

CITY OF RANCHO MIRAGE, CALIFORNIA



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*prepared by:*

**FINANCE DEPARTMENT**

**Isaiah Hagerman**, Director of Administrative Services

**YEAR ENDED JUNE 30, 2015**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF RANCHO MIRAGE, CALIFORNIA**

**CITY OF RANCHO MIRAGE**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2015**  
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**OFFICE OF THE CITY MANAGER**

Randal K. Bynder

December 23, 2015

Citizens of the City of Rancho Mirage,  
Honorable Mayor and Members of the City Council

It is with great pleasure that I present to you the Comprehensive Annual Financial Report (CAFR) of the City of Rancho Mirage for the fiscal year ended June 30, 2015. This document provides an overview of the City's financial activities during the past fiscal year. It has been prepared by the Finance Department for the benefit of City Council members, citizens, investors, grantors, employees and others who may have an interest in the financial well-being of the City.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Rancho Mirage. 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.

Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Rancho Mirage's financial statements for the fiscal year ended June 30, 2015. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

***PROFILE OF THE CITY***

The City of Rancho Mirage, located in eastern Riverside County in Southern California, was incorporated on August 3, 1973 and became a Charter City on December 25, 1997 as a result of a citywide election. According to official State estimates, the City has a permanent population of 17,739 within a boundary of approximately 25 square miles. The City sits at the base of the beautiful Santa Rosa Mountains and is an integral part of the larger, world-renowned resort and retirement area known as the Palm Springs Valley.

ADMINISTRATION	CODE COMPLIANCE	FINANCE	HOUSING AUTHORITY	PLANNING	PUBLIC LIBRARY	PUBLIC WORKS
Tel. 760.324-4511 Fax 760.324-8830	Tel. 760.770-3220 Fax 760.202-4792	Tel. 760.770-3207 Fax 760.324-0528	Tel. 760.770-3210 Fax 760.770-3261	Tel. 760.328-2266 Fax 760.324-9851	Tel. 760.341-7323 Fax 760.341-5213	Tel. 760.770-3224 Fax 760.770-3261

The City operates under the Council-Manager form of government. The five City Council members are elected to four-year terms in alternate slates every two years. Most recently, an election was held on April 8, 2014. The Mayor is appointed by the City Council for a one-year period on a rotating basis. Pursuant to the Municipal Code, the City Council member with the longest continuous service on the City Council without having served as Mayor shall be appointed Mayor. The Mayor presides over City Council meetings and represents the City at many public functions. The City Council also serves as the Board of Directors of the Successor Agency to the former Redevelopment Agency, Housing Authority, Community Services District and the Joint Powers Financing Authority component units as well as the Library. The City Council appoints the City Manager who heads the executive branch of the government, implements policies as directed and established by the City Council and manages the administrative and operational functions through the department directors. The City Manager appoints the department directors with the exception of the City Clerk and the City Attorney who are both appointed by the City Council. The City Manager also serves as the City Treasurer and the Executive Director of the Housing Authority.

The City of Rancho Mirage provides a full range of services, including police and fire protection, affordable housing programs, a highly-regarded public library, the construction and maintenance of streets and other infrastructure as well as recreational and cultural activities.

The City's annual operating and capital improvements budgets are adopted by resolutions for the fiscal year that begin July 1<sup>st</sup>. Separate resolutions are adopted by the City Council and the Boards of Directors of the Library, Community Services District, Joint Powers Financing Authority and the Housing Authority for the specific Funds under their supervision.

The budget document is categorized according to the City of Rancho Mirage's major entities - the City and the Housing Authority. They are further subdivided into organizational units referred to as Departments/Divisions or Funds. Expenditures for General Fund Divisions cannot exceed amounts budgeted within the objects of salaries and benefits, operations and maintenance and capital such as furniture and equipment. For other Funds, expenditures cannot exceed the total amount budgeted by each Fund. The City Manager is authorized to transfer appropriations within an object of a General Fund Division and within total fund appropriations for other Funds. The City Council/Boards of Directors approve all other changes.

## ***ECONOMIC CONDITIONS AND OUTLOOK***

Rancho Mirage, like every other municipality in the State and in the nation, has been adversely affected by the slow economic recovery. Rancho Mirage is weathering the situation better than most due to our historic commitment to fiscal responsibility and the City Council's vision to attract new revenue generating businesses while maintaining the City's well known reputation for high quality residential neighborhoods. Rancho Mirage has and will continue to have an international reputation as a destination resort and medical and research center and will continue to be recognized for its ambience and the unique lifestyle it provides and where its residents enjoy a variety of cultural and recreational opportunities.

Any discussion of Rancho Mirage finances must include an acknowledgment that Rancho Mirage is considered to be a "no-property-tax" City. The City did not have a separate property tax rate prior to the voter enactment of Proposition 13 in 1978 and is, therefore, prohibited from imposing one without a vote of the citizens. Thus, additional property tax revenue generated by development projects within the City, but not within the boundaries of the former Rancho Mirage Redevelopment Agency, is not remitted to the

City's General Fund. Instead, it is remitted to other taxing agencies such as Riverside County, school districts and other special districts. The only exception to this relates to land annexed to the City after June 30, 1980. In this instance, the City's General Fund receives 25% of the County's 30% share or 7.5% of the property taxes paid by those specific property owners. As a result, the City's General Fund only received approximately \$1.75 million or 5.2% of its total revenue from property tax.

As we all know, redevelopment activity in California effectively ceased January 31, 2012. This unfortunate action by the State removes a major "economic engine" for development and construction of infrastructure and affordable housing not only in Rancho Mirage but statewide as well. The former Redevelopment Agency was instrumental in constructing much of the infrastructure and facilities such as the Rancho Mirage Library that have made Rancho Mirage the outstanding City that it is. The City has assumed the role of Successor Agency effective February 1, 2012 with responsibilities to oversee liquidation of the assets and liabilities of the former Redevelopment Agency.

While the residential base is the single greatest asset of the community, the prestigious image of Rancho Mirage has also been enhanced by major nonresidential uses including four resort hotels – Omni Rancho Las Palmas Resort and Spa, the Ritz-Carlton Rancho Mirage, the Westin Mission Hills and Agua Caliente Casino•Resort•Spa - Eisenhower Medical Center, the Betty Ford Center, Annenberg Sunnylands Estate and *The River at Rancho Mirage* entertainment and retail center. These facilities are considered to be of the highest quality level with some receiving both national as well as international recognition. These land uses, in conjunction with the strong residential base, have allowed Rancho Mirage to become a prominent community within the Palm Springs Valley.

Rancho Mirage was one of the first communities in the Palm Springs Valley to capitalize on the demand for high quality residential/resort housing units in the Valley. As such, the City has traditionally had the unique advantage of widespread name recognition as one of the most affluent residential communities in the Valley. Within the context of continued growth within the Coachella Valley, the vast amount of vacant available land creates competition throughout the Valley for desirable new revenue producing development types.

### ***Hotels, Sales Tax, CFD – The Big Three***

Together, the transient occupancy tax, sales tax and community facilities district (CFD) revenue (approximately \$15.6 million) made up approximately 46% of the General Fund's total revenue in FY 2014-15. Economic conditions that affect these City revenues are those factors that influence tourism, consumer spending, residential and commercial growth.

Regarding transient occupancy tax, the four hotels in the City of Rancho Mirage noted above are considered to be first-class, destination resorts. Rancho Mirage has firmly established itself in a competitive position within the Palm Springs Valley with enhanced recognition by leisure and group resort travelers throughout the world. This position has been further strengthened by the flourishing Ritz-Carlton Hotel, which was re-opened on May 15, 2014. The project includes a complete renovation of the existing 244- room resort and construction of 16 spa suites plus future construction of 54 T-wing units and 25 tennis villas. This newly renovated resort along with the Omni Rancho Las Palmas Resort and Spa, the Westin Mission Hills Resort and Spa and the Agua Caliente Casino•Resort•Spa will keep Rancho Mirage firmly established in a competitive position within the Palm Springs Valley for recognition by leisure and group resort travelers throughout the world.

The Highway 111 corridor through Rancho Mirage is a 4½-mile-long major thoroughfare, with daily traffic exceeding 65,000 vehicles. It is recognized as the circulation and commercial axis of the Palm Springs Valley. The focus of the eastern-most portion of Highway 111 within Rancho Mirage is largely retail, restaurants and professional offices. In this area is *The River at Rancho Mirage*, the cornerstone of the City’s revitalization of Highway 111. The 30-acre waterfront development offers an upscale shopping and entertainment experience in an environment that features a river, fountains and waterfalls. People from all corners of the Palm Springs Valley, Southern California and beyond enjoy the many amenities offered at *The River*. Coupled with the pending successful redevelopment of the Rancho Las Palmas Shopping Center, the resulting ripple effect along Highway 111 has transformed this area into a unique and vibrant commercial “downtown” for the community.

### ***Long-Term Financial Planning***

The City’s General Plan is the community’s comprehensive and long-term view of its future; it is a blueprint for the City’s growth and development. The City Council and the Planning Commission use the goals and policies of the General Plan as a basis from which to make land use decisions. The General Plan is considered “long-term” since it looks 15 years or more into the future and projects conditions and needs as a basis for determining long-term objectives and policies for day-to-day decision making.

In order to promote and protect the attractive lifestyle that the City of Rancho Mirage offers to its residents and visitors an update to Rancho Mirage’s General Plan is currently underway with the anticipated completion in Fiscal Year 2016-2017. A comprehensive update to the General Plan was last completed in 2005. The update in 2005 was completed to keep pace with the changing conditions in Rancho Mirage and the Coachella Valley. The update addressed maintaining and enhancing the livability of Rancho Mirage’s neighborhoods, planning for an optimal balance of land uses while enhancing economic opportunities within the City and protecting the City’s unique natural setting. The update process was a collaborative effort among City staff, the City Council, professional planners and the citizens and stakeholders of Rancho Mirage.

Other ways in which the City ensures that its long-range goals are met are through a wide variety of Council Subcommittees. Each subcommittee is comprised of two Council members, one or more staff and, in some cases, citizens. Following are a few examples of the current nineteen subcommittees along with their assignments.

- o Audit/Budget Subcommittee – Review and analyze financial information, audit results, budgets and all financial policies and procedures.
- o Commercial Development Subcommittee – Review proposed and recently submitted commercial and other non-residential development projects, issues and topics.
- o Eisenhower Medical Center Subcommittee – Work cooperatively with representatives of Eisenhower Medical Center to ensure an effective partnership between the Medical Center and the City.
- o Tourism, Marketing and Special Events Subcommittee – Develop a theme for Rancho Mirage tourism, create an effective and user-friendly format to market Rancho Mirage tourism opportunities via the Internet, pursue group marketing of Rancho Mirage tourism; and promote Rancho Mirage hotels as a place to hold conferences, business meetings and other special events.
- o Chamber of Commerce Subcommittee – Coordinate with members of the Board of Directors of the Chamber of Commerce and the Chamber’s Executive Director related to the services provided to the City by the Chamber.

- o Section 19 Specific Plan Subcommittee – Meet with staff, consultants and invited property owners for the development and implementation of a Specific Plan for Section 19. Section 19 is approximately 268 acres located on the northeast corner of Dinah Shore Drive and Bob Hope Drive near the Agua Caliente Casino•Resort•Spa.
- o Section 31 Subcommittee – Formed to discuss terms and conditions of zoning and potentially a development agreement between the City and property owners in Section 31. Section 31 is approximately 640 acres located south of section 30 and is bordered by Bob Hope Drive to the west, Gerald Ford Drive to the north, Monterey Avenue to the east and Frank Sinatra Drive to the south.
- o Sphere of Influence Subcommittee – Review and analyze information and data related to the City’s Sphere of Influence (SOI), meet with property owners, tribal representatives and prospective developers.

Another way the City ensures its future financial health is its commitment to be economically prudent and sound. Perhaps the best indication of the financial stability of the City is the amount of fund balance. The City Council’s Audit/Budget Subcommittee consisting of two City Council members drafted the City’s Fund Balance Policy in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 effective July 1, 2010. The Fund Balance Policy incorporates the long-term view of the City’s resources by adopting reserves. The City Council reviews the reserves annually, which allows them to act quickly when events, whether local, state or nationwide, occur that change or may change the City’s economic stability. The following fund balance classifications are now incorporated into the financial statements: nonspendable, restricted, committed, assigned and unassigned. The footnotes to the financial statements provide detailed information over the various fund balance classifications.

#### ***AWARDS AND ACKNOWLEDGEMENTS***

The City will submit this Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association of the United States and Canada (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting award program. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

I would like to express my appreciation to the City Council for their ongoing oversight of the financial affairs of the City and their prudent fiscal, economic and land use policy and direction. I also thank City staff members with special appreciation to the Finance Division of the Department of Administrative Services for their continued effort to provide accurate financial data to City management and to Vavrinek, Trine, Day & Co., LLP, the City’s independent auditors, who assisted and contributed to the preparation of this report.

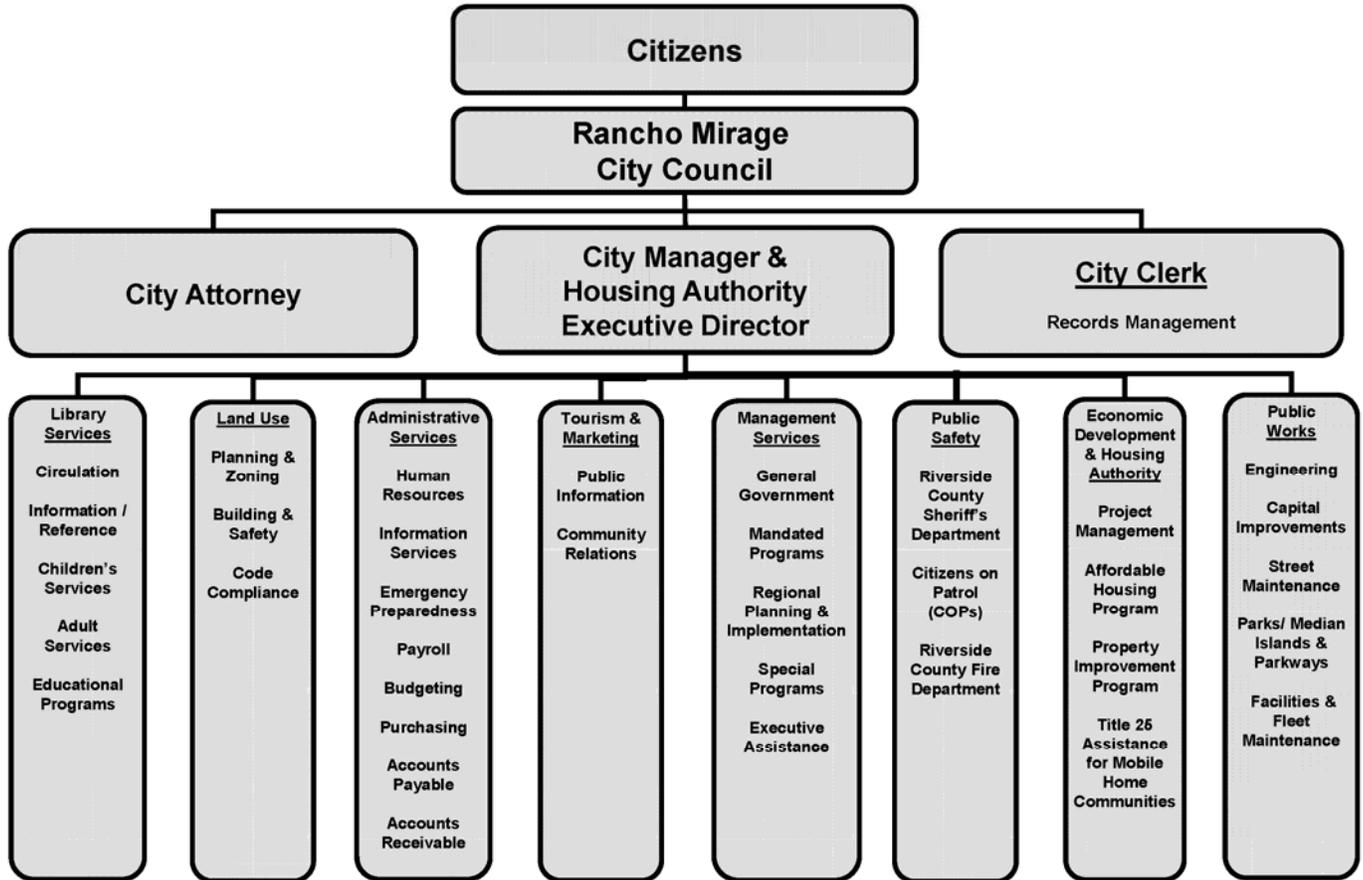
Respectfully submitted,



Randal K. Bynder  
City Manager



# ORGANIZATION CHART





**DIRECTORY OF OFFICIALS**

**June 30, 2015**

CITY COUNCIL

G. Dana Hobart	Mayor
Ted Weill	Councilmember
Richard Kite	Councilmember
Iris Smotrich	Councilmember
Charles Townsend	Councilmember

ADMINISTRATION

Randal K. Bynder	City Manager
Steven B. Quintanilla	City Attorney
Cindy Scott	City Clerk
Isaiah Hagerman	Director of Administrative Services
Robert Barrett	Director of Marketing and Public Relations
Mark Sambito	Director of Public Works
David Bryant	Library Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of Rancho Mirage  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of City Council  
City of Rancho Mirage, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Rancho Mirage, California, (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***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.

## ***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 as of June 30, 2015, and the respective change in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions —an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, as of July 1, 2014. This resulted in a restatement of beginning net position as disclosed in Note 16 to the financial statements. 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 on pages 4 through 12, schedule of the City's proportionate share of the net pension liability on page 57, schedule of contributions on page 58, schedule of funding progress on page 59 and budgetary comparison schedules on pages 60 through 70, be presented to supplement the basic financial statements. Such information, although not 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 accompanying combining and individual nonmajor fund financial statements and schedules (supplementary information), and the other information such as the introductory, statistical, and former Redevelopment Agency long-term debt information sections (other information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Riverside, California  
December 22, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Rancho Mirage's financial performance provides an overview of the City's financial activities for the fiscal year (FY) ended June 30, 2015. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of the City exceeded its total liabilities and deferred inflows at the close of the fiscal year 2014-15 by \$295,131,471 (net position). Of this amount, \$68,338,450 is unrestricted net position, \$37,591,744 is restricted for specific purposes and \$189,201,277 is net investment in capital assets. The City's net position from governmental activities increased from \$281.1 million to \$295.1 million or 5% as the result of increased in transient occupancy taxes, capital reimbursements and property taxes. In addition, there was a decrease in public works projects and reductions in pensions costs.
- The City's total long-term debt decreased by \$6,146,232 or -80% compared to the prior year. The decrease was due to the full redemption of the 2005A lease refunding revenue bonds and the payoff of the ACBCI capital improvement loan.
- The Net Pension Liability decreased \$5.4 million or 41% as a result of investment performance and the payment of the side-fund pension liability.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position, which identifies the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position, and the Statement of Activities, which identifies revenues and expenses, provide summary information about the activities of the City as a whole and allow a longer-term view of the City's finances. Fund Financial Statements of the City's major and non-major governmental funds tell how City services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

### Reporting the City as a Whole: The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities and deferred inflows/outflows using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. On the other hand the Fund Financial Statements are reported on the *modified accrual basis of accounting* as discussed on the next page.

These two statements report the City's *net position* and changes in them. The City's net position, the difference between assets and liabilities and deferred inflows/outflows, are one way to measure the City's financial health or *financial position*. Over time, *increases or decreases* in the City's net position indicate whether its *financial health* is improving or deteriorating. However, consideration should also be given to other non-financial factors, such as changes in the economy that may cause a decrease in consumer spending. The June 30, 2014 Statement of Net Position and Statement of Activities were restated for the implementation of GASB 68. The City's net position increased this year by approximately \$14 million from June 30, 2014 to June 30, 2015, primarily due to the following: increased TOT, capital reimbursements, property taxes and reductions in pension costs.

### **Reporting the City's Most Significant Funds: Fund Financial Statements**

The Fund Financial Statements provide detailed information about the most significant Funds and not the City as a whole. Included are the General, Library, Fire Tax, and Housing Authority, as well as lesser Funds reported collectively as Non-major Governmental Funds. Some Funds are required to be established by State law. However, management establishes many other Funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City currently has just one type of fund—*governmental*—which uses the following accounting approach.

*Governmental funds* focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. All of the City's services are reported in governmental funds. These funds are reported using an accounting method called the *modified accrual* accounting. Under this method of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current fiscal period while expenditures are generally recognized in the accounting period in which the liability is incurred with certain exceptions. For example, the issuance of long-term debt results in the recording of an other financing source in governmental funds and as principal and interest payments are made, an expenditure is recorded.

The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation following the balance sheet of the governmental funds.

### **The City as Trustee: Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, the City of Rancho Mirage Writers Festival Foundation and others. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The private-purpose trust fund is used to account for activity related to the dissolution of the former RDA. The accounting used for fiduciary funds is the same as the Statement of Net Position and Statement of Activities.

## THE CITY AS A WHOLE

The City's net position at June 30, 2015 was approximately \$295.1 million as shown in Table 1. Table 2 shows changes in net position of approximately \$14 million due to the reasons previously listed.

**Table 1**  
**Net Position**  
**As of June 30, 2015 and 2014**

	Governmental Activities	
	2015	2014
Current and other assets	\$ 114,237,733	\$ 126,386,591
Capital assets	189,201,277	176,040,489
<b>Total Assets</b>	<b>303,439,010</b>	<b>302,427,080</b>
Deferred outflows of resources:		
Deferred amount pensions	10,906,310	4,179,802
Long-term debt outstanding	1,565,149	7,711,381
Net Pension Liability	7,844,756	13,292,612
Other liabilities	7,285,123	4,273,796
<b>Total Liabilities</b>	<b>16,695,028</b>	<b>25,277,789</b>
Deferred inflows of resources:		
Deferred amount on refunding	2,518,821	224,327
Net position:		
Net investment in capital assets	189,201,277	169,361,896
Restricted	37,591,744	44,551,501
Unrestricted	68,338,450	67,191,369
<b>Total Net Position</b>	<b>\$ 295,131,471</b>	<b>\$ 281,104,766</b>

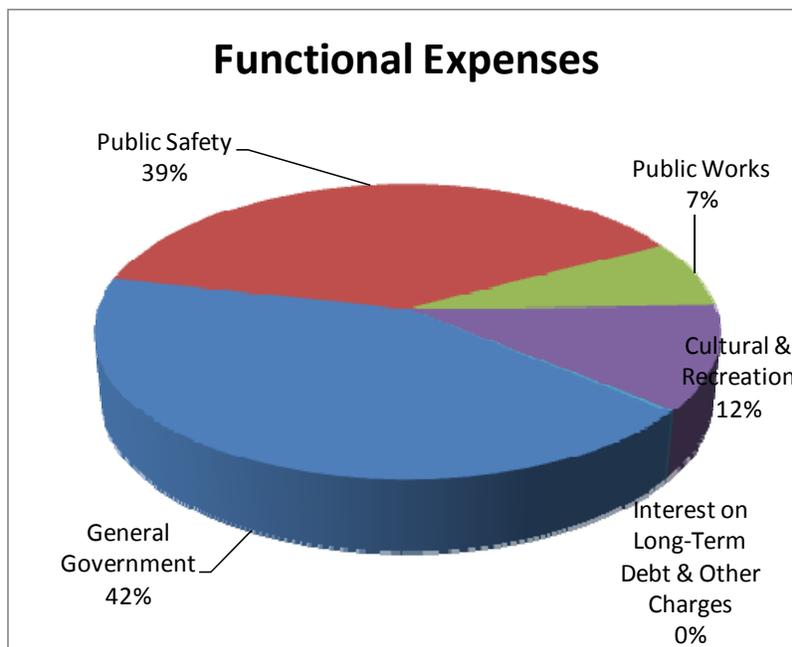
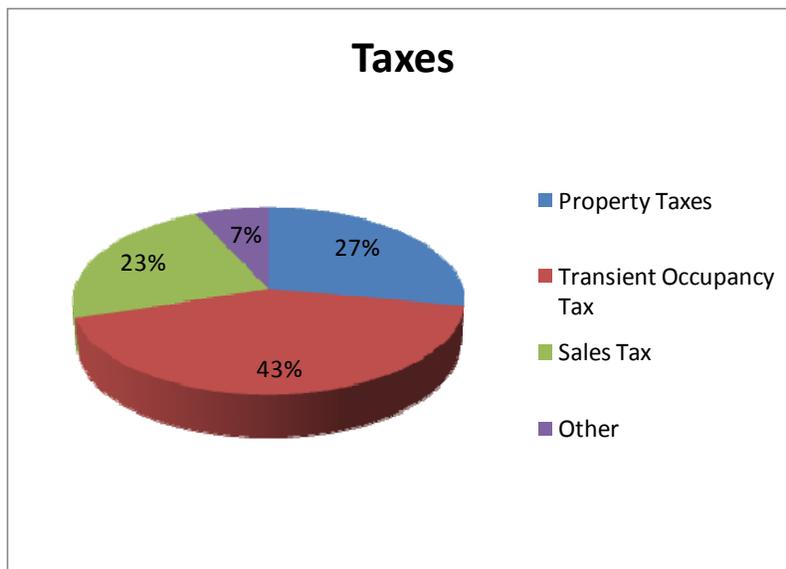
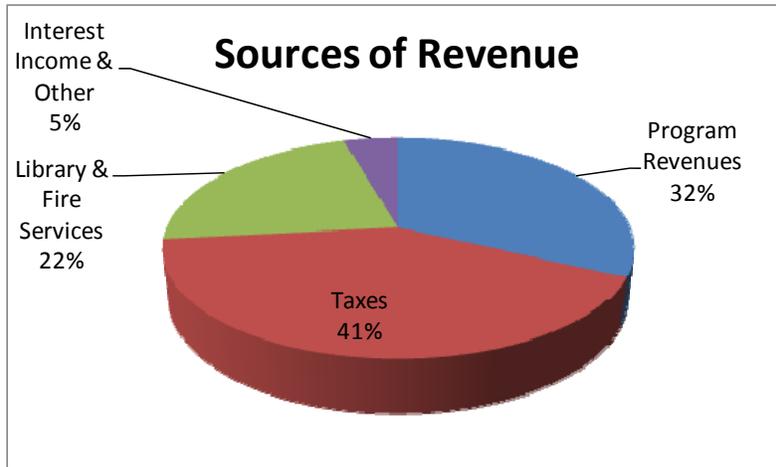
The decrease in current and other assets of \$12.1 million or 9.6% was primarily the result of large one-time liability payments for the 2005A lease revenue bonds, ACBCI capital improvement loan and a large payment to the City's pension plan, which is reflected as a deferred outflow. Long-term debt decreased by \$6.1 million or 80% as a result of the City paying off the 2005A lease revenue bonds and ACBCI capital improvement loan. The Net Pension Liability decreased \$5.4 million or 41% as a result of pension investment returns and the side-fund payoff. The other liabilities increase of \$3 million or 70.5% as a result of large capital costs being incurred as of year-end.

The City's Net Position is made up of three components: Net Investment in Capital Assets, Restricted and Unrestricted. Unrestricted net position, the part of net position that can be used to finance day-to-day operations, account for approximately 23% of the total net position.

**Table 2**  
**Changes in Net Position**  
**For the Year Ended June 30, 2015 and 2014**

	Governmental Activities	
	2015	2014
<b>Revenues</b>		
Program Revenues		
Charges for services	\$ 4,268,753	\$ 4,224,756
Operating grants and contributions	1,489,580	1,276,702
Capital and grants contributions	9,267,970	7,750,169
Taxes		
Property Taxes (Net of Pass-Through Payments and SERAF)	5,369,047	4,787,627
Transient occupancy taxes	8,321,487	6,083,198
Sales tax	4,414,202	4,225,803
Franchise taxes	1,330,464	1,293,858
Motor Vehicle In-Lieu tax	7,272	-
Library and fire services tax	10,457,817	9,346,265
Interest income, net of change in fair value	1,433,588	1,919,613
Other	660,597	1,009,714
<b>Total Revenues</b>	<b>\$ 47,020,777</b>	<b>\$ 41,917,705</b>
<b>Expenses</b>		
General government	13,943,090	25,026,174
Public safety	12,839,419	11,671,073
Public works	2,403,921	3,983,985
Cultural and recreation	3,742,686	4,111,622
Interest on long-term debt and Other charges	64,956	182,285
<b>Total Expenses</b>	<b>32,994,072</b>	<b>44,975,139</b>
<b>Increase (decrease) in net position</b>	<b>\$ 14,026,705</b>	<b>\$ (3,057,434)</b>

Summarized information for fiscal year 2015 is as follows:



The City's total governmental activities revenues increased from \$41,917,705 to \$47,020,777, which represents a \$5.1 million or 12.2% increase. Transient occupancy tax, property taxes and capital reimbursements accounts for the 12.2% increase in total revenues for the current year.

Total cost of all governmental activities decreased to \$32,994,072 compared to \$44,975,139 for last year, which represents a decrease of \$11,981,067 or 26.6%. The primary reason for the decrease is a result of decreased expenditures public works division and general government division resulting from reduced capital costs and decreased pension costs.

## Governmental Activities

Table 3 presents the cost of each of the City's activities—general government, public safety, and public works—as well as each program's *net* cost (total cost less revenues generated by the activities). The net costs show the extent to which the City's general revenues support each of the City's programs.

**Table 3**  
**Net Cost of Governmental Activities**  
**As of June 30, 2015 and 2014**

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General Government	\$ 13,943,090	\$ 1,588,929	\$ 25,026,174	\$ 19,727,635
Public Safety	12,839,419	12,667,236	11,671,073	11,546,726
Public Works	2,403,921	672,146	3,983,985	(3,011,319)
Cultural and recreation	3,742,686	2,974,502	4,111,622	3,278,185
Interest on long-term debt & other charges	64,956	64,956	182,285	182,285
Totals	<u>\$ 32,994,072</u>	<u>\$17,967,769</u>	<u>\$ 44,975,139</u>	<u>\$ 31,723,512</u>

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At year-end the City's Governmental Funds reported a combined fund balance of \$106,864,286. This includes the General Fund's total fund balance of \$69,272,542 of which \$2,776,508 is restricted, \$59,351,430 is committed, \$7,104,867 is unassigned and \$49,737 is in non-spendable form. The General Fund's fund balance decreased by \$10,789,581 due primarily to the payoff of long-term liabilities including: pension liability payoff, retirement of the 2005A Lease Refunding Revenue Bonds and the full principal payment of the ACBCI capital improvement loan.

