u>594,636</u>	<u>(18,364)</u>
Use of money and property	631,224	805,537	805,712	175
Miscellaneous	1,846,150	2,736,585	2,936,524	199,939
Transfers in	3,268,000	3,268,000	3,438,658	170,658
Amounts Available for Appropriations	<u>85,745,722</u>	<u>90,662,372</u>	<u>92,516,584</u>	<u>1,854,212</u>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive Negative
	Original	Final		
Charges to Appropriations (Outflows):				
General government:				
City council	363,776	363,776	314,398	49,378
City manager	764,940	869,589	877,995	(8,406)
City clerk	277,519	337,519	323,486	14,033
City attorney	850,000	850,000	362,761	487,239
Human resources	925,766	925,766	847,236	78,530
Finance	1,514,383	1,578,983	1,536,247	42,736
Other	41,518	41,518	41,518	-
Contingencies	40,366	1,288,289	-	1,288,289
Total general government	<u>4,778,268</u>	<u>6,255,440</u>	<u>4,303,641</u>	<u>1,951,799</u>
Public safety:				
Police administration	1,467,207	1,475,468	1,367,775	107,693
Police field services	10,997,034	11,316,546	10,559,237	757,309
Police investigations	5,547,262	7,289,902	6,687,694	602,208
Police traffic safety	876,789	892,233	857,502	34,731
Police support services	4,232,498	4,305,272	4,024,716	280,556
Animal control	925,000	925,000	828,192	96,808
Code enforcement	1,928,867	1,991,067	2,056,393	(65,326)
Fire and ambulance	13,527,476	13,466,138	13,422,448	43,690
Emergency management	-	280,152	195,103	85,049
Total public safety	<u>39,502,133</u>	<u>41,941,778</u>	<u>39,999,060</u>	<u>1,942,718</u>
Community development:				
Building and safety	1,611,613	1,611,613	1,541,099	70,514
Planning	1,247,381	1,297,381	876,976	420,405
Economic development	1,616,895	2,652,220	2,170,103	482,117
Total community development	<u>4,475,889</u>	<u>5,561,214</u>	<u>4,588,178</u>	<u>973,036</u>
Parks and recreation:				
Youth service	688,629	688,629	673,004	15,625
Community services	540,868	540,868	438,267	102,601
Promotions and publicity	716,780	716,780	698,737	18,043
Senior services	725,441	725,441	713,966	11,475
Total parks and recreation	<u>2,671,718</u>	<u>2,671,718</u>	<u>2,523,974</u>	<u>147,744</u>
Public works:				
Street maintenance and operations	2,352,803	3,182,177	3,007,346	174,831
Engineering and administration	1,786,487	1,877,921	1,787,279	90,642
Parks and parkways	1,985,118	1,985,118	2,201,132	(216,014)
Total public works	<u>6,124,408</u>	<u>7,045,216</u>	<u>6,995,757</u>	<u>49,459</u>
Debt service:				
Principal retirement	362,368	362,368	316,178	46,190
Interest and fiscal charges	-	-	46,190	(46,190)
Total debt service	<u>362,368</u>	<u>362,368</u>	<u>362,368</u>	<u>-</u>
Capital outlay	18,250	1,810,511	84,911	1,725,600
Transfers out	2,842,835	2,931,529	3,780,530	(849,001)
Total Charges to Appropriations	<u>60,775,869</u>	<u>68,579,774</u>	<u>62,638,419</u>	<u>5,941,355</u>
Budgetary Fund Balance, June 30	<u>\$ 24,969,853</u>	<u>\$ 22,082,598</u>	<u>\$ 29,878,165</u>	<u>\$ 7,795,567</u>

The notes to required supplementary information is an integral part of this schedule.

CITY OF INDIO, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2017

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, CALIFORNIA

**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)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:			
Service Cost	\$ 2,144,177	\$ 2,054,043	\$ 2,067,477
Interest on total pension liability	6,008,228	5,714,555	5,452,950
Differences between expected and actual experience	(465,558)	(717,418)	-
Changes in assumptions	-	(1,451,365)	-
Benefit payments, including refunds of employee contributions	(3,632,465)	(3,385,987)	(3,315,765)
Net change in total pension liability	4,054,382	2,213,828	4,204,662
Total pension liability - beginning	79,748,636	77,534,808	73,330,146
Total pension liability - ending (a)	\$ 83,803,018	\$ 79,748,636	\$ 77,534,808
Plan Fiduciary Net Position:			
Contributions - employer	\$ 2,619,245	\$ 2,446,688	\$ 2,331,161
Contributions - employee	927,413	940,052	914,677
Net investment income	300,012	1,211,466	7,998,811
Benefit payments	(3,632,465)	(3,385,987)	(3,315,765)
Plan to plan resource movement	-	(123)	-
Administration Expense	(33,618)	(69,194)	-
Net change in plan fiduciary net position	180,587	1,142,902	7,928,884
Plan fiduciary net position - beginning	55,160,955	54,018,053	46,089,169
Plan fiduciary net position - ending (b)	\$ 55,341,542	\$ 55,160,955	\$ 54,018,053
Net pension liability - ending (a)-(b)	\$ 28,461,476	\$ 24,587,681	\$ 23,516,755
Plan fiduciary net position as a percentage of the total pension liability	66.04%	69.17%	69.67%
Covered payroll	\$ 12,067,635	\$ 11,307,076	\$ 10,908,447
Plan net pension liability as a percentage of covered payroll	235.85%	217.45%	215.58%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 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: In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2015, amounts reported were based on the 7.5 percent discount rate.

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

CITY OF INDIO, CALIFORNIA

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,873,940	\$ 2,619,205	\$ 2,496,547
Contribution in Relation to the Actuarially Determined Contributions	<u>(2,873,940)</u>	<u>(2,619,205)</u>	<u>(2,496,547)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 11,728,754	\$ 11,818,755	\$ 11,314,463
Contributions as a Percentage of Covered Payroll	24.50%	22.16%	22.07%

Notes to Schedule of Plan Contributions:

Valuation Date:	June 30, 2014
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 percent compounded annually
Salary Increases	3.20% - 12.20% depending on entry age and duration of service
Discount Rate	7.5 percent compounded annually (net of expenses)
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	RP-2000 Heath Annuitant Mortality Table

(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 three years are shown.

CITY OF INDIO, CALIFORNIA

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.60331%	0.61411%	0.59198%
Proportionate Share of the Net Pension Liability	\$ 31,246,797	\$ 25,303,889	\$ 22,205,148
Covered Payroll	\$ 6,467,561	\$ 6,624,055	\$ 6,311,549
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	483.13%	382.00%	351.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.87%	79.82%	78.40%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Changes of Assumptions: There were no changes of assumptions.

(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 three years are shown.

CITY OF INDIO, CALIFORNIA

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,409,717	\$ 2,567,055	\$ 2,286,752
Contribution in Relation to the Actuarially Determined Contributions	<u>(2,409,717)</u>	<u>(2,567,055)</u>	<u>(2,286,752)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,451,760	\$ 6,467,561	\$ 6,624,055
Contributions as a Percentage of Covered Payroll	37.35%	39.69%	34.52%

Notes to Schedule of Plan Contributions:

Valuation Date:	June 30, 2014
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level percentage of payroll
Assets valuation method	Market Value
Inflation	2.75% compounded annually
Salary Increases	3.40% to 20.00% 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

(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 three years are shown.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

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. There were no budgets approved for the Unclaimed Property and Proposition 1B funds for the fiscal year ended June 30, 2017.

Note 2: Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2017, 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	\$ 8,406
Public Safety:	
Code enforcement	65,326
Public Works:	
Parks and parkways	216,014
Transfers Out:	849,001

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>Special Revenue Funds</u>			
	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Public Safety</u>	<u>Supplemental Law Enforcement</u>
Assets:				
Pooled cash and investments	\$ 76,789	\$ 75,030	\$ -	\$ 209,227
Receivables:				
Accounts	24,046	-	-	74
Notes and loans	-	-	-	-
Accrued interest	386	-	112	287
Due from other governments	14,358	-	-	8,333
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	702,277	-	-	-
Total Assets	\$ 817,856	\$ 75,030	\$ 112	\$ 217,921
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 32,221	\$ -	\$ -	\$ -
Accrued liabilities	2,489	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	2,501	-
Total Liabilities	34,710	-	2,501	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	783,146	75,030	-	217,921
Unassigned	-	-	(2,389)	-
Total Fund Balances (Deficits)	783,146	75,030	(2,389)	217,921
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 817,856	\$ 75,030	\$ 112	\$ 217,921

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Assets:				
Pooled cash and investments	\$ 10,268	\$ -	\$ 104,917	\$ 77,071
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	12	-	-	-
Due from other governments	7,105	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 17,385	\$ -	\$ 104,917	\$ 77,071
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 3,661	\$ -	\$ 69,902
Accrued liabilities	-	-	1,353	-
Deposits payable	-	-	-	-
Due to other funds	-	375	-	-
Total Liabilities	-	4,036	1,353	69,902
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	17,385	-	103,564	7,169
Unassigned	-	(4,036)	-	-
Total Fund Balances (Deficits)	17,385	(4,036)	103,564	7,169
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 17,385	\$ -	\$ 104,917	\$ 77,071

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

Special Revenue Funds

	Measure A	Article 3	NPDES	Air Quality
Assets:				
Pooled cash and investments	\$ 108,360	\$ 12	\$ 58,128	\$ 161,584
Receivables:				
Accounts	611,067	-	795	-
Notes and loans	-	-	-	-
Accrued interest	60	-	-	137
Due from other governments	291,908	-	-	28,585
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,011,395	\$ 12	\$ 58,923	\$ 190,306
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 280,770	\$ -	\$ 554	\$ 43,352
Accrued liabilities	5,070	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	285,840	-	554	43,352
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	725,555	12	58,369	146,954
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	725,555	12	58,369	146,954
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,011,395	\$ 12	\$ 58,923	\$ 190,306

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Communities Facilities District
Assets:				
Pooled cash and investments	\$ -	\$ 9,540	\$ 664,221	\$ 98,296
Receivables:				
Accounts	182,772	-	13,594	-
Notes and loans	-	-	-	-
Accrued interest	-	13	852	499
Due from other governments	-	-	1,277	64,295
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 182,772	\$ 9,553	\$ 679,944	\$ 163,090
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 566,770	\$ -	\$ 4,249	\$ -
Accrued liabilities	-	-	3,780	-
Deposits payable	-	-	-	-
Due to other funds	182,772	-	-	-
Total Liabilities	749,542	-	8,029	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	-	9,553	671,915	163,090
Unassigned	(566,770)	-	-	-
Total Fund Balances (Deficits)	(566,770)	9,553	671,915	163,090
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 182,772	\$ 9,553	\$ 679,944	\$ 163,090

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel
Assets:				
Pooled cash and investments	\$ 11,632	\$ 343,899	\$ 58,645	\$ 123,355
Receivables:				
Accounts	-	-	1,302	49,120
Notes and loans	-	4,687,263	-	-
Accrued interest	-	514	-	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	4,966,693	-	-
Property held for resale	-	304,000	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 11,632	\$ 10,302,369	\$ 59,947	\$ 172,475
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 6,837	\$ 3,450	\$ -
Accrued liabilities	-	6,186	-	-
Deposits payable	1,971	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	1,971	13,023	3,450	-
Deferred Inflows of Resources:				
Unavailable revenues	-	1,408,659	-	-
Total Deferred Inflows of Resources	-	1,408,659	-	-
Fund Balances (Deficits):				
Restricted	9,661	8,880,687	56,497	172,475
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	9,661	8,880,687	56,497	172,475
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 11,632	\$ 10,302,369	\$ 59,947	\$ 172,475

