

Measure J Commission Policy Roadmap / Calendar for the Fiscal Year 2018/2019

REVISED for October 31, 2018

POLICY REVIEW

- 1) Annual financial recommendations will be for 100%, or as close thereto, from available Measure J Funds after debt service.
- 2) The City's General Fund will be used to provide a 1 million dollar contingency for those projects approved in the annual June budget meeting
- 3) The annual budget will contain a category titled "Community Projects", which will be an allocation of 1 million dollars.
- 4) All Capital Project recommendations other than the Community Projects category will be chosen from the Capital Projects list provided to the Measure J Commission by City Staff.
- 5) Measure J will allocate annually 3 million dollar to roads
- 6) All Commission recommendations for Capital Projects and for the Community Projects theme will be presented to City Council in a joint meeting to be held at the Council meeting in May.

CALENDAR

(The Commission meets every third Thursday of the month at 4:00 p.m. in the Large Conference Room at City Hall).

JULY / AUGUST 2018 – COMMISSION DARK

***** RESCHEDULED TO SEPTEMBER 26, 2018 *****

(REGULARLY SCHEDULED FOR SEPTEMBER 20, 2018)

Welcome new Chair Jim Gazan and Vice-Chair Craig.

Roadmap review. Updates from City Staff.

General Discussion.

***** RESCHEDULED TO OCTOBER 31, 2018 @ 3 PM *****

REGULARLY SCHEDULED FOR OCTOBER 18, 2018

Capital Project TRUE-UP presentation by City staff on all ongoing projects.

Financial discussion on implications of potential underage or overages - report will be provided PRIOR to the October meeting. General discussion.

NOVEMBER 15, 2018

Start reviewing list of Capital Projects not funded in FY 2018-2019. List to be provided by city staff.

****DECEMBER 20, 2018 – TENTATIVE - COMMISSION DARK**

JANUARY 17, 2019

Staff presentation on **Measure J Audit** of FY 2017-2018 Financials and continue review of **unfunded capital projects**.

Registration for ONE-PS Annual Picnic & Expo (Date TBD)

FEBRUARY 21, 2019

Review Project Justification for previous list of **unfunded Capital Projects** and discuss **new potential Capital Projects**.

MARCH 21, 2019

Staff presentation of FINALIZED recommended **Capital Projects** for FY 2019/2020.

Discussion and analysis.

ONE-PS Annual Picnic & Expo (Date TBD)

APRIL 18, 2019

Vote on / finalize list of Recommended **Capital Projects** for FY 2019/2020

MAY 16, 2019 - TBD – pending on Council's availability

Capital Budget Discussion with City Council presenting Measure J Top Five Capital Projects for FY 2019-2020 or as recommended.

JUNE 20, 2019

Review final City Council budget decisions / M-J Adopted Budget 2019/2020.

Elect new officers.

MEASURE J COMMISSION
CITY OF PALM SPRINGS, CALIFORNIA
www.palmspringsca.gov



MEETING MINUTES
THURSDAY, DECEMBER 6, 2018, 4:00 p.m.
CITY HALL LARGE CONFERENCE ROOM

CALL TO ORDER: Chair Gazan called the December 6, 2018 Regular Meeting of the Measure J Commission of the City of Palm Springs to order at 4:00 p.m.

ROLL CALL:

Commissioner Williams notified in advance of absence.

PRESENT: Commissioners Bixon, Gray, Hammond, Johnson, Marshall, and Chair Gazan.
ABSENT: Commissioner Williams, and Vice-Chair Craig
ALSO PRESENT: Commission Secretary Muniz, Interim Finance Director Pendleton, Assistant Engineer Montalvo and Assistant City Manager / City Engineer Fuller.

PLEDGE OF ALLEGIANCE: Commissioner Marshall led the Pledge.

ACCEPTANCE OF THE AGENDA: Approve the Agenda as presented. **Motion by Commissioner Marshall, seconded by Commissioner Johnson and unanimously carried noting the absence of Commissioner Williams and Vice-Chair Craig.**

APPROVAL OF MINUTES: Approve the October 31, 2018 as presented. **Motion by Commissioner Gray, seconded by Commissioner Johnson and unanimously carried noting the abstention of Commissioner Marshall and absence of Commissioner Williams and Vice-Chair Craig.**

PUBLIC COMMENT: None.

1. WELCOME AND COMMENTS FROM MEASURE J CHAIR:

No action taken.

2. CITY MANAGER'S REPORT:

Assistant City Manager Fuller provided a verbal report.
No action taken.