The General Fund's financial statements include the financial activities of the License Tax Fund, the COPS (Citizens Option for Public Safety) Fund, the Agua Caliente Band of Cahuilla Indians (ACBCI) Fee Fund, traffic safety fund, community service district fund and community facilities district fund.

The General Fund's fund balance includes committed fund balance for prudent reserve, disaster recovery, capital projects, Library, Ritz Spa Suite, Section 19 Water and economic development reserve. For more information refer to footnote #15.

Other major funds:

- The Library Fund's fund balance increased slightly to \$2,636,857 from \$2,581,049. Revenues exceeded expenditures as a result of reduced pension costs associated with the large one-time payment of the unfunded pension liability.
- The Fire Tax Fund's total fund balance decreased from \$309,062 to 304,397 due to fire costs exceeding revenue. Currently it is anticipated that the General Fund will need to provide an operating subsidy beginning in FY 2015-16.
- The Housing Authority's total fund balance decreased from \$20,402,172 to \$19,158,204 due to deficit spending as a result of the loss of the 20% set aside from the former Redevelopment Agency.

### **General Fund Budgetary Highlights**

**Revenues:** As the economy continues to stabilize, few mid-year budget adjustments were needed to be approved by Council. See the Budgetary Comparison Schedule for details. Final year-end expenditures exceeded revenues and transfers by approximately \$10.8 million.

**Expenditures:** Various expenditure budget adjustments were approved by Council at mid-year and year-end. See the Budgetary Comparison Schedule as identified in the table of contents. Actual expenditures of \$44,802,236 were \$14 million less than the final budget primarily due to budgeted capital improvement projects not being completed by the end of the fiscal year (approximately \$13 million) and reduced expenditures in all General Fund divisions (approximately \$1 million).

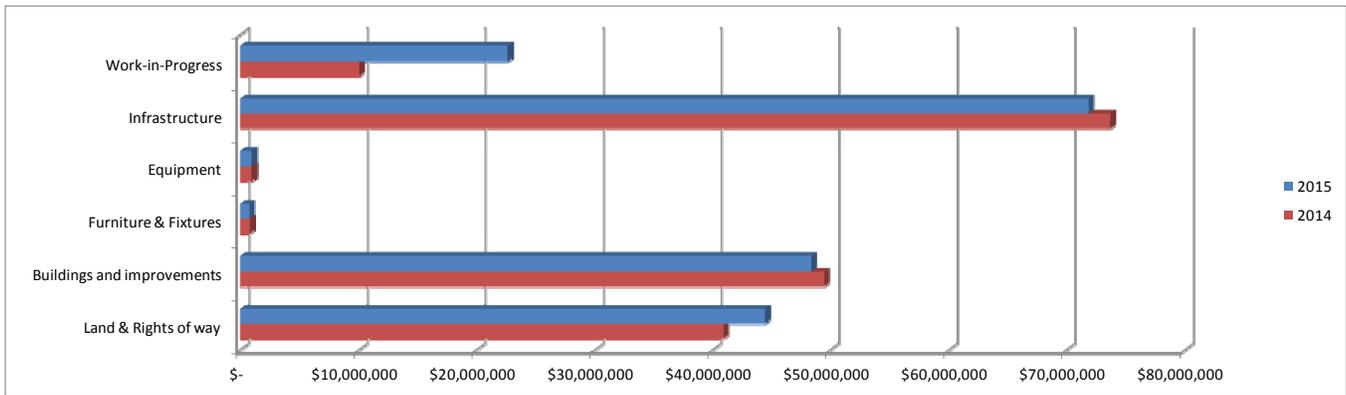
## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of Fiscal Year 2015, the City had \$189 million invested in a broad range of capital assets, including land, buildings, park facilities, streets, traffic signals, vehicles and equipment. This amount represents a net increase (including additions and deletions) of approximately \$13 million over last year. More detailed information regarding the activity for the year ended June 30, 2015 can be found in the notes to the financial statements section (note 6).

**Table 4**  
**Capital Assets at Year-End**  
**(Net of Depreciation)**  
**As of June 30, 2015 and 2014**

	Government Activities	
	2015	2014
Land & Rights of way	\$ 44,433,109	\$ 40,959,383
Buildings and improvements	48,394,436	49,500,503
Furniture & Fixtures	813,267	841,783
Equipment	968,617	986,899
Infrastructure	71,926,329	73,706,434
Work-in-Progress	22,665,519	10,045,487
Totals	<u>\$ 189,201,277</u>	<u>\$ 176,040,489</u>



## Debt

At year-end the City's governmental activities had \$7,844,756 in Net Pension Liability and \$1,565,149 in DOE Loan, claims payable, and compensated absences, which totaled \$9,409,905 compared to a prior year total of \$21,003,993. The decrease of \$11,594,088 or 55.2% is primarily due to the net pension liability decrease as a result of pension investment returns and the side-fund liability payment. In addition, the decrease was attributed to the retirement of the ACBCI loan and the 2005A Lease Refunding Revenue Bonds. More detailed information can be found in note 7 and 11 to the basic financial statements.

**Table 5**  
**Outstanding Debt at Year-End**  
**As of June 30, 2015 and 2014**

	Government Activities	
	2015	2014
Revenue Bonds	\$ -	\$ 4,427,052
ARRA- DOE Loan	238,176	258,561
Claims Payable	128,854	338,009
ACBCI Liability	-	1,768,653
Compensated Absences	1,198,119	919,106
Net Pension Liability	7,844,756	13,292,612
Totals	\$ 9,409,905	\$ 21,003,993

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

Current economic projections continue to project gradual improvement in economic growth. California continues to see improving unemployment rates and slight projected growth in sales tax.

The City closed the fiscal year with a healthy general fund balance of \$69,272,542 a decrease of \$10,789,581 from the prior year. The reduction was a result of several large one-time liability payments, which will better position the City financially in the future. The General Fund budget for fiscal year 2015-16 has budgeted operating revenues of \$24,702,252 and operating expenditures of \$23,505,595. The status of revenues and expenditures will also be reviewed during the mid-year budget review in February 2016. The City has committed fund balance for several capital projects over the next few years.

**CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

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 the City’s Finance Department at the City of Rancho Mirage, 69-825 Highway 111, Rancho Mirage, California 92270, (760) 770-3207 or visit the City’s website at [www.ranchoirageca.gov](http://www.ranchoirageca.gov).

**CITY OF RANCHO MIRAGE  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments (note 2)	\$ 94,437,172
Cash and investments with fiscal agent (note 2)	2,872,951
Receivables:	
Interest	307,079
Accounts	1,004,492
Loans	1,581,509
Due from other governments	4,318,414
Prepaid items	49,737
Advances to RDA Successor Agency (note 4)	9,666,379
Capital assets (note 6):	
Non-depreciable capital assets	67,098,628
Depreciable capital assets, net	122,102,649
Total assets	303,439,010
<b>Deferred Outflows of Resources:</b>	
Deferred amount related to pensions (note 11)	10,906,310
<b>Liabilities:</b>	
Accounts payable	6,940,887
Accrued salaries and benefits	304,071
Due to other governments	782
Deposits payable	39,382
Long-term liabilities (note 7):	
Due within one year	320,118
Due in more than one year	1,245,031
Net Pension Liability (note 11)	7,844,756
Total liabilities	16,695,027
<b>Deferred inflows of resources:</b>	
Deferred amount related to pensions (note 11)	2,518,821
<b>Net position:</b>	
Net investment in capital assets	189,201,277
Restricted for:	
Public safety	363,946
Public works	10,122,089
Cultural and recreation	7,947,505
Affordable housing	19,158,204
Unrestricted	68,338,450
Total net position	\$ 295,131,471

See accompanying notes to basic financial statements.

**CITY OF RANCHO MIRAGE  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2015**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	
Governmental activities:						
General government	\$ (13,943,090)	\$ 3,003,917	\$ 1,274,730	\$ 8,075,514	\$ 12,354,161	\$ (1,588,929)
Public safety	(12,839,419)	140,725	31,458	-	172,183	(12,667,236)
Public works	(2,403,921)	547,696	4,623	1,179,456	1,731,775	(672,146)
Cultural and recreation	(3,742,686)	576,415	178,769	13,000	768,184	(2,974,502)
Interest on long-term debt and other charges	(64,956)	-	-	-	-	(64,956)
Total governmental activities	\$ (32,994,072)	\$ 4,268,753	\$ 1,489,580	\$ 9,267,970	\$ 15,026,303	(17,967,769)
General revenues:						
Taxes:						
Property taxes					5,369,047	
Transient occupancy taxes					8,321,487	
Sales taxes					4,414,202	
Franchise taxes					1,330,464	
Motor vehicle in lieu tax, unrestricted intergovernmental					7,272	
Library and fire services tax					10,457,817	
Interest income, net of change in fair value					1,433,588	
Other					660,597	
Total general revenues					31,994,474	
Change in net position					14,026,705	
Net position at beginning of year, as restated					281,104,766	
Net position at end of year					\$ 295,131,471	

See accompanying notes to basic financial statements.

**CITY OF RANCHO MIRAGE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>General Fund</b>	<b>Library Fund</b>	<b>Fire Tax Fund</b>	<b>Housing Authority Fund</b>
<b>Assets</b>				
Cash and investments	\$ 66,973,916	\$ 2,710,793	\$ 1,249,673	\$ 7,901,442
Cash and investments with fiscal agent	2,766,508	-	-	-
Receivables:				
Interest	221,156	2,483	188	27,290
Accounts	825,566	9,890	-	-
Loans	-	-	-	1,581,509
Due from other governments	3,993,142	-	197,935	20,782
Due from other funds	-	46,257	28,553	-
Advances to RDA Successor Agency	-	-	-	9,666,379
Prepaid items	49,737	-	-	-
Total assets	<u>\$ 74,830,025</u>	<u>\$ 2,769,423</u>	<u>\$ 1,476,349</u>	<u>\$ 19,197,402</u>
<b>Liabilities</b>				
Accounts payable	\$ 5,267,036	\$ 56,771	\$ 1,125,695	\$ 29,000
Accrued salaries and benefits	242,735	53,826	-	4,787
Due to other governments	638	144	-	-
Due to other funds	28,553	-	46,257	-
Deposits payable	18,521	11,935	-	5,411
Total liabilities	<u>5,557,483</u>	<u>122,676</u>	<u>1,171,952</u>	<u>39,198</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	9,890	-	-
<b>Fund balances</b>				
Non-spendable	49,737	-	-	-
Restricted	2,766,508	2,636,857	304,397	19,158,204
Committed	59,351,430	-	-	-
Unassigned	7,104,867	-	-	-
Total fund balance	<u>69,272,542</u>	<u>2,636,857</u>	<u>304,397</u>	<u>19,158,204</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,830,025</u>	<u>\$ 2,769,423</u>	<u>\$ 1,476,349</u>	<u>\$ 19,197,402</u>

See accompanying notes to basic financial statements.

	<b>Non major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and investments	\$ 15,601,348	\$ 94,437,172
Cash and investments with fiscal agent	106,443	2,872,951
Receivables:		
Interest	55,962	307,079
Accounts	169,036	1,004,492
Loans	-	1,581,509
Due from other governments	106,555	4,318,414
Due from other funds	-	74,810
Advances to RDA Successor Agency	-	9,666,379
Prepaid items	-	49,737
Total assets	<u>\$ 16,039,344</u>	<u>\$ 114,312,543</u>
<b>Liabilities</b>		
Accounts payable	\$ 462,386	\$ 6,940,888
Accrued salaries and benefits	2,723	304,071
Due to other governments	-	782
Due to other funds	-	74,810
Deposits payable	<u>3,515</u>	<u>39,382</u>
Total liabilities	<u>468,624</u>	<u>7,359,933</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue	<u>78,434</u>	<u>88,324</u>
<b>Fund balances</b>		
Non-spendable	-	49,737
Restricted	15,492,286	40,358,252
Committed	-	59,351,430
Unassigned	<u>-</u>	<u>7,104,867</u>
Total fund balance	<u>15,492,286</u>	<u>106,864,286</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,039,344</u>	<u>\$ 114,312,543</u>

**CITY OF RANCHO MIRAGE  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

**Fund Balances of Governmental Funds** \$ 106,864,286

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

Capital assets net of related accumulated depreciation have not been included as financial resources in governmental fund activity:

Non-depreciable capital assets	67,098,628
Depreciable capital assets	203,774,737
Accumulated depreciation	(81,672,088)

Long term debt and related balances, and compensated absences have not been included in the governmental fund activity:

DOE ARRA loan payable	(238,176)
Claims payable	(128,854)
Compensated absences	(1,198,119)
Net Pension Liability	(7,844,756)

Certain revenues will be collected after year end, but are not available soon enough to pay for current period's expenditures, and are therefore reported as deferred inflows of resources - unavailable revenue in governmental funds.

88,324

Deferred outflows of resources related to pensions

10,906,310

Deferred inflows of resources related to pensions

(2,518,821)

**Net Position of Governmental Activities**

\$ 295,131,471

See accompanying notes to basic financial statements.

**CITY OF RANCHO MIRAGE  
STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2015**

	<b>Special Revenue Funds</b>			
	<b>General Fund</b>	<b>Library Fund</b>	<b>Fire Tax Fund</b>	<b>Housing Authority Fund</b>
<b>Revenues:</b>				
Taxes	17,351,942	828,418	1,991,974	-
Intergovernmental	10,018,857	1,458,875	1,217,543	623,351
Licenses and permits	584,771	-	-	3,220
Charges for services	842,693	66	16,573	1,477,765
Fines and forfeitures	114,100	38,265	-	-
Special assessments	3,651,583	274,116	1,066,676	-
Developer fees	88,911	-	-	-
Interest income	1,892,586	50,523	12,049	203,094
Net increase (decrease) in fair value of investments	(901,646)	(6,127)	-	(97,736)
Miscellaneous	432,830	120,585	-	3,402
<b>Total revenues</b>	<b>34,076,627</b>	<b>2,764,721</b>	<b>4,304,815</b>	<b>2,213,096</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	19,950,220	-	-	2,654,316
Public safety	7,474,163	-	5,290,918	-
Public works	3,572,641	-	-	-
Cultural and recreation	-	2,695,981	-	-
Capital outlay	8,345,752	-	2,287	112,945
<b>Debt service:</b>				
Principal	1,636,914	20,385	-	-
Interest	-	2,535	-	-
<b>Total expenditures</b>	<b>40,979,690</b>	<b>2,718,901</b>	<b>5,293,205</b>	<b>2,767,261</b>
Excess (deficiency) of revenues over (under) expenditures	(6,903,063)	45,820	(988,390)	(554,165)
<b>Other financing sources (uses):</b>				
Transfers in (note 5)	933,321	71,673	983,725	-
Transfers out (note 5)	(4,819,839)	(61,685)	-	(689,803)
<b>Total other financing sources (uses)</b>	<b>(3,886,518)</b>	<b>9,988</b>	<b>983,725</b>	<b>(689,803)</b>
<b>Net change in fund balances</b>	<b>(10,789,581)</b>	<b>55,808</b>	<b>(4,665)</b>	<b>(1,243,968)</b>
Fund balances, beginning of year	80,062,123	2,581,049	309,062	20,402,172
Fund balances, end of year	69,272,542	2,636,857	304,397	19,158,204

See accompanying notes to basic financial statements.

	<b>Non major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>		
Taxes	832,086	21,004,420
Intergovernmental	538,248	13,856,874
Licenses and permits	-	587,991
Charges for services	181,558	2,518,655
Fines and forfeitures	-	152,365
Special assessments	1,298,803	6,291,178
Developer fees	336,404	425,315
Interest income	463,603	2,621,855
Net increase (decrease) in fair value of investments	(182,758)	(1,188,267)
Miscellaneous	285,962	842,779
	<u>3,753,906</u>	<u>47,113,165</u>
<b>Expenditures:</b>		
Current:		
General government	477,898	23,082,434
Public safety	-	12,765,081
Public works	1,014,902	4,587,543
Cultural and recreation	526,886	3,222,867
Capital outlay	3,568,732	12,029,716
Debt service:		
Principal	4,546,739	6,204,038
Interest	191,887	194,422
	<u>10,327,044</u>	<u>62,086,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,573,138)</u>	<u>(14,972,936)</u>
<b>Other financing sources (uses):</b>		
Transfers in (note 5)	4,170,694	6,159,413
Transfers out (note 5)	(588,086)	(6,159,413)
	<u>3,582,608</u>	<u>-</u>
Net change in fund balances	(2,990,530)	(14,972,936)
Fund balances, beginning of year	<u>18,482,816</u>	<u>121,837,222</u>
Fund balances, end of year	<u><u>15,492,286</u></u>	<u><u>106,864,286</u></u>

**CITY OF RANCHO MIRAGE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2015**

<b>Net Change in Fund Balances- Total Governmental Funds</b>	<b>\$ (14,972,936)</b>
Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the governmental funds because:	
Governmental funds report capital projects (outlays) as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	
Cost of capital assets	
Capital outlay, net of adjustments for deletions	18,033,242
Depreciation expense	(4,872,454)
Payment of debt service principal is an expenditure in the governmental funds, however, the payment reduces long-term liabilities in the statement of net position.	
2005A lease refunding revenue bonds	4,651,379
ACBCI liability	1,768,653
DOE-ARRA Loan	20,385
Amortization of prepaid bond surety	(142,838)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following represents the net change for the current period:	
Compensated absences	(279,013)
Claims payable	209,155
Change in accrued interest for the current period	47,977
Certain revenues were collected after year end, but were not available soon enough to pay prior period expenditures, and were therefore reported as unavailable revenue in governmental funds, this amount represents the net change in unavailable revenue	
	(92,388)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.	
	9,655,543
<b>Change in net position of governmental activities</b>	<b>\$ 14,026,705</b>

See accompanying notes to basic financial statements.

**CITY OF RANCHO MIRAGE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2015**

	<b>Redevelopment Successor Agency Private-purpose Trust Fund</b>	<b>Agency Fund</b>
<b>Assets:</b>	<u>                    </u>	<u>                    </u>
Cash and investments (note 2)	\$ 9,025,996	\$ 4,170,517
Cash and investments with fiscal agent (note 2)	21,521,360	1,202,534
Receivables:		
Interest	19,101	5,385
Loans	17,336	-
Due from other governments	-	133,247
Land held for resale	255,000	-
Prepaid insurance	1,037,067	-
	<u>                    </u>	<u>                    </u>
Total assets	<u>31,875,860</u>	<u>\$ 5,511,683</u>
<b>Liabilities:</b>		
Accounts payable	8,271	\$ 838,945
Due to other governments	2,753,336	-
Advances payable to City of Rancho Mirage	9,666,379	-
Deposits payable	-	1,227,292
Due to bondholders	-	3,009,994
Due to the City of Rancho Mirage Writer's Festival Foundation	-	435,452
Interest payable	1,340,031	-
Long-term liabilities:		
Due within one year	5,685,100	-
Due in more than one year	106,342,293	-
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>125,795,410</u>	<u>\$ 5,511,683</u>
<b>Net Position (Deficit):</b>		
Held in trust for beneficiaries	<u>\$ (93,919,550)</u>	

See accompanying notes to basic financial statements.

**CITY OF RANCHO MIRAGE  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Redevelopment Successor Agency Private-purpose Trust Fund</b>
<b>Additions:</b>	
Property taxes	\$ 8,979,112
Investment earnings	69,938
Net increase (decrease) in fair value of investments	342,942
Total Additions	9,391,992
<b>Deductions:</b>	
General government	8,662,359
Interest and fiscal charges	6,064,116
Contribution of land to the City of Rancho Mirage	500,000
Total Deductions	15,226,475
<b>Change in Net Position</b>	(5,834,483)
<b>Net Position, Beginning of Year</b>	(88,085,067)
<b>Net Position, End of Year</b>	\$ (93,919,550)

See accompanying notes to basic financial statements.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(IN ORDER OF PRESENTATION)**

**JUNE 30, 2015**

<u>Note</u>	<u>Description</u>	<u>Page Number</u>
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**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

**A. Summary of Significant Accounting Policies**

The basic financial statements of the City of Rancho Mirage (City) 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 Financial Reporting Entity**

The City was incorporated August 3, 1973, as a general law city under the government code of the State of California. Effective December 25, 1997, the City became a charter city which was approved by the citizens of the City. The City operates under a council-manager form of government and the City Council is composed of five elected members. Among the services provided by the City are the following: public works, parks and recreation, library, planning, building and safety, code compliance, and contracted fire and law enforcement services.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is either able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City) and there is a financial benefit or burden relationship between the primary government and the component unit. 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.

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 government's operations and so data from these units are reported with the interfund data of the primary government. The Rancho Mirage Joint Powers Financing Authority, the Rancho Mirage Housing Authority, the Community Services District, and the Library Foundation are considered to be component units of the City:

**Rancho Mirage Joint Powers Financing Authority**

The Rancho Mirage Joint Powers Financing Authority was established pursuant to a Joint Exercise of Powers Agreement dated December 1, 1989, between the City and the Rancho Mirage Redevelopment Agency (the "Members"). The Authority was created for the purpose of providing financing for public capital improvements for the Members. Even though it is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Authority and there is a financial benefit or burden relationship between the primary government and the component unit. Separate financial statements of the Financing Authority are not issued.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

A. Summary of Significant Accounting Policies (Continued)

Rancho Mirage Housing Authority

The Housing Authority was established October 6, 1994, to promote and encourage the retention, rehabilitation and development of "affordable" housing units. "Affordable" housing units are those units occupied by households not exceeding the "affordable" income limits as established by the Department of Housing and Urban Development ("HUD"). Income limits are revised on a yearly basis. Even though the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board and there is a financial benefit or burden relationship between the primary government and the component unit. Separate financial statements of the Housing Authority are not issued.

Community Services District (CSD)

The CSD was created on July 15, 1999, to collect property taxes for the Library and Fire Tax Funds. A transfer of property tax revenues collected by the CSD is made by the CSD to the Library and Fire Tax Funds for their respective operations. Even though the CSD is a legally separate entity, it is reported as if it were part of the City because the City Council also serves as the governing board and there is a financial benefit or burden relationship between the primary government and the component unit. Separate financial statements are not prepared for the CSD.

Library Foundation

The Library Foundation (Foundation) was created in September 2010, to raise funds on behalf of the Library. The Foundation is a legally separate entity. The City Council appoints a voting majority of the Foundation's Board. Additionally, the Foundation almost exclusively benefits the primary government and, as such, is considered a blended component unit. Separate financial statements of the Foundation are available at City Hall, 69-825 Highway 111, Rancho Mirage, California 92270.

B. Related Organization

Rancho Mirage Writer's Festival Foundation

The Rancho Mirage Writer's Festival Foundation was created in March 2015, to organize an annual festival for writers and readers within the City of Rancho Mirage and to raise funds to accomplish that goal. The Foundation is a legally separate entity. Separate financial statements of the Foundation are available at City Hall, 69-825 Highway 111, Rancho Mirage, California 92270.

C. Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**C. Basis of Accounting and Measurement Focus (Continued)**

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

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, deferred inflows of resources, fund equity, revenues and expenditures. 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, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

**C. Basis of Accounting and Measurement Focus (Continued)**

**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*. *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 for all revenues except for reimbursements of capital costs. The availability period for capital cost reimbursements is 180 days.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *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.

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. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Recognition of governmental fund type revenues represented by non-current receivables are deferred until they become measurable and available.

Due to their nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities such as long-term debt. Such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities until they become due and payable.

CITY OF RANCHO MIRAGE

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

JUNE 30, 2015

NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

Governmental Funds (Continued)

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 *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City’s policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City’s policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fiduciary Funds

Fiduciary funds, including the private-purpose trust fund, use the economic resources measurement focus and the accrual basis of accounting.

D. Fund Classifications

The City reports the following major governmental funds.

Major Funds

**General Fund.** The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. This fund pays the general operating expenditures and capital improvement costs which are not paid through other Funds.

**Library Special Revenue Fund.** The Library Fund is used to account for revenues and expenditures associated with the provision of public library services. Special Assessment tax revenue is restricted for funding of library services and programs.

**Fire Tax Special Revenue Fund.** The Fire Tax Fund is used to account for the revenues and expenditures associated with the provisions of fire protection services. Special Assessment tax revenue is restricted for funding of fire services.

**Housing Authority Special Revenue Fund.** The Housing Authority Fund is used to account for charges for services related to four properties and is restricted for assistance to low and moderate income households. Revenues are restricted by government code for funding of housing units to benefit low and moderate income households.

CITY OF RANCHO MIRAGE

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

JUNE 30, 2015

NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Classifications (Continued)

Additionally, the City reports the following funds:

Fiduciary Funds

**Redevelopment Successor Agency Private-purpose Trust Fund.** This fund was created as part of the dissolution of Redevelopment Agency. The fund accounts for the assets, liabilities, and activities of the former Redevelopment Agency of the City in a trustee capacity to pay for enforceable obligations of the former Redevelopment Agency. In accordance with Assembly Bill (AB) X1 26 and AB 1484, the Redevelopment Agency was dissolved February 1, 2012.

**Agency Fund.** The City's Agency Fund is used to account for refundable customer deposits, assessment collections and debt service payments of assessment districts whose debt is not an obligation of the City, and the Writers Festival Foundation's cash and investments which are pooled with the City's cash and investments. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses.

E. New Accounting Pronouncements

Adopted in the Current Year

**GASB Statement No. 68** – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The City implemented this pronouncement, effective July 1, 2014.

**GASB Statement No. 71** – In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The City implemented this pronouncement, effective July 1, 2014.

Effective in Future Years

**GASB Statement No. 72** – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The primary objective of this statement is to define fair value and describe how fair value should be measured, define what assets and liabilities should be measured at fair value, and determine what information about fair value should be disclosed in the notes to the financial statements. The Statement is effective for periods beginning after June 15, 2015, or the 2015-16 fiscal year. The City has not determined the effect of the statement.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

E. New Accounting Pronouncements (Continued)

**GASB Statement No. 73** – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The Statement is effective for periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 74** – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of the Statement is to address the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement requires more extensive note disclosures and Required Supplementary Information related to the measurement of the OPEB liabilities for which assets have been accumulated. The Statement is effective for periods beginning after June 15, 2016, or the 2016-2017 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 75** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 76** – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The Statement is effective for the periods beginning after June 15, 2015, or the 2015-2016 fiscal year. The City has not determined the effect of the statement.

**GASB Statement No. 77** – In August 2015, GASB issued Statement No 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for the periods beginning after December 15, 2015, or the 2016-2017 fiscal year. The City has not determined the effect of that statement.

F. Fund Balance

The following classifications describe the relative strength of the constraints placed on the purposes for which resources can be used:

Nonspendable

Amounts that cannot be spent either because they are in nonspendable form or are legally or contractually required to be maintained intact (e.g. prepaid assets, inventory).

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

F. Fund Balance (Continued)

Restricted

Amounts that are constrained to specific purposes by state or federal laws, enabling legislation, or externally imposed conditions by grantors or creditors.

Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council, the City's highest level of decision-making authority, through a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. Council action to commit fund balance needs to occur within the fiscal reporting period; but the amount, if any, which will be subject to the constraint, may be determined at a subsequent period.

Assigned

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council retains the authority to assign fund balance for specific purposes.

Unassigned

The unassigned classification is to be used when there are negative residual resources in excess of what can be properly classified as nonspendable, restricted, committed or assigned in funds outside of the General Fund. Within the General Fund, the unassigned classification represents the residual amounts not classified in one of the four previous classifications.

G. Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for negotiated certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

*Interest income* reports interest earnings. *Net increase (decrease) in investment fair value* reports changes in fair value, and any gains or losses realized upon the liquidation, maturity or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Interest income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Generally, capital asset purchases in excess of \$500 are capitalized if they have an expected useful life of three years or more.

Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

H. Capital Assets (Continued)

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

Building and improvements	30-50 years
Furniture and fixtures	3-15 years
Equipment	3-15 years
Infrastructure:	
Pavement	25 years
Curbs and gutters	50 years
Sidewalks	50 years
Bridges	50 years
Medians	50 years
Traffic signals	15 years
Storm drain system	75 years

I. Property Taxes

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1
Levy Date	July 1
Due Date	November 1 (first installment) February 1 (second installment)
Delinquent Date	December 10 (first installment) April 10 (second installment)

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas prescribed by the state statutes. A delinquency penalty of 10 percent is assessed by the County of Riverside. If taxes become delinquent, subject properties may be deeded to the State and may be sold by the County for taxes plus a 1.5 percent per month redemption fee.

The City accrues as a receivable all property taxes normally received from the County within sixty days of the end of the fiscal year.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

J. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances relating to restricted or committed resources are included in those classifications of fund balance. Any remaining encumbrances are included in the assigned classification of fund balance. Encumbrances outstanding at June 30, 2015 were \$881,847.

K. Self-Insurance

The City is self-insured for the first \$250,000 of each workers' compensation claim. Losses in excess of these amounts up to \$5 million are covered by outside insurance. The City is completely self-insured for unemployment claims.

L. Accounting for Self-Insurance Activities

The City records a liability for litigation, judgments, and claims (including claims incurred, but not reported) when it is probable that an asset has been impaired or a liability has been incurred prior to year end and the probable amount of loss (net of any insurance recovery) can be reasonably estimated. Liabilities resulting from self-insurance activities are recorded as claims payable in the government-wide financial statements since these liabilities are funded on a pay-as-you-go basis in the funds and are not payable from currently available financial resources.

M. Interfund Borrowing

Due from and Due to other funds represent short term borrowings.

N. Land Held for Resale

Land held for resale represents land, structures and their related improvements that were acquired for resale in accordance with the objectives of the Housing Authority. Property held for resale is valued at the lower of historical cost or estimated resale value.

