

CITY OF INDIAN WELLS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2013

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FISCAL YEAR ENDED JUNE 30, 2013

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CITY OF INDIAN WELLS
 FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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November 25, 2013

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 fiscal year ended June 30, 2013. This document provides an overview of the City's financial activities during the past fiscal year. 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 present fairly 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.

This transmittal letter provides a non-technical summary of 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 Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report on page 1 of this report. The MD&A serves to complement this letter of transmittal and should be read in conjunction with it.

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, 2013.

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 year ended June 30, 2013. 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 unmodified opinion that the City of Indian Wells' financial statements for the year ended June 30, 2013, 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 is located 120 miles east of Los Angeles in the eastern portion of Riverside County known as the Coachella Valley. The City of Indian Wells is distinguished by its pristine natural setting, upscale residential country clubs, first-class resorts, championship golf courses, and abundance of leisure and cultural activities. Offering superb public services and resident benefits, the City of Indian Wells 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 5,081 full-time residents spread over 15.04 square miles. An additional 4,000 to 5,000 part-time residents call the city 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, extravagant resorts, and championship golf at Indian Wells Golf Resort. Moreover, the city supports many major sporting and cultural events throughout the year. These include the world-renowned BNP Paribas Open, a Tennis Masters Series event held at the Indian Wells Tennis Garden; Desert Town Hall Indian Wells, the Coachella Valley's leading speaker series; and the Indian Wells Arts Festival.

Indian Wells boasts a very successful benefit program designed specifically for property owners. With an Indian Wells Property Owner ID card, property owners enjoy select discounts at the Indian Wells Golf Resort, BNP Paribas Open, and all four Indian Wells hotel properties. Other special events include a resident-only Wild Lights evening at The Living Desert, complimentary art exhibitions and lectures in concert with the Palm Springs Art Museum, and resident movie night featuring award-winning selections from the Palm Springs International Film Festival.

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

Factors Affecting Financial Condition

The City of Indian Wells is committed to sound financial governance. Astounding leadership, business savoir-faire, and fiscal accountability ensures the City's financial goals are maintained and monitored. The City has established a tradition of providing residents, commercial business 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 2013/14 based on the current economic conditions. The fiscal year 2013/14 budget is balanced, whereby all current expenditures are supported by current revenues. In developing the fiscal year 2013/14 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 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.

Local Economy

According to the Coachella Valley Economic Partnership 2013 Economic Report prepared by economist John E. Husing, Ph.D., the Coachella Valley's economy is clearly on the mend with positive indicators coming from each of the five sectors primarily responsible for its economic health: tourism, health care, agriculture, retail trade and housing.

Tourism has been a major staple of the region and had a strong season in 2012-13. Health care has increased throughout the recession with growth continuing into 2013. Obama-care will potentially drive a major health care job expansion in the near future. Agricultural production reached a new record level in 2012. Retail trade grew 6.7% in the first quarter of 2013 after increasing 4.7% in all of 2012 and 9.4% in 2011. The housing sector, which drove growth in the area's economy from 2000-2007, has seen prices soar in 2013 and permit recordings undergoing a significant increase.

Coachella Valley tourism is on its way back. In part this is because the U.S. economy is slowing gaining strength having added 6,813,000 jobs through August 2013, or 78.0% of those 8,779,000 lost in the Great Recession. Growth has been continuous but slow, up 136,133 in August 2013. An improving American economy is important to the Coachella Valley as national tourism is a major driver for it:

- According to the Greater Palm Springs Convention & Visitors Bureau, the average daily hotel room rate was \$133.36 for the first 8 months of 2013. That was up 5.5% from that period of 2012 and exceeded the prior record for the period of \$132.20 from 2008. For the 2013 period, average occupancy was 60.8% highest since 63.6% in 2007.
- Passenger traffic at Palm Springs International Airport has continued growing in 2013. Volume was up 2.2% through July 2013 and was headed for a record 1,765,482. It had soared 14.3% in 2012 and is holding those gains.

- Car rentals related to the airport rose 14.4% in 2012. They are headed for a gain of 6.4% in 2013 or another record at an estimated \$5.8 million.
- After growing slowly in 2012 (600 jobs), January-June 2013 employment data showed the Inland Empire's art, entertainment and recreation sectors adding 2,133 jobs or 13.0% over that period of 2012. In addition, the inland areas' January-June 2013 accommodation and food service employment was up 5,917 jobs over 2012 (6.0%). Much of the positive force in these sectors was likely located in the Coachella Valley.

The one sector of the Coachella Valley and Inland Empire economies that has continued growing despite the deep recession and slow recovery has been health care. From July 2007, before the recession started until July 2013, the Inland Empire has added 18,700 health care positions, a gain of 19.1%. The Coachella Valley's health care sector echoed this strength, increasing from 10,795 jobs in 2007 to 12,629 in 2012, up 1,833 position or 17.0%.

This sector is important to the valley's economic base given the local and national importance of facilities like Desert Regional and national importance of facilities like Desert Regional Medical Center, John F. Kennedy Memorial Hospital, Eisenhower Medical Center and the Betty Ford Center. Health care is an important economic driver in that much of the funding comes from insurance policies and federal programs like Medicare. These dollars thus flow into the region from the outside world and help drive the rest of the Coachella Valley's economy. Meanwhile, with Obamacare, the 98,990 valley residents identified by the 2012 Census Bureau as not having health insurance represent a pool of demand that could add greatly to employment in the health care sector.

Retail sales contribute to the Coachella Valley's economic base in that a significant source of the spending is from money brought to the area by winter residents, tourists and convention goers. Also, 87,072 of the valley's residents are 65 or older (19.9%) versus just 11.0% for the Inland Empire.

In 2013, the Coachella Valley continues to see a mixed picture in the housing sector. By second quarter 2013, 49% of Riverside County's families were able to afford the bottom 50% of its houses. This affordability rate was 65% a year ago. This picture exists because 30 year fixed interest rate in September 2013 was 4.49%, up from 3.47% a year ago. Simultaneously, Riverside County's median home price was up 26.1% from September 2012-2013.

The fundamentals impacting the Coachella Valley's competitiveness are in relatively good shape. The major issues impacting it largely emanate from the California's legislature and its regulatory agencies since their decisions create the broad environment in which the valley's firms must compete. On three major competitive

factors, the valley offers cost advantages compared to most western areas: water prices, natural gas prices and industrial lease rates. It ranks in the middle among key western non-California cities on: average labor costs, office lease rates and the housing costs in cities where most workers live. However, the valley is hurt by the educational level of its labor force. Worse is the impact of regulatory, tax and electrical rate environment created by California policies and laws. Thus, the state's corporate and individual income tax, gasoline tax and sales tax are the highest among western states. Its per capita property tax collections rank second highest and its employment taxes rank third.

Key Issues 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 strengthening the organizational and customer service culture at City Hall, enhancing the City's financial position and economic development in Indian Wells, and continuing to build an outstanding quality of life in the Indian Wells community.

These broad categories capture many of the issues highlighted by the City Council in the January 2013 Goals Workshop. The categories are consistent with our Mission Statement which is:

Create an unsurpassed quality of life for our residents and guests by providing superior public safety, exceptional service and outstanding amenities that will further enhance Indian Wells as a prestigious community

Strengthening the organizational and customer service culture at City Hall

Exceptional quality customer service is a pivotal cornerstone of what makes Indian Wells the special place it is and is essential in meeting the expectations of our mission statement. 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, council members, and City staff.

Enhancing the City's financial position

The City will move forward to strengthen the City's financial condition by encouraging the development of potential economic development projects. Economic development opportunities exist at the Indian Wells Tennis Gardens which is currently under expansion, Miles Lodge, a potential condo hotel project located on the northeast corner

of Highway 111 at Miles Avenue, and at Miles Crossing Retail, a potential pedestrian retail shopping center.

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

Outstanding quality of life

Over the course of the next five years, the City Council anticipates construction of more than \$13.0 million in new capital projects focused on improving the lives of residents living in Indian Wells. Projects include completion of an undergrounding utility project, Highway 111 Phase III improvements, a new Highway 111 Corridor and Monuments master design plan, city-wide street infrastructure and roadway overlay projects and fire safety additions. Completing the undergrounding of utilities in the City's Village Area is extremely important; making streets safer for all residents. Planned improvements on Highway 111 will dramatically improve roadway conditions and make the highway safer for travel.

Accomplishments

During fiscal year 2012/13, the City extended the tennis naming rights agreement with the Indian Wells Tennis Gardens and home of the BNP Paribas Open. The \$2.5 million agreement gives the City exclusive naming rights, benefits, and use of the main stadium during the tournament and other times of the year.

In association with the dissolution of redevelopment, the City created a new capital replacement program. The capital replacement program sets aside reserves for the City's on-going capital projects. The Capital Replacement funds were created to accumulate funding required for new infrastructure development and the on-going rehabilitation of existing buildings and facilities, streets and sidewalks, parks and open space and transportation systems.

On November 15, 2012, City Council voted to approve a major overhaul of its Council Policies and Practices Manual updating and defining the City Council's duties and obligations. The newly revised policy manual provides the current and future elected City Councils direction regarding their role and responsibilities as Council Members.

During fiscal year 2012/13, strived to improve resident communications and expand the amount of information on the City's website. The City implemented a newly designed and more powerful website. The website was fully revamped with expanded search characteristics, popular links, "I want to" clicks, and extra user friendly features. During

the past year, City Staff has loaded a tremendous amount of useful information to the website to expand communications, improve transparency, and inform residents. Residents can now go online to view Council Meetings online, research items by department, contact the City, read about upcoming events, renew ID Cards and business licenses, get information about the City's Golf Resort, and link to other popular sites.

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, Palm Springs Desert Resorts Convention and Visitors Authority, and the Desert Regional Resorts 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 was appointed by the City Council and reports to the Finance Committee to perform the annual audit. The auditors' report on the basic financial statements and 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 also is 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, 2013 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Accounting Controls

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

The City's accounting system operates on a modified accrual basis of accounting for all governmental and agency type funds. Governmental funds include the General, Special Revenue, Debt Service, and Capital Projects Funds. Under the modified accrual basis of accounting, revenues are recorded when received in cash or accrued when they are both measurable and collectible within the accounting period or soon enough after the end of the period to pay liabilities of the period. 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 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, 2012. 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, 2013 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 present fairly 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,



City Manager



Government Finance Officers Association

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

Presented to

**City of Indian Wells
California**

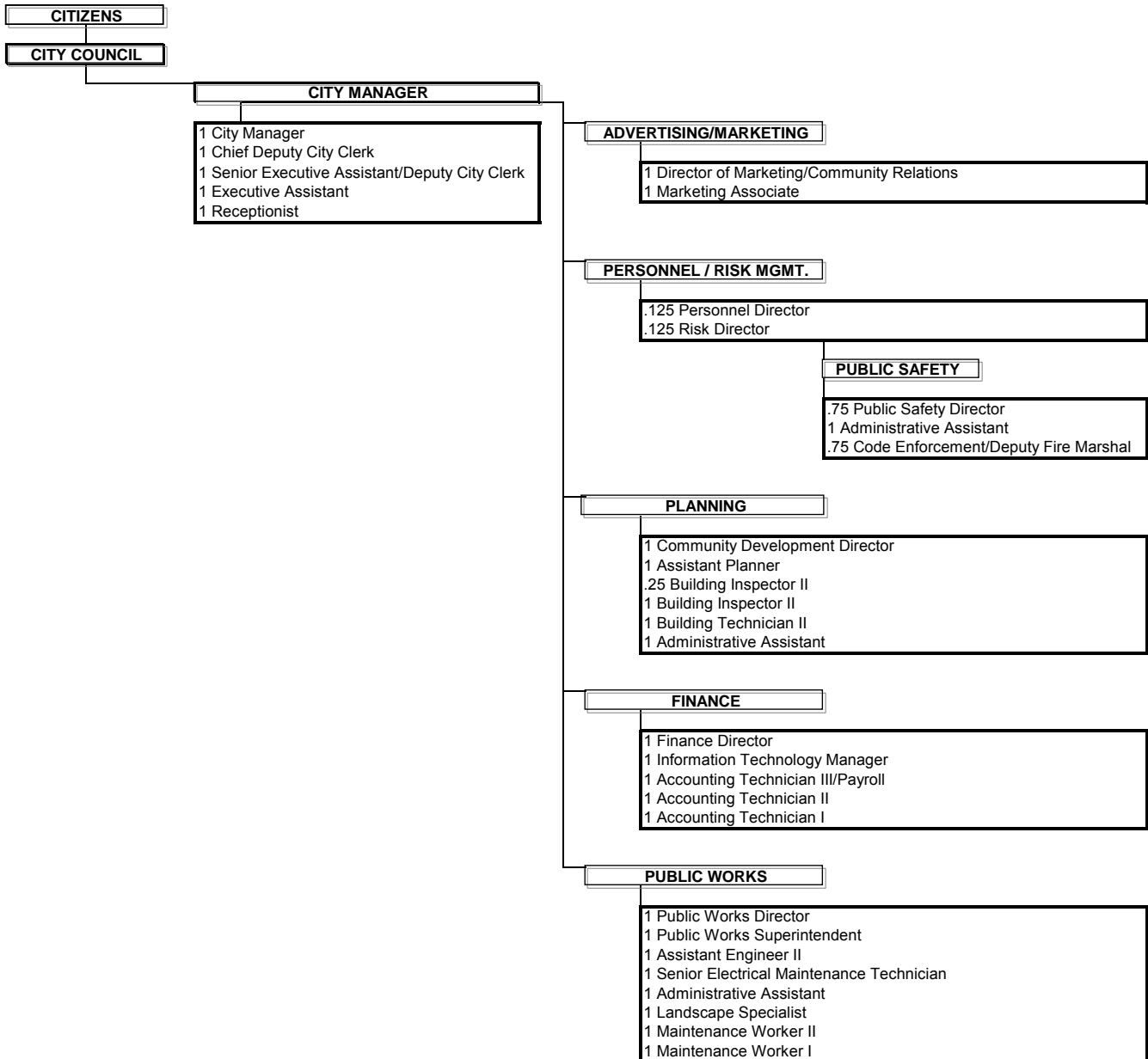
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

**CITY OF INDIAN WELLS
ORGANIZATION CHART**

JUNE 30, 2013



CITY OF INDIAN WELLS

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2013

Council – Manager Form of Government

City Council

Mary T. Roche
Mayor

Ted J. Mertens
Mayor Pro Tem

Ty Peabody
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-Samuels, Marketing/Public Relations Director
Ken Seumalo, Public Works Director
Mel Windsor, Personnel/Risk Management Director

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, 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, 2013, 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.

Auditors' 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, each major fund, and the aggregate remaining fund information of the City of Indian Wells, California, as of June 30, 2013, and, the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 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.



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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, 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 City's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
November 25, 2013

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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 financial activities for the fiscal year ended June 30, 2013. The Management Discussion and Analysis (commonly referred to as the MD&A) is intended to provide the reader of the 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-xi, and the accompanying basic financial statements, which can be found on pages 21-22 of the report.

Financial Highlights

- The City's assets exceeded liabilities by \$314.0 million at the close of the most recent fiscal year. Of the total net position, \$250.6 million represents net investment in capital assets, \$38.8 million represents unrestricted net position, and \$24.6 million is subject to legal restrictions on their use.
- As a result of this year's activities, total capital assets net of depreciation increased \$43.0 million from \$207.6 million to \$250.6 million. The City acquired \$3.3 million in new capital assets during the fiscal year and retired \$0.6 million. Depreciation expense was \$9.1 million. With the elimination of redevelopment, the Successor Agency of the former Redevelopment Agency transferred approximately \$48.8 million of capital assets (net of depreciation) to City.
- Governmental fund balances ended the year totaling \$60.4 million. Of this amount, \$18.2 million or 30.1% constitutes non-spendable reserves, \$8.8 million or 14.5% are restricted fund balances which are the result of external limitations on spending, \$30.1 million or 49.9% are committed fund balances. The remainder of fund balance is \$3.2 million or 5.4% which represents unassigned fund balances.
- At the end of the current fiscal year, the unassigned General Fund Balance comprised \$4.7 million of the total \$8.7 million General Fund Balance. During the fiscal year, the City Council committed \$2.3 million to the emergency reserve. The General Fund's non-spendable assets comprised \$1.7 million in prepaid costs.
- At year-end, the City had just \$1.0 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 themselves.

Government-wide financial statements - The Government-wide Financial Statements are intended to provide a "Big Picture" view of the City as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes all of the City's assets (including non-spendable 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. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one should also consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The **Statement of Net Position** presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs

through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation.

The government-wide financial statements include not only the City of Indian Wells itself (known as the *primary government*), but also a legally separate maintenance district for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The City of Indian Wells Fire Access Maintenance District No. 1, although also legally separate, functions for all practical purposes as a department of the City, and therefore have 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 four (4) 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, 2013 and 2012.

Table 1
Statement of Net Position
(in Millions)

	Governmental Activities		
	2013	2012	\$ change
Current and other assets	\$ 67.8	\$ 72.7	\$ (4.9)
Capital assets	250.6	207.6	43.0
Total Assets	318.4	280.3	38.1
Current liabilities	3.4	2.5	0.9
Non-current Liabilities	1.0	0.6	0.4
Total Liabilities	4.4	3.1	1.3
Net Position:			
Net investment in capital assets	250.6	207.6	43.00
Restricted			
Community development project	1.9	1.9	-
Housing	15.8	15.8	
Public safety	5.1	4.9	0.2
Public works	1.8	1.7	0.1
Unrestricted	38.8	45.3	(6.5)
Total Net Postion	\$ 314.0	\$ 277.2	\$ 36.8

The City's assets exceeded liabilities by \$314.0 million at the close of the most recent fiscal year. Of the total net position, \$38.8 million or 12.4% 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 \$24.6 million or 7.8% 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 \$250.6 million which comprises 79.8% of the total net position. These non-spendable 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 \$36.8 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 three departments (Planning, Building, and Housing Authority 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 Golf Resort at Indian Wells 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, 2013 and 2012.