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape
Assets:				
Pooled cash and investments	\$ -	\$ 778,244	\$ 38,546	\$ 3,768,245
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	1,235,992	180,400	-
Accrued interest	-	876	51	4,744
Due from other governments	21,741	-	-	13,228
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	810,879	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 21,741	\$ 2,825,991	\$ 218,997	\$ 3,786,217
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 6,504	\$ -	\$ 98,326
Accrued liabilities	554	1,722	-	-
Deposits payable	-	-	-	3,570
Due to other funds	17,473	-	-	-
Total Liabilities	18,027	8,226	-	101,896
Deferred Inflows of Resources:				
Unavailable revenues	-	1,235,992	180,400	-
Total Deferred Inflows of Resources	-	1,235,992	180,400	-
Fund Balances (Deficits):				
Restricted	3,714	1,581,773	38,597	3,684,321
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	3,714	1,581,773	38,597	3,684,321
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 21,741	\$ 2,825,991	\$ 218,997	\$ 3,786,217

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds			
	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Cal Emergency Management
Assets:				
Pooled cash and investments	\$ 1,429	\$ 11,222	\$ 121,448	\$ 117
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	2	-	146	-
Due from other governments	-	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,431	\$ 11,222	\$ 121,594	\$ 117
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ 14,327	\$ -	\$ -
Accrued liabilities	-	5,649	-	-
Deposits payable	-	-	-	-
Due to other funds	-	29,734	-	-
Total Liabilities	-	49,710	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	1,431	-	121,594	117
Unassigned	-	(38,488)	-	-
Total Fund Balances (Deficits)	1,431	(38,488)	121,594	117
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,431	\$ 11,222	\$ 121,594	\$ 117

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			Capital Projects Fund
	Donations	Housing Related Park Program	Office of Traffic Safety	Assessment District
Assets:				
Pooled cash and investments	\$ 47,753	\$ 395,958	\$ -	\$ 473
Receivables:				
Accounts	580	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	1
Due from other governments	-	-	10,061	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	292,564
Total Assets	\$ 48,333	\$ 395,958	\$ 10,061	\$ 293,038
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 592	\$ 218,294	\$ -	\$ -
Accrued liabilities	-	-	4,829	-
Deposits payable	-	-	-	-
Due to other funds	-	-	7,545	-
Total Liabilities	592	218,294	12,374	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Restricted	47,741	177,664		293,038
Unassigned	-	-	(2,313)	-
Total Fund Balances (Deficits)	47,741	177,664	(2,313)	293,038
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 48,333	\$ 395,958	\$ 10,061	\$ 293,038

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2017

	<u>Debt Service Fund</u>	
	<u>General Debt Service</u>	<u>Total Governmental Funds</u>
Assets:		
Pooled cash and investments	\$ 526,348	\$ 7,880,757
Receivables:		
Accounts	-	883,350
Notes and loans	-	6,103,655
Accrued interest	-	8,692
Due from other governments	-	460,891
Advances to private-purpose trust funds	-	4,966,693
Property held for resale	-	1,114,879
Restricted assets:		
Cash and investments with fiscal agents	1,673,793	2,668,634
Total Assets	\$ 2,200,141	\$ 24,087,551
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):		
Liabilities:		
Accounts payable	\$ 1,940	\$ 1,351,749
Accrued liabilities	-	31,632
Deposits payable	-	5,541
Due to other funds	-	240,400
Total Liabilities	1,940	1,629,322
Deferred Inflows of Resources:		
Unavailable revenues	-	2,825,051
Total Deferred Inflows of Resources	-	2,825,051
Fund Balances (Deficits):		
Restricted	2,198,201	20,247,174
Unassigned	-	(613,996)
Total Fund Balances (Deficits)	2,198,201	19,633,178
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,200,141	\$ 24,087,551

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CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
Revenues:				
Taxes	\$ 1,669,792	\$ -	\$ 446,742	\$ -
Intergovernmental	-	-	-	170,208
Use of money and property	34,323	-	124	1,470
Fines and forfeitures	-	81,355	-	-
Contributions	-	-	-	-
Miscellaneous	67,714	-	-	-
Total Revenues	1,771,829	81,355	446,866	171,678
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	12,124	239,337	54,190
Community development	-	-	-	-
Public works	1,233,971	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	510,000	-	-	-
Interest and fiscal charges	168,922	-	-	-
Total Expenditures	1,912,893	12,124	239,337	54,190
Excess (Deficiency) of Revenues Over (Under) Expenditures	(141,064)	69,231	207,529	117,488
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(43,786)	-	(227,400)	(26,258)
Total Other Financing Sources (Uses)	(43,786)	-	(227,400)	(26,258)
Net Change in Fund Balance	(184,850)	69,231	(19,871)	91,230
Fund Balances (Deficits) at the Beginning of the Year	967,996	5,799	17,482	126,691
Fund Balances (Deficits) at the End of the Year	\$ 783,146	\$ 75,030	\$ (2,389)	\$ 217,921

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	38,723	4,326	87,175	-
Use of money and property	34	-	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	38,757	4,326	87,175	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	31,520	8,567	5,185	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	31,520	8,567	5,185	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,237	(4,241)	81,990	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(1,402)	(25,419)	-
Total Other Financing Sources (Uses)	-	(1,402)	(25,419)	-
Net Change in Fund Balance	7,237	(5,643)	56,571	-
Fund Balances (Deficits) at the Beginning of the Year	10,148	1,607	46,993	7,169
Fund Balances (Deficits) at the End of the Year	\$ 17,385	\$ (4,036)	\$ 103,564	\$ 7,169

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Special Revenue Funds

	Measure A	Article 3	NPDES	Air Quality
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,922,809	-	-	112,450
Use of money and property	1,843	-	-	842
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	1,035,538	-	-	50,000
Total Revenues	2,960,190	-	-	163,292
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	2,616,315	-	19,914	86,343
Capital outlay	-	-	-	50,782
Debt service:				
Principal retirement	581,045	-	-	-
Interest and fiscal charges	92,337	-	-	-
Total Expenditures	3,289,697	-	19,914	137,125
Excess (Deficiency) of Revenues Over (Under) Expenditures	(329,507)	-	(19,914)	26,167
Other Financing Sources (Uses):				
Transfers in	-	-	60,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	60,000	-
Net Change in Fund Balance	(329,507)	-	40,086	26,167
Fund Balances (Deficits) at the Beginning of the Year	1,055,062	12	18,283	120,787
Fund Balances (Deficits) at the End of the Year	\$ 725,555	\$ 12	\$ 58,369	\$ 146,954

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Communities Facilities District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	212,778	-	4,049	-
Use of money and property	-	62	4,369	2,963
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	3,240,209
Miscellaneous	-	-	224,262	26,065
Total Revenues	212,778	62	232,680	3,269,237
Expenditures:				
Current:				
General government	-	-	179,052	-
Public safety	-	6,499	-	-
Community development	-	-	-	66,268
Public works	818,597	-	-	-
Capital outlay	-	-	18,600	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	818,597	6,499	197,652	66,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	(605,819)	(6,437)	35,028	3,202,969
Other Financing Sources (Uses):				
Transfers in	43,786	-	-	-
Transfers out	-	-	-	(3,185,000)
Total Other Financing Sources (Uses)	43,786	-	-	(3,185,000)
Net Change in Fund Balance	(562,033)	(6,437)	35,028	17,969
Fund Balances (Deficits) at the Beginning of the Year	(4,737)	15,990	636,887	145,121
Fund Balances (Deficits) at the End of the Year	\$ (566,770)	\$ 9,553	\$ 671,915	\$ 163,090

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	44,879	-
Use of money and property	-	1,353	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	4,340	15,362	-	192,028
Total Revenues	4,340	16,715	44,879	192,028
Expenditures:				
Current:				
General government	-	-	37,819	-
Public safety	-	-	-	-
Community development	-	246,599	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	768,346
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	246,599	37,819	768,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,340	(229,884)	7,060	(576,318)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	4,340	(229,884)	7,060	(576,318)
Fund Balances (Deficits) at the Beginning of the Year	5,321	9,110,571	49,437	748,793
Fund Balances (Deficits) at the End of the Year	\$ 9,661	\$ 8,880,687	\$ 56,497	\$ 172,475

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			
	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	72,542	890,500	-	-
Use of money and property	-	517,348	267	24,680
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	1,051,090
Miscellaneous	-	14,200	-	4,885
Total Revenues	72,542	1,422,048	267	1,080,655
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	72,561	-	-	-
Community development	-	813,192	270	-
Public works	-	-	-	1,263,647
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	72,561	813,192	270	1,263,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19)	608,856	(3)	(182,992)
Other Financing Sources (Uses):				
Transfers in	-	-	-	5,117
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	5,117
Net Change in Fund Balance	(19)	608,856	(3)	(177,875)
Fund Balances (Deficits) at the Beginning of the Year	3,733	972,917	38,600	3,862,196
Fund Balances (Deficits) at the End of the Year	\$ 3,714	\$ 1,581,773	\$ 38,597	\$ 3,684,321

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			
	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Cal Emergency Management
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	321,316	42,563	17,852
Use of money and property	10	-	570	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	10	321,316	43,133	17,852
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	17,748
Community development	-	414,684	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	414,684	-	17,748
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	(93,368)	43,133	104
Other Financing Sources (Uses):				
Transfers in	-	-	-	1,402
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,402
Net Change in Fund Balance	10	(93,368)	43,133	1,506
Fund Balances (Deficits) at the Beginning of the Year	1,421	54,880	78,461	(1,389)
Fund Balances (Deficits) at the End of the Year	\$ 1,431	\$ (38,488)	\$ 121,594	\$ 117

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

(CONTINUED)

	Special Revenue Funds			Capital Projects Fund
	Donations	Housing Related Park Program	Office of Traffic Safety	Assessment District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,230,925	27,931	-
Use of money and property	-	-	-	2,181
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	31,806	-	-	-
Total Revenues	31,806	1,230,925	27,931	2,181
Expenditures:				
Current:				
General government	4,793	-	-	-
Public safety	-	-	30,244	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	1,056,582	-	73,491
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,793	1,056,582	30,244	73,491
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,013	174,343	(2,313)	(71,310)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(30,000)	-	-	-
Total Other Financing Sources (Uses)	(30,000)	-	-	-
Net Change in Fund Balance	(2,987)	174,343	(2,313)	(71,310)
Fund Balances (Deficits) at the Beginning of the Year	50,728	3,321	-	364,348
Fund Balances (Deficits) at the End of the Year	\$ 47,741	\$ 177,664	\$ (2,313)	\$ 293,038

