

**CITY OF INDIAN WELLS, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2014**

CITY OF INDIAN WELLS, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2014

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CITY OF INDIAN WELLS  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

Page  
Number

**INTRODUCTORY SECTION**

Letter of Transmittal.....	i
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xi
Organization Chart .....	xii
List of Principal Officials .....	xiii

**FINANCIAL SECTION**

Independent Auditors' Report .....	1
Management's Discussion and Analysis.....	5

**BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements	
Statement of Net Position .....	21
Statement of Activities.....	22
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	24
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	27
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	31
Statement of Net Position - Proprietary Funds .....	32
Statement of Revenues, Expenses and Changes in Fund Net Position- Proprietary Funds.....	33
Statement of Cash Flows - Proprietary Funds .....	34
Statement of Net Position - Fiduciary Funds .....	35
Statement of Changes in Net Position - Fiduciary Funds .....	36
Notes to Financial Statements.....	37

CITY OF INDIAN WELLS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

	<u>Page Number</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedules	
General Fund .....	70
Golf Resort Operations .....	71
Housing Authority .....	72
Notes to Required Supplementary Information .....	73
 <b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	86
 Budgetary Comparison Schedules - Special Revenue Funds	
Traffic Safety .....	95
Public Safety ½% Tax .....	96
Measure “A” Transportation .....	97
Fire Access Maintenance District No. 1 .....	98
South Coast AQMD Vehicle Registration .....	99
Citizens Option for Public Safety Program .....	100
Gas Tax .....	101
Emergency Services Upgrade .....	102
AB 939 Recycling .....	103
Solid Waste .....	104
Consolidated LLMD .....	105
Street Lighting District 2001-1 .....	106
Affordable Housing Operations .....	107
Cooperative Marketing .....	108
 Budgetary Comparison Schedules – Capital Projects Funds	
Highway 111 Circulation Improvement .....	109
Park Facilities In Lieu .....	110
Capital Improvements .....	111
Citywide Public Improvement .....	112
Art in Public Places .....	113
Infrastructure .....	114
FF&E and Rolling Stock .....	115
Golf Course Capital Replacement .....	116
Housing Villas Capital Replacement .....	117
Facilities Capital Replacement .....	118

CITY OF INDIAN WELLS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

	<u>Page Number</u>
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
Combining Statement of Net Position – Internal Service Funds .....	119
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds .....	120
Combining Statement of Cash Flows – Internal Service Funds.....	121
<b>STATISTICAL SECTION</b>	
Net Position by Component – Last Ten Fiscal Years.....	124
Changes in Net Position – Last Ten Fiscal Years.....	126
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	128
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years .....	130
Tax Revenues by Source – Governmental Funds- Last Ten Fiscal Years .....	132
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years .....	133
Assessed Value of Property by Use Code, Citywide- Last Ten Fiscal Years .....	134
Direct and Overlapping Property Tax Rates.....	135
Principal Property Taxpayers – Last Fiscal Year and Nine Years Ago.....	136
Principal Sales Tax Producers – Last Fiscal Year and Nine Years Ago.....	137
Property Tax Levies and Collections – Last Ten Fiscal Years.....	138
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	139
Ratios of General Bonded Debt Outstanding and Legal Debt Margin – Last Ten Fiscal Years .....	140
Direct and Overlapping Debt .....	141
Pledged-Revenue Coverage – Last Ten Fiscal Years .....	142
Demographic and Economic Statistics – Last Ten Calendar Years.....	143
Principal Employers – Current Year and Nine Years Ago.....	144
Full-Time Equivalent City Employees by Function – Last Ten Fiscal Years .....	145
Operating Indicators by Function – Last Ten Fiscal Years .....	146
Capital Asset Statistics by Function – Last Ten Fiscal Years .....	148

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November 17, 2014

To the Citizens of the City of Indian Wells and the  
Honorable Mayor and Members of the City Council

I am pleased to present you with the City of Indian Wells Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This transmittal letter provides a non-technical summary of the City's finances, services, achievements, and economic prospects. We ask that readers who wish a more detailed discussion of the City's financial results refer to the Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report on page 5 of this report. The MD&A serves to complement this letter of transmittal and should be read in conjunction with it.

Ensuring the financial integrity of our public institutions is crucial to maintaining the public's trust. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Indian Wells. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report was prepared in conformance with Generally Accepted Accounting Principles (GAAP). The City's financial reporting is based upon all Governmental Accounting Standards Board (GASB) pronouncements.

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, 2014.



The City of Indian Wells' management is solely responsible for the accuracy of the information contained in this report, the adequacy of its disclosures, and the fairness of its presentation. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect City assets from loss, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with Generally Accepted Accounting Principles.

Lance, Soll & Lunghard, LLP, Certified Public Accountants have issued an unmodified opinion on the City of Indian Wells financial statements for the fiscal year ended June 30, 2014. 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.

The independent auditor concluded based on the audit that there was a reasonable basis for rendering an unqualified opinion that the City of Indian Wells' financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. This is the most favorable conclusion and commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is included in the Financial Section of this report.

### **Profile of the Government**

The city of Indian Wells, California 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 distinguishes the Indian Wells community. The City of Indian Wells also offers superb public services and resident programs, and continues to enjoy the benefits of being one of California's wealthiest and financially well-managed cities. Incorporated in 1967, the city of Indian Wells boasts 5,137 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.

The City of Indian Wells has operated under the City Council/City Manager form of Government since 1967. 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 adopted and presented for reporting purposes 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 and Botanical Garden, one of the Coachella Valley's leading attractions, is also situated in Indian Wells and neighboring Palm Desert.

Indian Wells boasts a very successful benefit program designed specifically for property owners. With an Indian Wells Property Owner Identification Card, property owners 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.

Indian Wells also 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.

## **Factors Affecting Financial Condition**

The City of Indian Wells is committed to sound financial governance. The City has established a tradition of providing residents, commercial and retail businesses, and visitors alike with a superior level of public safety services, premium life enrichment opportunities, and a renowned physical environment.

The City Council adopted a conservative budget for fiscal year 2014/15 based on the current economic conditions. The budget is balanced, whereby all current expenditures are supported by current revenues. In developing the fiscal year 2014/15 budget, City staff was committed to the challenge of aligning escalating fixed costs – such as construction expenses, energy, fuel and administrative costs – with current revenues. The result is a fiscally responsible budget that meets the quality-of-life expectations of the community while at the same time exploring new options for revenue generation.

The quest to maintain the existing quality of life expectations of the community has resulted in an ever present concern that Indian Wells' traditionally strong economic base may be unsustainable without expanding this economic base and/or incorporating new revenue sources. This concern is further exacerbated by the elimination of redevelopment and the ever-increasing competition the city faces from other markets and tourism venues – both national and international.

## **Key Goals Looking Forward**

Indian Wells City Council has approved several goals and action plans that the City plans to implement during the coming fiscal year. Objectives are primarily centered on enhancing the City's financial position, strengthening the organizational and customer service culture at City Hall, and continuing to build an outstanding quality of life in the Indian Wells community.

### **Proposed Goals**

- ❑ Enhance the Indian Wells **Financial** condition
- ❑ Continue to build **Trust, Capacity** and a **Customer Service** culture in the Indian Wells organization
- ❑ Continue to build the Indian Wells **Community** devoted to an exceptional quality of life

### Enhancing the City's financial position

The City will move forward to strengthen the City's financial condition by encouraging the furtherance of potential economic development projects. Expansion of Developer-owned vacant commercial property is a significant factor in future success. Economic development opportunities exist at the Indian Wells Tennis Garden, the Haagen site, the Fogelson site, and at Miles Crossing Retail. The City is working with the owners of these sites to develop concepts for the highest and best uses for their properties. Developers are in the process of performing market analyses to understand the needs of the community. They have completed design plans for the Whitewater River Channel improvements and have submitted applications to the permitting agencies.

The City will move forward to develop and publish a comprehensive financial strategy. This report will provide readers with a financial overview of the City, insight to current economic conditions, review of major revenues, and ongoing operating costs. The report will also provide readers with a look at long-term costs, the allocation of reserves, and the fiscal policies governing them.

### Strengthening the organizational and customer service culture at City Hall

Peerless customer service is a pivotal cornerstone of what makes Indian Wells the special place that it is. This type of exceptional service is essential in meeting the expectations of our mission statement and our citizens. Continued investment of the Indian Wells organization will strengthen our quality customer care, motivate City staff, and improve communications between the City and its residents. New customer service training programs will be developed and existing training programs expanded. The City is committed to improving paper and electronic communications to residents, City Council members, and City staff.

### Community devoted to an exceptional quality of life

The City Council held a workshop on August 21, 2014 to solicit design and budget direction regarding the Carl Bray monument project. The Council reviewed three design concepts and recommended that the project be revised using elements from two of the concepts presented that would include the use of a replica artist palette pole sign with a wavy wall as a backdrop. Once the Council approves the monument design, the consultant will develop construction drawings and the project will formally go out to bid for construction. Construction of the monument is anticipated to start before the end of the 2014/2015 fiscal year.

The City will utilize the Virtual Town Hall online forum to solicit input from residents and business owners regarding the illustrations for the new Cook and Highway 111 entrance that best represents Indian Wells. The forum will go live in November 2014 and give residents a two-month time frame in which to offer ideas. City staff will subsequently evaluate and use the feedback to develop parameters for the monument design.

### **Recent Accomplishments**

Admissions tax revenues continue to grow due to the success of the BNP Paribas Open held at the Indian Wells Tennis Garden. In April 2013, the Indian Wells Tennis Garden unveiled plans for an exciting expansion—designed for increase attendance--which was targeted for completion by the 2014 BNP Paribas Open. The plan encompassed the construction of a permanent Stadium 2 with 8,000 seats and two restaurants, a marquee site entrance on Washington Street featuring a new box office, a new 19,000-square-foot shade structure, four additional practice courts, expansion of the current Miles Street entrance, valet and accessible parking, an additional grass parking area for up to 2,000 cars, and expansion and relocation of the television production compound. By the end of fiscal year 2013/14, admissions tax revenues had climbed \$0.4 million compared to the prior year reaching \$2.2 million in total collections.

During fiscal year 2013/14, the City of Indian Wells partnered with the City of Palm Desert to slurry seal Fred Waring Drive. The partnership saved the City of Indian Wells \$0.3 million and dramatically improved the condition of the roadway. In May 2014, the City/Agency refunded the remaining Series 2003 A and Series 2003 AT tax allocation bonds producing a \$3.0 million reduction in total debt service. The savings generated by the refunding will be used to repay loans between the City and the Successor Agency, the proceeds of which will ultimately enhance resident services. During fiscal year 2013/14, the City reached its five-year goal to fully fund its employee "Other Post Employment Benefit" (OPEB) trust fund.

The City developed and implemented a comprehensive strategic plan for the Indian Wells Golf Resort. The strategic plan included the opening of a spacious new food and beverage Pavilion designed to accommodate large events with a seating capacity of 400 guests and reception capacity of up to 700. The construction of the Pavilion has created sales and business opportunities not previously available at the Golf Resort. With its spectacular mountain and fairway views, and extraordinary banquet services, the Golf Resort has quickly evolved into a leading venue for weddings and special events.

### **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 Position 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. These entities are considered component units of the City and their activities have been blended into the reporting entity.

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, 2014 identified one area of weakness in internal controls that is considered as material weakness. The details are provided in a letter dated November 17, 2014 to the City Council.

### 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. Expenses 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, 2013. 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, 2014 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,

Handwritten signature of Wade G. McKinney in cursive script.

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City Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Indian Wells  
California**

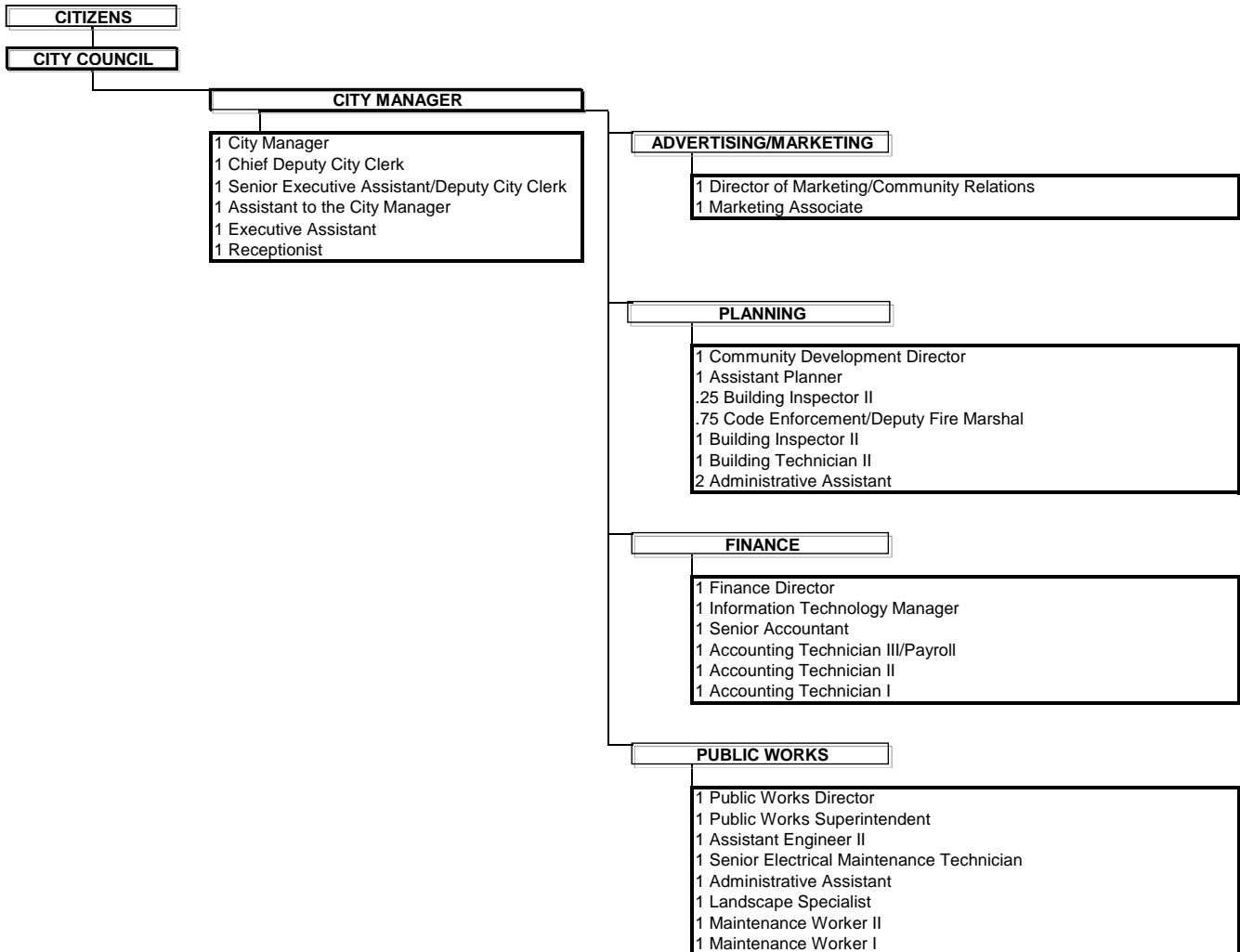
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

**CITY OF INDIAN WELLS  
ORGANIZATION CHART**

**JUNE 30, 2014**



CITY OF INDIAN WELLS

**LIST OF PRINCIPAL OFFICIALS**

JUNE 30, 2014

Council – Manager Form of Government

City Council

Ted J. Mertens  
Mayor

Ty Peabody  
Mayor Pro Tem

Mary T. Roche  
Council Member

Patrick Mullany  
Council Member

Douglas Hanson  
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 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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the budgetary comparison information for the General Fund, Golf Resort Operations Fund, and Housing Authority Fund as listed in the table of contents 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, schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



To the Honorable Mayor and Members of the City Council  
City of Indian Wells, California

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Loughard, LLP*

Brea, California  
November 17, 2014



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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 narrative, overview and analysis of the City's financial activities for the fiscal year ended June 30, 2014. The Management Discussion and Analysis (commonly referred to as the MD&A) is intended to provide the reader of these statements 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 our letter of transmittal, which can be found on pages i-x, and the accompanying basic financial statements, which can be found on pages 21-23 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 \$326.7 million at the close of the most recent fiscal year. Of the total net position, \$250.0 million represents investment in capital assets, \$51.3 million represents unrestricted Net position, and \$25.4 million is subject to legal restrictions on their use.
- As a result of this year's activities, total capital assets net of depreciation decreased \$0.6 million from \$250.6 million to \$250.0 million. The City acquired \$8.6 million in new capital assets during the fiscal year. Depreciation expense was \$9.2 million.
- Governmental fund balances ended the year totaling \$72.7 million. Of this amount, \$17.9 million constitutes nonspendable reserves, \$23.9 million are restricted fund balances, which are the result of external limitations on spending, and \$26.5 million are committed fund balances. The remainder of fund balance is \$4.4 million and represents unassigned fund balances.
- At the end of the most recent fiscal year, the unassigned General Fund Balance comprised \$5.8 million of the total \$26.0 million General Fund Balance. During the fiscal year, the City Council committed \$2.3 million to the emergency reserve. The General Fund's nonspendable assets comprised \$17.9 million in notes and loans.
- During fiscal year 2013/14, the California Department of Finance approved a loan between the Successor Agency and the City for \$16.4 million. The California Department of Finance determined the loan was for legitimate redevelopment purposes and therefore was approved as an enforceable obligation. This loan is reported as an extraordinary gain in the City's General Fund.

- At year-end, the City had \$0.5 million in compensated absences and other liabilities outstanding.

## 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 intended to be 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 and how they have changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or 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.

See Independent Auditors' Report

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* provide more detailed 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 also combines five (5) Gas Tax funds.

The City adopts a biennial appropriated Budget. A budgetary comparison statement has been 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. In addition, pension schedules present the City of Indian Wells' progress towards funding its obligation to provide future pension benefits for its active and retired employees.

**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 net position (Table 1) and changes in net position (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, 2014 and 2013.

Table 1  
Statement of Net Position  
(in Millions)

	Governmental Activities		
	2014	2013	\$ change
Current and other assets	\$ 81.0	\$ 67.4	\$ 13.6
Capital assets	250.0	250.6	(0.6)
Total Assets	331.0	318.0	13.0
Current Liabilities	3.8	3.4	0.4
Non-current Liabilities	0.5	1.0	(0.5)
Total Liabilities	4.3	4.4	(0.1)
Net Position:			
Invested in capital assets, net of related debt	250.0	250.6	(0.60)
Restricted			
Community development project	2.0	1.9	0.1
Housing	15.8	15.8	
Public safety	5.6	5.1	0.5
Public works	2.0	1.8	0.2
Unrestricted	51.3	38.4	12.9
Total Net Position	\$ 326.7	\$ 313.6	\$ 13.1

The City's assets exceeded liabilities by \$326.7 million at the close of the most recent fiscal year. Of the total net position, \$51.3 million represents unrestricted net position available for meeting the City's ongoing obligations to citizens and creditors.

An additional portion of the City's net position representing \$25.4 million of the total is subject to legal restrictions on their 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.

The City's investment in capital assets is \$250.0 million and comprises 76.5% of the total net position. These nonspendable assets are amounts that will never convert to cash (such as prepaid items), amounts that will not convert to cash soon enough to affect the current period (such as assets held for resale), and amounts that are required to be maintained intact (such as the corpus of an endowment fund).

By the close of the fiscal year, the City's net position increased \$13.1 million as a result of this year's activities. This increase is derived from the change in net position as recorded in the Statement of Activities and flows through the Statement of 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.

The table below lists a condensed Statement of Activities for the fiscal year ending June 30, 2014 and 2013.

