

CITY OF INDIAN WELLS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015

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FISCAL YEAR ENDED JUNE 30, 2015

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CITY OF INDIAN WELLS
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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October 13, 2015

Honorable Mayor and City Council

**The Comprehensive Annual Financial Report
for the City of Indian Wells**

We are pleased to present the City of Indian Wells Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This transmittal letter provides a non-technical summary of the City's finances, services, achievements, and economic prospects.



A narrative introduction, overview, and analysis of the financial statements is found in the Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it. The notes, along with the other financial and operational data included in the City's CAFR, provide a complete understanding of the City's financial position as of June 30, 2015 and the respective changes in financial position.

The CAFR has been prepared in accordance with accounting principles generally accepted in the United States of America. The accuracy of the data, the completeness and fairness of the presentation and the adequacy of its disclosures, rests with the City's management. This includes the design, implementation and maintenance of internal controls over the preparation and fair presentation of financial statements that are free from material misstatement and for assurance that the assets of the City are protected from loss, theft or misuse. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free from any material misstatements. We believe that the information presented is complete and reliable in all material respects.

Government Code 26909 (a) requires that the City, as a local agency of the County, contract with a certified public accountant to perform an annual audit of the accounts and records of the City and that the audit conform to Generally Accepted Auditing Standards. Further, Government Code 26909 (b) states that an audit report shall be filed with the State Controller and with the County Auditor in which the district is located within 12 months of the end of the fiscal year. This report is published to fulfill these requirements for the fiscal year ending June 30, 2015.

Lance, Soll & Lunghard, LLP, Certified Public Accountants have issued an unqualified opinion on the City of Indian Wells financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report. The independent audit involved examining evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and estimates made by management, and evaluating the overall financial statement presentation.

Profile of the Government

The City of Indian Wells, incorporated in 1967, is located 120 miles east of Los Angeles in the eastern portion of Riverside County known as the Coachella Valley. Its pristine natural setting, upscale residential country clubs, first-class resorts, championship golf courses, and abundance of leisure and cultural activities distinguish the Indian Wells community. The City boasts 5,194 full-time residents spread over 15.04 square miles. An additional 4,000 to 5,000 part-time residents call Indian Wells home during the winter season.

Indian Wells operates under the City Council/City Manager form of Government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and four other members, all elected on a non-partisan basis. Council members serve four-year terms and are elected at large. The City Council appoints the City Manager and City Attorney.

The City Manager heads the executive branch of the government, implements policies as directed and established by the City Council, and manages the administrative and operational functions utilizing City staff. The City provides a full range of services, including police and fire protection, construction and maintenance of streets and infrastructure, planning and community development, building and safety, recreational activities, arts and culture, and parks.

The annual budget serves as the foundation for the City's financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, special revenue funds and permanent funds. These budgets are presented on a basis consistent with generally accepted accounting principles.

Outstanding Community Benefits

The City of Indian Wells offers an outstanding quality of life, numerous cultural and social activities, a cohesive and innovative city government, luxurious hotel properties, and championship golf at the Indian Wells Golf Resort. Moreover, the City supports many major sporting and cultural events throughout the year. These include the BNP Paribas Open, the largest ATP World Tour and WTA combined two-week event in the world, held

at the Indian Wells Tennis Garden; Desert Town Hall, the Coachella Valley's leading speaker series; and the Indian Wells Arts Festival and Desert Lexus Jazz Festival, also held at the Tennis Garden. The Living Desert Zoo, one of the Coachella Valley's leading attractions, is also situated in Indian Wells and neighboring Palm Desert.

Indian Wells enjoys one of the lowest crime rates and quickest response rates in the Coachella Valley thanks to diligent law enforcement and fire/paramedic services. What's more, the City of Indian Wells sponsors many public health and eco-friendly initiatives designed to keep neighborhoods safe and clean, and protect the desert environment. The Joslyn Center offers a wide variety of activities appealing to many interests and energy levels.

Indian Wells boasts a very successful resident benefit program. With an Indian Wells Resident Benefit Card, residents enjoy select discounts at the Indian Wells Golf Resort, Indian Wells Tennis Garden, and all four Indian Wells hotel properties. Other special events include a resident-only Wild Lights evening at The Living Desert, art exhibitions and lectures in concert with the Palm Springs Art Museum, complimentary tickets to the BNP Paribas Open and Desert Town Hall, resident social gatherings, community patriotic events, and much more.

Factors Affecting Financial Condition

The City continues to see overall economic stability and expansion. Most major revenues are advancing along with the overall economy. The housing market is healthy and along with it the City's property tax revenue. Building activity is returning, and tourism and travel are strong. The General Fund is expected to complete fiscal year 2015/16 with an excess of revenues over expenditures of \$480,000.

Tourism is improving. In part, this is because the U.S. economy continues gaining strength, having added 9.5 million jobs through August 2014. According to the Greater Palm Springs Convention and Visitors Bureau, the average daily hotel room rate was \$142.48 for the first eight months of 2014. That was up 6.8% from that period of 2013. For the eight-month 2014 period, average occupancy was 61.6%, approaching the pre-recession figure of 63.6% in 2007. Passenger traffic at Palm Springs International Airport was up 9.4% through July 2014 at 1.9 million passengers.

Over the next five-year period, General Fund expenditures are expected to increase at a faster rate than General Fund revenues, leading to an annual decrease in the amount of excess revenues over expenditures. Long-term cash flows anticipate conservative revenue growth of approximately 2.7% per year. The growth is largely inflationary in nature, although small growth should continue from expanding hotel occupancy and tennis tournament attendance.

The operating cost projections represent current service levels. The analysis does not assume any changes in staffing levels, police services, current maintenance and landscaping levels, and other City services. Over the next five-year period, Staff expects to see operating cost increases of approximately 3.0% per year. Cost increases reference historical trends and are largely inflationary in nature.

Strategic Goals and Priorities

The purpose of strategic planning is to anticipate the future, envision what the organization must become in order to operate effectively in that future, and make plans for moving the organization from what it is to what it needs to become to be successful.

The Strategic Plan identifies strategic issues, establishes broad goals, and states general priorities. The Indian Wells strategic planning effort coordinates organizational priorities on a citywide basis. During their strategic planning process, Council identified a list of issues facing the City and worked to prioritize the list to focus the City's efforts in five broad goals for the upcoming two-year budget cycle.

Goal 1: Create a Ten Year Financial Strategy

Improve understanding of the City's long-term financial position in order to identify the revenue necessary to maintain the high quality standards of Indian Wells.

Action Items

- Prepare a comprehensive long-term expenditure analysis
- Prepare a comprehensive long-term revenue analysis
- Describe funding gaps
- Build strategies for funding gaps

Goal 2: Encourage and Expand Economic Development Opportunities

Refine development process and partner with developers where projects offer desirable benefits for the City.

Action Items

- Continue to improve the development review process
- Develop a Comprehensive Economic Development Plan
- Process Indian Wells Tennis Garden Stadium 3 project
- Coordinate Renaissance Esmeralda Villas and Waterpark development

Goal 3: Create a Flood Mitigation Plan with Community Partners

Facilitate the process for stakeholders to reach a community solution for flood control.

Action Items

- Identify the City's role in facilitating the process and develop communication plan
- Research existing conditions
- Develop a City analysis report

Goal 4: Beautify the Highway 111 Corridor

Beautify Highway 111 corridor retaining the unique character of Indian Wells.

Action Items

- Define Cook Street and Highway 111 improvements
- Improve frontage appearance of commercial properties
- Determine use of Arts in Public Places funds

Goal 5: Create a City Communications Plan

Continue to engage the community through effective communication and education on community issues. Implement a plan to bridge any gaps between citizens and government.

Action Items

- Create a Communication Plan
- Enhance and Update Website

Recent Accomplishments

The top priorities for the 2013/14 and 2014/15 budget cycle were 1) affordable housing; 2) complete certain capital improvements; 3) expand citywide conservation efforts; 4) improve long-term financial sustainability; 5) implement a comprehensive strategic plan at the Indian Wells Golf Resort; 6) collaborate with Tennis Garden to fast-track construction of the 8,000 seat Stadium 2, approve construction of Stadium 3, and expand the Desert Lexus Jazz Festival; and 7) complete negotiations with the Indian Wells Employee Association.



Affordable Housing

- Established standards and review of management of the senior housing communities.
- Replaced the Management Company at the senior housing communities.
- Rebuilt landscape lighting with force account labor using CDBG funds.
- Improved site landscaping.
- Improved site drainage
- Endorsed a preference policy for new residents.
- Completed a study of management options.
- Completed recertification audit of rents and Residents (2/2014)
- Instituted a new Lease Agreement.
- Established Housing Authority and appointed Board Members.
- Created a capital reserve and replacement plan.
- Created a transparent Request for Proposal process to select a long-term management company.

Capital Improvements

- Completed Hwy 111/Cook widening project on time.
- Designed the Carl Bray site improvements (construction and completion expected 2015).
- Developed engineering and plans to rehabilitate 45300 Club Drive Building for document storage (construction and completion expected 2015).
- Completed parkway landscaping improvements on Highway 111 at east end of the Renaissance Resort (Hole 17)
- Upgraded sidewalk bollards to more vandal resistant along Highway 111.
- Continued to implement cost saving water conservation improvements.

- Secured funding through the RCTC to assist with the cost of the Cook Street overlay project.
- Completed parkway-landscaping improvements on Highway 111 at Mountain View Villas phase 2.
- Developed a Pavement Management plan to guide future roadway maintenance needs.
- Completed successful grant application for \$135,000 through RCTC towards the upcoming Cook Street repaving project.
- City received a 50% matching grant from the State's SB 821 program to construct the missing segment of sidewalk along the west side of Washington Street just south of Miles Avenue.
- City was awarded \$14,499 from the Federal Community Development Block Grant Program for the construction of sidewalk along Club Drive.

Conservation

- Adopted Green for Life Program (includes a Climate Action Plan with 2010 Greenhouse Gas Inventory, an Energy Action Plan with Benchmarking Policy and Commissioning/Retro-Commissioning Policy, and a Voluntary Green Building Program).
- Amended the Coachella Valley Multiple Species Habitat Conservation Plan.
- Improved from Silver to Gold Energy Star conservation level at City Hall.
- Added two additional vendors (HERO and FIGTREE) to the PACE program providing residents with lower cost energy conservation upgrades.
- Converted city landscape median irrigation to Mid Valley Pipeline water reducing cost and impact on drinking water.
- Upgraded City Hall with energy efficient LED lighting.
- Reduced potable water use by 80% on city properties by connecting to the Mid Valley Pipeline, exceeding the Governor's mandate by 55%.
- Installed city-wide dual irrigation system that detects moisture in the soil.
- Installed 80,000 feet of drip irrigation in all City flower beds.
- Changed all city sprinklers to MP rotators and encourages HOA's to install these water efficient devices.
- Implemented turf reduction on City properties – and investigating more opportunities including areas on the Indian Wells Golf Resort.



- Indian Wells Golf Resort uses all non-potable water and was the first golf course in the valley to use all non-potable water.
- Continually looking to invest in conservation technology – currently adding the Cisco system which monitors water usage throughout the city.
- Tested sub-surface irrigation for turf, and demonstrated a 45% reduction in water savings. This program will now be expanded.
- Recovered more than \$100,000 from CVWD for water saving measures.
- Reduced water usage in the Whitewater Channel by eliminating overseeding and installing new water efficient irrigation heads.

Financial

- Maintained revenues in excess of expenses for the last three fiscal years.
- Contributed \$3.1 million to capital reserves over the last three fiscal years.
- Approved 20A and 20B Underground project in the Village Area. After bid process, cost was a \$1.0 million less than original engineer's estimates.
- Participated in a joint venture with the City of Palm Desert for a slurry seal project on Fred Waring saving \$300,000 compared to original budget.
- Continual increase in Admission Tax revenues:
 - Admission Tax rate increased to 10% in 2015.
 - Admission Tax revenues
 - FY 2013/14 \$2.2 million
 - FY 2014/15 \$2.8 million
- Refinanced Series 2003 "A" and Series 2003 "AT" Tax Allocation bonds– saving \$2.6 million in debt service payments.
- Completed strategic plan in each fiscal year.
- Established strategy and system to sell advertising in the City's newsletter.
- Completed five-year funding plan to eliminate unfunded liabilities in the City's Other Post-Employee Benefit (OPEB) retirement fund.
- Developed a Capital Reserve Policy
- Revised the Community Assistance Funding Policy
- Established bail amounts for violations of Municipal Code.
- Completed RDA long-range property management plan and received a "Determination of Completion" from the California State Department of Finance.
- Successfully added \$17.8 million in interfund loans between the City and the Successor Agency to the Recognized Obligation Payment Schedule with approval from the California State Department of Finance.
- Completed sales tax compliance audit on Tennis concessionaires.
- Implemented new funding program to eliminate the unfunded pension liability.

Indian Wells Golf Resort

- Developed and implemented a comprehensive strategic plan for IWGR.
- Implemented new revenue programs for golf segment of IWGR:
 - Increased resident guest golf fees.
 - Increased morning rounds.
 - Created a foursome card.
 - Implemented program to generate more rounds from hotels.
 - Created an incentive program for wholesalers.
 - Develop system to increase online sales.
- Approved a contract extension with Troon through June 30, 2019. The agreement includes an optional three-year extension upon mutual agreement.
- Opened Pavilion for catering function including weddings, golf events and outside events. Eighty-four (84) new events have been booked since January 2014 producing an estimated revenue of \$1.3 million.
- Prepared and released a report entitled Indian Wells Golf Resort Report 2002-2011 Renovation Project highlighting the revenues and expenses.
- Repaired and upgraded the Golf Cart Bridge.
- Renamed the restaurant to the VUE Grille & Bar.
- Implemented the Indian Wells Golf Resort Quality Assurance Inspection Program on the Physical Plant.
- Booked 92 new events at the Pavilion generating \$1.4 million in additional revenue.
- Coachella Valley Water District approved \$60,000 in grant funding for 4 acres of turf removal at the Indian Wells Golf Resort saving 8 million gallons of water annually.

Indian Wells Tennis Garden

- Worked with Tennis Garden on 8,000 seat Stadium 2 which opened in March 2014.
- Approved an agreement to place Indian Wells name on the floor of the four main courts.
- Improved relationship with principals of the Tennis Garden.
- Prepared and released a report entitled Indian Wells Tennis Garden Agreements- Valuation.
- City collaborated with Tennis Garden on Desert Lexus Jazz Festival.
- Approved Stadium 3.



Personnel

- Developed and adopted an Employer Employee Relations Resolution.
- Negotiated and approved the City's first (2013-14) Memorandum of Understanding with the Indian Wells Employee Association.
- Negotiated and approved the 2014-15 Memorandum of Understanding with the Indian Wells Employee Association.
- Reinstated Pay for Performance Program.
- Hired a City Manager.
- Reorganized Staffing replacing a Department Head position with a Senior Accountant and Assistant to the City Manager.
- Updated the Personnel Rules and Regulations.
- Excluded City Council Members from PERS Contract.

Other Accomplishments

- Reestablished Grants-in-Aid Committee/Program.
 - Revised application and review process for Grants-in-Aid.
- Instituted a Vacation Rental Compliance Program.
- Adopted a new Noise Ordinance.
- Established the Property Owner Identification Use Policy.
- Adopted an Ordinance regulating Food Trucks.
- Established a City Parking Authority.
- Completed General Plan Housing Element update.
- Completed the 2013 Building Code Update.
- Leased all space in the 45200 Club Drive Building.
- Sold Indian Wells Crossing phase 1 property to Brixton Capital and foreclosed on phase 2.
- Updated the City's website and indexed existing documents for search capabilities.
- Developed an informational report explaining the structure and financial condition of the Fire Access Maintenance District Number 1 (FAMD).
- Established citywide strategic planning process.
- Approval of the Carl Bray monument project.
- Approved a new 5-year Sheriff contract for law enforcement services.

Document Structure

In addition to the fund-by-fund financial information currently presented in the City's financial statements, the Government-wide Financial Statements are also presented. The Government-wide Financial Statements include a Statement of Net Assets that provides the total net equity of the City including infrastructure, and the Statement of Activities that shows the cost of providing government services.

These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. 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. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, the financial statements emphasize the City's major funds as shown in the Governmental Fund Statements.

These statements are further analyzed in a narrative section called Management's Discussion and Analysis (MD&A). The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City.

The Comprehensive Annual Financial Report includes the financial activity for all funds of the City. The City provides a wide range of services including planning, building, public works, engineering, maintenance, and general administrative activities. Contracted services include police and fire protection, and landscape maintenance. In addition to the preceding activities, the City is financially accountable for the Fire Access Maintenance District.

The following governmental agencies that provide services to the citizens of the City of Indian Wells have been excluded from this report because the City does not have financial accountability over these agencies: State of California and its departments, County of Riverside and its departments, Cove Communities Services Commission, Coachella Valley Association of Governments, Riverside County Transportation Commission, Riverside County Waste Management District, Desert Sands Unified School District, County Superintendent of Schools, Coachella Valley Unified School District, Desert Community College District, Coachella Valley Mosquito and Vector Control District, Coachella Valley Water District, SunLine Transit Agency, Greater Palm Springs Convention and Visitors Bureau, and the Desert Resorts Regional Airport Authority.

Established Financial Controls

GASB 34 requires a separate "matter of fact" discussion of the City's financial condition that can be found in the required supplementary information section entitled "Management Discussion and Analysis (MD&A)". The following paragraphs outline several of the major policies of the City and attempt to supplement, not supplant, the MD&A that can be found later in this report. Management of the City of Indian Wells is responsible for establishing and maintaining a framework of internal controls designed to ensure that

assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles.

The framework of internal controls is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Independent Audit

An annual independent audit of the City's financial statements was conducted. The accounting firm of Lance, Soll & Lunghard, LLP was appointed by the City Council and reported to the Finance Committee to perform the annual audit. The auditors' report on the basic financial statements, as well as the combining and individual fund statements and schedules is included in the financial section of this report.

Annual Internal Control Review

As a recipient of State and County financial resources, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to constant evaluation by the management of the City and annual review by independent auditors. As part of the City's annual audit, reviews are made to determine the adequacy of the internal control structure, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's annual audit for the fiscal year ended June 30, 2015 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Accounting Controls

In the public sector, a city government maintains a variety of "funds" that provide the basis for separately recording the financial data related to a specific activity. A fund is an accounting entity with a complete set of self-balancing accounting records. Each fund has been established because of some restriction on the use of the resources received by that fund. In the private sector, a corporation may have many subsidiaries that make up the parent corporation. Likewise, in the public sector, all of the funds make up the complete financial resources of the City. This report includes the transactions of all entities over which the City Council has authority (as defined by the Governmental Accounting Standards Board).

The City's accounting system operates on a modified accrual basis of accounting for all governmental and agency type funds. Governmental funds include the General, Special Revenue, Debt Service, and Capital Projects Funds. Under the modified accrual basis of accounting, revenues are recorded when received in cash or accrued when they are both measurable and collectible within the accounting period or soon enough after the end of the period to pay liabilities of the period. Expenditures other than interest or long-term debt, are recorded when liabilities are incurred. At year-end, the City has prepared the required entries necessary to report the City's financial position and activities on an accrual basis of accounting, which recognizes revenues when earned, and expenses when incurred.

In addition to maintaining funds to record accounting transactions, internal controls exist within the accounting system to ensure the safety of assets from misappropriation, unauthorized use or disposition, and to maintain the accuracy of financial record keeping. These internal controls must be established consistent with sound management practices based upon the cost/benefit of the controls imposed. The cost of a control should not be excessive to its derived benefit as viewed by City management. The internal controls in existence at the City of Indian Wells are sufficient to ensure, in all material respects, both the safety of the City's assets and the accuracy of the financial record keeping system.

Certificate of Award for Outstanding Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Indian Wells for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

The Comprehensive Annual Financial Report of the City of Indian Wells for the fiscal year ended June 30, 2015 is hereby presented. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to fairly present the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated work of the Finance Department staff. Each member of the staff has my sincere appreciation for their contributions made in the preparation of this report. I appreciate the efforts of the City Council for providing the resources necessary to prepare this report and for their role in preserving the City's framework of internal controls. In addition, I wish to express my appreciation for the efforts of the Lance, Soll & Lunghard, LLP, Certified Public Accountants, for their professionalism in conducting the annual audit for the City of Indian Wells.

Respectfully submitted,

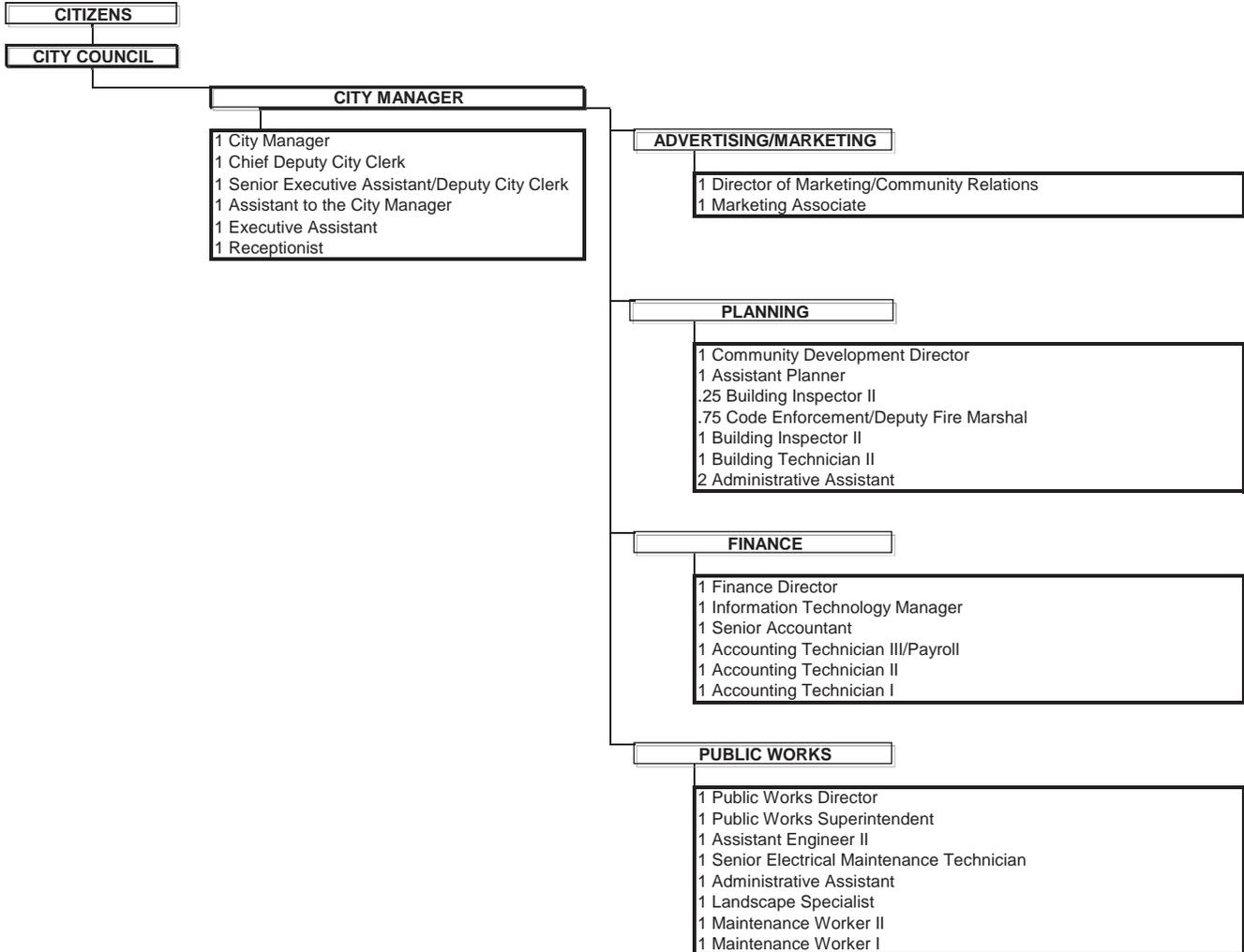
A handwritten signature in cursive script that reads "Wade G. McKinney".

