

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR
ENDED JUNE 30, 2020

City of Palm Springs

Palm Springs, California

Comprehensive Annual Financial Report and Independent Auditors' Reports

For the Year Ended June 30, 2020

Prepared By:
Finance Department

Nancy Pauley
Director of Finance and Treasurer

**City of Palm Springs
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



INTRODUCTORY SECTION
FISCAL YEAR
ENDED JUNE 30, 2020



City of Palm Springs

Department of Finance & Treasury

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December 31, 2020

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

The City Charter and State of California requires that the City of Palm Springs ("City") issue a complete set of financial statements annually and that an independent firm of certified public accounts audit this report in conformance with generally accepted auditing standards (GAAS). The Comprehensive Annual Financial Report (CAFR) of the City of Palm Springs for the year ended June 30, 2020, is hereby submitted.

The CAFR was prepared in conformance with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). This report consists of City management's representations concerning the finances of the City of Palm Springs. Responsibility for the accuracy and completeness of the data presented rests with the City. Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data is 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. We believe the information presented in this report is complete and accurate in all material respects, and that it is reported in a manner designed to fairly present the financial position and results of operations of the various activities of the City of Palm Springs.

The City of Palm Springs financial statements have been audited by The Pun Group, LLP, a firm of licensed certified public accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Palm Springs for the fiscal year (FY) ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Palm Springs financial statements for the year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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.

A narrative introduction, overview, and analysis accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Palm Springs MD&A can be found immediately following the report of the independent auditors and will provide further information regarding the format and content of this report.

Profile of the City

The City of Palm Springs is an inclusive world-class destination that welcomes everyone. The City of Palm Springs incorporated in 1938, covers a geographical area of 96 square miles, and is located on the western edge of the Coachella Valley and central to the County of Riverside. The City is approximately 110 miles east of Los Angeles and 140 miles northeast of San Diego. The City is within the ecological area known as the Colorado Desert, 487 feet above sea level, and surrounded by the San Bernardino Mountains to the north, the Santa Rosa Mountains to the south and the San Jacinto Mountains to the west. The geography of Palm Springs creates a warm and dry climate. The City has a permanent year-round population of approximately 48,000. The population substantially increases from November to May with part-time residents and visitors.

The City has been governed as a charter city since 1994 and operates under a Council-Manager form of government. Council Members are elected by district and serve four-year staggered terms. The Mayor is appointed by the City Council to serve a one-year term on a rotating basis pursuant to an appointment policy adopted by the Council. The Council Members are responsible for policy-making, local ordinances, adopting the City's annual budget, appointing committees, appointing the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the operations of the City, and appointing heads of departments. The City Council transitioned in November 2019, from an at large electoral system with a directly elected Mayor, to a district based electoral system, with each member serving a four-year staggered term.

The City of Palm Springs is a full service city providing residents and visitors with the following functional services: general governance, legal, financial, information technology and administrative management; police, fire, emergency transport services; engineering, construction, and maintenance of public facilities, highways and streets, sanitation, culture and recreation, aviation, public improvements, planning and zoning, community development, animal shelter, sustainability and recycling, and libraries. 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. Public elementary and secondary education is provided by the Palm Springs Unified School District.

Local Economy

The City of Palm Springs is within the economic region considered to be the Inland Empire consisting of Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA) which has approximately 12% of California's residential population. The Inland Empire is the 13th largest MSA in U.S. by population (4.2 million people) and 3rd largest in California. The Inland Empire economy was strong prior to the COVID-19 pandemic. There has been continued improvement and strength in the real estate market and consumption. The labor market has been significantly impacted by the COVID-19 pandemic, and is not expected to recover until 2022. Current unemployment rates for the City of Palm Springs are approximately at 18% compared to the prior fiscal year 2018-19 of 4.9%. On March 19, 2020, the City, as a resort destination, and its jurisdictional workforce, have been impacted greatly by the extraordinary challenges caused by the worldwide COVID-19 pandemic and the State of California and County-wide closures that began at the height of the City's tourist season.

The COVID-19 pandemic has been declared a state of emergency, and has continued unabated since March 2020, and has downward financial implications for the City's operating budget that relies on sales tax and transient occupancy tax (TOT) revenue generated by the City's various retail businesses, restaurants, hotels and vacation rental properties.

Top Three Revenue Sources

Since 2014, the City of Palm Springs has experienced increases in the top three revenue categories: sales taxes, property taxes, and transient occupancy taxes. These revenue increases are evidence of the City's strong tourism industry. Beginning in fiscal year 2015-16 and continuing through fiscal year 2019-20, 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.

Sales taxes are comprised of the traditional Bradley-Burnes Sales tax, Measure J (1%) and Measure D (1/2 %) district taxes for a combined total of \$39.1 million and is now the City's largest source of revenue. The traditional Bradley Burns sales tax was approximately \$17 million in revenue for fiscal year 2019-20, Measure J approximately \$14.8 million and Measure D approximately \$7.3 million.

Property taxes are the City's second largest source of revenue. Though property taxes have traditionally been the City's largest source of General Fund revenue, for the past seven years beginning with fiscal year 2012-13, through fiscal year 2019-20 transient occupancy taxes and sales taxes have exceeded property tax revenue. This fiscal year Property taxes are \$29.8 million.

Transient Occupancy Tax (TOT), or 'hotel, motel, and vacation rental tax,' is now the City's third largest source of revenue for the City. 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 increased from \$12.8 million in fiscal year 2008-09 to \$36.5 million in fiscal year 2018-19, and a slight drop in fiscal year 2019-20 to \$25.8 million due to the state's shelter-in-place order issued in March 2020 extending into May 2020.

Major Initiatives for the Year

The City of Palm Springs has prioritized investments and expenditures to improve the experiences of residents and visitors. A selection of major initiatives and improvements are detailed below:

Capital Projects and Infrastructure

- Indian Canyon Two Way Street Conversion
- Street Repaving Improvements
- Downtown Park
- Airport Ticket Wing Improvement Project
- Fire Sprinkler System at Demuth Community Center

Other notable initiatives

- Police Department body cameras
- Replaced the phone system to VOIP
- Cannabis related business Social Equity Program

Palm Springs Airport

The Palm Springs International Airport served over 1.8 million passengers in the year ending June 30, 2020. This was a decrease of nearly 500,000 total passengers due to the state's immediate shut-down of all non-essential travel in March 2020 extending in part through May 2020. Air travel has been a major component of the Coachella Valley with 66 daily departures in December 2019 from 11 major airlines. For December 2020 PSP will be serviced by 12 airlines with direct service to 27 destinations in the U.S. and Canada. This increase in operations reflects the attractive nature of the Palm Springs destination. The current airport improvements with the TSA check-point and the ticket wing are expected to be complete in the summer of 2021 and will enhance capacity for future passenger increases.

Long Term Financial Planning

Palm Springs continues to be a stable and financially secure municipality due to its strong underlying tax base, disciplined fiscal decisions, and governance. Long term financial planning is guided by strong financial policies, prudent budgeting decisions, and proactive planning in such critical areas as facilities replacement and pensions. The City has expanded projections and adopted a revised conservative budget plan for two fiscal years ending June 30, 2020 and June 30, 2021 to account for reduced revenues due to the COVID-19 pandemic.

The City and employee bargaining unit contracts were successfully negotiated for three years with a contact period of July 1, 2018 – June 30, 2021. The contracts allow for prospective analysis and projections of anticipated staffing costs and needs to support the services provided to the residents and visitors of Palm Springs.

The City Council has provided for funding reserves to offset projected increased retirement pension costs and other post-employment benefits. As of June 30, 2020, City Council has established a restricted reserve of \$16,250,000 from the General Fund to support future retirement costs.

Local governments with pensions have a total pension liability, which is the obligation to pay deferred pension benefits in the future. When the total pension liability is greater than the pension plan's assets there is a net pension liability, also known as an unfunded pension liability. As required by GASB 68, the City reports the net pension liability in the government wide financial statements, as well as in the proprietary fund statements, in the CAFR – see note (8) of Notes to the Financial Statements.

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.

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.

For the Future

The City has implemented policies to maintain and grow the local economy with a revised hotel incentive program, business renovation grants, and the façade improvement program. The City will also continue to focus on supporting small businesses which are a cornerstone of Palm Springs being such a unique destination. Palm Springs continues to see significant infrastructure investments and growth in the community some of which are highlighted below:

- Downtown Park project
- ERP System
- Street Repaving
- Indian Canyon Drive bridge widening
- Remodel existing and build new park restrooms
- Electric vehicle charging stations
- College of the Desert West Valley Campus
- Homelessness

Awards and Acknowledgments

The City has prepared a comprehensive annual financial report for the past 31 years. The City has received awards for excellence in financial reporting for each of those years.

The Government Finance Officers Association of the United States and Canada (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, 2019. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