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Debt Service Fund</u>	
	<u>General Debt Service</u>	<u>Total Governmental Funds</u>
Revenues:		
Taxes	\$ -	\$ 2,116,534
Intergovernmental	-	5,201,026
Use of money and property	5,916	598,355
Fines and forfeitures	-	81,355
Contributions	-	4,291,299
Miscellaneous	-	1,666,200
Total Revenues	5,916	13,954,769
Expenditures:		
Current:		
General government	-	221,664
Public safety	-	477,975
Community development	-	1,541,013
Public works	-	6,038,787
Capital outlay	-	1,967,801
Debt service:		
Principal retirement	1,475,000	2,566,045
Interest and fiscal charges	1,780,981	2,042,240
Total Expenditures	3,255,981	14,855,525
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,250,065)</u>	<u>(900,756)</u>
Other Financing Sources (Uses):		
Transfers in	3,240,685	3,350,990
Transfers out	-	(3,539,265)
Total Other Financing Sources (Uses)	3,240,685	(188,275)
Net Change in Fund Balance	(9,380)	(1,089,031)
Fund Balances (Deficits) at the Beginning of the Year	<u>2,207,581</u>	<u>20,722,209</u>
Fund Balances (Deficits) at the End of the Year	<u>\$ 2,198,201</u>	<u>\$ 19,633,178</u>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 967,996	\$ 967,996	\$ 967,996	\$ -
Resources (Inflows):				
Taxes	2,170,374	2,170,374	1,669,792	(500,582)
Use of money and property	45,656	45,656	34,323	(11,333)
Miscellaneous	-	-	67,714	67,714
Amounts Available for Appropriations	3,184,026	3,184,026	2,739,825	(444,201)
Charges to Appropriations (Outflows):				
Public works	1,968,650	1,968,650	1,233,971	734,679
Debt service:				
Principal retirement	510,000	510,000	510,000	-
Interest and fiscal charges	166,313	166,313	168,922	(2,609)
Transfers out	-	-	43,786	(43,786)
Total Charges to Appropriations	2,644,963	2,644,963	1,956,679	688,284
Budgetary Fund Balance, June 30	\$ 539,063	\$ 539,063	\$ 783,146	\$ 244,083

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,799	\$ 5,799	\$ 5,799	\$ -
Resources (Inflows):				
Fines and forfeitures	57,500	57,500	81,355	23,855
Amounts Available for Appropriations	63,299	63,299	87,154	23,855
Charges to Appropriations (Outflows):				
Public safety	50,000	50,000	12,124	37,876
Total Charges to Appropriations	50,000	50,000	12,124	37,876
Budgetary Fund Balance, June 30	\$ 13,299	\$ 13,299	\$ 75,030	\$ 61,731

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,482	\$ 17,482	\$ 17,482	\$ -
Resources (Inflows):				
Taxes	450,000	450,000	446,742	(3,258)
Use of money and property	-	-	124	124
Amounts Available for Appropriations	467,482	467,482	464,348	(3,134)
Charges to Appropriations (Outflows):				
Public safety	239,337	239,337	239,337	-
Transfers out	253,658	253,658	227,400	26,258
Total Charges to Appropriations	492,995	492,995	466,737	26,258
Budgetary Fund Balance, June 30	\$ (25,513)	\$ (25,513)	\$ (2,389)	\$ 23,124

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 126,691	\$ 126,691	\$ 126,691	\$ -
Resources (Inflows):				
Intergovernmental	130,000	135,614	170,208	34,594
Use of money and property	-	-	1,470	1,470
Amounts Available for Appropriations	256,691	262,305	298,369	36,064
Charges to Appropriations (Outflows):				
Public safety	282,900	262,305	54,190	208,115
Transfers out	-	-	26,258	(26,258)
Total Charges to Appropriations	282,900	262,305	80,448	181,857
Budgetary Fund Balance, June 30	\$ (26,209)	\$ -	\$ 217,921	\$ 217,921

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
LLEBG
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,148	\$ 10,148	\$ 10,148	\$ -
Resources (Inflows):				
Intergovernmental	31,891	33,230	38,723	5,493
Use of money and property	-	-	34	34
Amounts Available for Appropriations	42,039	43,378	48,905	5,527
Charges to Appropriations (Outflows):				
Public safety	33,587	34,926	31,520	3,406
Total Charges to Appropriations	33,587	34,926	31,520	3,406
Budgetary Fund Balance, June 30	\$ 8,452	\$ 8,452	\$ 17,385	\$ 8,933

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HOMELAND SECURITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,607	\$ 1,607	\$ 1,607	\$ -
Resources (Inflows):				
Intergovernmental	6,539	19,305	4,326	(14,979)
Amounts Available for Appropriations	8,146	20,912	5,933	(14,979)
Charges to Appropriations (Outflows):				
Public safety	6,539	19,305	8,567	10,738
Total Charges to Appropriations	6,539	19,305	9,969	9,336
Budgetary Fund Balance, June 30	\$ 1,607	\$ 1,607	\$ (4,036)	\$ (5,643)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
ABANDONED VEHICLE
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 46,993	\$ 46,993	\$ 46,993	\$ -
Resources (Inflows):				
Intergovernmental	20,000	79,500	87,175	7,675
Amounts Available for Appropriations	66,993	126,493	134,168	7,675
Charges to Appropriations (Outflows):				
Public safety	18,000	18,000	5,185	12,815
Total Charges to Appropriations	18,000	43,419	30,604	12,815
Budgetary Fund Balance, June 30	\$ 48,993	\$ 83,074	\$ 103,564	\$ 20,490

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
MEASURE A
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,055,062	\$ 1,055,062	\$ 1,055,062	\$ -
Resources (Inflows):				
Taxes	-	123,015	-	(123,015)
Intergovernmental	1,767,000	1,767,000	1,922,809	155,809
Use of money and property	-	-	1,843	1,843
Miscellaneous	-	-	1,035,538	1,035,538
Amounts Available for Appropriations	2,822,062	2,945,077	4,015,252	1,070,175
Charges to Appropriations (Outflows):				
Public works	2,282,149	2,401,959	2,616,315	(214,356)
Debt service:				
Principal retirement	581,045	581,045	581,045	-
Interest and fiscal charges	92,337	92,337	92,337	-
Transfers out	478,670	478,670	-	478,670
Total Charges to Appropriations	3,434,201	3,554,011	3,289,697	264,314
Budgetary Fund Balance, June 30	\$ (612,139)	\$ (608,934)	\$ 725,555	\$ 1,334,489

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
ARTICLE 3
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12	\$ 12	\$ 12	\$ -
Resources (Inflows):				
Intergovernmental	217,000	217,000	-	(217,000)
Amounts Available for Appropriations	217,012	217,012	12	(217,000)
Charges to Appropriations (Outflows):				
General government	217,000	217,000	-	217,000
Total Charges to Appropriations	217,000	217,000	-	217,000
Budgetary Fund Balance, June 30	\$ 12	\$ 12	\$ 12	\$ -

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
NPDES
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,283	\$ 18,283	\$ 18,283	\$ -
Resources (Inflows):				
Transfers in	105,000	105,000	60,000	(45,000)
Amounts Available for Appropriations	123,283	123,283	78,283	(45,000)
Charges to Appropriations (Outflows):				
Public works	82,000	82,000	19,914	62,086
Total Charges to Appropriations	82,000	82,000	19,914	62,086
Budgetary Fund Balance, June 30	\$ 41,283	\$ 41,283	\$ 58,369	\$ 17,086

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 120,787	\$ 120,787	\$ 120,787	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	112,450	12,450
Use of money and property	-	-	842	842
Miscellaneous	-	50,000	50,000	-
Amounts Available for Appropriations	220,787	270,787	284,079	13,292
Charges to Appropriations (Outflows):				
Public works	60,000	75,000	86,343	(11,343)
Capital outlay	-	50,000	50,782	(782)
Total Charges to Appropriations	60,000	125,000	137,125	(12,125)
Budgetary Fund Balance, June 30	\$ 160,787	\$ 145,787	\$ 146,954	\$ 1,167

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HBRRP
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,737)	\$ (4,737)	\$ (4,737)	\$ -
Resources (Inflows):				
Intergovernmental	2,753,172	2,753,172	212,778	(2,540,394)
Transfers in	-	-	43,786	43,786
Amounts Available for Appropriations	2,748,435	2,748,435	251,827	(2,496,608)
Charges to Appropriations (Outflows):				
Public works	2,753,172	2,753,172	818,597	1,934,575
Total Charges to Appropriations	2,753,172	2,753,172	818,597	1,934,575
Budgetary Fund Balance, June 30	\$ (4,737)	\$ (4,737)	\$ (566,770)	\$ (562,033)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 INDIAN GAMING SB 621
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,990	\$ 15,990	\$ 15,990	\$ -
Resources (Inflows):				
Use of money and property	-	-	62	62
Amounts Available for Appropriations	15,990	15,990	16,052	62
Charges to Appropriations (Outflows):				
Public safety	-	10,076	6,499	3,577
Capital outlay	-	5,913	-	5,913
Total Charges to Appropriations	-	15,989	6,499	9,490
Budgetary Fund Balance, June 30	\$ 15,990	\$ 1	\$ 9,553	\$ 9,552

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
WASTE RECYCLING AB939
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 636,887	\$ 636,887	\$ 636,887	\$ -
Resources (Inflows):				
Intergovernmental	12,000	12,000	4,049	(7,951)
Use of money and property	-	-	4,369	4,369
Miscellaneous	219,000	219,000	224,262	5,262
Amounts Available for Appropriations	867,887	867,887	869,567	1,680
Charges to Appropriations (Outflows):				
General government	187,503	187,503	179,052	8,451
Capital outlay	-	16,000	18,600	(2,600)
Total Charges to Appropriations	187,503	203,503	197,652	5,851
Budgetary Fund Balance, June 30	\$ 680,384	\$ 664,384	\$ 671,915	\$ 7,531

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITIES FACILITIES DISTRICT
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 145,121	\$ 145,121	\$ 145,121	\$ -
Resources (Inflows):				
Use of money and property	-	-	2,963	2,963
Contributions	3,164,129	3,164,129	3,240,209	76,080
Miscellaneous	-	-	26,065	26,065
Amounts Available for Appropriations	3,309,250	3,309,250	3,414,358	105,108
Charges to Appropriations (Outflows):				
Community development	66,259	66,259	66,268	(9)
Transfers out	3,016,000	3,016,000	3,185,000	(169,000)
Total Charges to Appropriations	3,082,259	3,082,259	3,251,268	(169,009)
Budgetary Fund Balance, June 30	\$ 226,991	\$ 226,991	\$ 163,090	\$ (63,901)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 CERTIFIED ACCESS SPECIALIST SB 1186
 FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,321	\$ 5,321	\$ 5,321	\$ -
Resources (Inflows):				
Miscellaneous	4,000	4,000	4,340	340
Amounts Available for Appropriations	9,321	9,321	9,661	340
Charges to Appropriations (Outflows):				
General government	2,800	2,800	-	2,800
Total Charges to Appropriations	2,800	2,800	-	2,800
Budgetary Fund Balance, June 30	\$ 6,521	\$ 6,521	\$ 9,661	\$ 3,140

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
INDIO HOUSING AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,110,571	\$ 9,110,571	\$ 9,110,571	\$ -
Resources (Inflows):				
Use of money and property	-	-	1,353	1,353
Miscellaneous	-	-	15,362	15,362
Amounts Available for Appropriations	9,110,571	9,110,571	9,127,286	16,715
Charges to Appropriations (Outflows):				
Community development	206,196	247,196	246,599	597
Total Charges to Appropriations	206,196	247,196	246,599	597
Budgetary Fund Balance, June 30	\$ 8,904,375	\$ 8,863,375	\$ 8,880,687	\$ 17,312

