A large crowd of people is gathered on a grassy field at a festival. In the background, there is a large Ferris wheel, palm trees, and mountains under a blue sky. The scene is illuminated by warm, golden light, suggesting late afternoon or early evening. The crowd is diverse in age and appearance, and many people are holding pink balloons. There are white tents and a large white sculpture in the middle ground. A yellow building is visible on the right side of the image.

# INDIO

## CALIFORNIA

*City of Festivals*

# CAFR

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

CITY OF INDIO, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2018

Prepared by:  
FINANCE DEPARTMENT

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 FOR THE YEAR ENDED JUNE 30, 2018

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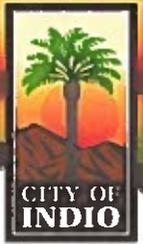
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December 26, 2018

**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, 2018. 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 City's 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 in this CAFR.

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, for a third year in a row. The goal of their independent audit is to provide reasonable assurance that the financial statements of the City, in this case for the fiscal year ending June 30, 2018, 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, 2018 do fairly represent the City’s financial position. The “unqualified” opinion expressed by the auditors 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.

Please be sure to read the independent auditor’s report, which 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

In order to enhance decision-making usefulness for CAFR readers, following is a brief profile of the City along with discussion on relevant budget practices, current economics, and major initiatives.

## **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 to four-year overlapping terms. 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 and live within the district they represent. The Mayor, whose position rotates annually, conducts council meetings and represents the City on ceremonial occasions. Also elected at large, the City has a City Treasurer and a City Clerk.

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.

## **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 departments and units for which the objects and purposes were authorized. Midway through the fiscal year, 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) increases 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**

Personal finance website WalletHub released its 2018 rankings for the Fastest Growing Cities in America and the City of Indio made the Top 30 list. WalletHub applies 15 relevant metrics to evaluate cities across the nation including growth in population, jobs, income, business startups, and building permit activity. According to WalletHub, the City is also the 8th fastest growing city in California and 3rd fastest in Southern California behind only Irvine and Santa Clarita. Obviously the City does not just want to grow, it wants to grow wisely. The City Council will be spending a large amount of time in the coming months focusing on adoption of the new General Plan and Downtown Specific Plan precisely because “growing smart” is the key. The City seeks good growth, attracting wealth-producing businesses, new jobs, and community amenities. For more information on WalletHub’s fastest growing cities rankings, readers may go to [www.wallethub.com/edu/fastest-growing-cities/7010/](http://www.wallethub.com/edu/fastest-growing-cities/7010/).

The City of Indio, is benefitting by the second longest economic expansion in U.S. history. Locally, consumer confidence is high (as evidenced by sales tax receipts), unemployment is at record lows, and overall property value has exceeded its pre-recession level. A snapshot of today’s economy in Indio is a picture of progress. Thanks to the Voter approved Measure X sales tax measure in November 2016, the City is pursuing the most aggressive capital improvement plan in many years. While the U.S. economy may be slowing, the City will continue to pursue and implement smart growth policies and upgrade its base infrastructure.

## **LONG-TERM FINANCIAL PLANNING**

The City prepares a five-year financial-planning model that forecasts general fund revenue as well as future-year expenditures. The model serves as a tool that reflects potential budget surpluses as well as possible budget deficits, allowing for advance planning. However, in today’s unfunded pension and other post-employment benefit (OPEB) driven environment, more sophisticated actuarial tools are required to earnestly capture long-term impacts of current obligations. To that end, the City has engaged Bartel Associates, LLC, a highly competent actuarial-consulting firm to project pension contribution rates over the next 10+ years and to analyze funding options that will be presented to the City Council for discussion. That analysis will lead the City into public discussion this winter of employee-benefit plan provisions, understanding employee benefit costs for all plans and employee groups, performing “what-if” analysis of employee benefit cost projections under alternative sets of discount rates, asset return and other actuarial assumptions, and a range of options available to mitigate projected future budget shortfalls. With the help of a trained professional, this detail analysis will incorporate sensitivity scenarios to represent the

impacts of adverse outcome on the City's budget and cash flows, while illustrating alternatives available to the City that could be taken to improve its projected budget position.

### **RELEVANT FINANCIAL POLICIES**

The City continues to act in accordance with the Financial and Budget Management Policy adopted in 2010, the City's Fund Balance Policy adopted in 2013, and a Continuing Disclosure Compliance Policy adopted in 2016. These policies ensure 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.

In 2017, the City adopted a Debt Management Policy. This policy sets forth debt management objectives and guidelines for the issuance and administration of debt and other financing obligation of the City and its related entities for which the governing body consists of the same individuals as the City Council. Additionally, the policy is intended to facilitate compliance by the City, and is consistent, with Section 8855(i) of the California Government Code as amended by SB1029, enacted as Chapter 307, Statutes of 2016. Policy objectives include minimizing debt service and issuance costs, maintaining access to cost-effective borrowing, and achieving and maintaining the highest reasonable credit rating.

### **MAJOR INITIATIVES FOR THE FUTURE**

In August of 2018, the City issued a public request for qualifications to solicit a developer team(s) with demonstrated qualifications to enter into a collaborative public-private partnership with the City of Indio to create a vibrant pedestrian-oriented downtown. The city owns or controls 26 acres of land in the downtown and seeks to pursue "critical mass" development and redevelopment of this historic city center. The City's vision is for a downtown that is a community gathering place, regional destination and mixed-use hub with a thriving arts, business, entertainment, shopping and residential scene. The City received and is evaluating proposals from two highly qualified developer consortiums. The plan is ambitious and only in its infancy stage, but ultimately this effort could rebuild the City's downtown while creating a space like no other in the Coachella Valley.

Additionally, the City is embarking on another major roadway improvement project to slurry seal and resurface city streets. Indio City Council recently approved a contract with Match Corporation in an amount of \$6,077,500 for the Citywide Roadway Rehab project. In order to increase the lifespan of the City's street infrastructure, preventative maintenance is necessary. To bring these roads back up to community standards, the City has identified the use of an asphalt pavement grind and overlay treatment as the most cost effective method, repairing 11 residential and 3 commercial industrial neighborhood roadways, as well as several high profile secondary roads. The Project began in November 2018 and is expected to end in January 2019 with additional work in the Spring.

Private development continues to occur as well. The former Toys "R" Us space at the Indio Towne Center is being re-leased by a new Burlington retail store and Marshall's is being built next door. The back side of the former Super Target store on Jackson Street at the Showcase at Indio will

house the corporate headquarters and packaging operation for Buzz Box Beverages, Inc. The front part of the building is being redone for tenancies for future retail stores.

Across the street from the Showcase at Indio site, the new Fairfield Inn & Suites is due to open before 2019. Just a few blocks west, on October 19, 2018, the Hampton Inn & Suites by Hilton has broken ground. The Hampton Inn will have 93 rooms and is estimated to be completed by April 2019. Next to the Hampton Inn, at The Palms Shopping Center, will soon include a new 12-screen Maya Cinemas theater, 30,000 sq. ft. EOS Fitness center, and new restaurants and retailers.

### **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, 2017. This was the eleventh 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.

Respectfully submitted,



Mark Scott  
City Manager

**CITY OF INDIO**  
City Officials  
as of June 30, 2018

**CITY COUNCIL**

MICHAEL H. WILSON  
Mayor

TROY STRANGE  
Mayor Pro Tempore

LUPE RAMOS AMITH  
Council Member

GLENN MILLER  
Council Member

ELAINE HOLMES  
Council Member

**OTHER ELECTED OFFICIALS**

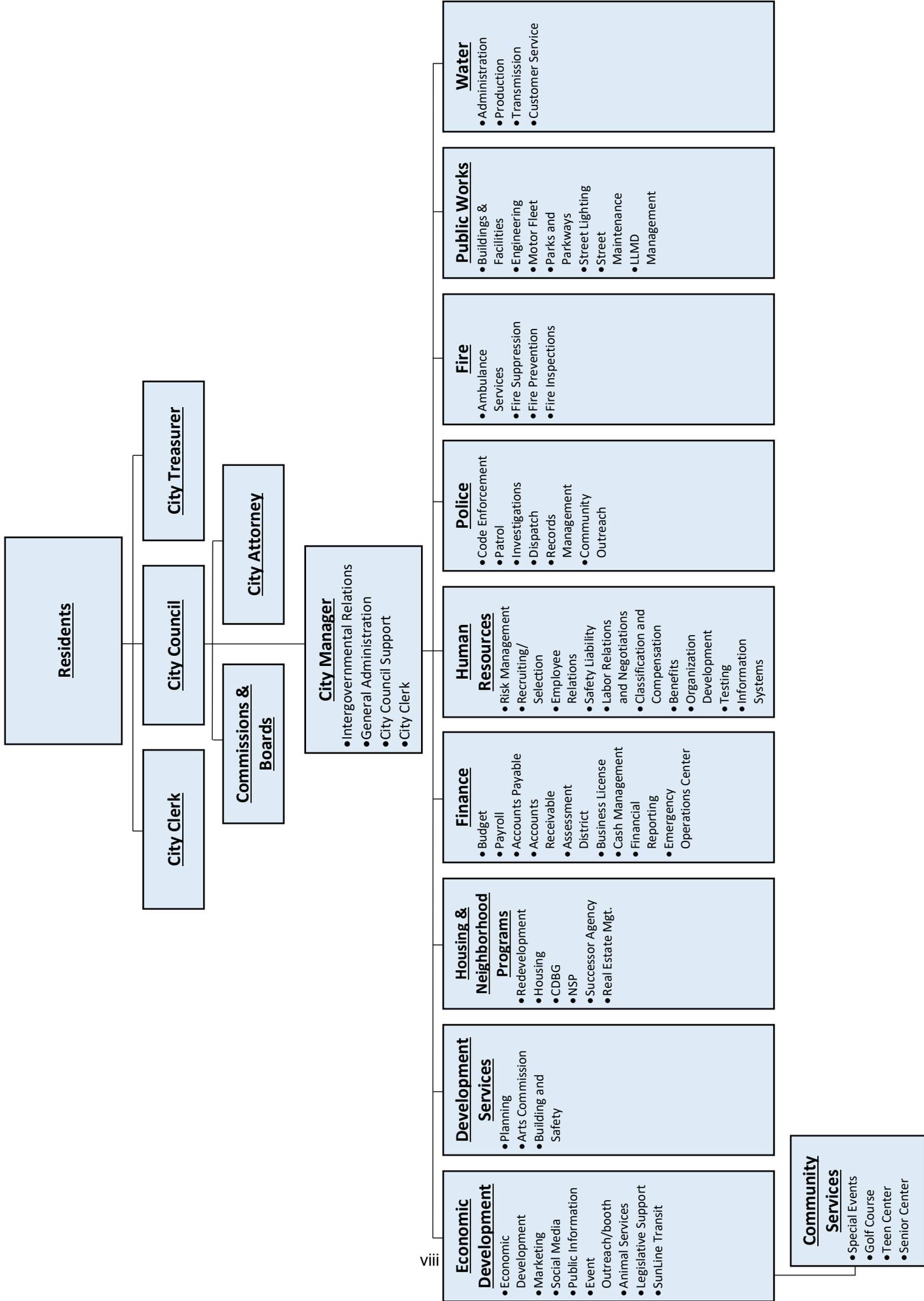
Cynthia Hernandez, City Clerk  
Balvina Ramos, Treasurer

**EXECUTIVE TEAM**

Mark Scott, 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

June 30, 2018





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, 2017**

*Christopher P. Morill*

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 City of Indio, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Indio, California, as of June 30, 2018, 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.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2018 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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



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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 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 solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 26, 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, 2018. Please read this analysis in conjunction with the accompanying transmittal letter, the financial statements, and the 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 consist of summary-level reports reflecting the financial activities of the City followed by required note disclosures. The two types of summary-level reports are government-wide financial statements and fund financial statements. In addition, reconciliations of the fund financial statements to the government-wide financial statements are provided to help explain the differences created by this integrated reporting approach.

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 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

### **NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-85 of this report.

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 for the City's general fund. Required supplementary information can be found on pages 86-96 of this report.

## **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 and the Statement of Activities 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, weakening, or holding steady. 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 result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused employee vacation leave).

Both 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 (administration), public safety, community development, community services (recreation), public works, and interest on long-term debt. Property taxes, sales taxes, utility users' taxes, service fees, interest income, as well as some state and federal grants typically finance these activities. The business-type activities of the City include: water services, managed by the Indio Water Authority, and municipal golf operations, managed by Landmark Golf LP. The Indio Water Authority is significantly compliant to 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 18-19 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As reflected in the Statement of Net Position, at the close of the 2017-18 fiscal year, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$528.8 million. The City's net position increased about \$2.8 million from the year before, a rise of about 0.5 percent. This outcome was driven by increases in assets (\$17.8 million) and deferred outflows (\$5.3 million) offset by an increase in liabilities (\$20.3 million) and a minor decrease in deferred inflows.

The City's net position is mainly tied to its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure) in excess of any related outstanding debt incurred to purchase those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not spendable resources. Within the asset category, increases in current and capital assets (\$18.5 million) were offset by decreases in other noncurrent assets (\$0.7 million). Within the deferred outflows category, the recognition of more prospective pension (\$3.8 million) and OPEB obligations (\$1.8 million) were offset by the expected future reduction of debt (\$0.3 million). Within the liability category, pension liability (\$6.4 million), new GASB 75 other post-employment benefit liability (\$16.3 million), and other miscellaneous liabilities (\$3.5 million) increased. Other long-term liabilities decreased (\$5.9 million) mainly due to reductions in bonds payable (\$4.1 million), notes payable (\$800,000), and installment agreements (\$500,000). There were no significant changes within the deferred inflows category. The following table is a simplified summary the City's net position.

<b>Net Position Summary (in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 71,333	\$ 58,804	\$ 29,300	\$ 24,507	\$ 100,633	\$ 83,311
Capital assets	472,230	464,247	172,949	179,721	645,179	643,968
Other noncurrent assets	11,222	11,886	-	-	11,222	11,886
Total assets	<u>554,785</u>	<u>534,937</u>	<u>202,249</u>	<u>204,228</u>	<u>757,034</u>	<u>739,165</u>
Pensions	15,087	11,847	1,765	1,239	16,852	13,086
OPEB	1,467	-	331	-	1,798	-
Deferred loss on refunding of debt	-	-	1,174	1,429	1,174	1,429
Total deferred outflows	<u>16,554</u>	<u>11,847</u>	<u>3,270</u>	<u>2,668</u>	<u>19,824</u>	<u>14,515</u>
Long-term liabilities outstanding	152,107	140,696	70,679	65,287	222,786	205,983
Other liabilities	18,109	14,594	3,173	3,154	21,282	17,748
Total liabilities	<u>170,216</u>	<u>155,290</u>	<u>73,852</u>	<u>68,441</u>	<u>244,068</u>	<u>223,731</u>
Pensions	1,875	1,832	277	239	2,152	2,071
OPEB	9	-	2	-	11	-
Unamortized gain on refunding of debt	1,873	1,970	-	-	1,873	1,970
Total deferred inflows	<u>3,757</u>	<u>3,802</u>	<u>279</u>	<u>239</u>	<u>4,036</u>	<u>4,041</u>
Net position:						
Net investment in capital assets	424,761	413,312	117,916	122,807	542,677	536,119
Restricted	19,545	20,259	312	606	19,857	20,865
Unrestricted	(46,940)	(45,878)	13,160	14,803	(33,780)	(31,075)
Total net position	<u>\$ 397,366</u>	<u>\$ 387,693</u>	<u>\$ 131,388</u>	<u>\$ 138,216</u>	<u>\$ 528,754</u>	<u>\$ 525,909</u>

As reflected in the Change in the Net Position Summary Table below, revenue from governmental activities 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 \$32.8 million and was \$7.3 million more than last fiscal year due to increases in revenue from charges for services (\$1.7 million), operating grants (\$4 million), and capital grants (\$1.6 million). General revenue totaled \$72.2 million and was \$14.1 million more than prior fiscal year revenues. The increase in general revenue is mostly due to the implementation of a new voter-approved 20-year one-percent transaction and use tax (\$9 million), some additional property tax (\$758,006), more transient occupancy tax (\$461,973), more funding from outside agencies in support of various street maintenance projects (\$3 million), and increases in other various revenue sources.

Expenses for all governmental activities totaled \$87.8 million, and was \$15 million less than the prior fiscal-year's total. In the 2016-17 fiscal year, the City issued a large settlement payment (\$15.7 million) related to the Jefferson Street and Interstate 10 freeway interchange project. Otherwise, annual expenditures for governmental activities were marginally up due to routine operating and personnel cost increases.

**Change in Net Position Summary (in thousands)**

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Program Revenues:						
Charges for services	\$ 18,300	\$ 16,589	\$ 23,509	\$ 23,308	\$ 41,809	\$ 39,897
Operating contributions/grants	11,648	7,677	2,061	-	13,709	7,677
Capital contributions/grants	2,845	1,266	-	2,643	2,845	3,909
General Revenues:						
Property taxes	16,765	16,007	-	-	16,765	16,007
Other taxes	43,185	33,527	-	-	43,185	33,527
Other	12,121	8,595	302	177	12,423	8,772
Gain on sale of capital asset	123	-	54	-	177	-
Total revenues	<u>104,987</u>	<u>83,661</u>	<u>25,926</u>	<u>26,128</u>	<u>130,913</u>	<u>109,789</u>
Expenses:						
Water	-	-	25,302	24,018	25,302	24,018
Golf	-	-	1,196	1,072	1,196	1,072
General government	10,658	26,255	-	-	10,658	26,255
Public safety	46,193	42,467	-	-	46,193	42,467
Public works	18,281	17,873	-	-	18,281	17,873
Community development	7,377	8,164	-	-	7,377	8,164
Community services	3,004	2,608	-	-	3,004	2,608
Interest expense/other charges	2,334	5,505	-	-	2,334	5,505
Total Expenses	<u>87,847</u>	<u>102,872</u>	<u>26,498</u>	<u>25,090</u>	<u>114,345</u>	<u>127,962</u>
Change in net position before transfers	17,140	(19,211)	(572)	1,038	16,568	(18,173)
Transfers	(70)	(89)	70	89	-	-
Change in net position	<u>17,070</u>	<u>(19,300)</u>	<u>(502)</u>	<u>1,127</u>	<u>16,568</u>	<u>(18,173)</u>
Net Position - beginning of fiscal year	387,693	408,154	138,216	137,089	525,909	545,243
Prior period adjustments	(7,397)	(1,161)	(6,326)	-	(13,723)	(1,161)
Net Position - beginning of fiscal year, restated	<u>380,296</u>	<u>406,993</u>	<u>131,890</u>	<u>137,089</u>	<u>512,186</u>	<u>544,082</u>
Net Position - end of fiscal year	<u>\$ 397,366</u>	<u>\$ 387,693</u>	<u>\$ 131,388</u>	<u>\$ 138,216</u>	<u>\$ 528,754</u>	<u>\$ 525,909</u>

Revenue for all business-type activities totaled \$25.9 million, an annual decrease of about \$202,000. Specifically, a decrease in capital contributions (\$2.6 million) was partially offset by increases in revenue from charges for services (\$201,000), operating contributions and grants (\$2.0 million) and other various revenue sources (\$197,000).

Expenses for all business-type activities totaled \$26.5 million, an annual increase of about \$1.4 million. The increase in expenditures was mostly associated with the delivery of water (\$1.3 million) and a small increase in expenditures for municipal golf activities (\$123,778).

## **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 the modified 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 does on occasion establish other funds to help segregate and manage resources collected for particular purposes. Additionally, funds are created to isolate certain taxes, grants, and other legally restricted resources from general-purpose resources.

## **GOVERNMENTAL FUNDS**

The cost of basic City services is 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 yearend 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. Differences between the governmental fund financial statements and the government-wide financial statements are explained in a reconciliation following the governmental fund financial statement on page 20.

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 will better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds 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 39 individual governmental funds, which are broken down into two groups for basic financial reporting: Major Funds and Non-Major 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 two Major Funds: General Fund and Capital Projects Fund. Unlike the Non-Major Funds 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 Projects 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. Within the Non-Major Funds group, data from 37 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these Non-Major funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 20-22 of this report.

## **GOVERNMENTAL FUND FINANCIAL ANALYSIS**

At the close of the fiscal year, governmental funds reported a combined ending fund balance of \$52 million, a year-over-year increase of \$3.4 million. Approximately 42 percent of total fund balance (\$21.9 million) was available for spending at the government's discretion (assigned, unassigned, and committed). Fund balance in the City's General Fund increased \$6.7 million. Fund balance within the City's Capital Projects Fund decreased \$340,231. Within the Non-Major fund group, fund balance decreased \$3 million.

### General Fund Financial Highlights:

At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$36.6 million, up \$6.7 million from the prior year. Approximately 71 percent (\$26.1 million) of the \$36.6 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. Nonspendable fund balance totaled \$10.5 million, consisting of prepaid expenditures (\$193,945), land held for resale (\$6.3 million), and a note receivable (\$4 million). Assigned fund balance represents resources that are earmarked by City administration for a particular purpose. Assigned fund balance totaled \$12.7 million, an increase of \$4.2 million from the prior fiscal year. Committed fund balance represents resources that are formally set aside by the City Council for emergencies or important City priorities. Committed fund balance totaled \$11.3 million, no change from the prior fiscal year. Unassigned fund balance represents resources that have not been categorized as nonspendable, restricted, committed, or assigned. Unassigned fund balance totaled \$2.1 million, an increase of \$2.1 million from the prior fiscal year.

### Capital Projects Fund Financial Highlights:

At the close of the fiscal year, the City's Capital Projects Fund reported a negative ending fund balance of \$1.2 million. Capital project contributions from federal and other local agencies were expected but not received during the reporting period. In addition, some grant reimbursement requests were made towards the end of the fiscal year that were not received by the end of the reporting period. In this fund, extraordinary efforts to improve local street conditions increased expenditures by \$5.6 million from prior fiscal year totals.

### Non-Major Governmental Funds Financial Highlights:

Non-Major Governmental Funds accumulated \$16.7 million in fund balance at the end of the fiscal year, a decrease of \$3.0 million from the previous year. Specifically, special revenue funds amassed \$14.6 million in fund balance, a decrease of \$2.6 million. Non-major capital project funds amassed \$476 in fund balance, a decrease of \$292,562 from the prior year. Non-major debt service funds accumulated \$2.1 million in fund balance, a decrease of \$119,139. Within this fund group, expenditures exceeded revenues by \$4.2 million; however, interfund transfers-in exceeded interfund transfers-out by \$1.3 million, resulting in a decrease (\$2.9 million) in fund balance.

### **PROPRIETARY FUNDS FINANCIAL ANALYSIS**

When the City charges outside customers or to other internal governmental units of the City for services, 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.

At the close of the fiscal year, proprietary funds reported a combined ending net position of \$134.6 million, a year-over-year decrease of \$8.9 million. City enterprise funds accumulated a year ending net position of \$131.4 million, a year-over-year decrease of \$6.8 million. Internal service funds accumulated a net position of \$3.3 million, a year-over-year decrease of \$2.1 million. Within the enterprise fund group, net position in the City's water fund decreased \$6.9 million mostly due to the recognition of other post-employment benefit liability (\$6.3 million) tied to new GASB 75 reporting requirements. Net position within the City's other enterprise funds, golf and solid waste, increased \$54,599. Within the City's internal service fund group, restatements in accordance with new GASB 75 reporting requirements resulted in more long-term employee benefit liabilities, causing a year-over-year decrease in net position.

## **FIDUCIARY FUNDS FINANCIAL ANALYSIS**

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.

At the close of the fiscal year, as is standard for custodial funds, agency assets equaled liabilities. Net position of the RDA Successor Agency was negative \$38.3 million, mainly due to its long-term debt on bonds. Year-over-year, the Successor Agency's net position increased \$1.6 million.

## **ANALYSIS OF LONG-TERM DEBT**

Debt, which is considered a liability of governmental activities, totaled \$152.1 million, an increase of \$11.4 million from the prior fiscal year. The increase in debt was driven by the recognition of additional other post-employment benefit liability (\$9.5 million), more net pension liability (\$5.9 million), and additional compensated absences (\$34,000). Compensated absences refers to employees' time off with pay for vacations and sick days that are obligated to be paid in the future. These increases were offset by a combination of debt decreases in lease revenue bonds, judgment obligation bonds, capital leases, certificates of participation and notes payable, totaling \$4 million. Debt, which is considered a liability of business-type activities, totaled \$70.7 million, an increase of \$5.4 million from the prior fiscal year. This increase was due to the recognition of other post-employment benefit liability (\$6.8 million), net pension liability (\$507,852) and compensated absences (\$13,709), which were offset by a decrease in bonds payable (\$1.9 million).

Fiscal-year activity for outstanding debt is represented in the table below. Additional information on the City’s long-term debt can be found in notes 8 through 14 on pages 53-65 and note 18 on pages 68-74.

<b>Outstanding Debt Summary (in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Claims Payable	\$ 175	\$ 161	\$ -	\$ -	\$ 175	\$ 161
Lease Revenue Bonds	39,832	41,401	-	-	39,832	41,401
Judgement Obligation Bonds	15,650	16,300	-	-	15,650	16,300
Water Bonds	-	-	56,207	58,153	56,207	58,153
Capital Lease	861	1,278	-	-	861	1,278
Certificates of Participation	3,005	3,535	-	-	3,005	3,535
Notes payable	1,649	2,489	-	-	1,649	2,489
Net pension liability	58,698	52,787	7,429	6,921	66,127	59,708
Post employment benefit	30,229	20,771	6,816	-	37,045	20,771
Compensated absences	2,007	1,974	226	213	2,233	2,187
<b>Total</b>	<b>\$ 152,106</b>	<b>\$ 140,696</b>	<b>\$ 70,678</b>	<b>\$ 65,287</b>	<b>\$222,784</b>	<b>\$205,983</b>

### **ANALYSIS OF CAPITAL ASSETS**

Capital assets of the City are those assets used in the performance of municipal functions and include infrastructure. Capital assets, net of depreciation, for governmental activities totaled \$472.2 million. Capital assets, net of depreciation, for the business-type activities totaled \$172.9 million. Overall, net capital asset value increased \$0.5 million from the prior fiscal year. Fiscal-year activity is presented in the table below. Additional information on the City’s capital assets can be found in note 7 on pages 50-52.

