

**INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY**

BASIC FINANCIAL STATEMENTS

June 30, 2015

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY

JUNE 30, 2015

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Independent Auditor's Report

The Board of Directors
of the Indio Water Authority
Indio, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Indio Water Authority, a Joint Powers Authority (Authority), and a component unit of the City of Indio, California, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority'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 an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2015, and the changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Authority and do not purport to, and do not present fairly the financial position of the City of Indio, California, as of June 30, 2015, the changes in its financial position or cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority, a component unit of the City of Indio's basic financial statements. The statistical section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

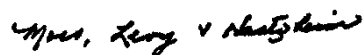
The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and do not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Authority's June 30, 2014 financial statements, and our audit report dated December 22, 2014 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Moss, Levy & Hartzheim, LLP
Culver City, California
February 17, 2016

INDIO WATER AUTHORITY
ENTERPRISE FUNDS
STATEMENT OF NET POSITION
June 30, 2015
(With Comparative Totals for June 30, 2014)

	2015	2014
Assets:		
Current assets:		
Cash and investments	\$ 5,639,422	\$ 6,260,450
Cash and investments with fiscal agents	1,937,640	
Cash and investments pooled with the City of Indio	5,793,964	14,028,427
Cash with the City of Indio reserved for contractual services	525,097	
Accounts receivable, net	2,198,244	2,634,905
Interest receivable	37	4,979
Prepaid items	163,415	206,342
Inventory	156,111	187,986
Total current assets	16,413,930	23,323,089
Noncurrent assets:		
Capital assets:		
Non-depreciable:		
Land	1,703,010	1,703,010
Construction in progress	5,912,221	607,182
Depreciable, net:		
Structures and improvements	13,265,824	13,597,466
Machinery and equipment	1,178,458	1,434,014
Vehicles	142,659	230,599
Utility distribution system	168,989,267	174,406,478
Total capital assets, net	191,191,439	191,978,749
Total noncurrent assets	191,191,439	191,978,749
Total assets	207,605,369	215,301,838
Deferred outflows of resources:		
Deferred loss on refunding of debt	1,369,323	689,239
Pension	667,503	
Total deferred outflows of resources	2,036,826	689,239
Total assets and deferred outflows	209,642,195	215,991,077
Liabilities:		
Current liabilities:		
Accounts payable	974,227	989,618
Accrued liabilities	673,807	247,812
Due to the City of Indio		1,512,528
Deposits	398,098	400,829
Interest payable	189,394	683,009
Retentions payable	89,974	11,250
Long-term liabilities, current portion	1,689,288	1,712,902
Total current liabilities	4,014,788	5,557,948
Noncurrent liabilities:		
Long-term liabilities	66,452,479	55,605,256
Total liabilities	70,467,267	61,163,204
Deferred inflows of resources:		
Pension	979,620	
Total deferred inflows of resources	979,620	
Total liabilities and deferred inflows	71,446,887	61,163,204
Net position:		
Net investment in capital assets	132,883,113	135,582,000
Unrestricted	5,312,195	19,245,873
Total net position	\$ 138,195,308	\$ 154,827,873

See accompanying notes to basic financial statements

INDIO WATER AUTHORITY
ENTERPRISE FUNDS
STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2015
(With Comparative Totals for the Fiscal Year Ended June 30, 2014)