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEPARTMENT OF CONSERVATION RECYCLE GRANT
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 49,437	\$ 49,437	\$ 49,437	\$ -
Resources (Inflows):				
Intergovernmental	40,000	90,000	44,879	(45,121)
Amounts Available for Appropriations	89,437	139,437	94,316	(45,121)
Charges to Appropriations (Outflows):				
General government	40,000	90,000	37,819	52,181
Total Charges to Appropriations	40,000	90,000	37,819	52,181
Budgetary Fund Balance, June 30	\$ 49,437	\$ 49,437	\$ 56,497	\$ 7,060

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC EDUCATION GOVERNMENT CHANNEL
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 748,793	\$ 748,793	\$ 748,793	\$ -
Resources (Inflows):				
Miscellaneous	195,000	195,000	192,028	(2,972)
Amounts Available for Appropriations	943,793	943,793	940,821	(2,972)
Charges to Appropriations (Outflows):				
Capital outlay	625,000	790,000	768,346	21,654
Total Charges to Appropriations	625,000	790,000	768,346	21,654
Budgetary Fund Balance, June 30	\$ 318,793	\$ 153,793	\$ 172,475	\$ 18,682

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COPS HIRING RECOVERY
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,733	\$ 3,733	\$ 3,733	\$ -
Resources (Inflows):				
Intergovernmental	41,838	76,829	72,542	(4,287)
Amounts Available for Appropriations	45,571	80,562	76,275	(4,287)
Charges to Appropriations (Outflows):				
Public safety	41,837	76,828	72,561	4,267
Total Charges to Appropriations	41,837	76,828	72,561	4,267
Budgetary Fund Balance, June 30	\$ 3,734	\$ 3,734	\$ 3,714	\$ (20)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION GRANT 2
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 972,917	\$ 972,917	\$ 972,917	\$ -
Resources (Inflows):				
Intergovernmental	1,000,000	1,000,000	890,500	(109,500)
Use of money and property	-	-	517,348	517,348
Miscellaneous	-	-	14,200	14,200
Amounts Available for Appropriations	1,972,917	1,972,917	2,394,965	422,048
Charges to Appropriations (Outflows):				
Community development	993,147	993,147	813,192	179,955
Total Charges to Appropriations	993,147	993,147	813,192	179,955
Budgetary Fund Balance, June 30	\$ 979,770	\$ 979,770	\$ 1,581,773	\$ 602,003

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
LIGHTING AND LANDSCAPE
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,862,196	\$ 3,862,196	\$ 3,862,196	\$ -
Resources (Inflows):				
Use of money and property	-	-	24,680	24,680
Contributions	1,057,599	1,057,599	1,051,090	(6,509)
Miscellaneous	-	-	4,885	4,885
Transfers in	5,117	5,117	5,117	-
Amounts Available for Appropriations	4,924,912	4,924,912	4,947,968	23,056
Charges to Appropriations (Outflows):				
Public works	1,338,142	1,338,142	1,263,647	74,495
Total Charges to Appropriations	1,338,142	1,338,142	1,263,647	74,495
Budgetary Fund Balance, June 30	\$ 3,586,770	\$ 3,586,770	\$ 3,684,321	\$ 97,551

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 54,880	\$ 54,880	\$ 54,880	\$ -
Resources (Inflows):				
Intergovernmental	858,453	858,453	321,316	(537,137)
Amounts Available for Appropriations	913,333	913,333	376,196	(537,137)
Charges to Appropriations (Outflows):				
Community development	871,855	871,855	414,684	457,171
Total Charges to Appropriations	871,855	871,855	414,684	457,171
Budgetary Fund Balance, June 30	\$ 41,478	\$ 41,478	\$ (38,488)	\$ (79,966)

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CAL EMERGENCY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

	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	-	17,901	17,852	(49)
Amounts Available for Appropriations	(1,389)	16,512	17,865	1,353
Charges to Appropriations (Outflows):				
Public safety	-	17,901	17,748	153
Total Charges to Appropriations	-	17,901	17,748	153
Budgetary Fund Balance, June 30	\$ (1,389)	\$ (1,389)	\$ 117	\$ 1,506

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DONATIONS
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 50,728	\$ 50,728	\$ 50,728	\$ -
Resources (Inflows):				
Miscellaneous	-	30,000	31,806	1,806
Amounts Available for Appropriations	50,728	80,728	82,534	1,806
Charges to Appropriations (Outflows):				
General government	27,771	27,771	4,793	22,978
Capital outlay	16,800	16,800	-	16,800
Transfers out	-	30,000	30,000	-
Total Charges to Appropriations	44,571	74,571	34,793	39,778
Budgetary Fund Balance, June 30	\$ 6,157	\$ 6,157	\$ 47,741	\$ 41,584

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HOUSING RELATED PARK PROGRAM
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,321	\$ 3,321	\$ 3,321	\$ -
Resources (Inflows):				
Intergovernmental	820,502	1,817,902	1,230,925	(586,977)
Transfers in	87,577	87,577	-	(87,577)
Amounts Available for Appropriations	911,400	1,908,800	1,234,246	(674,554)
Charges to Appropriations (Outflows):				
Capital outlay	908,079	1,905,479	1,056,582	848,897
Total Charges to Appropriations	908,079	1,905,479	1,056,582	848,897
Budgetary Fund Balance, June 30	\$ 3,321	\$ 3,321	\$ 177,664	\$ 174,343

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
OFFICE OF TRAFFIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	70,000	27,931	(42,069)
Amounts Available for Appropriations	-	70,000	27,931	(42,069)
Charges to Appropriations (Outflows):				
Public safety	-	70,000	30,244	39,756
Total Charges to Appropriations	-	70,000	30,244	39,756
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ (2,313)	\$ (2,313)

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CAPITAL PROJECTS FUNDS

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

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, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 1,451,120	\$ 1,451,120	\$ 1,451,120	\$ -
Resources (inflows):				
Intergovernmental	3,769,600	3,829,848	106,172	(3,723,676)
Use of money and property	18,776	18,776	31,683	12,907
Developer participation	1,535,000	1,535,000	1,899,291	364,291
Miscellaneous	6,319,788	6,430,841	3,021,533	(3,409,308)
Transfers in	678,670	678,670	-	(678,670)
Amounts Available for Appropriations	13,772,954	13,944,255	6,509,799	(7,434,456)
Charges to Appropriations (Outflows):				
Capital outlay	12,271,016	12,719,048	6,178,366	6,540,682
Debt service:				
Principal retirement	279,088	279,088	279,087	1
Interest and fiscal charges	10,369	10,369	7,061	3,308
Transfers out	950,000	950,000	950,000	-
Total Charges to Appropriations	13,510,473	13,958,505	7,414,514	6,543,991
Budgetary Fund Balance, June 30	\$ 262,481	\$ (14,250)	\$ (904,715)	\$ (890,465)

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 solid waste services managed by Burrtec Waste and Recycling.

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 25,684	\$ 154,718	\$ 180,402
Accounts receivable	1,119	-	1,119
Accrued interest receivable	-	441	441
Prepaid costs	75,000	-	75,000
Inventories	13,663	-	13,663
Total Current Assets	<u>115,466</u>	<u>155,159</u>	<u>270,625</u>
Noncurrent Assets:			
Capital assets, not being depreciated	465,959	-	465,959
Capital assets, being depreciated	480,414	-	480,414
Less accumulated depreciation	<u>(164,216)</u>	<u>-</u>	<u>(164,216)</u>
Total Noncurrent Assets	<u>782,157</u>	<u>-</u>	<u>782,157</u>
Total Assets	<u>897,623</u>	<u>155,159</u>	<u>1,052,782</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	6,007	-	6,007
Total Deferred Outflows of Resources	<u>6,007</u>	<u>-</u>	<u>6,007</u>
Liabilities:			
Current Liabilities:			
Accounts payable	2,999	-	2,999
Accrued liabilities	981	-	981
Due to other funds	<u>725,781</u>	<u>-</u>	<u>725,781</u>
Total Current Liabilities	<u>729,761</u>	<u>-</u>	<u>729,761</u>
Noncurrent Liabilities:			
Net pension liability	<u>29,086</u>	<u>-</u>	<u>29,086</u>
Total Noncurrent Liabilities	<u>29,086</u>	<u>-</u>	<u>29,086</u>
Total Liabilities	<u>758,847</u>	<u>-</u>	<u>758,847</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	1,005	-	1,005
Total Deferred Inflows of Resources	<u>1,005</u>	<u>-</u>	<u>1,005</u>
Net Position:			
Net investment in capital assets	782,157	-	782,157
Unrestricted	<u>(638,379)</u>	<u>155,159</u>	<u>(483,220)</u>
Total Net Position	<u>\$ 143,778</u>	<u>\$ 155,159</u>	<u>\$ 298,937</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Golf</u>	<u>Solid Waste</u>	<u>Totals</u>
Operating Revenues:			
Sales and service charges	\$ 994,764	\$ -	\$ 994,764
Total Operating Revenues	994,764	-	994,764
Operating Expenses:			
Personnel services	19,535	-	19,535
Contractual services	629,096	-	629,096
Repairs and maintenance	30,428	-	30,428
Depreciation expense	18,143	-	18,143
Materials and supplies	375,387	-	375,387
Total Operating Expenses	1,072,589	-	1,072,589
Operating Loss	(77,825)	-	(77,825)
Nonoperating Revenues:			
Interest revenue	-	3,850	3,850
Total Nonoperating Revenues	-	3,850	3,850
Income (Loss) Before Transfers	(77,825)	3,850	(73,975)
Transfers in	89,377	-	89,377
Change in Net Position	11,552	3,850	15,402
Net Position at the Beginning of the Year	132,226	151,309	283,535
Net Position at the End of the Year	\$ 143,778	\$ 155,159	\$ 298,937

CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds		
	Golf	Solid Waste	Totals
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 1,005,836	\$ -	\$ 1,005,836
Payments to suppliers and service providers	(1,068,484)	-	(1,068,484)
Payments to employees for salaries and benefits	(64,221)	-	(64,221)
Net Cash Used for Operating Activities	(126,869)	-	(126,869)
Cash Flows from Non-Capital Financing Activities:			
Transfers from other funds	89,377	-	89,377
Short-term borrowing from other funds	60,926	-	60,926
Net Cash Provided by Non-Capital Financing Activities	150,303	-	150,303
Cash Flows from Investing Activities:			
Interest on investments	-	3,718	3,718
Net Cash Provided by Investing Activities	-	3,718	3,718
Net Increase in Cash and Cash Equivalents	23,434	3,718	27,152
Cash and Cash Equivalents July 1	2,250	151,000	153,250
Cash and Cash Equivalents June 30	\$ 25,684	\$ 154,718	\$ 180,402
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating loss	\$ (77,825)	\$ -	\$ (77,825)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation expense	18,143	-	18,143
Decrease in accounts receivable	11,072	-	11,072
Decrease in inventories	2,527	-	2,527
Increase in deferred outflows related to pensions	(3,084)	-	(3,084)
Decrease in accounts payable	(36,100)	-	(36,100)
Decrease in accrued liabilities	(730)	-	(730)
Decrease in net pension liability	(33,639)	-	(33,639)
Decrease in deferred inflows related to pensions	(7,233)	-	(7,233)
Total Adjustments	(49,044)	-	(49,044)
Net Cash Used for Operating Activities	\$ (126,869)	\$ -	\$ (126,869)