<b>Capital Assets Summary (in thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Land	\$ 41,964	\$ 41,746	\$ 2,169	\$ 2,169	\$ 44,133	\$ 43,915
Right of way	56,048	54,438	-	-	56,048	54,438
Structures and improvements	38,617	36,377	15,335	15,300	53,952	51,677
Machinery, equipment and vehicles	18,851	18,557	4,961	4,817	23,812	23,374
Infrastructure	561,358	555,530	287,279	280,509	848,637	836,039
Construction in progress	33,686	20,871	1,002	6,953	34,688	27,824
Capital Assets	750,524	727,519	310,746	309,748	1,061,270	1,037,267
Accumulated depreciation	278,294	263,272	137,796	130,027	416,090	393,299
<b>Net Capital Assets</b>	<b>\$ 472,230</b>	<b>\$ 464,247</b>	<b>\$ 172,950</b>	<b>\$ 179,721</b>	<b>\$ 645,180</b>	<b>\$ 643,968</b>

### **ANALYSIS OF THE BUDGET AND SIGNIFICANT VARIANCES**

The City Council adopts a line-item budget, which identifies expenditures at a micro level; however, spending controls are maintained at a program’s appropriation level (general expense category). Expenditures rarely match budgeted appropriation levels due to changes in policy, economic impacts, and unexpected outlays that occur during the fiscal year. Schedules comparing budget expectations to actual expenditures are reflected on pages 118-150.

The originally-adopted fiscal year 2017-18 general fund budget authorized \$70 million in expenditures supported by \$70 million in expected general fund revenues. The budget as finally adjusted authorized \$76.4 million in expenditures supported by \$72.8 million in revenue and \$3.6 million from fund balance. At the end of the 2017-18 fiscal year, general fund expenditures, including transfers out to other funds, totaled \$68 million, about \$8.4 million less than budgeted. At the end of the fiscal year, general fund revenue, including transfers in from other funds, totaled \$74.7 million, about \$1.9 million more than budgeted.

Budget units within the general government group underspent their appropriations by \$5.4 million. This savings is primarily attributable to unspent appropriations in the City's contingency budget unit (\$4.9 million) and less-than-expected legal costs (\$400,000) reflected in the City Attorney and Human Resources budget units. The City used a contingency budget unit to capture unobligated spending capacity: resources in excess of approved appropriations. Resources not immediately committed to a particular program or function remained in the contingency budget unit until yearend. By maintaining appropriations within the contingency budget unit, the City Council deliberately held those resources in anticipation of bolstering fund balance. The resources supporting appropriations within the contingency budget unit were largely made available from the receipt of more than expected sales tax revenue associated with the implementation of a new voter-approved one-percent transaction and use tax that went into effect in January 2017. Within the public safety group, budgetary savings of \$579,497 was mostly attributable to salary savings across several police budget units that was partially offset by more than expected costs for fire protective services. The City contracts with the County of Riverside for fire and ambulance services. The county in turn contracts with the state. Fire costs were higher than projected due to state efforts to catch-up on past due labor costs approved in the prior year.

At the end of the 2017-18 fiscal year, general fund revenue totaled almost \$74.7 million, \$1.9 million more than budgeted, less than one percent over budgeted expectations. Overall, results were mixed, but specifically, the City received:

- more federal funds than expected (\$129,314) mainly associated with Government Emergency Medical Transport funding (\$117,000) and a payment from FEMA (\$13,000)
- more revenue from the sale of real property (\$152,673)
- less interest income than anticipated (\$34,973) due to a late note payment
- more than expected rental income (\$201,527) from various sources
- more revenue from a revenue-sharing agreement related to concert ticket sales (\$204,000)
- more revenue associated with waste transfers tied to a catch-up payment (\$150,000)
- more revenue from the recovery of labor and benefits (\$78,499)
- more operating transfers-in related to a new transactions and use tax (\$1,918,311)
- less revenue than expected related to music festival reimbursements (\$1,427,092)

## **FACTS AND CONDITIONS OF FUTURE SIGNIFICANCE**

For the coming 2018-19 fiscal year, the City Council adopted a citywide (all funds) budget totaling \$173.5 million, funded with \$158.3 million in expected revenue and \$15.2 million from fund balance. The adopted General Fund budget captures all services funded through general taxes and fees, and established \$88.2 million in appropriations, funded with \$77.4 million in expected revenue and \$10.8 million from fund balance. The budget incorporates seven new full-time and two part-time positions as follows:

- One Police Lieutenant to be staffed within the Police Department at an estimated cost of \$225,000
- One Assistant to the City Manager to be staffed within the City Manager's Office at an estimated cost of \$170,000
- One Assistant Planner to be staffed within the Planning Division of the Development Services Department, if development demands necessitate an enhanced service level, at an estimated cost of \$100,000
- One Management Analyst to be staffed within the Planning Division of the Development Services Department in support of the City's public art program at an estimated cost of \$98,000. The cost of the positions is split, 60 percent general fund, 40 percent art funding
- One Fleet Mechanic to be staffed within the Fleet Maintenance Division of the Public Works Department at an estimated cost of \$82,000
- Two Street Maintenance Workers to be staffed within the Street Maintenance Division of the Public Works Department at an estimated cost of \$71,000 each
- Two part-time Community Improvement Aides to be staffed within the Engineering and Administrative Division of the Public Works Department to augment city beautification efforts at an estimated cost of \$21,000 each

Additionally, the new budget appropriated funds for the following major City projects:

- Park improvements for a new gateway park which features the new 9/11 memorial sculpture (\$925,000)
- The purchase of downtown property from the Successor Agency, formally the Indio Redevelopment Agency, as part of a plan to stimulate downtown economic development (\$1,000,000)
- One-time labor payouts, in accordance with various labor agreements (\$549,824)
- City park improvements (\$500,000) at Miles Avenue and Dr. Carreon Parks

- Marketing and outreach (\$180,000)
- City park and public facility security (\$150,000)
- Fulfillment of contractual obligation with the Desert Sands Unified School District related to changes to the layout of Indio High School (\$150,000)
- Municipal Golf Course improvements (\$115,000)
- New General Plan Update implementation (\$100,000)
- Development impact fee study (\$100,000)
- Downtown Specific Plan finalization (\$75,000)
- An SB1 funded mobility/transportation hub study (\$25,000)
- Citywide infrastructure and street rehabilitation efforts as identified in the Capital Improvement Plan (\$6,647,929)
- Jefferson Interchange obligation bond debt service (\$1,169,364)
- Preliminary police station design and siting plans (\$1,000,000)
- New computer aided dispatch 9-1-1 and business system software upgrades (\$2,282,707)
- Citywide infrastructure and street rehabilitation efforts as identified in the Capital Improvement Plan (\$4,636,299)
- Firefighter cancer screenings (\$54,000)
- Fire station emergency generators (\$277,200)
- Indio Blvd. bridge seismic retrofit (\$112,217)
- Citywide bridge maintenance (\$51,880)
- Hwy 111, Madison to Rubidoux street improvements (\$153,013)
- Young's Lane, Hwy 111, median improvements (\$34,225)
- Avenue 44 road improvements (\$40,000)
- Monroe St. & Interstate 10 interchange project (\$175,000)

- Jefferson St. & Interstate 10 interchange project (\$175,000)
- Andrew Jackson pedestrian area improvement (\$44,836)
- Avenue 42 sidewalk connections (\$81,648)
- Safe routes to school's master plan (\$22,000)
- Citywide streets master plan (\$12,500)
- Avenue 42, Gore St. traffic signal (\$72,151)
- Dr. Carreon, Oasis St. traffic signal modifications (\$10,000)
- Monroe St. traffic signal interconnect (\$35,000)
- Various pedestrian countdown timers (\$86,250)

### **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).

### **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](mailto:www.finance@indio.org).

## CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION  
JUNE 30, 2018

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets:</b>			
Cash and investments	\$ 39,726,776	\$ 24,982,337	\$ 64,709,113
Cash and investments with fiscal agent	2,775,316	311,881	3,087,197
Receivables:			
Accounts	6,966,167	3,809,782	10,775,949
Taxes	1,904,787	-	1,904,787
Notes and loans	10,248,406	-	10,248,406
Accrued interest	61,128	39,525	100,653
Other	1,657,214	-	1,657,214
Due from other governments	7,042,994	60,000	7,102,994
Internal balances	705,470	(705,470)	-
Prepaid costs	245,241	710,160	955,401
Inventories	-	91,456	91,456
Advance to Successor Agency	4,433,114	-	4,433,114
Property held for resale	6,788,416	-	6,788,416
Capital assets not being depreciated	131,697,786	3,170,860	134,868,646
Capital assets, net of depreciation	340,531,785	169,778,414	510,310,199
<b>Total Assets</b>	<b>554,784,600</b>	<b>202,248,945</b>	<b>757,033,545</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	1,173,705	1,173,705
Deferred outflows related to pensions	15,087,243	1,765,054	16,852,297
Deferred outflows related to other-post employment benefits	1,466,979	330,789	1,797,768
<b>Total Deferred Outflows of Resources</b>	<b>16,554,222</b>	<b>3,269,548</b>	<b>19,823,770</b>
<b>Liabilities:</b>			
Accounts payable	8,704,655	1,473,742	10,178,397
Retentions payable	-	7,251	7,251
Accrued liabilities	1,269,396	648,874	1,918,270
Accrued interest	370,261	552,012	922,273
Unearned revenue	3,859,726	-	3,859,726
Deposits payable	3,905,111	490,690	4,395,801
Noncurrent liabilities:			
Due within one year	5,381,362	2,135,095	7,516,457
Due in more than one year	57,797,870	54,298,656	112,096,526
Net pension liability	58,698,133	7,428,681	66,126,814
Net other post-employment benefits liability	30,229,454	6,816,446	37,045,900
<b>Total Liabilities</b>	<b>170,215,968</b>	<b>73,851,447</b>	<b>244,067,415</b>
<b>Deferred Inflows of Resources:</b>			
Unamortized gain on refunding of debt	1,872,938	-	1,872,938
Deferred inflows related to pensions	1,875,068	276,836	2,151,904
Deferred inflows related to other post-employment benefits	8,552	1,928	10,480
<b>Total Deferred Inflows of Resources</b>	<b>3,756,558</b>	<b>278,764</b>	<b>4,035,322</b>
<b>Net Position:</b>			
Net investment in capital assets	424,760,595	117,915,726	542,676,321
Restricted for:			
Community development projects	26,143	-	26,143
Public safety	688,221	-	688,221
Public works	6,312,842	-	6,312,842
Capital projects	9,921,488	-	9,921,488
Debt service	2,106,245	311,881	2,418,126
Assessment districts	122,950	-	122,950
Public education government channel	367,770	-	367,770
Unrestricted (deficit)	(46,939,958)	13,160,675	(33,779,283)
<b>Total Net Position</b>	<b>\$ 397,366,296</b>	<b>\$ 131,388,282</b>	<b>\$ 528,754,578</b>

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, 2018

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position						
	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 10,657,993	\$ 3,763,958	\$ 2,189,506	\$ 402,317	\$ (4,302,212)	\$ -	\$ (4,302,212)
Public safety	46,193,232	5,016,536	413,161	-	(40,763,535)	-	(40,763,535)
Community development	7,376,669	301,808	5,679,842	-	(1,395,019)	-	(1,395,019)
Community services	3,004,595	112,613	-	-	(2,891,982)	-	(2,891,982)
Public works	18,280,851	9,105,326	3,365,565	2,442,883	(3,367,077)	-	(3,367,077)
Interest on long-term debt	2,333,568	-	-	-	(2,333,568)	-	(2,333,568)
Total Governmental Activities	87,846,908	18,300,241	11,648,074	2,845,200	(55,053,393)	-	(55,053,393)
Business-Type Activities:							
Water	25,301,732	22,439,085	-	2,060,681	-	(801,966)	(801,966)
Golf	1,196,367	1,069,349	-	-	-	(127,018)	(127,018)
Total Business-Type Activities	26,498,099	23,508,434	-	2,060,681	-	(928,984)	(928,984)
<b>Total Primary Government</b>	<b>\$114,345,007</b>	<b>\$41,808,675</b>	<b>\$ 11,648,074</b>	<b>\$ 4,905,881</b>	<b>(55,053,393)</b>	<b>(928,984)</b>	<b>(55,982,377)</b>
<b>General Revenues</b>							
Taxes:							
Property taxes					16,764,645	-	16,764,645
Transient occupancy taxes					6,760,340	-	6,760,340
Sales taxes					22,545,165	-	22,545,165
Franchise taxes					2,466,269	-	2,466,269
Business licenses taxes					621,513	-	621,513
Utility users tax					8,512,701	-	8,512,701
Other taxes					2,279,587	-	2,279,587
Motor vehicle in lieu - unrestricted					46,700	-	46,700
Use of money and property					1,980,144	113,041	2,093,185
Other					10,094,103	189,047	10,283,150
Gain on sale of capital asset					122,588	54,221	176,809
Transfers					(70,127)	70,127	-
<b>Total General Revenues and Transfers</b>					<b>72,123,628</b>	<b>426,436</b>	<b>72,550,064</b>
Change in Net Position					17,070,235	(502,548)	16,567,687
Net Position at the Beginning of the Year, as Originally Reported					387,692,523	138,216,489	525,909,012
Restatements					(7,396,462)	(6,325,659)	(13,722,121)
Net Position at the Beginning of the Year, as Restated					380,296,061	131,890,830	512,186,891
<b>Net Position at the End of the Year</b>					<b>\$397,366,296</b>	<b>\$131,388,282</b>	<b>\$ 528,754,578</b>

## CITY OF INDIO, CALIFORNIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

		Capital Projects Funds		
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 25,471,570	\$ 1,128,974	\$ 9,750,644	\$ 36,351,188
Receivables:				
Accounts	381,137	5,062,665	1,330,044	6,773,846
Taxes	1,904,787	-	-	1,904,787
Notes and loans	3,978,417	-	6,269,989	10,248,406
Accrued interest	32,655	9,305	19,168	61,128
Other	1,657,214	-	-	1,657,214
Prepaid costs	193,945	1,800	465	196,210
Due from other governments	5,334,497	-	1,708,497	7,042,994
Due from other funds	4,006,977	-	-	4,006,977
Advances to private-purpose trust funds	-	-	4,433,114	4,433,114
Property held for resale	6,336,548	-	451,868	6,788,416
Restricted assets:				
Cash and investments with fiscal agents	-	-	2,683,504	2,683,504
<b>Total Assets</b>	<b>\$ 49,297,747</b>	<b>\$ 6,202,744</b>	<b>\$ 26,647,293</b>	<b>\$ 82,147,784</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,241,497	\$ 1,400,703	\$ 1,621,093	\$ 8,263,293
Accrued liabilities	990,822	223,417	20,570	1,234,809
Unearned revenues	-	1,774,998	2,084,728	3,859,726
Deposits payable	3,900,885	-	4,226	3,905,111
Due to other funds	-	-	3,291,641	3,291,641
<b>Total Liabilities</b>	<b>10,133,204</b>	<b>3,399,118</b>	<b>7,022,258</b>	<b>20,554,580</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	2,569,522	4,048,572	2,970,074	9,588,168
<b>Total Deferred Inflows of Resources</b>	<b>2,569,522</b>	<b>4,048,572</b>	<b>2,970,074</b>	<b>9,588,168</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	10,508,910	1,800	465	10,511,175
Restricted	-	-	19,545,659	19,545,659
Committed	11,284,880	-	-	11,284,880
Assigned	12,652,777	-	-	12,652,777
Unassigned	2,148,454	(1,246,746)	(2,891,163)	(1,989,455)
<b>Total Fund Balances (Deficits)</b>	<b>36,595,021</b>	<b>(1,244,946)</b>	<b>16,654,961</b>	<b>52,005,036</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 49,297,747</b>	<b>\$ 6,202,744</b>	<b>\$ 26,647,293</b>	<b>\$ 82,147,784</b>

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

CITY OF INDIO, CALIFORNIA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

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

Total fund balances - governmental funds		\$ 52,005,036
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		467,550,271
Compensated absences and long-term debt are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	\$ (54,895,000)	
Unamortized premiums/(discounts) on bonds payable	(586,748)	
Deferred charge on bond refunding	(1,872,938)	
Capital leases	(343,002)	
Installment agreement	(3,005,000)	
Notes payable	(1,649,111)	
Compensated absences	<u>(2,007,465)</u>	(64,359,264)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(370,261)
Governmental funds report all pension contributions as expenditures; however, in the statement of activities, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability.		(55,956,102)
Pension-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	5,068,355	
Changes in assumptions	7,251,685	
Difference between expected and actual experiences	334,432	
Net difference between projected and actual earnings on plan investments	1,486,262	
Adjustments due to differences in proportions	293,969	
Difference in proportionate share	<u>1,033</u>	14,435,736
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Changes in assumptions	(372,113)	
Difference between expected and actual experiences	(858,985)	
Adjustments due to differences in proportions	(300,142)	
Difference in proportionate share	<u>(241,645)</u>	(1,772,885)
Governmental funds report all other post-employment benefits contributions as expenditures; however, in the statement of net position, the excess of the total other post-employment benefits liability over the plan fiduciary net position is reported as a net other post-employment benefits liability.		(28,377,158)
Other post-employment benefits-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	<u>1,377,091</u>	1,377,091
Other post-employment benefits-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Net difference between projected and actual earnings on plan investments	<u>(8,028)</u>	(8,028)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		9,588,168
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>3,253,692</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 397,366,296</u></b>

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

## CITY OF INDIO, CALIFORNIA

STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Taxes	\$ 57,614,270	\$ -	\$ 2,335,950	\$ 59,950,220
Licenses and permits	2,338,054	-	-	2,338,054
Intergovernmental	470,953	1,053,729	8,510,953	10,035,635
Charges for services	6,381,875	-	-	6,381,875
Use of money and property	932,209	22,795	1,024,565	1,979,569
Fines and forfeitures	464,066	-	79,156	543,222
Contributions	-	-	4,553,252	4,553,252
Developer participation	-	3,372,366	-	3,372,366
Miscellaneous	2,725,410	6,121,154	1,384,919	10,231,483
<b>Total Revenues</b>	<b>70,926,837</b>	<b>10,570,044</b>	<b>17,888,795</b>	<b>99,385,676</b>
<b>Expenditures:</b>				
Current:				
General government	4,685,453	-	357,867	5,043,320
Public safety	41,515,353	-	573,668	42,089,021
Community development	4,240,030	-	951,917	5,191,947
Community Services	2,849,553	-	-	2,849,553
Public works	7,082,880	-	3,552,373	10,635,253
Capital outlay	467,844	11,798,275	10,976,270	23,242,389
Debt service:				
Principal retirement	334,146	279,087	3,281,172	3,894,405
Interest and fiscal charges	17,944	9,165	2,413,564	2,440,673
<b>Total Expenditures</b>	<b>61,193,203</b>	<b>12,086,527</b>	<b>22,106,831</b>	<b>95,386,561</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,733,634	(1,516,483)	(4,218,036)	3,999,115
<b>Other Financing Sources (Uses):</b>				
Transfers in	3,740,084	2,176,252	5,233,380	11,149,716
Transfers out	(6,756,862)	(1,000,000)	(3,891,773)	(11,648,635)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,016,778)</b>	<b>1,176,252</b>	<b>1,341,607</b>	<b>(498,919)</b>
Net Change in Fund Balance	6,716,856	(340,231)	(2,876,429)	3,500,196
Fund Balances at the Beginning of the Year, as Originally Reported	29,878,165	(904,715)	19,646,070	48,619,520
Restatements	-	-	(114,680)	(114,680)
Fund Balances at the Beginning of the Year, as Restated	29,878,165	(904,715)	19,531,390	48,504,840
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 36,595,021</b>	<b>\$ (1,244,946)</b>	<b>\$ 16,654,961</b>	<b>\$ 52,005,036</b>

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

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, 2018**

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

Net change in fund balances - total governmental funds	\$ 3,500,196
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>	
Capital outlay	23,159,476
Depreciation	(14,913,274)
Loss on disposal of capital assets	(448,866)
	7,797,336
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Bond principal repayments	2,190,000
Amortization of bond premiums/discounts	28,708
Amortization of deferred charge on bond refunding	96,834
Capital lease principal repayments	334,145
Installment agreement principal repayments	530,000
Notes payable principal repayments	840,259
Change in compensated absences	(34,002)
	3,985,944
Net change in accrued interest on long-term debt for the current period reported on the statement of activities.	3,920
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.	(2,265,148)
Other post-employment benefits 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.	(674,105)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the operating contributions and miscellaneous income in the statement of activities.	5,098,942
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The net revenues of the internal service funds are reported with governmental activities.	(376,850)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 17,070,235</b>

## CITY OF INDIO, CALIFORNIA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Other Enterprise Funds	Totals	Activities- Internal Service Funds
<b>Assets:</b>				
Current Assets:				
Cash and investments	\$ 24,764,091	\$ 218,246	\$ 24,982,337	\$ 3,375,588
Accounts receivable	3,796,271	13,511	3,809,782	192,321
Accrued interest receivable	38,558	967	39,525	-
Prepaid costs	635,160	75,000	710,160	49,031
Due from other governments	-	60,000	60,000	-
Inventories	72,172	19,284	91,456	-
Restricted cash with fiscal agents	311,881	-	311,881	91,812
Total Current Assets	<u>29,618,133</u>	<u>387,008</u>	<u>30,005,141</u>	<u>3,708,752</u>
Noncurrent Assets:				
Capital assets, not being depreciated	2,704,901	465,959	3,170,860	-
Capital assets, being depreciated	307,085,949	489,089	307,575,038	19,714,297
Less accumulated depreciation	(137,614,264)	(182,360)	(137,796,624)	(15,034,997)
Total Noncurrent Assets	<u>172,176,586</u>	<u>772,688</u>	<u>172,949,274</u>	<u>4,679,300</u>
<b>Total Assets</b>	<b><u>201,794,719</u></b>	<b><u>1,159,696</u></b>	<b><u>202,954,415</u></b>	<b><u>8,388,052</u></b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	1,173,705	-	1,173,705	-
Deferred outflows related to pensions	1,756,634	8,420	1,765,054	651,507
Deferred outflows related to other post-employment benefits	330,250	539	330,789	89,888
<b>Total Deferred Outflows of Resources</b>	<b><u>3,260,589</u></b>	<b><u>8,959</u></b>	<b><u>3,269,548</u></b>	<b><u>741,395</u></b>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	1,412,580	61,162	1,473,742	441,362
Accrued liabilities	648,263	611	648,874	34,587
Accrued interest	552,012	-	552,012	-
Retentions payable	7,251	-	7,251	-
Deposits payable	490,690	-	490,690	-
Due to other funds	-	705,470	705,470	9,866
Compensated absences, due within one year	205,095	-	205,095	-
Bonds and capital leases, due within one year	1,930,000	-	1,930,000	86,152
Total Current Liabilities	<u>5,245,891</u>	<u>767,243</u>	<u>6,013,134</u>	<u>571,967</u>
Noncurrent Liabilities:				
Compensated absences, due more than one year	21,403	-	21,403	-
Accrued claims and judgments	-	-	-	174,643
Net pension liability	7,393,243	35,438	7,428,681	2,742,031
Net other post-employment benefits liability	6,805,332	11,114	6,816,446	1,852,296
Bonds and capital leases, due more than one year	54,277,253	-	54,277,253	432,111
Total Noncurrent Liabilities	<u>68,497,231</u>	<u>46,552</u>	<u>68,543,783</u>	<u>5,201,081</u>
<b>Total Liabilities</b>	<b><u>73,743,122</u></b>	<b><u>813,795</u></b>	<b><u>74,556,917</u></b>	<b><u>5,773,048</u></b>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pensions	275,515	1,321	276,836	102,183
Deferred inflows related to other post-employment benefits	1,925	3	1,928	524
<b>Total Deferred Inflows of Resources</b>	<b><u>277,440</u></b>	<b><u>1,324</u></b>	<b><u>278,764</u></b>	<b><u>102,707</u></b>
<b>Net Position:</b>				
Net investment in capital assets	117,143,038	772,688	117,915,726	4,161,037
Restricted for debt service	311,881	-	311,881	-
Unrestricted	13,579,827	(419,152)	13,160,675	(907,345)
<b>Total Net Position</b>	<b><u>\$ 131,034,746</u></b>	<b><u>\$ 353,536</u></b>	<b><u>\$ 131,388,282</u></b>	<b><u>\$ 3,253,692</u></b>

CITY OF INDIO, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
<b>Operating Revenues:</b>				
Sales and service charges	\$ 22,439,085	\$ 1,069,349	\$ 23,508,434	\$ 11,981,311
Other income	69,047	120,000	189,047	117,774
<b>Total Operating Revenues</b>	<b>22,508,132</b>	<b>1,189,349</b>	<b>23,697,481</b>	<b>12,099,085</b>
<b>Operating Expenses:</b>				
Personnel services	5,035,566	26,861	5,062,427	6,718,004
Contractual services	4,399,339	679,844	5,079,183	1,281,555
Repairs and maintenance	3,426,041	75,047	3,501,088	1,050,508
Claims expense	-	-	-	5,446
Depreciation expense	7,805,480	18,144	7,823,624	1,321,602
Materials and supplies	983,702	396,471	1,380,173	3,007,908
Rentals and leases	5,722	-	5,722	-
Utilities	1,338,762	-	1,338,762	-
<b>Total Operating Expenses</b>	<b>22,994,612</b>	<b>1,196,367</b>	<b>24,190,979</b>	<b>13,385,023</b>
Operating (Loss)	(486,480)	(7,018)	(493,498)	(1,285,938)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	111,237	1,804	113,041	575
Interest expense	(2,307,120)	-	(2,307,120)	(22,356)
Grants and contributions	2,060,681	-	2,060,681	379,489
Gain (loss) on disposal of capital assets	54,221	-	54,221	122,588
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(80,981)</b>	<b>1,804</b>	<b>(79,177)</b>	<b>480,296</b>
(Loss) Before Contributions and Transfers	(567,461)	(5,214)	(572,675)	(805,642)
Transfers in	-	70,127	70,127	428,792
Changes in Net Position	(567,461)	64,913	(502,548)	(376,850)
Net Position at the Beginning of the Year, as Originally Reported	137,917,552	298,937	138,216,489	5,349,471
Restatements	(6,315,345)	(10,314)	(6,325,659)	(1,718,929)
Net Position at the Beginning of the Year, as Restated	131,602,207	288,623	131,890,830	3,630,542
<b>Net Position at the End of the Year</b>	<b>\$ 131,034,746</b>	<b>\$ 353,536</b>	<b>\$ 131,388,282</b>	<b>\$ 3,253,692</b>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers and users	\$ 22,806,844	\$ 1,116,957	\$ 23,923,801	\$ -
Receipts from interfund services and charges	-	-	-	12,072,350
Other receipts	-	-	-	93,681
Payments to suppliers and service providers	(10,127,822)	(1,098,820)	(11,226,642)	(5,538,037)
Payments to employees for salaries and benefits	(4,711,507)	(22,712)	(4,734,219)	(6,233,165)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>7,967,515</b>	<b>(4,575)</b>	<b>7,962,940</b>	<b>394,829</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfers to other funds	-	-	-	-
Transfers from other funds	-	70,127	70,127	428,792
Receipts from grants and contributions	2,060,681	-	2,060,681	-
Repayment made on short-term interfund borrowing	-	(20,311)	(20,311)	(35,389)
Receipts from short-term interfund borrowing	-	-	-	9,866
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>2,060,681</b>	<b>49,816</b>	<b>2,110,497</b>	<b>403,269</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(1,031,499)	(8,675)	(1,040,174)	(1,127,614)
Principal paid on capital debt	(1,946,012)	-	(1,946,012)	(82,856)
Interest paid on capital debt	(2,251,799)	-	(2,251,799)	(22,356)
Proceeds from sales of capital assets	42,821	-	42,821	122,588
<b>Net Cash (Used for) Capital and Related Financing Activities:</b>	<b>(5,186,489)</b>	<b>(8,675)</b>	<b>(5,195,164)</b>	<b>(1,110,238)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	72,679	1,278	73,957	575
<b>Net Cash Provided by Investing Activities</b>	<b>72,679</b>	<b>1,278</b>	<b>73,957</b>	<b>575</b>
Net Increase (Decrease) in Cash and Cash Equivalents	4,914,386	37,844	4,952,230	(311,565)
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
<b>Cash and Cash Equivalents June 30 (including \$311,881 and \$91,812 reported in restricted accounts in the Water and Internal Service funds, respectively)</b>	<b>\$ 25,075,972</b>	<b>\$ 218,246</b>	<b>\$ 25,294,218</b>	<b>\$ 3,467,400</b>