3. INTERIM FINANCE DIRECTOR'S REPORT:

Interim Finance Director Pendleton not in attendance.
No action taken.

4. MEASURE J PROJECTS UPDATE REPORT:

Assistant City Engineer Joel Montalvo and Senior Civil Engineer Donn Uyeno provided a verbal report.
No action taken.

ACTION: The funds currently allocated for Community Enhancements and Community Sidewalks to be reallocated to the Palm Canyon CVAG grant matching funds. **Motion by Commissioner Hammond, seconded by Commissioner Marshall and unanimously carried noting the absence of Commissioner Williams and Vice-Chair Craig.**

ACTION: Should the funds currently allocated for the Andaz Project come available to Measure J, it would be reallocated to the Downtown Park. **Motion by Commissioner Gray, seconded by Commissioner Johnson and unanimously carried noting the absence of Commissioner Williams and Vice-Chair Craig.**

PUBLIC COMMENT: None.

STAFF MEMBER COMMENTS: None.

COMMISSION MEMBER ITEMS, COMMENTS AND REQUESTS: Commissioner Johnson thanked the Commission for their input for the upcoming meeting with Mayor Moon and Councilmember Holstege. Commissioner Marshall commented on the Rainbow Crosswalk. Commissioner Hammond commented on a 3D Rainbow Crosswalk. Chair Gazan thanked the Commissioners that will continue in January.

ADJOURNMENT: The Regular Meeting of the Measure J Commission of the City of Palm Springs adjourned at 4:51 p.m. to Thursday, January 17, 2019, at 4:00 p.m., Palm Springs City Hall, Large Conference Center, 3200 E. Tahquitz Canyon Way. **Motion by Commissioner Marshall, seconded by Commissioner Johnson and unanimously carried noting the absence of Commissioner Williams and Vice-Chair Craig.**

APPROVED BY A MOTION OF THE MEASURE J COMMISSION THIS 17TH DAY OF JANUARY, 2019.

Ariana Muñiz
Commission Secretary

City of Palm Springs
Multi-Year Summary of Available Measure J Funds

	Projected				
	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
Estimated Revenue *	14,200,000	14,600,000	15,000,000	15,500,000	16,000,000
Percentage Increase		3%	3%	3%	3%
Total Available Funds	14,200,000	14,600,000	15,000,000	15,500,000	16,000,000
<i>Existing Budget Obligations:</i>					
Multi-Year Projects:					
Street Repairs	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Downtown Park	1,650,000	1,000,000	-	-	-
Uptown Parking Structure (Andaz agreement)	2,000,000	-	-	-	-
Community Projects	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Airport Reserve on Aviation Fuel Sales per FAA **	200,000	200,000	200,000	200,000	200,000
Total Multi-Year Projects (Subtotal)	7,850,000	5,200,000	4,200,000	4,200,000	4,200,000
Other Approved Projects and Expenses:					
Debt Service	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Downtown Prop Maint & Other Expenses	525,000	550,000	575,000	600,000	625,000
Cornelia White House Restoration	100,500				
Total Existing Budget Obligations	11,675,500	8,950,000	7,975,000	8,000,000	8,025,000
Unallocated New Funds Available for Budgeting	<u>\$ 2,524,500</u>	<u>\$ 5,650,000</u>	<u>\$ 7,025,000</u>	<u>\$ 7,500,000</u>	<u>\$ 7,975,000</u>
Unexpended Prior Year Community Project Funding Available to Reallocate	-	-	-	-	-

* Note: Revenue is assumed to grow by 3% from fiscal year 2019-2020 thru 2022-2023.

** Note: Effective December 8, 2017, per a Federal Aviation Administration ruling, the City is required to set aside Measure J sales taxes collected on aviation fuel sales for airport project expenses.

YTD Revenue Comparison through December 31 (6 Months):

FY 2018-19	7,260,968	
FY 2017-18	6,651,073	
Increase in Revenue from Previous FY (Cash Basis)	<u>609,895</u>	9.2%



CITY OF PALM SPRINGS, CALIFORNIA MEASURE J FUND FISCAL YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENTS

Focused
on YOU



CITY OF PALM SPRINGS, CALIFORNIA
MEASURE J FUND

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2018

CITY OF PALM SPRINGS, CALIFORNIA

MEASURE J FUND
FINANCIAL STATEMENTS

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Palm Springs, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure J Fund of the City of Palm Springs (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure J Fund of the City of Palm Springs, California, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



To the Honorable Mayor and Members of the City Council
City of Palm Springs, California