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, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacment	Buildings and Grounds
Assets:				
Current Assets:				
Cash and investments	\$ 2,264,691	\$ 633,480	\$ 620,434	\$ 130,659
Accounts receivable	250,336	-	-	-
Prepaid costs	-	50,743	-	-
Restricted cash with fiscal agent	23,990	-	-	68,294
Total Current Assets	<u>2,539,017</u>	<u>684,223</u>	<u>620,434</u>	<u>198,953</u>
Noncurrent Assets:				
Capital assets, being depreciated	-	8,002,648	10,553,889	863,436
Less accumulated depreciation	-	<u>(6,531,567)</u>	<u>(8,362,229)</u>	<u>(32,378)</u>
Total Noncurrent Assets	<u>-</u>	<u>1,471,081</u>	<u>2,191,660</u>	<u>831,058</u>
Total Assets	<u>2,539,017</u>	<u>2,155,304</u>	<u>2,812,094</u>	<u>1,030,011</u>
Deferred Outflows of Resources:				
Deferred outflows related to pensions	33,941	155,844	-	77,557
Total Deferred Outflows of Resources	<u>33,941</u>	<u>155,844</u>	<u>-</u>	<u>77,557</u>
Liabilities:				
Current Liabilities:				
Accounts payable	6,774	143,223	236,532	109,512
Accrued liabilities	3,125	15,001	-	9,396
Due to other funds	-	-	-	-
Capital leases, due within one year	-	-	-	82,856
Total Current Liabilities	<u>9,899</u>	<u>158,224</u>	<u>236,532</u>	<u>201,764</u>
Noncurrent Liabilities:				
Accrued claims and judgments	160,795	-	-	-
Net pension liability	164,345	754,601	-	375,533
Capital leases, due more than one year	-	-	-	518,263
Total Noncurrent Liabilities	<u>325,140</u>	<u>754,601</u>	<u>-</u>	<u>893,796</u>
Total Liabilities	<u>335,039</u>	<u>912,825</u>	<u>236,532</u>	<u>1,095,560</u>
Deferred Inflows of Resources:				
Deferred inflows related to pensions	5,679	26,074	-	12,976
Total Deferred Inflows of Resources	<u>5,679</u>	<u>26,074</u>	<u>-</u>	<u>12,976</u>
Net Position:				
Net investment in capital assets	-	1,471,081	2,191,660	229,939
Unrestricted	2,232,240	<u>(98,832)</u>	<u>383,902</u>	<u>(230,907)</u>
Total Net Position	<u>\$ 2,232,240</u>	<u>\$ 1,372,249</u>	<u>\$ 2,575,562</u>	<u>\$ (968)</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 37,417	\$ -	\$ 3,686,681
Accounts receivable	529	-	250,865
Prepaid costs	-	1,461	52,204
Restricted cash with fiscal agent	-	-	92,284
Total Current Assets	<u>37,946</u>	<u>1,461</u>	<u>4,082,034</u>
Noncurrent Assets:			
Capital assets, being depreciated	-	-	19,419,973
Less accumulated depreciation	-	-	(14,926,174)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>4,493,799</u>
Total Assets	<u>37,946</u>	<u>1,461</u>	<u>8,575,833</u>
Deferred Outflows of Resources:			
Deferred outflows related to pensions	167,782	-	435,124
Total Deferred Outflows of Resources	<u>167,782</u>	<u>-</u>	<u>435,124</u>
Liabilities:			
Current Liabilities:			
Accounts payable	116,491	30,069	642,601
Accrued liabilities	14,373	-	41,895
Due to other funds	-	35,389	35,389
Capital leases, due within one year	-	-	82,856
Total Current Liabilities	<u>130,864</u>	<u>65,458</u>	<u>802,741</u>
Noncurrent Liabilities:			
Accrued claims and judgments	-	-	160,795
Net pension liability	812,407	-	2,106,886
Capital leases, due more than one year	-	-	518,263
Total Noncurrent Liabilities	<u>812,407</u>	<u>-</u>	<u>2,785,944</u>
Total Liabilities	<u>943,271</u>	<u>65,458</u>	<u>3,588,685</u>
Deferred Inflows of Resources:			
Deferred inflows related to pensions	28,072	-	72,801
Total Deferred Inflows of Resources	<u>28,072</u>	<u>-</u>	<u>72,801</u>
Net Position:			
Net investment in capital assets	-	-	3,892,680
Unrestricted	(765,615)	(63,997)	1,456,791
Total Net Position	<u>\$ (765,615)</u>	<u>\$ (63,997)</u>	<u>\$ 5,349,471</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds
Operating Revenues:				
Sales and service charges	\$ 5,179,467	\$ 1,735,000	\$ 502,535	\$ 2,105,901
Other income	442,461	66,893	-	-
Total Operating Revenues	5,621,928	1,801,893	502,535	2,105,901
Operating Expenses:				
Personnel services	4,537,446	609,869	-	222,109
Contractual services	-	439,149	-	275,511
Repairs and maintenance	-	180,925	-	437,783
Claims expense	41,060	-	-	-
Depreciation expense	-	453,626	734,445	-
Materials and supplies	8,451	359,688	28,527	1,024,263
Total Operating Expenses	4,586,957	2,043,257	762,972	1,959,666
Operating Income (Loss)	1,034,971	(241,364)	(260,437)	146,235
Nonoperating Revenues (Expenses):				
Interest revenue	-	-	-	105
Interest expense	-	-	-	(25,526)
Total Nonoperating Revenues (Expenses)	-	-	-	(25,421)
Income (Loss) Before Contributions and Transfers	1,034,971	(241,364)	(260,437)	120,814
Capital Contributions	-	-	58,814	-
Transfers in	-	-	55,419	134,089
Transfers out	(2,000,000)	-	-	-
Change in Net Position	(965,029)	(241,364)	(146,204)	254,903
Net Position at the Beginning of the Year, as Originally Reported	4,358,306	1,613,613	2,721,766	(255,871)
Restatements	(1,161,037)	-	-	-
Net Position at the Beginning of the Year, as Restated	3,197,269	1,613,613	2,721,766	(255,871)
Net Position at the End of the Year	\$ 2,232,240	\$ 1,372,249	\$ 2,575,562	\$ (968)

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Operating Revenues:			
Sales and service charges	\$ 2,419,165	\$ 470,000	\$ 12,412,068
Other income	172	3,940	513,466
Total Operating Revenues	2,419,337	473,940	12,925,534
Operating Expenses:			
Personnel services	538,077	-	5,907,501
Contractual services	236,504	365,425	1,316,589
Repairs and maintenance	38,823	-	657,531
Claims expense	-	-	41,060
Depreciation expense	-	-	1,188,071
Materials and supplies	1,482,023	88,152	2,991,104
Total Operating Expenses	2,295,427	453,577	12,101,856
Operating Income (Loss)	123,910	20,363	823,678
Nonoperating Revenues (Expenses):			
Interest revenue	-	-	105
Interest expense	-	-	(25,526)
Total Nonoperating Revenues (Expenses)	-	-	(25,421)
Income (Loss) Before Contributions and Transfers	123,910	20,363	798,257
Capital Contributions	-	-	58,814
Transfers in	-	-	189,508
Transfers out	-	-	(2,000,000)
Change in Net Position	123,910	20,363	(953,421)
Net Position at the Beginning of the Year, as Originally Reported	(889,525)	(84,360)	7,463,929
Restatements	-	-	(1,161,037)
Net Position at the Beginning of the Year, as Restated	(889,525)	(84,360)	6,302,892
Net Position at the End of the Year	\$ (765,615)	\$ (63,997)	\$ 5,349,471

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds			
	Risk Management	Information Technology	Vehicle Replacement	Buildings and Grounds
Cash Flows from Operating Activities:				
Receipts from interfund services and charges	\$ 6,309,116	\$ 1,801,932	\$ 502,535	\$ 2,105,901
Other receipts	-	-	71,623	-
Payments to suppliers and service providers	(12,476)	(980,311)	-	(1,698,847)
Payments to employees for salaries and benefits	(4,558,796)	(518,196)	-	(275,916)
Payments for claims and judgments	(58,560)	-	-	-
Net Cash Provided by Operating Activities	1,679,284	303,425	574,158	131,138
Cash Flows from Non-Capital Financing Activities:				
Transfers to other funds	(2,000,000)	-	-	-
Transfers from other funds	-	-	55,419	134,089
Repayment made to other funds	-	-	-	(29,356)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(2,000,000)	-	55,419	104,733
Cash Flows from Capital and Related Financing Activities:				
Capital impact fees	-	-	58,814	-
Acquisition and construction of capital assets	-	(153,622)	(1,115,395)	-
Principal paid on capital debt	-	-	-	(79,686)
Interest paid on capital debt	-	-	-	(25,526)
Net Cash Used by Capital and Related Financing Activities	-	(153,622)	(1,056,581)	(105,212)
Cash Flows from Investing Activities:				
Interest on investments	-	-	-	105
Net Cash Provided by Investing Activities	-	-	-	105
Net Increase (Decrease) in Cash and Cash Equivalents	(320,716)	149,803	(427,004)	130,764
Cash and Cash Equivalents July 1 (including \$1,211,985 and \$68,189 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	2,609,397	483,677	1,047,438	68,189
Cash and Cash Equivalents June 30 (including \$28,990 and \$68,294 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	\$ 2,288,681	\$ 633,480	\$ 620,434	\$ 198,953
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating income (loss)	\$ 1,034,971	\$ (241,364)	\$ (260,437)	\$ 146,235
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	453,626	734,445	-
(Increase) decrease in accounts receivable	687,188	39	-	-
(Increase) decrease in prepaid costs	-	(37,110)	-	-
Increase in deferred outflows related to pensions	(17,203)	(99,774)	-	(41,204)
Increase (decrease) in accounts payable	(4,025)	36,561	100,150	38,710
Decrease in accrued liabilities	(3,756)	(7,829)	-	(6,404)
Decrease in accrued claims and judgments	(17,500)	-	-	-
Increase in net pension liability	6,082	215,472	-	10,866
Decrease in deferred inflows related to pensions	(6,473)	(16,196)	-	(17,065)
Total Adjustments	644,313	544,789	834,595	(15,097)
Net Cash Provided by Operating Activities	\$ 1,679,284	\$ 303,425	\$ 574,158	\$ 131,138

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
Cash Flows from Operating Activities:			
Receipts from interfund services and charges	\$ 2,418,808	\$ 473,940	\$ 13,612,232
Other receipts	-	-	71,623
Payments to suppliers and service providers	(1,719,670)	(443,095)	(4,854,399)
Payments to employees for salaries and benefits	(615,821)	-	(5,968,729)
Payments for claims and judgments	-	-	(58,560)
Net Cash Provided by Operating Activities	83,317	30,845	2,802,167
Cash Flows from Non-Capital Financing Activities:			
Transfers to other funds	-	-	(2,000,000)
Transfers from other funds	-	-	189,508
Repayment made to other funds	(45,900)	(30,845)	(106,101)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(45,900)	(30,845)	(1,916,593)
Cash Flows from Capital and Related Financing Activities:			
Capital impact fees	-	-	58,814
Acquisition and construction of capital assets	-	-	(1,269,017)
Principal paid on capital debt	-	-	(79,686)
Interest paid on capital debt	-	-	(25,526)
Net Cash Used by Capital and Related Financing Activities	-	-	(1,315,415)
Cash Flows from Investing Activities:			
Interest on investments	-	-	105
Net Cash Provided by Investing Activities	-	-	105
Net Increase (Decrease) in Cash and Cash Equivalents	37,417	-	(429,736)
Cash and Cash Equivalents July 1 (including \$1,211,985 and \$68,189 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	-	-	4,208,701
Cash and Cash Equivalents June 30 (including \$28,990 and \$68,294 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)	\$ 37,417	\$ -	\$ 3,778,965
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ 123,910	\$ 20,363	\$ 823,678
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	-	1,188,071
(Increase) decrease in accounts receivable	(529)	-	686,698
(Increase) decrease in prepaid costs	-	2	(37,108)
Increase in deferred outflows related to pensions	(86,078)	-	(244,259)
Increase (decrease) in accounts payable	37,680	10,480	219,556
Decrease in accrued liabilities	(21,606)	-	(39,595)
Decrease in accrued claims and judgments	-	-	(17,500)
Increase in net pension liability	58,020	-	290,440
Decrease in deferred inflows related to pensions	(28,080)	-	(67,814)
Total Adjustments	(40,593)	10,482	1,978,489
Net Cash Provided by Operating Activities	\$ 83,317	\$ 30,845	\$ 2,802,167

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FIDUCIARY FUNDS

Fiduciary funds 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.