Table 2
Statement of Activities
(in Millions)

	Governmental Activities		
	2013	2012	\$ change
Program Revenues			
Charges for services	\$ 13.1	\$ 13.3	\$ (0.2)
Operating contributions and grants	6.9	4.4	2.5
Capital contributions and grants	1.6	2.8	(1.2)
General revenues:			
Taxes			
Property taxes	2.7	12.9	(10.2)
Transient occupancy taxes	6.3	5.7	0.6
Sales taxes	1.0	1.0	-
Franchise taxes	0.9	0.8	0.1
Other taxes	1.9	4.1	(2.2)
Investment income	2.1	3.8	(1.7)
Other	1.0	0.6	0.4
Extraordinary gain/(loss)	50.1	78.7	(28.6)
Total revenues	<u>\$ 87.6</u>	<u>\$ 128.1</u>	<u>(40.5)</u>
Expenses			
General government	8.2	7.6	0.6
Public safety	7.4	7.4	-
Community development	11.8	9.5	2.3
Public works	11.0	7.0	4.0
Golf resort	12.1	12.7	(0.6)
Interest Expense	0.0	2.0	(2.0)
Total expenses	<u>\$ 50.5</u>	<u>\$ 46.2</u>	<u>4.3</u>
Change in Net Position	<u>\$ 37.1</u>	<u>\$ 81.9</u>	<u>(44.8)</u>

Revenues:

- The City collected \$87.6 during fiscal year 2012/13 compared to \$128.1 million the year before. Readers need to be aware that variations in revenue collections during fiscal year 2012/13 and in fiscal year 2011/12 are primarily due to the impact of the elimination of California redevelopment. Much of the revenue variation was caused by the transfer of redevelopment assets to the City and the elimination of tax increment revenues during the dissolution.
- The City collected \$12.8 million in general taxes during fiscal year 2012/13 representing a decrease of \$10.2 million compared to the prior year. This variation is primarily due to elimination of tax increment revenues of the former Redevelopment Agency.

- The City received \$13.1 million in charges for services revenues during fiscal year 2012/13. The City's Golf Resort operations Fund is the largest revenue generator in the category generating \$12.1 million during the fiscal year.
- The City received \$6.9 million in operating contributions and grants consistent with the prior year's collections.
- City Officials continue to maintain an aggressive capital grant program, receiving \$1.6 million in capital contributions and grants.

Expenses:

In the current year, expenses for all governmental activities totaled \$50.5 million, reflecting an increase of \$4.3 million (9.31%) from the prior year. Changes in expenses compared to the prior year financials can be attributed to the following factors:

- General Government expenses increased \$0.6 million (7.9%) when compared to the prior year. Approximately \$0.4 million was due to increasing costs of services. The remaining \$0.2 million was due to additional depreciation expense.
- The cost of Community Development changed significantly with the elimination of redevelopment. Approximately \$4.5 million of depreciation expense was allocated to the Public Works program which decreased the Community Development program. This savings was offset by a \$6.5 million expense to comply with findings made by the State of California brought about by the State's Due Diligence Reviews. The remaining \$0.3 million increase was to additional residential building activity.
- Due to the reallocation of depreciation expense from Community Development to Public Works, expenses increased \$4.0 million (net) compared to the prior fiscal year. A schedule of depreciation expense can be found in Note 6 of the Notes to the Financial Statements.
- The City spent \$7.4 million in Public Safety expenses which remained relatively flat when compared to the prior fiscal year.
- Operational costs at the Golf Resort decreased \$0.6 million compared to the prior fiscal year citing strong budgetary management.
- During fiscal year 2012/13, The City's interest expense was eliminated. With the elimination of redevelopment, the former Redevelopment Agency's Long-term debt obligations were transferred to the Successor Agency and no longer appear on the City's financial statements.

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 *spendable* 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 \$60.4 million as follows:

Fund Balances by Category 2012/13

Category	General Fund	Percent	All Other Funds	Percent	Total Funds	Percent
Nonspendable:						
Inventory	\$ -	0.0%	\$ 613,309	1.2%	\$ 613,309	1.0%
Prepaid costs	352,799	4.1%	83,196	0.2%	435,995	0.7%
Notes	1,339,192	15.4%	15,831,412	30.6%	17,170,604	28.5%
Restricted for:						
Community development	-	0.0%	1,857,642	3.6%	1,857,642	3.1%
Public safety	-	0.0%	5,074,097	9.8%	5,074,097	8.4%
Public works	-	0.0%	1,832,508	3.5%	1,832,508	3.0%
Committed for:						
Emergency Reserve	2,250,000	25.9%	-	0.0%	2,250,000	3.7%
Capital projects	-	0.0%	25,431,121	49.2%	25,431,121	42.1%
Golf Resort	-	0.0%	2,441,139	4.7%	2,441,139	4.0%
Unassigned:	4,744,619	54.6%	(1,499,190)	-2.9%	3,245,429	5.4%
Total Fund Balances	\$ 8,686,610	100.0%	\$ 51,665,234	100.0%	\$ 60,351,844	100.0%

Governmental fund balances ended the year totaling \$60.4 million. Of this amount, \$18.2 million or 30.2% constitutes non-spendable reserves, which means that these reserves must be maintained intact, \$8.8 million or 14.5% are restricted fund balances which are the result of external limitations on spending, \$30.1 million or 49.9% 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 fund balance is \$3.2 million or 5.4% which represents unassigned fund balances or the residual net resources after taking into consideration the other classifications.

The General Fund

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$8.7 million of which \$0.4 million is non-spendable prepaids, \$1.3 million is non-spendable notes and loans, \$2.3 million is committed for Emergency Reserve, and \$4.7 million of unassigned fund balance reported in the General Fund. During fiscal year 2012/13, the City experienced strong economic growth compared to the prior fiscal year. Tourism began to return and residential construction and remodeling resumed. The City's General Fund achieved a \$0.8 million operating surplus of revenues over expenditures primarily due to growth in transient occupancy tax and admissions taxes.

General Fund Financial Summary

	2013	2012	\$ Change	% Change
Revenue				
Taxes	\$ 12,469,666	\$ 11,370,629	\$ 1,099,037	9.7%
License & permit fees	437,537	225,788	211,749	93.8%
Intergovernmental	381,405	382,613	(1,208)	-0.3%
Current service charges	496,987	437,657	59,330	13.6%
Interest income from investments	6,685	380,696	(374,011)	-98.2%
Fines & forfeitures	95,257	139,573	(44,316)	-31.8%
Rental income	44,476	51,344	(6,868)	-13.4%
Other revenues	670,180	57,958	612,222	1056.3%
Total - revenues & sources	14,602,193	13,046,258	1,555,935	11.9%
Expenditures				
General government	7,923,106	5,722,959	2,200,147	38.4%
Public safety	3,208,791	3,228,066	(19,275)	-0.6%
Community development	966,370	972,043	(5,673)	-0.6%
Public works	1,678,828	1,714,319	(35,491)	-2.1%
Total - expenditures & uses	13,777,095	11,637,387	2,139,708	18.4%
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 825,098	\$ 1,408,871	\$ (583,773)	-41.4%

General Fund revenues increased 11.9% during fiscal year 2012/13 compared to the prior year. Total taxes climbed 9.7% with property taxes, transient occupancy taxes and admissions taxes experiencing the lion's share of the growth.

License and permit revenues improved \$211k marking a 93.8% during fiscal year 2012/13. The City issued 774 building permits and performed 3,862 inspections during the fiscal year; a 33.0% and 37.4% increase in activity, respectively.

The variance in the amount of interest income earned in the General Fund during the current fiscal year compared to the previous fiscal year was not due to a change in investing or interest rates themselves but rather a change in General Fund cash reserves. In consideration of the dissolution of redevelopment, during fiscal year 2012/13, the City Council shifted \$26.3 million in General Fund reserves in order to create five capital replacement funds.

General Fund expenses increased a net \$2.1 million during fiscal year 2012/13. As a whole, line item General Fund expenses remained steady or were reduced compared to the prior year.

As previously discussed, the elimination of redevelopment necessitated the need for a new capital replacement funding policy. Along with the creation of six new capital replacement funds, City Council developed an annual funding plan based upon the City's capital replacement needs. During fiscal year 2012/13, the City Council contributed \$1.5 million to capital replacements, \$0.5 million to prefund long-term retirement, and \$0.3 million to begin amortizing tennis stadium naming rights.

See Fund Financial Statements tab page 24-30.

Golf Resort Operations City Fund

Golf operations continued to improve during fiscal year 2012/13. Golf Resort revenues of \$12.0 million were \$0.6 million less than revenues received during 2011/12. Golf Resort Fund expenditures of \$12.1 million were \$0.6 million less than 2012/13 expenditures.

Indian Wells Golf Resort - City Fund				
	2013	2012	\$ Change	% Change
Rounds	\$ 83,773	\$ 83,097	\$ 676	0.8%
Revenues	12,045,912	12,622,671	(576,759)	-4.6%
Expenses	12,088,530	12,714,308	(625,778)	-4.9%
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (42,618)	\$ (91,637)	\$ 49,019	-53.5%

See Fund Financial Statements tab page 24-30.

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	
	2013	2012	2013	2012
General government	\$ 8.2	\$ 7.6	\$ (6.2)	\$ (7.1)
Public safety	7.4	7.4	(3.2)	(5.5)
Community development	11.8	9.5	(10.9)	(8.9)
Public works	11.0	7.0	(8.6)	(1.9)
Golf Resort	12.1	12.7	-	(0.2)
Interest expense	0.0	2.0	-	(2.0)
Totals	\$ 50.5	\$ 46.2	\$ (28.9)	\$ (25.6)

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 22 for further detail.

General Fund Budgetary Highlights

Revenues continued to outpace budgeted expectations during fiscal year 2012/13. Actual expenditures were less in all categories when compared to budgeted expectations. Notwithstanding normal operations, variances to the budget did occur due to the dissolution of redevelopment in the State.

During fiscal year 2012/13, the City completed the necessary financial transactions to close the redevelopment agency and receive its "Finding of Completion" from the State of California. To receive the "Finding of Completion" the City complied with the findings made by the State of California brought about by the State's Due Diligence Reviews. To comply, the City Council transferred in \$6.4 million from a capital reserve fund into the General Fund and then transferred out \$7.5 million to the Housing Authority and Successor Agency Fund.

Capital Assets

Details of the City's capital assets can be found in Note 6 Capital Assets on page 50 of the Notes to Basic Financial Statements.

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

	Balance at July 1, 2012	Transfers	Additions	Retirements	Transfer from Successor Agency	Balance at June 30, 2013
Capital assets, not being depreciated:						
Land	\$ 61.8	\$ -	\$ -	\$ -	\$ -	\$ 61.8
Construction in progress	1.0	-	0.2	-	-	1.2
Total capital assets not being depreciated	62.8	-	0.2	-	-	63.0
Capital assets, being depreciated:						
Intangible	-	-	2.5	-	-	2.5
Buildings and improvements	144.6	-	-	(0.2)	-	144.4
Equipment	6.6	-	0.1	(0.4)	-	6.3
Infrastructure	49.1	-	0.5	-	54.5	104.1
Total capital assets being depreciated	200.3	-	3.1	(0.6)	54.5	257.3
Less accumulated depreciation for:						
Intangible	-	-	(0.1)	-	-	(0.1)
Buildings and improvements	(36.9)	-	(6.4)	0.2	-	(43.1)
Equipment	(4.9)	-	(0.6)	0.4	-	(5.1)
Infrastructure	(13.7)	-	(2.1)	-	(5.7)	(21.5)
Total accumulated depreciation	(55.5)	-	(9.1)	0.6	(5.7)	(69.7)
Total capital assets being depreciated, net	144.8	-	(6.0)	-	48.8	187.6
Total capital assets, net	\$ 207.6	\$ -	\$ (5.8)	\$ -	\$ 48.8	\$ 250.6

The City of Indian Wells' net investment in capital assets amounted to \$250.6 million at June 30, 2013. 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), and public water, mountain trails, and sewer, electricity, gas and cable utilities maintained by others.

The City acquired \$3.3 million in new capital assets during the fiscal year and retired \$0.6 million. During fiscal year 2012/13, the City added intangible assets to its capital list by spending \$2.5 million to extend the naming rights at the Indian Wells Tennis Gardens. The City spent \$0.5 million during the fiscal year to complete roadway improvements on Highway 111, along Fred Waring Drive, and complete a Rule 20A utility undergrounding project. Finally, the City spent \$0.1 million on Public Works and Public Safety standard fleet rotations. With the elimination of redevelopment, the Successor Agency of the former Redevelopment Agency transferred approximately \$48.8 million of capital assets (net of depreciation) to City.

Long-term Debt

At year-end, the City had just \$1.0 million in compensated absences and other liabilities outstanding, as shown in Table 5 below.

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

Description	Balance at 6/30/2012	Additions	Reductions	Balance at 6/30/2013	Due Within One Year
Other liabilities:					
Compensated absences	\$ 0.4	\$ 0.3	\$ (0.3)	\$ 0.4	\$ 0.3
CJPIA Retrospective Deposit	0.5	0.1		0.6	0.6
Total long-term liabilities	<u>\$ 0.9</u>	<u>\$ 0.4</u>	<u>\$ (0.3)</u>	<u>\$ 1.0</u>	<u>\$ 0.9</u>

Details of the Agency's outstanding debt can be found in Note 7 Long Term Liabilities on pages 51-52 of the Notes to Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The City continues to monitor our top tax revenue sources; property tax, transient occupancy tax, sales tax, and admissions tax. Fiscal year 2012/13 ended with General Fund revenues just \$0.8 million over General Fund expenditures. The City has a long standing practice of being fiscally conservative and proactive in its budgetary development.

Indian Wells is not anticipating or forecasting any significant economic recovery to meet expenditure demands in the current budget. Our goal is to manage financial resources to ensure economic vitality and to sustain quality public services. To that end, the development of the City budget incorporates two consistent ideals: preserve quality public services for our residents and achieve long term financial sustainability.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kevin McCarthy, Finance Director, at the City of Indian Wells, 44-950 Eldorado Drive, Indian Wells, California 92210-7497. E-mail address: kmccarthy@indianwells.com

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CITY OF INDIAN WELLS

STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 43,767,351
Receivables:	
Accounts	952,904
Notes and loans	15,831,412
Accrued interest	54,118
Prepaid costs	435,995
Inventories	613,309
Restricted assets:	
Cash with fiscal agent	2,345,539
Due from Successor Agency	1,339,192
Net OPEB asset	2,396,089
Capital assets not being depreciated	62,962,706
Capital assets, net of depreciation	<u>187,630,221</u>
Total Assets	<u>318,328,836</u>
Liabilities:	
Accounts payable	1,778,803
Accrued liabilities	132,868
Unearned revenue	5,000
Deposits payable	1,128,006
Due to other governments	335,415
Noncurrent liabilities:	
Due within one year	307,284
Due in more than one year	<u>666,219</u>
Total Liabilities	<u>4,353,595</u>
Net Position:	
Net investment in capital assets	250,592,927
Restricted for:	
Community development projects	1,857,642
Housing	15,831,412
Public safety	5,074,097
Public works	1,832,508
Unrestricted	<u>38,786,655</u>
Total Net Position	<u>\$ 313,975,241</u>

CITY OF INDIAN WELLS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

	Program Revenues				Governmental Activities
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 8,151,220	\$ 88,959	\$ 381,405	\$ 1,450,000	\$ (6,230,856)
Public safety	7,413,099	7,900	4,211,296	-	(3,193,903)
Community development	11,783,596	934,524	-	-	(10,849,072)
Public works	11,050,272	32,978	2,303,057	119,513	(8,594,724)
Golf resort	12,088,530	12,051,307	-	-	(37,223)
Total Governmental Activities	\$ 50,486,717	\$ 13,115,668	\$ 6,895,758	\$ 1,569,513	(28,905,778)

General Revenues:

Taxes:		
Property taxes, levied for general purpose		2,689,149
Transient occupancy taxes		6,341,825
Sales taxes		945,359
Franchise taxes		860,303
Business licenses taxes		97,822
Admission taxes		1,816,400
Use of money and property		2,046,935
Other		1,078,031
Extraordinary gain/(loss)		50,106,718
Total General Revenues and Extraordinary Items		65,982,542
Change in Net Position		37,076,764
Net Position at Beginning of Year		277,233,892
Restatement of Net Position		(335,415)
Net Position, as Restated		276,898,477
Net Position at End of Year		\$ 313,975,241

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CITY OF INDIAN WELLS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Golf Resort Operations</u>	<u>Housing Authority</u>
Assets:			
Cash and investments	\$ 6,556,128	\$ 2,066,637	\$ -
Receivables:			
Accounts	650,393	56,010	-
Notes	-	-	15,831,412
Accrued interest	19,301	-	-
Prepaid costs	352,799	83,196	-
Due from other funds	1,497,059	-	-
Inventories	-	613,309	-
Restricted assets:			
Cash and investments with fiscal agents	-	1,023,732	-
Due from Successor Agency	1,339,192	-	-
Total Assets	<u>\$ 10,414,872</u>	<u>\$ 3,842,884</u>	<u>\$ 15,831,412</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 553,450	\$ 705,240	\$ -
Accrued liabilities	126,223	-	-
Unearned revenues	-	-	-
Deposits payable	1,048,589	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total Liabilities	<u>1,728,262</u>	<u>705,240</u>	<u>-</u>
Fund Balances:			
Nonspendable:			
Inventory	-	613,309	-
Prepaid costs	352,799	83,196	-
Notes and loans	1,339,192	-	15,831,412
Restricted for:			
Community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
Committed to:			
Capital Projects	-	-	-
Emergency reserve	2,250,000	-	-
Golf Resort	-	2,441,139	-
Unassigned	<u>4,744,619</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>8,686,610</u>	<u>3,137,644</u>	<u>15,831,412</u>
Total Liabilities and Fund Balances	<u>\$ 10,414,872</u>	<u>\$ 3,842,884</u>	<u>\$ 15,831,412</u>

CITY OF INDIAN WELLS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

(Continued)

