

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

INDEPENDENT ACCOUNTANTS' REPORT

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

We have performed the procedures enumerated below, which were agreed to by the City of Palm Springs, solely to assist you in evaluating the actual revenues and expenditures of Measure J for the year ended June 30, 2014 as presented on Schedule 1. The City of Palm Springs' management is responsible for the Measure J revenues and expenditures. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have verified all Measure J revenues (sales tax receipts) from the State of California for the period noted in the first paragraph by reviewing documentation for each individual deposit. Schedule 1 reports year-to-date revenues of \$12,623,919.

We have verified the Measure J expenditures for the period noted above by reviewing prior Council approval of expenditures and supporting documentation. Schedule 1 reports year-to-date expenditures of \$9,135,217. Based on statistical sampling methods, we tested 56% (\$5,094,893) of total expenditures, all of which were verified without exception.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Measure J revenues and expenditures. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Maryanov Madsen Gordon & Campbell

January 13, 2015

Measure J Capital Projects Fund
City of Palm Springs
Revenues and Expenditures
June 30, 2014 Report (13-14 final)
as of November 13, 2014

Proj Code	2012-2013	2013-2014 Fiscal Year			Balances / Variances
	Final Actuals	Revised Budget	YTD Actuals	Encumbered	
Revenues and Transfers In:					
Measure J Sales Tax Transfer In from General Fund	11,046,045	12,623,919	12,623,919	0	0
Interest Income	40,535	69,544	69,544	0	0
Unrealized Investment Gain or (Loss)	(65,095)	63,592	63,592	0	0
Total Revenues and Transfers In	11,021,484	12,757,055	12,757,055	0	0
Expenditures and Transfers Out:					
Unscheduled Capital Projects / Reserves:		<i>Total = \$3,411,300</i>			
Project Contingency Reserve (Remnant of 10%)	0000	403,546	0	0	403,546
Delayed Projects Under Discussion and Study	0000	1,725,000	0	0	1,725,000
Unscheduled Capital Projects Reserve	0000	0	1,282,754	0	1,282,754
Transfer Out to Debt Service Fund	0001	2,949,862	3,184,310	3,184,310	0
Measure J Implementation Costs	0002	0	90,077	90,077	0
Special Audit	0003	4,316	5,685	685	5,000
Communications Expenses	0004	2,594	32,006	15,523	0
Downtown Prop Maint and Landscaping	0005	77,202	210,276	88,484	0
Streets - 2013 - Reconstruction & Overlay	0006	6,897	2,332,639	2,060,934	0
Streets - 2013 - Slurry Seal	0008	9,834	650,629	608,493	0
Streets - 2014 - Reconstruction & Overlay	0008	0	1,000,000	6,376	0
Streets - 2015 - Recon/Overlay/Seal	1508	0	0	0	0
Pavilion Kitchen Equipment Replacement	0009	12,575	0	0	0
Desert Highland Light Poles / Fixture Replacement	0010	793	79,207	273	0
Ruth Hardy Park Security Path Lighting	0011	83	49,917	3,887	1,825
Desert Highland Small Parking Lot Repairs	0012	2,411	37,589	61	0
Dog Park Improvements	0013	3,035	807	807	0
Sidewalk Replacement in Parks Citywide	0014	4,923	70,339	70,339	0
Demuth Park - Softball Field Wiring Replacement	0015	8,092	9,448	9,448	0
Demuth Community Center - Gym Floor Replacement	0016	2,006	37,994	12,985	3,001
Sunrise Park Water Valve Replacement	0017	28,473	6,826	6,826	0
Demuth and Ruth Hardy Parks - Parking Lot Repairs	0018	1,467	213,877	213,877	0
Stadium Fencing Repairs	0019	6,166	5,082	5,082	0
Replace 20 Trees - Palm Cyn, Indian Cyn, Sunrise Park	0020	345	124,655	50	0
Village Green - Electric Meter Panel Replacement	0021	0	55	55	0
Downtown / Uptown Crosswalks	0022	30,435	300,565	278,733	11,437
Light Poles - Raise Footings - Citywide	0023	670	149,330	137,276	0
Traffic Signal & Queuing Study (Sunrise @ Ralph's Ctr)	0024	1,494	902	902	0
Palm Canyon Electric "Backbone" Replacement	0025	0	900,000	9,917	128,492
New Fire Station #5 Site Location and Design Study	0026	0	50,000	6,116	3,384
Welwood Memorial Library Renovation Project	0027	0	782,446	136,645	577,242
iHUB Accelerator Campus	0029	0	500,000	500,000	0
Architecture and Design Museum	0030	0	566,667	566,000	0
Firefighting Support Unit	0031	0	343,202	343,202	0
Downtown Palm Springs Development	0032	0	365,000	58,287	7,612
Swim Center Deck	0033	0	180,000	17,185	5,502
Swim Center Underwater Lights	0034	0	9,799	9,799	0
Bike Crossing at Cat Cyn (50% paid for by Cat City)	0035	0	15,000	3,280	0
Shade Cover at Mizell Senior Center	0036	0	25,000	0	0
Trailhead Waste	0037	0	5,378	5,378	0
Airport Fire Station Back-up Generator (50% Airport)	0038	0	62,500	6,752	900
Security Cameras at Park Restrooms	0039	0	75,000	27,602	26,207
Baristo Sidewalk	0040	0	17,359	17,359	0
Palm Springs High School Auditorium Remodel	0041	0	290,851	290,851	0
Landscape Visitors' Center Landscaping	0042	0	25,000	250	15,930
Library Computers	0043	0	46,057	46,057	0
Library Planning	0043	0	150,000	24,706	0
Property Acquisition	0044	0	1,000,000	0	0