CITY OF INDIO, CALIFORNIA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Water	Other Enterprise Funds	Totals	
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating (loss)	\$ (486,480)	\$ (7,018)	\$ (493,498)	\$ (1,285,938)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:				
Depreciation expense	7,805,480	18,144	7,823,624	1,321,602
(Increase) decrease in accounts receivable	324,904	(12,392)	312,512	58,544
(Increase) in due from other governments	-	(60,000)	(60,000)	-
Decrease in prepaid costs	13,380	-	13,380	3,173
Decrease in inventories	(1,204)	(5,621)	(6,825)	-
Increase (decrease) in accounts payable	21,372	58,163	79,535	(201,239)
(Decrease) in accrued liabilities	(56,874)	(370)	(57,244)	(7,308)
(Decrease) in retentions payable	(7,804)	-	(7,804)	-
(Decrease) in deposits payable	(26,192)	-	(26,192)	-
Increase in compensated absences	13,709	-	13,709	-
Increase in accrued claims and judgments	-	-	-	13,848
Increase in pension obligations	205,562	4,255	209,817	448,144
Increase in other post-employment benefits obligations	161,662	264	161,926	44,003
Total Adjustments	<u>8,453,995</u>	<u>2,443</u>	<u>8,456,438</u>	<u>1,680,767</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 7,967,515</u>	<u>\$ (4,575)</u>	<u>\$ 7,962,940</u>	<u>\$ 394,829</u>
<b>Schedule of Non-Cash Capital and Related Financing Activities:</b>				
Capital contributions	\$ -	\$ -	\$ -	\$ 379,489
Loss on disposal of capital assets	(54,221)	-	(54,221)	-
Amortization of deferred charge on refunding	65,206	-	65,206	-

CITY OF INDIO, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund</u>
		<u>RDA Successor Agency Fund</u>
<b>Assets:</b>		
Cash and investments	\$ 9,568,464	\$ 5,742,443
Receivables:		
Accounts receivable	-	1,313
Notes and loans receivable	-	524,766
Accrued interest receivable	16,165	7,137
Due from other governments	126,662	-
Land held for resale	-	18,282,942
Restricted cash and mutual funds held with fiscal agents	4,976,181	5,509,444
<b>Total Assets</b>	<b><u>\$ 14,687,472</u></b>	<b><u>30,068,045</u></b>
<b>Liabilities:</b>		
Accounts payable	\$ 55,403	25,434
Accrued liabilities	-	4,846
Accrued interest	-	1,266,645
Deposits payable	404,586	-
Due to bondholders	13,637,991	-
Due to members	589,492	-
Long-term liabilities:		
Due in one year	-	2,525,000
Due in more than one year	-	60,095,000
Advances from the City of Indio	-	4,433,114
<b>Total Liabilities</b>	<b><u>\$ 14,687,472</u></b>	<b><u>68,350,039</u></b>
<b>Net Position:</b>		
Held in trust for other purposes		(38,281,994)
Restricted for other post-employment benefits		-
<b>Total Net Position</b>		<b><u>\$ (38,281,994)</u></b>

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

CITY OF INDIO, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Private-Purpose Trust Fund</u>
	<u>RDA Successor Agency Fund</u>
<b>Additions:</b>	
Contributions:	
Contributions from City	\$ 5,838,234
Total Contributions	<u>5,838,234</u>
Investment Earnings:	
Interest	104,102
Net Investment Income	<u>104,102</u>
Charges for services	509,312
Taxes and assessments	6,163,526
Miscellaneous	<u>250,000</u>
<b>Total Additions</b>	<b><u>12,865,174</u></b>
<b>Deductions:</b>	
Community development	868,602
Administrative expense	-
Interest expense	3,394,932
Contributions to other governments	<u>5,838,234</u>
<b>Total Deductions</b>	<b><u>10,101,768</u></b>
Changes in Net Position	2,763,406
Net Position at the Beginning of the Year, as Originally Reported	(39,896,785)
Restatements	<u>(1,148,615)</u>
Net Position at the Beginning of the Year, as Restated	<u>(41,045,400)</u>
<b>Net Position at the End of the Year</b>	<b><u>\$ (38,281,994)</u></b>

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

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**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, 2018

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**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.

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.

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, 2018, 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, 2018

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**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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**j. Inventories and Prepaid Items**

Inventories are stated at weighted 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.

Certain payments to vendor reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**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.

**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, pensions, and OPEB 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, pensions, and OPEB 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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**s. Other Post-Employment Benefits**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by CalPERS in a Section 115 Trust, and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**t. Change in Accounting Principle**

During the fiscal year ended June 30, 2018, the City implemented the GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits other than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting for Financial Reporting by Employers for Post-Employment Benefits other than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

As a result of this change in accounting principle, beginning net position as reported in the statements of net position have been restated (see Note 23 for more information).

**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, 2018, due to the timing of grant reimbursement requests and temporary receivables where the City must initially make the expenditure and subsequently seek reimbursement.

HBRRP	\$ (2,856,612)
Community Development Block Grant	(20,260)
Judgment Bonds	(1,409)

The following internal service funds had deficit net position as of June 30, 2018, 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	\$ (253,042)
Fleet Maintenance	(1,605,374)
Centralized Services	(2,078)

**b. Compliance with Budgetary Limitations**

The Unclaimed Property, Neighborhood Stabilization Grant 3, Asset Forfeiture, Emergency Abandoned and Recalcitrant special revenue funds; and the Assessment District capital projects fund did not adopt budgets for the year ended June 30, 2018.

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, 2018.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

**III. DETAILED NOTES ON ALL FUNDS**

**Note 3: Cash and Investments**

Cash and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments		\$ 64,709,113
Cash and investments held by bond trustee		3,087,197
Fiduciary Funds:		
Cash and investments		15,310,907
Cash and investments held by bond trustee		10,485,625
Total cash and investments		<u>\$ 93,592,842</u>
Cash on hand		\$ 8,600
Deposits with financial institutions		12,510,345
Investments		81,073,897
Total cash and investments		<u>\$ 93,592,842</u>

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

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

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment In One Issuer*</u>
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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

**Note 3: Cash and Investments (Continued)**Investments Authorized by Debt Agreements

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

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

Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturing (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 36 Months</u>	<u>37 to 60 Months</u>	<u>More Than 60 Months</u>
Money Market Mutual Funds	\$ 45,181	\$ 45,181	\$ -	\$ -	\$ -
U.S. Treasury Obligations	7,535,440	809,057	2,413,746	4,312,637	-
U.S. Agency Securities	10,604,836	1,673,792	6,145,329	2,785,715	-
Certificates of Deposit (Negotiable)	549,241	549,241	-	-	-
Medium Term Notes	7,801,519	876,004	4,038,265	2,887,250	-
Mortgage Pass-Through Securities	2,441,148	-	1,602,683	838,465	-
Local Agency Investment Fund	38,521,232	38,521,232	-	-	-
Held by Bond Trustee:					
Money Market Funds	13,575,300	13,575,300	-	-	-
<b>Total</b>	<b>\$ 81,073,897</b>	<b>\$ 56,049,807</b>	<b>\$ 14,200,023</b>	<b>\$ 10,824,067</b>	<b>\$ -</b>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 3: Cash and Investments (Continued)**

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

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Moody's Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
Money Market Mutual Funds	\$ 45,181	AAA	\$ -	\$ 45,181	\$ -	\$ -	\$ -
U.S. Treasury Obligations	7,535,440	N/A	-	7,535,440	-	-	-
U.S. Agency Securities	10,604,836	AAA	-	10,604,836	-	-	-
Certificates of Deposit (Negotiable)	549,241	A	-	-	-	549,241	-
Medium Term Notes	7,801,519	A	-	976,217	1,478,817	5,346,485	-
Mortgage Pass-Through Securities	2,441,148	AAA	-	2,441,148	-	-	-
Local Agency Investment Fund	38,521,232	N/A	38,521,232	-	-	-	-
Held by Bond Trustee:							
Money Market Mutual Funds	13,575,300	AAA	-	13,575,300	-	-	-
<b>Total</b>	<b>\$ 81,073,897</b>		<b>\$ 38,521,232</b>	<b>\$ 35,178,122</b>	<b>\$ 1,478,817</b>	<b>\$ 5,895,726</b>	<b>\$ -</b>

Custodial Credit Risk

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

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

As of June 30, 2018, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

**Note 3: Cash and Investments (Continued)**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, 2018, there were no investments in any one issuer (other than United States Treasury Obligations, mutual funds, and external investment pools) that represented 5 percent or more of the total of the City's investments (excluding those investments held by fiscal agents).

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.

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 utilized by the City to determine fair market value include: matrix pricing, market corroborated pricing, and other inputs such as yield curves and indices. Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

Investment Type	Total	Level	
		1	2
Money Market Mutual Funds	\$ 45,181	\$ 45,181	\$ -
U.S. Treasury Obligations	7,535,440	-	7,535,440
U.S. Agency Securities	10,604,836	-	10,604,836
Certificates of Deposit (Negotiable)	549,241	-	549,241
Medium Term Notes	7,801,519	-	7,801,519
Mortgage Pass-Through Securities	2,441,148	-	2,441,148
Local Agency Investment Fund	38,521,232	-	38,521,232
Held by Bond Trustee:			
Money Market Mutual Funds	13,575,300	13,575,300	-
<b>Total</b>	<b>\$ 81,073,897</b>	<b>\$ 13,620,481</b>	<b>\$ 67,453,416</b>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 4: Interfund Receivables, Payables, and Transfers**

Transfers in and out for the fiscal year ended June 30, 2018, were as follows:

<u>Transfers from</u>	<u>Tranfers to</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 2,176,252 (a)
General Fund	Other Governmental Funds	4,081,692 (b)
General Fund	Nonmajor Enterprise Funds	70,127
General Fund	Internal Service Funds	428,792
Capital Projects Fund	Other Governmental Funds	1,000,000 (b)
Other Governmental Funds	General Fund	3,740,084 (c)
Other Governmental Funds	Other Governmental Funds	151,688
Total		<u>\$ 11,648,635</u>

Interfund transfers were principally used for the following purposes:

- a. \$2,176,252 was transferred from the General Fund to the Capital Projects fund to cover costs associated with public works projects and other building costs.
- b. \$3,562,594 and \$1,000,000 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. \$3,740,084 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, 2018, are as follows:

<u>Due to Fund</u>	<u>Due from Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 3,291,641
General Fund	Internal Service Funds	9,866
General Fund	Nonmajor Enterprise Funds	705,470
Total		<u>\$ 4,006,977</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, 2018</u>
First time home buyer notes issued to homebuyers	\$ 46,100
Neighborhood Stabilization deferred loan program	1,564,392
Housing rehabilitation deferred loan program	1,041,379
Horizons at Indio senior housing project	3,618,118
Geovel, Inc. secured promissory note	3,978,417
Total	<u>\$ 10,248,406</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018

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**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, 2018, 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, 2018, was \$3,618,118.

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, 2018, was \$1,041,379.

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, 2018, was \$1,564,392.

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, 2018, was \$3,978,417.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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**Note 6: Property Held for Resale**

The land held for resale is recorded in the general fund with the intention to be sold to local businesses or developers. Some land parcels were purchased at the peak of the real estate market and have since dropped significantly in value, therefore an impairment allowance has been incorporated into the net realizable value. 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
Property held for resale	\$ 9,845,245	\$ 184,000	\$ 267,868	\$ 10,297,113
Impairment allowance	(3,508,697)	-	-	(3,508,697)
Total	<u>\$ 6,336,548</u>	<u>\$ 184,000</u>	<u>\$ 267,868</u>	<u>\$ 6,788,416</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, 2018

**Note 7: Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2018, is as follows:

Governmental activities:

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Structures and improvements	\$ 36,377,229	\$ 2,239,877	\$ -	\$ -	\$ 38,617,106
Machinery and equipment	8,002,648	220,667	53,929	-	8,169,386
Vehicles	10,553,889	1,286,436	1,158,850	-	10,681,475
Infrastructure: street network	555,529,893	720,791	-	5,107,200	561,357,884
Total cost of depreciable assets	<u>610,463,659</u>	<u>4,467,771</u>	<u>1,212,779</u>	<u>5,107,200</u>	<u>618,825,851</u>
Less accumulated depreciation:					
Structures and improvements	8,902,177	952,177	-	-	9,854,354
Machinery and equipment	6,531,567	452,874	53,929	-	6,930,512
Vehicles	8,362,229	868,728	1,158,850	-	8,072,107
Infrastructure: street network	239,475,996	13,961,097	-	-	253,437,093
Total accumulated depreciation	<u>263,271,969</u>	<u>16,234,876</u>	<u>1,212,779</u>	<u>-</u>	<u>278,294,066</u>
Net depreciable assets	<u>347,191,690</u>	<u>(11,767,105)</u>	<u>-</u>	<u>5,107,200</u>	<u>340,531,785</u>
Capital assets not depreciated:					
Construction in process	20,871,070	17,921,991	-	(5,107,200)	33,685,861
Land	41,746,082	505,000	287,000	-	41,964,082
Right of way	54,437,892	1,771,817	161,866	-	56,047,843
Total capital assets not depreciated	<u>117,055,044</u>	<u>20,198,808</u>	<u>448,866</u>	<u>(5,107,200)</u>	<u>131,697,786</u>
Capital assets, net	<u>\$ 464,246,734</u>	<u>\$ 8,431,703</u>	<u>\$ 448,866</u>	<u>\$ -</u>	<u>\$ 472,229,571</u>

Depreciation expense, including \$1,321,602 of internal service depreciation, was charged in the following functions:

General government	\$ 5,351,670
Public safety	957,146
Public works	6,650,658
Community development	1,910,390
Human services	43,410
Internal service funds	1,321,602
	<u>\$ 16,234,876</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 7: Capital Assets (Continued)**

Business-type activities – Golf Course:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Structures and improvements	\$ 360,349	\$ 8,675	\$ -	\$ 369,024
Machinery and equipment	120,065	-	-	120,065
Total cost of depreciable assets	<u>480,414</u>	<u>8,675</u>	<u>-</u>	<u>489,089</u>
Less accumulated depreciation:				
Structures and improvements	99,143	8,146	-	107,289
Machinery and equipment	65,073	9,998	-	75,071
Total accumulated depreciation	<u>164,216</u>	<u>18,144</u>	<u>-</u>	<u>182,360</u>
Net depreciable assets	<u>316,198</u>	<u>(9,469)</u>	<u>-</u>	<u>306,729</u>
Capital assets not depreciated				
Land	465,959	-	-	465,959
Capital assets, net	<u>\$ 782,157</u>	<u>\$ (9,469)</u>	<u>\$ -</u>	<u>\$ 772,688</u>

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

Golf            \$18,144

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

Note 7: Capital Assets (Continued)

Business-type activities – Water:

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Structures and improvements	\$ 14,939,434	\$ 27,005	\$ -	\$ -	\$ 14,966,439
Machinery and equipment	2,940,038	-	5,000	-	2,935,038
Vehicles	1,757,252	186,138	37,874	-	1,905,516
Utility distribution system	280,509,213	-	-	6,769,743	287,278,956
 Total cost of depreciable assets	 300,145,937	 213,143	 42,874	 6,769,743	 307,085,949
 Less accumulated depreciation:					
Structures and improvements	2,420,544	373,804	-	-	2,794,348
Machinery and equipment	2,112,541	211,133	5,000	-	2,318,674
Vehicles	1,215,787	123,190	49,274	-	1,289,703
Utility distribution system	124,114,186	7,097,353	-	-	131,211,539
 Total accumulated depreciation	 129,863,058	 7,805,480	 54,274	 -	 137,614,264
 Net depreciable assets	 170,282,879	 (7,592,337)	 (11,400)	 6,769,743	 169,471,685
 Capital assets not depreciated:					
Construction in process	6,953,278	818,356	-	(6,769,743)	1,001,891
Land	1,703,010	-	-	-	1,703,010
 Total capital assets not depreciated	 8,656,288	 818,356	 -	 (6,769,743)	 2,704,901
 Capital assets, net	 \$ 178,939,167	 \$ (6,773,981)	 \$ (11,400)	 \$ -	 \$ 172,176,586

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

Water            \$7,805,480

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 8: Changes in Long-Term Liabilities**

Changes in long-term liabilities during the fiscal year ended June 30, 2018, were as follows:

	Balance July 1, 2017	Adjustments**	Additions	Retirements	Balance June 30, 2018	Amount Due Within One Year
<b>Governmental Activities:</b>						
Bonds payable:						
2012 Lease Revenue Refunding	\$ 21,500,000	\$ -	\$ -	\$ (1,080,000)	\$ 20,420,000	\$ 1,135,000
2016A Lease Revenue Refunding	14,150,000	-	-	-	14,150,000	-
2016B Lease Revenue Refunding	5,135,000	-	-	(460,000)	4,675,000	465,000
2017 Judgment Obligation Bond	16,300,000	-	-	(650,000)	15,650,000	615,000
Issue premium on bonds	877,470	-	-	(41,808)	835,662	-
Issue (discount) on bonds	(262,014)	-	-	13,100	(248,914)	-
Subtotal	57,700,456	-	-	(2,218,708)	55,481,748	2,215,000
Capital lease obligations	1,278,266	-	-	(417,001)	861,265	429,154
Installment agreement	3,535,000	-	-	(530,000)	3,005,000	555,000
Notes payable	2,489,370	-	-	(840,259)	1,649,111	924,112
Compensated absences	1,973,465	-	1,270,789	(1,236,789)	2,007,465	1,258,096
Claims payable *	160,795	-	13,848	-	174,643	-
Net pension liability	52,787,444	-	10,447,924	(4,537,235)	58,698,133	-
Net other post-employment benefits liability	20,771,137	8,753,586	2,176,536	(1,471,805)	30,229,454	-
Subtotal	82,995,477	8,753,586	13,909,097	(9,033,089)	96,625,071	3,166,362
<b>Total Governmental Activities</b>	<b>\$ 140,695,933</b>	<b>\$ 8,753,586</b>	<b>\$ 13,909,097</b>	<b>\$ (11,251,797)</b>	<b>\$ 152,106,819</b>	<b>\$ 5,381,362</b>
<b>Business-type Activities:</b>						
Bonds payable:						
2015A Water Revenue Refunding	\$ 51,065,000	\$ -	\$ -	\$ -	\$ 51,065,000	\$ -
2015B Water Revenue Refunding	5,800,000	-	-	(1,890,000)	3,910,000	1,930,000
Issue premium on bonds	1,288,265	-	-	(56,012)	1,232,253	-
Subtotal	58,153,265	-	-	(1,946,012)	56,207,253	1,930,000
Compensated absences	212,789	-	206,390	(192,681)	226,498	205,095
Net pension liability	6,920,829	-	1,254,274	(746,422)	7,428,681	-
Net other post-employment benefits liability	-	6,657,535	490,789	(331,878)	6,816,446	-
Subtotal	7,133,618	6,657,535	1,951,453	(1,270,981)	14,471,625	205,095
<b>Total Business-type Activities</b>	<b>\$ 65,286,883</b>	<b>\$ 6,657,535</b>	<b>\$ 1,951,453</b>	<b>\$ (3,216,993)</b>	<b>\$ 70,678,878</b>	<b>\$ 2,135,095</b>

\* All claims as of June 30, 2018 are considered to be noncurrent.

\*\*Adjustment made for the implementation of GASB 75 (refer to Notes 1 and 23).

**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, 2018, on this contract was \$343,002.

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,	
2019	\$ 352,091
Less amount representing interest	(9,089)
Present value of future lease payments	<u>\$ 343,002</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**Note 9: Obligations under Capital Leases (Continued)**

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, 2018 on this contract was \$518,263.

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,		
2019	\$	105,212
2020		105,212
2021		105,212
2022		105,212
2023		105,212
2024		52,606
Subtotal		<u>578,666</u>
Less amount representing interest		(60,403)
Present value of future lease payments	\$	<u><u>518,263</u></u>

**Note 10: Bonds Payable**

Lease Revenue Refunding Bonds, Series 2012

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

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

Reserve requirements for the Series 2012 bonds are disclosed in the bond documents. At June 30, 2018, the reserves were fully funded and the outstanding balance of the Series 2012 bonds was \$20,420,000.

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**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
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	745,000	793,406	1,538,406
2024-2028	4,280,000	3,422,298	7,702,298
2029-2033	5,385,000	2,336,233	7,721,233
2034-2038	6,865,000	890,300	7,755,300
	<u>\$ 20,420,000</u>	<u>\$ 10,973,486</u>	<u>\$ 31,393,486</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, 2018, the outstanding balance of the Series 2016A bonds was \$14,150,000.

Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	565,000	469,838	1,034,838
2024-2028	3,275,000	1,884,938	5,159,938
2029-2033	4,045,000	1,095,750	5,140,750
2034-2038	4,710,000	401,781	5,111,781
	<u>\$ 14,150,000</u>	<u>\$ 5,956,659</u>	<u>\$ 20,106,659</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 10: Bonds Payable (Continued)**

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, 2018, the outstanding balance of the Series 2016B bonds was \$4,675,000.

Debt Service Requirements to Maturity

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	515,000	83,678	598,678
2024-2027	2,225,000	158,730	2,383,730
	<u>\$ 4,675,000</u>	<u>\$ 708,305</u>	<u>\$ 5,383,305</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, 2018, the outstanding balance of the Series 2017 bonds was \$15,650,000.

Fiscal Year Ending June 30,	Principal	Interest	Total
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	675,000	492,125	1,167,125
2024-2028	3,695,000	2,128,253	5,823,253
2029-2033	4,455,000	1,371,525	5,826,525
2034-2037	4,290,000	374,213	4,664,213
	<u>\$ 15,650,000</u>	<u>\$ 6,488,416</u>	<u>\$ 22,138,416</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**


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**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 \$3,005,000 as of June 30, 2018.

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
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>\$ 3,005,000</u>	<u>\$ 391,690</u>	<u>\$ 3,396,690</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**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, 2018, was \$811,850.

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, 2018 was \$837,261

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
2019	\$ 924,112	\$ 59,790	\$ 983,902
2020	445,911	25,421	471,332
2021	279,088	762	279,850
	<u>\$ 1,649,111</u>	<u>\$ 85,973</u>	<u>\$ 1,735,084</u>

**Note 13: Post-Employment Benefits**

***Plan Description***

Plan Administration

Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). Employees can choose from a number of HMO and PPO options. The City offers the same medical plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare (that is, reaches age 65), he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA. The plan is an agent, multiple-employer plan administered by the City through the CERBT Section 115 trust.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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**Note 13: Post-Employment Benefits (Continued)**

Benefits Provided

Employees become eligible to retire and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and adult children to the age of 26. The City contribution is limited to \$1,325/month for retirees in 2017 for employees hired prior to August 1, 2009. The limit is \$1,400/month for all groups in 2018 and \$1,500/month for all groups in 2019.

Employees first hired on or after August 1, 2009 are subject to the “100/90” State contribution formula and the 10-year vesting schedule set forth in Government Code section 22893. The vesting schedule provides for a City contribution of 50% of the “100/90” dollar amounts after 10 years of credited PERS service (5 of which must be with the City), with an additional 5% per year of service until fully vested after 20 years.

The 2017 “100/90” monthly dollar amounts are \$707 single, \$1,349 two-party, and \$1,727 family, and for 2018 the corresponding amounts are \$725, \$1,377, and \$1,766. In addition, the City pays a 0.33%-of-premium administrative fee to PEMHCA for each retiree.

Plan Membership

At July 1, 2017, membership consisted of the following:

Inactive employees, retirees, or beneficiaries currently receiving benefit payments	178
Inactive employees entitled to, but not yet receiving benefits	5
Active plan members	<u>228</u>
Total	<u>411</u>

Contributions

The City currently finances benefits on a pay-as-you-go basis, but also maintains an OPEB trust that is funded based on the availability of resources. The contribution requirements of plan members and the City are established and may be amended by the City Council. For fiscal year 2017-18, the City contributed \$1,797,768 to the plan for current premiums.

***Net OPEB Liability***

The City’s Net OPEB Liability was measured as of June 30, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2017. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

Salary increases:	3.00 percent
Investment rate of return:	6.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate:	6.00 percent for 2017; 5.00 percent for 2018 and later years
Waived retiree re-election:	10% of waived retirees under 65 assumed to re-elect Coverage at age 65

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

**Note 13: Post-Employment Benefits (Continued)**

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate without projection.

Retiree and termination assumptions used were based on a review of plan experience collected during the 2007 to 2011 CalPERS Experience Study Report and the actuary's best estimate of future plan experience.