	Capital Projects Funds		
	Park Facilities In Lieu	Capital Improvements	Infrastructure
Assets:			
Cash and investments	\$ -	\$ 8,732,334	\$ 6,898,951
Receivables:			
Accounts	-	19,340	13,279
Notes	-	-	-
Accrued interest	-	16,807	-
Prepaid costs	-	-	-
Due from other funds	-	3,732	-
Inventories	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Due from Successor Agency	-	-	-
Total Assets	\$ -	\$ 8,772,213	\$ 6,912,230
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 223,197	\$ -
Accrued liabilities	-	-	-
Unearned revenues	-	-	-
Deposits payable	-	-	-
Due to other governments	-	335,415	-
Due to other funds	1,465,135	-	-
Total Liabilities	1,465,135	558,612	-
Fund Balances:			
Nonspendable:			
Inventory	-	-	-
Prepaid costs	-	-	-
Notes and loans	-	-	-
Restricted for:			
Community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
Committed to:			
Capital Projects	-	8,213,601	6,912,230
Emergency reserve	-	-	-
Golf Resort	-	-	-
Unassigned	(1,465,135)	-	-
Total Fund Balances	(1,465,135)	8,213,601	6,912,230
Total Liabilities and Fund Balances	\$ -	\$ 8,772,213	\$ 6,912,230

CITY OF INDIAN WELLS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 17,908,034	\$ 42,162,084
Receivables:		
Accounts	213,882	952,904
Notes	-	15,831,412
Accrued interest	15,393	51,501
Prepaid costs	-	435,995
Due from other funds	-	1,500,791
Inventories	-	613,309
Restricted assets:		
Cash and investments with fiscal agents	1,321,807	2,345,539
Due from Successor Agency	-	1,339,192
Total Assets	\$ 19,459,116	\$ 65,232,727
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 296,916	\$ 1,778,803
Accrued liabilities	6,645	132,868
Unearned revenues	5,000	5,000
Deposits payable	79,417	1,128,006
Due to other governments	-	335,415
Due to other funds	35,656	1,500,791
Total Liabilities	423,634	4,880,883
Fund Balances:		
Nonspendable:		
Inventory	-	613,309
Prepaid costs	-	435,995
Notes and loans	-	17,170,604
Restricted for:		
Community development	1,857,642	1,857,642
Public safety	5,074,097	5,074,097
Public works	1,832,508	1,832,508
Committed to:		
Capital Projects	10,305,290	25,431,121
Emergency reserve	-	2,250,000
Golf Resort	-	2,441,139
Unassigned	(34,055)	3,245,429
Total Fund Balances	19,035,482	60,351,844
Total Liabilities and Fund Balances	\$ 19,459,116	\$ 65,232,727

CITY OF INDIAN WELLS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2013**

Fund balances of governmental funds	\$ 60,351,844
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.	250,592,927
Compensated absences have not been included in the governmental fund activity.	(364,354)
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>3,394,824</u>
Net Position of governmental activities	<u><u>\$ 313,975,241</u></u>

CITY OF INDIAN WELLS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds		
	General	Golf Resort Operations	Housing Authority
Revenues:			
Taxes	\$ 12,469,666	\$ -	\$ -
Licenses and permits	437,537	-	-
Intergovernmental	381,405	-	-
Contribution from property owners	-	-	-
Charges for services	496,987	12,051,307	-
Investment income	6,685	(17,395)	-
Fines and forfeitures	95,257	-	-
Rental Income	44,476	12,000	-
Assessments	-	-	-
Developer fees	-	-	-
Other revenue	670,180	-	-
Total Revenues	14,602,193	12,045,912	-
Expenditures:			
Current:			
General government	7,923,106	-	-
Public safety	3,208,791	-	-
Community development	966,370	-	-
Parks and recreation	-	-	-
Public works	1,678,828	-	-
Golf resort	-	12,088,530	-
Capital outlay	-	-	-
Total Expenditures	13,777,095	12,088,530	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	825,098	(42,618)	-
Other Financing Sources (Uses):			
Transfers in	6,400,000	-	-
Transfers out	(73,511)	-	-
Contributions to other governments	(7,522,110)	-	-
Total Other Financing Sources (Uses)	(1,195,621)	-	-
Extraordinary gain/(loss)	1,339,192	-	-
Net Change in Fund Balances	968,669	(42,618)	-
Fund Balances, Beginning of Year, as previously reported	7,717,941	3,180,262	15,831,412
Restatements	-	-	-
Fund Balances, Beginning of Year, as restated	7,717,941	3,180,262	15,831,412
Fund Balances, End of Year	\$ 8,686,610	\$ 3,137,644	\$ 15,831,412

CITY OF INDIAN WELLS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(Continued)

	Capital Projects Funds		
	Park Facilities In Lieu	Capital Improvements	Infrastructure
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Contribution from property owners	-	-	-
Charges for services	-	-	-
Investment income	182	41,751	30,061
Fines and forfeitures	-	-	-
Rental Income	-	-	-
Assessments	-	-	-
Developer fees	37,376	-	-
Other revenue	-	13,542	-
Total Revenues	37,558	55,293	30,061
Expenditures:			
Current:			
General government	-	73,485	-
Public safety	-	-	-
Community development	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Golf resort	-	-	-
Capital outlay	-	668,320	-
Total Expenditures	-	741,805	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,558	(686,512)	30,061
Other Financing Sources (Uses):			
Transfers in	-	113,510	-
Transfers out	-	-	-
Contributions to other governments	-	-	-
Total Other Financing Sources (Uses)	-	113,510	-
Extraordinary gain/(loss)	-	-	-
Net Change in Fund Balances	37,558	(573,002)	30,061
Fund Balances, Beginning of Year, as previously reported	(1,502,693)	9,122,018	6,882,169
Restatements	-	(335,415)	-
Fund Balances, Beginning of Year, as restated	(1,502,693)	8,786,603	6,882,169
Fund Balances, End of Year	\$ (1,465,135)	\$ 8,213,601	\$ 6,912,230

CITY OF INDIAN WELLS

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 2,566,546	\$ 15,036,212
Licenses and permits	1,602	439,139
Intergovernmental	482,179	863,584
Contribution from property owners	1,450,000	1,450,000
Charges for services	-	12,548,294
Investment income	339,323	400,607
Fines and forfeitures	32,978	128,235
Rental Income	1,576,560	1,633,036
Assessments	3,643,882	3,643,882
Developer fees	185,075	222,451
Other revenue	394,309	1,078,031
Total Revenues	10,672,454	37,443,471
Expenditures:		
Current:		
General government	-	7,996,591
Public safety	3,046	3,211,837
Community development	4,142,727	5,109,097
Parks and recreation	1,920,320	1,920,320
Public works	-	1,678,828
Golf resort	2,188,055	14,276,585
Capital outlay	2,662,190	3,330,510
Total Expenditures	10,916,338	37,523,768
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,884)	(80,297)
Other Financing Sources (Uses):		
Transfers in	73,511	6,587,021
Transfers out	(6,643,280)	(6,716,791)
Contributions to other governments	-	(7,522,110)
Total Other Financing Sources (Uses)	(6,569,769)	(7,651,880)
Extraordinary gain/(loss)	-	1,339,192
Net Change in Fund Balances	(6,813,653)	(6,392,985)
Fund Balances, Beginning of Year, as previously reported	25,849,135	67,080,244
Restatements	-	(335,415)
Fund Balances, Beginning of Year, as restated	25,849,135	66,744,829
Fund Balances, End of Year	\$ 19,035,482	\$ 60,351,844

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, 2013**

Net change in fund balances - total governmental funds \$ (6,392,985)

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	\$ 3,287,951	
Depreciation expense	(9,073,310)	
Contributed capital assets from Successor Agency	48,767,526	
Loss on disposal	<u>(11,217)</u>	42,970,950

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. 1,789

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. 497,010

Change in net position of governmental activities \$ 37,076,764

CITY OF INDIAN WELLS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013

	<u>Governmental Activities- Internal Service Funds</u>
Assets:	
Current:	
Cash and investments	\$ 1,605,267
Receivables:	
Accrued interest	<u>2,617</u>
Total Current Assets	<u>1,607,884</u>
Noncurrent:	
Net OPEB asset	<u>2,396,089</u>
Total Noncurrent Assets	<u>2,396,089</u>
Total Assets	<u>\$ 4,003,973</u>
Liabilities and Net Position:	
Liabilities:	
Noncurrent:	
General liability cumulative deposit	<u>\$ 609,149</u>
Total Noncurrent Liabilities	<u>609,149</u>
Total Liabilities	609,149
Net Position:	
Unrestricted	<u>3,394,824</u>
Total Net Position	<u>3,394,824</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 4,003,973</u>

CITY OF INDIAN WELLS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues:	
Interdepartmental charges	\$ 800,000
Total Operating Revenues	<u>800,000</u>
Operating Expenses:	
Administration and general	261,548
Claims expense	184,504
Total Operating Expenses	<u>446,052</u>
Operating Income (Loss)	<u>353,948</u>
Nonoperating Revenues (Expenses):	
Interest revenue	<u>13,292</u>
Total Nonoperating Revenues (Expenses)	<u>13,292</u>
Income (Loss) Before Transfers	367,240
Transfers in	<u>129,770</u>
Changes in Net Position	<u>497,010</u>
Net Position:	
Beginning of Year	<u>2,897,814</u>
End of Fiscal Year	<u><u>\$ 3,394,824</u></u>

CITY OF INDIAN WELLS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash received from/(paid to) interfund service provided	\$ 800,000
Cash paid to suppliers for goods and services	<u>(1,677,216)</u>
Net Cash Provided (Used) by Operating Activities	<u>(877,216)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash transfers in	<u>129,770</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>129,770</u>
Cash Flows from Investing Activities:	
Interest received	<u>14,586</u>
Net Cash Provided (Used) by Investing Activities	<u>14,586</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(732,860)
Cash and Cash Equivalents at Beginning of Year	<u>2,338,127</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,605,267</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>\$ 353,948</u>
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
(Increase) decrease in OPEB asset	(1,325,800)
(Increase) decrease in workers' compensation cumulative deposit receivable	40,465
Increase (decrease) in accrued liabilities	(24,868)
Increase (decrease) in general liability cumulative deposit payable	79,039
Total Adjustments	<u>(1,231,164)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (877,216)</u>

CITY OF INDIAN WELLS

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2013

	Private-Purpose Trust Fund Successor Agency of the Former RDA
Assets:	
Cash and investments	\$ 8,822,905
Receivables:	
Accrued interest	16,957
Restricted assets:	
Cash and investments with fiscal agents	<u>788,718</u>
Total Assets	<u>\$ 9,628,580</u>
Liabilities:	
Accounts payable	\$ 801
Accrued interest	1,831,053
Due to City	1,339,192
Long-term liabilities:	
Due in one year	4,835,000
Due in more than one year	<u>126,927,012</u>
Total Liabilities	<u>\$ 134,933,058</u>
Net Position:	
Held in trust for other purposes	<u>\$ (125,304,478)</u>
Total Net Position	<u>\$ (125,304,478)</u>

CITY OF INDIAN WELLS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2013

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 13,210,011
Interest and change in fair value of investments	(174,188)
Contributions from City	<u>7,522,110</u>
Total Additions	<u>20,557,933</u>
Deductions:	
Administrative expenses	414,768
Interest expense	5,555,978
Contributions to other governments	<u>6,492,838</u>
Total Deductions	<u>12,463,584</u>
Extraordinary gain/(loss)	(50,106,718)
Changes in Net Position	(42,012,369)
Net Position - Beginning of the Year	<u>(81,116,968)</u>
Restatements	<u>(2,175,141)</u>
Beginning of Fiscal Year, as restated	<u>(83,292,109)</u>
Net Position - End of the Year	<u>\$ (125,304,478)</u>

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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. 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.

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 has no items that qualify for reporting in this category.

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.

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.

m. Restatement of Net Position

The City implemented GASB Statement 65 (Items Previously Reported as Assets and Liabilities). GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactive and therefore the City has reported a restatement of beginning net position for unamortized debt issuance costs (deferred charges) previously reported on the statement of fiduciary net position to conform.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

Note 2: Cash and Investments

Cash and investments at June 30, 2013, are classified in the accompanying financial statements as follows:

	Governmental Activities	Fiduciary Activities	Total
Cash and investments	\$ 43,767,351	\$ 8,822,905	\$ 52,590,256
Restricted assets:			
Cash and investments with fiscal agent	2,345,539	788,718	3,134,257
	<u>\$ 46,112,890</u>	<u>\$ 9,611,623</u>	<u>\$ 55,724,513</u>

Cash and investments at June 30, 2013 consisted of the following:

Demand accounts	\$ (702,628)
Petty cash	1,400
Investments	<u>56,425,741</u>
Total cash and investments	<u>\$ 55,724,513</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
Certificates of Deposits and Negotiable			single issue
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

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 2: Cash and Investments (Continued)

Investments Authorized by Debt Agreements:

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

Disclosures Relating to Interest Rate Risk:

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

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

Investment Type	Remaining Maturity (in Months)			Total
	12 Months or Less	13-24 Months	25-60 Months	
Federal Agency Securities	\$ -	\$ 2,007,900	\$ 21,456,939	\$ 23,464,839
Negotiable Certificate of Deposit	500,298	754,263	1,499,986	2,754,547
Local Agency Investment Funds	17,948,844	-	-	17,948,844
Medium Term Notes	1,043,080	3,079,360	3,973,130	8,095,570
Money Market Mutual Funds	20,804	-	-	20,804
School District Bonds	1,006,880	-	-	1,006,880
Held by a Bond Trustee:				
Money Market Mutual Funds	3,134,257	-	-	3,134,257
	<u>\$ 23,654,163</u>	<u>\$ 5,841,523</u>	<u>\$ 26,930,055</u>	<u>\$ 56,425,741</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, 2013**

Note 2: Cash and Investments (Continued)

Investment Type	Total as of June 30, 2013	Minimum Legal Rating*	Not Rated	AAA	AA+	AA	A
U.S. Treasury Bills, Bonds, and Notes	\$ -	n/a	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agency Securities	23,464,839	AAA	-	23,464,839	-	-	-
Negotiable Certificate of Deposit	2,754,547	n/a	2,754,547	-	-	-	-
Local Agency Investment Funds	17,948,844	n/a	17,948,844	-	-	-	-
Medium Term Notes	8,095,570	A	-	-	-	8,095,570	-
Money Market Mutual Funds	20,804	A	-	-	-	-	20,804
School District Bonds	1,006,880	n/a	1,006,880	-	-	-	-
Held by a Bond Trustee:							
Money Market Mutual Funds	3,134,257	A	-	-	-	-	3,134,257
Total	\$ 56,425,741		\$ 21,710,271	\$ 23,464,839	\$ -	\$ 8,095,570	\$ 3,155,061

*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	\$ 10,756,657	19%
Federal Home Loan Mortgage Corp.	Federal Agency Securities	3,906,240	10%
Federal Farm Credit Bank	Federal Agency Securities	3,864,400	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, 2013

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, 2013, are composed of the following:

	Other Receivable	Taxes Receivable	Total
General	\$ 167,948	\$ 482,445	\$ 650,393
Golf Resort Operations	56,010	-	56,010
Capital Improvements	19,340	-	19,340
Infrastructure	13,279	-	13,279
Nonmajor Governmental Funds	213,882	-	213,882
Total	<u>\$ 470,459</u>	<u>\$ 482,445</u>	<u>\$ 952,904</u>

Note 4: Notes Receivable

	Outstanding at June 30, 2013
Miles Crossing Retail, LLC Phase 1: Commercial Property	\$ 2,292,406
Miles Crossing Retail, LLC Phase 2: Commercial Property	2,024,233
Successor Agency SERAF Loan	11,514,773
Total	<u>\$ 15,831,412</u>

The notes for Miles Crossing Retail, LLC are for the sale of property. The notes bear interest at a rate equal to the portfolio rate of the City of Indian Wells plus two and one-half percent, compounded annually and payable in full by a balloon payment of principal and interest due no later than July 7, 2013. This Note is secured by a Deed of Trust encumbering real property as described in the Deed of Trust.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 4: Notes Receivable (Continued)

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, 2013 are as follows:

Transfer Out of Fund	Transfer In to Fund	Amount
General Fund	Non-major Governmental Funds	\$ 73,511
Non-major Governmental Funds	Internal Service Funds	129,770
Non-major Governmental Funds	Capital Improvement Fund	113,510
Non-major Governmental Funds	General Fund	6,400,000
		<u>\$ 6,716,791</u>

The General Fund transferred \$73,511 to Nonmajor Governmental Funds to fund operating costs for the current year.

The Non-major Governmental Funds transferred \$129,770 to the Internal Service Funds to prefund on-going other postretirement benefit costs.

The Non-major Governmental Funds transferred \$113,510 to the Capital Improvement Fund to fund its share of an infrastructure improvement.

The Non-major Governmental Funds transferred \$6,400,000 to the General Fund to unwind previous year's sale of housing covenants predicated upon the dissolution of redevelopment.

CITY OF INDIAN WELLS

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Transfers	Additions	Retirements	Transfer from Successor Agency *	Balance at June 30, 2013
Capital assets, not being depreciated:						
Land	\$ 61,830,983	\$ -	\$ -	\$ -	\$ -	\$ 61,830,983
Construction in progress	962,371	-	169,352	-	-	1,131,723
Total capital assets not being depreciated	<u>62,793,354</u>	<u>-</u>	<u>169,352</u>	<u>-</u>	<u>-</u>	<u>62,962,706</u>
Capital assets, being depreciated:						
Intangible	-	-	2,500,000	-	-	2,500,000
Buildings and improvements	144,628,433	-	33,070	(205,143)	-	144,456,360
Equipment	6,622,789	-	134,437	(419,371)	-	6,337,855
Infrastructure	49,063,878	-	451,092	-	54,514,425	104,029,395
Total capital assets being depreciated	<u>200,315,100</u>	<u>-</u>	<u>3,118,599</u>	<u>(624,514)</u>	<u>54,514,425</u>	<u>257,323,610</u>
Less accumulated depreciation for:						
Intangible	-	-	125,000	-	-	125,000
Buildings and improvements	36,951,768	-	6,361,971	(205,143)	-	43,108,596
Equipment	4,888,282	-	547,310	(408,154)	-	5,027,438
Infrastructure	13,646,427	-	2,039,029	-	5,746,899	21,432,355
Total accumulated depreciation	<u>55,486,477</u>	<u>-</u>	<u>9,073,310</u>	<u>(613,297)</u>	<u>5,746,899</u>	<u>69,693,389</u>
Total capital assets being depreciated, net	<u>144,828,623</u>	<u>-</u>	<u>(5,954,711)</u>	<u>(11,217)</u>	<u>48,767,526</u>	<u>187,630,221</u>
Total capital assets, net	<u>\$ 207,621,977</u>	<u>\$ -</u>	<u>\$ (5,785,359)</u>	<u>\$ (11,217)</u>	<u>\$ 48,767,526</u>	<u>\$ 250,592,927</u>

*The Oversight Board of the Successor Agency contributed public use assets to the City. See Note 17 for additional information.