City Manager

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**CITY OF INDIAN WELLS
ORGANIZATION CHART**

JUNE 30, 2015



CITY OF INDIAN WELLS

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2015

Council – Manager Form of Government

City Council

Ty Peabody
Mayor

Dana Reed
Mayor Pro Tem

Douglas Hanson
Council Member

Ted J. Mertens
Council Member

Richard Balocco
Council Member

City Administration

Wade G. McKinney
City Manager

Kevin McCarthy, Finance Director
Warren Morelion, Community Development Director
Nancy Sarpa-Samuelson, Marketing/Public Relations Director
Ken Seumalo, Public Works Director

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Indian Wells, 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 Indian Wells, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



To the Honorable Mayor and Members of the City Council
City of Indian Wells, 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 Indian Wells, California, as of June 30, 2015, 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 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*.

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 schedules for the General Fund, Golf Resort Operations Fund, and Housing Authority Fund, the schedule of plan contributions and the schedule of proportionate share of the net pension liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is 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 Indian Wells, 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 October 13, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea California
October 13, 2015

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Management's Discussion and Analysis

As the management of the City of Indian Wells, we offer readers of the City of Indian Wells' financial statements this overview and analysis of the City's financial activities for the fiscal year ended June 30, 2015. Management's Discussion and Analysis provides readers with a basic overview of the financial results and financial position of the City of Indian Wells.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal found on pages i-xiv, and the accompanying basic financial statements found on pages 21-22 of the report. The City's financial statements are available at Indian Wells City Hall or at <http://www.cityofindianwells.org>.

Financial Highlights

- The City's assets exceeded liabilities by \$317.5 million at the close of the most recent fiscal year. The net position breaks down as follows: \$241.6 million represents investment in capital assets, \$52.3 million represents unrestricted net position, and \$23.6 million is subject to legal restrictions on their use.
- The City implemented GASB 68, Accounting and Financial Reporting for Pensions. The City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan as of June 30, 2015, in the amount of \$3.6 million.
- Total capital assets net of depreciation decreased \$8.4 million from \$250.0 million to \$241.6 million. The City acquired \$0.7 million in new capital assets during the fiscal year. Depreciation expense was \$9.1 million.
- Governmental fund balances ended the year totaling \$75.3 million. Of this amount, \$18.9 million constitutes nonspendable fund balances, \$23.6 million are restricted fund balances, which are the result of external limitations on spending, and \$26.8 million are committed fund balances. The remaining fund balance is \$6.0 million and represents unassigned fund balances.
- At the end of the most recent fiscal year, the fund balance in the City's General Fund was \$27.8 million. The fund balance breaks down as follows: non-spendable assets comprise \$17.9 million in notes and loans, \$2.5 million is committed for emergency reserves, and \$7.4 million is unassigned.

Overview of the Financial Statements

The financial section of the comprehensive annual financial report contains the following information: *Independent Auditors' Report, Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and the *Supplementary Information* section, an optional section that presents combining and budgetary schedules for individual non-major funds. The *Basic Financial Statements* are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements* and, 3) *Notes to the Financial Statements*. Management's Discussion and Analysis is an introduction to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements - The Government-wide Financial Statements present a broad overview of the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The *Statement of Net Position* includes all of the City's assets (including nonspendable assets like streets, roads and land rights) and liabilities (including long-term liabilities that may be paid over twenty or so more years). All of the current year revenues and expenses are accounted for in the *Statement of Activities*. The two Government-wide Financial Statements report the City's net position.

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 may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **Statement of Activities** presents information showing how the government's net position changed during the most recent fiscal year. Any changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods. Examples include revenues pertaining to uncollected taxes, and expenses pertaining to earned but unused vacation and sick leave.

Both of the Government-wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation.

The Government-wide Financial Statements include not only the City of Indian Wells itself (known as the primary government), but also a legally separate maintenance district for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The City of Indian Wells Fire Access Maintenance District No. 1, although also legally separate, functions, for all practical purposes, as a department of the City, and therefore has been included as an integral part of the primary government. The Government-wide Financial Statements are found in the table of contents under the Financial Section of this report.

Fund Financial Statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The *Fund Financial Statements* provides information about the City's most significant funds (major funds) but not the City as a whole. Some funds are required by State and Federal law or by bond covenants. Other funds are utilized simply to control and manage resources intended for particular purposes. The City of Indian Wells, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - *Governmental funds* are used to account for essentially the same functions that are reported as *governmental activities* in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenses, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenses, and changes in fund balances for the major funds of the government. The City maintains individual governmental funds, which are distinguished between major and non-major funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

Data collected from the governmental funds is combined into a single aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City has chosen to report eighteen (18) Landscape and Lighting District funds as the Consolidated LLMD rather than reporting each of the funds separately. The City combines five (5) Gas Tax funds as the Consolidated Gas Tax Fund for this reporting purpose as well.

The City adopts a biennial appropriated Budget. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with this Budget. The basic governmental fund financial statements can be found in the table of contents under the heading *Basic Financial Statements*.

Proprietary funds - *Proprietary funds* are used to report the same functions presented as *business-type activities* in the Government-wide Financial Statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among various functions. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail.

Fiduciary funds - The City utilizes *Fiduciary funds* to account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's Government-Wide Financial Statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements - The financial statements also include the *Notes to the Financial Statements* that provide important narrative details about the information contained in the financial statements. Information contained in the Notes to the Financial Statements is critical to a reader's full understanding of the Government-Wide and Fund Financial Statements.

Required Supplementary Information - In addition to the required elements of the Basic Financial Statements, we have also included a *Supplementary Information* section which includes budgetary and combining schedules that provide additional details about the City's non-major Governmental Funds, Internal Service Funds, and Fiduciary Funds.

Combining and individual fund statements and schedules - Provide information for non-major governmental funds and fiduciary funds and are presented immediately following the required supplementary information.

Government-wide Financial Analysis

This analysis focuses on the Statement of Net Position (Table 1) and the Statement of Net Activities (Table 2) of the City's governmental activities. As noted earlier, looking at the changes in net position over time may serve as a useful indicator of a government's financial position.

Analysis of the Statement of Net Position

The following table lists a condensed Statement of Net Position for the fiscal year ending June 30, 2015 and 2014.

	Governmental Activities		
	2015	2014	\$ change
Current and other assets	\$ 84.3	\$ 81.0	\$ 3.3
Capital assets	241.6	250.0	(8.4)
Total Assets	325.9	331.0	(5.1)
Deferred Outflows of Resources:			
Pensions	0.5	-	0.5
Current Liabilities:	3.7	3.8	(0.1)
Proportionate share of collective net pension liability	3.6	-	3.6
Non-current Liabilities	0.4	0.5	(0.1)
Total Liabilities	7.7	4.3	3.40
Deferred Outflows of Resources:			
Pensions	1.2	-	1.2
Net Position:			
Invested in capital assets, net of related debt	241.6	250.0	(8.40)
Restricted			
Community development project	2.2	2.0	0.2
Housing	13.6	15.8	(2.2)
Public safety	5.7	5.6	0.1
Public works	2.1	2.0	0.1
Unrestricted	52.3	51.3	1.0
Total Net Position	\$ 317.5	\$ 326.7	\$ (9.2)

The City's assets exceeded liabilities by \$317.5 million at the close of the most recent fiscal year. Of the total net position, the City's investment in capital assets is \$241.6 million and \$52.3 million represents unrestricted net position available for meeting the City's ongoing obligations to citizens and creditors.

The City has restricted \$23.6 based on expected use. These restricted resources can be used only for those purposes that are specified by their providers, such as grantors, bondholders, or higher levels of government. It is important to note that these resources are constrained by external parties.

By the close of the fiscal year, the City's net position decreased \$4.7 million as a result of this year's activities. Depreciation expense of \$9.1 million is one of the primary factors that lead to the decrease in net position.

Governmental Activities

The City is a full-service city providing residents and visitors with the following functional services:

General Government is comprised of six departments (City Council, City Manager, Advertising & Marketing, City Attorney, Personnel, and Finance) providing general governance, executive management, legal services, records management, risk management, finance, accounting, and information technology services.

Public Safety is comprised of two departments (Police and Fire) providing general law enforcement and code enforcement, fire suppression and prevention services, paramedic and medical transport services, and disaster preparedness.

Community Development is comprised of four departments (Planning, Building, Housing Authority, and Residential Communities operations) providing planning and zoning services, economic development services, and building plan check.

Public Works is comprised of three departments (Engineering, Traffic Signals, and Maintenance Services) providing engineering, construction and maintenance of public streets, highways, buildings, and related infrastructure.

Golf Resort reflects the operations at the City's Indian Wells Golf Resort. The Golf Resort Contract Program accounts for the operation, management and maintenance of the Indian Wells Golf Resort according to the terms of the City's management agreement.

Table 2 below lists a condensed Statement of Activities for the fiscal year ending June 30, 2015 and 2014.

Table 2
Statement of Activities
(in Millions)

	Governmental Activities		
	2015	2014	\$ change
Program Revenues:			
Charges for services	\$ 14.3	\$ 13.4	\$ 0.9
Operating contributions and grants	7.4	7.2	0.2
Capital contributions and grants	1.8	2.9	(1.1)
General revenues:			
Taxes			
Property taxes	2.9	2.8	0.1
Transient occupancy taxes	6.8	6.4	0.4
Sales taxes	1.1	1.0	0.1
Franchise taxes	0.9	0.9	-
Business licenses taxes	0.1	0.1	-
Admission taxes	2.8	2.3	0.5
Investment income	2.2	3.3	(1.1)
Other	1.1	1.0	0.1
Total revenues	41.4	41.3	0.1
Expenses:			
General government	9.3	8.5	0.8
Public safety	8.0	7.7	0.3
Community development	4.1	4.1	-
Public works	11.1	11.3	(0.2)
Golf resort	13.6	13.0	0.6
Total expenses	46.1	44.6	1.5
Change in Net Position	(4.7)	(3.3)	(1.4)
Net Position at Beginning of Year	326.7	314.0	12.7
Extraordinary gain/(loss)	-	16.4	(16.4)
Restatement of Net Position	(4.5)	(0.4)	(4.1)
Net Position, as Restated	322.2	330.0	(7.8)
Net Position at End of Year	\$ 317.5	\$ 326.7	\$ (9.2)

Revenues:

The City collected \$41.4 during fiscal year 2015/15 compared to \$41.3 million the previous year. Overall, revenue collections are on a steady incline. Tourism revenues continued to grow during the fiscal year due to recent expansion of the Indian Wells Tennis Gardens and the BNP Paribas tennis tournament.

- The City collected \$14.6 million in general taxes during fiscal year 2014/15 representing an increase of \$1.1 million compared to the prior year. This variation is primarily due to revenue increases in property tax collections and tourism receipts.
- Investment income for fiscal year 2014/15 decreased \$1.1 million over the prior year primarily due to changes in market value at year-end.
- The City received \$14.3 million in charges for service revenues. The City's Golf Resort Operations Fund is the largest revenue generator in the category. Golf Resort operations accounted for \$13.2 million of the total revenue.
- The City received \$7.4 million in operating contributions and grants consistent with the prior year's collections.
- City officials continue to maintain an aggressive capital grant program, receiving \$1.8 million in capital contributions and grants.

Expenses:

In the current year, expenses for all governmental activities totaled \$46.1 million, reflecting an increase of \$1.5 million from the prior year. Changes in expenses compared to the prior year financials can be attributed to the following factors:

- General Government and Public Works expenses increased \$0.6 million due to increasing costs of services.
- Public Safety costs increased \$0.3 million due to increased administration costs and implementation of new labor agreements for law enforcement.
- Operational costs at the Indian Wells Golf Resort increased \$0.6 million due to increasing costs of services and expanding operations of the Pavilion.

Financial Analysis of the City's Funds

As noted earlier, the City of Indian Wells uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near term inflows, outflows, and balances of *spend-able* resources. Such information is useful in assessing the City's financing requirements.

As of the end of the current fiscal year, the City of Indian Wells' governmental funds reported combined ending fund balances of \$75.3 million as follows:

**Table 3
Fund Balances by Category 2014/15**

Category	General Fund	Percent	All Other Funds	Percent	Total Funds	Percent
Nonspendable:						
Inventory	\$ -	0%	\$ 728,323	2%	\$ 728,323	1%
Prepaid costs	950	0%	230,059	0%	231,009	0%
Notes and loans	17,889,192	64%	-	0%	17,889,192	24%
Restricted for:						
Community development	-	0%	15,815,156	33%	15,815,156	21%
Public safety	-	0%	5,680,112	12%	5,680,112	8%
Public works	-	0%	2,138,313	5%	2,138,313	3%
Committed for:						
Capital projects	-	0%	22,913,539	48%	22,913,539	30%
Emergency Reserve	2,500,000	9%	-	0%	2,500,000	3%
Golf Resort	-	0%	1,347,155	3%	1,347,155	2%
Unassigned:	<u>7,442,635</u>	27%	<u>(1,420,514)</u>	-3%	<u>6,022,121</u>	8%
Total Fund Balances	<u><u>\$ 27,832,777</u></u>		<u><u>\$ 47,432,143</u></u>		<u><u>\$ 75,264,920</u></u>	

Governmental fund balances ended the year totaling \$75.3 million. Of this amount, \$18.9 million constitutes non-spendable reserves; an additional \$23.6 million are restricted fund balances, which are the result of external limitations on spending.

Approximately \$26.8 million of the governmental fund balances are committed fund balances, which are internally imposed limitations placed upon the funds by the Governing Board responsible for adopting the fund budget. The remainder of the fund balance is \$6.0 million representing unassigned fund balances.

The General Fund

The General Fund is the primary operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$27.8 million of which \$17.9 million is non-spendable notes and loans; \$2.5 million is committed for Emergency Reserve, and \$7.4 million of unassigned fund balance.

The City's operating excess of revenues over expenditures is primarily due to tourism and property tax growth.

**Table 4
General Fund Financial Summary**

	2015	2014	\$ Change	% Change
Revenue				
Taxes	\$ 14,278,250	\$ 13,208,984	\$ 1,069,266	8.1%
Licenses and permits	476,892	425,848	51,044	12.0%
Intergovernmental	585,085	386,696	198,389	51.3%
Charges for services	526,340	428,907	97,433	22.7%
Interest income	94,150	117,377	(23,227)	-19.8%
Fines and forfeitures	42,166	52,631	(10,465)	-19.9%
Rental income	98,678	42,201	56,477	133.8%
Other income	646,686	560,328	86,358	15.4%
Total Revenues	16,748,247	15,222,972	1,525,275	10.0%
Expenditures				
General government	8,508,485	7,756,558	751,927	9.7%
Public safety	3,499,156	3,331,035	168,121	5.0%
Community development	1,001,104	1,020,148	(19,044)	-1.9%
Public works	1,833,952	1,800,306	33,646	1.9%
Total Expenditures & Uses	14,842,697	13,908,047	934,650	6.7%
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,905,550	\$ 1,314,925	\$ 590,625	44.9%

General Fund revenues increased 10.0% during fiscal year 2014/15 compared to the prior year. Total taxes climbed 8.1% with property taxes, transient occupancy taxes and admissions taxes experiencing the lion's share of the growth. Licenses and permits revenues reached \$0.5 million increasing 12.0% compared to the prior year.

Intergovernmental revenues reached \$0.6 million primarily due to receipt of State Mandate reimbursements and increases in Vehicle License Fee comp in-lieu fees. Charges for services increased 22.7% over the previous fiscal year due to new residential construction and expansion of the Indian Wells Tennis Gardens.

Interest income lagged compared to fiscal year 2013/14 collections primarily due to changes in market value at year-end. In contrast, rental income increased \$56,477 to reach \$0.1 million reflecting full tenant occupancy of the City's commercial building on Club Drive.

General Fund expenditures increased \$0.9 million (approximately 6.7%) during fiscal year 2014/15. City administrative costs, professional services, and public safety costs accounted for the increase.

See Fund Financial Statements tab page 24-29.

Golf Resort Operations City Fund

Golf Resort revenues of \$13.2 million grew \$0.7 million compared to revenues received during 2013/14. Golf Resort Fund expenditures of \$13.6 million were \$0.6 million more than 2013/14 expenditures. Golf operations at the Golf Resort posted a deficiency of \$0.4 million during the fiscal year.

Table 5
Golf Resort Operations - City Fund

	2015	2014	\$ Change	% Change
Rounds Played	78,829	81,696	(2,867)	-3.5%
Revenues	\$ 13,207,745	\$ 12,469,625	\$ 738,120	5.9%
Expenses	13,564,356	12,945,121	619,235	4.8%
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (356,611)	\$ (475,496)	\$ 118,885	-25.0%

See Fund Financial Statements tab page 24-29.

Government Activities

Table 6 presents the cost of each of the City's five largest programs—general government, community development, public safety, public works and golf resort—as well as each program's *net* cost (total cost less revenues generated by the activities).

The net cost shows the financial burden placed on the City's taxpayers by each of these functions.

Table 6
Net Cost of Governmental Activities
(in Millions)

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
General government	\$ 9.3	\$ 8.5	\$ (7.7)	\$ (7.6)
Public safety	8.0	7.7	(3.4)	(3.3)
Community development	4.1	4.1	(3.0)	(3.3)
Public works	11.1	11.3	(8.0)	(6.5)
Golf Resort	13.6	13.0	(0.4)	(0.5)
Totals	\$ 46.1	\$ 44.6	\$ (22.5)	\$ (21.2)

See Independent Auditors' Report

The net cost of services indicates that the overall cost of government is greater than the revenues generated to support it from fees and user charges. This is an indication that the taxes and general revenues charged by the City are necessary to support its operations. To some degree, this may seem obvious, but it is important that the reader understand the true operating cost of the government and the importance of general revenues. Program revenues include capital grants and contributions, which may be deceptive to the reader since program expenditures exclude capital acquisitions.

See the Statement of Activities on page 22 for further detail.

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2015 is presented in the required supplementary information to the basic financial statements. Revenues continued to outpace budgeted expectations during fiscal year 2014/15. Actual expenditures were stable in all categories compared to budgeted expectations.

Capital Assets

The City of Indian Wells' investment in capital assets, net of accumulated depreciation, amounted to \$241.6 million at June 30, 2015. This investment includes land, infrastructure, structures and improvements, vehicles, equipment, intangible assets, and construction in progress.

The City continued tracking additions and deletions of capital assets. These additions and deletions took the form of completed Capital Improvement Projects. The primary purpose of including infrastructure assets in the financial statements is to report the total amount of improvements and the amount that these assets have depreciated.

The Statement of Net Position includes such infrastructure assets as in City-maintained streets, street medians, curb and gutter, traffic signals, sidewalks, bridges, artwork, sound walls, bike paths, storm drains, and retention basins. Infrastructure assets, except for land, have been depreciated to reflect a net infrastructure amount. Infrastructure assets not included in the Statement of Net Position are private streets (generally behind gates), public water, mountain trails, and sewer, electricity, and gas and cable utilities maintained by others.

Table 7
Summary of Changes in Capital Assets
(in millions)

	Balance at July 1, 2014	Additions	Retirements	Balance at June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 63.1	\$ -	\$ -	\$ 63.1
Construction in progress	4.6	(4.6)	0.1	0.1
Total capital assets not being depreciated	67.7	(4.6)	0.1	63.2
Capital assets, being depreciated:				
Intangible	2.5	-	-	2.5
Buildings and improvements	144.5	-	1.8	146.3
Equipment	6.3	-	0.3	6.6
Infrastructure	107.9	-	3.1	111.0
Total capital assets being depreciated	261.2	-	5.2	266.4
Less accumulated depreciation for:				
Intangible	(0.4)	-	(0.2)	(0.6)
Buildings and improvements	(49.4)	-	(6.4)	(55.8)
Equipment	(5.5)	-	(0.5)	(6.0)
Infrastructure	(23.6)	-	(2.0)	(25.6)
Total accumulated depreciation	(78.9)	-	(9.1)	(88.0)
Total capital assets being depreciated, net	182.3	-	(3.9)	178.4
Total capital assets, net	\$ 250.0	\$ (4.6)	\$ (3.8)	\$ 241.6

The City completed \$5.2 million in new capital assets during the fiscal year ending June 30, 2015. The City spent approximately \$0.1 million to complete remodel work at the City's commercial office buildings on Club Drive, and construct the Carl Bray interruptive exhibit. The remaining portion of the Rule 20 B IW Village underground utility project was completed during the fiscal year at a cost of \$5.1 million. Total depreciation is \$9.1 million. As a result of all capital activities during fiscal year 2013/14, the net investment in capital assets decreased \$8.4 million from \$250.0 million to \$241.6 million.

Details of the City's capital assets can be found in Note 6 Capital Assets on page 51 of the Notes to Basic Financial Statements.

Long-term Debt

At year-end, the City had \$0.4 million in compensated absences, as shown in Table 8 below. Several different types of paid leave accrue to full-time employees. These include vacation, holiday, administrative leave, sick leave, and compensatory time accruals.

The City reserves the outstanding compensated absences liability in the Employee Leave Accrual Fund. The long-term strategy of the Employee Leave Accrual Fund is to set aside reserves in case of changes in staff. As an employee separates from employment, the City pays out the employee's leave liability.

Table 8
Summary of Changes in Long-Term Liabilities
(in millions)

Description	Balance at 7/1/2014	Additions	Reductions	Balance at 6/30/2015	Due Within One Year
Compensated absences	\$ 0.4	\$ 0.4	\$ (0.4)	\$ 0.4	\$ 0.1

Details of the Agency's outstanding debt can be found in Note 7 Long-Term Liabilities on page 52 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

In the short-term, the City continues to see overall economic stability and expansion. Most major revenues are advancing along with the overall economy. The housing market is healthy and along with it the City's property tax revenue. Building activity is returning, and tourism and travel are strong.

Over the next five-year period, General Fund expenditures are expected to increase at a faster rate than General Fund revenues, leading to an annual decrease of excess revenues over expenditures. Long-term cash flows anticipate conservative revenue growth of approximately 2.7% per year. The growth is largely inflationary in nature, although small growth should continue from expanding hotel occupancy and tennis tournament attendance.

The operating cost projections represent current service levels. The analysis does not assume any changes in staffing levels, police services, current maintenance and landscaping levels, and other City services. Over the next five-year period, Staff expects to see operating cost increases of approximately 3.0% per year. Cost increases reference historical trends and are largely inflationary in nature.

The 2015/16 Budget is the result of significant teamwork and represents steady and consistent spending. The easing up of the economy has allowed slightly more flexibility in formulating the Budget than was the case in the prior two budget cycles. The Budget is fair, smart, and achievable. In preparing the Budget, the objective was to provide an effective plan to maintain the City Council goals and the City's core services.

The City Council's top priorities are:

- Create a ten-year Financial Strategy
- Encourage and expand economic development opportunities
- Beautify the Highway 111 corridor
- Create a City Communications Plan

The City Council's goal is to manage financial resources to ensure economic vitality and to sustain quality public services. To that end, the development of the City Budget incorporates two consistent ideals: preserve quality public services for our residents and achieve long-term financial sustainability.