	2015	2014
Operating revenues:		
Water sales	\$ 15,988,027	\$ 15,632,688
Meter and service fees	650,319	864,983
Other	1,589,811	1,329,850
Total operating revenues	18,228,157	17,827,521
Operating expenses:		
Personnel services	20,006	4,760,496
Contractual services	7,471,154	1,878,840
Utility	1,392,961	1,457,150
Rentals and leases	7,368,533	1,359,668
Repairs and maintenance	1,684,180	1,847,314
Materials and supplies	1,373,038	1,667,269
Depreciation	7,715,981	7,697,410
Bad debt	53,840	148,875
Claims and judgments	307	50,000
Total operating expenses	27,080,000	20,867,022
Operating income (loss)	(8,851,843)	(3,039,501)
Nonoperating revenues and expenses:		
Investment income	139,376	68,583
Interest expense	(2,225,848)	(2,695,810)
Bond issuance cost	(838,289)	
Other	539,260	370,876
Loss on disposal of capital assets	(439)	
Total nonoperating revenues (expenses)	(2,385,940)	(2,256,351)
Income (loss) before capital contributions	(11,237,783)	(5,295,852)
Capital contributions:		
Contributed assets		310,180
Capital impact fees	1,265,367	2,169,403
Net income (loss) before transfers	(9,972,416)	(2,816,269)
Transfers from the City of Indio		6,548,162
Change in net position	(9,972,416)	3,731,893
Net position at beginning of fiscal year	154,827,873	151,847,498
Prior period adjustments	(6,660,149)	(751,518)
Net position at beginning of fiscal year, restated	148,167,724	151,095,980
Net position at end of fiscal year	\$ 138,195,308	\$ 154,827,873

See accompanying notes to basic financial statements

INDIO WATER AUTHORITY
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
Fiscal Year Ended June 30, 2015
(With Comparative Totals for the Fiscal Year Ended June 30, 2014)

	2015	2014
Cash flows from operating activities:		
Receipts from customers and others	\$ 18,608,247	\$ 17,112,622
Cash paid to employees for services	(271,018)	(4,766,727)
Cash paid to suppliers for goods and services	(19,230,762)	(7,837,407)
Net cash provided (used) by operating activities	(893,533)	4,508,488
Cash flows from noncapital and related financing activities:		
Amount due to the City of Indio		1,512,528
Transfers from the City of Indio		6,548,162
Other nonoperating revenue	539,260	370,876
Net cash provided (used) in noncapital financing activities	539,260	8,431,566
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(6,850,386)	(278,717)
Capital impact fees	1,265,367	2,169,403
Principal payments on long-term debt	(55,205,000)	(1,400,000)
Interest paid on long-term debt	(3,436,564)	(2,737,445)
Proceeds from bonds	61,619,957	
Bond issuance costs	(838,289)	
Proceeds from disposition of capital assets	(439)	
Net cash provided (used) in capital and related financing activities	(3,445,354)	(2,246,759)
Cash flows from investing activities:		
Interest and investment revenue	144,318	67,027
Net cash provided by investing activities	144,318	67,027
Net increase (decrease) in cash and cash equivalents	(3,655,309)	10,760,322
Cash and cash equivalents, beginning of fiscal year	17,551,432	9,528,555
Cash and cash equivalents, end of fiscal year	\$ 13,896,123	\$ 20,288,877
Reconciliation of cash and cash equivalents to amounts reported on the statement of net position:		
Reported on the Statement of Net Position:		
Cash and investments	\$ 5,639,422	\$ 6,260,450
Cash and investments pooled with the City of Indio	5,793,964	14,028,427
Cash and investments with fiscal agents	1,937,640	
Cash with the City of Indio reserved for contractual services	525,097	
Cash and cash equivalents - end of fiscal year June 30,	\$ 13,896,123	\$ 20,288,877
Reconciliation of operating income (loss) to net cash provided (used) by operations:		
Operating income (loss)	\$ (8,851,843)	\$ (3,039,501)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	7,715,981	7,697,410
Decrease (increase) in accounts receivable	436,661	(627,039)
Decrease (increase) in prepaid expenses	42,927	45,172
Decrease (increase) in inventory	31,875	(57,752)
Decrease (increase) in deferred outflows of resources - pension	(667,503)	
Increase (decrease) in accounts payable	(15,391)	435,414
Increase (decrease) in accrued liabilities	425,995	31,206
Increase (decrease) in deposits payable	(2,731)	61,015
Increase (decrease) in deferred inflows of resources - pension	979,620	
Increase (decrease) in net pension liability	(995,747)	
Increase (decrease) in compensated absences	6,623	(37,437)
Total adjustments	7,958,310	7,547,989
Net Cash Provided by Operating Activities	\$ (893,533)	\$ 4,508,488

See accompanying notes to basic financial statements

INDIO WATER AUTHORITY
FIDUCIARY FUND
STATEMENT OF ASSETS AND LIABILITIES
June 30, 2015

	Agency Fund
Assets:	
Cash	<u>\$ 56,387</u>
Total assets	<u><u>\$ 56,387</u></u>
Liabilities:	
Due to other governments	<u>\$ 56,387</u>
Total liabilities	<u><u>\$ 56,387</u></u>

See accompanying notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies

The financial statements of the Indio Water Authority, a Joint Powers Authority, a component unit of the City of Indio, California (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) 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 Authority's accounting policies are described below.

