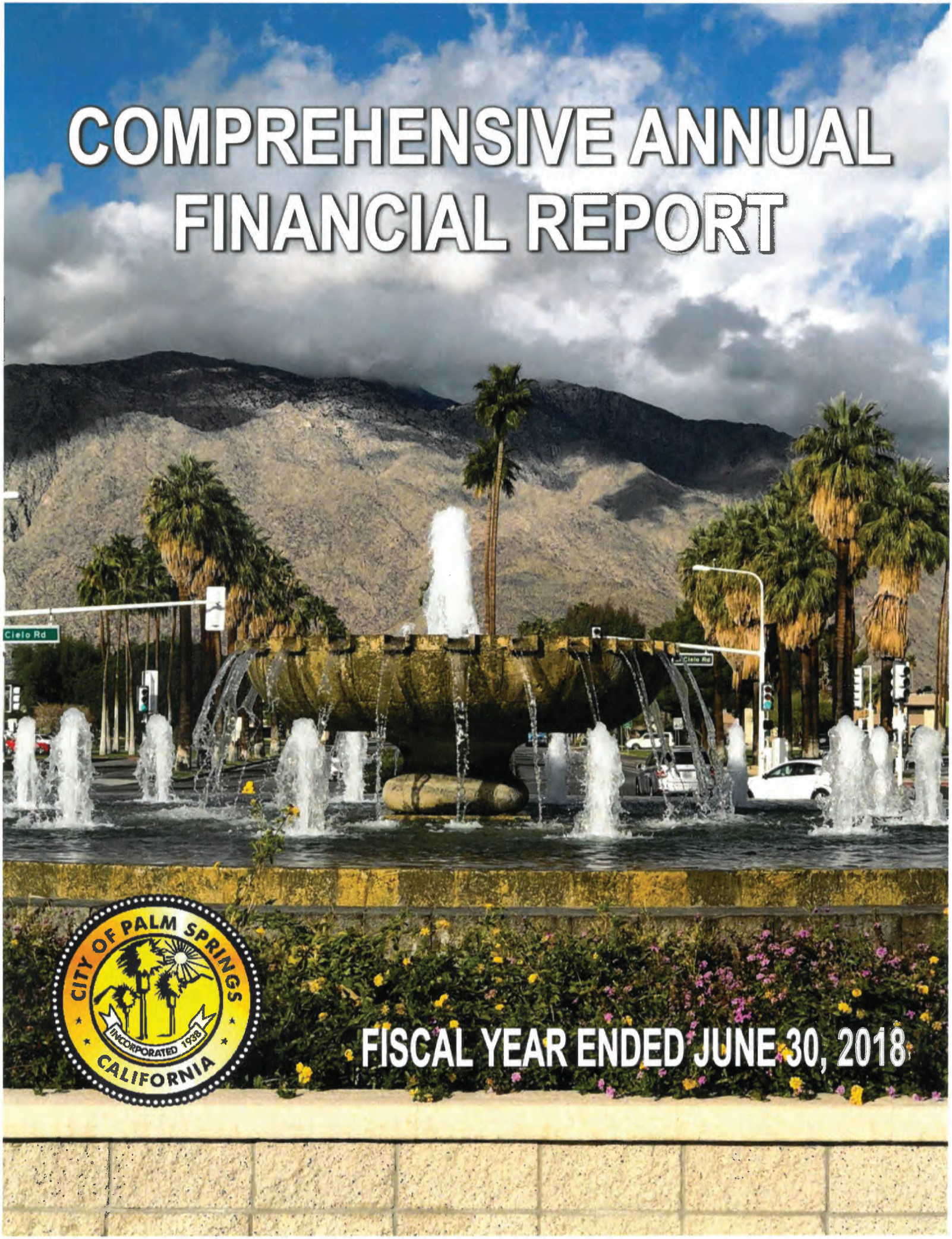
COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF PALM SPRINGS
INCORPORATED 1938
CALIFORNIA

FISCAL YEAR ENDED JUNE 30, 2018

CITY OF PALM SPRINGS, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared By:
Finance Department

Marla L. Pendleton, CPA
Interim Director of Finance

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CITY OF PALM SPRINGS

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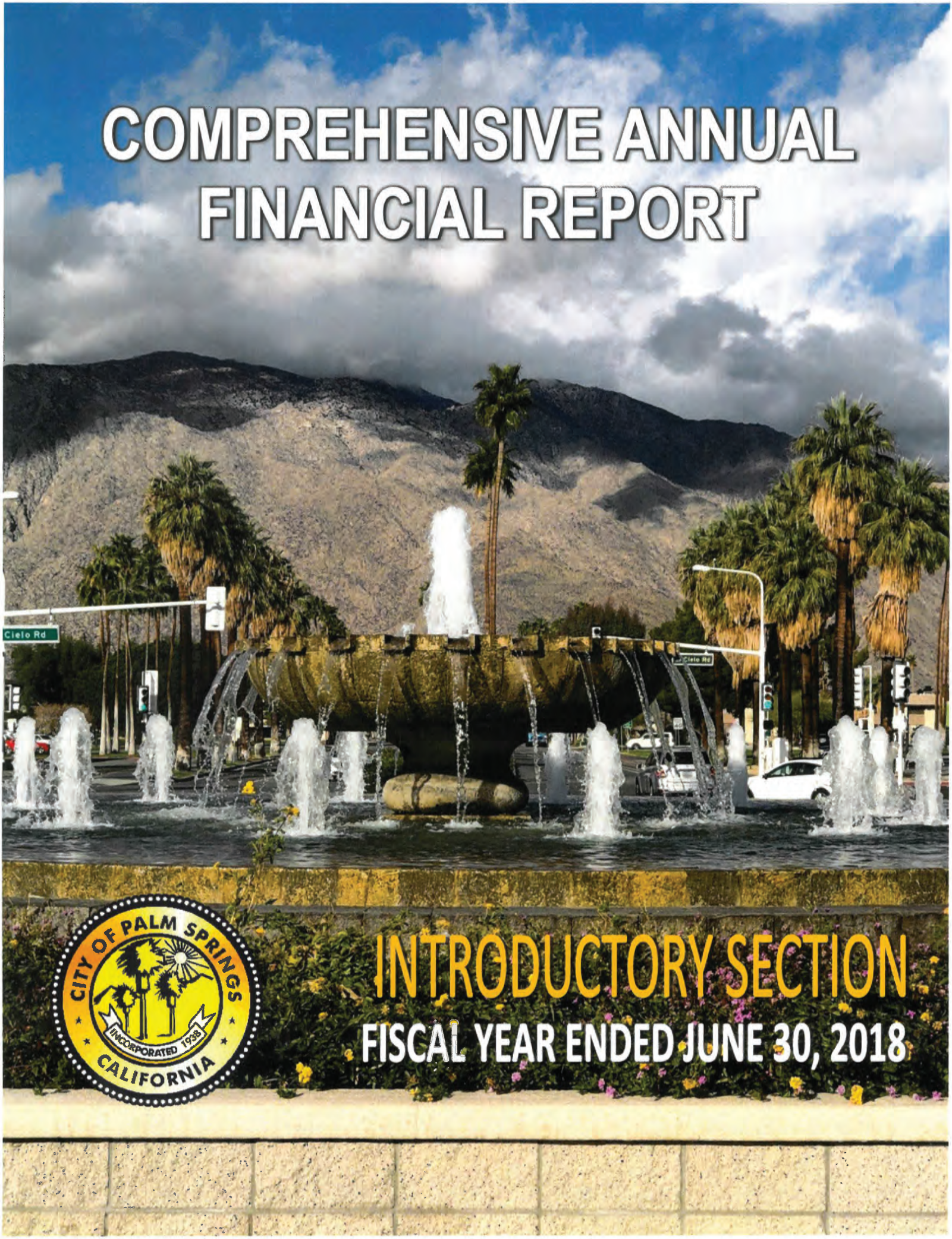

CITY OF PALM SPRINGS
INCORPORATED 1938
CALIFORNIA

INTRODUCTORY SECTION

FISCAL YEAR ENDED JUNE 30, 2018

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City of Palm Springs

Department of Finance & Treasury

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262

Tel: (760) 323-8229 • Fax: (760) 322-8320 • Web: www.palmspringsca.gov

December 27, 2018

To the citizens of The City of Palm Springs, California:

The comprehensive annual financial report (CAFR) of the City of Palm Springs (the City) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed 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.

The report includes the City's government-wide financial statements and fund financial statements. The government-wide financial statements include two statements: the Statement of Net Position showing the total net equity of the City, including infrastructure, and the Statement of Activities that shows the cost of providing government services. Both of these statements have been prepared using the accrual basis of accounting, used by most businesses, as compared to the modified accrual method used in fund financial statements (the traditional governmental financial reports). A reconciliation report is provided in the CAFR Fund Financial Statements to account for the differences between the two reporting methods.

In addition, the reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. The statements, combined with other information, are further analyzed in the ***Management's Discussion and Analysis*** (MD&A). The MD&A provides "financial highlights" and a financial interpretation of trends, fluctuations and variances in the financial data. The MD&A further discusses any events or decisions that significantly affect the financial condition of the City.

The City is required to undergo an annual single audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

The City provides a full range of services including public safety, highways and streets, sanitation, culture and recreation, aviation, public improvements, planning and zoning, community development, and general administrative services. In addition to general government activities, the City serves as the Successor Agency for the former Community Redevelopment Agency of the City of Palm Springs, and is considered to be financially accountable for the Palm Springs Financing Authority; therefore, these activities are included in the reporting entity.

GENERAL INFORMATION

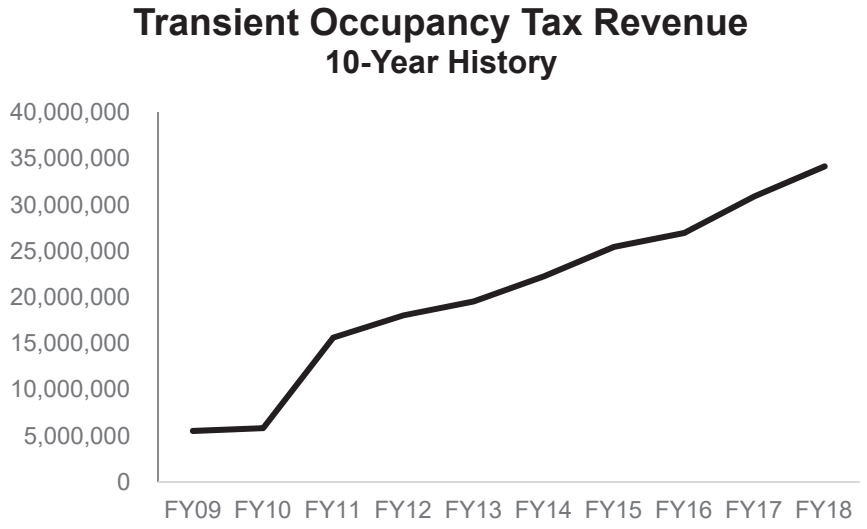
The City of Palm Springs, incorporated in 1938, is located in the western part of the Coachella Valley, one of the fastest growing regions of the State. The full time population of 48,142 increases substantially in the tourist season (approximately November through May) with the influx of part-time residents and hotel visitors. The full time population growth was 0.2% versus the prior year.

At 96.2 square miles, the City is one of the largest in area in the State.

ECONOMIC CONDITION AND OUTLOOK

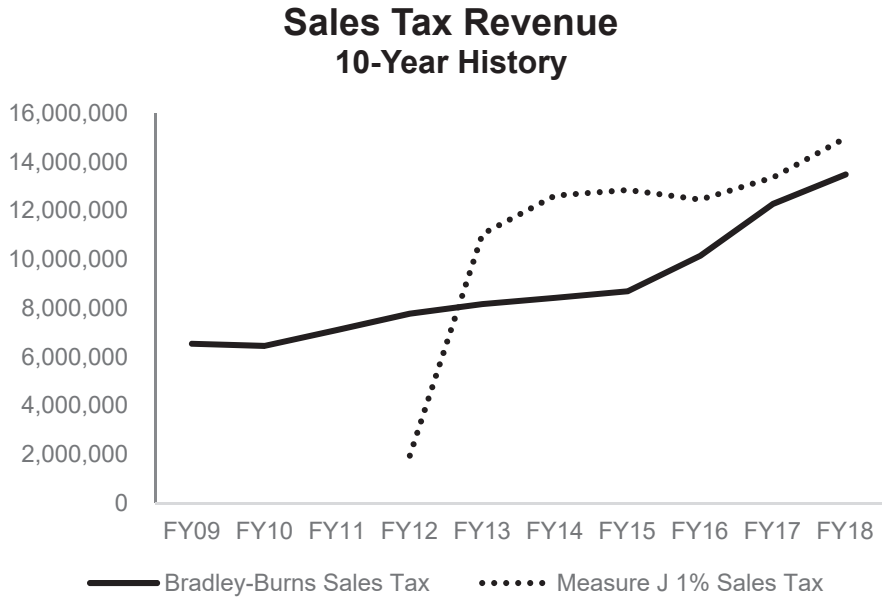
Since 2014, the City of Palm Springs has experienced increases in the top three revenue categories: transient occupancy taxes, sales taxes, and property taxes. These revenue increases are evidence of the strong tourist industry. Beginning in 2015-2016 and continuing through 2017-2018, property tax revenues have exceeded pre-recession levels as a result of the ongoing rebound in the real estate market locally, statewide, and throughout the nation. This important revenue category is expected to continue on a moderate path for growth.

Transient Occupancy Tax (TOT), or 'hotel, motel, and vacation rental tax,' is the City's most significant revenue source. TOT revenue has consistently increased due to the combination of increased marketing efforts both nationally and internationally, as well as increased airline routes and seat capacity made through the City's and Greater Palm Springs Convention and Visitor Bureau's Airline Incentive Programs, the recent remodeling of several hotels accomplished in conjunction with the City's Hotel Incentive Program, and continuing TOT audits of hotels, motels, and vacation rental properties. Over the past ten years, TOT revenue has climbed 516% from $5.6 million in 2008-09 to $34.2 million in 2017-18. In more recent years, we have experienced more moderate increases of 14.6% and 10.6% increases in 2016-17 and 2017-18, which we anticipate continuing into the future.



The traditional Bradley-Burns Sales Tax for the 2017-2018 fiscal year was $13.5 million, a 95.1% increase over the past ten fiscal years. With a 21% and 9.9% annual increase seen in 2016-17 and 2017-18 fiscal years, respectively. Although the overall economy has come out of a slowdown phase, the City has experienced a more rapid recovery than other parts of the County and anticipates continued growth in sales tax as the construction of the Downtown Revitalization Project continues, which includes construction of restaurants and retail establishments.

In April 2012, the City began receiving the voter-approved Measure J, a local revenue measure increasing the local sales and use tax by one percent (1%), to maintain local community services and economically revitalize the downtown area. A special nine-member citizens' oversight commission was created to review revenues and expenditures, and make capital projects recommendations to the City Council. Measure J helps finance a bond to pay for the City's purchase of assets as part of the planned implementation of the Downtown Revitalization Project. This project is going to boost the economy in the City and the Coachella Valley as a whole.



Additionally, on November 7, 2017, Palm Springs voters approved Measure D, an additional 1/2 percent sales tax increase which went into effect on April 1, 2018. Measure D is expected to generate approximately $6.7 million per year and will add additional funds for public safety and assist in reducing the growing pressure on the City due to CalPERS investment income falling short of their own long-term projections.

Though property taxes have traditionally been the City's largest source of General Fund revenue, for the past six years beginning with fiscal year 2012-2013, it has been below both transient occupancy taxes and sales taxes. Property taxes in the General Fund, which represent 20% of all operating fund revenue, increased by $2.2 million, or 7.8% over the prior year. Additional planned new construction and the continued strengthening of existing property values is expected to continue to provide additional revenue growth in the coming years.

Other than transient occupancy tax, sales tax, and property tax, revenue increases have been relatively modest compared to the steady increases in a variety of areas such as pensions, health care, and utilities costs over the last several years. Fortunately, even as the Federal Reserve has begun increasing interest rates, inflation increases continue to be modest which has kept many expense increases relatively low.

MAJOR INITIATIVES FOR THE YEAR

The Palm Springs International Airport serves over 2 million passengers annually allowing visitors from around the world to experience the many amenities that make the Palm Springs destination like no place else in Southern California. Airport expansions include the ticketing area, vehicle rental areas, and the Transportation Security Administration (TSA) screening areas. Service has continued to expand with eleven airlines and many added non-stop flights and destinations in 2018.

The attraction to our first class city includes large scale events such as the Palm Springs International Film Festival, Modernism Week, the Gay Pride Parade, Tour de Palm Springs, Dinah Shore Weekend, and the White Party. Tourists continue to enjoy the City's famed midcentury modern design and architecture along with an array of art and cultural exhibits at the Palm Springs Art Museum. Hotel incentives offered by the City are used to renovate, upgrade, and rebrand existing hotels. The Wyndham Palm Springs (now the Renaissance), Howard Johnson (ACE Hotel and Swim Club), and the Ramada Inn (Saguaro) are a few hotels receiving incentives and increasing occupancy rates. New hotels continue to meet the increasing tourist demand with the November 2017 opening of the Kimpton Rowan Palm Springs Hotel and the anticipated 2019 openings of the Andaz Palm Springs by Hyatt and the Dream Hotel.

The next major capital project for the City is a 1.4 acre downtown park estimated at a cost of $6 million funded through Measure J sales tax. Construction is estimated for completion in the spring of 2020. Also scheduled for spring of 2020 is a new Cultural Center developed by the Agua Caliente Band of Cahuilla Indians. In addition, the College of the Desert is expected to open a new west valley campus in early 2021 at the mostly vacant Palm Springs Mall property purchased in April 2018.

In addition, the ½ cent Measure D local sales tax became effective April 1, 2018 generated $1.5 million in new revenue for the City general fund for the three months of 2017-18. Anticipated revenue for 2018-19 is $7.1 million. As the economy continues to grow in Palm Springs, so does the anticipated increases of TOT, sales taxes, and property taxes.

FOR THE FUTURE

Employment Contract Negotiations & Retirement Costs

At the end of Fiscal Year 2017-18, all employee bargaining unit contracts expired. As a result, contract negotiations have been ongoing for the three-year contract period, July 1, 2018 – June 30, 2021. The Management Association of Palm Springs (MAPS) and Palm Springs Firefighters Association (PSFA) units have agreed to annual cost of living increases; MAPS 2.5% annually and PSFA increases of 2.58%, 3.91%, and 2% over the next three fiscal years. Agreement has not been reached on the remaining four bargaining units.

In addition, required employer contributions as a percent of projected payroll is continuing to increase. Below are the projected future employer contributions based on the CalPERS Actuarial Valuation:

Employer PERS Rate Increases	Actual for	Actual for	Projected	Projected
By Group	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Police & Fire (Safety)	+3.882%	+4.500%	+4.600%	+3.600%
Non-Safety (Miscellaneous)	+2.860%	+2.700%	+2.300%	+1.700%
Employer PERS Rate Increases	Actual for	Actual for	Projected	Projected
By Group	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Police & Fire (Safety)	53.3%	57.8%	62.4%	66.0%
Non-Safety (Miscellaneous)	31.0%	33.7%	36.0%	37.7%

To offset against the rising retirement costs, the City Council has established a reserve for future cost increases. As of June 30, 2018, total reserves were $8.05 million; $7.25 million from the General Fund and $0.8 million from the Airport. An additional $3.2 million is budgeted in fiscal year 2018-19; $3.0 million from the General Fund and $0.2 million from the Airport.

Redemption of Long-term Debt

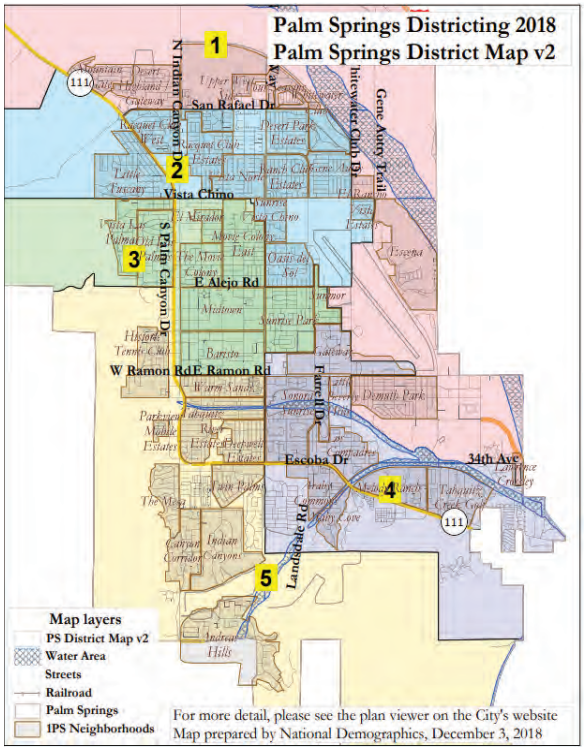
Each November, prior year surplus Passenger Facility Charge (PFC) revenue is used for the early redemption of 1998, 2006, and 2008 Bonds. In January 2019, the $235 thousand outstanding balance on the 1998 PFC Bonds will be fully redeemed by the City. In July 2019, the City intends on redeeming $2.2 million of the existing 2006 and 2008 PFC Bonds. Both bond issues will have remaining balances after the special redemption and debt schedules will be revised. This reduces the City's annual debt liability going forward.

Completion of the Wastewater Treatment Plant Improvements

As of November 2018, the wastewater treatment plan Capital Improvement Plan was completed. The project was significantly funded by the State Water Resources Control Board and included headwork, a primary pump station, two new primary clarifiers, primary sludge pump station, and primary degrading station. A new Capital Improvement Plan will be developed in 2019 for ongoing plant upgrades.

Change in Method of Council Election

The Palm Springs City Council is in the process of transitioning from an at-large method of election to a district-based election pursuant to Elections Code Section 10010. Below is the approved five-district voting map. The district-based election process will be implemented as the current council members are up for re-election; three seats in November 2019 and two in 2021. The position of mayor will become rotating and annually appointed.



FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the City.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's most recent single audit, for fiscal year ended June 30, 2017, provided no instances of material weaknesses in the internal control structure or signification violations of applicable laws and regulations.

Financial and Budgetary Controls. In addition, the City maintains financial and budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The City maintains an encumbrance accounting system as one

technique of accomplishing budgetary control. Purchase orders that would result in an overrun of a department line item account may not be processed until either a budget transfer from another account is processed, or after a budget amendment is processed which requires City Council approval. Encumbered amounts and unspent budgeted appropriations are reviewed and carried over at year end at the discretion of the City Manager. Additional year-end transfers between funds may be processed as needed at the City Manager's discretion.

As part of the passage of the Measure J increase of 1% to the sales and use tax, the City formed a nine-member citizens' oversight commission to review all projected revenues and recommended expenditures, oversee and monitor Measure J expenditures, and review the independent audit of revenues and expenditures from Measure J. Also, a separate financial review is prepared and presented by a second independent accounting firm to the City Council.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Appropriation Limitation. As required by Article XIII B of the California Constitution, the City's appropriation limitation for 2017-2018 expenditures was calculated at $159.1 million. Appropriations subject to limitation totaled $103.6 million, or $155.5 million below the City's legal appropriation limit. All of the City's proprietary funds are exempt, as are federal funds.

Debt Administration. As of June 30, 2018, the total remaining principal on the long-term debt of the City and its related entities is $209.5 million; $176.8 and $32.7 million, governmental and business-type balances, respectively.

OTHER INFORMATION

Independent Audit. State statute requires an annual audit by independent certified public accountants. The accounting firm of Lance, Soll & Lunghard was selected by the City Council with the recommendation of the Finance Director and a Review Committee after a formal Request for Proposal process. Subsequently, a contract was entered into with Lance, Soll & Lunghard, LLP to perform audit services for the City and Redevelopment Agency. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The auditor's report on the general purpose financial statements and combining, individual fund and schedules are included in the financial section of this report. The City's independent auditors, Lance, Soll & Lunghard, LLP, have issued an unmodified opinion. The auditor's reports related specifically to the single audit are included in the Single Audit Report.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Springs for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the 29th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily-readable and efficiently-organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report on a timely basis could not have been accomplished without the team effort provided by the entire Finance Department staff. Specific gratitude and recognition is given to our CAFR lead, Celeste Reid, Accountant. In addition, without the dedicated effort provided by Dolores Olvera, Accounting Supervisor; Thomas Hays, Deputy Treasurer; Catherine Salazar-Wilson, Senior Financial Analyst; and Ariana Muniz, Administrative Assistant, our CAFR could not have been completed. Also, thank you Lance, Soll, & Lunghard, our independent auditors, for all of your technical expertise and guidance.

Respectfully submitted,

Marla L. Pendleton, CPA
Interim Director of Finance and Treasurer

CITY OF PALM SPRINGS

List of Principal Officials

June 30, 2018

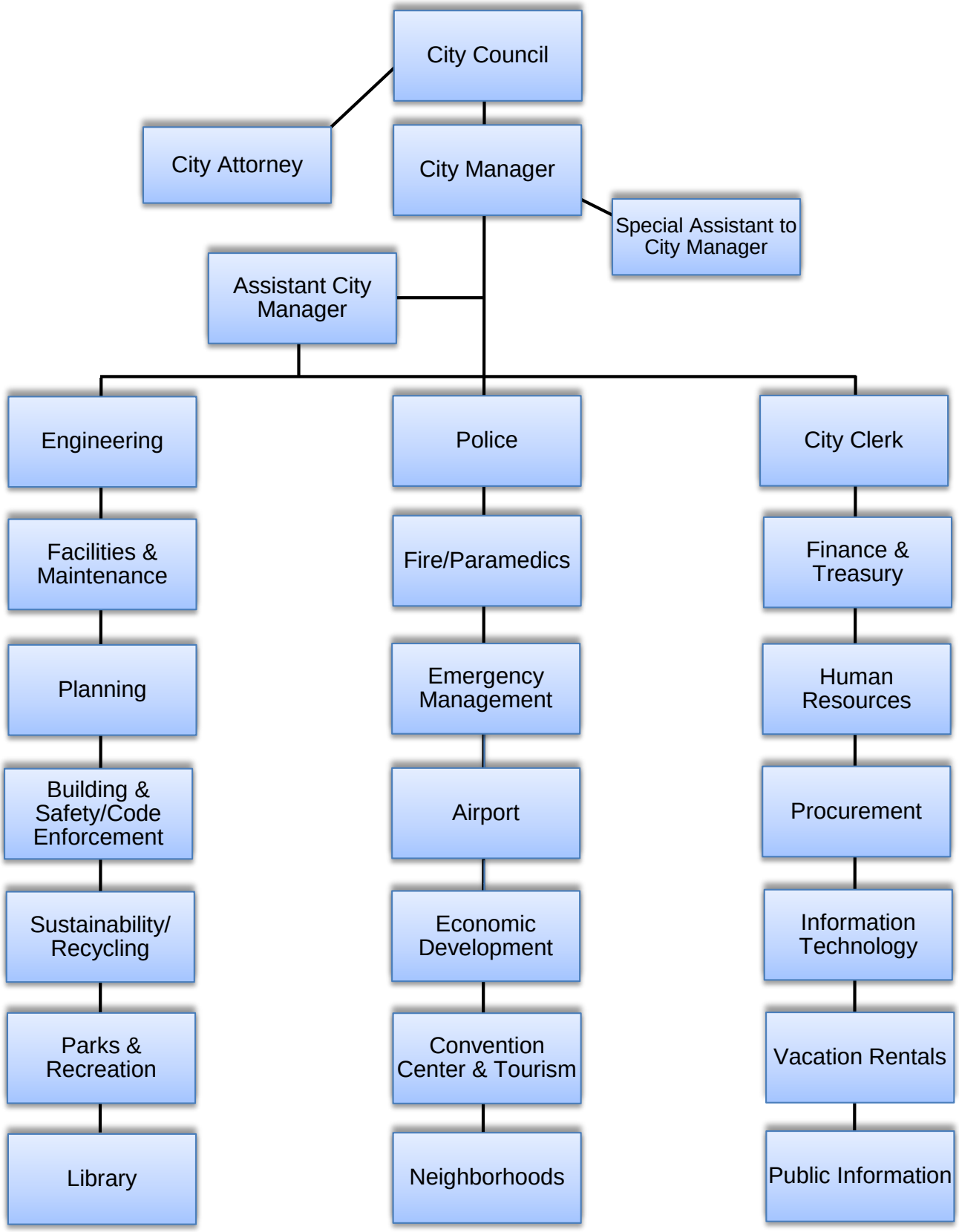
CITY COUNCIL

Robert Moon, Mayor
J.R. Roberts, Mayor Pro Tem
Christy Holstege
Geoff Kors
Lisa Middleton

EXECUTIVE MANAGEMENT

City Manager	David H. Ready
Assistant City Manager	Marcus Fuller
City Attorney	Edward Z. Kotkin
City Clerk	Anthony J. Mejia
Director of Animal Control	Leslie Tisdale
Director of Building and Safety	James Zicaro
Director of Community/Economic Development	Jay Virata
Director of Engineering	Thomas Garcia
Director of Finance and Treasurer	Geoffrey S. Kiehl
Director of Finance and Treasurer (Interim)	Marla L. Pendleton
Director of Human Resources	Perry Madison
Director of Library Services	Regina Kays
Director of Maintenance and Facilities	Staci Shafer
Director of Recreation	Vicki Oltean
Director of Planning Services	Flinn Fagg
Vacation Rental Compliance	Boris Stark / Suzanne Severin
Executive Director of PS Int'l Airport	Thomas Nolan
Fire Chief	Kevin Nalder
Police Chief	Bryan Reyes

City of Palm Springs Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Palm Springs

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

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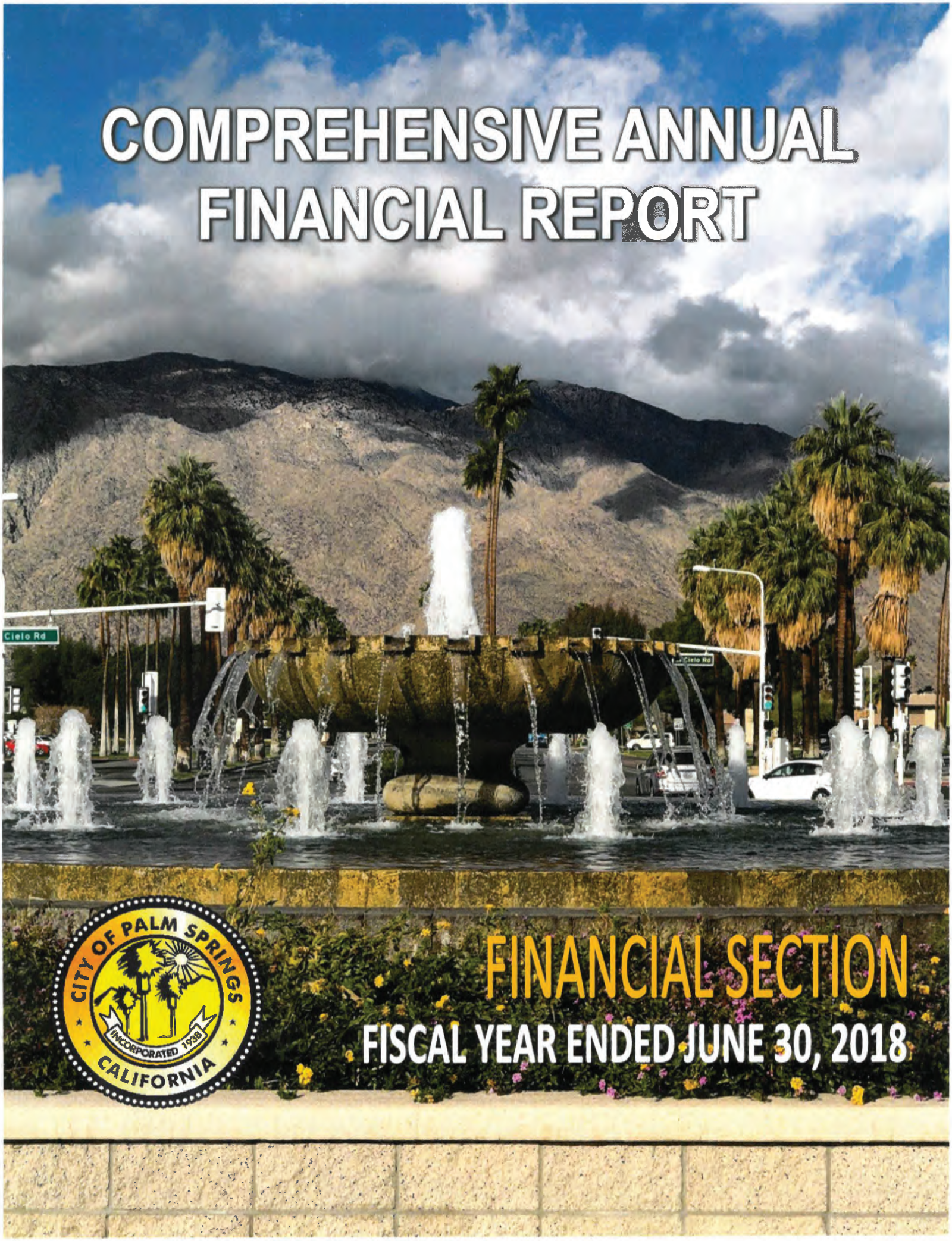

FINANCIAL SECTION

FISCAL YEAR ENDED JUNE 30, 2018

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CPAs AND ADVISORS

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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Palm Springs, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palm Springs, California, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. 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, the budgetary comparison schedules for the General Fund and the Housing Fund, the schedule of changes in net pension liability and related ratios, the schedule of changes in OPEB liability and related ratios, and the schedules of plan contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated 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 solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
December 26, 2018

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CITY OF PALM SPRINGS
Management's Discussion and Analysis
June 30, 2018

This section of the City of Palm Springs (the City) Comprehensive Annual Financial Report (CAFR) provides a narrative overview of the City's financial activities for the fiscal year ended June 30, 2018. We recommend reader's to consider this information in conjunction with the basic financial statements identified in the accompanying table of contents.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements which is comprised of three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or declining.

The *statement of activities* provides information about the City's net position demonstrating how it changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes (transient occupancy, property and sales - *governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities)*. The governmental activities of the City include general government, public safety, cultural and convention center, parks and recreation, public works, and library. Governmental activities include five major funds; General Fund, Housing, Capital Projects, Measure J and Special Assessments Debt Service, and 29 non-major funds. The business-type activities of the City include three major enterprise funds; Airport, Wastewater and Golf Course, and six internal service funds.

The government-wide financial statements also provide information regarding the City's component units, entities for which the City (the primary government) is considered to be financially accountable. Although the City's two blended component units (the Successor Agency to the Community Redevelopment Agency and the City of Palm Springs Financing Authority) are legally separate entities, they are, in substance, part of the City's operations. Accordingly, the financial information from these units is combined with financial information of the primary government.

Fund Financial Statements provide information about the City's three categories of funds - governmental, proprietary and fiduciary, rather than the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to segregate money related to government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds, which focus on the sources, uses, and balances of current financial resources, are used to account for the majority of City services. Governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year unlike government-wide financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances provided are accompanied by reconciliations to the government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains several individual governmental funds organized according to their type (general, special revenue, capital projects and debt service). The governmental fund financial statements present the financial information of each major fund (the General Fund, Housing, Capital Projects, Measure J and Special Assessments Debt Fund) in separate columns. Financial information for the remaining 29 governmental funds (nonmajor funds) is combined into a single, aggregated presentation. Financial information for each of these nonmajor governmental funds is presented in the supplementary information section.

Budgetary comparison statements are also included in the fund financial statements. The statements present the City's annual estimated revenue and appropriation budgets for all governmental funds. The budgetary comparison statements have been provided to demonstrate compliance with their respective budgets.

Proprietary funds are used to account for business-like activities provided to internal or external customers at a cost. The proprietary fund statements provide the same information as shown in the government-wide financial statements with more detail. The City maintains two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for Airport, Wastewater and Golf Course financial statements in separate columns of the proprietary fund statements.

- *Internal service funds* are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for motor vehicle replacement, facilities maintenance, employee benefits, risk management, retiree health insurance and the cogeneration energy plant. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund financial information for each internal service fund is provided in the required supplemental information section.

Fiduciary Funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support City programs nor be reflected in the government-wide financial statements. The City maintains one fiduciary fund, the Special Deposits Agency Fund, to primarily account for construction deposits. The City is responsible for ensuring that assets reported in this fund are used for their intended purposes.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for fair presentation of the financial information in the government-wide and fund financial statements.

Required Supplemental Information provides changes in net pension liability and related ratios, employer schedule of pension plan contributions, and budgetary comparison schedules for the general fund and housing.