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the City's Total OPEB Liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20- Year High Grade Rate Index	Discount Rate
June 30, 2018	June 30, 2017	6.00%	3.13%	5.97%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
TIPS	10.00%	0.20%
Global Fixed Income	39.00%	3.90%
Global Equities	40.00%	11.10%
REITs	8.00%	7.60%
Commodities	3.00%	-14.00%
Total	<u>100.00%</u>	

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 13: Post-Employment Benefits (Continued)**

The components of the net OPEB liability were as follows:

Total OPEB liability	\$ 38,429,673
Plan fiduciary net position	1,383,773
Net OPEB liability	<u>\$ 37,045,900</u>
Measurement date	June 30, 2017
Reporting date	June 30, 2018
Covered-employee payroll	\$ 31,815,516
Net OPEB liability (asset) as a percentage of covered-employee payroll	116.44%
Plan fiduciary net position as a percentage of the total OPEB liability	3.60%

Schedule of Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)=(a)-(b)
Balance at: 7/1/2016 (Start of Measurement Period)	\$ 37,352,263	\$ 1,170,005	\$ 36,182,258
Changes Recognized for the Measurement Period:			
Service Cost	766,105	-	766,105
Interest	2,175,102	-	2,175,102
Contributions - Employer *	-	1,994,056	(1,994,056)
Net Investment Income	-	84,532	(84,532)
Benefit Payments	(1,863,797)	(1,863,797)	-
Trustee Fees	-	(431)	431
Administrative Expense	-	(592)	592
Net Changes During 2016-17	<u>1,077,410</u>	<u>213,768</u>	<u>863,642</u>
Balance at: 6/30/2017 (Measurement Date)	<u>\$ 38,429,673</u>	<u>\$ 1,383,773</u>	<u>\$ 37,045,900</u>

\* Amount includes implicit subsidy associated with benefits paid.

Plan Fiduciary Net Position

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.97 percent) or 1-percentage point higher (6.97 percent) than the current discount rate:

	1% Decrease (4.97%)	Discount Rate (5.97%)	1% Increase (6.97%)
Net OPEB liability (asset)	\$42,587,695	\$37,045,900	\$32,579,620

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 13: Post-Employment Benefits (Continued)**

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (5.00 percent decreasing to 4.00 percent) or 1-percentage point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB liability (asset)	\$32,429,882	\$37,045,900	\$42,733,922

Rate of Return

For the year ended on the measurement date, the annual money-weighted rate of return on investments, net of administrative expense, was 7.19 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2018, the City recognized \$880,036 in OPEB expenses.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

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

Net difference between projected and actual earnings on plan investments:	5 years
All other amounts:	Expected average remaining service lifetime (EARSL) (4.0 years at June 30, 2017)

At June 30, 2018, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions after the measurement date	\$ 1,797,768	\$ -
Differences between projected and actual return on plan investments	-	10,480
<b>Total</b>	<b>\$ 1,797,768</b>	<b>\$ 10,480</b>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**Note 13: Post-Employment Benefits (Continued)**

The \$1,797,768 reported as City contributions after the measurement date will be recognized as a reduction of the Net OPEB Liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ (2,620)
2020	(2,620)
2021	(2,620)
2022	(2,620)

**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.

At June 30, 2018, the outstanding balance of the Series 2015A bonds and Series 2015B bonds were \$51,065,000 and \$3,910,000, respectively.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**Note 14: Water Enterprise Revenue Bond (Continued)**

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

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

A portion of the net proceeds of the Water Revenue Refunding Bonds Series 2015A and 2015B bonds estimated to be \$56,233,153 were deposited into an escrow fund with MUFG Union Bank, N.A., and used for the purposes of redeeming the 2006 bonds. The amounts so deposited will be in an amount which will be sufficient to pay the principal of and interest, and the redemption price equal to the principal amount of the 2006 bonds outstanding and accrued interest upon their optional redemption. The 2006 bonds 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.

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
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	2,260,000	1,892,113	4,152,113
2024-2028	13,075,000	7,701,813	20,776,813
2029-2033	15,715,000	5,061,700	20,776,700
2034-2038	13,275,000	1,887,394	15,162,394
2039-2040	2,530,000	175,513	2,705,513
	<u>\$ 51,065,000</u>	<u>\$ 25,026,235</u>	<u>\$ 76,091,235</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 14: Water Enterprise Revenue Bond (Continued)**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 1,930,000	\$ 105,437	\$ 2,035,437
2020	1,980,000	55,836	2,035,836
	<u>\$ 3,910,000</u>	<u>\$ 161,273</u>	<u>\$ 4,071,273</u>

**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 6/30/2017	FY17/18 DS Principal	Outstanding 6/30/2018
AD99-1/R	7/26/2012	\$ 1,520,000	4.690%	9/2/2020	\$ 705,000	\$ 165,000	\$ 540,000
AD2001-1/R	7/26/2012	3,295,000	4.690%	9/2/2026	2,365,000	190,000	2,175,000
AD2002-1/R	7/26/2012	3,410,000	4.690%	9/2/2026	2,535,000	185,000	2,350,000
AD2002-2/R	7/26/2012	2,162,900	4.690%	9/2/2027	1,609,333	113,626	1,495,707
AD2002-3/R	7/26/2012	4,119,800	4.710%	9/2/2027	3,056,457	220,673	2,835,784
AD2003-1/R	7/23/2014	1,752,000	3.550%	9/2/2029	1,569,000	100,000	1,469,000
AD2003-2/R	7/23/2014	1,402,000	3.550%	9/2/2029	1,259,000	77,000	1,182,000
AD2003-3/R	7/23/2014	4,038,000	3.550%	9/2/2029	3,626,000	223,000	3,403,000
AD2003-5/R	7/23/2014	1,343,000	3.550%	9/2/2029	1,204,000	76,000	1,128,000
AD2003-6/R	7/23/2014	1,627,000	3.550%	9/2/2029	1,463,000	91,000	1,372,000
AD2004-1	9/30/2004	2,265,000	2.80% to 6.00%	9/2/2030	1,585,000	120,000	1,465,000
AD2004-2	11/4/2004	3,604,000	1.67% to 3.86%	9/2/2030	2,520,000	200,000	2,320,000
AD2004-3	2/24/2005	7,350,000	2.90% to 5.50%	9/2/2030	4,839,100	929,100	3,910,000
CFD2004-3	8/4/2015	15,530,000	2.00% to 4.00%	9/1/2035	15,015,000	653,000	14,362,000
CFD2005-1 A1/R	7/23/2014	8,337,000	4.030%	9/1/2036	7,875,000	263,000	7,612,000
CFD2006-1/R	7/23/2014	7,554,000	4.030%	9/1/2036	8,025,000	271,000	7,754,000
CFD2005-1 A2/R	7/23/2014	8,499,000	4.030%	9/1/2036	7,116,000	237,000	6,879,000

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**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:

Description of Pledged Revenue	Annual Amount of Pledged Revenue (net of expenses, where required)	Annual Debt Service Payments (of all debt secured by this revenue)	Debt Service as a Percentage of Pledged Revenue
Gas tax revenues	\$ 1,859,693	\$ 676,713	36%

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

**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.

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.

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

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

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 2017-18 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, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

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 \$129,823,895. There is a \$10,000 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 \$1,198,651. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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

Crime Insurance

The City of Indio purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

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 2017-18.

Changes in the claims payable amounts in fiscal years 2016, 2017, and 2018 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
2015-16	\$ 3,746,715	\$ 328,855	\$ (3,897,275)	\$ 178,295
2016-17	178,295	-	(17,500)	160,795
2017-18	160,795	13,848	-	174,643

**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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**
**Note 18: Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<b>Miscellaneous Plans</b>		
	<b>Classic *</b>	<b>PEPRA</b>	
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%	

	<b>Safety Plans</b>		
	<b>Classic I *</b>	<b>Classic II *</b>	<b>PEPRA</b>
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.

**Employees Covered**

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

	<b>Miscellaneous Plans</b>
Inactive employees or beneficiaries currently receiving benefits	209
Inactive employees entitled to but not yet receiving benefits	166
Active employees	163
	<u>538</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, 2018, the contributions recognized as a reduction to the net pension liability was \$2,873,940 and \$2,409,717 for the miscellaneous and safety plans, respectively.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**Note 18: Pension Plan (Continued)*****Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 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	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% 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.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

***Change of Assumptions***

For the measurement date June 30, 2017, the financial reporting discount rate was lowered from 7.65 percent to 7.15 percent. In December 2016, the CalPERS Board approved lowering the funding discount rate used from 7.50 percent to 7.00 percent, which is to be phased-in over a three-year period (7.50 percent to 7.375 percent, 7.375 percent to 7.25 percent, and 7.25 percent to 7.00 percent) beginning with the June 30, 2016 valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.15 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 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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

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.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0	0.80	2.27
Inflation Sensitive	6.0	0.60	1.39
Private Equity	12.0	6.60	6.63
Real Estate	11.0	2.80	5.21
Infrastructure and Forestland	3.0	3.90	5.36
Liquidity	2.0	(0.40)	(0.90)

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

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

***Pension Plan Fiduciary Net Position***

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

***Net Pension and Liability and Changes in Net Pension Liability***

As of June 30, 2018, the City reported net pension liabilities of each as follows:

Net Pension Liability	
Miscellaneous agent	\$ 30,881,040
Safety cost-sharing proportionate share	35,245,774
Total Net Pension Liability:	<u>\$ 66,126,814</u>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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

For the Safety proportionate share of the net pension liability, it is measured as of June 30, 2017, 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, 2016 rolled forward to June 30, 2017 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, 2016 and June 30, 2017, are as follows:

	Total Plans
Proportion - June 30, 2017	0.58987%
Proportion - June 30, 2016	0.60331%
Change - Increase (Decrease)	<u>-2.22771%</u>

**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/(Asset) (c)=(a)-(b)
Balance at: 6/30/2016 (Valuation Date) (1)	\$ 83,803,018	\$ 55,341,542	\$ 28,461,476
Changes Recognized for the Measurement Period:			
Service Cost	2,353,967	-	2,353,967
Interest on the Total Pension Liability	6,219,359	-	6,219,359
Difference between Expected and Actual			
Experience	(1,493,433)	-	(1,493,433)
Changes of Assumptions	5,371,466	-	5,371,466
Contributions from the Employer	-	2,858,434	(2,858,434)
Contributions from the Employees	-	918,650	(918,650)
Net Investment Income (2)	-	6,336,419	(6,336,419)
Benefit Payments, Including Refunds of			
Employee Contributions	(3,747,998)	(3,747,998)	-
Administration Expense	-	(81,708)	81,708
Net Changes During 2016-17	<u>8,703,361</u>	<u>6,283,797</u>	<u>2,419,564</u>
Balance at: 6/30/2017 (Measurement Date) (1)	<u>\$ 92,506,379</u>	<u>\$ 61,625,339</u>	<u>\$ 30,881,040</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, 2017.

- (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, 2018**

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**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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% 6.15%	Current Rate - 1% 7.15%	Discount Rate + 1% 8.15%
Miscellaneous Plan	\$ 44,063,237	\$ 30,881,040	\$ 20,070,755
Safety Plan	51,268,518	35,245,774	22,147,980

***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, 2017 is 3.0 years, which was obtained by dividing the total service years of 1,591 by the total number of plan participants, 538.

The EARSL for the Safety Plan pooled in CalPERS Plan PERF C for the measurement dated ending June 30, 2017 is 3.8 years, which was obtained by dividing the pool's total service years of 490,088 by the total number of plan participants in the PERF C, 130,595.

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

For the year ended June 30, 2018, the City recognized pension expense as follows:

Miscellaneous	Safety	Total Plans
\$ 4,244,644	\$ 4,773,426	\$ 9,018,070

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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

At June 30, 2018, 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
<b>Miscellaneous Plan</b>		
Employer contributions subsequent to measurement date	\$ 3,117,054	\$ -
Changes of assumptions	3,580,977	-
Differences between expected and actual experiences	-	1,150,808
Net difference between projected and actual earnings on pension plan investments	639,305	-
<b>Total Miscellaneous Plan</b>	<b>7,337,336</b>	<b>1,150,808</b>
<b>Safety Plan</b>		
Employer contributions subsequent to measurement date	2,977,907	-
Changes of assumptions	4,850,107	372,113
Differences between expected and actual experiences	334,432	87,196
Net difference between projected and actual earnings on pension plan investments	1,057,513	-
Adjustments due to differences in proportions	293,969	300,142
Difference in proportionate share	1,033	241,645
<b>Total Safety Plan</b>	<b>9,514,961</b>	<b>1,001,096</b>
<b>Total All Plans</b>	<b>\$ 16,852,297</b>	<b>\$ 2,151,904</b>

The \$3,117,054 and \$2,977,907 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, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<b>Measurement Period Ended June 30,</b>	<b>Deferred Outflows/(Inflows) of Resources</b>		
	Miscellaneous	Safety	Total Plans
2018	\$ 1,092,823	\$ 1,437,830	\$ 2,530,653
2019	2,163,984	2,937,939	5,101,923
2020	294,550	1,778,979	2,073,529
2021	(481,883)	(618,790)	(1,100,673)

***Pension Plan Fiduciary Net Position***

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**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 2017-2018, payment in the amount of \$503,060 was made to the County.

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, 2018, 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, 2018:

Project	Contract Amount	Expenditures to date as of June 30, 2018	Remaining Commitments
Highway 111 Street Improvement Project	\$ 10,385,885	\$ 4,468,345	\$ 5,917,540
Madison Street Improvement	6,922,296	-	6,922,296
Andrew Jackson Elementary School Ped Improvement	2,227,222	-	2,227,222

**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, 2018, 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, 2018 was \$50,000 for operations. Audited financial statements may be obtained from the City of Indio, 100 Civic Center Mall, Indio, California 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.

**Note 21: Net Position and Fund Balances (Continued)**

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, 2018, fund balances for governmental funds are made up of the following:

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

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

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

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

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

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

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**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, 2018, is as follows:

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Prepaid costs	\$ 193,945	\$ 1,800	\$ 465	\$ 196,210
Property held for resale	6,336,548	-	-	6,336,548
Notes and loans receivable	3,978,417	-	-	3,978,417
<b>Total Nonspendable Fund Balance</b>	<b>10,508,910</b>	<b>1,800</b>	<b>465</b>	<b>10,511,175</b>
<b>Restricted:</b>				
Gas Tax	-	-	722,583	722,583
Traffic safety	-	-	141,874	141,874
Public safety	-	-	20,688	20,688
Supplemental law enforcement	-	-	215,011	215,011
LLEBG	-	-	18,174	18,174
Homeland security	-	-	2,975	2,975
Abandoned vehicle	-	-	142,777	142,777
Unclaimed property	-	-	7,374	7,374
Measure A	-	-	639,900	639,900
NPDES	-	-	11,906	11,906
Air quality	-	-	195,651	195,651
Indian gaming SB 621	-	-	9,609	9,609
Waste recycling AB 939	-	-	690,582	690,582
Community facilities districts	-	-	122,950	122,950
Certified access specialist SB 1186	-	-	25,275	25,275
Low- and moderate-income housing	-	-	8,723,556	8,723,556
Department of Conservation recycle grant	-	-	38,528	38,528
Public education government channel	-	-	367,770	367,770
COPS hiring recovery	-	-	5,945	5,945
Neighborhood stabilization programs	-	-	1,198,324	1,198,324
Lighting and landscaping	-	-	3,461,525	3,461,525
Asset forfeiture	-	-	1,439	1,439
Emergency abandoned and recalcitrant	-	-	122,237	122,237
Cal emergency management	-	-	118	118
Donations	-	-	33,457	33,457
SB 1 transportation	-	-	518,710	518,710
Capital projects	-	-	476	476
Debt service	-	-	2,093,363	2,093,363
<b>Total Restricted</b>	<b>-</b>	<b>-</b>	<b>19,532,777</b>	<b>19,532,777</b>
<b>Committed:</b>				
Economic uncertainty	11,284,880	-	-	11,284,880
<b>Total Committed</b>	<b>11,284,880</b>	<b>-</b>	<b>-</b>	<b>11,284,880</b>
<b>Assigned:</b>				
Community projects	7,039,240	-	-	7,039,240
Appropriated fund balance	4,722,824	-	-	4,722,824
Reserve for encumbrances	890,713	-	-	890,713
<b>Total Assigned</b>	<b>12,652,777</b>	<b>-</b>	<b>-</b>	<b>12,652,777</b>
<b>Unassigned</b>				
	2,148,454	(1,246,746)	(2,878,281)	(1,976,573)
<b>Total Fund Balance (Deficit)</b>	<b>\$ 36,595,021</b>	<b>\$ (1,244,946)</b>	<b>\$ 16,654,961</b>	<b>\$ 52,005,036</b>

CITY OF INDIO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 22: Fund Balances (Continued)**

At June 30, 2018, the General Fund had \$890,713 in encumbrances outstanding.

**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 table summarizes the effect of the prior period adjustments to beginning net position as of July 1, 2018:

	Governmental Activities			Business-Type Activities			
	Statement of Activities	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities	Water Fund	Nonmajor Enterprise Funds	Total Business-Type Activities
To record a prior period adjustment to correct and error in recording revenue in the prior fiscal year.	\$ -	\$ (114,680)	\$ -	\$ (114,680)	\$ -	\$ -	\$ -
To record a prior period adjustment to correct a receipt recorded to the wrong fund in fiscal year 2011-2012 (Community Development Block Grant fund).	-	(124,841)	-	(124,841)	-	-	-
To record a prior period adjustment to correct a receipt recorded to the wrong fund in fiscal year 2011-2012 (Neighborhood Stabilization Grant 2 fund).	-	124,841	-	124,841	-	-	-
To implement GASB 75 by restating net position to account for net OPEB liability balances and deferred outflows of resources balances as of June 30, 2017.	(5,562,853)	-	(1,718,929)	(7,281,782)	(6,315,345)	(10,314)	(6,325,659)
<b>Total Restatements</b>	<b>\$ (5,562,853)</b>	<b>\$ (114,680)</b>	<b>\$ (1,718,929)</b>	<b>\$ (7,396,462)</b>	<b>\$ (6,315,345)</b>	<b>\$ (10,314)</b>	<b>\$ (6,325,659)</b>

Additionally, in the prior year, the City reported a pension trust fund for other post-employment benefits with a net position of \$1,383,772. Due to the implementation of GASB Statement No. 75, the assets reported in this trust fund are now being netted against the total other post-employment benefits liability (Note 13), and the fund is no longer being presented to properly comply with the requirements of the GASB Statement.

**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, 2018, the City abated tax increments totaling \$9,387 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, 2018, the City abated tax increments totaling \$9,228 under this agreement.

**Note 24: Tax Abatement Agreements (Continued)**

On April 20, 2016, 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 four-calendar year period after business opened to the public. For the fiscal year ended June 30, 2018, the City abated tax increments totaling \$60,121 under this agreement.

On May 3, 2017, 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 a maximum ceiling of \$3,942,238, and will expire upon the later of the reaching the maximum ceiling or May 3, 2032. For the fiscal year ended June 30, 2018, the City abated tax increments totaling \$131,000 under this agreement.

**b. Transient Occupancy Tax Abatements with Private Entities**

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, 2018, the City abated tax increments totaling \$160,000 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, 2018

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**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	\$ 5,742,443
Cash and investments with fiscal agent	5,509,444
Total	<u>\$ 11,251,887</u>

**b. Notes Receivable**

As of June 30, 2018, notes receivable consisted of the following:

Jackalope	\$ 478,049
Housing rehabilitation deferred loan program	46,717
Total	<u>\$ 524,766</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

**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, 2018 was \$478,049.

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, 2018 was \$46,717.

**c. Land Held for Resale**

Land held for resale in the RDA Capital Project Fund consists of 31 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, 2018, land held for resale totaled \$18,282,942.

**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, 2018 was \$4,433,114.

**e. Long-Term Liabilities**

Long-term debt of the Successor Agency as of June 30, 2018, consisted of the following:

	Balance at July 1, 2017	Additions	Retirements	Balance at June 30, 2018	Amount Due Within One Year
Bonds payable:					
1997 Series A	\$ 270,000	\$ -	\$ 85,000	\$ 185,000	\$ 90,000
1999 Revenue Refunding	1,655,000	-	240,000	1,415,000	255,000
2004A Tax Allocation	8,305,000	-	165,000	8,140,000	180,000
2008A Tax Allocation	53,235,000	-	1,155,000	52,080,000	1,200,000
2008B Tax Allocation	1,545,000	-	745,000	800,000	800,000
Total	<u>\$ 65,010,000</u>	<u>\$ -</u>	<u>\$ 2,390,000</u>	<u>\$ 62,620,000</u>	<u>\$ 2,525,000</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018

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**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, 2018 was \$185,000.

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, 2018 was \$1,415,000.

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, 2018 the actual reserve amount was \$334,310.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018

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**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, 2018, the reserve was fully funded and the outstanding balance of the Series 2004A was \$8,140,000.

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.

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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**
**Note 25: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Reserve requirements for the Series 2008A and Series 2008B bonds are disclosed in the bond documents. At June 30, 2018, the reserves were fully funded and the outstanding balance of the Series 2008A and Series 2008B bonds were \$52,080,000 and \$800,000, 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
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	2,840,000	2,751,792	5,591,792
2024-2028	15,380,000	11,502,655	26,882,655
2029-2033	21,080,000	6,591,591	27,671,591
2034-2038	12,850,000	1,005,818	13,855,818
	<u>\$ 62,620,000</u>	<u>\$ 34,239,695</u>	<u>\$ 96,859,695</u>

**f. Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$96,859,695 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 \$6,163,526 and the debt service obligation on the bonds was \$5,836,566.

**g. Prior Period Adjustment**

The Successor Agency reported a prior period adjustment in the amount of \$1,148,615 for the year ended June 30, 2018, for the purposes of recording a transfer of land held for resale that occurred in fiscal year 2013-14, but was not recorded at the time of the transaction.

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**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 29,878,165	\$ 29,878,165	\$ 29,878,165	\$ -
<b>Resources (Inflows):</b>				
Taxes:				
Property taxes	7,600,000	16,873,000	16,764,645	(108,355)
Transient occupancy taxes	5,431,000	5,831,692	6,760,340	928,648
Sales taxes	19,359,000	21,059,000	22,076,408	1,017,408
Franchise taxes	2,458,072	2,458,072	2,466,269	8,197
Business license taxes	675,000	675,000	621,513	(53,487)
Utility users taxes	8,625,000	8,625,000	8,512,701	(112,299)
Other taxes	350,000	350,000	412,394	62,394
Total taxes	<u>44,498,072</u>	<u>55,871,764</u>	<u>57,614,270</u>	<u>1,742,506</u>
Licenses and permits:				
Business licenses	300,000	300,000	243,224	(56,776)
Building permits	1,651,500	1,651,500	1,690,379	38,879
Other permits	408,750	408,750	404,451	(4,299)
Total licenses and permits	<u>2,360,250</u>	<u>2,360,250</u>	<u>2,338,054</u>	<u>(22,196)</u>
Intergovernmental:				
Motor vehicle license fees	9,107,000	34,000	46,700	12,700
Grants	134,000	221,577	424,253	202,676
Total intergovernmental	<u>9,241,000</u>	<u>255,577</u>	<u>470,953</u>	<u>215,376</u>
Charges for services:				
Plan checks and inspections	1,320,000	1,320,000	1,419,567	99,567
Fire and ambulance	1,320,000	1,320,000	1,629,404	309,404
Police	3,770,458	3,894,768	2,825,832	(1,068,936)
Other	784,500	784,500	507,072	(277,428)
Total charges for services	<u>7,194,958</u>	<u>7,319,268</u>	<u>6,381,875</u>	<u>(937,393)</u>
Fines and forfeitures				
Vehicle	300,000	300,000	174,669	(125,331)
Parking	150,000	265,500	96,351	(169,149)
Other	213,000	213,000	193,046	(19,954)
Total fines and forfeitures	<u>663,000</u>	<u>778,500</u>	<u>464,066</u>	<u>(314,434)</u>
Use of money and property	548,390	678,519	932,209	253,690
Miscellaneous	2,060,500	2,077,660	2,725,410	647,750
Transfers in	3,431,463	3,431,463	3,740,084	308,621
<b>Amounts Available for Appropriations</b>	<b><u>99,875,798</u></b>	<b><u>102,651,166</u></b>	<b><u>104,545,086</u></b>	<b><u>1,893,920</u></b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Charges to Appropriations (Outflows):</b>				
General government:				
City council	341,191	341,191	307,445	33,746
City manager	842,641	1,123,641	1,155,111	(31,470)
City clerk	344,969	344,969	254,188	90,781
City attorney	850,000	850,000	536,280	313,720
Human resources	929,885	929,885	806,373	123,512
Finance	1,561,918	1,561,918	1,517,741	44,177
Other - Nondepartmental	38,556	38,556	108,315	(69,759)
Contingencies	5,194,041	4,925,743	-	4,925,743
Total general government	<u>10,103,201</u>	<u>10,115,903</u>	<u>4,685,453</u>	<u>5,430,450</u>
Public safety:				
Police administration	1,393,672	1,403,672	1,381,705	21,967
Police field services	11,809,946	11,829,946	11,219,322	610,624
Police investigations	6,489,998	6,528,223	6,457,308	70,915
Police traffic safety	878,873	878,873	790,741	88,132
Police support services	4,160,593	4,160,593	3,911,718	248,875
Animal control	875,000	875,000	782,975	92,025
Code enforcement	1,933,102	2,077,039	1,996,588	80,451
Fire and ambulance	14,061,352	14,061,352	14,784,162	(722,810)
Emergency management	280,152	280,152	190,834	89,318
Total public safety	<u>41,882,688</u>	<u>42,094,850</u>	<u>41,515,353</u>	<u>579,497</u>
Community development:				
Building and safety	1,671,914	1,671,914	1,590,685	81,229
Planning	992,284	1,329,513	1,166,260	163,253
Economic development	1,738,012	1,813,012	1,483,085	329,927
Total community development	<u>4,402,210</u>	<u>4,814,439</u>	<u>4,240,030</u>	<u>574,409</u>
Community services:				
Youth service	704,849	704,849	675,385	29,464
Community services	449,747	524,747	473,149	51,598
Promotions and publicity	768,695	828,695	885,640	(56,945)
Senior services	788,980	788,980	815,379	(26,399)
Total parks and recreation	<u>2,712,271</u>	<u>2,847,271</u>	<u>2,849,553</u>	<u>(2,282)</u>
Public works:				
Street maintenance and operations	3,256,461	3,358,631	3,035,430	323,201
Engineering and administration	1,620,466	1,620,466	1,630,421	(9,955)
Parks and parkways	2,069,086	2,466,458	2,417,029	49,429
Total public works	<u>6,946,013</u>	<u>7,445,555</u>	<u>7,082,880</u>	<u>362,675</u>
Debt service:				
Principal retirement	2,574,831	334,146	334,146	-
Interest and fiscal charges	17,945	17,945	17,944	1
Total debt service	<u>2,592,776</u>	<u>352,091</u>	<u>352,090</u>	<u>1</u>
Capital outlay	18,250	990,328	467,844	522,484
Transfers out	1,340,224	7,721,406	6,756,862	964,544
<b>Total Charges to Appropriations</b>	<b><u>69,997,633</u></b>	<b><u>76,381,843</u></b>	<b><u>67,950,065</u></b>	<b><u>8,431,778</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 29,878,165</u></b>	<b><u>\$ 26,269,323</u></b>	<b><u>\$ 36,595,021</u></b>	<b><u>\$ 10,325,698</u></b>