Request for Information

This financial report is designed to provide our 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 or need additional financial information, contact Kevin McCarthy, Finance Director, at the City of Indian Wells, 44-950 Eldorado Drive, Indian Wells, California 92210-7497 or e-mail Kevin McCarthy at: kmccarthy@indianwells.com

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CITY OF INDIAN WELLS

STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2015

	Governmental Activities
Assets:	
Cash and investments	\$ 49,399,395
Receivables:	
Accounts	1,191,650
Notes and loans	11,299,838
Accrued interest	49,215
Prepaid costs	231,009
Inventories	728,323
Restricted assets:	
Cash and investments	796,774
Due from Successor Agency	17,739,192
Net OPEB asset	2,890,863
Capital assets not being depreciated	63,253,468
Capital assets, net of depreciation	<u>178,354,272</u>
Total Assets	<u>325,933,999</u>
Deferred Outflows of Resources:	
Pensions	<u>487,807</u>
Total Deferred Outflows of Resources	<u>487,807</u>
Liabilities:	
Accounts payable	2,511,328
Accrued liabilities	479,845
Deposits payable	308,565
Due to other governments	335,415
Noncurrent liabilities:	
Due within one year	107,486
Due in more than one year	312,819
Proportionate share of net pension liability	<u>3,597,324</u>
Total Liabilities	<u>7,652,782</u>
Deferred Inflows of Resources:	
Pensions	<u>1,233,283</u>
Total Deferred Inflows of Resources	<u>1,233,283</u>
Net Position:	
Net investment in capital assets	241,607,740
Restricted for:	
Community development projects	2,175,822
Housing	13,639,334
Public safety	5,680,112
Public works	2,138,313
Unrestricted	<u>52,294,420</u>
Total Net Position	<u>\$ 317,535,741</u>

CITY OF INDIAN WELLS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Program Revenues				Governmental Activities
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 9,338,294	\$ 35,971	\$ 524,526	\$ 1,050,000	\$ (7,727,797)
Public safety	7,988,613	8,599	4,514,697	-	(3,465,317)
Community development	4,058,871	1,003,232	60,559	-	(2,995,080)
Public works	11,102,625	22,723	2,319,406	775,943	(7,984,553)
Golf resort	13,564,356	13,179,508	-	-	(384,848)
Total Governmental Activities	\$ 46,052,759	\$ 14,250,033	\$ 7,419,188	\$ 1,825,943	(22,557,595)

General Revenues:

Taxes:

Property taxes, levied for general purpose	2,915,229
Transient occupancy taxes	6,742,840
Sales taxes	1,121,191
Franchise taxes	924,869
Business licenses taxes	134,126
Admission taxes	2,753,412
Use of money and property	2,212,672
Other	1,082,274

Total General Revenues

17,886,613

Change in Net Position

(4,670,982)

Net Position at Beginning of Year

326,679,185

Restatement of Net Position

(4,472,462)

Net Position, as Restated

322,206,723

Net Position at End of Year

\$ 317,535,741

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CITY OF INDIAN WELLS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			Capital Projects Funds	
	General	Golf Resort Operations	Housing Authority	Park Facilities In Lieu	Capital Improvements
Assets:					
Cash and investments	\$ 9,579,910	\$ 1,471,197	\$ 2,726,518	\$ -	\$ 3,521,138
Receivables:					
Accounts	641,316	62,690	-	-	13,384
Notes	150,000	-	10,957,829	-	192,009
Accrued interest	15,730	2,385	4,419	-	5,707
Prepaid costs	950	230,059	-	-	-
Due from other funds	1,431,763	-	-	-	-
Inventories	-	728,323	-	-	-
Restricted assets:					
Cash and investments	-	441,813	-	-	-
Due from Successor Agency	17,739,192	-	-	-	-
Total Assets	\$ 29,558,861	\$ 2,936,467	\$ 13,688,766	\$ -	\$ 3,732,238
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,035,374	\$ 630,930	\$ 42,238	\$ -	\$ 26,860
Accrued liabilities	464,626	-	7,194	-	-
Deposits payable	226,084	-	-	-	-
Due to other governments	-	-	-	-	335,415
Due to other funds	-	-	-	1,389,575	-
Total Liabilities	1,726,084	630,930	49,432	1,389,575	362,275
Fund Balances:					
Nonspendable:					
Inventory	-	728,323	-	-	-
Prepaid costs	950	230,059	-	-	-
Notes and loans	17,889,192	-	-	-	-
Restricted for:					
Community development	-	-	13,639,334	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Committed to:					
Capital Projects	-	-	-	-	3,369,963
Emergency reserve	2,500,000	-	-	-	-
Golf Resort	-	1,347,155	-	-	-
Unassigned	7,442,635	-	-	(1,389,575)	-
Total Fund Balances	27,832,777	2,305,537	13,639,334	(1,389,575)	3,369,963
Total Liabilities and Fund Balances	\$ 29,558,861	\$ 2,936,467	\$ 13,688,766	\$ -	\$ 3,732,238

CITY OF INDIAN WELLS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 29,569,412	\$ 46,868,175
Receivables:		
Accounts	474,260	1,191,650
Notes	-	11,299,838
Accrued interest	16,871	45,112
Prepaid costs	-	231,009
Due from other funds	-	1,431,763
Inventories	-	728,323
Restricted assets:		
Cash and investments	354,961	796,774
Due from Successor Agency	-	17,739,192
Total Assets	\$ 30,415,504	\$ 80,331,836
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 775,926	\$ 2,511,328
Accrued liabilities	8,025	479,845
Deposits payable	82,481	308,565
Due to other governments	-	335,415
Due to other funds	42,188	1,431,763
Total Liabilities	908,620	5,066,916
Fund Balances:		
Nonspendable:		
Inventory	-	728,323
Prepaid costs	-	231,009
Notes and loans	-	17,889,192
Restricted for:		
Community development	2,175,822	15,815,156
Public safety	5,680,112	5,680,112
Public works	2,138,313	2,138,313
Committed to:		
Capital Projects	19,543,576	22,913,539
Emergency reserve	-	2,500,000
Golf Resort	-	1,347,155
Unassigned	(30,939)	6,022,121
Total Fund Balances	29,506,884	75,264,920
Total Liabilities and Fund Balances	\$ 30,415,504	\$ 80,331,836

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CITY OF INDIAN WELLS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2015**

Fund balances of governmental funds		\$ 75,264,920
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		241,607,740
Compensated absences have not been included in the governmental fund activity.		(420,305)
Deferred outflows related to pension items:		
Contributions made after measurement date	\$ 455,850	
Adjustment due to differences in proportions	<u>31,957</u>	487,807
Deferred inflows related to pension items:		
Unamortized difference between employer contributions and the plans proportionate share of aggregate employer contributions	(24,416)	
Net difference between projected and actual earnings in pension plan investments	<u>(1,208,867)</u>	(1,233,283)
Proportionate Share of Net pension liability has not been included in governmental fund activity		(3,597,324)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>5,426,186</u>
Net Position of governmental activities		<u>\$ 317,535,741</u>

CITY OF INDIAN WELLS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			Capital Projects Funds	
	General	Golf Resort Operations	Housing Authority	Park Facilities In Lieu	Capital Improvements
Revenues:					
Taxes	\$ 14,278,250	\$ -	\$ -	\$ -	\$ -
Licenses and permits	476,892	-	-	-	-
Intergovernmental	585,085	-	-	-	653,559
Contribution from property owners	-	-	-	-	-
Charges for services	526,340	13,179,508	-	-	-
Investment income	94,150	10,374	32,684	-	45,510
Fines and forfeitures	42,166	-	-	-	-
Rental Income	98,678	17,863	-	-	-
Assessments	-	-	-	-	-
Developer fees	-	-	-	39,272	-
Other income	646,686	-	-	-	9,464
Total Revenues	16,748,247	13,207,745	32,684	39,272	708,533
Expenditures:					
Current:					
General government	8,508,485	-	806,141	-	109,977
Public safety	3,499,156	-	-	-	-
Community development	1,001,104	-	-	-	-
Public works	1,833,952	-	-	-	-
Golf resort	-	13,564,356	-	-	-
Capital outlay	-	-	-	-	549,774
Total Expenditures	14,842,697	13,564,356	806,141	-	659,751
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,905,550	(356,611)	(773,457)	39,272	48,782
Other Financing Sources (Uses):					
Transfers in	-	2,250,000	-	-	155,123
Transfers out	(57,397)	-	-	-	(2,250,000)
Total Other Financing Sources (Uses)	(57,397)	2,250,000	-	-	(2,094,877)
Net Change in Fund Balances	1,848,153	1,893,389	(773,457)	39,272	(2,046,095)
Fund Balances, Beginning of Year	25,984,624	412,148	14,412,791	(1,428,847)	5,416,058
Fund Balances, End of Year	\$ 27,832,777	\$ 2,305,537	\$ 13,639,334	\$ (1,389,575)	\$ 3,369,963

CITY OF INDIAN WELLS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:		
Taxes	\$ 2,918,007	\$ 17,196,257
Licenses and permits	2,404	479,296
Intergovernmental	526,759	1,765,403
Contribution from property owners	1,050,000	1,050,000
Charges for services	-	13,705,848
Investment income	344,494	527,212
Fines and forfeitures	22,723	64,889
Rental Income	1,543,855	1,660,396
Assessments	3,685,524	3,685,524
Developer fees	100,342	139,614
Other income	426,124	1,082,274
	<u>10,620,232</u>	<u>41,356,713</u>
Total Revenues		
Expenditures:		
Current:		
General government	-	9,424,603
Public safety	4,537,433	8,036,589
Community development	1,806,203	2,807,307
Public works	2,246,082	4,080,034
Golf resort	-	13,564,356
Capital outlay	311,489	861,263
	<u>8,901,207</u>	<u>38,774,152</u>
Total Expenditures		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,719,025</u>	<u>2,582,561</u>
Other Financing Sources (Uses):		
Transfers in	57,397	2,462,520
Transfers out	(155,123)	(2,462,520)
	<u>(97,726)</u>	<u>-</u>
Total Other Financing Sources (Uses)		
Net Change in Fund Balances	<u>1,621,299</u>	<u>2,582,561</u>
Fund Balances, Beginning of Year	<u>27,885,585</u>	<u>72,682,359</u>
Fund Balances, End of Year	<u><u>\$ 29,506,884</u></u>	<u><u>\$ 75,264,920</u></u>

CITY OF INDIAN WELLS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED YEAR ENDED JUNE 30, 2015**

Net change in fund balances - total governmental funds \$ 2,582,561

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

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

Capital expenditures	\$ 695,864	
Depreciation expense	<u>(9,131,909)</u>	(8,436,045)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (69,928)

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. 129,662

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 1,122,768

Change in net position of governmental activities \$ (4,670,982)

CITY OF INDIAN WELLS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015

	<u>Governmental Activities- Internal Service Funds</u>
Assets:	
Current:	
Cash and investments	\$ 2,531,220
Receivables:	
Accrued interest	4,103
	<u>2,535,323</u>
Total Current Assets	2,535,323
Noncurrent:	
Net OPEB asset	2,890,863
	<u>2,890,863</u>
Total Noncurrent Assets	2,890,863
Total Assets	<u>\$ 5,426,186</u>
 Net Position:	
Unrestricted	\$ 5,426,186
	<u>5,426,186</u>
Total Net Position	5,426,186
Total Liabilities and Net Position	<u>\$ 5,426,186</u>

CITY OF INDIAN WELLS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Governmental Activities- Internal Service Funds
Operating Revenues:	
Interdepartmental charges	\$ 1,450,000
Total Operating Revenues	1,450,000
Operating Expenses:	
Administration and general	346,357
Claims expense	5,940
Total Operating Expenses	352,297
Operating Income (Loss)	1,097,703
Nonoperating Revenues (Expenses):	
Interest revenue	25,065
Total Nonoperating Revenues (Expenses)	25,065
Income (Loss) Before Transfers	1,122,768
Transfers in	10,957
Transfers out	(10,957)
Changes in Net Position	1,122,768
Net Position:	
Beginning of Year	4,303,418
End of Fiscal Year	\$ 5,426,186

CITY OF INDIAN WELLS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash received from/(paid to) interfund service provided	\$ 1,450,000
Cash paid to suppliers for goods and services	<u>(410,543)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,039,457</u>
Cash Flows from Non-Capital Financing Activities:	
Cash transfers out	(10,957)
Cash transfers in	<u>10,957</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>-</u>
Cash Flows from Investing Activities:	
Interest received	<u>23,334</u>
Net Cash Provided (Used) by Investing Activities	<u>23,334</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,062,791
Cash and Cash Equivalents at Beginning of Year	<u>1,468,429</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,531,220</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>\$ 1,097,703</u>
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:	
(Increase) decrease in OPEB asset	86,842
(Increase) decrease in workers' compensation cumulative deposit receivable	7,920
Increase (decrease) in general liability cumulative deposit payable	(153,008)
Total Adjustments	<u>(58,246)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,039,457</u>

CITY OF INDIAN WELLS

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2015

	Private-Purpose Trust Fund Successor Agency of the Former RDA
Assets:	
Cash and investments	\$ 8,375,383
Receivables:	
Accrued interest	13,576
Prepaid costs	46,187
Restricted assets:	
Cash and investments with fiscal agents	780,782
Total Assets	9,215,928
Deferred Outflows of Resources:	
Deferred loss on refunding	126,161
Total Deferred Outflows of Resources	126,161
Liabilities:	
Accrued interest	1,454,638
Due to City	17,739,192
Long-term liabilities:	
Due in one year	5,615,000
Due in more than one year	115,804,442
Total Liabilities	140,613,272
Net Position:	
Held in trust for other purposes	(131,271,183)
Total Net Position	\$ (131,271,183)

CITY OF INDIAN WELLS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2015

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 10,941,538
Interest and change in fair value of investments	47,797
Miscellaneous	<u>2,381</u>
Total Additions	<u>10,991,716</u>
Deductions:	
Administrative expenses	410,283
Interest expense	<u>4,374,344</u>
Total Deductions	<u>4,784,627</u>
Changes in Net Position	6,207,089
Net Position - Beginning of the Year	<u>(137,478,272)</u>
Net Position - End of the Year	<u><u>\$ (131,271,183)</u></u>

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Note 1: Summary of Significant Accounting Policies

The basic financial statements of the City of Indian Wells have been prepared in conformity with generally accepted accounting principles as applicable 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 government's accounting policies are described below:

a. The Financial Reporting Entity:

The City of Indian Wells (the City) was incorporated during July 1967, under the General Laws of the State of California. The City became a charter City in 2003. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

In accordance with GASB Statement Number 14 (The Financial Reporting Entity) and Statement Number 61 (The Financial Reporting Entity: Omnibus), the City (the primary government) has included within its reporting entity, for financial reporting purposes, all component units which meet the requirement described in these statements. GASB Statement No. 14 and No. 61 defines financial accountability as follows: The level of accountability that exists if a primary government appoints a voting majority of that organization or there is a potential for the organization to provide specific financial burdens to or impose specific financial burdens on the primary government. A primary government may also be financially accountable for government organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government. The City is also considered to be financially accountable for an organization if that 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 exclusion would cause the City's financial statements to be misleading or incomplete.

Included with the financial reporting entity of the City of Indian Wells are the City of Indian Wells Fire Access Maintenance District No. 1 and the Indian Wells Housing Authority because each component unit meets the above mentioned criteria. A brief description of each component unit follows:

The City of Indian Wells Fire Access Maintenance District No. 1 (FAMD No. 1) was established during April 1973 to provide for the maintenance of access roads for fire and safety vehicles within the special district referred to as FAMD No. 1. Separate financial statements are not prepared for FAMD No. 1.

The Housing Authority (Housing Authority) of the City of Indian Wells was established in February 2012, to assume the housing activities from the former Redevelopment Agency. The activity of the Housing Authority is reported in the Special Revenue Funds. Separate financial statements are not prepared for the Housing Authority.

Note 1: Summary of Significant Accounting Policies (Continued)

Since the City Council serves as the governing board for these component units, all of the City's component units 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 the basic financial statements

Government-wide Financial Statements:

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. All fiduciary activities are reported only in the fund financial statements. The City of Indian Wells has no business-type activities or discretely presented 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). 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 the 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.

Program revenues include charges for services, special assessments, and payments made by parties outside of 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 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 expenditure.

Note 1: Summary of Significant Accounting Policies (Continued)

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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 funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds.

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.

Revenue recognition is subject to the measurable and availability 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 non-exchange 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 non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

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 other 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 non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

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

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Proprietary Fund:

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for services. Operating expenses for the proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets.

Note 1: Summary of Significant Accounting Policies (Continued)

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund:

The private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements.

c. Fund Classifications:

The City reports the following major governmental funds:

General Fund - This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Golf Resort Operations - This fund is used to account for the operations of the Golf Resort at Indian Wells and provide monies to the General Fund. Customer purchases received by the course will be used to support the day to day activities of the golf course.

Housing Authority - This fund is used to account for the housing activity of the former Redevelopment Agency for the benefit of providing low and moderate income housing in Indian Wells. Revenue sources include loan repayments and rent revenue.

Park Facilities In Lieu - This fund is used to account for the accumulation of resources from Quimby Act Park Fee exactions, which are to be used for the acquisition and construction of parks, recreation and open space capital projects.

Capital Improvement - This fund is used to account for the transfer of monies from the General Fund for the acquisition and construction of general governmental capital projects.

The City's fund structure also includes the following fund types:

Proprietary Fund - Internal Service Fund - These funds are used to account for activities and services performed for other departments within the City on a cost reimbursement basis.

Fiduciary Fund - Private Purpose Trust Fund - This fund is used to account for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

d. Cash and Investments:

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. These investments are not transferable and they have terms that are not affected by changes in market interest rates. Investment income reports interest earnings. Net increase (decrease) in fair value of investments reports changes in fair value.

Note 1: Summary of Significant Accounting Policies (Continued)

The City pools cash and investments of all funds, except for amounts held by fiscal agents and management companies for the Indian Wells Golf Resort, Indian Wells Villas and Mountain View Villas. Each fund's share in this pool is displayed in the accompanying financial statements as pooled 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.

e. Capital Assets:

Capital assets, which include property, plant, equipment, infrastructure (i.e., roads, bridges, sidewalks, and similar items), and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount.

In the case of the initial capitalization of infrastructure assets, the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class are as follows:

Building and improvements	10 - 50 years
Equipment	3 -15 years
Infrastructure	40 - 60 years

The inclusion of an intangible asset is based on the provision of GASB Statement No. 51. Intangible assets are amortized over their contractual useful lives using the straight-line method in the government-wide financial statements. Amortization is charged as an expense against operations and accumulated amortization is reported on the respective balance sheet.

Note 1: Summary of Significant Accounting Policies (Continued)

f. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 only has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the statement of fiduciary net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second are deferred outflows relating to the net pension obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following year, and of adjustments due to difference in proportions and the difference between actual contributions made and the proportionate share of the risk pool's total contributions. These amounts are deferred and amortized over the expected average remaining service life time.

In addition to liabilities, the statement of financial 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 so will not be recognized as an inflow of resources (revenue) until that time. The City has only one item that qualifies for reporting in this category which are deferred inflows relating to the net pension obligation reported in the government-wide statement of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments. This amount is deferred and amortized straight-line over a five-year period.

g. Property Taxes:

Property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are payable in two equal installments due November 1 and February 1, respectively, and are delinquent if not paid by December 10 and April 10, respectively. The County of Riverside bills and collects the property taxes and remits them to the City in installments during the year. All material amounts associated with the reporting period are collected soon enough to be considered to be "available" to finance the expenditures of the reporting period.

The County of Riverside is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the assessed values no more than 2%. The City receives a share of this basic levy proportionate to what was received in the 1976 to 1978 period.

h. Inventory:

Inventory in the Golf Resort Operations Special Revenue Fund is carried at cost using the consumption method on a first-in, first-out basis.

i. Prepaid Costs:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The City uses the consumption method to record prepaid costs.

Note 1: Summary of Significant Accounting Policies (Continued)

j. Compensated Absences:

Governmental fund types recognize the vested vacation and compensatory time as an expenditure in the current year to the extent it is paid during the year. Accrued vacation and compensatory time relating to governmental funds is included as a liability in the long-term liabilities as those amounts are payable from future resources.

k. Fund Equity:

In the fund financial statements, governmental funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest authority, city council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by resolution.

Assigned include amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager and/or Finance Director is authorized to assign amounts to a specific purpose, which was established by the governing body in Resolution No. 2011-30.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to be used first, then unrestricted. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, they are considered to be spent in the order as follows: committed, assigned and then unassigned.

l. Net Position and Fund Balance Flow Assumptions:

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted

Note 1: Summary of Significant Accounting Policies (Continued)

before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

m. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

n. New Accounting Pronouncements:

The City implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities.

o. Pension:

In government-wide financial statements, the retirement plan (pension) is required to be recognized and disclosed using the accrual basis of accounting (see Note 9 and the required supplementary information (RSI) section immediately following the Notes to Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the City's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the City's pension plan with CalPERS and additions to/deductions from the plan's 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 benefits terms. Investments are reported at fair value.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Note 2: Cash and Investments

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

	Governmental Activities	Fiduciary Activities	Total
Cash and investments	\$ 50,196,169	\$ 8,375,383	\$ 58,571,552
Restricted assets:			
Cash and investments with fiscal agent	-	780,782	780,782
	<u>\$ 50,196,169</u>	<u>\$ 9,156,165</u>	<u>\$ 59,352,334</u>

Cash and investments at June 30, 2015, consisted of the following:

Demand accounts	\$ 815,290
Petty cash	1,400
Investments	<u>58,535,644</u>
Total cash and investments	<u>\$ 59,352,334</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 (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where 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.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment One Issuer
U.S. Treasury Bills, Bonds and Notes	5 years	75%	None
Federal Agency Securities	5 years	70%	\$ 15,000,000
Local Agency Bonds	5 years	20%	5,000,000
State of California Obligations	5 years	20%	5,000,000
Municipal Mutual Funds	N/A	20%	10% per single issue
Certificates of Deposits and Negotiable			
Certificates of Deposits	5 years	30%	5,000,000
Repurchase Agreements	30 days	10%	2,000,000
Medium-Term Corporate Notes	5 years	20%	2,000,000
Local Agency Investment Fund (LAIF)	N/A	60%	20,000,000 per entity

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements and the general provisions of the California Government Code, rather than the City's investment policy. Investments authorized for funds held by fiscal agent include, U.S. Treasury Obligations, U.S. Government Sponsored Entities Securities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Money Market Mutual Funds, Investment Contracts, and Repurchase Agreements. There are no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Banker's Acceptance which are limited to one year.

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 fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: Cash and Investments (Continued)

Investment Type	Remaining Maturity (in months)			Total
	12 Months or Less	13-36 Months	37-60 Months	
Federal Agency Securities	\$ -	\$ 8,963,440	\$ 22,981,470	\$ 31,944,910
Negotiable Certificates of Deposit	752,311	2,262,577	1,998,455	5,013,343
Local Agency Investment Funds	12,483,761	-	-	12,483,761
Medium Term Notes	2,006,260	5,033,430	1,259,375	8,299,065
Money Market Mutual Funds	13,783	-	-	13,783
Held by a Bond Trustee				
Money Market Mutual Funds	780,782	-	-	780,782
	<u>\$ 16,036,897</u>	<u>\$ 16,259,447</u>	<u>\$ 26,239,300</u>	<u>\$ 58,535,644</u>

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 investment policy, or debt agreements, and the Standards and Poor's credit rating as of year-end for each investment type:

Investment Type	Total as of June 30, 2015	Minimum Legal Rating*	Minimum Legal Rating*			
			Not Rated	AAA	AA	A
Federal Agency Securities	\$ 31,944,910	AAA	\$ -	\$ 31,944,910	\$ -	\$ -
Negotiable Certificate of Deposit	5,013,343	n/a	5,013,343	-	-	-
Local Agency Investment Funds	12,483,761	n/a	12,483,761	-	-	-
Medium Term Notes	8,299,065	A	-	-	8,299,065	-
Money Market Mutual Funds	13,783	A	-	-	-	13,783
Held by a Bond Trustee:						
Money Market Mutual Funds	780,782	A	-	-	-	780,782
Total	<u>\$ 58,535,644</u>		<u>\$ 17,497,104</u>	<u>\$ 31,944,910</u>	<u>\$ 8,299,065</u>	<u>\$ 794,565</u>

*n/a- Not Applicable

Concentration of Credit Risk:

Investments in any one issuer that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount	Percent of Portfolio
Federal National Mortgage Association	Federal Agency Securities	\$ 11,002,010	19%
Federal Home Loan Mortgage Corp.	Federal Agency Securities	7,989,480	14%
Federal Farm Credit Bank	Federal Agency Securities	3,975,760	7%
Federal Home Loan Bank	Federal Agency Securities	7,981,670	14%

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash and Investments (Continued)**Custodial Credit Risk:**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market 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. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

Investment in State Investment Pool:

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3: Accounts Receivable

Receivables at June 30, 2015, are composed of the following:

	Other <u>Receivable</u>	Taxes <u>Receivable</u>	<u>Total</u>
General	\$ 261,887	\$ 379,429	\$ 641,316
Golf Resort Operations	62,690	-	62,690
Capital Improvements	13,384	-	13,384
Nonmajor Governmental Funds	474,260	-	474,260
Total	<u>\$ 812,221</u>	<u>\$ 379,429</u>	<u>\$ 1,191,650</u>

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 4: Notes Receivable

	<u>Outstanding at June 30, 2015</u>
City Manager Relocation Loan	\$ 150,000
Indian Wells Village Utility Undergrounding	168,509
WM Medical Mgmt. Improvement Allowance	23,500
Successor Agency	
SERAF Loan	<u>10,957,829</u>
Total	<u>\$ 11,299,838</u>

The note for the City Manager was issued as an incentive to relocate to a primary residence within 40 driving miles of the City of Indian Wells City Hall. The note accrues interest at a variable interest rate equal to one and three-quarters percent per annum above the Index Rate; provided, however, in no event shall the interest rate exceed the rate of five percent per annum. All principal and all accrued but unpaid interest shall be due and payable on the earliest to occur of (i) the sale or transfer of all or any portion of the City Manager's interest in any real property owned by the City Manager and located within 40 driving miles of the City of Indian Wells City Hall; or (ii) the end of the twelve-month period immediately following the expiration or termination of the City Manager's employment agreement dated June 6, 2013. This note may be prepaid in whole or in part at any time without premium or penalty and is secured by all of the assets of the City Manager.