Depreciation Expense:

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

Governmental Activities	
General Government	\$ 303,938
Community Development	1,428,156
Public Safety	86,536
Public Works	7,254,680
Total Governmental Activities	<u>\$9,073,310</u>

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7: Long-Term Liabilities

The changes in long-term liabilities for the year ended June 30, 2013, were as follows:

	Balance at July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Other liabilities:					
Compensated absences	\$ 366,143	\$ 307,004	\$ 308,793	\$ 364,354	\$ 307,284
General liability retrospective deposit payable	530,110	79,039	-	609,149	-
Total long-term liabilities	\$ 896,253	\$ 386,043	\$ 308,793	\$ 973,503	\$ 307,284

Compensated Absences:

The City's policies relating to compensated absences are described in Note 1. This liability amounting to \$364,354 at June 30, 2013, 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, 2013, had a retrospective deposit due of \$609,149.

Optional Payment Plans

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

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

Retrospective Balances will Change Annually

Retrospective balances will change with each annual computation during the payment deferral period. Member balances may increase or decrease as a result of the most recent year's claim development. Accordingly, some members who chose to pay off their balance in full may be required to pay additional retrospective deposits in the future based on the

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 7: Long-Term Liabilities (Continued)

outcome of actual claim development reflected in subsequent retrospective deposit computations. Conversely, if claim development is favorable then subsequent retrospective adjustments could potentially result in refunds to the member.

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

Note 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, 2013, is 16.188% 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, 2013, was \$550,546 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, 2013, and the two previous year are as follows:

<u>Fiscal Year</u>	<u>Contribution</u>	<u>Contributed</u>
6/30/2011	\$ 750,701	100%
6/30/2012	645,474	100%
6/30/2013	550,546	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 \$2,485,008 compared with a total payroll of \$2,906,218 for the fiscal year ended June 30, 2013.

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 \$62,126.

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.

Funding Policy:

During the 2010-2011 fiscal year the City joined the CalPERS medical program. 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, 2013

Note 11: Post Employment Benefit Plan (Continued)

	2013	2012
Annual required contribution (ARC)	\$ 226,843	\$ 679,185
Interest on net OPEB obligation	(74,920)	(19,638)
Adjustment to ARC	<u>109,625</u>	<u>27,890</u>
Annual OPEB cost	261,548	687,437
Contributions made	<u>(1,587,348)</u>	<u>(1,477,183)</u>
(Decrease) increase in net OPEB obligation	(1,325,800)	(789,746)
Net OPEB obligation (asset) - beginning of year	<u>(1,070,289)</u>	<u>(280,543)</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (2,396,089)</u></u>	<u><u>\$ (1,070,289)</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB (obligation) asset for 2012-2013 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2011	\$ 678,839	143.23%	\$ (280,543)
6/30/2012	687,437	214.88%	(1,070,289)
6/30/2013	261,548	606.91%	(2,396,089)

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 122 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 up to \$50 million are covered through 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 \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

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.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

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 \$86,356,941. 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 2012-13.

Note 13: Other Required Disclosures

Expenditures in Excess of Appropriations:

The following department reported expenditures in excess of appropriations:

General Fund	
General government - City attorney	\$ 18,318

Deficit Fund Balance:

The following funds reported a deficit fund balance at June 30, 2013:

Park Facilities In Lieu Capital Projects Fund	\$ 1,465,135
South Coast AQMD Vehicle Registration Special Revenue Fund	2,141
Hwy 111 Circulation Improvement Capital Projects Fund	31,914
Successor Agency of the Former RDA Private Purpose Trust Fund	125,304,478

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

Note 13: Other Required Disclosures (Continued)

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 South Coast AQMD Vehicle Registration Special Revenue Fund will be eliminated through the collection of vehicle registration fees from the State of California to repay the outstanding loan to the City's General Fund and eliminate the deficit. This deficit balance is temporary although it will take several years expunge.

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

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

Note 14: Net Position and Fund Balance Restatement

Beginning fund balance and net assets have been restated as follows:

Governmental Funds

Capital Improvements Fund	
To record the CVAG liability in prior periods.	<u>\$ (335,415)</u>

Fiduciary Funds

Successor Agency of the Former RDA	
To expense the deferred cost of issuance relating to the issuance of debt in the period that the debt was issued, as in accordance with newly implemented GASB 65.	<u>(2,175,141)</u>

<u>Total Restatements</u>	<u><u>\$ (2,510,556)</u></u>
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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.

Note 16: California Redevelopment Agency Dissolution (Continued)

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

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, 2013

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	\$ 8,822,905
Cash and investments with fiscal agent	<u>788,718</u>
	<u>\$ 9,611,623</u>

b. Extraordinary Gain/(Loss)

The extraordinary gain and loss reported in the accompanying financial statements consisted of the following:

The Oversight Board to the Successor Agency approved the transfer of assets held for public use to the City of Indian Wells through Resolution No. OB2012-14 dated December 11, 2012 as directed by the California State Controller in their Asset Transfer Review dated June 17, 2013. (48,767,526)

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)

\$ (50,106,718)

The total of these transfers, \$56,599,556, is reported as an extraordinary loss to the Successor Agency. An extraordinary gain of \$50,106,718 is reported on the Statement of Activities for the City of Indian Wells. The \$6,492,838 is not reported by the City of Indian Wells since this amount was immediately distributed to the State of California as an extraordinary loss, offsetting the gain.

c. Capital Assets

An analysis of capital assets as of June 30, 2013, follows:

	<u>Balance July 1, 2012</u>	<u>Transfer to the City*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Depreciable Assets:					
Infrastructure	\$ 54,514,425	\$ (54,514,425)	\$ -	\$ -	\$ -
Total Capital Assets	54,514,425	(54,514,425)	-	-	-
Less Accumulated Depreciation	<u>(5,746,899)</u>	<u>5,746,899</u>	-	-	-
Capital Assets	<u>\$ 48,767,526</u>	<u>\$ (48,767,526)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See Note 17.b for information on the transfer of assets.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

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.

	July 1, 2012	Additions	Repayments	June 30, 2013	One Year
<u>Project Area 1</u>					
2003 A Tax Allocation Bonds	\$ 8,390,000	\$ -	\$ 595,000	\$ 7,795,000	\$ 620,000
2003 A-T Tax Allocation Bonds	30,990,000	-	2,165,000	28,825,000	2,260,000
2005 Refunding Tax Allocation Bonds	10,560,000	-	795,000	9,765,000	820,000
2006 A Tax Allocation Bonds	63,885,000	-	810,000	63,075,000	845,000
2010A Tax Allocation Bonds	10,625,000	-	280,000	10,345,000	290,000
SERAF Loan	11,514,773	-	-	11,514,773	-
Total	<u>\$ 135,964,773</u>	<u>\$ -</u>	<u>\$ 4,645,000</u>	<u>131,319,773</u>	<u>\$ 4,835,000</u>
Adjustments:					
Unamortized net original issue (discount) or premium				<u>442,239</u>	
Net Long-term Debt				<u>\$ 131,762,012</u>	

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2013, 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. Bonds outstanding at June 30, 2013, were \$7,795,000.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

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
2014	\$ 620,000	\$ 374,250	\$ 994,250
2015	650,000	342,500	992,500
2016	685,000	309,125	994,125
2017	720,000	274,000	994,000
2018	755,000	237,125	992,125
2019 - 2023	4,365,000	566,875	4,931,875
Subtotal	7,795,000	2,103,875	9,898,875
Add deferred amounts:			
Bond Premium	442,239	-	442,239
	<u>\$ 8,237,239</u>	<u>\$ 2,103,875</u>	<u>\$ 10,341,114</u>

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, 2002 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%. At June 30, 2013, bonds outstanding were \$28,825,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 2,260,000	\$ 1,501,073	\$ 3,761,073
2015	2,365,000	1,385,885	3,750,885
2016	2,495,000	1,253,207	3,748,207
2017	2,630,000	1,113,294	3,743,294
2018	2,770,000	965,874	3,735,874
2019-2023	16,305,000	2,319,818	18,624,818
	<u>\$ 28,825,000</u>	<u>\$ 8,539,151</u>	<u>\$ 37,364,151</u>

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2013

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

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, 2013, were \$9,765,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 820,000	\$ 373,521	\$ 1,193,521
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
2019-2023	5,350,000	583,600	5,933,600
Subtotal	9,765,000	2,136,636	11,901,636
Add deferred amounts:			
Bond premium	29,257	-	29,257
	<u>\$ 9,794,257</u>	<u>\$ 2,136,636</u>	<u>\$ 11,930,893</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013
Note 17: Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)
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, 2013, were \$63,075,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 845,000	\$ 2,737,269	\$ 3,582,269
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
2019-2023	5,550,000	12,322,494	17,872,494
2024-2028	18,845,000	9,826,853	28,671,853
2029-2033	23,280,000	5,276,000	28,556,000
2034-2038	10,850,000	521,550	11,371,550
Subtotal	63,075,000	41,276,342	104,351,342
Add deferred amounts:			
Bond premium	43,468	-	43,468
	\$ 63,118,468	\$ 41,276,342	\$ 104,394,810

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

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

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

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, 2013, were \$10,345,000.

Future debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 290,000	\$ 479,946	\$ 769,946
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 - 2023	1,925,000	1,921,243	3,846,243
2024 - 2028	2,390,000	1,437,216	3,827,216
2029 - 2033	3,020,000	774,943	3,794,943
2034 - 2038	1,440,000	76,388	1,516,388
	<u>\$ 10,345,000</u>	<u>\$ 6,486,520</u>	<u>\$ 16,831,520</u>

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. Bond Defeasances

In prior years, various bonds were defeased by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the related liabilities for these defeased bonds are not reflected in the City's basic financial statements. At June 30, 2013, the following represents the amounts still outstanding on bonds considered defeased:

\$17,433,282 2003A Tax Allocation Bonds

e. Insurance

The Successor Agency of the former redevelopment agency is covered under the insurance policy of the City of Indian Wells at June 30, 2013.

CITY OF INDIAN WELLS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013

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

f. 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.

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.

No budget was adopted for the Housing Authority and therefore no budget comparison schedule is presented for this 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.

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2013**

	<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	\$ 7,717,941	\$ 7,717,941	\$ 7,717,941	\$ -
Resources (Inflows):				
Taxes	11,892,166	11,940,166	12,469,666	529,500
Licenses and permits	205,800	205,800	437,537	231,737
Intergovernmental	407,500	382,500	381,405	(1,095)
Charges for services	235,550	328,550	496,987	168,437
Use of money and property	90,000	7,000	6,685	(315)
Fines and forfeitures	76,500	76,500	95,257	18,757
Rental Income	77,985	44,985	44,476	(509)
Miscellaneous	129,683	462,254	670,180	207,926
Transfers in	-	6,400,000	6,400,000	-
Extraordinary gain	-	-	1,339,192	1,339,192
Amounts Available for Appropriation	20,833,125	27,565,696	30,059,326	2,493,630
Charges to Appropriation (Outflow):				
General government				
Legislation and policy	268,730	213,807	203,586	10,221
City manager	584,958	468,486	427,188	41,298
City clerk	258,826	285,312	271,673	13,639
Community relations	283,800	194,300	176,502	17,798
City attorney	380,706	527,872	546,190	(18,318)
Financial services	692,653	2,266,927	2,242,703	24,224
Central services	180,466	961,150	930,943	30,207
Cultural events	2,102,919	2,099,667	2,037,991	61,676
Human resources	675,140	725,630	721,687	3,943
Technology	372,441	411,768	364,643	47,125
Public safety				
Administration	102,711	102,711	86,838	15,873
Code enforcement	224,502	226,602	160,937	65,665
Public services	2,769,046	2,669,046	2,440,182	228,864
Community service officers	531,763	531,763	509,160	22,603
Emergency preparedness	14,500	14,500	11,674	2,826
Community development				
Administration	224,770	259,037	214,945	44,092
Inspections and examinations	422,682	487,182	475,800	11,382
Current and advanced planning	318,184	318,184	275,625	42,559
Public works				
Administration	451,327	498,336	463,705	34,631
City engineering	44,000	48,000	41,431	6,569
Maintenance services	1,047,736	978,736	824,859	153,877
City parkway landscape	484,623	430,183	348,833	81,350
Extraordinary loss	-	-	7,522,110	(7,522,110)
Transfers out	555,084	7,596,084	73,511	7,522,573
Total Charges to Appropriations	12,991,567	22,315,283	21,372,716	942,567
Budgetary Fund Balance, June 30	\$ 7,841,558	\$ 5,250,413	\$ 8,686,610	\$ 3,436,197

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
GOLF RESORT OPERATIONS
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,180,262	\$ 3,180,262	\$ 3,180,262	\$ -
Resources (Inflows):				
Charges for services	12,690,812	12,449,223	12,051,307	(397,916)
Investment income	105,000	105,000	(17,395)	(122,395)
Rental income	264,097	67,097	12,000	(55,097)
Other revenue	562,800	562,800	-	(562,800)
Amounts Available for Appropriation	16,802,971	16,364,382	15,226,174	(1,138,208)
Charges to Appropriation (Outflow):				
Golf resort	13,410,374	13,209,522	12,088,530	1,120,992
Total Charges to Appropriations	13,410,374	13,209,522	12,088,530	1,120,992
Budgetary Fund Balance, June 30	\$ 3,392,597	\$ 3,154,860	\$ 3,137,644	\$ (17,216)

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CITY OF INDIAN WELLS

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013**

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 balance sheet:

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.

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, 2013

	Special Revenue Funds			
	Traffic Safety	Public Safety 1/2% Tax	Measure "A" Transportation	Fire Access Maintenance District No. 1
Assets:				
Cash and investments	\$ 1	\$ 5,446	\$ 37,163	\$ 2,159,480
Receivables:				
Accounts	3,796	1,315	39,366	28,488
Accrued interest	-	10	72	4,156
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,797	\$ 6,771	\$ 76,601	\$ 2,192,124
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 169,053
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	169,053
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	6,771	-	2,023,071
Public works	3,797	-	76,601	-
Committed to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,797	6,771	76,601	2,023,071
Total Liabilities and Fund Balances	\$ 3,797	\$ 6,771	\$ 76,601	\$ 2,192,124

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(Continued)

	Special Revenue Funds			
	South Coast AQMD Vehicle Registration	Citizens Option for Public Safety Program	Gas Tax	Emergency Services Upgrade
Assets:				
Cash and investments	\$ 1	\$ 1,313	\$ 38,490	\$ 3,008,419
Receivables:				
Accounts	1,590	25,000	11,825	15,874
Accrued interest	-	3	75	5,790
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,591	\$ 26,316	\$ 50,390	\$ 3,030,083
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,499
Accrued liabilities	-	-	-	6,645
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	3,732	-	-	-
Total Liabilities	3,732	-	-	12,144
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	26,316	-	3,017,939
Public works	-	-	50,390	-
Committed to:				
Capital Projects	-	-	-	-
Unassigned	(2,141)	-	-	-
Total Fund Balances	(2,141)	26,316	50,390	3,017,939
Total Liabilities and Fund Balances	\$ 1,591	\$ 26,316	\$ 50,390	\$ 3,030,083

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds			
	AB 939 Recycling	Solid Waste	Consolidated LLMD	Street Lighting District 2001-1
Assets:				
Cash and investments	\$ 150,500	\$ 191,386	\$ 1,342,017	\$ 3,982
Receivables:				
Accounts	8,414	28,096	15,099	48
Accrued interest	-	658	2,583	8
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 158,914	\$ 220,140	\$ 1,359,699	\$ 4,038
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 23,230	\$ 12,733	\$ 108
Accrued liabilities	-	-	-	-
Unearned revenues	5,000	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	5,000	23,230	12,733	108
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	153,914	196,910	1,346,966	3,930
Committed to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	153,914	196,910	1,346,966	3,930
Total Liabilities and Fund Balances	\$ 158,914	\$ 220,140	\$ 1,359,699	\$ 4,038

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(Continued)

	Special Revenue Funds		Capital Projects Funds	
	Affordable Housing Operations	Cooperative Marketing	Hwy 111 Circulation Improvement	Citywide Public Improvement
Assets:				
Cash and investments	\$ 629,852	\$ 54,057	\$ 10	\$ -
Receivables:				
Accounts	16,320	-	-	-
Accrued interest	1,212	104	-	-
Restricted assets:				
Cash and investments with fiscal agents	1,321,807	-	-	-
Total Assets	\$ 1,969,191	\$ 54,161	\$ 10	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 34,125	\$ 52,168	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	79,417	-	-	-
Due to other funds	-	-	31,924	-
Total Liabilities	113,542	52,168	31,924	-
Fund Balances:				
Restricted for:				
Community development	1,855,649	1,993	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Committed to:				
Capital Projects	-	-	-	-
Unassigned	-	-	(31,914)	-
Total Fund Balances	1,855,649	1,993	(31,914)	-
Total Liabilities and Fund Balances	\$ 1,969,191	\$ 54,161	\$ 10	\$ -

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Capital Projects Funds			
	Art in Public Places	FF&E and Rolling Stock	Golf Resort Capital Replacement	Housing Villas Capital Replacement
Assets:				
Cash and investments	\$ 374,896	\$ 2,258,307	\$ 3,913,892	\$ 1,480,485
Receivables:				
Accounts	-	4,347	7,533	2,424
Accrued interest	722	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 375,618	\$ 2,262,654	\$ 3,921,425	\$ 1,482,909
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Restricted for:				
Community development	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Committed to:				
Capital Projects	375,618	2,262,654	3,921,425	1,482,909
Unassigned	-	-	-	-
Total Fund Balances	375,618	2,262,654	3,921,425	1,482,909
Total Liabilities and Fund Balances	\$ 375,618	\$ 2,262,654	\$ 3,921,425	\$ 1,482,909