(a) Reporting Entity

Creation of Authority

The City of Indio (City) and the Redevelopment Agency of the City of Indio (Agency) entered into a joint exercise of powers agreement (JPA) on April 19, 2000 to form the Indio Water Authority (Authority). Due to the dissolution of the Agency, the City of Indio Housing Authority (Housing Authority) was added as a member to the JPA on June 19, 2012.

Purpose

The Authority was formed to provide an entity which can lease, operate, and maintain the water enterprise of the City (Enterprise) which benefits the residents in and around the City. Upon the formation of the Authority, the Authority entered into a lease agreement with the City including, but not limited to, all facilities, properties, and improvements at any time owned, leased, or operated by the Authority for the collection, treatment, and supply of water to residents served thereby, whether within or without the City, and any necessary lands, rights, entitlements, and other property used or useful in connection therewith, together with all extensions thereof and improvements thereto hereafter acquired, constructed, or installed by the Authority.

Powers of the Authority

The Authority has all of the powers provided in the Joint Powers Law, including but not limited to Article 4 of the Joint Powers Law (commencing with Section 6584). Some of the highlights of the Authority's specific powers for the purpose of acquiring, owning, operating, and improving the Enterprise, include, but are not limited to, any of the following:

- 1) to plan, develop, acquire, construct, manage, maintain, repair, replace, or operate any public capital improvement;
- 2) to acquire, hold lease, sell, or otherwise dispose of any real or personal property, tangible or intangible, and any interest therein, wherever located;
- 3) to issue or incur indebtedness and otherwise to incur debts, liabilities, or obligations for the purpose of acquiring, owning, operating, or improving the Authority, provided that no such indebtedness, debt liability or obligation shall constitute a debt, liability, or obligation of the City or the Housing Authority; and
- 4) to enter into agreements for the creation of separate public entities and agencies pursuant to the Joint Powers Law.

Relationship with City of Indio Water System

On May 21, 2001, the City resolved to lease the City's Water System to the Authority, which provides that the Authority would lease the Water System, operate the Water System, make annual rental payments to the City, and provide water service to customers with the City's service area. On June 1, 2015, the lease was amended. According to the lease, the Authority agrees that any such improvements, fixtures, structures or signs, or real property acquisitions, made to or for the Water System during the term of this Sublease shall remain a part of the Water System of the City and, if

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(a) Reporting Entity (Continued)

Relationship with City of Indio Water System (Continued)

acquired in the name of the Authority, shall be subject to surrender and conveyance to the City, free and clear of any interest of the Authority, either upon termination of this lease or at such time, and from time to time as directed by the City.

Reporting

Since the Authority'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 Authority it is reported as a blended component unit of the City of Indio.

(b) Basis of Accounting

Enterprise Funds

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and conducted in a manner similar to a private business enterprise, wherein the intent of the Authority is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and service fees. An enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the statement of net position. The statement of revenues, expenses, and changes in net position reflects revenues in the accounting period in which they are earned and expenses are recognized in the period incurred. For financial reporting purposes, all of the funds of the Authority have been consolidated and all significant interfund accounts and transactions have been eliminated.

Fiduciary Fund

The Authority uses an agency fund to account for assets administered by the Authority in a pass through capacity for the East Valley Reclamation Authority (EVRA). The EVRA agency fund only has a Statement of Assets and Liabilities. The agency fund uses the accrual basis of accounting.

(c) Use of 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 the reported amounts of assets and liabilities as of June 30, 2014, and revenues and expenses for the fiscal year then ended. Actual results may significantly differ from those estimates.