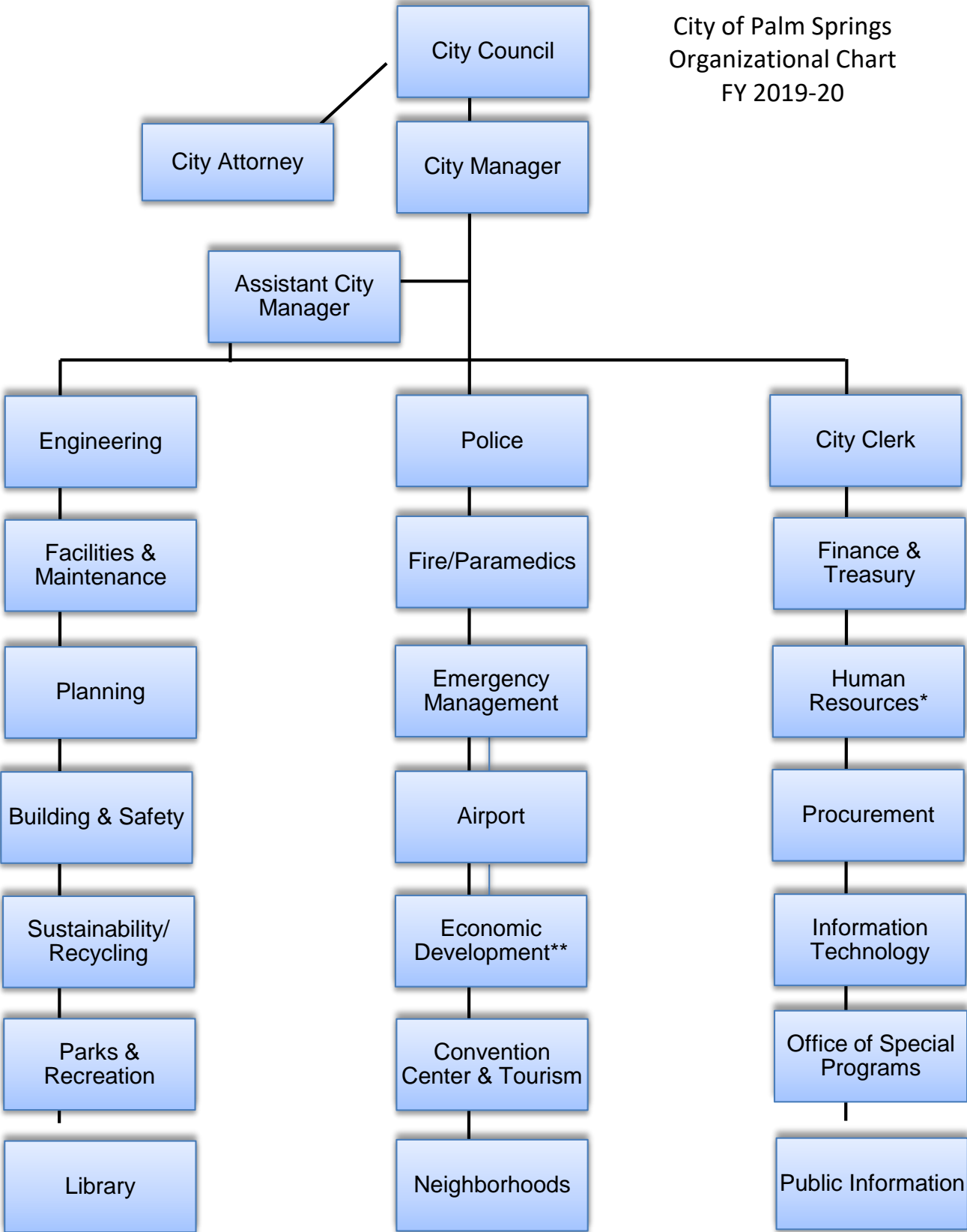
Preparation of this report was accomplished through the efficient and dedicated services of everyone in the City's Finance Department. In addition, members of the Finance Department would like to thank the City Manager and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. We would like to thank our auditors The Pun Group, LLP for their time and technical expertise and guidance.

Respectfully submitted,



Nancy Pauley
Director of Finance and Treasurer

City of Palm Springs
Organizational Chart
FY 2019-20



*includes Risk Management

**includes Rent Control



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, 2019

Christopher P. Morill

Executive Director/CEO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION
FISCAL YEAR
ENDED JUNE 30, 2020





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Palm Springs
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, 2020, and the related notes to the basic 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.

Auditors' 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.

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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, as of June 30, 2020, 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.

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, the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits on pages 5 to 15 and 105 to 112 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, the Combining and Individual Nonmajor Fund Financial Statements, the Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual and the 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 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. Such 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and the 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.

To the Honorable Mayor and the Members of the City Council
of the City of Palm Springs
Palm Springs, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 31, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Palm Springs (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. Our intent is to assist the reader of these financial statements in better understanding the impact of financial decisions made by the City. This analysis will focus on the significant changes from the prior year to explain the City's overall financial condition. Please read this analysis in conjunction with the accompanying transmittal letter, and the financial statements, which follow this section.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government uses services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as the airport, wastewater and golf course.
 - Fiduciary fund statements provide information about the fiduciary relationships – like the agency funds of the City – in which the City acts solely as agent or trustee for the benefit of others, to whom the resources in question belong.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that provided additional financial and budgetary information.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of the City's Government-wide and Fund Financial Statements

	Government-wide <u>Statements</u>	Fund Statements		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Reconciliation to the balance sheet to the statement of net position • Statement of revenues, expenditures and changes in fund balances • Reconciliation of the statement of revenues, expenditures and changes to fund balances to the statement of activities 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting no measurement focus
Type of asset/liability information	All assets, liabilities, and deferred inflows/outflows of resources, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's fiduciary funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid.

Reporting the City as a Whole

The accompanying government-wide financial statements include two statements that present financial data for the City as a whole. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. The net position – the difference between assets and liabilities – is one way to measure the City's financial health. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads and facilities to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here. Sales taxes, transient occupancy taxes, property taxes, state subventions, and other revenues finance most of these activities.
- **Business-type activities** – The City charges user fees to customers to offset all or most of the expenses accounted for in these funds.

Reporting the City's Major Funds

The fund financial statements provide detailed information about the City's most significant funds – not 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 help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other current financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation at the bottom of the fund financial statements.
- **Proprietary funds** – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 183,776	\$ 177,379	\$ 123,636	\$ 96,800	\$ 307,412	\$ 274,179
Capital assets	305,780	263,529	138,765	132,725	444,545	396,254
Total assets	489,556	440,908	262,401	229,525	751,957	670,433
Deferred Outflows	33,120	32,885	3,755	3,358	36,875	36,243
Long-term debt outstanding	426,011	446,323	85,123	55,068	511,134	501,391
Other liabilities	26,091	26,841	13,471	12,146	39,562	38,987
Total liabilities	452,102	473,164	98,594	67,214	550,696	540,378
Deferred Inflows	25,403	11,474	2,399	451	27,802	11,925
Net position:						
Net investment in						
capital assets	201,150	148,846	82,416	97,713	283,566	246,559
Restricted	77,064	43,202	19,465	7,371	96,529	50,573
Unrestricted	(233,043)	(202,893)	63,282	60,134	(169,761)	(142,759)
Total net position	\$ 45,171	\$ (10,845)	\$ 165,163	\$ 165,218	\$ 210,334	\$ 154,373

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For fiscal year end June 30, 2020, assets plus deferred outflows exceeded liabilities and deferred inflow by approximately \$210 million of net position.

The largest portion of the City's net position of \$284 million is reflected in investments in capital assets (e.g. land, street infrastructure, buildings, equipment and vehicles); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted the resources to repay this debt will be provided from future revenues, and the remaining of the City's net position, since the capital assets cannot be used to liquidate the related liabilities.

A portion of the City's net position of \$97 million represents resources that are subject to external restrictions on how resources may be used. The remaining unrestricted balance of net position is (\$170 million).

At the end of the current fiscal year, the City reported positive balances in two of the three categories of net position for the City as a whole, as well as the governmental activities. For the City's business-type activities, the balance was positive.

The City's total net position increased by \$56 million during the current fiscal year due to an increase in deferred inflows and an increase in current and other assets. The net position of the governmental activities increased by \$56 million and business-type activities had a slight decrease of \$0.6 million.

A summary of the government wide statement of activities follows:

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 14,930	\$ 21,317	\$ 44,439	\$ 47,282	\$ 59,369	\$ 68,599
Operating contributions & grants	14,907	7,583	5,905	-	20,812	7,583
Capital contributions & grants	1,635	5,215	-	1,164	1,635	6,379
General revenues:						
Property taxes & tax increment	29,740	33,423	-	-	29,740	33,423
Transient occupancy taxes	25,818	36,475	-	-	25,818	36,475
Sales taxes	39,142	42,904	-	-	39,142	42,904
Other taxes	14,720	14,587	-	-	14,720	14,587
Motor vehicle in lieu - unrestricted	5,419	0	-	-	5,419	0
Settlement	36,520	0	-	-	36,520	0
Gain on sale of capital asset	11	216	-	-	11	216
Other general revenues	5,210	5,623	1,836	4,758	7,046	10,381
Total revenues	<u>\$ 188,052</u>	<u>\$ 167,343</u>	<u>\$ 52,180</u>	<u>\$ 53,204</u>	<u>\$ 240,232</u>	<u>\$ 220,547</u>
Program expenses						
General government	\$ 21,838	\$ 27,616	\$ -	\$ -	\$ 21,838	\$ 27,616
Public safety	65,928	60,644	-	-	65,928	60,644
Culture and convention center	9,209	8,942	-	-	9,209	8,942
Parks and recreation	10,225	10,560	-	-	10,225	10,560
Public Works	26,286	23,159	-	-	26,286	23,159
Library	2,793	3,010	-	-	2,793	3,010
Interest	6,483	6,113	-	-	6,483	6,113
Airport	-	-	29,898	29,585	29,898	29,585
Wastewater	-	-	8,802	9,601	8,802	9,601
Golf Course	-	-	5,185	4,949	5,185	4,949
Total expenses	<u>\$ 142,762</u>	<u>\$ 140,044</u>	<u>\$ 43,885</u>	<u>\$ 44,135</u>	<u>\$ 186,647</u>	<u>\$ 184,179</u>
Excess (deficiency) before special items and transfers	45,290	27,299	8,295	9,069	53,585	36,368
Transfers	(1,479)	(3,724)	1,479	3,724	-	-
Increase (decrease) in net position	<u>43,811</u>	<u>23,575</u>	<u>9,774</u>	<u>12,793</u>	<u>53,585</u>	<u>36,368</u>
Beginning net position, restated	1,360	(34,420)	155,389	152,425	156,749	118,005
Ending net position	<u>\$ 45,171</u>	<u>\$ (10,845)</u>	<u>\$ 165,163</u>	<u>\$ 165,218</u>	<u>\$ 210,334</u>	<u>\$ 154,373</u>

The City's total revenues were \$240 million while the total expenditures were \$187 million.