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

## 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability:</b>				
Service Cost	\$ 2,353,967	\$ 2,144,177	\$ 2,054,043	\$ 2,067,477
Interest on total pension liability	6,219,359	6,008,228	5,714,555	5,452,950
Differences between expected and actual experience	(1,493,433)	(465,558)	(717,418)	-
Changes in assumptions	5,371,466	-	(1,451,365)	-
Benefit payments, including refunds of employee contributions	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
<b>Net change in total pension liability</b>	<b>8,703,361</b>	<b>4,054,382</b>	<b>2,213,828</b>	<b>4,204,662</b>
Total pension liability - beginning	83,803,018	79,748,636	77,534,808	73,330,146
<b>Total pension liability - ending (a)</b>	<b>\$ 92,506,379</b>	<b>\$ 83,803,018</b>	<b>\$ 79,748,636</b>	<b>\$ 77,534,808</b>
<b>Plan Fiduciary Net Position:</b>				
Contributions - employer	\$ 2,858,434	\$ 2,619,245	\$ 2,446,688	\$ 2,331,161
Contributions - employee	918,650	927,413	940,052	914,677
Net investment income	6,336,419	300,012	1,211,466	7,998,811
Benefit payments	(3,747,998)	(3,632,465)	(3,385,987)	(3,315,765)
Plan to plan resource movement	-	-	(123)	-
Administration Expense	(81,708)	(33,618)	(69,194)	-
<b>Net change in plan fiduciary net position</b>	<b>6,283,797</b>	<b>180,587</b>	<b>1,142,902</b>	<b>7,928,884</b>
Plan fiduciary net position - beginning	55,341,542	55,160,955	54,018,053	46,089,169
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 61,625,339</b>	<b>\$ 55,341,542</b>	<b>\$ 55,160,955</b>	<b>\$ 54,018,053</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 30,881,040</b>	<b>\$ 28,461,476</b>	<b>\$ 24,587,681</b>	<b>\$ 23,516,755</b>
Plan fiduciary net position as a percentage of the total pension liability	66.62%	66.04%	69.17%	69.67%
Covered payroll	\$ 12,075,341	\$ 12,067,635	\$ 11,307,076	\$ 10,908,447
Plan net pension liability as a percentage of covered payroll	255.74%	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, 2016 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent. 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 four 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 3,117,054	\$ 2,873,940	\$ 2,619,205	\$ 2,496,547
Contribution in Relation to the Actuarially Determined Contributions	<u>(3,117,054)</u>	<u>(2,873,940)</u>	<u>(2,619,205)</u>	<u>(2,496,547)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 12,123,780	\$ 12,075,341	\$ 12,067,635	\$ 11,307,076
Contributions as a Percentage of Covered Payroll	25.71%	23.80%	21.70%	22.08%

**Notes to Schedule of Plan Contributions:**

Valuation Date:	June 30, 2015
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	3.30% - 14.20% depending on entry age and duration of service
Discount Rate	7.5 percent compounded annually (net of expenses)
	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Retirement age	RP-2000 Heath Annuitant Mortality Table
Mortality	

(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 four 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.58987%	0.60331%	0.61411%	0.59198%
Proportionate Share of the Net Pension Liability	\$ 35,245,774	\$ 31,246,797	\$ 25,303,889	\$ 22,205,148
Covered Payroll	\$ 6,451,760	\$ 6,467,561	\$ 6,624,055	\$ 6,311,549
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	546.30%	483.13%	382.00%	351.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.74%	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: In 2018, the accounting discount rate reduced from 7.65 percent to 7.15 percent. 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

(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 four 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,977,907	\$ 2,409,717	\$ 2,567,055	\$ 2,286,752
Contribution in Relation to the Actuarially Determined Contributions	<u>(2,977,907)</u>	<u>(2,409,717)</u>	<u>(2,567,055)</u>	<u>(2,286,752)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,666,249	\$ 6,451,760	\$ 6,467,561	\$ 6,624,055
Contributions as a Percentage of Covered Payroll	44.67%	37.35%	39.69%	34.52%

**Notes to Schedule of Plan Contributions:**

Valuation Date:	June 30, 2015
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
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 four years are shown.

CITY OF INDIO, CALIFORNIA

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 766,105
Interest on the total OPEB liability	2,175,102
Benefit payments	<u>(1,863,797)</u>
<b>Net change in total OPEB liability</b>	<b>1,077,410</b>
<b>Total OPEB liability - beginning</b>	<b><u>37,352,263</u></b>
<b>Total OPEB liability - ending (a)</b>	<b><u>\$ 38,429,673</u></b>
<b>Plan Fiduciary Net Position</b>	
Contribution - employer (2)	\$ 1,994,056
Net investment income	84,532
Benefit payments	(1,863,797)
Trustee fees	(431)
Administrative expense	<u>(592)</u>
<b>Net change in plan fiduciary net position</b>	<b>213,768</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>1,170,005</u></b>
<b>Plan fiduciary net position - ending (b)</b>	<b><u>\$ 1,383,773</u></b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b><u>\$ 37,045,900</u></b>
Plan fiduciary net position as a percentage of the total OPEB liability	3.60%
Covered payroll	\$ 31,815,516
Net OPEB liability as a percentage of covered-employee payroll	116.44%

**Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios**

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Amount includes implicit subsidy associated with benefits paid.

CITY OF INDIO, CALIFORNIA

**SCHEDULE OF PLAN CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<b>2018</b>
Actuarially Determined Contribution *	\$ 2,706,641
Contribution in Relation to the Actuarially Determined Contributions	(1,797,768)
Contribution Deficiency (Excess)	<u>\$ 908,873</u>
Covered payroll	\$ 31,815,516
Contributions as a percentage of covered-employee payroll	8.51%

**Notes to Schedule of Plan Contributions:**

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2017 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of pay
Asset Valuation Method	Market value
Payroll Growth	3% per annum, in aggregate
Investment Rate of Return	6.00%
Healthcare cost-trend rates	6.00% for 2017, reducing to 5.00% for 2018 onward
Retirement Age	50
Mortality	RP-2014 Employee Mortality, without projection for pre-retirement mortality RP-2014 Healthy Annuitant Mortality, without projection for post-retirement mortality

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

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**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. 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, 2018.

**Note 2: Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2018, 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	\$ 31,470
Other	69,759
Public Safety:	
Fire and ambulance	722,810
Parks and Recreation:	
Promotions and publicity	56,945
Senior services	26,399
Public Works:	
Engineering and administration	9,955

## NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues and the related expenditures which are legally required to be accounted for in a separate fund. Funds included are:

Gas Tax Fund - To account for the revenues and expenditures of the City's proportionate share of gas tax monies collected by the State of California which are used for street construction and maintenance.

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

Public Safety Fund - To account for the revenues and expenditures of the City's Proposition 172 sales tax restricted for public safety.

Supplemental Law Enforcement Fund - To account for the revenues and expenditures of the supplemental law enforcement grant.

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

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

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

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

Measure A Fund - To account for financial transactions in accordance with Proposition A Local Transit Assistance Act regulations.

Article 3 (SB 821) Fund - To account for the revenues and expenditures of licenses and grant money received for the promotion of bicycle safety and the development and maintenance of bicycle lanes and paths within the City.

NPDES Fund - To account for revenue and expenditures related to the National Pollution Discharge Evaluation System (NPDES) State mandate.

Air Quality (AB2766/CMAQ) Fund - To account for the revenues and expenditures related to air pollution mitigation efforts.

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

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

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

## NONMAJOR SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

Congestion Management Air Quality Fund - To account for the revenues and expenditures related to air pollution caused by traffic congestion mitigation efforts.

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

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

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

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Office of Traffic Safety Fund – To account for State funds directed toward programs that improve traffic safety.

SB-1 Transportation Fund - To account for the revenues and expenditures of the City's proportionate share of SB-1 monies collected by the State of California which are used for street construction and maintenance

Comm Transitional Housing Fund – To account for transitional housing services throughout the City funded by the California Department of Finance.

## 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.

### NONMAJOR DEBT SERVICE FUNDS

Debt service funds are used to account for specific revenues and the related debt service expenditures which are legally required to be accounted for in a separate fund. Funds included are:

General Debt Service - To account for the revenues and debt service expenditures for the City's 2012 and 2016 Series Lease Revenue Bonds.

Judgment Bonds - To account for the revenues and debt service expenditures for the City's 2017 Judgment Obligation Bonds.

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
<b>Assets:</b>				
Cash and investments	\$ 49,304	\$ 141,874	\$ -	\$ 168,086
Receivables:				
Accounts	17,023	-	-	-
Notes and loans	-	-	-	-
Accrued interest	332	-	353	391
Prepaid costs	-	-	-	-
Due from other governments	405	-	35,300	62,472
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	718,861	-	-	-
<b>Total Assets</b>	<b>\$ 785,925</b>	<b>\$ 141,874</b>	<b>\$ 35,653</b>	<b>\$ 230,949</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 45,946	\$ -	\$ -	\$ 15,938
Accrued liabilities	4,075	-	-	-
Unearned revenues	13,321	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	14,965	-
<b>Total Liabilities</b>	<b>63,342</b>	<b>-</b>	<b>14,965</b>	<b>15,938</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	722,583	141,874	20,688	215,011
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>722,583</b>	<b>141,874</b>	<b>20,688</b>	<b>215,011</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 785,925</b>	<b>\$ 141,874</b>	<b>\$ 35,653</b>	<b>\$ 230,949</b>

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
<b>Assets:</b>				
Cash and investments	\$ 18,137	\$ 2,975	\$ 112,528	\$ 77,276
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	37	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	34,809	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 18,174</b>	<b>\$ 2,975</b>	<b>\$ 147,337</b>	<b>\$ 77,276</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 4,560	\$ 69,902
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,560</b>	<b>69,902</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	18,174	2,975	142,777	7,374
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>18,174</b>	<b>2,975</b>	<b>142,777</b>	<b>7,374</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 18,174</b>	<b>\$ 2,975</b>	<b>\$ 147,337</b>	<b>\$ 77,276</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds			
	Measure A	Article 3	NPDES	Air Quality
<b>Assets:</b>				
Cash and investments	\$ -	\$ -	\$ 11,111	\$ 166,100
Receivables:				
Accounts	330,997	-	795	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	343
Prepaid costs	-	-	-	-
Due from other governments	541,483	-	-	29,208
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 872,480</b>	<b>\$ -</b>	<b>\$ 11,906</b>	<b>\$ 195,651</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 190,125	\$ -	\$ -	\$ -
Accrued liabilities	5,895	-	-	-
Unearned revenues	35,484	-	-	-
Deposits payable	-	-	-	-
Due to other funds	1,076	-	-	-
<b>Total Liabilities</b>	<b>232,580</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	639,900	-	11,906	195,651
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>639,900</b>	<b>-</b>	<b>11,906</b>	<b>195,651</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 872,480</b>	<b>\$ -</b>	<b>\$ 11,906</b>	<b>\$ 195,651</b>

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Communities Facilities District
<b>Assets:</b>				
Cash and investments	\$ -	\$ 9,590	\$ 679,729	\$ 61,455
Receivables:				
Accounts	86,923	-	13,885	-
Notes and loans	-	-	-	-
Accrued interest	-	19	1,349	1,859
Prepaid costs	-	-	-	-
Due from other governments	1,693	-	1,454	59,636
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 88,616</b>	<b>\$ 9,609</b>	<b>\$ 696,417</b>	<b>\$ 122,950</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 486,956	\$ -	\$ 3,217	\$ -
Accrued liabilities	-	-	2,618	-
Unearned revenues	86,923	-	-	-
Deposits payable	-	-	-	-
Due to other funds	2,371,349	-	-	-
<b>Total Liabilities</b>	<b>2,945,228</b>	<b>-</b>	<b>5,835</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	-	9,609	690,582	122,950
Unassigned	(2,856,612)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>(2,856,612)</b>	<b>9,609</b>	<b>690,582</b>	<b>122,950</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 88,616</b>	<b>\$ 9,609</b>	<b>\$ 696,417</b>	<b>\$ 122,950</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds			
	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel
<b>Assets:</b>				
Cash and investments	\$ 25,931	\$ 811,629	\$ 8,376	\$ 321,605
Receivables:				
Accounts	-	360	1,302	46,165
Notes and loans	-	4,705,597	-	-
Accrued interest	-	1,134	-	-
Prepaid costs	-	-	465	-
Due from other governments	-	-	34,972	-
Advances to private-purpose trust funds	-	4,433,114	-	-
Property held for resale	-	184,000	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 25,931</b>	<b>\$ 10,135,834</b>	<b>\$ 45,115</b>	<b>\$ 367,770</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 2,186	\$ 6,122	\$ -
Accrued liabilities	-	5,278	-	-
Unearned revenues	-	-	-	-
Deposits payable	656	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>656</b>	<b>7,464</b>	<b>6,122</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	1,405,682	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,405,682</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	465	-
Restricted	25,275	8,722,688	38,528	367,770
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>25,275</b>	<b>8,722,688</b>	<b>38,993</b>	<b>367,770</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 25,931</b>	<b>\$ 10,135,834</b>	<b>\$ 45,115</b>	<b>\$ 367,770</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape
<b>Assets:</b>				
Cash and investments	\$ -	\$ 816,700	\$ 126,697	\$ 3,578,640
Receivables:				
Accounts	-	735	-	-
Notes and loans	-	1,383,992	180,400	-
Accrued interest	-	1,514	79	7,163
Prepaid costs	-	-	-	-
Due from other governments	17,286	-	-	13,036
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	267,868	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 17,286</b>	<b>\$ 2,470,809</b>	<b>\$ 307,176</b>	<b>\$ 3,598,839</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 15,269	\$ -	\$ 133,744
Accrued liabilities	1,198	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	3,570
Due to other funds	10,143	-	-	-
<b>Total Liabilities</b>	<b>11,341</b>	<b>15,269</b>	<b>-</b>	<b>137,314</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	1,383,992	180,400	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,383,992</b>	<b>180,400</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	5,945	1,071,548	126,776	3,461,525
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>5,945</b>	<b>1,071,548</b>	<b>126,776</b>	<b>3,461,525</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 17,286</b>	<b>\$ 2,470,809</b>	<b>\$ 307,176</b>	<b>\$ 3,598,839</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds			
	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Congestion Management Air Quality
<b>Assets:</b>				
Cash and investments	\$ 1,436	\$ -	\$ 121,990	\$ -
Receivables:				
Accounts	-	-	-	831,374
Notes and loans	-	-	-	-
Accrued interest	3	-	247	-
Prepaid costs	-	-	-	-
Due from other governments	-	683,627	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,439</b>	<b>\$ 683,627</b>	<b>\$ 122,237</b>	<b>\$ 831,374</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 646,128	\$ -	\$ -
Accrued liabilities	-	1,506	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	56,253	-	831,374
<b>Total Liabilities</b>	<b>-</b>	<b>703,887</b>	<b>-</b>	<b>831,374</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	1,439	-	122,237	-
Unassigned	-	(20,260)	-	-
<b>Total Fund Balances (Deficits)</b>	<b>1,439</b>	<b>(20,260)</b>	<b>122,237</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 1,439</b>	<b>\$ 683,627</b>	<b>\$ 122,237</b>	<b>\$ 831,374</b>

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Cal Emergency Management	Donations	Housing Related Park Program	Office of Traffic Safety
<b>Assets:</b>				
Cash and investments	\$ -	\$ 33,972	\$ -	\$ -
Receivables:				
Accounts	-	485	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	5,079	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,079</b>	<b>\$ 34,457</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 1,000	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	4,961	-	-	-
<b>Total Liabilities</b>	<b>4,961</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	118	33,457	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>118</b>	<b>33,457</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 5,079</b>	<b>\$ 34,457</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds		Capital Projects Fund	Debt Service Fund
	SB-1 Transportation	Comm Transitional Housing	Assessment District	General Debt Service
<b>Assets:</b>				
Cash and investments	\$ 330,273	\$ 1,945,924	\$ 475	\$ 128,831
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	400	3,944	1	-
Prepaid costs	-	-	-	-
Due from other governments	188,037	-	-	-
Advances to private-purpose trust funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted cash and investments with fiscal agents	-	-	-	1,964,532
<b>Total Assets</b>	<b>\$ 518,710</b>	<b>\$ 1,949,868</b>	<b>\$ 476</b>	<b>\$ 2,093,363</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	1,949,000	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,949,000</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficits):</b>				
Nonspendable	-	-	-	-
Restricted	518,710	868	476	2,093,363
Unassigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>518,710</b>	<b>868</b>	<b>476</b>	<b>2,093,363</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 518,710</b>	<b>\$ 1,949,868</b>	<b>\$ 476</b>	<b>\$ 2,093,363</b>

CITY OF INDIO, CALIFORNIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<b>Debt Service Fund</b>	
	<b>Judgment Bonds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>		
Cash and investments	\$ -	\$ 9,750,644
Receivables:		
Accounts	-	1,330,044
Notes and loans	-	6,269,989
Accrued interest	-	19,168
Prepaid costs	-	465
Due from other governments	-	1,708,497
Advances to private-purpose trust funds	-	4,433,114
Property held for resale	-	451,868
Restricted cash and investments with fiscal agents	111	2,683,504
<b>Total Assets</b>	<b>\$ 111</b>	<b>\$ 26,647,293</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 1,621,093
Accrued liabilities	-	20,570
Unearned revenues	-	2,084,728
Deposits payable	-	4,226
Due to other funds	1,520	3,291,641
<b>Total Liabilities</b>	<b>1,520</b>	<b>7,022,258</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable revenues	-	2,970,074
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>2,970,074</b>
<b>Fund Balances (Deficits):</b>		
Nonspendable	-	465
Restricted	-	19,532,777
Unassigned	(1,409)	(2,878,281)
<b>Total Fund Balances (Deficits)</b>	<b>(1,409)</b>	<b>16,654,961</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b>\$ 111</b>	<b>\$ 26,647,293</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Gas Tax	Traffic Safety	Public Safety	Supplemental Law Enforcement
<b>Revenues:</b>				
Taxes	\$ 1,867,193	\$ -	\$ 468,757	\$ -
Intergovernmental	52,520	-	-	234,873
Use of money and property	33,643	-	(598)	1,674
Fines and forfeitures	-	78,951	-	-
Contributions	-	-	-	-
Miscellaneous	104,973	-	-	-
<b>Total Revenues</b>	<b>2,058,329</b>	<b>78,951</b>	<b>468,159</b>	<b>236,547</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	12,107	198,619	239,457
Community development	-	-	-	-
Public works	1,417,159	-	-	-
Capital outlay	22,294	-	-	-
Debt service:				
Principal retirement	530,000	-	-	-
Interest and fiscal charges	148,420	-	-	-
<b>Total Expenditures</b>	<b>2,117,873</b>	<b>12,107</b>	<b>198,619</b>	<b>239,457</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,544)	66,844	269,540	(2,910)
<b>Other Financing Sources (Uses):</b>				
Transfers in	13,475	-	-	-
Transfers out	(14,494)	-	(246,463)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,019)</b>	<b>-</b>	<b>(246,463)</b>	<b>-</b>
Net Change in Fund Balance	(60,563)	66,844	23,077	(2,910)
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	783,146	75,030	(2,389)	217,921
Restatements	-	-	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	783,146	75,030	(2,389)	217,921
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 722,583</b>	<b>\$ 141,874</b>	<b>\$ 20,688</b>	<b>\$ 215,011</b>

## CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	LLEBG	Homeland Security	Abandoned Vehicle	Unclaimed Property
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,602	13,681	53,642	-
Use of money and property	62	-	-	-
Fines and forfeitures	-	-	-	205
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>4,664</b>	<b>13,681</b>	<b>53,642</b>	<b>205</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	3,875	6,049	14,429	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>3,875</b>	<b>6,049</b>	<b>14,429</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	789	7,632	39,213	205
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(621)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(621)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	789	7,011	39,213	205
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	17,385	(4,036)	103,564	7,169
Restatements	-	-	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	17,385	(4,036)	103,564	7,169
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 18,174</b>	<b>\$ 2,975</b>	<b>\$ 142,777</b>	<b>\$ 7,374</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>			
	<u>Measure A</u>	<u>Article 3</u>	<u>NPDES</u>	<u>Air Quality</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,471,476	-	-	111,600
Use of money and property	230	-	-	738
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	488,050	-	-	-
<b>Total Revenues</b>	<b>2,959,756</b>	<b>-</b>	<b>-</b>	<b>112,338</b>
<b>Expenditures:</b>				
Current:				
General government	-	12	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	705,674	-	66,463	63,641
Capital outlay	2,296,029	-	-	-
Debt service:				
Principal retirement	561,172	-	-	-
Interest and fiscal charges	56,095	-	-	-
<b>Total Expenditures</b>	<b>3,618,970</b>	<b>12</b>	<b>66,463</b>	<b>63,641</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(659,214)	(12)	(66,463)	48,697
<b>Other Financing Sources (Uses):</b>				
Transfers in	737,481	-	20,000	-
Transfers out	(49,242)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>688,239</b>	<b>-</b>	<b>20,000</b>	<b>-</b>
Net Change in Fund Balance	29,025	(12)	(46,463)	48,697
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	725,555	12	58,369	146,954
Restatements	(114,680)	-	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	610,875	12	58,369	146,954
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 639,900</b>	<b>\$ -</b>	<b>\$ 11,906</b>	<b>\$ 195,651</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	HBRRP	Indian Gaming SB 621	Waste Recycling AB939	Communities Facilities District
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	735,048	-	1,164	-
Use of money and property	-	56	3,678	(254)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	3,514,314
Miscellaneous	-	-	233,026	26,064
<b>Total Revenues</b>	<b>735,048</b>	<b>56</b>	<b>237,868</b>	<b>3,540,124</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	219,201	-
Public safety	-	-	-	-
Community development	-	-	-	87,264
Public works	-	-	-	-
Capital outlay	3,085,542	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>3,085,542</b>	<b>-</b>	<b>219,201</b>	<b>87,264</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,350,494)	56	18,667	3,452,860
<b>Other Financing Sources (Uses):</b>				
Transfers in	60,652	-	-	-
Transfers out	-	-	-	(3,493,000)
<b>Total Other Financing Sources (Uses)</b>	<b>60,652</b>	<b>-</b>	<b>-</b>	<b>(3,493,000)</b>
Net Change in Fund Balance	(2,289,842)	56	18,667	(40,140)
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	(566,770)	9,553	671,915	163,090
Restatements	-	-	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	(566,770)	9,553	671,915	163,090
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ (2,856,612)</b>	<b>\$ 9,609</b>	<b>\$ 690,582</b>	<b>\$ 122,950</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Certified Access Specialist SB 1186	Indio Housing Authority	Department of Conservation Recycle Grant	Public Education Government Channel
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	81,145	-
Use of money and property	-	1,565	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	15,614	296,479	-	195,295
<b>Total Revenues</b>	<b>15,614</b>	<b>298,044</b>	<b>81,145</b>	<b>195,295</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	98,649	-
Public safety	-	-	-	-
Community development	-	368,090	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>368,090</b>	<b>98,649</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,614	(70,046)	(17,504)	195,295
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(87,953)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(87,953)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	15,614	(157,999)	(17,504)	195,295
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	9,661	8,880,687	56,497	172,475
Restatements	-	-	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	9,661	8,880,687	56,497	172,475
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 25,275</b>	<b>\$ 8,722,688</b>	<b>\$ 38,993</b>	<b>\$ 367,770</b>

## CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	COPS Hiring Recovery	Neighborhood Stabilization Grant 2	Neighborhood Stabilization Grant 3	Lighting and Landscape
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,875	-	-	-
Use of money and property	-	942,401	226	19,600
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	1,038,938
Miscellaneous	-	2,392	-	-
<b>Total Revenues</b>	<b>69,875</b>	<b>944,793</b>	<b>226</b>	<b>1,058,538</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	67,644	-	-	-
Community development	-	104,182	-	-
Public works	-	-	-	1,281,334
Capital outlay	-	1,475,677	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>67,644</b>	<b>1,579,859</b>	<b>-</b>	<b>1,281,334</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,231	(635,066)	226	(222,796)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	87,953	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>87,953</b>	<b>-</b>
Net Change in Fund Balance	2,231	(635,066)	88,179	(222,796)
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	3,714	1,581,773	38,597	3,684,321
Restatements	-	124,841	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	3,714	1,706,614	38,597	3,684,321
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 5,945</b>	<b>\$ 1,071,548</b>	<b>\$ 126,776</b>	<b>\$ 3,461,525</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Asset Forfeiture	Community Development Block Grant	Emergency Abandoned and Recalcitrant	Congestion Management Air Quality
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,521,105	18,002	2,084,171
Use of money and property	8	-	743	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>8</b>	<b>1,521,105</b>	<b>18,745</b>	<b>2,084,171</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	392,381	-	-
Public works	-	-	18,102	-
Capital outlay	-	985,655	-	2,093,398
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>1,378,036</b>	<b>18,102</b>	<b>2,093,398</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8	143,069	643	(9,227)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	9,227
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,227</b>
Net Change in Fund Balance	8	143,069	643	-
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	1,431	(38,488)	121,594	-
Restatements	-	(124,841)	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	1,431	(163,329)	121,594	-
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 1,439</b>	<b>\$ (20,260)</b>	<b>\$ 122,237</b>	<b>\$ -</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Cal Emergency Management	Donations	Housing Related Park Program	Office of Traffic Safety
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	15,679	-	499,400	23,122
Use of money and property	1	-	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	23,026	-	-
<b>Total Revenues</b>	<b>15,680</b>	<b>23,026</b>	<b>499,400</b>	<b>23,122</b>
<b>Expenditures:</b>				
Current:				
General government	-	37,310	-	-
Public safety	10,679	-	-	20,809
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	5,000	-	719,059	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>15,679</b>	<b>37,310</b>	<b>719,059</b>	<b>20,809</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	(14,284)	(219,659)	2,313
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	41,995	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>41,995</b>	<b>-</b>
Net Change in Fund Balance	1	(14,284)	(177,664)	2,313
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	117	47,741	177,664	(2,313)
Restatements	-	-	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	117	47,741	177,664	(2,313)
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 118</b>	<b>\$ 33,457</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds		Capital Projects Fund	Debt Service Fund
	SB-1 Transportation	Comm Transitional Housing	Assessment District	General Debt Service
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	519,848	-	-	-
Use of money and property	(1,138)	868	1,054	19,510
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>518,710</b>	<b>868</b>	<b>1,054</b>	<b>19,510</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	293,616	-
Debt service:				
Principal retirement	-	-	-	1,540,000
Interest and fiscal charges	-	-	-	1,695,958
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>293,616</b>	<b>3,235,958</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	518,710	868	(292,562)	(3,216,448)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	3,111,610
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,111,610</b>
Net Change in Fund Balance	518,710	868	(292,562)	(104,838)
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	-	-	293,038	2,198,201
Restatements	-	-	-	-
Fund Balances (Deficits) at the Beginning of the Year, as Restated	-	-	293,038	2,198,201
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ 518,710</b>	<b>\$ 868</b>	<b>\$ 476</b>	<b>\$ 2,093,363</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<b>Debt Service Fund</b>	
	<b>Judgment Bonds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>		
Taxes	\$ -	\$ 2,335,950
Intergovernmental	-	8,510,953
Use of money and property	498	1,024,565
Fines and forfeitures	-	79,156
Contributions	-	4,553,252
Miscellaneous	-	1,384,919
<b>Total Revenues</b>	<b>498</b>	<b>17,888,795</b>
<b>Expenditures:</b>		
Current:		
General government	2,695	357,867
Public safety	-	573,668
Community development	-	951,917
Public works	-	3,552,373
Capital outlay	-	10,976,270
Debt service:		
Principal retirement	650,000	3,281,172
Interest and fiscal charges	513,091	2,413,564
<b>Total Expenditures</b>	<b>1,165,786</b>	<b>22,106,831</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,165,288)	(4,218,036)
<b>Other Financing Sources (Uses):</b>		
Transfers in	1,150,987	5,233,380
Transfers out	-	(3,891,773)
<b>Total Other Financing Sources (Uses)</b>	<b>1,150,987</b>	<b>1,341,607</b>
Net Change in Fund Balance	(14,301)	(2,876,429)
Fund Balances (Deficits) at the Beginning of the Year, as Originally Reported	12,892	19,646,070
Restatements	-	(114,680)
Fund Balances (Deficits) at the Beginning of the Year, as Restated	12,892	19,531,390
<b>Fund Balances (Deficits) at the End of the Year</b>	<b>\$ (1,409)</b>	<b>\$ 16,654,961</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
GAS TAX  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 783,146	\$ 783,146	\$ 783,146	\$ -
<b>Resources (Inflows):</b>				
Taxes	1,846,992	1,846,992	1,867,193	20,201
Intergovernmental	568,561	100,755	52,520	(48,235)
Use of money and property	40,000	40,000	33,643	(6,357)
Miscellaneous	216,125	216,125	104,973	(111,152)
Transfers in	-	-	13,475	13,475
<b>Amounts Available for Appropriations</b>	<b>3,454,824</b>	<b>2,987,018</b>	<b>2,854,950</b>	<b>(132,068)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	2,602,727	2,669,661	1,417,159	1,252,502
Capital outlay	30,211	30,211	22,294	7,917
Debt service:				
Principal retirement	530,000	530,000	530,000	-
Interest and fiscal charges	146,313	146,313	148,420	(2,107)
Transfers out	-	-	14,494	(14,494)
<b>Total Charges to Appropriations</b>	<b>3,309,251</b>	<b>3,376,185</b>	<b>2,132,367</b>	<b>1,243,818</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ 145,573</b>	<b>\$ (389,167)</b>	<b>\$ 722,583</b>	<b>\$ 1,111,750</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
TRAFFIC SAFETY  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 75,030	\$ 75,030	\$ 75,030	\$ -
<b>Resources (Inflows):</b>				
Fines and forfeitures	75,000	75,000	78,951	3,951
<b>Amounts Available for Appropriations</b>	<b>150,030</b>	<b>150,030</b>	<b>153,981</b>	<b>3,951</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	50,000	50,000	12,107	37,893
<b>Total Charges to Appropriations</b>	<b>50,000</b>	<b>50,000</b>	<b>12,107</b>	<b>37,893</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 100,030</b>	<b>\$ 100,030</b>	<b>\$ 141,874</b>	<b>\$ 41,844</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC SAFETY  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund (Deficit), July 1	\$ (2,389)	\$ (2,389)	\$ (2,389)	\$ -
<b>Resources (Inflows):</b>				
Taxes	450,000	450,000	468,757	18,757
Use of money and property	-	-	(598)	(598)
<b>Amounts Available for Appropriations</b>	<b>447,611</b>	<b>447,611</b>	<b>465,770</b>	<b>18,159</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	196,342	196,342	198,619	(2,277)
Transfers out	246,463	246,463	246,463	-
<b>Total Charges to Appropriations</b>	<b>442,805</b>	<b>442,805</b>	<b>445,082</b>	<b>(2,277)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,806</b>	<b>\$ 4,806</b>	<b>\$ 20,688</b>	<b>\$ 15,882</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
SUPPLEMENTAL LAW ENFORCEMENT  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 217,921	\$ 217,921	\$ 217,921	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	135,000	135,739	234,873	99,134
Use of money and property	-	-	1,674	1,674
<b>Amounts Available for Appropriations</b>	<b>352,921</b>	<b>353,660</b>	<b>454,468</b>	<b>100,808</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	282,900	311,400	239,457	71,943
<b>Total Charges to Appropriations</b>	<b>282,900</b>	<b>311,400</b>	<b>239,457</b>	<b>71,943</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 70,021</b>	<b>\$ 42,260</b>	<b>\$ 215,011</b>	<b>\$ 172,751</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LLEBG  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 17,385	\$ 17,385	\$ 17,385	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	31,891	34,941	4,602	(30,339)
Use of money and property	-	-	62	62
<b>Amounts Available for Appropriations</b>	<b>49,276</b>	<b>52,326</b>	<b>22,049</b>	<b>(30,277)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	33,587	36,637	3,875	32,762
<b>Total Charges to Appropriations</b>	<b>33,587</b>	<b>36,637</b>	<b>3,875</b>	<b>32,762</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 15,689</b>	<b>\$ 15,689</b>	<b>\$ 18,174</b>	<b>\$ 2,485</b>

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 HOMELAND SECURITY  
 FOR THE YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund (Deficit), July 1	\$ (4,036)	\$ (4,036)	\$ (4,036)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	33,071	13,681	(19,390)
<b>Amounts Available for Appropriations</b>	<b>(4,036)</b>	<b>29,035</b>	<b>9,645</b>	<b>(19,390)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	-	33,071	6,049	27,022
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>33,071</b>	<b>6,670</b>	<b>26,401</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (4,036)</b>	<b>\$ (4,036)</b>	<b>\$ 2,975</b>	<b>\$ 7,011</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
ABANDONED VEHICLE  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 103,564	\$ 103,564	\$ 103,564	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	20,000	20,000	53,642	33,642
<b>Amounts Available for Appropriations</b>	<b>123,564</b>	<b>123,564</b>	<b>157,206</b>	<b>33,642</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	23,000	23,000	14,429	8,571
<b>Total Charges to Appropriations</b>	<b>23,000</b>	<b>23,000</b>	<b>14,429</b>	<b>8,571</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 100,564</b>	<b>\$ 100,564</b>	<b>\$ 142,777</b>	<b>\$ 42,213</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE A  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 610,875	\$ 610,875	\$ 610,875	\$ -
<b>Resources (Inflows):</b>				
Taxes	-	-	-	-
Intergovernmental	6,568,738	4,280,753	2,471,476	(1,809,277)
Use of money and property	-	-	230	230
Miscellaneous	-	-	488,050	488,050
Transfers in	-	972,849	737,481	(235,368)
<b>Amounts Available for Appropriations</b>	<b>7,179,613</b>	<b>5,864,477</b>	<b>4,308,112</b>	<b>(1,556,365)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	396,329	516,139	705,674	(189,535)
Capital outlay	6,139,896	4,501,745	2,296,029	2,205,716
Debt service:				
Principal retirement	581,045	581,045	561,172	19,873
Interest and fiscal charges	92,337	92,337	56,095	36,242
Transfers out	-	-	49,242	(49,242)
<b>Total Charges to Appropriations</b>	<b>7,209,607</b>	<b>5,691,266</b>	<b>3,668,212</b>	<b>2,023,054</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (29,994)</b>	<b>\$ 173,211</b>	<b>\$ 639,900</b>	<b>\$ 466,689</b>

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 ARTICLE 3  
 FOR THE YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12	\$ 12	\$ 12	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	305,747	305,747	-	(305,747)
Transfers in	-	7,100	-	(7,100)
<b>Amounts Available for Appropriations</b>	<b>305,759</b>	<b>312,859</b>	<b>12</b>	<b>(312,847)</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	305,747	312,847	12	312,835
<b>Total Charges to Appropriations</b>	<b>305,747</b>	<b>312,847</b>	<b>12</b>	<b>312,835</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12</b>	<b>\$ 12</b>	<b>\$ -</b>	<b>\$ (12)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
NPDES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 58,369	\$ 58,369	\$ 58,369	\$ -
<b>Resources (Inflows):</b>				
Transfers in	105,000	105,000	20,000	(85,000)
<b>Amounts Available for Appropriations</b>	<b>163,369</b>	<b>163,369</b>	<b>78,369</b>	<b>(85,000)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	82,000	82,000	66,463	15,537
<b>Total Charges to Appropriations</b>	<b>82,000</b>	<b>82,000</b>	<b>66,463</b>	<b>15,537</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 81,369</b>	<b>\$ 81,369</b>	<b>\$ 11,906</b>	<b>\$ (69,463)</b>

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY  
 FOR THE YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 146,954	\$ 146,954	\$ 146,954	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	111,600	11,600
Use of money and property	-	-	738	738
<b>Amounts Available for Appropriations</b>	<b>246,954</b>	<b>246,954</b>	<b>259,292</b>	<b>12,338</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	75,000	75,000	63,641	11,359
<b>Total Charges to Appropriations</b>	<b>75,000</b>	<b>75,000</b>	<b>63,641</b>	<b>11,359</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 171,954</b>	<b>\$ 171,954</b>	<b>\$ 195,651</b>	<b>\$ 23,697</b>

CITY OF INDIO, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE  
 HBRRP  
 FOR THE YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund (Deficit), July 1	\$ (566,770)	\$ (566,770)	\$ (566,770)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	10,433,556	10,433,556	735,048	(9,698,508)
Transfers in	-	-	60,652	60,652
<b>Amounts Available for Appropriations</b>	<b>9,866,786</b>	<b>9,866,786</b>	<b>228,930</b>	<b>(9,637,856)</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	10,433,556	10,433,556	3,085,542	7,348,014
<b>Total Charges to Appropriations</b>	<b>10,433,556</b>	<b>10,433,556</b>	<b>3,085,542</b>	<b>7,348,014</b>
<b>Budgetary Fund (Deficit), June 30</b>	<b>\$ (566,770)</b>	<b>\$ (566,770)</b>	<b>\$ (2,856,612)</b>	<b>\$ (2,289,842)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
WASTE RECYCLING AB939  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 671,915	\$ 671,915	\$ 671,915	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	12,000	12,000	1,164	(10,836)
Use of money and property	-	-	3,678	3,678
Miscellaneous	219,000	219,000	233,026	14,026
<b>Amounts Available for Appropriations</b>	<b>902,915</b>	<b>902,915</b>	<b>909,783</b>	<b>6,868</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	203,598	203,598	219,201	(15,603)
<b>Total Charges to Appropriations</b>	<b>203,598</b>	<b>203,598</b>	<b>219,201</b>	<b>(15,603)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 699,317</b>	<b>\$ 699,317</b>	<b>\$ 690,582</b>	<b>\$ (8,735)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITIES FACILITIES DISTRICT  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 163,090	\$ 163,090	\$ 163,090	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	(254)	(254)
Contributions	3,251,259	3,251,259	3,514,314	263,055
Miscellaneous	-	52,128	26,064	(26,064)
<b>Amounts Available for Appropriations</b>	<b>3,414,349</b>	<b>3,466,477</b>	<b>3,703,214</b>	<b>236,737</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	66,259	118,387	87,264	31,123
Transfers out	3,185,000	3,185,000	3,493,000	(308,000)
<b>Total Charges to Appropriations</b>	<b>3,251,259</b>	<b>3,303,387</b>	<b>3,580,264</b>	<b>(276,877)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 163,090</b>	<b>\$ 163,090</b>	<b>\$ 122,950</b>	<b>\$ (40,140)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
 CERTIFIED ACCESS SPECIALIST SB 1186  
 FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 9,661	\$ 9,661	\$ 9,661	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	4,000	4,000	15,614	11,614
<b>Amounts Available for Appropriations</b>	<b>13,661</b>	<b>13,661</b>	<b>25,275</b>	<b>11,614</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	8,000	8,000	-	8,000
<b>Total Charges to Appropriations</b>	<b>8,000</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,661</b>	<b>\$ 5,661</b>	<b>\$ 25,275</b>	<b>\$ 19,614</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
INDIO HOUSING AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 8,880,687	\$ 8,880,687	\$ 8,880,687	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	1,565	1,565
Miscellaneous	-	-	296,479	296,479
<b>Amounts Available for Appropriations</b>	<b>8,880,687</b>	<b>8,880,687</b>	<b>9,178,731</b>	<b>298,044</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	320,921	391,421	368,090	23,331
Transfers out	-	-	87,953	(87,953)
<b>Total Charges to Appropriations</b>	<b>320,921</b>	<b>391,421</b>	<b>456,043</b>	<b>(64,622)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 8,559,766</b>	<b>\$ 8,489,266</b>	<b>\$ 8,722,688</b>	<b>\$ 233,422</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
DEPARTMENT OF CONSERVATION RECYCLE GRANT  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 56,497	\$ 56,497	\$ 56,497	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	40,000	72,500	81,145	8,645
<b>Amounts Available for Appropriations</b>	<b>96,497</b>	<b>128,997</b>	<b>137,642</b>	<b>8,645</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	40,000	72,500	98,649	(26,149)
<b>Total Charges to Appropriations</b>	<b>40,000</b>	<b>72,500</b>	<b>98,649</b>	<b>(26,149)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 56,497</b>	<b>\$ 56,497</b>	<b>\$ 38,993</b>	<b>\$ (17,504)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC EDUCATION GOVERNMENT CHANNEL  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 172,475	\$ 172,475	\$ 172,475	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	195,000	195,000	195,295	295
<b>Amounts Available for Appropriations</b>	<b>367,475</b>	<b>367,475</b>	<b>367,770</b>	<b>295</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	300,000	300,000	-	300,000
<b>Total Charges to Appropriations</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 67,475</b>	<b>\$ 67,475</b>	<b>\$ 367,770</b>	<b>\$ 300,295</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COPS HIRING RECOVERY  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 3,714	\$ 3,714	\$ 3,714	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	52,604	74,311	69,875	(4,436)
<b>Amounts Available for Appropriations</b>	<b>56,318</b>	<b>78,025</b>	<b>73,589</b>	<b>(4,436)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	46,293	62,293	67,644	(5,351)
<b>Total Charges to Appropriations</b>	<b>46,293</b>	<b>62,293</b>	<b>67,644</b>	<b>(5,351)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,025</b>	<b>\$ 15,732</b>	<b>\$ 5,945</b>	<b>\$ (9,787)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
NEIGHBORHOOD STABILIZATION GRANT 2  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,706,614	\$ 1,706,614	\$ 1,706,614	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,700,000	-	-	-
Use of money and property	-	1,000,000	942,401	(57,599)
Miscellaneous	-	-	2,392	2,392
<b>Amounts Available for Appropriations</b>	<b>3,406,614</b>	<b>2,706,614</b>	<b>2,651,407</b>	<b>(55,207)</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	92,573	102,973	104,182	(1,209)
Capital outlay	800,000	1,145,000	1,475,677	(330,677)
<b>Total Charges to Appropriations</b>	<b>892,573</b>	<b>1,247,973</b>	<b>1,579,859</b>	<b>(331,886)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,514,041</b>	<b>\$ 1,458,641</b>	<b>\$ 1,071,548</b>	<b>\$ (387,093)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
NEIGHBORHOOD STABILIZATION GRANT 3  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 38,597	\$ 38,597	\$ 38,597	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	226	226
Transfers in	-	-	87,953	87,953
<b>Amounts Available for Appropriations</b>	<b>38,597</b>	<b>38,597</b>	<b>126,776</b>	<b>88,179</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	5,000	5,000	-	5,000
<b>Total Charges to Appropriations</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 33,597</b>	<b>\$ 33,597</b>	<b>\$ 126,776</b>	<b>\$ 93,179</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
LIGHTING AND LANDSCAPE  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 3,684,321	\$ 3,684,321	\$ 3,684,321	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	19,600	19,600
Contributions	1,052,479	1,052,479	1,038,938	(13,541)
Transfers in	2,404	2,404	-	(2,404)
<b>Amounts Available for Appropriations</b>	<b>4,739,204</b>	<b>4,739,204</b>	<b>4,742,859</b>	<b>3,655</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	1,593,833	1,593,833	1,281,334	312,499
<b>Total Charges to Appropriations</b>	<b>1,593,833</b>	<b>1,593,833</b>	<b>1,281,334</b>	<b>312,499</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,145,371</b>	<b>\$ 3,145,371</b>	<b>\$ 3,461,525</b>	<b>\$ 316,154</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund (Deficit), July 1	\$ (163,329)	\$ (163,329)	\$ (163,329)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	858,453	858,453	1,521,105	662,652
<b>Amounts Available for Appropriations</b>	<b>695,124</b>	<b>695,124</b>	<b>1,357,776</b>	<b>662,652</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	394,622	394,622	392,381	2,241
Capital outlay	780,000	780,000	985,655	(205,655)
<b>Total Charges to Appropriations</b>	<b>1,174,622</b>	<b>1,174,622</b>	<b>1,378,036</b>	<b>(203,414)</b>
<b>Budgetary Fund (Deficit), June 30</b>	<b>\$ (479,498)</b>	<b>\$ (479,498)</b>	<b>\$ (20,260)</b>	<b>\$ 459,238</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
EMERGENCY ABANDONED AND RECALCITRANT  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 121,594	\$ 121,594	\$ 121,594	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	37,500	37,500	18,002	(19,498)
Use of money and property	-	-	743	743
<b>Amounts Available for Appropriations</b>	<b>159,094</b>	<b>159,094</b>	<b>140,339</b>	<b>(18,755)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public works	37,500	37,500	18,102	19,398
<b>Total Charges to Appropriations</b>	<b>37,500</b>	<b>37,500</b>	<b>18,102</b>	<b>19,398</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 121,594</b>	<b>\$ 121,594</b>	<b>\$ 122,237</b>	<b>\$ 643</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
CONGESTION MANAGEMENT AIR QUALITY  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,655,900	2,655,900	2,084,171	(571,729)
Transfers in	-	-	9,227	9,227
<b>Amounts Available for Appropriations</b>	<b>2,655,900</b>	<b>2,655,900</b>	<b>2,093,398</b>	<b>(562,502)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	2,655,900	2,655,900	2,093,398	562,502
<b>Total Charges to Appropriations</b>	<b>2,655,900</b>	<b>2,655,900</b>	<b>2,093,398</b>	<b>562,502</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
CAL EMERGENCY MANAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 117	\$ 117	\$ 117	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	21,079	15,679	(5,400)
<b>Amounts Available for Appropriations</b>	<b>117</b>	<b>21,196</b>	<b>15,797</b>	<b>(5,399)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	-	21,079	10,679	10,400
Capital outlay	-	-	5,000	(5,000)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>21,079</b>	<b>15,679</b>	<b>5,400</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 117</b>	<b>\$ 117</b>	<b>\$ 118</b>	<b>\$ 1</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
DONATIONS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 47,741	\$ 47,741	\$ 47,741	\$ -
<b>Resources (Inflows):</b>				
Miscellaneous	-	20,000	23,026	3,026
<b>Amounts Available for Appropriations</b>	<b>47,741</b>	<b>67,741</b>	<b>70,767</b>	<b>3,026</b>
<b>Charges to Appropriations (Outflows):</b>				
General government	15,700	35,700	37,310	(1,610)
Capital outlay	16,000	16,000	-	16,000
<b>Total Charges to Appropriations</b>	<b>31,700</b>	<b>51,700</b>	<b>37,310</b>	<b>14,390</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 16,041</b>	<b>\$ 16,041</b>	<b>\$ 33,457</b>	<b>\$ 17,416</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
HOUSING RELATED PARK PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 177,664	\$ 177,664	\$ 177,664	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,109,500	1,109,500	499,400	(610,100)
Transfers in	-	-	41,995	41,995
<b>Amounts Available for Appropriations</b>	<b>1,287,164</b>	<b>1,287,164</b>	<b>719,059</b>	<b>(568,105)</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	1,109,500	1,109,500	719,059	390,441
<b>Total Charges to Appropriations</b>	<b>1,109,500</b>	<b>1,109,500</b>	<b>719,059</b>	<b>390,441</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 177,664</b>	<b>\$ 177,664</b>	<b>\$ -</b>	<b>\$ (177,664)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
OFFICE OF TRAFFIC SAFETY  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund (Deficit), July 1	\$ (2,313)	\$ (2,313)	\$ (2,313)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	25,000	34,000	23,122	(10,878)
<b>Amounts Available for Appropriations</b>	<b>22,687</b>	<b>31,687</b>	<b>20,809</b>	<b>(10,878)</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	25,000	34,000	20,809	13,191
<b>Total Charges to Appropriations</b>	<b>25,000</b>	<b>34,000</b>	<b>20,809</b>	<b>13,191</b>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<b>\$ (2,313)</b>	<b>\$ (2,313)</b>	<b>\$ -</b>	<b>\$ 2,313</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
SB-1 TRANSPORTATION  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	497,536	519,848	22,312
Use of money and property	-	-	(1,138)	(1,138)
<b>Amounts Available for Appropriations</b>	<b>-</b>	<b>497,536</b>	<b>518,710</b>	<b>21,174</b>
<b>Charges to Appropriations (Outflows):</b>				
Public safety	-	-	-	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>497,536</b>	<b>-</b>	<b>497,536</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 518,710</b>	<b>\$ 518,710</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY TRANSITIONAL HOUSING  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	1,949,000	-	(1,949,000)
Use of money and property	-	-	868	868
<b>Amounts Available for Appropriations</b>	<b>-</b>	<b>1,949,000</b>	<b>868</b>	<b>(1,948,132)</b>
<b>Charges to Appropriations (Outflows):</b>				
Community development	-	312,669	-	312,669
Capital outlay	-	50,000	-	50,000
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>362,669</b>	<b>-</b>	<b>362,669</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ 1,586,331</b>	<b>\$ 868</b>	<b>\$ (1,585,463)</b>

CITY OF INDIO, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund (Deficit), July 1	\$ (904,715)	\$ (904,715)	\$ (904,715)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	4,680,000	8,121,681	1,053,729	(7,067,952)
Use of money and property	-	-	22,795	22,795
Developer participation	1,596,000	1,596,000	3,372,366	1,776,366
Miscellaneous	6,491,158	10,231,250	6,121,154	(4,110,096)
Transfers in	-	2,916,959	2,176,252	(740,707)
<b>Amounts Available for Appropriations</b>	<b>11,862,443</b>	<b>21,961,175</b>	<b>11,841,581</b>	<b>(10,119,594)</b>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	13,539,932	23,638,664	11,798,275	11,840,389
Debt service:				
Principal retirement	279,088	279,088	279,087	1
Interest and fiscal charges	10,369	10,369	9,165	1,204
Transfers out	1,000,000	1,200,000	1,000,000	200,000
<b>Total Charges to Appropriations</b>	<b>14,829,389</b>	<b>25,128,121</b>	<b>13,086,527</b>	<b>12,041,594</b>
<b>Budgetary Fund (Deficit), June 30</b>	<b>\$ (2,966,946)</b>	<b>\$ (3,166,946)</b>	<b>\$ (1,244,946)</b>	<b>\$ 1,922,000</b>

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### NON-MAJOR PROPRIETARY FUNDS

The proprietary 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, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Golf</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Assets:</b>			
Current Assets:			
Cash and investments	\$ 2,250	\$ 215,996	\$ 218,246
Accounts receivable	13,511	-	13,511
Accrued interest receivable	-	967	967
Prepaid costs	75,000	-	75,000
Due from other governments	-	60,000	60,000
Inventories	19,284	-	19,284
Total Current Assets	<u>110,045</u>	<u>276,963</u>	<u>387,008</u>
Noncurrent Assets:			
Capital assets, not being depreciated	465,959	-	465,959
Capital assets, being depreciated	489,089	-	489,089
Less accumulated depreciation	<u>(182,360)</u>	<u>-</u>	<u>(182,360)</u>
Total Noncurrent Assets	<u>772,688</u>	<u>-</u>	<u>772,688</u>
<b>Total Assets</b>	<b><u>882,733</u></b>	<b><u>276,963</u></b>	<b><u>1,159,696</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	8,420	-	8,420
Deferred outflows related to other post-employment benefits	<u>539</u>	<u>-</u>	<u>539</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>8,959</u></b>	<b><u>-</u></b>	<b><u>8,959</u></b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable	61,162	-	61,162
Accrued liabilities	611	-	611
Due to other funds	<u>705,470</u>	<u>-</u>	<u>705,470</u>
Total Current Liabilities	<u>767,243</u>	<u>-</u>	<u>767,243</u>
Noncurrent Liabilities:			
Net pension liability	35,438	-	35,438
Net other post-employment benefits liability	<u>11,114</u>	<u>-</u>	<u>11,114</u>
Total Noncurrent Liabilities	<u>46,552</u>	<u>-</u>	<u>46,552</u>
<b>Total Liabilities</b>	<b><u>813,795</u></b>	<b><u>-</u></b>	<b><u>813,795</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	1,321	-	1,321
Deferred inflows related to other post-employment benefits	<u>3</u>	<u>-</u>	<u>3</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>1,324</u></b>	<b><u>-</u></b>	<b><u>1,324</u></b>
<b>Net Position:</b>			
Net investment in capital assets	772,688	-	772,688
Unrestricted	<u>(696,115)</u>	<u>276,963</u>	<u>(419,152)</u>
<b>Total Net Position</b>	<b><u>\$ 76,573</u></b>	<b><u>\$ 276,963</u></b>	<b><u>\$ 353,536</u></b>