(d) Capital Assets

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

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(d) Capital Assets (Continued)

The following schedule summarizes capital asset useful lives:

Machinery, equipment, and vehicles	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 assets in the financial statements.

(e) Inventories

Inventories consist of water meters, pipes, meter boxes, and other materials required to maintain the Authority's water system. Inventories are recorded at historical cost.

(f) Compensated Absences

Employees hired by the City of Indio prior to 1991 that now work for the Authority carry forward, for use in subsequent years, earned but unused vacation and sick leave benefits. Upon termination, the Authority 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 date of hire.

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances attributable to services being 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 the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the Authority.

Other amounts of unused sick leave are excluded from the liability since their payments are contingent solely upon the occurrence of a future event (illness), which is outside the control of the Authority and employees.

(g) Contributed Facilities

In accordance with Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* (GASB No. 33) and GASB No. 34, the Authority reports facilities contributed by developers at their estimated fair value as a separate component of the statement of revenues, expenses, and changes in net position.

(h) Operating Revenues and Expenses

Operating revenues and expenses represent revenue earned and the related costs incurred to provide water services to the Authority's customers. Nonoperating revenues and expenditures represent revenue earned and the related costs incurred for activities that do not directly provide water services to the Authority's customers such as revenues and expenditures related to issuance of bonds.

INDIO WATER AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(i) Interest

The Authority incurs interest charges on bonds, notes payable, and capital lease obligations. Interest incurred during the fiscal year ended June 30, 2015 totaled \$2,225,848.

(j) Deferred Charges

Bond premiums and discounts are deferred and amortized over the term of the bonds by using the straight-line method, which approximates the effective interest method. Bond premiums and discounts are presented as a reduction of the face amount of the bonds payable.

(k) Unamortized Loss on Refunding

Losses on refunding debt are deferred and amortized over the shorter of the term of the new debt or the refunded debt using the straight-line method, which approximates the effective interest method. Under GASB 65, deferred losses on refunding are shown as deferred outflows of resources on the statement of net position.

(l) Income Taxes

As a governmental entity, the Authority is exempt from income taxation under provisions of the Internal Revenue Code and related state statutes; accordingly, no provision for income taxes has been provided.

(m) Cash and Cash Equivalents

For the 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 also represent the funds shared in the City cash and investment pool. Cash equivalents have an original maturity date of three months or less from the date of purchase.

(n) Comparative Data

Comparative total data from the prior fiscal year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and operations. The prior fiscal year data does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Certain minor reclassifications of prior fiscal year data have been made in order to enhance their comparability with current year amounts.

(o) Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

INDIO WATER AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 Summary of Significant Accounting Policies (Continued)

(p) New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers as well as the requirements of Statement No. 50, Pension Disclosures. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of GASB Statement No. 68 did have an impact on the Authority's financial statements for the fiscal year ended June 30, 2015, see Note 5 and Note 7.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the Authority's financial statements for the fiscal year ended June 30, 2015, see Note 5 and Note 7.

Note 2 Cash and Investments

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

Statement of net position:	
Cash and investments	\$ 5,639,422
Cash and investments held by bond trustee	1,937,640
Cash and investments pooled with the City of Indio	5,793,964
Cash and investments with the City of Indio reserved for payroll	525,097
Fiduciary Funds:	
Cash and investments	56,387
Total cash and investments	\$ 13,952,510

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NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 Cash and Investments (Continued)

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 1,750
Deposits with financial institutions	6,219,156
Cash and investments pooled with the City of Indio	5,793,964
Investments	1,937,640
Total cash and investments	\$ 13,952,510

Investments Authorized by the California Government

The Authority has funds that are included as part of the City of Indio's investment portfolio. The funds deposited within the City's investment portfolio are subject to the City of Indio's investment policy. Disclosures regarding the City of Indio's investment portfolio are included in the City's Comprehensive Annual Financial Report.