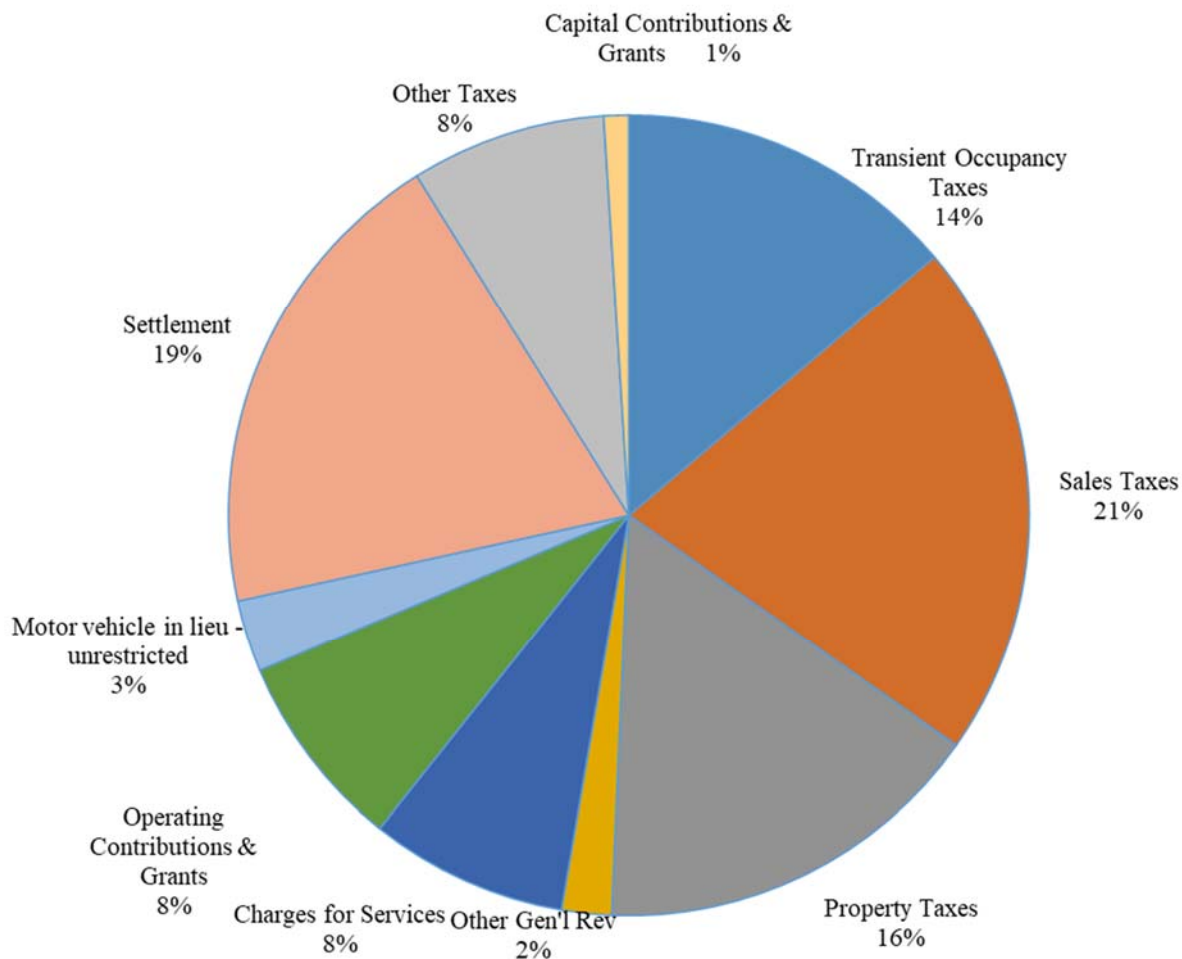
Sales taxes were the City’s largest revenue source at \$39 million (16% of total revenues and 21% of governmental revenues). Property taxes were the City’s second largest revenue source at \$30 million (12% of total revenues and 16% of governmental revenues). Transient occupancy taxes (TOT), the City’s third largest revenue sources, at \$26 million (11% of total revenues and 14% of governmental revenues).

The City’s received a settlement of \$36 million (15% of total revenues and 19% of governmental revenues). As discussed previously, additional detailed information regarding the settlement may be found in Note 19 – Settlement.

Governmental Activities. The governmental activities’ increase in net position of \$56 million activity accounted for the total growth in net position for the City this past year.

The following graph depicts the major revenue sources of the City’s governmental activities. The graph depicts the reliance on taxes to fund governmental activities.

Revenues by Source – Governmental Activities



General Government expenses (including City Council, City Manager, City Attorney, City Clerk, Information Technology, Public Affairs, Procurement, Community Development, Human Resources, Homelessness Program, Neighborhood Involvement, Finance and Administration) was the third largest governmental activity representing 15% of the total cost of governmental activities. Charges for services and operating contributions and grants offset 83% of the cost of providing these services.

Public Safety expenses are comprised of Police and Fire and is the largest component of governmental activities, approximately 46% of the total cost of governmental activities this past year. Charges for services, operating contribution and grants, and capital contributions and grants offset 9% of the cost of providing these services.

Culture and Convention Center expenses were 7% of the total cost of governmental activities.

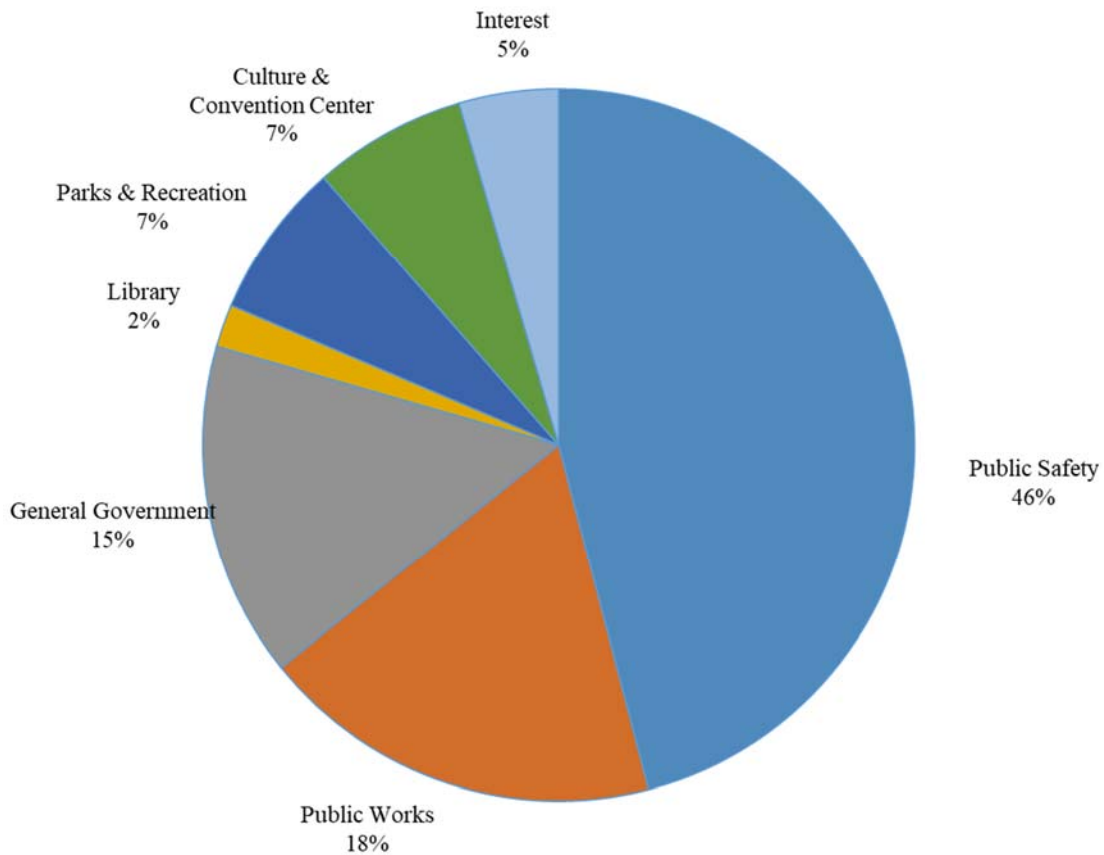
Parks and Recreation expenses were 7% of the total cost of governmental activities. Charges for services, operating contribution and grants, and capital contributions and grants offset 16% of the cost of providing these services.

Public Works expenses are comprised of Planning, Building and Safety, Engineering, Street Maintenance, and Downtown Maintenance was the second largest component of governmental activities representing 18% of the total cost of governmental activities this past year. Charges for services, operating contribution and grants, and capital contributions and grants offset 24% of the cost of providing these services.

Library expenses were 2% of the total cost of governmental activities. Charges for services, operating contribution and grants offset 1% of the cost of providing these services.

Interest expenses were 5% of the total cost of governmental activities.

Expenses by Function – Governmental Activities



Business-Type Activities. Business-type activities net position remained the same as prior year. The expenses of the City’s business-type activity, The City’s business-type activities include the Airport, Wastewater, and the Golf Course, included costs incurred for capitalized assets that were funded by charges for services and operating grants.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements and may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the governmental funds reported combined ending fund balances of \$125 million, a decrease of \$8 million in comparison with the prior year mainly due to the COVID-19 Coronavirus pandemic. The City has \$2 million (2%) in fund balance classified as nonspendable to indicate it cannot be readily converted to cash; \$39 million (31%) in restricted fund balance to indicate that it has an externally imposed restriction on the money may be spent; \$56 million (45%) million in assigned fund balance to indicate that the City Council has assigned purpose or intent for how the money should be spent; and \$26 million (22%) is unassigned fund balance to indicate that it is the residual balance not otherwise restricted.

The fund balance of the City's General Fund decreased by \$3 million during the fiscal year ending June 30, 2020. In addition, reasons for the changes in the revenue and expenditures of the City's General Fund from the prior year include:

Total General Fund revenue decreased to \$112 million from \$140 million (prior year), an overall decrease of \$28 million, a decrease of 20%. One of the significant fluctuations over prior year is Measure J Sales taxes of \$16 million that were included in the General Fund were moved to the Measure J Fund. Other Significant fluctuations over prior year include the following:

- Sales Taxes decreased to \$21 million from \$24 million, an overall decrease of \$3 million.
- Property taxes increased to \$25 million from \$24 million, an overall increase of \$1 million.
- Transient Occupancy Taxes decreased to \$26 million from \$36 million, an overall decrease of \$11 million.
- Charges for Services decreased to \$6 million from \$7 million, an overall decrease of \$1 million

Total General Fund expenditures before transfers in/out, increased \$5 million compared to the prior year. This is reflective of increases in CalPERS costs, CalPERS reserve set-aside, increases in employee salary and health care costs due to compensation agreements with our seven employee bargaining groups, and an increase in legal fees.

The City's other Major Governmental Funds include the Special Grants Fund, Capital Projects, and Measure J .

The Specials Grants Fund (Special Grants Fund) includes a \$10 million grant from the State of California to support homelessness which for is deferred for future use, and various police grants. The ending fund balance is \$18 thousand.

The Capital Projects Fund (Capital Projects Fund) includes projects funded by transfers from the General Fund and grants. The Capital projects fund decreased by \$657,000 thousand and ended the current year with \$15 million in fund balance.

The Measure J Fund (Capital Projects Fund) is the collection of revenue and expenditures as they relate to the one percent sales tax for the dedicated use to maintain local community services and revitalize Downtown Palm Springs. The Measure J fund decreased by \$524,000 thousand and end the current year with \$22 million in fund balance.

Enterprise Funds. The City’s Proprietary funds presented in the Financial Statements section provides the same type of information in the Government-wide Financial Statements but in more detail.

The combined unrestricted net position of the Airport Fund, Wastewater Fund, and the Golf Course Fund at the end of the fiscal year amounted to \$63 million. Other factors concerning the finances of these funds have been addressed in the discussion of the City’s business-type activities.