CITY OF INDIAN WELLS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>Capital Projects Funds</u>	
	<u>Facilities Capital Replacement</u>	<u>Total Governmental Funds</u>
Assets:		
Cash and investments	\$ 2,258,337	\$ 17,908,034
Receivables:		
Accounts	4,347	213,882
Accrued interest	-	15,393
Restricted assets:		
Cash and investments with fiscal agents	-	1,321,807
Total Assets	\$ 2,262,684	\$ 19,459,116
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 296,916
Accrued liabilities	-	6,645
Unearned revenues	-	5,000
Deposits payable	-	79,417
Due to other funds	-	35,656
Total Liabilities	-	423,634
Fund Balances:		
Restricted for:		
Community development	-	1,857,642
Public safety	-	5,074,097
Public works	-	1,832,508
Committed to:		
Capital Projects	2,262,684	10,305,290
Unassigned	-	(34,055)
Total Fund Balances	2,262,684	19,035,482
Total Liabilities and Fund Balances	\$ 2,262,684	\$ 19,459,116

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Traffic Safety	Public Safety 1/2% Tax	Measure "A" Transportation	Fire Access Maintenance District No. 1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 281,192
Licenses and permits	-	-	-	1,602
Intergovernmental	-	16,927	235,291	2,625
Contribution from property owners	-	-	-	-
Investment income	247	7	180	(3,360)
Fines and forfeitures	32,978	-	-	-
Rental Income	-	-	-	-
Assessments	-	-	-	1,208,759
Developer fees	-	-	-	-
Other revenue	-	-	-	5,905
Total Revenues	33,225	16,934	235,471	1,496,723
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	15,500	-	1,097,282
Community development	-	-	-	-
Public works	32,864	-	211,000	-
Capital outlay	-	-	-	59,890
Total Expenditures	32,864	15,500	211,000	1,157,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	361	1,434	24,471	339,551
Other Financing Sources (Uses):				
Transfers in	-	-	18,427	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	18,427	-
Net Change in Fund Balances	361	1,434	42,898	339,551
Fund Balances, Beginning of Year	3,436	5,337	33,703	1,683,520
Fund Balances, End of Year	\$ 3,797	\$ 6,771	\$ 76,601	\$ 2,023,071

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(Continued)

	Special Revenue Funds			
	South Coast AQMD Vehicle Registration	Citizens Option for Public Safety Program	Gas Tax	Emergency Services Upgrade
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,285,354
Licenses and permits	-	-	-	-
Intergovernmental	6,025	100,000	121,311	-
Contribution from property owners	-	-	-	-
Investment income	22	482	548	14,412
Fines and forfeitures	-	-	-	-
Rental Income	-	-	-	-
Assessments	-	-	-	597,631
Developer fees	-	-	-	-
Other revenue	-	-	-	519
Total Revenues	6,047	100,482	121,859	2,897,916
Expenditures:				
Current:				
General government	-	-	-	3,046
Public safety	-	100,000	-	2,929,945
Community development	-	-	-	-
Public works	3,621	-	149,118	-
Capital outlay	-	-	-	102,300
Total Expenditures	3,621	100,000	149,118	3,035,291
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,426	482	(27,259)	(137,375)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	2,426	482	(27,259)	(137,375)
Fund Balances, Beginning of Year	(4,567)	25,834	77,649	3,155,314
Fund Balances, End of Year	\$ (2,141)	\$ 26,316	\$ 50,390	\$ 3,017,939

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	<u>AB 939 Recycling</u>	<u>Solid Waste</u>	<u>Consolidated LLMD</u>	<u>Street Lighting District 2001-1</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	-
Investment income	-	1,795	3,943	9
Fines and forfeitures	-	-	-	-
Rental Income	-	-	-	-
Assessments	80,675	856,576	898,881	1,360
Developer fees	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	80,675	858,371	902,824	1,369
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	35,022	861,226	893,726	1,478
Capital outlay	-	-	-	-
Total Expenditures	35,022	861,226	893,726	1,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,653	(2,855)	9,098	(109)
Other Financing Sources (Uses):				
Transfers in	-	-	55,084	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	55,084	-
Net Change in Fund Balances	45,653	(2,855)	64,182	(109)
Fund Balances, Beginning of Year	108,261	199,765	1,282,784	4,039
Fund Balances, End of Year	\$ 153,914	\$ 196,910	\$ 1,346,966	\$ 3,930

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(Continued)

	Special Revenue Funds		Capital Projects Funds	
	Affordable Housing Operations	Cooperative Marketing	Hwy 111 Circulation Improvement	Citywide Public Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	-
Investment income	3,346	7,687	(1)	1,360
Fines and forfeitures	-	-	-	-
Rental Income	1,576,560	-	-	-
Assessments	-	-	-	-
Developer fees	-	-	-	82,137
Other revenue	2,910	384,975	-	-
Total Revenues	1,582,816	392,662	(1)	83,497
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	1,554,345	365,975	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,554,345	365,975	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,471	26,687	(1)	83,497
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(129,770)	-	(113,510)
Total Other Financing Sources (Uses)	-	(129,770)	-	(113,510)
Net Change in Fund Balances	28,471	(103,083)	(1)	(30,013)
Fund Balances, Beginning of Year	1,827,178	105,076	(31,913)	30,013
Fund Balances, End of Year	\$ 1,855,649	\$ 1,993	\$ (31,914)	\$ -

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Capital Projects Funds			
	Art in Public Places	FF&E and Rolling Stock	Golf Resort Capital Replacement	Housing Villas Capital Replacement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	1,450,000
Investment income	(184)	9,840	17,031	272,089
Fines and forfeitures	-	-	-	-
Rental Income	-	-	-	-
Assessments	-	-	-	-
Developer fees	102,938	-	-	-
Other revenue	-	-	-	-
Total Revenues	102,754	9,840	17,031	1,722,089
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	2,500,000
Total Expenditures	-	-	-	2,500,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	102,754	9,840	17,031	(777,911)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(6,400,000)
Total Other Financing Sources (Uses)	-	-	-	(6,400,000)
Net Change in Fund Balances	102,754	9,840	17,031	(7,177,911)
Fund Balances, Beginning of Year	272,864	2,252,814	3,904,394	8,660,820
Fund Balances, End of Year	\$ 375,618	\$ 2,262,654	\$ 3,921,425	\$ 1,482,909

CITY OF INDIAN WELLS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Capital Projects Funds</u>	<u>Total Governmental Funds</u>
	<u>Facilities Capital Replacement</u>	
Revenues:		
Taxes	\$ -	\$ 2,566,546
Licenses and permits	-	1,602
Intergovernmental	-	482,179
Contribution from property owners	-	1,450,000
Investment income	9,870	339,323
Fines and forfeitures	-	32,978
Rental Income	-	1,576,560
Assessments	-	3,643,882
Developer fees	-	185,075
Other revenue	-	394,309
Total Revenues	9,870	10,672,454
Expenditures:		
Current:		
General government	-	3,046
Public safety	-	4,142,727
Community development	-	1,920,320
Public works	-	2,188,055
Capital outlay	-	2,662,190
Total Expenditures	-	10,916,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,870	(243,884)
Other Financing Sources (Uses):		
Transfers in	-	73,511
Transfers out	-	(6,643,280)
Total Other Financing Sources (Uses)	-	(6,569,769)
Net Change in Fund Balances	9,870	(6,813,653)
Fund Balances, Beginning of Year	2,252,814	25,849,135
Fund Balances, End of Year	\$ 2,262,684	\$ 19,035,482

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CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,436	\$ 3,436	\$ 3,436	\$ -
Resources (Inflows):				
Investment income	1,000	1,000	247	(753)
Fines and forfeitures	51,500	51,500	32,978	(18,522)
Amounts Available for Appropriation	55,936	55,936	36,661	(19,275)
Charges to Appropriation (Outflow):				
Public works	-	43,000	32,864	10,136
Total Charges to Appropriations	-	43,000	32,864	10,136
Budgetary Fund Balance, June 30	\$ 55,936	\$ 12,936	\$ 3,797	\$ (9,139)

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAEFTY 1/2% TAX
YEAR ENDED JUNE 30, 2013**

	<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	\$ 5,337	\$ 5,337	\$ 5,337	\$ -
Resources (Inflows):				
Intergovernmental	15,250	15,250	16,927	1,677
Investment income	140	140	7	(133)
Amounts Available for Appropriation	20,727	20,727	22,271	1,544
Charges to Appropriation (Outflow):				
Public safety	15,500	15,500	15,500	-
Total Charges to Appropriations	15,500	15,500	15,500	-
Budgetary Fund Balance, June 30	\$ 5,227	\$ 5,227	\$ 6,771	\$ 1,544

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 MEASURE "A" TRANSPORTATION
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 33,703	\$ 33,703	\$ 33,703	\$ -
Resources (Inflows):				
Intergovernmental	175,000	211,000	235,291	24,291
Investment income	25	25	180	155
Transfers in	-	18,450	18,427	(23)
Amounts Available for Appropriation	208,728	263,178	287,601	24,423
Charges to Appropriation (Outflow):				
Public works	175,000	175,000	211,000	(36,000)
Total Charges to Appropriations	175,000	175,000	211,000	(36,000)
Budgetary Fund Balance, June 30	\$ 33,728	\$ 88,178	\$ 76,601	\$ (11,577)

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
FIRE ACCESS MAINTENANCE DISTRICT NO. 1
YEAR ENDED JUNE 30, 2013**

	<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	\$ 1,683,520	\$ 1,683,520	\$ 1,683,520	\$ -
Resources (Inflows):				
Taxes	184,394	184,394	281,192	96,798
Licenses and permits	750	750	1,602	852
Intergovernmental	3,000	3,000	2,625	(375)
Investment income	15,000	15,000	(3,360)	(18,360)
Assessments	1,200,000	1,200,000	1,208,759	8,759
Other revenue	750	750	5,905	5,155
Amounts Available for Appropriation	<u>3,087,414</u>	<u>3,087,414</u>	<u>3,180,243</u>	<u>92,829</u>
Charges to Appropriation (Outflow):				
Public safety	1,133,095	1,133,095	1,097,282	35,813
Capital outlay	512,908	512,908	59,890	453,018
Total Charges to Appropriations	<u>1,646,003</u>	<u>1,646,003</u>	<u>1,157,172</u>	<u>488,831</u>
Budgetary Fund Balance, June 30	<u><u>\$ 1,441,411</u></u>	<u><u>\$ 1,441,411</u></u>	<u><u>\$ 2,023,071</u></u>	<u><u>\$ 581,660</u></u>

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 SOUTH COAST AQMD VEHICLE REGISTRATION
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,567)	\$ (4,567)	\$ (4,567)	\$ -
Resources (Inflows):				
Intergovernmental	5,500	5,500	6,025	525
Investment income	10	10	22	12
Amounts Available for Appropriation	943	943	1,480	537
Charges to Appropriation (Outflow):				
Public works	1,500	5,000	3,621	1,379
Total Charges to Appropriations	1,500	5,000	3,621	1,379
Budgetary Fund Balance, June 30	\$ (557)	\$ (4,057)	\$ (2,141)	\$ 1,916

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 CITIZEN OPTION FOR PUBLIC SAFETY PROGRAM
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 25,834	\$ 25,834	\$ 25,834	\$ -
Resources (Inflows):				
Intergovernmental	-	100,000	100,000	-
Investment income	20	500	482	(18)
Other income	4,500	4,020	-	(4,020)
Amounts Available for Appropriation	30,354	130,354	126,316	(4,038)
Charges to Appropriation (Outflow):				
Public safety	5,000	105,000	100,000	5,000
Total Charges to Appropriations	5,000	105,000	100,000	5,000
Budgetary Fund Balance, June 30	\$ 25,354	\$ 25,354	\$ 26,316	\$ 962

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 77,649	\$ 77,649	\$ 77,649	\$ -
Resources (Inflows):				
Intergovernmental	133,970	133,720	121,311	(12,409)
Investment income	320	570	548	(22)
Amounts Available for Appropriation	211,939	211,939	199,508	(12,431)
Charges to Appropriation (Outflow):				
Public works	131,500	151,500	149,118	2,382
Total Charges to Appropriations	131,500	151,500	149,118	2,382
Budgetary Fund Balance, June 30	\$ 80,439	\$ 60,439	\$ 50,390	\$ (10,049)

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 EMERGENCY SERVICES UPGRADE
 YEAR ENDED JUNE 30, 2013

	<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	\$ 3,155,314	\$ 3,155,314	\$ 3,155,314	\$ -
Resources (Inflows):				
Taxes	2,088,114	2,141,914	2,285,354	143,440
Investment income	66,000	14,500	14,412	(88)
Assessments	600,000	597,700	597,631	(69)
Other revenue	500	500	519	19
Amounts Available for Appropriation	5,909,928	5,909,928	6,053,230	143,302
Charges to Appropriation (Outflow):				
General government	3,278	3,278	3,046	232
Public safety	3,035,086	3,035,086	2,929,945	105,141
Capital outlay	110,000	110,000	102,300	7,700
Debt service:				
Interest and fiscal charges	7,000	7,000	-	7,000
Total Charges to Appropriations	3,155,364	3,155,364	3,035,291	120,073
Budgetary Fund Balance, June 30	\$ 2,754,564	\$ 2,754,564	\$ 3,017,939	\$ 263,375

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
 AB 939 RECYCLING
 YEAR ENDED JUNE 30, 2013**

	<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	\$ 108,261	\$ 108,261	\$ 108,261	\$ -
Resources (Inflows):				
Assessments	90,000	90,000	80,675	(9,325)
Other revenue	5,000	5,000	-	(5,000)
Amounts Available for Appropriation	203,261	203,261	188,936	(14,325)
Charges to Appropriation (Outflow):				
Public works	84,025	84,025	35,022	49,003
Total Charges to Appropriations	84,025	84,025	35,022	49,003
Budgetary Fund Balance, June 30	\$ 119,236	\$ 119,236	\$ 153,914	\$ 34,678

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
SOLID WASTE
YEAR ENDED JUNE 30, 2013**

	<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	\$ 199,765	\$ 199,765	\$ 199,765	\$ -
Resources (Inflows):				
Investment income	4,000	4,000	1,795	(2,205)
Assessments	800,000	860,000	856,576	(3,424)
Amounts Available for Appropriation	1,003,765	1,063,765	1,058,136	(5,629)
Charges to Appropriation (Outflow):				
Public works	815,000	860,000	861,226	(1,226)
Total Charges to Appropriations	815,000	860,000	861,226	(1,226)
Budgetary Fund Balance, June 30	\$ 188,765	\$ 203,765	\$ 196,910	\$ (6,855)

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 CONSOLIDATED LLMD
 YEAR ENDED JUNE 30, 2013

	<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	\$ 1,282,784	\$ 1,282,784	\$ 1,282,784	\$ -
Resources (Inflows):				
Investment income	14,070	12,570	3,943	(8,627)
Assessments	947,050	948,550	898,881	(49,669)
Transfers in	55,084	55,084	55,084	-
Amounts Available for Appropriation	2,298,988	2,298,988	2,240,692	(58,296)
Charges to Appropriation (Outflow):				
Public works	1,043,983	1,043,983	893,726	150,257
Total Charges to Appropriations	1,043,983	1,043,983	893,726	150,257
Budgetary Fund Balance, June 30	\$ 1,255,005	\$ 1,255,005	\$ 1,346,966	\$ 91,961

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING DISTRICT 2001-1
YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 4,039	\$ 4,039	\$ 4,039	\$ -
Resources (Inflows):				
Investment income	25	25	9	(16)
Assessments	1,470	1,470	1,360	(110)
Amounts Available for Appropriation	5,534	5,534	5,408	(126)
Charges to Appropriation (Outflow):				
Public works	1,652	1,652	1,478	174
Total Charges to Appropriations	1,652	1,652	1,478	174
Budgetary Fund Balance, June 30	\$ 3,882	\$ 3,882	\$ 3,930	\$ 48

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 AFFORDABLE HOUSING OPERATIONS
 YEAR ENDED JUNE 30, 2013

	<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	\$ 1,827,178	\$ 1,827,178	\$ 1,827,178	\$ -
Resources (Inflows):				
Investment income	10,000	10,000	3,346	(6,654)
Rental Income	1,575,000	1,575,000	1,576,560	1,560
Other revenue	7,000	7,000	2,910	(4,090)
Amounts Available for Appropriation	3,419,178	3,419,178	3,409,994	(9,184)
Charges to Appropriation (Outflow):				
Community development	1,380,457	1,574,957	1,554,345	20,612
Total Charges to Appropriations	1,380,457	1,574,957	1,554,345	20,612
Budgetary Fund Balance, June 30	\$ 2,038,721	\$ 1,844,221	\$ 1,855,649	\$ 11,428

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 COOPORATIVE MARKETING
 YEAR ENDED JUNE 30, 2013

	<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	\$ 105,076	\$ 105,076	\$ 105,076	\$ -
Resources (Inflows):				
Investment income	550	550	7,687	7,137
Other revenue	384,975	384,975	384,975	-
Amounts Available for Appropriation	490,601	490,601	497,738	7,137
Charges to Appropriation (Outflow):				
Community development	384,975	384,975	365,975	19,000
Transfers out	-	129,770	129,770	-
Total Charges to Appropriations	384,975	514,745	495,745	19,000
Budgetary Fund Balance, June 30	\$ 105,626	\$ (24,144)	\$ 1,993	\$ 26,137

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
HWY 111 CIRCULATION IMPROVEMENT
YEAR ENDED JUNE 30, 2013**

	<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	\$ (31,913)	\$ (31,913)	\$ (31,913)	\$ -
Resources (Inflows):				
Investment income	-	-	(1)	(1)
Developer fees	5,000	5,000	-	(5,000)
Amounts Available for Appropriation	<u>(26,913)</u>	<u>(26,913)</u>	<u>(31,914)</u>	<u>(5,001)</u>
Budgetary Fund Balance, June 30	<u><u>\$ (26,913)</u></u>	<u><u>\$ (26,913)</u></u>	<u><u>\$ (31,914)</u></u>	<u><u>\$ (5,001)</u></u>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
PARK FACILITIES IN LIEU
YEAR ENDED JUNE 30, 2013**

	<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	<u>\$(1,502,693)</u>	<u>\$ (1,502,693)</u>	<u>\$(1,502,693)</u>	<u>\$ -</u>
Resources (Inflows):				
Investment income	-	-	182	182
Developer fees	<u>15,000</u>	<u>15,000</u>	<u>37,376</u>	<u>22,376</u>
Amounts Available for Appropriation	<u>(1,487,693)</u>	<u>(1,487,693)</u>	<u>(1,465,135)</u>	<u>22,558</u>
Budgetary Fund Balance, June 30	<u>\$(1,487,693)</u>	<u>\$ (1,487,693)</u>	<u>\$(1,465,135)</u>	<u>\$ 22,558</u>