Investments Authorized by Debt Agreements

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

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

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A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates and 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 Authority 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 Authority's investments (including investments held by fiscal agents) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	37 to 60 Months	More Than 60 Months
Cash and investments pooled with the City of Indio	\$ 2,284,557	\$ 2,284,557	\$ -	\$ -	\$ -
State investment pool	3,509,407	3,509,407			
Held by Bond Trustee:					
Money Market Funds	1,937,640	1,937,640			
Total	\$ 7,731,604	\$ 7,731,604	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End	
				AAA	Not Rated
Cash and investments pooled with the City of Indio	\$ 2,284,557	N/A	\$ -	\$ -	\$ 2,284,557
State investment pool	3,509,407	N/A			3,509,407
Held by Bond Trustee:					
Money Market Funds	1,937,640	AAA		1,937,640	
Total	\$ 7,731,604		\$ -	\$ 1,937,640	\$ 5,793,964

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 2 Cash and Investments (Continued)

Custodial Credit Risk

For investments held by fiscal agents, the fiscal agent selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government. As of June 30, 2015, none of the Authority's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

The Authority through an account held by 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 Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority'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 is recorded on an amortized cost basis.

Investment in City Treasury

See the City of Indio's Comprehensive Annual Financial Report for details on the Authority's investments in the City's Treasury.

Note 3 Capital Assets

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

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

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 4 Long-Term Liabilities

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

	Balance, July 1, 2014	Additions	Deletions	Prior Period Adjustments	Balance, June 30, 2015	Amount Due Within One Year	Amount Due Beyond One Year
Bonds Payable:							
2006 Water Revenue	\$ 55,205,000	\$ -	\$ (55,205,000)	\$ -	\$ -	\$ -	\$ -
2015A Water Revenue Refunding		51,065,000			51,065,000		51,065,000
2015B Water Revenue Refunding		9,150,000			9,150,000	1,490,000	7,660,000
Premium on bonds	1,880,988	1,404,957	(1,885,656)		1,400,289	56,012	1,344,277
Subtotal	57,085,988	61,619,957	(57,090,656)		61,615,289	1,546,012	60,069,277
Net Pension Liability		2,007,954	(3,003,701)	7,283,432	6,287,685		6,287,685
Compensated Absences	232,170	164,749	(158,126)		238,793	143,276	95,517
Total	\$ 57,318,158	\$ 63,792,660	\$ (60,252,483)	\$ 7,283,432	\$ 68,141,767	\$ 1,689,288	\$ 66,452,479

Water Revenue Bonds, Series 2006

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

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

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

Per the terms of the bond indenture, the Series 2006 bonds are required to maintain a reserve in the amount of 10% of the original proceeds, 125% of the average annual debt service for then current or every subsequent bond year, or 100% of the maximum annual debt service for the current or every subsequent bond year. These requirements are funded by the establishment of a Surety Bond that was obtained prior to the delivery of the aforementioned Series 2006 bonds. The Series 2006 bonds were completely refunded in the amount of \$55,205,000 by the Series 2015A and 2015B Water Revenue Refunding Bonds. At June 30, 2015, the outstanding balance of the Series 2006 bonds was \$0.

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

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 4 Long-Term Liabilities (Continued)

Water Revenue Refunding Bonds Series 2015A and 2015B (Taxable)

In June 2015, the Indio Water 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 refund 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.

Per the terms of the bond indenture, the reserve requirement with respect to the 2015A bonds is \$0 and with respect to the 2015B bonds is \$0. Concurrent with the issuance of the bonds, Build America Mutual Assurance Company (BAM) issued a municipal bond insurance policy for the bonds with guarantees the scheduled payments of principal and interest on the bonds when due.

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 shall be in an amount which will be sufficient to pay the principal of and interest, and the redemption price equal to the principal amount of the 2006 bonds outstanding and accrued interest upon their optional redemption. The 2006 bonds are expected to be called for redemption on April 1, 2016. As a result, the Water Revenue Bonds Series 2006 are considered defeased and the liability for those bonds has been removed from the statement of net position of the Water enterprise fund.

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 4 Long-Term Liabilities (Continued)

Defeased Debt

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

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

The total outstanding defeased debt as of June 30, 2015 is \$87,432,463.