Table 2  
Statement of Activities  
(in Millions)

	Governmental Activities		
	2014	2013	\$ change
Program Revenues			
Charges for services	\$ 13.4	\$ 13.1	\$ 0.3
Operating contributions and grants	7.2	6.9	0.3
Capital contributions and grants	2.9	1.6	1.3
General revenues:			
Taxes			
Property taxes	2.8	2.7	0.1
Transient occupancy taxes	6.4	6.3	0.1
Sales taxes	1.0	1.0	-
Franchise taxes	0.9	0.9	-
Business licenses taxes	0.1	0.1	-
Admission taxes	2.3	1.8	0.5
Investment income	3.3	2.1	1.2
Other	1.0	1.0	-
Extraordinary gain/(loss)	16.4	49.7	(33.3)
Total revenues	<u>57.7</u>	<u>87.2</u>	<u>(29.5)</u>
Expenses			
General government	8.5	8.2	0.3
Public safety	7.7	7.4	0.3
Community development	4.1	11.8	(7.7)
Public works	11.3	11.0	0.3
Golf resort	13.0	12.1	0.9
Total expenses	<u>44.6</u>	<u>50.5</u>	<u>(5.9)</u>
Change in Net Position	<u>\$ 13.1</u>	<u>\$ 36.7</u>	<u>\$ (23.6)</u>

Revenues:

- The City collected \$57.7 during fiscal year 2013/14 compared to \$87.2 million the previous year. Much of the revenue variation was caused by the transfer of redevelopment assets to the City during fiscal year 2012/13 resulting from the dissolution.
- The City collected \$13.5 million in general taxes during fiscal year 2013/14 representing an increase of \$0.7 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 2013/14 increased \$1.2 million over the prior year due to changes in market value at year end.

See Independent Auditors' Report



- The City received \$13.4 million in charges for services revenues during fiscal year 2013/14. The City's Golf Resort Operations Fund is the largest revenue generator in the category generating \$12.4 million during the fiscal year.
- The City received \$7.2 million in operating contributions and grants consistent with the prior year's collections.
- City officials continue to maintain an aggressive capital grant program, receiving \$2.9 million in capital contributions and grants.

#### Expenses:

In the current year, expenses for all governmental activities totaled \$44.6 million, reflecting a decrease of \$5.9 million (-11.7%) from the prior year. Changes in expenses compared to the prior year financials can be attributed to the following factors:

- General Government expenses increased \$0.3 million (3.7%) when compared to the prior year due to increasing costs of services.
- The cost of Community Development decreased significantly due to effects of the elimination of redevelopment in the prior fiscal year. During fiscal year 2012/13, the City paid a one-time expense of \$6.5 million to comply with findings made by the State of California brought about by the State's Due Diligence Reviews.
- The City spent \$7.7 million in Public Safety expenses, which increased \$0.3 million (4.0%) when compared to the prior year due to rising patrol costs.
- Operational costs at the Indian Wells Golf Resort increased \$0.9 million compared to the prior fiscal year citing full operations of the new outdoor 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 \$72.7 million as follows:

## Fund Balances by Category 2013/14

Category	General Fund	Percent	All Other Funds	Percent	Total Funds	Percent
Nonspendable:						
Prepaid costs	\$ 3,715	0.0%	\$ -	0.0%	\$ 3,715	0.0%
Notes and loans	17,889,192	68.8%	-	0.0%	17,889,192	24.6%
Restricted for:						
Community development	-	0.0%	16,414,450	35.2%	16,414,450	22.6%
Public safety	-	0.0%	5,558,075	11.9%	5,558,075	7.6%
Public works	-	0.0%	1,967,998	4.2%	1,967,998	2.7%
Committed for:						
Emergency Reserve	2,250,000	8.7%	-	0.0%	2,250,000	3.1%
Capital projects	-	0.0%	23,805,825	51.0%	23,805,825	32.8%
Golf Resort	-	0.0%	412,148	0.8%	412,148	0.6%
Unassigned:	5,841,717	22.5%	(1,460,761)	-3.1%	4,380,956	6.0%
Total Fund Balances	\$ 25,984,624	100.0%	\$ 46,697,735	100.0%	\$ 72,682,359	100.0%

Governmental fund balances ended the year totaling \$72.7 million. Of this amount, \$17.9 million constitutes nonspendable, which means that these balances must be maintained intact, an additional \$23.9 million are restricted fund balances, which are the result of external limitations on spending.

Approximately \$26.5 million of the governmental fund balances are committed fund balances, which has resulted in internally imposed limitations placed upon the funds by the Governing Board responsible for adopting the fund budget. The remainder of the fund balance is \$4.4 million representing unassigned fund balances or the residual net resources after taking into consideration the other classifications.

### The General Fund

The General Fund is the primary operating fund of the City of Indian Wells. At the end of the current fiscal year, the fund balance in the General Fund was \$26.0 million of which \$17.9 million is nonspendable notes and loans, \$2.3 million is committed for Emergency Reserve, and \$5.8 million of unassigned fund balance reported in the General Fund.

During fiscal year 2013/14, the California Department of Finance approved a loan between the Successor Agency and the City for \$16.4 million. The California Department of Finance determined the loan was for legitimate redevelopment purposes and therefore was approved as an enforceable obligation. This loan is reported as an extraordinary gain in the City's General Fund.

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

### General Fund Financial Summary

	2014	2013	\$ Change	% Change
<b>Revenue</b>				
Taxes	\$ 13,208,984	\$ 12,469,666	\$ 739,318	5.9%
Licenses and permits	425,848	437,537	(11,689)	-2.7%
Intergovernmental	386,696	381,405	5,291	1.4%
Charges for services	428,907	496,987	(68,080)	-13.7%
Interest income	117,377	6,685	110,692	1655.8%
Fines and forfeitures	52,631	95,257	(42,626)	-44.7%
Rental income	42,201	44,476	(2,275)	-5.1%
Other income	560,328	670,180	(109,852)	-16.4%
<b>Total Revenues</b>	<b>15,222,972</b>	<b>14,602,193</b>	<b>620,779</b>	<b>4.3%</b>
<b>Expenditures</b>				
General government	7,756,558	8,275,905	(519,347)	-6.3%
Public safety	3,331,035	3,208,791	122,244	3.8%
Community development	1,020,148	966,370	53,778	5.6%
Public works	1,800,306	1,678,828	121,478	7.2%
<b>Total Expenditures &amp; Uses</b>	<b>13,908,047</b>	<b>14,129,894</b>	<b>(221,847)</b>	<b>-1.6%</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ 1,314,925</b>	<b>\$ 472,299</b>	<b>\$ 842,626</b>	<b>178.4%</b>

General Fund revenues increased 4.3% during fiscal year 2013/14 compared to the prior year. Total taxes climbed 5.9% with property taxes, transient occupancy taxes and admissions taxes experiencing the lion's share of the growth. Licenses and permits revenues were off \$11,689, compared with last year's figures citing a decline of 2.7%.

Charges for services declined 13.7% over the previous fiscal year due to one-time planning and building fees associated with construction improvements related to the new tennis stadium, which were collected in fiscal year 2012/13.

Other income lagged fiscal year 2012/13 collections due to timing changes associated with the collection of Successor Agency administrative fees and the receipt of funding.

General Fund expenditures decreased just \$0.2 million (approximately 1.6%) during fiscal year 2013/14. As a whole, line item General Fund expenditures remained steady compared to the prior year.

See Fund Financial Statements tab page 24-28.

See Independent Auditors' Report

## Golf Resort Operations City Fund

Golf Resort revenues of \$12.5 million grew \$0.4 million compared to revenues received during 2012/13. Golf Resort Fund expenditures of \$12.9 million were \$0.9 million more than 2012/13 expenditures. Golf operations at the Golf Resort lost nearly \$0.5 million compared with the prior year.

The City spent an additional \$2.3 million in capital development as part of the fiscal year 2013/14 Golf Resort Strategic Plan, which included construction of a new Pavilion and remodel of the new VUE Grille & Bar.

### Golf Resort Operations - City Fund

	2014	2013	\$ Change	% Change
Rounds	81,696	83,773	(2,077)	-2.5%
Revenues	\$ 12,469,625	\$ 12,045,912	\$ 423,713	3.5%
Expenses	12,945,121	12,088,530	856,591	7.1%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(475,496)	(42,618)	(432,878)	
Capital Outlay	2,250,000		2,250,000	
Excess (Deficiency) of Revenues Over (Under) Expenditures After Capital	\$ (2,725,496)	\$ (42,618)	\$ (2,682,878)	

See Fund Financial Statements tab page 24-28.

## Government Activities

Table 3 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 that was placed on the City's taxpayers by each of these functions.

Table 3  
Net Cost of Governmental Activities  
(in Millions)

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
General government	\$ 8.5	\$ 8.5	\$ (7.6)	\$ (6.6)
Public safety	7.7	7.4	(3.3)	(3.2)
Community development	4.1	11.8	(3.3)	(10.9)
Public works	11.3	11.0	(6.5)	(8.6)
Golf Resort	13.0	12.1	(0.5)	-
Totals	<u>\$ 44.6</u>	<u>\$ 50.8</u>	<u>\$ (21.2)</u>	<u>\$ (29.3)</u>

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. This could create a misleading net cost of program services. Readers need to account for this revenue source when reviewing the City's financials.

See the Statement of Activities on page 23 for further detail.

### **General Fund Budgetary Highlights**

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2014 is presented in the required supplementary information to the basic financial statements. Revenues continued to outpace budgeted expectations during fiscal year 2013/14. Actual expenditures were stable in all categories compared to budgeted expectations.

During fiscal year 2013/14, the California Department of Finance approved a loan between the Successor Agency and the City for \$16.4 million. The California Department of Finance determined the loan was for legitimate redevelopment purposes and therefore was approved as an enforceable obligation. This loan is reported as an extraordinary gain for the City.

## Capital Assets

The City of Indian Wells' investment in capital assets, net of accumulated depreciation, amounted to \$250.0 million at June 30, 2014. 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 been 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.

The City acquired \$8.6 million in new capital assets during the fiscal year ending June 30, 2014. The City spent \$4.9 million to complete roadway improvements on Highway 111 and begin work on a Rule 20B utility undergrounding project. The City's Housing Authority reacquired approximately 3.3 acres along the City's Highway 111 through default on a promissory note for \$1.3 million.

Finally, the City spent approximately \$2.4 million to construct a new Pavilion at the Indian Wells Golf Resort and complete remodel work at the City's commercial office buildings on Club Drive. Total depreciation of all capital assets being depreciated was \$9.2 million. As a result of all capital activities during fiscal year 2013/14, the net investment in capital assets decreased \$0.6 million from \$250.6 million to \$250.0 million.

Table 4  
Summary of Changes in Capital Assets  
(in millions)

	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 61.8	\$ 1.3	\$ -	\$ 63.1
Construction in progress	1.2	3.4	-	4.6
Total capital assets not being depreciated	<u>63.0</u>	<u>4.7</u>	<u>-</u>	<u>67.7</u>
Capital assets, being depreciated:				
Intangible	2.5	-	-	2.5
Buildings and improvements	144.4	0.1	-	144.5
Equipment	6.3	-	-	6.3
Infrastructure	104.1	3.8	-	107.9
Total capital assets being depreciated	<u>257.3</u>	<u>3.9</u>	<u>-</u>	<u>261.2</u>
Less accumulated depreciation for:				
Intangible	(0.1)	(0.3)	-	(0.4)
Buildings and improvements	(43.1)	(6.3)	-	(49.4)
Equipment	(5.0)	(0.5)	-	(5.5)
Infrastructure	(21.5)	(2.1)	-	(23.6)
Total accumulated depreciation	<u>(69.7)</u>	<u>(9.2)</u>	<u>-</u>	<u>(78.9)</u>
Total capital assets being depreciated, net	<u>187.6</u>	<u>(5.3)</u>	<u>-</u>	<u>182.3</u>
Total capital assets, net	<u>\$ 250.6</u>	<u>\$ (0.6)</u>	<u>\$ -</u>	<u>\$ 250.0</u>

Details of the City's capital assets can be found in Note 6 Capital Assets on page 52 of the Notes to Basic Financial Statements.

### Long-term Debt

At year-end, the City had \$0.5 million in compensated absences and other liabilities outstanding, as shown in Table 5 below. Compensated absences consists of accrued vacation and compensatory time and is expected to be paid in future years from future resources. Retrospective deposits and refunds are cost allocation adjustments to prior insurance coverage periods, which, in some cases, take many years to resolve.

Table 5  
Summary of Changes in Long-Term Liabilities  
(in millions)

Description	Balance at 7/1/2013	Additions	Reductions	Balance at 6/30/2014	Due Within One Year
Other liabilities:					
Compensated absences	\$ 0.4	\$ 0.4	\$ (0.4)	\$ 0.4	\$ 0.1
CJPIA Retrospective Deposit	0.6	0.1	(0.6)	0.1	0.1
Total long-term liabilities	<u>\$ 1.0</u>	<u>\$ 0.5</u>	<u>\$ (1.0)</u>	<u>\$ 0.5</u>	<u>\$ 0.2</u>

Details of the Agency's outstanding debt can be found in Note 7 Long-Term Liabilities on pages 53-54 of the Notes to Basic Financial Statements.

### **Economic Factors and Next Year's Budgets and Rates**

The City has a long-standing practice of being fiscally conservative and proactive in its budgetary development. Like many other cities in California, Indian Wells has faced a retracting economy over the last few budget cycles, and is really just beginning now to see evidence of improvement. This state of the economy is exacerbated by the California Legislature's 2012 actions to dissolve redevelopment across the state. The City has effectively used redevelopment funding in the past to stimulate local economic development; however, now that redevelopment is dissolved, this task is much more challenging.

The 2013/14 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:

- Enhance the Indian Wells Financial Condition.
- Continue to build Trust, Capacity and a Customer Service culture in the Indian Wells organization,
- Continue to build the Indian Wells Community devoted to an exceptional quality of life.

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.

See Independent Auditors' Report



## **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](mailto:kmccarthy@indianwells.com)

CITY OF INDIAN WELLS

STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2014

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 44,573,928
Receivables:	
Accounts	1,906,642
Notes and loans	11,791,853
Accrued interest	40,305
Prepaid costs	112,257
Inventories	695,998
Restricted assets:	
Cash with fiscal agent	1,080,015
Due from Successor Agency	17,739,192
Net OPEB asset	2,977,705
Deposits	7,920
Capital assets not being depreciated	67,734,447
Capital assets, net of depreciation	<u>182,309,338</u>
<b>Total Assets</b>	<b><u>330,969,600</u></b>
<b>Liabilities:</b>	
Accounts payable	1,957,344
Accrued liabilities	175,599
Unearned revenue	10,000
Deposits payable	1,308,672
Due to other governments	335,415
Noncurrent liabilities:	
Due within one year	255,500
Due in more than one year	<u>247,885</u>
<b>Total Liabilities</b>	<b><u>4,290,415</u></b>
<b>Net Position:</b>	
Net investment in capital assets	250,043,785
Restricted for:	
Community development projects	3,420,280
Housing	14,412,791
Public safety	5,558,075
Public works	1,967,998
Unrestricted	<u>51,276,256</u>
<b>Total Net Position</b>	<b><u>\$ 326,679,185</u></b>

CITY OF INDIAN WELLS

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014

	Program Revenues				Governmental Activities
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
<b>Functions/Programs</b>					
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 8,528,905	\$ 46,282	\$ 386,696	\$ 500,000	\$ (7,595,927)
Public safety	7,689,486	6,883	4,436,574	-	(3,246,029)
Community development	4,114,707	854,755	-	-	(3,259,952)
Public works	11,284,095	28,038	2,362,409	2,352,481	(6,541,167)
Golf resort	12,945,121	12,429,070	-	-	(516,051)
<b>Total Governmental Activities</b>	<b>\$ 44,562,314</b>	<b>\$ 13,365,028</b>	<b>\$ 7,185,679</b>	<b>\$ 2,852,481</b>	<b>(21,159,126)</b>
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purpose					2,820,856
Transient occupancy taxes					6,407,454
Sales taxes					1,016,141
Franchise taxes					886,891
Business licenses taxes					131,294
Admission taxes					2,244,120
Use of money and property					3,297,078
Other					1,012,035
<b>Extraordinary gain/(loss)</b>					<b>16,400,000</b>
<b>Total General Revenues and Extraordinary Items</b>					<b>34,215,869</b>
Change in Net Position					13,056,743
Net Position at Beginning of Year					313,975,241
Restatement of Net Position					(352,799)
Net Position, as Restated					313,622,442
<b>Net Position at End of Year</b>					<b>\$ 326,679,185</b>

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CITY OF INDIAN WELLS

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Golf Resort Operations</u>	<u>Housing Authority</u>
<b>Assets:</b>			
Cash and investments	\$ 8,026,596	\$ 1,766,487	\$ 2,899,144
Receivables:			
Accounts	710,460	54,275	-
Notes	150,000	-	11,514,773
Accrued interest	13,169	-	4,684
Prepaid costs	3,715	108,542	-
Due from other funds	1,467,903	-	-
Inventories	-	695,998	-
Restricted assets:			
Cash and investments with fiscal agents	-	885,057	-
Due from Successor Agency	17,739,192	-	-
<b>Total Assets</b>	<b>\$ 28,111,035</b>	<b>\$ 3,510,359</b>	<b>\$ 14,418,601</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 730,180	\$ 848,211	\$ 5,810
Accrued liabilities	170,004	-	-
Unearned revenues	-	-	-
Deposits payable	1,226,227	-	-
Due to other governments	-	-	-
Due to other funds	-	2,250,000	-
<b>Total Liabilities</b>	<b>2,126,411</b>	<b>3,098,211</b>	<b>5,810</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	-	695,998	-
Prepaid costs	3,715	108,542	-
Notes and loans	17,889,192	-	-
<b>Restricted for:</b>			
Community development	-	-	14,412,791
Public safety	-	-	-
Public works	-	-	-
<b>Committed to:</b>			
Capital Projects	-	-	-
Emergency reserve	2,250,000	-	-
Golf Resort	-	-	-
<b>Unassigned</b>	5,841,717	(392,392)	-
<b>Total Fund Balances</b>	<b>25,984,624</b>	<b>412,148</b>	<b>14,412,791</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 28,111,035</b>	<b>\$ 3,510,359</b>	<b>\$ 14,418,601</b>

CITY OF INDIAN WELLS

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>Capital Projects Funds</u>		<u>Other Governmental Funds</u>
	<u>Park Facilities In Lieu</u>	<u>Capital Improvements</u>	
<b>Assets:</b>			
Cash and investments	\$ -	\$ 2,560,419	\$ 27,852,853
Receivables:			
Accounts	-	892,559	249,348
Notes	-	127,080	-
Accrued interest	-	4,137	15,943
Prepaid costs	-	-	-
Due from other funds	-	2,251,335	-
Inventories	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	194,958
Due from Successor Agency	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 5,835,530</b>	<b>\$ 28,313,102</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 84,057	\$ 289,086
Accrued liabilities	-	-	5,595
Unearned revenues	-	-	10,000
Deposits payable	-	-	82,445
Due to other governments	-	335,415	-
Due to other funds	1,428,847	-	40,391
<b>Total Liabilities</b>	<b>1,428,847</b>	<b>419,472</b>	<b>427,517</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventory	-	-	-
Prepaid costs	-	-	-
Notes and loans	-	-	-
<b>Restricted for:</b>			
Community development	-	-	2,001,659
Public safety	-	-	5,558,075
Public works	-	-	1,967,998
<b>Committed to:</b>			
Capital Projects	-	5,416,058	18,389,767
Emergency reserve	-	-	-
Golf Resort	-	-	-
<b>Unassigned</b>	<b>(1,428,847)</b>	<b>-</b>	<b>(31,914)</b>
<b>Total Fund Balances</b>	<b>(1,428,847)</b>	<b>5,416,058</b>	<b>27,885,585</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 5,835,530</b>	<b>\$ 28,313,102</b>