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 8,786,603	\$ 8,786,603	\$ 8,786,603	\$ -
Resources (Inflows):				
Intergovernmental	2,625,000	2,610,000	-	(2,610,000)
Investment income	179,100	179,100	41,751	(137,349)
Other revenue	-	15,000	13,542	(1,458)
Transfers in	-	113,510	113,510	-
Amounts Available for Appropriation	11,590,703	11,704,213	8,955,406	(2,748,807)
Charges to Appropriation (Outflow):				
General government	80,000	80,000	73,485	6,515
Capital outlay	8,764,600	9,535,806	668,320	8,867,486
Total Charges to Appropriations	8,844,600	9,615,806	741,805	8,874,001
Budgetary Fund Balance, June 30	\$ 2,746,103	\$ 2,088,407	\$ 8,213,601	\$ 6,125,194

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
CITYWIDE PUBLIC IMPROVEMENT
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 30,013	\$ 30,013	\$ 30,013	\$ -
Resources (Inflows):				
Investment income	20	20	1,360	1,340
Developer fees	15,000	15,000	82,137	67,137
Amounts Available for Appropriation	45,033	45,033	113,510	68,477
Charges to Appropriation (Outflow):				
Transfers out	-	113,510	113,510	-
Total Charges to Appropriations	-	113,510	113,510	-
Budgetary Fund Balance, June 30	\$ 45,033	\$ (68,477)	\$ -	\$ 68,477

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 272,864	\$ 272,864	\$ 272,864	\$ -
Resources (Inflows):				
Investment income	5,500	5,500	(184)	(5,684)
Developer fees	15,000	15,000	102,938	87,938
Amounts Available for Appropriation	293,364	293,364	375,618	82,254
Charges to Appropriation (Outflow):				
Capital outlay	285,000	285,000	-	285,000
Total Charges to Appropriations	285,000	285,000	-	285,000
Budgetary Fund Balance, June 30	\$ 8,364	\$ 8,364	\$ 375,618	\$ 367,254

CITY OF INDIAN WELLS

BUDGETARY COMPARISON SCHEDULE
 INFRASTRUCTURE
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,882,169	\$ 6,882,169	\$ 6,882,169	\$ -
Resources (Inflows):				
Investment income	137,471	137,471	30,061	(107,410)
Amounts Available for Appropriation	7,019,640	7,019,640	6,912,230	(107,410)
Budgetary Fund Balance, June 30	\$ 7,019,640	\$ 7,019,640	\$ 6,912,230	\$ (107,410)

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
FF&E AND ROLLING STOCK
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,252,814	\$ 2,252,814	\$ 2,252,814	\$ -
Resources (Inflows):				
Investment income	45,000	45,000	9,840	(35,160)
Amounts Available for Appropriation	2,297,814	2,297,814	2,262,654	(35,160)
Budgetary Fund Balance, June 30	\$ 2,297,814	\$ 2,297,814	\$ 2,262,654	\$ (35,160)

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
GOLF COURSE CAPITAL REPLACEMENT
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,904,394	\$ 3,904,394	\$ 3,904,394	\$ -
Resources (Inflows):				
Investment income	-	85,000	17,031	(67,969)
Amounts Available for Appropriation	3,904,394	3,989,394	3,921,425	(67,969)
Budgetary Fund Balance, June 30	\$ 3,904,394	\$ 3,989,394	\$ 3,921,425	\$ (67,969)

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
HOUSING VILLAS CAPITAL REPLACEMENT
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,660,820	\$ 8,660,820	\$ 8,660,820	\$ -
Resources (Inflows):				
Contribution from property owners	-	1,450,000	1,450,000	-
Investment income	175,267	300,000	272,089	(27,911)
Amounts Available for Appropriation	8,836,087	10,410,820	10,382,909	(27,911)
Charges to Appropriation (Outflow):				
Capital outlay	-	2,500,000	2,500,000	-
Transfers out	-	6,400,000	6,400,000	-
Total Charges to Appropriations	-	8,900,000	8,900,000	-
Budgetary Fund Balance, June 30	\$ 8,836,087	\$ 1,510,820	\$ 1,482,909	\$ (27,911)

CITY OF INDIAN WELLS

**BUDGETARY COMPARISON SCHEDULE
 FACILITIES CAPITAL REPLACEMENT
 YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,252,814	\$ 2,252,814	\$ 2,252,814	\$ -
Resources (Inflows):				
Investment income	-	45,000	9,870	(35,130)
Amounts Available for Appropriation	2,252,814	2,297,814	2,262,684	(35,130)
Budgetary Fund Balance, June 30	\$ 2,252,814	\$ 2,297,814	\$ 2,262,684	\$ (35,130)

CITY OF INDIAN WELLS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	Governmental Activities - Internal Service Funds			
	Employee Benefits	Compensated Absences	Self Insurance	Totals
Assets:				
Current:				
Cash and investments	\$ 382,277	\$ 534,147	\$ 688,843	\$ 1,605,267
Receivables:				
Accrued interest	263	1,028	1,326	2,617
Total Current Assets	382,540	535,175	690,169	1,607,884
Noncurrent:				
Net OPEB asset	2,396,089	-	-	2,396,089
Total Noncurrent Assets	2,396,089	-	-	2,396,089
Total Assets	\$ 2,778,629	\$ 535,175	\$ 690,169	\$ 4,003,973
Noncurrent:				
General liability cumulative deposit	\$ -	\$ -	\$ 609,149	\$ 609,149
Total Noncurrent Liabilities	-	-	609,149	609,149
Total Liabilities	-	-	609,149	609,149
Net Position:				
Unrestricted	2,778,629	535,175	81,020	3,394,824
Total Net Position	2,778,629	535,175	81,020	3,394,824
Total Liabilities and Net Position	\$ 2,778,629	\$ 535,175	\$ 690,169	\$ 4,003,973

CITY OF INDIAN WELLS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013**

	Governmental Activities - Internal Service Funds			Totals
	Employee Benefits	Compensated Absences	Self Insurance	
Operating Revenues:				
Interdepartmental charges	\$ 800,000	\$ -	\$ -	\$ 800,000
Total Operating Revenues	800,000	-	-	800,000
Operating Expenses:				
Administration and general	261,548	-	-	261,548
Claims expense	-	-	184,504	184,504
Total Operating Expenses	261,548	-	184,504	446,052
Operating Income (Loss)	538,452	-	(184,504)	353,948
Nonoperating Revenues (Expenses):				
Interest revenue	6,733	2,328	4,231	13,292
Total Nonoperating Revenues (Expenses)	6,733	2,328	4,231	13,292
Income (Loss) Before Transfers	545,185	2,328	(180,273)	367,240
Transfers in	129,770	-	-	129,770
Changes in Net Position	674,955	2,328	(180,273)	497,010
Net Position:				
Beginning of Year	2,103,674	532,847	261,293	2,897,814
End of Fiscal Year	\$ 2,778,629	\$ 535,175	\$ 81,020	\$ 3,394,824

CITY OF INDIAN WELLS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Employee Benefits</u>	<u>Compensated Absences</u>	<u>Self Insurance</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Cash received from/(paid to) interfund service provided	\$ 800,000	\$ -	\$ -	\$ 800,000
Cash paid to suppliers for goods and services	<u>(1,612,216)</u>	<u>-</u>	<u>(65,000)</u>	<u>(1,677,216)</u>
Net Cash Provided (Used) by Operating Activities	<u>(812,216)</u>	<u>-</u>	<u>(65,000)</u>	<u>(877,216)</u>
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	<u>129,770</u>	<u>-</u>	<u>-</u>	<u>129,770</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>129,770</u>	<u>-</u>	<u>-</u>	<u>129,770</u>
Cash Flows from Investing Activities:				
Interest received	<u>8,237</u>	<u>2,190</u>	<u>4,159</u>	<u>14,586</u>
Net Cash Provided (Used) by Investing Activities	<u>8,237</u>	<u>2,190</u>	<u>4,159</u>	<u>14,586</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(674,209)</u>	<u>2,190</u>	<u>(60,841)</u>	<u>(732,860)</u>
Cash and Cash Equivalents at Beginning of Year	<u>1,056,486</u>	<u>531,957</u>	<u>749,684</u>	<u>2,338,127</u>
Cash and Cash Equivalents at End of Year	<u>\$ 382,277</u>	<u>\$ 534,147</u>	<u>\$ 688,843</u>	<u>\$ 1,605,267</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	<u>\$ 538,452</u>	<u>\$ -</u>	<u>\$ (184,504)</u>	<u>\$ 353,948</u>
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
(Increase) decrease in OPEB asset	(1,325,800)	-	-	(1,325,800)
(Increase) decrease in workers' compensation cumulative deposit receivable	-	-	40,465	40,465
Increase (decrease) in accrued liabilities	(24,868)	-	-	(24,868)
Increase (decrease) in general liability cumulative deposit payable	-	-	79,039	79,039
Total Adjustments	<u>(1,350,668)</u>	<u>-</u>	<u>119,504</u>	<u>(1,231,164)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (812,216)</u>	<u>\$ -</u>	<u>\$ (65,000)</u>	<u>\$ (877,216)</u>

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STATISTICAL SECTION (UNAUDITED)

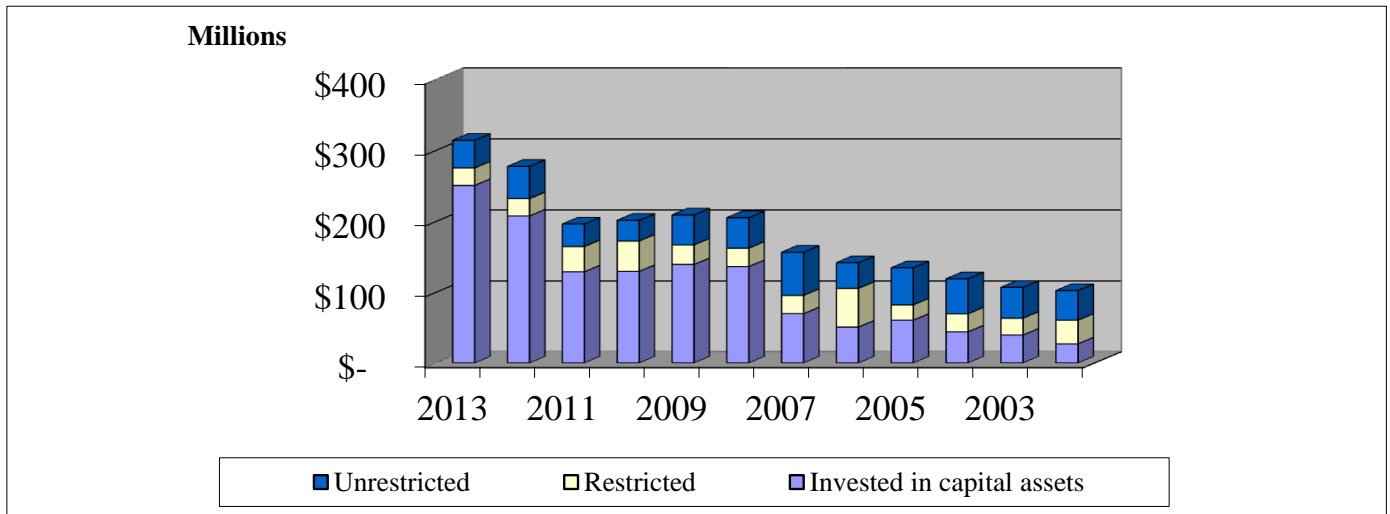
This part of the City of Indian Wells' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Governmental activities:					
Net investment in capital assets	\$250,592,927	\$207,621,977	\$ 128,719,531	\$129,332,619	\$139,057,460
Restricted for:					
Community development	1,857,642	1,932,254	28,556,939	38,057,825	23,412,380
Housing	15,831,412	15,831,412	-	-	-
Public safety	5,074,097	4,870,005	4,651,489	4,570,215	4,014,475
Public works	1,832,508	1,709,638	1,641,967	308,322	252,873
Debt service	-	-	817,671	-	-
Unrestricted	<u>38,786,655</u>	<u>45,268,607</u>	<u>31,851,521</u>	<u>29,209,281</u>	<u>42,258,237</u>
Total governmental activities net position	<u>\$313,975,241</u>	<u>\$277,233,893</u>	<u>\$ 196,239,118</u>	<u>\$201,478,262</u>	<u>\$208,995,425</u>



Fiscal Year

2008	2007	2006	2005	2004
\$136,211,882	\$ 69,674,222	\$ 50,749,510	\$ 60,447,659	\$ 44,033,129
22,401,222	21,060,513	49,567,249	10,483,905	12,430,215
-	-	-	-	-
3,199,900	2,926,727	2,932,610	1,895,904	2,165,299
325,432	1,863,275	2,094,899	3,765,506	3,991,647
-	-	-	5,553,793	6,837,944
<u>42,983,730</u>	<u>60,839,232</u>	<u>36,303,201</u>	<u>52,240,076</u>	<u>49,387,174</u>
<u>\$205,122,166</u>	<u>\$ 156,363,969</u>	<u>\$ 141,647,469</u>	<u>\$ 134,386,843</u>	<u>\$ 118,845,408</u>

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Program revenues:					
Governmental activities:					
Charges for services:					
General government	\$ 88,959	\$ 134,600	\$ 31,619	\$ 30,284	\$ 30,400
Public safety	7,900	5,507	8,272	873,229	742,738
Community development	934,524	663,445	6,718,212	2,136,604	2,114,861
Public works	32,978	35,877	48,230	6,266	54,570
Golf resort	12,051,307	12,480,492	12,243,547	11,126,337	6,850,634
Operating grants and contributions:					
General government	381,405	382,613	405,976	33,501	98,175
Public safety	4,211,296	1,921,482	1,921,931	2,557,187	2,654,704
Community development	-	-	17,400	1,568,330	2,145,952
Public works	2,303,057	2,127,618	2,051,669	1,472,156	1,629,164
Capital grants and contributions:					
General government	1,450,000	-	-	-	-
Community development	-	-	-	444,801	9,399,500
Public works	119,513	2,839,642	573,206	4,750,952	291,250
Total program revenue	<u>21,580,939</u>	<u>20,591,276</u>	<u>24,020,062</u>	<u>24,999,647</u>	<u>26,011,948</u>
Expenses:					
Governmental activities:					
General government	8,151,220	7,589,850	4,804,881	8,194,604	10,664,720
Public safety	7,413,099	7,415,881	7,379,309	8,157,222	7,594,508
Community development	11,783,596	9,513,504	20,227,573	19,519,593	9,784,467
Public works	11,050,272	6,950,388	6,710,034	5,423,271	5,954,213
Golf resort	12,088,530	12,714,308	13,694,185	12,885,373	10,179,734
Interest on long-term debt	-	2,024,309	8,185,570	5,934,148	6,120,317
Total expenses	<u>50,486,717</u>	<u>46,208,240</u>	<u>61,001,552</u>	<u>60,114,211</u>	<u>50,297,959</u>
Net revenue (expense)	<u>(28,905,778)</u>	<u>(25,616,964)</u>	<u>(36,981,490)</u>	<u>(35,114,564)</u>	<u>(24,286,011)</u>
General revenues:					
Taxes:					
Property taxes	2,689,149	12,893,907	17,200,487	18,121,718	18,756,437
Transient occupancy taxes	6,341,825	5,689,952	4,805,116	4,294,079	4,804,501
Sales taxes	945,359	992,271	902,256	762,241	963,446
Franchise taxes	860,303	848,259	835,725	817,863	870,700
Other taxes	1,914,222	4,107,560	3,672,587	1,331,372	1,360,608
Investment income	2,046,935	3,740,423	3,939,375	1,513,114	1,147,924
Gain on sale of asset	-	-	-	-	-
Extraordinary gain/(loss)	50,106,718	78,671,501	-	-	-
Other	1,078,031	563,735	399,736	362,922	255,654
Total general revenues	<u>65,982,542</u>	<u>107,507,608</u>	<u>31,755,282</u>	<u>27,203,309</u>	<u>28,159,270</u>
Change in net position	<u>\$ 37,076,764</u>	<u>\$ 81,890,644</u>	<u>\$ (5,226,208)</u>	<u>\$ (7,911,255)</u>	<u>\$ 3,873,259</u>

Fiscal Year

	2008	2007	2006	2005	2004
\$	627,106	\$ 2,235	\$ 5,069	\$ 1,037	\$ 1,577
	873,761	2,470,623	2,527,477	2,056,493	2,017,645
	2,528,006	1,934,844	1,772,860	1,570,382	1,142,076
	68,639	1,463,364	1,359,833	1,381,225	1,589,854
	5,138,846	4,817,513	5,234,850	7,138,609	7,103,298
	519,133	77,946	41,205	14,691	44,721
	2,493,117	2,259,723	2,212,899	1,832,677	1,852,363
	2,038,691	314,980	338,311	364,975	733,311
	1,543,290	926,673	354,123	309,305	313,453
	-	-	-	-	-
	1,445,778	1,434,242	-	-	-
	<u>46,463,133</u>	<u>582,880</u>	<u>3,508,743</u>	<u>11,002,296</u>	<u>7,775,714</u>
	<u>63,739,500</u>	<u>16,285,023</u>	<u>17,355,370</u>	<u>25,671,690</u>	<u>22,574,012</u>
	9,998,984	7,763,532	7,082,129	6,476,847	6,550,342
	7,211,930	6,146,364	5,903,241	6,279,925	6,260,002
	6,356,163	24,966,021	28,957,231	20,563,959	18,643,445
	6,895,396	3,862,991	3,367,663	3,288,793	2,699,525
	9,518,594	5,406,302	7,491,500	8,008,708	7,041,090
	7,166,630	6,009,532	4,706,168	4,951,228	4,899,758
	<u>47,147,697</u>	<u>54,154,742</u>	<u>57,507,932</u>	<u>49,569,460</u>	<u>46,094,162</u>
	<u>16,591,803</u>	<u>(37,869,719)</u>	<u>(40,152,562)</u>	<u>(23,897,770)</u>	<u>(23,520,150)</u>
	18,582,342	37,093,682	35,791,172	29,371,922	27,998,756
	5,874,128	5,940,739	5,352,889	4,656,403	4,141,094
	1,054,972	1,202,051	1,057,899	897,119	820,736
	902,634	894,378	726,333	641,951	617,422
	1,875,547	1,112,636	1,024,505	820,887	608,303
	3,467,226	5,554,158	3,217,562	2,894,907	1,206,620
	-	350,454	-	-	-
	-	-	-	-	-
	<u>169,525</u>	<u>438,121</u>	<u>242,828</u>	<u>156,016</u>	<u>179,406</u>
	<u>31,926,374</u>	<u>52,586,219</u>	<u>47,413,188</u>	<u>39,439,205</u>	<u>35,572,337</u>
\$	<u>48,518,177</u>	<u>\$ 14,716,500</u>	<u>\$ 7,260,626</u>	<u>\$ 15,541,435</u>	<u>\$ 12,052,187</u>