The notes issued relating to the Indian Wells Village Utility Undergrounding relate to the costs the City of Indian Wells covered for the tenants of the Indian Wells Village to run electricity from the streets up to the individual properties. The tenants are responsible for repaying the City. The notes are due and payable in full on the earlier of (i) the date of any transfer not authorized by the Lender; (ii) the date of any default; or (iii) twenty years from the effective date of the Loan Agreement. Outstanding Principle Balance shall bear simple interest at the rate of one percent per annum, and if default occurs, interest on the principal balance shall accrue at the lesser of ten percent compounded annually or the maximum amount permitted by law from the date of default to the date of repayment in full of the disbursed principle amount of the loan and any interest due thereon. The notes are secured by a Deed of Trust against the Property.

The note to WM Medical Management, Inc. is for an improvement allowance for work required by WM Medical to open for business in the building owned by the City of Indian Wells. The allowance shall be amortized in the base rent at a rate of four percent over the initial lease term of five years. This amount shall be equal to five hundred fifty-two dollars and fifty centers per month. This amount shall be paid each month in addition to the base rent upon commencement date.

In April 2010, the Redevelopment Agency Low/Moderate Housing Fund advanced the Redevelopment Agency Debt Service Fund \$11,514,773. The advance bears no interest. The advance was made to provide funding for the Supplemental Education Revenue Augmentation Funds (SERAF) Obligation. The Successor Agency has absorbed this debt as part of the dissolution of the redevelopment agency and now is obligated to pay the debt to the Housing Authority. Payments to the SERAF loan are placed on the agency's Recognized Obligation Payment Schedule (ROPS) and are approved by the Department of Finance. For more information on the dissolution of the redevelopment agency see Note 17.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 5: Interfund Transfers

Transfers in and out for the year ended June 30, 2015, are as follows:

Transfer Out of Fund	Transfer In to Fund	Amount
General Fund	Non-major Governmental Funds	\$ 57,397
Non-major Governmental Funds	Capital Improvement Fund	155,123
Capital Improvement Fund	Golf Resort Fund	2,250,000
Internal Service Fund	Internal Service Fund	10,957
		<u>\$ 2,473,477</u>

The General Fund transferred \$57,397 to Non-major Governmental Funds to fund operating costs for the current year.

The Non-major Governmental Funds transferred \$155,123 to the Capital Improvement Fund to reimburse for the Miles Bridge Project.

The Capital Improvement Fund transferred \$2,250,000 to the Golf Resort Fund as a reimbursement for funds spent on the construction of the Golf Course Pavilion.

The Internal Service Fund transferred \$10,957 to the Internal Service Fund to close the fund.

Note 6: Capital Assets

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

	Balance July 1, 2014	Transfers/ Retirements	Additions	Balance at June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 63,162,672	\$ -	\$ -	\$ 63,162,672
Construction in progress	4,571,775	(4,571,775)	90,796	90,796
Total capital assets not being depreciated	<u>67,734,447</u>	<u>(4,571,775)</u>	<u>90,796</u>	<u>63,253,468</u>
Capital assets, being depreciated:				
Intangible	2,500,000	-	-	2,500,000
Buildings and improvements	144,556,206	-	1,778,517	146,334,723
Equipment	6,337,855	-	307,864	6,645,719
Infrastructure	107,785,236	-	3,090,462	110,875,698
Total capital assets being depreciated	<u>261,179,297</u>	<u>-</u>	<u>5,176,843</u>	<u>266,356,140</u>
Less accumulated depreciation for:				
Intangible	375,000	-	250,000	625,000
Buildings and improvements	49,409,741	-	6,378,061	55,787,802
Equipment	5,545,816	-	478,144	6,023,960
Infrastructure	23,539,402	-	2,025,704	25,565,106
Total accumulated depreciation	<u>78,869,959</u>	<u>-</u>	<u>9,131,909</u>	<u>88,001,868</u>
Total capital assets being depreciated, net	<u>182,309,338</u>	<u>-</u>	<u>(3,955,066)</u>	<u>178,354,272</u>
Total capital assets, net	<u>\$ 250,043,785</u>	<u>\$ (4,571,775)</u>	<u>\$ (3,864,270)</u>	<u>\$ 241,607,740</u>

CITY OF INDIAN WELLS

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 6: Capital Assets (Continued)

Depreciation Expense:

Depreciation expense was charged to the following functions in the statement of activities:

Governmental Activities	
General Government	\$ 338,701
Community Development	1,433,400
Public Safety	63,980
Public Works	7,295,828
Total Governmental Activities	<u>\$ 9,131,909</u>

Note 7: Long-Term Liabilities

The changes in long-term liabilities for the year ended June 30, 2015, were as follows:

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
Compensated absences	<u>\$ 350,377</u>	<u>\$ 400,035</u>	<u>\$ 330,107</u>	<u>\$ 420,305</u>	<u>\$ 107,486</u>

Compensated Absences:

The City's policies relating to compensated absences are described in Note 1. This liability amounting to \$420,305 at June 30, 2015, is expected to be paid in future years from future resources. Payments of employees' accrued vacation and compensatory time are expended by department within the City's General Fund.

Note 8: CJPIA Retrospective Deposit Liability

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year. The formula is designed to adequately cover the cost of claims brought against members and to ensure the overall financial strength and security of the Authority. The formula was developed to be as equitable as possible by taking into consideration both risk exposure and claims experience of individual members. CJPIA has temporarily deferred the payment on retrospective deposits owed to the Authority by members. The payment deferral period extends until July 1, 2013, for the Liability program and July 1, 2015, for the Workers' Compensation program. Retrospective deposit payments are scheduled to resume on these dates. The October 2012, annual retrospective adjustment is included in these balances. The City at June 30, 2015, had a retrospective deposit due of \$286,035.

Note 8: CJPIA Retrospective Deposit Liability (Continued)

Optional Payment Plans

When retrospective deposit payments resume as indicated above, members will have the opportunity to select from a variety of optional payment plans. Discounts under the incentive plan are available to members choosing to voluntarily accelerate payment during the deferral period. The City has chosen not to voluntarily accelerate payment at this time.

After the deferral period, members choosing from among the optional payment plans will be subject to a moderate annual fee. The fee is intended to provide a means for the Authority to recover otherwise foregone investment earnings and to serve as a minor disincentive for the selection of longer financing terms.

Retrospective Balances Will Change Annually

Retrospective balances will change with each annual computation during the payment deferral period. Member balances may increase or decrease as a result of the most recent year's claim development. Accordingly, some members who chose to pay off their balance in full may be required to pay additional retrospective deposits in the future based on the outcome of actual claim development reflected in subsequent retrospective deposit computations. Conversely, if claim development is favorable then subsequent retrospective adjustments could potentially result in refunds to the member.

More information on the CJPIA retrospective balances can be found on the CJPIA website at CJPIA.org.

Note 9: Defined Benefit Pension Plan

Miscellaneous Plans:

Description of Plan

The City of Indian Wells Miscellaneous Plan, is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan. Benefit provisions under the Miscellaneous Plan are established by State statute and City resolution.

Benefits Provided

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

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations. However, at this time, the City of Indian Wells does not have a PEPRA plan established.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

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

Hire date	Prior to Jan. 1, 2013
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years of credited service
Benefit payments	monthly for life
Retirement age	50 and up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%
Required employee contribution rates	7.95%
Required employer contribution rates	16.71%

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. Funding contributions for the Miscellaneous Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

Employee Contributions	\$	206,091
Employee Properties Share of Aggregate		
Employer Contributions		475,913

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension:

The City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan as of June 30, 2015, in the amount of \$3,597,324.

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

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

Proportion - June 30, 2013	0.1500%
Porportion - June 30, 2014	0.1456%
Change - Increase/(Decrease)	-0.0045%

For the year ended June 30, 2015, the City recognized pension expense of \$334,908 for the Miscellaneous Plan. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 455,850	\$ -
Unamortized difference between employer contribution and the plans proportionate share of aggregate employer contributions	-	(24,416)
Net difference between projected and actual earnings on pension plan investments	-	(1,208,867)
Adjustment due to differences in proportions	<u>31,957</u>	<u>-</u>
Total	<u>\$ 487,807</u>	<u>\$ (1,233,283)</u>

The \$437,863 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2016	\$ (299,524)
2017	(299,524)
2018	(300,062)
2019	(302,216)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions:

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013, total pension liability. The June 30, 2013 and the June 30, 2014, 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	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

All other actuarial assumptions used in the June 30, 2013, 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.

Discount Rate:

The discount rate used to measure the total pension liability was 7.50 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS deemed this immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Defined Benefit 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, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. 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.

Discount Rate (Continued):

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

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

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

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Defined Benefit Pension Plan (Continued)

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Plan's Net Pension Liability/(Assets)	\$ 6,409,320	\$ 3,597,324	\$ 1,263,635

Pension Plan Fiduciary Net Position:

Detailed information about the Plan's fiduciary net position is available in a separately issued CalPERS financial report.

The City contributes to the ICMA Retirement Corporation Prototype Money Purchase Plan and Trust, a defined contribution plan 401(a). The plan is a multiple-employer public employee retirement program. The reportable payroll for the employees covered by the plan is \$2,883,144 compared with a total payroll of \$3,040,969 for the fiscal year ended June 30, 2015. The plan provisions are established and may be amended by City Council.

All full-time employees are eligible to participate in the plan and benefits vest immediately. The required period of service is six months. Eligible employees at age 50 or more may begin to collect defined contribution benefits immediately upon retirement. The employer contribution is 2.5% of earnings. No employee contributions are permitted. The total contribution made by the City was \$69,079. Contributions are established and amended by State Law and City Resolution.

Note 10: Deferred Compensation Payable

The City has adopted a deferred compensation plan in accordance with Internal Revenue Code Section 457 for its eligible employees wherein they may execute an individual agreement with the City for amounts earned by them to be paid at a future date when certain circumstances are met. These circumstances are termination by reasons of death, disability, retirement or unforeseeable emergency. Employees may contribute into the deferred compensation plan up to \$17,500 in any year, as amended from time to time by the Internal Revenue Service (IRS). The City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor.

On January 1, 1997, the City formally established a trust in accordance with IRC 457(g) for its deferred compensation plan for the exclusive benefit of plan participants and their beneficiaries. Accordingly, the deferred compensation assets placed in the trust were not reported in the financial statements.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Post-Employment Benefit Plan

Plan Description:

The City provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS). Benefits are provided to employees who retire at age 50 or older with five years of eligible CalPERS service. Coverage is also provided to eligible retirees, spouses and surviving spouses. These benefits are provided per contract between the District and the employee associations. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, CA 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

Funding Policy:

During the 2010-2011 fiscal year the City joined the CalPERS medical program. The plan provisions of the City are established and may be amended by City Council. The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). The contribution requirements of plan members and the City are established and may be amended by the City and the employee associations. Currently, contributions are not required from plan members. The City calculated and recorded a net OPEB obligation (asset), representing the difference between the annual required contribution (ARC) and actual contributions, as presented below:

	<u>2015</u>	<u>2014</u>
Annual required contribution (ARC)	\$ 227,860	\$ 226,843
Interest on net OPEB obligation	(208,439)	(167,726)
Adjustment to ARC	<u>326,936</u>	<u>253,644</u>
Annual OPEB cost	346,357	312,761
Contributions made	<u>(259,515)</u>	<u>(894,377)</u>
(Decrease) increase in net OPEB obligation	86,842	(581,616)
Net OPEB obligation (asset) - beginning of year	<u>(2,977,705)</u>	<u>(2,396,089)</u>
Net OPEB obligation (asset) - end of year	<u>\$ (2,890,863)</u>	<u>\$ (2,977,705)</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB (obligation) asset for 2014-2015, and the two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2013	\$ 261,548	606.91%	\$ (2,396,089)
6/30/2014	312,761	285.96%	(2,977,705)
6/30/2015	346,357	74.93%	(2,890,863)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Post-Employment Benefit Plan (Continued)**Funded Status and Funding Progress:**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
6/30/2011	\$ 1,817,332	\$ 7,310,400	\$ 5,493,068	25%	\$ 3,531,596	155.50%
6/30/2013	4,867,417	5,264,430	397,013	92%	2,371,454	16.74%
6/30/2015	5,990,438	6,272,538	282,100	96%	2,848,646	9.90%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the frozen entry age actuarial cost method. The actuarial assumptions included a 7% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 5% initially, increased to an ultimate rate of 8% after the third year. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 15 years. It is assumed the City's payroll will increase 2.75% per year. It assumes a rate of inflation of 6%. There are currently 30 active members and 28 retired members receiving benefits.

Note 12: Risk Management

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Indian Wells is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim development, can result in adjustments of either refunds or additional deposits required. Coverage years 2013-14, and forward are not subject to routine annual retrospective adjustment.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

General Liability

In the liability program claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

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

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

Note 12: Risk Management (Continued)

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

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

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of Indian Wells 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 Indian Wells. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Indian Wells participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Indian Wells property is currently insured according to a schedule of covered property submitted by the City of Indian Wells to the Authority. City of Indian Wells property currently has all-risk property insurance protection in the amount of \$92,251,169. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Indian Wells purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 13: Other Required Disclosures

Deficit Fund Balance:

The following funds reported a deficit fund balance at June 30, 2015:

Park Facilities in Lieu Capital Projects Fund	\$ 1,389,575
Hwy 111 Circulation Improvement Capital Projects Fund	30,939
Successor Agency of the Former RDA Private Purpose Trust Fund	131,271,183

The deficit in the Park Facilities in Lieu Capital Projects Fund will be eliminated through Quimby Act Park fees to be collected from developers. This deficit balance is temporary although it will take several years expunge.

The deficit in the Hwy 111 Circulation Improvement Capital Projects Fund will be eliminated by the collection of future impact fees.

The deficit in the Successor Agency of the former RDA Private-Purpose Trust Fund was caused by the dissolution of the Redevelopment Agency. See Note 17 for additional information.

Note 14: Net Position Restatement

Beginning net position in the governmental activities has been restated by \$4,472,462 due to the implementation of GASB 68.

Note 15: Contingencies

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these matters is not presently determinable in the opinion of legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Note 16: California Redevelopment Agency Dissolution

On July 18, 2011, the California Redevelopment Association ("CRA") and the League of California Cities ("League") filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB X1 26 and 27 (California Redevelopment Association v. Matosantos). AB X1 26 dissolves redevelopment agencies effective October 1, 2011. AB X1 27 gave redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts.

On August 17, 2011, the Supreme Court issued a stay of the implementation of AB X1 26 and 27 which allowed a redevelopment agency to continue if it adopted an AB X1 27 ordinance. However, because of the effect of the stay order, the authority for the Redevelopment Agency to engage in most activities was suspended.

Note 16: California Redevelopment Agency Dissolution (Continued)

The Supreme Court heard oral arguments on November 10, 2011 and on December 29, 2011, announced its decision in California Redevelopment Association v. Matosantos. The court upheld AB X1 26 which dissolves redevelopment agencies, but invalidated in its entirety AB X1 27 which allowed redevelopment agencies to continue as long as they made the required payments. AB X1 26 established deadlines for the process of Redevelopment Agency dissolution and the handling of existing obligations. The full text of AB X1 26 may be obtained from the California legislative information website maintained by the Legislative Counsel of the State of California at: <http://www.leginfo.ca.gov/bilinfo.html>.

On February 1, 2012, the Redevelopment Agency was dissolved and the City of Indian Wells elected to become the Successor Agency. The Successor Agency is responsible for winding down the remaining activities of the dissolved Redevelopment Agency.

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency

The California Supreme Court decision impacted the reporting entity of the City of Indian Wells that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provided that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 12, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-03.

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 at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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

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. 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.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

a. Cash and Investments

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

Cash and investments pooled with the City	\$ 8,375,383
Cash and investments with fiscal agent	<u>780,782</u>
	<u>\$ 9,156,165</u>

b. Due to City

The amount due to the City reported in the accompanying financial statements consisted of the following:

In a letter dated November 8, 2013, from the California Department of Finance, the Oversight Board Resolution No. 2013-05 was approved and the loan from the City was determined to be for legitimate redevelopment purposes and therefore approved as an enforceable obligation. \$ 1,339,192

In a letter dated November 22, 2013, from the California Department of Finance, the loan between the Successor Agency and the City of Indian Wells for \$16,400,000 was determined to be for legitimate redevelopment purposes and therefore approved as an enforceable obligation. 16,400,000
\$ 17,739,192

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

c. Long-Term Debt

The following debt was transferred from the Redevelopment Agency to the Successor Agency on February 1, 2012, as a result of the dissolution.

	Balance July 1, 2014	Additions	Repayments	Balance June 30, 2015	Due Within One Year
<u>Project Area 1</u>					
2005 Refunding Tax Allocation Bonds	\$ 8,945,000	\$ -	\$ 850,000	\$ 8,095,000	\$ 880,000
2006 A Tax Allocation Bonds	62,230,000	-	875,000	61,355,000	905,000
2010A Tax Allocation Bonds	10,055,000	-	300,000	9,755,000	315,000
SERAF Loan	11,514,773	-	556,944	10,957,829	-
2014A Tax Allocation Bonds	6,505,000	-	-	6,505,000	-
2014A-T Tax Allocation Bonds	27,480,000	-	3,575,000	23,905,000	3,515,000
Total	<u>\$ 126,729,773</u>	<u>\$ -</u>	<u>\$ 6,156,944</u>	<u>120,572,829</u>	<u>\$ 5,615,000</u>
Adjustments:					
Unamortized net original issue (discount) or premium				<u>846,613</u>	
Net Long-term Debt				<u>\$ 121,419,442</u>	

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2015, follows:

2005 Refunding Tax Allocation Bonds:

On August 15, 2005, the Redevelopment Agency of the City of Indian Wells issued \$14,125,000 of Refunding Tax Allocation Bonds (2005 TABS) to defease the Tax Allocation Bonds issued in 1996. The net proceeds of \$14,548,480 (after payment of \$489,096 in underwriting fees, insurance and other issuance costs plus and additional \$866,156 from restricted accounts related to the 1996 bonds) were used to purchase direct obligations of the United States of America. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1996 bonds. The advance refunding met the requirements of an in-substance defeasance and the bonds were removed from the Agency's long-term debt.

The 2005 Tax Allocation Bonds are special obligation of the Agency secured by tax increment revenues on a parity with the Agency's \$37,240,000 aggregate principal amount of the 2003A Tax Allocation Bonds and the 2003A-T Tax Allocation Bonds. The reserve requirement and the payment of principal and interest on the bonds as they become due are insured by a financial guaranty insurance policy issued simultaneously with the issuance of the bonds.

The bonds are payable in annual installments ranging from \$685,000 to \$1,160,000 until maturity on September 1, 2022. Interest is payable semiannually on March 1 and September 1, with rates ranging from 4.0% to 4.25% per annum. Bonds outstanding at June 30, 2015, were \$8,095,000.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 880,000	\$ 313,331	\$ 1,193,331
2017	915,000	279,103	1,194,103
2018	950,000	242,375	1,192,375
2019	985,000	203,675	1,188,675
2020	1,025,000	162,963	1,187,963
2021-2025	3,340,000	216,963	3,556,963
Subtotal	8,095,000	1,418,410	9,513,410
Add deferred amounts:			
Bond premium	22,875	-	22,875
	<u>\$ 8,117,875</u>	<u>\$ 1,418,410</u>	<u>\$ 9,536,285</u>

2006A Tax Allocation Bonds:

On October 18, 2006, the Agency issued \$67,805,000 of Tax Allocation Bonds to provide funds to refund in advance a portion of the 2003A Tax Allocation Bond issued by the Agency and fund certain capital improvements. A portion of the proceeds from the bonds issued in 2006 were placed in an escrow fund to provide the debt service for \$24,565,000 outstanding on the 2003A Tax Allocation Bonds. The advance refunding met the requirements of an in-substance defeasance and the bonds were removed from the Agency's long-term debt.

The 2006A Tax Allocation Bonds are special obligation of the Agency secured by tax increment revenues on a parity with the Agency's 2003A Tax Allocation Bonds, 2003A-T Tax Allocation Bonds, 2005A Refunding Tax Allocation Bonds. The reserve requirement and the payment of principal and interest on the bonds as they become due are insured by a financial guaranty insurance policy issued simultaneously with the issuance of the bonds.

The Bonds are payable in annual installments ranging from \$680,000 to \$5,555,000 until maturity on September 1, 2034. Interest is payable semiannually on March 1 and September 1, with rates ranging from 4.0% to 5.0% per annum. Bonds outstanding at June 30, 2015, were \$61,355,000.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 905,000	\$ 2,667,269	\$ 3,572,269
2017	945,000	2,630,269	3,575,269
2018	980,000	2,591,769	3,571,769
2019	1,025,000	2,551,669	3,576,669
2020	1,065,000	2,509,869	3,574,869
2021-2025	10,535,000	11,667,184	22,202,184
2026-2030	20,480,000	8,147,675	28,627,675
2031-2035	25,420,000	3,070,500	28,490,500
Subtotal	61,355,000	35,836,204	97,191,204
Add deferred amounts:			
Bond premium	39,362	-	39,362
	<u>\$ 61,394,362</u>	<u>\$ 35,836,204</u>	<u>\$ 97,230,566</u>

2010A Tax Allocation Bonds:

On May 11, 2010, the Agency issued \$10,890,000 of Tax Allocation Bonds to provide funds to repay a portion of a loan to the Agency from the City of Indian Wells and thereby provide funds for the City to finance certain public capital improvements. A portion of the proceeds from the bonds issued in 2010 were placed in a reserve account for the Series 2010A Bonds and to pay costs of issuance.

The 2010A Tax Allocation Bonds are special obligation of the Agency secured by tax increment revenues on a parity with the Agency's 2003A Tax Allocation Bonds, 2003A-T Tax Allocation Bonds, 2005A Refunding Tax Allocation Bonds, 2006A Tax Allocation Bonds. The reserve requirement and the payment of principal and interest on the bonds as they become due are insured by a financial guaranty insurance policy issued simultaneously with the issuance of the bonds.

