

PRINCIPAL OFFICIALS

(At September 30, 2017)

Bev Smith
Mayor

Patti Waller
Vice Mayor

Liz Shields
Mayor Pro Tem

Dawn Marie Cox
Council Member

Joni Brinkman
Council Member

Richard J. Reade
Village Manager

Rebecca L. Morse
Chief Financial Officer

**We appreciate the opportunity to serve
The Village of Palm Springs.**

*Should you have a question on the
Village's Audited Financial Statements or
any other matters, please feel free to call
me directly at 832-9292.*

Scott Porter
Audit Partner

The information presented has been derived from the Village's Financial Statements and information provided by the Village. It is not intended to be a complete financial report under U.S. generally accepted accounting principles.



**CALER, DONTEN, LEVINE,
COHEN, PORTER & VEIL, P.A.**

VILLAGE OF PALM SPRINGS, FLORIDA



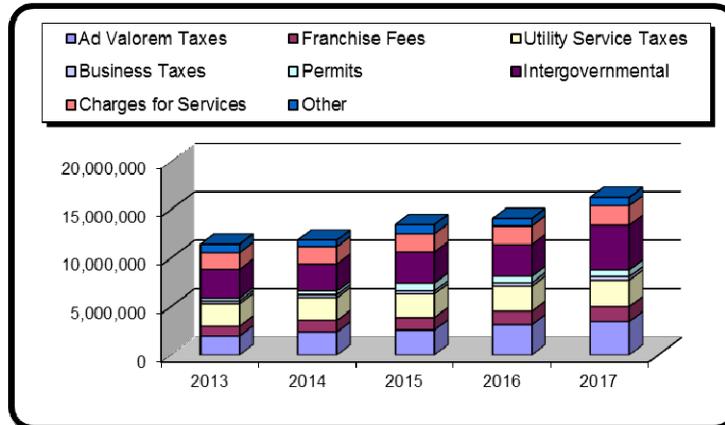
FINANCIAL HIGHLIGHTS

**For the Year Ended
September 30, 2017**

REVENUE AND EXPENDITURES

REVENUE

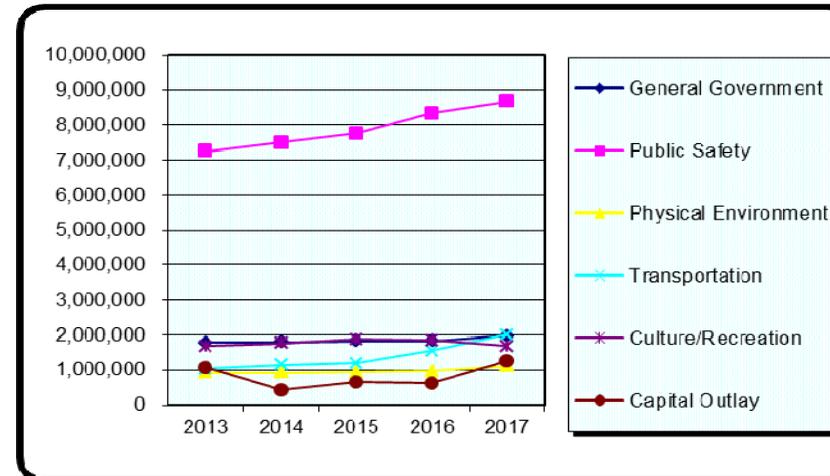
The following graph presents General Fund revenues of the Village by source for the last five (5) years.



- Total General Fund revenues for the year ended September 30, 2017, were \$16.2 million. This represents an increase of \$2,183,000, or 15.5%, when compared with the prior year.
- Total General Fund revenues have increased approximately \$4.8 million, or 42.5%, since 2013. Increases in ad valorem taxes (\$1,487,000), franchise fees (\$545,000), utility service taxes (\$393,000), business taxes (\$82,000), permits (\$384,000), intergovernmental (\$1,657,000), charges for services (\$296,000), and a decrease in other revenues (\$6,000), account for the increase in total revenues.
- The new local option sales tax for infrastructure improvements added \$1,014,000 to General Fund intergovernmental revenues for 2017.
- The assessed value of real and personal property was \$914 million, an increase of \$93 million (11.3%) over the prior year and an increase of \$334 million (57.7%) since 2013.
- The General Fund millage rate adopted for the 2016/2017 fiscal year (3.90) has increased 11.4% since 2013. The debt service millage rate decreased from 1.1520 in 2013 to .4930 in 2017.