O. Transient Occupancy Tax

Approximately 23 percent of General Fund revenue is derived from transient occupancy tax collected within the City.

P. Compensated Absences

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probably that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

P. Compensated Absences (Continued)

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

In governmental funds, compensated absences (unpaid vacation and sick leave) are recorded as expenditures in the year they are paid. The balance of unpaid vacation and vested sick leave at year end is recorded in the government-wide financial statements as these amounts will be liquidated from future resources.

Depending upon the length of employment, full-time City employees earn 10 to 18 vacation days per year. Employees' vacation may not exceed 30 working days during any calendar year without the approval of the City Manager.

Full-time City employees are provided with 12 sick days a year. A maximum of 120 days of sick leave may be accumulated.

Upon termination, full-time employees are entitled to receive compensation at their current base salary for all unused vacation leave, administrative leave, compensatory time and floating holidays. For employees hired prior to January 1, 2012, upon termination, full-time employees receive 50 percent of their accrued sick leave at their current pay rate and the remaining 50 percent converted to service credit with the California Public Employees Retirement System or convert 100 percent of accrued sick leave to service credit or a combination of the two.

Q. Interfund Transfers

Transfers are reported as other financing sources and uses in the statement of revenues, expenditures and changes in fund balances in the fund financial statements.

R. Prepaid Items

Prepaid items are reported using the consumption method.

S. Use of Estimates

The preparation of basic 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 and disclosures at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF RANCHO MIRAGE

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

JUNE 30, 2015

NOTE #1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. The City reports a deferred outflow related to pensions which is a result of the implementation of GASB 68.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The City reports deferred inflows related to pensions as a result of the implementation of GASB 68 representing its change in proportion in the pension plan and the difference between projected and actual earnings on investments in the pension plan.

Refer to Note 11 for details regarding deferred outflows (inflows) of resources related to pensions.

U. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's participation in the California Public Employees Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported to CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE #2 – CASH AND INVESTMENTS

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

Statement of net position:

Cash and investments	\$ 94,437,172
Cash and investments with fiscal agent	2,872,951

Fiduciary funds:

Cash and investments	13,196,513
Cash and investments with fiscal agent	22,723,894
Total cash and investments	<u>\$ 133,230,530</u>

Total City deposits and investments at fair value as of June 30, 2015 are reported as follows:

Cash on hand	\$ 2,954
Deposits with financial institutions	1,454,966
Investments	131,772,610
Total cash and investments	<u>\$ 133,230,530</u>

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #2 – CASH AND INVESTMENTS (Continued)*

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

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

<u>Investment Types</u>	<u>*Maximum Maturity</u>	<u>*Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Certificates of Deposit	N/A	None	15%
Negotiable Certificates of Deposit	5 years	30%	\$1,000,000
Repurchase Agreements	1 year	None	None
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	\$50 million**	None

\*Based on state law requirements or investment policy requirement, whichever is more restrictive.

\*\* Limit set by LAIF governing Board not California Government Code

In accordance with the City's investment policy, a maximum of 25% of the City's investment portfolio may be invested for more than 5 years, not to exceed 10 years.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investments Authorized by the Rancho Mirage Public Library Foundation (Foundation)

Investments of the Foundation are governed by the provisions of the Foundation's investment policy. Fixed income securities, equity securities, and mutual funds are authorized investments under the Foundation's investment policy.

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.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #2 – CASH AND INVESTMENTS (Continued)*

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	Total	Remaining Maturity (in Months)					
		12 Months Or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	49 to 60 Months	More than 60 Months
<b>Investments held by City:</b>							
U.S. Treasury Notes	\$ 49,283,666	\$ -	\$ 21,063,232	\$ 7,169,212	\$ 11,702,786	\$ 9,348,436	\$ -
Federal Agency Securities	36,157,392	-	8,271,103	8,973,166	3,247,292	5,048,800	10,617,031
State Investment Pool (LAIF)	20,439,457	20,439,457	-	-	-	-	-
Money Market Funds	188,807	188,807	-	-	-	-	-
<b>Investments held by fiscal agent:</b>							
U.S. Treasury Notes	14,757,419	8,965,303	4,482,398	1,309,718	-	-	-
Money Market Funds	10,839,426	10,839,426	-	-	-	-	-
<b>Total</b>	<b>131,666,167</b>	<b>\$ 40,432,993</b>	<b>\$ 33,816,733</b>	<b>\$ 17,452,096</b>	<b>\$ 14,950,078</b>	<b>\$ 14,397,236</b>	<b>\$ 10,617,031</b>
<b>Exchange Traded Funds</b>							
(Library Foundation) - No Maturity	106,443	-	-	-	-	-	-
	<u>\$ 131,772,610</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 Moody's actual rating as of year-end for each investment type.

Investment Type	Total	Exempt From Disclosure	Aaa	Not Rated
<b>Investments held by City:</b>				
U.S. Treasury Notes	\$ 49,283,666	\$ 49,283,666	\$ -	\$ -
Federal agency Securities	36,157,392	-	36,157,392	-
State Investment Pool (LAIF)	20,439,457	-	-	20,439,457
Money Market Funds	188,807	-	188,807	-
<b>Held by Fiscal Agent:</b>				
U.S. Treasury Notes	14,757,419	14,757,419	-	-
Money Market Funds	10,839,426	-	10,839,426	-
<b>Total</b>	<b>131,666,167</b>	<b>\$ 64,041,085</b>	<b>\$ 47,185,625</b>	<b>\$ 20,439,457</b>
<b>Exchange Traded Funds</b>				
(Library Foundation) - Not Rated	106,443	-	-	-
	<u>\$ 131,772,610</u>			

CITY OF RANCHO MIRAGE

NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)

JUNE 30, 2015

NOTE #2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5 percent or more of total City investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal National Mortgage Association (FNMA)	Federal agency securities	\$ 13,177,283
Federal Home Loan Bank (FHLB)	Federal agency securities	8,878,329
Federal Farm Credit Bank (FFCB)	Federal agency securities	7,887,228

These investments exceed 5 percent of total pooled investments held in the City's investment pool for both governmental and fiduciary fund types.

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 percent 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 percent of the secured public deposits. Of the City's deposits with financial institutions, \$351,885 was in excess of federal depository insurance limits and subject to custodial credit risk as described above.

For investments identified herein as held by fiscal agent, the fiscal agent holds the investment on behalf of the City.

Investment in State Investment Pool (LAIF)

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based 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. LAIF is not registered with the Securities and Exchange Commission and is not rated.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #3 – DUE FROM AND DUE TO OTHER FUNDS*

Current interfund receivables and payables balances at June 30, 2015 are as follows:

Amounts due to	Amounts due from		Total
	General Fund	Fire Tax Fund	
Library Fund	\$ -	\$ 46,257	\$ 46,257
Fire Tax Fund	28,553	-	28,553
Total	\$ 28,553	\$ 46,257	\$ 74,810

The Library Fund receivable of \$46,257 is the CSD Distribution and the year end transfer from the CFD. The Fire Tax Fund receivable of \$28,553 is accrued revenue from the General Fund for special assessment tax disbursements.

*NOTE #4 – ADVANCES TO AND ADVANCES FROM OTHER FUNDS/REDEVELOPMENT SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST*

Advances to Other Funds	Advances from Other Funds	
Redevelopment Successor Agency Private-purpose Trust Fund	Housing Authority Fund	\$ 9,666,379

In May 2010 and May 2011, the former Redevelopment Agency made payments of approximately \$12.6 million and \$2.6 million, respectively, for the State's Supplemental Educational Revenue Augmentation Fund (SERAF).

The former RDA borrowed accumulated balances in the Housing Authority Fund to make the SERAF payment. The advance payable was transferred to the RDA Successor Agency as part of the dissolution. No payments were made to the Housing Authority during the fiscal year.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #5 – INTERFUND TRANSFERS*

Interfund transfers during the year ended June 30, 2015 consisted of the following:

Transfer in:	Transfer From:				Total
	General Fund	Library Fund	Housing Authority Fund	Nonmajor Governmental Fund	
General Fund	\$ -	\$ 61,685	\$ 587,392	\$ 284,244	\$ 933,321
Library Fund	-	-	71,673	-	71,673
Fire Tax Fund	966,784	-	16,941	-	983,725
Nonmajor Governmental Funds	3,853,055	-	13,797	303,842	4,170,694
Total	<u>\$ 4,819,839</u>	<u>\$ 61,685</u>	<u>\$ 689,803</u>	<u>\$ 588,086</u>	<u>\$ 6,159,413</u>

Transfers are used to move revenues from the fund that statute or budget requires for collection to the fund that statute or budget requires for expenditure. Additionally transfers were used to:

1. Transfer resources from the General Fund to the Fire Tax Fund for reimbursement of costs associated with public safety.
2. Transfer resources from the General Fund to the JPFA to fund the Lease Revenue, Series 2005A bond call disclosed in Note 7.
3. Reimburse the costs, fees and expenses of staffing and services provided from the Library Fund, Housing Authority Fund, and Nonmajor Governmental Funds to the General Fund.
4. Transfer in-lieu taxes from the Housing Authority Fund to the Library Fund, Fire Tax Fund, and Nonmajor Governmental Funds.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #6 – CAPITAL ASSETS*

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

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
<b>Government activities:</b>				
Buildings	\$ 61,123,064	\$ -	\$ -	\$ 61,123,064
Improvements	2,984,980	-	-	2,984,980
Furniture and fixtures	4,193,835	12,580	-	4,206,415
Equipment	3,355,660	148,551	(226,504)	3,277,707
Infrastructure - improved bike trails	144,958	-	-	144,958
Infrastructure - road system	112,947,709	1,778,353	-	114,726,062
Infrastructure - storm drain system	17,311,551	-	-	17,311,551
Total cost of depreciable assets	<u>202,061,757</u>	<u>1,939,484</u>	<u>(226,504)</u>	<u>203,774,737</u>
<b>Less accumulated depreciation:</b>				
Buildings	(13,842,223)	(1,063,519)	-	(14,905,742)
Improvements	(765,318)	(42,548)	-	(807,866)
Furniture and fixtures	(3,352,052)	(41,096)	-	(3,393,148)
Equipment	(2,368,761)	(166,833)	226,504	(2,309,090)
Infrastructure - improved bike trails	(11,292)	(2,901)	-	(14,193)
Infrastructure - road system	(50,544,944)	(3,324,740)	-	(53,869,684)
Infrastructure - storm drain system	(6,141,548)	(230,817)	-	(6,372,365)
Total accumulated depreciation	<u>(77,026,138)</u>	<u>(4,872,454)</u>	<u>226,504</u>	<u>(81,672,088)</u>
Net depreciable assets	<u>125,035,619</u>	<u>(2,932,970)</u>	<u>-</u>	<u>122,102,649</u>
<b>Capital assets not depreciated:</b>				
Land	26,921,239	500,000	-	27,421,239
Rights of way - road system	12,960,285	2,973,726	-	15,934,011
Rights of way - off-road trail system	1,077,859	-	-	1,077,859
Work in progress	10,045,487	12,620,032	-	22,665,519
Total capital assets not depreciated	<u>51,004,870</u>	<u>16,093,758</u>	<u>-</u>	<u>67,098,628</u>
Total capital assets, net	<u>\$ 176,040,489</u>	<u>\$ 13,160,788</u>	<u>\$ -</u>	<u>\$ 189,201,277</u>

Depreciation expensed was charged to the following functions in the Statement of Activities:

General government	\$ 585,847
Public safety	74,338
Public works	3,692,450
Cultural and recreation	519,819
Total	<u>\$ 4,872,454</u>

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #7 – LONG-TERM LIABILITIES*

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due within One year
Revenue bonds payable:					
2005A lease refunding revenue bonds	\$ 4,415,000	\$ -	\$ (4,415,000)	\$ -	\$ -
2005A bond discount	12,052	-	(12,052)	-	-
Other long-term liabilities:					
DOE-ARRA Loan	258,561	-	(20,385)	238,176	20,583
ACBCI liability	1,768,653	-	(1,768,653)	-	-
Compensated absences	919,106	588,554	(309,541)	1,198,119	299,535
Claims payable	338,009	-	(209,155)	128,854	-
<b>TOTALS</b>	<b>\$ 7,711,381</b>	<b>\$ 588,554</b>	<b>\$ (6,734,786)</b>	<b>\$ 1,565,149</b>	<b>\$ 320,118</b>

Compensated absences and claim payables have been typically liquidated from the general fund.

2005A Lease Refunding Revenue Bonds

On May 1, 2005, the Rancho Mirage Joint Powers Financing Authority (Authority), a component unit of the City of Rancho Mirage issued \$5,925,000 in Refunding Bonds. The Bonds were issued to provide a portion of the funds to refund the Authority’s Library Lease Revenue Bonds, Series 1995, originally issued in the principal amount of \$3,375,000.

The Authority has leased approximately 10.5 acres of land and the improvements thereon to the City pursuant to a Lease, dated as of July 1, 1995. Pursuant to a Site Lease, dated as of July 1, 1995 between the City and the Authority, the City has leased the Leased Property to the Authority in consideration for entering into the Lease. The City is obligated to pay rental payments under the Lease from any legally available monies, including amounts in its General Fund. The City has covenanted in the Lease that, so long as the City has the use and occupancy of the Leased Property, it will make rental payments (“Base Rental”) to the Authority. The Base Rental is calculated to be an amount sufficient to permit the Authority to pay all scheduled debt service on the Bonds when due.

During the year ended June 30, 2015, the City paid off the remaining principal and interest due on the 2005A Lease Refunding Revenue Bonds.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #7 – LONG-TERM LIABILITIES (Continued)*

Energy Conservation Loan - ARRA

In February 2010, the City entered into a loan agreement with the State of California Energy Resources Conservation and Development Commission to provide funding for the purchase and installation of an energy efficient cooling system for the City’s Library. An amount of \$317,055 was drawn on the loan. The loan accrues simple interest at a rate of 1 percent annually. Principal and interest payments are due in 26 semi-annual installments with the first payment due December 22, 2011. The annual debt service requirements for the energy conservation loan as of June 30, 2015 are as follows:

Month	Fiscal Year	Total Interest	Principal Due	Total Annual Debt Service
December 22	2016	\$ 1,194	\$ 10,266	\$ 11,460
June 22	2016	1,143	10,317	11,460
December 22	2017	1,091	10,369	11,460
June 22	2017	1,033	10,427	11,460
December 22	2018	987	10,473	11,460
June 22	2018	929	10,531	11,460
December 22	2019	881	10,579	11,460
June 22	2019	824	10,636	11,460
December 22	2020	775	10,685	11,460
June 22	2020	721	10,739	11,460
December 22	2021	667	10,793	11,460
June 22	2021	610	10,850	11,460
December 22	2022	559	10,901	11,460
June 22	2022	501	10,959	11,460
December 22	2023	449	11,011	11,460
June 22	2023	392	11,068	11,460
December 22	2024	339	11,121	11,460
June 22	2024	283	11,177	11,460
December 22	2025	227	11,233	11,460
June 22	2025	170	11,290	11,460
December 22	2026	113	11,347	11,460
June 22	2026	57	11,404	11,461
<b>TOTALS</b>		<b>\$ 13,945</b>	<b>\$ 238,176</b>	<b>\$ 252,121</b>

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #7 – LONG-TERM LIABILITIES (Continued)*

ACBCI Liability

On July 6, 2001 the City entered into an agreement with the Agua Caliente Band of Cahuilla Indians for improvements to Bob Hope Drive and Dinah Shore Drive. Under the agreement the tribe loaned the City interest free an amount equal to 50 percent of the project costs for the improvements to Bob Hope Drive and Dinah Shore Drive. The borrowing amounted to \$2,683,292. The City makes annual payments based on future revenues from development fees which were estimated in the base year as \$220,000. If an annual payment is less than \$220,000 the City shall identify the difference between the amount actually paid and the base year amount of \$220,000 as the pay back deficit. If a pay-back deficit exists and development fee revenues exceed \$220,000 for the year the excess will be applied to the pay back deficit. During the year, the remaining liability including all pay back deficit was repaid.

*NOTE #8 – DEBT WITHOUT GOVERNMENTAL COMMITMENT*

The City has issued special assessment bonds under the State Improvement Act of 1911 and 1915. These bonds are payable only from special assessment collections from the property owners. The City is not obligated for repayment. The City is only acting as an agent for the property owners and bondholders in collecting and forwarding the special assessments toward bond debt service. The bonds are, therefore, not reported as a liability in the accompanying financial statements. The amounts collected and held by the City pending disbursement to the bondholders are accounted for in an agency fund. \$8,205,000 of these bonds is outstanding at June 30, 2015.

On January 29, 1997, the Joint Powers Financing Authority (Authority) issued \$95,000,000 in certificates of participation evidencing an interest in payments to be made by the Eisenhower Medical Center (Corporation). The certificates of participation were issued to refund \$28,750,000 of the outstanding 1987 City of Rancho Mirage Hospital Revenue certificates of participation, \$33,175,000 of the outstanding 1992 City of Rancho Mirage Joint Powers Financing Authority certificates of participation, certain other outstanding indebtedness of the Corporation and reimburse the Corporation for expenditures for certain prior capital improvements and equipment, and to finance certain capital projects of the Corporation facilities in Rancho Mirage. The Corporation's obligation to make its payments is secured by a pledge of gross revenues of the hospital. The City and the Authority are not obligated in any manner for repayment. The certificates are payable only from the assets of the Corporation. Therefore, these certificates are not reported as a liability in the accompanying financial statements. \$23,395,000 of these bonds is outstanding at June 30, 2015.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #9 – PARTICIPATION IN RISK POOL*

The City is a member of Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-two participating member agencies: twenty-two cities, four transit agencies and six special districts. The City participates in the liability, workers' compensation, property and business auto physical damage insurance programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials' errors and omissions. Effective July 1 2005, the City's self-insured retention is \$125,000 and participates in risk sharing pools for losses up to \$1 million followed by PERMA's membership in the CSAC Excess Insurance Authority (ETA) for \$49 million excess liability coverage.

The workers' compensation program provides \$5 million for each accident for employers' liability. The City self-insures up to a level of \$250,000 per accident or employee and participates in a risk sharing pool for losses up to \$500,000 followed by PERMA's membership in the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) for excess coverage to the limits.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis and all risk, eliminating the traditional commercial "named peril" policy.

The business auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Business auto physical damage coverage is written on an agreed amount basis.

In addition to coverage provided by PERMA, the City also separately purchases coverage for earthquake, public employee dishonesty and public officials and employment liability.

Changes in the amount of claims payable for the past two fiscal years are as follows:

	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
2013-2014	\$ 375,506	\$ 5,149	\$ (42,646)	\$ 338,009
2014-2015	338,009	-	(209,155)	128,854

Claim payments represent disbursements from deposits held by PERMA on behalf of the City. None of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage for the past three (3) years.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #10 – JOINT POWERS FINANCE AUTHORITY AND ASSESSMENT DISTRICTS BUDGET*

Formal budgetary integration is not adopted for the Joint Powers Financing Authority Debt Service Fund and Assessment District Capital Project Fund.

*NOTE #11 – COST SHARING EMPLOYER PENSION PLAN*

**Plan Description-** All qualified employees are eligible to participate in the City’s Employee Pension Plan, a cost sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The CalPERS Plan consists of a miscellaneous pool and a safety pool (referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees’ Retirement Fund C (PERF C). Benefit provisions under the Plan are established by State statute and may be amended by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provision, assumption and membership information. Copies of the report can be found on the CalPERS website.

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

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized below:

	Miscellaneous		
	Tier 1	Tier 2	PEPRA
	Prior to July 13, 2012	Classic Members Hired After July 13, 2012	New Members Hired After January 1, 2013
Hire Date			
Formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of annual salary	2.50%	2.00%	2.00%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	16.76%	8.005%	6.25%

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #11 – COST SHARING EMPLOYER PENSION PLAN (Continued)*

**Contributions-** Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. Contributions to the pension plan were \$10,693,720 for the year ended June 30, 2015. Of the \$10,693,720 total contribution, \$9,704,854 was additional contributions outside of the actuarially determined rate.

During the fiscal year 2014-15, the City received an estimate from CalPERS to completely payoff the unfunded pension liability as of December 31, 2014 in the amount of \$9,704,854. The City made the payment of \$9,704,854 to CalPERS in December 2014. Pursuant to the requirements of GASB 68, the June 30, 2015 Net Pension Liability reflected in this CAFR has a measurement date June 30, 2014. Therefore, as of June 30, 2015, the City's \$9,704,854 payment subsequent to the measurement date is included as a deferred outflow of resources rather than being included in the pension plan assets, which reduces the Net Pension Liability. The subsequent year’s measurement will include the payment in the calculation of the pension plan’s assets and will reduce the Net Pension Liability accordingly.

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

As of June 30, 2015 the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Total net pension liability	\$ 7,844,756

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

Proportion - June 30, 2013	0.16490%
Proportion - June 30, 2014	0.12607%
Change - Increase (Decrease)	(0.03883%)

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #11 – COST SHARING EMPLOYER PENSION PLAN (Continued)*

For the year ended June 30, 2015, the City recognized pension expense of \$1,038,177. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	\$ 10,693,720	\$ -
Differences between City contributions and proportionate share of contributions	210,324	-
Net difference between projected and actual earnings on pension plan investments	2,266	20,613
Changes in proportion	-	2,498,208
	\$ 10,906,310	\$ 2,518,821

The amount of \$10,693,720 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,		
2016	\$	(555,989)
2017		(555,989)
2018		(569,700)
2019		(624,553)
	\$	(2,306,231)

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #11 – COST SHARING EMPLOYER PENSION PLAN (Continued)*

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions.

	Miscellaneous
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS' Membership Data for all Fund

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #11 – COST SHARING EMPLOYER PENSION PLAN (Continued)*

In determining the long-term expected 7.50 percent rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees’ Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return Years 1-10	Long-Term Expected Real Rate of Return Years 11+
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99	2.43
Inflation Sensitive	6%	0.45	3.36
Private Equity	12%	6.83	6.95
Real Estate	11%	4.50	5.13
Infrastructure and Forestland	3%	4.50	5.09
Liquidity	2%	(0.55)	(1.05)
Total	<u>100%</u>		

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the City’s proportionate share of the net pension liability, calculated using the discount rate of 7.50 percent, as well as what the City’s proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 14,096,573	\$ 7,844,756	\$ 2,656,341

***Pension Plan Fiduciary Net Position*** – Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #12 – OTHER POST EMPLOYMENT BENEFITS (OPEB)*

*Plan Description:* The City administers a single-employer defined benefit plan (Plan) which provides health care (medical, dental, and vision) benefits to eligible members under City Council Resolutions No. 89-63 and No. 95-26.

Effective December 7, 2000, four years of continued medical, dental and vision insurance for the first four years of service plus six months for each subsequent year is provided by the City for a Council member upon leaving the City Council. A Council member may elect to continue participation as a member of the City's insurance plans under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) by making payments to the City for associated premium costs. The City Manager and City Clerk are eligible for the same coverage.

Effective July 1, 2000, continued medical, dental and vision insurance for retired employees and their spouse/dependents was provided pursuant a Memorandum of Understanding between the City and the Rancho Mirage Employees' Association.

For all covered employees with effective dates of retirement after December 7, 2000 and a minimum of 5-10 years of continuous service, the City contributes the actual cost of insurance up to the amount contributed for active employees. These benefits with the City will terminate upon reaching age 65, the current eligibility for Medicare.

*Eligibility:* Employees first employed full-time by the City before July 1, 2005, are eligible for retiree health benefits if they retire from the City and begin drawing a PERS pension: 1) on or after age 55 with at least 10 consecutive years of service; or 2) on or after age 63 with at least 5 consecutive years of service. Spouses and dependents are eligible as well if the covered employee serves 15 and 20 years, respectively. Membership of the plan consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

	<u>Active</u>	<u>Retired</u>	<u>Total</u>
Under 65	73	12	85
65 & over	8	4	12
Total	<u>81</u>	<u>16</u>	<u>97</u>

*City's Funding Policy:* 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 an actuarially determined annual required contribution with a portion of current premiums paid directly to City retirees. For fiscal year 2014-15, the City contributed \$330,073 to the plan. No employee contributions are required to participate in the Plan.

The City makes voluntary contributions to the CalPERS trust. CalPERS publishes separate financial statements conforming to GASB Statement No. 43 in separately issued financial statements for the CalPERS OPEB Trust. Copies of PERS' annual financial reports for its OPEB Trust may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)*

*Annual OPEB Cost and Net OPEB Obligation.* The City's annual cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed
6/30/2013	\$ 330,073	100%
6/30/2014	330,073	100%
6/30/2015	330,073	100%

*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 employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress immediately following the notes to the financial statements 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.

The funded status as of the most recent actuarial date is as follows:

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)
6/30/2013	\$ 1,098,348	\$ (2,759,063)	\$ (1,660,715)	39.8%	\$ 6,840,555	24.3%

*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.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)*

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Actuarial Cost Method. The actuarial assumptions included a 7.25 percent 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 5.5 percent initially, 11 percent in 2013, then reduced by decrements of 2.0 per year to an ultimate rate of 5 percent after the fourth year. The UAAL is being amortized as a level percentage of projected payroll over an open 30 year enrollment period. The assumed inflation rate is an increase of 2.75 percent per year. It is assumed the City's payroll will increase 2.75 percent per year.

*NOTE #13 – DEFERRED COMPENSATION PLAN*

The City maintains a deferred compensation plan under Section 457 of the Internal Revenue Code for the benefits of its employees. In November 1999, the City implemented the 401(a) deferred compensation plan, in addition to the 457 plan, for saving pre-tax dollars for retirement. These plans allow the employees to defer or postpone receipt of income. Such income deferral provides tax advantages and a savings plan for the employees.

Employees can participate in both the 457 and 401(a) plans or in either one. The 457 plans permit a maximum annual contribution of \$16,500 under 50 years old and \$22,000 for 50 years and older. If one participates in both the 457 plan and a 401(a) plan, the maximum that one can contribute on a pre-tax basis is \$65,240. The City contributes \$10 per pay period to either plan or the 401(a) plan if the employee participates in both plans. All City employees are eligible for plan participation. The total amount contributed by the City for FY 14-15 for both plans was \$16,290.

The City formally established trusts in accordance with Internal Revenue Code Section 457(g) for its deferred compensation plan in prior fiscal years. The trusts were established to provide protection from the claims of the employer's general creditors. The deferred compensation assets placed in the trust have been removed from the balance sheet.

Distributions are made upon the occurrence of the participant's termination, retirement, death or unforeseen emergency, and in a manner in accordance with the election made by the participant.

*NOTE #14 – 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 is not expected to have a material adverse effect on the financial condition of the City.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #15 – FUND BALANCES FOR GOVERNMENTAL FUNDS*

The details of the fund balances as of June 30, 2015 are presented below:

	Special Revenue					Total Governmental Funds
	General Fund	Library Fund	Fire Tax Fund	Housing Authority Fund	Non-major Governmental Funds	
Nonspendable:						
Prepaid items	\$ 49,737	\$ -	\$ -	\$ -	\$ -	\$ 49,737
Restricted:						
Community development	2,766,508					2,766,508
Library operations	-	2,636,857	-	-	-	2,636,857
Fire tax/public safety operations	-	-	304,397	-	-	304,397
Housing authority loan programs	-	-	-	1,581,509	-	1,581,509
Housing authority operations	-	-	-	17,576,695	-	17,576,695
Other purposes	-	-	-	-	3,145,456	3,145,456
Public works	-	-	-	-	284,379	284,379
Culture and recreation	-	-	-	-	5,310,648	5,310,648
Capital projects	-	-	-	-	6,751,803	6,751,803
Total Restricted	<u>2,766,508</u>	<u>2,636,857</u>	<u>304,397</u>	<u>19,158,204</u>	<u>15,492,286</u>	<u>40,358,252</u>
Committed:						
Prudent Reserve	25,000,000	-	-	-	-	25,000,000
Disaster Recovery	11,000,000	-	-	-	-	11,000,000
Capital Projects	8,036,625	-	-	-	-	8,036,625
Economic Development	1,400,000	-	-	-	-	1,400,000
Public Library	3,789,805	-	-	-	-	3,789,805
Ritz Spa Suite Purchase	5,000,000	-	-	-	-	5,000,000
Section 19 Water	5,125,000	-	-	-	-	5,125,000
Total Committed	<u>59,351,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,351,430</u>
Unassigned:	7,104,867	-	-	-	-	7,104,867
Total Fund Balance	<u>\$ 69,272,542</u>	<u>\$ 2,636,857</u>	<u>\$ 304,397</u>	<u>\$ 19,158,204</u>	<u>\$ 15,492,286</u>	<u>\$ 106,864,286</u>

Minimum Fund Balance Policy

The City Council adopted a resolution committing the following fund balance in May 2013 and May 2015.

- Prudent Reserve –\$25 million set aside for future revenue shortfalls of 9 percent or more from the prior year total General Fund revenues.
- Disaster Recovery –\$11 million to cover costs and losses as a result of a major earthquake or other major disaster that require activation of the City's Emergency Operating Center (EOC).
- Capital Projects –\$8,036,625 million for land, equipment replacement, information technology equipment and software, facility and infrastructure renovation, and upgrade and acquisitions. Economic Development–\$1.4 million to be used to continue economic development efforts of the former redevelopment agency.
- Public Library – Funds used to supplement the operating and capital costs of the Library Fund. The remaining amount of this commitment at June 30, 2015 is \$3,789,805.
- Ritz Spa Suite Purchase–\$5 million for the purchase of the Spa Suites according to the operating covenant and amendments.
- Section 19 Water–\$5.125 million for deposit into an escrow account relating to costs of bringing water to section 19 for development purposes.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #16 – PRIOR PERIOD ADJUSTMENTS*

As discussed under Note 1, the City implemented GASB 68 and 71 effective July 1, 2014. Refer to Note 11 for further disclosures related to the plan and related balances. As a result of the implementation; the City restated beginning net position for fiscal year 2015 governmental activities as noted below:

	Government- Wide Governmental Activities
Beginning of year, as previously reported Net Position	\$ 290,217,576
Contributions after the measurement date - deferred outflows of resources	4,179,802
Net Pension Liability as of the measurement date of June 30, 2013	<u>(13,292,612)</u>
Beginning of year, as restated Net Position	<u>\$ 281,104,766</u>

Following is the pro forma effect of the retroactive application:

	June 30, 2014		June 30, 2014
	Previously Presented	Restatement	Restated
Deferred outflows of resources	\$ -	\$ 4,179,802	\$ 4,179,802
Net pension liability	-	13,292,612	13,292,612

In accordance with GASB 71, the restatement of all deferred outflows and inflows was not practical and therefore not included in the restatement of beginning balances.