The Bonds are payable in annual installments ranging from \$265,000 to \$735,000 until maturity on September 1, 2034. Interest is payable semiannually on March 1 and September 1, with rates ranging from 4.00% to 5.25% per annum. Bonds outstanding at June 30, 2015, were \$9,755,000.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 315,000	\$ 455,846	\$ 770,846
2017	325,000	443,046	768,046
2018	340,000	429,746	769,746
2019	355,000	415,846	770,846
2020	370,000	401,161	771,161
2021-2025	2,090,000	1,746,428	3,836,428
2026-2030	2,625,000	1,195,438	3,820,438
2031-2035	3,335,000	450,915	3,785,915
	<u>\$ 9,755,000</u>	<u>\$ 5,538,426</u>	<u>\$ 15,293,426</u>

2014A Tax Allocation Bonds:

On May 28, 2014, the Agency issued \$6,505,000 of Tax Allocation Bonds to refinance certain outstanding obligations of the Consolidated Whitewater Project Area, to fund the premium for a debt service reserve surety bond for the reserve account for the Agency Bonds, and to pay costs of issuance of the Bonds and the Agency Bonds, including the financial guaranty insurance premium for the Bonds.

The 2014A Tax Allocation Bonds are special obligation of the Agency secured by a pledge of, security interest in and lien on the Revenues which consist principally of payments to be made by the Agency to the Authority as debt service on the Agency Bonds. The reserve requirement and the payment of principal and interest on the bonds as they become due are insured by a financial guaranty insurance policy issued simultaneously with the issuance of the bonds.

Interest is payable semiannually on March 1 and September 1, with rates ranging from 4.0% to 5.0% per annum. Bonds outstanding at June 30, 2015, were \$6,505,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ -	\$ 293,650	\$ 293,650
2017	-	293,650	293,650
2018	-	293,650	293,650
2019	-	293,650	293,650
2020	3,160,000	230,450	3,390,450
2021	3,345,000	83,625	3,428,625
Subtotal	6,505,000	1,488,675	7,993,675
Add deferred amounts:			
Bond premium	784,376	-	784,376
	<u>\$ 7,289,376</u>	<u>\$ 1,488,675</u>	<u>\$ 8,778,051</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

2014A-T Tax Allocation Bonds:

On May 28, 2014, the Agency issued \$27,480,000 of Tax Allocation Bonds to refinance certain outstanding obligations of the Consolidated Whitewater Project Area, to fund the premium for a debt service reserve surety bond for the reserve account for the Agency Bonds, and to pay costs of issuance of the Bonds and the Agency Bonds, including the financial guaranty insurance premium for the Bonds.

The 2014A-T Tax Allocation Bonds are special obligations of the Agency secured by a pledge of, security interest in and lien on the Revenues which consist principally of payments to be made by the Agency to the Authority as debt service on the Agency Bonds. The reserve requirement is insured by a financial guaranty insurance policy issued simultaneously with the issuance of the bonds, the payment of scheduled debt service is not insured.

The Bonds are payable in annual installments ranging from \$575,000 to \$4,275,000 until maturity on September 1, 2022. Interest is payable semiannually on March 1 and September 1, with rates ranging from 0.540% to 4.266% per annum. Bonds outstanding at June 30, 2015, were \$23,905,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 3,515,000	\$ 638,440	\$ 4,153,440
2017	3,545,000	597,070	4,142,070
2018	3,595,000	530,923	4,125,923
2019	3,675,000	441,155	4,116,155
2020	615,000	380,688	995,688
2021-2022	8,960,000	716,715	9,676,715
	<u>\$ 23,905,000</u>	<u>\$ 3,304,991</u>	<u>\$ 27,209,991</u>

The refunding of the 2003A and 2003A-T Tax Allocation Bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$143,765. This difference, reported in the accompanying financial statements as a deferred charge on refunding, is being charged to operations through the year 2022. The Agency completed the advance refunding to reduce its total debt service payments over the next 8 years by \$2,426,824 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$1,835,794.

Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)

d. Insurance

The Successor Agency of the former redevelopment agency is covered under the insurance policy of the City of Indian Wells at June 30, 2015.

e. Commitments and Contingencies

The Successor Agency is subject to litigation arising in the normal course of business. In the opinion of the Attorney there is no pending litigation, which is likely to have a material adverse effect on the financial position of the Successor Agency.

f. Subsequent Event – Successor Agency

In August 2015, the Successor Agency Board and the Oversight Board approved the issuance of a refunding tax allocation bond for two out of the five currently outstanding former Indian Wells Redevelopment Agency tax allocation bonds. The refunding bond was issued in August 2015. The bonds refunded the 2005 Refunding Tax-Allocation Bonds and a portion of the 2006A Tax Allocation Bonds.

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REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Proportionate share of Net Position Liability in accordance with GASB 68.

The Schedule of Plan Contributions in accordance with GASB 68.

GENERAL FUND

General Fund - This fund has been classified as a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. The following funds have been classified as major funds and budget-actual comparisons for these funds have been presented in the accompanying financial statements as required supplementary information.

Golf Resort Operations - This fund is used to account for the operations of the Golf Resort at Indian Wells and provide monies to the General Fund.

Housing Authority - This fund is used to account for the housing activity of the former Redevelopment Agency for the benefit of providing low and moderate income housing in Indian Wells.

CITY OF INDIAN WELLS

CITY OF INDIAN WELLS MISCELLANEOUS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2015</u>
Proportion of the Net Pension Liability	0.05781%
Proportionate Share of the Net Pension Liability	\$ 3,597,324
Covered-Employee Payroll	\$ 2,293,570
Proportionate Share of the Net Pension Liability as Percentage of Covered-Employee Payroll	156.84%
Plan Fiduciary Net Position	\$ 17,599,249
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.03%

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: None.

(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 one year is shown.

CITY OF INDIAN WELLS

**CITY OF INDIAN WELLS MISCELLANEOUS PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
Actuarially Determined Contribution	\$ 455,850
Contribution in Relation to the Actuarially Determined Contribution	<u>(455,850)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	2,617,411
Contributions as a Percentage of Covered-Employee Payroll	17.42%

(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 one year is shown.

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 25,984,624	\$ 25,984,624	\$ 25,984,624	\$ -
Resources (Inflows):				
Taxes	13,361,866	13,361,866	14,278,250	916,384
Licenses and permits	391,985	391,985	476,892	84,907
Intergovernmental	412,361	507,103	585,085	77,982
Charges for services	434,966	434,966	526,340	91,374
Use of money and property	55,000	55,000	94,150	39,150
Fines and forfeitures	84,900	84,900	42,166	(42,734)
Rental Income	79,545	72,274	98,678	26,404
Miscellaneous	563,042	563,042	646,686	83,644
Amounts Available for Appropriations	41,368,289	41,455,760	42,732,871	1,277,111
Charges to Appropriation (Outflow):				
General government				
Legislation and policy	146,894	130,146	129,575	571
City manager	591,310	567,398	566,339	1,059
City clerk	313,439	325,551	325,544	7
Community relations	299,987	208,166	207,253	913
City attorney	427,873	469,073	468,453	620
Financial services	1,642,135	1,610,349	1,608,167	2,182
Central services	777,898	1,552,032	1,551,077	955
Cultural events	2,105,907	2,102,872	2,101,311	1,561
Human resources	888,308	1,139,086	1,136,210	2,876
Technology	413,795	415,536	414,556	980
Public safety				
Administration	165,813	154,745	152,188	2,557
Code enforcement	258,154	210,526	208,206	2,320
Public services	2,927,882	2,656,103	2,656,092	11
Community service officers	476,651	464,419	464,419	-
Emergency preparedness	14,500	18,253	18,251	2
Community development				
Administration	257,845	228,965	219,745	9,220
Inspections and examinations	576,305	519,835	517,729	2,106
Current and advanced planning	314,302	264,907	263,630	1,277
Public works				
Administration	490,565	491,140	491,105	35
City engineering	49,665	35,801	35,500	301
Maintenance services	883,874	926,802	925,671	1,131
City parkway landscape	539,225	382,691	381,676	1,015
Transfers out	-	57,397	57,397	-
Total Charges to Appropriations	14,562,327	14,931,793	14,900,094	31,699
Budgetary Fund Balance, June 30	\$ 26,805,962	\$ 26,523,967	\$ 27,832,777	\$ 1,308,810

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 GOLF RESORT OPERATIONS
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 412,148	\$ 412,148	\$ 412,148	\$ -
Resources (Inflows):				
Charges for services	13,873,041	13,873,041	13,179,508	(693,533)
Investment income	5,000	5,000	10,374	5,374
Rental income	12,731	12,731	17,863	5,132
Transfers in	-	-	2,250,000	2,250,000
Amounts Available for Appropriations	14,302,920	14,302,920	15,869,893	1,566,973
Charges to Appropriation (Outflow):				
Golf resort	13,760,740	13,834,582	13,564,356	270,226
Total Charges to Appropriations	13,760,740	13,834,582	13,564,356	270,226
Budgetary Fund Balance, June 30	\$ 542,180	\$ 468,338	\$ 2,305,537	\$ 1,837,199

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,412,791	\$ 14,412,791	\$ 14,412,791	\$ -
Resources (Inflows):				
Investment income	40,000	40,000	32,684	(7,316)
Other income	150,000	150,000	-	(150,000)
Amounts Available for Appropriations	14,602,791	14,602,791	14,445,475	(157,316)
Charges to Appropriation (Outflow):				
General government	1,280,943	1,345,943	806,141	539,802
Total Charges to Appropriations	1,280,943	1,345,943	806,141	539,802
Budgetary Fund Balance, June 30	\$ 13,321,848	\$ 13,256,848	\$ 13,639,334	\$ 382,486

Note 1: Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. In June, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at public workshops and City Council meetings to obtain taxpayer comments.
3. Prior to July 1, the budget is adopted by Council action.

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budgets to actual results for all governmental funds. Budgeted revenue amounts represent the original budget modified by Council-authorized adjustments during the year which were contingent upon new or additional revenue sources. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America, using the modified-accrual basis of accounting.

The Finance Director is authorized by City Council to transfer any amounts within a fund between administrative control accounts, as well as budget adjustments between departments within a fund. However, any transfer of appropriations between funds or between capital projects in the capital budget must be approved by City Council. Any subsequent appropriations of additional amounts of moneys for the fiscal year ended June 30, 2015 shall be approved by the City Council in advance of any authorization to purchase services or goods; with the exception that the City Manager may appropriate funds under the emergency provision of State Law to effect repairs or make acquisitions to protect life and property of the City.

All appropriations for prior fiscal year shall lapse at the end of the fiscal year and any remaining amounts shall be credited to their respective fund balances, with the exception of any unexpected amounts deemed necessary by the Finance Director for specific orders or encumbrances outstanding at the end of the year; and any unexpected appropriations for uncompleted capital projects in the capital budget at the end of the fiscal year. These amounts shall be charged against the incumbent fiscal year operating budget, as directed by the Finance Director.

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SPECIAL REVENUE FUNDS

The following Special Revenue funds have been classified as other governmental funds in the accompanying financial statements:

Traffic Safety - This fund is used to account for the revenue from traffic fines and forfeitures and used to pay the costs of issuing tickets.

Public Safety 1/2% Tax - This fund is used to account for the half-cent sales tax collected by the State of California and allocated to the City for public safety.

Measure "A" Transportation - This fund is used to account for the City's share of the sales tax increase authorized by Riverside County's Measure "A". The monies are legally restricted for the acquisition, construction and improvement of public streets.

Fire Access Maintenance District No. 1 - This fund is used to account for the accumulation of special assessments, ad valorem taxes and other revenues accruing to the benefit and for expenses of the special district referred to as the Fire Access Maintenance District No. 1.

South Coast Air Quality Management District Vehicle Registration - This fund is used to account for the City's share of vehicle registration fees that the State of California has allocated to address air quality concerns in California. These monies are to be used in air quality maintenance programs locally.

Citizens Option for Public Safety Program - This fund is used for front line municipal police services including anti-gang and community crime prevention programs.

Gas Tax - This fund is used to account for the City's share of motor vehicle gas tax imposed under the provisions of the Street and Highway Code of the State of California under Sections 2105, 2106, 2107 and 2107.5 which are legally restricted for the acquisition, construction, improvement and maintenance of public streets.

Emergency Services Upgrade - This fund is used to accumulate the resources accruing from a special fire tax levied to provide for enhancement levels of fire protection, suppression and emergency paramedic services.

AB 939 Recycling - This fund is used to account for the revenues and expenditures incurred in recycling.

Solid Waste - This fund is used to account for city-wide assessment revenues and related expenditures incurred in providing residential garbage and refuse collection services for home owners within the City.

Consolidated LLMD - This fund is used to account for the revenues and expenditures incurred in providing lighting and landscaping maintenance services to the various benefiting assessment districts.

Street Lighting District 2001-1 - This fund is used to account for the revenues and expenditures incurred in providing lighting maintenance services within the City.

Affordable Housing Operations - This fund is used to account for revenues and expenditures associated with the retention and development of affordable housing units.

Cooperative Marketing - This fund is used to account for the revenues and expenditures incurred in advertising and promoting the City and its attributes.

CAPITAL PROJECTS FUNDS

The following Capital Projects Funds have been classified as other governmental funds in the accompanying financial statements:

Hwy 111 Circulation Improvement - This fund accounts for fees collected from projects, which will create adverse impacts on the existing public facilities. It will finance future projects to mitigate the traffic impact.

Citywide Public Improvement - This fund is used to account for the accumulation of resources from the citywide public improvement fee for the acquisition and construction of general governmental capital projects.

Art in Public Places - This fund is used to account for fees collected through the building permit process to support art in public places within the community. The program supports art and culture throughout the City of Indian Wells.

Infrastructure - This fund establishes a funding replacement for the City's infrastructure assets. These assets include bridges, paved streets, curbs, gutters, landscape infrastructure, storm drains, underground utility systems, and other types of infrastructure assets. Interest income earned by the fund and other City contributions will be used to support the fund's long-term capital replacement needs to maintain the asset.

FF&E and Rolling Stock – This fund establishes a funding replacement for the City's FF&E and Rolling Stock assets. These assets include administrative equipment, furniture, and City vehicles. Interest income earned by the fund and other City contributions will be used to support the fund's long-term capital replacement needs to maintain the asset.

Golf Resort Capital Replacement – This fund establishes a funding replacement for the City's assets at the Golf Resort. These assets include the clubhouse and surrounding facilities, two 18-hole championship golf courses, maintenance and facilities equipment, and specialty furniture located at the Resort. Interest income earned by the fund and other City contributions will be used to support the fund's long-term capital replacement needs to maintain the asset.

Buildings & Structures Capital Replacement - This fund is used to account for the repairs, maintenance, and construction of the Housing Villas community.

Facilities Capital Replacement – This fund establishes a funding replacement for the City's assets in and around the City's Civic Center complex. These assets include City Hall, the Fire Station, Emergency Operations Command, and the surrounding Public Works facilities. Interest income earned by the fund and other City contributions will be used to support the fund's long-term capital replacement needs to maintain the asset.

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CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

Special Revenue Funds

	Traffic Safety	Public Safety 1/2% Tax	Measure "A" Transportation	Fire Access Maintenance District No. 1
Assets:				
Cash and investments	\$ -	\$ 12,476	\$ 16,400	\$ 2,376,036
Receivables:				
Accounts	2,726	1,462	61,814	34,409
Accrued interest	-	20	27	3,851
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 2,726	\$ 13,958	\$ 78,241	\$ 2,414,296
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 81,200
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	2,722	-	-	-
Total Liabilities	2,722	-	-	81,200
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	13,958	-	2,333,096
Public works	4	-	78,241	-
Committed to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	4	13,958	78,241	2,333,096
Total Liabilities and Fund Balances	\$ 2,726	\$ 13,958	\$ 78,241	\$ 2,414,296

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds			
	South Coast AQMD Vehicle Registration	Citizens Option for Public Safety Program	Gas Tax	Emergency Services Upgrade
Assets:				
Cash and investments	\$ 1,214	\$ -	\$ 47,910	\$ 3,488,974
Receivables:				
Accounts	1,672	16,667	27,217	243,029
Accrued interest	2	-	78	5,655
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 2,888	\$ 16,667	\$ 75,205	\$ 3,737,658
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 404,909
Accrued liabilities	-	-	-	8,025
Deposits payable	-	-	-	-
Due to other funds	-	8,333	193	-
Total Liabilities	-	8,333	193	412,934
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	8,334	-	3,324,724
Public works	2,888	-	75,012	-
Committed to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,888	8,334	75,012	3,324,724
Total Liabilities and Fund Balances	\$ 2,888	\$ 16,667	\$ 75,205	\$ 3,737,658

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	AB 939 Recycling	Solid Waste	Consolidated LLMD	Street Lighting District 2001-1
Assets:				
Cash and investments	\$ 265,734	\$ 211,188	\$ 1,644,891	\$ 5,361
Receivables:				
Accounts	7,204	25,256	13,905	-
Accrued interest	-	773	2,666	9
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 272,938	\$ 237,217	\$ 1,661,462	\$ 5,370
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 25,256	\$ 169,563	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	25,256	169,563	-
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	272,938	211,961	1,491,899	5,370
Committed to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	272,938	211,961	1,491,899	5,370
Total Liabilities and Fund Balances	\$ 272,938	\$ 237,217	\$ 1,661,462	\$ 5,370

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Affordable Housing Operations	Cooperative Marketing	Hwy 111 Circulation Improvement	Citywide Public Improvement
Assets:				
Cash and investments	\$ 1,932,032	\$ 7,915	\$ 1	\$ -
Receivables:				
Accounts	7,841	-	-	-
Accrued interest	3,131	13	-	-
Restricted assets:				
Cash and investments	354,961	-	-	-
Total Assets	\$ 2,297,965	\$ 7,928	\$ 1	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 47,453	\$ 137	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	82,481	-	-	-
Due to other funds	-	-	30,940	-
Total Liabilities	129,934	137	30,940	-
Fund Balances:				
Restricted for:				
Community development	2,168,031	7,791	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Committed to:				
Capital Projects	-	-	-	-
Unassigned	-	-	(30,939)	-
Total Fund Balances	2,168,031	7,791	(30,939)	-
Total Liabilities and Fund Balances	\$ 2,297,965	\$ 7,928	\$ 1	\$ -

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Capital Projects Funds			
	Art in Public Places	Infrastructure Capital Replacement	FF&E and Rolling Stock Capital Replacement	Golf Resort Capital Replacement
Assets:				
Cash and investments	\$ 398,457	\$ 7,110,527	\$ 2,327,563	\$ 4,033,895
Receivables:				
Accounts	-	11,525	3,773	6,539
Accrued interest	646	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	<u>\$ 399,103</u>	<u>\$ 7,122,052</u>	<u>\$ 2,331,336</u>	<u>\$ 4,040,434</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 47,408	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>47,408</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Committed to:				
Capital Projects	351,695	7,122,052	2,331,336	4,040,434
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>351,695</u>	<u>7,122,052</u>	<u>2,331,336</u>	<u>4,040,434</u>
Total Liabilities and Fund Balances	<u>\$ 399,103</u>	<u>\$ 7,122,052</u>	<u>\$ 2,331,336</u>	<u>\$ 4,040,434</u>

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>Capital Projects Funds</u>		
	<u>Buildings & Structures Capital Replacement</u>	<u>Facilities Capital Replacement</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 3,361,208	\$ 2,327,630	\$ 29,569,412
Receivables:			
Accounts	5,448	3,773	474,260
Accrued interest	-	-	16,871
Restricted assets:			
Cash and investments	-	-	354,961
Total Assets	<u>\$ 3,366,656</u>	<u>\$ 2,331,403</u>	<u>\$ 30,415,504</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 775,926
Accrued liabilities	-	-	8,025
Deposits payable	-	-	82,481
Due to other funds	-	-	42,188
Total Liabilities	<u>-</u>	<u>-</u>	<u>908,620</u>
Fund Balances:			
Restricted for:			
Community development	-	-	2,175,822
Public safety	-	-	5,680,112
Public works	-	-	2,138,313
Committed to:			
Capital Projects	3,366,656	2,331,403	19,543,576
Unassigned	<u>-</u>	<u>-</u>	<u>(30,939)</u>
Total Fund Balances	<u>3,366,656</u>	<u>2,331,403</u>	<u>29,506,884</u>
Total Liabilities and Fund Balances	<u>\$ 3,366,656</u>	<u>\$ 2,331,403</u>	<u>\$ 30,415,504</u>

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	Traffic Safety	Public Safety 1/2% Tax	Measure "A" Transportation	Fire Access Maintenance District No. 1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 313,417
Licenses and permits	-	-	-	2,404
Intergovernmental	-	19,591	242,192	2,293
Contribution from property owners	-	-	-	-
Investment income	-	129	285	28,232
Fines and forfeitures	22,723	-	-	-
Rental Income	-	-	-	-
Assessments	-	-	-	1,184,905
Developer fees	-	-	-	-
Other income	-	-	-	3,161
Total Revenues	22,723	19,720	242,477	1,534,412
Expenditures:				
Current:				
Public safety	-	15,250	-	1,355,046
Community development	-	-	-	-
Public works	22,719	-	239,000	-
Capital outlay	-	-	-	242,124
Total Expenditures	22,719	15,250	239,000	1,597,170
Excess (Deficiency) of Revenues Over (Under) Expenditures	4	4,470	3,477	(62,758)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	4	4,470	3,477	(62,758)
Fund Balances, Beginning of Year	-	9,488	74,764	2,395,854
Fund Balances, End of Year	\$ 4	\$ 13,958	\$ 78,241	\$ 2,333,096

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

(CONTINUED)

	Special Revenue Funds			
	South Coast AQMD Vehicle Registration	Citizens Option for Public Safety Program	Gas Tax	Emergency Services Upgrade
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,604,590
Licenses and permits	-	-	-	-
Intergovernmental	6,370	106,230	150,083	-
Contribution from property owners	-	-	-	-
Investment income	7	(10)	565	38,622
Fines and forfeitures	-	-	-	-
Rental Income	-	-	-	-
Assessments	-	-	-	597,088
Developer fees	-	-	-	-
Other income	-	-	-	942
Total Revenues	6,377	106,220	150,648	3,241,242
Expenditures:				
Current:				
Public safety	-	124,299	-	3,042,838
Community development	-	-	-	-
Public works	3,802	-	141,000	-
Capital outlay	-	-	-	-
Total Expenditures	3,802	124,299	141,000	3,042,838
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,575	(18,079)	9,648	198,404
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	2,575	(18,079)	9,648	198,404
Fund Balances, Beginning of Year	313	26,413	65,364	3,126,320
Fund Balances, End of Year	\$ 2,888	\$ 8,334	\$ 75,012	\$ 3,324,724

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	AB 939 Recycling	Solid Waste	Consolidated LLMD	Street Lighting District 2001-1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	-
Investment income	-	5,843	17,321	56
Fines and forfeitures	-	-	-	-
Rental Income	-	-	-	-
Assessments	85,872	880,361	935,963	1,335
Developer fees	-	-	-	-
Other income	10,001	-	-	23
Total Revenues	95,873	886,204	953,284	1,414
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	35,000	879,593	924,710	258
Capital outlay	-	-	-	-
Total Expenditures	35,000	879,593	924,710	258
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,873	6,611	28,574	1,156
Other Financing Sources (Uses):				
Transfers in	-	-	57,397	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	57,397	-
Net Change in Fund Balances	60,873	6,611	85,971	1,156
Fund Balances, Beginning of Year	212,065	205,350	1,405,928	4,214
Fund Balances, End of Year	\$ 272,938	\$ 211,961	\$ 1,491,899	\$ 5,370

