

2014-119 AUDIT SCOPE AND OBJECTIVES

City of Indio—Special Tax Bonds

The audit by the California State Auditor will provide independently developed and verified information related to the city of Indio's (city) Community Facilities District Number 2004-3 (facilities district), and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Review the formation and disclosure documents related to the facilities district and actions taken by the city to address the concerns of facilities district special taxpayers to determine compliance with the Mello-Roos Community Facilities Act of 1982 (Mello-Roos Act).
3. Review the Acquisition and Construction Fund expenditures to determine compliance with the Mello-Roos Act and whether the city appropriately identified costs related to facilities district Improvement Area Number 2 (Area No. 2).
4. Review recent actions taken by the city related to funding provided by Improvement Area Number 1 (Area No. 1) and Area No. 2 to determine whether these actions result in a reduction of the debt incurred by the facilities district that provided the capital improvements in order to reduce the special tax payments of the taxpayers in Area No. 1.
5. Review and assess any other issues that are significant to the audit.