CITY OF INDIAN WELLS

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<b>Total Governmental Funds</b>
<b>Assets:</b>	
Cash and investments	\$ 43,105,499
Receivables:	
Accounts	1,906,642
Notes	11,791,853
Accrued interest	37,933
Prepaid costs	112,257
Due from other funds	3,719,238
Inventories	695,998
Restricted assets:	
Cash and investments with fiscal agents	1,080,015
Due from Successor Agency	17,739,192
	<hr/>
<b>Total Assets</b>	<b>\$ 80,188,627</b>
	<hr/>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 1,957,344
Accrued liabilities	175,599
Unearned revenues	10,000
Deposits payable	1,308,672
Due to other governments	335,415
Due to other funds	3,719,238
	<hr/>
<b>Total Liabilities</b>	<b>7,506,268</b>
	<hr/>
<b>Fund Balances:</b>	
<b>Nonspendable:</b>	
Inventory	695,998
Prepaid costs	112,257
Notes and loans	17,889,192
<b>Restricted for:</b>	
Community development	16,414,450
Public safety	5,558,075
Public works	1,967,998
<b>Committed to:</b>	
Capital Projects	23,805,825
Emergency reserve	2,250,000
Golf Resort	-
<b>Unassigned</b>	3,988,564
	<hr/>
<b>Total Fund Balances</b>	<b>72,682,359</b>
	<hr/>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 80,188,627</b>
	<hr/>

**CITY OF INDIAN WELLS**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2014**

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Fund balances of governmental funds	\$ 72,682,359
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.	250,043,785
Compensated absences have not been included in the governmental fund activity.	(350,377)
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>4,303,418</u>
<b>Net Position of governmental activities</b>	<b><u><u>\$ 326,679,185</u></u></b>



CITY OF INDIAN WELLS

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds		
	General	Golf Resort Operations	Housing Authority
<b>Revenues:</b>			
Taxes	\$ 13,208,984	\$ -	\$ -
Licenses and permits	425,848	-	-
Intergovernmental	386,696	-	-
Contribution from property owners	-	-	-
Charges for services	428,907	12,429,070	-
Investment income	117,377	21,801	676,589
Fines and forfeitures	52,631	-	-
Rental Income	42,201	18,754	-
Assessments	-	-	-
Developer fees	-	-	-
Other income	560,328	-	-
<b>Total Revenues</b>	<b>15,222,972</b>	<b>12,469,625</b>	<b>676,589</b>
<b>Expenditures:</b>			
Current:			
General government	7,756,558	-	763,521
Public safety	3,331,035	-	-
Community development	1,020,148	-	-
Public works	1,800,306	-	-
Golf resort	-	12,945,121	-
Capital outlay	-	2,250,000	1,331,689
<b>Total Expenditures</b>	<b>13,908,047</b>	<b>15,195,121</b>	<b>2,095,210</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,314,925	(2,725,496)	(1,418,621)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	(64,112)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(64,112)</b>	<b>-</b>	<b>-</b>
Extraordinary gain/(loss)	16,400,000	-	-
Net Change in Fund Balances	17,650,813	(2,725,496)	(1,418,621)
Fund Balances, Beginning of Year, as previously reported	8,686,610	3,137,644	15,831,412
Restatements	(352,799)	-	-
Fund Balances, Beginning of Year, as restated	8,333,811	3,137,644	15,831,412
<b>Fund Balances, End of Year</b>	<b>\$ 25,984,624</b>	<b>\$ 412,148</b>	<b>\$ 14,412,791</b>

CITY OF INDIAN WELLS

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Capital Projects Funds		Other Governmental Funds
	Park Facilities In Lieu	Capital Improvements	
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 2,822,070
Licenses and permits	-	-	534
Intergovernmental	-	2,244,028	521,029
Contribution from property owners	-	-	500,000
Charges for services	-	-	-
Investment income	16	64,938	742,416
Fines and forfeitures	-	-	28,038
Rental Income	-	-	1,590,543
Assessments	-	-	3,737,258
Developer fees	36,272	-	88,579
Other income	-	448	451,259
<b>Total Revenues</b>	<b>36,288</b>	<b>2,309,414</b>	<b>10,481,726</b>
<b>Expenditures:</b>			
Current:			
General government	-	53,583	-
Public safety	-	-	4,354,348
Community development	-	-	1,799,879
Public works	-	-	2,334,701
Golf resort	-	-	-
Capital outlay	-	5,053,374	43,037
<b>Total Expenditures</b>	<b>-</b>	<b>5,106,957</b>	<b>8,531,965</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,288	(2,797,543)	1,949,761
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	64,112
Transfers out	-	-	(76,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(11,888)</b>
Extraordinary gain/(loss)	-	-	-
<b>Net Change in Fund Balances</b>	<b>36,288</b>	<b>(2,797,543)</b>	<b>1,937,873</b>
Fund Balances, Beginning of Year, as previously reported	(1,465,135)	8,213,601	25,947,712
Restatements	-	-	-
Fund Balances, Beginning of Year, as restated	(1,465,135)	8,213,601	25,947,712
<b>Fund Balances, End of Year</b>	<b>\$ (1,428,847)</b>	<b>\$ 5,416,058</b>	<b>\$ 27,885,585</b>

CITY OF INDIAN WELLS

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	<b>Total Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 16,031,054
Licenses and permits	426,382
Intergovernmental	3,151,753
Contribution from property owners	500,000
Charges for services	12,857,977
Investment income	1,623,137
Fines and forfeitures	80,669
Rental Income	1,651,498
Assessments	3,737,258
Developer fees	124,851
Other income	1,012,035
	<hr/>
<b>Total Revenues</b>	<b>41,196,614</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	8,573,662
Public safety	7,685,383
Community development	2,820,027
Public works	4,135,007
Golf resort	12,945,121
Capital outlay	8,678,100
	<hr/>
<b>Total Expenditures</b>	<b>44,837,300</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,640,686)
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	64,112
Transfers out	(140,112)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>(76,000)</b>
	<hr/>
Extraordinary gain/(loss)	16,400,000
	<hr/>
Net Change in Fund Balances	12,683,314
	<hr/>
Fund Balances, Beginning of Year, as previously reported	60,351,844
	<hr/>
Restatements	(352,799)
	<hr/>
Fund Balances, Beginning of Year, as restated	59,999,045
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 72,682,359</b>
	<hr/> <hr/>

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, 2014**

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Net change in fund balances - total governmental funds \$ 12,683,314

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	\$ 8,627,428	
Depreciation expense	<u>(9,176,570)</u>	(549,142)

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. 13,977

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. 908,594

**Change in net position of governmental activities \$ 13,056,743**

CITY OF INDIAN WELLS

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2014

	<u>Governmental Activities- Internal Service Funds</u>
<b>Assets:</b>	
Current:	
Cash and investments	\$ 1,468,429
Receivables:	
Accrued interest	2,372
CJPIA Retrospective Deposit	7,920
	<u>1,478,721</u>
<b>Total Current Assets</b>	<b>1,478,721</b>
Noncurrent:	
Net OPEB asset	<u>2,977,705</u>
<b>Total Noncurrent Assets</b>	<b>2,977,705</b>
<b>Total Assets</b>	<b>\$ 4,456,426</b>
<b>Liabilities and Net Position:</b>	
<b>Liabilities:</b>	
Noncurrent:	
General liability cumulative deposit	<u>\$ 153,008</u>
<b>Total Noncurrent Liabilities</b>	<b>153,008</b>
<b>Total Liabilities</b>	<b>153,008</b>
<b>Net Position:</b>	
Unrestricted	<u>4,303,418</u>
<b>Total Net Position</b>	<b>4,303,418</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,456,426</b>

CITY OF INDIAN WELLS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014

	<u>Governmental Activities- Internal Service Funds</u>
<b>Operating Revenues:</b>	
Interdepartmental charges	\$ 1,268,000
<b>Total Operating Revenues</b>	<u>1,268,000</u>
<b>Operating Expenses:</b>	
Administration and general	312,761
Claims expense	145,088
<b>Total Operating Expenses</b>	<u>457,849</u>
Operating Income (Loss)	<u>810,151</u>
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	<u>22,443</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>22,443</u>
Income (Loss) Before Transfers	832,594
Transfers in	<u>76,000</u>
Changes in Net Position	<u>908,594</u>
<b>Net Position:</b>	
Beginning of Year	<u>3,394,824</u>
<b>End of Fiscal Year</b>	<u><u>\$ 4,303,418</u></u>

CITY OF INDIAN WELLS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2014

	<b>Governmental Activities- Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from/(paid to) interfund service provided	\$ 1,268,000
Cash paid to suppliers for goods and services	<u>(1,503,526)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>(235,526)</u></b>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Cash transfers in	<u>76,000</u>
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>76,000</u></b>
<b>Cash Flows from Investing Activities:</b>	
Interest received	<u>22,688</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>22,688</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(136,838)</b>
Cash and Cash Equivalents at Beginning of Year	<u>1,605,267</u>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 1,468,429</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	<u>\$ 810,151</u>
<b>Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:</b>	
(Increase) decrease in OPEB asset	(581,616)
(Increase) decrease in workers' compensation cumulative deposit receivable	(7,920)
Increase (decrease) in general liability cumulative deposit payable	(456,141)
<b>Total Adjustments</b>	<b><u>(1,045,677)</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ (235,526)</u></b>

CITY OF INDIAN WELLS

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2014

	<b>Private-Purpose Trust Fund Successor Agency of the Former RDA</b>
<b>Assets:</b>	
Cash and investments	\$ 8,186,529
Receivables:	
Accrued interest	13,226
Prepaid costs	55,126
Restricted assets:	
Cash and investments with fiscal agents	850,103
<b>Total Assets</b>	<b>9,104,984</b>
<b>Deferred Outflows of Resources:</b>	
Deferred loss on refunding	143,765
<b>Total Deferred Outflows of Resources</b>	<b>143,765</b>
<b>Liabilities:</b>	
Accrued interest	1,254,384
Due to City	17,739,192
Long-term liabilities:	
Due in one year	5,600,000
Due in more than one year	122,133,445
<b>Total Liabilities</b>	<b>146,727,021</b>
<b>Net Position:</b>	
Held in trust for other purposes	(137,478,272)
<b>Total Net Position</b>	<b>\$ (137,478,272)</b>



CITY OF INDIAN WELLS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2014

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	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
<b>Additions:</b>	
Taxes	\$ 9,821,667
Interest and change in fair value of investments	71,206
	<hr/>
<b>Total Additions</b>	<b>9,892,873</b>
	<hr/>
<b>Deductions:</b>	
Administrative expenses	236,804
Interest expense	5,429,863
	<hr/>
<b>Total Deductions</b>	<b>5,666,667</b>
	<hr/>
Extraordinary gain/(loss)	(16,400,000)
	<hr/>
<b>Changes in Net Position</b>	<b>(12,173,794)</b>
	<hr/>
Net Position - Beginning of the Year	(125,304,478)
	<hr/>
<b>Net Position - End of the Year</b>	<b>\$ (137,478,272)</b>
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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 government only has one item that qualifies for reporting in this category. It 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.

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 government has no items that qualify for reporting in this category.

**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.

**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.



CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

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

**k. Fund Equity:**

In the fund financial statements, government 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 government'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 government'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. 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.

**Note 2: Cash and Investments**

Cash and investments at June 30, 2014, are classified in the accompanying financial statements as follows:

	Governmental Activities	Fiduciary Activities	Total
Cash and investments	\$ 44,573,928	\$ 8,186,529	\$ 52,760,457
Restricted assets:			
Cash and investments with fiscal agent	1,080,015	850,103	1,930,118
	<u>\$ 45,653,943</u>	<u>\$ 9,036,632</u>	<u>\$ 54,690,575</u>

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 2: Cash and Investments (Continued)**

Cash and investments at June 30, 2014, consisted of the following:

Demand accounts	\$ (885,266)
Petty cash	1,400
Investments	<u>55,574,441</u>
Total cash and investments	<u>\$ 54,690,575</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.

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.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 2: Cash and Investments (Continued)**

**Disclosures Relating to Interest Rate Risk:**

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

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

Investment Type	Remaining Maturity (in months)			Total
	12 Months or Less	13-24 Months	26-60 Months	
Federal Agency Securities	\$ -	\$ 1,995,200	\$ 14,758,270	\$ 16,753,470
Negotiable Certificates of Deposit	251,338	1,260,975	1,257,643	2,769,956
Local Agency Investment Funds	26,951,597	-	-	26,951,597
Medium Term Notes	1,003,509	4,115,440	2,006,470	7,125,419
Money Market Mutual Funds	43,881	-	-	43,881
Held by a Bond Trustee				
Money Market Mutual Funds	1,930,118	-	-	1,930,118
	<u>\$ 30,180,443</u>	<u>\$ 7,371,615</u>	<u>\$ 18,022,383</u>	<u>\$ 55,574,441</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:

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**

**Note 2: Cash and Investments (Continued)**

Investment Type	Total as of June 30, 2014	Minimum Legal Rating*	Not Rated	AAA	AA	A
Federal Agency Securities	\$ 16,753,470	AAA	\$ -	\$ 16,753,470	\$ -	\$ -
Negotiable Certificate of Deposit	2,769,956	n/a	2,769,956	-	-	-
Local Agency Investment Funds	26,951,597	n/a	26,951,597	-	-	-
Medium Term Notes	7,125,419	A	-	-	7,125,419	-
Money Market Mutual Funds	43,881	A	-	-	-	43,881
Held by a Bond Trustee:						
Money Market Mutual Funds	1,930,118	A	-	-	-	1,930,118
<b>Total</b>	<b>\$ 55,574,441</b>		<b>\$ 29,721,553</b>	<b>\$ 16,753,470</b>	<b>\$ 7,125,419</b>	<b>\$ 1,973,999</b>

\*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	\$ 6,898,110	12%
Federal Home Loan Mortgage Corp.	Federal Agency Securities	2,952,210	5%
Federal Farm Credit Bank	Federal Agency Securities	1,955,450	7%

**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.

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 2: Cash and Investments (Continued)**

**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, 2014, are composed of the following:

	Other Receivable	Taxes Receivable	Total
General	\$ 250,783	\$ 459,677	\$ 710,460
Golf Resort Operations	54,275	-	54,275
Capital Improvements	892,559	-	892,559
Nonmajor Governmental Funds	249,348	-	249,348
Total	<u>\$ 1,446,965</u>	<u>\$ 459,677</u>	<u>\$ 1,906,642</u>

**Note 4: Notes Receivable**

	Outstanding at June 30, 2014
City Manager Relocation Loan	\$ 150,000
Indian Wells Village Utility Undergrounding	97,580
WM Medical Mgmt. Improvement Allowance	29,500
Successor Agency SERAF Loan	<u>11,514,773</u>
Total	<u>\$ 11,791,853</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.

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 4: Notes Receivable (Continued)**

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 and has to be repaid in full by June 30, 2015. 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. For more information on the dissolution of the redevelopment agency see Note 17.

**Note 5: Interfund Transfers**

Transfers in and out for the year ended June 30, 2014, are as follows:

Transfer Out of Fund	Transfer In to Fund	Amount
General Fund	Non-major Governmental Funds	\$ 64,112
Non-major Governmental Funds	Internal Service Funds	76,000
		<u>\$ 140,112</u>

The General Fund transferred \$64,112 to Nonmajor Governmental Funds to fund operating costs for the current year.

The Non-major Governmental Funds transferred \$76,000 to the Internal Service Funds to prefund on-going other postretirement benefit costs.

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 6: Capital Assets**

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Retirements	Balance at June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 61,830,983	\$ 1,331,689	\$ -	\$ 63,162,672
Construction in progress	1,131,723	3,440,052	-	4,571,775
Total capital assets not being depreciated	<u>62,962,706</u>	<u>4,771,741</u>	<u>-</u>	<u>67,734,447</u>
Capital assets, being depreciated:				
Intangible	2,500,000	-	-	2,500,000
Buildings and improvements	144,456,360	99,846	-	144,556,206
Equipment	6,337,855	-	-	6,337,855
Infrastructure	104,029,395	3,755,841	-	107,785,236
Total capital assets being depreciated	<u>257,323,610</u>	<u>3,855,687</u>	<u>-</u>	<u>261,179,297</u>
Less accumulated depreciation for:				
Intangible	125,000	250,000	-	375,000
Buildings and improvements	43,108,596	6,301,145	-	49,409,741
Equipment	5,027,438	518,378	-	5,545,816
Infrastructure	21,432,355	2,107,047	-	23,539,402
Total accumulated depreciation	<u>69,693,389</u>	<u>9,176,570</u>	<u>-</u>	<u>78,869,959</u>
Total capital assets being depreciated, net	<u>187,630,221</u>	<u>(5,320,883)</u>	<u>-</u>	<u>182,309,338</u>
Total capital assets, net	<u>\$ 250,592,927</u>	<u>\$ (549,142)</u>	<u>\$ -</u>	<u>\$ 250,043,785</u>

**Depreciation Expense:**

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

<b>Governmental Activities</b>	
General Government	\$ 361,538
Community Development	1,431,485
Public Safety	79,923
Public Works	7,303,624
Total Governmental Activities	<u>\$9,176,570</u>

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**

**Note 7: Long-Term Liabilities**

The changes in long-term liabilities for the year ended June 30, 2014, were as follows:

	Balance at July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Other liabilities:					
Compensated absences	\$ 364,354	\$ 375,485	\$ 389,462	\$ 350,377	\$ 102,492
General liability retrospective deposit payable	609,149	153,008	609,149	153,008	153,008
Total long-term liabilities	<u>\$ 973,503</u>	<u>\$ 528,493</u>	<u>\$ 998,611</u>	<u>\$ 503,385</u>	<u>\$ 255,500</u>

**Compensated Absences:**

The City's policies relating to compensated absences are described in Note 1. This liability amounting to \$350,377 at June 30, 2014, 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.

**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, 2014, had a retrospective deposit due of \$153,008.

**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



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

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**Note 7: Long-Term Liabilities (Continued)**

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](http://CJPIA.org).

**Note 8: Defined Benefit Pension Plan**

**Plan Description:**

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

**Contributions and Funding Policy:**

Miscellaneous participants are required to contribute 8% of their annual covered salary. The City is required to contribute at an actuarially determined rate. The rate for the year ended June 30, 2014, is 16.707% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by City Council in conjunction with applicable labor contracts. The City's contributions to the plan for the year ending June 30, 2014, was \$648,300 and was equal to the required contributions for the year.

The City participates in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employers of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates. The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis.

The City's annual required contributions for the fiscal year ending June 30, 2014, and the two previous years are as follows:

<u>Fiscal Year</u>	<u>Contribution</u>	<u>Contributed</u>
6/30/2012	\$ 645,474	100%
6/30/2013	550,546	100%
6/30/2014	648,300	100%

**Note 9: Defined Contribution Plan**

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 \$2,785,349 compared with a total payroll of \$3,096,383 for the fiscal year ended June 30, 2014.

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 \$69,634.