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Affordable Housing Operations	Cooperative Marketing	Hwy 111 Circulation Improvement	Citywide Public Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	-
Investment income	22,439	2,075	-	(118)
Fines and forfeitures	-	-	-	-
Rental Income	1,543,855	-	-	-
Assessments	-	-	-	-
Developer fees	-	-	975	82,137
Other income	3,577	408,420	-	-
Total Revenues	1,569,871	410,495	975	82,019
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	1,402,937	403,266	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,402,937	403,266	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	166,934	7,229	975	82,019
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(155,123)
Total Other Financing Sources (Uses)	-	-	-	(155,123)
Net Change in Fund Balances	166,934	7,229	975	(73,104)
Fund Balances, Beginning of Year	2,001,097	562	(31,914)	73,104
Fund Balances, End of Year	\$ 2,168,031	\$ 7,791	\$ (30,939)	\$ -

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Capital Projects Funds			
	Art in Public Places	Infrastructure Capital Replacement	FF&E and Rolling Stock Capital Replacement	Golf Resort Capital Replacement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	-
Investment income	4,686	82,631	27,048	46,876
Fines and forfeitures	-	-	-	-
Rental Income	-	-	-	-
Assessments	-	-	-	-
Developer fees	17,230	-	-	-
Other income	-	-	-	-
Total Revenues	21,916	82,631	27,048	46,876
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	69,365	-	-	-
Total Expenditures	69,365	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,449)	82,631	27,048	46,876
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(47,449)	82,631	27,048	46,876
Fund Balances, Beginning of Year	399,144	7,039,421	2,304,288	3,993,558
Fund Balances, End of Year	\$ 351,695	\$ 7,122,052	\$ 2,331,336	\$ 4,040,434

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	Capital Projects Funds		
	Buildings & Structures Capital Replacement	Facilities Capital Replacement	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 2,918,007
Licenses and permits	-	-	2,404
Intergovernmental	-	-	526,759
Contribution from property owners	1,050,000	-	1,050,000
Investment income	40,758	27,049	344,494
Fines and forfeitures	-	-	22,723
Rental Income	-	-	1,543,855
Assessments	-	-	3,685,524
Developer fees	-	-	100,342
Other income	-	-	426,124
Total Revenues	1,090,758	27,049	10,620,232
Expenditures:			
Current:			
Public safety	-	-	4,537,433
Community development	-	-	1,806,203
Public works	-	-	2,246,082
Capital outlay	-	-	311,489
Total Expenditures	-	-	8,901,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,090,758	27,049	1,719,025
Other Financing Sources (Uses):			
Transfers in	-	-	57,397
Transfers out	-	-	(155,123)
Total Other Financing Sources (Uses)	-	-	(97,726)
Net Change in Fund Balances	1,090,758	27,049	1,621,299
Fund Balances, Beginning of Year	2,275,898	2,304,354	27,885,585
Fund Balances, End of Year	\$ 3,366,656	\$ 2,331,403	\$ 29,506,884

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CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Investment income	1,000	1,000	-	(1,000)
Fines and forfeitures	30,000	30,000	22,723	(7,277)
Amounts Available for Appropriations	31,000	31,000	22,723	(8,277)
Charges to Appropriation (Outflow):				
Public works	31,000	31,000	22,719	8,281
Total Charges to Appropriations	31,000	31,000	22,719	8,281
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 4	\$ 4

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY 1/2% TAX
 YEAR ENDED JUNE 30, 2015

	<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	\$ 9,488	\$ 9,488	\$ 9,488	\$ -
Resources (Inflows):				
Intergovernmental	15,250	15,250	19,591	4,341
Investment income	140	140	129	(11)
Amounts Available for Appropriations	24,878	24,878	29,208	4,330
Charges to Appropriation (Outflow):				
Public safety	15,250	15,250	15,250	-
Total Charges to Appropriations	15,250	15,250	15,250	-
Budgetary Fund Balance, June 30	\$ 9,628	\$ 9,628	\$ 13,958	\$ 4,330

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 MEASURE "A" TRANSPORTATION
 YEAR ENDED JUNE 30, 2015

	<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	\$ 74,764	\$ 74,764	\$ 74,764	\$ -
Resources (Inflows):				
Intergovernmental	238,000	238,000	242,192	4,192
Investment income	25	25	285	260
Amounts Available for Appropriations	312,789	312,789	317,241	4,452
Charges to Appropriation (Outflow):				
Public works	239,000	239,000	239,000	-
Total Charges to Appropriations	239,000	239,000	239,000	-
Budgetary Fund Balance, June 30	\$ 73,789	\$ 73,789	\$ 78,241	\$ 4,452

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 FIRE ACCESS MAINTENANCE DISTRICT NO. 1
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,395,854	\$ 2,395,854	\$ 2,395,854	\$ -
Resources (Inflows):				
Taxes	293,170	293,170	313,417	20,247
Licenses and permits	750	750	2,404	1,654
Intergovernmental	3,000	3,000	2,293	(707)
Investment income	15,000	15,000	28,232	13,232
Assessments	1,200,000	1,200,000	1,184,905	(15,095)
Other income	750	750	3,161	2,411
Amounts Available for Appropriations	3,908,524	3,908,524	3,930,266	21,742
Charges to Appropriation (Outflow):				
Public safety	1,183,975	1,362,127	1,355,046	7,081
Capital outlay	-	325,000	242,124	82,876
Total Charges to Appropriations	1,183,975	1,687,127	1,597,170	89,957
Budgetary Fund Balance, June 30	\$ 2,724,549	\$ 2,221,397	\$ 2,333,096	\$ 111,699

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 SOUTH COAST AQMD VEHICLE REGISTRATION
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 313	\$ 313	\$ 313	\$ -
Resources (Inflows):				
Intergovernmental	5,500	5,500	6,370	870
Investment income	10	10	7	(3)
Amounts Available for Appropriations	5,823	5,823	6,690	867
Charges to Appropriation (Outflow):				
Public works	5,000	5,000	3,802	1,198
Total Charges to Appropriations	5,000	5,000	3,802	1,198
Budgetary Fund Balance, June 30	\$ 823	\$ 823	\$ 2,888	\$ 2,065

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 CITIZENS OPTION FOR PUBLIC SAFETY PROGRAM
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 26,413	\$ 26,413	\$ 26,413	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	106,230	6,230
Investment income	20	20	(10)	(30)
Other income	4,500	4,500	-	(4,500)
Amounts Available for Appropriations	130,933	130,933	132,633	1,700
Charges to Appropriation (Outflow):				
Public safety	(120,000)	130,000	124,299	5,701
Total Charges to Appropriations	(120,000)	130,000	124,299	5,701
Budgetary Fund Balance, June 30	\$ 250,933	\$ 933	\$ 8,334	\$ 7,401

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 65,364	\$ 65,364	\$ 65,364	\$ -
Resources (Inflows):				
Intergovernmental	128,220	128,220	150,083	21,863
Investment income	320	320	565	245
Amounts Available for Appropriations	193,904	193,904	216,012	22,108
Charges to Appropriation (Outflow):				
Public works	141,000	141,000	141,000	-
Total Charges to Appropriations	141,000	141,000	141,000	-
Budgetary Fund Balance, June 30	\$ 52,904	\$ 52,904	\$ 75,012	\$ 22,108

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 EMERGENCY SERVICES UPGRADE
 YEAR ENDED JUNE 30, 2015

	<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	\$ 3,126,320	\$ 3,126,320	\$ 3,126,320	\$ -
Resources (Inflows):				
Taxes	2,394,824	2,394,824	2,604,590	209,766
Investment income	66,000	66,000	38,622	(27,378)
Assessments	600,000	600,000	597,088	(2,912)
Other income	500	500	942	442
Amounts Available for Appropriations	<u>6,187,644</u>	<u>6,187,644</u>	<u>6,367,562</u>	<u>179,918</u>
Charges to Appropriation (Outflow):				
Public safety	3,288,455	3,288,455	3,042,838	245,617
Total Charges to Appropriations	<u>3,288,455</u>	<u>3,288,455</u>	<u>3,042,838</u>	<u>245,617</u>
Budgetary Fund Balance, June 30	<u><u>\$ 2,899,189</u></u>	<u><u>\$ 2,899,189</u></u>	<u><u>\$ 3,324,724</u></u>	<u><u>\$ 425,535</u></u>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
 AB 939 RECYCLING
 YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 212,065	\$ 212,065	\$ 212,065	\$ -
Resources (Inflows):				
Assessments	80,000	80,000	85,872	5,872
Other income	5,000	5,000	10,001	5,001
Amounts Available for Appropriations	297,065	297,065	307,938	10,873
Charges to Appropriation (Outflow):				
Public works	55,890	55,890	35,000	20,890
Total Charges to Appropriations	55,890	55,890	35,000	20,890
Budgetary Fund Balance, June 30	\$ 241,175	\$ 241,175	\$ 272,938	\$ 31,763

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 SOLID WASTE
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 205,350	\$ 205,350	\$ 205,350	\$ -
Resources (Inflows):				
Investment income	4,000	4,000	5,843	1,843
Assessments	905,000	905,000	880,361	(24,639)
Amounts Available for Appropriations	1,114,350	1,114,350	1,091,554	(22,796)
Charges to Appropriation (Outflow):				
Public works	905,000	905,000	879,593	25,407
Total Charges to Appropriations	905,000	905,000	879,593	25,407
Budgetary Fund Balance, June 30	\$ 209,350	\$ 209,350	\$ 211,961	\$ 2,611

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 CONSOLIDATED LLMD
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,405,928	\$ 1,405,928	\$ 1,405,928	\$ -
Resources (Inflows):				
Investment income	15,820	15,820	17,321	1,501
Assessments	990,264	990,264	935,963	(54,301)
Transfers in	57,397	57,397	57,397	-
Amounts Available for Appropriations	2,469,409	2,469,409	2,416,609	(52,800)
Charges to Appropriation (Outflow):				
Public works	1,087,715	1,087,715	924,710	163,005
Total Charges to Appropriations	1,087,715	1,087,715	924,710	163,005
Budgetary Fund Balance, June 30	\$ 1,381,694	\$ 1,381,694	\$ 1,491,899	\$ 110,205

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING DISTRICT 2001-1
YEAR ENDED JUNE 30, 2015**

	<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	\$ 4,214	\$ 4,214	\$ 4,214	\$ -
Resources (Inflows):				
Investment income	25	25	56	31
Assessments	1,480	1,480	1,335	(145)
Miscellaneous	-	-	23	23
Amounts Available for Appropriations	5,719	5,719	5,628	(91)
Charges to Appropriation (Outflow):				
Public works	1,475	1,475	258	1,217
Total Charges to Appropriations	1,475	1,475	258	1,217
Budgetary Fund Balance, June 30	\$ 4,244	\$ 4,244	\$ 5,370	\$ 1,126

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 AFFORDABLE HOUSING OPERATIONS
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,001,097	\$ 2,001,097	\$ 2,001,097	\$ -
Resources (Inflows):				
Investment income	10,000	10,000	22,439	12,439
Rental Income	1,686,110	1,686,110	1,543,855	(142,255)
Other revenue	7,000	7,000	3,577	(3,423)
Amounts Available for Appropriations	3,704,207	3,704,207	3,570,968	(133,239)
Charges to Appropriation (Outflow):				
Community development	1,464,526	1,464,526	1,402,937	61,589
Total Charges to Appropriations	1,464,526	1,464,526	1,402,937	61,589
Budgetary Fund Balance, June 30	\$ 2,239,681	\$ 2,239,681	\$ 2,168,031	\$ (71,650)

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 COOPORATIVE MARKETING
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 562	\$ 562	\$ 562	\$ -
Resources (Inflows):				
Investment income	3,000	3,000	2,075	(925)
Other revenue	408,420	408,420	408,420	-
Amounts Available for Appropriations	411,982	411,982	411,057	(925)
Charges to Appropriation (Outflow):				
Community development	408,420	408,420	403,266	5,154
Total Charges to Appropriations	408,420	408,420	403,266	5,154
Budgetary Fund Balance, June 30	\$ 3,562	\$ 3,562	\$ 7,791	\$ 4,229

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 PARK FACILITIES IN LIEU
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,428,847)	\$ (1,428,847)	\$ (1,428,847)	\$ -
Resources (Inflows):				
Developer fees	34,170	34,170	39,272	5,102
Amounts Available for Appropriations	(1,394,677)	(1,394,677)	(1,389,575)	5,102
Budgetary Fund Balance, June 30	\$ (1,394,677)	\$ (1,394,677)	\$ (1,389,575)	\$ 5,102

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 5,416,058	\$ 5,416,058	\$ 5,416,058	\$ -
Resources (Inflows):				
Intergovernmental	-	-	653,559	653,559
Investment income	30,000	30,000	45,510	15,510
Other revenue	20,000	20,000	9,464	(10,536)
Transfers in	-	-	155,123	155,123
Amounts Available for Appropriations	5,466,058	5,466,058	6,279,714	813,656
Charges to Appropriation (Outflow):				
General government	84,872	113,688	109,977	3,711
Capital outlay	3,786,993	4,006,996	549,774	3,457,222
Transfers out	-	2,250,000	2,250,000	-
Total Charges to Appropriations	3,871,865	6,370,684	2,909,751	3,460,933
Budgetary Fund Balance, June 30	\$ 1,594,193	\$ (904,626)	\$ 3,369,963	\$ 4,274,589

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 399,144	\$ 399,144	\$ 399,144	\$ -
Resources (Inflows):				
Investment income	5,500	5,500	4,686	(814)
Developer fees	15,000	15,000	17,230	2,230
Amounts Available for Appropriations	419,644	419,644	421,060	1,416
Charges to Appropriation (Outflow):				
Capital outlay	285,000	352,475	69,365	283,110
Total Charges to Appropriations	285,000	352,475	69,365	283,110
Budgetary Fund Balance, June 30	\$ 134,644	\$ 67,169	\$ 351,695	\$ 284,526

CITY OF INDIAN WELLS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Governmental Activities - Internal Service Funds			
	Employee Benefits	Compensated Absences	Self Insurance	Totals
Assets:				
Current:				
Cash and investments	\$ 1,980,692	\$ 550,528	\$ -	\$ 2,531,220
Receivables:				
Accrued interest	3,211	892	-	4,103
Total Current Assets	1,983,903	551,420	-	2,535,323
Noncurrent:				
Net OPEB asset	2,890,863	-	-	2,890,863
Total Noncurrent Assets	2,890,863	-	-	2,890,863
Total Assets	\$ 4,874,766	\$ 551,420	\$ -	\$ 5,426,186
Net Position:				
Unrestricted	\$ 4,874,766	\$ 551,420	\$ -	\$ 5,426,186
Total Net Position	4,874,766	551,420	-	5,426,186
Total Liabilities and Net Position	\$ 4,874,766	\$ 551,420	\$ -	\$ 5,426,186

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Governmental Activities - Internal Service Funds			
	Employee Benefits	Compensated Absences	Self Insurance	Totals
Operating Revenues:				
Interdepartmental charges	\$ 1,410,000	\$ -	\$ 40,000	\$ 1,450,000
Total Operating Revenues	1,410,000	-	40,000	1,450,000
Operating Expenses:				
Administration and general	346,357	-	-	346,357
Claims expense	-	-	5,940	5,940
Total Operating Expenses	346,357	-	5,940	352,297
Operating Income (Loss)	1,063,643	-	34,060	1,097,703
Nonoperating Revenues (Expenses):				
Interest revenue	18,814	6,398	-	25,212
Interest expense	-	-	(147)	(147)
Total Nonoperating Revenues (Expenses)	18,814	6,398	(147)	25,065
Income (Loss) Before Transfers	1,082,457	6,398	33,913	1,122,768
Transfers in	10,957	-	-	10,957
Transfers out	-	-	(10,957)	(10,957)
Changes in Net Position	1,093,414	6,398	22,956	1,122,768
Net Position:				
Beginning of Year	3,781,352	545,022	(22,956)	4,303,418
End of Fiscal Year	\$ 4,874,766	\$ 551,420	\$ -	\$ 5,426,186

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Governmental Activities - Internal Service Funds			
	Employee Benefits	Compensated Absences	Self Insurance	Totals
Cash Flows from Operating Activities:				
Cash received from/(paid to) interfund service provided	\$ 1,410,000	\$ -	\$ 40,000	\$ 1,450,000
Cash paid to suppliers for goods and services	(259,515)	-	(151,028)	(410,543)
Net Cash Provided (Used) by Operating Activities	1,150,485	-	(111,028)	1,039,457
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	-	(10,957)	(10,957)
Cash transfers in	10,957	-	-	10,957
Net Cash Provided (Used) by Non-Capital Financing Activities	10,957	-	(10,957)	-
Cash Flows from Investing Activities:				
Interest received	16,899	6,385	50	23,334
Net Cash Provided (Used) by Investing Activities	16,899	6,385	50	23,334
Net Increase (Decrease) in Cash and Cash Equivalents	1,178,341	6,385	(121,935)	1,062,791
Cash and Cash Equivalents at Beginning of Year	802,351	544,143	121,935	1,468,429
Cash and Cash Equivalents at End of Year	\$ 1,980,692	\$ 550,528	\$ -	\$ 2,531,220
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,063,643	\$ -	\$ 34,060	\$ 1,097,703
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
(Increase) decrease in OPEB asset	86,842	-	-	86,842
(Increase) decrease in workers' compensation cumulative deposit receivable	-	-	7,920	7,920
Increase (decrease) in general liability cumulative deposit payable	-	-	(153,008)	(153,008)
Total Adjustments	86,842	-	(145,088)	(58,246)
Net Cash Provided (Used) by Operating Activities	\$ 1,150,485	\$ -	\$ (111,028)	\$ 1,039,457

STATISTICAL SECTION (UNAUDITED)

This part of the City of Indian Wells' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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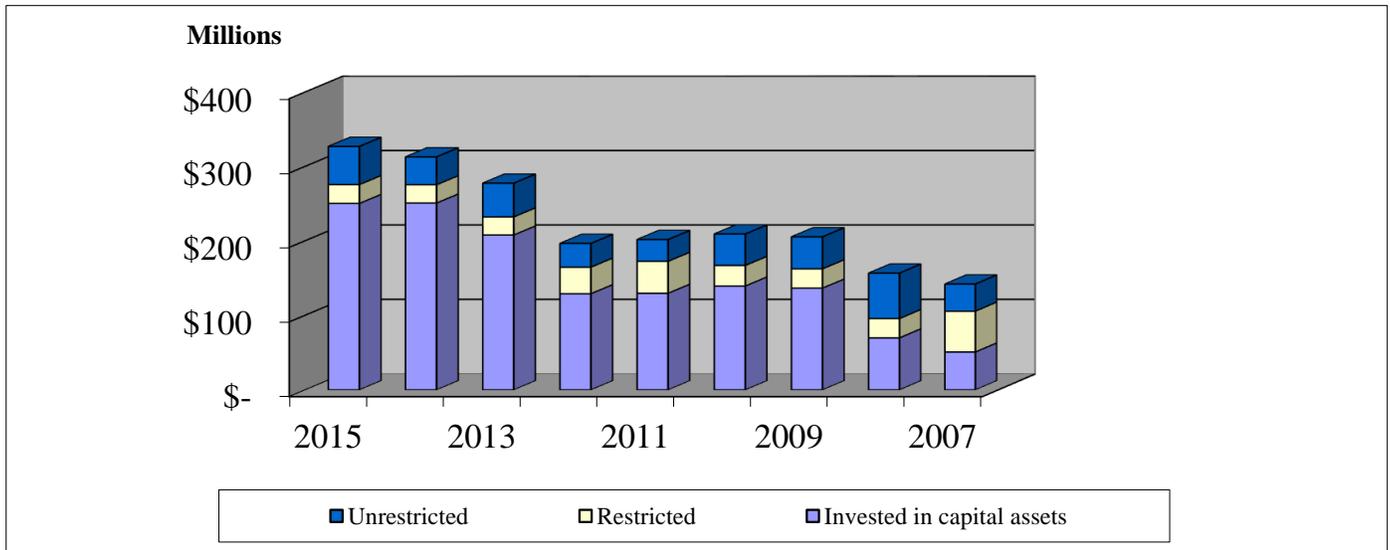
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules was derived from the City's comprehensive annual financial reports for the relevant year.

City of Indian Wells
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental activities:					
Net Investment in capital assets	\$ 241,607,740	\$250,043,785	\$250,592,927	\$207,621,977	\$128,719,531
Restricted for:					
Community development	2,175,822	3,420,280	1,857,642	1,932,254	28,556,939
Housing	13,639,334	14,412,791	15,831,412	15,831,412	
Public safety	5,680,112	5,558,075	5,074,097	4,870,005	4,651,489
Public works	2,138,313	1,967,998	1,832,508	1,709,638	1,641,967
Debt service	-	-	-	-	817,671
Unrestricted	<u>52,294,420</u>	<u>51,276,256</u>	<u>37,447,463</u>	<u>45,268,607</u>	<u>31,851,521</u>
Total governmental activities net position	<u>\$ 317,535,741</u>	<u>\$326,679,185</u>	<u>\$312,636,049</u>	<u>\$277,233,893</u>	<u>\$196,239,118</u>



Fiscal Year				
2010	2009	2008	2007	2006
\$ 129,332,619	\$ 139,057,460	\$ 136,211,882	\$ 69,674,222	\$ 50,749,510
38,057,825	23,412,380	22,401,222	21,060,513	49,567,249
4,570,215	4,014,475	3,199,900	2,926,727	2,932,610
308,322	252,873	325,432	1,863,275	2,094,899
-	-	-	-	-
<u>29,209,281</u>	<u>42,258,237</u>	<u>42,983,730</u>	<u>60,839,232</u>	<u>36,303,201</u>
<u>\$ 201,478,262</u>	<u>\$ 208,995,425</u>	<u>\$ 205,122,166</u>	<u>\$ 156,363,969</u>	<u>\$ 141,647,469</u>

City of Indian Wells
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 35,971	\$ 46,282	\$ 88,959	\$ 134,600	\$ 31,619
Public safety	8,599	6,883	7,900	5,507	8,272
Community development	1,003,232	854,755	934,524	663,445	6,718,212
Public works	22,723	28,038	32,978	35,877	48,230
Golf resort	13,179,508	12,429,070	12,051,307	12,480,492	12,243,547
Operating grants and contributions:					
General government	524,526	386,696	381,405	382,613	405,976
Public safety	4,514,697	4,436,574	4,211,296	1,921,482	1,921,931
Community development	60,559	-	-	-	17,400
Public works	2,319,406	2,362,409	2,303,057	2,127,618	2,051,669
Capital grants and contributions:					
General government	1,050,000	500,000	1,450,000		
Community development	-				
Public works	775,943	2,352,481	119,513	2,839,642	573,206
Total program revenue	<u>23,495,164</u>	<u>23,403,188</u>	<u>21,580,939</u>	<u>20,591,276</u>	<u>24,020,062</u>
Expenses:					
Governmental activities:					
General government	9,338,294	8,528,905	8,151,220	7,589,850	4,804,881
Public safety	7,988,613	7,689,486	7,413,099	7,415,881	7,379,309
Community development	4,058,871	4,114,707	11,783,596	9,513,504	20,227,573
Public works	11,102,625	11,284,095	11,050,272	6,950,388	6,710,034
Golf resort	13,564,356	12,945,121	12,088,530	12,714,308	13,694,185
Interest on long-term debt	-	-	-	2,024,309	8,185,570
Total expenses	<u>46,052,759</u>	<u>44,562,314</u>	<u>50,486,717</u>	<u>46,208,240</u>	<u>61,001,552</u>
Net revenue (expense)	<u>(22,557,595)</u>	<u>(21,159,126)</u>	<u>(28,905,778)</u>	<u>(25,616,964)</u>	<u>(36,981,490)</u>
General revenues:					
Taxes:					
Property taxes	2,915,229	2,820,856	2,689,149	12,893,907	17,200,487
Transient occupancy taxes	6,742,840	6,407,454	6,341,825	5,689,952	4,805,116
Sales taxes	1,121,191	1,016,141	945,359	992,271	902,256
Franchise taxes	924,869	886,891	860,303	848,259	835,725
Other taxes	2,887,538	2,375,414	1,914,222	4,107,560	3,672,587
Investment income	2,212,672	3,297,078	2,046,935	3,740,423	3,939,375
Gain on sale of asset	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA		16,400,000	48,767,526	78,671,501	
Other	1,082,274	1,012,035	1,078,031	563,735	399,736
Total general revenues	<u>17,886,613</u>	<u>34,215,869</u>	<u>64,643,350</u>	<u>107,507,608</u>	<u>31,755,282</u>
Change in net position	<u>\$ (4,670,982)</u>	<u>\$13,056,743</u>	<u>\$35,737,572</u>	<u>\$81,890,644</u>	<u>\$ (5,226,208)</u>