**NOTE #17 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld AB 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Rancho Mirage that previously had reported a redevelopment agency as a blended component unit. The City Council elected to become the Successor Agency for the former redevelopment agency.

Successor agencies are only allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations as approved by the Successor Agency Oversight Board and the California Department of Finance.

**CITY OF RANCHO MIRAGE**

**NOTES TO BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**JUNE 30, 2015**

*NOTE #17 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)*

The Bill directed the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

On May 7, 2013, the City received notification that a Finding of Completion has been granted, which allows for: 1) loan agreements between the former redevelopment agency and City may be placed on the Recognized Obligation Payment Schedule (ROPS) as an enforceable obligation, provided the oversight board makes a finding that the loan was for a legitimate redevelopment purpose per California Health and Safety Code (HSC) section 34191.4(b)(1), and 2) utilizing proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4(c).

On November 5, 2013, the City received notification that two previous loans from the Rancho Mirage Housing Authority to the former Rancho Mirage Redevelopment Agency in the amount of \$12,583,600 and \$2,590,741 were enforceable obligations. These loans were previously approved on the ROPS covering the period July 1, 2012 through December 31, 2012 and were disallowed on the ROPS covering the period January 1, 2013 through June 30, 2015 when the remaining balance was \$9,666,379. Loan repayments will be made in accordance with Health and Safety Code Section 34191.4(b)(2).

On February 20, 2014, the Successor Agency received approval of its Long Range Property Management Plan (LRPMP) from the California Department of Finance. The LRPMP consisted of two properties. The first property is held for resale and the second property was transferred to the City of Rancho Mirage for governmental purpose.

*NOTE #18 – SUBSEQUENT EVENTS*

In July 2015, the RDA Successor Agency made a payment of \$3,051,548 to the Housing Authority according to the approved ROPS 15-16A schedule. The fiscal year 2015-2016 RDA Successor Agency payment reduced the outstanding payable amount to \$6,614,831.

On December 9, 2015 the Successor Agency sold \$39,180,000 in tax allocation bonds and together with \$5,235,000 in debt service payments, refunded and redeemed \$44,415,000 of the Successor Agency's outstanding Tax Allocation Bond Northside Series 2003 A-E, 2006A and Whitewater series 2006A. The refunding plan was reviewed and approved by the California Department of Finance on November 23, 2015. Total debt service, as a result of the refunding was reduced by \$7,595,659.

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***REQUIRED SUPPLEMENTARY INFORMATION***

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**CITY OF RANCHO MIRAGE**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST TEN YEARS\***

**As of the Year Ending June 30, 2015**

	<u><b>2015</b></u>
Proportion of the net pension liability	0.12607%
Proportionate share of the net pension liability	7,844,756
Covered - employee payroll	6,681,930
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	117.40%
Plan fiduciary net position as a percentage of the total pension liability	79.82%

**Note to Schedule:**

\* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

**CITY OF RANCHO MIRAGE**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN YEARS\***

**As of the Year Ending June 30, 2015**

	<b>2015</b>
Actuarially determined contributions - Miscellaneous	\$ 988,866
Contributions in relation to the actuarially determined contribution	10,693,720
Contribution deficiency (excess)	\$ (9,704,854)
 Covered-employee payroll	 \$ 6,944,175
 Contributions as a percentage of covered-employee payroll	 154.00%

\* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

**CITY OF RANCHO MIRAGE**

**SCHEDULE OF FUNDING PROGRESS  
OTHER POST EMPLOYMENT BENEFITS**

**Year Ended June 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2011	\$ 613,916	\$ 2,335,827	\$ 1,721,911	26.3%	\$ 6,446,176	26.7%
6/30/2013	1,098,348	2,759,063	1,660,715	39.8%	6,840,555	24.3%

Additional actuarial valuation information will be provided as future valuations are performed.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes:				
Property taxes	\$ 3,859,250	\$ 3,885,500	\$ 4,294,517	\$ 409,017
Sales taxes	3,453,750	3,532,500	3,582,116	49,616
Franchise taxes	1,277,000	1,277,000	1,330,464	53,464
Transient occupancy taxes	6,531,000	6,849,000	7,836,713	987,713
Real property transfer taxes	291,000	291,000	308,132	17,132
Total taxes	<u>15,412,000</u>	<u>15,835,000</u>	<u>17,351,942</u>	<u>1,516,942</u>
Intergovernmental:				
Reimbursement from Local Government	-	10,060,000	8,388,628	(1,671,372)
County COPS Program	100,000	100,000	106,230	6,230
Other	2,379,000	2,137,000	1,523,999	(613,001)
Total intergovernmental	<u>2,479,000</u>	<u>12,297,000</u>	<u>10,018,857</u>	<u>(2,278,143)</u>
Licenses and permits:				
Business licenses	229,000	252,000	202,018	(49,982)
Plan check fees	60,000	100,000	85,093	(14,907)
Public works inspections and fees	312,200	316,200	297,660	(18,540)
Total licenses and permits	<u>601,200</u>	<u>668,200</u>	<u>584,771</u>	<u>(83,429)</u>
Charges for services:				
Planning fees	145,000	205,000	101,105	(103,895)
PEG fees	102,000	102,000	112,995	10,995
Construction permits	475,000	590,000	628,593	38,593
Total charges for services	<u>722,000</u>	<u>897,000</u>	<u>842,693</u>	<u>(54,307)</u>
Developer fees	<u>45,000</u>	<u>45,000</u>	<u>88,911</u>	<u>43,911</u>
Fines and forfeitures	<u>105,000</u>	<u>65,000</u>	<u>79,605</u>	<u>14,605</u>
Interest income	<u>712,000</u>	<u>1,262,000</u>	<u>1,876,561</u>	<u>614,561</u>
Net increase (decrease) in investment fair value	<u>-</u>	<u>-</u>	<u>(901,646)</u>	<u>(901,646)</u>
Miscellaneous	<u>445,000</u>	<u>434,000</u>	<u>432,830</u>	<u>(1,170)</u>
Total revenues	<u>20,521,200</u>	<u>31,503,200</u>	<u>30,374,524</u>	<u>(1,172,587)</u>

(Continued)

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**(CONTINUED)**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Expenditures:				
Current:				
General government:				
City council:				
Personnel	\$ 259,597	\$ 237,942	\$ 220,599	\$ 17,343
Operations and maintenance	13,000	13,000	9,775	3,225
Total city council	<u>272,597</u>	<u>250,942</u>	<u>230,374</u>	<u>20,568</u>
City clerk:				
Personnel	468,148	442,806	424,066	18,740
Operations and maintenance	82,810	82,810	71,167	11,643
Total city clerk	<u>550,958</u>	<u>525,616</u>	<u>495,233</u>	<u>30,383</u>
City manager:				
Personnel	421,942	397,031	396,483	548
Operations and maintenance	38,100	58,100	39,672	18,428
Total city manager	<u>460,042</u>	<u>455,131</u>	<u>436,155</u>	<u>18,976</u>
City attorney:				
Operations and maintenance	500,600	500,600	498,641	1,959
Total city attorney	<u>500,600</u>	<u>500,600</u>	<u>498,641</u>	<u>1,959</u>
Administration:				
Personnel	828,859	784,726	784,705	21
Operations and maintenance	24,600	116,900	80,481	36,419
Total administration	<u>853,459</u>	<u>901,626</u>	<u>865,186</u>	<u>36,440</u>
Finance:				
Personnel	717,676	666,888	641,668	25,220
Operations and maintenance	186,320	225,320	224,088	1,232
Total finance	<u>903,996</u>	<u>892,208</u>	<u>865,756</u>	<u>26,452</u>
Information services:				
Personnel	426,034	389,008	380,767	8,241
Operations and maintenance	416,150	465,150	390,055	75,095
Capital	5,000	75,000	52,311	22,689
Total information services	<u>847,184</u>	<u>929,158</u>	<u>823,133</u>	<u>106,025</u>

(Continued)

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(CONTINUED)  
Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Public information & com. relations:				
Operations and maintenance	\$ 190,200	\$ 190,200	\$ 170,259	\$ 19,941
Total information & com. Relations	<u>190,200</u>	<u>190,200</u>	<u>170,259</u>	<u>19,941</u>
General government:				
Personnel	1,043,973	1,084,285	1,084,276	9
Operations and maintenance	2,372,132	16,142,938	16,142,803	135
Capital	3,000	48,000	36,903	11,097
Total general government	<u>3,419,105</u>	<u>17,275,223</u>	<u>17,263,982</u>	<u>11,241</u>
Special programs:				
Operations and maintenance	<u>659,200</u>	<u>687,818</u>	<u>533,017</u>	<u>154,801</u>
Total special programs	<u>659,200</u>	<u>687,818</u>	<u>533,017</u>	<u>154,801</u>
Planning:				
Personnel	605,181	597,263	597,245	18
Operations and maintenance	<u>60,000</u>	<u>152,500</u>	<u>44,094</u>	<u>108,406</u>
Total planning	<u>665,181</u>	<u>749,763</u>	<u>641,339</u>	<u>108,424</u>
Building and safety:				
Personnel	563,138	505,231	447,901	57,330
Operations and maintenance	<u>31,250</u>	<u>111,250</u>	<u>70,010</u>	<u>41,240</u>
Total building and safety	<u>594,388</u>	<u>616,481</u>	<u>517,911</u>	<u>98,570</u>
Mandated programs:				
Operations and maintenance	<u>7,200</u>	<u>22,200</u>	<u>20,053</u>	<u>2,147</u>
Total mandated programs	<u>7,200</u>	<u>22,200</u>	<u>20,053</u>	<u>2,147</u>
Regional plan and implementation				
Operations and maintenance	<u>105,800</u>	<u>141,900</u>	<u>136,651</u>	<u>5,249</u>
Total regional plan and implementation	<u>105,800</u>	<u>141,900</u>	<u>136,651</u>	<u>5,249</u>
Tourism and marketing				
Personnel	318,390	408,683	408,590	93
Operations and maintenance	<u>810,000</u>	<u>1,047,500</u>	<u>1,047,440</u>	<u>60</u>
Total tourism and marketing	<u>1,128,390</u>	<u>1,456,183</u>	<u>1,456,030</u>	<u>153</u>
Economic Development				
Personnel	567,854	274,405	274,387	18
Operations and maintenance	<u>195,000</u>	<u>192,300</u>	<u>181,573</u>	<u>10,727</u>
Total economic development	<u>762,854</u>	<u>466,705</u>	<u>455,960</u>	<u>10,745</u>
Total general government	<u>11,921,154</u>	<u>26,061,754</u>	<u>25,409,680</u>	<u>652,074</u>

(Continued)

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(CONTINUED)  
Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Public safety:				
Code compliance:				
Personnel	\$ 502,903	\$ 503,961	\$ 502,310	\$ 1,651
Operations and maintenance	56,650	150,800	150,707	93
Capital	-	35,200	35,008	192
Total code compliance	<u>559,553</u>	<u>689,961</u>	<u>688,025</u>	<u>1,936</u>
Emergency services:				
Personnel	35,172	33,432	33,432	-
Operations and maintenance	<u>76,700</u>	<u>79,700</u>	<u>29,784</u>	<u>49,916</u>
Total emergency services	<u>111,872</u>	<u>113,132</u>	<u>63,216</u>	<u>49,916</u>
Police services:				
Operations and maintenance	6,277,923	6,558,896	6,558,842	54
Capital	<u>6,000</u>	<u>68,000</u>	<u>53,934</u>	<u>14,066</u>
Total police services	<u>6,283,923</u>	<u>6,626,896</u>	<u>6,612,776</u>	<u>14,120</u>
Citizens Option for Public Safety (COPS)				
Operations and maintenance	<u>100,000</u>	<u>100,000</u>	<u>90,069</u>	<u>9,931</u>
Total COPS	<u>100,000</u>	<u>100,000</u>	<u>90,069</u>	<u>9,931</u>
ACBCI Tourism Fee				
Operations and maintenance	<u>25,000</u>	<u>25,000</u>	<u>20,077</u>	<u>4,923</u>
Total law enforcement equipment	<u>25,000</u>	<u>25,000</u>	<u>20,077</u>	<u>4,923</u>
Total public safety	<u>7,080,348</u>	<u>7,554,989</u>	<u>7,474,163</u>	<u>80,826</u>
Public works:				
Facilities & fleet maintenance:				
Personnel	673,293	650,516	650,417	99
Operations and maintenance	569,900	754,500	754,466	34
Capital	-	10,000	-	10,000
Total buildings and landscaping	<u>1,243,193</u>	<u>1,415,016</u>	<u>1,404,883</u>	<u>10,133</u>
Street maintenance:				
Personnel	591,243	644,167	590,311	53,856
Operations and maintenance	<u>318,500</u>	<u>358,500</u>	<u>307,324</u>	<u>51,176</u>
Total street maintenance	<u>909,743</u>	<u>1,002,667</u>	<u>897,635</u>	<u>105,032</u>
Engineering:				
Personnel	1,247,310	1,212,474	1,212,418	56
Operations and maintenance	<u>72,500</u>	<u>88,500</u>	<u>57,705</u>	<u>30,795</u>
Total engineering	<u>1,319,810</u>	<u>1,300,974</u>	<u>1,270,123</u>	<u>30,851</u>
Total public works	<u>3,472,746</u>	<u>3,718,657</u>	<u>3,572,641</u>	<u>146,016</u>

(Continued)

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(CONTINUED)  
Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Capital projects:				
Capital improvements financed from fund balance and license tax:				
General Fund Capital Projects	\$ 2,909,300	\$ 21,197,244	\$ 8,113,494	\$ 13,083,750
License Tax Fund Capital Projects	-	258,155	106,818	151,337
PEG Channel Capital Projects	109,600	125,000	125,440	(440)
	<u>3,018,900</u>	<u>21,580,399</u>	<u>8,345,752</u>	<u>13,234,647</u>
Total capital improvements				
	<u>3,018,900</u>	<u>21,580,399</u>	<u>8,345,752</u>	<u>13,234,207</u>
Total capital projects				
	<u>25,493,148</u>	<u>58,915,799</u>	<u>44,802,236</u>	<u>14,113,123</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(4,971,948)	(27,412,599)	(14,427,712)	12,984,887
Other financing sources:				
Transfers in	4,274,047	4,409,316	4,082,169	(327,147)
Transfers out	(495,123)	(495,123)	(442,660)	52,463
	<u>3,778,924</u>	<u>3,914,193</u>	<u>3,639,509</u>	<u>(274,684)</u>
Total other financing sources				
Net change in fund balance	(1,193,024)	(23,498,406)	(10,788,203)	12,710,203
Fund balance, beginning of year	<u>72,508,198</u>	<u>61,567,704</u>	<u>79,862,549</u>	<u>18,294,845</u>
Fund balance, end of year	<u>\$ 71,315,174</u>	<u>\$ 38,069,298</u>	<u>\$ 69,074,346</u>	<u>\$ 31,005,048</u>

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
(CONTINUED)  
Year Ended June 30, 2015**

The following schedule shows the Budgetary Comparison Statement reconciliation between the budgetary basis and GAAP basis for the General Fund:

	<u>General Fund</u>
<b>Revenues and Other Financing Sources</b>	
Revenues from the Budgetary Comparison Schedule	\$ 30,374,524
Revenues of the Traffic Safety fund and the Community Facilities District fund are not inflows of budgetary resources in the General fund legally adopted budget , but are revenues of the General fund for financial reporting purposes.	<u>3,702,103</u>
Total Revenues from the Financial Statements	<u>\$ 34,076,627</u>
Transfers In from the Budgetary Comparison Schedules	\$ 4,082,169
Elimination of Transfers within General Fund in accordance with GASB 54 consolidation	<u>(3,148,848)</u>
Total Transfers in from the Financial Statements	<u>\$ 933,321</u>
<b>Expenditures and Other Financing Uses</b>	
Expenditures and Other Financing Uses from the Budgetary Comparison Schedules	\$ 45,244,896
Reclassification of Special Revenue Funds to General Fund in accordance with GASB 54	<u>554,633</u>
Total Expenditures and Other Financing Uses from the Financial Statements	<u>\$ 45,799,529</u>

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**  
**BUDGETARY COMPARISON SCHEDULE**  
**LIBRARY SPECIAL REVENUE FUND**  
**Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Charges and services	\$ -	\$ -	\$ 66	\$ 66
Fines and forfeitures	63,500	63,500	38,265	(25,235)
Interest income	18,000	18,000	50,523	32,523
Net increase (decrease) in investment fair value	-	-	(6,127)	(6,127)
Miscellaneous	114,400	28,400	120,585	92,185
Total revenues	<u>195,900</u>	<u>109,900</u>	<u>203,312</u>	<u>93,412</u>
Expenditures:				
Current:				
Cultural and recreation	2,866,666	2,782,993	2,681,452	101,541
Capital projects	140,000	52,000	-	52,000
Total expenditures	<u>3,006,666</u>	<u>2,834,993</u>	<u>2,681,452</u>	<u>153,541</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,810,766)</u>	<u>(2,725,093)</u>	<u>(2,478,140)</u>	<u>246,953</u>
Other financing sources (uses):				
Transfers in	2,146,147	2,146,147	2,618,770	472,623
Transfers out	<u>(61,685)</u>	<u>(61,685)</u>	<u>(68,338)</u>	<u>(6,653)</u>
Total other financing sources (uses)	<u>2,084,462</u>	<u>2,084,462</u>	<u>2,550,432</u>	<u>465,970</u>
Net changes in fund balance	(726,304)	(640,631)	72,292	712,923
Fund balance, beginning of year	<u>1,319,486</u>	<u>612,894</u>	<u>2,598,376</u>	<u>1,985,482</u>
Fund balance, end of year	<u>\$ 593,182</u>	<u>\$ (27,737)</u>	<u>\$ 2,670,668</u>	<u>\$ 2,698,405</u>

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
LIBRARY SPECIAL REVENUE FUND  
(CONTINUED)  
Year Ended June 30, 2015**

	<b>Library Special Revenue Fund</b>
<b>Revenues and Other Financing Sources</b>	
Revenues from the Budgetary Comparison Schedule	\$ 203,312
Resources transferred from the Community Services District are not inflows of budgetary resources in the Library fund legally adopted budget , but are revenues of the Library fund for financial reporting purposes in accordance with GASB 54.	2,561,409
Total Revenues from the Financial Statements	\$ 2,764,721
Transfers In from the Budgetary Comparison Schedules	2,618,770
Elimination of Transfers within Library Fund in accordance with GASB 54 consolidation	(2,547,097)
Total Transfers in from the Financial Statements	\$ 71,673
<b>Expenditures and Other Financing Uses</b>	
Expenditures and Other Financing Uses from the Budgetary Comparison Schedule	\$ 2,749,790
Reclassification of Special Revenue Funds to Library Fund in accordance with GASB 54	30,796
Total Expenditures and Other Financing Uses from the Financial Statements	\$ 2,780,586

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
FIRE TAX SPECIAL REVENUE FUND  
Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 22,000	\$ 22,000	\$ 16,573	\$ (5,427)
Interest income	2,000	2,000	12,049	10,049
Net increase (decrease) in investment fair value	-	-	-	-
Total revenues	<u>24,000</u>	<u>24,000</u>	<u>28,622</u>	<u>4,622</u>
Expenditures:				
Current:				
Public safety	4,795,100	5,291,300	5,290,918	382
Capital projects	2,000	2,000	2,287	(287)
Total expenditures	<u>4,797,100</u>	<u>5,293,300</u>	<u>5,293,205</u>	<u>95</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,773,100)</u>	<u>(5,269,300)</u>	<u>(5,264,583)</u>	<u>4,717</u>
Other financing sources (uses):				
Transfers in	<u>4,773,100</u>	<u>4,773,100</u>	<u>5,231,158</u>	<u>458,058</u>
Total other financing sources (uses)	<u>4,773,100</u>	<u>4,773,100</u>	<u>5,231,158</u>	<u>458,058</u>
Net changes in fund balance	-	(496,200)	(33,425)	462,775
Fund balance, beginning of year	<u>172,211</u>	<u>(34,354)</u>	<u>284,061</u>	<u>318,415</u>
Fund balance, end of year	<u>\$ 172,211</u>	<u>\$ (530,554)</u>	<u>\$ 250,636</u>	<u>\$ 781,190</u>

	<b>Fire Tax Fund</b>
<b>Revenues and Other Financing Sources</b>	
Revenues from the Budgetary Comparison Schedule	\$ 28,622
Resources transferred from the Community Services District are not inflows of budgetary resources in the Fire Tax fund legally adopted budget , but are revenues of the Fire Tax fund for financial reporting purposes in accordance with GASB 54.	<u>4,276,193</u>
Total Revenues from the Financial Statements	<u>\$ 4,304,815</u>
Transfers In from the Budgetary Comparison Schedules	5,231,158
Elimination of Transfers within Fire Tax Fund in accordance with GASB 54 consolidation	<u>(4,247,433)</u>
Total Transfers in from the Financial Statements	<u>\$ 983,725</u>

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
HOUSING AUTHORITY SPECIAL REVENUE FUND  
Year Ended June 30, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental	\$ 546,000	\$ 1,346,000	\$ 623,351	\$ (722,649)
Licenses and permits	4,500	4,500	3,220	(1,280)
Charges for services	1,452,500	1,456,500	1,477,765	21,265
Interest income	88,000	88,000	203,094	115,094
Net increase (decrease) in investment fair value	-	-	(97,736)	(97,736)
Miscellaneous	60,000	60,000	3,402	(56,598)
Total revenues	<u>2,151,000</u>	<u>2,955,000</u>	<u>2,213,096</u>	<u>(741,904)</u>
Expenditures:				
Current:				
General government	1,711,381	1,891,581	2,654,316	(762,735)
Capital projects	567,000	1,367,000	112,945	1,254,055
Total expenditures	<u>2,278,381</u>	<u>3,258,581</u>	<u>2,767,261</u>	<u>491,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(127,381)</u>	<u>(303,581)</u>	<u>(554,165)</u>	<u>(250,584)</u>
Other financing sources (uses):				
Transfers in	70,950	70,950	-	(70,950)
Transfers out	<u>(815,485)</u>	<u>(760,753)</u>	<u>(689,803)</u>	<u>70,950</u>
Total other financing sources (uses)	<u>(744,535)</u>	<u>(689,803)</u>	<u>(689,803)</u>	<u>-</u>
Net changes in fund balance	(871,916)	(993,384)	(1,243,968)	(250,584)
Fund balance, beginning of year	<u>29,166,193</u>	<u>25,068,368</u>	<u>20,402,172</u>	<u>(4,666,196)</u>
Fund balance, end of year	<u>\$ 28,294,277</u>	<u>\$ 24,074,984</u>	<u>\$ 19,158,204</u>	<u>\$ (4,916,780)</u>

See accompanying note to the required supplementary information.

**CITY OF RANCHO MIRAGE**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2015**

*NOTE #1 – BUDGETARY DATA*

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Before the beginning of the fiscal year the City Manager submits to the City Council a proposed budget for the year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is subsequently adopted through passage of a resolution.
4. All appropriated amounts are as originally adopted or as amended by the City Council and lapse at year end, except for continuing appropriations for capital projects.
5. Original appropriations are modified by supplementary appropriations and transfers among budget categories. The City Manager is authorized to transfer appropriations within an object of a General Fund department and within total fund appropriations for other funds. The City Council approves all other changes. Individual amendments were not material in relation to the original appropriations.
6. The legal level for which expenditures are not to exceed appropriations is at the fund level for all funds except the General Fund and at the object level for the General Fund. The City classifies each General Fund expenditure into one of the following three objects: personnel, operations and maintenance, and capital. Expenditures exceeded appropriations in the Air Pollution Reduction Nonmajor Special Revenue Fund and the Development Fees Nonmajor Capital Projects Fund.
7. Formal budgetary integration is employed as a management control device during the year for the following funds which also have legally adopted annual budgets: General, Special Revenue and Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds (including the Joint Powers Financing Authority Debt Service Fund) because effective budgetary control is alternatively achieved through debt indenture provisions.
8. Budgets for General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles, except advances from the General Fund to other funds are budgeted as expenditures in the General Fund and as revenue in the funds receiving the advances. Repayment of advances is budgeted as revenue in the General Fund and as an expenditure in the funds repaying the advance.

Fund activity consolidated in accordance with GASB Statement No. 54 in the financial statements is excluded from the Budgetary Comparison Schedules. Transfers eliminated by the consolidation in the financial statements are reported as transfers in the Budgetary Comparison Schedule.

**CITY OF RANCHO MIRAGE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 12,573,943	\$ -	\$ 3,027,405	\$ 15,601,348
Cash and investments with fiscal agent	106,443	-	-	106,443
Interest receivable	46,129	-	9,833	55,962
Accounts receivable	169,036	-	-	169,036
Due from other governments	106,555	-	-	106,555
	<u>13,002,106</u>	<u>-</u>	<u>3,037,238</u>	<u>16,039,344</u>
Total assets	<u>\$ 13,002,106</u>	<u>\$ -</u>	<u>\$ 3,037,238</u>	<u>\$ 16,039,344</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 275,378	\$ -	\$ 187,008	\$ 462,386
Accrued salaries and benefits	2,723	-	-	2,723
Deposits payable	3,515	-	-	3,515
	<u>281,616</u>	<u>-</u>	<u>187,008</u>	<u>468,624</u>
Total liabilities	<u>281,616</u>	<u>-</u>	<u>187,008</u>	<u>468,624</u>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenue	<u>78,434</u>	<u>-</u>	<u>-</u>	<u>78,434</u>
<b>Fund balances:</b>				
Restricted	<u>12,642,056</u>	<u>-</u>	<u>2,850,230</u>	<u>15,492,286</u>
Total fund balance	<u>12,642,056</u>	<u>-</u>	<u>2,850,230</u>	<u>15,492,286</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,002,106</u>	<u>\$ -</u>	<u>\$ 3,037,238</u>	<u>\$ 16,039,344</u>

**CITY OF RANCHO MIRAGE**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2015**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 832,086	\$ -	\$ -	\$ 832,086
Intergovernmental	538,248	-	-	538,248
Charges for services	181,558	-	-	181,558
Special assessments	1,298,803	-	-	1,298,803
Developer fees	-	-	336,404	336,404
Interest income	373,368	(738)	90,973	463,603
Net increase (decrease) in investment fair value	(158,079)	7,057	(31,736)	(182,758)
Miscellaneous	191,769	94,193	-	285,962
<b>Total Revenues</b>	<b>3,257,753</b>	<b>100,512</b>	<b>395,641</b>	<b>3,753,906</b>
Expenditures:				
Current:				
General government	475,748	-	2,150	477,898
Public works	1,014,902	-	-	1,014,902
Cultural and recreation	526,886	-	-	526,886
Capital projects	2,703,645	-	865,087	3,568,732
Debt service:				
Principal	-	4,415,000	131,739	4,546,739
Interest	-	191,887	-	191,887
<b>Total expenditures</b>	<b>4,721,181</b>	<b>4,606,887</b>	<b>998,976</b>	<b>10,327,044</b>
Excess (deficiency) of revenues over (under) expenditures	(1,463,428)	(4,506,375)	(603,335)	(6,573,138)
Other financing sources (uses):				
Transfers in	62,016	4,108,678	-	4,170,694
Transfers out	(332,464)	-	(255,622)	(588,086)
<b>Total other financing sources (uses)</b>	<b>(270,448)</b>	<b>4,108,678</b>	<b>(255,622)</b>	<b>3,582,608</b>
<b>Net changes in fund balances</b>	<b>(1,733,876)</b>	<b>(397,697)</b>	<b>(858,957)</b>	<b>(2,990,530)</b>
Fund balances, beginning of year	14,375,932	397,697	3,709,187	18,482,816
Fund balances, end of year	\$ 12,642,056	\$ -	\$ 2,850,230	\$ 15,492,286

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## ***NONMAJOR SPECIAL REVENUE FUNDS***

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Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The Landscape and Lighting District Fund – is used to account for the revenues and expenditures restricted for the maintenance of landscaped streets and medians and the City’s street lighting.

The Parkland Fund – is used to account for the revenues and expenditures restricted for the City’s park and recreation facilities.

The Library Foundation Fund – is used to account for the revenues and expenditures restricted for the raising funds on the Library’s behalf.

The Gas Tax Fund – is used to account for the state gasoline tax revenues restricted for maintenance and improvement of the City’s street.

The AB 939 Recycling Programs Fund – is used to account for the revenues and expenditures restricted for to regional solid waste management programs.

The Transportation Measure A Fund – is used to account for Measure A sales tax revenue restricted for the maintenance and improvement of City streets.

The Air Pollution Reduction Fund – is used to account for revenues and expenditures restricted for air pollution mitigation efforts.

The Rent Control Fund – is used to account for funds collected from mobilehome park owners and restricted to provide professional assistance on their behalf.

The Storm Water Quality Fund – is used to account for revenues and expenditures restricted for the reduction of water pollution.