**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.

**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](http://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:

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 11: Post Employment Benefit Plan (Continued)**

	2014	2013
Annual required contribution (ARC)	\$ 226,843	\$ 226,843
Interest on net OPEB obligation	(167,726)	(74,920)
Adjustment to ARC	253,644	109,625
Annual OPEB cost	312,761	261,548
Contributions made	(894,377)	(1,587,348)
(Decrease) increase in net OPEB obligation	(581,616)	(1,325,800)
Net OPEB obligation (asset) - beginning of year	(2,396,089)	(1,070,289)
Net OPEB obligation (asset) - end of year	<u>\$ (2,977,705)</u>	<u>\$ (2,396,089)</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB (obligation) asset for 2013-2014 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2012	\$ 687,437	214.88%	\$ (1,070,289)
6/30/2013	261,548	606.91%	(2,396,089)
6/30/2014	312,761	285.96%	(2,977,705)

**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
6/30/2009	\$ -	\$ 4,022,233	\$ 4,022,233	0%	\$ 3,333,737	120.65%
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%

**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

**Note 11: Post Employment Benefit Plan (Continued)**

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 20 years. It is assumed the City's payroll will increase 2.75% per year. It assumes a rate of inflation of 3%. There are currently 26 active members and 25 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 119 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 to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period 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.

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

**Note 12: Risk Management (Continued)**

**General Liability**

In the liability program claims are pooled separately between police and non-police 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 in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million to \$20 million are paid under reinsurance agreements. (7) Costs of covered claims from \$20 million to \$50 million are paid under excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$30 million per occurrence. This \$30 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$15 million in reinsurance, subject to the same annual aggregate deductibles previously stated, and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate limit.

**Workers' Compensation**

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety 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 in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability 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.

**Note 12: Risk Management (Continued)**

**Purchased Insurance**

Pollution Legal Liability Insurance

The City of Indian Wells participates in the pollution legal liability insurance program (formerly called environmental insurance) 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, 2011 through July 1, 2014. 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 \$89,084,626. 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 2013-14.

**Note 13: Other Required Disclosures**

**Expenditures in Excess of Appropriations:**

The following department reported expenditures in excess of appropriations:

General Fund		
Public Safety - Code enforcement	\$	572
Public Works - City parkway landscape		16,165
Golf Resort Operations		
Golf Resort		147,702
Capital Outlay		2,250,000
Housing Authority		
General Government		742,098
Capital Outlay		1,331,689

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**

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**Note 13: Other Required Disclosures (Continued)**

**Deficit Fund Balance:**

The following funds reported a deficit fund balance at June 30, 2014:

Park Facilities In Lieu Capital Projects Fund	\$	1,428,847
Hwy 111 Circulation Improvement Capital Projects Fund		31,914
Self Insurance Internal Service Fund		22,956
Successor Agency of the Former RDA Private Purpose Trust Fund		137,478,272

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 Self Insurance Internal Service Fund will be eliminated by Interdepartmental 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 and Fund Balance Restatement**

Beginning net position in the governmental activities and beginning fund balance in the General Fund have been restated by \$352,799 for a PERS prepaid expense that was required to be expensed during prior years.

**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

**Note 16: California Redevelopment Agency Dissolution (Continued)**

ordinance. However, because of the effect of the stay order, the authority for the Redevelopment Agency to engage in most activities was suspended.

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, 2014

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**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	\$ 8,186,529
Cash and investments with fiscal agent	<u>850,103</u>
	<u>\$ 9,036,632</u>

**b. Extraordinary Gain/(Loss)**

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. This loan is reported as an extraordinary loss to the Successor Agency and an extraordinary gain for the City of Indian Wells.

**c. 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. This loan is reported as an extraordinary loss to the Successor Agency and an extraordinary gain for the City of Indian Wells. (16,400,000)  
\$ (17,739,192)

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

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

**d. Long-Term Debt**

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

	Balance July 1, 2013	Additions	Repayments	Balance June 30, 2014	Due Within One Year
<u>Project Area 1</u>					
2003 A Tax Allocation Bonds	\$ 7,795,000	\$ -	\$ 7,795,000	\$ -	\$ -
2003 A-T Tax Allocation Bonds	28,825,000	-	28,825,000	-	-
2005 Refunding Tax Allocation Bonds	9,765,000	-	820,000	8,945,000	850,000
2006 A Tax Allocation Bonds	63,075,000	-	845,000	62,230,000	875,000
2010A Tax Allocation Bonds	10,345,000	-	290,000	10,055,000	300,000
SERAF Loan	11,514,773	-	-	11,514,773	-
2014A Tax Allocation Bonds	-	6,505,000	-	6,505,000	-
2014A-T Tax Allocation Bonds	-	27,480,000	-	27,480,000	3,575,000
Total	<u>\$ 131,319,773</u>	<u>\$ 33,985,000</u>	<u>\$ 38,575,000</u>	<u>126,729,773</u>	<u>\$ 5,600,000</u>
Adjustments:					
Unamortized net original issue (discount) or premium				<u>1,003,672</u>	
Net Long-term Debt				<u>\$ 127,733,445</u>	

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2014, follows:

**2003A Tax Allocation Bonds:**

In 1992, the Redevelopment Agency of the City of Indian Wells issued \$15,275,000 of Refunding Tax Allocation Bonds (1992 TABS) to defease the Tax Allocation Bonds issued in 1986. On May 7, 2003, the Agency issued \$41,135,000 of Tax Allocation bonds to provide funds to refund in advance the 1992 Refunding Tax Allocation Bond issued by the Agency and fund certain capital improvements.

A portion of the proceeds from the bonds issued in 2003 were placed in an escrow fund to provide the debt service on the 1992 Refunding 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 2003A Tax Allocation Bonds are special obligation of the Agency secured by tax increment revenues on parity with the Agency's 2003A-T Tax Allocation Bonds (see 2003A-T TABS below). 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. On October 18, 2006, the 2003A Bonds were partially refunded by proceeds from the 2006A Tax Allocation Bonds.

The Bonds are payable in annual installments ranging from \$520,000 to \$960,000 until maturity on September 1, 2022. Interest is payable semiannually on March 1 and September 1, with rates ranging from 2.5% to 5.0% per annum. The bonds were defeased with the issuance of the 2014A and 2014A-T Tax Allocation Bonds.

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

**2003A-T Tax Allocation Bonds:**

On May 7, 2003, the Agency issued Tax Allocation Bonds; consisting of \$9,160,000 of Serial Bonds and \$36,950,000 of Term Bonds. The proceeds were used to provide funds for variety of projects to increase the supply of low and moderate income housing within the Agency's project area.

The 2003A-T 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. 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 serial bonds are payable in annual installments ranging from \$1,735,000 to \$1,835,000 through September 1, 2008. The term bonds mature in the years 2013 and 2022 in the amounts of \$10,385,000, at 4.480% and \$26,565,000, at 5.460%, respectively. The term bonds maturing September 1, 2013, are subject to mandatory redemption ranging from \$1,900,000 to \$2,226,000 annually starting September 1, 2009. The term bonds maturing September 1, 2022, are subject to mandatory redemption ranging from \$2,365,000 to \$3,615,000 starting September 1, 2014. Interest is payable semiannually on March 1 and September 1, with rates ranging from 1.380% to 5.460%. The bonds were defeased with the issuance of the 2014A and 2014A-T Tax Allocation Bonds.

**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, 2014, were \$8,945,000.

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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

Future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 850,000	\$ 344,706	\$ 1,194,706
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
2020-2024	4,365,000	379,925	4,744,925
Subtotal	8,945,000	1,763,115	10,708,115
Add deferred amounts:			
Bond premium	26,066	-	26,066
	<u>\$ 8,971,066</u>	<u>\$ 1,763,115</u>	<u>\$ 10,734,181</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, 2014, were \$62,230,000.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**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
2015	\$ 875,000	\$ 2,702,869	\$ 3,577,869
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
2020-2024	7,990,000	12,048,028	20,038,028
2025-2029	19,645,000	9,008,441	28,653,441
2030-2034	24,310,000	4,206,828	28,516,828
2035-2039	5,555,000	131,931	5,686,931
Subtotal	62,230,000	38,539,073	100,769,073
Add deferred amounts:			
Bond premium	41,415	-	41,415
	\$ 62,271,415	\$ 38,539,073	\$ 100,810,488

**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, 2014, were \$10,055,000.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**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
2015	\$ 300,000	\$ 468,146	\$ 768,146
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
2020-2024	2,005,000	1,836,648	3,841,648
2025-2029	2,500,000	1,320,234	3,820,234
2030-2034	3,180,000	617,766	3,797,766
2035-2039	735,000	19,294	754,294
	<u>\$ 10,055,000</u>	<u>\$ 6,006,572</u>	<u>\$ 16,061,572</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, 2014, were \$6,505,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ -	\$ 222,685	\$ 222,685
2016	-	293,650	293,650
2017	-	293,650	293,650
2018	-	293,650	293,650
2019	-	293,650	293,650
2020 - 2021	6,505,000	314,075	6,819,075
Subtotal	<u>6,505,000</u>	<u>1,711,360</u>	<u>8,216,360</u>
Add deferred amounts			
Bond Premium	936,191	-	936,191
	<u>\$ 7,441,191</u>	<u>\$ 1,711,360</u>	<u>\$ 9,152,551</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**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, 2014, were \$27,480,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 3,575,000	\$ 500,200	\$ 4,075,200
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
2020-2022	9,575,000	1,097,403	10,672,403
	<u>\$ 27,480,000</u>	<u>\$ 3,805,191</u>	<u>\$ 31,285,191</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.

**SERAF Loan:**

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 and has to be repaid in full by June 30, 2015. The advance was made to provide funding for the Supplemental Education Relief 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.

**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, 2014.

**CITY OF INDIAN WELLS**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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

**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.



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## REQUIRED SUPPLEMENTARY INFORMATION

### 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

BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as Restated	\$ 8,333,811	\$ 8,333,811	\$ 8,333,811	\$ -
<b>Resources (Inflows):</b>				
Taxes	12,633,233	12,633,233	13,208,984	575,751
Licenses and permits	328,070	328,070	425,848	97,778
Intergovernmental	419,725	419,725	386,696	(33,029)
Charges for services	373,800	373,800	428,907	55,107
Use of money and property	90,000	90,000	117,377	27,377
Fines and forfeitures	82,500	82,500	52,631	(29,869)
Rental Income	77,985	77,985	42,201	(35,784)
Miscellaneous	718,027	640,042	560,328	(79,714)
Extraordinary gain	-	-	16,400,000	16,400,000
<b>Amounts Available for Appropriation</b>	<b>23,057,151</b>	<b>22,979,166</b>	<b>39,956,783</b>	<b>16,977,617</b>
<b>Charges to Appropriation (Outflow):</b>				
General government				
Legislation and policy	268,730	118,575	118,575	-
City manager	584,958	689,207	689,207	-
City clerk	258,826	295,021	295,021	-
Community relations	283,800	215,624	215,624	-
City attorney	380,706	453,977	453,977	-
Financial services	692,653	1,358,909	1,358,909	-
Central services	180,466	1,533,808	1,533,808	-
Cultural events	2,079,195	1,943,950	1,943,498	452
Human resources	675,140	758,171	758,171	-
Technology	372,441	389,768	389,768	-
Public safety				
Administration	102,711	84,594	84,594	-
Code enforcement	227,002	165,503	166,075	(572)
Public services	2,779,748	2,553,096	2,553,096	-
Community service officers	553,654	518,896	518,896	-
Emergency preparedness	14,500	8,374	8,374	-
Community development				
Administration	252,249	237,440	237,440	-
Inspections and examinations	558,982	500,631	500,631	-
Current and advanced planning	327,314	282,077	282,077	-
Public works				
Administration	451,327	452,621	452,621	-
City engineering	48,675	37,094	37,094	-
Maintenance services	923,484	870,743	870,322	421
City parkway landscape	363,999	424,104	440,269	(16,165)
Transfers out	64,112	64,112	64,112	-
<b>Total Charges to Appropriations</b>	<b>12,444,672</b>	<b>13,956,295</b>	<b>13,972,159</b>	<b>(15,864)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,612,479</b>	<b>\$ 9,022,871</b>	<b>\$ 25,984,624</b>	<b>\$ 16,961,753</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
GOLF RESORT OPERATIONS  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 3,137,644	\$ 3,137,644	\$ 3,137,644	\$ -
<b>Resources (Inflows):</b>				
Charges for services	12,512,501	12,512,501	12,429,070	(83,431)
Investment income	45,000	45,000	21,801	(23,199)
Rental income	272,020	272,020	18,754	(253,266)
<b>Amounts Available for Appropriation</b>	<b>15,967,165</b>	<b>15,967,165</b>	<b>15,607,269</b>	<b>(359,896)</b>
<b>Charges to Appropriation (Outflow):</b>				
Golf resort	12,722,424	12,797,419	12,945,121	(147,702)
Capital outlay	-	-	2,250,000	(2,250,000)
<b>Total Charges to Appropriations</b>	<b>12,722,424</b>	<b>12,797,419</b>	<b>15,195,121</b>	<b>(2,397,702)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,244,741</b>	<b>\$ 3,169,746</b>	<b>\$ 412,148</b>	<b>\$ (2,757,598)</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,831,412	\$ 15,831,412	\$ 15,831,412	\$ -
<b>Resources (Inflows):</b>				
Investment income	-	-	676,589	676,589
<b>Amounts Available for Appropriation</b>	<b>15,831,412</b>	<b>15,831,412</b>	<b>16,508,001</b>	<b>676,589</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	21,423	763,521	(742,098)
Capital outlay	-	-	1,331,689	(1,331,689)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>21,423</b>	<b>2,095,210</b>	<b>(2,073,787)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 15,831,412</b>	<b>\$ 15,809,989</b>	<b>\$ 14,412,791</b>	<b>\$ (1,397,198)</b>

**CITY OF INDIAN WELLS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

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**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 City Manager is authorized to transfer appropriated funds between major expenditure categories within departments. However, any revisions that alter the total appropriations of any department must be approved by the City Council. Expenditures may not legally exceed appropriations at the department level.

Appropriations lapse at the end of the fiscal year. Appropriations (encumbered or unencumbered) for capital projects in progress are allowed to carry forward with the amount being adopted for the current year budget.

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## SUPPLEMENTARY INFORMATION

### 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.

Housing Villas 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, 2014

	<u>Special Revenue Funds</u>		
	<u>Traffic Safety</u>	<u>Public Safety 1/2% Tax</u>	<u>Measure "A" Transportation</u>
<b>Assets:</b>			
Cash and investments	\$ -	\$ 8,051	\$ 36,892
Receivables:			
Accounts	1,111	1,424	37,812
Accrued interest	-	13	60
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,111</u></b>	<b><u>\$ 9,488</u></b>	<b><u>\$ 74,764</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	-	-
Due to other funds	1,111	-	-
<b>Total Liabilities</b>	<b><u>1,111</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development	-	-	-
Public safety	-	9,488	-
Public works	-	-	74,764
<b>Committed to:</b>			
Capital Projects	-	-	-
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>-</u></b>	<b><u>9,488</u></b>	<b><u>74,764</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,111</u></b>	<b><u>\$ 9,488</u></b>	<b><u>\$ 74,764</u></b>

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

(Continued)

	<b>Special Revenue Funds</b>		
	<b>Fire Access Maintenance District No. 1</b>	<b>South Coast AQMD Vehicle Registration</b>	<b>Citizens Option for Public Safety Program</b>
<b>Assets:</b>			
Cash and investments	\$ 2,419,644	\$ 977	\$ 9,730
Receivables:			
Accounts	72,976	1,640	16,667
Accrued interest	3,909	2	16
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b>\$ 2,496,529</b>	<b>\$ 2,619</b>	<b>\$ 26,413</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 100,675	\$ 971	\$ -
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	-	-
Due to other funds	-	1,335	-
<b>Total Liabilities</b>	<b>100,675</b>	<b>2,306</b>	<b>-</b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development	-	-	-
Public safety	2,395,854	-	26,413
Public works	-	313	-
<b>Committed to:</b>			
Capital Projects	-	-	-
<b>Unassigned</b>	-	-	-
<b>Total Fund Balances</b>	<b>2,395,854</b>	<b>313</b>	<b>26,413</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,496,529</b>	<b>\$ 2,619</b>	<b>\$ 26,413</b>

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<u>Special Revenue Funds</u>		
	<u>Gas Tax</u>	<u>Emergency Services Upgrade</u>	<u>AB 939 Recycling</u>
<b>Assets:</b>			
Cash and investments	\$ 54,345	\$ 3,190,754	\$ 212,149
Receivables:			
Accounts	16,990	13,974	9,916
Accrued interest	50	5,155	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b><u>\$ 71,385</u></b>	<b><u>\$ 3,209,883</u></b>	<b><u>\$ 222,065</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 77,968	\$ -
Accrued liabilities	-	5,595	-
Unearned revenues	-	-	10,000
Deposits payable	-	-	-
Due to other funds	6,021	-	-
<b>Total Liabilities</b>	<b><u>6,021</u></b>	<b><u>83,563</u></b>	<b><u>10,000</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development	-	-	-
Public safety	-	3,126,320	-
Public works	65,364	-	212,065
<b>Committed to:</b>			
Capital Projects	-	-	-
<b>Unassigned</b>	-	-	-
<b>Total Fund Balances</b>	<b><u>65,364</u></b>	<b><u>3,126,320</u></b>	<b><u>212,065</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 71,385</u></b>	<b><u>\$ 3,209,883</u></b>	<b><u>\$ 222,065</u></b>

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

(Continued)

	<u>Special Revenue Funds</u>		
	<u>Solid Waste</u>	<u>Consolidated LLMD</u>	<u>Street Lighting District 2001-1</u>
<b>Assets:</b>			
Cash and investments	\$ 204,676	\$ 1,400,915	\$ 4,159
Receivables:			
Accounts	21,411	14,327	95
Accrued interest	674	2,261	7
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b><u>\$ 226,761</u></b>	<b><u>\$ 1,417,503</u></b>	<b><u>\$ 4,261</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 21,411	\$ 11,575	\$ 47
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b><u>21,411</u></b>	<b><u>11,575</u></b>	<b><u>47</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development	-	-	-
Public safety	-	-	-
Public works	205,350	1,405,928	4,214
<b>Committed to:</b>			
Capital Projects	-	-	-
<b>Unassigned</b>	-	-	-
<b>Total Fund Balances</b>	<b><u>205,350</u></b>	<b><u>1,405,928</u></b>	<b><u>4,214</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 226,761</u></b>	<b><u>\$ 1,417,503</u></b>	<b><u>\$ 4,261</u></b>

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>
	<u>Affordable Housing Operations</u>	<u>Cooperative Marketing</u>	<u>Hwy 111 Circulation Improvement</u>
<b>Assets:</b>			
Cash and investments	\$ 1,913,576	\$ 36,872	\$ 10
Receivables:			
Accounts	11,985	-	-
Accrued interest	3,092	60	-
Restricted assets:			
Cash and investments with fiscal agents	194,958	-	-
<b>Total Assets</b>	<b><u>\$ 2,123,611</u></b>	<b><u>\$ 36,932</u></b>	<b><u>\$ 10</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 40,069	\$ 36,370	\$ -
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	82,445	-	-
Due to other funds	-	-	31,924
<b>Total Liabilities</b>	<b><u>122,514</u></b>	<b><u>36,370</u></b>	<b><u>31,924</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development	2,001,097	562	-
Public safety	-	-	-
Public works	-	-	-
<b>Committed to:</b>			
Capital Projects	-	-	-
<b>Unassigned</b>	-	-	(31,914)
<b>Total Fund Balances</b>	<b><u>2,001,097</u></b>	<b><u>562</u></b>	<b><u>(31,914)</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,123,611</u></b>	<b><u>\$ 36,932</u></b>	<b><u>\$ 10</u></b>

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

(Continued)

	<u>Capital Projects Funds</u>		
	<u>Citywide Public Improvement</u>	<u>Art in Public Places</u>	<u>Infrastructure Capital Replacement</u>
<b>Assets:</b>			
Cash and investments	\$ 72,986	\$ 398,500	\$ 7,028,066
Receivables:			
Accounts	118	-	11,355
Accrued interest	-	644	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b><u>\$ 73,104</u></b>	<b><u>\$ 399,144</u></b>	<b><u>\$ 7,039,421</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
<b>Committed to:</b>			
Capital Projects	73,104	399,144	7,039,421
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>73,104</u></b>	<b><u>399,144</u></b>	<b><u>7,039,421</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 73,104</u></b>	<b><u>\$ 399,144</u></b>	<b><u>\$ 7,039,421</u></b>