East Valley Coalition – To account for the City’s fiduciary capacity as custodian of the monies held for the economic development partnership in Eastern Coachella Valley known as the East Valley Coalition.

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2017

	ERICA	Assessment Districts	East Valley Reclamation Authority	Waste Transfer Station
Assets:				
Pooled cash and investments	\$ 538,703	\$ 9,079,107	\$ 127,553	\$ -
Accrued interest receivable	759	9,593	-	-
Due from other governments	-	156,316	-	-
Restricted cash and investments held with fiscal agents	-	5,217,978	-	-
Total Assets	<u>\$ 539,462</u>	<u>\$ 14,462,994</u>	<u>\$ 127,553</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 56,237	\$ 11,390	\$ 13,685	\$ -
Deposits payable	-	279,925	113,868	-
Due to bondholders	-	14,171,679	-	-
Due to members	483,225	-	-	-
Total Liabilities	<u>\$ 539,462</u>	<u>\$ 14,462,994</u>	<u>\$ 127,553</u>	<u>\$ -</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
 ALL AGENCY FUNDS
 JUNE 30, 2017

	<u>East Valley Coalition</u>	<u>Totals</u>
Assets:		
Pooled cash and investments	\$ 24,804	\$ 9,770,167
Accrued interest receivable	55	10,407
Due from other governments	-	156,316
Restricted cash and investments held with fiscal agents	-	5,217,978
Total Assets	<u>\$ 24,859</u>	<u>\$ 15,154,868</u>
Liabilities:		
Accounts payable	\$ 633	\$ 81,945
Deposits payable	-	393,793
Due to bondholders	24,226	14,195,905
Due to members	-	483,225
Total Liabilities	<u>\$ 24,859</u>	<u>\$ 15,154,868</u>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
<u>ERICA</u>				
Assets:				
Pooled cash and investments	\$ 427,415	\$ 3,956,665	\$ 3,845,377	\$ 538,703
Accrued interest receivable	538	3,451	3,230	759
Total Assets	\$ 427,953	\$ 3,960,116	\$ 3,848,607	\$ 539,462
Liabilities:				
Accounts payable	\$ 101,313	\$ 2,268,822	\$ 2,313,898	\$ 56,237
Due to members	326,638	75,055,752	74,899,165	483,225
Total Liabilities	\$ 427,951	\$ 77,324,574	\$ 77,213,063	\$ 539,462
<u>Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 8,600,311	\$ 54,274,802	\$ 53,796,006	\$ 9,079,107
Accrued interest receivable	7,993	48,814	47,214	9,593
Due from other governments	102,591	415,648	361,923	156,316
Restricted cash and investments with fiscal agents	5,213,485	26,274,965	26,270,472	5,217,978
Total Assets	\$ 13,924,380	\$ 81,014,229	\$ 80,475,615	\$ 14,462,994
Liabilities:				
Accounts payable	\$ 3,589	\$ 6,186,360	\$ 6,178,559	\$ 11,390
Deposits payable	222,471	1,215,142	1,157,688	279,925
Due to bondholders	13,698,240	173,768,806	173,295,367	14,171,679
Total Liabilities	\$ 13,924,300	\$ 181,170,308	\$ 180,631,614	\$ 14,462,994
<u>East Valley Reclamation Authority</u>				
Assets:				
Pooled cash and investments	\$ 100,798	\$ 50,000	\$ 23,245	\$ 127,553
Total Assets	\$ 100,798	\$ 50,000	\$ 23,245	\$ 127,553
Liabilities:				
Accounts payable	\$ 615	\$ 13,685	\$ 615	\$ 13,685
Deposits payable	100,183	50,000	36,315	113,868
Total Liabilities	\$ 100,798	\$ 63,685	\$ 36,930	\$ 127,553

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
<u>Waste Transfer Station</u>				
Assets:				
Pooled cash and investments	\$ 126,821	\$ 685,160	\$ 811,981	\$ -
Accounts receivable	50,371	151,112	201,483	-
Accrued interest receivable	466	1,862	2,328	-
Total Assets	\$ 177,658	\$ 838,134	\$ 1,015,792	\$ -
Liabilities:				
Accounts payable	\$ 177,658	\$ 1,134,985	\$ 1,312,643	\$ -
Total Liabilities	\$ 177,658	\$ 1,134,985	\$ 1,312,643	\$ -
<u>East Valley Coalition</u>				
Assets:				
Pooled cash and investments	\$ 38,058	\$ 237,237	\$ 250,491	\$ 24,804
Accrued interest receivable	50	315	310	55
Total Assets	\$ 38,108	\$ 237,552	\$ 250,801	\$ 24,859
Liabilities:				
Accounts payable	\$ -	\$ 422,386	\$ 421,753	\$ 633
Due to bondholders	38,108	-	13,882	24,226
Total Liabilities	\$ 38,108	\$ 422,386	\$ 435,635	\$ 24,859
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 9,293,403	\$ 59,203,864	\$ 58,727,100	\$ 9,770,167
Accounts receivable	50,371	151,112	201,483	-
Accrued interest receivable	9,047	54,442	53,082	10,407
Due from other governments	102,591	415,648	361,923	156,316
Restricted cash and investments with fiscal agents	5,213,485	26,274,965	26,270,472	5,217,978
Total Assets	\$ 14,668,897	\$ 86,100,031	\$ 85,614,060	\$ 15,154,868
Liabilities:				
Accounts payable	\$ 283,175	\$ 10,026,238	\$ 10,227,468	\$ 81,945
Deposits payable	322,654	1,265,142	1,194,003	393,793
Due to bondholders	13,736,348	173,768,806	173,309,249	14,195,905
Due to members	326,638	75,055,752	74,899,165	483,225
Total Liabilities	\$ 14,668,815	\$ 260,115,938	\$ 259,629,885	\$ 15,154,868

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STATISTICAL SECTION

STATISTICAL SECTION

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CITY OF INDIO

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<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	168-171
<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	172-176
<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	177-179
<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	180-181
<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>	

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CITY OF INDIO

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net investment in capital assets	\$379,737	\$416,262	\$435,697	\$372,187	\$431,924	\$432,106	\$425,528	\$419,607	\$414,227	\$413,312
Restricted	36,977	22,249	22,533	82,334	23,734	25,716	26,842	26,095	22,180	20,260
Unrestricted	27,035	17,375	(10,396)	(11,553)	(8,635)	(5,199)	(4,019)	(34,270)	(28,253)	(45,879)
Total governmental activities net position	\$443,749	\$455,886	\$447,834	\$442,968	\$447,023	\$452,623	\$448,351	\$411,432	\$408,154	\$387,693
Business-type activities:										
Net investment in capital assets	\$159,962	\$159,716	\$159,188	\$153,658	\$146,605	\$143,311	\$136,334	\$133,627	\$128,429	\$122,807
Restricted	-	-	-	-	-	-	-	-	-	605
Unrestricted	10,426	8,860	9,622	11,165	10,409	9,225	18,628	4,700	8,660	14,804
Total business-type activities net position	\$170,388	\$168,576	\$168,810	\$164,823	\$157,014	\$152,536	\$154,962	\$138,327	\$137,089	\$138,216
Primary government:										
Net investment in capital assets	\$539,699	\$575,978	\$594,885	\$525,845	\$578,529	\$575,417	\$561,862	\$553,234	\$542,656	\$536,119
Restricted	36,977	22,249	22,533	82,334	23,734	25,716	26,842	26,095	22,180	20,865
Unrestricted	37,461	26,235	(774)	(388)	1,774	4,026	14,609	(29,570)	(19,593)	(31,075)
Total primary government net position	\$614,137	\$624,462	\$616,644	\$607,791	\$604,037	\$605,159	\$603,313	\$549,759	\$545,243	\$525,909