Fiscal Year

2010	2009	2008	2007	2006
\$ 30,284	\$ 30,400	\$ 627,106	\$ 2,235	\$ 5,069
873,229	742,738	873,761	2,470,623	2,527,477
2,136,604	2,114,861	2,528,006	1,934,844	1,772,860
6,266	54,570	68,639	1,463,364	1,359,833
11,126,337	6,850,634	5,138,846	4,817,513	5,234,850
33,501	98,175	519,133	77,946	41,205
2,557,187	2,654,704	2,493,117	2,259,723	2,212,899
1,568,330	2,145,952	2,038,691	314,980	338,311
1,472,156	1,629,164	1,543,290	926,673	354,123
444,801	9,399,500	1,445,778	1,434,242	
4,750,952	291,250	46,463,133	582,880	3,508,743
<u>24,999,647</u>	<u>26,011,948</u>	<u>63,739,500</u>	<u>16,285,023</u>	<u>17,355,370</u>
8,194,604	10,664,720	9,998,984	7,763,532	7,082,129
8,157,222	7,594,508	7,211,930	6,146,364	5,903,241
19,519,593	9,784,467	6,356,163	24,966,021	28,957,231
5,423,271	5,954,213	6,895,396	3,862,991	3,367,663
12,885,373	10,179,734	9,518,594	5,406,302	7,491,500
5,934,148	6,120,317	7,166,630	6,009,532	4,706,168
<u>60,114,211</u>	<u>50,297,959</u>	<u>47,147,697</u>	<u>54,154,742</u>	<u>57,507,932</u>
<u>(35,114,564)</u>	<u>(24,286,011)</u>	<u>16,591,803</u>	<u>(37,869,719)</u>	<u>(40,152,562)</u>
18,121,718	18,756,437	18,582,342	37,093,682	35,791,172
4,294,079	4,804,501	5,874,128	5,940,739	5,352,889
762,241	963,446	1,054,972	1,202,051	1,057,899
817,863	870,700	902,634	894,378	726,333
1,331,372	1,360,608	1,875,547	1,112,636	1,024,505
1,513,114	1,147,924	3,467,226	5,554,158	3,217,562
	-	-	350,454	-
362,922	255,654	169,525	438,121	242,828
<u>27,203,309</u>	<u>28,159,270</u>	<u>31,926,374</u>	<u>52,586,219</u>	<u>47,413,188</u>
<u>\$ (7,911,255)</u>	<u>\$ 3,873,259</u>	<u>\$ 48,518,177</u>	<u>\$ 14,716,500</u>	<u>\$ 7,260,626</u>

City of Indian Wells
Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
General fund:					
Nonspendable:					
Prepaid items	\$ 950	\$ 3,715	\$ 352,799	\$ 724,847	\$ 21,282
Notes and loans	17,889,192	17,889,192	-	-	22,010,750
Committed to:					
Emergency reserve	2,500,000	2,250,000	2,250,000	2,250,000	18,500,000
Unassigned	7,442,635	5,841,717	4,744,619	4,743,094	22,766,933
Total general fund	<u>\$ 27,832,777</u>	<u>\$ 25,984,624</u>	<u>\$ 7,347,418</u>	<u>\$ 7,717,941</u>	<u>\$ 63,298,965</u>
All other governmental funds					
Nonspendable					
Inventory	\$ 728,323	\$ 695,998	\$ 613,309	\$ 696,882	\$ 556,726
Prepaid items	230,059	108,542	83,196	79,410	39,962
Notes	-	-	15,831,412	15,831,412	4,316,639
Advances to other funds	-	-	-	-	11,514,773
Restricted for:					
Community development	15,815,156	16,414,450	1,857,642	1,932,254	12,725,527
Public safety	5,680,112	5,558,075	5,074,097	4,870,005	4,651,489
Parks and recreation	-	-	-	-	-
Public works	2,138,313	1,967,998	1,832,508	1,709,638	1,641,967
Debt Service	-	-	-	-	817,671
Committed to:					
Emergency Reserve	-	-	-	-	-
Capital projects	22,913,539	23,805,825	25,431,121	35,781,876	3,022,559
Golf Resort	1,347,155	-	2,441,139	-	-
Unassigned	<u>(1,420,514)</u>	<u>(1,853,153)</u>	<u>(1,499,190)</u>	<u>(1,539,173)</u>	<u>(43,424,063)</u>
Total all other governmental funds	<u>\$ 47,432,143</u>	<u>\$ 46,697,735</u>	<u>\$ 51,665,234</u>	<u>\$ 59,362,304</u>	<u>\$ (4,136,750)</u>

1) The City Council implemented the Governmental Accounting Standards Board (GASB) statement no. 54 during fiscal year 2010/11 recognizing new fund balance requirements

Fiscal Year				
2010	2009	2008	2007	2006
\$ 47,743	\$ 50,787	\$ 700	\$ -	\$ -
22,409,361	26,150,000	30,797,726	20,000,000	20,000,000
-	-	-	-	-
19,491,287	17,356,780	11,846,566	7,715,559	10,727,164
<u>\$41,948,391</u>	<u>\$ 43,557,567</u>	<u>\$ 42,644,992</u>	<u>\$ 27,715,559</u>	<u>\$ 30,727,164</u>
\$ 501,090	\$ 473,863	\$ 724,063	\$ 97,252	\$ 189,573
58,820	29,455	63,394	76,516	53,269
4,316,639	4,316,639	-	-	-
11,514,773	-	-	-	-
8,618,341	18,965,920	12,986,015	26,850,170	33,734,335
4,379,949	3,849,136	3,058,410	2,767,388	2,932,610
-	-	-	-	10,568
1,807,173	1,813,427	1,905,049	2,077,143	2,260,914
789,777	9,087	2,584	35,275	13,676
-	-	-	-	-
<u>(10,039,594)</u>	<u>(11,754,777)</u>	<u>3,431,080</u>	<u>60,982,183</u>	<u>32,121,248</u>
<u>\$21,946,968</u>	<u>\$ 17,702,750</u>	<u>\$ 22,170,595</u>	<u>\$ 92,885,927</u>	<u>\$ 71,316,193</u>

City of Indian Wells
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues:					
Taxes	\$ 17,196,257	\$ 16,031,054	\$ 15,036,212	\$ 31,715,482	\$ 47,215,341
Licenses and permits	479,296	426,382	439,139	226,322	119,583
Intergovernmental	1,765,403	3,151,753	863,584	3,613,520	1,390,949
Contribution from property owners	1,050,000	500,000	1,450,000		
Charges for services	13,705,848	12,857,977	12,548,294	12,918,149	12,657,977
Investment income	527,212	1,623,137	400,607	2,157,135	3,256,904
Fines and forfeitures	64,889	80,669	128,235	175,450	87,320
Rental income	1,660,396	1,651,498	1,633,036		
Assessments	3,685,524	3,737,258	3,643,882	3,584,325	3,530,928
Development fees	139,614	124,851	222,451	73,510	61,007
Other	1,082,274	1,012,035	1,078,031	563,735	399,736
Total revenues	<u>41,356,713</u>	<u>41,196,614</u>	<u>37,443,471</u>	<u>55,027,628</u>	<u>68,719,745</u>
Expenditures					
Current:					
General government	9,424,603	8,573,662	7,996,591	6,214,712	4,219,555
Public safety	8,036,589	7,685,383	3,211,837	7,212,762	7,214,270
Community development	2,807,307	2,820,027	5,109,097	2,556,343	5,846,632
Parks and recreation	-	-	1,920,320		
Public works	4,080,034	4,135,007	3,866,883	3,913,539	3,763,936
Golf resort	13,564,356	12,945,121	12,088,530	12,714,308	13,694,185
Pass-through	-	-	-	7,183,533	21,778,115
Capital outlay	861,263	8,678,100	3,330,510	9,197,818	4,464,499
Debt service:					
Principal retirement	-	-	-	4,460,000	4,020,106
Interest and fiscal charges	-	-	-	3,894,759	7,951,591
Total expenditures	<u>38,774,152</u>	<u>44,837,300</u>	<u>37,523,768</u>	<u>57,347,774</u>	<u>72,952,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,582,561</u>	<u>(3,640,686)</u>	<u>(80,297)</u>	<u>(2,320,146)</u>	<u>(4,233,144)</u>
Other financing sources (uses):					
Transfers in	2,462,520	64,112	6,587,021	44,643,627	13,373,447
Transfers out	(2,462,520)	(140,112)	(6,716,791)	(46,425,808)	(13,873,447)
Contributions to other governments	-	-	(7,522,110)	-	-
Issuance of bonds	-	-	-	-	-
Premium (discount) on bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	-	16,400,000	1,339,192	12,020,357	-
Sale of property	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>16,324,000</u>	<u>(6,312,688)</u>	<u>10,238,176</u>	<u>(500,000)</u>
Net change in fund balances	<u>\$ 2,582,561</u>	<u>\$ 12,683,314</u>	<u>\$ (6,392,985)</u>	<u>\$ 7,918,030</u>	<u>\$ (4,733,144)</u>
Debt service as a percentage of noncapital expenditures					
	0.0%	0.0%	0.0%	21.0%	21.2%
Capital outlay (Recon of Rev & Exp)					
	695,864	8,627,428	3,118,599	9,190,259	4,524,674
Total governmental expenditures	<u>38,774,152</u>	<u>44,837,300</u>	<u>37,523,768</u>	<u>57,347,774</u>	<u>72,952,889</u>
Less: Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,460,000)</u>	<u>(4,020,106)</u>
Less: Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,894,759)</u>	<u>(7,951,591)</u>
	<u>38,774,152</u>	<u>44,837,300</u>	<u>37,523,768</u>	<u>48,993,015</u>	<u>60,981,192</u>
Less: Capital Asset Additions	<u>(695,864)</u>	<u>(8,627,428)</u>	<u>(3,118,599)</u>	<u>(9,190,259)</u>	<u>(4,524,674)</u>
Non Capital Expenditures	<u>38,078,288</u>	<u>36,209,872</u>	<u>34,405,169</u>	<u>39,802,756</u>	<u>56,456,518</u>
Total Debt Service Payments	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,354,759</u>	<u>11,971,697</u>
Debt Service as % of Non Capital Exp.	0.0%	0.0%	0.0%	21.0%	21.2%

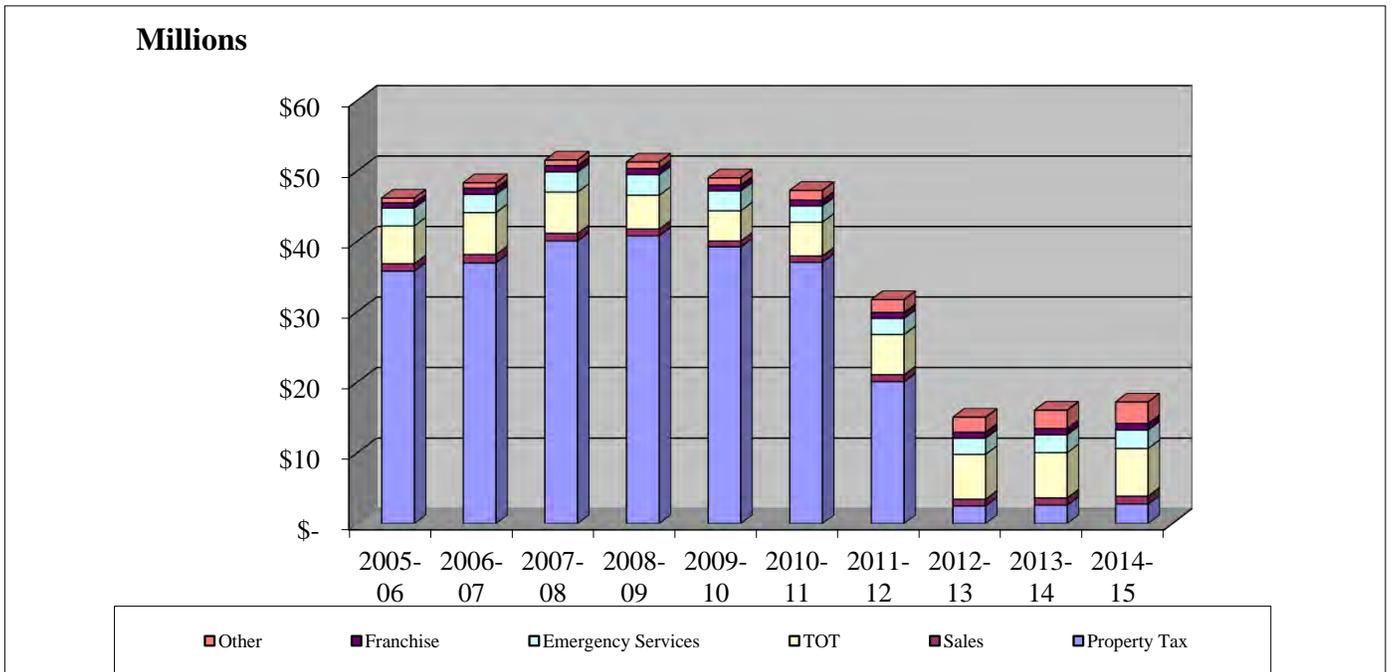
Fiscal Year				
2010	2009	2008	2007	2006
\$ 48,995,314	\$ 51,245,652	\$ 51,537,447	\$ 48,314,537	\$ 46,131,556
234,824	226,007	399,003	728,761	617,834
5,157,957	937,750	1,460,266	2,682,465	4,958,972
11,476,745	7,478,699	6,257,950	5,518,266	5,869,314
2,732,580	4,162,047	8,035,693	8,696,113	5,496,516
84,582	52,762	52,083	109,671	96,056
3,481,755	3,385,707	3,483,606	3,036,321	3,084,600
1,327,402	59,252	214,938	582,880	600,668
3,374,688	7,823,725	1,156,637	1,213,908	959,066
<u>76,865,847</u>	<u>75,371,601</u>	<u>72,597,623</u>	<u>70,882,922</u>	<u>67,814,582</u>
7,941,889	10,506,842	9,604,914	8,076,374	7,308,390
8,000,297	7,471,826	7,133,876	6,156,103	5,911,765
13,493,473	3,784,085	4,091,199	4,045,155	7,855,308
2,959,775	3,278,386	3,306,362	2,843,400	2,578,102
12,885,373	10,179,734	9,333,933	6,042,600	6,263,126
21,138,998	22,107,922	21,471,829	19,874,202	20,862,080
5,954,982	12,361,227	59,787,295	35,637,285	20,802,188
3,860,000	3,720,000	3,965,000	3,330,000	3,260,000
8,517,174	8,858,488	8,939,114	8,753,951	6,855,103
<u>84,751,961</u>	<u>82,268,510</u>	<u>127,633,522</u>	<u>94,759,070</u>	<u>81,696,062</u>
(7,886,114)	(6,896,909)	(55,035,899)	(23,876,148)	(13,881,480)
11,845,781	15,377,613	60,589,937	52,624,250	56,208,798
(12,595,781)	(16,377,613)	(61,339,937)	(53,374,250)	(56,208,798)
-	-	-	-	-
10,890,000	-	-	67,805,000	14,125,000
-	-	-	57,498	54,253
-	-	-	(25,054,069)	(13,682,324)
-	4,341,639	-	375,848	-
<u>10,140,000</u>	<u>3,341,639</u>	<u>(750,000)</u>	<u>42,434,277</u>	<u>496,929</u>
<u>\$ 2,253,886</u>	<u>\$ (3,555,270)</u>	<u>\$ (55,785,899)</u>	<u>\$ 18,558,129</u>	<u>\$ (13,384,551)</u>
18.7%	21.7%	157.4%	26.2%	20.5%
6,076,294	11,857,262	106,530,052	36,538,626	22,122,117
84,751,961	82,268,510	127,633,522	94,759,070	81,696,062
(3,860,000)	(3,720,000)	(3,965,000)	(3,330,000)	(3,260,000)
(8,517,174)	(8,858,488)	(8,939,114)	(8,753,951)	(6,855,103)
72,374,787	69,690,022	114,729,408	82,675,119	71,580,959
(6,076,294)	(11,857,262)	(106,530,052)	(36,538,626)	(22,122,117)
66,298,493	57,832,760	8,199,356	46,136,493	49,458,842
12,377,174	12,578,488	12,904,114	12,083,951	10,115,103
18.7%	21.7%	157.4%	26.2%	20.5%

City of Indian Wells
 Tax Revenues by Source - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year End	Property Tax	Sales	Transient Occupancy	Emergency Services	Franchise	Other	Total
2005-06	\$ 35,763,535	\$ 1,057,899	\$ 5,352,889	\$ 2,548,714	\$ 726,333	\$ 682,186	\$46,131,556
2006-07	36,921,554	1,202,051	5,940,739	2,593,034	894,379	762,780	48,314,537
2007-08	40,058,833	1,054,972	5,874,128	2,857,241	902,634	789,637	51,537,445
2008-09	40,770,451	963,446	4,804,501	2,923,853	870,700	912,698	51,245,649
2009-10	39,208,315	827,195	4,294,079	2,828,412	817,863	1,019,451	48,995,315
2010-11	37,012,359	902,256	4,805,116	2,288,758	835,725	1,371,127	47,215,341
2011-12	20,072,039	992,271	5,689,952	2,287,339	848,259	1,825,622	31,715,482
2012-13	2,495,027	945,359	6,341,825	2,285,354	860,303	2,108,344	15,036,212
2013-14	2,602,881	1,016,141	6,407,454	2,524,298	886,890	2,593,389	16,031,053
2014-15	2,757,592	1,121,191	6,742,840	2,604,590	924,868	3,045,175	17,196,256

Percentage change:

2006-2015 -92.3% 6.0% 26.0% 2.2% 27.3% 346.4% -62.7%



City of Indian Wells
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

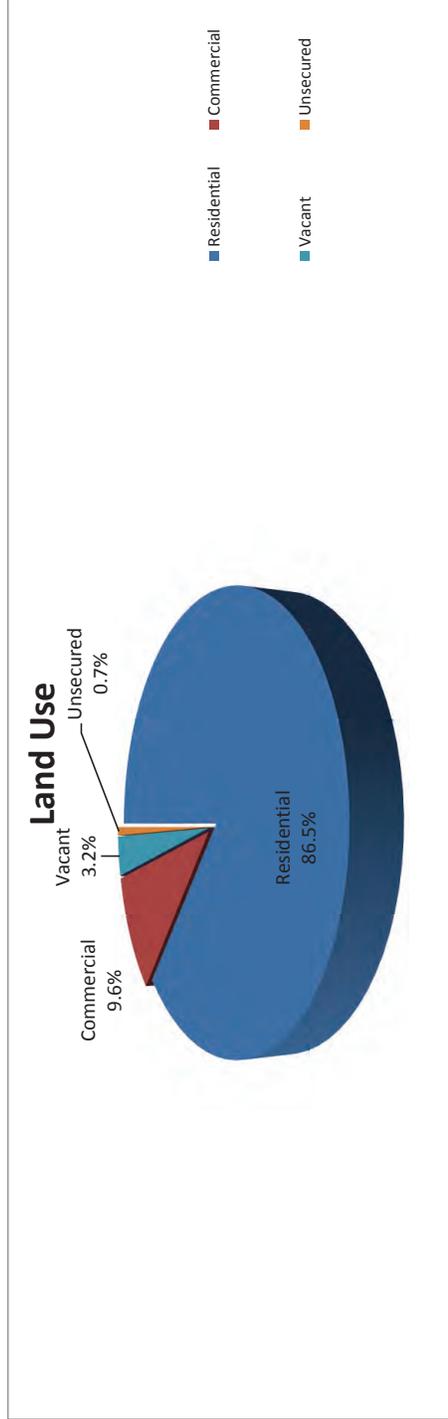
Fiscal Year Ended June 30	City (Excl. RDA)			Redevelopment Agency			City's Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	Secured	Unsecured	Taxable Assessed Value	
2005-06	\$ 555,697,154	\$ 5,463,790	\$ 561,160,944	\$ 3,333,128,375	\$ 34,010,781	\$ 3,367,139,156	1.11800
2006-07	641,953,540	5,656,440	647,609,980	3,568,878,418	38,357,547	3,607,235,965	1.18688
2007-08	835,797,894	4,502,911	840,300,805	3,878,756,903	33,552,882	3,912,309,785	1.20556
2008-09	903,292,424	5,793,464	909,085,888	4,115,512,584	49,085,006	4,164,597,590	1.20985
2009-10	858,305,085	4,653,028	862,958,113	3,976,541,728	43,225,207	4,019,766,935	1.23056
2010-11	798,116,578	5,300,075	803,416,653	3,775,005,209	38,992,999	3,813,998,208	1.25031
2011-12	779,881,689	4,485,980	784,367,669	3,663,062,874	29,170,611	3,692,233,485	1.21462
2012-13	838,497,693	3,781,585	842,279,278	3,732,437,881	28,481,837	3,760,919,718	1.21151
2013-14	857,895,036	4,330,282	862,225,318	3,863,716,982	28,639,321	3,892,356,303	1.22949
2014-15	963,012,088	8,006,824	971,018,912	4,010,096,483	26,674,312	4,036,770,795	1.23309

Source: Riverside County Assessor Data, MuniServices, LLC
Source: 2010-11 and prior, previously published CAFR Report
Net Taxable Value is net of all exemptions, including homeowners.
(1.) Total Direct Tax Rate is represented by TRA 016-000

City of Indian Wells

Assessed Value of Property by Use Code, Citywide
Last Ten Fiscal Years

Category	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15*
Residential	\$ 3,201,699,445	\$ 3,463,544,677	\$ 3,994,931,238	\$ 4,257,840,652	\$ 4,186,874,097	\$ 4,009,594,578	\$ 3,913,350,203	\$ 3,935,778,173	\$ 4,121,937,903	\$ 4,329,962,569
Commercial	252,142,333	254,305,690	239,515,661	252,841,579	240,348,626	204,892,539	64,230,314	65,675,320	66,962,561	482,959,313
Institutional	4,796,379	4,892,306	306,267	312,392	318,639	317,885	-	-	-	-
Unknown	207,465,790	224,500,108	235,572,803	267,717,856	176,890,276	167,423,018	315,812,049	411,623,758	362,409,067	-
Vacant	222,721,582	263,589,177	244,228,828	240,092,529	230,415,175	190,893,767	149,551,997	157,858,323	170,302,487	160,186,689
Net Secured Value	3,888,825,529	4,210,831,958	4,714,554,797	5,018,805,008	4,834,846,813	4,573,121,787	4,442,944,563	4,570,935,574	4,721,612,018	4,973,108,571
Unsecured	39,474,571	44,013,987	38,055,793	54,878,470	47,878,235	44,293,074	33,656,591	32,263,422	32,969,603	34,681,136
Net Taxable Value	\$ 3,928,300,100	\$ 4,254,845,945	\$ 4,752,610,590	\$ 5,073,683,478	\$ 4,882,725,048	\$ 4,617,414,861	\$ 4,476,601,154	\$ 4,603,198,996	\$ 4,754,581,621	\$ 5,007,789,707



Source: MuniServices, LLC

Source: 2010-11 and prior, previously published CAFR Report

Use code categories are based on Riverside County Assessor's data

*Land Use description data updated from previous year(s)