Combining and individual fund statements and budgetary schedules provide information for nonmajor governmental funds, internal service funds, and the fiduciary fund, and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. Table 1 below focuses on the net position and changes in net position in the City's governmental and business-type activities. It presents an analysis of the City's net position as of June 30, 2018, compared to June 30, 2017. At the end of current fiscal year, the City reported positive net position in two of the three categories: net investment in capital assets and restricted net position. Total assets and deferred outflows of resources, as indicated below, exceeded liabilities and deferred inflows of resources by $118 million, representing a decrease of $79.7 million, or <40.3%> from the previous fiscal year. Implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, attributed to $97.6 million increase in long-term debt and a corresponding decrease in unrestricted net position. A more detailed discussion can be found under *Changes in the Total OPEB Liability* - Note 8 to the Basic Financial Statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *statement of net position* follows:

Table 1
Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	$ 151,793	$ 139,718	$ 77,961	$ 62,239	$ 229,754	$ 201,957
Capital assets	262,637	256,746	136,003	122,147	398,640	378,893
Total assets	414,430	396,464	213,964	184,386	628,394	580,850
Deferred Outflows	39,242	38,811	5,623	6,640	44,865	45,451
Long-term debt outstanding	464,079	353,871	54,940	41,320	519,019	395,191
Other liabilities	12,170	12,124	11,771	7,672	23,941	19,796
Total liabilities	476,249	365,995	66,711	48,992	542,960	414,987
Deferred Inflows	11,843	11,683	451	1,933	12,294	13,616
Net position:						
Invested in capital assets (net of debt)	141,220	120,746	104,660	102,298	245,880	223,044
Restricted	37,220	41,363	4,884	4,022	42,104	45,385
Unrestricted	(212,860)	(104,512)	42,881	33,781	(169,979)	(70,731)
Total net position	$ (34,420)	$ 57,597	$ 152,425	$ 140,101	$ 118,005	$ 197,698

A summary of the government-wide statement of activities follows:

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	$ 19,193	$ 16,509	$ 45,446	$ 41,711	$ 64,639	$ 58,220
Operating contributions & grants	3,829	2,880	-	-	3,829	2,880
Capital contributions & grants	2,633	4,189	3,770	1,520	6,403	5,709
General revenues:						
Property taxes & tax increment	31,292	24,536	-	-	31,292	24,536
Sales taxes	32,957	28,591	-	-	32,957	28,591
Transient occupancy taxes	34,241	30,972	-	-	34,241	30,972
Other taxes	12,777	13,111	-	-	12,777	13,111
Gain on sale of capital asset	5	-	-	-	5	-
Other general revenues	1,759	6,119	2,062	1,081	3,821	7,200
Total revenues	138,686	126,907	51,278	44,312	189,964	171,219
Program expenses						
General government	24,668	19,998	-	-	24,668	19,998
Public safety	55,466	49,398	-	-	55,466	49,398
Culture and convention center	7,474	7,454	-	-	7,474	7,454
Parks and recreation	10,412	9,903	-	-	10,412	9,903
Public Works	20,621	33,476	-	-	20,621	33,476
Library	3,196	3,239	-	-	3,196	3,239
Interest	6,641	6,857	-	-	6,641	6,857
Airport	-	-	28,716	28,962	28,716	28,962
Wastewater	-	-	7,456	7,010	7,456	7,010
Golf Course	-	-	5,208	5,141	5,208	5,141
Total expenses	128,478	130,325	41,380	41,113	169,858	171,438
Excess (deficiency) before transfers	10,208	(3,418)	9,898	3,199	20,106	(219)
Transfers	(725)	(2,246)	725	2,246	-	-
Increase (decrease) in net position	9,483	(5,664)	10,623	5,445	20,106	(219)
Beginning net position	57,597	64,440	140,101	134,507	197,698	198,947
Restatement of net position	(101,500)	(1,179)	1,701	149	(99,799)	(1,030)
Ending net position	$ (34,420)	$ 57,597	$ 152,425	$ 140,101	$ 118,005	$ 197,698

Revenues for governmental activities

Total revenues for governmental activities were $138.7 million, an increase of $11.8 million, or 9.3% from fiscal year 2016-17. The increase was significantly attributed to increases in sales tax, transient occupancy taxes (TOT) and charges for services of $4.4, $3.3, and $2.7 million, respectively.

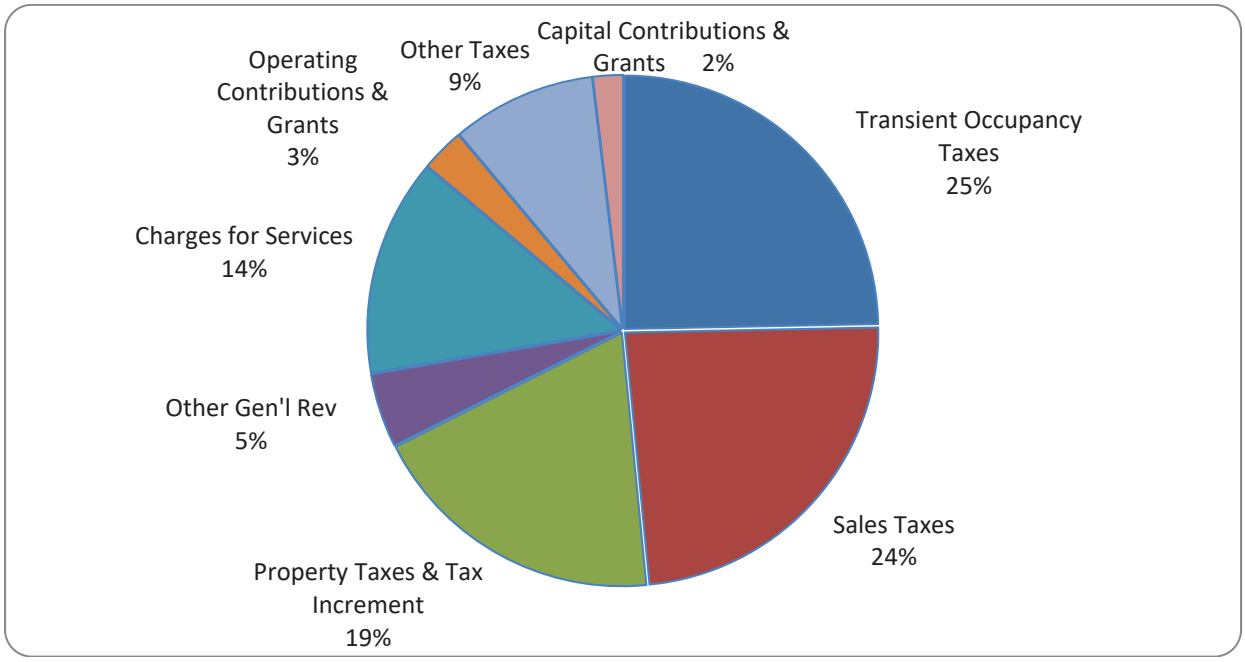
- Sales tax increased $4.4 million in 2018 due primarily to increased sales yielding $1.2 and $1.6 million in the Bradley Burns 1% local sales tax and the Measure J additional 1% local sales tax dedicated to maintain community services. Food and transportation industry sales yielded the highest increase during the year. In addition, with the passage of the .5% Measure D sales tax increase, $1.4 million new tax revenue was generated during the year for the City.
- Transient occupancy taxes (TOT) increased $3.3 million from 2016-17 generating $34.2 million for the year. With the healthy tourism economy and hotel incentive programs offered by the City, hotels are benefiting with higher occupancy rates and are able to obtain higher room rates, resulting in higher TOT. In addition, TOT revenue generated $8.3 million from vacation rentals, an increase of $0.8 million from the prior year.
- Charges for services increased $2.7 million, 16.3%, to $19.2 million. Significant increases were attributed to public works and general government which increased $1.2 and $0.8 million, respectively.
    - Public works charges for services was $7.0 million in the current year, an increase of $1.2 million, 20.1%. The significant increases were attributed to the small hotel tourism business improvement district tax, new Senate Bill 1 road maintenance funds and timing differences in requesting reimbursement for CSA 152 costs.
    - General Government charges for services was $5.8 million in the current year, an increase of $0.8 million, 16.5%, primarily due to the collection of administrative citations from the addition of code enforcement officers and an increase in vacation rental permit fees.

Expenses for governmental activities

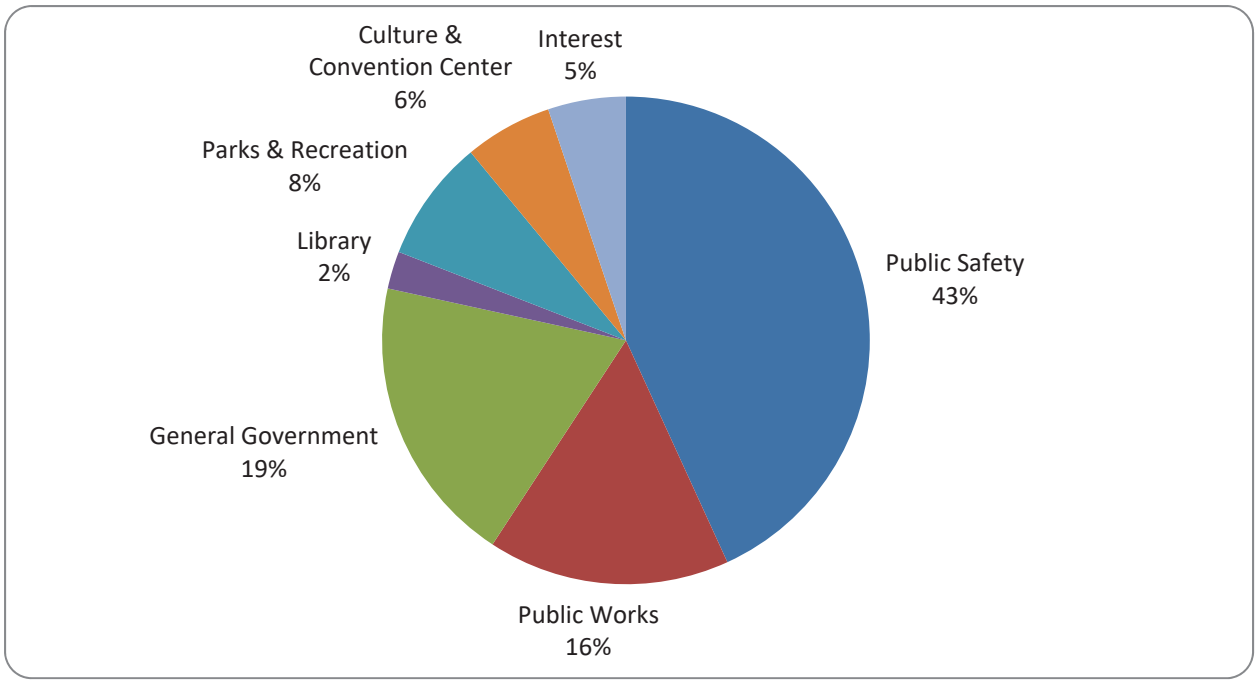
Total expenses for governmental activities were $128.5 million, a net decrease of $1.8 million, or 1.4% from fiscal year 2016-17. The net decrease was the result of a $10.8 combined increase in general government and public safety expenses ($4.7 and $6.1 million increase respectively) and a $12.9 million decrease, 38.4% in public works expenses.

- General Government increased $4.7 million, 23.4%, from $20.0 million in 2016-17 to $24.7 million. The following factors attributed to the majority of the increase:
    - City facility improvement costs for reroofing, solar photovoltaic system, and police remodeling attributed to $2.1 million.
    - TOT incentive payments increased $1.2 million due to the opening of the Rowen Hotel and the overall increase in TOT revenue.
    - The creation of the Vacation Rental Department attributed to $661 thousand of the increase.
- Public Safety increased $6.1 million, 12.3%, from $49.4 million in 2016-17 to $55.5 million. Significant factors attributing to the increase included:
    - Net pension liability $4.7 million.
    - Police safety costs of $1.2 million, which included the addition of six authorized positons; three police and three jail transport officers and filling vacant positons.
    - Fire safety costs of $1.0 million, included the addition of one authorized fire deputy chief position and filling vacant positions.
- Public Works decreased $12.9 million, 38.4%, from $33.5 million in 2016-17 to $20.6 million primarily attributed to the reclassification of capital assets expensed on the fund statements to capitalization on government-wide statements. A more detailed discussion can be found under *Capital Assets* - Note 4 to the Basic Financial Statements.

Revenue by Source – Governmental Activities



Expenses by Function – Governmental Activities



Revenues for business-type activities

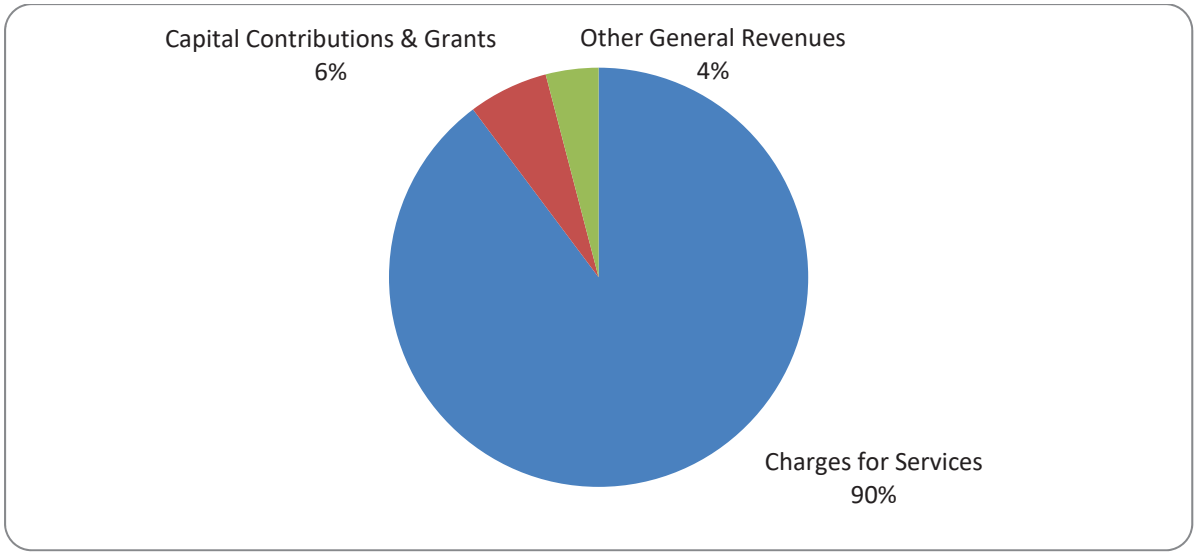
Revenue from City business-type activities (Table 2) increased $6.9 million, 15.7% from 2016-17 $44.3 to $51.3 million of which charges for services and capital contributions attributed to $3.7 and $1.6 million of the respective increase.

- Charges for services had two significant increases attributing to an increase of $3.7 million:
  - Airport revenue increased $2.5 million, 9.8%, from $25.6 to $28.1 million attributed to increased number of airplane landings and rental car parking. Landing fees increased $0.7 million and rental revenue $1.3 million from 2016-17.
  - Wastewater Treatment Plant recognized $1.1 million in revenue associated with the forgiveness of debt from the California State Water Resources Control Board.
- Capital contributions increase of $1.6 million was the result of $3 million of federal grant revenue being received compared to $1.4 million in 2016-17.

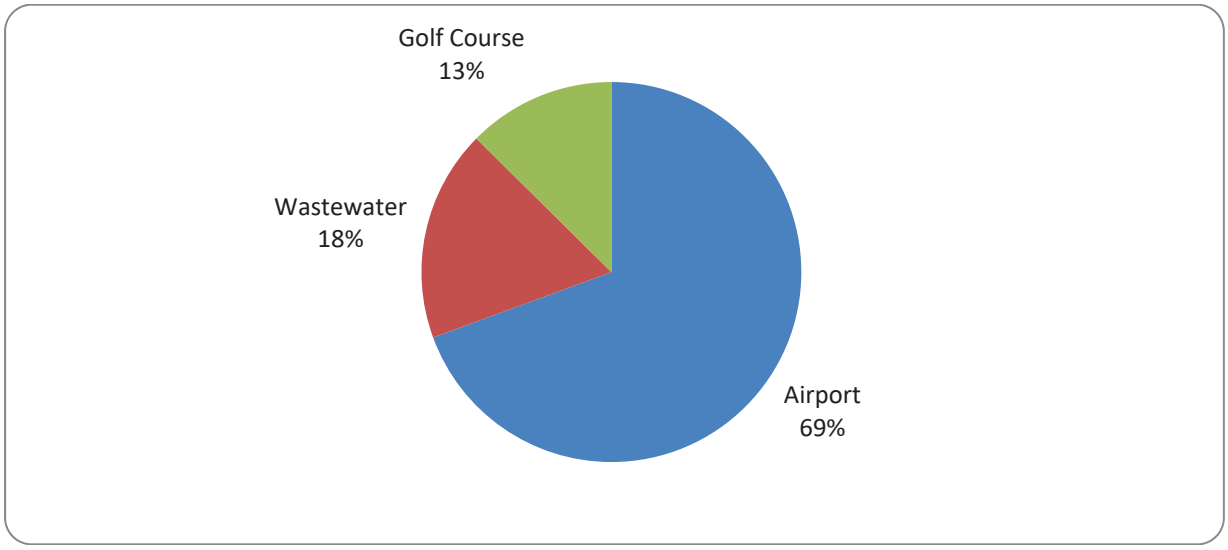
Expenses for business-type activities

Expenses from City business-type activities were $41.4 million compared to $41.1 million in 2016-17, resulting in a minor increase of $0.3 million, .6%.

Revenues by Source – Business-type Activities



Expenses by Function – Business-type Activities



FINANCIAL ANALYSIS OF FUND STATEMENTS

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing the City's short-term financial requirements. In particular, the total fund balance less the nonspendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the general fund, special revenue funds, capital projects funds and debt service funds. As of June 30, 2018, the City's governmental funds reported combined fund balances of $108.7 million, an increase of $13.6 million, 14.3%, in comparison with the prior year. The components of total fund balance are as follows:

- Nonspendable fund balance – $3.0 million, amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance – $37.2 million, amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Assigned fund balance – $33.0 million, amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed.
- Unassigned fund balance – $35.4 million, funds that are not reported in any other category and are available for any purpose within the general fund.

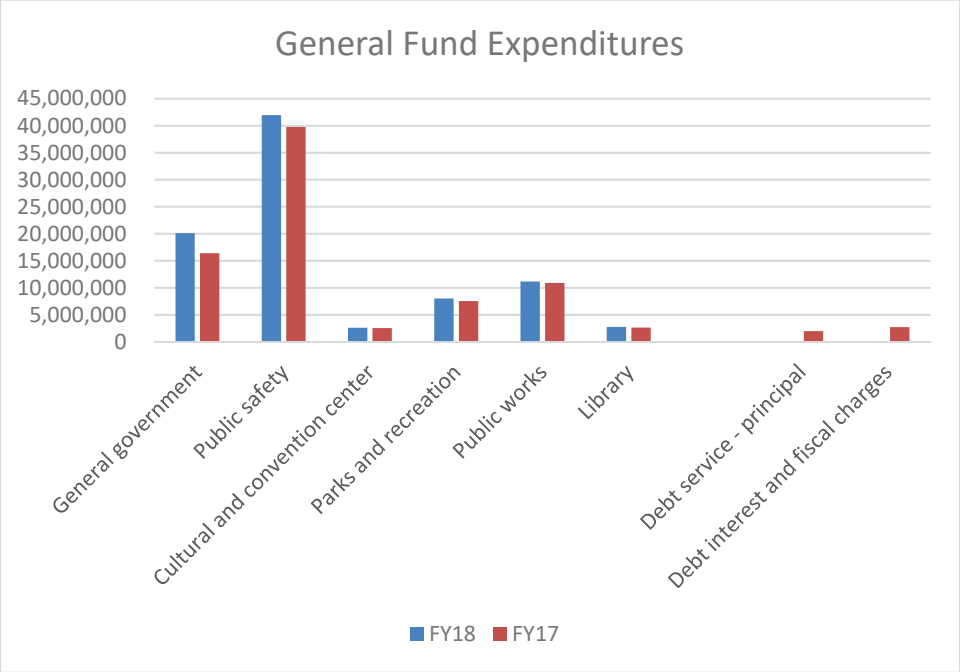
Total governmental fund revenue increased by $7.8 million, or 5.9%, from the prior fiscal year with $139.7 million being recognized for the fiscal year ended June 30, 2018. Expenditures increased by $6.8 million, or 5.8%, from the prior fiscal year with $123.7 million being expended for governmental functions during fiscal year 2017-18. Overall, governmental fund balance increased by $13.6 million, or 14.3%. In comparison, fiscal year 2016-17 had an increase in governmental fund balance of $9.8 million, or 11.5%, over fiscal year 2015-16.

Major Governmental Funds

The general fund is the primary operating fund of the City. At the end of the current fiscal year, the general fund's total fund balance was $50.3 million, as compared to $32.6 million in fiscal year 2016-17, an increase of $17.7 million, 54.5%. As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The nonspendable portion of fund balance was $3.0 million, and the spendable portion was $47.3 million, which was 3.5% and 54.6%, respectively, of the total general fund expenditures of $86.6 million, as compared to 3.6% and 35.0%, respectively, of the prior year expenditures total of $84.4 million.

Total general fund revenue increased $11.4 million, 10.3%, from $110.6 to $122.0 million. As noted above under governmental activities, the increase was significantly attributed to increases in sales tax, transient occupancy taxes (TOT) and charges for services of $4.4, $3.3, and $2.7 million, respectively.

Total general fund expenditures were relatively consistent from $84.4 million in fiscal year 2016-17 to the $86.6 million in the current year, an increase of $2.1 million, 2.5%. The below chart compares expenditures by functional area for the two fiscal years.



The other Major Governmental Funds include the **Special Assessments Debt Service, Capital Projects, Measure J** and **Housing.**

The Special Assessments Debt Service revenue and expenditures was consistent in the current fiscal year compared to 2016-17.

The Capital Projects Fund includes both projects funded by transfers from the General Fund and by grants. Total capital project fund revenue decreased $4.1 million, 48.3%, from $8.6 to $4.4 million due to significant Federal reimbursement being received in the prior year for completed bridge improvement projects. Total capital project expenditures increased $1.8 million, 42.7%, from $4.2 million in fiscal year 2016-17 to $6.0 million in the current year. The increase was primarily related to city facility improvements for reroofing, solar photovoltaic system, and police remodeling.

The Measure J Fund accounts for the one percent sales tax approved in Palm Springs for the restricted use of community services and revitalization of downtown Palm Springs. The sales tax revenue is recognized in the General Fund and the cash transferred into the Measure J fund for its intended use. Total other financing sources, including transfers in, increased $1.6 million, 15.8%, from $10.2 million in 2016-17 to $11.8 million due to the general increase in sales tax, as noted above under government-wide revenue from governmental activities. Total Measure J expenditures decreased $1.7 million, 16.6%, from $10.3 million in fiscal year 2016-17 to $8.6 million in the current year due to less funding expended on street repairs.

The Successor Housing Fund captures general government costs related to the final dissolution of the Community Redevelopment Agency, which was required under the February 2012 Dissolution Act (Assembly Bill x1 26, amended by AB 1484 in June 2012 and Senate Bill 107 in September 2015). There was no significant variance between current year revenue and expenditures compared to 2016-17. Additional information can be found under *Successor Agency Trust for Assets of Former Redevelopment Agency* - Note 12 to the Basic Financial Statements.

Other Governmental Funds

The $5.7 million, or 19.5%, decrease in nonmajor governmental funds fund balance was primarily attributed to scheduled annual principal payments of outstanding debt in debt service fund.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information as the government-wide financial statements, but in more detail. The Airport, Wastewater Treatment Plant and Golf Course are shown in separate columns of the fund statements. Although combined with the governmental activities in the government-wide statements, the internal service funds are in total as a single, aggregated presentation in the proprietary fund statements with the individual fund data provided in the combining statements, which can be found in the supplemental information section.

At the end of the fiscal year, total enterprise fund net position was $152.4 million, compared to $140.1 million for in the previous fiscal year; this represents an increase of $12.3 million, 8.8%. The Airport and Wastewater Funds attributed to the majority of the increase with a total increase in net position of $5.1 and $5.4 million, respectively.

The increase in the Airport net position was attributed to operating income, federal grant reimbursements and a restatement of $1.3, $3.1 and $1.7million, respectively, less $723 thousand bond refinancing cost.

The increase in Wastewater was primarily attributed to operating income of $5.3 million which compares to the $4.8 million operating income from 2016-17.

The decrease of $148.0 million in the Internal Service Funds was due to the implementation of new accounting standards (GASB 75) and is discussed under *Long-Term Debt* in this MD&A.

GENERAL FUND BUDGET

The original budget compared to the final general fund budget, as presented in the *Budgetary Comparison Schedule* included in the *Required Supplemental Information Section*, decreased $3.9 million. The net decrease was the result of $1.5 million increase in budgeted revenue and $5.3 million increase in appropriations during the fiscal year.

General fund revenue was originally budgeted at $109.7 million and several budget adjustments were made throughout the fiscal year resulting in a final revenue budget of $111.2 million. Tax revenue was the most significant budget increased during the year. Budgeted revenue for TOT, Measure J and Cannabis taxes were increased $675, $400 and $100 thousand, respectively.

The general fund expenditure budget increased $5.3 million from the original $93.6 million to the final $98.9 million. The most significant increases were in general government, public safety and parks and recreation which increased $2.3, $1.0 and $1.2 million, respectively. General government increase related to the establishment of a reserve to fund future CalPERS retirement costs. Public safety budget increased for the addition of police and fire safety personnel. Parks and recreation budget increase due to increases in general operating costs for grounds, facilities and events.

CAPITAL ASSETS

Capital assets, net of depreciation, increased from $378.9 to $398.6 million from fiscal year 2016-17 to 2017-18 representing a net increase of $19.7 million, 5.2%. The significant increases resulted from street improvements, new police and fire vehicles, and Wastewater Treatment Plant and airport improvements. For more detailed information on capital asset activity, see Capital Assets Note 4 in the Notes to the Basic Financial Statements.

Capital Assets
(in thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Buildings	$ 50,017	$ 51,285	$ 41,488	$ 26,323	$ 91,505	$ 77,608
Improvements	28,390	29,797	45,600	49,315	73,990	79,112
Furniture and equipment	13,535	13,712	2,029	1,457	15,564	15,169
Vehicles	6,984	3,737	1,583	1,697	8,567	5,434
Infrastructure	107,421	101,210	6,070	6,617	113,491	107,827
Land	33,029	33,647	39,233	36,738	72,262	70,385
Construction in progress	6,393	6,678	0	0	6,393	6,678
Right-of-way	16,868	16,680	0	0	16,868	16,680
Total	$ 262,637	$ 256,746	$ 136,003	$ 122,147	$ 398,640	$ 378,893

LONG-TERM DEBT

As of June 30, 2018, the City's total outstanding long-term debt was $519.0 million, an increase of $123.8 million, 31.3%, increase from $395.1 million in 2016-17. The increase is primarily due to the implementation of Governmental Standards Board Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* which requires state and local governments to recognize a defined benefit liability for other postemployment benefits (OPEB). The actuarial determined total OPEB liability was $141.6 million, resulting in an increase of $97.6 million obligation due to the required change in accounting principal. Additional information on the OPEB liability is disclosed in Note 8 in the Notes to the Basic Financial Statements.

In addition to the new accounting standards impacting the long-term debt increase, the unfunded pension liability increased $18.8 million ($12.1 and $6.7 million for the Safety and Miscellaneous CalPERS plans respectively) from $149.1 in 2016-17 to $167.9 million in the current year. Defined Benefit Pension Plan (PERS) Note 7 in the Notes to the Basic Financial Statements includes more detail information on the net pension liability.

Long Term Debt
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Compensated Absences	$ 6,383	$ 6,796	$ 810	$ 773	$ 7,193	$ 7,569
Claims and Judgments	9,400	9,545	-	-	9,400	9,545
Leases	4,097	917	644	-	4,741	917
Notes Payables	17,194	17,681	14,355	-	31,549	17,681
Lease Revenue Bonds	114,332	119,866	16,848	20,435	131,180	140,301
Special Assessment Bonds	5,427	5,803	-	-	5,427	5,803
Pension Obligation Bonds	20,012	20,248	-	-	20,012	20,248
Total	176,845	180,856	32,657	21,208	209,502	202,064
Net OPEB Obligation	141,642	44,041	-	-	141,642	44,041
Net Pension Obligation	145,592	128,972	22,283	20,112	167,875	149,084
Total Long-Term Debt	**$ 464,079**	**$ 353,869**	**$ 54,940**	**$ 41,320**	**$ 519,019**	**$ 395,189**

Contacting the City's Financial Management:
This financial report is designed to provide a general overview of the City's finances. Questions about information contained within this report or the need for any additional financial information, should be addressed to the City of Palm Springs, Department of Finance, 3200 E. Tahquitz Canyon Way, Palm Springs, CA 92263; Phone: (760) 323-8229; website: www.palmspringsca.gov.

CITY OF PALM SPRINGS

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
Assets:			
Cash and investments	$ 113,105,177	$ 64,716,474	$ 177,821,651
Receivables:			
Accounts	12,947,919	2,893,936	15,841,855
Notes and loans	6,840,164	-	6,840,164
Accrued interest	1,147,179	76,897	1,224,076
Special assessments	5,477,214	-	5,477,214
Internal balances	2,640,000	(2,640,000)	-
Deposits	200,000	-	200,000
Due from other governments	-	8,012,711	8,012,711
Advances to Successor Agency	3,349,154	-	3,349,154
Inventories	139,094	16,652	155,746
Land held for resale	638,904	-	638,904
Restricted assets:			
Cash and investments	1,119,051	-	1,119,051
Cash with fiscal agent	4,189,508	4,884,179	9,073,687
Capital assets not being depreciated	56,290,352	39,232,866	95,523,218
Capital assets, net of depreciation	206,346,500	96,770,513	303,117,013
Total Assets	**414,430,216**	**213,964,228**	**628,394,444**
Deferred Outflows of Resources:			
Deferred charge on refunding	2,395,631	503,827	2,899,458
Deferred pension related items	33,365,981	5,119,255	38,485,236
Deferred OPEB related items	3,480,420	-	3,480,420
Total Deferred Outflows of Resources	**39,242,032**	**5,623,082**	**44,865,114**
Liabilities:			
Accounts payable	9,755,480	9,202,398	18,957,878
Accrued liabilities	1,407,438	248,461	1,655,899
Accrued interest	950,362	1,548,414	2,498,776
Unearned revenue	-	272,603	272,603
Deposits payable	47,950	500,000	547,950
Due to other governments	9,209	-	9,209
Noncurrent liabilities:			
Due within one year	13,333,278	2,924,085	16,257,363
Due in more than one year	163,511,570	29,732,921	193,244,491
Total OPEB liability	141,642,158	-	141,642,158
Net pension liability	145,591,876	22,282,586	167,874,462
Total Liabilities	**476,249,321**	**66,711,468**	**542,960,789**
Deferred Inflows of Resources:			
Deferred pension related items	2,041,046	450,530	2,491,576
Deferred OPEB related items	9,801,593	-	9,801,593
Total Deferred Inflows of Resources	**11,842,639**	**450,530**	**12,293,169**
Net Position:			
Net investment in capital assets	141,219,883	104,660,531	245,880,414
Restricted for:			
Community development projects	10,474,318	-	10,474,318
Public safety grants and programs	2,404,756	-	2,404,756
Parks and recreation activities	3,525,098	-	3,525,098
Public works projects	14,393,474	-	14,393,474
Villagefest	42,422	-	42,422
Debt service	1,579,684	4,884,179	6,463,863
Library	37,039	-	37,039
Lease	2,084,603	-	2,084,603
Special projects	2,678,824	-	2,678,824
Unrestricted	(212,859,813)	42,880,602	(169,979,211)
Total Net Position	**$ (34,419,712)**	**$ 152,425,312**	**$ 118,005,600**

See Notes to Financial Statements

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	$ 24,668,184	$ 5,784,465	$ 322,591	$ -
Public safety	55,465,639	4,352,932	1,211,504	131,083
Cultural and convention center	7,473,990	157,769	-	-
Parks and recreation	10,412,411	1,913,540	5,700	453,124
Public works	20,620,601	6,956,478	2,289,577	2,048,821
Library	3,196,140	28,287	16	-
Interest on long-term debt	6,640,855	-	-	-
Total Governmental Activities	**128,477,820**	**19,193,471**	**3,829,388**	**2,633,028**
Business-Type Activities:				
Airport	28,715,596	28,134,244	-	3,120,082
Wastewater	7,455,920	12,785,023	-	-
Golf Course	5,208,536	4,526,664	-	649,472
Total Business-Type Activities	**41,380,052**	**45,445,931**	**-**	**3,769,554**
Total Primary Government	**$ 169,857,872**	**$ 64,639,402**	**$ 3,829,388**	**$ 6,402,582**

General Revenues:
Taxes:
Property taxes, levied for general purpose
Transient occupancy taxes
Sales taxes
Franchise taxes
Utility users tax
Other taxes
Motor vehicle in lieu - unrestricted
Use of money and property
Other
Gain on sale of capital asset
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (18,561,128)	$ -	$ (18,561,128)
(49,770,120)	-	(49,770,120)
(7,316,221)	-	(7,316,221)
(8,040,047)	-	(8,040,047)
(9,325,725)	-	(9,325,725)
(3,167,837)	-	(3,167,837)
(6,640,855)	-	(6,640,855)
(102,821,933)	**-**	**(102,821,933)**
-	2,538,730	2,538,730
-	5,329,103	5,329,103
-	(32,400)	(32,400)
-	**7,835,433**	**7,835,433**
(102,821,933)	**7,835,433**	**(94,986,500)**
31,291,584	-	31,291,584
34,241,233	-	34,241,233
32,956,508	-	32,956,508
3,075,279	-	3,075,279
7,056,058	-	7,056,058
2,646,499	-	2,646,499
24,940	-	24,940
1,600,566	129,407	1,729,973
133,067	1,932,378	2,065,445
4,680	-	4,680
(725,601)	725,601	-
112,304,813	**2,787,386**	**115,092,199**
9,482,880	10,622,819	20,105,699
57,597,498	140,101,437	197,698,935
(101,500,090)	1,701,056	(99,799,034)
$ (34,419,712)	**$ 152,425,312**	**$ 118,005,600**

See Notes to Financial Statements

CITY OF PALM SPRINGS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

		Special Revenue Funds	Capital Projects Funds	
	General	**Housing**	**Capital Projects**	**Measure J**
Assets				
Pooled cash and investments	$ 38,319,652	$ 2,561,246	$ 7,512,476	$ 16,116,161
Receivables:				
Accounts	10,417,458	-	848,273	-
Notes and loans	250,001	6,490,163	-	-
Accrued interest	792,821	3,148	-	18,722
Special assessments	-	-	-	-
Deposits	200,000	-	-	-
Due from other funds	5,134,071	-	-	2,347,066
Advances to other funds	1,210,000	49,950	-	-
Land held for resale	49,950	588,954	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	1,609,428	827,629	-	-
Total Assets	**$ 57,983,381**	**$ 10,521,090**	**$ 8,360,749**	**$ 18,481,949**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 2,946,187	$ -	$ 1,498,387	$ 2,064,257
Accrued liabilities	1,272,858	3,483	6,374	4,250
Deposits payable	13,870	34,080	-	-
Due to other governments	-	9,209	-	-
Due to other funds	2,347,066	-	-	-
Advances from other funds	49,950	-	-	-
Total Liabilities	**6,629,931**	**46,772**	**1,504,761**	**2,068,507**
Deferred Inflows of Resources				
Unavailable revenues	1,043,260	-	426,591	-
Total Deferred Inflows of Resources	**1,043,260**	**-**	**426,591**	**-**
Fund Balances				
Nonspendable:				
Advances to other funds	1,210,000	-	-	-
Deposits	200,000	-	-	-
Advance to Successor Agency	1,609,428	-	-	-
Restricted for:				
Community development projects	-	10,474,318	-	-
Public safety grants and programs	-	-	-	-
Parks and recreation activities	-	-	-	-
Public works projects	-	-	-	-
Villagefest	-	-	-	-
Debt service	-	-	-	-
Library	-	-	-	-
Lease	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Public works projects	-	-	-	16,413,442
Capital Projects	-	-	6,429,397	-
Continuing appropriations	2,423,725	-	-	-
CalPERS	7,250,000	-	-	-
Unassigned	37,617,037	-	-	-
Total Fund Balances	**50,310,190**	**10,474,318**	**6,429,397**	**16,413,442**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 57,983,381**	**$ 10,521,090**	**$ 8,360,749**	**$ 18,481,949**