GENERAL FUND BUDGET

Based upon recommendations from the staff, the City Council revised the budget on June 30, 2020. The City remained committed to spend cautiously while prioritizing projects that support economic vitality and recovery.

The difference between the original and final amended budget totaled \$29 million. Significant variances are briefly summarized as follows:

- Revenues original budget of \$121 million decreased to \$95.5 million, a decrease of \$26 million. Variances include decreases in tax revenue of \$24 million, and \$1.3 million for charges for services.
- Expenditures original budget of \$109 million increased to \$109.3 million, an increase of \$300 thousand.

Major variances between the final budget of the General Fund and its actual operating results were as follows:

- Total revenues were \$16 million above final budgeted revenues for the year ended June 30, 2020. Categorically, the increases relate to \$14 million in taxes, \$1 million in use of money and property, and \$900 thousand in charges for services.
- Total expenditures were under the budgeted amount by \$9.3 million as a result of special programs, and capital equipment being deferred to next year. In addition, departments were fiscally prudent due to COVID 19 but continued to maintain high quality service.

CAPITAL ASSETS

Capital Assets
(in thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Buildings	\$ 45,501	\$ 48,079	\$ 33,631	\$ 36,393	\$ 79,132	\$ 84,472
Improvements	22,571	24,838	45,384	48,392	67,955	73,230
Machinery and equipment	12,878	12,991	2,709	1,746	15,587	14,737
Vehicles	7,264	7,591	1,231	1,290	8,495	8,881
Infrastructure	101,398	103,062	4,959	5,522	106,357	108,584
Land	69,582	33,029	37,387	37,470	106,969	70,499
Construction in progress	29,718	17,071	13,464	1,911	43,182	18,982
Right-of-way	16,868	16,868	-	-	16,868	16,868
Total	\$ 305,780	\$ 263,529	\$ 138,765	\$ 132,724	\$ 444,545	\$ 396,253

Major capital improvement projects include street repaving improvements, Indian Canyon Two Way Street conversion, construction of the Downtown Park project, and a Fire sprinkler system at the Demuth Community Center, and the airport ticketing areas.

Variances over prior year reflect the assets shown as net of depreciation. For additional details of changes in capital assets, please see Note 3 Capital Assets in the Notes section of the accompanying financial statements.

LONG-TERM DEBT
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 7,294	\$ 8,034	\$ 1,017	\$ 1,013	\$ 8,311	\$ 9,047
Claims and judgments	10,244	9,995	-	-	10,244	9,995
Leases	4,405	3,365	426	528	4,830	3,894
Notes Payable	16,236	16,647	25,359	21,748	41,595	38,395
Lease Revenue Bonds	102,796	108,611	29,365	13,158	132,161	121,769
Special Assessment Bonds	4,664	5,046	-	-	4,664	5,046
Pension Obligation Bonds	19,358	19,607	-	-	19,358	19,607
Total	\$ 164,996	\$ 171,305	\$ 56,167	\$ 36,447	\$ 221,163	\$ 207,752
Net OPEB Obligation	128,882	149,759	10,632	-	139,514	149,759
Net Pension Liability	148,558	141,716	22,301	21,915	170,860	163,631
Total Long-Term Debt	\$ 442,436	\$ 462,780	\$ 89,100	\$ 58,362	\$ 531,536	\$ 521,143

As of June 30, 2020, the City’s total outstanding debt long-term debt was \$531 million, which is \$10 million higher than the prior year. There were several changes in the debt position resulting in the net increase. Increases includes claims and judgements of \$249,000 thousand, notes payable of \$3.2 million for the State Water Resources Control Board Note payable, and Lease Revenue Bonds of \$10 million. Reductions include a reduction in compensated absences of \$736,000 thousand and a decrease of \$10 million for the Net OPEB. Additional detailed information regarding long term debt may be found in the Note 6 – Long Term Liabilities, Note 7 – Compensated Absences, Note 8 – Claims and Judgements, Note 9 – Defined Benefit Pension Plan and Note 10 – Other Post-Retirement Health Care Benefits in the accompanying financial statements.

Economic Factors and Next Year’s Budget

In March 2020, the City declared an emergency due to the global COVID 19 Coronavirus pandemic. The emergency measure and restrictions of operating business activity impacted two of the City’s largest revenue sources, including sales tax and transient occupancy tax, and will continue to be impacted into the subsequent fiscal year. The City remains committed to spend cautiously while prioritizing projects that support economic vitality and recovery.

In preparing the budget for fiscal year 2020-2021, management considered operational adjustments due to the extraordinary economic challenges of the global COVID 19 Coronavirus pandemic. Careful considerations are balanced between the wellbeing and safety of Palm Springs residents and visitors and business operations, while committed to provide high standards of public services. The budget for fiscal year 2020-2021 reflects continued fiscal prudence and maintains high quality standards provided for the City of Palm Springs residents and visitors.

The City’s 2020-2021 Financial Plan can be found on the City’s website at www.palmspringsca.gov.

Contacting the City's Financial Management:

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department of Finance, City of Palm Springs, 3200 E. Tahquitz Canyon Way, Palm Springs, CA 92263; or visit our website at www.palmspringsca.gov or call (760) 323-8229.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Palm Springs
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 155,573,767	\$ 99,583,034	\$ 255,156,801
Receivables:			
Accounts	13,253,943	7,082,537	20,336,480
Notes and loans	5,844,769	-	5,844,769
Accrued interest	1,285,468	-	1,285,468
Special assessments	-	130,042	130,042
Internal balances	2,640,000	(2,640,000)	-
Prepaid costs	29,371	-	29,371
Deposits	200,000	-	200,000
Inventories	153,560	15,371	168,931
Total current assets	<u>178,980,878</u>	<u>104,170,984</u>	<u>283,151,862</u>
Noncurrent assets:			
Land held for resale	638,904	-	638,904
Restricted assets:			
Cash and investments	4,156,385	-	4,156,385
Cash with fiscal agent	-	19,464,837	19,464,837
Capital assets - nondepreciable	116,168,727	50,850,733	167,019,460
Capital assets - depreciable, net	189,611,068	87,914,261	277,525,329
Total noncurrent assets	<u>310,575,084</u>	<u>158,229,831</u>	<u>468,804,915</u>
Total assets	<u>489,555,962</u>	<u>262,400,815</u>	<u>751,956,777</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	2,138,874	332,975	2,471,849
Deferred outflows of resources related to pensions	20,061,574	2,521,170	22,582,744
Deferred outflows of resources related to OPEB	10,919,530	900,777	11,820,307
Total deferred outflows of resources	<u>33,119,978</u>	<u>3,754,922</u>	<u>36,874,900</u>

City of Palm Springs
Statement of Net Position (Continued)
June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	6,212,577	6,993,834	13,206,411
Accrued liabilities	2,131,318	461,977	2,593,295
Accrued interest payable	873,414	1,532,450	2,405,864
Deposits payable	347,520	505,000	852,520
Unearned revenues	100,000	-	100,000
Compensated absences, due in one year	5,233,154	1,017,194	6,250,348
Claims and judgments, due in one year	3,359,690	-	3,359,690
Bonds, notes and leases payable, due within one year	7,833,176	2,960,475	10,793,651
Total current liabilities	26,090,849	13,470,930	39,561,779
Noncurrent liabilities:			
Compensated absences	2,060,956	-	2,060,956
Claims and judgments	6,884,097	-	6,884,097
Bonds, notes and leases payable	139,625,607	52,188,908	191,814,515
Aggregate net pension liability	148,558,023	22,301,492	170,859,515
Net OPEB liability	128,882,492	10,631,824	139,514,316
Total noncurrent liabilities	426,011,175	85,122,224	511,133,399
Total liabilities	452,102,024	98,593,154	550,695,178
DEFERRED INFLOWS OF RESOURCES			
Deferred pension-related items	2,875,959	540,852	3,416,811
Deferred OPEB-related items	22,527,033	1,858,308	24,385,341
Total deferred inflows of resources	25,402,992	2,399,160	27,802,152
NET POSITION			
Net investment in capital assets	201,149,733	82,416,136	283,565,869
Restricted for:			
Community development projects	13,756,408	-	13,756,408
Public safety grants and programs	2,594,223	-	2,594,223
Public works projects	49,516,276	-	49,516,276
Debt service	6,000,135	19,464,837	25,464,972
Library	2,028,976	-	2,028,976
Lease	155,898	-	155,898
Special projects	3,012,111	-	3,012,111
Total restricted	77,064,027	19,464,837	96,528,864
Unrestricted (deficit)	(233,042,836)	63,282,450	(169,760,386)
Total net position	\$ 45,170,924	\$ 165,163,423	\$ 210,334,347

City of Palm Springs
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 21,838,398	\$ 7,387,666	\$ 10,636,041	\$ -
Public safety	65,927,910	3,308,726	2,078,472	155,948
Cultural and convention center	9,208,504	-	-	-
Parks and recreation	10,224,630	1,631,055	125	-
Public works	26,286,051	2,586,624	2,185,574	1,479,325
Library	2,793,479	15,804	6,040	-
Interest on long term debt	6,483,060	-	-	-
Total Governmental Activities	<u>142,762,032</u>	<u>14,929,875</u>	<u>14,906,252</u>	<u>1,635,273</u>
Business-Type Activities:				
Airport	29,897,619	28,636,927	5,904,934	-
Wastewater	8,801,889	11,595,926	-	-
Golf Course	5,185,383	4,206,028	-	-
Total Business-Type Activities	<u>43,884,891</u>	<u>44,438,881</u>	<u>5,904,934</u>	<u>-</u>
Total Primary Government	<u>\$ 186,646,923</u>	<u>\$ 59,368,756</u>	<u>\$ 20,811,186</u>	<u>\$ 1,635,273</u>

City of Palm Springs
Statement of Activities (Continued)
For the Year Ended June 30, 2020