City of Indian Wells

Direct and Overlapping Property Tax Rates

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
City Direct Rates:										
City Basic Rate	0.0700000	0.0700000	0.0700000	0.0700000	0.0700000	0.0700000	0.06649751	0.00649751	0.00649751	0.00649751
Agency Basic Rate	0.2247100	0.2946000	0.2967900	0.2968800	0.2660400	0.2668600	0.0000000	0.0000000	0.0000000	0.0000000
Low & Mod 20% Set-aside	0.2000000	0.2000000	0.2000000	0.2000000	0.2000000	0.2000000	0.0000000	0.0000000	0.0000000	0.0000000
Total City Direct Rate	0.4947100	0.5646000	0.5667900	0.5668800	0.5360400	0.5368600	0.00649751	0.00649751	0.00649751	0.00649751
Overlapping Rates:										
General	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.15716188	0.15716188	0.15716188	0.15716188
Riverside County General & Fire	0.2886800	0.2879100	0.2837100	0.2837600	0.2833600	0.2833600	0.06556884	0.06556884	0.06556884	0.06556884
Coachella Valley Water District	0.0589100	0.0588500	0.0587700	0.0587000	0.0593200	0.0588600	0.03055245	0.03055245	0.03055245	0.03055245
Desert Sands Unified School District	0.0969400	0.0974500	0.0985700	0.0985100	0.1148900	0.1149800	0.40439065	0.40439065	0.40439065	0.40439065
Riverside County Superintendent of Schools	0.0109600	0.0110200	0.0111400	0.0111400	0.0129900	0.0130000	0.04571713	0.04571713	0.04571713	0.04571713
College of Desert	0.0201400	0.0202500	0.0204800	0.0204700	0.0238700	0.0238900	0.08403091	0.08403091	0.08403091	0.08403091
Coachella Valley Parks & Recreation District	0.0175000	0.0176300	0.0179200	0.0179200	0.0219000	0.0219200	0.01321243	0.01321243	0.01321243	0.01321243
CV Mosquito & Vector Control District	0.0115700	0.0116600	0.0118500	0.0118500	0.0144800	0.0144900	0.01091312	0.01091312	0.01091312	0.01091312
Riverside County Regional Park & Open Space	0.0001900	0.0002100	0.0002600	0.0002600	0.0008800	0.0008800	0.00387930	0.00387930	0.00387930	0.00387930
Coachella Valley Public Cemetery	0.0001500	0.0001700	0.0002100	0.0002200	0.0007200	0.0007200	0.00256659	0.00256659	0.00256659	0.00256659
Desert Regional Medical Center	0.0002400	0.0002500	0.0002900	0.0002900	0.0009800	0.0009700	0.0000000	0.0000000	0.0000000	0.0000000
Coachella Valley Resource Conservation	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.00039170	0.00039170	0.00039170	0.00039170
Education Revenue Augmentation Fund	0.0000100	0.0000100	0.0000200	0.0000200	0.0000600	0.0000600	0.17511749	0.17511749	0.17511749	0.17511749
TOTAL	0.5052900	0.5054100	0.5032200	0.5031400	0.5334500	0.5331300	1.0000000	1.0000000	1.0000000	1.0000000
Override Assessments										
Coachella Valley Water District	0.0210000	0.0208000	0.0400000	0.0400000	0.0600000	0.0600000	0.0800000	0.0800000	0.1000000	0.1000000
Desert Community College	0.0200000	0.0199500	0.0199500	0.0199500	0.0199500	0.0199500	0.0199500	0.0199500	0.0199500	0.0232500
Desert Sands Unified School District	0.0770000	0.0761300	0.0756100	0.0799000	0.0811200	0.1003600	0.1146700	0.1115600	0.1095400	0.1098400
TOTAL	0.1180000	0.1168800	0.1355600	0.1398500	0.1610700	0.1803100	0.2146200	0.2115100	0.2294900	0.2330900
TOTAL TAX RATE	1.1180000	1.1868900	1.2055700	1.2098700	1.2305600	1.2503000	1.2146200	1.2115100	1.2294900	1.2330900

Source: 2010-11 and prior, previously published CAFR Report
 Source: Riverside County Auditor data, MuniServices, LLC
 (-) Indicates data unavailable.

City of Indian Wells

Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2014-15		2005-06	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Garden Of Champions	\$ 172,052,458	3.44%	\$ 69,584,320	1.77%
Grand Champions Llc	56,757,850	1.13%	83,068,334	2.12%
Felcor Esmeralda	47,365,000	0.95%	-	0.00%
Toscana Land	47,253,077	0.94%	42,607,898	1.09%
Vintage Club	26,906,487	0.54%	59,677,752	1.52%
Eldorado Country Club	24,591,761	0.49%	20,022,679	0.51%
Lh Indian Wells Holding	16,972,802	0.34%	28,525,714	0.73%
Village Shopping Center At Ind	15,133,864	0.30%	-	0.00%
Iwcc Acquisition Corp	13,805,346	0.28%	18,880,881	0.48%
Schmid Inv	13,245,166	0.26%	-	0.00%
Cook Leo W	12,949,871	0.26%	15,951,779	0.41%
Marion Anne W	12,533,000	0.25%	-	0.00%
Standard Pacific Corp	12,462,442	0.25%	-	0.00%
Kayne Richard A	12,305,615	0.25%	-	0.00%
Reserve Club	12,162,170	0.24%	17,080,583	0.44%
Indian Wells Village Ii	11,950,592	0.24%	10,630,395	0.27%
Ryan Oil Co	11,088,606	0.22%	15,770,863	0.40%
Smith Orin C	10,396,989	0.21%	-	0.00%
Brinson Gary P	10,004,000	0.20%	15,346,878	0.39%
Neptune	9,767,000	0.20%	-	0.00%
Argyros George L	9,603,195	0.19%	-	0.00%
Gilliland Gloria J	9,461,092	0.19%	-	0.00%
Gilleland Richard A	9,383,000	0.19%	10,842,940	0.28%
Macmillan Donna J	8,830,883	0.18%	-	0.00%
Soret LTD	8,804,311	0.18%	-	0.00%
CTF (USA)	-	0.00%	78,200,000	1.99%
Ministrelli Dev Inc	-	0.00%	20,238,026	0.52%
Windfohr Anne Burnett	-	0.00%	17,096,616	0.44%
Alexander & Baldwin Inc	-	0.00%	15,626,213	0.40%
Montelena	-	0.00%	15,621,793	0.40%
Gross William H & Sue J	-	0.00%	14,027,087	0.36%
Carletti Christopher M	-	0.00%	13,783,012	0.35%
Flannery Prop	-	0.00%	13,576,112	0.35%
Indian Wells Holding	-	0.00%	12,996,033	0.33%
Johnson Faye Peterson	-	0.00%	11,065,292	0.28%
Koch Charles G	-	0.00%	11,026,409	0.28%
Coleman Sheldon C	-	0.00%	9,500,813	0.24%
Total Top 25 Taxpayers	595,786,577	11.92%	640,748,422	16.35%
Total Taxable Value	\$ 5,007,789,707	100.00%	\$ 3,925,808,198	100.00%

Source: County Assessor data, MuniServices, LLC

City of Indian Wells

Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2014-15		2005-06	
Taxpayer	Business Type	Taxpayer	Business Type
American Audio Visual Center	Miscellaneous Retail	Compliments	Apparel Stores
Audio Visual Headquarters	Business Services	Desert Horizons Country Club	Restaurants
Creative Pipe	Light Industry	Don Diego's Of Indian Wells	Restaurants
CVS/Pharmacy	Drug Stores	Donna Diamond Designer	Miscellaneous Retail
Desert Horizons Country Club	Restaurants	Donna Schuler Design Studio	Furniture/Appliance
Don Diegos	Restaurants	Eldorado Country Club	Restaurants
Eldorado Country Club	Restaurants	Garden Of Champions	Miscellaneous Retail
Eureka!	Restaurants	Hotel Indian Wells	Restaurants
Hotel Indian Wells	Restaurants	Hyatt Grand Champions Resort	Restaurants
Hyatt Grand Champions Resort	Restaurants	Indian Wells Golf Resort	Restaurants
Indian Wells Country Club	Restaurants	Indian Wells Tennis Garden	Recreation Products
Indian Wells Golf Resort	Restaurants	Le Saint Germain Restaurant	Restaurants
Indian Wells Tennis Garden	Recreation Products	Miramonte Resort & Spa	Restaurants
Karen Harlow For The Home	Furniture/Appliance	Nest Restaurant	Restaurants
Miramonte Resort & Spa	Restaurants	Ralph's Grocery Company	Food Markets
Ralph's Grocery Company	Food Markets	Renaissance Esmeralda Resort	Restaurants
Renaissance Esmeralda Resort	Restaurants	Reserve Club	Restaurants
Reserve Club	Restaurants	Sav-On Drug Stores	Drug Stores
Tennis Warehouse	Recreation Products	Swank Audio Visuals	Light Industry
Terry Beardsley Golf Shop	Recreation Products	Terry Beardsley Golf Shop	Recreation Products
The Nest	Restaurants	Toscana Country Club	Restaurants
Toscana Country Club	Restaurants	Vicky's Restaurant	Restaurants
Venezia Gourmet Foods	Restaurants	Village Inscriber	Miscellaneous Retail
Vicky's Of Santa Fe	Restaurants	Vintage Club	Restaurants
Vintage Club	Restaurants	West Coast Turf	Bldg.Matls-Whsle

Source: SBOE data, MuniServices, LLC
Top Sales Tax Producers listed in alphabetical order.

City of Indian Wells
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
2006	\$ 31,641,148	\$ 33,644,264	106.33%	\$ 2,219,271	\$ 35,863,535	113.34%
2007	34,302,868	36,288,268	105.79%	633,286	36,921,554	107.63%
2008	37,565,868	39,500,186	105.15%	558,647	40,058,833	106.64%
2009	40,211,739	40,504,387	100.73%	266,064	40,770,451	101.39%
2010	38,711,203	38,791,118	100.21%	417,197	39,208,315	101.28%
2011	36,889,913	36,918,555	100.08%	93,804	37,012,359	100.33%
2012	34,811,422	26,913,209	77.31%	74,738	26,987,947	77.53%
2013	2,172,899	2,478,806	114.08%	16,221	2,495,027	114.82%
2014	2,184,854	2,583,498	118.25%	19,383	2,602,881	119.13%
2015	2,330,206	2,665,988	114.41%	91,604	2,757,592	118.34%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies. Taxes collected by the City are often more than the original tax roll due to new home property sales, resale's during the fiscal year, and payment of delinquent property taxes.

City of Indian Wells
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Percentage of Personal Income ²	Per Capita ²
	Tax Allocation Bonds	Notes Payable	Total		
2006	\$ 93,670,000	\$ -	\$ 93,670,000	22.59%	\$ 19,737
2007	133,580,000	-	133,579,997	29.54%	27,951
2008	129,615,000	-	129,615,000	29.06%	26,858
2009	125,895,000	-	125,895,000	25.10%	25,641
2010	132,925,000	-	132,925,000	26.66%	26,870
2011	128,910,000	-	128,910,000	24.62%	25,371
2012	- ¹	-	-	0.00%	-
2013	- ¹	-	-	0.00%	-
2014	- ¹	-	-	0.00%	-
2015	- ¹	-	-	0.00%	-

(1) Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Please see note 18 to the financial statements. During fiscal year 2011/12, the State of California took action to eliminate redevelopment. The remaining outstanding Redevelopment Agency Tax Allocation Bonds were transferred to a newly formed Successor Agency private-purpose trust.

City of Indian Wells

Ratio of General Bonded Debt Outstanding and Legal Debt Margin

Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year End	Outstanding Tax Allocation Bonds	% of Assessed Value ¹	Per Capita	Less: Amounts Set Aside To Repay Debt	Total Net Debt Applicable To Debt Limit	Legal Debt Limit	Legal Debt Margin	Legal Debt Margin as a % of Limit
2006	\$ 93,670	2.4%	\$ 19,600	\$ 33,544	\$ 60,126	\$ 591,143	\$ 531,017	89.8%
2007	133,580	3.1%	27,679	34,634	98,946	643,399	544,453	84.6%
2008	129,615	3.0%	26,398	37,459	92,156	714,418	622,262	87.1%
2009	125,895	2.6%	25,449	38,487	87,408	732,409	645,001	88.1%
2010	132,925	2.6%	26,532	36,993	95,932	761,053	665,121	87.4%
2011	128,910	2.6%	25,603	34,789	94,121	692,612	598,491	86.4%
2012	-	0.0%	-	-	-	671,490	671,490	100.0%
2013	-	0.0%	-	-	-	690,480	690,480	100.0%
2014	-	0.0%	-	-	-	713,187	713,187	100.0%
2015	-	0.0%	-	-	-	754,736	754,736	100.0%

Legal Debt Margin Calculation for Fiscal Year 2015:

Assessed Value (From Assessor's net 02-2441)	<u>FY 2014/15</u> \$5,031,576,410
Legal Debt limit (15% of total assessed value)	754,736,462

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

All bonded debt is managed through the Agency's Debt Service Fund. Annual receipt of Tax Increment is reserved to pay annual debt service.

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

City of Indian Wells
Direct and Overlapping Debt
June 30, 2015

2014-15 Assessed Valuation: \$5,036,704,940

	Total Debt 6/30/2015	% Applicable (1)	City Share of Debt 6/30/15
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Desert Community College District	\$ 308,619,492	7.400%	\$ 22,837,942
Desert Sands Unified School District	267,444,474	14.510%	38,806,193
Desert Sands Unified School District Community Facilities District No. 1	1,295,000	1.649%	21,355
City of Indian Wells	-	100.000%	-
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 577,358,966		\$ 61,665,490
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Riverside County General Fund Obligations	\$ 961,952,082	2.231%	\$ 21,461,151
Riverside County Pension Obligations	320,470,000	2.231%	7,149,686
Riverside County Board of Education Certificates of Participation	1,835,000	2.231%	40,939
Desert Sands Unified School District Certificates of Participation	61,360,000	14.510%	8,903,336
Coachella Valley Recreation and Park District Certificates of Participation	1,652,264	11.702%	193,348
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT			37,748,460
Less: Riverside County Administrative Center Authority (100% self-supporting)			(168,775)
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 37,579,685
<u>OVERLAPPING TAX INCREMENT DEBT:</u>	280,970,000	0.180-100	\$ 110,051,377
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			\$ 209,465,227
TOTAL NET OVERLAPPING DEBT			\$ 209,296,452
GROSS COMBINED TOTAL DEBT			\$ 209,465,227 ⁽²⁾
NET COMBINED TOTAL DEBT			\$ 209,296,452

(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 bonds and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Direct Debt 0.00%

Total Direct and Overlapping Tax and Assessment Debt	1.22%
Gross Combined Total Debt	4.16%
Net Combined Total Debt	4.16%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,637,125,067):

Total Overlapping Tax Increment Debt	3.03%
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Source: MuniServices

City of Indian Wells
Pledged-Revenue Coverage
Last Ten Fiscal Years

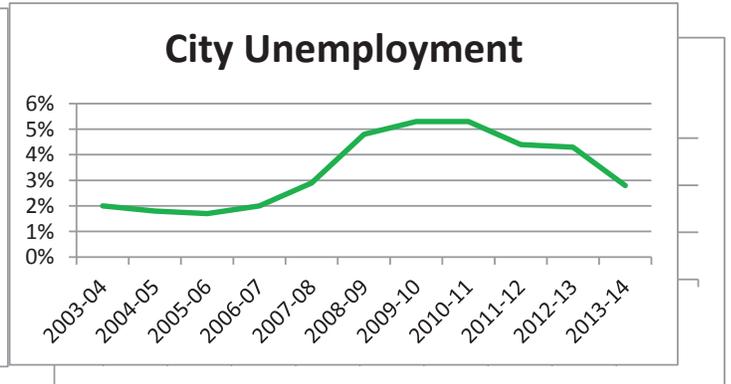
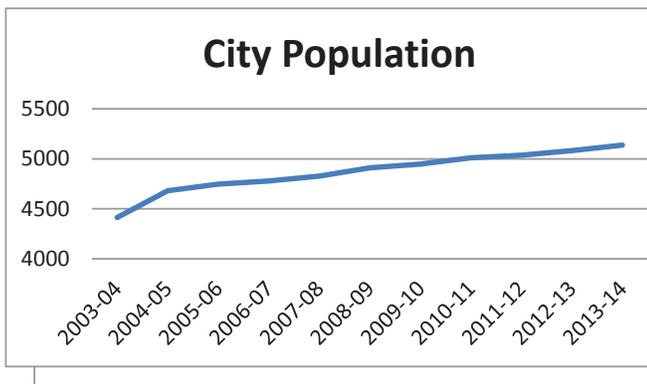
Fiscal Year Ended June 30	Tax Allocation Bonds				Coverage
	Tax Increment	Debt Service			
		Principal	Interest		
2006	\$ 33,544,087	\$ 3,260,000	\$ 5,499,851	3.83	
2007	34,634,116	3,330,000	7,213,797	3.28	
2008	37,459,122	3,965,000	5,977,740	3.77	
2009	38,486,642	3,720,000	5,838,334	4.03	
2010	36,993,008	3,860,000	5,769,506	3.84	
2011	34,788,614	4,015,000	5,999,053	3.47	
2012	17,891,078	4,460,000	5,852,651	1.73	
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	

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

City of Indian Wells

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Per Capita		Median Age	Public School Enrollment (3)	City Unemployment Rate (%) (4)
		Personal Income (in thousands)	Personal Income (2)			
2005-06	4,746	\$ 414,733,956	\$ 87,386	63.4	-	1.7%
2006-07	4,779	452,208,096	94,624	63.4	-	2.0%
2007-08	4,826	445,994,790	92,415	63.4	-	2.9%
2008-09	4,910	501,527,040	102,144	63.4	-	4.8%
2009-10	4,947	498,543,819	100,777	66.5	-	5.3%
2010-11	5,010	523,660,230	104,523	66.5	-	5.3%
2011-12	5,035	585,987,499	116,383	68.0	29,199	4.4%
2012-13	5,081	599,972,864	118,082	66.7	29,159	4.3%
2013-14	5,137	474,294,073	92,329	68.3	29,156	2.8%
2014-15	5,194	469,484,673	90,390	68.5	28,999	4.4%



Source: MuniServices, LLC

Source: 2010-11 and prior, previously published CAFR Report

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

(-) Indicates data unavailable.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
- 3.) Student Enrollment reflects the total number of students enrolled in the Desert Sands Unified School District. Any other school districts within the City are not accounted for in this statistic.
- 4.) Unemployment Data are provided by the EDD's Bureau of Labor Statistics Department.

City of Indian Wells

Principal Employers
Last Fiscal Year

Business Name	2014-15		2005-06	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Renaissance Esmeralda Resort	480	28.24%	489	28.76%
Hyatt Regency	425	25.00%	446	26.24%
Indian Wells Golf Resort (1)	231	13.59%	236	13.88%
El Dorado Country Club (2)	215	12.65%	205	12.06%
Toscana Country Club (2)	200	11.76%	90	5.29%
Miramonte Resort and Spa	178	10.47%	219	12.88%
Indian Wells Country Club	85	5.00%	116	6.82%
Desert Horizons Country Club	82	4.82%	78	4.59%
Indian Wells Resort Hotel	71	4.18%	76	4.47%
Ralphs	63	3.71%		
Merrill Lynch Wealth Management			55	3.24%
Total Top Employers	2,030	119.42%	2,010	118.23%
Total City Employment (3)	1,700		1,700	

Source: MuniServices, LLC

City of Indian Wells

Full-time Equivalent City Government Employees
by Function

Last Ten Fiscal Years

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
City Manager/Clerk	8.75	9.75	9.75	6.75	6.75	4.75	4.75	4.75	5.75	4.60
Advertising/Marketing	-	-	-	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Risk Management	0.25	0.25	0.25	0.25	0.125	0.125	0.125	0.125	-	0.150
Personnel	0.25	0.25	0.25	0.25	0.125	0.125	0.125	0.125	-	0.500
City Attorney	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.10
Community										
Development	10.00	10.00	10.00	9.00	8.25	6.25	5.25	5.25	6.25	7.00
Finance Department	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	5.55
Public Safety	1.50	1.50	1.50	0.50	1.50	1.50	1.50	1.50	0.75	1.10
Public Works	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf Resort	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>-</u>						
Total	<u>36.00</u>	<u>38.00</u>	<u>38.00</u>	<u>35.00</u>	<u>35.00</u>	<u>29.00</u>	<u>28.00</u>	<u>28.00</u>	<u>29.00</u>	<u>29.00</u>

Source: City of Indian Wells Budget

City of Indian Wells

Operating Indicators
by Functions

Last Ten Fiscal Years

<u>Function</u>	Fiscal Year				
	2006	2007	2008	2009	2010
Police					
Violent Crime	-	7	5	3	1
Thefts	70	97	150	104	89
Burglaries	101	129	109	55	72
Traffic Collisions	148	152	167	107	93
Traffic Citations	1,311	1,229	976	1,014	2,371
Fire					
Medical Aid Calls	514	529	574	690	538
Public Service Assists	28	44	97	70	76
Structure Fires	17	4	19	8	17
Vegetation Fires	1	-	-	-	-
Building Activity					
Permits Issued	1,122	800	859	577	416
Inspections Performed	7,431	4,702	5,590	4,421	1,390
New Dwelling Units	107	52	49	9	5
Public Works					
Lot Line Adjustments	6	4	18	2	1
Parcel Mergers	1	2	4	-	-
Encroachment Permits	154	116	73	67	59
Tract Maps	4	2	1	1	-
Golf Resort					
Golf rounds played	58,154	53,223	48,082	69,308	81,102
Administration					
City Council Meetings	22	21	19	23	22
Public Hearings	50	34	17	18	22
Adopted Resolutions	60	44	60	46	53

Fiscal Year				
2011	2012	2013	2014	2015
3	-	-	-	3
112	102	141	97	87
58	47	66	39	29
72	88	88	125	136
1,333	870	838	1,251	971
594	696	704	659	751
78	108	118	90	102
5	4	4	4	4
-	-	-	-	-
548	582	774	914	845
2,286	2,811	3,862	4,927	5,438
17	13	35	33	37
-	1	3	3	4
3	2	3	3	5
66	48	66	84	59
-	2	2	-	1
83,052	83,104	82,712	81,696	78,829
20	21	21	20	18
23	16	11	23	18
35	43	53	53	49

City of Indian Wells

Capital Asset Statistics
by Function

Last Ten Fiscal Years

Function	Units of Measure		
		2006	2007
Public safety			
Police Sub-Stations	Buildings	1.00	1.00
Fire Stations	Buildings	1.00	1.00
Highways, Streets, Bridges, & Infrastructure			
Pavement (Roadway)	Centerline Miles	22.30	25.80
Sidewalks	Miles	12.70	12.70
Bridges	Each	3.50	3.50
Traffic Signals	Each	4.75	12.75
Traffic Signals equipped with Red Light Runner Camera	Each	3.00	3.00
Streetlights (not included with traffic signals)	Each	19.00	19.00
Sanitary Sewer Lift Stations (CVWD)	Each	3.00	3.00
Parks and recreation			
Parks	Each	1.00	1.00
18-Hole Public Golf Courses	Each	2.00	2.00
Golf Course Clubhouse	Each	1.00	1.00
City Vehicles			
City-Owned Fleet Motor Vehicles	Each	14.00	14.00
City-Owned Ambulances	Each	2.00	2.00
Affordable Housing			
Senior Affordable Housing Complexes	Each	2.00	2.00
Senior Affordable Housing Units	Each	218.00	218.00

Fiscal Year

2008	2009	2010	2011	2012	2013	2014	2015
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
25.80	25.80	25.80	25.80	25.80	25.80	25.80	25.80
12.70	12.70	12.70	12.70	12.70	12.70	12.70	12.70
3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
12.75	15.25	15.25	15.25	15.25	15.25	15.25	15.25
-	-	-	-	-	-	-	-
19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
14.00	14.00	11.00	11.00	11.00	10.00	10.00	10.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
218.00	218.00	218.00	218.00	218.00	218.00	218.00	218.00

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