See Notes to Financial Statements

CITY OF PALM SPRINGS

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Debt Service Funds		
	Special Assessments	Other Governmental Funds	Total Governmental Funds
Assets			
Pooled cash and investments	$ 1,293,152	$ 23,880,990	$ 89,683,677
Receivables:			
Accounts	9,981	1,323,173	12,598,885
Notes and loans	-	100,000	6,840,164
Accrued interest	1,486	24,525	840,702
Special assessments	5,477,214	-	5,477,214
Deposits	-	-	200,000
Due from other funds	-	-	7,481,137
Advances to other funds	-	-	1,259,950
Land held for resale	-	-	638,904
Restricted assets:			
Cash and investments	-	1,119,051	1,119,051
Cash and investments with fiscal agents	275,065	3,199,066	3,474,131
Advance to Successor Agency	-	912,097	3,349,154
Total Assets	**$ 7,056,898**	**$ 30,558,902**	**$ 132,962,969**
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	$ -	$ 1,383,747	$ 7,892,578
Accrued liabilities	-	52,894	1,339,859
Deposits payable	-	-	47,950
Due to other governments	-	-	9,209
Due to other funds	-	5,134,071	7,481,137
Advances from other funds	-	-	49,950
Total Liabilities	**-**	**6,570,712**	**16,820,683**
Deferred Inflows of Resources			
Unavailable revenues	5,477,214	484,965	7,432,030
Total Deferred Inflows of Resources	**5,477,214**	**484,965**	**7,432,030**
Fund Balances			
Nonspendable:			
Advances to other funds	-	-	1,210,000
Deposits	-	-	200,000
Advance to Successor Agency	-	-	1,609,428
Restricted for:			
Community development projects	-	-	10,474,318
Public safety grants and programs	-	2,404,756	2,404,756
Parks and recreation activities	-	3,525,098	3,525,098
Public works projects	-	14,393,474	14,393,474
Villagefest	-	42,422	42,422
Debt service	1,579,684	-	1,579,684
Library	-	37,039	37,039
Lease	-	2,084,603	2,084,603
Special projects	-	2,678,824	2,678,824
Assigned to:			
Public works projects	-	-	16,413,442
Capital Projects	-	511,927	6,941,324
Continuing appropriations	-	-	2,423,725
CalPERS	-	-	7,250,000
Unassigned	-	(2,174,918)	35,442,119
Total Fund Balances	**1,579,684**	**23,503,225**	**108,710,256**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 7,056,898**	**$ 30,558,902**	**$ 132,962,969**

See Notes to Financial Statements

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CITY OF PALM SPRINGS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Fund balances of governmental funds		$ 108,710,256
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		242,195,746
Deferred outflows of resources related to the following long-term activities:		
Deferred charge on refunding of bonds		2,355,000
Deferred pension contributions made after the actuarial measurement date for the net pension liabiity.		32,119,397
Deferred inflows of resources related to the following long-term activities:		
Deferred difference between expected and actual experiences		(79,261)
Deferred difference between projected and actual earnings on pension investments		(1,531,296)
Deferred changes in actuarial assumptions.		(310,104)
Long-term debt, net pension liability and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	$ (105,809,636)	
Unamortized bond premiums/discounts	(6,590,156)	
Special assessment debt	(5,475,000)	
Capital lease payable	(404,715)	
Notes payable	(162,660)	
Net pension liability	(139,319,269)	
Compensated absences	(6,137,764)	(263,899,200)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(692,851)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		7,432,030
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		(160,719,429)
Net Position of Governmental Activities		**$ (34,419,712)**

See Notes to Financial Statements

CITY OF PALM SPRINGS

STATEMENT OF REVENUES,
EXPENDITURE AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

		Special Revenue Funds	Capital Projects Funds	
	General	Housing	Capital Projects	Measure J
Revenues				
Taxes	$ 108,243,435	$ -	$ -	$ -
Assessments	-	-	-	-
Licenses and permits	5,266,590	-	359,260	-
Intergovernmental	373,097	-	4,145,311	-
Charges for services	7,143,370	-	-	-
Use of money and property	523,089	6,311	(62,197)	22,723
Fines and forfeitures	-	-	-	-
Contributions	74,197	-	-	-
Miscellaneous	422,089	30,228	3,158	-
Total Revenues	**122,045,867**	**36,539**	**4,445,532**	**22,723**
Expenditures				
Current:				
General government	20,084,214	172,420	2,387,947	-
Public safety	41,951,070	-	842,338	-
Cultural and convention center	2,585,508	-	-	-
Parks and recreation	8,020,413	-	-	-
Public works	11,151,350	-	2,792,864	8,567,776
Library	2,760,477	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**86,553,032**	**172,420**	**6,023,149**	**8,567,776**
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,492,835	(135,881)	(1,577,617)	(8,545,053)
Other Financing Sources (Uses)				
Transfers in	887,500	-	-	14,993,495
Transfers out	(18,640,906)	-	-	(3,200,000)
Total Other Financing Sources (Uses)	**(17,753,406)**	**-**	**-**	**11,793,495**
Net Change in Fund Balances	17,739,429	(135,881)	(1,577,617)	3,248,442
Fund Balances, Beginning of Year	32,570,761	10,610,199	8,007,014	13,165,000
Fund Balances, End of Year	**$ 50,310,190**	**$ 10,474,318**	**$ 6,429,397**	**$ 16,413,442**

See Notes to Financial Statements

CITY OF PALM SPRINGS

STATEMENT OF REVENUES,
EXPENDITURE AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Debt Service Funds		
	Special Assessments	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ -	$ 3,023,726	$ 111,267,161
Assessments	574,096	1,122,683	1,696,779
Licenses and permits	-	761,717	6,387,567
Intergovernmental	-	1,617,495	6,135,903
Charges for services	-	4,065,058	11,208,428
Use of money and property	11,973	1,205,786	1,707,685
Fines and forfeitures	-	140,911	140,911
Contributions	-	624,214	698,411
Miscellaneous	-	10,424	465,899
Total Revenues	**586,069**	**12,572,014**	**139,708,744**
Expenditures			
Current:			
General government	-	339,137	22,983,718
Public safety	-	3,064,556	45,857,964
Cultural and convention center	-	1,852,385	4,437,893
Parks and recreation	-	1,579,918	9,600,331
Public works	20,680	4,722,867	27,255,537
Library	-	57,720	2,818,197
Debt service:			
Principal retirement	380,000	5,272,364	5,652,364
Interest and fiscal charges	164,863	4,899,495	5,064,358
Total Expenditures	**565,543**	**21,788,442**	**123,670,362**
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,526	(9,216,428)	16,038,382
Other Financing Sources (Uses)			
Transfers in	-	5,346,799	21,227,794
Transfers out	-	(1,840,950)	(23,681,856)
Total Other Financing Sources (Uses)	**-**	**3,505,849**	**(2,454,062)**
Net Change in Fund Balances	20,526	(5,710,579)	13,584,320
Fund Balances, Beginning of Year	1,559,158	29,213,804	95,125,936
Fund Balances, End of Year	**$ 1,579,684**	**$ 23,503,225**	**$ 108,710,256**

See Notes to Financial Statements

CITY OF PALM SPRINGS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds		$ 13,584,320
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	$ 14,541,175	
Depreciation	(11,461,345)	
Capital assets contributed to the Golf Course	(649,472)	
Disposition of capital assets	(214,634)	2,215,724
Repayment on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal and lease repayments	5,652,365	
Amortization of bond premiums/discounts	528,898	
Amortization of deferred charge on refunding of bonds	(108,063)	6,073,200
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		17,791
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		420,191
Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position.		(9,483,528)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		(920,004)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		(2,424,814)
Change in Net Position of Governmental Activities		**$ 9,482,880**

See Notes to Financial Statements

CITY OF PALM SPRINGS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Airport	Wastewater	Golf Course	Totals	
Assets					
Current:					
Cash and investments	$ 40,205,165	$ 23,343,622	$ 1,167,687	$ 64,716,474	$ 23,421,500
Receivables:					
Accounts	2,603,803	14,067	276,066	2,893,936	349,034
Accrued interest	48,342	28,555	-	76,897	306,477
Due from other governments	-	8,012,711	-	8,012,711	-
Inventories	16,652	-	-	16,652	139,094
Restricted:					
Cash with fiscal agent	4,883,472	-	707	4,884,179	715,377
Total Current Assets	**47,757,434**	**31,398,955**	**1,444,460**	**80,600,849**	**24,931,482**
Noncurrent:					
Advances to other funds	-	-	-	-	1,430,000
Capital assets, net of accumulated depreciation	71,791,694	57,565,214	6,646,471	136,003,379	20,441,106
Total Noncurrent Assets	**71,791,694**	**57,565,214**	**6,646,471**	**136,003,379**	**21,871,106**
Total Assets	**119,549,128**	**88,964,169**	**8,090,931**	**216,604,228**	**46,802,588**
Deferred Outflows of Resources					
Deferred charge on refunding	133,522	-	370,305	503,827	40,631
Deferred pension related items	5,080,846	38,409	-	5,119,255	1,246,584
Deferred OPEB related items	-	-	-	-	3,480,420
Total Deferred Outflows of Resources	**5,214,368**	**38,409**	**370,305**	**5,623,082**	**4,767,635**
Liabilities					
Current:					
Accounts payable	3,236,530	5,539,585	426,283	9,202,398	1,862,902
Accrued liabilities	245,868	2,593	-	248,461	67,579
Accrued interest	298,311	88,756	1,161,347	1,548,414	257,511
Unearned revenues	272,603	-	-	272,603	-
Deposits payable	-	-	500,000	500,000	-
Accrued compensated absences	810,331	-	-	810,331	244,873
Accrued claims and judgments	-	-	-	-	3,540,646
Bonds, notes, and capital leases	1,380,000	-	733,754	2,113,754	1,564,469
Total Current Liabilities	**6,243,643**	**5,630,934**	**2,821,384**	**14,695,961**	**7,537,980**
Noncurrent:					
Advances from other funds	-	-	2,640,000	2,640,000	-
Accrued claims and judgments	-	-	-	-	5,859,072
Bonds, notes, and capital leases	8,549,660	14,354,637	6,828,624	29,732,921	41,055,857
Total OPEB liability	-	-	-	-	141,642,158
Net pension liability	22,249,430	33,156	-	22,282,586	6,272,607
Total Noncurrent Liabilities	**30,799,090**	**14,387,793**	**9,468,624**	**54,655,507**	**194,829,694**
Total Liabilities	**37,042,733**	**20,018,727**	**12,290,008**	**69,351,468**	**202,367,674**
Deferred Inflows of Resources					
Deferred pension related items	448,098	2,432	-	450,530	120,385
Deferred OPEB related items	-	-	-	-	9,801,593
Total Deferred Inflows of Resources	**448,098**	**2,432**	**-**	**450,530**	**9,921,978**
Net Position					
Net investment in capital assets	61,995,556	43,210,577	(545,602)	104,660,531	9,684,646
Restricted for debt service	4,883,472	-	707	4,884,179	715,377
Unrestricted	20,393,637	25,770,842	(3,283,877)	42,880,602	(171,119,452)
Total Net Position	**$ 87,272,665**	**$ 68,981,419**	**$ (3,828,772)**	**$152,425,312**	**$(160,719,429)**

See Notes to Financial Statements

CITY OF PALM SPRINGS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Airport	Wastewater	Golf Course	Totals	
Operating Revenues					
Sales and service charges	$ -	$12,785,023	$ -	$ 12,785,023	$ 46,386,068
Landing fees	4,544,314	-	-	4,544,314	-
Green fees and cart rentals	-	-	4,526,664	4,526,664	-
Rentals	15,891,631	-	-	15,891,631	-
Concessions	869,756	-	-	869,756	-
Customer facility charges	2,290,030	-	-	2,290,030	-
Passenger facility charges	4,461,204	-	-	4,461,204	-
Miscellaneous	1,167,259	-	842,428	2,009,687	-
Total Operating Revenues	**29,224,194**	**12,785,023**	**5,369,092**	**47,378,309**	**46,386,068**
Operating Expenses					
Administration and general	3,365,268	1,999	2,980	3,370,247	3,984,773
Personnel services	11,176,060	72,420	-	11,248,480	17,700
Materials and supplies	420,123	-	-	420,123	-
Maintenance operations	11,929	-	-	11,929	2,577,659
Facilities maintenance	-	-	-	-	3,766,376
Retirement	-	-	-	-	16,294,013
Retiree health insurance	-	-	-	-	5,333,605
Other claims and insurance	-	373,446	-	373,446	947,067
Depreciation expense	6,851,969	2,077,211	119,079	9,048,259	1,435,446
Utilities	1,386,555	163,031	-	1,549,586	1,199,154
Other charges and services	4,678,877	4,767,813	4,685,430	14,132,120	2,979
Cogeneration electricity	-	-	-	-	778,543
Medical, health, and life insurance	-	-	-	-	8,452,756
Workers compensation	-	-	-	-	3,631,709
Total Operating Expenses	**27,890,781**	**7,455,920**	**4,807,489**	**40,154,190**	**48,421,780**
Operating Income (Loss)	1,333,413	5,329,103	561,603	7,224,119	(2,035,712)
Nonoperating Revenues (Expenses)					
Interest revenue	74,851	53,775	781	129,407	(107,119)
Interest expense	(722,870)	-	(248,323)	(971,193)	(2,015,124)
Intergovernmental	3,120,082	-	-	3,120,082	-
Gain (loss) on disposal of capital assets	(101,945)	-	(152,724)	(254,669)	4,680
Total Nonoperating Revenues (Expenses)	**2,370,118**	**53,775**	**(400,266)**	**2,023,627**	**(2,117,563)**
Income (Loss) Before Transfers and Contributions	3,703,531	5,382,878	161,337	9,247,746	(4,153,275)
Transfers in	-	-	1,013,101	1,013,101	1,728,461
Transfers out	(287,500)	-	-	(287,500)	-
Capital contributions	-	-	649,472	649,472	-
Changes in Net Position	3,416,031	5,382,878	1,823,910	10,622,819	(2,424,814)
Net Position, Beginning of Year, as Previously Reported	82,155,578	63,598,541	(5,652,682)	140,101,437	(12,729,485)
Restatements	1,701,056	-	-	1,701,056	(145,565,130)
Net Position, Beginning of Year, as Restated	83,856,634	63,598,541	(5,652,682)	141,802,493	(158,294,615)
Net Position, End of Year	**$87,272,665**	**$68,981,419**	**$(3,828,772)**	**$152,425,312**	**$(160,719,429)**

See Notes to Financial Statements

CITY OF PALM SPRINGS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Airport	Wastewater	Golf Course	Totals	
Cash Flows from Operating Activities					
Cash received from customers and users	$27,502,597	$12,769,107	$4,593,016	$44,864,720	$ -
Cash received from/(paid to) interfund service provided	-	-	-	-	46,156,128
Cash paid to suppliers for goods and services	(4,893,446)	(3,020,002)	(4,550,160)	(12,463,608)	(9,131,879)
Cash paid to employees for services	(12,886,197)	(65,322)	(2,980)	(12,954,499)	(32,126,771)
Cash received from others	2,191,283	-	842,428	3,033,711	(2,843,052)
Net Cash Provided (Used) by Operating Activities	**11,914,237**	**9,683,783**	**882,304**	**22,480,324**	**2,054,426**
Cash Flows from Non-Capital Financing Activities					
Cash transfers in	-	-	1,013,101	1,013,101	1,728,461
Cash transfers out	(287,500)	-	-	(287,500)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	**(287,500)**	**-**	**1,662,573**	**1,375,073**	**1,728,461**
Cash Flows from Capital and Related Financing Activities					
Proceeds from capital debt	-	14,354,637	-	14,354,637	4,037,059
Acquisition and construction of capital assets	(3,644,661)	(16,294,731)	(658,643)	(20,598,035)	(5,082,277)
Principal paid on capital debt	(2,897,189)	-	(994,653)	(3,891,842)	(1,239,958)
Interest paid on capital debt	(758,221)	-	(232,654)	(990,875)	(2,013,448)
Intergovernmental	3,120,082	(7,467,037)	-	(4,346,955)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	**(4,179,989)**	**(9,407,131)**	**(1,885,950)**	**(15,473,070)**	**(4,298,624)**
Cash Flows from Investing Activities					
Interest received	80,775	150,309	781	231,865	(96,276)
Net Cash Provided (Used) by Investing Activities	**80,775**	**150,309**	**781**	**231,865**	**(96,276)**
Net Increase (Decrease) in Cash and Cash Equivalents	**7,527,523**	**426,961**	**659,708**	**8,614,192**	**(612,013)**
Cash and Cash Equivalents at Beginning of Year	37,561,114	22,916,661	508,686	60,986,461	24,748,890
Cash and Cash Equivalents at End of Year	**$45,088,637**	**$23,343,622**	**$1,168,394**	**$69,600,653**	**$ 24,136,877**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	$ 1,333,413	$ 5,329,103	$ 561,603	$ 7,224,119	$ (2,035,712)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities					
Depreciation	6,851,969	2,077,211	119,079	9,048,259	1,435,446
(Increase) decrease in accounts receivable	280,208	-	66,352	346,560	(226,677)
(Increase) decrease in inventory	(535)	-	-	(535)	1,799
(Increase) decrease in deferred outflows	934,434	657	-	935,091	(3,197,494)
Increase (decrease) in deferred inflows	(1,479,103)	(3,612)	-	(1,482,715)	9,372,336
Increase (decrease) in accounts payable	1,604,573	2,284,288	135,270	4,024,131	65,957
Increase (decrease) in accrued liabilities	4,144	339	-	4,483	(29,094)
Increase (decrease) in unearned revenue	189,478	(15,916)	-	173,562	(3,263)
Increase (decrease) in net pension liability	2,158,505	11,713	-	2,170,218	(3,768,704)
Increase (decrease) in net OPEB liability	-	-	-	-	579,907
Increase (decrease) in claims and judgments	-	-	-	-	(146,526)
Increase (decrease) in compensated absences	37,151	-	-	37,151	6,451
Total Adjustments	**10,580,824**	**4,354,680**	**320,701**	**15,256,205**	**4,090,138**
Net Cash Provided (Used) by Operating Activities	**$11,914,237**	**$ 9,683,783**	**$ 882,304**	**$22,480,324**	**$ 2,054,426**
Non-Cash Investing, Capital, and Financing Activities:					
Bond discount (premuim) amotization	$ 37,811	$ -	$ 65,366	$ 103,177	$ (17,816)
Deferred loss on refunding amortization	44,506	-	37,330	81,836	2,139
Capital assets acquired under capital lease	-	-	1,014,725	1,014,725	-
Loss on disposal of captial assets	(101,945)	-	(152,724)	(254,669)	-
Accreted interest	-	-	-	-	313,617

See Notes to Financial Statements

CITY OF PALM SPRINGS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Fund	Private Purpose Trust Funds
	Special Deposit	**Successor Agency**
Assets		
Pooled cash and investments	$ 1,523,091	$ 6,030,645
Receivables:		
Accounts	-	40,215
Accrued interest	-	4,941
Land held for resale	-	1,219,320
Restricted assets:		
Cash and investments with fiscal agents	-	6,100
Total Assets	**$ 1,523,091**	**7,301,221**
Deferred Outflows of Resources		
Deferred charge on refunding		237,133
Total Deferred Outflows of Resources		**237,133**
Liabilities		
Accounts payable	$ -	1,857,633
Accrued liabilities	-	6,673
Accrued interest	-	451,735
Deposits payable	1,523,091	-
Long-term liabilities:		
Due in one year	-	1,775,000
Due in more than one year	-	36,927,710
Total Liabilities	**$ 1,523,091**	**41,018,751**
Net Position		
Held in trust for other purposes		(33,480,397)
Total Net Position		**$ (33,480,397)**

See Notes to Financial Statements

CITY OF PALM SPRINGS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2018

	Private Purpose Trust Funds
	Successor Agency
Additions	
Taxes	$ 5,667,703
Interest and change in fair value of investments	(16,426)
Miscellaneous	285,750
Total Additions	**5,937,027**
Deductions	
Program costs	35,421
Administrative expenses	225,366
Interest and fiscal charges	1,523,950
DOF due diligence review payments	342,954
Loss on sale of capital assets	231,061
Total Deductions	**2,358,752**
Changes in Net Position	**3,578,275**
Net Position, Beginning of Year	(37,058,672)
Net Position, End of Year	**$ (33,480,397)**

See Notes to Financial Statements

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

The basic financial statements of the City of Palm Springs, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting principles are described below.

a. Description of Reporting Entity

The City of Palm Springs was incorporated in 1938 under the general laws of the State of California. Effective July 12, 1994, the City of Palm Springs became a Charter City which was approved by the citizens of the City of Palm Springs on June 7, 1994. The City operates under the Council-Manager form of government.

As required by generally accepted accounting principles, the financial statements of the City of Palm Springs include the financial activities of the City (the primary government), and the Palm Springs Financing Authority (the Authority). This blended components unit is discussed below and is included in the reporting entity because of the significance of its operation and financial relationship with the City.

Blended Component Units

City of Palm Springs Financing Authority

The City of Palm Springs Financing Authority was created by a joint exercise of joint powers agreement between the City of Palm Springs and the Former Community Redevelopment Agency of the City of Palm Springs on February 1, 1991. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for various capital improvements. The Authority is administered by the Board who are the members of the City Council and the Mayor. The Authority's sole source of income is installment sale, loan and lease payments received from the City and Former Community Redevelopment Agency which are used to meet the debt service requirements on debt issues. The Authority is blended into various funds of the City. The dissolution of the Former Agency, and the assignment of the joint powers agreement to the City acting as successor agency to the Former Agency, will not affect the validity of the joint powers agreement.

Since the City Council serves as the governing board for the Palm Springs Financing Authority, the Financing Authority is considered to be blended component uns. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the primary government. The Palm Springs Financing Authority issues separate component unit financial statements. Upon completion, the financial statements of this component unit can be obtained at City Hall.

Note 1: Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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, the government considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal year and other revenues when collected within one year of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Note 1: Summary of Significant Accounting Policies (Continued)

The primary revenue sources susceptible to accrual are property taxes, sales taxes, highway user taxes, state gas tax subventions, intergovernmental revenues, franchise fees, transient occupancy tax, charges for services, and interest associated with the current fiscal period and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's agency funds are custodial in nature and do not involve measurement of results of operations. The Private Purpose Trust Funds and the Agency Fund are reported using accrual basis of accounting.

The City reports the following major governmental funds:

General Fund - This is the primary operating fund of the City. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Housing Fund - To account for housing revenues of the former redevelopment agency and expenditures related to the development of facilities within the City for citizens of low or moderate income means as required by California Redevelopment Law.

Capital Projects Fund – To account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Measure J Fund - To account for the costs related to various Measure J Projects.

Special Assessments Debt Service Fund - This debt service fund is used to account for the payment of principal and interest on 1915 Act Assessment District Bond issues.

The City reports the following major enterprise funds:

Airport Fund - This fund is used to account for operations of the City's international airport.

Wastewater Fund - This fund is used to account for operation of the City's wastewater treatment plant and related capital expenditures.

Golf Course Fund - This fund is used to account for operations of the City's two municipal golf courses.

Additionally, the City reports the following fund types:

Special Revenue Funds - These funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

Capital Projects Funds - Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by proprietary funds.

Capital projects funds are ordinarily not used to account for the acquisition of furniture, fixtures, machinery, equipment, and other relatively minor or comparatively short-lived capital assets.

Note 1: Summary of Significant Accounting Policies (Continued)

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources and for general long-term debt principal and interest payments.

Internal Service Funds - These funds are used to account for motor vehicle replacement, facilities maintenance, employee benefits, risk management, retiree health insurance and the City's cogeneration plant. Departments of the City are charged for the services provided or benefits received from these funds.

Fiduciary Funds/Accounts

Private-Purpose Trust Funds – The City has one private purpose trust fund.

- Successor Agency of the Former Redevelopment Agency – This fund is used to account for the assets and liabilities of the former redevelopment agency and is allocated revenue until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Agency Fund - This fund is used to account for monies held for various purposes ranging from bid bonds to donations for animal shelter activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other governmental funds. Elimination of these charges would distort the direct costs and program revenues reported for the function concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) fines, forfeits and penalties, 3) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function and 4) other miscellaneous revenues that directly benefit a particular function and do not fit into any other category. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

d. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus the increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. City property tax revenues are recognized when levied on the government-wide statements, and to the extent that they result in current receivables within 60 days in the governmental funds financial statements.

The property tax calendar is as follows:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	November 1, February 1
Delinquent Date:	December 11, April 11

Taxes are collected by Riverside County and are remitted to the City periodically. Dates and percentages are as follows:

December 10-13	30% Advance
January 21-24	Collection No. 1
April 8-12	10% Advance
May 20-23	Collection No. 2
August 5-8	Collection No. 3

e. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less.

Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City of Palm Springs.

f. Investments

Investments are reported at fair value, except for certain certificates of deposit and investment agreements that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation 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.

g. Inventories

Inventories are stated at average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual.

Note 1: Summary of Significant Accounting Policies (Continued)

h. Capital Assets

Capital assets (including infrastructure) greater than $5,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated works of art and similar items, and capital assets received in a service concession arrangement are be reported at acquisition value rather than fair value.

Capital assets include property, plant, equipment, and infrastructure assets (roads, bridges, curbs and gutters, streets and sidewalks, medians, sewer and storm drains). Depreciation has been provided using the straight-line method over the estimated useful life of the asset in the government-wide financial statements and in the fund financial statements of the proprietary funds.

The following schedule summarizes capital asset useful lives:

Buildings and Improvements	3-60 Years
Machinery, Furniture and Equipment	3-20 Years
Motor Vehicles	5-30 Years
Meters, Metering vaults, Subsurface lines	50 Years
Infrastructure:	
Pavement	25 Years
Curbs and gutters	50 Years
Sidewalks	50 Years
Other	25-75 Years

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will when required report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three elements that qualify for reporting in this category. Deferred charges on refunding are reported in the government-wide statement of net position and the proprietary funds statement of net position. Deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred pension related activity is reported in the government-wide statement of net position and the proprietary funds statement of net position. The City reports deferred outflows of resources for pension contributions made after the actuarial measurement date, this amount is deferred and will be recognized in the following fiscal year. The deferred outflows of resources for the net difference between projected and actual earning on pension plan investments will be amortized over a five-year period on a straight-line basis. The difference between expected and actual experience and all other deferred outflows related pension items will be recognized as indicated below. Deferred OPEB related items are reported in the government-wide statement of net position and proprietary funds statement of net position for contribution are made subsequent to the measurement date. This amount will be recognized in the following fiscal year.

Note 1: Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the balance sheet or statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of elements. Unavailable revenue, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from deferred loans. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred pension related activity is reported in the government-wide statement of net position and the proprietary funds statement of net position. This amount is the result of the differences between expected and actual experience and the changes in assumptions. These will be recognized as indicated below. Deferred OPEB related items are reported in the government-wide statement of net position and proprietary funds statement of net position for changes in actuarial OPEB assumption. This amount will be amortized as indicated below.

Gains and losses related to changes in total pension or OPEB liability and their related fiduciary net position are recognized in pension or OPEB expense, respectively, systematically over time. Amounts are first recognized in pension or OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are recognized in future pension and OPEB expense, respectively.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earning on pension or OPEB plan investments	5 years	All plans
All other amounts are amortized over the expected average remaining service lifetime (EARSL) of the respective plan. As of June 30, 2017, EARLS were:	6.68 years	OPEB plan
	3.1 years	Pension Miscellaneous -Agent Multiple Employer Plan
	4.9 years	Pension Safety Police – Agent Multiple Employer Plan
	5.2 years	Pension Safety Fire – Agent Multiple Employer Plan

j. Net Pension Liability

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

Note 1: Summary of Significant Accounting Policies (Continued)

GASB Statement No. 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

k. Other Post-Employment Benefits Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City's OPEB plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2017
Measurement Date:	June 30, 2017
Measurement Period:	July 1, 2016 to June 30, 2017

l. Net Position Flow Assumption

Occasionally the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be determined about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

m. Fund Balance Flow Assumptions

Occasionally the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). To calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be determined about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

n. Land Held for Resale

Land held for resale represents land, structures, and their related improvements acquired for resale in accordance with the objective of the Redevelopment Project. Land held for resale is valued at the lower of cost or the estimated realizable value determined at the date a disposition and development agreement is executed.

Note 1: Summary of Significant Accounting Policies (Continued)

o. 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 probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

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. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City.

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.

If material, a proprietary fund liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year-end.

All other amounts will be recorded in the government-wide financial statements. These noncurrent amounts will be recorded as fund expenditures in the year in which they paid or become due on demand to terminated employees.

p. Claims and Judgments

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

q. Fund Equity

The City Council adopted resolution 22928 in conformity with Governmental Accounting Auditing Standards Board (GASB) Statement 54. In the fund financial statements, governmental funds report the following fund balance classifications:

Non-spendable 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 editors, grantors, contributors, or laws of regulations of other governments or by law through constitutional provisions or enabling legislation.

Committed include amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Note 1: Summary of Significant Accounting Policies (Continued)

Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Finance Director and/or Treasurer is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that should report this category of fund balance, unless a negative fund balance exists.

An individual governmental fund may include non-spendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted or unrestricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

r. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses, during the reporting period. Actual results could differ from those estimates.

s. Deficit Fund Equity /Net Position

The following funds reported a deficit in fund balances/net position as of June 30, 2018:

Fund	Deficit
CSA 152	$ (660,743)
Community Development Block Grant	(159,683)
Special Grants	(37,860)
SB1-RMRA	(38,147)
General Debt Service	(1,278,485)
Golf Course	(3,828,772)
Employee Benefits	(16,857,380)
Risk Management	(1,662,444)
Retiree Health Insurance	(146,612,833)
Cogeneration Plant	(3,196,471)
Successor Agency	(33,480,397)

The deficits will be recovered through future revenues and transfers.

Note 1: Summary of Significant Accounting Policies (Continued)

t. Effective New Accounting Standards

During the fiscal year ended June 30, 2018, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 75 – *Accounting and Financial Reporting For Post-Employment Benefits Other Than Pensions.* This Statement improves the accounting and financial reporting by state and local governments for post-employment benefits other than pensions (Other post-employment benefits or OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. This Statement replaces GASB No. 45 and GASB No. 57.

Note 2: Cash and Investments

Cash and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Governmental activities	$ 118,413,736
Business-type activities	69,600,653
Fiduciary activities	7,559,836
Total cash and investments	$ 195,574,225

Cash and investments as of June 30, 2018, consist of the following:

Cash on hand	$ 7,950
Deposits with financial institutions	28,171,465
Investments	167,394,810
Total cash and investments	$ 195,574,225

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures.

Interest income earned on pooled cash and investments is allocated quarterly to the funds based on the month-end cash and investment balances. Proceeds obtained from long-term debt issuances including construction, lease payment and reserve fund balances are held by the City or by fiscal agents on behalf of the City and invested in the City's name. Interest income on proceeds of debt is credited directly to the related fund, as defined by the Bond Indenture.

Deposits

At June 30, 2018, the carrying amount of the City's demand deposits was $28,171,465 the bank balance was $28,701,621. The $530,156 difference represents outstanding checks, deposits in transit, and other reconciling items.

Note 2: Cash and Investments (Continued)

Under provisions of the City's investment policy and in accordance with Section 53601 of the California Government Code, the City may invest in the types of investments listed in the table below. The table also identifies certain provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	*Authorized by Investment Policy	*Maximum Maturity	*Maximum Percentages of Portfolio	*Maximum Investment in One Issuer
Local Agency Bonds	Yes	5 years	15%	5%
U.S. Treasury Obligations	Yes	5 years	100%	None
U.S. Agency Securities	Yes	5 years	60%	None
Bankers' Acceptances	Yes	180 Days	20%	5%
Commercial Paper	Yes	270 Days	15%	None
Negotiable Certificates of Deposit	Yes	5 years	30%	5%
Repurchase Agreements	No	1 Year	None	5%
Reverse Purchase Agreements	No	92 Days	20% of base	None
Certificates of Deposits	Yes	5 years	20%	5%
Mutual Funds investing in eligible securities	No	N/A	10%	5%
Money Market Mutual Funds	Yes	N/A	10%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	100%	None
JPA Pools (other investment pools)	Yes	N/A	50%	None

* Based on State Law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	5 Years
U.S. Agency Securities	5 Years
Bankers' Acceptances	180 Days
Commercial Paper	270 Days
Money Market Mutual Funds	None
Investment Agreements	None
Local Agency Bonds	None
Certificates of Deposit	5 Years
Repurchase Agreements	1 Year
Financial Futures/Option Contracts	None
Negotiable Certificates of Deposit	5 Years
Local Agency Investment Fund (LAIF)	None

Note 2: Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the schedule shown below, any callable securities are assumed to be held to maturity.

		Remaining Maturity (in Months)		
Investment Type	Fair Value	12 Months or Less	13-36 Months	36-60 Months
Local Agency Investment Fund	$ 39,776,801	$ 39,776,801	$ -	$ -
Federal Agency Securities	83,288,925	4,453,135	45,739,840	33,095,950
Certificates of Deposit	4,892,810	-	3,440,743	1,452,067
Money Market Mutual Funds	29,237,984	29,237,984	-	-
Fiscal Agent				
Mutual Funds -Money Market	10,198,290	10,198,290	-	-
	$ 167,394,810	$ 83,666,210	$ 49,180,583	$ 34,548,017

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

			Rating as of Year End		
Investment Type:	Fair Value	Minimum Credit Rating	AAA	AA+	Not Rated
Local Agency Investment Fund	$ 39,776,801	N/A	$ -	$ -	$ 39,776,801
Federal Agency Securities	83,288,925	AA+	-	83,288,925	-
Certificates of Deposit	4,892,810	A	-	-	4,892,810
Mutual Funds -Money Market	39,436,274	AAA	39,436,274	-	-
	$ 167,394,810		$ 39,436,274	$ 83,288,925	$ 44,669,611

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 represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal Agency Securities	$ 18,176,710
Federal Home Loan Bank	Federal Agency Securities	16,134,175
Federal Home Loan Mortgage Corp.	Federal Agency Securities	28,876,495
Federal National Mortgage Assoc.	Federal Agency Securities	20,101,545

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2018:

		Level		
Investment Type	Totals	1	2	3
Federal Agencies Security	$ 83,288,925	$ -	$ 83,288,925	$ -
Certificates of Deposit	4,892,810	4,892,810	-	-
Money Market Mutual Funds	29,237,984	-	29,237,984	-
Local Agency Investment Fund (LAIF)	39,776,801	-	39,776,801	-
Held by Fiscal Agent:				
Money Market Mutual Funds	10,198,290	-	10,198,290	-
Total Investments	$ 167,394,810	$ 4,892,810	$ 162,502,000	$ -

Certificates of Deposit are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Local Agency Investment Funds and Money Market Mutual Funds are classified in Level 2 of the fair value hierarchy using quoted prices for similar assets in active markets;

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Note 2: Cash and Investments (Continued)

For investments identified herein as held by bond trustee, the City's designee selects the investment under the terms of the applicable trust agreement, acquires the investment, and delivers to the Trustee the investment on behalf of the reporting government.

The City Treasurer may waive the collateral requirement for deposits that are fully insured up to $250,000 by the FDIC.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3: Interfund Receivables, Payables and Transfers

Due To/Due From

Interfund receivable and payable balances at June 30, 2018, are as follows:

	Due to Other Funds		
Due from Other Funds	General Fund	Other Governmental Funds	Total
Governmental Fund:			
General Fund	$ -	$ 5,134,071	$ 5,134,071
Measure J Fund	2,347,066	-	2,347,066
Totals	$ 2,347,066	$ 5,134,071	$ 7,481,137

Interfund balances are the result of short-term borrowing to cover negative cash balances at June 30, 2018.

Advances

The City has authorized several interfund advances to be used for the operations of the funds receiving the advances. At June 30, 2018, the outstanding advances are:

	Advances to Other Funds		Advances from Other Funds	
Governmental Funds:				
General Fund	$ 1,210,000	(a)	$ 49,950	(c)
Housing Fund	49,950	(c)	-	
Enterprise Funds:				
Golf Course	-		2,640,000	(a) (b)
Internal Service Funds	1,430,000	(b)	-	
Totals	$ 2,689,950		$ 2,689,950	

(a) The Golf Course Fund initially received $2,000,000 from the General Fund payable at 6% over 20 years. The City has elected to not accrue any interest for the year ended June 30, 2018 and the Golf Course has not made any interest payment. At June 30, 2018, the outstanding balance is $1,210,000.