	Net (Expense) Revenue and Changes in Net Positions		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ (3,814,691)	\$ -	\$ (3,814,691)
Public safety	(60,384,764)	-	(60,384,764)
Cultural and convention center	(9,208,504)	-	(9,208,504)
Parks and recreation	(8,593,450)	-	(8,593,450)
Public works	(20,034,528)	-	(20,034,528)
Library	(2,771,635)	-	(2,771,635)
Interest on long term debt	(6,483,060)	-	(6,483,060)
Total Governmental Activities	(111,290,632)	-	(111,290,632)
Business-Type Activities:			
Airport	-	4,644,242	4,644,242
Wastewater	-	2,794,037	2,794,037
Golf Course	-	(979,355)	(979,355)
Total Business-Type Activities	-	6,458,924	6,458,924
Total Primary Government	(111,290,632)	6,458,924	(104,831,708)
General Revenues:			
Taxes:			
Property taxes	29,739,817	-	29,739,817
Transient occupancy taxes	25,817,660	-	25,817,660
Sales taxes	39,142,355	-	39,142,355
Franchise taxes	3,424,711	-	3,424,711
Utility users tax	7,025,604	-	7,025,604
Other taxes	4,270,217	-	4,270,217
Motor vehicle in lieu - unrestricted	5,418,600	-	5,418,600
Use of money and property	4,757,768	1,836,416	6,594,184
Gain on sale of capital asset	11,367	-	11,367
Settlement (Note 19)	36,520,000	-	36,520,000
Other	452,161	-	452,161
Total General Revenues	156,580,260	1,836,416	158,416,676
Transfers:			
Transfers	(1,479,023)	1,479,023	-
Total Transfers	(1,479,023)	1,479,023	-
Changes in Net Position	43,810,605	9,774,363	53,584,968
Net Position - Beginning of year, as restated (Note 18)	1,360,319	155,389,060	156,749,379
Net Position - End of Year	\$ 45,170,924	\$ 165,163,423	\$ 210,334,347

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Palm Springs
Balance Sheet
Governmental Funds
June 30, 2020

	General	Special	Capital Projects Funds	
		Revenue Fund	Capital	Measure J
		Special	Projects	
		Grants		
ASSETS				
Cash and investments	\$ 43,223,788	\$ 10,095,160	\$ 14,358,472	\$ 20,539,800
Receivables:				
Accounts	7,756,171	88,345	1,048,960	2,394,605
Accrued interest	850,898	-	23,368	35,998
Notes and loans	166,667	-	-	-
Prepaid items	1,619	-	-	-
Deposits	200,000	-	-	-
Advances to other funds	1,210,000	-	-	-
Due from other funds	23,479	-	-	-
Land held for resale	49,950	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	-
Total assets	\$ 53,482,572	\$ 10,183,505	\$ 15,430,800	\$ 22,970,403
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,023,704	\$ 1,033	\$ 921,281	\$ 978,063
Accrued liabilities	1,898,097	14,901	7,258	2,068
Deposits payable	313,304	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	4,235,105	15,934	928,539	980,131
Deferred inflows of resources:				
Unavailable revenues	959,926	10,149,398	-	-
Total deferred inflows of resources	959,926	10,149,398	-	-
Fund balances:				
Nonspendable	1,461,569	-	-	-
Restricted	-	18,173	-	-
Assigned (Note 11)	20,505,044	-	14,502,261	21,990,272
Unassigned (deficit)	26,320,928	-	-	-
Total fund balances	48,287,541	18,173	14,502,261	21,990,272
Total liabilities, deferred inflows of resources, and fund balances	\$ 53,482,572	\$ 10,183,505	\$ 15,430,800	\$ 22,970,403

**City of Palm Springs
Balance Sheet (Continued)
Governmental Funds
June 30, 2020**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 28,850,085	\$ 117,067,305
Receivables:		
Accounts	1,906,323	13,194,404
Accrued interest	42,684	952,948
Notes and loans	5,678,102	5,844,769
Prepaid items	-	1,619
Deposits	-	200,000
Advances to other funds	-	1,210,000
Due from other funds	-	23,479
Land held for resale	588,954	638,904
Restricted assets:		
Cash and investments with fiscal agent	4,156,385	4,156,385
Total assets	\$ 41,222,533	\$ 143,289,813
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 1,237,909	\$ 5,161,990
Accrued liabilities	99,717	2,022,041
Deposits payable	34,216	347,520
Due to other funds	23,479	23,479
Unearned revenues	100,000	100,000
Total liabilities	1,495,321	7,655,030
Deferred inflows of resources:		
Unavailable revenues	-	11,109,324
Total deferred inflows of resources	-	11,109,324
Fund balances:		
Nonspendable	588,954	2,050,523
Restricted for:	39,171,108	39,189,281
Assigned (Note 11)	-	56,997,577
Unassigned (deficit)	(32,850)	26,288,078
Total fund balances	39,727,212	124,525,459
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,222,533	\$ 143,289,813

City of Palm Springs
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Total Governmental Funds \$ 124,525,459

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. Those assets consist of:

Amount reported in government-wide statement of position:

Nondepreciable assets	\$ 116,168,727	
Depreciable assets, net of \$11,562,563 accumulated depreciation	189,611,068	
Less: Amount reported in Internal Service Fund		
Depreciable assets, net of \$23,332,406 accumulated depreciation	<u>(20,879,967)</u>	284,899,828

Governmental funds report the effect of premiums, discounts and gains or losses on debt refundings when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Loss on defeasance of debt (net of accumulated amortization)	2,138,874
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Unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds but recognized as revenue in the Statement of Activities.

11,109,324

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:

Compensated absences, net of \$309,960 reported in Internal Service Fund	(6,984,150)	
Capital leases, notes, and bonds, net of \$1,231,844 reported in Internal Service Fund	<u>(106,145,283)</u>	(113,129,433)

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.

Net pension liability	(148,558,023)	
Deferred outflows of resources	20,061,574	
Deferred inflows of resources	<u>(2,875,959)</u>	(131,372,408)

Net OPEB liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.

Net OPEB liability	(128,882,492)	
Deferred outflows of resources	10,919,530	
Deferred inflows of resources	<u>(22,527,033)</u>	(140,489,995)

Accrued interest payable due on long-term debt not reported in the governmental funds, net of \$249,761 reported in Internal Service Fund.

(623,653)

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are added to the statement of net position.

8,112,928

Net position of governmental activities **\$ 45,170,924**

City of Palm Springs
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General	Special	Capital Projects Funds	
		Revenue Fund Special Grants	Capital Projects	Measure J
Revenues:				
Taxes	\$ 96,578,382	\$ -	\$ -	\$ 14,829,517
Intergovernmental	342,782	336,914	2,596,520	-
Licenses and permits	6,141,326	-	-	-
Fines and forfeitures	482,266	-	-	-
Use of money and property	1,643,398	11,262	285,225	428,552
Charges for services	5,973,773	-	445,671	-
Miscellaneous	1,277,903	-	345,736	1,665
Total revenues	112,439,830	348,176	3,673,152	15,259,734
Expenditures:				
Current:				
General government	18,510,406	-	2,690,564	-
Public safety	52,807,377	333,234	191,378	-
Cultural and convention center	6,346,316	-	-	-
Parks and recreation	4,103,505	-	-	-
Public works	15,703,733	-	5,349,321	7,439,741
Library	2,528,754	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	100,000,091	333,234	8,231,263	7,439,741
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	12,439,739	14,942	(4,558,111)	7,819,993
Other financing sources (uses):				
Settlement (Note 19)	-	-	36,520,000	-
Capital outlay in lieu of settlement	-	-	(36,520,000)	-
Transfers in	8,855,433	-	6,257,329	-
Transfers out	(24,074,841)	-	(2,356,070)	(8,343,940)
Total other financing sources (uses)	(15,219,408)	-	3,901,259	(8,343,940)
NET CHANGE IN FUND BALANCES	(2,779,669)	14,942	(656,852)	(523,947)
FUND BALANCES:				
Beginning of year, as restated (Note 18)	51,067,210	3,231	15,159,113	22,514,219
End of year	\$ 48,287,541	\$ 18,173	\$ 14,502,261	\$ 21,990,272

City of Palm Springs
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2020

	Other Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ 5,284,542	\$ 116,692,441
Intergovernmental	3,078,672	6,354,888
Licenses and permits	551,395	6,692,721
Fines and forfeitures	166,283	648,549
Use of money and property	1,797,839	4,166,276
Charges for services	3,366,651	9,786,095
Miscellaneous	219,680	1,844,984
Total revenues	14,465,062	146,185,954
EXPENDITURES:		
Current:		
General government	1,092,353	22,293,323
Public safety	2,640,581	55,972,570
Cultural and convention center	2,033,907	8,380,223
Parks and recreation	519,862	4,623,367
Public works	10,827,310	39,320,105
Library	102,654	2,631,408
Debt service:		
Principal retirement	5,685,572	5,685,572
Interest and fiscal charges	4,653,184	4,653,184
Total expenditures	27,555,423	143,559,752
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,090,361)	2,626,202
OTHER FINANCING SOURCES (USES)		
Settlement (Note 19)	-	36,520,000
Capital outlay in lieu of settlement	-	(36,520,000)
Transfers in	14,660,090	29,772,852
Transfers out	(6,269,450)	(41,044,301)
Total other financing sources (uses)	8,390,640	(11,271,449)
NET CHANGE IN FUND BALANCES	(4,699,721)	(8,645,247)
FUND BALANCES:		
Beginning of year, as restated (Note 18)	44,426,933	133,170,706
End of year	\$ 39,727,212	\$ 124,525,459

City of Palm Springs
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds: \$ (8,645,247)

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 cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital expenditures exceeded depreciation in the current period:

Capital outlay expenditures	\$ 16,381,728	
Depreciation expense, net of \$1,860,890 reported in Internal Service Funds	<u>(11,562,563)</u>	4,819,165

Revenues that are measurable but not available and are reported as unavailable revenue under the modified accrual basis of accounting in the governmental funds.		5,004,454
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Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Issuance of loan	(198,022)	
Principal repayment of revenue bonds	<u>5,685,572</u>	5,487,550

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Pension expense, net of \$14,385,560 contribution after measurement date	(9,959,224)	
OPEB expense, net of \$3,646,778 contribution after measurement date	(1,055,110)	
Net change in compensated absences	<u>756,042</u>	(10,258,292)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available:

Interest on bonds	30,447	
Amortization of premium, net of adjustment of (\$187,197)	363,385	
Amortization of debt discount, net of adjustment of \$44,474	40,816	
Amortization of deferred amount on refunding	<u>(108,063)</u>	326,585

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.		<u>10,556,390</u>
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Change in net position of governmental activities		<u><u>\$ 7,290,605</u></u>
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PROPRIETARY FUND FINANCIAL STATEMENTS