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

	Fiscal Year				
	2013	2012	2011	2010	2009
General fund:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	352,799	724,847	21,282	47,743	50,787
Advances to other funds	-	-	22,010,750	22,409,361	26,150,000
Notes and loans receivable	1,339,192	-	-	-	-
Committed to:					
Emergency reserve	2,250,000	2,250,000	18,500,000	-	-
Unassigned	4,744,619	4,743,094	22,766,933	19,491,287	17,356,780
Total general fund	<u>\$ 8,686,610</u>	<u>\$ 7,717,941</u>	<u>\$ 63,298,965</u>	<u>\$ 41,948,391</u>	<u>\$ 43,557,567</u>
All other governmental funds					
Nonspendable					
Inventory	\$ 613,309	\$ 696,882	\$ 556,726	\$ 501,090	\$ 473,863
Prepaid items	83,196	79,410	39,962	58,820	29,455
Notes	15,831,412	15,831,412	4,316,639	4,316,639	4,316,639
Advances to other funds	-	-	11,514,773	11,514,773	-
Restricted for:					
Community development	1,857,642	1,932,254	12,725,527	8,618,341	18,965,920
Public safety	5,074,097	4,870,005	4,651,489	4,379,949	3,849,136
Parks and recreation	-	-	-	-	-
Public works	1,832,508	1,709,638	1,641,967	1,807,173	1,813,427
Debt Service	-	-	817,671	789,777	9,087
Committed to:					
Emergency Reserve	-	-	-	-	-
Capital projects	25,431,121	35,781,876	3,022,559	-	-
Golf Resort	2,441,139	-	-	-	-
Unassigned	(1,499,190)	(1,539,173)	(43,424,063)	(10,039,594)	(11,754,777)
Total all other governmental funds	<u>\$ 51,665,234</u>	<u>\$ 59,362,304</u>	<u>\$ (4,136,750)</u>	<u>\$ 21,946,968</u>	<u>\$ 17,702,750</u>

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

Fiscal Year				
2008	2007	2006	2005	2004
\$ -	\$ -	\$ -	\$ -	\$ -
700	-	-	6,000	417,725
30,797,726	20,000,000	20,000,000	-	-
-	-	-	-	-
-	-	-	-	-
11,846,566	7,715,559	10,727,164	10,217,412	6,482,083
<u>\$ 42,644,992</u>	<u>\$ 27,715,559</u>	<u>\$ 30,727,164</u>	<u>\$ 10,223,412</u>	<u>\$ 6,899,808</u>
\$ 724,063	\$ 97,252	\$ 189,573	\$ 183,252	\$ 346,399
63,394	76,516	53,269	91,690	87,989
-	-	-	-	-
-	-	-	-	-
12,986,015	26,850,170	33,734,335	30,761,975	34,485,602
3,058,410	2,767,388	2,932,610	1,895,904	2,165,299
-	-	10,568	98,768	401,341
1,905,049	2,077,143	2,260,914	1,847,504	1,966,203
2,584	35,275	13,676	4,885	1,646
-	-	-	-	-
-	-	-	-	-
3,431,080	60,982,183	32,121,248	70,320,518	81,351,184
<u>\$ 22,170,595</u>	<u>\$ 92,885,927</u>	<u>\$ 71,316,193</u>	<u>\$ 105,204,496</u>	<u>\$ 120,805,663</u>

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Revenues:					
Taxes	\$ 15,036,212	\$ 31,715,482	\$ 47,215,341	\$ 48,995,314	\$ 51,245,652
Licenses and permits	439,139	226,322	119,583	234,824	226,007
Intergovernmental	863,584	3,613,520	1,390,949	5,157,957	937,750
Contribution from property owners	1,450,000				
Charges for services	12,548,294	12,918,149	12,657,977	11,476,745	7,478,699
Investment income	400,607	2,157,135	3,256,904	2,732,580	4,162,047
Fines and forfeitures	128,235	175,450	87,320	84,582	52,762
Rental income	1,633,036				
Assessments	3,643,882	3,584,325	3,530,928	3,481,755	3,385,707
Development fees	222,451	73,510	61,007	1,327,402	59,252
Other	1,078,031	563,735	399,736	3,374,688	7,823,725
Total revenues	<u>37,443,471</u>	<u>55,027,628</u>	<u>68,719,745</u>	<u>76,865,847</u>	<u>75,371,601</u>
Expenditures					
Current:					
General government	7,996,591	6,214,712	4,219,555	7,941,889	10,506,842
Public safety	3,211,837	7,212,762	7,214,270	8,000,297	7,471,826
Community development	5,109,097	2,556,343	5,846,632	13,493,473	3,784,085
Parks and recreation	1,920,320				
Public works	1,678,828	3,913,539	3,763,936	2,959,775	3,278,386
Golf resort	14,276,585	12,714,308	13,694,185	12,885,373	10,179,734
Pass-through	-	7,183,533	21,778,115	21,138,998	22,107,922
Capital outlay	3,330,510	9,197,818	4,464,499	5,954,982	12,361,227
Debt service:					
Principal retirement	-	4,460,000	4,020,106	3,860,000	3,720,000
Interest and fiscal charges	-	3,894,759	7,951,591	8,517,174	8,858,488
Total expenditures	<u>37,523,768</u>	<u>57,347,774</u>	<u>72,952,889</u>	<u>84,751,961</u>	<u>82,268,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,297)</u>	<u>(2,320,146)</u>	<u>(4,233,144)</u>	<u>(7,886,114)</u>	<u>(6,896,909)</u>
Other financing sources (uses):					
Transfers in	6,587,021	44,643,627	13,373,447	11,845,781	15,377,613
Transfers out	(6,716,791)	(46,425,808)	(13,873,447)	(12,595,781)	(16,377,613)
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)	1,339,192	12,020,357	-	-	-
Sale of property	-	-	-	-	4,341,639
Total other financing sources (uses)	<u>(6,312,688)</u>	<u>10,238,176</u>	<u>(500,000)</u>	<u>10,140,000</u>	<u>3,341,639</u>
Net change in fund balances	<u>\$ (6,392,985)</u>	<u>\$ 7,918,030</u>	<u>\$ (4,733,144)</u>	<u>\$ 2,253,886</u>	<u>\$ (3,555,270)</u>
Debt service as a percentage of noncapital expenditures					
	0.0%	21.0%	21.2%	18.7%	21.7%
Capital outlay (Recon of Rev & Exp)					
	3,118,599	9,190,259	4,524,674	6,076,294	11,857,262
Total governmental expenditures					
Total governmental expenditures	37,523,768	57,347,774	72,952,889	84,751,961	82,268,510
Less: Principal	-	(4,460,000)	(4,020,106)	(3,860,000)	(3,720,000)
Less: Interest	-	(3,894,759)	(7,951,591)	(8,517,174)	(8,858,488)
	<u>37,523,768</u>	<u>48,993,015</u>	<u>60,981,192</u>	<u>72,374,787</u>	<u>69,690,022</u>
Less: Capital Asset Additions	(3,118,599)	(9,190,259)	(4,524,674)	(6,076,294)	(11,857,262)
Non Capital Expenditures	34,405,169	39,802,756	56,456,518	66,298,493	57,832,760
Total Debt Service Payments					
Total Debt Service Payments	-	8,354,759	11,971,697	12,377,174	12,578,488
Debt Service as % of Non Capital Exp.	0.0%	21.0%	21.2%	18.7%	21.7%

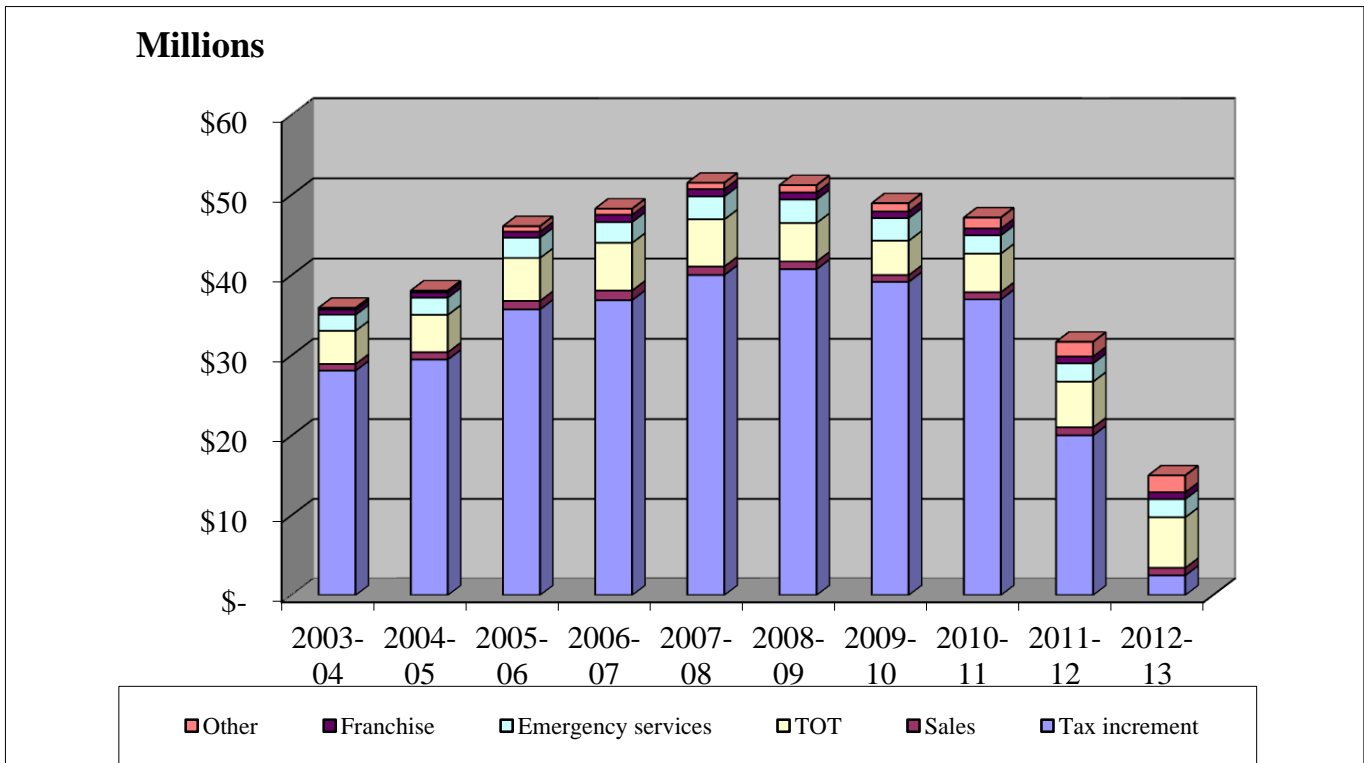
Fiscal Year				
2008	2007	2006	2005	2004
\$ 51,537,447	\$ 48,314,537	\$ 46,131,556	\$ 38,106,070	\$ 35,953,987
399,003	728,761	617,834	949,622	1,115,792
1,460,266	2,682,465	4,958,972	9,562,484	7,362,480
6,257,950	5,518,266	5,869,314	7,943,064	8,070,440
8,035,693	8,696,113	5,496,516	4,001,528	1,095,279
52,083	109,671	96,056	114,078	190,446
3,483,606	3,036,321	3,084,600	2,552,226	2,476,024
214,938	582,880	600,668	647,957	889,384
<u>1,156,637</u>	<u>1,213,908</u>	<u>959,066</u>	<u>883,644</u>	<u>1,485,931</u>
<u>72,597,623</u>	<u>70,882,922</u>	<u>67,814,582</u>	<u>64,760,673</u>	<u>58,639,763</u>
9,604,914	8,076,374	7,308,390	6,649,994	6,346,124
7,133,876	6,156,103	5,911,765	6,376,941	6,347,279
4,091,199	4,045,155	7,855,308	2,161,045	2,062,582
3,306,362	2,843,400	2,578,102	2,377,858	2,011,325
9,333,933	6,042,600	6,263,126	8,125,952	7,070,963
21,471,829	19,874,202	20,862,080	17,384,055	15,872,682
59,787,295	35,637,285	20,802,188	24,745,401	26,928,496
3,965,000	3,330,000	3,260,000	3,665,000	1,705,000
8,939,114	8,753,951	6,855,103	5,051,990	4,201,194
<u>127,633,522</u>	<u>94,759,070</u>	<u>81,696,062</u>	<u>76,538,236</u>	<u>72,545,645</u>
<u>(55,035,899)</u>	<u>(23,876,148)</u>	<u>(13,881,480)</u>	<u>(11,777,563)</u>	<u>(13,905,882)</u>
60,589,937	52,624,250	56,208,798	8,034,396	11,925,669
(61,339,937)	(53,374,250)	(56,208,798)	(8,534,396)	(11,925,669)
-	-	-	-	-
-	67,805,000	14,125,000	-	-
-	57,498	54,253	-	-
-	(25,054,069)	(13,682,324)	-	-
-	-	-	-	-
-	375,848	-	-	4,172,740
<u>(750,000)</u>	<u>42,434,277</u>	<u>496,929</u>	<u>(500,000)</u>	<u>4,172,740</u>
<u>\$(55,785,899)</u>	<u>\$ 18,558,129</u>	<u>\$(13,384,551)</u>	<u>\$(12,277,563)</u>	<u>\$(9,733,142)</u>
157.4%	26.2%	20.5%	20.2%	14.9%
106,530,052	36,538,626	22,122,117	24,745,401	26,928,496
127,633,522	94,759,070	81,696,062	76,538,236	72,545,645
(3,965,000)	(3,330,000)	(3,260,000)	(3,665,000)	(1,705,000)
<u>(8,939,114)</u>	<u>(8,753,951)</u>	<u>(6,855,103)</u>	<u>(5,051,990)</u>	<u>(4,201,194)</u>
114,729,408	82,675,119	71,580,959	67,821,246	66,639,451
(106,530,052)	(36,538,626)	(22,122,117)	(24,745,401)	(26,928,496)
8,199,356	46,136,493	49,458,842	43,075,845	39,710,955
12,904,114	12,083,951	10,115,103	8,716,990	5,906,194
157.4%	26.2%	20.5%	20.2%	14.9%

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
2003-04	\$ 28,142,675	\$ 820,736	\$4,141,094	\$ 2,000,233	\$ 617,422	\$ 231,827	\$ 35,953,987
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	48,995,315
2010-11	37,012,359	902,256	4,805,116	2,288,758	835,725	1,371,127	47,215,341
2011-12	20,072,039	992,271	5,689,952	2,287,339	848,259	1,825,622	31,715,482
2012-13	2,495,027	945,359	6,341,825	2,285,354	860,303	2,108,344	15,036,212

Percentage change:

2004-2013	-91.1%	15.2%	53.1%	14.3%	39.3%	809.4%	-58.2%
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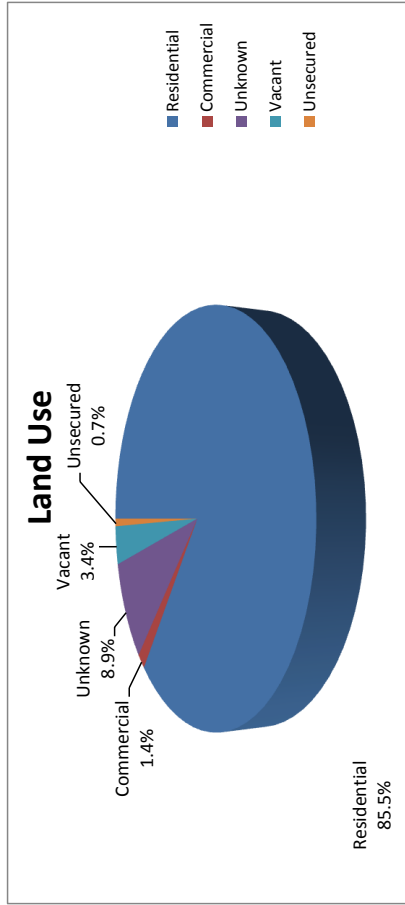
City of Indian Wells
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

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	
2003-04	\$ 427,150,933	\$ 8,090,787	\$ 435,241,720	\$ 2,888,390,842	\$ 29,985,511	\$ 2,918,376,353	1.11900
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

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

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

Category	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Residential	\$ 2,707,051,088	\$ 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
Commercial	218,061,708	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
Institutional	35,029,639	4,702,333	4,796,379	4,892,306	306,267	312,392	318,639	317,885	-	-
Unknown	125,545,824	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
Vacant	229,853,516	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
Net Secured Value	3,315,541,775	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
Unsecured	38,076,298	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
Net Taxable Value	\$ 3,353,618,073	\$ 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