Note 3: Interfund Receivables, Payables and Transfers (Continued)

(b) The Employee Benefits Internal Service Fund advanced $1,430,000 to the Golf Course Fund to provide funds for the operation and debt service of the Golf Course. There are no stipulated interest rates or repayment dates.

(c) The Housing Fund advanced $49,950 to the General Fund for the purchase of two pieces of land held for resale.

Transfers In/Transfers Out

The following schedule summarizes the City's transfer activity:

Transfers In	Transfers Out	Amount	
General Fund	Nonmajor Governmental Funds	$ 600,000	
	Airport Enterprise Fund	287,500	(b)
Measure J Fund	General Fund	14,993,495	(e)
Nonmajor Governmental Funds	General Fund	2,146,799	(a)
	Measure J Fund	3,200,000	(d)
Internal Service Fund	General Fund	487,511	(g)
	Nonmajor Governmental Funds	1,240,950	(f)
Golf Course Enterprise Fund	General Fund	1,013,101	(c)
		$ 23,969,356	

(a) Transfers from the General Fund to Nonmajor Governmental Funds were for debt service and supplemental costs.

(b) Transfers from the Airport Fund to the General Fund were for supplemental costs.

(c) Transfers from the General Fund to the Golf Course were for supplemental costs.

(d) Transfers from the Measure J fund to the Nonmajor Governmental Funds were for debt service.

(e) Transfers from the General Fund to the Measure J fund were for capital projects.

(f) Transfers from the Nonmajor Governmental Funds to the Internal Service Fund were for the costs of investigating new energy development processes.

(g) Transfers from the General Fund to Internal Service Funds were for the purchase of vehicles and to cover future risk management costs.

Note 4: Capital Assets

Governmental Activities	Beginning Balance	Adjustments	Balance	Transfers	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:							
Land	$ 33,646,775	$ -	$ 33,646,775	$ (649,472)	$ 31,965	$ -	$ 33,029,268
Construction in progress	6,677,876	-	6,677,876	(6,529,051)	6,244,000	-	6,392,825
Right-of-way	16,680,446	-	16,680,446	-	187,813	-	16,868,259
Total Capital Assets, Not Being Depreciated	57,005,097	-	57,005,097	(7,178,523)	6,463,778	-	56,290,352
Capital assets, being depreciated:							
Buildings	95,985,707	-	95,985,707	-	748,563	3,247,390	93,486,880
Improvements	80,060,180	590,296	80,650,476	-	1,717,489	3,619,844	78,748,121
Furniture and equipment	25,556,023	-	25,556,023	-	640,063	2,806,548	23,389,538
Vehicles	16,169,494	-	16,169,494	-	4,140,096	115,225	20,194,365
Infrastructure	244,334,063	(566,542)	243,767,521	6,529,051	5,918,143	-	256,214,715
Total capital assets, being depreciated	462,105,467	23,754	462,129,221	6,529,051	13,164,354	9,789,007	472,033,619
Less accumulated depreciation for:							
Buildings	(44,701,263)	-	(44,701,263)	-	(1,923,546)	(3,153,909)	(43,470,900)
Improvements	(50,263,275)	-	(50,263,275)	-	(3,542,125)	(3,447,727)	(50,357,673)
Furniture and equipment	(11,843,666)	-	(11,843,666)	-	(868,769)	(2,857,511)	(9,854,924)
Vehicles	(12,432,472)	-	(12,432,472)	-	(893,068)	(115,226)	(13,210,314)
Infrastructure	(143,124,025)	-	(143,124,025)	-	(5,669,283)	-	(148,793,308)
Total accumulated depreciation	(262,364,701)	-	(262,364,701)	-	(12,896,791)	(9,574,373)	(265,687,119)
Total capital assets, being depreciated, net	199,740,766	23,754	199,764,520	6,529,051	267,563	214,634	206,346,500
Governmental activities capital assets, net	$ 256,745,863	$ 23,754	$ 256,769,617	$ (649,472)	$ 6,731,341	$ 214,634	$ 262,636,852

Depreciation expense was charged in the following functions in the Statement of Activities:

General government	$ 664,389
Cultural and convention center	3,036,097
Public safety	1,344,172
Public works	5,845,119
Parks and recreation	426,472
Library	145,096
Internal Service	1,435,446
Total depreciation	$ 12,896,791

Note 4: Capital Assets (Continued)

Business-type Activities	Beginning Balance	Adjustments	Adjusted Beginning Balance	Transfers	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:							
Land	$ 36,737,609	$ -	$ 36,737,609	$ 649,472	$ -	$ -	$ 37,387,081
Construction in progress	-	1,546,788	1,546,788	-	298,997	-	1,845,785
Total capital assets, not being depreciated	36,737,609	1,546,788	38,284,397	649,472	298,997	-	39,232,866
Capital assets, being depreciated:							
Buildings	59,802,172	-	59,802,172	-	16,231,720	1,138,904	74,894,988
Improvements	210,629,004	-	210,629,004	-	3,325,416	1,087,899	212,866,521
Machinery and equipment	4,923,676	-	4,923,676	-	1,044,144	1,082,771	4,885,049
Motor vehicles	3,934,935	-	3,934,935	-	63,011	92,560	3,905,386
Subsurface lines	27,387,700	-	27,387,700	-	-	-	27,387,700
Total capital assets, being depreciated	306,677,487	-	306,677,487	-	20,664,291	3,402,134	323,939,644
Less accumulated depreciation for:							
Buildings	(33,479,306)	-	(33,479,306)	-	(1,065,983)	(1,138,904)	(33,406,385)
Improvements	(161,313,552)	-	(161,313,552)	-	(6,914,797)	(962,441)	(167,265,908)
Machinery and equipment	(3,466,573)	90	(3,466,483)	-	(342,688)	(953,560)	(2,855,611)
Motor vehicles	(2,237,619)	(90)	(2,237,709)	-	(177,037)	(92,560)	(2,322,186)
Subsurface lines	(20,771,287)	-	(20,771,287)	-	(547,754)	-	(21,319,041)
Total accumulated depreciation	(221,268,337)	-	(221,268,337)	-	(9,048,259)	(3,147,465)	(227,169,131)
Total capital assets, being depreciated, net	85,409,150	-	85,409,150	-	11,616,032	254,669	96,770,513
Business-type activities capital assets, net	$ 122,146,759	$ 1,546,788	$ 123,693,547	$ 649,472	$ 11,915,029	$ 254,669	$ 136,003,379

Depreciation expense was charged in the following programs of the primary government:

Airport	$ 6,851,969
Wastewater	2,077,211
Golf course	119,079
Total depreciation	$ 9,048,259

Note 5: Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2018, (including unamortized discounts and refunding costs) are as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences payable	$ 6,796,378	$ 4,218,189	$ 4,631,930	$ 6,382,637	$ 2,351,928
Claims and judgments payable	9,546,244	3,308,681	3,455,207	9,399,718	3,540,646
Special assessment debt	5,855,000	-	380,000	5,475,000	385,000
Capital lease - OshKosh	124,051	-	124,051	-	-
Capital lease - Motorola	792,558	-	387,843	404,715	404,715
Capital lease - Fire Trucks	-	3,270,628	180,775	3,089,853	185,515
Capital lease - Police Interceptor Vehicles	-	766,431	164,493	601,938	140,846
Notes payable:					
Capital One Public Financing - Chevron	17,444,632	-	413,605	17,031,027	467,677
Chino Cinega Foundation Note Payable	236,622	-	73,962	162,660	78,770
Bonds Payable, net:					
2012A Lease Revenue Bonds	17,835,000	-	1,280,000	16,555,000	1,370,000
2007 Pension Obligation Bonds	20,247,941	313,617	550,000	20,011,558	605,000
2012B Measure J Lease Revenue Bonds	38,575,000	-	1,445,000	37,130,000	1,500,000
2014 Lease Revenue Bonds	43,060,000	-	760,000	42,300,000	750,000
2015 Measure A Sales Tax Revenue Bonds	4,475,000	-	930,000	3,545,000	950,000
2015 Lease Revenue Bonds	5,555,000	-	295,000	5,260,000	340,000
2017 Lease Revenue Refunding Bonds	3,015,990	-	270,743	2,745,247	263,181
Unamortized Premiums/(Discounts)					
Special Assessment Debt	(52,210)	-	(3,868)	(48,342)	-
2012A Lease Revenue Bonds	268,614	-	60,820	207,794	-
2014 Lease Revenue Bonds	4,391,309	-	225,196	4,166,113	-
2012B Measure J	1,162,936	-	72,248	1,090,688	-
2015 Measure A	382,347	-	76,470	305,877	-
2015 Lease Revenue Bonds	860,757	-	87,502	773,255	-
2017 Lease Revenue Refunding Bonds	283,456	-	28,346	255,110	-
Total governmental long-term liabilities, net	$ 180,856,625	$ 11,877,546	$ 15,889,323	$ 176,844,848	$ 13,333,278

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences payable	$ 773,180	$ 518,851	$ 481,700	$ 810,331	$ 810,331
State Water Resource Board	-	14,354,637	-	14,354,637	-
TCF Capital Equipment	-	1,014,725	370,396	644,329	126,935
	-	15,369,362	370,396	14,998,966	126,935
Airport Revenue Bonds:					
1998 Airport PFC Revenue Bonds	2,425,000	-	1,685,000	740,000	505,000
2006 Airport PFC Revenue Bonds	6,615,000	-	765,000	5,850,000	530,000
2008 Airport PFC Revenue Bonds	4,155,000	-	485,000	3,670,000	345,000
Unamortized discount	(368,151)	-	(37,811)	(330,340)	-
Airport Revenue Bonds, net	12,826,849	-	2,897,189	9,929,660	1,380,000
Lease Revenue Bonds					
2017 Lease Revenue Refunding Bonds	6,954,010	-	624,257	6,329,753	606,819
Unamortized premuim	653,662	-	65,366	588,296	
Lease Revenue Bonds, net	7,607,672	-	689,623	6,918,049	606,819
Total business-type long-term liabilities, net	$ 21,207,701	$ 15,888,213	$ 4,438,908	$ 32,657,006	$ 2,924,085

Note 5: Long-Term Liabilities (Continued)

Special Assessment Debt with Government Commitment

At June 30, 2018, the City of Palm Springs has one outstanding Assessment District (A.D.) Improvement Refunding Bond ("Bonds") originally issued in the amount of $6,645,000 pursuant to the Improvement Bond Act of 1915. The proceeds of the Bond were used to refund outstanding obligations of the City of Palm Springs with respect to its Assessment District No. 161, Assessment District No. 162 and Assessment District No 164, to pay costs related to the issuance of the bonds and make a deposit to a Reserve Fund for the Bonds.

A.D. 2015-1

$6,645,000 bonds issued April 1, 2015, bonds mature between September 2, 2016 and September 2, 2030 in amounts ranging from $210,000 through $520,000, bonds maturing on any September 2 may be redeemed prior to its fixed maturity date, at the option of the City, at rates ranging from 100% to 103% of the principal amount. The balance of this bond at June 30, 2018 is $5,475,000 with an unamortized discount of $(48,342).

Annual requirements to amortize outstanding special assessment debt as of June 30, 2018, are as follows:

June 30	A.D. 2015-1	
	Principal	Interest
2019	$ 385,000	$ 157,213
2020	385,000	149,513
2021	395,000	141,713
2022	405,000	132,700
2023	415,000	121,413
2024-2028	2,265,000	404,731
2029-2032	1,225,000	54,994
Total	$ 5,475,000	$ 1,162,277

Capital Lease Obligations

Fire Vehicles Lease (OshKosh #2)

In 2008, the City entered into a lease agreement for the financing of the acquisition of two Pierce Quantum fire apparatus. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease) and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The vehicles were acquired under this lease agreement are recorded in the Motor Vehicle Replacement Fund, as motor vehicles for total cost of $993,592.

The financing was obtained from OshKosh Capital, for $913,648 with an interest rate of 5.38% and annual payments of $124,051 through the end of the lease (October 2017). At June 30, 2018, the lease has been paid in full.

Note 5: Long-Term Liabilities (Continued)

Motorola Communications Equipment

In December 2008, the City entered into a lease agreement for the financing of the acquisition of Motorola communications equipment. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at end of lease) and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The total cost of the equipment acquired under the lease agreement was $3,366,478.

The financing was obtained from Municipal Finance Corporation in December 2008, for $3,366,478 with an interest rate of 4.35% and annual payments of $422,319 through the end of the lease (December 2018). The outstanding balance at June 30, 2018, is $404,715.

The calculation of the present value of the future lease payments is as follows:

Year Ending June 30	
2019	$ 422,319
Subtotal	422,319
Less: Amount representing interest	(17,604)
Total	$ 404,715

Fire Trucks

In September 2017, the City acquired three fire trucks under a 15 years capital lease agreement with PNC Equipment Finance, LLC for $3,270,628 with annual payments of $266,539 due October of each year through 2031. The capital assets have been recorded at the present value of the future minimum lease payments as of the date of inception. The outstanding balance at June 30, 2018, is $3,089,853.

The calculation of the present value of the future lease payments is as follows:

Year Ending June 30	
2019	$ 266,539
2020	266,539
2021	266,539
2022	266,539
2023	266,539
2024-2029	1,332,695
2029- 2032	1,066,156
Subtotal	3,731,546
Less: Amount representing interest	(641,693)
Total	$ 3,089,853

Note 5: Long-Term Liabilities (Continued)

Police Interceptor Vehicles

In November 2017, the City entered into a 5 years capital lease agreement for the purchase of 19 Police Interceptor Utility vehicles. The financing was obtained from National Cooperative Leasing for $766,431 at a 4.43% annual interest rate. The capital assets have been recorded at the present value of future minimum lease payments as of the date of inception. Annual payments in the amount of $167,511 are due on January 1 of each year through 2022. The outstanding balance at June 30, 2018, is $601,938.

The calculation of the present value of the future lease payments is as follows:

Year Ending June 30	
2019	$ 167,511
2020	167,511
2021	167,511
2022	167,511
Subtotal	670,044
Less: Amount representing interest	(68,106)
Total	$ 601,938

TCF Capital Equipment Lease

In December 2017, the City entered into a 5 years capital lease agreement for the purchase of maintenance equipment for the Tahquitz Creek Golf Course. The financing was obtained from TCF Equipment Finance, a Division of TCF National Bank, in the amount of $1,014,725 at a 4.50% annual interest rate with monthly payments of $12,778. The capital assets have been recorded at the present value of future minimum lease payments as of the date of inception. The outstanding balance at June 30, 2018, is $644,329.

The calculation of the present value of the future lease payments is as follows:

Year Ending June 30	
2019	$ 153,333
2020	153,333
2021	153,333
2022	153,333
2023	102,221
Subtotal	715,553
Less: Amount representing interest	(71,224)
Total	$ 644,329

Note 5: Long-Term Liabilities (Continued)

Notes Payable

Capital One Public Financing

The City entered into an agreement with Chevron Energy Solutions Co., in July 2013, for the amount of $18,402,793 for the purpose of financing the energy conservation measures project. The equipment portion of the agreement of $6,000,000 matures on August 1, 2029 and has an annual interest rate at 3.34% annum. The property and land portion of the project matures on August 1, 2033 and has an interest rate at 4.2% annum. The outstanding balance at June 30, 2018, is $17,031,027.

Chino Cinega Foundation

To purchase property, the City entered into an agreement on September 10, 2012 with the Chino Cinega Foundation to borrow $490,000. The note accrues interest at 6.5% per annum. Annual payments of $89,342 are required through 2019 and a final payment of $83,890 is required for 2020. The outstanding balance at June 30, 2018, is $162,660.

Annual requirements to amortize outstanding notes payable as of June 30, 2018, is as follows:

	Capital One Note		Chino Cinega Note		
Year Ending June 30	Principal	Interest	Principal	Interest	Total
2019	$ 467,677	$ 664,052	$ 78,770	$ 10,573	$ 1,221,072
2020	525,387	646,262	83,890	5,453	1,260,992
2021	586,694	626,234	-	-	1,212,928
2022	651,015	603,839	-	-	1,254,854
2023	719,690	578,941	-	-	1,298,631
2024-2028	4,795,624	2,421,639	-	-	7,217,263
2029-2033	7,377,444	1,262,120	-	-	8,639,564
2034-2035	1,907,496	20,029	-	-	1,927,525
	$ 17,031,027	$ 6,823,116	$ 162,660	$ 16,026	$ 24,032,829

Loans Payable

State Water Resources Control Board

The City entered in a $14,354,637 installment sale agreement with the California State Water Resources Control Board to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to the City's wastewater system, including certain treatment facilities, pipelines and other infrastructure. The term of the loan is 30 years with an annual interest rate of 1.70%. Annual payments of $618,600 are due starting September 2019 through 2048. The outstanding balance at June 30, 2018, is $14,354,637.

Note 5: Long-Term Liabilities (Continued)

Annual requirements to amortize outstanding loans payable as of June 30, 2018, is as follows:

June 30	State Water Resources Control Board	
	Principal	Interest
2019	$ -	$ -
2020	373,062	245,538
2021	379,404	239,196
2022	385,854	232,746
2023	392,414	226,186
2024-2028	2,064,431	1,028,568
2029-2033	2,245,976	847,023
2034-2038	2,443,486	649,513
2039-2043	2,658,365	434,634
2044-2048	2,803,386	200,859
2049	608,259	10,340
Total	$ 14,354,637	$ 4,114,603

Bonds Payable:

2012 A Convention Center Lease Revenue Bonds

On February 1, 2012, the City of Palm Springs Financing Authority issued $23,980,000 Lease Revenue Bonds, Series A to provide funds for the current refunding of the Lease Revenue Bonds, 2001 Series A. The bonds are payable from the revenues pledged under the Indenture of Trust, consisting primarily of lease payments by the City of Palm Springs to the Authority as rental for the City Convention Center and from certain funds held under the Indenture of Trust and insurance or condemnation awards.

The bonds accrue interest at rates between 2.00% and 5.00%. The principal amounts mature between November 1, 2012 and November 1, 2025, ranging from $500,000 to $2,865,000. The required reserve for the 2004A and 2012A Convention Center Lease Revenue Bonds is $5,646,097. At June 30, 2018, the reserve fund was fully funded. The amount of bonds outstanding at June 30, 2018, is $16,555,000 with unamortized premium of $207,794.

2014 A Convention Center Lease Revenue Bonds

On July 24, 2014, the City of Palm Springs Financing Authority issued $45,550,000 Lease Revenue Bonds, Series A to provide funds for the current refunding of the Lease Revenue Bonds, 2004. The bonds are payable from the revenues pledged under the Indenture of Trust, consisting primarily of lease payments by the City of Palm Springs to the Authority as rental for the City Convention Center and from certain funds held under the Indenture of Trust and insurance or condemnation awards.

Note 5: Long-Term Liabilities (Continued)

The bonds accrue interest at rates between 3.50% and 5.00%. The principal amounts mature between November 1, 2014 and August 1, 2035, ranging from $650,000 to $4,825,000. The required reserve for the 2014A Convention Center Lease Revenue Bonds is $5,005,938. At June 30, 2018, the reserve fund was fully funded. The amount of bonds outstanding at June 30, 2018, is $42,300,000 with unamortized premium of $4,166,113.

The City reduced the aggregate debt service payments by $22,528,329 over the remaining maturity period of the 2014 A Convention Center Lease Revenue Bonds to obtain an economic gain of $17,974,052 (difference between the present values of the debt service payments on the old and new debt).

The total convention center bonds outstanding at June 30, 2018, were $58,855,000.

The bond refunding has deferred refunding charges of $2,342,719 at June 30, 2018.

Future requirements to amortize outstanding convention center bonds as of June 30, 2018, are as follows:

June 30	2012 Convention Center Lease Revenue Bonds		2014 Convention Center Lease Revenue Refunding Bonds	
	Principal	Interest	Principal	Interest
2019	$ 1,370,000	$ 581,413	$ 750,000	$ 1,985,231
2020	1,420,000	539,563	780,000	1,946,981
2021	1,460,000	496,363	825,000	1,906,856
2022	1,505,000	446,888	870,000	1,864,481
2023	2,550,000	370,500	-	1,842,731
2024-2028	8,250,000	539,819	6,365,000	8,932,781
2029-2033	-	-	18,975,000	5,458,031
2034-2037	-	-	13,735,000	920,053
Total	$ 16,555,000	$ 2,974,546	$ 42,300,000	$ 24,857,145

2017 Lease Revenue Refunding Bonds

On June 13, 2017, the City of Palm Springs Financing Authority issued $9,970,000 Lease Revenue Refunding Bonds, Series 2017 to defease the outstanding balance of the Refunding Lease Revenue Bonds, Series 2007. The Lease Revenue Refunding Bonds, Series 2017 accrues interest payable semiannually on November 1 and May 1 of each year at rates between 2.00% and 4.00%. Principal is due annually on May 1 of each year ranging from $895,000 to $1,160,000 and the final maturity date is May 1, 2027.

The City reduced the aggregate debt service payments by $1,436,326 over the remaining maturity period of the 2017 Lease Revenue Refunding Bonds to obtain an economic gain of $1,324,695 (difference between the present values of the debt service payments on the old and new debt).

Note 5: Long-Term Liabilities (Continued)

The activities associated with the police building project and cogeneration plant are governmental activities and the activities of the golf course are business-type activities. The outstanding balance on the 2017 Lease Revenue Refunding Bonds at June 30, 2018, are reflected in the accompanying financial statements as follows:

	Balance at June 30, 2018
Governmental activities:	
Police building project & master lease	$ 1,019,636
Cogeneration plant fund	1,725,611
	2,745,247
Unamortized premuim	255,110
Total governmental activities	$ 3,000,357
Business-type activities	
Golf Course fund	$ 6,329,753
Unamortized premuim	588,296
Total business-type activities	$ 6,918,049

The bond refunding has deferred refunding charges of $118,159 at June 30, 2018 and is reflected in the accompanying financial statements as follows:

	Balance at June 30, 2018
Governmental activities:	
Police building project & master lease	$ 12,281
Cogeneration plant fund	40,631
Total governmental activities	$ 52,912
Business-type activities	
Golf Course fund	$ 65,247
Total business-type activities	$ 65,247

Note 5: Long-Term Liabilities (Continued)

Future requirements to amortize outstanding 2017 Lease Revenue Refunding Bonds as of June 30, 2018, are as follows:

June 30	2017 Refunding Lease Revenue Bonds	
	Principal	Interest
2019	$ 870,000	$ 332,549
2020	905,000	297,750
2021	940,000	261,550
2022	980,000	223,950
2023	1,015,000	184,750
2024-2027	4,365,000	445,600
Total	$ 9,075,000	$ 1,746,149

2015 Local Measure A Sales Tax Revenue Bonds

On July 24, 2014, the City of Palm Springs Public Financing Authority issued $6,245,000 Lease Revenue Series A Refunding Bonds. The proceeds from the issuance were used to refund a portion of the Leave Revenue Bonds, 2004 series, which were used to fund capital projects related to the expansion of the convention center project. Interest on the bonds range between 2.0% to 5.0% and the final maturity date is June 1, 2022.

The total Sales Tax Revenue bonds outstanding at June 30, 2018, is $3,545,000 including $305,877 of unamortized premium.

Fiscal Year June 30	Principal	Interest
2019	$ 950,000	$ 147,950
2019	990,000	109,950
2020	1,015,000	80,250
2021	590,000	29,500
Totals	$ 3,545,000	$ 367,650

2012 Lease Revenue Refunding Bonds, Series B

On June 6, 2012, the City of Palm Springs Financing Authority issued $44,965,000 Lease Revenue Bonds, Series B to provide funds for the financing and acquisition and construction of public improvements. The bonds are payable from the revenues pledged under the Indenture of Trust, consisting primarily of lease payments to be paid by the City of Palm Springs to the Authority as rental for certain City owned property and from certain funds held under the Indenture of Trust and insurance or condemnation awards.

The bonds accrue interest at rates between 2.00% and 5.25%. The principal amounts mature between June 1, 2013 and June 1, 2035, ranging from $1,135,000 to $3,050,000.

Note 5: Long-Term Liabilities (Continued)

The total Lease Revenue bonds outstanding at June 30, 2018, is $37,130,000 including $1,090,688 of unamortized premium.

Fiscal Year June 30	Principal	Interest
2019	$ 1,500,000	$ 1,683,763
2020	1,560,000	1,623,763
2021	1,625,000	1,561,363
2022	1,690,000	1,496,363
2023	1,755,000	1,428,763
2024-2028	10,225,000	5,704,489
2029-2033	12,810,000	3,125,825
2034-2036	5,965,000	408,038
Totals	$ 37,130,000	$ 17,032,367

2015 Lease Revenue Refunding Bonds

On December 1, 2015, the City of Palm Springs Public Financing Authority issued $5,680,000 Lease Revenue Refunding Bonds. The proceeds from the issuance were used to refund the 2002A Certificates of Participation, which were used to fund capital projects related to the downtown parking structure. Interest on the bonds range between 2.0% to 5.0% and the final maturity date is November 1, 2027.

The total bonds outstanding at June 30, 2018, is $5,260,000 including $773,255 of unamortized premium.

Fiscal Year June 30	Principal	Interest
2019	$ 340,000	$ 249,150
2020	365,000	235,050
2021	425,000	217,125
2022	455,000	195,125
2023	485,000	171,625
2024-2028	3,190,000	417,750
Totals	$ 5,260,000	$ 1,485,825

2007 Taxable Pension Obligation Bonds

On April 1, 2007, the City of Palm Springs pursuant to an Agreement with the California Statewide Communities Development Authority issued $19,832,588 of Pension Obligation Bonds. The aggregate total amount of the bonds for all agencies was $87,475,699 which includes $65,140,000 of Series A-1 current interest and $22,335,699 of Series A-2 capital appreciation bonds. The issuance of the bonds provided monies to meet the City's obligation to pay the City's unfunded accrued actuarial liability ("UAAL") to the California Public Employees Retirement System ("PERS"). The City's obligation includes the requirement to amortize the unfunded accrued liability over a multi-year period. On April 1, 2007, the City contributed $19,382,434 of the bond proceeds to PERS to fund a portion of the unfunded liability for the Miscellaneous and Safety Plans that provides retirement benefits to the City employees and public safety officers.

Note 5: Long-Term Liabilities (Continued)

Interest on Series A-1 Current Interest Bonds of $14,790,000, is payable on June 1 and December 1, commencing December 1, 2007. The rate of interest varies from 5.37% to 5.56% per annum. Principal is payable in annual installments ranging from $605,000 to $2,430,000 commencing on June 1, 2019 and ending on June 1, 2035.

Optional Redemption: The Series A-1 Current Interest Bonds maturing on or before June 1, 2017 will not be subject to optional redemption. The bonds maturing on June 2, 2021, June 1, 2026 and June 1, 2035, are subject to optional redemption prior to maturity at the option of the Authority, or in part on any date at a redemption price equal to the greater of (1) 100% of principal to be redeemed or (2) present value of the remaining debt service discounted at Treasury Rate plus 12.5 basis points, plus accrued and unpaid interest on the Redeemable Term Bonds being redeemed to the date fixed for redemption.

The balance outstanding as of June 30, 2018, was $20,011,558 including accreted interest of $2,420,873.

Year Ending June 30	Series A-1		Series A-2	
	Principal	Interest	Principal	Interest
2019	$ 605,000	$ 814,648	$ -	$ -
2020	695,000	782,159	-	-
2021	790,000	744,838	-	-
2022	-	702,415	712,196	-
2023	675,000	702,415	211,814	-
2024-2028	3,530,000	2,760,216	1,744,165	-
2029-2033	3,850,000	2,257,146	2,553,383	-
2034-2036	4,645,000	392,946	-	-
Total	$ 14,790,000	$ 9,156,783	$ 5,221,558	$ -

1998 Airport Passenger Facility Charge Revenue Bonds

On June 1, 1998, the Authority issued $12,720,000 Airport Passenger Facility Charge Revenue Bonds, Series 1998 (1998 PFC Bonds) to provide funds to finance improvements to the airport. These bonds were issued simultaneously with the 1998 Airport Revenue Bonds which were also issued to finance improvements to the airport.

The Bonds consist of $3,640,000 of serial bonds and $9,080,000 of term bonds. The serial bonds accrue interest at rates between 4.25% and 5.10% and mature between January 1, 2001 and January 1, 2012, ranging from $145,000 to $355,000.

The first portion of term bonds with principal of $2,550,000 accrue interest at 5.125% and mature on January 1, 2018. The second portion of term bonds with principal of $2,200,000 accrue interest at a rate of 5.25% and mature on January 1, 2022. The third portion of term bonds with principal of $4,330,000 accrue interest at a rate of 5.50% and mature on January 1, 2028.

Note 5: Long-Term Liabilities (Continued)

Bonds maturing on January 1, 2018, January 1, 2022, and January 1, 2028, are subject to mandatory redemption, in part by lot, on January 1 in each year commencing January 1, 2013, with respect to bonds maturing January 1, 2018, commencing January 1, 2019, with respect to bonds maturing January 1, 2022, and commencing January 1, 2023, with respect to bonds maturing January 1, 2028, from mandatory sinking account payments at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date fixed for redemption in the aggregate respective principal amounts and on January 1 in the respective years; provided, however, that (i) in lieu of redemption thereof, the bonds may be purchased pursuant to the provisions of the Indenture, and (ii) if some but not all of the bonds have been redeemed pursuant to the optional or special redemption provisions, the total amount of sinking accounts payments to be made subsequent to such redemption will be reduced in an amount equal to the principal amount of the bonds so redeemed, by reducing each such future sinking account payment in integral multiples of $5,000, in a manner designated by the Authority, in the case of an optional redemption, or in inverse order, in the case of a special redemption.

The bonds maturing January 1, 2028 are subject to special mandatory redemption, in part by lot each January 1 from certain excess revenues at a redemption price equal to the principal amount thereof to be redeemed, plus a premium, together with accrued interest thereon to the date fixed for redemption. The redemption price relating to redemption dates January 1, 1999 to January 1, 2007 is 103%; January 1, 2008 is 102%; January 1, 2009 is 101%; and January 1, 2010 and thereafter is 100%.

The required reserve for the 1998 Airport Passenger Facility Charge Revenue Bonds is $497,436. At June 30, 2018, the reserve fund was fully funded. The amount of bonds outstanding at June 30, 2018, is $740,000. The bonds had $79,660 of unamortized discount.

A special redemption was made on July 1, 2017, with the redemption price at 100% for the amount of $1,205,000.

2006 Airport Passenger Facility Charge Revenue Bonds

On April 19, 2006, the City issued $12,115,000 Airport Passenger Facility Charge Revenue Bonds, Series 2006 (2006 PFC Bonds) to refund in its entirety the City of Palm Springs Financing Authority Airport Revenue Bonds, 1992 Series, issued in 1992 to finance certain improvements to the airport.

The bonds consist of $3,865,000 of serial bonds and $8,250,000 of term bonds. The serial bonds accrue interest at rates between 4.40% and 5.40% and mature between July 1, 2007 and July 1, 2016, in amounts ranging from $310,000 to $480,000.

The first portion of term bonds with principal of $2,185,000 accrue interest at 5.45% and mature on July 1, 2020. The second portion of term bonds with principal of $6,065,000 accrue interest at a rate of 5.55% and mature on July 1, 2028.

Note 5: Long-Term Liabilities (Continued)

Bonds maturing on July 1, 2028, are subject to mandatory redemption, in part by lot, on July 1 of each year commencing July 1, 2007, from certain excess PFC Revenues at a redemption price equal to the principal amount thereof to be redeemed, plus a premium and accrued interest thereon to the date fixed for redemption as follows:

Redemption Dates	Redemption Prices
Each July 1 prior to July 1, 2014	103%
July 1, 2014	102%
July 1, 2015	101%
July 1, 2016 and thereafter	100%

The bonds are subject to special mandatory redemption, in whole, on any date as a result of actions taken by the Federal Aviation Administration (FAA) to reduce the City's authority to collect passenger facility charges under the special agreement with the FAA from proceeds of refunding obligations of from any available funds of the Airport at a redemption price equal to the principal amount thereof together with accrued interest thereon to the date fixed for redemption.

Bonds maturing on or after July 1, 2015, are subject to redemption prior to maturity on any date on or after July 1, 2014, in whole or in part, in a manner determined by the City, from prepayments made at the option of the City pursuant to the at a redemption price equal to the principal amount thereof to be redeemed, plus a premium and accrued interest thereon to the date fixed for redemption as follows:

Redemption Dates	Redemption Prices
July 1, 2014 through June 30, 2015	102%
July 1, 2015 through June 30, 2016	101%
July 1, 2016 and thereafter	100%

A special redemption was made on July 1, 2017, with the redemption price at 100% for the amount of $260,000.

The required reserve for the 2006 Airport Passenger Facility Charge Revenue Bonds is $961,610. At June 30, 2018, the reserve fund was fully funded. The amount of bonds outstanding at June 30, 2018, is $5,850,000. The bonds had $100,954 of unamortized discount and $305,058 deferred refunding charges.

2008 Airport Passenger Facility Charge Revenue Bonds

On May 14, 2008, the City issued $6,895,000 Airport Passenger Facility Charge Revenue Bonds, to refund in their entirety the remaining $7,125,000 of the Authority Airport Revenue Bonds, Series 1998 (1998 GAR Bonds), issued to finance improvements to the Airport.

The bonds consist of $6,895,000 of term bonds. The first portion of term bonds with principal of $1,145,000 accrues interest at 5.30% and matures on July 1, 2013. The second portion of term bonds with principal of $1,540,000 accrues interest of 6.00% and matures on July 1, 2018. The third portion of term bonds with principal of $2,050,000 accrues interest at 6.40% and matures on July 1, 2023. The fourth portion of the term bonds with principal of $2,160,000 accrues interest of 6.50% and matures on July 1, 2027.

Note 5: Long-Term Liabilities (Continued)

The Bonds are subject to special mandatory redemption, in part by lot each July 1, beginning July 1, 2009, from certain excess PFC Revenues, defined herein as "Remaining Revenues", in inverse order of maturity, pro-rata with the 2006 PFC Bonds, at a redemption price equal to the principal amount thereof to be redeemed, plus a premium together with accrued interest thereon to the date fixed for redemption as follows:

Redemption Dates	Redemption Prices
Each July 1 prior to July 1, 2014	103%
July 1, 2014	102%
July 1, 2015	101%
July 1, 2016 and each July 1 thereafter	100%

The Bonds maturing on or after July 1, 2018, are subject to redemption prior to maturity on any date on or after July 1, 2014, in whole or in part, in a manner determined by the City, from prepayments made at the option of the City pursuant to the Indenture at a redemption price equal to the principal amount thereof to be redeemed, plus a premium, together with accrued interest thereon to the date fixed for redemption as follows:

A special redemption was made on July 1, 2017, with the redemption price at 100% for the amount of $160,000.

Redemption Dates	Redemption Prices
July 1, 2014 through June 30, 2015	102%
July 1, 2015 through June 30, 2016	101%
July 1, 2016 and thereafter	100%

The required reserve for the 2008 Airport Passenger Facility Charge Revenue Bonds is $644,000. At June 30, 2018, the reserve fund was fully funded. The amount of bonds outstanding at June 30, 2018, is $3,670,000, including $149,726 unamortized discount and $133,522 deferred refunding charges.

Future requirements to amortize outstanding business-type bonds payable (excluding $330,340 of unamortized discounts and $438,580 of deferred refunding charges) as of June 30, 2018, are as follows:

Fiscal Year Ending June 30	1998 PFC Airport Bonds		2006 PFC Airport Bonds		2008 PFC Airport Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 505,000	$ 38,850	$ 530,000	$ 308,553	$ 345,000	$ 224,425
2020	235,000	12,338	560,000	278,850	365,000	202,395
2021	-	-	590,000	247,513	385,000	178,395
2022	-	-	625,000	214,091	405,000	153,115
2023	-	-	655,000	178,571	435,000	126,235
2024-2028	-	-	2,890,000	321,623	1,735,000	206,633
Total	$ 740,000	$ 51,188	$ 5,850,000	$ 1,549,201	$ 3,670,000	$ 1,091,198

Note 5: Long-Term Liabilities (Continued)

Pledged Revenues

The PFC Bonds are payable from the revenues pledged under the Indenture consisting primarily of installment payments to be made by the City of Palm Springs. The City's obligation to make installment payments is payable solely from Passenger Facilities Charges ("PFC Revenues") imposed by the City under the authority of its Federal Aviation Act and regulation. As of June 30, 2018, principal and interest remaining on the PFC bonds was $12,990,516. For the current year, principal and interest paid and total PFC revenues were $3,657,870 and $4,461,204 respectively.

Compensated Absences

This liability represents the total unpaid vacation and compensation time earned by employees of the City. For governmental activities, the liability will be paid from its general fund. For proprietary activities, the liability will be paid from the fund which reports the liability.