City of Palm Springs
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Totals	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 49,462,668	\$ 45,355,258	\$ 4,765,108	\$ 99,583,034	\$ 38,506,462
Receivable:					
Accounts	6,384,331	405,489	292,717	7,082,537	59,539
Interest	69,065	60,977	-	130,042	332,520
Prepaid	-	-	-	-	27,752
Inventories	15,371	-	-	15,371	153,560
Restricted:					
Cash and investments with fiscal agent	19,464,837	-	-	19,464,837	-
Total current assets	<u>75,396,272</u>	<u>45,821,724</u>	<u>5,057,825</u>	<u>126,275,821</u>	<u>39,079,833</u>
Noncurrent assets:					
Advances to other funds	-	-	-	-	1,430,000
Capital assets, nondepreciable	32,728,491	12,800,545	5,321,697	50,850,733	1,690,024
Capital assets, net of accumulated depreciation	43,098,893	43,833,018	982,350	87,914,261	19,189,943
Total noncurrent assets	<u>75,827,384</u>	<u>56,633,563</u>	<u>6,304,047</u>	<u>138,764,994</u>	<u>22,309,967</u>
Total assets	<u>151,223,656</u>	<u>102,455,287</u>	<u>11,361,872</u>	<u>265,040,815</u>	<u>61,389,800</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	332,975	332,975	-
Deferred outflows of resources related to pensions	2,512,021	9,149	-	2,521,170	-
Deferred outflows of resources related to OPEB	832,176	68,601	-	900,777	-
Total deferred outflows of resources	<u>3,344,197</u>	<u>77,750</u>	<u>332,975</u>	<u>3,754,922</u>	<u>-</u>

City of Palm Springs
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Totals	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable	6,194,045	588,715	211,074	6,993,834	1,050,587
Accrued liabilities	457,437	4,540	-	461,977	109,277
Interest payable	86,417	313,189	1,132,844	1,532,450	249,761
Deposits payable	5,000	-	500,000	505,000	-
Compensated absences - due within one year	1,017,194	-	-	1,017,194	309,960
Claims and judgments - due within one year	-	-	-	-	3,359,690
Bonds, notes, and capital leases - due within one year	1,460,000	696,930	803,545	2,960,475	1,972,139
Total current liabilities	9,220,093	1,603,374	2,647,463	13,470,930	7,051,414
Noncurrent liabilities:					
Advances from other funds	-	-	2,640,000	2,640,000	-
Claims and judgments	-	-	-	-	6,884,097
Bonds, notes, and capital leases	22,355,645	24,661,858	5,171,405	52,188,908	39,341,361
Aggregate net pension liability	22,220,568	80,924	-	22,301,492	-
Net OPEB liability	9,822,115	809,709	-	10,631,824	-
Total noncurrent liabilities	54,398,328	25,552,491	7,811,405	87,762,224	46,225,458
Total liabilities	63,618,421	27,155,865	10,458,868	101,233,154	53,276,872
DEFERRED INFLOW OF RESOURCES					
Deferred inflows of resources related to pensions	538,890	1,962	-	540,852	-
Deferred inflows of resources related to OPEB	1,716,782	141,526	-	1,858,308	-
Total deferred inflows of resources	2,255,672	143,488	-	2,399,160	-
NET POSITION					
Investment in capital assets	51,925,322	30,961,586	(470,772)	82,416,136	16,401,691
Restricted for debt service	19,464,837	-	-	19,464,837	-
Unrestricted (deficit)	17,303,601	44,272,098	1,706,751	63,282,450	(8,288,763)
Total net position	\$ 88,693,760	\$ 75,233,684	\$ 1,235,979	\$ 165,163,423	\$ 8,112,928

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City of Palm Springs
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2020

	Business-Type Activities				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service
OPERATING REVENUES:					
Charges for services	\$ 28,596,379	\$ 11,595,926	\$ 3,543,292	\$ 43,735,597	\$ 53,782,989
Miscellaneous	40,548	-	662,736	703,284	-
Total operating revenues	28,636,927	11,595,926	4,206,028	44,438,881	53,782,989
OPERATING EXPENSES:					
Administration and general	1,911,954	501	5,000	1,917,455	2,389,068
Personnel services	13,591,714	55,313	-	13,647,027	95,503
Source of supply	-	-	-	-	8,938
Materials and supplies	455,835	-	-	455,835	-
Maintenance operations	-	-	-	-	2,702,626
Facilities maintenance	-	-	-	-	4,536,412
Retirement	-	-	-	-	20,812,885
Retiree health insurance	-	-	-	-	3,050,842
Other claims and insurance	-	380,000	-	380,000	4,129,662
Depreciation expense	5,686,202	3,152,524	189,704	9,028,430	1,860,890
Utilities	1,215,490	112,642	-	1,328,132	1,395,729
Other charges and services	5,493,704	4,685,022	4,831,061	15,009,787	-
Medical, health, and life insurance	-	-	-	-	8,935,159
Workers compensation	-	-	-	-	1,484,124
Total operating expenses	28,354,899	8,386,002	5,025,765	41,766,666	51,401,838
OPERATING INCOME (LOSS)	282,028	3,209,924	(819,737)	2,672,215	2,381,151
NONOPERATING INCOME (LOSS):					
Interest revenue	1,129,684	697,595	9,137	1,836,416	445,233
Interest expense	(1,542,720)	(415,887)	(159,618)	(2,118,225)	(2,156,461)
Intergovernmental	5,904,934	-	-	5,904,934	46,534
Gain (loss) on disposal of capital assets	-	-	-	-	11,367
Total Nonoperating Income (Loss)	5,491,898	281,708	(150,481)	5,623,125	(1,653,327)
Net Income (Loss) Before Transfers and Capital Contributions	5,773,926	3,491,632	(970,218)	8,295,340	727,824
TRANSFERS AND CAPITAL CONTRIBUTIONS:					
Contributed capital	-	-	-	-	36,140
Transfers in	-	-	1,814,000	1,814,000	9,792,426
Transfers out	(334,977)	-	-	(334,977)	-
Total Transfers and Capital Contributions	(334,977)	-	1,814,000	1,479,023	9,828,566
CHANGES IN NET POSITION	5,438,949	3,491,632	843,782	9,774,363	10,556,390
NET POSITION:					
Beginning of the year, as restated (Note 18)	83,254,811	71,742,052	392,197	155,389,060	(2,443,462)
End of the year	\$ 88,693,760	\$ 75,233,684	\$ 1,235,979	\$ 165,163,423	\$ 8,112,928

City of Palm Springs
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-Type Activities				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 24,955,409	\$ 11,770,550	\$ 4,304,040	\$ 41,029,999	\$ 54,248,243
Cash paid to suppliers for goods and services	(5,297,960)	(7,415,177)	(4,923,266)	(17,636,403)	(29,422,906)
Cash paid to employees for services	(12,402,901)	(5,280)	-	(12,408,181)	(20,861,796)
Cash paid for insurance claims	-	-	-	-	248,724
Net Cash Provided by (Used in) Operating Activities	7,254,548	4,350,093	(619,226)	10,985,415	4,212,265
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in (out)	(334,977)	-	1,814,000	1,479,023	9,792,426
Cash received from other governmental agency	5,904,934	-	-	5,904,934	46,534
Net Cash Provided by Noncapital Financing Activities	5,569,957	-	1,814,000	7,383,957	9,838,960
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(14,034,712)	(697,968)	(38,374)	(14,771,054)	(2,772,749)
Contributed capital	-	-	-	-	36,140
Proceeds from capital leases or bond	26,472,952	4,202,953	38,374	30,714,279	1,376,622
Gain or (loss) on disposal of capital assets	349,805	-	-	349,805	11,367
Principal paid on bonds and loans	(9,257,099)	(592,099)	(772,113)	(10,621,311)	(1,284,067)
Interest paid	(1,889,079)	(338,014)	(227,089)	(2,454,182)	(2,027,972)
Net Cash Provided by (Used in) Capital and Related Financing Activities	1,641,867	2,574,872	(999,202)	3,217,537	(4,660,659)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	1,165,227	711,194	9,137	1,885,558	463,267
Net Cash Provided by Investing Activities	1,165,227	711,194	9,137	1,885,558	463,267
Net Increase (Decrease) In Cash and Cash Equivalents	15,631,599	7,636,159	204,709	23,472,467	9,853,833
CASH AND CASH EQUIVALENTS:					
Beginning of year	53,295,906	37,719,099	4,560,399	95,575,404	28,652,629
End of year	<u>\$ 68,927,505</u>	<u>\$ 45,355,258</u>	<u>\$ 4,765,108</u>	<u>\$ 119,047,871</u>	<u>\$ 38,506,462</u>
CASH AND CASH EQUIVALENTS:					
Cash and investments	49,462,668	45,355,258	4,765,108	99,583,034	38,506,462
Cash and investments with fiscal agent	19,464,837	-	-	19,464,837	-
Total cash and cash equivalents	<u>\$ 68,927,505</u>	<u>\$ 45,355,258</u>	<u>\$ 4,765,108</u>	<u>\$ 119,047,871</u>	<u>\$ 38,506,462</u>
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	282,028	3,209,924	(819,737)	2,672,215	2,381,151
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	5,686,202	3,152,524	189,704	9,028,430	1,860,890
Changes in assets and liabilities:					
(Increase)/decrease in accounts receivables	(3,686,518)	174,624	98,012	(3,413,882)	465,254
(Increase)/decrease in prepaids	1,201	-	-	1,201	(27,680)
(Increase)/decrease in deferred outflows of resources related to pension	411,524	3,726	-	415,250	-
(Increase)/decrease in deferred outflows of resources related to OPEB	(347,169)	(28,618)	-	(375,787)	-
Increase/(decrease) in accounts payable	3,777,822	(2,184,820)	(87,205)	1,505,797	(761,939)
Increase/(decrease) in accrued liabilities	200,546	3,121	-	203,667	29,703
Increase/(decrease) in compensated absences	4,122	-	-	4,122	16,162
Increase/(decrease) in claims and judgments	-	-	-	-	248,724
Increase/(decrease) in deposits payable	5,000	-	-	5,000	-
Increase/(decrease) in net pension liabilities	401,417	(15,166)	-	386,251	-
Increase/(decrease) in net OPEB liabilities	(721,281)	(59,460)	-	(780,741)	-
Increase/(decrease) in deferred inflows of resources related to pension	90,792	(470)	-	90,322	-
Increase/(decrease) in deferred inflows of resources related to OPEB	1,148,862	94,708	-	1,243,570	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 7,254,548</u>	<u>\$ 4,350,093</u>	<u>\$ (619,226)</u>	<u>\$ 10,985,415</u>	<u>\$ 4,212,265</u>

See accompanying Notes to the Basic Financial Statements

FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Palm Springs
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Fund	Private Purpose Trust Fund
	Special Deposit	Successor Funds
ASSETS:		
Pooled cash and investments	\$ 1,266,471	\$ 532,839
Receivables:		
Accrued interest	-	205
Land held for resale	-	600,196
Restricted assets:		
Cash and investments with fiscal agent	-	2,401,345
Total assets	\$ 1,266,471	3,534,585
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charges on refunding		203,757
Total deferred Outflows of Resources		203,757
LIABILITIES:		
Accounts payable	\$ -	1,861,632
Accrued liability	-	5,832
Accrued interest	-	303,629
Deposits payables	1,266,471	-
Long-term liabilities:		
Due in one year	-	1,775,000
Due in more than one year	-	29,112,781
Total liabilities	\$ 1,266,471	33,058,874
NET POSITION:		
Held in trust for other purposes		(29,320,532)
Total net position (deficit)		\$ (29,320,532)

City of Palm Springs
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Private Purpose Trust Fund Successor Agency
ADDITIONS:	
Property taxes	\$ 3,026,196
Investment income	189,163
Gain on disposal of capital assets	1,264,871
Total additions	4,480,230
DEDUCTIONS:	
Administrative expenses	384,129
Interest expense	1,179,104
Total deductions	1,563,233
Change in net position	2,916,997
NET POSITION:	
Beginning of year	(32,237,529)
End of year	\$ (29,320,532)

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Palm Springs
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

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 component 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 units. 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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

Special Grants Fund – This fund is used to account for grant revenues and related costs of special grants.