CITY OF INDIAN WELLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<b>Capital Projects Funds</b>		
	<b>FF&amp;E and Rolling Stock Capital Replacement</b>	<b>Golf Resort Capital Replacement</b>	<b>Housing Villas Capital Replacement</b>
<b>Assets:</b>			
Cash and investments	\$ 2,300,571	\$ 3,987,116	\$ 2,272,227
Receivables:			
Accounts	3,717	6,442	3,671
Accrued interest	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,304,288</u></b>	<b><u>\$ 3,993,558</u></b>	<b><u>\$ 2,275,898</u></b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	-	-
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
<b>Committed to:</b>			
Capital Projects	2,304,288	3,993,558	2,275,898
<b>Unassigned</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Fund Balances</b>	<b><u>2,304,288</u></b>	<b><u>3,993,558</u></b>	<b><u>2,275,898</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,304,288</u></b>	<b><u>\$ 3,993,558</u></b>	<b><u>\$ 2,275,898</u></b>

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<b>Capital Projects Funds</b>	
	<b>Facilities Capital Replacement</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>		
Cash and investments	\$ 2,300,637	\$ 27,852,853
Receivables:		
Accounts	3,717	249,348
Accrued interest	-	15,943
Restricted assets:		
Cash and investments with fiscal agents	-	194,958
<b>Total Assets</b>	<b>\$ 2,304,354</b>	<b>\$ 28,313,102</b>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 289,086
Accrued liabilities	-	5,595
Unearned revenues	-	10,000
Deposits payable	-	82,445
Due to other funds	-	40,391
<b>Total Liabilities</b>	<b>-</b>	<b>427,517</b>
<b>Fund Balances:</b>		
<b>Restricted for:</b>		
Community development	-	2,001,659
Public safety	-	5,558,075
Public works	-	1,967,998
<b>Committed to:</b>		
Capital Projects	2,304,354	18,389,767
<b>Unassigned</b>	-	(31,914)
<b>Total Fund Balances</b>	<b>2,304,354</b>	<b>27,885,585</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,304,354</b>	<b>\$ 28,313,102</b>

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Special Revenue Funds		
	Traffic Safety	Public Safety 1/2% Tax	Measure "A" Transportation
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	18,085	228,502
Contribution from property owners	-	-	-
Investment income	-	132	661
Fines and forfeitures	28,038	-	-
Rental Income	-	-	-
Assessments	-	-	-
Developer fees	-	-	-
Other income	-	-	-
<b>Total Revenues</b>	<b>28,038</b>	<b>18,217</b>	<b>229,163</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	15,500	-
Community development	-	-	-
Public works	31,835	-	231,000
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>31,835</b>	<b>15,500</b>	<b>231,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,797)	2,717	(1,837)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(3,797)	2,717	(1,837)
Fund Balances, Beginning of Year	3,797	6,771	76,601
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 9,488</b>	<b>\$ 74,764</b>

## CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

(Continued)

	Special Revenue Funds		
	Fire Access Maintenance District No. 1	South Coast AQMD Vehicle Registration	Citizens Option for Public Safety Program
<b>Revenues:</b>			
Taxes	\$ 297,772	\$ -	\$ -
Licenses and permits	534	-	-
Intergovernmental	2,510	6,018	100,000
Contribution from property owners	-	-	-
Investment income	39,827	17	97
Fines and forfeitures	-	-	-
Rental Income	-	-	-
Assessments	1,196,865	-	-
Developer fees	-	-	-
Other income	48,293	-	-
<b>Total Revenues</b>	<b>1,585,801</b>	<b>6,035</b>	<b>100,097</b>
<b>Expenditures:</b>			
Current:			
Public safety	1,169,981	-	100,000
Community development	-	-	-
Public works	-	3,581	-
Capital outlay	43,037	-	-
<b>Total Expenditures</b>	<b>1,213,018</b>	<b>3,581</b>	<b>100,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	372,783	2,454	97
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	372,783	2,454	97
Fund Balances, Beginning of Year	2,023,071	(2,141)	26,316
<b>Fund Balances, End of Year</b>	<b>\$ 2,395,854</b>	<b>\$ 313</b>	<b>\$ 26,413</b>

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>		
	<b>Gas Tax</b>	<b>Emergency Services Upgrade</b>	<b>AB 939 Recycling</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ 2,524,298	\$ -
Licenses and permits	-	-	-
Intergovernmental	165,914	-	-
Contribution from property owners	-	-	-
Investment income	560	57,900	-
Fines and forfeitures	-	-	-
Rental Income	-	-	-
Assessments	-	594,816	93,151
Developer fees	-	-	-
Other income	-	234	-
<b>Total Revenues</b>	<b>166,474</b>	<b>3,177,248</b>	<b>93,151</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	3,068,867	-
Community development	-	-	-
Public works	151,500	-	35,000
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>151,500</b>	<b>3,068,867</b>	<b>35,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,974	108,381	58,151
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	14,974	108,381	58,151
Fund Balances, Beginning of Year	50,390	3,017,939	153,914
<b>Fund Balances, End of Year</b>	<b>\$ 65,364</b>	<b>\$ 3,126,320</b>	<b>\$ 212,065</b>

## CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

(Continued)

	Special Revenue Funds		
	Solid Waste	Consolidated LLMD	Street Lighting District 2001-1
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Contribution from property owners	-	-	-
Investment income	7,879	24,983	71
Fines and forfeitures	-	-	-
Rental Income	-	-	-
Assessments	870,359	980,707	1,360
Developer fees	-	-	-
Other income	-	-	-
<b>Total Revenues</b>	<b>878,238</b>	<b>1,005,690</b>	<b>1,431</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Public works	869,798	1,010,840	1,147
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>869,798</b>	<b>1,010,840</b>	<b>1,147</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,440	(5,150)	284
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	64,112	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>64,112</b>	<b>-</b>
Net Change in Fund Balances	8,440	58,962	284
Fund Balances, Beginning of Year	196,910	1,346,966	3,930
<b>Fund Balances, End of Year</b>	<b>\$ 205,350</b>	<b>\$ 1,405,928</b>	<b>\$ 4,214</b>

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds		Capital Projects Funds
	Affordable Housing Operations	Cooperative Marketing	Hwy 111 Circulation Improvement
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Contribution from property owners	-	-	-
Investment income	22,518	4,103	-
Fines and forfeitures	-	-	-
Rental Income	1,590,543	-	-
Assessments	-	-	-
Developer fees	-	-	-
Other income	3,746	398,986	-
<b>Total Revenues</b>	<b>1,616,807</b>	<b>403,089</b>	<b>-</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Community development	1,471,359	328,520	-
Public works	-	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>1,471,359</b>	<b>328,520</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	145,448	74,569	-
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	(76,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(76,000)</b>	<b>-</b>
Net Change in Fund Balances	145,448	(1,431)	-
Fund Balances, Beginning of Year	1,855,649	1,993	(31,914)
<b>Fund Balances, End of Year</b>	<b>\$ 2,001,097</b>	<b>\$ 562</b>	<b>\$ (31,914)</b>

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

(Continued)

	<u>Capital Projects Funds</u>		
	<u>Citywide Public Improvement</u>	<u>Art in Public Places</u>	<u>Infrastructure Capital Replacement</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Contribution from property owners	-	-	-
Investment income	923	7,128	127,191
Fines and forfeitures	-	-	-
Rental Income	-	-	-
Assessments	-	-	-
Developer fees	72,181	16,398	-
Other income	-	-	-
<b>Total Revenues</b>	<b>73,104</b>	<b>23,526</b>	<b>127,191</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	73,104	23,526	127,191
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	73,104	23,526	127,191
Fund Balances, Beginning of Year	-	375,618	6,912,230
<b>Fund Balances, End of Year</b>	<b>\$ 73,104</b>	<b>\$ 399,144</b>	<b>\$ 7,039,421</b>



CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	Capital Projects Funds		
	FF&E and Rolling Stock Capital Replacement	Golf Resort Capital Replacement	Housing Villas Capital Replacement
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Contribution from property owners	-	-	500,000
Investment income	41,634	72,133	292,989
Fines and forfeitures	-	-	-
Rental Income	-	-	-
Assessments	-	-	-
Developer fees	-	-	-
Other income	-	-	-
<b>Total Revenues</b>	<b>41,634</b>	<b>72,133</b>	<b>792,989</b>
<b>Expenditures:</b>			
Current:			
Public safety	-	-	-
Community development	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,634	72,133	792,989
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	41,634	72,133	792,989
Fund Balances, Beginning of Year	2,262,654	3,921,425	1,482,909
<b>Fund Balances, End of Year</b>	<b>\$ 2,304,288</b>	<b>\$ 3,993,558</b>	<b>\$ 2,275,898</b>

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Capital Projects Funds</b>	
	<b>Facilities Capital Replacement</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>		
Taxes	\$ -	\$ 2,822,070
Licenses and permits	-	534
Intergovernmental	-	521,029
Contribution from property owners	-	500,000
Investment income	41,670	742,416
Fines and forfeitures	-	28,038
Rental Income	-	1,590,543
Assessments	-	3,737,258
Developer fees	-	88,579
Other income	-	451,259
<b>Total Revenues</b>	<b>41,670</b>	<b>10,481,726</b>
<b>Expenditures:</b>		
Current:		
Public safety	-	4,354,348
Community development	-	1,799,879
Public works	-	2,334,701
Capital outlay	-	43,037
<b>Total Expenditures</b>	<b>-</b>	<b>8,531,965</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,670	1,949,761
<b>Other Financing Sources (Uses):</b>		
Transfers in	-	64,112
Transfers out	-	(76,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(11,888)</b>
Net Change in Fund Balances	41,670	1,937,873
Fund Balances, Beginning of Year	2,262,684	25,947,712
<b>Fund Balances, End of Year</b>	<b>\$ 2,304,354</b>	<b>\$ 27,885,585</b>

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CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC SAFETY  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,797	\$ 3,797	\$ 3,797	\$ -
<b>Resources (Inflows):</b>				
Investment income	1,000	1,000	-	(1,000)
Fines and forfeitures	53,000	53,000	28,038	(24,962)
<b>Amounts Available for Appropriation</b>	<b>57,797</b>	<b>57,797</b>	<b>31,835</b>	<b>(25,962)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	48,000	48,000	31,835	16,165
<b>Total Charges to Appropriations</b>	<b>48,000</b>	<b>48,000</b>	<b>31,835</b>	<b>16,165</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 9,797</b>	<b>\$ 9,797</b>	<b>\$ -</b>	<b>\$ (9,797)</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC SAFETY 1/2% TAX  
YEAR ENDED JUNE 30, 2014**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 6,771	\$ 6,771	\$ 6,771	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	15,250	15,250	18,085	2,835
Investment income	140	140	132	(8)
<b>Amounts Available for Appropriation</b>	<b>22,161</b>	<b>22,161</b>	<b>24,988</b>	<b>2,827</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	15,500	15,500	15,500	-
<b>Total Charges to Appropriations</b>	<b>15,500</b>	<b>15,500</b>	<b>15,500</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 6,661</b>	<b>\$ 6,661</b>	<b>\$ 9,488</b>	<b>\$ 2,827</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 MEASURE "A" TRANSPORTATION  
 YEAR ENDED JUNE 30, 2014

	<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	\$ 76,601	\$ 76,601	\$ 76,601	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	231,000	231,000	228,502	(2,498)
Investment income	25	25	661	636
<b>Amounts Available for Appropriation</b>	<b>307,626</b>	<b>307,626</b>	<b>305,764</b>	<b>(1,862)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	231,000	231,000	231,000	-
<b>Total Charges to Appropriations</b>	<b>231,000</b>	<b>231,000</b>	<b>231,000</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 76,626</b>	<b>\$ 76,626</b>	<b>\$ 74,764</b>	<b>\$ (1,862)</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 FIRE ACCESS MAINTENANCE DISTRICT NO. 1  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,023,071	\$ 2,023,071	\$ 2,023,071	\$ -
<b>Resources (Inflows):</b>				
Taxes	284,650	284,650	297,772	13,122
Licenses and permits	750	750	534	(216)
Intergovernmental	3,000	3,000	2,510	(490)
Investment income	15,000	15,000	39,827	24,827
Assessments	1,200,000	1,200,000	1,196,865	(3,135)
Other income	750	750	48,293	47,543
<b>Amounts Available for Appropriation</b>	<b>3,527,221</b>	<b>3,527,221</b>	<b>3,608,872</b>	<b>81,651</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	1,149,000	1,171,265	1,169,981	1,284
Capital outlay	-	440,000	43,037	396,963
<b>Total Charges to Appropriations</b>	<b>1,149,000</b>	<b>1,611,265</b>	<b>1,213,018</b>	<b>398,247</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,378,221</b>	<b>\$ 1,915,956</b>	<b>\$ 2,395,854</b>	<b>\$ 479,898</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 SOUTH COAST AQMD VEHICLE REGISTRATION  
 YEAR ENDED JUNE 30, 2014

	<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	\$ (2,141)	\$ (2,141)	\$ (2,141)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	5,500	5,500	6,018	518
Investment income	10	10	17	7
<b>Amounts Available for Appropriation</b>	<b>3,369</b>	<b>3,369</b>	<b>3,894</b>	<b>525</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	5,000	5,000	3,581	1,419
<b>Total Charges to Appropriations</b>	<b>5,000</b>	<b>5,000</b>	<b>3,581</b>	<b>1,419</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (1,631)</b>	<b>\$ (1,631)</b>	<b>\$ 313</b>	<b>\$ 1,944</b>



CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 CITIZENS OPTION FOR PUBLIC SAFETY PROGRAM  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 26,316	\$ 26,316	\$ 26,316	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	100,000	100,000	100,000	-
Investment income	20	20	97	77
Other income	4,500	4,500	-	(4,500)
<b>Amounts Available for Appropriation</b>	<b>130,836</b>	<b>130,836</b>	<b>126,413</b>	<b>(4,423)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	105,000	105,000	100,000	5,000
<b>Total Charges to Appropriations</b>	<b>105,000</b>	<b>105,000</b>	<b>100,000</b>	<b>5,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 25,836</b>	<b>\$ 25,836</b>	<b>\$ 26,413</b>	<b>\$ 577</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 GAS TAX  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 50,390	\$ 50,390	\$ 50,390	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	157,720	157,720	165,914	8,194
Investment income	320	320	560	240
<b>Amounts Available for Appropriation</b>	<b>208,430</b>	<b>208,430</b>	<b>216,864</b>	<b>8,434</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	151,500	151,500	151,500	-
<b>Total Charges to Appropriations</b>	<b>151,500</b>	<b>151,500</b>	<b>151,500</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 56,930</b>	<b>\$ 56,930</b>	<b>\$ 65,364</b>	<b>\$ 8,434</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 EMERGENCY SERVICES UPGRADE  
 YEAR ENDED JUNE 30, 2014

	<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	\$ 3,017,939	\$ 3,017,939	\$ 3,017,939	\$ -
<b>Resources (Inflows):</b>				
Taxes	2,298,407	2,298,407	2,524,298	225,891
Investment income	66,000	66,000	57,900	(8,100)
Assessments	600,000	600,000	594,816	(5,184)
Other income	500	500	234	(266)
<b>Amounts Available for Appropriation</b>	<b>5,982,846</b>	<b>5,982,846</b>	<b>6,195,187</b>	<b>212,341</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	3,135,393	3,135,393	3,068,867	66,526
Capital outlay	30,000	30,000	-	30,000
<b>Total Charges to Appropriations</b>	<b>3,165,393</b>	<b>3,165,393</b>	<b>3,068,867</b>	<b>96,526</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,817,453</b>	<b>\$ 2,817,453</b>	<b>\$ 3,126,320</b>	<b>\$ 308,867</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
 AB 939 RECYCLING  
 YEAR ENDED JUNE 30, 2014**

	<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	\$ 153,914	\$ 153,914	\$ 153,914	\$ -
<b>Resources (Inflows):</b>				
Assessments	90,000	90,000	93,151	3,151
Other income	5,000	5,000	-	(5,000)
<b>Amounts Available for Appropriation</b>	<b>248,914</b>	<b>248,914</b>	<b>247,065</b>	<b>(1,849)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	54,525	54,525	35,000	19,525
<b>Total Charges to Appropriations</b>	<b>54,525</b>	<b>54,525</b>	<b>35,000</b>	<b>19,525</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 194,389</b>	<b>\$ 194,389</b>	<b>\$ 212,065</b>	<b>\$ 17,676</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
SOLID WASTE  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 196,910	\$ 196,910	\$ 196,910	\$ -
<b>Resources (Inflows):</b>				
Investment income	4,000	4,000	7,879	3,879
Assessments	885,000	885,000	870,359	(14,641)
<b>Amounts Available for Appropriation</b>	<b>1,085,910</b>	<b>1,085,910</b>	<b>1,075,148</b>	<b>(10,762)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	885,000	885,000	869,798	15,202
<b>Total Charges to Appropriations</b>	<b>885,000</b>	<b>885,000</b>	<b>869,798</b>	<b>15,202</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 200,910</b>	<b>\$ 200,910</b>	<b>\$ 205,350</b>	<b>\$ 4,440</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 CONSOLIDATED LLMD  
 YEAR ENDED JUNE 30, 2014

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,346,966	\$ 1,346,966	\$ 1,346,966	\$ -
<b>Resources (Inflows):</b>				
Investment income	14,070	14,070	24,983	10,913
Assessments	1,032,631	1,032,631	980,707	(51,924)
Transfers in	64,112	64,112	64,112	-
<b>Amounts Available for Appropriation</b>	<b><u>2,457,779</u></b>	<b><u>2,457,779</u></b>	<b><u>2,416,768</u></b>	<b><u>(41,011)</u></b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	1,177,417	1,177,417	1,010,840	166,577
<b>Total Charges to Appropriations</b>	<b><u>1,177,417</u></b>	<b><u>1,177,417</u></b>	<b><u>1,010,840</u></b>	<b><u>166,577</u></b>
<b>Budgetary Fund Balance, June 30</b>	<b><u>\$ 1,280,362</u></b>	<b><u>\$ 1,280,362</u></b>	<b><u>\$ 1,405,928</u></b>	<b><u>\$ 125,566</u></b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
STREET LIGHTING DISTRICT 2001-1  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 3,930	\$ 3,930	\$ 3,930	\$ -
<b>Resources (Inflows):</b>				
Investment income	25	25	71	46
Assessments	1,480	1,480	1,360	(120)
<b>Amounts Available for Appropriation</b>	<b>5,435</b>	<b>5,435</b>	<b>5,361</b>	<b>(74)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	1,475	1,475	1,147	328
<b>Total Charges to Appropriations</b>	<b>1,475</b>	<b>1,475</b>	<b>1,147</b>	<b>328</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,960</b>	<b>\$ 3,960</b>	<b>\$ 4,214</b>	<b>\$ 254</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 AFFORDABLE HOUSING OPERATIONS  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,855,649	\$ 1,855,649	\$ 1,855,649	\$ -
<b>Resources (Inflows):</b>				
Investment income	10,000	10,000	22,518	12,518
Rental Income	1,667,750	1,667,750	1,590,543	(77,207)
Other revenue	7,000	7,000	3,746	(3,254)
<b>Amounts Available for Appropriation</b>	<b>3,540,399</b>	<b>3,540,399</b>	<b>3,472,456</b>	<b>(67,943)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	1,421,871	1,421,871	1,471,359	(49,488)
<b>Total Charges to Appropriations</b>	<b>1,421,871</b>	<b>1,421,871</b>	<b>1,471,359</b>	<b>(49,488)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,118,528</b>	<b>\$ 2,118,528</b>	<b>\$ 2,001,097</b>	<b>\$ (117,431)</b>



CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 COOPORATIVE MARKETING  
 YEAR ENDED JUNE 30, 2014

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,993	\$ 1,993	\$ 1,993	\$ -
<b>Resources (Inflows):</b>				
Investment income	550	550	4,103	3,553
Other revenue	396,524	396,524	398,986	2,462
<b>Amounts Available for Appropriation</b>	<b>399,067</b>	<b>399,067</b>	<b>405,082</b>	<b>6,015</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	396,524	396,524	328,520	68,004
Transfers out	-	-	76,000	(76,000)
<b>Total Charges to Appropriations</b>	<b>396,524</b>	<b>396,524</b>	<b>404,520</b>	<b>(7,996)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,543</b>	<b>\$ 2,543</b>	<b>\$ 562</b>	<b>\$ (1,981)</b>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE  
 HWY 111 CIRCULATION IMPROVEMENT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (31,914)	\$ (31,914)	\$ (31,914)	\$ -
<b>Resources (Inflows):</b>				
Developer fees	5,000	5,000	-	(5,000)
<b>Amounts Available for Appropriation</b>	<b>(26,914)</b>	<b>(26,914)</b>	<b>(31,914)</b>	<b>(5,000)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (26,914)</b>	<b>\$ (26,914)</b>	<b>\$ (31,914)</b>	<b>\$ (5,000)</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
PARK FACILITIES IN LIEU  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (1,465,135)	\$ (1,465,135)	\$ (1,465,135)	\$ -
<b>Resources (Inflows):</b>				
Investment income	-	-	16	16
Developer fees	33,500	33,500	36,272	2,772
<b>Amounts Available for Appropriation</b>	<b>(1,431,635)</b>	<b>(1,431,635)</b>	<b>(1,428,847)</b>	<b>2,788</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (1,431,635)</b>	<b>\$ (1,431,635)</b>	<b>\$ (1,428,847)</b>	<b>\$ 2,788</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL IMPROVEMENTS  
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 8,213,601	\$ 8,213,601	\$ 8,213,601	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	3,044,788	3,044,788	2,244,028	(800,760)
Investment income	120,000	120,000	64,938	(55,062)
Other revenue	-	20,000	448	(19,552)
Transfers in	20,000	-	-	-
<b>Amounts Available for Appropriation</b>	<b>11,398,389</b>	<b>11,398,389</b>	<b>10,523,015</b>	<b>(875,374)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	82,400	82,400	53,583	28,817
Capital outlay	10,006,644	10,125,126	5,053,374	5,071,752
<b>Total Charges to Appropriations</b>	<b>10,089,044</b>	<b>10,207,526</b>	<b>5,106,957</b>	<b>5,100,569</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,309,345</b>	<b>\$ 1,190,863</b>	<b>\$ 5,416,058</b>	<b>\$ 4,225,195</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
CITYWIDE PUBLIC IMPROVEMENT  
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Investment income	20	20	923	903
Developer fees	66,500	66,500	72,181	5,681
<b>Amounts Available for Appropriation</b>	<b>66,520</b>	<b>66,520</b>	<b>73,104</b>	<b>6,584</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 66,520</b>	<b>\$ 66,520</b>	<b>\$ 73,104</b>	<b>\$ 6,584</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
ART IN PUBLIC PLACES  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 375,618	\$ 375,618	\$ 375,618	\$ -
<b>Resources (Inflows):</b>				
Investment income	5,500	5,500	7,128	1,628
Developer fees	15,000	15,000	16,398	1,398
<b>Amounts Available for Appropriation</b>	<b>396,118</b>	<b>396,118</b>	<b>399,144</b>	<b>3,026</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	285,000	285,000	-	285,000
<b>Total Charges to Appropriations</b>	<b>285,000</b>	<b>285,000</b>	<b>-</b>	<b>285,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 111,118</b>	<b>\$ 111,118</b>	<b>\$ 399,144</b>	<b>\$ 288,026</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
INFRASTRUCTURE CAPITAL REPLACEMENT  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 6,912,230	\$ 6,912,230	\$ 6,912,230	\$ -
<b>Resources (Inflows):</b>				
Investment income	137,471	137,471	127,191	(10,280)
<b>Amounts Available for Appropriation</b>	<b>7,049,701</b>	<b>7,049,701</b>	<b>7,039,421</b>	<b>(10,280)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 7,049,701</b>	<b>\$ 7,049,701</b>	<b>\$ 7,039,421</b>	<b>\$ (10,280)</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
FF&E AND ROLLING STOCK  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,262,654	\$ 2,262,654	\$ 2,262,654	\$ -
<b>Resources (Inflows):</b>				
Investment income	45,000	45,000	41,634	(3,366)
<b>Amounts Available for Appropriation</b>	<b>2,307,654</b>	<b>2,307,654</b>	<b>2,304,288</b>	<b>(3,366)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,307,654</b>	<b>\$ 2,307,654</b>	<b>\$ 2,304,288</b>	<b>\$ (3,366)</b>



CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
GOLF COURSE CAPITAL REPLACEMENT  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 3,921,425	\$ 3,921,425	\$ 3,921,425	\$ -
<b>Resources (Inflows):</b>				
Investment income	87,550	87,550	72,133	(15,417)
<b>Amounts Available for Appropriation</b>	<b>4,008,975</b>	<b>4,008,975</b>	<b>3,993,558</b>	<b>(15,417)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,008,975</b>	<b>\$ 4,008,975</b>	<b>\$ 3,993,558</b>	<b>\$ (15,417)</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
HOUSING VILLAS CAPITAL REPLACEMENT  
YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,482,909	\$ 1,482,909	\$ 1,482,909	\$ -
<b>Resources (Inflows):</b>				
Contribution from property owners	500,000	500,000	500,000	-
Investment income	255,000	255,000	292,989	37,989
<b>Amounts Available for Appropriation</b>	<b>2,237,909</b>	<b>2,237,909</b>	<b>2,275,898</b>	<b>37,989</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,237,909</b>	<b>\$ 2,237,909</b>	<b>\$ 2,275,898</b>	<b>\$ 37,989</b>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE  
 FACILITIES CAPITAL REPLACEMENT  
 YEAR ENDED JUNE 30, 2014**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,262,684	\$ 2,262,684	\$ 2,262,684	\$ -
<b>Resources (Inflows):</b>				
Investment income	45,000	45,000	41,670	(3,330)
<b>Amounts Available for Appropriation</b>	<b>2,307,684</b>	<b>2,307,684</b>	<b>2,304,354</b>	<b>(3,330)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,307,684</b>	<b>\$ 2,307,684</b>	<b>\$ 2,304,354</b>	<b>\$ (3,330)</b>

CITY OF INDIAN WELLS

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2014

	Governmental Activities - Internal Service Funds			
	Employee Benefits	Compensated Absences	Self Insurance	Totals
<b>Assets:</b>				
Current:				
Cash and investments	\$ 802,351	\$ 544,143	\$ 121,935	\$ 1,468,429
Receivables:				
Accrued interest	1,296	879	197	2,372
CJPIA Retrospective Deposit	-	-	7,920	7,920
<b>Total Current Assets</b>	<b>803,647</b>	<b>545,022</b>	<b>130,052</b>	<b>1,478,721</b>
Noncurrent:				
Net OPEB asset	2,977,705	-	-	2,977,705
<b>Total Noncurrent Assets</b>	<b>2,977,705</b>	<b>-</b>	<b>-</b>	<b>2,977,705</b>
<b>Total Assets</b>	<b>\$ 3,781,352</b>	<b>\$ 545,022</b>	<b>\$ 130,052</b>	<b>\$ 4,456,426</b>
Noncurrent:				
General liability cumulative deposit	\$ -	\$ -	\$ 153,008	\$ 153,008
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>153,008</b>	<b>153,008</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>153,008</b>	<b>153,008</b>
<b>Net Position:</b>				
Unrestricted	3,781,352	545,022	(22,956)	4,303,418
<b>Total Net Position</b>	<b>3,781,352</b>	<b>545,022</b>	<b>(22,956)</b>	<b>4,303,418</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 3,781,352</b>	<b>\$ 545,022</b>	<b>\$ 130,052</b>	<b>\$ 4,456,426</b>

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Employee Benefits</b>	<b>Compensated Absences</b>	<b>Self Insurance</b>	<b>Totals</b>
<b>Operating Revenues:</b>				
Interdepartmental charges	\$ 1,228,000	\$ -	\$ 40,000	\$ 1,268,000
<b>Total Operating Revenues</b>	<b>1,228,000</b>	<b>-</b>	<b>40,000</b>	<b>1,268,000</b>
<b>Operating Expenses:</b>				
Administration and general	312,761	-	-	312,761
Claims expense	-	-	145,088	145,088
<b>Total Operating Expenses</b>	<b>312,761</b>	<b>-</b>	<b>145,088</b>	<b>457,849</b>
Operating Income (Loss)	915,239	-	(105,088)	810,151
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	11,484	9,847	1,112	22,443
<b>Total Nonoperating Revenues (Expenses)</b>	<b>11,484</b>	<b>9,847</b>	<b>1,112</b>	<b>22,443</b>
Income (Loss) Before Transfers	926,723	9,847	(103,976)	832,594
Transfers in	76,000	-	-	76,000
Changes in Net Position	1,002,723	9,847	(103,976)	908,594
<b>Net Position:</b>				
Beginning of Year	2,778,629	535,175	81,020	3,394,824
<b>End of Fiscal Year</b>	<b>\$ 3,781,352</b>	<b>\$ 545,022</b>	<b>\$ (22,956)</b>	<b>\$ 4,303,418</b>

## CITY OF INDIAN WELLS

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Employee Benefits</b>	<b>Compensated Absences</b>	<b>Self Insurance</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from/(paid to) interfund service provided	\$ 1,228,000	\$ -	\$ 40,000	\$ 1,268,000
Cash paid to suppliers for goods and services	(894,377)	-	(609,149)	(1,503,526)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>333,623</b>	<b>-</b>	<b>(569,149)</b>	<b>(235,526)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	76,000	-	-	76,000
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>76,000</b>	<b>-</b>	<b>-</b>	<b>76,000</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	10,451	9,996	2,241	22,688
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>10,451</b>	<b>9,996</b>	<b>2,241</b>	<b>22,688</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>420,074</b>	<b>9,996</b>	<b>(566,908)</b>	<b>(136,838)</b>
Cash and Cash Equivalents at Beginning of Year	382,277	534,147	688,843	1,605,267
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 802,351</b>	<b>\$ 544,143</b>	<b>\$ 121,935</b>	<b>\$ 1,468,429</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 915,239	\$ -	\$ (105,088)	\$ 810,151
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
(Increase) decrease in OPEB asset	(581,616)	-	-	(581,616)
(Increase) decrease in workers' compensation cumulative deposit receivable	-	-	(7,920)	(7,920)
Increase (decrease) in general liability cumulative deposit payable	-	-	(456,141)	(456,141)
<b>Total Adjustments</b>	<b>(581,616)</b>	<b>-</b>	<b>(464,061)</b>	<b>(1,045,677)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 333,623</b>	<b>\$ -</b>	<b>\$ (569,149)</b>	<b>\$ (235,526)</b>

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## 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.

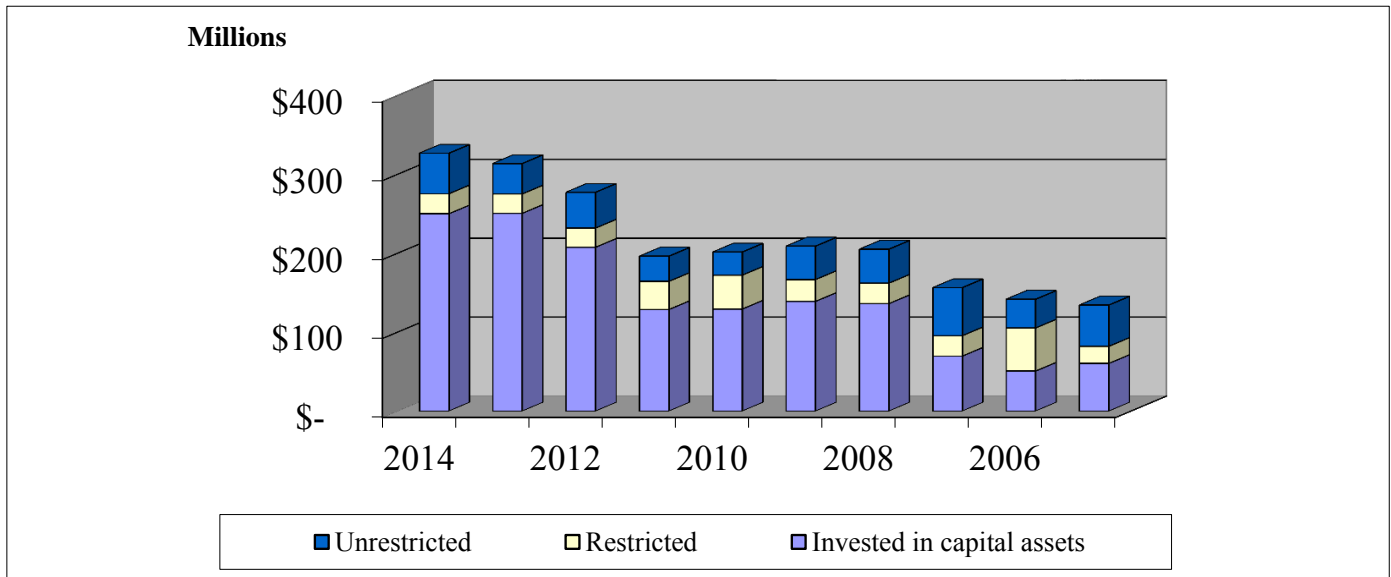
<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
1 Net Position by Component	124
2 Changes in Net Position	126
3 Fund Balances of Governmental Funds	128
4 Changes in Fund Balances of Governmental Funds	130
<b>Revenue Capacity</b> - These schedules contain information to help the reader assess the City's most significant local revenue sources, general and Redevelopment property taxes.	
5 Tax Revenues by Source - Governmental Funds	132
6 Assessed Value and Estimated Actual Value of Taxable Property	133
7 Assessed Value of Property by Use Code, Citywide	134
8 Direct and Overlapping Property Tax Rates	135
9 Principal Property Tax Payers	136
10 Principal Sales Tax Producers	137
11 Property Tax Levies and Collections	138
<b>Debt Capacity</b> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
12 Ratios of Outstanding Debt by Type	139
13 Ratios of General Bonded Debt Outstanding and Legal Debt Margin	140
14 Direct and Overlapping Debt	141
15 Pledged-Revenue Coverage	142
<b>Demographic and Economic Information</b> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
16 Demographic and Economic Statistics	143
17 Principal Employers	144
<b>Operating Information</b> - 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.	
18 Full-time Equivalent City Employees by Function	145
19 Operating Indicators by Function	146
20 Capital Assets Statistics by Function	148

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				
	2014	2013	2012	2011	2010
Governmental activities:					
Net investment in capital assets	\$250,043,785	\$250,592,927	\$207,621,977	\$128,719,531	\$129,332,619
Restricted for:					
Community development	3,420,280	1,857,642	1,932,254	28,556,939	38,057,825
Housing	14,412,791	15,831,412	15,831,412		
Public safety	5,558,075	5,074,097	4,870,005	4,651,489	4,570,215
Public works	1,967,998	1,832,508	1,709,638	1,641,967	308,322
Debt service	-	-	-	817,671	-
Unrestricted	<u>51,276,256</u>	<u>38,433,856</u>	<u>45,268,607</u>	<u>31,851,521</u>	<u>29,209,281</u>
Total governmental activities net position	<u>\$326,679,185</u>	<u>\$313,622,442</u>	<u>\$277,233,893</u>	<u>\$196,239,118</u>	<u>\$201,478,262</u>



Fiscal Year				
2009	2008	2007	2006	2005
\$139,057,460	\$136,211,882	\$ 69,674,222	\$ 50,749,510	\$ 60,447,659
23,412,380	22,401,222	21,060,513	49,567,249	10,483,905
4,014,475	3,199,900	2,926,727	2,932,610	1,895,904
252,873	325,432	1,863,275	2,094,899	3,765,506
-	-	-	-	5,553,793
<u>42,258,237</u>	<u>42,983,730</u>	<u>60,839,232</u>	<u>36,303,201</u>	<u>52,240,076</u>
<u>\$208,995,425</u>	<u>205,122,166</u>	<u>156,363,969</u>	<u>141,647,469</u>	<u>134,386,843</u>

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 46,282	\$ 88,959	\$ 134,600	\$ 31,619	\$ 30,284
Public safety	6,883	7,900	5,507	8,272	873,229
Community development	854,755	934,524	663,445	6,718,212	2,136,604
Public works	28,038	32,978	35,877	48,230	6,266
Golf resort	12,429,070	12,051,307	12,480,492	12,243,547	11,126,337
Operating grants and contributions:					
General government	386,696	381,405	382,613	405,976	33,501
Public safety	4,436,574	4,211,296	1,921,482	1,921,931	2,557,187
Community development	-	-	-	17,400	1,568,330
Public works	2,362,409	2,303,057	2,127,618	2,051,669	1,472,156
Capital grants and contributions:					
General government	500,000	1,450,000			
Community development					444,801
Public works	2,352,481	119,513	2,839,642	573,206	4,750,952
Total program revenue	<u>23,403,188</u>	<u>21,580,939</u>	<u>20,591,276</u>	<u>24,020,062</u>	<u>24,999,647</u>
Expenses:					
Governmental activities:					
General government	8,528,905	8,151,220	7,589,850	4,804,881	8,194,604
Public safety	7,689,486	7,413,099	7,415,881	7,379,309	8,157,222
Community development	4,114,707	11,783,596	9,513,504	20,227,573	19,519,593
Public works	11,284,095	11,050,272	6,950,388	6,710,034	5,423,271
Golf resort	12,945,121	12,088,530	12,714,308	13,694,185	12,885,373
Interest on long-term debt	-	-	2,024,309	8,185,570	5,934,148
Total expenses	<u>44,562,314</u>	<u>50,486,717</u>	<u>46,208,240</u>	<u>61,001,552</u>	<u>60,114,211</u>
Net revenue (expense)	<u>(21,159,126)</u>	<u>(28,905,778)</u>	<u>(25,616,964)</u>	<u>(36,981,490)</u>	<u>(35,114,564)</u>
General revenues:					
Taxes:					
Property taxes	2,820,856	2,689,149	12,893,907	17,200,487	18,121,718
Transient occupancy taxes	6,407,454	6,341,825	5,689,952	4,805,116	4,294,079
Sales taxes	1,016,141	945,359	992,271	902,256	762,241
Franchise taxes	886,891	860,303	848,259	835,725	817,863
Other taxes	2,375,414	1,914,222	4,107,560	3,672,587	1,331,372
Investment income	3,297,078	2,046,935	3,740,423	3,939,375	1,513,114
Gain on sale of asset	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RDA	16,400,000	49,753,919	78,671,501		
Other	1,012,035	1,078,031	563,735	399,736	362,922
Total general revenues	<u>34,215,869</u>	<u>65,629,743</u>	<u>107,507,608</u>	<u>31,755,282</u>	<u>27,203,309</u>
Change in net position	<u>\$13,056,743</u>	<u>\$36,723,965</u>	<u>\$81,890,644</u>	<u>\$ (5,226,208)</u>	<u>\$ (7,911,255)</u>