Note 6: Claims and Judgments

The City is exposed to various risks of loss related to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The City's Internal Service Risk Management Fund is used to account for and finance uninsured risks of loss. The City purchases coverage for general liability claims through its participation in the Municipal Insurance Cooperative (MIC), which is a Joint Powers Authority developed to facilitate the joint purchase of coverages and services. MIC does not constitute insurance, but instead has created its own Memorandum of Coverage that is reinsured through Great American. MIC covers claims in excess of the City's retention of $1,000,000 for Law Enforcement and Auto Liability, and $650,000 retention applies to all other claims, up to the per occurrence limit of $10,000,000.

The City of Palm Springs purchases commercial workers' compensation insurance from Safety National Casualty Corporation. Under this policy, employers recover claims in excess of the City's self-insured retention of $1,000,000 and provides employer's liability coverage up to $50,000,000 in addition to workers' compensation statutory limits.

The claims and judgments liability reported in the Internal Service Risk Management Fund is based on the requirements of Governmental Accounting Standards Board Statements No. 10 and 30, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. As of June 30, 2018, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to $9,399,718 of which $3,540,046 represents the current portion.

During the past three fiscal (claims) years, none of the above programs of protection have had any settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage in the prior year.

Changes in the claims and judgments payable amounts in fiscal years ended June 30, 2017 and 2018, for the Risk Management Fund are as follows:

Fiscal Year Ending	Beginning of Fiscal Year Liability	Current Year Claims and Change in Estimates	Claims Payments	Balance at Fiscal Year End
2016-2017	$ 9,776,479	$ 2,959,444	$ (3,189,679)	$ 9,546,244
2017-2018	9,546,244	3,308,681	(3,455,207)	9,399,718

Note 7: Defined Benefit Pension Plan (PERS)

General Information about the Pension Plans

Plan Description, Benefits Provided and Employees Covered

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

Benefits Provided

CalPERS provides service 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. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. 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 each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous Plan		
	Classic *	Tier 2 *	PEPRA
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	After January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.000% - 2.700%, 50 yrs - 55+ yrs, respectively	2.000% - 2.700%, 50 yrs - 55+ yrs, respectively	1.000% - 2.500% 52 yrs - 67+ yrs, Respectively
Required employee contribution rates	8.000%	7.000%	6.750%
Required employer contribution rates	28.140%	28.140%	28.140%

	Safety Plan		
	Classic *	Tier 2 *	PEPRA
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	After January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs Respectively	2.000%, 2.700%, 50yrs - 57+ yrs Respectively
Required employee contribution rates	9.000%	9.000%	11.500%
Required employer contribution rates	49.418%	49.418%	49.418%

***** Closed to new entrants.

Note 7: Defined Benefit Pension Plan (PERS) (Continued)

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms of the Plan:

	Number of members	
Description	**Miscellaneous**	**Safety**
Active members	287	149
Transferred members	111	31
Terminated members	65	27
Retired members and beneficiaries	65	34
Total	**528**	**241**

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the employer contributions recognized as a reduction to the net pension liability for the Miscellaneous and Safety Plan were $4,850,087 and $7,112,083 respectively.

Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017 using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard updated procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2016 valuation was rolled forward to determine the June 30, 2017 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

Note 7: Defined Benefit Pension Plan (PERS) (Continued)

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Change of Assumptions

In 2017, the accounting discount rate was reduced from 7.65% to 7.15%.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), 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 PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Note 7: Defined Benefit Pension Plan (PERS) (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0	0.80	2.27
Inflation Sensitive	6.0	0.60	1.39
Private Equity	12.0	6.60	6.63
Real Estate	11.0	2.80	5.21
Infrastructure and Forestland	2.0	3.90	5.36
Liquidity	2.0	-0.40	-0.90

(1) An expected inflation of 2.5% used for this period.
(2) An expected inflation of 3.0% used for this period.

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous agent multiple-employer plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2016	$ 207,247,524	$ 145,026,259	$ 62,221,265
Changes Recognized for the Measurement Period:			
Service Cost	4,112,823	-	4,112,823
Interest on the Total Pension Liability	15,276,818	-	15,276,818
Changes of Assumptions	12,113,075	-	12,113,075
Differences between Expected and Actual Experience	(2,221,040)		(2,221,040)
Contribution from the Employer	-	5,240,243	(5,240,243)
Contributions from Employees	-	1,589,948	(1,589,948)
Net Investment Income	-	15,993,781	(15,993,781)
Benefit Payments including Refunds of Employee Contributions	(11,068,366)	(11,068,366)	-
Adminstrative Expense	-	(214,122)	214,122
Net Changes During 2016-17	18,213,310	11,541,484	6,671,826
Balance at: 6/30/2017	$ 225,460,834	$ 156,567,743	$ 68,893,091

Note 7: Defined Benefit Pension Plan (PERS) (Continued)

The following table shows the changes in net pension liability recognized over the measurement period for the Safety agent multiple-employer plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2016	$ 244,127,784	$ 157,264,312	$ 86,863,472
Changes Recognized for the Measurement Period:			
Service Cost	4,569,365	-	4,569,365
Interest on the Total Pension Liability	18,189,561	-	18,189,561
Changes of Assumptions	15,388,990	-	15,388,990
Difference between Expected and Actual Experience	(440,513)	-	(440,513)
Contribution from the Employer	-	7,095,444	(7,095,444)
Contributions from Employees	-	1,442,765	(1,442,765)
Net Investment Income (2)	-	17,283,485	(17,283,485)
Benefit Payments including Refunds of Employee	(13,922,996)	(13,922,996)	-
Adminstrative Expense	-	(232,190)	232,190
Net Changes During 2016-17	23,784,407	11,666,508	12,117,899
Balance at: 6/30/2017	$ 267,912,191	$ 168,930,820	$ 98,981,371

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan:			
Plan's Net Pension Liability/(Assets)	$ 97,913,073	$ 68,893,091	$ 44,839,585
Safety Plan:			
Plan's Net Pension Liability/(Assets)	136,125,703	98,981,371	68,646,504
Total	**$ 234,038,776**	**$ 167,874,462**	**$ 113,486,089**

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves. Detailed information about the plans' fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

Note 7: Defined Benefit Pension Plan (PERS) (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the Miscellaneous agent multiple-employer plan, as of the start of the measurement period (July 1, 2016), the net pension liability was $62,221,265. For the measurement period ending June 30, 2017 (the measurement date), the City incurred a pension expense/(income) of $11,359,120 for the Plan.

As of June 30, 2018, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	$ 5,980,682	$ -
Change in Assumptions	6,846,521	-
Difference between Expected and Actual Experience	-	(1,385,043)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,152,403	-
Total	**$ 14,979,606**	**$ (1,385,043)**

The $5,980,682 reported as deferred outflows represents contributions made after the measurement date of the net pension liability but before the end of the City's reporting period and will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2018	$ 4,094,221
2019	3,775,001
2020	912,465
2021	(1,167,806)
Total	$ 7,613,881

Note 7: Defined Benefit Pension Plan (PERS) (Continued)

For the Safety agent multiple-employer plan, as of the start of the measurement period (July 1, 2016), the net pension liability was $86,863,472. For the measurement period ending June 30, 2017 (the measurement date), the City incurred a pension expense/(income) of $14,272,424 for the Plan.

As of June 30, 2018, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	$ 7,737,647	$ -
Difference between Expected and Actual Experience	11,443,095	(778,972)
Change in Assumptions	1,847,865	(327,561)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,477,023	-
Total	**$ 23,505,630**	**$ (1,106,533)**

The $7,737,647 reported as deferred outflows of resources represents contributions made after the measurement date of the net pension liability but before the end of the City's reporting period and will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period ended June 30:	Deferred Outflows/(Inflows) of Resources
2018	$ 4,073,213
2019	7,360,094
2020	4,478,422
2021	(1,250,279)
Total	$ 14,661,450

Note 8: Other Post-Retirement Health Care Benefits

Plan Description

The City provides retiree medical insurance benefits under the CalPERS health plan, a cost sharing plan, to eligible retirees and their spouses in accordance with various labor agreements. Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) and are eligible for a PERS pension. The benefits are available only to employees who retire from the City.

Note 8: Other Post-Retirement Health Care Benefits (Continued)

Employees Covered

At June 30, 2017, the measurement date, the following numbers of participants were covered by the benefit terms:

Description	Participants
Inactives currently receiving benefits	209
Inactives entitled to but not yet receiving benefits	-
Active employees	354
	563

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage.

The City funds retiree medical insurance benefits on a pay as you go basis, paying for retiree medical insurance from the City's Retiree Health Insurance internal service fund. The City has not set up a trust for purposes of funding the required retiree medical insurance payments. For fiscal year 2017-2018, the City paid a total of $3,480,420 for retiree health insurance.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2017 for the measurement period July 1, 2016 through June 30, 2017. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial assumptions:

Actuarial Assumptions:

Discount rate	3.13% on June 30, 2017 and 2.38% on June 30, 2016
Inflation	2.75% per year
Salary Increases	3.25% per year, used only to allocate the cost of benefits between service years
Investment rate of retrun	N/A
Mortality rate	MacLeod Watts Scale 2017 applied generationally
Healthcare trend rate	Medical plan premuims and c,aims costs by age are assumed to increase once each yearf as follows:

2018 - 8.00%	2022 - 6.00%
2019 - 7.50%	2023 - 5.50%
2020 - 7.00%	2024 - 5.00%
2021 - 6.50%	Later - 5.00%

Discount Rate

The discount rate used to measure the total OPEB liability are based on the S&P Municipal Bond 20 Year High Grade Index. This index indicates discount rates of 2.68% as of June 30, 2016 and 3.13 as of June 30, 2017

Note 8: Other Post-Retirement Health Care Benefits (Continued)

Changes in the Total OPEB Liability.

The changes in the total OPEB liability for the plan are as follows:

	Total OPEB Liability Measurement Period 2016-17
Total OPEB Liability - June 30, 2016	$ 148,690,866
Changes in Total OPEB Liability	
Service Cost	3,726,841
Interest	4,040,843
Actual vs. expected experience	-
Assumption changes	(11,536,388)
Benefits payments	(3,280,004)
Changes of benefit terms	-
Net Changes	(7,048,708)
Total OPEB Liability - June 30, 2017	$ 141,642,158

Sensitivity of the Total OPEB Liability to Changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate, for the measurement period June 30, 2017:

	Discount Rate		
	1% Decrease (2.13%)	Current Rate (3.13%)	1% Increase (4.13%)
Total OPEB Liability	$ 169,198,001	$ 141,642,158	$ 120,149,710

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or one percentage point lower than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	$ 115,818,582	$ 141,642,158	$ 177,453,777

Note 8: Other Post-Retirement Health Care Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of $6,032,889. At June 30, 2018, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Change in assumptions	-	(9,801,593)
Employer conribution made subsequent to measurement date	3,480,420 *	-
Total	$ 3,480,420	$ (9,801,593)

* Includes $2,778,834 direct benefit payments plus $701,586 impled contributions for fiscal year 2017-18.

The $3,480,420 reported as deferred outlfows of resources represents contributions made after the measurement date of the OPEB liability but before the end of the City's reporting period and will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	$ (1,734,795)
2020	(1,734,795)
2021	(1,734,795)
2022	(1,734,795)
2023	(1,734,795)
Thereafter	(1,127,618)
Total	$ (9,801,593)

Note 9: Leasehold Interest

SENCA Palm Springs, Inc., a California Corporation, was the lessee under Business Lease No. PSL-315 and a letter dated May 1, 1984, which are collectively referred to as the "Master Lease," which totaled 30.85 acres. Under this Master Lease, the Agua Caliente (Palm Springs) Reservation was the "lessor" while SENCA was the "lessee."

On September 28, 1989, the City of Palm Springs entered into an agreement with SENCA to assume SENCA's lease. The agreement provided for, among other things, the assignment by SENCA to the City of all of SENCA's right, title and interest in and to the Master Lease and the three subleases in exchange for $3,000,000. In addition, the City subleased to SENCA the remainder of the Master Lease Property (the "New Sublease Property"). The swap saved the City hundreds of thousands of dollars per year in lease payments and allowed SENCA to not have to make any lease payments on the undeveloped portion of land until it developed. The City assumed the responsibility of collecting the rent of the three remaining subleases: Wyndham Hotel, Convention Center and Voss Properties. However, SENCA's interest in that sublease was eventually sold to Tom and Jacqueline Suitt. Until the site is developed, the rent was $1 per year, with a percentage lease calculated in the original 1989 lease amendment applied once the property developed. It was anticipated in the original (1984) and amended (1989) leases that the allottees would be entitled to rental income from the property once developed. Voss Properties eventually went into foreclosure, and the sublease was turned into a direct lease with the Bureau of Indian Affairs. The basic rent of $470,450 for the Renaissance Palm Springs Hotel, formerly the Wyndham Hotel has been adjusted by increases in the Consumer Price Index to $981,077.

The Convention Center's basic rent of $225,000 is now $401,000. The rents paid to the City are due each December 20th for the succeeding calendar year. The next CPI adjustment will affect the December 20, 2014, payment for the fiscal year ending June 30, 2015. The subleases expire in 2059.

Subsequently, the City pays the lessor in accordance with the Master Lease. Basic rent is adjusted every five years using the "Base Index" (Price Index of December 1984) issued by the Bureau of Labor Statistics of the United States Department of Labor. The current annual rent is $1,489,200. In April 2004, the City and the Indian allottees approved a Settlement Agreement and new lease amendment that changed how the overall lease was calculated. These actions were intended to settle potential litigation brought by the allottees against the City for an alleged underpayment of rent as it related to the calculation of the percentage rent. The 2004 amendment reduced or eliminated most or all of the rent percentages in favor of a higher Guaranteed Annual Rent (GAR) of $1,200,000 in 2004 and traded a substantial immediate increase in the GAR in return for receiving no additional rent from the Suitt parcel when it developed.

The pre-amendment rent for the whole 30 acres would have been about $900,000. Just as in the 1989 amendment, the rent should be adjusted in five years (2010) by CPI in an amount not to exceed 30%. Most importantly, the new lease requires a reappraisal of the property (as defined in Addendum 2 and referenced in Article 2 of the original and amended leases) in the year 2014, with the new GAR to be calculated at 8% of the new value.

In late 2004, Suitt entered negotiations with Enterprise California ("Enterprise") for Enterprise to acquire Suitt's position in the sublease and negotiate a new sublease with the City. Enterprise and Suitt then approached the City regarding a lease assumption. Suitt was not a party to any of the 2003-04 negotiations between the allottees and the City that resulted in the Master Lease amendment and their original negotiations with Enterprise were based on their understanding of the terms of the controlling Master Lease (essentially, the 1989 lease) and their sublease.

Note 9: Leasehold Interest (Continued)

The City and PS Venture Caballeros/Amado, LLC (a partnership including Enterprise) entered into an Amended and Restated Sublease, dated February 9, 2006, where the City as the Master Lessee and sublandord subleased to PS Venture the Suitt portion of the Master Lease Property, specifically a 9.62-acre parcel of land ("Sublease Land") located at the southeast corner of Avenida Caballeros and Amado Road. Enterprise proposed to construct 234 mid-rise condominiums and town homes on the site and spent over $7,600,000 on acquisition of the lease and entitlement over the previous two years.

At its June 27, 2007, meeting, the Former Community Redevelopment Agency of the City of Palm Springs approved acquiring the sublease of a 9.62-acre parcel for future development of public and/or private facilities and paid $7,804,000 for the parcel, which was the fair market value of the land. The transaction was finalized prior to the deadline of October 4, 2007, using 2007 Tax Allocation bonds. The Successor Agency now leases the parcel from the City of Palm Springs.

The Master Lease and subleases are considered for accounting purposes to be operating leases.

Note 10: Construction Commitments

The City has active construction projects as of June 30, 2018. The projects include streets and drainage, facilities and equipment, traffic signal projects, landscapes and bridges. At fiscal year end, the City's encumbrances with contractors were as follows:

	Spent-to-date	Remaining Commitment
Airport	$ 2,888,421	$ 737,659
Chamber	1,377,453	739
Chevron Op Terra	2,150,585	243,621
City Facility Improvements	3,132,503	399,320
Downtown	2,430,608	1,096,559
Police	1,248,642	2,969,889
Street/Drains	4,987,765	1,832,896
Tahquitz Creek Plan	323,950	1,030,099
Wastewater	20,679,136	2,575,626
	$ 39,219,063	$ 10,886,408

Beginning net position was restated as follows:

Funds	Amounts
Enterprise Funds	
Airport	
To correct capitalization of prior year capital assets	$ 1,546,788
To record prior year rental for the City Yard	154,268
Total Business-Type Activities	$ 1,701,056
Internal Service Funds	
Motor Vehicle Replacement	
To record prior year rental for the City Yard	$ (154,268)
Retiree Health Insurance	
GASB Statement No. 75 Implementation	(145,410,862)
Governmental Activities	
GASB Statement No. 75 Implementation	44,041,286
To correct capitalization of prior year capital assets	23,754
Total Governmental Activities	$ (101,500,090)

Note 12: Successor Agency Trust for Assets of Former Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Palm Springs that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 4, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 23071.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocating revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs 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.

Management believes, in consultation with legal counsel, the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

a. Cash and Investments

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

Cash and investments pooled with the City	$ 6,030,645
Cash and investments with fiscal agent	6,100
	$ 6,036,745

Note 12: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

b. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2018, follows:

Fiduciary Activities	Beginning Balance	Defeased	Additions	Deletions	Ending Balance	Due Within One Year
Advances from the City of Palm Springs	$ 3,979,285	$ -	$ -	$ -	$ 3,979,285	$ -
2007 Tax Allocation Bonds, Series A, B, C	20,205,000	17,775,000	-	580,000	1,850,000	65,000
2014 Tax Allocation Refunding Bonds	13,825,000	-	-	985,000	12,840,000	1,010,000
2017A Tax Allocation Refunding Parity Bonds	-	-	11,345,000	-	11,345,000	395,000
2017B Tax Allocation Refunding Parity Bonds	-	-	5,680,000	-	5,680,000	305,000
Unamortized Bond Premium	1,777,586	-	1,329,589	98,750	3,008,425	-
Total	$ 39,786,871	$ 17,775,000	$ 18,354,589	$ 1,663,750	$ 38,702,710	$ 1,775,000

Advances from the City of Palm Springs

The Successor Agency has an advance from the City of Palm Springs Housing Fund in the amount of $3,979,285 as of June 30, 2018.

2007 Tax Allocation Bonds Series A, B, C

On September 7, 2007, the Former Community Redevelopment Agency issued $12,770,000 TAB Series A, $1,910,000 TAB Series B, and $6,495,000 Series C. The Bonds were issued to finance redevelopment activities of the Agency within, or of benefit to, the Agency's Merged Project Area No. 1, capitalize interest in the Series A Bonds, satisfy a portion of the reserve requirement for the Bonds, and provide for the costs of issuing the Bonds.

The Series A Bonds consist of $2,715,000 of serial bonds and $10,055,000 of term bonds. The serial bonds accrue interest at rates between 4.00% and 4.50% and mature between September 1, 2017 and September 1, 2025 in amounts ranging from $150,000 to $615,000. The first portion of the term bonds with principal of $5,000,000 accrues interest at a rate of 5.00% and matures on September 1, 2030. The second portion of the term bonds with principal of $5,055,000 accrues interest at a rate of 5.00% and matures on September 1, 2034. These bonds were fully refunded during the current year with the issuance of the 2017A Tax Allocation Refunding Parity Bonds.

The Series B Bonds consist of $1,910,000 in term bonds. The first portion of the term bonds with principal of $1,910,000 accrues interest at a rate of 6.141% and matures on September 1, 2034.

The Series C Bonds consist of $6,495,000 in term bonds. The term bonds with principal of $1,140,000 accrues interest at a rate of 5.59% and matures on September 1, 2017. The second portion of the term bonds with principal of $5,355,000 accrues interest at a rate of 6.411% and matures on September 1, 2034. These bonds were fully refunded during the current year with the issuance of the 2017B Taxable Tax Allocation Refunding Parity Bonds.

The Series A, B and C Bonds shall also be subject to redemption, in part by lot, on September 1 in each year, from Sinking Account payments made by the Agency pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the Indenture.

Note 12: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

In October 2017, the Successor Agency issued the 2017 A Tax Allocation Refunding Parity Bonds and the 2017 B Taxable Tax Allocation Refunding Parity Bonds to refund in totality the 2007 Tax Allocation Bonds Series A and C and partially refund the 2007 Tax Allocation Bonds Series B. As a result, the balance outstanding on the 2007 Tax Allocation Bonds Series B as of June 30, 2018, is $1,850,000. Future requirements to amortize are as follows:

June 30	Series B	
	Principal	Interest
2019	$ 65,000	$ 111,613
2020	70,000	107,468
2021	75,000	103,015
2022	80,000	98,256
2023	80,000	93,343
2024-2028	490,000	383,198
2029-2033	660,000	207,873
2034-2035	330,000	20,572
Total	$ 1,850,000	$ 1,125,338

2014 Subordinate Tax Allocation Refunding Bonds

On July 22, 2014, the Successor Agency to the Palm Springs Community Redevelopment Agency issued $15,635,000 Subordinate Tax Allocation Refunding Bonds. The proceeds from the issuance were used to refund the 2001 and 2004 Series A and B Housing Tax Allocation Bonds. Interest on the bonds range between 3.0% and 5.0% and the final maturity date is August 1, 2034.

The total bond balance outstanding at June 30, 2018, is $12,840,000 including $1,678,836 of unamortized premium.

Fiscal Year June 30	Principal	Interest
2019	$ 1,010,000	$ 576,150
2020	1,070,000	524,150
2021	1,120,000	480,600
2022	1,155,000	434,925
2023	870,000	384,300
2024 - 2028	2,945,000	1,492,275
2029 - 2033	3,165,000	787,125
2034 - 2035	1,505,000	76,375
Totals	$ 12,840,000	$ 4,755,900

2017A Tax Allocation Refunding Parity Bonds

On October 26, 2017, the Successor Agency to the Palm Springs Community Redevelopment Agency issued $11,345,000 Tax Allocation Refunding Parity Bonds. The proceeds from the issuance were used to refund the 2007 Series A and B Housing Tax Allocation Bonds. Interest on the bonds range between 0.930% and 3.260% and the final maturity date is September 1, 2034.

Note 12: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The total bond balance outstanding at June 30, 2018, is $11,345,000 including $1,452,294 of unamortized premium.

Fiscal Year June 30	Principal	Interest
2019	$ 395,000	$ 472,700
2020	295,000	462,850
2021	295,000	449,575
2022	165,000	438,075
2023	150,000	430,200
2024 - 2028	2,470,000	1,934,250
2029 - 2033	5,175,000	930,875
2034 - 2035	2,400,000	72,450
Totals	$ 11,345,000	$ 5,190,975

2017B Taxable Tax Allocation Refunding Parity Bonds

On October 26, 2017, the Successor Agency to the Palm Springs Community Redevelopment Agency issued $5,680,000 Taxable Tax Allocation Refunding Parity Bonds. The proceeds from the issuance were used to refund the 2007 Series C Housing Tax Allocation Bonds. Interest on the bonds range between 1.50% and 3.55% and the final maturity date is September 1, 2029.

The total bond balance outstanding at June 30, 2018, is $5,680,000 including $(122,705) of unamortized discount.

Fiscal Year June 30	Principal	Interest
2019	$ 305,000	$ 161,256
2020	275,000	156,906
2021	285,000	151,994
2022	285,000	146,294
2023	290,000	140,181
2024 - 2028	1,575,000	578,378
2029 - 2033	1,845,000	307,356
2034 - 2035	820,000	28,875
Totals	$ 5,680,000	$ 1,671,240

The proceeds of the 2017 A Tax Allocation Refunding Parity Bonds and 2017B Taxable Tax Allocation Refunding Parity Bonds were deposited under the Escrow Agreements and together with other available moneys, were invested in Federal Securities or held uninvested and irrevocably pledged for the payment of the related prior bonds on their respective date of redemption as follows:

- The $12,420,000 outstanding 2007 Series A Bonds were redeemed in full on December 1, 2017, at a redemption price equal to 100% of the principal amount of the 2007 Series A Bonds together with accrued interest thereon to the date fixed for redemption, without premium, and

- The $5,355,000 outstanding 2007 Series C Bonds were redeemed in full on December 1, 2017, at a redemption price equal to 100% of the principal amount of the 2007 Series C Bonds together with accrued interest thereon to the date fixed for redemption, without premium.

Note 12: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Amounts so deposited under the Escrow Agreements were pledged to the redemption price of the prior bonds on the respective redemption dates and the sufficiency of the amounts deposited under the Escrow Agreements for such purpose were verified by the Verification Agent. The lien of the prior bonds was discharged, terminated and of no further force and effect upon the deposit with the Escrow Bank of the amounts required pursuant to the Escrow Agreements.

As a result, the Successor Agency reduced the aggregate debt service payments by $4.9 million over the remaining maturity period of the 2017 A Tax Allocation Refunding Parity Bonds and 2017 B Taxable Tax Allocation Refunding Parity Bonds and realized an economic gain of $3.6 million (difference between the present values of the debt service payments on the old and new debt).

Pledged Revenues

The City has pledged a portion, as security for bonds issued, either directly or through the Palm Springs Financing Authority, a portion of future tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) received. The bonds issued were to provide financing for various capital projects and accomplish Low and Moderate Income Housing projects. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the various bonds is $44,458,453, payable through September 2034. For the current year, principal and interest paid and total property tax revenues were $3,088,950 and $5,667,703, respectively.

c. Insurance

The Successor Agency is covered under the City of Palm Springs's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 6.

d. Commitments and Contingencies

Developer Agreement

In January 2000, the former Community Development Agency entered into a Disposition and Development agreement with VIP Motor Cars, the operators of an auto dealership to provide rehabilitation assistance to expand and upgrade the dealership. The developer was required to make improvements to the site at a cost of at least $2,000,000. After improvements were completed, the agreement obligated the agency to pay up to $1,000,000 based on sales tax revenues generated in excess of a base sales tax revenue threshold. The payments were due annually commencing on the first year after the Agency issued the Notice of Release of Construction and ending the earlier of either a period of 12 years or until the $1,000,000 was expended.

Note 12: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

In 2005, the Disposition and Development agreement (DDA) was amended extending the term of the DDA, the Lease and Sublease attached to the DDA and as such changed the rent assistance formula and increased the Cumulative Increment Rent Assistance to reflect maximum cumulative agency assistance of $2,900,000, an increase of $1,900,000 from the initial agreement. The changes in the rent assistance formula and maximum assistance was to take effect after a certain "Trigger Date" that would be determined by the relocation of the BMW dealership and report of sales from the new location. The site was expanded further for a new facility of approximately 25,000 square feet and 20 service bays with operations starting at the new location in February 2008. Based on the date that VIP Motors started reporting sales from the new location, the formula for rent assistance commenced on January 1, 2007 for a period of twelve (12) calendar years or a maximum cumulative Agency assistance of $2,900,000, whichever is sooner. Accordingly, the rental assistance schedule is effective through December 2018 or when $2,900,000 in cumulative assistance has been provided, whichever is sooner.

No liability has been reflected in the accompanying financial statements at June 30, 2018 for this agreement.

Note 13: Hotel Incentive Program Payment Obligations

The City has a Hotel Incentive Program allowing hotel owners to refurbish older properties or build new hotels utilizing some of their paid Transient Occupancy Taxes (TOT) which are refunded for these agreed upon expenditures. During the year ended June 30, 2018, TOT revenues were refunded by $2,563,339 under these agreements with the following hotels:

Hotel Incentive Payment Obligations:	Incentive Amount	End of Agreement
Triada	$ 168,802	October 31, 2019
Colony Palms	196,550	February 28, 2021
Hyatt	149,220	April 30, 2022
Saguaro	289,696	April 30, 2022
Riviera	315,692	May 31, 2022
Bearfoot Inn	9,196	December 31, 2022
Hilton	277,135	April 30, 2023
Hard Rock	174,921	September 30, 2023
Sparrows	88,894	September 30, 2023
Palm Mountain	107,790	September 30, 2025
Palm Springs Hotel	52,916	October 31, 2025
Alcazar	45,049	December 31, 2025
Arrive Hotel	117,056	February 28, 2026
Colt's Lodge	18,070	June 30, 2026
Rowan	552,352	October 31, 2047
Total	**$ 2,563,339**	

CITY OF PALM SPRINGS

MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD (1)	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service Cost	$ 3,620,370	$ 3,638,462	$ 3,592,689	$ 4,112,823
Interest on total pension liability	13,835,783	14,462,203	14,978,434	15,276,818
Difference Between expected and Actual Experience	-	165,779	-	(2,221,040)
Changes in Assumptions	-	(3,373,293)	(994,153)	12,113,075
Benefit Payments, Including Refunds of employee Contributions	(9,349,367)	(10,023,409)	(10,647,582)	(11,068,366)
Net Change in Total Pension Liability	**8,106,786**	**4,869,742**	**6,929,388**	**18,213,310**
Total Pension Liability - Beginning	**187,341,608**	**195,448,394**	**200,318,136**	**207,247,524**
Total Pension Liability - Ending (a)	**$ 195,448,394**	**$ 200,318,136**	**$ 207,247,524**	**$ 225,460,834**
PLAN FIDUCIARY NET POSITION				
Contribution - Employer	$ 3,834,378	$ 4,332,593	$ 4,921,063	$ 5,240,243
Contribution - Employee	1,523,877	1,635,767	1,523,892	1,589,948
Plan to Plan Resource Movement	-	123	2,627	-
Net Investment Income	22,411,505	3,336,784	730,670	15,993,781
Benefit Payments, Including Refunds of Employee Contributions	(9,349,367)	(10,023,409)	(10,647,582)	(11,068,366)
Administrative Expense	-	(167,261)	(90,556)	(214,122)
Net Change in Fiduciary Net Position	**18,420,393**	**(885,403)**	**(3,559,886)**	**11,541,484**
Plan Fiduciary Net Position - Beginning	**131,051,155**	**149,471,548**	**148,586,145**	**145,026,259**
Plan Fiduciary Net Position - Ending (b)	**$ 149,471,548**	**$ 148,586,145**	**$ 145,026,259**	**$ 156,567,743**
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	**$ 45,976,846**	**$ 51,731,991**	**$ 62,221,265**	**$ 68,893,091**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**76.48%**	**74.18%**	**69.98%**	**69.44%**
Covered Payroll	**$ 17,841,364**	**$ 18,686,572**	**$ 19,306,195**	**$ 20,128,338**
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**257.70%**	**276.84%**	**322.29%**	**342.27%**

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF PALM SPRINGS

MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018
Actuarially Determined Contribution	$ 4,343,728	$ 4,915,444	$ 4,850,087	$ 5,980,682
Contribution in Relation to the Actuarially Determined Contribution	(4,343,728)	(4,915,444)	(4,850,087)	(5,980,682)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 18,686,572	$ 19,306,195	$ 20,128,338	$ 22,366,073
Contributions as a Percentage of Covered Payroll	23.25%	25.46%	24.10%	26.74%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20%
Payroll Growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF PALM SPRINGS

SAFETY PLAN - AGENT MULTIPLE-EMPLOYER PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

MEASUREMENT PERIOD (1)	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service Cost	$ 3,785,830	$ 3,579,202	$ 3,694,824	$ 4,569,365
Interest	16,202,972	16,817,588	17,690,881	18,189,561
Difference Between expected and Actual Experience	-	207,093	3,936,551	(440,513)
Changes in Assumptions	-	(4,117,429)	-	15,388,990
Benefit Payments, Including Refunds of employee Contributions	(11,730,688)	(12,623,417)	(13,327,695)	(13,922,996)
Net Change in Total Pension Liability	**8,258,114**	**3,863,037**	**11,994,561**	**23,784,407**
Total Pension Liability - Beginning	**220,012,072**	**228,270,186**	**232,133,223**	**244,127,784**
Total Pension Liability - Ending (a)	**$ 228,270,186**	**$ 232,133,223**	**$ 244,127,784**	**$ 267,912,191**
PLAN FIDUCIARY NET POSITION				
Contribution - Employer	$ 4,602,200	$ 5,272,145	$ 5,906,758	$ 7,095,444
Contribution - Employee	1,392,329	1,348,094	1,335,497	1,442,765
Net Investment Income (2)	25,042,700	3,617,828	796,599	17,283,485
Benefit Payments, Including Refunds of Employee Contributions	(11,730,688)	(12,623,417)	(13,327,695)	(13,922,996)
Administrative Expense	-	(183,062)	(99,128)	(232,190)
Net Change in Fiduciary Net Position	**19,306,541**	**(2,568,412)**	**(5,387,969)**	**11,666,508**
Plan Fiduciary Net Position - Beginning	**145,914,152**	**165,220,693**	**162,652,281**	**157,264,312**
Plan Fiduciary Net Position - Ending (b)	**$ 165,220,693**	**$ 162,652,281**	**$ 157,264,312**	**$ 168,930,820**
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	**$ 63,049,493**	**$ 69,480,942**	**$ 86,863,472**	**$ 98,981,371**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**72.38%**	**70.07%**	**64.42%**	**63.05%**
Covered Payroll	**$ 13,209,455**	**$ 13,037,562**	**$ 13,664,290**	**$ 15,010,562**
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**477.31%**	**532.93%**	**635.70%**	**659.41%**

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF PALM SPRINGS

SAFETY PLAN - AGENT MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018
Actuarially Determined Contribution	$ 5,270,514	$ 5,736,274	$ 7,112,083	$ 7,737,647
Contribution in Relation to the Actuarially Determined Contribution	(5,270,514)	(5,736,274)	(7,112,083)	(7,737,647)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 13,037,562	$ 13,664,290	$ 15,010,562	$ 16,438,319
Contributions as a Percentage of Covered Payroll	40.43%	41.98%	47.38%	47.07%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percentage of
Remaining amortization period	25 Years as of Valuation Date
Assets valuation method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20%
Payroll Growth	3.00%
Investment rate of return	7.65% net of pension plan investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

CITY OF PALM SPRINGS

OTHER POST-EMPLOYEMENT HEALTH CARE BENEFITS
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

		2017
Total OPEB Liability		
Service cost	$	3,726,841
Interest on the total OPEB liability		4,040,843
Actual and expected experience difference		-
Changes in assumptions		(11,536,388)
Changes in benefit terms		-
Benefit payments		(3,280,004)
Net change in total OPEB liability		**(7,048,708)**
Total OPEB liability - beginning		**148,690,866**
Total OPEB liability - ending (a)	**$**	**141,642,158**
Covered employee payroll	$	34,929,760
Net OPEB liability as a percentage of covered employee payroll		405.51%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None.

Changes in assumptions: The discount rate was changed from 2.68% as June 30, 2016 to 3.13% for the measurement period ended June 30, 2017.

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 32,570,761	$ 32,570,761	$ 32,570,761	$ -
Resources (Inflows)				
Taxes	98,027,417	99,202,417	108,243,435	9,041,018
Licenses and permits	4,908,000	5,002,106	5,266,590	264,484
Intergovernmental	277,000	341,764	373,097	31,333
Charges for services	6,008,094	6,135,376	7,143,370	1,007,994
Use of money and property	317,500	317,500	523,089	205,589
Contributions	-	5,129	74,197	69,068
Miscellaneous	192,824	193,324	422,089	228,765
Transfers in	-	-	887,500	887,500
Amounts Available for Appropriations	**142,301,596**	**143,768,377**	**155,504,128**	**11,735,751**
Charges to Appropriation (Outflow)				
General government	20,566,092	22,902,657	20,084,214	2,818,443
Public safety	42,954,424	43,949,497	41,951,070	1,998,427
Cultural and convention center	3,071,262	3,072,262	2,585,508	486,754
Parks and recreation	7,773,606	8,989,348	8,020,413	968,935
Public works	11,669,791	12,333,333	11,151,350	1,181,983
Library	2,865,439	2,973,442	2,760,477	212,965
Debt service:				
Principal retirement	2,040,000	2,040,000	-	2,040,000
Interest and fiscal charges	2,644,146	2,644,146	-	2,644,146
Transfers out	-	-	18,640,906	(18,640,906)
Total Charges to Appropriations	**93,584,760**	**98,904,685**	**105,193,938**	**(6,289,253)**
Budgetary Fund Balance, June 30	**$ 48,716,836**	**$ 44,863,692**	**$ 50,310,190**	**$ 5,446,498**

See Notes to Required Supplementary Information

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
HOUSING
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 10,610,199	$ 10,610,199	$ 10,610,199	$ -
Resources (Inflows):				
Use of money and property	7,500	7,500	6,311	(1,189)
Miscellaneous	-	-	30,228	30,228
Amounts Available for Appropriations	**10,617,699**	**10,617,699**	**10,646,738**	**29,039**
Charges to Appropriations (Outflow):				
Housing	229,845	229,845	172,420	57,425
Total Charges to Appropriations	**229,845**	**229,845**	**172,420**	**57,425**
Budgetary Fund Balance, June 30	**$ 10,387,854**	**$ 10,387,854**	**$ 10,474,318**	**$ 86,464**

See Notes to Required Supplementary Information

Note 1: Budgets and Budgetary Accounting

a. Budgetary Control and Accounting

The adopted budget of the City consists of a resolution specifying the total appropriation for each departmental activity, (e.g., Police Administration, Airport Administration, Street Maintenance, etc.).