**CITY OF RANCHO MIRAGE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

**JUNE 30, 2015**

	Landscape and Lighting Districts	Parkland Fund	Library Foundation	Gas Tax
<b>Assets:</b>				
Cash and investments	\$ 195,176	\$ 3,529,114	\$ 1,764,430	\$ 1,967,723
Cash and investments with fiscal agent	-	-	106,443	-
Interest receivable	716	11,791	6,653	6,562
Accounts receivable	-	-	-	-
Due from other governments	29,384	11,951	-	3,299
<b>Total assets</b>	<b>\$ 225,276</b>	<b>\$ 3,552,856</b>	<b>\$ 1,877,526</b>	<b>\$ 1,977,584</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 12,126	\$ 111,484	\$ 2,012	\$ 73,232
Accrued salaries and benefits	-	2,723	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deposits payable	-	3,515	-	-
Unearned Revenue	-	-	-	-
<b>Total liabilities</b>	<b>12,126</b>	<b>117,722</b>	<b>2,012</b>	<b>73,232</b>
<b>Deferred Inflow of Resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund Balances:</b>				
Restricted	213,150	3,435,134	1,875,514	1,904,352
<b>Total fund balance</b>	<b>213,150</b>	<b>3,435,134</b>	<b>1,875,514</b>	<b>1,904,352</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 225,276</b>	<b>\$ 3,552,856</b>	<b>\$ 1,877,526</b>	<b>\$ 1,977,584</b>

AB 939 Recycling Programs	Transportation Measure A	Air Pollution Reduction	Rent Control	Storm Water Quality	Total Nonmajor Special Revenue Funds
\$ 3,053,885	\$ 1,870,942	\$ 53,584	\$ 21,686	\$ 117,403	\$ 12,573,943
-	-	-	-	-	106,443
10,520	9,157	188	70	472	46,129
15,000	154,036	-	-	-	169,036
-	56,144	5,777	-	-	106,555
<u>\$ 3,079,405</u>	<u>\$ 2,090,279</u>	<u>\$ 59,549</u>	<u>\$ 21,756</u>	<u>\$ 117,875</u>	<u>\$ 13,002,106</u>
\$ 15,254	\$ 14,624	\$ -	\$ -	\$ 46,646	\$ 275,378
-	-	-	-	-	2,723
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,515
-	-	-	-	-	-
<u>15,254</u>	<u>14,624</u>	<u>-</u>	<u>-</u>	<u>46,646</u>	<u>281,616</u>
-	78,434	-	-	-	78,434
<u>3,064,151</u>	<u>1,997,221</u>	<u>59,549</u>	<u>21,756</u>	<u>71,229</u>	<u>12,642,056</u>
<u>3,064,151</u>	<u>1,997,221</u>	<u>59,549</u>	<u>21,756</u>	<u>71,229</u>	<u>12,642,056</u>
<u>\$ 3,079,405</u>	<u>\$ 2,090,279</u>	<u>\$ 59,549</u>	<u>\$ 21,756</u>	<u>\$ 117,875</u>	<u>\$ 13,002,106</u>

**CITY OF RANCHO MIRAGE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2015**

	Landscape and Lighting Districts	Parkland Fund	Library Foundation	Gas Tax
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	505,926
Charges for services	-	-	-	-
Special assessments	540,246	535,100	-	-
Interest income	5,004	91,817	50,394	50,071
Net increase (decrease) in investment fair value	-	(38,408)	(20,025)	(20,567)
Miscellaneous	-	-	191,769	-
Total revenues	<u>545,250</u>	<u>588,509</u>	<u>222,138</u>	<u>535,430</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	120,786	-	202,178
Public works	564,036	-	-	210,084
Cultural and recreation	-	221,165	305,721	-
Capital projects	-	322,946	-	46,682
Total expenditures	<u>564,036</u>	<u>664,897</u>	<u>305,721</u>	<u>458,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,786)</u>	<u>(76,388)</u>	<u>(83,583)</u>	<u>76,486</u>
<b>Other financing sources (uses):</b>				
Transfers in	6,077	54,867	-	-
Transfers out	<u>(55,202)</u>	<u>(78,941)</u>	<u>-</u>	<u>(52,609)</u>
Total other financing sources (uses)	<u>(49,125)</u>	<u>(24,074)</u>	<u>-</u>	<u>(52,609)</u>
Net changes in fund balances	(67,911)	(100,462)	(83,583)	23,877
Fund balances, beginning of year	<u>281,061</u>	<u>3,535,596</u>	<u>1,959,097</u>	<u>1,880,475</u>
Fund balances, end of year	<u>\$ 213,150</u>	<u>\$ 3,435,134</u>	<u>\$ 1,875,514</u>	<u>\$ 1,904,352</u>

AB 939 Recycling Programs	Transportation Measure A	Air Pollution Reduction	Rent Control	Storm Water Quality
\$ -	\$ 832,086	\$ -	\$ -	\$ -
4,623	-	27,699	-	-
180,948	-	-	610	-
-	-	-	-	223,457
82,453	89,245	1,385	553	2,446
(36,983)	(40,824)	-	-	(1,272)
-	-	-	-	-
<u>231,041</u>	<u>880,507</u>	<u>29,084</u>	<u>1,163</u>	<u>224,631</u>
61,713	-	13,153	-	77,918
125,841	-	-	-	114,941
-	-	-	-	-
-	2,334,017	-	-	-
<u>187,554</u>	<u>2,334,017</u>	<u>13,153</u>	<u>-</u>	<u>192,859</u>
43,487	(1,453,510)	15,931	1,163	31,772
-	-	-	-	1,072
<u>(118,413)</u>	<u>-</u>	<u>(5,822)</u>	<u>-</u>	<u>(21,477)</u>
<u>(118,413)</u>	<u>-</u>	<u>(5,822)</u>	<u>-</u>	<u>(20,405)</u>
(74,926)	(1,453,510)	10,109	1,163	11,367
<u>3,139,077</u>	<u>3,450,731</u>	<u>49,440</u>	<u>20,593</u>	<u>59,862</u>
<u>\$ 3,064,151</u>	<u>\$ 1,997,221</u>	<u>\$ 59,549</u>	<u>\$ 21,756</u>	<u>\$ 71,229</u>

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
LANDSCAPE AND LIGHTING DISTRICTS  
NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessments	\$ 535,315	\$ 540,246	\$ 4,931
Interest income	1,400	5,004	3,604
Total revenues	<u>536,715</u>	<u>545,250</u>	<u>8,535</u>
Expenditures:			
Current:			
Public works	<u>617,503</u>	<u>564,036</u>	<u>53,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,788)</u>	<u>(18,786)</u>	<u>62,002</u>
Other financing sources (uses):			
Transfers in	6,077	6,077	-
Transfers out	<u>(55,202)</u>	<u>(55,202)</u>	<u>-</u>
Total other financing sources (uses)	<u>(49,125)</u>	<u>(49,125)</u>	<u>-</u>
Net changes in fund balance	(129,913)	(67,911)	62,002
Fund balance, beginning of year	<u>(46,803)</u>	<u>281,061</u>	<u>327,864</u>
Fund balance, end of year	<u><u>\$ (176,716)</u></u>	<u><u>\$ 213,150</u></u>	<u><u>\$ 389,866</u></u>

**CITY OF RANCHO MIRAGE**  
**BUDGETARY COMPARISON SCHEDULE**  
**PARKLAND**  
**NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessments	\$ 585,674	\$ 535,100	\$ (50,574)
Interest income	25,000	91,817	66,817
Net increase (decrease) in investment fair value	-	(38,408)	(38,408)
Total revenues	<u>610,674</u>	<u>588,509</u>	<u>(22,165)</u>
Expenditures:			
Current:			
General government	114,737	120,786	(6,049)
Cultural and recreation	361,450	221,165	140,285
Capital projects	<u>4,410,000</u>	<u>322,946</u>	<u>4,087,054</u>
Total expenditures	<u>4,886,187</u>	<u>664,897</u>	<u>4,221,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,275,513)</u>	<u>(76,388)</u>	<u>4,199,125</u>
Other financing sources (uses):			
Transfers in	54,867	54,867	-
Transfers out	<u>(78,941)</u>	<u>(78,941)</u>	<u>-</u>
Total other financing sources (uses)	<u>(24,074)</u>	<u>(24,074)</u>	<u>-</u>
Net changes in fund balance	(4,251,439)	(100,462)	4,150,977
Fund balance, beginning of year	<u>1,351,682</u>	<u>3,535,596</u>	<u>2,183,914</u>
Fund balance, end of year	<u>\$ (2,899,757)</u>	<u>\$ 3,435,134</u>	<u>\$ 6,334,891</u>

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
LIBRARY FOUNDATION  
NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:			
Interest income	\$ 28,000	\$ 50,394	\$ 22,394
Net increase (decrease) in investment fair value	-	(20,025)	(20,025)
Miscellaneous	<u>264,500</u>	<u>191,769</u>	<u>(72,731)</u>
Total revenues	<u>292,500</u>	<u>222,138</u>	<u>(70,362)</u>
 Expenditures:			
Current:			
Cultural and recreation	<u>305,800</u>	<u>305,721</u>	<u>79</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(13,300)</u>	<u>(83,583)</u>	<u>(70,283)</u>
 Fund balance, beginning of year	<u>1,806,940</u>	<u>1,959,097</u>	<u>152,157</u>
 Fund balance (deficit), end of year	<u>\$ 1,793,640</u>	<u>\$ 1,875,514</u>	<u>\$ 81,874</u>

**CITY OF RANCHO MIRAGE**  
**BUDGETARY COMPARISON SCHEDULE**  
**GAS TAX**  
**NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 514,400	\$ 505,926	\$ (8,474)
Interest income	12,100	50,071	37,971
Net increase (decrease) in investment fair value	-	(20,567)	(20,567)
Total revenues	<u>526,500</u>	<u>535,430</u>	<u>8,930</u>
Expenditures			
Current:			
General government	3,000	202,178	(199,178)
Public works	507,902	210,084	297,818
Capital projects	498,440	46,682	451,758
Total expenditures	<u>1,009,342</u>	<u>458,944</u>	<u>550,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(482,842)</u>	<u>76,486</u>	<u>559,328</u>
Other financing sources (uses):			
Transfers out	<u>(52,609)</u>	<u>(52,609)</u>	<u>-</u>
Net changes in fund balances	(535,451)	23,877	559,328
Fund balance, beginning of year	<u>(437,353)</u>	<u>1,880,475</u>	<u>2,317,828</u>
Fund balance, end of year	<u>\$ (972,804)</u>	<u>\$ 1,904,352</u>	<u>\$ 2,877,156</u>

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
AB 939 RECYCLING PROGRAMS  
NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 4,623	\$ 4,623
Charges for services	185,000	180,948	(4,052)
Interest income	56,000	82,453	26,453
Net increase (decrease) in investment fair value	-	(36,983)	(36,983)
Miscellaneous	-	-	-
Total revenues	<u>241,000</u>	<u>231,041</u>	<u>(14,582)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	182,000	61,713	120,287
Public works	125,000	125,841	(841)
Total expenditures	<u>307,000</u>	<u>187,554</u>	<u>119,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(66,000)</u>	<u>43,487</u>	<u>109,487</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u>(118,413)</u>	<u>(118,413)</u>	<u>-</u>
Net changes in fund balances	(184,413)	(74,926)	109,487
Fund balance, beginning of year	<u>3,114,234</u>	<u>3,139,077</u>	<u>24,843</u>
Fund balance, end of year	<u>\$ 2,929,821</u>	<u>\$ 3,064,151</u>	<u>\$ 134,330</u>

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
TRANSPORATION MEASURE A  
NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 838,000	\$ 832,086	\$ (5,914)
Intergovernmental	-	-	-
Interest income	50,000	89,245	39,245
Net increase (decrease) in investment fair value	-	(40,824)	(40,824)
Total revenues	<u>888,000</u>	<u>880,507</u>	<u>(7,493)</u>
Expenditures:			
Capital projects	<u>2,949,000</u>	<u>2,334,017</u>	<u>614,983</u>
Total expenditures	<u>2,949,000</u>	<u>2,334,017</u>	<u>614,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,061,000)</u>	<u>(1,453,510)</u>	<u>607,490</u>
Other financing sources (uses):			
Transfers out	<u>(14,737)</u>	-	<u>14,737</u>
Net changes in fund balances	(2,061,000)	(1,453,510)	607,490
Fund balance, beginning of year	<u>1,887,308</u>	<u>3,450,731</u>	<u>1,563,423</u>
Fund balance, end of year	<u><u>\$ (173,692)</u></u>	<u><u>\$ 1,997,221</u></u>	<u><u>\$ 2,170,913</u></u>

**CITY OF RANCHO MIRAGE**

**BUDGETARY COMPARISON SCHEDULE  
AIR POLLUTION REDUCTION  
NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 16,000	\$ 27,699	\$ 11,699
Interest income	500	1,385	885
Total revenues	<u>16,500</u>	<u>29,084</u>	<u>12,584</u>
Expenditures:			
Current:			
General government	<u>9,600</u>	<u>13,153</u>	<u>(3,553)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,900</u>	<u>15,931</u>	<u>9,031</u>
Other financing sources (uses):			
Transfers out	<u>(5,822)</u>	<u>(5,822)</u>	<u>-</u>
Net changes in fund balances	1,078	10,109	9,031
Fund balance, beginning of year	<u>(178,779)</u>	<u>49,440</u>	<u>228,219</u>
Fund balance, end of year	<u>\$ (177,701)</u>	<u>\$ 59,549</u>	<u>\$ 237,250</u>

**CITY OF RANCHO MIRAGE**  
**BUDGETARY COMPARISON SCHEDULE**  
**RENT CONTROL**  
**NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 1,500	\$ 610	\$ (890)
Interest income	100	553	453
Total revenues	<u>1,600</u>	<u>1,163</u>	<u>(437)</u>
Expenditures:			
Current:			
General government	<u>1,300</u>	<u>-</u>	<u>1,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300</u>	<u>1,163</u>	<u>863</u>
Fund balance, beginning of year	<u>14,076</u>	<u>20,593</u>	<u>6,517</u>
Fund balance, end of year	<u>\$ 14,376</u>	<u>\$ 21,756</u>	<u>\$ 7,380</u>

**CITY OF RANCHO MIRAGE**  
**BUDGETARY COMPARISON SCHEDULE**  
**STORM WATER QUALITY**  
**NONMAJOR SPECIAL REVENUE FUND**

**Year Ended June 30, 2015**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special assessment	\$ 94,500	\$ 223,457	\$ 128,957
Interest income	9,000	2,446	(6,554)
Net increase (decrease) in investment fair value	-	(1,272)	(1,272)
Total revenues	<u>103,500</u>	<u>224,631</u>	<u>121,131</u>
Expenditures:			
Current:			
General government	89,000	77,918	11,082
Public works	116,000	114,941	1,059
Total expenditures	<u>205,000</u>	<u>192,859</u>	<u>12,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,500)</u>	<u>31,772</u>	<u>133,272</u>
Other financing sources (uses):			
Transfers in	1,072	1,072	-
Transfers out	(21,475)	(21,477)	2
Total other financing sources (uses)	<u>(20,403)</u>	<u>(20,405)</u>	<u>2</u>
Net changes in fund balance	(121,903)	11,367	133,270
Fund balance, beginning of year	<u>61,988</u>	<u>59,862</u>	<u>(2,126)</u>
Fund balance, end of year	<u>\$ (59,915)</u>	<u>\$ 71,229</u>	<u>\$ 131,144</u>

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***NONMAJOR DEBT SERVICE FUNDS***

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Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned to expenditure for principal and interest.

The Joint Powers Financing Authority Fund – is used to account for the debt service transactions of the 2005A Lease Revenue Bond issue.

**CITY OF RANCHO MIRAGE**  
**BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUND**

**June 30, 2015**

	<b>Joint Powers Financing Authority</b>
Assets:	
Cash and investments with fiscal agent	\$ -
Interest receivable	-
Total assets	<u>\$ -</u>
Liabilities:	
Total liabilities	<u>\$ -</u>
Fund balances:	
Restricted	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>

**CITY OF RANCHO MIRAGE**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUND**

**Year Ended June 30, 2015**

	<u><b>Joint Powers Financing Authority</b></u>
Revenues:	
Interest income	\$ (738)
Net increase (decrease) in investment fair value	7,057
Miscellaneous	94,193
Total revenues	<u>100,512</u>
 Expenditures:	
Debt service:	
Principal	4,415,000
Interest	191,887
Total expenditures	<u>4,606,887</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(4,506,375)</u>
 Other financing sources (uses):	
Transfer in	<u>4,108,678</u>
 Total change in fund balances	 (397,697)
 Fund balances, beginning of year	 <u>397,697</u>
 Fund balances, end of year	 <u><u>\$ -</u></u>

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## ***NONMAJOR CAPITAL PROJECT FUNDS***

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Capital Project Funds are used to account for resources that are restricted, committed, or assigned to expenditure for capital outlays.

The Development Fee Funds – are used to account for fees collected on new residential and commercial development which are then used to mitigate the impact of the new development on the City.

The Assessment Districts Fund – is used to account for activities relating to street improvement and construction, flood control and utility undergrounding for specific areas of the City.

**CITY OF RANCHO MIRAGE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**

**June 30, 2015**

	<b>Assessment District</b>	<b>Development Fees</b>	<b>Total Nonmajor Capital Projects Funds</b>
Assets			
Cash and investments	\$ 109,170	\$ 2,918,235	\$ 3,027,405
Interest receivable	-	9,833	9,833
Total assets	\$ 109,170	\$ 2,928,068	\$ 3,037,238
Liabilities:			
Accounts payable	\$ -	\$ 187,008	\$ 187,008
Total liabilities	-	187,008	187,008
Fund balances:			
Restricted	109,170	2,741,060	2,850,230
Total fund balance	109,170	2,741,060	2,850,230
Total liabilities and fund balances	\$ 109,170	\$ 2,928,068	\$ 3,037,238

**CITY OF RANCHO MIRAGE**

**COMBINING STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS**

**Year Ended June 30, 2015**

	<u>Assessment District</u>	<u>Development Fees</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Developer fees	\$ -	\$ 336,404	\$ 336,404
Interest income	-	90,973	90,973
Net increase (decrease) in investment fair value	-	(31,736)	(31,736)
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>395,641</u>	<u>395,641</u>
Expenditures			
Current:			
General government	2,150	-	2,150
Capital projects	-	865,087	865,087
Debt service			
Principal		131,739	131,739
Total expenditures	<u>2,150</u>	<u>996,826</u>	<u>998,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,150)</u>	<u>(601,185)</u>	<u>(603,335)</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(255,622)</u>	<u>(255,622)</u>
Total change in fund balances	(2,150)	(856,807)	(858,957)
Fund balances at beginning of year	<u>111,320</u>	<u>3,597,867</u>	<u>3,709,187</u>
Fund balances, end of year	<u>\$ 109,170</u>	<u>\$ 2,741,060</u>	<u>\$ 2,850,230</u>

**CITY OF RANCHO MIRAGE**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEVELOPMENT FEES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**

**Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Developer fees	\$ -	\$ 336,404	\$ 336,404
Interest income	-	90,973	90,973
Net increase (decrease) in investment fair value	-	(31,736)	(31,736)
Total revenues	<u>-</u>	<u>395,641</u>	<u>395,641</u>
Expenditures:			
Current:			
Capital projects	-	865,087	(131,739)
Debt Service			
Principal	-	131,739	(131,739)
Total expenditures	<u>-</u>	<u>996,826</u>	<u>(996,826)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(601,185)</u>	<u>(601,185)</u>
Other financing sources (uses):			
Transfers out	<u>-</u>	<u>(255,622)</u>	<u>(255,622)</u>
Net changes in fund balances	-	(856,807)	(856,807)
Fund balances beginning of year	<u>2,410,787</u>	<u>3,597,867</u>	<u>1,187,080</u>

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## ***AGENCY FUNDS***

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*Agency Funds are used to account for assets held by the City in a fiduciary capacity for individuals, governmental entities and others.*

The City Agency Fund – is used to account for refundable customer deposits.

The Assessment Districts Funds – is used to account for assessment collections and debt service payments of assessment districts whose debt is not an obligation of the City.

The Writer’s Festival Agency Fund – is used to account for cash and investments held by the City on behalf of the City of Rancho Mirage Writers Festival Foundation.

**CITY OF RANCHO MIRAGE**

**AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**

**Year Ended June 30, 2015**

	<u>Balance at</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> <u>June 30, 2015</u>
<b><u>CITY AGENCY FUND</u></b>				
Assets:				
Cash and investments	\$ 2,192,072	\$ -	\$ (125,835)	\$ 2,066,237
Total Assets	<u>\$ 2,192,072</u>	<u>\$ -</u>	<u>\$ (125,835)</u>	<u>\$ 2,066,237</u>
Liabilities:				
Accounts payable	\$ 829,639	\$ 9,306	\$ -	\$ 838,945
Deposits payable	1,362,433	-	(135,141)	1,227,292
Total Liabilities	<u>\$ 2,192,072</u>	<u>\$ 9,306</u>	<u>\$ (135,141)</u>	<u>\$ 2,066,237</u>
<b><u>ASSESSMENT DISTRICTS FUND</u></b>				
Assets:				
Cash and investments	\$ 1,651,524	\$ 18,354	\$ -	\$ 1,669,878
Cash and investments with fiscal agent	1,274,160	-	(71,626)	1,202,534
Interest receivable	-	4,335	-	4,335
Due from other governments	32,225	101,022	-	133,247
Total Assets	<u>\$ 2,957,909</u>	<u>\$ 123,711</u>	<u>\$ (71,626)</u>	<u>\$ 3,009,994</u>
Liabilities:				
Due to bondholders	\$ 2,957,909	\$ 52,085	\$ -	\$ 3,009,994
Total Liabilities	<u>\$ 2,957,909</u>	<u>\$ 52,085</u>	<u>\$ -</u>	<u>\$ 3,009,994</u>
<b><u>WRITERS FESTIVAL FOUNDATION FUND</u></b>				
Assets:				
Cash and investments	\$ -	\$ 434,402	\$ -	\$ 434,402
Interest receivable	-	1,050	-	1,050
Total Assets	<u>\$ -</u>	<u>\$ 435,452</u>	<u>\$ -</u>	<u>\$ 435,452</u>
Liabilities:				
Due to the City of Rancho Mirage Writers Festival Foundation	\$ -	\$ 435,452	\$ -	\$ 435,452
Total Liabilities	<u>\$ -</u>	<u>\$ 435,452</u>	<u>\$ -</u>	<u>\$ 435,452</u>
<b><u>TOTALS-ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and investments	\$ 3,843,596	\$ 452,756	\$ (125,835)	\$ 4,170,517
Cash and investments with fiscal agent	1,274,160	-	(71,626)	1,202,534
Interest receivable	-	5,385	-	5,385
Due from other governments	32,225	101,022	-	133,247
Total Assets	<u>\$ 5,149,981</u>	<u>\$ 559,163</u>	<u>\$ (197,461)</u>	<u>\$ 5,511,683</u>
Liabilities:				
Accounts payable	\$ 829,639	\$ 9,306	\$ -	\$ 838,945
Deposits payable	1,362,433	-	(135,141)	1,227,292
Due to bondholders	2,957,909	52,085	-	3,009,994
Due to the City of Rancho Mirage Writers Festival Foundation	-	435,452	-	435,452
Total Liabilities	<u>\$ 5,149,981</u>	<u>\$ 61,391</u>	<u>\$ (135,141)</u>	<u>\$ 5,511,683</u>

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## ***STATISTICAL SECTION***

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*This section of the City of Rancho Mirage Annual Financial Report presents additional information to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information and assessing the City's overall financial condition.*

### **Contents**

**Financial Trends** – these schedules contain trend information to assist readers in understanding and assessing how the City's financial position has change over time.

- Net Position by Component
- Changes in Net Position
- Fund Balance of Governmental Funds
- Changes in Fund Balances of Governmental Funds
- Major Revenue Sources

**Revenue Capacity** – these schedules contain information to help the reader assess the City's local revenue sources.

- Property Tax Dollar Breakdown
- Property Tax Roll Summary
- Net Taxable Assessed Value
- Assessed Value of Taxable Property
- Sales Value History
- Top 25 Sales Tax Producers
- Taxable Sales by Category
- Basic Property Category
- Top Property Owners
- Direct & Overlapping Property Tax Rates

**Debt Capacity** – these schedule present information to help the reader understand and assess the City's current level of understanding debt and the City's ability to issued additional debt in the future. Ratio of Outstanding Debt by Type.

- Ratio of General Bonded Debt Outstanding
- Pledged-Revenue Coverage

**Demographic and Economic Information** – these schedules provide demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- Demographic and Economic Statistics

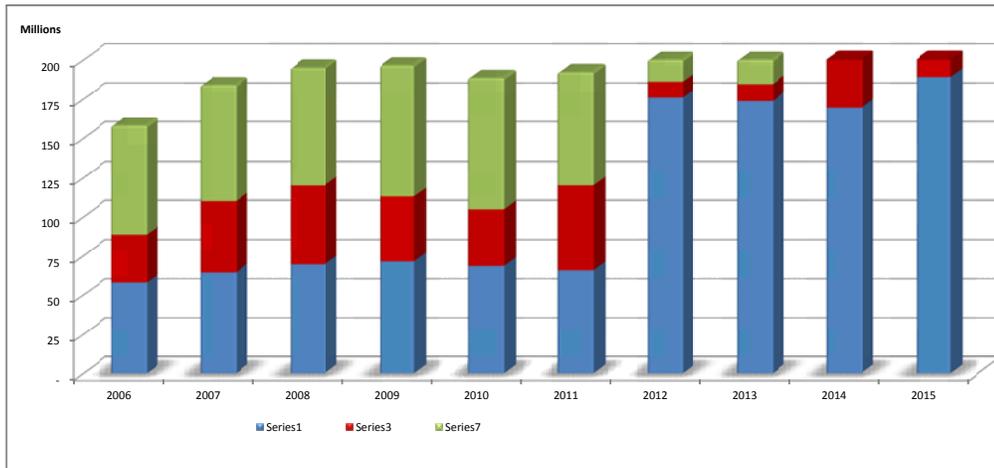
**Operating Information** – these schedules contain service and infrastructure data to help the reader understand how the information in the report relates to the services the City provides and the activities it performs.

- Full-time Equivalent City Government Employees by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function

# CITY OF RANCHO MIRAGE

## Net Position by Component Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 57,911,677	\$ 64,597,727	\$ 69,623,504	\$ 71,406,020	\$ 68,626,495	\$ 65,953,653	\$ 175,897,018	\$ 173,721,979	\$ 169,361,896	\$ 189,201,277
Restricted for:										
Community development	21,649,275	33,777,778	38,537,448	28,647,681	24,008,809	44,549,542			2,776,402	
Public safety	455,352	514,477	699,795	1,032,317	757,198	328,543	601,437	817,810	358,502	363,946
Public works	4,078,193	5,511,462	5,574,235	6,176,655	5,296,500	4,427,388	4,878,272	5,236,768	12,540,986	10,122,089
Cultural and recreation	4,379,050	5,328,454	5,600,825	5,786,702	5,962,794	4,869,498	4,771,380	4,786,108	8,075,742	7,947,505
Affordable Housing									20,402,172	19,158,204
Debt Service									397,697	
Unrestricted	69,366,764	74,230,761	75,057,430	83,434,229	83,889,131	72,081,113	102,864,212	99,635,002	76,304,179	68,338,450
<b>Total governmental activities net position</b>	<b>\$ 157,840,311</b>	<b>\$ 183,960,659</b>	<b>\$ 195,093,237</b>	<b>\$ 196,483,604</b>	<b>\$ 188,540,927</b>	<b>\$ 192,209,737</b>	<b>\$ 289,012,319</b>	<b>\$ 284,197,667</b>	<b>\$ 290,217,576</b>	<b>\$ 295,131,471</b>

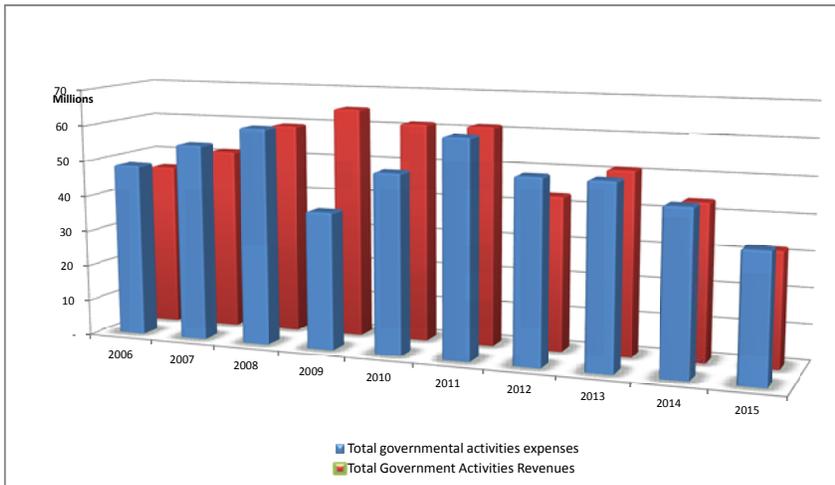


The City of Rancho Mirage implemented GASB 34 for the fiscal year ended June 30, 2003.