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, 2018

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Golf</b>	<b>Solid Waste</b>	<b>Totals</b>
<b>Operating Revenues:</b>			
Sales and service charges	\$ 1,069,349	\$ -	\$ 1,069,349
Other income	-	120,000	120,000
<b>Total Operating Revenues</b>	<b>1,069,349</b>	<b>120,000</b>	<b>1,189,349</b>
<b>Operating Expenses:</b>			
Personnel services	26,861	-	26,861
Contractual services	679,844	-	679,844
Repairs and maintenance	75,047	-	75,047
Depreciation expense	18,144	-	18,144
Materials and supplies	396,471	-	396,471
<b>Total Operating Expenses</b>	<b>1,196,367</b>	<b>-</b>	<b>1,196,367</b>
Operating Loss	(127,018)	120,000	(7,018)
<b>Nonoperating Revenues:</b>			
Interest revenue	-	1,804	1,804
<b>Total Nonoperating Revenues</b>	<b>-</b>	<b>1,804</b>	<b>1,804</b>
Income (Loss) Before Transfers	(127,018)	121,804	(5,214)
Transfers in	70,127	-	70,127
Change in Net Position	(56,891)	121,804	64,913
Net Position at the Beginning of the Year, as Originally Reported	143,778	155,159	298,937
Restatements	(10,314)	-	(10,314)
Net Position at the Beginning of the Year, as Restated	133,464	155,159	288,623
<b>Net Position at the End of the Year</b>	<b>\$ 76,573</b>	<b>\$ 276,963</b>	<b>\$ 353,536</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Golf</u>	<u>Solid Waste</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 1,056,957	\$ 60,000	\$ 1,116,957
Payments to suppliers and service providers	(1,098,820)	-	(1,098,820)
Payments to employees for salaries and benefits	(22,712)	-	(22,712)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(64,575)</b>	<b>60,000</b>	<b>(4,575)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers from other funds	70,127	-	70,127
Repayment made on short-term interfund borrowing	(20,311)	-	(20,311)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>49,816</b>	<b>-</b>	<b>49,816</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(8,675)	-	(8,675)
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<b>(8,675)</b>	<b>-</b>	<b>(8,675)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	-	1,278	1,278
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>1,278</b>	<b>1,278</b>
Net Increase in Cash and Cash Equivalents	(23,434)	61,278	37,844
Cash and Cash Equivalents July 1	25,684	154,718	180,402
<b>Cash and Cash Equivalents June 30</b>	<b>\$ 2,250</b>	<b>\$ 215,996</b>	<b>\$ 218,246</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	\$ (127,018)	\$ 120,000	\$ (7,018)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation expense	18,144	-	18,144
(Increase) in accounts receivable	(12,392)	-	(12,392)
(Increase) in due from other governments	-	(60,000)	(60,000)
(Increase) in inventories	(5,621)	-	(5,621)
Increase in accounts payable	58,163	-	58,163
(Decrease) in accrued liabilities	(370)	-	(370)
Increase in pension obligations	4,255	-	4,255
Increase in other post-employment benefits obligations	264	-	264
Total Adjustments	62,443	(60,000)	2,443
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (64,575)</b>	<b>\$ 60,000</b>	<b>\$ (4,575)</b>

## 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, 2018**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Buildings and Grounds</b>
<b>Assets:</b>				
Current Assets:				
Cash and investments	\$ 2,490,311	\$ 564,457	\$ -	\$ 263,786
Accounts receivable	3,443	4,164	180,259	4,049
Prepaid costs	-	49,031	-	-
Restricted cash with fiscal agent	22,942	-	-	68,870
<b>Total Current Assets</b>	<b>2,516,696</b>	<b>617,652</b>	<b>180,259</b>	<b>336,705</b>
Noncurrent Assets:				
Capital assets, being depreciated	-	8,169,386	10,681,475	863,436
Less accumulated depreciation	-	(6,930,512)	(8,072,107)	(32,378)
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>1,238,874</b>	<b>2,609,368</b>	<b>831,058</b>
<b>Total Assets</b>	<b>2,516,696</b>	<b>1,856,526</b>	<b>2,789,627</b>	<b>1,167,763</b>
<b>Deferred Outflows of Resources:</b>				
Deferred outflows related to pensions	42,240	252,516	-	136,935
Deferred outflows related to other post-employment benefits	6,472	31,101	-	15,101
<b>Total Deferred Outflows of Resources</b>	<b>48,712</b>	<b>283,617</b>	<b>-</b>	<b>152,036</b>
<b>Liabilities:</b>				
Current Liabilities:				
Accounts payable	5,378	60,985	53,657	138,109
Accrued liabilities	2,317	12,885	-	7,388
Due to other funds	-	-	9,866	-
Capital leases, due within one year	-	-	-	86,152
<b>Total Current Liabilities</b>	<b>7,695</b>	<b>73,870</b>	<b>63,523</b>	<b>231,649</b>
Noncurrent Liabilities:				
Accrued claims and judgments	174,643	-	-	-
Net pension liability	177,778	1,062,775	-	576,330
Net other post-employment benefits liability	133,365	640,894	-	311,186
Capital leases, due more than one year	-	-	-	432,111
<b>Total Noncurrent Liabilities</b>	<b>485,786</b>	<b>1,703,669</b>	<b>-</b>	<b>1,319,627</b>
<b>Total Liabilities</b>	<b>493,481</b>	<b>1,777,539</b>	<b>63,523</b>	<b>1,551,276</b>
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pensions	6,625	39,605	-	21,477
Deferred inflows related to other post-employment benefits	38	181	-	88
<b>Total Deferred Inflows of Resources</b>	<b>6,663</b>	<b>39,786</b>	<b>-</b>	<b>21,565</b>
<b>Net Position:</b>				
Net investment in capital assets	-	1,238,874	2,609,368	312,795
Unrestricted	2,065,264	(916,056)	116,736	(565,837)
<b>Total Net Position</b>	<b>\$ 2,065,264</b>	<b>\$ 322,818</b>	<b>\$ 2,726,104</b>	<b>\$ (253,042)</b>

## CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2018**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Fleet Maintenance</b>	<b>Centralized Services</b>	<b>Totals</b>
<b>Assets:</b>			
Current Assets:			
Cash and investments	\$ 43,665	\$ 13,369	\$ 3,375,588
Accounts receivable	406	-	192,321
Prepaid costs	-	-	49,031
Restricted cash with fiscal agent	-	-	91,812
Total Current Assets	<u>44,071</u>	<u>13,369</u>	<u>3,708,752</u>
Noncurrent Assets:			
Capital assets, being depreciated	-	-	19,714,297
Less accumulated depreciation	-	-	(15,034,997)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>4,679,300</u>
<b>Total Assets</b>	<b><u>44,071</u></b>	<b><u>13,369</u></b>	<b><u>8,388,052</u></b>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows related to pensions	219,816	-	651,507
Deferred outflows related to other post-employer	37,214	-	89,888
<b>Total Deferred Outflows of Resources</b>	<b><u>257,030</u></b>	<b><u>-</u></b>	<b><u>741,395</u></b>
<b>Liabilities:</b>			
Current Liabilities:			
Accounts payable	167,786	15,447	441,362
Accrued liabilities	11,997	-	34,587
Due to other funds	-	-	9,866
Capital leases, due within one year	-	-	86,152
Total Current Liabilities	<u>179,783</u>	<u>15,447</u>	<u>571,967</u>
Noncurrent Liabilities:			
Accrued claims and judgments	-	-	174,643
Net pension liability	925,148	-	2,742,031
Net other post-employment benefits liability	766,851	-	1,852,296
Capital leases, due more than one year	-	-	432,111
Total Noncurrent Liabilities	<u>1,691,999</u>	<u>-</u>	<u>5,201,081</u>
<b>Total Liabilities</b>	<b><u>1,871,782</u></b>	<b><u>15,447</u></b>	<b><u>5,773,048</u></b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows related to pensions	34,476	-	102,183
Deferred inflows related to other post-employer	217	-	524
<b>Total Deferred Inflows of Resources</b>	<b><u>34,693</u></b>	<b><u>-</u></b>	<b><u>102,707</u></b>
<b>Net Position:</b>			
Net investment in capital assets	-	-	4,161,037
Unrestricted	(1,605,374)	(2,078)	(907,345)
<b>Total Net Position</b>	<b><u>\$ (1,605,374)</u></b>	<b><u>\$ (2,078)</u></b>	<b><u>\$ 3,253,692</u></b>

## CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Buildings and Grounds</b>
<b>Operating Revenues:</b>				
Sales and service charges	\$ 4,489,842	\$ 1,788,370	\$ 500,000	\$ 2,306,463
Other income	55,692	28,750	29,587	44
<b>Total Operating Revenues</b>	<b>4,545,534</b>	<b>1,817,120</b>	<b>529,587</b>	<b>2,306,507</b>
<b>Operating Expenses:</b>				
Personnel services	4,574,695	899,556	-	545,171
Contractual services	-	340,418	-	364,791
Repairs and maintenance	-	233,919	-	763,552
Claims expense	5,446	-	-	-
Depreciation expense	-	452,874	868,728	-
Materials and supplies	8,606	345,035	12,394	1,003,298
<b>Total Operating Expenses</b>	<b>4,588,747</b>	<b>2,271,802</b>	<b>881,122</b>	<b>2,676,812</b>
Operating Income (Loss)	(43,213)	(454,682)	(351,535)	(370,305)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	-	-	-	575
Interest expense	-	-	-	(22,356)
Gain (loss) on disposal of capital assets	-	-	122,588	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>122,588</b>	<b>(21,781)</b>
Income (Loss) Before Contributions and Transfers	(43,213)	(454,682)	(228,947)	(392,086)
Capital Contributions	-	-	379,489	-
Transfers in	-	-	-	428,792
Change in Net Position	(43,213)	(454,682)	150,542	36,706
Net Position at the Beginning of the Year, as Originally Reported	2,232,240	1,372,249	2,575,562	(968)
Restatements	(123,763)	(594,749)	-	(288,780)
Net Position at the Beginning of the Year, as Restated	2,108,477	777,500	2,575,562	(289,748)
<b>Net Position at the End of the Year</b>	<b>\$ 2,065,264</b>	<b>\$ 322,818</b>	<b>\$ 2,726,104</b>	<b>\$ (253,042)</b>

## CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities - Internal Service Funds		
	Fleet Maintenance	Centralized Services	Totals
<b>Operating Revenues:</b>			
Sales and service charges	\$ 2,426,636	\$ 470,000	\$ 11,981,311
Other income	239	3,462	117,774
<b>Total Operating Revenues</b>	<b>2,426,875</b>	<b>473,462</b>	<b>12,099,085</b>
<b>Operating Expenses:</b>			
Personnel services	698,582	-	6,718,004
Contractual services	258,586	317,760	1,281,555
Repairs and maintenance	53,037	-	1,050,508
Claims expense	-	-	5,446
Depreciation expense	-	-	1,321,602
Materials and supplies	1,544,792	93,783	3,007,908
<b>Total Operating Expenses</b>	<b>2,554,997</b>	<b>411,543</b>	<b>13,385,023</b>
Operating Income (Loss)	(128,122)	61,919	(1,285,938)
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	-	-	575
Interest expense	-	-	(22,356)
Gain (loss) on disposal of capital assets	-	-	122,588
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>100,807</b>
Income (Loss) Before Contributions and Transfers	(128,122)	61,919	(1,185,131)
Capital Contributions	-	-	379,489
Transfers in	-	-	428,792
Change in Net Position	(128,122)	61,919	(376,850)
Net Position at the Beginning of the Year, as Originally Reported	(765,615)	(63,997)	5,349,471
Restatements	(711,637)	-	(1,718,929)
Net Position at the Beginning of the Year, as Restated	(1,477,252)	(63,997)	3,630,542
<b>Net Position at the End of the Year</b>	<b>\$ (1,605,374)</b>	<b>\$ (2,078)</b>	<b>\$ 3,253,692</b>

## CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Buildings and Grounds</b>
<b>Cash Flows from Operating Activities:</b>				
Receipts from interfund services and charges	\$ 4,736,735	\$ 1,812,956	\$ 319,741	\$ 2,302,458
Other receipts	64,094	-	29,587	-
Payments to suppliers and service providers	(10,002)	(999,898)	(195,269)	(2,103,044)
Payments to employees for salaries and benefits	(4,566,255)	(661,414)	-	(389,866)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>224,572</b>	<b>151,644</b>	<b>154,059</b>	<b>(190,452)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfers from other funds	-	-	-	428,792
Repayment made on short-term interfund borrowing	-	-	-	-
Receipts from short-term interfund borrowing	-	-	9,866	-
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>9,866</b>	<b>428,792</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	(220,667)	(906,947)	-
Principal paid on capital debt	-	-	-	(82,856)
Interest paid on capital debt	-	-	-	(22,356)
Proceeds from sales of capital assets	-	-	122,588	-
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<b>-</b>	<b>(220,667)</b>	<b>(784,359)</b>	<b>(105,212)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest on investments	-	-	-	575
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575</b>
Net Increase (Decrease) in Cash and Cash Equivalents	224,572	(69,023)	(620,434)	133,703
Cash and Cash Equivalents July 1 (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
<b>Cash and Cash Equivalents June 30 (including \$22,942 and \$68,870 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)</b>	<b>\$ 2,513,253</b>	<b>\$ 564,457</b>	<b>\$ -</b>	<b>\$ 332,656</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating income (loss)	\$ (43,213)	\$ (454,682)	\$ (351,535)	\$ (370,305)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	-	452,874	868,728	-
(Increase) decrease in accounts receivable	246,893	(4,164)	(180,259)	(4,049)
Decrease in prepaid costs	-	1,712	-	-
Increase (decrease) in accounts payable	(1,396)	(82,238)	(182,875)	28,597
(Decrease) in accrued liabilities	(808)	(2,116)	-	(2,008)
Increase in accrued claims and judgments	13,848	-	-	-
Increase in pension obligations	6,080	225,033	-	149,920
Increase in other post-employment benefit obligations	3,168	15,225	-	7,393
Total Adjustments	267,785	606,326	505,594	179,853
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 224,572</b>	<b>\$ 151,644</b>	<b>\$ 154,059</b>	<b>\$ (190,452)</b>
<b>Schedule of Non-Cash Capital and Related Financing Activities:</b>				
Capital contributions	\$ -	\$ -	\$ 379,489	\$ -

## CITY OF INDIO, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Fleet Maintenance</b>	<b>Centralized Services</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from interfund services and charges	\$ 2,426,998	\$ 473,462	\$ 12,072,350
Other receipts	-	-	93,681
Payments to suppliers and service providers	(1,805,120)	(424,704)	(5,538,037)
Payments to employees for salaries and benefits	(615,630)	-	(6,233,165)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>6,248</b>	<b>48,758</b>	<b>394,829</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers from other funds	-	-	428,792
Repayment made on short-term interfund borrowing	-	(35,389)	(35,389)
Receipts from short-term interfund borrowing	-	-	9,866
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>-</b>	<b>(35,389)</b>	<b>403,269</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	-	(1,127,614)
Principal paid on capital debt	-	-	(82,856)
Interest paid on capital debt	-	-	(22,356)
Proceeds from sales of capital assets	-	-	122,588
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>(1,110,238)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	-	-	575
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>575</b>
Net Increase (Decrease) in Cash and Cash Equivalents	6,248	13,369	(311,565)
Cash and Cash Equivalents July 1 (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
<b>Cash and Cash Equivalents June 30 (including \$22,942 and \$68,870 reported in restricted accounts in the Risk Management and Buildings and Grounds funds, respectively)</b>	<b>\$ 43,665</b>	<b>\$ 13,369</b>	<b>\$ 3,467,400</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	\$ (128,122)	\$ 61,919	\$ (1,285,938)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	-	1,321,602
(Increase) decrease in accounts receivable	123	-	58,544
Decrease in prepaid costs	-	1,461	3,173
Increase (decrease) in accounts payable	51,295	(14,622)	(201,239)
(Decrease) in accrued liabilities	(2,376)	-	(7,308)
Increase in accrued claims and judgments	-	-	13,848
Increase in pension obligations	67,111	-	448,144
Increase in other post-employment benefit obligations	18,217	-	44,003
Total Adjustments	134,370	(13,161)	1,680,767
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 6,248</b>	<b>\$ 48,758</b>	<b>\$ 394,829</b>
<b>Schedule of Non-Cash Capital and Related Financing Activities:</b>			
Capital contributions	\$ -	\$ -	\$ 379,489

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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 position.

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, 2018

	ERICA	Assessment Districts	East Valley Reclamation Authority	East Valley Coalition	Totals
<b>Assets:</b>					
Pooled cash and investments	\$ 640,520	\$ 8,751,105	\$ 157,761	\$ 19,078	\$ 9,568,464
Accrued interest receivable	1,324	14,731	41	69	16,165
Due from other governments	-	126,662	-	-	126,662
Restricted cash and investments held with fiscal agents	-	4,976,181	-	-	4,976,181
<b>Total Assets</b>	<b>\$ 641,844</b>	<b>\$ 13,868,679</b>	<b>\$ 157,802</b>	<b>\$ 19,147</b>	<b>\$ 14,687,472</b>
<b>Liabilities:</b>					
Accounts payable	\$ 52,352	\$ 232	\$ 861	\$ 1,958	\$ 55,403
Deposits payable	-	247,645	156,941	-	404,586
Due to bondholders	-	13,620,802	-	17,189	13,637,991
Due to members	589,492	-	-	-	589,492
<b>Total Liabilities</b>	<b>\$ 641,844</b>	<b>\$ 13,868,679</b>	<b>\$ 157,802</b>	<b>\$ 19,147</b>	<b>\$ 14,687,472</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>ERICA</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 538,703	\$ 3,667,653	\$ 3,565,836	\$ 640,520
Accrued interest receivable	761	7,518	6,955	1,324
<b>Total Assets</b>	<b>\$ 539,464</b>	<b>\$ 3,675,171</b>	<b>\$ 3,572,791</b>	<b>\$ 641,844</b>
<b>Liabilities:</b>				
Accounts payable	\$ 56,237	\$ 1,835,718	\$ 1,839,603	\$ 52,352
Due to members	483,225	75,005,432	74,899,165	589,492
<b>Total Liabilities</b>	<b>\$ 539,462</b>	<b>\$ 76,841,150</b>	<b>\$ 76,738,768</b>	<b>\$ 641,844</b>
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 9,079,107	\$ 44,298,985	\$ 44,626,987	\$ 8,751,105
Accrued interest receivable	9,673	70,835	65,777	14,731
Due from other governments	156,316	436,287	465,941	126,662
Restricted cash and investments with fiscal agents	5,217,978	49,569,317	49,811,114	4,976,181
<b>Total Assets</b>	<b>\$ 14,463,074</b>	<b>\$ 94,375,424</b>	<b>\$ 94,969,819</b>	<b>\$ 13,868,679</b>
<b>Liabilities:</b>				
Accounts payable	\$ 11,390	\$ 2,574,899	\$ 2,586,057	\$ 232
Deposits payable	279,925	1,447,373	1,479,653	247,645
Due to bondholders	14,171,679	164,826,200	165,377,077	13,620,802
<b>Total Liabilities</b>	<b>\$ 14,462,994</b>	<b>\$ 168,848,472</b>	<b>\$ 169,442,787</b>	<b>\$ 13,868,679</b>
<b><u>East Valley Reclamation Authority</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 127,553	\$ 406,047	\$ 375,839	\$ 157,761
Accrued interest	-	41	-	41
<b>Total Assets</b>	<b>\$ 127,553</b>	<b>\$ 406,088</b>	<b>\$ 375,839</b>	<b>\$ 157,802</b>
<b>Liabilities:</b>				
Accounts payable	\$ 13,685	122,216	\$ 135,040	\$ 861
Deposits payable	113,868	93,154	50,081	156,941
<b>Total Liabilities</b>	<b>\$ 127,553</b>	<b>\$ 215,370</b>	<b>\$ 185,121</b>	<b>\$ 157,802</b>

CITY OF INDIO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>East Valley Coalition</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 24,804	\$ 151,152	\$ 156,878	\$ 19,078
Accrued interest receivable	55	395	381	69
<b>Total Assets</b>	<b>\$ 24,859</b>	<b>\$ 151,547</b>	<b>\$ 157,259</b>	<b>\$ 19,147</b>
<b>Liabilities:</b>				
Accounts payable	\$ 633	\$ 60,739	\$ 59,414	\$ 1,958
Due to bondholders	24,226	166,001	173,038	17,189
<b>Total Liabilities</b>	<b>\$ 24,859</b>	<b>\$ 226,740</b>	<b>\$ 232,452</b>	<b>\$ 19,147</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 9,770,167	\$ 48,523,837	\$ 48,725,540	\$ 9,568,464
Accrued interest receivable	10,489	78,789	73,113	16,165
Due from other governments	156,316	436,287	465,941	126,662
Restricted cash and investments with fiscal agents	5,217,978	49,569,317	49,811,114	4,976,181
<b>Total Assets</b>	<b>\$ 15,154,950</b>	<b>\$ 98,608,230</b>	<b>\$ 99,075,708</b>	<b>\$ 14,687,472</b>
<b>Liabilities:</b>				
Accounts payable	\$ 81,945	\$ 4,593,572	\$ 4,620,114	\$ 55,403
Deposits payable	393,793	1,540,527	1,529,734	404,586
Due to bondholders	14,195,905	164,992,201	165,550,115	13,637,991
Due to members	483,225	75,005,432	74,899,165	589,492
<b>Total Liabilities</b>	<b>\$ 15,154,868</b>	<b>\$ 246,131,732</b>	<b>\$ 246,599,128</b>	<b>\$ 14,687,472</b>

**STATISTICAL SECTION**

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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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 416,262	\$ 435,697	\$ 372,187	\$ 431,924	\$ 432,106	\$ 425,528	\$ 419,607	\$ 414,227	\$ 413,312	\$ 424,760
Restricted	22,249	22,533	82,334	23,734	25,716	26,842	26,095	22,180	20,260	19,546
Unrestricted	17,375	(10,396)	(11,553)	(8,635)	(5,199)	(4,019)	(34,270)	(28,253)	(45,879)	(46,940)
Total governmental activities net position	\$ 455,886	\$ 447,834	\$ 442,968	\$ 447,023	\$ 452,623	\$ 448,351	\$ 411,432	\$ 408,154	\$ 387,693	\$ 397,366
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 159,716	\$ 159,188	\$ 153,658	\$ 146,605	\$ 143,311	\$ 136,334	\$ 133,627	\$ 128,429	\$ 122,807	\$ 117,916
Restricted	-	-	-	-	-	-	-	-	605	312
Unrestricted	8,860	9,622	11,165	10,409	9,225	18,628	4,700	8,660	14,804	13,161
Total business-type activities net position	\$ 168,576	\$ 168,810	\$ 164,823	\$ 157,014	\$ 152,536	\$ 154,962	\$ 138,327	\$ 137,089	\$ 138,216	\$ 131,389
<b>Primary government:</b>										
Net investment in capital assets	\$ 575,978	\$ 594,885	\$ 525,845	\$ 578,529	\$ 575,417	\$ 561,862	\$ 553,234	\$ 542,656	\$ 536,119	\$ 542,676
Restricted	22,249	22,533	82,334	23,734	25,716	26,842	26,095	22,180	20,865	19,858
Unrestricted	26,235	(774)	(388)	1,774	4,026	14,609	(29,570)	(19,593)	(31,075)	(33,779)
Total primary government net position	\$ 624,462	\$ 616,644	\$ 607,791	\$ 604,037	\$ 605,159	\$ 603,313	\$ 549,759	\$ 545,243	\$ 525,909	\$ 528,755