Total appropriations for each fund may only be increased or decreased by the City Council by passage of a resolution amending the budget, with the exception of budget adjustments which involve offsetting revenues and expenditures. In cases involving offsetting revenues and expenditures, the City Manager is authorized to increase or decrease an appropriation for a specific purpose where said appropriation is offset by unbudgeted revenue which is designated for said specific purpose.

The City Manager has authority to adjust the amounts appropriated between the departments and activities of a fund, objects with each departmental activity and between accounts within the objects, provided, however, that the total appropriations for each fund may not exceed the amounts provided in the budget resolution.

The level on which expenditures may not legally exceed appropriations is the fund level. Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are legally adopted for the general, special revenue, debt service, capital projects, and proprietary fund types.

The Neighborhood Involvements Fund, the Business Improvement District Fund and the Energy Efficient Loan Fund had no adopted budget for fiscal year 2017-18.

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DESCRIPTIONS OF NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

The City of Palm Springs has the following Nonmajor Special Revenue Funds:

Forfeiture Fund – To account for revenues and costs related to special narcotics investigations and seizure of assets as a result of these investigations.

Safety Augmentation Fund – To account for revenues and costs related to Proposition 172, which authorized a special ½ % sales tax to be used for safety purposes only.

Special Development Fund – To account for revenues and costs related to special building fees assessed on tracts in Specific Plan I in the South Palm Canyon areas.

CSA 152 Fund – To account for revenues and costs related to the implementation of the National Pollutant Discharge Elimination System. This program is designed to reduce pollutants entering the various storm channels and washes throughout the community.

Recycling AB 929 Fund – To account for revenues and costs related to the operations of the City's recycling activities.

Villagefest Fund – To account for revenues and costs related to the Palm Springs Villagefest.

Neighborhood Involvements – To account for revenues and costs related to specific neighborhood improvement groups.

Parking Fund – To account for revenues and costs related to the parking lot facilities located within the City.

Gas Tax Fund – To account for revenues received from the State of California and other sources to be used for street maintenance and improvements only.

Measure A Improvements Fund - To account for revenue received from the State of California from a special ½ % sales tax to be used for street maintenance and improvements only.

Drainage Construction Fund – To account for revenue received from fees assessed on new construction for purposes of building and maintaining a drainage and flood control system within the City.

Community Development Block Grant Fund – To account for revenue and costs related to the activities approved and funded by the Block Grant Program.

Master Lease Fund – To account for revenue and expenditures related to the Master Lease held by the City on land adjacent to the Convention Center.

Air Quality Management Fund – To account for revenue received from the County for enacting air quality improvement policies.

Public Arts Fund – To account for revenue and expenditures related to fees collected on new construction for the purpose of procuring art objects for public health.

Library Fund – To account for revenues received for various purposes related to the library activities.

Quimby Act Fees Fund – To account for revenues and costs related to the Quimby Act Park Fees which are intended to pay for future parks and recreational activities.

DESCRIPTIONS OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS

Special Projects Fund – To account for revenue and expenditures of deposits received from developers on a project specific basis.

CFD Public Safety #1 Fund – To account for revenues and related costs pertaining to special taxes levied in a community facilities district within the City.

Business Improvement District Fund – The Business District was established as a “special benefit assessment district” which allows the City to assess business within a defined geographic area for specific purpose. The BID Program, originally initiated by the downtown and uptown business association & Main Street Palm Springs, to improve the quality of life and economic vitality of the area.

Energy Efficiency Loan Fund – To account for revenues and costs of the Energy Efficient Loan Program.

Park Maintenance District Fund – To account for revenues and related costs for the special assessments levied for the various Landscape, Lighting and Parkway Maintenance Districts within the City.

Emergency Response Fund – To account for revenues and expenditures for 911 emergency responses.

Sustainability Fund – To account for revenues and related costs for sustainability.

Special Grants Fund - To account for grant revenues and related costs of special grants.

Small Hotel TBID Fund – To account for the self-imposed 1% assessment on taxable rent for all hotels and motels of a size of 49 rooms and fewer, where the funds are transferred monthly to a Small Hotels Tourism organization for the specific purpose of promoting tourism of said hotels.

SB1 – RMRA Fund – Senate Bill 1 (SB1), identified as "The Road Repair and Accountability Act of 2017" will increase local street and road funds allocated through the Highway Users Tax Account, allocating funds from new taxes through the new Road Maintenance and Rehabilitation Account (RMRA). In accordance with the state's new guidelines, a new and separate revenue stream through increased Gas Tax will be provided to the City, upon approval by the California Transportation Commission (CTC) of a project listing identifying the City's use of the new Gas Tax (RMRA) revenue.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by Proprietary Funds or Trust Funds. Capital Projects Funds are ordinarily not used to account for the acquisition of furniture, fixtures, machinery, equipment, and other relatively minor or comparatively short-lived capital assets.

Parking Projects Fund – To account for payments into the Fund from In Lieu parking fees charges, and to account for the Capital expenditures for parking improvements.

DEBT SERVICE FUNDS

Debt Service Funds are used to accumulate resources for the payment of principal and interest on long-term debt for the City.

General Debt Service Fund - To account for the payment of principal and interest on the City's general debt issues.

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CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	Special Development	CSA 152
Assets				
Pooled cash and investments	$ 247,081	$ 847,066	$ 1,969,138	$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	313	985	2,430	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	-	-	-	-
Total Assets	**$ 247,394**	**$ 848,051**	**$ 1,971,568**	**$ -**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 9,611	$ -	$ -	$ 93,151
Accrued liabilities	-	6,373	-	2,783
Due to other funds	-	-	-	564,809
Total Liabilities	**9,611**	**6,373**	**-**	**660,743**
Deferred Inflows of Resources				
Unavailable revenues	7,814	-	-	-
Total Deferred Inflows of Resources	**7,814**	**-**	**-**	**-**
Fund Balances				
Restricted for:				
Public safety grants and programs	229,969	841,678	-	-
Parks and recreation activities	-	-	-	-
Public works projects	-	-	1,971,568	-
Villagefest	-	-	-	-
Leases	-	-	-	-
Library	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	(660,743)
Total Fund Balances	**229,969**	**841,678**	**1,971,568**	**(660,743)**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 247,394**	**$ 848,051**	**$ 1,971,568**	**$ -**

CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 (CONTINUED)

	Special Revenue Funds			
	Recycling AB 929	Villagefest	Neighborhood Involvements	Parking
Assets				
Pooled cash and investments	$ 859,565	$ 60,139	$ 5,953	$ 353,312
Receivables:				
Accounts	33,172	-	-	-
Notes and loans	-	-	-	-
Accrued interest	1,075	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	-	-	-	-
Total Assets	**$ 893,812**	**$ 60,139**	**$ 5,953**	**$ 353,312**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 7,597	$ 7,260	$ -	$ 80,518
Accrued liabilities	880	10,457	-	131
Due to other funds	-	-	-	-
Total Liabilities	**8,477**	**17,717**	**-**	**80,649**
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances				
Restricted for:				
Public safety grants and programs	-	-	-	-
Parks and recreation activities	-	-	-	-
Public works projects	885,335	-	5,953	272,663
Villagefest	-	42,422	-	-
Leases	-	-	-	-
Library	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**885,335**	**42,422**	**5,953**	**272,663**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 893,812**	**$ 60,139**	**$ 5,953**	**$ 353,312**

CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
Assets				
Pooled cash and investments	$ 789,845	$ 4,814,665	$ 1,528,628	$ -
Receivables:				
Accounts	-	783,798	-	158,855
Notes and loans	-	-	-	-
Accrued interest	884	6,639	1,931	-
Restricted assets:				
Cash and investments	-	1,119,051	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	-	-	-	-
Total Assets	**$ 790,729**	**$ 6,724,153**	**$ 1,530,559**	**$ 158,855**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 12,636	$ 557,464	$ 28,408	$ 96,314
Accrued liabilities	2,129	6,565	194	740
Due to other funds	-	-	-	63,228
Total Liabilities	**14,765**	**564,029**	**28,602**	**160,282**
Deferred Inflows of Resources				
Unavailable revenues	-	283,608	-	158,256
Total Deferred Inflows of Resources	**-**	**283,608**	**-**	**158,256**
Fund Balances				
Restricted for:				
Public safety grants and programs	-	-	-	-
Parks and recreation activities	-	-	-	-
Public works projects	775,964	5,876,516	1,501,957	-
Villagefest	-	-	-	-
Leases	-	-	-	-
Library	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	(159,683)
Total Fund Balances	**775,964**	**5,876,516**	**1,501,957**	**(159,683)**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 790,729**	**$ 6,724,153**	**$ 1,530,559**	**$ 158,855**

CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 (CONTINUED)

	Special Revenue Funds			
	Master Lease	Air Quality Management	Public Arts	Library
Assets				
Pooled cash and investments	$ 37,039	$ 115,638	$ 415,093	$ 1,994,026
Receivables:				
Accounts	-	15,598	-	-
Notes and loans	-	-	-	100,000
Accrued interest	-	145	472	2,161
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	-	-	-	-
Total Assets	**$ 37,039**	**$ 131,381**	**$ 415,565**	**$ 2,096,187**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ 1,341	$ 11,584
Accrued liabilities	-	-	2,332	-
Due to other funds	-	-	-	-
Total Liabilities	**-**	**-**	**3,673**	**11,584**
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances				
Restricted for:				
Public safety grants and programs	-	-	-	-
Parks and recreation activities	-	-	-	-
Public works projects	-	131,381	411,892	-
Villagefest	-	-	-	-
Leases	37,039	-	-	-
Library	-	-	-	2,084,603
Special projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**37,039**	**131,381**	**411,892**	**2,084,603**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 37,039**	**$ 131,381**	**$ 415,565**	**$ 2,096,187**

CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Quimby Act Fees	Special Projects	CFD Public Safety #1	Business Improvement District
Assets				
Pooled cash and investments	$ 3,520,796	$ 2,697,644	$ 856,366	$ 2,059
Receivables:				
Accounts	-	37,410	17,364	-
Notes and loans	-	-	-	-
Accrued interest	4,302	-	986	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	-	-	-	-
Total Assets	**$ 3,525,098**	**$ 2,735,054**	**$ 874,716**	**$ 2,059**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 56,972	$ -	$ -
Accrued liabilities	-	4,136	4,476	-
Due to other funds	-	-	-	-
Total Liabilities	**-**	**61,108**	**4,476**	**-**
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances				
Restricted for:				
Public safety grants and programs	-	-	870,240	-
Parks and recreation activities	3,525,098	-	-	-
Public works projects	-	-	-	2,059
Villagefest	-	-	-	-
Leases	-	-	-	-
Library	-	-	-	-
Special projects	-	2,673,946	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**3,525,098**	**2,673,946**	**870,240**	**2,059**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 3,525,098**	**$ 2,735,054**	**$ 874,716**	**$ 2,059**

CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 (CONTINUED)

	Special Revenue Funds			
	Energy Efficiency Loan	Park Maintenance District	Emergency Response	Sustainability
Assets				
Pooled cash and investments	$ 500,000	$ 724,746	$ 385,679	$ 378,234
Receivables:				
Accounts	-	6,496	81,846	101,425
Notes and loans	-	-	-	-
Accrued interest	-	-	897	457
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	-	-	-	912,097
Total Assets	**$ 500,000**	**$ 731,242**	**$ 468,422**	**$ 1,392,213**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ -	$ 63,268	$ 5,553	$ 521
Accrued liabilities	-	600	-	880
Due to other funds	-	-	-	-
Total Liabilities	**-**	**63,868**	**5,553**	**1,401**
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances				
Restricted for:				
Public safety grants and programs	-	-	462,869	-
Parks and recreation activities	-	-	-	-
Public works projects	500,000	667,374	-	1,390,812
Villagefest	-	-	-	-
Leases	-	-	-	-
Library	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	**500,000**	**667,374**	**462,869**	**1,390,812**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 500,000**	**$ 731,242**	**$ 468,422**	**$ 1,392,213**

CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			Capital Projects Funds
	Special Grants	Small Hotel TBID	SB1-RMRA	Parking Projects
Assets				
Pooled cash and investments	$ -	$ 35,135	$ 231,832	$ 511,311
Receivables:				
Accounts	52,004	35,205	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	232	616
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Advance to Successor Agency	-	-	-	-
Total Assets	**$ 52,004**	**$ 70,340**	**$ 232,064**	**$ 511,927**
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 15,876	$ 65,462	$ 270,211	$ -
Accrued liabilities	10,218	-	-	-
Due to other funds	28,483	-	-	-
Total Liabilities	**54,577**	**65,462**	**270,211**	**-**
Deferred Inflows of Resources				
Unavailable revenues	35,287	-	-	-
Total Deferred Inflows of Resources	**35,287**	**-**	**-**	**-**
Fund Balances				
Restricted for:				
Public safety grants and programs	-	-	-	-
Parks and recreation activities	-	-	-	-
Public works projects	-	-	-	-
Villagefest	-	-	-	-
Leases	-	-	-	-
Library	-	-	-	-
Special projects	-	4,878	-	-
Assigned to:				
Capital Projects	-	-	-	511,927
Unassigned	(37,860)	-	(38,147)	-
Total Fund Balances	**(37,860)**	**4,878**	**(38,147)**	**511,927**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 52,004**	**$ 70,340**	**$ 232,064**	**$ 511,927**

CITY OF PALM SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Debt Service Funds	
	General Debt Service	**Total Other Governmental Funds**
Assets		
Pooled cash and investments	$ -	$ 23,880,990
Receivables:		
Accounts	-	1,323,173
Notes and loans	-	100,000
Accrued interest	-	24,525
Restricted assets:		
Cash and investments	-	1,119,051
Cash and investments with fiscal agents	3,199,066	3,199,066
Advance to Successor Agency	-	912,097
Total Assets	**$ 3,199,066**	**$ 30,558,902**
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 1,383,747
Accrued liabilities	-	52,894
Due to other funds	4,477,551	5,134,071
Total Liabilities	**4,477,551**	**6,570,712**
Deferred Inflows of Resources		
Unavailable revenues	-	484,965
Total Deferred Inflows of Resources	**-**	**484,965**
Fund Balances		
Restricted for:		
Public safety grants and programs	-	2,404,756
Parks and recreation activities	-	3,525,098
Public works projects	-	14,393,474
Villagefest	-	42,422
Leases	-	37,039
Library	-	2,084,603
Special projects	-	2,678,824
Assigned to:		
Capital Projects	-	511,927
Unassigned	(1,278,485)	(2,174,918)
Total Fund Balances	**(1,278,485)**	**23,503,225**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 3,199,066**	**$ 30,558,902**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Forfeiture	**Safety Augmentation**	**Special Development**	**CSA 152**
Revenues:				
Taxes	$ -	$ 930,322	$ -	$ -
Assessments	-	-	-	491,189
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	98,999	36,816	-
Use of money and property	2,479	7,195	4,326	-
Fines and forfeitures	2,286	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**4,765**	**1,036,516**	**41,142**	**491,189**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	70,301	849,760	-	-
Culture and convention center	-	-	-	-
Parks and recreation	-	-	-	676,948
Public works	-	-	-	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**70,301**	**849,760**	**-**	**676,948**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,536)	186,756	41,142	(185,759)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**-**
Net Change in Fund Balances	(65,536)	186,756	41,142	(185,759)
Fund Balances, Beginning of Year	295,505	654,922	1,930,426	(474,984)
Fund Balances, End of Year	**$ 229,969**	**$ 841,678**	**$ 1,971,568**	**$ (660,743)**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018 (CONTINUED)

	Special Revenue Funds			
	Recycling AB 929	Villagefest	Neighborhood Involvements	Parking
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Assessments	-	-	-	-
Licenses and permits	-	478,393	-	-
Intergovernmental	25,882	-	-	-
Charges for services	120,493	-	-	3,036
Use of money and property	8,387	-	-	-
Fines and forfeitures	-	-	-	138,625
Contributions	-	-	-	-
Miscellaneous	-	10,274	-	-
Total Revenues	**154,762**	**488,667**	**-**	**141,661**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and convention center	182,487	-	-	-
Parks and recreation	-	530,793	-	-
Public works	-	-	-	337,751
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**182,487**	**530,793**	**-**	**337,751**
Excess (Deficiency) of Revenu Over (Under) Expenditures	(27,725)	(42,126)	-	(196,090)
Other Financing Sources (Uses):				
Transfers in	-	-	-	40,000
Transfers out	-	-	-	-
Total Other Financing Sourc (Uses)	**-**	**-**	**-**	**40,000**
Net Change in Fund Balances	(27,725)	(42,126)	-	(156,090)
Fund Balances, Beginning of Year	913,060	84,548	5,953	428,753
Fund Balances, End of Year	**$ 885,335**	**$ 42,422**	**$ 5,953**	**$ 272,663**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
Revenues:				
Taxes	$ -	$ 2,093,404	$ -	$ -
Assessments	-	-	-	-
Licenses and permits	-	-	283,324	-
Intergovernmental	947,526	182,176	-	165,562
Charges for services	-	-	-	-
Use of money and property	6,255	34,491	3,574	517
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**953,781**	**2,310,071**	**286,898**	**166,079**
Expenditures:				
Current:				
General government	-	-	-	325,762
Public safety	-	-	-	-
Culture and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	197,614	2,704,572	238,894	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	930,000	-	-
Interest and fiscal charges	-	168,050	-	-
Total Expenditures	**197,614**	**3,802,622**	**238,894**	**325,762**
Excess (Deficiency) of Revenu Over (Under) Expenditures	756,167	(1,492,551)	48,004	(159,683)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(600,000)	-	-	-
Total Other Financing Sourc (Uses)	**(600,000)**	**-**	**-**	**-**
Net Change in Fund Balances	156,167	(1,492,551)	48,004	(159,683)
Fund Balances, Beginning of Year	619,797	7,369,067	1,453,953	-
Fund Balances, End of Year	**$ 775,964**	**$ 5,876,516**	**$ 1,501,957**	**$ (159,683)**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018 (CONTINUED)

	Special Revenue Funds			
	Master Lease	Air Quality Management	Public Arts	Library
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	60,473	-	-
Charges for services	-	-	212,003	-
Use of money and property	1,072,808	1,076	4,138	2,394
Fines and forfeitures	-	-	-	-
Contributions	-	-	4,600	5,716
Miscellaneous	-	-	-	-
Total Revenues	**1,072,808**	**61,549**	**220,741**	**8,110**
Expenditures:				
Current:				
General government	3,000	-	-	-
Public safety	-	-	-	-
Culture and convention center	1,374,855	-	295,043	-
Parks and recreation	-	-	-	-
Public works	-	38,778	-	-
Library	-	-	-	50,220
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**1,377,855**	**38,778**	**295,043**	**50,220**
Excess (Deficiency) of Revenu Over (Under) Expenditures	(305,047)	22,771	(74,302)	(42,110)
Other Financing Sources (Uses):				
Transfers in	181,000	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sourc (Uses)	**181,000**	**-**	**-**	**-**
Net Change in Fund Balances	(124,047)	22,771	(74,302)	(42,110)
Fund Balances, Beginning of Year	161,086	108,610	486,194	2,126,713
Fund Balances, End of Year	**$ 37,039**	**$ 131,381**	**$ 411,892**	**$ 2,084,603**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Quimby Act Fees	Special Projects	CFD Public Safety #1	Business Improvement District
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Assessments	-	-	631,494	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	485,161	700,919	-	-
Use of money and property	5,647	(19,763)	6,477	-
Fines and forfeitures	-	-	-	-
Contributions	-	613,898	-	-
Miscellaneous	-	-	-	-
Total Revenues	**490,808**	**1,295,054**	**637,971**	**-**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	540,352	379,901	-
Culture and convention center	-	-	-	-
Parks and recreation	18,115	354,062	-	-
Public works	-	124,257	-	-
Library	-	-	-	-
Debt service:				
Principal retirement	73,962	-	-	-
Interest and fiscal charges	15,380	-	-	-
Total Expenditures	**107,457**	**1,018,671**	**379,901**	**-**
Excess (Deficiency) of Revenu Over (Under) Expenditures	383,351	276,383	258,070	-
Other Financing Sources (Uses):				
Transfers in	-	14,498	100,000	-
Transfers out	-	-	-	-
Total Other Financing Sourc (Uses)	**-**	**14,498**	**100,000**	**-**
Net Change in Fund Balances	383,351	290,881	358,070	-
Fund Balances, Beginning of Year	3,141,747	2,383,065	512,170	2,059
Fund Balances, End of Year	**$ 3,525,098**	**$ 2,673,946**	**$ 870,240**	**$ 2,059**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018 (CONTINUED)

	Special Revenue Funds			
	Energy Efficiency Loan	Park Maintenance District	Emergency Response	Sustainability
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	363,102	979,953	368,786
Use of money and property	-	-	5,859	2,470
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	150
Total Revenues	**-**	**363,102**	**985,812**	**371,406**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	959,121	-
Culture and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	240,035	-	110,144
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	387,843	-
Interest and fiscal charges	-	-	34,476	-
Total Expenditures	**-**	**240,035**	**1,381,440**	**110,144**
Excess (Deficiency) of Revenu Over (Under) Expenditures	-	123,067	(395,628)	261,262
Other Financing Sources (Uses):				
Transfers in	-	-	10,000	-
Transfers out	-	-	-	(147,600)
Total Other Financing Sourc (Uses)	**-**	**-**	**10,000**	**(147,600)**
Net Change in Fund Balances	-	123,067	(385,628)	113,662
Fund Balances, Beginning of Year	500,000	544,307	848,497	1,277,150
Fund Balances, End of Year	**$ 500,000**	**$ 667,374**	**$ 462,869**	**$ 1,390,812**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			Capital Projects Funds
	Special Grants	Small Hotel TBID	SB1-RMRA	Parking Projects
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	235,876	-	-	-
Charges for services	-	464,728	231,062	-
Use of money and property	-	383	1,002	16,339
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**235,876**	**465,111**	**232,064**	**16,339**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	265,121	-	-	-
Culture and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	460,430	270,211	181
Library	7,500	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**272,621**	**460,430**	**270,211**	**181**
Excess (Deficiency) of Revenu Over (Under) Expenditures	(36,745)	4,681	(38,147)	16,158
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sourc (Uses)	**-**	**-**	**-**	**-**
Net Change in Fund Balances	(36,745)	4,681	(38,147)	16,158
Fund Balances, Beginning of Year	(1,115)	197	-	495,769
Fund Balances, End of Year	**$ (37,860)**	**$ 4,878**	**$ (38,147)**	**$ 511,927**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Debt Service Funds	
	General Debt Service	**Total Other Governmental Funds**
Revenues:		
Taxes	$ -	$ 3,023,726
Assessments	-	1,122,683
Licenses and permits	-	761,717
Intergovernmental	-	1,617,495
Charges for services	-	4,065,058
Use of money and property	39,732	1,205,786
Fines and forfeitures	-	140,911
Contributions	-	624,214
Miscellaneous	-	10,424
Total Revenues	**39,732**	**12,572,014**
Expenditures:		
Current:		
General government	10,375	339,137
Public safety	-	3,064,556
Culture and convention center	-	1,852,385
Parks and recreation	-	1,579,918
Public works	-	4,722,867
Library	-	57,720
Debt service:		
Principal retirement	3,880,559	5,272,364
Interest and fiscal charges	4,681,589	4,899,495
Total Expenditures	**8,572,523**	**21,788,442**
Excess (Deficiency) of Revenu Over (Under) Expenditures	(8,532,791)	(9,216,428)
Other Financing Sources (Uses):		
Transfers in	5,001,301	5,346,799
Transfers out	(1,093,350)	(1,840,950)
Total Other Financing Sourc (Uses)	**3,907,951**	**3,505,849**
Net Change in Fund Balances	(4,624,840)	(5,710,579)
Fund Balances, Beginning of Year	3,346,355	29,213,804
Fund Balances, End of Year	**$ (1,278,485)**	**$ 23,503,225**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
FORFEITURE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 295,505	$ 295,505	$ 295,505	$ -
Resources (Inflows)				
Use of money and property	2,000	2,000	2,479	479
Fines and forfeitures	-	2,286	2,286	-
Amounts Available for Appropriations	**297,505**	**299,791**	**300,270**	**479**
Charges to Appropriations (Outflow)				
Public safety	2,000	299,761	70,301	229,460
Total Charges to Appropriations	**2,000**	**299,761**	**70,301**	**229,460**
Budgetary Fund Balance, June 30	**$ 295,505**	**$ 30**	**$ 229,969**	**$ 229,939**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 654,922	$ 654,922	$ 654,922	$ -
Resources (Inflows)				
Taxes	909,352	909,352	930,322	20,970
Charges for services	-	43,529	98,999	55,470
Use of money and property	1,000	1,000	7,195	6,195
Amounts Available for Appropriations	**1,565,274**	**1,608,803**	**1,691,438**	**82,635**
Charges to Appropriations (Outflow)				
Public safety	910,352	986,131	849,760	136,371
Total Charges to Appropriations	**910,352**	**986,131**	**849,760**	**136,371**
Budgetary Fund Balance, June 30	**$ 654,922**	**$ 622,672**	**$ 841,678**	**$ 219,006**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SPECIAL DEVELOPMENT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,930,426	$ 1,930,426	$ 1,930,426	$ -
Resources (Inflows)				
Charges for services	-	-	36,816	36,816
Use of money and property	-	-	4,326	4,326
Amounts Available for Appropriations	**1,930,426**	**1,930,426**	**1,971,568**	**41,142**
Charges to Appropriations (Outflow)				
General government	-	31,200	-	31,200
Public works	-	1,748,109	-	1,748,109
Total Charges to Appropriations	**-**	**1,779,309**	**-**	**1,779,309**
Budgetary Fund Balance, June 30	**$ 1,930,426**	**$ 151,117**	**$ 1,971,568**	**$ 1,820,451**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
CSA 152
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (474,984)	$ (474,984)	$ (474,984)	$ -
Resources (Inflows)				
Assessments	566,275	566,275	491,189	(75,086)
Amounts Available for Appropriations	**91,291**	**91,291**	**16,205**	**(75,086)**
Charges to Appropriations (Outflow)				
Parks and recreation	566,275	886,376	676,948	209,428
Total Charges to Appropriations	**566,275**	**886,376**	**676,948**	**209,428**
Budgetary Fund Balance, June 30	**$ (474,984)**	**$ (795,085)**	**$ (660,743)**	**$ 134,342**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
RECYCLING AB 929
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 913,060	$ 913,060	$ 913,060	$ -
Resources (Inflows)				
Intergovernmental	-	11,925	25,882	13,957
Charges for services	116,000	116,000	120,493	4,493
Use of money and property	4,000	4,000	8,387	4,387
Amounts Available for Appropriations	**1,033,060**	**1,044,985**	**1,067,822**	**22,837**
Charges to Appropriations (Outflow)				
Cultural and convention center	206,356	1,130,779	182,487	948,292
Total Charges to Appropriations	**206,356**	**1,130,779**	**182,487**	**948,292**
Budgetary Fund Balance, June 30	**$ 826,704**	**$ (85,794)**	**$ 885,335**	**$ 971,129**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
VILLAGEFEST
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 84,548	$ 84,548	$ 84,548	$ -
Resources (Inflows)				
Licenses and permits	508,855	508,855	478,393	(30,462)
Miscellaneous	-	-	10,274	10,274
Amounts Available for Appropriations	**593,403**	**593,403**	**573,215**	**(20,188)**
Charges to Appropriations (Outflow)				
Parks and recreation	508,855	511,283	530,793	(19,510)
Total Charges to Appropriations	**508,855**	**511,283**	**530,793**	**(19,510)**
Budgetary Fund Balance, June 30	**$ 84,548**	**$ 82,120**	**$ 42,422**	**$ (39,698)**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
PARKING
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 428,753	$ 428,753	$ 428,753	$ -
Resources (Inflows)				
Charges for services	2,000	2,000	3,036	1,036
Fines and forfeitures	218,000	218,000	138,625	(79,375)
Transfers in	298,767	298,767	40,000	(258,767)
Amounts Available for Appropriations	**947,520**	**947,520**	**610,414**	**(337,106)**
Charges to Appropriations (Outflow)				
Public works	383,623	385,671	337,751	47,920
Total Charges to Appropriations	**383,623**	**385,671**	**337,751**	**47,920**
Budgetary Fund Balance, June 30	**$ 563,897**	**$ 561,849**	**$ 272,663**	**$ (289,186)**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 619,797	$ 619,797	$ 619,797	$ -
Resources (Inflows)				
Intergovernmental	1,020,784	1,020,784	947,526	(73,258)
Charges for services	316,980	316,980	-	(316,980)
Use of money and property	6,001	6,001	6,255	254
Amounts Available for Appropriations	**1,963,562**	**1,963,562**	**1,573,578**	**(389,984)**
Charges to Appropriations (Outflow)				
Public works	743,765	1,361,259	197,614	1,163,645
Transfers out	600,000	600,000	600,000	-
Total Charges to Appropriations	**1,343,765**	**1,961,259**	**797,614**	**1,163,645**
Budgetary Fund Balance, June 30	**$ 619,797**	**$ 2,303**	**$ 775,964**	**$ 773,661**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
MEASURE A IMPROVEMENTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 7,369,067	$ 7,369,067	$ 7,369,067	$ -
Resources (Inflows)				
Taxes	2,007,000	2,007,000	2,093,404	86,404
Intergovernmental	-	6,703,587	182,176	(6,521,411)
Use of money and property	47,000	47,000	34,491	(12,509)
Amounts Available for Appropriations	**9,423,067**	**16,126,654**	**9,679,138**	**(6,447,516)**
Charges to Appropriations (Outflow)				
Public works				
Engineering	957,450	22,922,431	2,704,572	20,217,859
Debt service:				
Principal retirement	-	-	930,000	(930,000)
Interest and fiscal charges	1,096,550	1,098,050	168,050	930,000
Total Charges to Appropriations	**2,054,000**	**24,020,481**	**3,802,622**	**20,217,859**
Budgetary Fund Balance, June 30	**$ 7,369,067**	**$ (7,893,827)**	**$ 5,876,516**	**$ 13,770,343**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
DRAINAGE CONSTRUCTION
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,453,953	$ 1,453,953	$ 1,453,953	$ -
Resources (Inflows)				
Licenses and permits	133,000	133,000	283,324	150,324
Use of money and property	3,500	3,500	3,574	74
Amounts Available for Appropriations	**1,590,453**	**1,590,453**	**1,740,851**	**150,398**
Charges to Appropriations (Outflow)				
Public works	136,500	1,012,844	238,894	773,950
Total Charges to Appropriations	**136,500**	**1,012,844**	**238,894**	**773,950**
Budgetary Fund Balance, June 30	**$ 1,453,953**	**$ 577,609**	**$ 1,501,957**	**$ 924,348**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows)				
Intergovernmental	387,462	387,462	165,562	(221,900)
Use of money and property	-	-	517	517
Amounts Available for Appropriations	**387,462**	**387,462**	**166,079**	**(221,383)**
Charges to Appropriations (Outflow)				
General government	387,462	665,838	325,762	340,076
Total Charges to Appropriations	**387,462**	**665,838**	**325,762**	**340,076**
Budgetary Fund Balance, June 30	**$ -**	**$ (278,376)**	**$ (159,683)**	**$ 118,693**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
MASTER LEASE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 161,086	$ 161,086	$ 161,086	$ -
Resources (Inflows)				
Use of money and property	1,312,700	1,312,700	1,072,808	(239,892)
Transfers in	-	-	181,000	181,000
Amounts Available for Appropriations	**1,473,786**	**1,473,786**	**1,414,894**	**(58,892)**
Charges to Appropriations (Outflow)				
General government	4,500	360,326	3,000	357,326
Cultural and convention center	1,489,200	1,489,200	1,374,855	114,345
Total Charges to Appropriations	**1,493,700**	**1,849,526**	**1,377,855**	**471,671**
Budgetary Fund Balance, June 30	**$ (19,914)**	**$ (375,740)**	**$ 37,039**	**$ 412,779**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
AIR QUALITY MANAGEMENT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 108,610	$ 108,610	$ 108,610	$ -
Resources (Inflows)				
Intergovernmental	57,100	57,100	60,473	3,373
Use of money and property	500	500	1,076	576
Amounts Available for Appropriations	**166,210**	**166,210**	**170,159**	**3,949**
Charges to Appropriations (Outflow)				
Public works	57,600	165,802	38,778	127,024
Total Charges to Appropriations	**57,600**	**165,802**	**38,778**	**127,024**
Budgetary Fund Balance, June 30	**$ 108,610**	**$ 408**	**$ 131,381**	**$ 130,973**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
PUBLIC ARTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 486,194	$ 486,194	$ 486,194	$ -
Resources (Inflows)				
Charges for services	190,000	190,000	212,003	22,003
Use of money and property	1,000	1,000	4,138	3,138
Contributions	-	4,600	4,600	-
Amounts Available for Appropriations	**677,194**	**681,794**	**706,935**	**25,141**
Charges to Appropriations (Outflow)				
Cultural and convention center	254,946	653,739	295,043	358,696
Total Charges to Appropriations	**254,946**	**653,739**	**295,043**	**358,696**
Budgetary Fund Balance, June 30	**$ 422,248**	**$ 28,055**	**$ 411,892**	**$ 383,837**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
LIBRARY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 2,126,713	$ 2,126,713	$ 2,126,713	$ -
Resources (Inflows)				
Use of money and property	8,500	8,500	2,394	(6,106)
Contributions	100	5,700	5,716	16
Amounts Available for Appropriations	**2,135,313**	**2,140,913**	**2,134,823**	**(6,090)**
Charges to Appropriations (Outflow)				
Library	8,600	2,144,830	50,220	2,094,610
Total Charges to Appropriations	**8,600**	**2,144,830**	**50,220**	**2,094,610**
Budgetary Fund Balance, June 30	**$ 2,126,713**	**$ (3,917)**	**$ 2,084,603**	**$ 2,088,520**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
QUIMBY ACT FEES
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 3,141,747	$ 3,141,747	$ 3,141,747	$ -
Resources (Inflows)				
Charges for services	189,400	189,400	485,161	295,761
Use of money and property	-	-	5,647	5,647
Amounts Available for Appropriations	**3,331,147**	**3,331,147**	**3,632,555**	**301,408**
Charges to Appropriations (Outflow)				
Parks and recreation	100,000	3,008,553	18,115	2,990,438
Debt service:				
Principal retirement	-	-	73,962	(73,962)
Interest and fiscal charges	89,400	89,400	15,380	74,020
Total Charges to Appropriations	**189,400**	**3,097,953**	**107,457**	**2,990,496**
Budgetary Fund Balance, June 30	**$ 3,141,747**	**$ 233,194**	**$ 3,525,098**	**$ 3,291,904**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SPECIAL PROJECTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 2,383,065	$ 2,383,065	$ 2,383,065	$ -
Resources (Inflows)				
Charges for services	100,000	100,000	700,919	600,919
Use of money and property	-	-	(19,763)	(19,763)
Contributions	100,000	539,080	613,898	74,818
Transfers in	-	-	14,498	14,498
Amounts Available for Appropriations	**2,583,065**	**3,022,145**	**3,692,617**	**670,472**
Charges to Appropriations (Outflow)				
Public safety	100,000	951,559	540,352	411,207
Parks and recreation	100,000	618,602	354,062	264,540
Public works	-	1,557,524	124,257	1,433,267
Total Charges to Appropriations	**200,000**	**3,127,685**	**1,018,671**	**2,109,014**
Budgetary Fund Balance, June 30	**$ 2,383,065**	**$ (105,540)**	**$ 2,673,946**	**$ 2,779,486**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
CFD PUBLIC SAFETY #1
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 512,170	$ 512,170	$ 512,170	$ -
Resources (Inflows)				
Assessments	596,471	596,471	631,494	35,023
Use of money and property	1,000	1,000	6,477	5,477
Transfers in	347,193	347,193	100,000	(247,193)
Amounts Available for Appropriations	**1,456,834**	**1,456,834**	**1,250,141**	**(206,693)**
Charges to Appropriations (Outflow)				
Public safety	697,471	797,428	379,901	417,527
Total Charges to Appropriations	**697,471**	**797,428**	**379,901**	**417,527**
Budgetary Fund Balance, June 30	**$ 759,363**	**$ 659,406**	**$ 870,240**	**$ 210,834**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
PARK MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 544,307	$ 544,307	$ 544,307	$ -
Resources (Inflows)				
Charges for services	356,941	356,941	363,102	6,161
Amounts Available for Appropriations	**901,248**	**901,248**	**907,409**	**6,161**
Charges to Appropriations (Outflow)				
Public works	356,941	901,248	240,035	661,213
Total Charges to Appropriations	**356,941**	**901,248**	**240,035**	**661,213**
Budgetary Fund Balance, June 30	**$ 544,307**	**$ -**	**$ 667,374**	**$ 667,374**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
EMERGENCY RESPONSE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 848,497	$ 848,497	$ 848,497	$ -
Resources (Inflows)				
Charges for services	1,406,346	1,406,346	979,953	(426,393)
Use of money and property	-	-	5,859	5,859
Transfers in	352,863	352,863	10,000	(342,863)
Amounts Available for Appropriations	**2,607,706**	**2,607,706**	**1,844,309**	**(763,397)**
Charges to Appropriations (Outflow)				
Public safety	994,025	1,043,603	959,121	84,482
Debt service:				
Principal retirement	371,676	387,843	387,843	-
Interest and fiscal charges	50,645	34,478	34,476	2
Total Charges to Appropriations	**1,416,346**	**1,465,924**	**1,381,440**	**84,484**
Budgetary Fund Balance, June 30	**$ 1,191,360**	**$ 1,141,782**	**$ 462,869**	**$ (678,913)**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SUSTAINABILITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,277,150	$ 1,277,150	$ 1,277,150	$ -
Resources (Inflows)				
Charges for services	243,207	243,207	368,786	125,579
Use of money and property	4,000	4,000	2,470	(1,530)
Miscellaneous	-	150	150	-
Amounts Available for Appropriations	**1,524,357**	**1,524,507**	**1,648,556**	**124,049**
Charges to Appropriations (Outflow)				
Public works	99,607	461,810	110,144	351,666
Transfers out	138,900	138,900	147,600	(8,700)
Total Charges to Appropriations	**238,507**	**600,710**	**257,744**	**342,966**
Budgetary Fund Balance, June 30	**$ 1,285,850**	**$ 923,797**	**$ 1,390,812**	**$ 467,015**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SPECIAL GRANTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (1,115)	$ (1,115)	$ (1,115)	$ -
Resources (Inflows)				
Intergovernmental	175,000	312,500	235,876	(76,624)
Amounts Available for Appropriations	**173,885**	**311,385**	**234,761**	**(76,624)**
Charges to Appropriations (Outflow)				
Public safety	175,000	450,811	265,121	185,690
Library	-	7,555	7,500	55
Total Charges to Appropriations	**175,000**	**458,366**	**272,621**	**185,745**
Budgetary Fund Balance, June 30	**$ (1,115)**	**$ (146,981)**	**$ (37,860)**	**$ 109,121**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SMALL HOTEL TBID
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 197	$ 197	$ 197	$ -
Resources (Inflows)				
Charges for services	325,000	525,000	464,728	(60,272)
Use of money and property	-	-	383	383
Amounts Available for Appropriations	**325,197**	**525,197**	**465,308**	**(59,889)**
Charges to Appropriations (Outflow)				
Public works	325,000	525,000	460,430	64,570
Total Charges to Appropriations	**325,000**	**525,000**	**460,430**	**64,570**
Budgetary Fund Balance, June 30	**$ 197**	**$ 197**	**$ 4,878**	**$ 4,681**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SB1-RMRA
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows)				
Charges for services	-	270,211	231,062	(39,149)
Use of money and property	-	-	1,002	1,002
Amounts Available for Appropriations	**-**	**270,211**	**232,064**	**(38,147)**
Charges to Appropriations (Outflow)				
Public works	-	270,211	270,211	-
Total Charges to Appropriations	**-**	**270,211**	**270,211**	**-**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ (38,147)**	**$ (38,147)**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 8,007,014	$ 8,007,014	$ 8,007,014	$ -
Resources (Inflows)				
Licenses and permits	86,500	86,500	359,260	272,760
Intergovernmental	-	2,344,614	4,145,311	1,800,697
Use of money and property	-	-	(62,197)	(62,197)
Miscellaneous	-	3,158	3,158	-
Amounts Available for Appropriations	**8,093,514**	**10,441,286**	**12,452,546**	**2,011,260**
Charges to Appropriations (Outflow)				
General government	86,500	6,635,193	2,387,947	4,247,246
Public safety	-	1,584,851	842,338	742,513
Cultural and convention center	-	714,675	-	714,675
Parks and recreation	-	78,648	-	78,648
Public works	-	17,780,095	2,792,864	14,987,231
Total Charges to Appropriations	**86,500**	**26,793,462**	**6,023,149**	**20,770,313**
Budgetary Fund Balance, June 30	**$ 8,007,014**	**$(16,352,176)**	**$ 6,429,397**	**$ 22,781,573**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
PARKING PROJECTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 495,769	$ 495,769	$ 495,769	$ -
Resources (Inflows)				
Use of money and property	2,000	2,000	16,339	14,339
Amounts Available for Appropriations	**497,769**	**497,769**	**512,108**	**14,339**
Charges to Appropriations (Outflow)				
Public works	2,000	492,760	181	492,579
Total Charges to Appropriations	**2,000**	**492,760**	**181**	**492,579**
Budgetary Fund Balance, June 30	**$ 495,769**	**$ 5,009**	**$ 511,927**	**$ 506,918**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
MEASURE J
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 13,165,000	$ 13,165,000	$ 13,165,000	$ -
Resources (Inflows)				
Use of money and property	-	-	22,723	22,723
Transfers in	-	-	14,993,495	14,993,495
Amounts Available for Appropriations	**13,165,000**	**13,165,000**	**28,181,218**	**15,016,218**
Charges to Appropriations (Outflow)				
Public works	10,507,287	24,072,283	8,567,776	15,504,507
Transfers out	-	-	3,200,000	(3,200,000)
Total Charges to Appropriations	**10,507,287**	**24,072,283**	**11,767,776**	**12,304,507**
Budgetary Fund Balance, June 30	**$ 2,657,713**	**$ (10,907,283)**	**$ 16,413,442**	**$ 27,320,725**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 3,346,355	$ 3,346,355	$ 3,346,355	$ -
Resources (Inflows)				
Use of money and property	1,000	1,000	39,732	38,732
Transfers in	4,691,229	4,691,229	5,001,301	310,072
Amounts Available for Appropriations	**8,038,584**	**8,038,584**	**8,387,388**	**348,804**
Charges to Appropriations (Outflow)				
General government	36,221	36,221	10,375	25,846
Debt service:				
Principal retirement	5,553,210	4,290,228	3,880,559	409,669
Interest and fiscal charges	4,104,099	5,367,081	4,681,589	685,492
Transfers out	-	-	1,093,350	(1,093,350)
Total Charges to Appropriations	**9,693,530**	**9,693,530**	**9,665,873**	**27,657**
Budgetary Fund Balance, June 30	**$ (1,654,946)**	**$ (1,654,946)**	**$ (1,278,485)**	**$ 376,461**