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	\$ 5,831	\$ 4,825	\$ 5,190	\$ 6,774	\$ 6,965	\$ 7,005	\$ 6,535	\$ 10,395	\$ 11,968	\$ 26,255
Public safety	41,487	35,625	35,810	37,665	41,502	32,930	47,339	43,688	36,041	42,467
Public works	16,203	16,286	13,224	14,689	16,441	22,946	16,019	21,289	16,619	8,164
Community development	8,068	6,747	18,221	19,779	15,226	8,653	8,710	11,099	9,275	2,608
Community services	3,682	2,832	3,040	2,974	2,821	2,693	2,665	1,789	2,314	17,873
Interest expense and other charges	7,460	8,366	8,303	10,450	3,318	6,235	3,013	6,484	2,463	5,505
Total governmental activities expenses	82,731	74,681	83,788	92,331	86,273	80,462	84,281	94,744	78,680	102,872
Business-type activities:										
Water	21,552	22,689	21,518	21,710	24,125	22,562	23,563	30,145	26,424	24,018
Golf	890	1,077	852	899	904	851	942	1,120	1,086	1,073
Solid Waste	-	186	147	83	-	-	-	-	-	-
Total business-type activities expenses	22,442	23,952	22,517	22,692	25,029	23,413	24,505	31,265	27,510	25,091
Total primary government expenses	105,173	98,633	106,305	115,023	111,302	103,875	108,786	126,009	106,190	127,963
Program revenues:										
Governmental activities:										
Charges for services:										
General government	485	561	902	1,037	3,698	11,086	10,520	12,113	1,459	1,633
Public safety	2,515	2,297	4,343	7,017	5,917	2,489	2,316	2,578	7,185	7,057
Public works	3,178	3,891	2,405	2,005	3,255	1,115	1,828	1,738	5,559	7,464
Community development	3,172	3,112	1,360	3,120	5,118	1,312	2,560	2,248	262	296
Community services	1,005	619	1,530	2,317	785	3,056	3,869	3,095	107	139
Operating contributions and grants	14,797	18,633	8,316	8,443	7,098	21,959	14,847	14,809	7,637	7,677
Capital contributions and grants	41,437	14,035	19,062	13,617	6,347	9,689	8,841	5,767	1,290	1,266
Total governmental activities program revenues	66,589	43,148	37,918	37,556	32,218	50,706	44,781	42,348	23,499	25,532
Business-type activities:										
Charges for services:										
Water	12,278	14,377	15,235	15,578	16,207	15,971	18,198	18,767	17,832	22,313
Golf	1,035	952	847	840	755	687	689	1,113	935	995
Solid Waste	-	153	100	229	-	-	-	-	-	-
Capital contributions and grants	6,347	4,016	5,340	1,906	-	1,768	2,480	1,266	4,735	2,643
Total business-type activities program revenues	19,660	19,498	21,522	18,553	16,962	18,426	21,367	21,146	23,502	25,951
Total primary government activities program revenues	86,249	62,646	59,440	56,109	49,180	69,132	66,148	63,494	47,001	51,483
Net revenues (expenses):										
Governmental activities	(16,142)	(31,533)	(45,870)	(54,775)	(54,055)	(29,756)	(39,500)	(52,396)	(55,181)	(77,340)
Business-type activities	(2,782)	(4,454)	(995)	(4,139)	(8,067)	(4,987)	(3,138)	(10,119)	(4,008)	860
Total primary government net expense	(18,924)	(35,987)	(46,865)	(58,914)	(62,122)	(34,743)	(42,638)	(62,515)	(59,189)	(76,480)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	23,918	23,844	18,819	19,944	16,120	13,373	13,000	13,887	15,055	16,007
Sales tax	8,548	7,021	6,111	6,999	7,667	8,377	9,349	10,040	11,692	13,579
Transient occupancy taxes	2,070	1,941	1,845	1,945	2,547	2,820	3,078	3,907	4,520	6,298
Other taxes	7,869	7,049	6,602	11,707	14,485	11,521	11,747	12,186	13,840	13,649
Investment income	3,161	1,641	662	554	328	73	64	4,025	1,757	1,436
Motor vehicle in lieu, unrestricted	375	307	269	419	-	43	36	34	34	39
Other general revenues	3,268	3,773	2,785	4,518	5,373	3,468	5,076	11,095	5,219	7,121
Transfers	-	19	142	170	206	(15)	(6,245)	(75)	(151)	(89)
Total governmental activities	<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>	<u>58,040</u>
Business-type activities:										
Investment income	3,029	2,197	889	146	65	91	70	139	72	127
Transfers	-	(19)	(142)	(170)	(206)	15	6,245	75	152	89
Other general revenues	300	465	481	303	399	403	-	-	2,545	51
Total business-type activities	<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>	<u>267</u>
Total primary government	<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>	<u>58,307</u>
Changes in net position										
Governmental activities	33,067	14,062	(8,635)	(8,519)	(7,329)	9,904	(3,395)	2,703	(3,215)	(19,300)
Business-type activities	547	(1,811)	233	(3,860)	(7,809)	(4,478)	3,177	(9,905)	(1,239)	1,127
Total primary government	<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>	<u>\$ (18,173)</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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:										
Reserved	\$ 11,203	\$ 12,852	\$ 7,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,266	3,232	(3,956)	-	-	-	-	-	-	-
Total general fund	<u>\$ 21,469</u>	<u>\$ 16,084</u>	<u>\$ 3,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds:										
Reserved	\$ 133,137	\$ 112,380	\$ 98,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	6,599	4,787	1,994	-	-	-	-	-	-	-
Capital projects funds	12,043	5,342	(1,241)	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 151,779</u>	<u>\$ 122,509</u>	<u>\$ 99,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ 3,640	\$ 3,793	\$ 3,989	\$ 3,536	\$ 7,641	\$ 8,978	\$ 10,141
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	730	1,140	5,619	11,197	11,285
Assigned	-	-	-	16	21	784	6,922	3,242	3,459	8,452
Unassigned	-	-	-	(1,725)	783	4,266	4,490	7,087	1,820	-
Total general fund	<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>	<u>\$ 29,878</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,496	\$ 5,926	\$ -	\$ -
Restricted	-	-	-	92,801	24,153	26,334	19,182	18,761	22,179	20,260
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	2,315	2,294	1,296	985	985	-	-
Unassigned:	-	-	-	(2,190)	(1,423)	665	(424)	(135)	(6)	(614)
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	(905)
Total all other governmental funds	<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>	<u>\$ 18,741</u>

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$ 42,998	\$ 39,059	\$ 35,182	\$ 37,526	\$ 35,537	\$ 32,562	\$ 34,073	\$ 36,320	\$ 45,265	\$ 49,533
Special assessments	2,940	3,539	3,697	3,782	3,950	3,866	3,792	4,015	-	-
Licenses and permits	2,630	2,260	1,680	1,691	1,381	2,027	3,384	2,916	2,438	2,737
Intergovernmental	23,168	27,640	18,218	20,053	14,047	18,740	14,818	11,754	5,706	5,722
Charges for services	11,141	10,926	5,801	6,835	9,034	8,335	9,482	15,110	7,176	8,719
Fines and forfeitures	1,002	1,122	1,205	913	1,199	1,215	887	938	860	676
Investment earnings	5,385	2,871	1,138	506	314	4,089	2,794	5,333	1,758	1,436
Developer fees	8,566	5,309	3,919	3,944	2,238	5,559	4,901	4,491	1,640	1,899
Contributions from property owners	2,175	1,991	-	-	-	-	-	-	4,112	4,291
Miscellaneous	2,485	3,894	2,931	1,447	1,384	2,471	2,401	4,598	5,592	7,624
Total revenues	102,490	98,611	73,771	76,697	69,084	78,864	76,532	85,475	74,547	82,637
Expenditures										
Current:										
General government	5,934	5,235	4,727	4,021	4,000	4,204	4,166	5,046	5,112	20,271
Public safety	33,534	33,104	33,599	30,958	32,875	32,603	35,080	37,766	38,118	40,477
Public works	66,646	68,722	30,642	14,604	14,840	21,300	14,174	15,050	10,650	13,035
Community development	9,483	17,041	18,155	18,349	12,304	7,731	7,382	8,733	7,903	6,129
Community services	1,643	2,301	2,537	1,692	1,716	1,545	1,461	1,559	2,384	2,524
Other	1,687	438	3,366	3,610	70	323	407	3,884	102	-
Capital outlay									5,036	8,231
Debt service:										
Principal retirement	8,019	890	3,489	3,733	4,065	1,815	1,849	2,827	24,023	3,161
Interest and fiscal charges	4,884	5,547	7,052	6,853	4,707	2,690	2,700	2,631	2,627	5,576
Other charges	8,922	5,082	8,419	4,112	1,511	381	-	-	486	-
Total expenditures	140,752	138,360	111,986	87,932	76,088	72,592	67,219	77,496	96,441	99,404
Excess (deficiency) of revenues over (under) expenditures	(38,262)	(39,749)	(38,215)	(11,235)	(7,004)	6,272	9,313	7,979	(21,894)	(16,767)
Other financing sources (uses):										
Transfers in	16,841	22,165	16,131	9,238	9,514	5,787	6,862	7,031	7,216	9,990
Transfers out	(16,841)	(22,146)	(15,989)	(9,068)	(9,308)	(6,782)	(12,912)	(7,211)	(7,406)	(8,269)
Lease purchase and loan proceeds	-	-	2,846	854	2,788	-	-	-	-	-
Issuance of bonds	74,767	7,000	-	-	-	24,500	-	-	19,730	16,300
Sale of real property	-	-	-	1,592	-	-	-	-	-	-
Original discount on bonds	(469)	-	-	-	-	-	-	-	919	(262)
Payment to bond escrow agent	(25,999)	-	-	-	-	(21,335)	-	-	-	-
Total other financing sources (uses)	48,299	7,019	2,988	2,616	2,994	2,170	(6,050)	(180)	20,459	17,759
Extraordinary gain (loss) on dissolution of redevelopment agency	-	-	-	-	(61,226)	-	-	-	-	-
Net change in fund balances	\$ 10,037	\$ (32,730)	\$ (35,227)	\$ (8,619)	\$ (65,236)	\$ 8,442	\$ 3,263	\$ 7,799	\$ (1,435)	\$ 992
Debt service as a percentage of noncapital expenditures	23.4%	16.9%	22.8%	20.2%	13.3%	7.2%	7.8%	7.6%	29.6%	9.8%

Source: City of Indio

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

Fiscal Year					Less:	Total Taxable	Total
Ended June 30	Residential Property	Commercial Property	Industrial Property	Other Property	Tax-Exempt Property	Assessed Value	Direct Tax Rate
2017	\$ 5,892,675	\$ 868,261	\$ 249,636	\$ 746,057	\$ 88,682	\$ 7,667,947	0.1003
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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of Indio	0.19501	0.13251	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	-	-	-	-	-
Total Direct Rate	0.24644	0.24571	0.25437	0.25412	0.25684	0.25133	0.09979	0.09986	0.10002	0.10031
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	0.05708	0.05949	0.07247	0.09332	0.07487	0.07968	0.14919	0.14919	0.13218	0.16601
Coachella Valley Water District	0.04000	0.04000	0.06000	0.08000	0.08000	0.08000	0.10000	0.10000	0.10000	0.10000
CVWD Imp Dist 53	0.00090	-	-	-	-	-	-	-	-	-
CVWD Imp Dist 55	0.00840	0.00640	0.00600	0.00600	-	-	-	-	-	-
CVWD Imp Dist 58	0.00230	-	-	-	-	-	-	-	-	-
Desert Community College	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.02325	0.02087	0.02036
Desert Sands Unified School District	0.07561	0.07990	0.08112	0.10036	0.11467	0.11156	0.10954	0.10984	0.10915	0.08599
Total Direct & Overlapping Tax Rates	1.20424	1.20574	1.23954	1.29963	1.28949	1.29119	1.37868	1.38228	1.36220	1.37236

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	2017		2008	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 61,836,670	0.81%		
Desert Polo Land Company, LLC	37,396,236	0.49%		
Trendwest Resorts Inc	37,375,527	0.49%		
Summer Field Community Partners	36,029,779	0.47%		
Time Warner Cable	35,325,649	0.46%		
Jackson 42 LLC	32,992,865	0.43%	24,848,620	0.35%
JFK Memorial Hospital Inc	30,205,548	0.39%	31,115,298	0.44%
Wal Mart Real Estate Business	27,850,931	0.36%		
ALJACKS	27,145,347	0.35%		
JDG Properties	26,911,842	0.35%		
AG Indio Fashion Mall			21,021,697	0.30%
Pulte Home Corporation			38,245,734	0.54%
Lisoy Family Trust			33,048,000	0.47%
LB Hills Golf LLC			20,761,990	0.29%
Western Pacific Housing, Inc.			21,558,922	0.31%
Beazer Homes Holdings Corp.			33,546,886	0.48%
Rilington Palazzo			24,083,839	0.34%
Peter Solomon			25,787,228	0.37%
	<u>\$353,070,394</u>	4.60%	<u>\$ 274,018,214</u>	3.88%

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
2017	6,533,653	6,378,548	97.63%	115,544 *	6,494,092	99.39%
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%