Debt Service Requirements to Maturity

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

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

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

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

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 5 Defined Benefit Plan

Employees of IWA are members of the Public Employees' Retirement System (PERS) the cost of which is paid by IWA. Pension expense allocated to IWA by the City for IWA employees totaled \$607,157. IWA's accounts with PERS are merged with those of the City of Indio and its employees, and it is not practical to attempt splitting the two for disclosure purposes within this report. For further details regarding actuarial assumptions etc., refer to the City of Indio's Comprehensive Annual Financial Report.

The City implemented GASB Statement Nos. 68 and 71 as of July 1, 2014, which affects the way pension liabilities are reported. Due to these Statements, the City is required to report its entire liability for pension benefits. The IWA, based on allocation formula, has reported a total pension liability (obligation) including deferred inflows and outflows as of June 30, 2015 of \$6,287,685 to record the net pension liability as of June 30, 2014.

There was a prior period adjustment required for this implementation which amounted to \$6,660,149 to record the net pension liability as of June 30, 2014.

Note 6 Operating Lease

On May 21, 2001, the Authority entered into an operating lease agreement with the City for the City's Water System. The Authority agreed to operate the Water System, make annual rental payments to the City, and provide water service to customers within the City's service area. The original lease was amended and restated on June 1, 2015. The total amount paid for the lease was \$7,343,916 during the fiscal year ended June 30, 2015. The future minimum lease payments relating to this lease are as follows:

Fiscal Year Ending June 30,	Amount
2016	\$ 5
2017	5
2018	5
2019	5
2020	5
2021-2025	25
2026-2030	25
2031-2035	25
2036-2037	10
	\$ 110

Note 7 Deferred Inflows and Outflows of Resources

The deferred outflows of resources in the amounts of \$667,503 and \$1,369,323 represents employee benefit payments from the measurement date used for GASB 68 net pension liability actuarial calculation at the end of the current fiscal year, and the deferred loss on refunding of the 2006 Water Revenue bonds respectively.

The deferred inflow of resources in the amount of \$979,620 represents an actuarially determined difference between projected and actual earnings on plan investments for both the pension and OPEB plans.

INDIO WATER AUTHORITY
A JOINT POWERS AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Note 8 Joint Powers Agency

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 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 IWA and VSD. The EVRA is governed by a Board appointed by IWA and VSD and administered by either IWA or VSD based on a rotation determined by the Board. For the fiscal year ended June 30, 2015, IWA was the administrator of the EVRA and therefore maintains the books and records of the EVRA. IWA's contribution to the EVRA for the fiscal year ended June 30, 2015 was \$25,000 for operations. Audited financial statements may be obtained from the Indio Water Authority at 83-101 Avenue 45, Indio, CA 92201.

Note 9 Commitments and Contingencies

In the normal course of operations, the City has been subjected to certain routine litigation matters which are relevant to the Authority. The ultimate outcome of these lawsuits is not presently determinable; however, in the opinion of management, the amount of losses that might be sustained, if any, would not materially affect the financial position of the Authority.

Note 10 Prior Period Adjustments

The prior period adjustment of (\$6,660,149) reflected in the Statement of Activities for the fiscal year ended June 30, 2015 is a result of implementation of Governmental Accounting Standards Board (GASB) Statement Nos. 68 and 71. These pronouncements change the method of reporting pension liability, resulting in an understatement of deferred outflow of resources – pension in the amount of \$623,283, and an understatement of net pension liability in the amount of (\$7,283,432).

STATISTICAL SECTION

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

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

Total commodity rate per 100 cubic feet	\$ 0.71	\$ 0.71	\$ 0.88	\$ 1.06	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	Tiered Rates
										Tiered Rates

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

Source: Indio Water Authority

INDIO WATER AUTHORITY
Water Rates
Last Nine Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>Monthly Base Rate (1)</u>		<u>Rate per 100 Cubic Feet</u>
2015	\$ 16.79	Tier 1	\$ 0.83
		Tier 2	1.25
		Tier 3	1.67
		Tier 4	2.51
		Tier 5	3.34
2014	15.55	Tier 1	0.77
		Tier 2	1.16
		Tier 3	1.55
		Tier 4	2.32
		Tier 5	3.09
2013	9.24		1.16
2012	9.24		1.16
2011	9.24		1.16
2010	9.24		1.16
2009	8.48		1.06
2008	7.01		0.88
2007	5.70		0.71