Fiscal Year

2009	2008	2007	2006	2005
\$ 30,400	\$ 627,106	\$ 2,235	\$ 5,069	\$ 1,037
742,738	873,761	2,470,623	2,527,477	2,056,493
2,114,861	2,528,006	1,934,844	1,772,860	1,570,382
54,570	68,639	1,463,364	1,359,833	1,381,225
6,850,634	5,138,846	4,817,513	5,234,850	7,138,609
98,175	519,133	77,946	41,205	14,691
2,654,704	2,493,117	2,259,723	2,212,899	1,832,677
2,145,952	2,038,691	314,980	338,311	364,975
1,629,164	1,543,290	926,673	354,123	309,305
9,399,500	1,445,778	1,434,242		
291,250	46,463,133	582,880	3,508,743	11,002,296
<u>26,011,948</u>	<u>63,739,500</u>	<u>16,285,023</u>	<u>17,355,370</u>	<u>25,671,690</u>
10,664,720	9,998,984	7,763,532	7,082,129	6,476,847
7,594,508	7,211,930	6,146,364	5,903,241	6,279,925
9,784,467	6,356,163	24,966,021	28,957,231	20,563,959
5,954,213	6,895,396	3,862,991	3,367,663	3,288,793
10,179,734	9,518,594	5,406,302	7,491,500	8,008,708
6,120,317	7,166,630	6,009,532	4,706,168	4,951,228
<u>50,297,959</u>	<u>47,147,697</u>	<u>54,154,742</u>	<u>57,507,932</u>	<u>49,569,460</u>
<u>(24,286,011)</u>	<u>16,591,803</u>	<u>(37,869,719)</u>	<u>(40,152,562)</u>	<u>(23,897,770)</u>
18,756,437	18,582,342	37,093,682	35,791,172	29,371,922
4,804,501	5,874,128	5,940,739	5,352,889	4,656,403
963,446	1,054,972	1,202,051	1,057,899	897,119
870,700	902,634	894,378	726,333	641,951
1,360,608	1,875,547	1,112,636	1,024,505	820,887
1,147,924	3,467,226	5,554,158	3,217,562	2,894,907
-	-	350,454	-	-
255,654	169,525	438,121	242,828	156,016
<u>28,159,270</u>	<u>31,926,374</u>	<u>52,586,219</u>	<u>47,413,188</u>	<u>39,439,205</u>
<u>\$ 3,873,259</u>	<u>\$ 48,518,177</u>	<u>\$ 14,716,500</u>	<u>\$ 7,260,626</u>	<u>\$ 15,541,435</u>

City of Indian Wells  
Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2014	2013	2012	2011	2010
General fund:					
Nonspendable:					
Prepaid items	\$ 3,715	\$ 352,799	\$ 724,847	\$ 21,282	\$ 47,743
Advances to other funds	17,889,192	-	-	22,010,750	22,409,361
Committed to:					
Emergency reserve	2,250,000	2,250,000	2,250,000	18,500,000	-
Unassigned	<u>5,841,717</u>	<u>4,744,619</u>	<u>4,743,094</u>	<u>22,766,933</u>	<u>19,491,287</u>
Total general fund	<u>\$ 25,984,624</u>	<u>\$ 7,347,418</u>	<u>\$ 7,717,941</u>	<u>\$ 63,298,965</u>	<u>\$ 41,948,391</u>
All other governmental funds					
Nonspendable					
Inventory	\$ 695,998	\$ 613,309	\$ 696,882	\$ 556,726	\$ 501,090
Prepaid items	108,542	83,196	79,410	39,962	58,820
Notes	-	15,831,412	15,831,412	4,316,639	4,316,639
Advances to other funds	-	-	-	11,514,773	11,514,773
Restricted for:					
Community development	16,414,450	1,857,642	1,932,254	12,725,527	8,618,341
Public safety	5,558,075	5,074,097	4,870,005	4,651,489	4,379,949
Parks and recreation	-	-	-	-	-
Public works	1,967,998	1,832,508	1,709,638	1,641,967	1,807,173
Debt Service	-	-	-	817,671	789,777
Committed to:					
Emergency Reserve	-	-	-	-	-
Capital projects	23,805,825	25,431,121	35,781,876	3,022,559	-
Golf Resort	-	2,441,139	-	-	-
Unassigned	<u>(1,853,153)</u>	<u>(1,499,190)</u>	<u>(1,539,173)</u>	<u>(43,424,063)</u>	<u>(10,039,594)</u>
Total all other governmental funds	<u>\$ 46,697,735</u>	<u>\$ 51,665,234</u>	<u>\$ 59,362,304</u>	<u>\$ (4,136,750)</u>	<u>\$ 21,946,968</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

2009	2008	2007	2006	2005
\$ 50,787	\$ 700	\$ -	\$ -	\$ 6,000
26,150,000	30,797,726	20,000,000	20,000,000	-
-	-	-	-	-
<u>17,356,780</u>	<u>11,846,566</u>	<u>7,715,559</u>	<u>10,727,164</u>	<u>10,217,412</u>
<u>\$ 43,557,567</u>	<u>\$ 42,644,992</u>	<u>\$ 27,715,559</u>	<u>\$ 30,727,164</u>	<u>\$ 10,223,412</u>
\$ 473,863	\$ 724,063	\$ 97,252	\$ 189,573	\$ 183,252
29,455	63,394	76,516	53,269	91,690
4,316,639	-	-	-	-
-	-	-	-	-
18,965,920	12,986,015	26,850,170	33,734,335	30,761,975
3,849,136	3,058,410	2,767,388	2,932,610	1,895,904
-	-	-	10,568	98,768
1,813,427	1,905,049	2,077,143	2,260,914	1,847,504
9,087	2,584	35,275	13,676	4,885
-	-	-	-	-
-	-	-	-	-
<u>(11,754,777)</u>	<u>3,431,080</u>	<u>60,982,183</u>	<u>32,121,248</u>	<u>70,320,518</u>
<u>\$ 17,702,750</u>	<u>\$ 22,170,595</u>	<u>\$ 92,885,927</u>	<u>\$ 71,316,193</u>	<u>\$ 105,204,496</u>

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

	Fiscal Year				
	2014	2013	2012	2011	2010
<b>Revenues:</b>					
Taxes	\$ 16,031,054	\$ 15,036,212	\$ 31,715,482	\$ 47,215,341	\$ 48,995,314
Licenses and permits	426,382	439,139	226,322	119,583	234,824
Intergovernmental	3,151,753	863,584	3,613,520	1,390,949	5,157,957
Contribution from property owners	500,000	1,450,000			
Charges for services	12,857,977	12,548,294	12,918,149	12,657,977	11,476,745
Investment income	1,623,137	400,607	2,157,135	3,256,904	2,732,580
Fines and forfeitures	80,669	128,235	175,450	87,320	84,582
Rental income	1,651,498	1,633,036			
Assessments	3,737,258	3,643,882	3,584,325	3,530,928	3,481,755
Development fees	124,851	222,451	73,510	61,007	1,327,402
Other	1,012,035	1,078,031	563,735	399,736	3,374,688
<b>Total revenues</b>	<u>41,196,614</u>	<u>37,443,471</u>	<u>55,027,628</u>	<u>68,719,745</u>	<u>76,865,847</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	8,573,662	7,996,591	6,214,712	4,219,555	7,941,889
Public safety	7,685,383	3,211,837	7,212,762	7,214,270	8,000,297
Community development	2,820,027	5,109,097	2,556,343	5,846,632	13,493,473
Parks and recreation	-	1,920,320	-	-	-
Public works	4,135,007	3,866,883	3,913,539	3,763,936	2,959,775
Golf resort	12,945,121	12,088,530	12,714,308	13,694,185	12,885,373
Pass-through	-	-	7,183,533	21,778,115	21,138,998
Capital outlay	8,678,100	3,330,510	9,197,818	4,464,499	5,954,982
<b>Debt service:</b>					
Principal retirement	-	-	4,460,000	4,020,106	3,860,000
Interest and fiscal charges	-	-	3,894,759	7,951,591	8,517,174
<b>Total expenditures</b>	<u>44,837,300</u>	<u>37,523,768</u>	<u>57,347,774</u>	<u>72,952,889</u>	<u>84,751,961</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,640,686)</u>	<u>(80,297)</u>	<u>(2,320,146)</u>	<u>(4,233,144)</u>	<u>(7,886,114)</u>
<b>Other financing sources (uses):</b>					
Transfers in	64,112	6,587,021	44,643,627	13,373,447	11,845,781
Transfers out	(140,112)	(6,716,791)	(46,425,808)	(13,873,447)	(12,595,781)
Contributions to other governments	-	(7,522,110)	-	-	-
Issuance of bonds	-	-	-	-	10,890,000
Premium (discount) on bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of RD/	16,400,000	1,339,192	12,020,357		
Sale of property	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>16,324,000</u>	<u>(6,312,688)</u>	<u>10,238,176</u>	<u>(500,000)</u>	<u>10,140,000</u>
<b>Net change in fund balances</b>	<u>\$ 12,683,314</u>	<u>\$ (6,392,985)</u>	<u>\$ 7,918,030</u>	<u>\$ (4,733,144)</u>	<u>\$ 2,253,886</u>
<b>Debt service as a percentage of noncapital expenditures</b>					
	0.0%	0.0%	21.0%	21.2%	18.7%
<b>Capital outlay (Recon of Rev &amp; Exp)</b>					
	8,627,428	3,118,599	9,190,259	4,524,674	6,076,294
<b>Total governmental expenditures</b>	44,837,300	37,523,768	57,347,774	72,952,889	84,751,961
Less: Principal	-	-	(4,460,000)	(4,020,106)	(3,860,000)
Less: Interest	-	-	(3,894,759)	(7,951,591)	(8,517,174)
	<u>44,837,300</u>	<u>37,523,768</u>	<u>48,993,015</u>	<u>60,981,192</u>	<u>72,374,787</u>
Less: Capital Asset Additions	(8,627,428)	(3,118,599)	(9,190,259)	(4,524,674)	(6,076,294)
<b>Non Capital Expenditures</b>	36,209,872	34,405,169	39,802,756	56,456,518	66,298,493
<b>Total Debt Service Payments</b>	-	-	8,354,759	11,971,697	12,377,174
<b>Debt Service as % of Non Capital Exp.</b>	0.0%	0.0%	21.0%	21.2%	18.7%

Fiscal Year				
2009	2008	2007	2006	2005
\$ 51,245,652	\$ 51,537,447	\$ 48,314,537	\$ 46,131,556	\$ 38,106,070
226,007	399,003	728,761	617,834	949,622
937,750	1,460,266	2,682,465	4,958,972	9,562,484
7,478,699	6,257,950	5,518,266	5,869,314	7,943,064
4,162,047	8,035,693	8,696,113	5,496,516	4,001,528
52,762	52,083	109,671	96,056	114,078
3,385,707	3,483,606	3,036,321	3,084,600	2,552,226
59,252	214,938	582,880	600,668	647,957
<u>7,823,725</u>	<u>1,156,637</u>	<u>1,213,908</u>	<u>959,066</u>	<u>883,644</u>
<u>75,371,601</u>	<u>72,597,623</u>	<u>70,882,922</u>	<u>67,814,582</u>	<u>64,760,673</u>
10,506,842	9,604,914	8,076,374	7,308,390	6,649,994
7,471,826	7,133,876	6,156,103	5,911,765	6,376,941
3,784,085	4,091,199	4,045,155	7,855,308	2,161,045
-	-	-	-	-
3,278,386	3,306,362	2,843,400	2,578,102	2,377,858
10,179,734	9,333,933	6,042,600	6,263,126	8,125,952
22,107,922	21,471,829	19,874,202	20,862,080	17,384,055
12,361,227	59,787,295	35,637,285	20,802,188	24,745,401
3,720,000	3,965,000	3,330,000	3,260,000	3,665,000
8,858,488	8,939,114	8,753,951	6,855,103	5,051,990
<u>82,268,510</u>	<u>127,633,522</u>	<u>94,759,070</u>	<u>81,696,062</u>	<u>76,538,236</u>
<u>(6,896,909)</u>	<u>(55,035,899)</u>	<u>(23,876,148)</u>	<u>(13,881,480)</u>	<u>(11,777,563)</u>
15,377,613	60,589,937	52,624,250	56,208,798	8,034,396
(16,377,613)	(61,339,937)	(53,374,250)	(56,208,798)	(8,534,396)
-	-	-	-	-
-	-	67,805,000	14,125,000	-
-	-	57,498	54,253	-
-	-	(25,054,069)	(13,682,324)	-
<u>4,341,639</u>	<u>-</u>	<u>375,848</u>	<u>-</u>	<u>-</u>
<u>3,341,639</u>	<u>(750,000)</u>	<u>42,434,277</u>	<u>496,929</u>	<u>(500,000)</u>
<u>\$ (3,555,270)</u>	<u>\$ (55,785,899)</u>	<u>\$ 18,558,129</u>	<u>\$ (13,384,551)</u>	<u>\$ (12,277,563)</u>
21.7%	157.4%	26.2%	20.5%	20.2%
11,857,262	106,530,052	36,538,626	22,122,117	24,745,401
82,268,510	127,633,522	94,759,070	81,696,062	76,538,236
(3,720,000)	(3,965,000)	(3,330,000)	(3,260,000)	(3,665,000)
<u>(8,858,488)</u>	<u>(8,939,114)</u>	<u>(8,753,951)</u>	<u>(6,855,103)</u>	<u>(5,051,990)</u>
69,690,022	114,729,408	82,675,119	71,580,959	67,821,246
(11,857,262)	(106,530,052)	(36,538,626)	(22,122,117)	(24,745,401)
57,832,760	8,199,356	46,136,493	49,458,842	43,075,845
12,578,488	12,904,114	12,083,951	10,115,103	8,716,990
21.7%	157.4%	26.2%	20.5%	20.2%

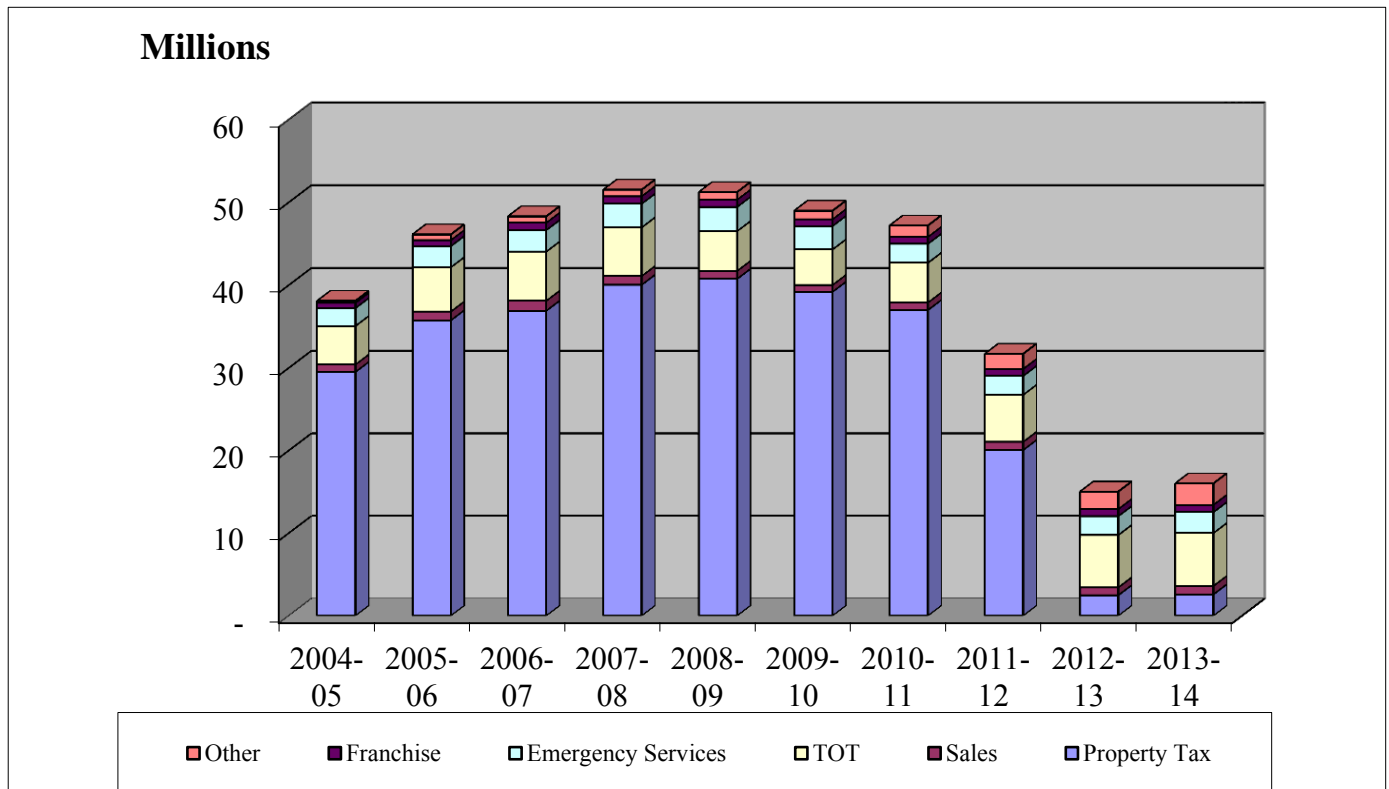


City of Indian Wells  
 Tax Revenues by Source - Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Fiscal Year End	Property Tax	Sales	Transient Occupancy	Emergency Services	Franchise	Other	Total
2004-05	29,525,111	897,119	4,656,403	2,155,574	641,951	229,912	38,106,070
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	48,995,314
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

Percentage change:

2005-2014      -91.2%      13.3%      37.6%      17.1%      38.2%      1028.0%      -57.9%



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

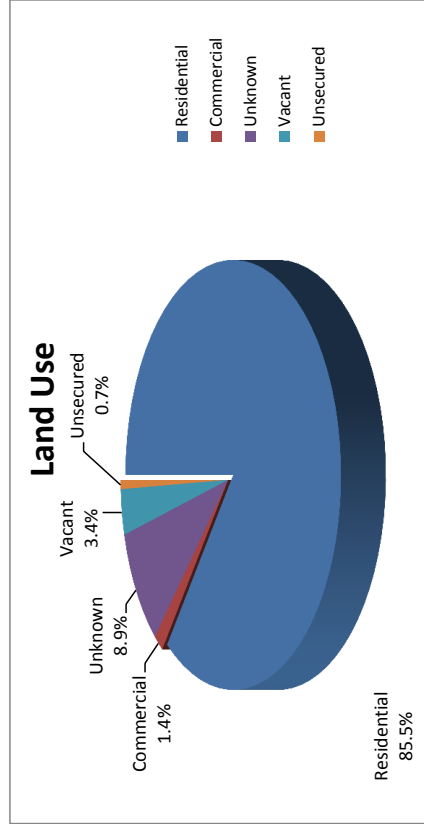
Fiscal Year Ended June 30	City (Excl. RDA)			Redevelopment Agency			City's Direct Tax Rate
	Secured	Unsecured	Taxable Assessed Value	Secured	Unsecured	Taxable Assessed Value	
2004-05	\$ 444,469,346	\$ 8,517,701	\$ 452,987,047	\$ 3,028,027,769	\$ 34,709,051	\$ 3,062,736,820	1.13700
2005-06	555,697,154	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

Source: Riverside County Assessor Data, MuniServices, LLC  
Source: 2012-13 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	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Residential	\$2,897,520,209	\$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
Commercial	228,536,157	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
Institutional	4,702,333	4,796,379	4,892,306	306,267	312,392	318,639	317,885	-	-	-
Unknown	135,062,265	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	206,676,151	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
Net Secured Value	3,472,497,115	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
Unsecured	43,226,752	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
Net Taxable Value	\$3,515,723,867	\$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



Source: MuniServices, LLC  
Source: 2010-11 and prior, previously published CAFR Report  
Use code categories are based on Riverside County Assessor's data