# CITY OF RANCHO MIRAGE

## Changes in Net Position Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	16,020,796	14,046,413	16,021,080	22,518,896	14,475,806	16,130,779	16,759,819	13,468,932	15,913,364	13,943,090
Public safety	10,567,863	9,993,457	10,201,495	10,446,535	11,129,693	11,099,224	11,171,851	11,617,269	11,671,073	12,839,419
Public works	19,164,023	3,606,363	12,040,334	13,393,378	12,066,325	11,513,164	8,848,181	6,416,177	3,983,985	2,403,921
Cultural and recreation	5,495,894	3,609,893	3,964,894	4,322,608	4,324,325	3,862,141	3,911,881	3,737,506	4,111,622	3,742,686
Interest on long-term debt and other charges	9,471,741	7,324,379	7,972,330	9,764,527	9,067,233	8,349,094	4,690,367	148,678	182,285	64,956
Total governmental activities expenses	<u>60,720,317</u>	<u>38,580,505</u>	<u>50,200,133</u>	<u>60,445,944</u>	<u>51,063,382</u>	<u>50,954,402</u>	<u>45,382,099</u>	<u>35,388,562</u>	<u>35,862,329</u>	<u>32,994,072</u>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	2,870,932	3,638,843	3,061,157	2,016,132	2,371,900	1,838,628	2,513,900	2,789,596	2,988,180	3,003,917
Public safety	314,647	464,416	375,842	313,223	329,803	165,323	143,233	133,530	118,731	140,725
Public works	1,032,052	1,294,588	1,110,051	1,382,936	904,420	521,816	505,088	378,281	538,518	547,696
Cultural and recreation	704,482	1,086,457	686,272	513,853	498,673	926,238	522,781	495,635	579,327	576,415
Operating grants & Contributions	4,802,592	2,508,829	2,849,755	2,803,831	3,701,209	2,439,821	2,098,306	864,205	1,276,702	1,489,580
Capital Grants and Contributions	703,715	776,847	797,410	97,179	1,045,253	3,366,193	1,448,786	936,367	7,750,169	9,267,970
Total governmental activities program revenues	<u>10,428,420</u>	<u>9,769,980</u>	<u>8,880,487</u>	<u>7,127,154</u>	<u>8,851,258</u>	<u>9,258,019</u>	<u>7,232,094</u>	<u>5,597,614</u>	<u>13,251,627</u>	<u>15,026,303</u>
Total net revenues (expenses)	<u>(50,291,897)</u>	<u>(28,810,525)</u>	<u>(41,319,646)</u>	<u>(53,318,790)</u>	<u>(42,212,124)</u>	<u>(41,696,383)</u>	<u>(38,150,005)</u>	<u>(29,790,948)</u>	<u>(22,610,702)</u>	<u>(17,967,769)</u>
<b>General revenues and other changes in net position:</b>										
<b>Taxes:</b>										
Property taxes	21,318,158	23,538,553	22,366,938	23,861,913	11,340,522	26,203,195	15,227,258	4,571,549	4,787,627	5,369,047
Transient occupancy taxes	5,835,222	5,176,838	5,157,302	4,634,439	3,892,316	4,689,994	5,356,152	5,606,679	6,083,198	8,321,487
Sales tax	5,861,699	5,545,232	5,515,465	4,470,537	3,772,259	3,790,245	3,970,239	3,882,102	4,225,803	4,414,202
Franchise taxes	1,068,537	1,246,691	1,222,758	1,240,960	1,190,558	1,223,839	1,239,565	1,244,971	1,293,858	1,330,464
Motor vehicle in lieu	107,131	96,326	71,072	62,110	50,389	78,511	17,612	7,483	-	7,272
Library and fire services	7,053,984	7,778,959	7,924,540	8,997,464	8,955,768	4,597,922	7,702,636	10,039,639	9,346,265	10,457,817
Other Taxes	222,057	265,511	-	-	-	-	-	-	-	-
Investment income, net of increase (decrease) in fair value	5,369,317	8,660,681	9,199,944	10,517,778	4,649,457	1,036,128	2,371,476	154,797	1,919,613	1,433,588
Other general revenues	2,128,117	2,622,082	994,205	444,438	418,157	264,583	483,148	832,364	1,009,714	660,597
Total general revenues	<u>48,964,222</u>	<u>54,930,873</u>	<u>52,452,224</u>	<u>54,229,639</u>	<u>34,269,426</u>	<u>41,884,417</u>	<u>36,368,086</u>	<u>26,339,584</u>	<u>28,666,078</u>	<u>31,994,474</u>
Extraordinary gain - dissolution of redevelopment agency	-	-	-	-	-	-	98,551,208	-	-	-
Changes in net position	(1,327,675)	26,120,348	11,132,578	910,849	(7,942,698)	188,034	96,769,289	(3,451,364)	6,055,376	14,026,705
Net position at beginning of year	<u>159,167,986</u>	<u>157,840,311</u>	<u>183,960,659</u>	<u>195,572,755</u> <sup>1</sup>	<u>196,483,604</u>	<u>192,054,996</u>	<u>192,243,030</u>	<u>287,649,031</u>	<u>284,162,200</u>	<u>281,104,766</u>
Net position at end of year	<u>157,840,311</u>	<u>183,960,659</u>	<u>195,093,237</u>	<u>196,483,604</u>	<u>188,540,906</u>	<u>192,243,030</u>	<u>289,012,319</u>	<u>284,197,667</u>	<u>290,217,576</u>	<u>295,131,471</u>



<sup>1</sup> Net Position at beginning of year, as restated.

**CITY OF RANCHO MIRAGE**

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year				
	2006	2007	2008	2009	2010
General fund:					
Reserved	\$ 10,282,294	3,166,260	4,675,993	5,593,358	3,845,244
Unreserved	59,668,431	70,702,592	69,926,834	69,897,603	71,868,997
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>69,950,726</u>	<u>73,868,852</u>	<u>74,602,827</u>	<u>75,490,961</u>	<u>75,714,241</u>
All other governmental funds:					
Reserved for:					
Unreserved	42,257,425	9,874,200	10,364,020	20,467,678	47,655,357
Nonspendable	64,672,631	108,008,823	112,690,874	115,814,760	67,716,094
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>106,930,056</u>	<u>117,883,023</u>	<u>123,054,894</u>	<u>136,282,438</u>	<u>115,371,451</u>
Total all governmental funds	\$ <u>176,880,782</u>	<u>191,751,875</u>	<u>197,657,721</u>	<u>211,773,399</u>	<u>191,085,692</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
General fund:					
Reserved	\$ -	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	30,672	1,528,746	1,457,427	2,237	49,737
Restricted	-	-	-	2,776,402	2,766,508
Committed	-	-	69,050,503	68,844,577	59,351,430
Assigned	16,915,572	10,442,621	-	-	-
Unassigned	63,371,942	69,339,232	9,644,859	8,438,907	7,104,867
Total general fund	<u>80,318,186</u>	<u>81,310,599</u>	<u>80,152,789</u>	<u>80,062,123</u>	<u>69,272,542</u>
All other governmental funds:					
Reserved for:					
Unreserved	-	-	-	-	-
Nonspendable	1,500,000	-	-	-	-
Restricted	63,746,097	35,582,727	34,748,513	41,775,099	37,591,744
Committed	-	-	-	-	-
Assigned	35,773,625	3,204,062	3,491,600	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>101,019,722</u>	<u>38,786,789</u>	<u>38,240,113</u>	<u>41,775,099</u>	<u>37,591,744</u>
Total all governmental funds	\$ <u>181,337,908</u>	<u>120,097,388</u>	<u>118,392,902</u>	<u>121,837,222</u>	<u>106,864,286</u>

Source: City of Rancho Mirage Comprehensive Annual Financial Report

Note: Beginning in FY 2011, the fund balance classification changed to be consistent with GASB 54.

# CITY OF RANCHO MIRAGE

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Taxes	49,388,634	52,501,941	54,051,951	53,383,125	50,758,411	49,672,270	32,941,333	\$ 16,919,360	\$ 18,400,854	\$ 21,004,420
Intergovernmental	8,265,208	4,102,702	2,746,203	3,559,677	4,211,049	6,696,101	4,827,425	4,660,697	10,357,124	13,856,874
Licenses and permits	995,315	947,946	765,367	486,475	572,770	518,496	518,934	395,051	579,343	587,991
Charges for services	1,654,878	1,746,194	1,640,288	1,024,703	770,791	725,567	2,171,134	2,378,958	2,491,692	2,518,655
Fines and forfeitures	134,049	134,272	198,482	183,012	245,966	228,588	220,787	172,006	117,286	152,365
Special Assessments	4,245,759	4,700,393	4,484,852	5,106,451	5,282,158	4,958,580	5,837,585	5,637,368	5,814,081	6,291,178
Developer fees	938,563	1,070,096	687,465	228,596	579,666	56,555	122,714	333,482	459,968	425,315
Interest income	6,412,795	7,737,975	9,145,830	8,055,417	5,001,086	3,251,024	2,368,457	1,807,018	2,167,983	2,621,855
Net increase (decrease) in investment fair value	(881,240)	1,986,792	1,410,358	2,449,650	(453,191)	(2,214,896)	3,018	(1,652,222)	(248,365)	(1,188,267)
Proceeds from property owner debt	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,614,856	1,242,349	2,088,229	1,998,920	2,017,618	6,934,021	1,158,773	1,285,480	1,834,881	842,779
<b>Total revenues</b>	<u>72,768,817</u>	<u>76,170,660</u>	<u>77,219,025</u>	<u>76,476,026</u>	<u>68,986,324</u>	<u>70,826,306</u>	<u>50,170,160</u>	<u>31,937,198</u>	<u>41,974,847</u>	<u>47,113,165</u>
<b>Expenditures</b>										
<b>Current:</b>										
General government	12,615,962	13,532,684	15,135,511	21,512,236	13,934,223	14,653,460	16,250,447	12,986,122	15,440,998	23,082,434
Public safety	8,778,261	9,857,575	10,053,423	10,307,877	10,978,437	11,173,201	11,128,163	11,534,478	11,592,206	12,765,081
Public works	3,873,142	4,121,876	4,261,168	4,751,113	4,167,745	3,858,992	4,206,854	4,214,711	4,784,598	4,587,543
Cultural and recreation	3,311,559	3,224,536	3,449,148	3,835,191	3,799,662	3,581,489	3,403,227	3,223,476	3,585,292	3,222,867
Capital Projects	30,311,886	7,449,509	10,085,373	14,544,626	15,839,636	17,794,157	6,390,604	1,292,417	2,518,657	12,029,716
<b>Debt service:</b>										
Principal	3,640,000	4,655,000	4,600,000	5,530,000	5,370,000	5,565,000	180,000	185,000	410,000	6,204,038
Interest	8,242,037	7,400,495	7,466,786	8,016,544	8,172,156	7,980,036	3,989,310	205,483	198,776	194,422
Payments under pass-through agreements	13,073,751	12,897,644	15,886,314	15,119,233	14,208,932	13,661,996	6,569,870	-	-	-
Payments for ERAF shift	1,941,705	-	-	-	12,583,600	2,590,741	-	-	-	-
Service fees	1,458,592	388,087	375,599	950,175	619,636	32,065	25,530	-	-	-
<b>Total expenditures</b>	<u>87,246,895</u>	<u>63,527,406</u>	<u>71,313,322</u>	<u>84,566,995</u>	<u>89,674,027</u>	<u>80,891,137</u>	<u>52,144,005</u>	<u>33,641,687</u>	<u>38,530,527</u>	<u>62,086,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,478,078)</u>	<u>12,643,254</u>	<u>5,905,703</u>	<u>(8,090,969)</u>	<u>(20,687,703)</u>	<u>(10,064,831)</u>	<u>(1,973,845)</u>	<u>(1,704,489)</u>	<u>3,444,320</u>	<u>(14,972,936)</u>
<b>Other financing sources (uses):</b>										
Transfers in	41,552,009	27,327,117	24,100,736	32,839,537	33,736,594	21,000,239	5,533,710	2,555,006	2,130,851	6,159,413
Transfers out	(41,552,009)	(27,327,117)	(24,100,736)	(32,839,537)	(33,736,594)	(21,000,239)	(5,533,710)	(2,555,006)	(2,130,851)	(6,159,413)
Proceeds from sale of capital assets	1,597,576	2,227,837	-	-	-	-	-	-	-	-
Issuance of long-term debt	49,120,000	-	-	22,040,000	-	317,055	-	-	-	-
Premium (discount) on issuance of debt	1,360,413	-	-	(312,870)	-	-	-	-	-	-
Payment to refunded bond escrow agent	(49,364,555)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>2,713,434</u>	<u>2,227,837</u>	<u>-</u>	<u>21,727,130</u>	<u>-</u>	<u>317,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Extraordinary Item:</b>										
Dissolution of former Redevelopment Agency							(59,299,969)			
<b>Net change in fund balances</b>	<u>(11,764,644)</u>	<u>14,871,091</u>	<u>5,905,703</u>	<u>13,636,161</u>	<u>(20,687,703)</u>	<u>(9,747,776)</u>	<u>(61,273,814)</u>	<u>\$ (1,704,489)</u>	<u>\$ 3,444,320</u>	<u>\$ (14,972,936)</u>
Debt service as a percentage of noncapital expenditures	15.1%	22.5%	18.7%	16.2%	15.3%	21.5%	9.1%	1.4%	1.7%	12.8%

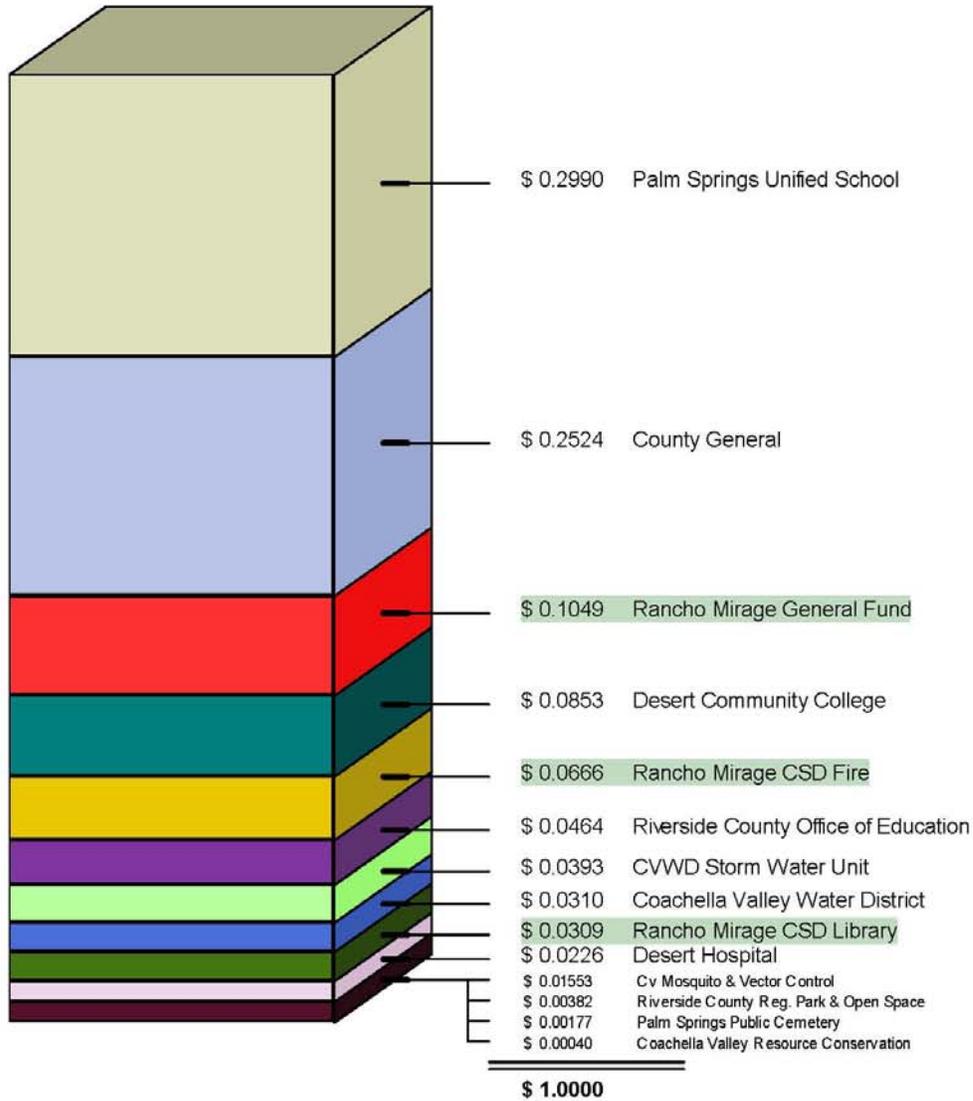
The City of Rancho Mirage implemented GASB 34 for the fiscal year ended June 30, 2003.

**CITY OF RANCHO MIRAGE**

**Major Revenue Sources – Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

Fiscal Year End	City Property Tax and RDA Tax Increment	Interest	Transient Occupancy	Special Assessments	Franchise	Developer Fees	Licenses & Permits	Charges for Services	Total
2006	\$ 31,446,448	\$ 6,414,077	\$ 5,877,525	\$ 1,968,493	\$ 1,068,537	\$ 938,563	\$ 995,315	\$ 1,654,878	\$ 50,363,836
2007	34,753,736	7,632,660	5,176,838	4,746,585	1,246,691	1,003,853	947,946	1,085,943	56,594,252
2008	36,541,457	9,145,831	5,157,302	4,506,070	1,222,758	792,234	742,777	836,550	58,944,979
2009	37,331,645	8,055,416	4,634,439	5,140,189	1,240,960	290,852	840,823	607,163	58,141,487
2010	37,903,311	4,547,895	3,892,316	5,282,157	1,190,558	128,496	368,894	837,745	54,151,372
2011	34,988,718	3,251,022	4,302,014	4,958,579	1,223,839	56,554	708,075	526,296	50,015,098
2012	26,437,010	2,592,296	4,925,307	5,837,583	1,239,565	122,712	518,935	690,640	42,364,048
2013	4,571,549	1,807,018	5,606,679	5,637,368	1,244,971	333,482	395,051	814,814	20,410,932
2014	4,787,627	2,167,983	6,083,198	5,814,081	1,293,858	459,968	579,343	2,491,692	23,677,750
2015	4,811,468	1,835,295	7,836,713	5,756,164	1,330,464	89,000	584,771	1,647,302	23,891,177
Percentage change: 2006-2015	-84.7%	-71.4%	33.3%	192.4%	24.5%	-90.5%	-41.2%	-0.5%	-52.6%

# THE CITY OF RANCHO MIRAGE PROPERTY TAX DOLLAR BREAKDOWN



**ATI (Annual Tax Increment) Ratios for Tax Rate Area 017-175, Excluding Redevelopment Factors & Additional Debt Service**

*Data Source: Riverside County Assessor 2014/15 Annual Tax Increment Tables* *Prepared On 7/15/2015 By MV*  
*This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Co<sup>PC</sup>*

# THE CITY OF RANCHO MIRAGE

## 2014/15 ROLL SUMMARY

### Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	12,492	1	548
TRAs	120	1	66
<b>Values</b>			
Land	2,405,937,140	1,206,604	0
Improvements	5,645,494,076	0	5,428,790
Personal Property	22,156,701	0	150,516,645
Fixtures	11,118,821	0	52,222,030
Aircraft	0	0	0
<b>Total Value</b>	<b>\$8,084,706,738</b>	<b>\$1,206,604</b>	<b>\$208,167,465</b>
<b>Exemptions</b>			
Real Estate	537,566,156	0	872,403
Personal Property	314,234	0	90,974,139
Fixtures	603,130	0	20,739,206
Aircraft	0	0	0
Homeowners*	29,688,175	0	0
<b>Total Exemptions*</b>	<b>\$538,483,520</b>	<b>\$0</b>	<b>\$112,585,748</b>
<b>Total Net Value</b>	<b>\$7,546,223,218</b>	<b>\$1,206,604</b>	<b>\$95,581,717</b>

Combined Values	Total
<b>Total Values</b>	<b>\$8,294,080,807</b>
<b>Total Exemptions</b>	<b>\$651,069,268</b>
<b>Net Total Values</b>	<b>\$7,643,011,539</b>
<b>Net Aircraft Values</b>	<b>\$0</b>

\* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not include Aircraft Values or Exemptions

Data Source: Riverside County Assessor 2014/15 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

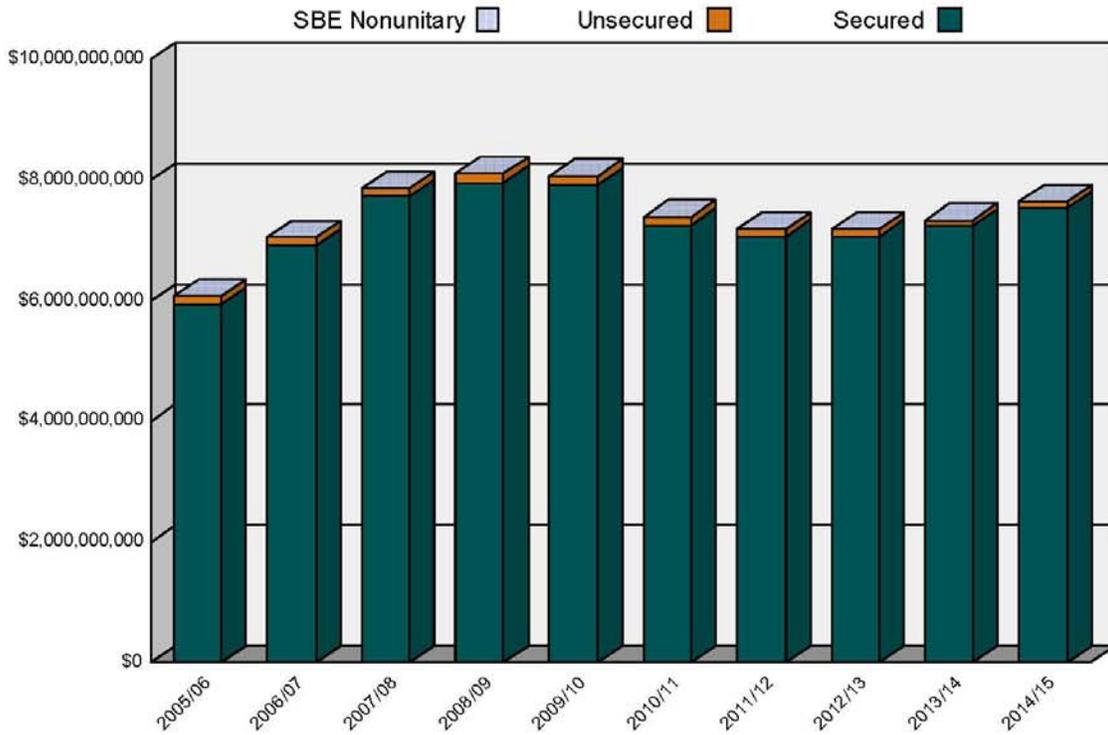
Prepared On 7/15/2015 By MV

# THE CITY OF RANCHO MIRAGE

## NET TAXABLE ASSESSED VALUE HISTORY

2005/06 - 2014/15 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2005/06	\$5,947,782,681	\$130,320,849	\$344,744	6,078,448,274	
2006/07	\$6,918,468,619	\$132,086,827	\$1,206,604	7,051,762,050	16.01%
2007/08	\$7,730,800,056	\$132,379,997	\$2,235,768	7,865,415,821	11.54%
2008/09	\$7,958,817,506	\$145,416,882	\$1,206,604	8,105,440,992	3.05%
2009/10	\$7,918,884,634	\$148,982,554	\$1,206,604	8,069,073,792	-0.45%
2010/11	\$7,255,965,806	\$136,716,425	\$1,206,604	7,393,888,835	-8.37%
2011/12	\$7,068,971,587	\$122,649,654	\$1,206,604	7,192,827,825	-2.72%
2012/13	\$7,067,615,088	\$112,165,925	\$1,206,604	7,180,987,617	-0.16%
2013/14	\$7,236,675,152	\$101,877,646	\$1,206,604	7,339,759,402	2.21%
2014/15	\$7,546,223,218	\$95,581,717	\$1,206,604	7,643,011,539	4.13%



Data Source: Riverside County Assessor 0/ - 2014/15 Combined Tax Rolls

Prepared On 7/15/2015 By MV

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

**THE CITY OF RANCHO MIRAGE**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**2005/06 - 2014/15 Taxable Property Values**

Category	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Residential	4,500,794,669	5,219,434,151	5,837,597,228	6,011,961,387	5,780,735,765	5,511,654,138	5,399,652,150	5,361,500,878	5,580,579,341	5,836,504,705
Commercial	605,539,464	642,897,743	724,273,660	793,990,030	1,061,971,473	813,510,897	809,206,746	799,283,920	788,296,478	803,646,057
Industrial	8,268,580	8,433,948	8,885,986	10,849,644	14,756,171	14,721,192	13,450,682	13,606,194	13,764,817	15,761,475
Dry Farm						915,557	922,448	1,336,400	1,195,229	1,200,653
Govt. Owned	3,377,843	16,019,539	20,787,481	470,928	7,953,030	5,117,118	2,200,000	2,284,106	85,786	86,176
Institutional	2,503,696	4,354,375	1,533,812	1,564,486	263,901	250,596	273,893	3,396,524	222,903	223,916
Recreational	101,704,518	124,807,372	148,284,460	138,745,555	127,494,660	117,849,991	107,911,341	114,829,693	93,223,889	98,386,291
Vacant	313,778,343	430,828,854	492,305,238	502,181,317	487,448,018	402,082,183	379,956,890	359,504,369	342,895,848	344,325,610
SBE Nonunitary	344,744	1,206,604	2,235,768	1,206,604	1,206,604	1,206,604	1,206,604	1,206,604	1,206,604	1,206,604
Cross Reference	411,815,568	471,692,637	497,132,191	499,054,159	438,261,616	389,864,134	355,397,417	411,873,004	416,410,861	446,088,334
Unsecured	130,320,849	132,086,827	132,379,997	145,416,882	148,982,554	136,716,425	122,649,654	112,165,925	101,877,646	95,581,717
Exempt	[70,973,914]	[83,030,899]	[84,583,307]	[86,326,333]	[88,019,102]	[89,644,628]	[93,209,570]	[95,073,223]	[96,872,321]	[98,871,584]
Unknown										1
<b>TOTALS</b>	<b>6,078,448,274</b>	<b>7,051,762,050</b>	<b>7,865,415,821</b>	<b>8,105,440,992</b>	<b>8,069,073,792</b>	<b>7,393,888,835</b>	<b>7,192,827,825</b>	<b>7,180,987,617</b>	<b>7,339,759,402</b>	<b>7,643,011,539</b>
<b>Total Direct Rate</b>	<b>0.63174</b>	<b>0.62823</b>	<b>0.62660</b>	<b>0.62984</b>	<b>0.63727</b>	<b>0.62375</b>	<b>0.62657</b>	<b>0.61882</b>	<b>0.14316</b>	<b>0.14099</b>

**Notes:**  
Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: Riverside County Assessor 2005/06 - 2014/15 Combined Tax Bills

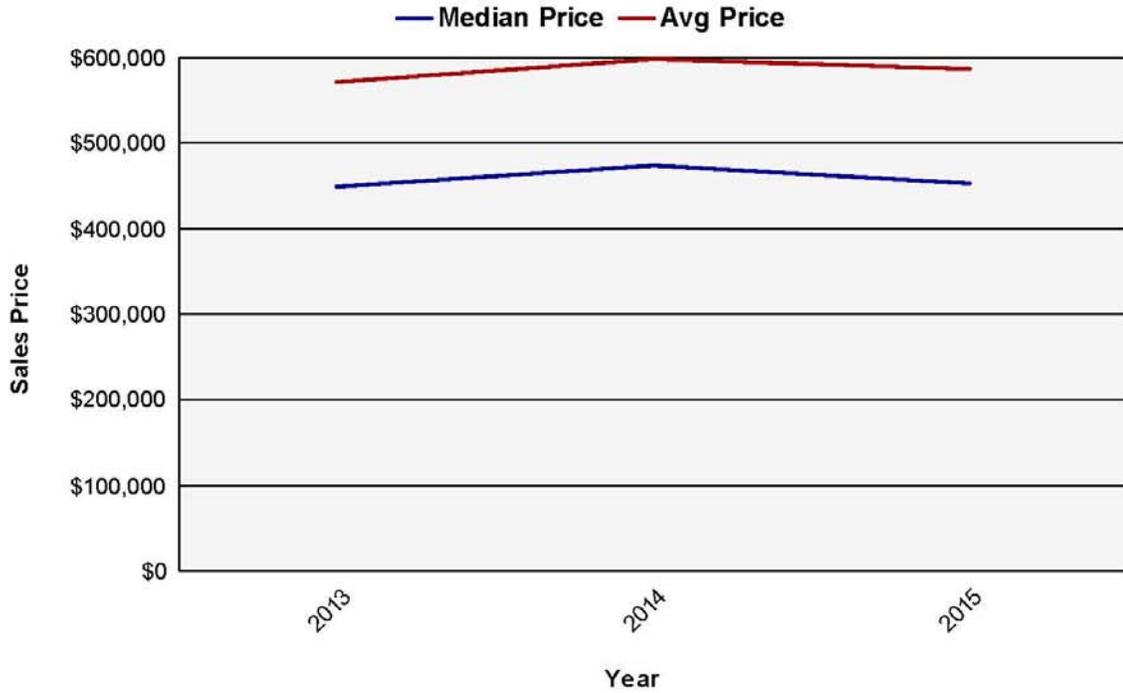
Prepared On 7/15/

# THE CITY OF RANCHO MIRAGE

## SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2013 - 6/30/2015)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2013	753	\$572,303	\$450,000	
2014	664	\$598,033	\$474,250	5.39%
2015	348	\$587,237	\$453,750	-4.32%



\*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: Riverside County Recorder

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 7/15/2015 By MV

**CITY OF RANCHO MIRAGE**  
**TOP 25 SALES TAX PRODUCERS**  
**FOR FISCAL YEAR 2014-15**

<b>Business Name</b>	<b>Business Category</b>
Albertsons	Grocery Stores Liquor
Babes BBQ Grill & Brewhouse	Casual Dining
Cheesecake Factory	Casual Dining
Chevron	Service Stations
Clarks Nutrition Center	Food Stores Non-Grocery
Desert European Motorcars	New Motor Vehicle Dealers
Drapers & Damons	Women's Apparel
Electric Car Distributor	Boats/Motorcycles
Ferguson Enterprises	Plumbing/Electrical Supplies
Home Depot	Lumber/Building Materials
Jo Ann Fabrics & Crafts	Specialty Stores
Mistys Consignments	Second-Hand Stores
Omni Rancho Las Palmas Resort & Spa	Hotels-Liquor
Pacific Sales	Electronics/Appliance Stores
Pavilions	Grocery Stores Liquor
PF Changs	Fine Dining
Pirch	Electronics/Appliance Stores
Plummers	Home Furnishings
Porsche Leasing	Auto Lease
Ritz Carlton Rancho Mirage	Hotels-Liquor
Turner Logistics	Business Services
Valero Corner Store	Service Stations
Verizon Wireless	Electronics/Appliance Stores
Westin Mission Hills	Hotels-Liquor
Yard House	Casual Dining