Emphasis of a Matter

As described in Note 1 to the financial statement, the financial statement is prepared in accordance with Measure J which requires a financial statement that presents only the Measure J Fund and does not purport to, and does not, present fairly the financial position of the City of Palm Springs, California as of June 30, 2018, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Restriction of Use

Our report is intended solely for the information and use of the City of Palm Springs and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2018 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.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea California
December 26, 2018

CITY OF PALM SPRINGS

MEASURE J FUND
 STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
 JUNE 30, 2018

	<u>Measure J Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Assets:			
Cash and investments	\$ 16,116,161	\$ -	\$ 16,116,161
Receivables:			
Accrued interest	18,722	-	18,722
Due from the City's general fund	2,347,066	-	2,347,066
Total Assets	<u>\$ 18,481,949</u>	<u>-</u>	<u>18,481,949</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts payable	\$ 2,064,257	-	2,064,257
Accrued liabilities	4,250	-	4,250
Total Liabilities	<u>2,068,507</u>	<u>-</u>	<u>2,068,507</u>
Fund Balance:			
Assigned for capital projects	16,413,442	(16,413,442)	-
Total Fund Balance	<u>16,413,442</u>	<u>(16,413,442)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 18,481,949</u>		
Net Position:			
Unrestricted		16,413,442	16,413,442
Total Net Position		<u>\$ -</u>	<u>\$ 16,413,442</u>

CITY OF PALM SPRINGS

MEASURE J FUND
 STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2018

	<u>Measure J Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Taxes	\$ 14,993,495	\$ -	\$ 14,993,495
Use of money and property	22,723	-	22,723
Total Revenues	15,016,218	-	15,016,218
Expenditures:			
Public Works	8,567,776	-	8,567,776
Total Expenditures	8,567,776	-	8,567,776
Excess (Deficiency) of Revenues Over (under) Expenditures	6,448,442	-	6,448,442
Other Financing Sources (Uses):			
Transfers out	(3,200,000)	-	(3,200,000)
Total Other Financing Sources (Uses)	(3,200,000)	-	(3,200,000)
Net Change in Fund Balance/Net Position	3,248,442	-	3,248,442
Fund Balance/Net Position at Beginning of Year	13,165,000	-	13,165,000
Fund Balance/Net Position at End of Year	\$ 16,413,442	\$ -	\$ 16,413,442

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City of Palm Springs, California Measure J Fund (the "Fund") is used to account for Measure J's activities. Measure J is a local revenue measure passed on November 8, 2011, to maintain local community services and economically revitalize the downtown area.

The Fund is a governmental fund of the City of Palm Springs, California, and the accompanying financial statements are included in the City of Palm Springs, California's basic financial statements.

The accompanying financial statements are for the Measure J Fund only and are not intended to fairly present the financial position of the City of Palm Springs, California or the results of its operations.

b. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental fund. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

c. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's fund. The emphasis of fund financial statements is on major fund. The government reports only one major governmental fund. The Measure J fund is the primary operating fund. It accounts for all financial resources.

d. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

e. Assets, Liabilities and Net Position or Equity

Cash and Investments

The fund's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the fund are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

The fund pools its cash and investments with the City of Palm Springs.

Receivables and Payables

All receivables are shown net of an allowance for uncollectibles.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Fund Equity

In the fund financial statements, the fund reports the following fund balance classifications:

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

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

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's governing board.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

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

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications.

**CITY OF PALM SPRINGS
MEASURE J FUND**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2018**

Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net Position is the excess of all the fund's assets over all its liabilities, regardless of fund. Net Position is divided into three captions. These captions apply only to net position, which is determined only at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the fund's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the government cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted to use.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Note 2: Cash and Investments

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

Cash and investments	\$ 16,116,161
Total	<u>\$ 16,116,161</u>

The fund's cash and investments are pooled with the City of Palm Springs cash and investment in order to generate optimum interest income. Each fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their month-end cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the fund's pooled cash and investments is included in the City of Palm Springs' basic financial statements, which are available at 3200 East Tahquitz Canyon Way, Palm Springs, California 92262.

Note 3: Commitments and Contingent Liabilities

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

Note 4: Risk Management

The fund is covered under the City of Palm Springs' insurance policies. Therefore, the limitations and self-insured retentions applicable to the City also apply to the fund. Additional information on coverage and self-insured retentions can be obtained by contacting the City of Palm Springs.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of City Council
City of Palm Springs, California

Report on Compliance

We have audited the compliance of the Measure J Fund of the City of Palm Springs, California (the City) with the types of compliance requirements described in the Measure J ballot passed on November 8, 2011, (Measure J) for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of Measure J.