City of Indian Wells

Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>City Direct Rates:</b>										
City Basic Rate	0.07000	0.07000	0.07000	0.07000	0.07000	0.07000	0.07000	0.00650	0.00650	0.00650
Agency Basic Rate	0.23051	0.22471	0.29460	0.29679	0.29688	0.26604	0.26686	0.00000	0.00000	0.00000
Low & Mod 20% Set-aside	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.00000	0.00000	0.00000
Total City Direct Rate	0.50051	0.49471	0.56460	0.56679	0.56688	0.53604	0.53686	0.00650	0.00650	0.00650
<b>Overlapping Rates:</b>										
General	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15716	0.15716	0.15716
Riverside County General & Fire	0.29087	0.28868	0.28791	0.28371	0.28376	0.28336	0.28336	0.06557	0.06557	0.06557
Coachella Valley Water District	0.05855	0.05891	0.05885	0.05877	0.05870	0.05932	0.05886	0.03055	0.03055	0.03055
Desert Sands Unified School District	0.09279	0.09694	0.09745	0.09857	0.09851	0.11489	0.11498	0.40439	0.40439	0.40439
Riverside County Superintendent of Schools	0.01049	0.01096	0.01102	0.01114	0.01114	0.01299	0.01300	0.04572	0.04572	0.04572
College of Desert	0.01928	0.02014	0.02025	0.02048	0.02047	0.02387	0.02389	0.08403	0.08403	0.08403
Coachella Valley Parks & Recreation District	0.01650	0.01750	0.01763	0.01792	0.01792	0.02190	0.02192	0.01321	0.01321	0.01321
CV Mosquito & Vector Control District	0.01091	0.01157	0.01166	0.01185	0.01185	0.01448	0.01449	0.01091	0.01091	0.01091
Riverside County Regional Park & Open Space	0.00003	0.00019	0.00021	0.00026	0.00026	0.00088	0.00088	0.00388	0.00388	0.00388
Coachella Valley Public Cemetery	0.00003	0.00015	0.00017	0.00021	0.00022	0.00072	0.00072	0.00257	0.00257	0.00257
Desert Regional Medical Center	0.00004	0.00024	0.00025	0.00029	0.00029	0.00098	0.00097	0.00000	0.00000	0.00000
Coachella Valley Resource Conservation	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00039	0.00039	0.00039
Education Revenue Augmentation Fund	-	0.00001	0.00001	0.00002	0.00002	0.00006	0.00006	0.17512	0.17512	0.17512
TOTAL	0.49949	0.50529	0.50541	0.50322	0.50314	0.53345	0.53313	0.99350	0.99350	0.99350
<b>Override Assessments</b>										
Coachella Valley Water District	0.02100	0.02100	0.02080	0.04000	0.04000	0.06000	0.06000	0.08000	0.08000	0.10000
Desert Community College	0.02000	0.02000	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995
Desert Sands Unified School District	0.09600	0.07700	0.07612	0.07560	0.07988	0.08112	0.10037	0.11467	0.11156	0.10954
TOTAL	0.13700	0.11800	0.11687	0.13555	0.13983	0.16107	0.18032	0.21462	0.21151	0.22949
<b>TOTAL TAX RATE</b>	1.13700	1.11800	1.18688	1.20556	1.20985	1.23056	1.25031	1.21462	1.21151	1.22949

Source: 2012-13 and prior, previously published CAFR Report

Source: Riverside County Auditor data, MumiServices, LLC

(-) Indicates data unavailable.

City of Indian Wells

Principal Property Tax Payers  
Last Fiscal Year and Nine Years Ago

Taxpayer	2013-14		2004-05	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Garden of Champions	\$ 113,370,367	2.38%	\$ 64,132,785	1.80%
Grand Champions LLC	58,552,001	1.23%	76,553,714	2.15%
Toscana Land	56,758,371	1.19%	25,684,205	0.72%
Felcor Esmeralda	47,600,000	1.00%	-	0.00%
Vintage Club	26,828,353	0.56%	55,516,352	1.56%
Eldorado Country Club	21,568,341	0.45%	10,564,210	0.30%
LH Indian Wells Holding	19,798,732	0.42%	-	0.00%
Village Shopping Center	15,065,470	0.32%	-	0.00%
IWCC Acquisition Corp	13,940,255	0.29%	16,870,279	0.47%
Schmid Inv	13,185,314	0.28%	-	0.00%
Reserve Club	13,076,414	0.28%	13,788,374	0.39%
Cook Leo W	12,891,348	0.27%	15,290,458	0.43%
Standard Pacific Corp	12,459,004	0.26%	-	0.00%
Marion Anne W	12,355,000	0.26%	-	0.00%
Gilleland Richard A	12,273,692	0.26%	10,842,940	0.30%
Indian Wells Village II	11,896,586	0.25%	10,509,803	0.29%
Ryan Oil Co	11,369,414	0.24%	14,426,101	0.40%
Johnson Ralph William	10,000,000	0.21%	-	0.00%
Brinson Gary P	9,910,000	0.21%	15,346,878	0.43%
Neptune	9,575,000	0.20%	-	0.00%
Argyros George L	9,558,651	0.20%	-	0.00%
Gilliland Gloria J	9,418,334	0.20%	-	0.00%
Macmillan Donna	8,790,974	0.18%	-	0.00%
Soret LTD.	8,764,521	0.18%	-	0.00%
Walters William	8,764,092	0.18%	-	0.00%
CTF (USA)	-	0.00%	82,541,456	2.32%
Resort Calif	-	0.00%	28,525,714	0.80%
Ministrelli Dev Inc	-	0.00%	20,055,382	0.56%
Alexander & Baldwin Inc	-	0.00%	15,626,213	0.44%
Gross William H & Sue J	-	0.00%	14,027,087	0.39%
Carletti Christopher M	-	0.00%	13,783,012	0.39%
Windfohr Anne Burnett	-	0.00%	13,761,616	0.39%
Flannery Prop	-	0.00%	13,576,112	0.38%
Swortwood Letitia H	-	0.00%	13,153,073	0.37%
Indian Wells Holding	-	0.00%	12,862,474	0.36%
Johnson Faye Peterson	-	0.00%	11,065,292	0.31%
Koch Charles G	-	0.00%	11,026,409	0.31%
Dillard A R	-	0.00%	10,378,987	0.29%
Total Top 25 Taxpayers	547,770,234	11.50%	589,908,926	16.55%
Total Taxable Value	\$ 4,754,581,621	100.00%	\$ 3,563,277,007	100.00%

Source: County Assessor data, MuniServices, LLC

City of Indian Wells

Principal Sales Tax Producers  
Last Fiscal Year and Nine Years Ago

2013-14		2004-05	
Taxpayer	Business Type	Taxpayer	Business Type
American Audio Visual Center	Business Services	Compliments	Apparel Stores
Café Italia	Restaurants	Desert Horizons County Club	Restaurants
Creative Pipe	Misc. Vehicle Sales	Don Diegos	Restaurants
CVS/Pharmacy	Drug Stores	Donna Schuler Design Studio	Furniture/Appliance
Desert Horizons County Club	Restaurants	Eldorado County Club	Restaurants
Don Diegos	Restaurants	Garden of Champions	Miscellaneous Retail
Donna Diamond Designer	Misc Retail	Hopson's Health Equipment	Recreation Products
Eldorado County Club	Restaurants	Hotel Indian Wells	Restaurants
Eureka!	Restaurants	Hyatt Grand Champions Resort	Restaurants
Hotel Indian Wells	Restaurants	Indian Wells Golf Resort	Restaurants
Hyatt Grand Champions Resort	Restaurants	Indian Wells Tennis Garden	Recreation Products
Indian Wells County Club	Miscellaneous Retail	Kitchen Kitchen	Miscellaneous Retail
Indian Wells Golf Resort	Restaurants	Le Saint Germain Restaurant	Restaurants
Indian Wells Tennis Garden	Recreation Products	Miramonte Resort and Spa Food	Restaurants
Karen Harlow for the Home	Recreation Products	Nest Restaurant	Restaurants
Miramonte Resort and Spa Food	Restaurants	Ralph's Grocery Company	Food Markets
Ralph's Grocery Company	Food Markets	Renaissance Esmeralda Resort	Restaurants
Renaissance Esmeralda Resort A	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	Vicky's Restaurant	Restaurants
Toscana County Club	Restaurants	Village Insciber	Miscellaneous Retail
Vicky's of Santé Fe	Restaurants	Vintage Club	Restaurants
Vintage Club	Restaurants	West Coast Turf	Bldg Matls Whsle

Source: Q114 and Q105 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
2005	\$28,448,075	\$29,525,111	103.79%	-	\$29,525,111	103.79%
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	2,455,600	2,478,806	100.95%	16,221	2,495,027	101.61%
2014	2,184,854	2,583,498	118.25%	19,383	2,602,881	119.13%

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 in the year levied.

Source: MuniServices

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

Fiscal Year End	Governmental Activities			Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	Tax Allocation Bonds	Notes Payable	Total		
2005	\$ 96,830,000	\$ -	\$ 96,830,000	24.09%	\$ 20,686
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	- <sup>1</sup>	-	-	0.00%	-
2013	- <sup>1</sup>	-	-	0.00%	-
2014	- <sup>1</sup>	-	-	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 <sup>1</sup>	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
2005	\$ 96,830	2.8%	\$ 20,402	\$ 26,258	\$ 70,572	\$ 529,957	\$ 459,385	86.7%
2006	93,670	2.4%	19,600	27,594	66,076	591,143	525,067	88.8%
2007	133,580	3.1%	27,679	33,544	100,036	643,399	543,363	84.5%
2008	129,615	3.0%	26,398	34,634	94,981	714,418	619,437	86.7%
2009	125,895	2.6%	25,449	37,459	88,436	732,409	643,973	87.9%
2010	132,925	2.6%	26,532	38,487	94,438	761,053	666,615	87.6%
2011	128,910	2.6%	25,603	36,993	91,917	692,612	600,695	86.7%
2012	-	0.0%	-	34,789	(34,789)	4,754,582	4,789,370	100.7%
2013	-	0.0%	-	-	-	690,480	690,480	100.0%
2014	-	0.0%	-	-	-	713,187	713,187	100.0%

Legal Debt Margin Calculation for Fiscal Year 2014:

Assessed Value (From Assessor's net 02-2441)	<u>FY 2013/14</u> \$4,754,581,621
Legal Debt limit (15% of total assessed value)	713,187,243

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.

<sup>1</sup> 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, 2014

2013-14 Assessed Valuation: \$4,738,056,078

	Total Debt 6/30/2014	%	City Share of Debt 6/30/14
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Desert Community College District	\$ 316,283,162	7.362%	\$ 23,284,766
Desert Sands Unified School District	282,295,470	14.368%	40,560,213
Desert Sands Unified School District Community Facilities District No. 1	1,380,000	1.587%	21,901
<b>City of Indian Wells</b>	<b>-</b>	<b>100.000%</b>	<b>-</b>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$ 599,958,632</b>		<b>\$ 63,866,880</b>
<b>OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>			
Riverside County General Fund Obligations	\$ 692,656,315	2.261%	\$ 15,660,959
Riverside County Pension Obligations	334,515,000	2.261%	7,563,384
Riverside County Board of Education Certificates of Participation	2,700,000	2.261%	61,047
Desert Sands Unified School District Certificates of Participation	66,445,000	14.368%	9,546,818
Coachella Valley Recreation and Park District Certificates of Participation	2,150,000	11.633%	250,110
<b>TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>33,082,318</b>
Less: Riverside County Administrative Center Authority (100% self-supporting)			(209,897)
<b>TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT</b>			<b>\$ 32,872,421</b>
<b>OVERLAPPING TAX INCREMENT DEBT:</b>	299,775,000	0.178-100. %	\$ 115,675,740
<b>TOTAL DIRECT DEBT</b>			\$ -
<b>TOTAL GROSS OVERLAPPING DEBT</b>			\$ 212,624,938
<b>TOTAL NET OVERLAPPING DEBT</b>			\$ 212,415,041
<b>GROSS COMBINED TOTAL DEBT</b>			\$ 212,624,938 <sup>(2)</sup>
<b>NET COMBINED TOTAL DEBT</b>			\$ 212,415,041

- (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 2013-14 Assessed Valuation:

<b>Direct Debt</b> .....	<b>0.00%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	1.35%
Gross Combined Total Debt .....	4.49%
Net Combined Total Debt .....	4.48%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,489,561,270):

Total Overlapping Tax Increment Debt .....	3.31%
--	-------

Source: MuniServices

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

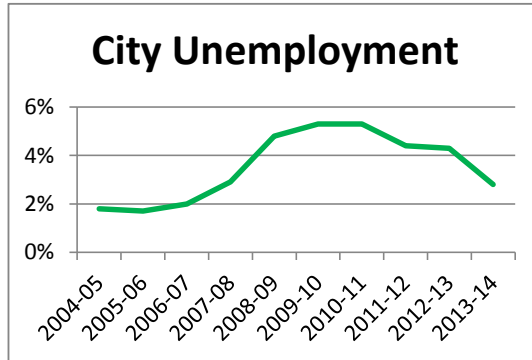
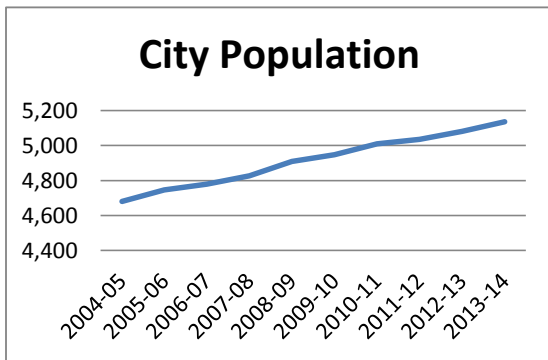
Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2005	\$ 27,593,501	\$3,665,000	\$5,051,990	3.17
2006	33,544,087	3,260,000	5,499,851	3.83
2007	34,634,116	3,330,000	7,213,797	3.28
2008	37,459,122	3,965,000	5,977,740	3.77
2009	38,486,642	3,720,000	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	-	-	-	-

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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age</b>	<b>Public School Enrollment (3)</b>	<b>City Unemployment Rate (%) (4)</b>
2004-05	4,681	\$ 401,924,703	\$ 85,863	63.4	-	1.8%
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%



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	2013-14		2004-05	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Renaissance Esmeralda Resort	499	27.72%	0	0.00%
Hyatt Grand Champions	465	25.83%	0	0.00%
Indian Wells Golf Resort (1)	233	12.94%	0	0.00%
Miramonte Resort and Spa	207	11.50%	0	0.00%
El Dorado Country Club (2)	206	11.44%	0	0.00%
Toscana Country Club (2)	172	9.56%	0	0.00%
Indian Wells Country Club	128	7.11%	0	0.00%
Desert Horizons Country Club	84	4.67%	0	0.00%
Indian Wells Resort Hotel	79	4.39%	0	0.00%
Merrill Lynch Wealth Mgmt	50	2.78%	0	0.00%
<b>Total Top Employers</b>	<b>2,123</b>	<b>117.94%</b>	<b>0</b>	<b>0.00%</b>
Total City Employment (3)	1,800			

Source: MuniServices, LLC

Results based on direct correspondence with city's local businesses.

- 1.) Includes Seasonal Employees
- 2.) Count is at peak of season
- 3.) Total City Labor Force provided by EDD Labor Force Data.

City of Indian Wells

Full-time Equivalent City Government Employees  
by Function

Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2005</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>
City Manager/Clerk	4.75	8.75	9.75	9.75	6.75	6.75	4.75	4.75	4.75	5.75
Advertising/Marketing	-	-	-	-	3.00	3.00	2.00	2.00	2.00	2.00
Risk Management	0.25	0.25	0.25	0.25	0.25	0.125	0.125	0.125	0.125	-
Personnel	0.25	0.25	0.25	0.25	0.25	0.125	0.125	0.125	0.125	-
Management Services	4.00	-	-	-	-	-	-	-	-	-
City Attorney	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Planning & Building										
Development	9.00	10.00	10.00	10.00	9.00	8.25	6.25	5.25	5.25	6.25
Finance Department	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Central Services	-	-	-	-	-	-	-	-	-	-
Public Safety	1.50	1.50	1.50	1.50	0.50	1.50	1.50	1.50	1.50	0.75
Public Relations	-	-	-	-	-	-	-	-	-	-
Public Works	8.00	7.00	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>1.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>36.00</u>	<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>

Source: City of Indian Wells Budget

City of Indian Wells

Operating Indicators  
by Functions

Last Ten Fiscal Years

<u>Function</u>	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Police</b>					
Violent Crime	-	-	7	5	3
Thefts	75	70	97	150	104
Burglaries	108	101	129	109	55
Traffic Collisions	152	148	152	167	107
Traffic Citations	1,318	1,311	1,229	976	1,014
<b>Fire</b>					
Medical Aid Calls	530	514	529	574	690
Public Service Assists	21	28	44	97	70
Structure Fires	40	17	4	19	8
Vegetation Fires	-	1	-	-	-
<b>Building Activity</b>					
Permits Issued	1,148	1,122	800	859	577
Inspections Performed	9,245	7,431	4,702	5,590	4,421
New Dwelling Units	159	107	52	49	9
<b>Public Works</b>					
Lot Line Adjustments	12	6	4	18	2
Parcel Mergers	4	1	2	4	-
Encroachment Permits	88	154	116	73	67
Tract Maps	3	4	2	1	1
<b>Golf Resort</b>					
Golf rounds played	88,878	58,154	53,223	48,082	69,308
<b>Administration</b>					
City Council Meetings	24	22	21	19	23
Public Hearings	37	50	34	17	18
Adopted Resolutions	57	60	44	60	46

Note: The information reported above was obtained from each individual department reported on.

Fiscal Year				
2010	2011	2012	2013	2014
1	3	-	-	-
89	112	102	141	97
72	58	47	66	39
93	72	88	88	125
2,371	1,333	870	838	1,251
538	594	696	704	659
76	78	108	118	90
17	5	4	4	4
-	-	-	-	-
416	548	582	774	914
1,390	2,286	2,811	3,862	4,927
5	17	13	35	33
1	-	1	3	3
-	3	2	3	3
59	66	48	66	84
-	-	2	2	-
81,102	83,052	83,104	82,712	81,696
22	20	21	21	20
22	23	16	11	23
53	35	43	53	53



City of Indian Wells

Capital Asset Statistics  
by Function

Last Ten Fiscal Years

Function	Units of Measure	Fiscal Year	
		2005	2006
<b>Public safety</b>			
Police Sub-Stations	Buildings	1.00	1.00
Fire Stations	Buildings	1.00	1.00
<b>Highways, Streets, Bridges, &amp; Infrastructure</b>			
Pavement (Roadway)	Centerline Miles	22.30	22.30
Sidewalks	Miles	12.00	12.70
Bridges	Each	3.50	3.50
Traffic Signals	Each	3.75	4.75
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	2.00	3.00
<b>Parks and recreation</b>			
Parks	Each	1.00	1.00
18-Hole Public Golf Courses	Each	2.00	2.00
Golf Course Clubhouse	Each	1.00	1.00
<b>City Vehicles</b>			
City-Owned Fleet Motor Vehicles	Each	12.00	14.00
City-Owned Ambulances	Each	2.00	2.00
<b>Affordable Housing</b>			
Senior Affordable Housing Complexes	Each	2.00	2.00
Senior Affordable Housing Units	Each	218.00	218.00

Note: The information reported above was obtained by the departments controlling the assets.

Fiscal Year

2007	2008	2009	2010	2011	2012	2013	2014
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	12.75	15.25	15.25	15.25	15.25	15.25	15.25
3.00	-	-	-	-	-	-	-
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	14.00	11.00	11.00	11.00	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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