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

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

Note:

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

Source: Indio Water Authority

INDIO WATER AUTHORITY
Ten Largest Water Customers
Last Ten Fiscal Years

Water Customer	Account Class	FISCAL YEAR													
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015				
		Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenues
ACDW Properties Inc.	Apartments	\$ 46,965	0.68%	\$ 58,385	0.59%	\$ 63,683	0.54%	\$ 75,515	0.54%	\$ 79,053	0.55%	\$ 82,672	0.56%	\$ 81,947	0.54%
Arabian Gardens MHP	Mobile Home Park									68,073	0.47%	82,550	0.55%	78,368	0.51%
CV Housing	Apartments	117,983	1.70%	139,773	1.41%	72,834	0.61%	86,367	0.62%	82,001	0.57%	84,531	0.57%	71,419	0.47%
Cabazon Indian Reservation	Casino														
Capital Foresight Comm., LP	Apartments									71,193	0.49%			70,577	0.46%
Casa Monroe Apartments	Apartments	37,830	0.55%	42,415	0.43%	67,248	0.57%	79,743	0.57%	89,362	0.62%	93,581	0.63%	94,242	0.62%
Desert Air Homeowner's Assoc	RV Park	47,443	0.68%	41,301	0.42%	53,909	0.45%	63,925	0.46%	78,292	0.54%	83,952	0.56%	76,611	0.49%
DSUSD - Indio High School	School														
DSUSD - Middle School	School					37,432	0.31%	44,387	0.32%						
Empire Polo Club	Commercial														
Indio Housing Authority	Apartments	66,824	0.96%	59,828	0.60%	69,175	0.58%	82,028	0.58%						
Indio Housing Corporation	Apartments	38,326	0.55%	33,919	0.34%										
John F. Kennedy Memorial Hospital	Hospital	41,635	0.60%							64,227	0.44%				
Pueblo Del Sol	Mobile Home Park	51,715	0.75%	46,907	0.47%	56,671	0.48%	67,200	0.48%	67,307	0.46%	71,210	0.49%	74,098	0.48%
Rancho Casa Blanca	Mobile Home Park	29,035	0.42%	51,805	0.52%	84,352	0.71%	100,025	0.71%	102,057	0.70%	113,278	0.76%	107,277	0.70%
Riverside County-Juvenile Hall	Government					36,990	0.31%	43,863	0.31%						
Snoketree Apartments	Apartments											80,478	0.54%	80,742	0.52%
Summerbreeze Homeowner's Assoc	Apartments											89,015	0.60%	72,385	0.47%
Summerfield Apartments	Apartments											124,103	0.83%	118,006	0.77%
Sunrise Point Apartments	Apartments	33,723	0.49%	51,324	0.52%	70,721	0.59%	83,861	0.60%	95,139	0.66%	136,612	0.92%	135,586	0.89%
The Club Worldmark	Time Share														
		<u>\$ 511,479</u>	<u>7.38%</u>	<u>\$ 583,196</u>	<u>5.88%</u>	<u>\$ 613,015</u>	<u>5.15%</u>	<u>\$ 726,914</u>	<u>5.19%</u>	<u>\$ 796,704</u>	<u>5.50%</u>	<u>\$ 970,772</u>	<u>6.52%</u>	<u>\$ 903,905</u>	<u>5.91%</u>
														<u>\$ 898,552</u>	<u>5.75%</u>
															<u>\$ 785,187</u>
															<u>126,680</u>
															<u>0.79%</u>

INDIO WATER AUTHORITY
Capital Asset Statistics and Operating Indicators
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Water Capital Assets</u>										
Water Main (miles)	No Data	301	313	315	321	327	327	327	329	332
Maximum Daily Capacity (millions of gallons)	No Data	67	59	72	63	66	66	66	66	66
<u>Operating Indicators</u>										
New Service Connections	2,196	823	964	489	261	330	18	258	488	397
Average Daily Consumption (millions of gallons)	22	21	20	19	18	18	18	18	20	18

Source: Indio Water Authority