CITY OF PALM SPRINGS

BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,559,158	$ 1,559,158	$ 1,559,158	$ -
Resources (Inflows)				
Assessments	595,863	595,863	574,096	(21,767)
Use of money and property	-	-	11,973	11,973
Amounts Available for Appropriations	**2,155,021**	**2,155,021**	**2,145,227**	**(9,794)**
Charges to Appropriations (Outflow)				
Public works	51,000	59,088	20,680	38,408
Debt service:				
Principal retirement	380,000	380,000	380,000	-
Interest and fiscal charges	164,863	164,863	164,863	-
Total Charges to Appropriations	**595,863**	**603,951**	**565,543**	**38,408**
Budgetary Fund Balance, June 30	**$ 1,559,158**	**$ 1,551,070**	**$ 1,579,684**	**$ 28,614**

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis.

The City of Palm Springs has the following Internal Service Funds:

Motor Vehicle Replacement Fund – To account for costs related to operations of the central garage and fleet maintenance system, which provides vehicles for most of the City departments. Costs are recovered through a monthly user fee charged to City departments.

Facilities Maintenance Fund – To account for costs related to operations and maintenance of City facilities. Costs are recovered through a monthly user fee charged to City departments using the service.

Employee Benefits Fund – To account for costs and liabilities related to public employees' retirement system and federal taxes. Costs are recovered through a monthly employee benefit charge based upon gross payroll.

Risk Management Fund – To account for costs and liabilities related to health, life, dental, disability, and public liability insurance coverage paid by the City on behalf of City employees and the City operating funds. Costs are recovered via monthly charges based upon gross payroll and benefits derived from insurance coverage.

Retiree Health Insurance Fund – To account for the costs of providing health insurance to qualifying retirees.

Cogeneration Plant Fund – To account for costs of the two cogeneration plants located in the City. Costs are recovered through a user fee based upon electrical consumption. These fees are charged to each department on a monthly basis.

CITY OF PALM SPRINGS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
Assets				
Current:				
Cash and investments	$ 4,233,533	$ 3,756,497	$ 1,498,004	$ 9,122,604
Receivables:				
Accounts	-	-	-	334,851
Accrued interest	-	-	294,061	10,760
Inventories	139,094	-	-	-
Restricted:				
Cash with fiscal agent	-	-	-	-
Total Current Assets	**4,372,627**	**3,756,497**	**1,792,065**	**9,468,215**
Noncurrent:				
Advances to other funds	-	-	1,430,000	-
Capital assets, net of accumulated depreciation	7,859,478	154,004	-	-
Total Noncurrent Assets	**7,859,478**	**154,004**	**1,430,000**	**-**
Total Assets	**12,232,105**	**3,910,501**	**3,222,065**	**9,468,215**
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	-	-
Deferred pension related items	290,736	658,145	-	297,703
Deferred OPEB related items	-	-	-	-
Total Deferred Outflows of Resources	**290,736**	**658,145**	**-**	**297,703**
Liabilities				
Current:				
Accounts payable	218,096	221,227	-	606,525
Accrued liabilities	17,161	35,726	-	14,692
Accrued interest	67,349	-	67,887	-
Accrued compensated absences	41,241	130,385	-	73,247
Accrued claims and judgments	-	-	-	3,540,646
Bonds, notes, and capital leases	326,361	-	605,000	-
Total Current Liabilities	**670,208**	**387,338**	**672,887**	**4,235,110**
Noncurrent:				
Accrued claims and judgments	-	-	-	5,859,072
Bonds, notes, and capital leases	3,365,430	-	19,406,558	-
Total OPEB liability	-	-	-	-
Net pension liability	1,676,755	3,288,269	-	1,307,583
Total Noncurrent Liabilities	**5,042,185**	**3,288,269**	**19,406,558**	**7,166,655**
Total Liabilities	**5,712,393**	**3,675,607**	**20,079,445**	**11,401,765**
Deferred Inflows of Resources				
Deferred pension related items	36,041	57,747	-	26,597
Deferred OPEB related items	-	-	-	-
Total Deferred Inflows of Resources	**36,041**	**57,747**	**-**	**26,597**
Net Position				
Net investment in capital assets	4,167,687	154,004	-	-
Restricted for debt service	-	-	-	-
Unrestricted	2,606,720	681,288	(16,857,380)	(1,662,444)
Total Net Position	**$ 6,774,407**	**$ 835,292**	**$ (16,857,380)**	**$ (1,662,444)**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018

	Retiree Health Insurance	Cogeneration Plant	Totals
Assets			
Current:			
Cash and investments	$ 1,336,616	$ 3,474,246	$ 23,421,500
Receivables:			
Accounts	14,183	-	349,034
Accrued interest	1,656	-	306,477
Inventories	-	-	139,094
Restricted:			
Cash with fiscal agent	-	715,377	715,377
Total Current Assets	**1,352,455**	**4,189,623**	**24,931,482**
Noncurrent:			
Advances to other funds	-	-	1,430,000
Capital assets, net of accumulated depreciation	-	12,427,624	20,441,106
Total Noncurrent Assets	**-**	**12,427,624**	**21,871,106**
Total Assets	**1,352,455**	**16,617,247**	**46,802,588**
Deferred Outflows of Resources			
Deferred charge on refunding	-	40,631	40,631
Deferred pension related items	-	-	1,246,584
Deferred OPEB related items	3,480,420	-	3,480,420
Total Deferred Outflows of Resources	**3,480,420**	**40,631**	**4,767,635**
Liabilities			
Current:			
Accounts payable	1,957	815,097	1,862,902
Accrued liabilities	-	-	67,579
Accrued interest	-	122,275	257,511
Accrued compensated absences	-	-	244,873
Accrued claims and judgments	-	-	3,540,646
Bonds, notes, and capital leases	-	633,108	1,564,469
Total Current Liabilities	**1,957**	**1,570,480**	**7,537,980**
Noncurrent:			
Accrued claims and judgments	-	-	5,859,072
Bonds, notes, and capital leases	-	18,283,869	41,055,857
Total OPEB liability	141,642,158	-	141,642,158
Net pension liability	-	-	6,272,607
Total Noncurrent Liabilities	**141,642,158**	**18,283,869**	**194,829,694**
Total Liabilities	**141,644,115**	**19,854,349**	**202,367,674**
Deferred Inflows of Resources			
Deferred pension related items	-	-	120,385
Deferred OPEB related items	9,801,593	-	9,801,593
Total Deferred Inflows of Resources	**9,801,593**	**-**	**9,921,978**
Net Position			
Net investment in capital assets	-	5,362,955	9,684,646
Restricted for debt service	-	715,377	715,377
Unrestricted	(146,612,833)	(9,274,803)	(171,119,452)
Total Net Position	**$ (146,612,833)**	**$ (3,196,471)**	**$ (160,719,429)**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
Operating Revenues				
Sales and service charges	$ 3,359,512	$ 4,846,033	$ 18,543,902	$ 14,619,991
Total Operating Revenues	**3,359,512**	**4,846,033**	**18,543,902**	**14,619,991**
Operating Expenses				
Administration and general	259,452	363,353	-	3,360,574
Source of supply	-	-	-	-
Maintenance operations	2,577,659	-	-	-
Facilities maintenance	-	3,765,126	1,250	-
Retirement	-	-	16,294,013	-
Retiree health insurance	-	-	-	-
Other claims and insurance	6,144	28,073	-	867,231
Depreciation expense	901,747	10,337	-	-
Utilities	-	-	-	-
Other charges and services	2,979	-	-	-
Cogeneration electricity	-	-	-	-
Medical, health, and life insurance	-	-	-	8,452,756
Workers compensation	-	-	-	3,631,709
Total Operating Expenses	**3,747,981**	**4,166,889**	**16,295,263**	**16,312,270**
Operating Income (Loss)	(388,469)	679,144	2,248,639	(1,692,279)
Nonoperating Revenues (Expenses)				
Interest revenue	(41,364)	(29,401)	(32,707)	16,078
Interest expense	(159,789)	-	(1,131,368)	-
Gain (loss) on disposal of capital assets	4,680	-	-	-
Total Nonoperating Revenues (Expenses)	**(196,473)**	**(29,401)**	**(1,164,075)**	**16,078**
Income (Loss) Before Transfers	(584,942)	649,743	1,084,564	(1,676,201)
Transfers in	-	-	-	487,511
Changes in Net Position	(584,942)	649,743	1,084,564	(1,188,690)
Net Position, Beginning of Year, as Previously Reported	7,513,617	185,549	(17,941,944)	(473,754)
Restatements	(154,268)	-	-	-
Net Position, Beginning of Year, as Restated	7,359,349	185,549	(17,941,944)	(473,754)
Net Position, End of Year	**$ 6,774,407**	**$ 835,292**	**$ (16,857,380)**	**$ (1,662,444)**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Retiree Health Insurance	Cogeneration Plant	Totals
Operating Revenues			
Sales and service charges	$ 2,929,888	$ 2,086,742	$ 46,386,068
Total Operating Revenues	**2,929,888**	**2,086,742**	**46,386,068**
Operating Expenses			
Administration and general	-	1,394	3,984,773
Source of supply	17,700	-	17,700
Maintenance operations	-	-	2,577,659
Facilities maintenance	-	-	3,766,376
Retirement	-	-	16,294,013
Retiree health insurance	5,333,605	-	5,333,605
Other claims and insurance	-	45,619	947,067
Depreciation expense	-	523,362	1,435,446
Utilities	-	1,199,154	1,199,154
Other charges and services	-	-	2,979
Cogeneration electricity	-	778,543	778,543
Medical, health, and life insurance	-	-	8,452,756
Workers compensation	-	-	3,631,709
Total Operating Expenses	**5,351,305**	**2,548,072**	**48,421,780**
Operating Income (Loss)	(2,421,417)	(461,330)	(2,035,712)
Nonoperating Revenues (Expenses)			
Interest revenue	4,549	(24,274)	(107,119)
Interest expense	-	(723,967)	(2,015,124)
Gain (loss) on disposal of capital assets	-	-	4,680
Total Nonoperating Revenues (Expenses)	**4,549**	**(748,241)**	**(2,117,563)**
Income (Loss) Before Transfers	(2,416,868)	(1,209,571)	(4,153,275)
Transfers in	-	1,240,950	1,728,461
Changes in Net Position	(2,416,868)	31,379	(2,424,814)
Net Position, Beginning of Year, as Previously Reported	1,214,897	(3,227,850)	(12,729,485)
Restatements	(145,410,862)	-	(145,565,130)
Net Position, Beginning of Year, as Restated	(144,195,965)	(3,227,850)	(158,294,615)
Net Position, End of Year	**$ (146,612,833)**	**$ (3,196,471)**	**$ (160,719,429)**

CITY OF PALM SPRINGS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
Cash Flows from Operating Activities				
Cash received from/(paid to) interfund service provided	$ 3,205,244	$ 4,846,033	$ 18,543,902	$ 14,548,129
Cash paid to suppliers for goods and services	(2,570,823)	(3,691,779)	(5,985)	(867,231)
Cash paid to employees for services	(134,296)	(197,131)	(16,294,013)	(15,499,937)
Cash received from (payments to) others	-	-	-	-
Net Cash Provided (Used) by Operating Activities	**500,125**	**957,123**	**2,243,904**	**(1,819,039)**
Cash Flows from Non-Capital Financing Activities				
Cash transfers in	-	-	-	487,511
Net Cash Provided (Used) by Non-Capital Financing Activities	**-**	**-**	**-**	**487,511**
Cash Flows from Capital and Related Financing Activities				
Proceeds from capital debt	4,037,059	-	-	-
Acquisition and construction of capital assets	(4,953,430)	(120,850)	-	-
Principal paid on capital debt	(401,970)	-	(236,383)	-
Interest paid on capital debt	(159,789)	-	(1,131,368)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	**(1,478,130)**	**(120,850)**	**(1,367,751)**	**-**
Cash Flows from Investing Activities				
Interest received	(35,234)	(29,401)	(32,403)	22,143
Net Cash Provided (Used) by Investing Activities	**(35,234)**	**(29,401)**	**(32,403)**	**22,143**
Net Increase (Decrease) in Cash and Cash Equivalents	**(1,013,239)**	**806,872**	**843,750**	**(1,309,385)**
Cash and Cash Equivalents at Beginning of Year	5,246,772	2,949,625	654,254	10,431,989
Cash and Cash Equivalents at End of Year	**$ 4,233,533**	**$ 3,756,497**	**$ 1,498,004**	**$ 9,122,604**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	$ (388,469)	$ 679,144	$ 2,248,639	$ (1,692,279)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities				
Depreciation	901,747	10,337	-	-
(Increase) decrease in accounts receivable	(152,894)	-	-	(71,862)
(Increase) decrease in inventory	1,799	-	-	-
(Increase) decrease in deferred outflows	38,383	178,213	-	66,330
(Increase) decrease in deferred inflows	(82,192)	(248,406)	-	(98,659)
Increase (decrease) in accounts payable	14,160	73,347	(4,735)	146
Increase (decrease) in accrued liabilities	(2,437)	(4,825)	-	(21,832)
Increase (decrease) in unearned revenue	(1,374)	-	-	-
Increase (decrease) in net pension liability	173,615	278,171	-	128,121
Increase (decrease) in net OPEB liability	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	(146,526)
Increase (decrease) in compensated absences	(2,213)	(8,858)	-	17,522
Total Adjustments	**888,594**	**277,979**	**(4,735)**	**(126,760)**
Net Cash Provided (Used) by Operating Activities	**$ 500,125**	**$ 957,123**	**$ 2,243,904**	**$ (1,819,039)**
Non-Cash Investing, Capital, and Financing Activities:				
Accreted interest	$ -	$ -	$ 313,617	$ -
Bond discount (premuim) amotization	-	-	(17,816)	-
Deferred loss on refunding amortization	-	-	2,139	-

CITY OF PALM SPRINGS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Retiree Health Insurance	Cogeneration Plant	Totals
Cash Flows from Operating Activities			
Cash received from/(paid to) interfund service provided	$ 2,926,078	$ 2,086,742	46,156,128
Cash paid to suppliers for goods and services	-	(1,996,061)	(9,131,879)
Cash paid to employees for services	-	(1,394)	(32,126,771)
Cash received from (payments to) others	(2,797,433)	(45,619)	(2,843,052)
Net Cash Provided (Used) by Operating Activities	**128,645**	**43,668**	**2,054,426**
Cash Flows from Non-Capital Financing Activities			
Cash transfers in	-	1,240,950	1,728,461
Net Cash Provided (Used) by Non-Capital Financing Activities	**-**	**1,240,950**	**1,728,461**
Cash Flows from Capital and Related Financing Activities			
Proceeds from capital debt	-	-	4,037,059
Acquisition and construction of capital assets	-	(7,997)	(5,082,277)
Principal paid on capital debt	-	(601,605)	(1,239,958)
Interest paid on capital debt	-	(722,291)	(2,013,448)
Net Cash Provided (Used) by Capital and Related Financing Activities	**-**	**(1,331,893)**	**(4,298,624)**
Cash Flows from Investing Activities			
Interest received	2,893	(24,274)	(96,276)
Net Cash Provided (Used) by Investing Activities	**2,893**	**(24,274)**	**(96,276)**
Net Increase (Decrease) in Cash and Cash Equivalents	**131,538**	**(71,549)**	**(612,013)**
Cash and Cash Equivalents at Beginning of Year	1,205,078	4,261,172	24,748,890
Cash and Cash Equivalents at End of Year	**$ 1,336,616**	**$ 4,189,623**	**$ 24,136,877**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	$ (2,421,417)	$ (461,330)	$ (2,035,712)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities			
Depreciation	-	523,362	1,435,446
(Increase) decrease in accounts receivable	(1,921)	-	(226,677)
(Increase) decrease in inventory	-	-	1,799
(Increase) decrease in deferred outflows	(3,480,420)	-	(3,197,494)
(Increase) decrease in deferred inflows	9,801,593	-	9,372,336
Increase (decrease) in accounts payable	1,403	(18,364)	65,957
Increase (decrease) in accrued liabilities	-	-	(29,094)
Increase (decrease) in unearned revenue	(1,889)	-	(3,263)
Increase (decrease) in net pension liability	-	-	579,907
Increase (decrease) in net OPEB liability	(3,768,704)	-	(3,768,704)
Increase (decrease) in claims and judgments	-	-	(146,526)
Increase (decrease) in compensated absences	-	-	6,451
Total Adjustments	**2,550,062**	**504,998**	**4,090,138**
Net Cash Provided (Used) by Operating Activities	**$ 128,645**	**$ 43,668**	**$ 2,054,426**
Non-Cash Investing, Capital, and Financing Activities:			
Accreted interest	$ -	$ -	$ 313,617
Bond discount (premuim) amotization	-	-	(17,816)
Deferred loss on refunding amortization	-	-	2,139

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FIDUCIARY FUNDS

Fiduciary Funds account for assets held by a governmental entity for other parties, as trustee or as an agent, which cannot be used to finance a governmental entity's own operating programs. Fiduciary Funds include the following:

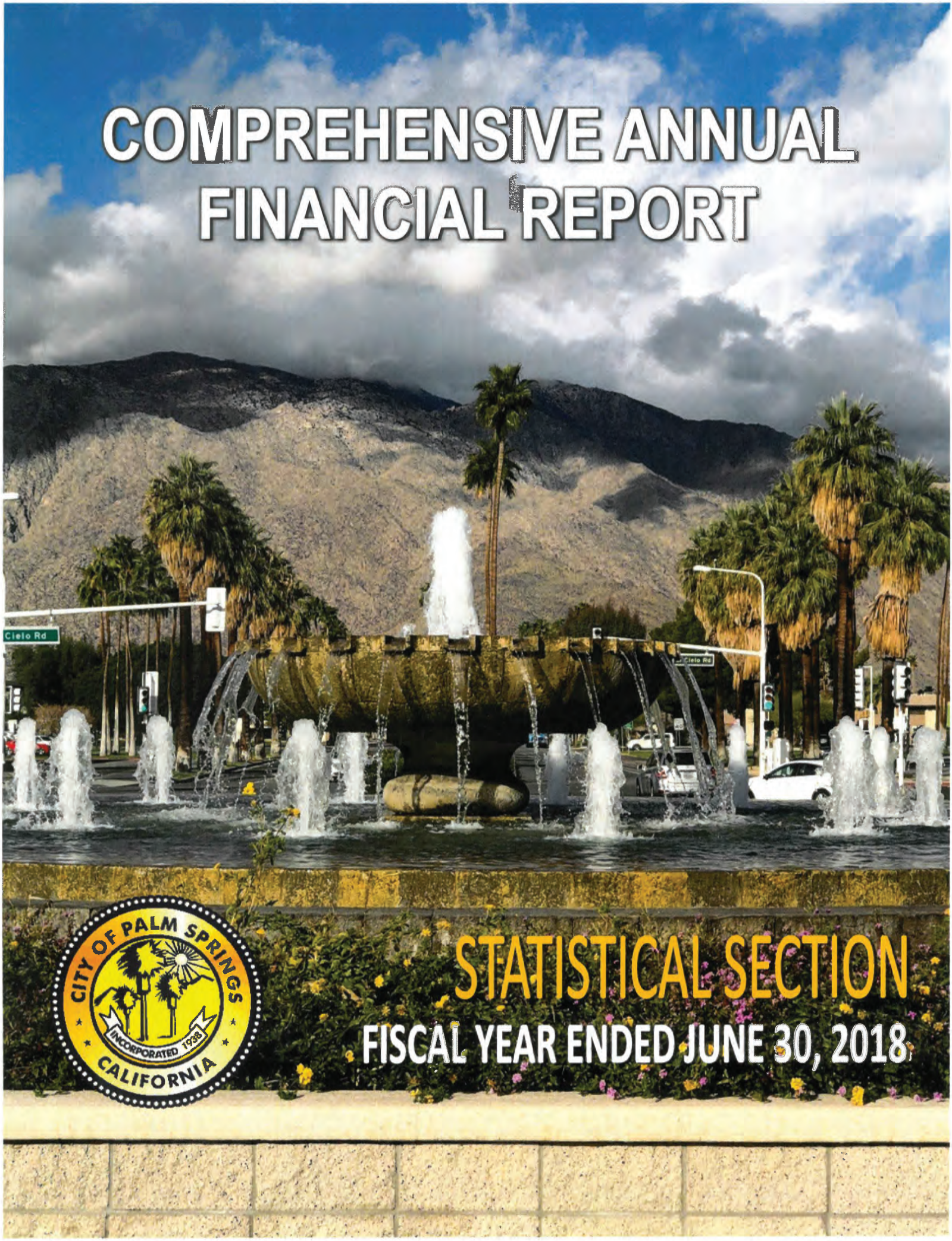
Special Deposits Agency Fund – To account for monies held in trust by the City for various purposes ranging from bid bonds to donations for animal shelter activities.

CITY OF PALM SPRINGS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Special Deposits				
Assets				
Pooled cash and investments	$ 1,971,467	$ 533,844	$ 982,220	$ 1,523,091
Total Assets	**$ 1,971,467**	**$ 533,844**	**$ 982,220**	**$ 1,523,091**
Liabilities				
Deposits payable	$ 1,971,467	$ 533,844	$ 982,220	$ 1,523,091
Total Liabilities	**$ 1,971,467**	**$ 533,844**	**$ 982,220**	**$ 1,523,091**

COMPREHENSIVE ANNUAL FINANCIAL REPORT



STATISTICAL SECTION

FISCAL YEAR ENDED JUNE 30, 2018

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CITY OF PALM SPRINGS
FINANCIAL STATEMENTS
JUNE 30, 2018
STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	156-160
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Debt Capacity	
These schedules contain present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	168-174
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	176-178
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	179-180

CITY OF PALM SPRINGS

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	$ 141,219,883	$ 120,745,654	$ 126,124,062	$ 106,475,801	$ 107,217,515	$ 119,129,764	$ 124,797,484	$ 92,188,168	$ 73,197,631	$ 73,048,922
Restricted	37,220,218	41,363,491	41,633,373	50,159,957	64,475,152	59,250,531	53,290,867	59,544,531	63,883,617	65,682,688
Unrestricted	(212,859,813)	(104,511,647)	(103,317,463)	(102,730,809)	9,032,025	8,263,055	7,603,335	10,785,032	19,934,024	34,860,168
Total governmental activities net position	$ (34,419,712)	$ 57,597,498	$ 64,439,972	$ 53,904,949	$ 180,724,692	$ 186,643,350	$ 185,691,686	$ 162,517,731	$ 157,015,272	$ 173,591,778
Business-type activities:										
Net investment in capital assets	$ 104,660,531	$ 102,297,901	$ 98,280,993	$ 90,467,867	$ 90,775,976	$ 82,089,205	$ 86,255,293	$ 88,813,375	$ 94,457,741	$ 102,404,738
Restricted	4,884,179	4,022,467	5,307,758	4,125,236	4,038,239	4,777,681	4,024,930	4,026,199	4,288,145	3,633,197
Unrestricted	42,880,602	33,781,069	30,918,220	22,023,465	34,234,038	29,620,437	25,605,934	27,502,074	27,247,535	24,737,228
Total business-type activities net position	$ 152,425,312	$ 140,101,437	$ 134,506,971	$ 116,616,568	$ 129,048,253	$ 116,487,323	$ 115,886,157	$ 120,341,648	$ 125,993,421	$ 130,775,163
Primary government:										
Net investment in capital assets	$ 245,880,414	$ 223,043,555	$ 224,405,055	$ 196,943,668	$ 197,993,491	$ 201,218,969	$ 211,052,777	$ 181,001,543	$ 167,655,372	$ 175,453,660
Restricted	42,104,397	45,385,958	46,941,131	54,285,193	68,513,391	64,028,212	57,315,797	63,570,730	68,171,762	69,315,885
Unrestricted	(169,979,211)	(70,730,578)	(72,399,243)	(80,707,344)	43,266,063	37,883,492	33,209,269	38,287,106	47,181,559	59,597,396
Total primary government net position	$ 118,005,600	$ 197,698,935	$ 198,946,943	$ 170,521,517	$ 309,772,945	$ 303,130,673	$ 301,577,843	$ 282,859,379	$ 283,008,693	$ 304,366,941

Source: City of Palm Springs, Finance Department

CITY OF PALM SPRINGS

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	$ 24,668,184	$ 19,998,488	$ 11,759,819	$ 14,353,882	$ 17,734,430	$ 11,981,549	$ 11,680,752	$ 10,149,638	$ 11,784,609	$ 15,700,926
Public safety	55,465,639	49,397,778	45,219,115	42,911,251	42,041,061	38,070,130	36,489,937	36,069,196	39,310,585	38,382,590
Cultural and convention center	7,473,990	7,454,099	8,293,582	8,041,954	6,884,266	7,482,648	7,638,730	7,651,982	7,369,435	7,693,125
Parks and recreation	10,412,411	9,902,789	7,756,225	9,008,961	8,832,666	12,150,464	9,728,209	8,903,287	7,052,825	9,532,099
Public works	20,620,601	33,476,271	27,299,586	26,799,641	26,594,799	14,674,398	36,660,915	22,102,401	25,469,426	21,959,270
Library	3,196,140	3,238,731	2,909,766	2,308,501	2,718,241	2,125,382	2,168,904	2,265,212	2,041,643	2,937,321
Interest on long-term debt	6,640,855	6,856,841	6,657,372	7,153,434	5,435,432	5,565,437	7,553,342	9,183,561	11,967,641	14,636,613
Total governmental activities expenses	128,477,820	130,324,997	109,895,465	110,577,624	110,240,895	92,050,008	111,920,789	96,325,277	104,996,164	110,841,944
Business-type activities:										
Airport	28,715,596	28,961,927	25,300,163	25,811,396	25,580,134	25,581,945	24,990,169	24,526,812	24,586,610	24,637,583
Wastewater	7,455,920	7,009,637	6,539,225	6,693,464	7,118,541	5,711,562	5,967,510	5,863,229	6,126,747	5,854,655
Golf Course	5,208,536	5,141,317	4,972,995	5,370,771	5,527,984	5,948,442	5,662,881	5,441,285	5,153,882	5,374,561
Total business-type activities expenses	41,380,052	41,112,881	36,812,383	37,875,631	38,226,659	37,241,949	36,620,560	35,831,326	35,867,239	35,866,799
Total primary government expenses	169,857,872	171,437,878	146,707,848	148,453,255	148,467,554	129,291,957	148,541,349	132,156,603	140,863,403	146,708,743
Program revenues:										
Governmental activities:										
Charges for services:										
General government	5,784,465	4,966,153	4,019,379	4,151,215	3,640,512	3,552,667	3,517,758	3,606,184	3,904,814	1,868,359
Public safety	4,352,932	3,789,214	3,401,378	3,256,962	2,930,416	2,843,908	2,878,838	2,847,413	3,072,280	1,922,028
Cultural and convention center	157,769	-	113	-	-	-	-	-	-	359,103
Parks and recreation	1,913,540	1,921,560	1,747,440	1,911,290	1,775,662	1,614,526	1,370,673	1,376,238	1,223,793	1,823,445
Public works	6,956,478	5,794,610	5,972,587	4,344,298	6,339,972	4,582,804	4,045,121	4,359,177	2,644,951	3,249,898
Library	28,287	37,753	42,655	41,075	38,517	38,172	59,501	42,727	42,126	124,726
Operating grants and contributions	3,829,388	2,879,858	4,082,086	3,469,962	5,861,447	5,192,616	7,381,835	6,886,447	6,425,017	9,480,506
Capital grants and contributions	2,633,028	4,188,835	6,823,197	2,936,236	1,448,409	5,093,264	16,382,186	13,271,770	3,212,335	6,269,961
Total governmental activities program revenues	25,655,887	23,577,983	26,088,835	20,111,038	22,034,935	22,917,957	35,635,912	32,389,956	20,525,316	25,098,026
Business-type activities:										
Charges for services:										
Airport	28,134,244	25,621,382	24,352,244	23,900,962	23,017,582	21,745,074	20,342,504	18,747,127	18,998,409	18,465,121
Wastewater	12,785,023	11,771,816	10,667,824	9,524,542	8,220,813	7,019,449	5,965,340	6,045,209	5,928,827	6,006,812
Golf Course	4,526,664	4,317,981	4,234,555	4,836,445	4,519,169	4,850,343	5,046,766	4,832,305	4,687,694	4,130,497
Operating grants and contributions	-	-	-	-	-	-	-	29,056	-	-
Capital grants and contributions	3,769,554	1,519,902	13,405,121	2,180,401	11,788,567	2,290,385	2,315,123	483,618	523,239	10,051,905
Total business-type activities program revenues	49,215,485	43,231,081	52,659,744	40,442,350	47,546,131	35,905,251	33,669,733	30,137,315	30,138,169	38,654,335
Total primary government program revenues	74,871,372	66,809,064	78,748,579	60,553,388	69,581,066	58,823,208	69,305,645	62,527,271	50,663,485	63,752,361

CITY OF PALM SPRINGS

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)
Net revenues (expenses):										
Governmental activities	(102,821,933)	(106,747,014)	(83,806,630)	(90,466,586)	(88,205,960)	(69,132,051)	(76,284,877)	(63,935,321)	(84,470,848)	(85,743,918)
Business-type activities	7,835,433	2,118,200	15,847,361	2,566,719	9,319,472	(1,336,698)	(2,950,827)	(5,694,011)	(5,729,070)	2,787,536
Total net revenues (expenses)	(94,986,500)	(104,628,814)	(67,959,269)	(87,899,867)	(78,886,488)	(70,468,749)	(79,235,704)	(69,629,332)	(90,199,918)	(82,956,382)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	31,291,584	24,535,870	22,245,363	21,294,978	21,065,170	18,655,013	24,229,315	25,786,509	24,547,656	30,747,373
Sales tax	32,956,508	30,971,801	27,681,241	25,367,807	24,113,415	21,948,058	12,130,059	9,633,250	8,221,763	8,796,538
Transient occupancy taxes	34,241,233	28,591,763	25,814,526	24,695,585	22,249,462	19,396,331	17,874,173	15,731,036	13,370,831	12,753,078
Other taxes	12,777,836	13,111,478	12,939,461	14,687,706	14,142,596	13,840,763	13,070,963	12,533,135	12,185,850	10,709,406
Motor vehicle in lieu, unrestricted	24,940	4,492,728	4,209,089	3,920,259	3,673,718	3,537,631	3,505,007	3,797,122	3,942,507	4,180,689
Use of money and property	1,600,566	1,557,326	2,176,122	2,211,049	2,336,973	1,217,844	1,583,805	860,532	5,537,407	1,610,201
Other general revenues	133,067	68,720	85,881	54,954	80,795	178,958	117,096	203,793	28,328	7,241,006
Gain on sale of capital asset	4,680	-	-	86,492	(238,179)	161,770	-	-	-	-
Extraordinary gain/(loss)	-	-	-	-	(2,585,890)	(6,935,586)	31,771,682	-	-	-
Transfers	(725,601)	(2,245,997)	(810,030)	(412,270)	(2,550,758)	(1,952,165)	2,450	589,848	(500,000)	(2,140,000)
Total governmental activities	112,304,813	101,083,689	94,341,653	91,906,560	82,287,302	70,048,617	104,284,550	69,135,225	67,334,342	73,898,291
Business-type activities:										
Use of money and property	129,407	163,540	323,896	299,716	526,158	(122,318)	333,192	336,189	436,926	900,328
Other revenue	1,932,378	917,966	909,116	986,504	164,542	182,232	161,417	295,897	10,402	1,150
Extraordinary gain/(loss)	-	-	-	-	-	(74,215)	(1,227,000)	-	-	-
Transfers	725,601	2,245,997	810,030	412,270	2,550,758	1,952,165	(2,450)	(589,848)	500,000	2,140,000
Total business-type activities	2,787,386	3,327,503	2,043,042	1,698,490	3,241,458	1,937,864	(734,841)	42,238	947,328	3,041,478
Total primary government	115,092,199	104,411,192	96,384,695	93,605,050	85,528,760	71,986,481	103,549,709	69,177,463	68,281,670	76,939,769
Changes in net position										
Governmental activities	9,482,880	(5,663,325)	10,535,023	1,439,974	(5,918,658)	916,566	27,999,673	5,199,904	(17,136,506)	(11,845,627)
Business-type activities	10,622,819	5,445,703	17,890,403	4,265,209	12,560,930	601,166	(3,685,668)	(5,651,773)	(4,781,742)	5,829,014
Total primary government	$ 20,105,699	$ (217,622)	$ 28,425,426	$ 5,705,183	$ 6,642,272	$ 1,517,732	$ 24,314,005	$ (451,869)	$ (21,918,248)	$ (6,016,613)

Source: City of Palm Springs, Finance Department

CITY OF PALM SPRINGS

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

	2018	2017	2016	2015	2014	2013	2012	2011 *	2010	2009
General fund:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,913,779	$ 5,664,944
Unreserved	-	-	-	-	-	-	-	-	6,730,561	7,055,671
Nonspendable	3,019,428	3,019,428	3,019,428	3,919,428	3,019,428	3,670,535	1,410,000	3,015,000	-	-
Assigned	9,673,725	8,002,942	7,884,694	6,850,022	7,060,894	6,442,546	5,333,035	3,932,735	-	-
Unassigned	37,617,037	21,548,391	18,545,979	14,985,654	13,199,370	12,803,298	13,041,689	11,779,373	-	-
Total general fund	$ 50,310,190	$ 32,570,761	$ 29,450,101	$ 25,755,104	$ 23,279,692	$ 22,916,379	$ 19,784,724	$ -	$ 10,644,340	$ 12,720,615
All other governmental funds:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 66,575,321	$ 55,281,667
Unreserved, reported in:										
Debt Service	-	-	-	-	-	-	-	-	(4,740,053)	-
Special revenue funds	-	-	-	-	-	-	-	-	11,031,984	7,903,147
Capital projects funds	-	-	-	-	-	-	-	-	1,299,214	23,370,030
Nonspendable	-	-	-	-	-	11,188,905	12,324,620	13,290,989	-	-
Restricted	37,220,218	41,363,491	41,633,373	50,159,957	64,475,152	48,061,626	40,966,247	46,253,542	-	-
Committed	-	-	-	-	-	-	-	1,568,370	-	-
Assigned	23,354,766	21,667,783	14,227,585	14,344,936	2,446,752	3,657,054	1,216,595	2,961,717	-	-
Unassigned	(2,174,918)	(476,099)	(23,156)	(52,112)	(23,463)	(184,499)	(154,048)	(5,352,857)	-	-
Total all other governmental funds	$ 58,400,066	$ 62,555,175	$ 55,837,802	$ 64,452,781	$ 66,898,441	$ 62,723,086	$ 54,353,414	$ 58,721,761	$ 74,166,466	$ 86,554,844

* The City implemented GASB 54 in 2011 and as a result has classified fund balance differently than in previous years.