Percent of Fiscal Year Total Paid By Top 25 Accounts = 63.01%

\* Firms Listed Alphabetically  
 Period: April 2014 Thru March 2015

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

Printed 07/15/2015

City of Rancho Mirage  
 Taxable Sales by Category  
 Last Ten Calendar Years  
 (in thousands of dollars)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Apparel Stores	\$ 4,391	\$ 3,771	\$ 3,755	\$ 3,580	\$ 3,851	\$ 4,257	\$ 4,444	\$ 5,386	\$ 8,391	\$ 7,689
Food Stores	22,648	27,848	24,585	23,845	22,925	21,174	21,311	21,232	22,162	23,065
Eating and Drinking Places	91,728	96,373	96,284	90,055	81,124	81,813	83,940	85,998	85,911	87,941
Service Stations	17,490	19,507	20,580	20,130	14,114	16,171	19,072	19,148	17,958	16,880
Other Retail Stores	266,870	270,583	259,253	201,535	166,259	181,494	193,574	190,260	208,716	220,913
All Other Outlets	156,538	154,644	155,962	163,068	115,091	95,065	93,685	95,837	99,713	115,822
Total	<u>\$ 559,664</u>	<u>\$ 572,726</u>	<u>\$ 560,420</u>	<u>\$ 502,213</u>	<u>\$ 403,365</u>	<u>\$ 399,975</u>	<u>\$ 416,026</u>	<u>\$ 417,862</u>	<u>\$ 442,851</u>	<u>\$ 472,309</u>

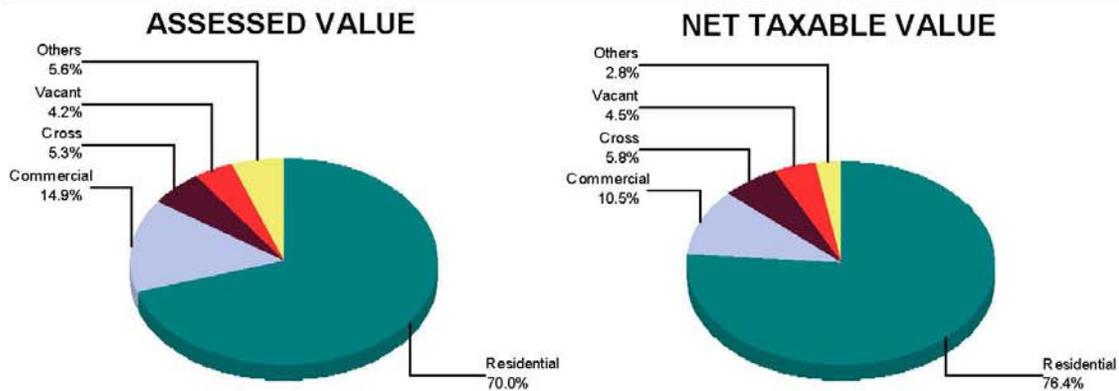
Source: State of California Board of Equalization and The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

# THE CITY OF RANCHO MIRAGE 2014/15 USE CATEGORY SUMMARY

## BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	11,056	\$5,873,656,818 (70.0%)	\$5,836,504,705 (76.4%)
Commercial	373	\$1,248,407,530 (14.9%)	\$803,646,057 (10.5%)
Industrial	5	\$15,761,475 (0.2%)	\$15,761,475 (0.2%)
Dry Farm	2	\$1,200,653 (0.0%)	\$1,200,653 (0.0%)
Govt. Owned	2	\$21,525,386 (0.3%)	\$86,176 (0.0%)
Institutional	6	\$17,505,017 (0.2%)	\$223,916 (0.0%)
Recreational	151	\$104,202,245 (1.2%)	\$98,386,291 (1.3%)
Vacant	896	\$355,819,748 (4.2%)	\$344,325,610 (4.5%)
Exempt	2,617	\$98,871,584 (1.2%)	\$0 (0.0%)
SBE Nonunitary	[1]	\$1,206,604 (0.0%)	\$1,206,604 (0.0%)
Cross Reference	[11,547]	\$446,627,865 (5.3%)	\$446,088,334 (5.8%)
Unsecured	[548]	\$208,167,465 (2.5%)	\$95,581,717 (1.3%)
Unknown	1	\$1 (0.0%)	\$1 (0.0%)
<b>TOTALS</b>	<b>15,109</b>	<b>\$8,392,952,391</b>	<b>\$7,643,011,539</b>



*Data Source: Riverside County Assessor 2014/15 Combined Tax Rolls  
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Caren & Cone*

# THE CITY OF RANCHO MIRAGE

## 2014/15 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) KSL RLP HOLDINGS <small>(Pending Appeals On Parcels)</small>	34	\$82,256,570	1.09%				\$82,256,570	1.08%	Commercial Successor Agency
2) CHEER LAND RIVER LP	4	\$65,216,000	0.86%				\$65,216,000	0.85%	Commercial Successor Agency
3) STARK RM EAGLE	3	\$56,300,218	0.75%				\$56,300,218	0.74%	Vacant Rancho Mirage General Fund
4) PORCUPINE PROPERTIES	7	\$53,062,881	0.70%				\$53,062,881	0.69%	Residential Successor Agency
5) NEWAGE RANCHO MIRAGE LLC	6	\$51,633,647	0.68%	1	\$140,335	0.15%	\$51,773,982	0.68%	Commercial Successor Agency
6) STARWOOD MISSION HILLS CMBS I <small>(Pending Appeals On Parcels)</small>	16	\$43,867,305	0.58%	1	\$5,222,901	5.46%	\$49,090,206	0.64%	Commercial Successor Agency
7) EISENHOWER MEMORIAL HOSPITAL	31	\$34,251,119	0.45%	15	\$7,227,838	7.56%	\$41,478,957	0.54%	Commercial Successor Agency
8) MCCARTHY BUILDING COMPANIES INC	1	\$29,679,953	0.39%				\$29,679,953	0.39%	Cross-Reference Rancho Mirage General Fund
9) MISSION HILLS COUNTRY CLUB INC <small>(Pending Appeals On Parcels)</small>	65	\$24,996,653	0.33%	3	\$2,353,040	2.46%	\$27,349,693	0.36%	Cross-Reference Successor Agency
10) EISENHOWER PROPERTIES	2	\$26,779,075	0.35%				\$26,779,075	0.35%	Commercial Successor Agency
<b>Top Ten Total</b>	169	\$468,043,421	6.19%	20	\$14,944,114	15.63%	\$482,987,535	6.31%	
<b>City Total</b>		\$7,555,357,238			\$95,581,717		\$7,650,938,955*		

\*Value includes Outer TRAs

Top Owners last edited on 7/15/15 by maheav using sales through 06/30/15 (Version R.1)

Data Source: Riverside County Assessor 2014/15 Combined Tax Rolls and the SBE Non Unitary Tax Roll

Prepared On 7/15/2

# THE CITY OF RANCHO MIRAGE

## 2005/06 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) STARWOOD MISSION HILLS CMBS I (Pending Appeals On Parcels)	16	\$117,830,565	1.98%				\$117,830,565	1.94%	Commercial Successor Agency
2) RANCHO MIRAGE RIVER	6	\$58,985,813	0.99%	2	\$1,064,757	0.82%	\$60,050,570	0.99%	Commercial Successor Agency
3) SHC RANCHO III	32	\$55,557,681	0.93%				\$55,557,681	0.91%	Commercial Successor Agency
4) PETER SOLOMON	206	\$51,465,743	0.86%	1	\$451,687	0.35%	\$51,917,430	0.85%	Residential Rancho Mirage General Fund
5) VA RANCHO MIRAGE I INC	3	\$41,306,646	0.69%				\$41,306,646	0.68%	Commercial Successor Agency
6) EISENHOWER MEDICAL CENTER	28	\$31,429,522	0.53%	6	\$4,758,713	3.65%	\$36,188,235	0.59%	Commercial Successor Agency
7) WALTER H ANNENBERG	13	\$31,164,376	0.52%				\$31,164,376	0.51%	Vacant Successor Agency
8) MISSION HILLS COUNTRY CLUB INC (Pending Appeals On Parcels)	57	\$22,533,938	0.38%	2	\$8,196,501	6.28%	\$30,730,439	0.51%	Cross-Reference Successor Agency
9) THUNDERBIRD TERRANCE INC	89	\$28,906,073	0.49%				\$28,906,073	0.48%	Residential Successor Agency
10) PAN PACIFIC	18	\$25,977,657	0.44%				\$25,977,657	0.43%	Commercial Successor Agency
<b>Top Ten Total</b>	468	\$465,158,014	7.81%	11	\$14,471,658	11.09%	\$479,629,672	7.88%	
<b>City Total</b>		\$5,953,381,172			\$130,458,349		\$6,083,839,521*		

\*Value includes Outer TRAs

Top Owners last edited on 7/8/14 by maheav using sales through 06/30/06 (Version R.1)

Data Source: Riverside County Assessor 2005/06 Combined Tax Rolls and the SBE Non Unitary Tax Roll

Prepared On 7/15/2014

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**THE CITY OF RANCHO MIRAGE**  
**DIRECT & OVERLAPPING PROPERTY TAX RATES**  
(RATE PER \$100 OF TAXABLE VALUE)

Agency	Last 10 Fiscal Years									
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Coachella Valley Water District Ds	0.02080	0.02080	0.04000	0.04000	0.06000	0.08000	0.08000	0.08000	0.10000	0.10000
Cvwd Imp Dist 53 Debt Svc	0.00020	0.00000	0.00090	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Cvwd Imp Dist 54 Debt Svc	0.01800	0.01800	0.00720	0.00650	0.00650	0.00530	0.00000	0.00000	0.00000	0.00000
Cvwd Imp Dist 58 Debt Svc	0.02520	0.01560	0.00230	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Desert Community College Ds	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995	0.02325
Desert Sands Unified School Ds	0.07674	0.07613	0.07561	0.07990	0.08112	0.10036	0.11467	0.11156	0.10954	0.10984
Desert Water Agency	0.06000	0.08000	0.08000	0.08000	0.08000	0.08000	0.08000	0.10000	0.10000	0.10000
Palm Springs Unif B & I 1992-A Ds	0.05012	0.05912	0.05468	0.06007	0.12628	0.13224	0.10451	0.09351	0.12961	0.10160
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.27101</b>	<b>1.28960</b>	<b>1.28064</b>	<b>1.28642</b>	<b>1.37385</b>	<b>1.41785</b>	<b>1.39913</b>	<b>1.40502</b>	<b>1.45910</b>	<b>1.43469</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.10125	0.10125	0.20238	0.20238	0.20238	0.20238	0.20238	0.20238	0.20238	0.20238
<b>General Obligation Debt Rate</b>										
<b>Redevelopment Rate<sup>4</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000			
<b>Total Direct Rate<sup>5</sup></b>	0.63174	0.62823	0.62660	0.62984	0.63727	0.62375	0.62657	0.61882	0.14316	0.14099

**Notes:**

<sup>1</sup>In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

<sup>2</sup>Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

<sup>3</sup>City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

<sup>4</sup>Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

<sup>5</sup>Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Data Source: Riverside County Assessor 2005/06 - 2014/15 Tax Rate Table

Prepared On 7/15/2015 By MV

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

**CITY OF RANCHO MIRAGE**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year End	Governmental Activities					Percentage of Personal Income
	Revenue Bonds	Tax Allocation Bonds <sup>1</sup>	Advances Payable	Loans Payable	Total	
2006	5,775,000	161,464,681	-	-	167,239,681	14.18%
2007	5,625,000	157,119,221	-	-	162,744,221	13.20%
2008	5,470,000	152,842,643	-	-	158,312,643	11.90%
2009	5,310,000	169,690,462	-	-	175,000,462	13.18%
2010	5,145,000	164,673,158	-	-	169,818,158	12.21%
2011	4,970,000	157,870,276	-	-	162,840,276	13.67%
2012	4,790,000	-	-	2,314,566	7,104,566	0.61%
2013	4,605,000	-	-	2,267,396	6,872,396	0.63%
2014	4,415,000	-	-	2,027,214	6,442,214	0.06%
2015	-	-	-	-	-	0.00%

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

Sources: City of Rancho Mirage and Wheeler's Demographic Profiles of the Coachella Valley

**CITY OF RANCHO MIRAGE**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Outstanding General Bonded Debt				Percent of Assessed Value <sup>1</sup>	Per Capita
	Revenue Bonds	Tax Allocation Bonds	Loans	Total		
2006	5,775,000	161,464,681		167,239,681	1.46%	10,031
2007	5,625,000	157,119,221		162,744,221	1.25%	9,605
2008	5,470,000	152,842,643		158,312,643	1.11%	9,326
2009	5,310,000	169,690,462		175,000,462	1.18%	10,186
2010	5,145,000	164,673,158		169,818,158	1.17%	9,985
2011	4,970,000	157,870,276		162,840,276	1.18%	9,458
2012	4,790,000	-	2,314,566	7,104,566	0.05%	406
2013	4,605,000	-	2,267,396	6,872,396	0.05%	390
2014	4,415,000	-	2,027,214	6,442,214	0.09%	363
2015	-	-	-	-	0.00%	0

General bonded debt is debt payable with governmental fund resources.

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

Sources: City of Rancho Mirage Comprehensive Annual Financial Report

**CITY OF RANCHO MIRAGE**

**Computation of Legal Debt Margin  
Last Ten Fiscal Years**

Computation of Legal Debt Margin  
Last Ten Fiscal Years

Fiscal Year End	Outstanding Lease Revenue Bonds	Less: Bond Reserve Requirement (2)	Total Net Debt Applicable To Debt Limit	Legal Debt Limit	Legal Debt Margin	Legal Debt Margin as a % of Limit
2006	167,239,681	35,842,735	131,396,946	1,716,192,783	1,584,795,837	92.3%
2007	162,744,221	35,692,735	127,051,486	1,947,927,233	1,820,875,746	93.5%
2008	158,312,643	40,364,944	117,947,699	2,143,036,555	2,025,088,855	94.5%
2009	175,000,462	40,881,825	134,118,637	2,219,509,124	2,085,390,486	94.0%
2010	169,818,158	40,003,617	129,814,541	2,171,005,018	2,041,190,477	94.0%
2011	162,840,276	38,422,052	124,418,224	2,066,196,749	1,941,778,525	94.0%
2012	7,104,566	405,812	6,698,754	2,045,642,029	2,038,943,275	99.7%
2013	6,872,396	403,442	6,468,954	2,050,088,054	2,043,619,100	99.7%
2014	6,442,214	401,614	6,040,600	70,917,724	64,877,124	91.5%
2015	-	-	-	71,547,065	71,547,065	100.0%

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

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

<sup>2</sup> Limited to amounts held in bond reserve funds that are legally restricted toward the repayment of specific debt issuances.

**CITY OF RANCHO MIRAGE**

**Pledged Revenue Coverage  
Library Lease and Civic Center Revenue Bonds and Redevelopment Tax Allocation Bonds  
Last Ten Fiscal Years**

<u>Description</u>	Revenue Available for <u>Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2005					
<u>Library Lease Revenue Bonds</u>					
FY 2005-06	370,974	150,000	220,974	370,974	100.00%
FY 2006-07	388,033	150,000	238,033	388,033	100.00%
FY 2007-08	388,533	155,000	233,533	388,533	100.00%
FY 2008-09	388,883	160,000	228,883	388,883	100.00%
FY 2009-10	388,482	165,000	223,482	388,482	100.00%
FY 2010-11	392,914	175,000	217,914	392,914	100.00%
FY 2011-12	392,008	180,000	212,008	392,008	100.00%
FY 2012-13	390,482	185,000	205,482	390,482	100.00%
FY 2013-14	388,480	190,000	198,776	388,776	100.00%
FY 2014-15	-	-	-	-	-
1995					
<u>Library Lease Revenue Bonds</u>					
FY 2003-04	240,924	45,000	195,924	240,924	100.00%
FY 2004-05	243,286	50,000	193,286	243,286	100.00%
FY 2005-06	-	-	-	-	-
FY 2006-07	-	-	-	-	-
FY 2007-08	-	-	-	-	-
FY 2008-09	-	-	-	-	-
FY 2009-10	-	-	-	-	-
FY 2010-11	-	-	-	-	-
FY 2011-12	-	-	-	-	-
FY 2012-13	-	-	-	-	-
FY 2013-14	-	-	-	-	-
FY 2014-15	-	-	-	-	-

Notes: Revenue available for Library Lease Revenue Bonds consists of lease payments made by the City of Rancho Mirage to the Rancho Mirage Joint Powers Financing Authority.

The 1995 Library Lease Revenue Bonds refinanced the 1991 Library Lease Revenue Bonds during FY 1995-96. The bonds were refunded fully in April 2005 by the 2005 Public Facilities Lease Revenue Bonds.

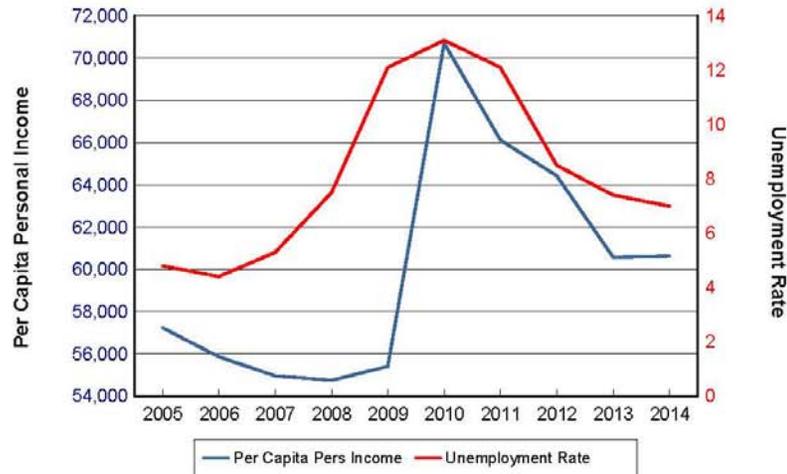
Civic Center Revenue Bonds were refunded in full in July 2001. In prior years, the revenue available consisted of property tax revenues received by the Rancho Mirage Redevelopment Agency that were used to make loan payments to the Rancho Mirage Joint Powers Financing Authority.

Source: City of Rancho Mirage

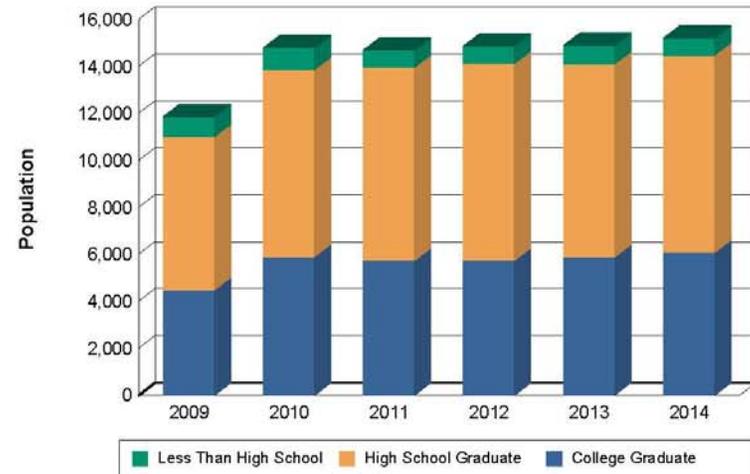
## THE CITY OF RANCHO MIRAGE DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2005	16,343	\$935,391	\$57,235	4.8%			
2006	16,585	\$926,639	\$55,872	4.4%			
2007	16,736	\$919,917	\$54,966	5.3%			
2008	16,741	\$916,687	\$54,757	7.5%			
2009	16,938	\$938,578	\$55,413	12.1%	61.4	92.8%	37.8%
2010	17,008	\$1,202,568	\$70,706	13.1%	63.0	93.7%	39.9%
2011	17,504	\$1,157,382	\$66,121	12.1%	62.0	95.0%	39.1%
2012	17,639	\$1,136,551	\$64,434	8.5%	61.3	95.0%	38.6%
2013	17,745	\$1,074,992	\$60,580	7.4%	60.5	94.7%	39.5%
2014	17,739	\$1,075,622	\$60,636	7.0%	61.0	95.3%	40.0%

### Personal Income and Unemployment



### Education Level Attained for Population 25 and Over



**Notes and Data Sources:**

Population: California State Department of Finance. Unemployment Data: California Employment Development Department  
 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census*. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries  
 2010 and later - Income, Age, and Education Data - US Census Bureau, most recent American Community Survey

Prepared on 7/15/2015 by mw

**CITY OF RANCHO MIRAGE**

**Full-time and Part-time City Employees  
By Function  
Last Ten Fiscal Years**

<u>Function</u>	<u>Full-Time and Part-time Employees as of June 30</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund</b>										
City Clerk	5.00	6.00	6.00	6.00	4.00	4.00	4.00	4.00	4.00	4.00
City Manager/Management Services	11.00	12.00	12.00	12.00	10.00	11.00	3.00	3.00	3.00	2.00
City Attorney <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Administration	2.00	1.00	1.00	1.00	1.00	1.00	6.00	6.00	6.00	7.00
Finance	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	7.00
Information Services	2.00	2.00	2.00	2.00	7.00	2.00	2.00	2.00	2.00	2.00
Planning	9.00	9.00	8.00	8.00	4.00	7.00	7.00	6.00	6.00	5.00
Building	5.00	5.00	5.00	5.00	5.50	4.00	4.00	4.00	4.00	3.00
Code Compliance	3.00	3.00	4.00	4.00	5.50	6.00	6.00	5.00	5.00	6.00
Engineering	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00
Street Maintenance	5.00	5.00	5.00	5.00	4.50	4.00	5.00	5.00	5.00	5.00
Buildings & Grounds	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Emergency Services	1.00	1.00	1.00	1.00	-	-	-	-	-	-
General Government	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Tourism & Marketing	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00
Economic Development	-	-	-	-	-	1.00	2.00	2.00	2.00	2.00
<b>GENERAL FUND SUB-TOTAL</b>	<b>63.00</b>	<b>66.00</b>	<b>66.00</b>	<b>66.00</b>	<b>63.50</b>	<b>60.00</b>	<b>59.00</b>	<b>57.00</b>	<b>57.00</b>	<b>60.00</b>
<b>Parkland Fund</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Library Fund</b>	<b>11.00</b>	<b>11.00</b>	<b>15.00</b>	<b>15.00</b>	<b>14.00</b>	<b>13.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>
<b>Library Fund (full-time equivalents)<sup>2</sup></b>	<b>4.92</b>	<b>14.61</b>	<b>15.23</b>	<b>17.91</b>	<b>12.79</b>	<b>12.61</b>	<b>11.58</b>	<b>11.55</b>	<b>11.55</b>	<b>11.55</b>
<b>Housing Authority</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>2.00</b>
<b>TOTAL</b>	<b>84.92</b>	<b>97.61</b>	<b>102.23</b>	<b>104.91</b>	<b>96.29</b>	<b>91.61</b>	<b>87.58</b>	<b>85.55</b>	<b>85.55</b>	<b>86.55</b>

<sup>1</sup> Attorney services have been contracted out since FY 2004

<sup>2</sup> The Library utilizes several part-time employees whose hours, when combined, constitute full-time equivalents

Note: Police and fire services are provided by the County of Riverside.

Source: City of Rancho Mirage

**CITY OF RANCHO MIRAGE**

**Operating Indicators by Function  
Last Ten Fiscal Years**

	<b>Fiscal Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Public Works:</b>				
<b>Permits issued:</b>				
Grading	91	80	48	30
Encroachment	223	240	195	193
Pool drainage	5	18	73	28
Transportation	99	89	114	80
Miscellaneous	58	23	11	15
<b>Maintenance of:</b>				
Miles of streets	73.5	73.8	73.8	73.8
Miles of bike paths	21.9	22.3	22.9	23.0
Number of major intersections	26	26	26	26
Number of traffic signals & safety lighting	54	52	52	60
Number of traffic signs	2,099	2,113	2,132	2,140
Number of street lights	202	206	208	208
<b>Parks and Recreation:</b>				
Number of parks	5.0	5.0	5.0	5.0
Total acreage	12.6	12.6	12.6	12.6
<b>Library</b>				
Items checked out	389,729	481,604	615,016	641,346
Patron visits to the library	279,769	320,551	349,768	367,785
Reference questions	55,362	63,299	74,067	83,279
Holds/reserves placed	30,611	40,395	47,347	52,426
Total website pageviews-not consistently recorded	364,092	660,143	1,061,113	1,211,457
Library cardholders as of June	24,250	29,520	35,749	41,053
<b>Community Development</b>				
Number of building permits issued	1,525	1,193	1,427	1,127
Estimated valuation of building permits issued	91,031,942	128,161,385	96,054,794	44,351,780

NA = Not available

Source: City of Rancho Mirage

**Fiscal Year**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
20	20	21	33	47	23
114	156	178	131	181	125
20	35	42	44	51	21
62	62	65	57	19	34
28	39	12	5		10
74.0	74.0	74.0	74.0	74.0	74.0
23.6	24.6	25.0	25.0	25.0	28.0
26	26	27	27	27	50
60	61	62	62	62	192
2,172	3,702	3,624	3,624	3,624	3,618
208	208	208	208	208	190
5.0	5.0	5.0	5.0	5.0	5.0
12.6	12.6	13.0	13.0	13.0	16.0
622,148	599,379	598,217	596,504	494,890	452,268
358,165	314,049	323,607	332,207	277,033	259,960
88,023	85,158	99,966	102,054	77,207	70,496
52,583	74,719	72,162	64,207	78,197	50,928
808,119	342,144	575,128	939,045	1,250,660	860,497
37,498	34,977	40,154	39,212	43,088	43,299
1,104	1,057	989	1,284	1,538	1,472
47,973,671	32,614,403	30,272,385	47,745,353	58,818,223	73,199,083

**CITY OF RANCHO MIRAGE**

**Capital Asset Statistics  
By Function  
Last Ten Fiscal Years**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Works:</b>										
Miles of Public Streets	73.5	73.8	73.8	73.8	74.0	74.0	74.0	74.0	74.0	74.0
Miles of Public Bike Paths	21.9	22.3	22.9	23.0	23.6	24.6	25.0	25.0	25.0	28.0
Number of Major Intersections	26	26	26	26	26	26	27	27	27	50
Number of Traffic Signals and Safety Lighting	54	52	52	60	60	61	62	62	62	192
Number of traffic signs	2,099	2,113	2,132	2,140	2,172	3,702	3,624	3,624	3,624	3,618
Number of street lights	202	206	208	208	208	208	208	208	208	190
<b>Parks and Recreation:</b>										
Number of Parks	5	5	5	5	5	5	5	5	5	5
Total Acreage	12.6	12.6	12.6	12.6	12.6	12.6	13.0	13.0	13.0	16.0
<b>Buildings:</b>										
Civic Center	1	1	1	1	1	1	1	1	1	1
Civic Center Annex	-	-	-	1	1	1	1	1	1	0
Library	1	1	1	1	1	1	1	1	1	1
Corporation Yard	1	1	1	1	1	1	1	1	1	1
<b>Housing Authority</b>										
Age-Restricted Housing	3	3	3	4	4	4	4	4	4	4

Source: City of Rancho Mirage

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***FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION***

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**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION**

Long-term debt activity for the former redevelopment agency for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due within One year</u>
Tax allocation bonds payable:					
2003 A-1 subordinate lien tax allocation bonds	\$ 1,860,633	\$ -	\$ (101,636)	\$ 1,962,269	\$ -
2003 A-T subordinate lien tax allocation bonds	1,025,000	-	20,000	1,005,000	20,000
2003 A-1 tax allocation bonds	2,563,702	-	(144,393)	2,708,095	-
2003 A-E tax allocation bonds	7,430,000	-	-	7,430,000	-
2003 A-T tax allocation bonds	3,670,000	-	115,000	3,555,000	115,000
2006 A-Whitewater TA ref bonds	17,485,000	-	1,125,000	16,360,000	1,180,000
2006 A-Northside TA ref bonds	21,075,000	-	450,000	20,625,000	465,000
2008 A subordinate lien tax allocation bonds	18,810,000	-	545,000	18,265,000	580,000
2013 tax allocation refunding bonds	15,215,000	-	1,035,000	14,180,000	1,080,000
2013 tax allocation refunding bonds	9,390,000	-	1,105,000	8,285,000	1,145,000
Tax allocation housing refunding bonds	22,010,000	-	1,290,000	20,720,000	1,340,000
Bond premiums/discounts	(3,307,871)	-	(239,900)	(3,067,971)	(239,900)
<b>TOTALS</b>	<u><u>\$ 117,226,464</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,199,071</u></u>	<u><u>\$ 112,027,393</u></u>	<u><u>\$ 5,685,100</u></u>

## CITY OF RANCHO MIRAGE

### FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION

#### 2001A-1 Subordinate Lien Tax Allocation Parity Bonds and 2001A-E Subordinate Lien Tax Allocation Bonds

On July 1, 2001, the Redevelopment Agency of the City of Rancho Mirage issued \$2,340,000 of Subordinate Lien Tax Allocation Bonds, Series 2001A-1 and \$4,680,000 of Subordinate Lien Tax Allocation Bonds, Series 2001A-E. The 2001A bonds were issued for the purpose of financing certain improvements in the Whitewater Redevelopment Project Area of the Agency, to fund an escrow for future improvements in the project area, to purchase a debt service reserve fund surety bond for the bonds, and to pay the costs of issuing the bonds. Payment of principal, premium, if any and interest on the 2001A-1 bonds and the 2001A-E bonds were subordinate to payment of principal, premium, if any and interest on the Whitewater Project Area 1994A bonds and the Whitewater Project Area 1997A bonds and certain other outstanding obligations of the Agency. The 1994A and the 1997A bonds were referred to herein as the Senior Lien Bonds. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

The 2001A-1 bonds have annual interest ranging from 3.75 percent to 4.625 percent and annual principal installments ranging from \$70,000 to \$110,000 through April 1, 2015 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$115,000 to \$160,000 on April 1 beginning 2016 through 2023. The 2001A-E bonds have annual interest ranging from 3.75 percent to 4.8 percent and annual principal installments ranging from \$165,000 to \$245,000 through April 1, 2015 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$260,000 to \$365,000 on April 1 beginning 2016 through 2023. The 2001A-1 and the 2001A-E bonds are secured by the surplus tax revenues of the Agency.