Measure J Capital Projects Fund
City of Palm Springs
Revenues and Expenditures
June 30, 2014 Report (13-14 final)
as of November 13, 2014

Proj Code	2012-2013	2013-2014 Fiscal Year			Balances /	
	Final Actuals	Revised Budget	YTD Actuals	Encumbered	Variances	
JO Jessie DHUC - Gym Air Conditioning	0045	0	175,000	3,374	21,950	149,676
Entry Way Signs	0046	0	150,000	4,647	5,250	140,103
Police Training Center Upgrades	0047	0	100,000	10,297	14,810	74,893
Building Department Microfilm to Internet	0049	0	110,000	332	51,185	58,484
Veteran's Track "Pocket" Park (Ave. Evelita)	0050	0	12,960	0	0	12,960
Police Records / Lobby Remodel	0051	0	250,000	26,036	79,934	144,030
NMTP / Biking Issues	0052	0	1,078,133	23,839	0	1,054,294
Tahquitz Creek Master Plan Improvements	0054	0	300,000	6,750	0	293,250
Repave Police Rear and Front Parking Lots	0055	0	300,000	16,604	35,363	248,033
Fire Station #2 - Roof Replacement	0056	0	31,891	31,891	0	0
Fire Station #2 - Chiller Replacement	0057	0	60,000	0	0	60,000
Police Detective Bureau Redesign Study	0058	0	100,000	433	0	99,568
Fire Stations Security Cameras	0059	0	61,406	121	0	61,285
Fire Stations Keyless Entry System	0060	0	50,000	0	0	50,000
Uptown Treewell Irrigation	0061	0	45,000	10,277	3,986	30,737
Cornelia White House Improvements	0062	0	50,000	39,709	3,807	6,484
Pavilion Gymnasium Floor Repair and Refinish	0063	0	30,000	23,598	0	6,402
City Hall Security Design and Installation	0064	0	100,000	0	0	100,000
Arnico Tract Sewer Improvements	0065	0	313,240	0	0	313,240
City Hall Parking Lot Resurfacing	0066	0	700,000	14,703	36,792	648,505
Tahquitz Cyn Median Landscaping Sunrise to El Cielo	0067	0	1,030,000	0	0	1,030,000
Trolley Shuttle	0068	0	25,000	15,217	5,013	4,770
Project Management	0069	0	50,000	39,245	0	10,755
Bike Trail Fence	0070	0	3,275	3,275	0	0
Trash Service - Trails	0071	0	7,200	0	0	7,200
Measure J Signs	0072	0	0	0	0	0
Air Conditioning Controls at the iHub building	0073	0	0	0	0	0
Total Expenditures and Transfers Out		3,153,674	22,545,879	9,135,217	1,044,621	12,366,041
Net Surplus / (Deficit)		7,867,810	(9,788,824)	3,621,838		
Unallocated Fund Balance, Beginning of Fiscal Year		1,921,014	9,788,824	9,788,824		
Unallocated Fund Balance, End of Fiscal Year		9,788,824	0	13,410,662		

Cash as of 6/30/2014 = **10,848,396**