Auditor's Responsibility

Our responsibility is to express opinions on compliance with the requirements of Measure J based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and Measure J. Those standards and Measure J require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on Measure J Fund of the City. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to the Measure J Fund for the year ended June 30, 2018.

Report on Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.



CPAs AND ADVISORS

To the Honorable Mayor and Members of City Council
City of Palm Springs, California

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of Measure J on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Measure J. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management and the Governing Board of the City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Lane, Soll & Luggard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 26, 2018

City of Palm Springs

Revenue and Expenditures
June 30, 2018

Maryanov Madsen Gordon & Campbell
CERTIFIED PUBLIC ACCOUNTANTS - A Professional Corporation

Maryanov Madsen Gordon & Campbell
CERTIFIED PUBLIC ACCOUNTANTS - A Professional Corporation

INDEPENDENT ACCOUNTANTS' REPORT

Mayor, City Council, and Measure J Commission
City of Palm Springs
Palm Springs, California

We have performed the procedures enumerated below, which were agreed to by the City of Palm Springs, solely to assist you in evaluating the actual revenues and expenditures of Measure J for the year ended June 30, 2018 as presented on Schedule 1. The City of Palm Springs' management is responsible for the Measure J revenues and expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows.

1. We have verified all Measure J revenues (sales tax receipts) from the State of California for the period noted in the first paragraph by reviewing documentation for each individual deposit. Schedule 1 reports year-to-date revenues of \$14,993,495.
2. We have verified the Measure J expenditures for the period noted above by reviewing prior Council approval of expenditures and supporting documentation. Schedule 1 reports year-to-date expenditures of \$8,567,774. Based on statistical sampling methods, we tested 88% (\$7,515,514) of total expenditures, all of which were verified without exception.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Measure J revenues and expenditures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Mayor, City Council, and the Measure J Commission of the City of Palm Springs and is intended to be used by such parties to assist in meeting the requirements of section 3.22.140 "Independent Annual Audit" of Measure J, which requires an accounting of the revenues received and expenditures made from the transaction and use tax and is not intended to be used by anyone other than those specified parties.

Maryanov Madsen Gordon & Campbell

January 16, 2019

City of Palm Springs
Measure J Capital Project Fund
Revenue and Expenditures
June 30, 2018

Account Title	Adopted Budget	Revised Budget	Actual FY18	Remaining Balance
Revenue & Transfers In				
Measure J Sales Tax Transferred In from General Fund	13,400,000.00	13,800,000.00	14,993,494.95	(1,193,494.95)
Interest Income			151,070.11	(151,070.11)
Unrealized Investment Gain or (Loss)			(128,349.81)	128,349.81
TOTAL REVENUE & TRANSFERS IN	13,400,000.00	13,800,000.00	15,016,215.25	(1,216,215.25)
Expenditures & Transfers Out				
MEAS J COMMUNICATION		10,270.45	1,480.48	8,789.97
MEAS J PROP MAINT/LANDSCA	430,000.00	807,575.00	102,767.23	704,807.77
MEAS J SPECIAL AUDIT	20,000.00	31,231.67	4,849.50	26,382.17
MEAS J IMPLEMENT COSTS				
Downtown Maintenance/ Other Exp	450,000.00	849,077.12	109,097.21	739,979.91
STREETS - SLURRY SEAL		42,493.48	0.00	42,493.48
STREETS-14-RECON/OVERLAY				
STREETS-15 RECON/O/SEAL	3,000,000.00	3,769,718.38	3,620,939.10	148,779.28
STREETS-18 PVMT REHAB		25,000.00	22,697.24	2,302.76
STREETS-19 RECON/O/SEAL				
Street Repairs	3,000,000.00	3,837,211.86	3,643,636.34	193,575.52
PALM CYN PED ENHANCEMENTS		100,000.00	33,497.72	66,502.28
INDIAN CYN PED ENHANCEMEN		100,000.00	55,995.39	44,004.61
EPC/SPC IMPROVEMENTS		100,000.00	23,918.40	76,081.60
COMMUNITY ENHANCEMENTS	1,202,125.00	1,806,000.25	31,594.96	1,774,405.29
COMM TRAFFIC STUDY/PROJ				
COMMUNITY SIDEWALKS		747,199.45	358,455.34	388,744.11
Community Projects	1,202,125.00	2,853,199.70	503,461.81	2,349,737.89
UNSCHEDULED CAPITAL PROJ		443,199.37	0.00	443,199.37
DESERT HIGHLAND LT POLES		3,740.25	0.00	3,740.25
RUTH HARDY SECUR LIGHTING		269.81	0.00	269.81
LTING REPLAC UNDRGRD ELEC		909,660.99	28,865.68	880,795.31
DOWNTOWN PS REDEV EXP		7,224.47	4,570.19	2,654.28
SUNRISE PK SHADE STRUCTUR		2,063.70	2,063.70	0.00
TRAILHEAD WASTE	7,200.00	7,200.00	0.00	7,200.00
LIBRARY PLANNING		125,294.00	0.00	125,294.00
ENTRY WAY SIGNS		2,756.18	0.00	2,756.18