Capital Projects Fund – This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Measure J Fund – This fund is used to account for the costs related to various Measure J Projects.

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 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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 including bid bonds and other deposits.

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.

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

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Property Taxes (Continued)

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

December 9-13	Advance No. 1
January 27-31	Settlement No. 1
April 13-17	Advance No. 2
May 25-29	Settlement No. 2
August 3-7	Settlement 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 agent. 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 inventories are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual.

H. 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.

I. 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 reported at acquisition value rather than fair value.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

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:

Assets	Years
Buildings and Improvements	5 to 60
Machinery, Furniture, and Equipment	5 to 30
Motor Vehicles	5 to 30
Meters, Metering Valuts, and Subsurface Lines	50
Infrastructure:	
Pavement	25
Curbs and Gutters	50
Sidewalks	50
Other	25 to 60

In fiscal year ended June 30, 2020, the governmental funds had capital asset expenditure of \$52,845,786. These capital expenditures are reported in the City’s individual departments in the accompanying financial statements.

J. Deferred Outflows/Inflows of Resources

The statement of financial position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time. The City reports pension contribution after measurement date and deferred loss related to pension, OPEB, debt refunding in this category.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time. The City reports unavailable revenues and deferred gain related to pension and OPEB in this category.

K. 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.

The following timeframes are used for pension reporting:

Valuation Date:	June 30, 2018
Measurement Date:	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Net Pension Liability (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

L. Other Postemployment 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, 2019
Measurement Date:	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

M. Compensated Absences

A liability is recorded for unused leave 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Claims and Judgments

The City records a liability to reflect an actuarial estimate uninsured loss for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" ("IBNR") claims. There is no fixed payment schedule to pay these liabilities. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

O. Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, capital asset related debt net of unspent bond proceeds, deferred charges, and retention payable.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

P. Fund Balances

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes as follows:

Nonspendable - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for specific purposes pursuant to formal action of City Council (highest level of decision-making authority) through ordinances as they constitute the most binding constraint. These amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (city ordinance) it employed previously to commit those amounts. This action is taken by a vote of the Council which must be approved by a majority vote. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Fund Balances (Continued)

Assigned - amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The governing council has authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally do not exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. The authority for assigning fund balance is expressed by the city manager or the appointed designee based on the City's approved policies.

Unassigned - amounts 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.

Q. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's practice is to apply the restricted component of net position first, then use the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's practice is to apply restricted fund balances first, then use unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance: committed, assigned, and unassigned.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2020, the City has implemented the following new GASB Pronouncement:

GASB Statement No. 95 - In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Application of this statement is effective immediately and did not have a material effect on City's financial statements for the fiscal year ending June 30, 2020 related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Fund Statement of Net Position	Total
Unrestricted assets:				
Cash and investments	\$ 155,573,767	\$ 99,583,034	\$ 1,799,310	\$ 256,956,111
Restricted assets:				
Cash and investments	4,156,385	-	-	4,156,385
Cash and investments with fiscal agent	-	19,464,837	2,401,345	21,866,182
Total cash and investments	\$ 159,730,152	\$ 119,047,871	\$ 4,200,655	\$ 282,978,678

Cash and investments as of June 30, 2020, consist of the following:

Cash on hand	\$ 3,314
Deposits with financial institutions	12,222,580
Investments	270,752,784
Total cash and investments	\$ 282,978,678

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agent 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 agent 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

A. Deposits

At June 30, 2020, the carrying amount of the City's demand deposits was \$12,222,580 the bank balance was \$11,687,567. The \$535,013 difference represents outstanding checks, deposits in transit, and other reconciling items.

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.

<u>Authorized Investment Type</u>	<u>* Authorized by Investment Policy</u>	<u>* Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	Yes	5 years	100%	None
Local Agency Bonds	Yes	5 years	15%	5%
Federal Agencies	Yes	5 years	60%	None
Bankers' Acceptances	Yes	180 days	20%	5%
Commercial Paper	Yes	270 days	15%	5%
Negotiable Certificates of Deposit	Yes	5 years	30%	5%
Medium-term Corporate Notes	Yes	5 years	30%	5%
Money Market Mutual Funds	Yes	90 days**	20%	None
Mutual Funds, investing in eligible securities	Yes	n/a	10%	25% or 50%***
Non-negotiable Certificates of Deposit (Time Deposits)	Yes	1 year	10%	\$500,000 per Issuer
Local Agency Investment Fund (LAIF)	Yes	n/a	100%	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

**Money market funds are limited to a maximum dollar-weighted average maturity of 90 days and each investment must have a remaining maturity of thirteen months or less at time of purchase.

***Maximum percentage of portfolio for less than one year is 50% and more than one year is 25%.

B. 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Obligations	5 years
Local Agency Bonds	5 years
Federal Agencies	5 years
Bankers' Acceptances	180 days
Commercial Paper	270 days
Negotiable Certificates of Deposit	5 years
Medium-term Corporate Notes	5 years
Money Market Mutual Funds	90 days
Mutual Funds, investing in eligible securities	n/a
Non-negotiable Certificates of Deposit (Time Deposits)	1 year
Local Agency Investment Fund (LAIF)	n/a

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

C. 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.

Investment Type	Total	Remaining Maturity		
		1 Year or Less	1 Year to 3 Years	3 Years to 5 Years
Local Agency Investment Fund	\$ 73,894,690	\$ 73,894,690	\$ -	\$ -
U.S. Treasury Securities	31,922,092	-	31,922,092	-
Federal Agency Securities	35,382,440	6,526,420	28,856,020	-
Certificates of Deposit	6,171,165	3,018,115	3,153,050	-
Corporate Bonds	3,223,719	-	2,057,740	1,165,979
Money Market Mutual Funds	91,622,228	91,622,228	-	-
Held by fiscal agent:				
Money Market Mutual Funds	28,536,450	28,536,450	-	-
Total investments	\$ 270,752,784	\$ 203,597,903	\$ 65,988,902	\$ 1,165,979

D. 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.

Investment Type	Total	Rating as of Year End		
		AAA	AAA/AA+	Not Rated
Local Agency Investment Fund	\$ 73,894,690	\$ -	\$ -	\$ 73,894,690
U.S. Treasury Securities	31,922,092	-	31,922,092	-
Federal Agency Securities	35,382,440	-	35,382,440	-
Certificates of Deposit	6,171,165	-	-	6,171,165
Corporate Bonds	3,223,719	-	-	3,223,719
Money Market Mutual Funds	91,622,228	91,622,228	-	-
Held by fiscal agent:				
Money market funds	28,536,450	28,536,450	-	-
Total investments	\$ 270,752,784	\$ 120,158,678	\$ 67,304,532	\$ 83,289,574

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

E. 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	Percentage
Federal National Mortgage Association	Federal Agency Securities	\$ 20,080,880	7.42%

F. 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, 2020:

Investment Type	Measurement Input			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized	
Local Agency Investment Fund	\$ -	\$ -	\$ 73,894,690	\$ 73,894,690
U.S. Treasury Securities	-	31,922,092	-	31,922,092
Federal Agency Securities	-	35,382,440	-	35,382,440
Certificates of Deposit	6,171,165	-	-	6,171,165
Corporate Bonds	-	3,223,719	-	3,223,719
Money Market Mutual Funds	-	91,622,228	-	91,622,228
Held by fiscal agent:				
Money Market Mutual Funds	-	28,536,450	-	28,536,450
Total investments	\$ 6,171,165	\$ 190,686,929	\$ 73,894,690	\$ 270,752,784

Certificates of Deposit are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Money Market Mutual Funds are classified in Level 2 and Local Agency Investment Funds are not rated in the fair value hierarchy using quoted prices for similar assets in active markets.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

G. 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.

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.

H. Investment in State Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF included a portion of pool funds invested in structured notes and asset-backed securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from mortgages (such as Collateralized mortgage obligations) or credit card receivables.

As of June 30, 2020, the City had \$73,894,690 invested in LAIF, which had invested 1.77% of the Pool investment funds in medium-term and short-term structured notes as well as asset-backed securities. The face value of the City's position in the pool is the same as the value of the pool shares.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Interfund Receivables, Payables and Transfers

A. Advances

The City has authorized interfund advances to be used for the operations of the funds receiving the advances. At June 30, 2020, the outstanding advances are:

Advances to Other Funds			
	Governmental Fund	Proprietary Fund	
	Nonmajor Governmental Funds	Internal Service Funds	Total
Advances from Other Funds			
Proprietary Fund:			
Golf Course Enterprise Fund	\$ 1,210,000	\$ 1,430,000	\$ 2,640,000
	\$ 1,210,000	\$ 1,430,000	\$ 2,640,000

- (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, 2020 and the Golf Course has not made any interest payment. At June 30, 2020, the outstanding balance is \$1,210,000.
- (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.