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General government	\$ 4,825	\$ 5,190	\$ 6,774	\$ 6,965	\$ 7,005	\$ 6,535	\$ 10,395	\$ 11,968	\$ 26,255	\$ 10,658
Public safety	35,625	35,810	37,665	41,502	32,930	47,339	43,688	36,041	42,467	46,193
Public works	16,286	13,224	14,689	16,441	22,946	16,019	21,289	16,619	8,164	7,377
Community development	6,747	18,221	19,779	15,226	8,653	8,710	11,099	9,275	2,608	3,005
Community services	2,832	3,040	2,974	2,821	2,693	2,665	1,789	2,314	17,873	18,281
Interest expense and other charges	8,366	8,303	10,450	3,318	6,235	3,013	6,484	2,463	5,505	2,333
Total governmental activities expenses	<u>74,681</u>	<u>83,788</u>	<u>92,331</u>	<u>86,273</u>	<u>80,462</u>	<u>84,281</u>	<u>94,744</u>	<u>78,680</u>	<u>102,872</u>	<u>87,847</u>
Business-type activities:										
Water	22,689	21,518	21,710	24,125	22,562	23,563	30,145	26,424	24,018	25,302
Golf	1,077	852	899	904	851	942	1,120	1,086	1,073	1,196
Solid Waste	186	147	83	-	-	-	-	-	-	-
Total business-type activities expenses	<u>23,952</u>	<u>22,517</u>	<u>22,692</u>	<u>25,029</u>	<u>23,413</u>	<u>24,505</u>	<u>31,265</u>	<u>27,510</u>	<u>25,091</u>	<u>26,498</u>
Total primary government expenses	<u>98,633</u>	<u>106,305</u>	<u>115,023</u>	<u>111,302</u>	<u>103,875</u>	<u>108,786</u>	<u>126,009</u>	<u>106,190</u>	<u>127,963</u>	<u>114,345</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	561	902	1,037	3,698	11,086	10,520	12,113	1,459	1,633	3,764
Public safety	2,297	4,343	7,017	5,917	2,489	2,316	2,578	7,185	7,057	5,017
Public works	3,891	2,405	2,005	3,255	1,115	1,828	1,738	5,559	7,464	9,105
Community development	3,112	1,360	3,120	5,118	1,312	2,560	2,248	262	296	302
Community services	619	1,530	2,317	785	3,056	3,869	3,095	107	139	113
Operating contributions and grants	18,633	8,316	8,443	7,098	21,959	14,847	14,809	7,637	7,677	11,648
Capital contributions and grants	14,035	19,062	13,617	6,347	9,689	8,841	5,767	1,290	1,266	2,845
Total governmental activities program revenues	<u>43,148</u>	<u>37,918</u>	<u>37,556</u>	<u>32,218</u>	<u>50,706</u>	<u>44,781</u>	<u>42,348</u>	<u>23,499</u>	<u>25,532</u>	<u>32,794</u>
Business-type activities:										
Charges for services:										
Water	14,377	15,235	15,578	16,207	15,971	18,198	18,767	17,832	22,313	22,439
Golf	952	847	840	755	687	689	1,113	935	995	1,069
Solid Waste	153	100	229	-	-	-	-	-	-	-
Capital contributions and grants	4,016	5,340	1,906	-	1,768	2,480	1,266	4,735	2,643	2,061
Total business-type activities program revenues	<u>19,498</u>	<u>21,522</u>	<u>18,553</u>	<u>16,962</u>	<u>18,426</u>	<u>21,367</u>	<u>21,146</u>	<u>23,502</u>	<u>25,951</u>	<u>25,569</u>
Total primary government activities program revenues	<u>62,646</u>	<u>59,440</u>	<u>56,109</u>	<u>49,180</u>	<u>69,132</u>	<u>66,148</u>	<u>63,494</u>	<u>47,001</u>	<u>51,483</u>	<u>58,363</u>
Net revenues (expenses):										
Governmental activities	(31,533)	(45,870)	(54,775)	(54,055)	(29,756)	(39,500)	(52,396)	(55,181)	(77,340)	(55,053)
Business-type activities	(4,454)	(995)	(4,139)	(8,067)	(4,987)	(3,138)	(10,119)	(4,008)	860	(929)
Total primary government net expenses	<u>(35,987)</u>	<u>(46,865)</u>	<u>(58,914)</u>	<u>(62,122)</u>	<u>(34,743)</u>	<u>(42,638)</u>	<u>(62,515)</u>	<u>(59,189)</u>	<u>(76,480)</u>	<u>(55,982)</u>

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	23,844	18,819	19,944	16,120	13,373	13,000	13,887	15,055	16,007	16,765
Sales tax	7,021	6,111	6,999	7,667	8,377	9,349	10,040	11,692	13,579	22,545
Transient occupancy taxes	1,941	1,845	1,945	2,547	2,820	3,078	3,907	4,520	6,298	6,760
Other taxes	7,049	6,602	11,707	14,485	11,521	11,747	12,186	13,840	13,649	13,880
Investment income	1,641	662	554	328	73	64	4,025	1,757	1,436	1,980
Motor vehicle in lieu, unrestricted	307	269	419	-	43	36	34	34	39	47
Other general revenues	3,773	2,785	4,518	5,373	3,468	5,076	11,095	5,219	7,121	10,217
Transfers	19	142	170	206	(15)	(6,245)	(75)	(151)	(89)	(70)
Total governmental activities	<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>	<u>72,124</u>
Business-type activities:										
Investment income	2,197	889	146	65	91	70	139	72	127	113
Transfers	(19)	(142)	(170)	(206)	15	6,245	75	152	89	70
Other general revenues	465	481	303	399	403	-	-	2,545	51	243
Total business-type activities	<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>	<u>426</u>
Total primary government	<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>	<u>72,550</u>
Changes in net position										
Governmental activities	14,062	(8,635)	(8,519)	(7,329)	9,904	(3,395)	2,703	(3,215)	(19,300)	17,071
Business-type activities	(1,811)	233	(3,860)	(7,809)	(4,478)	3,177	(9,905)	(1,239)	1,127	(503)
Total primary government	<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>	<u>\$ 16,568</u>

Source: City of Indio

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund:										
Reserved	\$ 12,852	\$ 7,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,232	(3,956)	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 16,084</u>	<u>\$ 3,801</u>	<u>\$ -</u>							
All other governmental funds:										
Reserved	\$ 112,380	\$ 98,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	4,787	1,994	-	-	-	-	-	-	-	-
Capital projects funds	5,342	(1,241)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 122,509</u>	<u>\$ 99,565</u>	<u>\$ -</u>							

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
General fund:										
Nonspendable	\$ -	\$ -	\$ 3,640	\$ 3,793	\$ 3,989	\$ 3,536	\$ 7,641	\$ 8,978	\$ 10,141	\$ 10,509
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	730	1,140	5,619	11,197	11,285	11,285
Assigned	-	-	16	21	784	6,922	3,242	3,459	8,452	12,653
Unassigned	-	-	(1,725)	783	4,266	4,490	7,087	1,820	-	2,148
Total general fund	<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>	<u>\$ 36,595</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,496	\$ 5,926	\$ -	\$ -	\$ 2
Restricted	-	-	92,801	24,153	26,334	19,182	18,761	22,179	20,260	19,533
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	2,315	2,294	1,296	985	985	-	-	-
Unassigned:	-	-	(2,190)	(1,423)	665	(424)	(135)	(6)	(614)	(4,125)
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	(905)	-
Total all other governmental funds	<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>	<u>\$ 15,410</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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Taxes	\$ 39,059	\$ 35,182	\$37,526	\$ 35,537	\$ 32,562	\$34,073	\$36,320	\$45,265	\$49,533	\$59,950
Special assessments	3,539	3,697	3,782	3,950	3,866	3,792	4,015	-	-	-
Licenses and permits	2,260	1,680	1,691	1,381	2,027	3,384	2,916	2,438	2,737	2,338
Intergovernmental	27,640	18,218	20,053	14,047	18,740	14,818	11,754	5,706	5,722	10,036
Charges for services	10,926	5,801	6,835	9,034	8,335	9,482	15,110	7,176	8,719	6,382
Fines and forfeitures	1,122	1,205	913	1,199	1,215	887	938	860	676	543
Investment earnings	2,871	1,138	506	314	4,089	2,794	5,333	1,758	1,436	1,980
Developer fees	5,309	3,919	3,944	2,238	5,559	4,901	4,491	1,640	1,899	3,372
Contributions from property owners	1,991	-	-	-	-	-	-	4,112	4,291	4,553
Miscellaneous	3,894	2,931	1,447	1,384	2,471	2,401	4,598	5,592	7,624	10,232
Total revenues	<u>98,611</u>	<u>73,771</u>	<u>76,697</u>	<u>69,084</u>	<u>78,864</u>	<u>76,532</u>	<u>85,475</u>	<u>74,547</u>	<u>82,637</u>	<u>99,386</u>
<b>Expenditures</b>										
<b>Current:</b>										
General government	5,235	4,727	4,021	4,000	4,204	4,166	5,046	5,112	20,271	5,043
Public safety	33,104	33,599	30,958	32,875	32,603	35,080	37,766	38,118	40,477	42,089
Public works	68,722	30,642	14,604	14,840	21,300	14,174	15,050	10,650	13,035	10,635
Community development	17,041	18,155	18,349	12,304	7,731	7,382	8,733	7,903	6,129	5,192
Community services	2,301	2,537	1,692	1,716	1,545	1,461	1,559	2,384	2,524	2,850
Other	438	3,366	3,610	70	323	407	3,884	102	-	-
Capital outlay								5,036	8,231	23,242
<b>Debt service:</b>										
Principal retirement	890	3,489	3,733	4,065	1,815	1,849	2,827	24,023	3,161	3,895
Interest and fiscal charges	5,547	7,052	6,853	4,707	2,690	2,700	2,631	2,627	5,576	2,441
Other charges	5,082	8,419	4,112	1,511	381	-	-	486	-	-
Total expenditures	<u>138,360</u>	<u>111,986</u>	<u>87,932</u>	<u>76,088</u>	<u>72,592</u>	<u>67,219</u>	<u>77,496</u>	<u>96,441</u>	<u>99,404</u>	<u>95,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,749)</u>	<u>(38,215)</u>	<u>(11,235)</u>	<u>(7,004)</u>	<u>6,272</u>	<u>9,313</u>	<u>7,979</u>	<u>(21,894)</u>	<u>(16,767)</u>	<u>3,999</u>
<b>Other financing sources (uses):</b>										
Transfers in	22,165	16,131	9,238	9,514	5,787	6,862	7,031	7,216	9,990	11,150
Transfers out	(22,146)	(15,989)	(9,068)	(9,308)	(6,782)	(12,912)	(7,211)	(7,406)	(8,269)	(11,649)
Lease purchase and loan proceeds	-	2,846	854	2,788	-	-	-	-	-	-
Issuance of bonds	7,000	-	-	-	24,500	-	-	19,730	16,300	-
Sale of real property	-	-	1,592	-	-	-	-	-	-	-
Original discount on bonds	-	-	-	-	-	-	-	919	(262)	-
Payment to bond escrow agent	-	-	-	-	(21,335)	-	-	-	-	-
Total other financing sources (uses)	<u>7,019</u>	<u>2,988</u>	<u>2,616</u>	<u>2,994</u>	<u>2,170</u>	<u>(6,050)</u>	<u>(180)</u>	<u>20,459</u>	<u>17,759</u>	<u>(499)</u>
Extraordinary gain (loss) on dissolution of redevelopment agency	-	-	-	(61,226)	-	-	-	-	-	-
Net change in fund balances	<u>\$(32,730)</u>	<u>\$(35,227)</u>	<u>\$(8,619)</u>	<u>\$(65,236)</u>	<u>\$ 8,442</u>	<u>\$ 3,263</u>	<u>\$ 7,799</u>	<u>\$(1,435)</u>	<u>\$ 992</u>	<u>\$ 3,500</u>
<b>Debt service as a percentage of noncapital expenditures</b>										
	16.9%	22.8%	20.2%	13.3%	7.2%	7.8%	7.6%	29.6%	9.8%	8.8%

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 Ended June 30	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2018	6,162,303	919,705	259,047	769,151	89,925	8,020,281	0.1001
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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City of Indio	0.13251	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	-	-	-	-	-	-
Total Direct Rate	0.24571	0.25437	0.25412	0.25684	0.25133	0.09979	0.09986	0.10002	0.10031	0.10012
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	0.05949	0.07247	0.09332	0.07487	0.07968	0.14919	0.14919	0.13218	0.16601	0.17609
Coachella Valley Water District	0.04000	0.06000	0.08000	0.08000	0.08000	0.10000	0.10000	0.10000	0.10000	0.10000
CVWD Imp Dist 53	-	-	-	-	-	-	-	-	-	-
CVWD Imp Dist 55	0.00640	0.00600	0.00600	-	-	-	-	-	-	-
CVWD Imp Dist 58	-	-	-	-	-	-	-	-	-	-
Desert Community College	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.02325	0.02087	0.02036	0.04030
Desert Sands Unified School District	0.07990	0.08112	0.10036	0.11467	0.11156	0.10954	0.10984	0.10915	0.08599	0.07251
Total Direct & Overlapping Tax Rates	1.20574	1.23954	1.29963	1.28949	1.29119	1.37868	1.38228	1.36220	1.37236	1.38890

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	2018		2009	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Worldmark The Club	\$ 63,073,396	0.79%	\$ 155,269,563	2.09%
Desert Polo Land Company, LLC.	51,805,577	0.65%		
Jackson 42, LLC.	43,737,202	0.55%		
Trendwest Resorts Inc	38,123,034	0.48%	104,076,136	1.40%
Time Warner Cable	38,493,373	0.48%		
JFK Memorial Hospital Inc	32,097,581	0.40%	33,642,139	0.45%
JDG Properties	27,338,558	0.34%		
ALJACKS	27,260,886	0.34%		
Target Corporation	23,938,347	0.30%		
Smoketree Apartments	23,215,669	0.29%	21,159,566	0.28%
Peter Solomon			33,982,661	0.46%
Lisoy Family Trust			33,579,421	0.45%
Polo Square Partners			32,154,610	0.43%
California Cove at Santa Rosa			23,329,370	0.31%
LB Hills Golf, LLC.			21,479,261	0.29%
AG Indio Fashion Mall			21,410,663	0.29%
	<u>\$ 369,083,623</u>	4.60%	<u>\$ 480,083,390</u>	6.46%

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
2018	7,142,930	6,789,921	95.06%	112,775 *	6,902,696	96.64%
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 <sup>A</sup>	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%

\*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.

<sup>A</sup> 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		
2018	-	-	\$3,005	\$40,081	\$15,402	\$2,510	\$60,998	\$56,207	\$117,205	87,883	\$1,900,128	6.17%	1.33	
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	

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

Sources: (City of Indio  
(State Department of Finance  
(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	Outstanding General Bonded Debt							Population (1)	Personal Income (2)	Percent of Assessed Value	Debt Per Capita
	Water Revenue Bond	Revenue Refunding Bonds	Tax Allocation Bonds	Lease Revenue Bonds	Judgment Obligation Bonds	Certificates of Participation	Total				
2018	\$56,207	-	-	\$40,081	\$15,402	\$3,005	\$114,695	87,883	\$1,900,128	1.43%	1.31
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

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, 2018

2017-18 Assessed Valuation: \$8,013,543,171

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/18</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/18</u>
Desert Community College District	\$314,935,000	10.347%	\$ 32,586,324
Coachella Valley Unified School District	254,988,839	10.722	27,339,903
Desert Sands Unified School District	294,895,000	18.020	53,140,079
City of Indio Community Facilities District No. 2004-3	14,365,000	100.	14,365,000
City of Indio Community Facilities District No. 2005-1, I.A. No. 1 and 2	14,511,000	100.	14,511,000
City of Indio Community Facilities District No. 2006-1	7,754,000	100.	7,754,000
City of Indio 1915 Act Bonds	25,645,491	100.	25,645,491
Valley Sanitary District Assessment District No. 2004-VSD	5,740,000	100.	<u>5,740,000</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$181,081,797</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$812,829,106	3.039%	\$24,701,877
Riverside County Pension Obligation Bonds	266,365,000	3.039	8,094,832
Coachella Valley Unified School District Certificates of Participation	39,035,000	10.722	4,185,333
Desert Sands Unified School District Certificates of Participation	43,550,000	18.020	7,847,710
<b>City of Indio General Fund Obligations</b>	<b>45,596,038</b>	<b>100.</b>	<b>45,596,038</b>
<b>City of Indio Judgment Obligations</b>	<b>15,401,086</b>	<b>100.</b>	<b>15,401,086</b>
Desert Recreation and Park District Certificates of Participation	778,538	16.501	<u>128,467</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$105,955,343</b>
Less: Riverside County supported obligations			<u>101,907</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$105,853,436</b>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>	 \$62,620,000	 100. %	 \$62,620,000
 <b>TOTAL DIRECT DEBT</b>			 <b>\$60,997,124</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$288,660,016</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$288,558,109</b>
 <b>GROSS COMBINED TOTAL DEBT</b>			 <b>\$349,657,140 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$349,555,233</b>

- (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 2017-18 Assessed Valuation:

Total Overlapping Tax and Assessment Debt .....	2.26%
<b>Combined Direct Debt (\$60,997,124) .....</b>	<b>0.76%</b>
Gross Combined Total Debt .....	4.36%
Net Combined Total Debt .....	4.36%

Ratios to Redevelopment Incremental Valuation (\$1,353,674,608):

Total Overlapping Tax Increment Debt .....	0.78%
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Source: California Municipal Statistics, Inc.  
City of Indio

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed valuation (1)	\$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	\$8,013,543
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	1,114,911	990,044	953,810	897,730	914,680	934,430	1,010,413	1,094,250	1,150,192	1,202,031
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$1,114,911</u>	<u>\$ 990,044</u>	<u>\$ 953,810</u>	<u>\$ 897,730</u>	<u>\$ 914,680</u>	<u>\$ 934,430</u>	<u>\$1,010,413</u>	<u>\$1,094,250</u>	<u>\$1,150,192</u>	<u>\$1,202,031</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

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

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

Fiscal Year Ended June 30	Water Revenue Bonds				RDA Tax Allocation Bonds			
	Water Revenue	Less Operating Expenses	Net Available Revenue	Coverage	Tax Increment	Principal	Debt Service Interest	Coverage
2018	4,142	4	4,138	1.00	-	-	-	-
2017	4,080	-	4,080	1.00	-	-	-	-
2016	4,136	69	4,067	1.08	-	-	-	-
2015	3,393	65	3,458	1.02	-	-	-	-
2014	4,194	62	4,132	1.00	-	-	-	-
2013	4,208	59	4,229	1.00	-	-	-	-
2012	4,179	16	4,163	1.00	-	-	-	-
2011	4,174	9	4,165	1.00	8,978	1,495	3,975	1.64
2010	3,795	12	3,783	1.00	9,847	1,445	2,656	2.40
2009	1,978	2	1,976	0.90	10,607	100	586	15.46

Fiscal Year Ended June 30	Gas Tax Certificate of Participation				RDA Revenue Refunding Bonds			
	Revenue	Less Operating Expenses	Net Available Revenue	Coverage	Tax Increment	Principal	Debt Service Interest	Coverage
2018	678	2	676	1.00	-	-	-	-
2017	663	2	661	1.00	-	-	-	-
2016	676	-	676	1.00	-	-	-	-
2015	675	-	675	1.00	-	-	-	-
2014	689	11	678	1.00	-	-	-	-
2013	676	4	676	1.00	-	-	-	-
2012	678	-	678	1.00	-	-	-	-
2011	679	-	679	1.00	2,245	215	209	5.29
2010	665	4	661	0.98	2,462	205	221	5.78
2009	29	-	29	0.04	2,652	195	232	6.21

Fiscal Year Ended June 30	Lease Revenue Bonds			
	Revenue	Less Operating Expenses	Net Available Revenue	Coverage
2018	3,239	15	3,224	1.00
2017	3,253	12	3,241	1.00
2016	3,681	-	3,681	1.00
2015	2,761	-	1,790	0.65
2014	1,796	6	1,790	1.00
2013	23,024	-	23,024	1.00
2012	2,309	1	2,308	1.00
2011	2,306	1	2,305	1.00
2010	2,311	9	2,302	1.00
2009	685	1	684	0.44

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)
2018	87,883	43.5	2.50	\$ 45,278	\$ 26,930	6.7%
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%

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)	2018		2009	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Desert Sands Unified School District	2,850	6.95%	1,090	4.66%
County of Riverside	1,178	2.87%	1,351	5.77%
Fantasy Springs Resort Casino	1,153	2.81%		
John F. Kennedy Memorial Hospital	750	1.83%	530	2.26%
Walmart Supercenter	258	0.63%		
City of Indio	241	0.59%	308	1.32%
Riverside Superior Court	164	0.40%		
Fiesta Ford Lincoln	154	0.38%		
Cardenas Market	149	0.36%		
Mathis Brothers	133	0.32%	104	0.44%
Boulder West Components			200	0.85%
Tidwell Concrete Construction Inc			110	0.47%
Home Depot			103	0.44%
La Hacienda Nursery - Landscape			76	0.32%
PHP Contracting Inc			60	0.26%
Total Employment Listed	7,030	17.15%	3,932	16.80%
Total City Employment (2)	41,000		23,400	

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

Sources: (1) Avenue Insights & Analytics  
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>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>	<u>2018</u>
General government	55	46	46	41	45	39	36	34	36	36
Police	139	123	104	113	107	99	100	103	99	104
Public works	54	36	27	29	24	26	33	33	31	34
Community development	28	23	26	18	15	16	17	19	19	26
Water	<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>41</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>	<u>241</u>

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

Source: City of Indio

CITY OF INDIO  
Operating Indicators  
by Function  
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Arrests	3,012	2,713	2,416	2,163	2,062	2,119	2,178	2,026	2,331	1,853
Traffic citations issued	6,804	5,954	5,712	4,606	2,632	2,476	1,478	1,452	2,102	1,777
Parking citations issued	1,670	3,150	2,492	2,097	1,554	3,231	5,312	4,191	1,173	4,766
Fire:										
Emergency calls	6,058	9,817	7,918	8,138	8,442	8,564	9,319	8,317	8,611	7,796
Inspections	2,228	1,993	2,564	2,287	2,535	2,254	2,629	2,473	2,553	2,586
Public works:										
Street resurfacing (miles)	15.0	16.5	5.0	1.0	0.0	3.3	1.0	10.0	1.0	6.0
Water:										
New connections	489	261	330	0	258	488	397	223	320	302
Average daily consumption (millions of gallons)	19	18	18	18	18	20	18	15	15	15
Golf Course:										
Golf rounds played	33,753	25,680	23,762	20,576	19,753	18,908	26,464	26,481	24,003	24,491

Source: City of Indio

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	2	1	1	1	1	1	1	1	1	1
Animal care centers	1	1	1	1	1	1	0	0	0	0
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Paved streets (miles)	238	243	244	244	244	251	253	254	254	254
Streetlights	2,822	2,885	2,903	2,825	2,869	2,858	2,886	2,893	2,858	2,858
Traffic signals	75	83	85	87	89	92	95	97	98	100
Recreation:										
Parks	11	14	13	13	15	17	17	17	18	18
Senior centers	1	1	1	1	1	1	1	1	1	1
Teen centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	315	321	327	327	327	329	332	342	343	343
Maximum daily capacity (millions of gallons)	72	63	66	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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single-Family Residential	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	4,891,183
Multi-Family Residential	1,211,311	1,159,934	1,149,631	1,165,519	1,066,970	978,114	838,995	639,273	661,020	755,878
Commercial/Institutional	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	1,194,031
Industrial	69,675	63,468	56,401	59,114	61,707	72,389	66,423	54,401	58,018	60,552
Landscaping Irrigation	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	1,049,375
<b>Total</b>	<b>9,264,547</b>	<b>8,801,278</b>	<b>8,875,132</b>	<b>9,063,055</b>	<b>8,727,884</b>	<b>8,877,825</b>	<b>8,070,202</b>	<b>6,765,020</b>	<b>7,200,220</b>	<b>7,951,019</b>

Total commodity rate per 100 cubic feet \$ 1.06 \$ 1.16 \$ 1.16 \$ 1.16 \$ 1.16 \$ 1.16 Tiered Rates 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Monthly Base Rate	8.48	9.24	9.24	9.24	9.24	15.55	16.79	18.14	19.59	21.16
Rate Per 100 Cubic Feet										
Tier 1	0.88	1.06	1.16	1.16	1.16	0.77	0.83	0.90	0.97	1.05
Tier 2	n/a	n/a	n/a	n/a	n/a	1.16	1.25	1.35	1.31	1.41
Tier 3	n/a	n/a	n/a	n/a	n/a	1.55	1.67	1.81	1.95	2.11
Tier 4	n/a	n/a	n/a	n/a	n/a	2.32	2.51	2.71	2.92	3.16
Tier 5	n/a	n/a	n/a	n/a	n/a	3.09	3.34	3.60	3.89	4.20

(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													
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018				
		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	\$ 75,515	0.54%	\$ 80,656	0.55%	\$ 82,672	0.56%	\$ 81,947	0.54%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%
Arabian Gardens MHP	Mobile Home Park	68,073	0.47%	81,198	0.55%	82,550	0.55%	78,368	0.51%	72,740	0.47%	63,095	0.39%	142,458	0.91%
Arctic Glacier USA	Commercial													65,566	0.42%
Cabazon Indian Reservation	Casino	86,367	0.62%												
Capital Foresight Comm., LP	Apartments									70,860	0.45%	63,989	0.40%	131,378	0.75%
Casa Monroe Apartments	Apartments	71,193	0.49%	79,682	0.54%	84,531	0.57%	71,419	0.47%	70,860	0.45%	64,759	0.41%		
CV Housing	Apartments	82,001	0.57%	89,362	0.62%	89,581	0.63%	94,242	0.62%	86,822	0.56%				
Desert Air Homeowner's Assoc	RV Park	79,743	0.57%	85,169	0.58%	93,581	0.63%	94,242	0.62%	86,822	0.56%				
DSUSD - Indio High School	School	63,925	0.46%	78,292	0.54%	83,952	0.56%			76,611	0.49%	69,683	0.44%	81,233	0.52%
DSUSD - Amistad HS	School														
DSUSD - Middle School	School	44,387	0.32%											81,101	0.46%
Empire Polo Club	Commercial													149,551	0.86%
Fantasy Springs Casino	Commercial													53,553	0.31%
Indian Palms Country Club	Commercial													76,469	0.44%
Indio Housing Authority	Apartments	82,028	0.58%									74,759	0.47%	90,602	0.58%
Indio Housing Corporation	Apartments														
John F. Kennedy Memorial Hosp	Hospital			61,261	0.42%										
Motorcoach CC POA, Inc															
Monte Azul Housing															
Philip S Moreau	RV Park													67,536	0.39%
Polo Estates Ventures	Commercial														
Pueblo Del Sol	Commercial	67,200	0.48%	71,210	0.49%									88,927	0.51%
Rancho Casa Blanca	Mobile Home Park	100,025	0.71%	106,551	0.73%	113,278	0.76%	107,277	0.70%	75,437	0.48%	63,500	0.40%	256,252	1.63%
Riverside County	Government									85,164	0.54%			67,724	0.43%
Riverside County-Juvenile Hall	Government	43,863	0.31%											71,210	0.45%
Smoketree Apartments	Apartments													188,326	1.20%
Summerbreze Homeowner's Assoc	Apartments									80,742	0.52%	78,747	0.49%		
Summerfield Apartments	Apartments									76,854	0.49%	73,221	0.46%		
Sunrise Point Apartments	Apartments									136,069	0.87%	106,754	0.67%		
Terra Lago	Apartments	83,861	0.60%	88,089	0.60%										
The Club Worldmark	Commercial													140,456	0.90%
Waller Tract Water - HAML	Time-Share Residential			152,944	1.05%	136,612	0.92%	135,586	0.89%	137,253	0.88%	126,680	0.79%	165,602	1.06%
		<u>\$726,914</u>	<u>5.19%</u>	<u>\$889,421</u>	<u>6.07%</u>	<u>\$970,772</u>	<u>6.52%</u>	<u>\$903,905</u>	<u>5.91%</u>	<u>\$898,552</u>	<u>5.75%</u>	<u>\$785,187</u>	<u>4.92%</u>	<u>\$1,269,429</u>	<u>8.10%</u>
														<u>\$854,464</u>	<u>4.90%</u>
														<u>\$1,295,161</u>	<u>6.56%</u>

Source: Indio Water Authority