*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)	Judgment Obligation Bonds (1)	Loans (1)	Total Governmental Activities	Water Revenue Bonds (1)	Total Primary Government (1)	Population (2)	Personal Income (3)	Percentage of Personal Income		
2017	-	-	\$3,535	\$41,662	\$16,038	\$3,767	\$65,002	\$58,153	\$123,155	88,718	\$1,814,845	6.79%	1.39	
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	

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	Judgment Obligation Bonds	Certificates of Participation	Total				
2017	\$58,153	-	-	\$41,662	\$16,038	\$3,535	\$119,388	88,718	\$1,814,845	1.56%	1.35
2016	\$58,725	-	-	\$42,260	-	\$4,045	\$105,030	88,058	\$1,706,419	1.44%	1.19
2015	60,215	-	-	39,190	-	4,535	\$103,940	86,683	1,651,948	1.54%	1.20
2014	55,205	-	-	40,165	-	5,005	\$100,375	84,655	1,560,289	1.61%	1.19
2013	56,605	-	-	40,165	-	5,460	\$102,230	83,450	1,584,233	1.68%	1.23
2012	57,970	-	-	37,000	-	5,895	\$100,865	79,185	1,546,312	1.69%	1.27
2011	59,290	3,520	73,660	37,805	-	6,392	\$180,667	77,168	1,402,529	2.84%	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	2.54%	2.53
2008	61,795	4,135	76,710	39,325	-	7,527	\$189,492	74,007	1,496,971	2.69%	2.56

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, 2017

2016-17 Assessed Valuation: \$7,683,747,887

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/17</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/17</u>
Desert Community College District	\$278,449,403	10.305%	\$ 28,694,211
Coachella Valley Unified School District	263,890,413	10.516	27,750,716
Desert Sands Unified School District	316,115,000	17.855	56,442,333
City of Indio Community Facilities District No. 2004-3	15,015,000	100.	15,015,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	15,011,000	100.	15,011,000
City of Indio Community Facilities District No. 2006-1	8,025,000	100.	8,025,000
City of Indio 1915 Act Bonds	28,342,050	100.	28,342,050
Valley Sanitary District Assessment District No. 2004-VSD	6,125,000	100.	<u>6,125,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$185,405,310
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$849,105,407	3.067%	\$26,042,063
Riverside County Pension Obligation Bonds	286,535,000	3.067	8,788,028
Coachella Valley Unified School District Certificates of Participation	40,520,000	10.516	4,261,083
Desert Sands Unified School District Certificates of Participation	49,805,000	17.855	8,892,683
City of Indio General Fund Obligations	40,785,000	100.	48,087,000
City of Indio Judgment Obligations	16,300,000	100.	16,300,000
Desert Recreation and Park District Certificates of Participation	1,077,045	16.363	<u>176,237</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$112,547,094
Less: Riverside County supported obligations			<u>148,665</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$112,398,429
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	 \$65,010,000	 100. %	 \$65,010,000
 TOTAL DIRECT DEBT			 \$64,387,000
TOTAL GROSS OVERLAPPING DEBT			\$298,575,404
TOTAL NET OVERLAPPING DEBT			\$298,426,739
 GROSS COMBINED TOTAL DEBT			 \$362,962,404 (2)
NET COMBINED TOTAL DEBT			\$362,813,739

- (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 2016-17 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.41%
Combined Direct Debt (\$64,387,000)	0.84%
Gross Combined Total Debt	4.72%
Net Combined Total Debt	4.72%

Ratios to Redevelopment Incremental Valuation (\$1,296,109,407):

Total Overlapping Tax Increment Debt	0.85%
--	-------

Source: California Municipal Statistics, Inc.
City of Indio

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed valuation (1)	\$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	\$7,667,948
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	1,058,318	1,114,911	990,044	953,810	897,730	914,680	934,430	1,010,413	1,094,250	1,150,192
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$1,058,318	\$1,114,911	\$990,044	\$953,810	\$897,730	\$914,680	\$934,430	\$1,010,413	\$1,094,250	\$1,150,192
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 C

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	
2017	2,220	-	2,220	-	2,220	1.00
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

Gas Tax Certificate of Participation						
Fiscal Year Ended June 30	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	663	2	661	510	151	1.00
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	-	-	-

Lease Revenue Bonds						
Fiscal Year Ended June 30	Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2017	3,253	12	3,241	1,475	1,766	1.00
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

RDA Tax Allocation Bonds				
Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2017	-	-	-	-
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

RDA Revenue Refunding Bonds				
Fiscal Year Ended June 30	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2017	-	-	-	-
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

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)
2017	88,718	40.5	2.83	\$ 40,449	\$ 23,103	6.1%
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%

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)	2017		2008	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Desert Sands Unified School District	2,677	6.90%	1,085	4.02%
County of Riverside	1,211	3.12%	800	2.96%
Fantasy Springs Resort Casino	1,108	2.86%	not available	
John F. Kennedy Memorial Hospital	750	1.93%	575	2.13%
Walmart Supercenter	258	0.66%		
City of Indio	233	0.60%	289	1.07%
Riverside Superior Court	172	0.44%	bot available	
Fiesta Ford Lincoln	142	0.37%		
Cardenas Market	132	0.34%		
Mathis Brothers	132	0.34%	140	0.52%
Boulder West Components			145	0.54%
Home Depot			125	0.46%
Tidwell Concrete Construction Inc			120	0.44%
Gomez Farm labor Contracting			100	0.37%
La Hacienda Nursery - Landscape			93	0.34%
Total Employment Listed	6,815	17.56%	3,472	12.86%
Total City Employment (2)	38,800		27,000	

"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>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>	<u>2017</u>
General government	41	55	46	46	41	45	39	36	34	36
Police	136	139	123	104	113	107	99	100	103	99
Public works	53	54	36	27	29	24	26	33	33	31
Community development	29	28	23	26	18	15	16	17	19	19
Water	<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>48</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>	<u>233</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

	2008	2009	2010	2011	2012	Fiscal Year 2013	2014	2015	2016	2017
Police:										
Arrests	2,909	3,012	2,713	2,416	2,163	2,062	2,119	2,178	2,026	2,331
Traffic citations issued	5,614	6,804	5,954	5,712	4,606	2,632	2,476	1,478	1,452	2,102
Parking citations issued	1,172	1,670	3,150	2,492	2,097	1,554	3,231	5,312	4,191	1,173
Fire:										
Emergency calls	9,948	6,058	9,817	7,918	8,138	8,442	8,564	9,319	8,317	8,611
Inspections	536	2,228	1,993	2,564	2,287	2,535	2,254	2,629	2,473	2,553
Public works:										
Street resurfacing (miles)	34.0	15.0	16.5	5.0	1.0	0.0	3.3	1.0	10.0	1.0
Water:										
New connections	964	489	261	330	0	258	488	397	223	320
Average daily consumption (millions of gallons)	20	19	18	18	18	18	20	18	15	15
Golf Course:										
Golf rounds played	29,533	33,753	25,680	23,762	20,576	19,753	18,908	26,464	26,481	24,003

Source: City of Indio

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	2	2	1	1	1	1	1	1	1	1
Animal care centers	1	1	1	1	1	1	1	0	0	0
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Paved streets (miles)	230	238	243	244	244	244	251	253	254	254
Streetlights	2,754	2,822	2,885	2,903	2,825	2,869	2,858	2,886	2,893	2,858
Traffic signals	68	75	83	85	87	89	92	95	97	98
Recreation:										
Parks	11	11	14	13	13	15	17	17	17	18
Senior centers	1	1	1	1	1	1	1	1	1	1
Teen centers	-	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	313	315	321	327	327	327	329	332	342	343
Maximum daily capacity (millions of gallons)	59	72	63	66	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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Single-Family Residential	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	4,459,372
Multi-Family Residential	1,252,174	1,211,311	1,159,934	1,149,631	1,165,519	1,066,970	978,114	838,995	639,273	661,020
Commercial/Institutional	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	1,097,366
Industrial	90,848	69,675	63,468	56,401	59,114	61,707	72,389	66,423	54,401	58,018
Landscaping/Irrigation	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	924,444
Total	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	7,200,220
Total commodity rate per 100 cubic feet	\$ 0.88	\$ 1.06	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	Tiered Rates	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
2017	19.59	Tier 1	0.97
		Tier 2	1.31
		Tier 3	1.95
		Tier 4	2.92
		Tier 5	3.89
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

(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													
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017				
		Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
ACDW Properties Inc.	Apartments	\$ 63,683	0.54%	\$ 75,515	0.54%	\$ 79,053	0.55%	\$ 80,656	0.55%	\$ 82,672	0.56%	\$ 81,947	0.54%	\$ -	0.00%
Arabian Gardens MHP	Mobile Home Park			68,073	0.47%			81,198	0.55%	82,550	0.55%	78,368	0.51%	142,458	0.91%
Arctic Glacier USA	Commercial													65,566	0.42%
Cabazon Indian Reservation	Casino	72,834	0.61%	86,367	0.62%										
Capital Foresight Comm., LP	Apartments					71,193	0.49%								
Casa Monroe Apartments	Apartments					82,001	0.57%	79,682	0.54%	84,531	0.57%	71,419	0.47%	64,759	0.41%
CV Housing	Apartments					89,362	0.62%	85,169	0.58%	93,581	0.63%	94,242	0.62%		
Desert Air Homeowner's Assoc	RV Park	67,248	0.57%	79,743	0.57%										
DSUSD - Indio High School	School	53,909	0.45%	63,925	0.46%	78,292	0.54%	82,661	0.56%	83,952	0.56%			81,233	0.52%
DSUSD - Amistad HS	School														
DSUSD - Middle School	School	37,432	0.31%	44,387	0.32%										
Empire Polo Club	Commercial														
Fantasy Springs Casino	Commercial														
Indio Housing Authority	Apartments	69,175	0.58%	82,028	0.58%									90,602	0.58%
Indio Housing Corporation	Apartments														
Indio Housing Memorial Hospital	Hospital														
Philip S Moreau	RV Park					64,227	0.44%	61,261	0.42%						
Polo Estates Ventures	Commercial														
Pueblo Del Sol	Mobile Home Park	56,671	0.48%	67,200	0.48%	67,307	0.46%	71,210	0.49%			74,098	0.48%	256,252	1.63%
Rancho Casa Blanca	Mobile Home Park	84,352	0.71%	100,025	0.71%	102,057	0.70%	106,551	0.73%	113,278	0.76%	107,277	0.70%	67,724	0.43%
Riverside County	Government													85,164	0.54%
Riverside County - Juvenile Hall	Government	36,990	0.31%	43,863	0.31%										
Smoketree Apartments	Apartments														
Summerbreeze Homeowner's Assoc	Apartments														
Summerfield Apartments	Apartments														
Sunrise Point Apartments	Apartments														
Terra Lago	Commercial	70,721	0.59%	83,861	0.60%	95,139	0.66%	88,089	0.60%						
The Club Worldmark	Time Share														
Waller Tract Water - HAML	Residential														
		<u>\$613,015</u>	5.15%	<u>\$726,914</u>	5.19%	<u>\$796,704</u>	5.50%	<u>\$889,421</u>	6.07%	<u>\$970,772</u>	6.52%	<u>\$903,905</u>	5.91%	<u>\$998,552</u>	5.75%
														<u>\$66,154</u>	0.38%
														<u>\$ 854,464</u>	4.90%

Source: Indio Water Authority



City of Indio
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