Source: MumiServices, 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

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
City Direct Rates:										
City Basic Rate	0.07000	0.07000	0.07000	0.07000	0.07000	0.07000	0.07000	0.07000	0.07000	0.06650
Agency Basic Rate	0.23249	0.23051	0.22471	0.29460	0.29679	0.29688	0.26604	0.26686	0.00000	0.00000
Low & Mod 20% Set-aside	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.00000	0.00000
Total City Direct Rate	0.50249	0.50051	0.49471	0.56460	0.56679	0.56688	0.53604	0.53686	0.06650	0.06650
Overlapping Rates:										
General	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.15716	0.15716
Riverside County General & Fire	0.29080	0.29087	0.28868	0.28791	0.28371	0.28376	0.28336	0.28336	0.06557	0.06557
Coachella Valley Water District	0.05881	0.05855	0.05891	0.05885	0.05877	0.05870	0.05932	0.05886	0.03055	0.03055
Desert Sands Unified School District	0.09159	0.09279	0.09694	0.09745	0.09857	0.09851	0.11489	0.11498	0.40439	0.40439
Riverside County Superintendent of Schools	0.01035	0.01049	0.01096	0.01102	0.01114	0.01114	0.01299	0.01300	0.04572	0.04572
College of Desert	0.01903	0.01928	0.02014	0.02025	0.02048	0.02047	0.02387	0.02389	0.08403	0.08403
Coachella Valley Parks & Recreation District	0.01621	0.01650	0.01750	0.01763	0.01792	0.01792	0.02190	0.02192	0.01321	0.01321
CV Mosquito & Vector Control District	0.01072	0.01091	0.01157	0.01166	0.01185	0.01185	0.01448	0.01449	0.01091	0.01091
Riverside County Regional Park & Open Space	0.00000	0.00003	0.00019	0.00021	0.00026	0.00026	0.00088	0.00088	0.00388	0.00388
Coachella Valley Public Cemetery	0.00000	0.00003	0.00015	0.00017	0.00021	0.00022	0.00072	0.00072	0.00257	0.00257
Desert Regional Medical Center	0.00000	0.00004	0.00024	0.00025	0.00029	0.00029	0.00098	0.00097	0.00000	0.00000
Coachella Valley Resource Conservation	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00039	0.00039
Education Revenue Augmentation Fund	0.00000	0.00000	0.00001	0.00001	0.00002	0.00002	0.00006	0.00006	0.17512	0.17512
TOTAL	0.49751	0.49949	0.50529	0.50541	0.50322	0.50314	0.53345	0.53313	1.00000	1.00000
Override Assessments										
Coachella Valley Water District	0.02100	0.02100	0.02100	0.02080	0.04000	0.04000	0.06000	0.06000	0.08000	0.08000
Desert Community College	0.00000	0.02000	0.02000	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995
Desert Sands Unified School District	0.09800	0.09600	0.07700	0.07613	0.07561	0.07990	0.08112	0.10036	0.11467	0.11156
TOTAL	0.11900	0.13700	0.11800	0.11688	0.13556	0.13985	0.16107	0.18031	0.21462	0.21151
TOTAL TAX RATE	1.11900	1.13700	1.11800	1.18689	1.20557	1.20987	1.23056	1.25030	1.21462	1.21151

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

City of Indian Wells
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago

Taxpayer	2012-13		2003-04	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Garden of Champions	\$ 107,865,515	2.34%	\$ 65,609,526	1.96%
Grand Champions LLC	59,368,207	1.29%	74,259,429	2.21%
Toscana Inc.	53,855,404	1.17%	-	0.00%
Vintage Club	49,990,127	1.09%	57,393,873	1.71%
Felcor Esmeralda	47,600,000	1.03%	-	0.00%
Eldorado Country Club	20,644,724	0.45%	13,850,859	0.41%
LH Indian Wells Holding	19,947,777	0.43%	-	0.00%
Reserve Club	19,058,353	0.41%	17,046,430	0.51%
Sanderson J Ray Indian Wells	16,393,944	0.36%	-	0.00%
Cook Leo W	15,344,048	0.33%	10,934,852	0.33%
Village Shopping Center	14,770,071	0.32%	-	0.00%
IWCC Acquisition Corp	13,367,979	0.29%	15,526,866	0.46%
Schmid Inv	12,926,783	0.28%	9,298,530	0.28%
Marion Anne W	12,243,512	0.27%	-	0.00%
Standard Pacific Corp	12,157,314	0.26%	-	0.00%
Gilleland Richard A	11,797,091	0.26%	10,435,506	0.31%
Indian Wells Village II	11,663,321	0.25%	10,174,890	0.30%
Ryan Oil Co	11,406,847	0.25%	12,566,250	0.37%
Washington Roy Dennis	10,055,453	0.22%	-	0.00%
Neptune	9,809,908	0.21%	-	0.00%
Dillard Kay	9,807,725	0.21%	-	0.00%
Brinson Gary P	9,500,000	0.21%	15,704,542	0.47%
Gilliland Gloria J	9,233,662	0.20%	-	0.00%
Argyros George L	9,157,408	0.20%	-	0.00%
Coleman Sheldon C	8,644,000	0.19%	-	0.00%
CTF (USA)	-	0.00%	78,947,573	2.35%
Southwest Community Church	-	0.00%	35,029,639	1.04%
Ministrelli Dev Inc	-	0.00%	32,213,738	0.96%
Heritage Land	-	0.00%	27,162,751	0.81%
Resort Calif	-	0.00%	17,000,000	0.51%
Carletti Christopher M	-	0.00%	13,265,100	0.40%
Gross William H & Sue J	-	0.00%	13,171,363	0.39%
Flannery Prop	-	0.00%	13,065,982	0.39%
Alexander & Baldwin Inc	-	0.00%	12,941,015	0.39%
Indian Wells Holding	-	0.00%	11,499,340	0.34%
Johnson Faye Peterson	-	0.00%	10,649,503	0.32%
Koch Charles G	-	0.00%	10,612,080	0.32%
Windfohr Anne Burnett	-	0.00%	10,344,516	0.31%
Total Top 25 Taxpayers	\$ 576,609,173	12.52%	\$ 598,704,153	17.85%
Total Taxable Value	4,603,198,996	100.00%	3,353,618,073	100.00%

Source: County Assessor data, MuniServices, LLC

City of Indian Wells
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2012-13		2003-04	
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	Digital Internet Service	Office Equipment
CVS/Pharmacy	Drug Stores	Don Diegos	Restaurants
Desert Horizons County Club	Restaurants	Donna Schuler Design Studio	Furniture/Appliance
Don Diegos	Restaurants	Eldorado County Club	Restaurants
Eldorado County Club	Restaurants	Hopson's Health Equipment	Recreation Products
Hotel Indian Wells	Restaurants	Hotel Indian Wells	Restaurants
Hyatt Grand Champions Resort	Restaurants	Hyatt Grand Champions Resort	Restaurants
Indian Wells County Club	Miscellaneous Retail	Indian Wells Golf Resort	Restaurants
Indian Wells Golf Resort	Restaurants	Indian Wells Tennis Garden	Recreation Products
Indian Wells Tennis Garden	Recreation Products	Kitchen Kitchen	Miscellaneous Retail
Irwin Seating Company	Light Industry	Le Saint Germain Restaurant	Restaurants
Kitchen Kitchen	Miscellaneous Retail	Miramonte Resort and Spa Food	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
Swank Audio Visuals	Light Industry	Serena's Baubles & Bangles	Miscellaneous Retail
Terry Beardsley Golf Shop	Recreation Products	Swank Audio Visuals	Light Industry
The Nest	Restaurants	Terry Beardsley Golf Shop	Recreation Products
Toscana County Club	Restaurants	The Nest	Restaurants
Vicky's of Santé Fe	Restaurants	Vicky's Restaurant	Restaurants
Village Inscriber	Miscellaneous Retail	Village Inscriber	Miscellaneous Retail
Vintage Club	Restaurants	Vintage Club	Restaurants

Source: 2012-13 SBOE data, MuniServices, LLC
Top Sales Tax Producers listed in alphabetical order.

City of Indian Wells

Principal Employers

Last Fiscal Year

Business Name	2012-13		2003-04	
	Number of Employees	Total Employment (%)	Number of Employees	Total Employment (%)
Renaissance Esmeralda Resort	488	27.11%	0	0.00%
Hyatt Grand Champions	440	24.44%	0	0.00%
Indian Wells Golf Resort (1)	228	12.67%	0	0.00%
Miramonte Resort and Spa	212	11.78%	0	0.00%
El Dorado Country Club (2)	199	11.06%	0	0.00%
Toscana Country Club	154	8.56%	0	0.00%
Indian Wells Country Club	117	6.50%	0	0.00%
Desert Horizons Country Club	80	4.44%	0	0.00%
Indian Wells Resort Hotel	77	4.28%	0	0.00%
Merrill Lynch Wealth Mgmt	50	2.78%	0	0.00%
Total Top Employers	2,045	113.61%	0	0.00%
Total City Employment (3)	1,800			

Source: MuniServices, LLC

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

- 1.) Includes Seasonal Employees
- 2.) Includes Seasonal Employees
- 3.) Total City Labor Force provided by EDD Labor Force Data.

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
2004	\$ 26,913,427	\$28,142,675	104.57%	-	\$28,142,675	104.57%
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%

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.

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 ²	Per Capita ²
	Tax Allocation Bonds	Notes Payable	Total		
2004	\$ 100,495,000	\$ -	\$100,495,000	27.25%	\$ 22,772
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	-	133,580,000	29.54%	27,951
2008	129,615,000	-	129,615,000	29.06%	26,858
2009	125,895,000	-	125,895,000	25.10%	25,641
2010	132,925,000	-	132,925,000	26.66%	26,870
2011	128,910,000	-	128,910,000	24.62%	25,371
2012	- ¹	-	-	0.00%	-
2013	- ¹	-	-	0.00%	-

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

City of Indian Wells

Ratio of General Bonded Debt Outstanding and Legal Debt Margin

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

Fiscal Year End	Outstanding Tax Allocation Bonds	% of Assessed Value ¹	Per Capita	Less: Amounts Set Aside To Repay Debt	Total Net Debt Applicable To Debt Limit	Legal Debt Limit	Legal Debt Margin	Legal Debt Margin as a % of Limit
2004	\$ 100,495	3.0%	\$ 22,772	\$ -	\$ 100,495	\$ 504,541	\$ 404,046	80.1%
2005	96,830	2.8%	20,686	26,258	70,572	529,957	459,385	86.7%
2006	93,670	2.4%	19,737	27,594	66,076	591,143	525,067	88.8%
2007	133,580	3.1%	27,951	33,544	100,036	643,399	543,363	84.5%
2008	129,615	3.0%	26,858	34,634	94,981	714,418	619,437	86.7%
2009	125,895	2.6%	25,641	37,459	88,436	732,409	643,973	87.9%
2010	132,925	2.6%	26,870	38,487	94,438	761,053	666,615	87.6%
2011	128,910	2.6%	25,731	36,993	91,917	692,612	600,695	86.7%
2012	-	0.0%	-	34,789	(34,789)	4,603,199	4,637,988	100.8%
2013	-	0.0%	-	-	-	690,480	690,480	100.0%

Legal Debt Margin Calculation for Fiscal Year 2013:

Assessed Value (From Assessor's net 02-2441)	<u>FY 2012/13</u> \$4,603,198,996
Legal Debt limit (15% of total assessed value)	690,479,849

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

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

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

City of Indian Wells
Direct and Overlapping Debt
June 30, 2013

2012-13 Assessed Valuation: \$4,588,810,190

	Total Debt 6/30/2013	% Applicable (1)	City Share of Debt 6/30/12
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Desert Community College District	\$ 318,557,917	7.454%	\$ 23,745,307
Desert Sands Unified School District	299,439,842	14.396%	43,107,360
Desert Sands Unified School District Community Facilities District No. 1	1,455,000	11.088%	161,330
City of Indian Wells	-	100.000%	-
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 619,452,759		\$ 67,013,997
OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Riverside County General Fund Obligations	\$ 640,243,149	2.275%	\$ 14,565,532
Riverside County Pension Obligations	346,790,000	2.275%	7,889,473
Riverside County Board of Education Certificates of Participation	3,900,000	2.275%	88,725
Desert Sands Unified School District Certificates of Participation	51,790,000	14.396%	7,455,688
Coachella Valley Recreation and Park District Certificates of Participation	2,215,000	11.657%	258,203
TOTAL GROSS OVERLAPPING GENERAL FUND OBLIGATION DEBT			30,257,621
Less: Riverside County Administrative Center Authority (100% self-supporting)			(247,855)
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT			\$ 30,009,766
<u>OVERLAPPING TAX INCREMENT DEBT:</u>	316,975,000	0.176-100. %	\$ 120,294,847
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			217,566,465
TOTAL NET OVERLAPPING DEBT			217,318,610
GROSS COMBINED TOTAL DEBT			217,566,465 ⁽²⁾
NET COMBINED TOTAL DEBT			\$ 217,318,610

- (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 2012-13 Assessed Valuation:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.46%
Gross Combined Total Debt	4.74%
Net Combined Total Debt	4.74%

Ratios to Redevelopment Incremental Valuation (\$3,359,492,224):

Total Overlapping Tax Increment Debt	3.58%
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Source: MuniServices

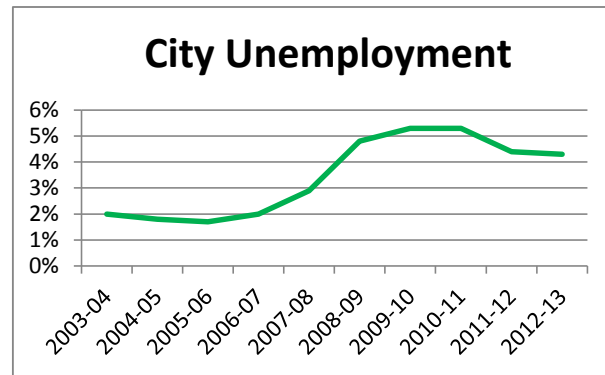
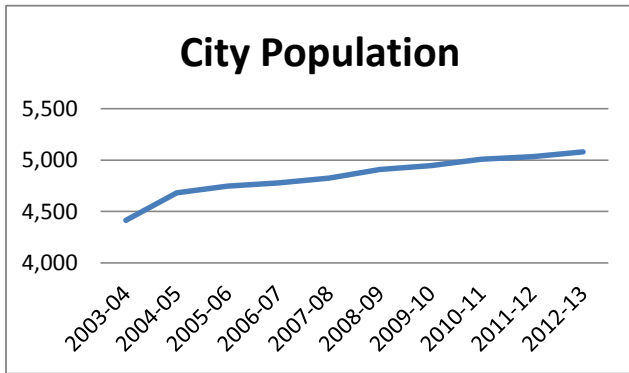
City of Indian Wells
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2004	\$ 26,257,808	\$ 1,705,000	\$ 4,201,194	4.45
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	-	-	-	-

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

City of Indian Wells
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age	Public School Enrollment (3)	City Unemployment Rate (%) (4)
2003-04	4,413	\$ 368,803,236	\$ 83,572	63.4	-	2.0%
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%



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
 Full-time Equivalent City Government Employees
 by Function
 Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2004</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>
City Manager/Clerk	4.00	4.75	8.75	9.75	9.75	6.75	6.75	4.75	4.75	4.75
Advertising/Marketing	-	-	-	-	-	3.00	3.00	2.00	2.00	2.00
Risk Management	0.25	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	0.25	0.125	0.125	0.125	0.125
Management Services	4.25	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	9.00	10.00	10.00	10.00	9.00	8.25	6.25	5.25	5.25
Finance Department	6.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Central Services	-	-	-	-	-	-	-	-	-	-
Public Safety	1.50	1.50	1.50	1.50	1.50	0.50	1.50	1.50	1.50	1.50
Public Relations	-	-	-	-	-	-	-	-	-	-
Public Works	8.00	8.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf Resort	-	1.00	1.00	1.00	1.00	-	-	-	-	-
Total	<u>33.50</u>	<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>

Source: City of Indian Wells Budget

City of Indian Wells
 Operating Indicators
 By Function
 Last Ten Fiscal Years

<u>Function</u>	Fiscal Year				
	2004	2005	2006	2007	2008
Police					
Violent Crime	-	-	-	7	5
Thefts	73	75	70	97	150
Burglaries	148	108	101	129	109
Traffic Collisions	177	152	148	152	167
Traffic Citations	2,374	1,318	1,311	1,229	976
Fire					
Medical Aid Calls	465	530	514	529	574
Public Service Assists	31	21	28	44	97
Structure Fires	33	40	17	4	19
Vegetation Fires	-	-	1	-	-
Building Activity					
Permits Issued	1,092	1,148	1,122	800	859
Inspections Performed	6,267	9,245	7,431	4,702	5,590
New Dwelling Units	170	159	107	52	49
Public Works					
Lot Line Adjustments	13	12	6	4	18
Parcel Mergers	2	4	1	2	4
Encroachment Permits	113	88	154	116	73
Tract Maps	2	3	4	2	1
Golf Resort					
Golf rounds played	87,515	88,878	58,154	53,223	48,082
Administration					
City Council Meetings	24	24	22	21	19
Public Hearings	30	37	50	34	17
Adopted Resolutions	59	57	60	44	60

Fiscal Year				
2009	2010	2011	2012	2013
3	1	3	-	-
104	89	112	102	141
55	72	58	47	66
107	93	72	88	88
1,014	2,371	1,333	870	838
690	538	594	696	704
70	76	78	108	118
8	17	5	4	4
-	-	-	-	-
577	416	548	582	774
4,421	1,390	2,286	2,811	3,862
9	5	17	13	35
2	1	-	1	3
-	-	3	2	3
67	59	66	48	66
1	-	-	2	2
69,308	81,102	83,052	83,104	82,712
23	22	20	21	21
18	22	23	16	11
46	53	35	43	53

City of Indian Wells
 Capital Asset Statistics
 By Function
 Last Ten Fiscal Years

<u>Function</u>	Units of Measure	Fiscal Year	
		2004	2005
Public safety			
Police Sub-Stations	Buildings	1.00	1.00
Fire Stations	Buildings	1.00	1.00
Highways, Streets, Bridges, & Infrastructure			
Pavement (Roadway)	Centerline Miles	22.30	22.30
Sidewalks	Miles	12.00	12.00
Bridges	Each	2.50	3.50
Traffic Signals	Each	3.75	3.75
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	2.00
Parks and recreation			
Parks	Each	1.00	1.00
18-Hole Public Golf Courses	Each	2.00	2.00
Golf Course Clubhouse	Each	1.00	1.00
City Vehicles			
City-Owned Fleet Motor Vehicles	Each	11.00	12.00
City-Owned Ambulances	Each	2.00	2.00
Affordable Housing			
Senior Affordable Housing Complexes	Each	1.00	2.00
Senior Affordable Housing Units	Each	90.00	218.00

Fiscal Year							
2006	2007	2008	2009	2010	2011	2012	2013
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
22.30	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
4.75	12.75	12.75	15.25	15.25	15.25	15.25	15.25
3.00	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	14.00	11.00	11.00	11.00	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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