The 2001A-1 and 2001A-E bond resolution and indentures require that bond reserve be equal to the full amount of maximum annual debt service on all outstanding Senior Lien Bonds. As of June 30, 2015, the reserve for the 2001A-1 and 2001A-E bonds was held by the fiscal agent in the form of a surety bond. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

#### 2001A-1 Tax Allocation Bonds, 2001A-E Tax Allocation Bonds, 2001B-1 Subordinate Lien Tax Allocation Bonds and 2001B-E Subordinate Lien Tax Allocation Bonds

On July 1, 2001, the Redevelopment Agency of the City of Rancho Mirage issued \$16,860,000 of Tax Allocation Bonds, Series 2001A-1, \$14,425,000 of Tax Allocation Bonds, Series 2001A-E, \$3,440,000 of Subordinate Lien Tax Allocation Bonds, Series 2001B-1 and \$1,195,000 Subordinate Lien Tax Allocation Bonds, Series 2001B-E. The 2001A bonds were issued for the purpose of financing certain improvements in the Redevelopment Plan — 1984 Project Area of the Agency, to fund an escrow for future improvements in the project area, and to pay the costs of issuing the bonds. The 2001B bonds were issued to advance refund \$3,010,000 of the outstanding 1991A Civic Center Revenue Bonds, finance certain improvements within the 1984 Project Area, to fund an escrow for future improvements within the project area, fund a reserve account for the 2001B Bonds, and to pay the cost of issuing the bonds. The proceeds used to advance refund the 1991A series were used to purchase U.S government securities. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991A series. Payment of principal, premium, if any, and interest on the series 2001B bonds is subordinate to payment of principal, premium, if any and interest on the 2001A bonds and certain other outstanding obligations of the Agency.

## CITY OF RANCHO MIRAGE

### FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION (CONTINUED)

The 2001A-1 bonds have annual interest ranging from 3.75 percent to 4.625 percent and annual principal installments ranging from \$405,000 to \$605,000 through April 1, 2015 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$365,000 to \$750,000 on April 1 beginning 2016 through 2033. The 2001A-E bonds have annual interest ranging from 3.75 percent to 4.75 percent and annual principal installments ranging from \$250,000 to \$370,000 through April 1, 2015 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$390,000 to \$920,000 on April 1 beginning 2016 through 2033. The 2001A-1 and 2001A-E bonds are secured by the surplus tax revenues of the Agency.

The 2001B-1 bonds have annual interest ranging from 3.75 percent to 4.80 percent and annual principal installments ranging from \$50,000 to \$90,000 through April 1, 2012 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$75,000 to \$215,000 on April 1 beginning 2013 through 2033. The 2001B-E bonds have annual interest ranging from 4.0 percent to 5.0 percent and annual principal installments ranging from \$20,000 to \$25,000 through April 1, 2012 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$25,000 to \$50,000 on April 1 beginning 2013 through 2024. The 2001B-1 and 2001B-E bonds are secured by the surplus tax revenues of the Agency.

The 2001A bond resolution and indentures require that the bond reserve policy, when added to the amounts on deposit in the Senior Reserve Account established under the Senior indenture, be equal to the full amount of maximum annual debt service on all outstanding Senior Lien Bonds and the Series 2001A bonds. As of June 30, 2010, the 2001A reserve policy was held in the form of a surety bond by the fiscal agent. The 2001B bond resolution and indentures require that the subordinate bond reserve be equal to the full amount of maximum annual debt service on all outstanding Series 2001B bonds. The amount required for the bond reserve of the 2001B bonds is \$316,815. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

#### 2002A Subordinate Lien Tax Allocation Bonds

On January 1, 2002, the Redevelopment Agency of the City of Rancho Mirage issued \$7,895,000 Subordinate Lien Tax Allocation Bonds, Series 2002A. The 2002A bonds were issued for the purpose of financing certain improvements in the Whitewater Project Area of the Agency, advance refund \$6,730,000 of the outstanding 1992A tax allocation bonds, purchase a debt service reserve surety bond for the bonds, and to pay the cost of issuing the bonds. The proceeds used to advance refund the 1992A series were used to purchase U.S government securities. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992A series. Payment of principal, premium, if any, and interest on the series 2002A bonds is subordinate to payment of principal, premium, if any and interest on the Whitewater project 1994A bonds and the Whitewater project 1997A bonds, referred to as the "Senior Lien Bonds.

The 2002A bonds have annual interest ranging from 3.00 percent to 4.80 percent and annual principal installments ranging from \$365,000 to \$615,000 through April 1, 2019 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$515,000 to \$540,000 on April 1 beginning 2015 through 2016. The 2002A bonds are secured by the surplus tax revenues of the Agency.

The 2002A bond resolution and indentures require that a municipal bond insurance policy be purchased which provides for the principal and interest on the bonds when due to the extent that the trustee has not received payment therefore. As of June 30, 2015, the reserve for the 2002A bond was held by the fiscal agent in the form of a surety bond. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

On November 19, 2003, the Redevelopment Agency of the City of Rancho Mirage issued \$1,074,378 of Subordinate Lien Tax Allocation Bonds, Series 2003 A-1, \$5,140,000 of Subordinate Lien Tax Allocation Bonds, Series 2003 A-E, and \$1,180,000 of Subordinate Lien Tax Allocation Bonds, Series 2003 A-T. The bonds were issued by the Agency for the purpose of financing certain improvements in the Whitewater Redevelopment Project Area, (or, in the case of the Series 2003 A-E Bonds, funding a funding an escrow for future improvements in the project area), funding a reserve account for the bonds, and paying the costs of issuing the bonds. Payment of principal, premium, if any, and interest on the bonds is subordinate to payment of principal, premium, if any, and interest on the Senior Lien Bonds.

2003 A-1 Subordinate Lien Tax Allocation Bonds, 2003 A-E Subordinate Lien Tax Allocation Bonds, and 2003 A-T Subordinate Lien Tax Allocation Bonds

The Series 2003 A-E Bonds have annual interest ranging from 2.00 percent to 4.25 percent and annual principal installments ranging from \$215,000 to \$300,000 through April 2012 and are subject to redemption prior to maturity. The bonds are secured by an irrevocable pledge of the surplus tax revenues of the agency. In addition, the 2003 A-E bonds are also secured by amounts on deposit in the escrow fund as provided in the indenture. The 2003 A-1 Bonds are capital appreciation bonds, issued in an amount of \$1,074,377 and have a maturity value of \$3,340,000 and mature April 1, 2025, and are not subject to redemption prior to maturity. The bonds are secured by an irrevocable pledge of the surplus tax revenues of the agency.

The series 2003 A-T bonds are capital appreciation bonds and are subject to redemption prior to maturity. \$140,000 4.90 percent term series 2003 A-T bonds are due April 1, 2013. \$1,040,000 5.76 percent term series 2003 A-T bonds are April 1, 2004. The bonds are secured by an irrevocable pledge of the surplus tax revenues of the agency. As of June 30, 2015, the series 2003 reserve was held by the fiscal agent in the form of a surety bond. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

The annual payment amounts required to retire the 2003A-1 bonds outstanding as of June 30, 2015 are as follows:

Fiscal Year	Accreted Value
2015	\$ -
2016	-
2017	-
2018	-
2019	-
2020	-
2021	-
2022	-
2023	-
2024	-
2025	3,340,000
Total accreted value	3,340,000
Less future accretion	(1,479,367)
	<u>\$ 1,860,633</u>

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

The annual payment amounts required to retire the 2003A-T bonds outstanding as of June 30, 2015 are as follows:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 28,944	\$ 28,944	\$ 57,888	\$ 20,000	\$ 77,888
2017	28,368	28,368	56,736	20,000	76,736
2018	27,792	27,792	55,584	25,000	80,584
2019	27,072	27,072	54,144	30,000	84,144
2020	26,208	26,208	52,416	55,000	107,416
2021	24,624	24,624	49,248	70,000	119,248
2022	22,608	22,608	45,216	75,000	120,216
2023	20,448	20,448	40,896	75,000	115,896
2024	18,288	18,288	36,576	635,000	671,576
<b>TOTALS</b>	<b>\$ 224,352</b>	<b>\$ 224,352</b>	<b>\$ 448,704</b>	<b>\$ 1,005,000</b>	<b>\$ 1,453,704</b>

2003 A Tax Allocation Housing Bonds

On November 19, 2003, the Redevelopment Agency of the City of Rancho Mirage issued \$34,565,000 of Tax Allocation Housing Bonds, Series 2003 A. The bonds were issued by the Agency for the purpose of financing certain improvements to the supply of low and moderate income housing in, or otherwise benefiting, the Whitewater Redevelopment Project and the Redevelopment Plan-1984 Project, purchasing a debt service reserve fund surety bond for the Bonds, and paying the costs of issuing the bonds.

The \$21,085,000 serial bonds have annual interest ranging from 2.00 percent to 5.25 percent and annual principal installments ranging from \$1,025,000 to \$1,770,000. The \$5,850,000, 4.63 percent term bonds are due April 1, 2024. The \$7,630,000 5.00 percent term bonds are due April 1, 2033. The bonds are subject to optional and mandatory redemption prior to maturity. The Bonds are secured by an irrevocable pledge of the Housing Tax Revenues.

The 2003A bond resolution and indentures require that a municipal bond insurance policy be purchased which provides for the principal and interest on the bonds when due to the extent that the trustee has not received payment therefore. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

## CITY OF RANCHO MIRAGE

### FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION (CONTINUED)

#### 2003A-1 Tax Allocation Bonds, 2003A-T Tax Allocation Bonds, 2003A-E Tax Allocation Bonds, 2003B Subordinate Lien Tax Allocation Bonds

On November 19, 2003, the Redevelopment Agency of the City of Rancho Mirage issued \$1,456,027 of Tax Allocation Bonds, Series 2003A-1, \$4,540,000 of Tax Allocation Bonds, Series 2003A-T, \$17,845,000 of Tax Allocation Bonds, Series 2003A-E, and \$1,960,000 of Subordinate Lien Tax Allocation Bonds, Series 2003B. The Series 2003A Bonds were issued by the Agency for the purpose of financing certain improvements in the Redevelopment Plan- 1984 Project (the "Project Area") (or, in the case of the Series 2003A-E Bonds, funding an escrow for future improvements in the project area), and paying the costs of issuing the Series 2003A Bonds. The Series 2003B Bonds were issued by the Agency for the purpose of funding an escrow for future improvements in the project area, funding a reserve account for the Series 2003B Bonds upon release of funds from escrow, and paying the costs of issuing the Series 2003B Bonds. Payment of principal, premium, if any, and interest on the Series 2003B Bonds is subordinate to the payment of principal, premium, if any, and interest on the Series 2003A Bonds and certain other outstanding obligations of the Agency.

The \$5,225,000 Series 2003A-E Serial Bonds have annual interest ranging from 2.00 percent to 4.25 percent and annual principal payments ranging from \$365,000 to \$530,000. In addition, \$3,685,000 4 5/8 percent Term Series 2003A-E Bonds are due April 1, 2024, \$3,090,000 4.75 percent Term Series 2003A-E Bonds are due April 1, 2028, and \$5,845,000 4.75 percent Term Series 2003A-E Bonds are due April 1, 2034. The bonds are subject to redemption prior to maturity.

The Series 2003A-1 Bonds are capital appreciation bonds. The bonds are not subject to redemption prior to maturity. \$749,033 of the series 2003A-1 Bonds mature April 1, 2034 at an accreted value of \$3,940,000 and \$706,994 of the series 2003A-1 Bonds mature April 1, 2035 at an accreted value of \$3,940,000. The Series 2003AT Term Bonds have annual interest ranging from 3.78 percent to 5.86 percent and principal amounts ranging from \$305,000 to \$2,030,000.

The \$450,000 Series 2003B Serial Bonds have annual interest ranging from 3.00 percent to 5.00 percent and annual principal payments ranging from \$35,000 to \$45,000. In addition, \$280,000 5.25 percent Term Series 2003B Bonds are due April 1, 2023, \$355,000 5 3/8 percent Term Series 2003B Bonds are due April 1, 2028, and \$875,000 5.50 percent Term Series 2003B Bonds are due April 1, 2034.

The Series 2003A Bonds are secured by the pledged tax revenues of the Agency and from amounts on deposit in the reserve account established under the Senior Indenture. In addition, the Series 2003A-E Bonds are secured by amounts on deposit in the Escrow Fund established under the Senior Indenture (the "2003 Escrow Fund"). The Series 2003B Bonds are secured by the surplus tax revenues of the Agency and from amounts on deposit in the reserve account established under the Subordinate Indenture. In addition, the Series 2003B Bonds are secured by amounts on deposit in the escrow fund established under the Subordinate Indenture (the "2003B Escrow Fund").

The 2003A Supplemental Indenture requires that amounts on deposit in bond reserve account, when added to amount on deposit in the Senior Reserve Account established under the Senior Indenture equal the Reserve Requirement which is the lesser of 10 percent of the bond proceeds of each series of bonds outstanding, 125 percent of Average Annual Debt Service or Maximum Annual debt service on all Series of Bonds. The Senior Reserve Account has cash and debt service reserve surety bonds equal to or exceeding the Reserve Requirement for all bonds outstanding including the Series 2003A. No additional deposit is required for the Series 2003B bonds reserve fund since these bond proceeds are in escrow and therefore excluded from the Reserve Requirement. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

The annual payment amounts required to retire the 2003A-E tax allocation bonds outstanding as of June 30, 2015 are as follows:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 176,463	\$ 176,463	\$ 352,925	\$ -	\$ 352,925
2017	176,463	176,463	352,925	-	352,925
2018	176,463	176,463	352,925	-	352,925
2019	176,463	176,463	352,925	-	352,925
2020	176,463	176,463	352,925	-	352,925
2021	176,463	176,463	352,925	-	352,925
2022	176,463	176,463	352,925	-	352,925
2023	176,463	176,463	352,925	-	352,925
2024	176,463	176,463	352,925	-	352,925
2025	176,463	176,463	352,925	615,000	967,925
2026	161,856	161,856	323,713	655,000	978,713
2027	146,300	146,300	292,600	685,000	977,600
2028	130,031	130,031	260,063	720,000	980,063
2029	112,931	112,931	225,863	865,000	1,090,863
2030	92,388	92,388	184,775	905,000	1,089,775
2031	70,894	70,894	141,788	950,000	1,091,788
2032	48,331	48,331	96,663	995,000	1,091,663
2033	24,700	24,700	49,400	1,040,000	1,089,400
<b>TOTALS</b>	<b>\$ 2,552,056</b>	<b>\$ 2,552,056</b>	<b>\$ 5,104,113</b>	<b>\$ 7,430,000</b>	<b>\$ 12,534,113</b>

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

The annual payment amounts required to retire the 2003A-T tax allocation bonds outstanding as of June 30, 2015 are as follows:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 102,833	\$ 102,834	\$ 205,667	\$ 115,000	\$ 320,667
2017	99,700	99,699	199,399	125,000	324,399
2018	96,293	96,294	192,587	125,000	317,587
2019	92,887	92,887	185,774	140,000	325,774
2020	88,855	88,855	177,710	145,000	322,710
2021	84,679	84,679	169,358	155,000	324,358
2022	80,215	80,215	160,430	165,000	325,430
2023	75,463	75,463	150,926	180,000	330,926
2024	70,279	70,279	140,558	180,000	320,558
2025	65,095	65,095	130,190	195,000	325,190
2026	59,479	59,479	118,958	210,000	328,958
2027	53,326	53,326	106,652	220,000	326,652
2028	46,880	46,880	93,760	230,000	323,760
2029	40,141	40,141	80,282	245,000	325,282
2030	32,963	32,962	65,925	265,000	330,925
2031	25,198	25,198	50,396	265,000	315,396
2032	17,433	17,434	34,867	290,000	324,867
2033	8,937	8,936	17,873	305,000	322,873
<b>TOTALS</b>	<b>\$ 1,140,656</b>	<b>\$ 1,140,656</b>	<b>\$ 2,281,312</b>	<b>\$ 3,555,000</b>	<b>\$ 5,836,312</b>

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

The annual payment amounts required to retire the 2003A-1 tax allocation bonds outstanding as of June 30, 2015 are as follows:

<u>Fiscal Year</u>	<u>Accreted Value</u>
2016	\$ -
2017	-
2018	-
2019	-
2020	-
2021	-
2022	-
2023	-
2024	-
2025	-
2026	-
2027	-
2028	-
2029	-
2030	-
2031	-
2032	-
2033	-
2034	3,940,000
2035	3,940,000
	<hr/>
Total accreted value	7,880,000
	<hr/>
Less future accretion	(5,316,298)
	<hr/>
	\$ 2,563,702
	<hr/> <hr/>

2006 A — Whitewater Tax Allocation Refunding Bonds

On April 20, 2006, the Redevelopment Agency of the City of Rancho Mirage issued \$24,910,000 Tax Allocation Refunding Bonds, Series 2006A (Whitewater Sub-Area). Proceeds of the Bonds were used to pay the costs of issuing the Bonds, to purchase a debt service reserve fund surety bond for the Bonds and to refund the Agency's Whitewater Redevelopment Project, Tax Allocation Refunding Bonds, Series 1994A, originally issued in the principal amount of \$23,090,000, which have been fully repaid, the Agency's Whitewater Redevelopment Project Tax Allocation Parity Bonds, 1997A, originally issued in the principal amount of \$4,850,000, have been fully repaid, and the Agency's Whitewater Redevelopment Project Subordinate Tax Allocation Bonds, Series 1997B, originally issued in the principal amount of \$3,575,000, of which have been fully repaid.

The prior Bonds were issued by the Agency to finance and refinance certain improvements in, or benefiting, the Whitewater Sub-Area of its Merged Redevelopment Project.

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

The Bonds are limited obligation of the Agency payable solely from and secured by the Surplus Tax Revenues to be derived from the Sub-Area, and from the amounts on deposit in certain funds as described herein. Upon issuance of the Bonds, there will no longer be any outstanding indebtedness with a lien on the Surplus Tax Revenues senior to the lien of the Bonds.

The Whitewater Sub-Area encompasses approximately 5,076 acres, or about 34 percent of the total incorporated area of the City. Approximately 66 percent of the Whitewater Sub-Area consists of steep mountain slopes and is currently not considered to be developable.

Beginning April 1, 2007, the 2006A Bonds are due in annual installments of \$890,000 to \$2,480,000 through April 1, 2024. Interest ranging from 3.5 percent to 5 percent is due in semi-annual installment on April 1 and October 1 of each year. The reserve requirement is held by the fiscal agent in the form of a surety bond. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

The annual payment amounts required to retire the 2006A tax allocation (Whitewater) bonds outstanding as of June 30, 2015 are as follows:

<u>Fiscal Year</u>	<u>Interest Due April 1</u>	<u>Interest Due October 1</u>	<u>Total Interest</u>	<u>Principal Due April 1</u>	<u>Total Annual Debt Service</u>
2016	\$ 409,000	\$ 409,000	\$ 818,000	\$ 1,180,000	\$ 1,998,000
2017	379,500	379,500	759,000	1,235,000	1,994,000
2018	348,625	348,625	697,250	1,295,000	1,992,250
2019	316,250	316,250	632,500	1,365,000	1,997,500
2020	282,125	282,125	564,250	2,045,000	2,609,250
2021	231,000	231,000	462,000	2,145,000	2,607,000
2022	177,375	177,375	354,750	2,250,000	2,604,750
2023	121,125	121,125	242,250	2,365,000	2,607,250
2024	62,000	62,000	124,000	2,480,000	2,604,000
<b>TOTALS</b>	<b>\$ 2,327,000</b>	<b>\$ 2,327,000</b>	<b>\$ 4,654,000</b>	<b>\$ 16,360,000</b>	<b>\$ 21,014,000</b>

2006 A — Northside Tax Allocation Refunding Bonds

On April 20, 2006 the Redevelopment Agency of the City of Rancho Mirage issued \$24,210,000 Tax Allocation Refunding Bonds, Series 2006A (Northside Sub-Area). The proceeds of the Bonds were used to pay the costs of issuing the Bonds, to purchase a debt service reserve fund surety bond for the Bonds and to refund the Agency's Redevelopment Plan-1984 Project, Tax Allocation Refunding Bonds, Series 1994A, originally issued in the principal amount of \$16,930,000 have been fully repaid and the Agency's Redevelopment Plan-1984 Project, Tax Allocation Bond Series, 1999A, originally issued in the principal amount of \$8,680,000 have been fully repaid.

The prior Bonds were issued by the Agency to finance and refinance certain improvements in, or benefiting, the Northside Sub-Area of its Merged Redevelopment Project.

The Northside Sub-Area encompasses approximately 4,717 acres, or about 30 percent of the total incorporated area of the City. The entire Northside Sub-Area consists of developed or developable land and is primarily residential in character.

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

Beginning April 1, 2007, the 2006A Bonds are due in annual installments of \$385,000 to \$1,715,000 through April 1, 2033. Interest ranging from 3.5 percent to 5.0 percent is due in semi-annual installments on April 1 and October 1 of each year. As of June 30, 2015 the reserve requirement is held by the fiscal agent in the form of a surety bond. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

The annual payment amounts required to retire the 2006A tax allocation (Northside) bonds outstanding as of June 30, 2015 are as follows:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 490,744	\$ 490,744	\$ 981,488	\$ 465,000	\$ 1,446,488
2017	479,119	479,119	958,238	495,000	1,453,238
2018	467,363	467,362	934,725	855,000	1,789,725
2019	445,988	445,987	891,975	890,000	1,781,975
2020	426,519	426,519	853,038	940,000	1,793,038
2021	405,956	405,957	811,913	970,000	1,781,913
2022	384,131	384,132	768,263	1,020,000	1,788,263
2023	359,906	359,907	719,813	1,065,000	1,784,813
2024	334,613	334,612	669,225	1,115,000	1,784,225
2025	308,131	308,132	616,263	1,170,000	1,786,263
2026	281,806	281,807	563,613	1,215,000	1,778,613
2027	254,469	254,469	508,938	1,275,000	1,783,938
2028	222,594	222,594	445,188	1,335,000	1,780,188
2029	189,219	189,219	378,438	1,400,000	1,778,438
2030	154,219	154,219	308,438	1,490,000	1,798,438
2031	116,969	116,969	233,938	1,570,000	1,803,938
2032	79,682	79,681	159,363	1,640,000	1,799,363
2033	40,732	40,731	81,463	1,715,000	1,796,463
<b>TOTALS</b>	<b>\$ 5,442,160</b>	<b>\$ 5,442,160</b>	<b>\$ 10,884,320</b>	<b>\$ 20,625,000</b>	<b>\$ 31,509,320</b>

2008 A Subordinate Lien Tax Allocation Bonds

On July 30, 2008 the Redevelopment Agency of the City of Rancho Mirage issued \$22,040,000 Subordinate Lien Tax Allocation Bonds, Series 2008A (Northside Sub-Area). The proceeds of the Bonds were used to pay the costs of issuing the Bonds, to fund a reserve account for the Bonds, and to finance certain improvements in its Merged Redevelopment Project.

The Sub-Area encompasses approximately 4,717 acres, or about 30 percent of the total incorporated area of the City. The entire Sub-Area consists of developed or developable land and is primarily residential in character.

Beginning April 1, 2009, the 2008A Bonds are due in annual installments of \$460,000 to \$1,350,000 through April 1, 2035. Interest ranging from 3.0 percent to 4.75 percent is due in semi-annual installments on April 1 and October 1 of each year. On February 1, 2012 these Bonds were transferred from the Rancho Mirage Redevelopment Agency to the Successor Agency and the balance outstanding is no longer included in the City's Statement of Net Position.

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

The annual payment amounts required to retire the 2008A bonds outstanding as of June 30, 2015 are as follows:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 456,272	\$ 456,272	\$ 912,544	\$ 580,000	\$ 1,492,544
2017	444,309	444,310	888,619	595,000	1,483,619
2018	431,666	431,665	863,331	620,000	1,483,331
2019	417,716	417,715	835,431	650,000	1,485,431
2020	403,091	403,090	806,181	675,000	1,481,181
2021	387,903	387,903	775,806	705,000	1,480,806
2022	371,160	371,159	742,319	740,000	1,482,319
2023	353,585	353,584	707,169	775,000	1,482,169
2024	334,210	334,209	668,419	815,000	1,483,419
2025	313,835	313,834	627,669	850,000	1,477,669
2026	292,585	292,584	585,169	900,000	1,485,169
2027	270,085	270,084	540,169	945,000	1,485,169
2028	245,869	245,868	491,737	995,000	1,486,737
2029	220,372	220,372	440,744	1,045,000	1,485,744
2030	193,594	193,593	387,187	1,100,000	1,487,187
2031	164,719	164,718	329,437	1,150,000	1,479,437
2032	134,531	134,531	269,062	1,215,000	1,484,062
2033	102,638	102,637	205,275	1,280,000	1,485,275
2034	69,038	69,037	138,075	1,280,000	1,418,075
2035	35,438	35,437	70,875	1,350,000	1,420,875
<b>TOTALS</b>	<b>\$ 5,642,616</b>	<b>\$ 5,642,602</b>	<b>\$ 11,285,218</b>	<b>\$ 18,265,000</b>	<b>\$ 29,550,218</b>

2013A Tax Allocation Refunding Bonds- Whitewater, 2013A Subordinated Lien Tax Allocation Refunding Bonds- Northside, and 2013A Tax Allocation Housing Refunding Bonds

On September 24<sup>th</sup> and 25<sup>th</sup> of 2013 the Successor Agency to the former Rancho Mirage Redevelopment Agency sold \$50,370,000 in tax allocation bonds and together with \$22,709,339 in prior bond proceeds, refunded and redeem \$72,265,000 of the Agency's outstanding Series 2001, 2002 and Series 2003 Bonds. The refunding plan and bond issuance was reviewed and approved by the State Department of Finance and represented the sixth, seventh and eight refunding bond issuances completed since the dissolution legislation, AB X1 26 and AB 1484, was passed by the State Legislature eliminating redevelopment.

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

The refunding plan consisted of three bond issuances, a \$23,330,000 Merged Project Area Housing Series, a \$10,470,000 Whitewater Project Sub Area Series and a \$16,570,000 Northside Sub Area Series. The Bonds together were sold at a net premium of \$3,398,399 generating additional funds for the refunding program. In addition to refunding savings, the amount of bonds outstanding was reduced from \$155,515,000 to \$133,240,000. Total debt service, as a result of the refunding and application of prior bond proceeds, was reduced by \$37,210,063. All the bond debt service is paid by Redevelopment Property Tax Trust Fund (RPTTF) Funds under the ROPS system.

2013A Tax Allocation Northside Refunding Bonds:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 334,069	\$ 334,069	\$ 668,138	\$ 1,080,000	\$ 1,748,138
2017	312,469	312,469	624,938	1,115,000	1,739,938
2018	290,169	290,169	580,338	835,000	1,415,338
2019	269,294	269,294	538,588	875,000	1,413,588
2020	247,419	247,419	494,838	915,000	1,409,838
2021	224,544	224,544	449,088	970,000	1,419,088
2022	200,294	200,294	400,588	1,010,000	1,410,588
2023	175,044	175,044	350,088	1,055,000	1,405,088
2024	148,669	148,669	297,338	1,115,000	1,412,338
2025	120,794	120,794	241,588	560,000	801,588
2026	109,594	109,594	219,188	570,000	789,188
2027	97,481	97,481	194,963	590,000	784,963
2028	84,944	84,944	169,888	615,000	784,888
2029	71,875	71,875	143,750	535,000	678,750
2030	58,500	58,500	117,000	535,000	652,000
2031	45,125	45,125	90,250	575,000	665,250
2032	30,750	30,750	61,500	595,000	656,500
2033	15,875	15,875	31,750	635,000	666,750
<b>TOTALS</b>	<b>\$ 2,836,906</b>	<b>\$ 2,836,906</b>	<b>\$ 5,673,813</b>	<b>\$ 14,180,000</b>	<b>\$ 19,853,813</b>

**CITY OF RANCHO MIRAGE**

**FORMER REDEVELOPMENT AGENCY LONG-TERM DEBT INFORMATION  
(CONTINUED)**

2013A Subordinated Lien Tax Allocation Refunding Bonds- Whitewater:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 195,425	\$ 195,425	\$ 390,850	\$ 1,145,000	\$ 1,535,850
2017	172,525	172,525	345,050	1,195,000	1,540,050
2018	148,625	148,625	297,250	1,240,000	1,537,250
2019	117,625	117,625	235,250	1,295,000	1,530,250
2020	85,250	85,250	170,500	720,000	890,500
2021	67,250	67,250	134,500	750,000	884,500
2022	48,500	48,500	97,000	790,000	887,000
2023	28,750	28,750	57,500	830,000	887,500
2024	8,000	8,000	16,000	320,000	336,000
<b>TOTALS</b>	<b>\$ 871,950</b>	<b>\$ 871,950</b>	<b>\$ 1,743,900</b>	<b>\$ 8,285,000</b>	<b>\$ 10,028,900</b>

2013A Tax Allocation Refunding Bonds- Housing:

Fiscal Year	Interest Due April 1	Interest Due October 1	Total Interest	Principal Due April 1	Total Annual Debt Service
2016	\$ 486,313	\$ 486,313	\$ 972,625	\$ 1,340,000	\$ 2,312,625
2017	459,513	459,513	919,025	1,395,000	2,314,025
2018	431,613	431,613	863,225	1,450,000	2,313,225
2019	402,613	402,613	805,225	1,510,000	2,315,225
2020	364,863	364,863	729,725	1,585,000	2,314,725
2021	325,238	325,238	650,475	1,665,000	2,315,475
2022	283,613	283,613	567,225	1,745,000	2,312,225
2023	239,988	239,988	479,975	1,835,000	2,314,975
2024	194,113	194,113	388,225	1,930,000	2,318,225
2025	145,863	145,863	291,725	580,000	871,725
2026	134,263	134,263	268,525	605,000	873,525
2027	122,163	122,163	244,325	635,000	879,325
2028	108,669	108,669	217,338	655,000	872,338
2029	94,750	94,750	189,500	685,000	874,500
2030	77,625	77,625	155,250	720,000	875,250
2031	59,625	59,625	119,250	755,000	874,250
2032	40,750	40,750	81,500	795,000	876,500
2033	20,875	20,875	41,750	835,000	876,750
<b>TOTALS</b>	<b>\$ 3,992,444</b>	<b>\$ 3,992,444</b>	<b>\$ 7,984,888</b>	<b>\$ 20,720,000</b>	<b>\$ 28,704,888</b>