EXPENDITURES

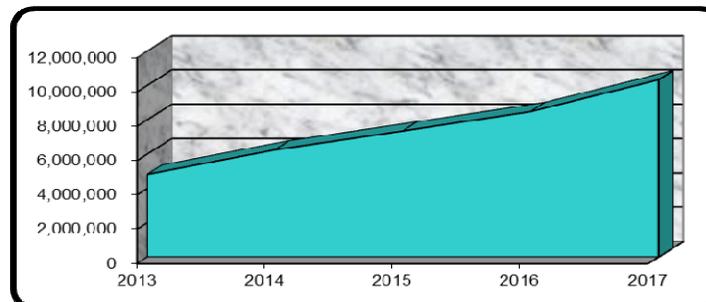
The following graph presents General Fund expenditures of the Village by function for the last five (5) years.



- Total General Fund expenditures for the year ended September 30, 2017, were approximately \$16.7 million. This represents an increase of approximately \$1,590,000, or 10.5%, when compared with 2016.
- Expenditures for all functions over the last five years have generally increased at an average annual rate of approximately 5.1%, compared to an average annual increase in the Village population of approximately 3.1%.
- Expenditures for debt service principal and interest represented 2.4% of total governmental expenditures for 2017, which was lower than historical rates and lower than the prior year percentage of 2.6%.

FUND BALANCE

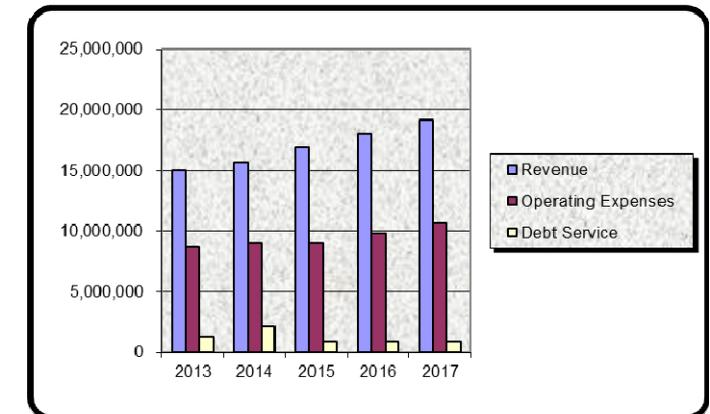
The following graph presents the trend in assigned and unassigned fund balance of the General Fund for the last five years.



- Assigned and unassigned fund balance at September 30, 2017, was \$10,326,851, including \$1,141,000 committed to sales tax infrastructure projects, \$1,500,000 assigned to capital projects, and \$1,500,000 assigned to disaster recovery.
- Unassigned fund balance was \$4,523,176 and represents 27.1% of the 2017 actual expenditures (27.8% for 2016), or approximately 99 days of working capital (102 days in 2016).
- Unassigned fund balance increased by \$315,000 in 2017 or 7.5% from the prior year unassigned fund balance.

WATER AND SEWER OPERATIONS

Operations of the water and sewer facilities are presented on a budgetary cash flow basis, which is operating income without depreciation or amortization, but after payment of debt service. The graph provided below compares water and sewer operations over the last five years.



- The net revenues of the water and sewer utility have consistently exceeded the required debt service by more than three times. Debt service coverage was 9.4 for 2017.
- Operating income was approximately \$8.5 million for 2017 as compared to \$8.2 million for 2016.
- The net cash provided by operations was approximately \$8.8 million for 2017, an increase of approximately \$441,000.
- The utility received approximately \$780,000 for new connections in 2017, a decrease of approximately \$700,000.
- The investment in capital facilities was approximately \$1.7 million in 2017, an increase of approximately \$646,000. The investment in capital facilities was financed by the net revenues of the utility system and capital contributions.