Source: City of Palm Springs, Finance Department

CITY OF PALM SPRINGS

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Taxes	$ 111,267,161	$ 97,210,912	$ 88,680,591	$ 86,046,076	$ 83,019,658	$ 75,222,872	$ 68,653,101	$ 72,408,230	$ 72,253,106	$ 72,269,596
Assessments	1,696,779	-	-	-	-	-	-	-	-	-
Licenses and permits	6,387,567	5,726,357	4,734,400	4,338,884	4,223,695	3,066,526	2,913,367	3,119,482	2,714,339	3,068,452
Fines and penalties	140,911	251,091	122,741	283,767	127,672	98,971	104,838	107,824	270,853	824,131
Use of money and property	1,707,685	1,550,825	2,069,955	2,130,949	2,214,740	1,287,277	2,006,106	2,349,620	5,004,081	7,485,174
Intergovernmental	6,135,903	15,115,053	8,275,642	9,881,576	8,499,575	13,397,351	27,264,100	20,914,362	10,338,051	15,049,300
Charges for services	11,208,428	9,854,967	8,843,238	8,671,389	8,632,034	7,750,886	7,036,034	7,068,669	6,715,640	5,038,889
Other	1,164,310	2,156,777	3,194,910	2,817,116	873,125	1,322,686	1,292,222	3,265,240	2,929,498	5,496,259
Total revenues	139,708,744	131,865,982	115,921,477	114,169,757	107,590,499	102,146,569	109,269,768	109,233,427	100,225,568	109,231,801
Expenditures										
Current:										
General government	22,983,718	17,186,130	14,514,121	12,639,548	17,145,827	10,885,046	10,863,967	9,562,837	11,362,793	14,090,558
Public safety	45,857,964	44,040,288	39,880,252	38,169,200	36,640,786	35,327,922	35,192,757	32,864,416	38,472,546	38,116,499
Cultural and convention center	4,437,893	4,034,038	5,140,410	4,912,242	3,946,726	4,342,391	4,437,725	4,450,885	4,235,131	6,357,377
Parks and recreation	9,600,331	8,970,655	8,775,698	8,664,379	8,423,471	11,958,245	8,969,751	8,772,280	7,725,705	8,608,714
Public works	27,255,537	28,044,863	37,018,361	30,083,326	20,799,856	15,474,824	74,063,752	40,578,391	23,473,774	23,788,035
Library	2,818,197	2,839,703	2,694,753	3,194,262	2,552,786	2,428,937	2,073,757	2,290,305	2,177,906	2,924,851
Debt service:										
Principal retirement	5,652,364	5,657,193	12,266,638	5,219,260	4,444,570	4,264,596	3,799,784	3,799,956	4,264,044	3,793,289
Interest and fiscal charges	5,064,358	6,069,043	5,888,573	5,587,476	4,647,051	4,618,428	6,579,560	7,966,940	10,710,691	13,088,973
Payment to bond escrow	-	-	-	7,145,057	-	-	-	-	-	-
Pass-through payments	-	-	-	-	-	-	1,948,429	7,201,757	12,027,631	7,440,446
Total expenditures	123,670,362	116,841,913	126,178,806	115,614,750	98,601,073	89,300,389	147,929,482	117,487,767	114,450,221	118,208,742
Excess (deficiency) of revenues over (under) expenditures	16,038,382	15,024,069	(10,257,329)	(1,444,993)	8,989,426	12,846,180	(38,659,714)	(8,254,340)	(14,224,653)	(8,976,941)
Other financing sources (uses):										
Transfers in	21,227,794	22,671,479	22,844,245	20,793,279	18,329,676	15,850,073	8,756,658	9,726,647	28,298,755	20,150,156
Transfers out	(23,681,856)	(27,882,476)	(24,193,175)	(25,785,113)	(22,780,434)	(17,802,238)	(8,754,208)	(9,136,799)	(29,098,755)	(23,140,156)
Debt issued	-	1,120,195	5,680,000	58,440,000	-	490,000	68,945,000	-	-	3,366,478
Bond premium	-	105,301	1,006,277	5,376,988	-	-	2,361,102	-	-	-
Bond discount	-		-	(59,946)	-	-	-	-	-	-
Proceeds from sale of asset	-		-	-	-	-	-	-	-	(77,303)
Payment to refunded bond escrow agent	-	(1,200,535)	-	(55,790,463)	-	-	(24,264,400)	-	-	-
Total other financing sources (uses)	(2,454,062)	(5,186,036)	5,337,347	2,974,745	(4,450,758)	(1,462,165)	47,044,152	589,848	(800,000)	299,175
Extraordinary gain/loss	-	-	-	-	-	(323,409)	(11,303,318)	-	-	-
Net change in fund balances	$ 13,584,320	$ 9,838,033	$ (4,919,982)	$ 1,529,752	$ 4,538,668	$ 11,060,606	$ (2,918,880)	$ (7,664,492)	$ (15,024,653)	$ (8,677,766)
Capital outlay included in current expenditures	$ 14,545,855	$ 1,970,021	$ 20,251,033	$ 12,074,642	$ 3,538,377	$ 8,926,703	$ 48,406,654	$ 27,603,363	$ 7,895,886	$ 9,826,194
Debt service as a percentage of noncapital expenditures	9.8%	10.2%	17.1%	17.3%	9.6%	11.1%	12.4%	21.1%	25.3%	22.4%

Source: City of Palm Springs, Finance Department

CITY OF PALM SPRINGS

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Residential	Commercial	Industrial	Other (Note 2)	Total Net Taxable Assessed Value	Total Direct Rate
2009	$ 5,889,013	$ 1,099,120	$ 197,160	$ 3,062,564	$ 10,247,857	0.37569
2010	5,527,341	1,168,445	196,399	2,839,637	9,731,822	0.38182
2011	5,239,135	1,034,191	193,415	2,728,132	9,194,873	0.37482
2012	5,143,126	962,594	193,140	2,562,149	8,861,009	0.36581
2013	5,190,305	995,874	192,704	2,522,431	8,901,314	0.35452
2014	5,664,830	1,008,814	188,103	2,845,274	9,707,021	0.22399
2015	6,255,962	1,014,168	182,092	2,523,552	9,975,774	0.22389
2016	7,914,314	1,915,819	640	345,403	10,176,176	0.22716
2017	8,537,372	1,933,515	790	355,104	10,826,781	0.02754
2018	9,301,435	2,209,151	790	382,894	11,894,270	0.22716

NOTE:
In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of the property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price 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.

Note 2: Includes government owned, institutional, miscellaneous, recreational, vacant, SBE Nonuntiary, cross reference, unsecured, exempt, and unknown.

Source: Riverside County Assessor data, MuniServices, LLC

CITY OF PALM SPRINGS

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per $100 of Assessed Value)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Basic Levy (Note 1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Overlapping Rates (Note 2)										
Coachella Valley Water District	0.10000	0.10000	0.10000	0.10000	0.10000	0.08000	0.08000	0.08000	0.06000	0.04000
Desert Community College	0.04030	0.02036	0.02087	0.02325	0.01995	0.01995	0.01995	0.01995	0.01995	0.01995
Palm Springs Unified B & I 1992-A	0.11146	0.11802	0.08978	0.10160	0.12961	0.09351	0.10451	0.13224	0.12628	0.06007
Total Direct and Overlapping Tax Rates	1.25176	1.23838	1.21065	1.22485	1.24956	1.19346	1.20446	1.23219	1.20623	1.12002
City Share of 1% Levy (Note 3)	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505
Redevelopment Rate (Note 4)	-	-	-	-	-	-	1.08000	1.08000	1.08000	1.08000
Total Direct Rate (Note 5)	0.22716	0.22716	0.22716	0.22389	0.22399	0.35452	0.36581	0.37482	0.38182	0.37569

Note 1: In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. The 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.

Note 2: 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.

Note 3: City's share of 1% Levy is based on the City's share of the general fund tax rate area within the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

Note 4: RDA Rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California statute. RDA direct and overlapping rates are applied only to the incremental property values.

Note 5: 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

Source: County Auditor/Controller data, MuniServices, LLC

CITY OF PALM SPRINGS

Principal Property Tax Payers
Current Year and Nine Years ago

Taxpayer	2018 Taxable Assessed Value	2018 Percent of Total City Taxable Assessed Value	2009 Taxable Assessed Value	2009 Percent of Total City Taxable Assessed Value
Tenet Healthsystem Desert Inc.	102,224,757	0.84%	39,201,730	0.38%
Mountain View Power Partners I	67,190,690	0.55%		
Tkg Smoke Tree	65,150,763	0.54%		
Windpower Partners 1993 Lp	58,229,199	0.48%		
Endure Inv	54,690,328	0.45%	86,190,157	0.84%
Avalon 1150	50,999,987	0.42%		
Agre Dcp Palm Springs	44,794,506	0.37%		
Hh Palm Springs	42,279,624	0.35%	30,000,000	0.29%
Skywest Airlines Inc.	39,932,158	0.33%	25,627,338	0.25%
Alaska Airlines Inc.	33,505,115	0.28%		
Wal Mart Real Estate Business	33,411,780	0.27%	43,915,000	0.43%
Vista Mirage Interval Owners A	31,955,930	0.26%		
Walter Hotel Corp	26,400,000	0.22%	22,368,600	0.22%
American Airlines	26,316,727	0.22%		
Pacific Monarch Resorts Inc.	26,227,000	0.22%	29,476,078	0.29%
Parker Palm Springs Ii	23,413,720	0.19%		
Palm Springs Land	21,930,000	0.18%		
Wr Palm Mountain Resort	21,909,022	0.18%		
Rbd Hotel Palm Springs	21,567,125	0.18%		
Medical Properties Ii Palm Spr	20,037,988	0.16%		
Desert Flower Apts Owner	19,966,627	0.16%		
Grp Aviation LLC	19,343,000	0.16%		
Iron Quarter Palm Springs	17,800,000	0.15%		
Standard Pacific Corp	17,454,599	0.14%	40,700,747	0.40%
Clp Palm Springs Ca Waterpark	16,777,694	0.14%		
Time Warner Entertainment Adva			105,173,838	1.03%
Usa Bia			56,597,760	0.55%
Netjets Aviation Inc.			53,716,258	0.53%
Smoke Tree Inc			48,064,602	0.47%
Psh Holdings Inc.			35,735,277	0.35%
Drw Financial Inc.			35,704,234	0.35%
Psmhop			35,465,776	0.35%
L & S Dev Co			33,386,051	0.33%
Tree Moss Partners			31,433,015	0.31%
Wessman Holdings			23,038,260	0.23%
Reincarnate Riviera			22,699,385	0.22%
Desert Sun Publishing Co			21,597,652	0.21%
Suncal Psv			21,557,744	0.21%
Landsource Holdingco			20,998,982	0.21%
U Store It Lp			20,808,000	0.20%
San Gorgonio Westwinds Ii LLC			20,324,343	0.20%
Crv Palm Springs			20,217,686	0.20%
Total Top 25 Taxpayers	$ 903,508,339	7.43%	$ 923,998,513	9.04%
Total Taxable Value*	$ 12,159,350,374	100.00%	$ 10,225,023,651	100.00%

The amounts shown above include assessed value data for the City

Source: MuniServices, LLC

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CITY OF PALM SPRINGS

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009		1	0.00%	1		0.00%
2010	37,164,518	34,897,314	93.90%	1,377,973	36,275,287	97.61%
2011	36,589,289	33,749,104	92.24%	617,134	34,366,238	93.92%
2012	31,699,331	26,581,718	83.86%	1,613,650	28,195,368	88.95%
2013	34,832,425	27,301,032	78.38%	1,440,591	28,741,623	82.51%
2014	35,213,010	33,764,807	95.89%	1,432,979	35,197,786	99.96%
2015	34,215,678	32,782,699	95.81%	1,452,247	34,234,946	100.06%
2016	38,459,265	37,007,018	96.22%	1,635,157	38,642,175	100.48%
2017	43,978,592	40,100,275	91.18%	1,121,580	41,221,855	93.73%
2018	46,794,948	43,474,760	92.90%	1,099,304	44,574,064	95.25%

NOTE:
The amounts presented include City property taxes. This schedule also includes amounts collected by the City that were passed-through to other agencies.

Source: City of Palm Springs, Finance Department

1 - County of Riverside was unable to provide this information.

CITY OF PALM SPRINGS
HISTORICAL SALES TAX AMOUNTS BY BENCHMARK YEAR

CATEGORY NAME	2018 Q1	2017 Q1	2016 Q1	2015 Q1	2014 Q1	2013 Q1	2012 Q1	2011 Q1	2010 Q1
Accommodation and Food Services	$ 3,548,868	$ 3,192,776	$ 2,982,339	$ 2,754,896	$ 2,563,126	$ 2,325,019	$ 2,239,880	$ 1,986,555	$ 1,913,559
Agriculture, Forestry, Fishing and Hunting	79,824	63,569	58,350	72,687	67,077	91,469	90,471	60,294	25,964
Arts, Entertainment, and Recreation	52,838	54,742	54,524	55,399	57,134	49,627	42,464	33,707	31,718
Construction	110,350	84,890	92,795	88,980	77,188	58,899	87,343	79,182	54,881
Educational Services	27,466	11,177	10,861	12,520	12,640	13,270	11,274	14,048	16,702
Information	110,770	106,794	111,655	107,345	117,275	107,384	91,858	89,682	85,923
Manufacturing	345,563	372,628	386,264	390,184	339,399	306,851	320,725	273,134	271,490
Mining, Quarrying, and Oil and Gas Extraction	193,045	128,929	92,186	224,168	243,132	345,720	331,540	253,091	209,110
Other Services (except Public Administration)	42,005	41,410	43,693	30,684	31,345	30,678	33,651	33,988	39,406
Professional, Scientific, and Technical Services	53,230	56,712	53,378	53,602	54,351	50,444	359	55,560	60,987
Real Estate and Rental and Leasing	29,221	50,622	47,256	34,267	40,754	41,818	46,626	45,791	42,240
Retail Trade	6,324,220	5,941,837	5,752,530	5,778,493	5,804,981	5,500,150	5,066,117	4,699,782	4,460,787
Utilities	859,768	821,169	755,206	769,225	722,822	693,616	644,298	640,944	652,898
Not Classified by CDTFA	119,638	95,697	80,779	64,818	52,634	49,643	44,417	45,339	38,603
Grand Total	**$ 11,896,806**	**$ 11,022,952**	**$ 10,521,816**	**$ 10,437,268**	**$ 10,183,858**	**$ 9,664,588**	**$ 9,051,023**	**$ 8,311,097**	**$ 7,904,268**

Source: Avenu Insights & Analytics
The data contained in this report is economic and therefore constantly changing as adjustments, fund transfers, late filings and audits are recorded.
The categories listed in previous reports were based on SBOE NAICS codes and have been updated to reflect current updated CDTFA standards.

City of Palm Springs
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2017-18		2009-08	
Taxpayer	**Business Type**	**Taxpayer**	**Business Type**
Automobile Club of souther Calif	Miscellaneous Retail	Alamo National Car Rental	Leasing
Bill Llobo	Miscellaneous Other	Albertson's Food Centers	Food Markets
Colburn Henderson Billings	Miscellaneous Retail	Arco Am/Pm Mini Marts	Service Stations
Continental Air Lines	Leasing	Builders Home Center	Bldg.Matls-Retail
Creative Endeavors	Apparel Stores	Chevron Service Stations	Service Stations
Dean Allan Carlson	Miscellaneous Retail	Enterprise Rent-A-Car	Leasing
Eric N Miller Phd	Miscellaneous Other	Financial Svcs Vehicle Trust	Leasing
Fabulous Finds & Fantastic Fakes	Miscellaneous Other	Gottschalks Department Store	Department Stores
George Jhoule	Miscellaneous Retail	Hertz Rent-A-Car	Leasing
Jeanne Oliver Apartment Decor	Miscellaneous Retail	Home Depot	Bldg.Matls-Retail
Kaiser Permanente Pharmacy	Drug Stores	Las Casuelas Terraza Restauran	Restaurants
Kaminsky Productions	Business Services	Le Parker Meridien	Restaurants
Karen Marie Kennedy	Miscellaneous Other	Lowe's Home Centers	Bldg.Matls-Retail
Luke Enterprises	Miscellaneous Other	Pilot Travel Center & Gas	Service Stations
Morgan Collection	Miscellaneous Retail	Ralph's Grocery Company	Food Markets
Nissan Motor Acceptance	Leasing	Rite Aid Drug Stores	Drug Stores
Palm Springs Hilton	Restaurants	Ross Stores	Apparel Stores
Palm Springs Oil Company	Service Stations	Ryder Truck Rentals	Leasing
Palm Springs Tailors	Apparel Stores	Stater Bros Markets	Food Markets
Projekt	Miscellaneous Other	Stein Mart	Apparel Stores
Pryde / Martines	Miscellaneous Other	Viasys Respiratory Care	Health & Government
Robert Mark Trabin	Apparel Stores	Village Pub	Restaurants
Sky Chefs Division #683	Restaurants	Vip Motor Cars	Auto Sales - New
Ssteven Siporin	Miscellaneous Other	Vons Grocery Company	Food Markets
The Clam	Miscellaneous Other	Wal Mart Stores	Department Stores

Source: MuniServices, LLC

CITY OF PALM SPRINGS

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				
	Pension Obligation Bond (1)	General Obligation Bonds	Tax Allocation Bonds	Loans and Leases	Total Governmental Activities
2009	$ 20,328,619	$ 97,667,830	$ 45,860,000	$ 3,486,462	$ 167,342,911
2010	20,349,536	95,654,919	45,045,000	4,327,846	165,377,301
2011	20,312,658	93,372,989	44,080,000	3,854,251	161,619,898
2012	20,221,505	136,394,186	-	3,358,621	159,974,312
2013	20,067,568	132,552,058	-	3,329,912	155,949,538
2014	19,851,587	128,647,806	-	21,156,532	169,655,925
2015	19,572,184	136,551,633	-	20,367,964	176,491,781
2016	20,425,145	131,071,115	-	19,519,529	171,015,789
2017	20,247,941	125,668,219	-	18,597,863	164,514,023
2018	20,011,558	119,760,742	-	21,290,193	161,062,493

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

CITY OF PALM SPRINGS

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(Continued)

Business-type Activities							
Airport Revenue Bonds	Certificates of Participation	Loans	Leases	Total Business-type Activities	Total Primary Govt	Percentage of Personal Income (1)	Debt Per Capita (1)
$ 27,965,000	$ 11,422,169	$ -	$ -	$ 39,387,169	$ 206,730,080	0.14773	$ 4,787
27,305,000	10,980,081	-	-	38,285,081	203,662,382	0.14487	4,184
25,995,000	10,522,011	-	-	36,517,011	198,136,909	0.11245	4,054
25,030,000	10,045,814	-	238,248	35,314,062	195,288,374	114.65268	4,233
24,020,000	9,547,944	-	167,372	33,735,316	189,684,854	111.36289	4,112
20,915,000	9,037,194	-	92,556	30,044,750	199,700,675	117.24312	4,329
18,161,227	8,502,035	-	6,807	26,670,069	203,161,850	103.85684	4,259
16,694,038	7,947,127	-	-	24,641,165	195,656,954	100.02032	4,101
12,826,849	7,607,672	-	-	20,434,521	184,948,544	94.54616	3,877
9,929,660	6,918,049	14,354,637	644,329	31,846,675	192,909,168	98.61565	4,044

* Personal Income	1,956,172
* Total Population	47,706

CITY OF PALM SPRINGS

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt: Pension Obligation Bond	General Obligation Bonds	Tax Allocation Bonds	Total	Restricted for Debt Service	Percent of Assessed Value (1)	Per Capita
2009	$ 20,328	$ 97,667	$ 45,860	$ 163,855	$ 9,808	1.50%	$ 3,858
2010	20,350	95,655	45,045	161,050	9,625	1.56%	3,380
2011	20,313	93,373	44,080	157,766	9,562	1.61%	3,484
2012	20,222	136,394	-	156,616	12,996	1.62%	3,395
2013	20,068	132,552	-	152,620	11,808	1.58%	3,308
2014	19,852	128,648	-	148,500	11,667	1.41%	3,219
2015	19,572	136,552	-	156,124	4,824	1.52%	3,346
2016	20,425	131,071	-	151,496	4,850	1.44%	3,221
2017	20,248	125,668	-	145,916	4,906	1.30%	3,080
2018	20,012	119,758	-	139,770	1,580	1.16%	2,930

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

CITY OF PALM SPRINGS

Direct and Overlapping Debt
June 30, 2018

2017-18 City Assessed Valuation		$ 12,222,623,779	
	Percentage Applicable (1)	Outstanding Debt 6/30/18	Estimated Share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Desert Community College District	15.775%	$ 314,935,000	$ 49,680,996
Mount San Jacinto Community College District	0.006%	177,765,000	10,666
Banning Unified School District	0.186%	64,194,326	119,401
Palm Springs Unified School District	42.457%	405,516,959	172,170,335
San Gorgonio Memorial Hospital District	0.065%	110,540,000	71,851
California Statewide Communities Development Authority 1915 Act Bonds	100%	677,034	677,034
City of Palm Springs 1915 Act Bonds	100%	5,475,000	5,475,000
Total overlapping debt repaid with property taxes			$ 228,205,284
Direct and Overlapping General Fund Debt:			
Riverside County General Fund Obligations	4.636%	812,829,106	$ 37,682,757
Riverside County Pension Obligations	4.636%	266,365,000	12,348,681
Banning Unified School District Certificates of Participation	0.186%	9,960,000	18,526
City of Palm Springs General Fund Obligations	100%	128,825,440	134,300,440
City of Palm Springs Pension Obligations	100%	20,011,558	20,011,558
Total Gross Direct and Overlapping General Fund Debt			204,361,962
Less: Riverside County Self-Supporting Obligations			155,459
Total Net Direct and Overlapping General Fund Debt			$ 204,206,503
Overlapping Tax Increment Debt (Successor Agencies)			
Riverside County Tax Allocation Bonds	0.220-100%	211,703,028	$ 33,034,795
Total Direct Debt			$ 154,311,998
Total Gross Overlapping Debt			311,290,042
Total Net Overlapping Debt			311,134,583
Gross Combined Total Debt			439,200,727 (2)
Net Combined Total Debt			439,045,268

Ratios to 2017-18 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	1.87%
Total Direct Debt ($127,910,865)	1.05%
Gross Combined Total Debt	3.59%
Net Combined Total Debt	3.59%
Ratios to Redevelopment Successor Agencies Incremental Valuation ($2,154,482,342)	
Total Overlapping Tax Increment Debt	1.53%

AB ($500)

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.

Source: Muni Services LLP

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CITY OF PALM SPRINGS

Legal Debt Margin Information
Last Ten Fiscal Years
(in Thousands of Dollars)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Valuation	$12,159,350	$10,826,781	$ 10,176,176	$ 9,975,774	$ 9,320,889	$ 8,901,314	$ 8,861,010	$ 9,194,873	$ 9,731,822	$ 10,247,857
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,039,838	2,706,695	2,544,044	2,493,944	2,330,222	2,225,329	2,215,253	2,298,718	2,432,956	2,561,964
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	455,976	406,004	381,607	374,092	349,533	333,799	332,288	344,808	364,943	384,295
Total net debt applicable to limit: General Obligation Bonds	119,758	125,668	131,071	136,552	128,648	132,552	136,394	93,373	95,655	97,668
Legal debt Margin	$ 336,218	$ 280,336	$ 250,536	$ 237,540	$ 220,885	$ 201,247	$ 195,894	$ 251,435	$ 269,288	$ 286,627
Total Debt applicable to the limit as a percentage of debt limit	**26.3%**	**31.0%**	**34.3%**	**36.5%**	**36.8%**	**39.7%**	**41.0%**	**27.1%**	**26.2%**	**25.4%**

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Palm Springs, Finance Department

CITY OF PALM SPRINGS

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2009	$ 14,093,345	$ 780,000	$ 2,458,686	4.35
2010	18,376,003	815,000	2,426,481	5.67
2011	16,214,162	965,000	2,389,109	4.83
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-

* Includes $2,665,000 in special mandatory redemption
** Includes $1,625,000 in special mandatory redemption

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

CITY OF PALM SPRINGS

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Continued)

Airport Revenue Bonds

Airport Revenue	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
$ 28,958,090	$ 14,493,317	$ 14,464,773	$ 1,130,000	$ 1,629,824	5.24
19,769,064	14,245,793	5,523,271	660,000	1,546,136	2.50
19,724,924	14,612,198	5,112,726	1,310,000	1,502,770	1.82
23,023,302	15,418,648	7,604,654	965,000	1,438,003	3.16
24,109,169	16,143,466	7,965,703	1,010,000	1,387,851	3.32
35,290,038	16,666,876	18,623,162	3,105,000	1,332,020	4.20
24,793,762	24,630,467	163,295	2,310,000	1,180,929	0.05
25,237,494	24,225,209	1,012,285	1,505,000	1,074,954	0.39
26,526,151	28,080,171	(1,554,020)	3,905,000 *	881,756	-0.32
29,224,194	27,890,781	1,333,413	2,935,000 **	722,870	0.36

CITY OF PALM SPRINGS

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2008	46,992	$ 1,374,982	$ 29,260	6.5%
2009	47,653	1,376,376	28,883	10.6%
2010	48,040	1,728,191	35,974	11.5%
2011	45,279	1,669,663	36,875	10.6%
2012	45,712	1,714,109	37,498	7.4%
2013	46,135	1,703,304	36,920	6.4%
2014	46,135	1,612,280	34,947	6.8%
2015	46,654	1,716,050	36,782	5.5%
2016	47,379	1,826,568	38,552	5.0%
2017	47,706	1,956,172	41,005	3.5%

Source: MuniServices, LLC
Source: 2008-2016 Demographics from previously posted CAFR
The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.
1.) Population Projections are provided by the California Department of Finance Projections.
2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.
3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
4.) Student Enrollment reflects the total number of students enrolled in the Palm Springs Unified School District.
Other school districts within the City are not accounted for in this statistic.

Note: This statistic is a year behind due to the nature of the demographic study

CITY OF PALM SPRINGS
Principal Employers
Last Fiscal Year and Nine Year ago

Business Name	2017-18 Number of Employees	2017-18 Percent of Total Employment (%)	2008-09 Number of Employees	2008-09 Percent of Total Employment (%)
Palm Springs Unified School District*	2,446	10.73%	1,751	5.52%
Spa Resort Casino (agua caliente casino resort spa)	2,316	10.16%	902	2.84%
Desert Regional Medical Ctr	2,200	9.65%	1,189	3.75%
City of Palm Springs	473	2.07%	421	1.33%
Walmart Supercenter	366	1.61%	305	0.96%
Riviera Palm Springs Resort**	264	1.16%		
Ace Hotel & Swim Club	239	1.05%		
Le Parker Meridien-Palm Spgs	223	0.98%		
Parker Palm Springs Hotel	205	0.90%		
Home Depot	198	0.87%	210	0.66%
Desert Sun			300	0.95%
Ralphs Grocery Company			235	0.74%
Lowe's			185	0.58%
Target Corporation			152	0.48%
Total Top Employers	8,930	39.17%	5,650	17.81%
Total City Employment (1)	22,800			

Source: City of Palm Springs website and MuniServices, LLC

Source: 2008-09 count is from prior CAFR

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

*Count is for the entire school district

**Includes full and part time

(1) Total City Labor Force is provided by EDD Labor Force Data and includes all employable adult residents of the City of Palm Springs

CITY OF PALM SPRINGS

Full - Time Equivalent City Employees By Department
Last Ten Fiscal Years

Department	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Administration	62.20	44.20	39.20	36.25	36.25	35.75	34.25	34.75	43.25	48.75
Growth Management	32.39	31.39	30.37	24.29	22.60	20.80	20.20	22.20	28.45	34.95
Quality of Life	55.25	53.50	52.50	54.50	54.00	53.25	37.25	38.25	46.00	56.25
Public Safety	210.00	189.00	178.00	173.50	170.50	178.50	172.50	184.50	208.50	214.50
Public Works & Engineering	23.48	23.38	23.38	20.33	20.00	20.00	27.50	27.00	32.00	32.75
Airport	73.00	70.00	69.00	67.00	67.50	66.50	66.50	64.50	63.50	69.50
Golf Course	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Motor Vehicle	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	8.00	9.00
Facilities Maintenance	13.90	13.00	13.00	13.00	13.50	13.50	13.50	12.50	14.50	14.50
Risk Management	4.25	4.25	4.25	3.25	3.25	3.25	2.75	3.25	3.25	3.25
Low & Moderate Income Housing	2.78	2.78	2.80	3.38	3.40	3.70	4.30	4.30	4.55	4.55
Wastewater Treatment Plant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	485.25	439.50	420.50	403.50	398.00	402.25	385.75	398.25	452.00	488.50

Source: City of Palm Springs, Finance Department Adopted Budget

CITY OF PALM SPRINGS

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009
Police:										
Arrests	2,634	2,844	3,566	3,608	4,257	3,090	3,360	3,528	4,564	4,319
Parking Citations	5,138	4,014	5,424	3,826	3,178	2,796	2,585	1,936	2,977	2,896
Fire:										
Number of Emergency Calls	9,880	9,993	10,071	9,753	8,798	8,455	8,263	7,777	7,400	7,054
Inspections	3,364	3,489	3,666	3,389	3,902	3,385	1,425	4,204	3,808	2,907
Public Works:										
Street resurfacing (sq feet)	6,129,638	3,385,000	11,111,269	2,875,700	3,136,862	2,638,360	2,468,300	3,049,441	3,286,000	3,580,270
Parks and Recreation:										
Number of recreation classes	2,919	5,866	5,385	2,642	2,964	3,715	3,229	3,171	1,755	2,001
Number of facility rentals	3,851	3,968	3,908	144	167	160	195	276	955	968
Airport:										
Passengers serviced	2,213,001	2,052,129	1,917,702	1,914,402	1,852,606	1,751,973	1,668,554	1,483,051	1,499,637	1,453,921
Flights	50,751	23,174	55,977	55,823	52,993	51,586	58,792	61,584	68,772	68,805
Sewer:										
New Connections	198	163	165	175	120	114	112	62	102	122
Ave Daily sewage treatment	6.005	5.798	5.845	6.042	6.042	6.033	5.698	5.700	6.491	6.491
Golf Course:										
Golf rounds played	92,202	89,268	89,020	98,866	87,981	95,177	103,653	99,592	80,699	82,966

Source: City of Palm Springs, Finance Department

CITY OF PALM SPRINGS

Capital Asset Statistics
By Function

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	4	4	4	4	4	4	4	5	5	5
Public Works:										
Streets (miles)	270	270	270	270	270	270	270	270	270	270
Streetlights	405	405	405	405	405	367	367	367	367	365
Traffic signals	84	84	84	84	84	84	84	84	84	81
Parks and recreation:										
Parks	10	10	10	10	10	10	10	10	9	8
Community centers	3	3	3	3	3	3	3	3	2	2
Airport:										
Runway (feet)	14,952	14,952	14,952	14,952	14,952	14,952	14,952	14,952	14,952	14,952
Gates	16	16	16	16	16	16	16	16	16	16
Wastewater:										
Sanitary sewers (miles)	264	264	264	264	264	264	264	250	260	260
Storm sewers (miles)	52	52	52	52	52	52	52	50	50	50
Maximum daily treatment capacity (thousands of gallons)	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900
Cogeneration:										
Cogeneration plants	1	1	1	1	1	2	2	1	1	1
Golf Course:										
Municipal golf courses	2	2	2	2	2	2	2	2	2	2
Convention Center:										
Square feet	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000	250,000	250,000
Meeting rooms	19	19	19	19	19	19	19	19	13	13

Source: City of Palm Springs, Finance Department