POLICE TRG CTR TECH UPGRA		218,659.13	43,967.23	174,691.90
BLDG MICROFILM TO INTERNE		40,579.06	0.00	40,579.06
POLICE RECORDS RED/RENO	1,750,000.00	3,009,891.04	743,377.54	2,266,513.50
NMTP/BIKING ISSUES		521,044.35	4,389.75	516,654.60
TAHQUITZ CREEK MASTER PLA		82,575.73	165.81	82,409.92
SECURITY CAMERA FIRE STAT		8,664.17	8,664.17	0.00
KEYLESS ENTRY FIRE STATIO		31,699.85	8,468.76	23,231.09
UPTOWN TREEWELL IRRIGATIO		31,769.59	0.00	31,769.59
CITY HALL SECURITY DESIGN		75,694.59	9,358.85	66,335.74
TAHQUITZ MEDIAN		8,019.90	0.00	8,019.90
TROLLEY SHUTTLE	847,962.00	1,206,903.32	876,494.65	330,408.67
PROJECT MANAGEMENT	50,000.00	50,000.00	0.00	50,000.00
DOWNTOWN PROJECT		2,378,136.05	1,066,650.67	1,311,485.38
I-HUB BLDG MODIFICATION		47,679.69	0.00	47,679.69
CMAQ/CVAG - BIKE LANES		136,660.40	8,715.33	127,945.07
FIRE EMER ALERT SYSTEM		98,169.21	116.63	98,052.58
OIL/WATER SEPARATOR 443		49,133.88	1,055.80	48,078.08
PUBLIC TRAILS CHINO CONE		5,000.00	0.00	5,000.00
ALEJO_BELARDO CHURCH LOT		400,000.00	0.00	400,000.00
CC HVAC/LIGHT CONTROL SYS		29,067.51	0.00	29,067.51
CC AIR WALL REHAB		75,000.00	0.00	75,000.00
CC NEW WELCOME BANNER INF		83,220.00	0.00	83,220.00
EVAL ALL CITY FACILITIES		209,299.99	31,224.75	178,075.24
DEMUTH ADA DESIG & COMP		170,343.06	170,343.06	0.00
REROOF CH/LEISURE/DEMUTH		247,438.52	243,512.71	3,925.81
SWIM CENTER RE-PLASTER		220,126.18	208,025.50	12,100.68
HVAC CHILLER COOLING TOWE		209,681.49	2,928.94	206,752.55
IT BUP SERV FWALL SECURIT		15,165.20	13,016.00	2,149.20
PD TECH ENHANCEMENTS		113,209.36	36,951.78	76,257.58
CORNELIA WHITE HOUSE REST		199,800.41	142.24	199,658.17
LIBRARY INFRA PHASE 1		498,520.37	730.92	497,789.45
CHINO CONE TRAIL		85,000.00	85,000.00	0.00
DOWNTOWN PARK	1,000,000.00	1,525,237.44	315,556.95	1,209,680.49
FIRE STATION #4	1,700,000.00	2,300,000.00	352,579.50	1,947,420.50
BOLLARDS PH 1 LA PLAZA	300,000.00	300,000.00	44,641.24	255,358.76
NPC CROSSWALK	200,000.00	200,000.00	0.00	200,000.00
Capital Projects	5,855,162.00	16,382,798.26	4,311,578.35	12,071,219.91
AIRP RES-FUEL FAA		150,000.00	0.00	150,000.00
Meas J Airport Projects	0.00	150,000.00	0.00	150,000.00
Transfers Out to Debt Service		3,200,000.00	3,200,000.00	0.00
TOTAL MEASURE J EXPENDITURES & TRANSFERS OUT		10,507,287.00	27,272,286.94	11,767,773.71
				15,504,513.23