B. Due to/Due From

The following schedule summarizes the City's due to and due from other funds:

Due To Other Funds	
	Governmental Fund
	Nonmajor Governmental Funds
Due From Other Funds	
Governmental Funds:	
General Fund	\$ 23,479
	\$ 23,479

Due to and due from other funds are the result of short-term borrowing to cover negative cash balances at June 30, 2020.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

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

C. Transfers In/Transfers Out

The following schedule summarizes the City's transfer activity:

Transfers Out	Transfers In					Total
	Governmental Funds			Proprietary Funds		
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Golf Course Enterprise Fund	Internal Service Funds	
Governmental Funds:						
General Fund	\$ -	\$ 6,257,329	\$ 7,648,712	\$ 1,814,000	\$ 8,354,800	\$ 24,074,841
Capital Projects Fund	2,356,070	-	-	-	-	2,356,070
Measure J Fund	5,143,940	-	3,200,000	-	-	8,343,940
Nonmajor Governmental Funds	1,286,423	-	3,811,378	-	1,171,649	6,269,450
Proprietary Funds:						
Airport Enterprise Fund	69,000	-	-	-	265,977	334,977
	<u>\$ 8,855,433</u>	<u>\$ 6,257,329</u>	<u>\$ 14,660,090</u>	<u>\$ 1,814,000</u>	<u>\$ 9,792,426</u>	<u>\$ 41,379,278</u>

Transfers of \$8,855,433 to the General Fund consist of 1) \$2,356,070 from the Capital Project Fund and \$5,143,940 from the Measure J Fund to offset costs associated with COVID-19, 2) \$1,286,423 from Nonmajor Governmental Funds to close the funds, and to fund for costs associated with Police and Fire, and 3) \$69,000 from the Airport Enterprise Fund to reimburse for Airport related marketing costs.

A transfer of \$6,257,329 to the Capital Projects Fund consist of \$6,257,329 from the General Fund to fund future capital projects.

Transfers of \$14,660,090 to the Nonmajor Governmental Funds consist of 1) \$7,000,300 from the General Fund, \$3,200,000 from Measure J Capital Projects Fund, and \$3,811,377 from Nonmajor Funds for debt service-related costs, 2) \$96,636 from the General Fund for mandatory allocation of 20% of loan balance to the Housing Successor, and 3) \$551,776 from the General Fund for supplementary costs to close certain Nonmajor Governmental Funds.

Transfers of \$1,814,000 to the Golf Course Enterprise Fund were associated with impacts of COVID-19.

Transfers of \$9,792,426 to the Internal Service Funds consist of \$8,354,800 from the General Fund 1) to fund the lease of police interceptor, fire engine, and the enterprise space lease of \$435,000, 2) to fund Facilities Maintenance Fund supplemental costs of \$120,900, 3) to fund for insurance costs and impacts related to COVID-19 of \$6,000,000, and 4) to fund Risk Management of increases in insurance premiums of \$1,798,900. These transfers also consist of \$1,171,649 from Nonmajor Governmental Funds for debt service-related costs, and \$265,977 from the Airport Fund to reimburse the Insurance Fund for costs paid for by Risk Management Fund.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Capital Assets

The following is a summary of capital assets activity for the governmental activities as of June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Reclassification	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 33,029,268	\$ 36,553,093	\$ -	\$ -	\$ 69,582,361
Construction in progress	17,070,895	14,827,705	-	(2,180,493)	29,718,107
Rights of way	16,868,259	-	-	-	16,868,259
Total capital assets, not being depreciated	66,968,422	51,380,798	-	(2,180,493)	116,168,727
Capital assets, being depreciated:					
Buildings	93,486,880	-	-	-	93,486,880
Improvements	78,804,839	864,950	-	391,184	80,060,973
Furniture and equipment	23,732,781	551,456	-	267,630	24,551,867
Vehicles	20,359,767	716,746	(232,032)	234,994	21,079,475
Infrastructure	257,532,489	2,160,527	-	1,286,685	260,979,701
Total capital assets, being depreciated	473,916,756	4,293,679	(232,032)	2,180,493	480,158,896
Less accumulated depreciation for:					
Buildings	(45,408,949)	(2,577,278)	-	-	(47,986,227)
Improvements	(53,966,893)	(3,522,964)	-	-	(57,489,857)
Furniture and equipment	(10,741,377)	(932,686)	-	-	(11,674,063)
Vehicles	(12,768,534)	(1,279,123)	232,032	-	(13,815,625)
Infrastructure	(154,470,654)	(5,111,402)	-	-	(159,582,056)
Total accumulated depreciation	(277,356,407)	(13,423,453)	232,032	-	(290,547,828)
Total capital assets, being depreciated, net	196,560,349	(9,129,774)	-	2,180,493	189,611,068
Governmental activities capital assets, net	\$ 263,528,771	\$ 42,251,024	\$ -	\$ -	\$ 305,779,795

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

General government	\$ 725,507
Cultural and convention center	4,120,993
Public safety	659,967
Public works	5,691,262
Parks and recreation	311,966
Library	52,868
Internal Service Fund	1,860,890
Total	\$ 13,423,453

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Capital Assets (Continued)

The following is a summary of capital assets activity for the business-type activities as of June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Reclassification	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 37,469,557	\$ -	\$ -	\$ (82,476)	\$ 37,387,081
Construction in progress	1,911,363	11,355,464	-	(267,329)	13,463,652
Total capital assets, not being depreciated	39,380,920	11,355,464	-	(349,805)	50,850,733
Capital assets, being depreciated:					
Buildings	74,894,988	-	-	-	74,894,988
Improvements	218,201,945	1,643,923	-	349,805	220,195,673
Machinery and equipment	4,990,725	1,411,945	-	-	6,402,670
Motor vehicles	3,972,808	193,195	-	-	4,166,003
Subsurface lines	27,387,700	-	-	-	27,387,700
Total capital assets, being depreciated	329,448,166	3,249,063	-	349,805	333,047,034
Less accumulated depreciation for:					
Buildings	(38,501,198)	(2,762,650)	-	-	(41,263,848)
Improvements	(169,809,350)	(5,001,888)	-	-	(174,811,238)
Machinery and equipment	(3,244,553)	(448,825)	-	-	(3,693,378)
Motor vehicles	(2,682,447)	(252,565)	-	-	(2,935,012)
Subsurface lines	(21,866,795)	(562,502)	-	-	(22,429,297)
Total accumulated depreciation	(236,104,343)	(9,028,430)	-	-	(245,132,773)
Total capital assets, being depreciated, net	93,343,823	(5,779,367)	-	349,805	87,914,261
Water capital assets, net	\$ 132,724,743	\$ 5,576,097	\$ -	\$ -	\$ 138,764,994

Depreciation expense was charged in the following enterprise funds of the primary government:

Airport	5,686,202
Wastewater	3,152,524
Golf course	189,704
Total	\$ 9,028,430

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 5 – Notes and Loans Receivable

The following is a summary of notes and loans receivable as of June 30, 2020:

Economic Incentive	\$	166,667
Library Endowment		90,000
Hacienda Sunset (Coyote)		1,586,261
Santiago Sunrise Village		285,120
Self Help		7,500
Vista Sunrise Apartments		1,690,130
Sahara Multiple Housing		419,091
Desert Highland		<u>1,600,000</u>
Total notes and loans receivable		<u><u>5,844,769</u></u>

Note 6 – Long-Term Liabilities

A. Governmental Activities

Changes in long-term liabilities as of June 30, 2020 for the governmental activities are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct Borrowings:						
Capital Lease - Fire Trucks	\$ 2,904,339	\$ 1,376,623	\$ (190,379)	\$ 4,090,583	\$ 263,103	\$ 3,827,480
Capital Lease - Police Interceptors	461,092	-	(147,086)	314,006	153,601	160,405
Notes Payable:						
Capital One Public Financing - Chevron	16,563,350	-	(525,387)	16,037,963	586,694	15,451,269
Chino Cinega Foundation Note Payable	83,890	-	(83,890)	-	-	-
Mesquite Loan	-	198,022	-	198,022	10,422	187,600
Public Borrowings:						
Bonds Payable, net:						
Special Assessment Debt	5,090,000	-	(385,000)	4,705,000	395,000	4,310,000
2012A Lease Revenue Bonds	15,185,000	-	(1,420,000)	13,765,000	1,460,000	12,305,000
2007 Pension Obligation Bonds	19,607,276	445,870	(695,000)	19,358,146	790,000	18,568,146
2012B Measure J Lease Revenue Bonds	35,630,000	-	(1,560,000)	34,070,000	1,625,000	32,445,000
2014 Lease Revenue Bonds	41,550,000	-	(780,000)	40,770,000	825,000	39,945,000
2015 Measure A Sales Tax Revenue Bonds	2,595,000	-	(990,000)	1,605,000	1,015,000	590,000
2015 Lease Revenue Refunding Bonds	4,920,000	-	(365,000)	4,555,000	425,000	4,130,000
2017 Lease Revenue Refunding Bonds	2,482,066	-	(273,769)	2,208,297	284,356	1,923,941
Unamortized Premiums/(Discounts):						
Special Assessment Debt	(44,474)	-	3,658	(40,816)	-	(40,816)
2012A Lease Revenue Bonds	146,974	-	(60,820)	86,154	-	86,154
2014 Lease Revenue Bonds	3,940,917	-	(225,196)	3,715,721	-	3,715,721
2012B Measure J Lease Revenue Bonds	1,018,440	-	(72,248)	946,192	-	946,192
2015 Measure A Sales Tax Revenue Bonds	229,407	-	(76,470)	152,937	-	152,937
2015 Lease Revenue Refunding Bonds	685,753	-	(87,301)	598,452	-	598,452
2017 Lease Revenue Refunding Bonds	226,764	160,339	(63,978)	323,125	-	323,125
Total Governmental Activities	<u>\$ 153,275,794</u>	<u>\$ 2,180,854</u>	<u>\$ (7,997,866)</u>	<u>\$ 147,458,782</u>	<u>\$ 7,833,176</u>	<u>\$ 139,625,606</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Fire Trucks Capital Lease

In September 2017, the City acquired four fire trucks under a 15-year 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. In December 2019, the City acquired an additional two fire trucks with Banc of America Public Capital Corp for \$1,376,623. 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, 2020, is \$4,090,583.

Annual requirements to amortize outstanding capital lease debt service payments as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 263,103	\$ 113,724	\$ 376,827
2022	280,366	96,463	376,829
2023	287,519	89,308	376,827
2024	294,855	81,972	376,827
2025	302,379	74,448	376,827
2026-2030	1,631,666	252,473	1,884,139
2031-2035	1,030,695	53,828	1,084,523
Total	<u>\$ 4,090,583</u>	<u>\$ 762,216</u>	<u>\$ 4,852,799</u>

Police Interceptor Vehicles Capital Lease

In November 2017, the City entered into a five-year 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, 2020, is \$314,006.

Annual requirements to amortize outstanding capital lease debt service payments as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 153,601	\$ 13,910	167,511
2022	160,405	7,106	167,511
Total	<u>\$ 314,006</u>	<u>\$ 21,016</u>	<u>\$ 335,022</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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, 2020, is \$16,037,963.

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 was required for 2020. The principal amount of the note amount, plus all interest then accrued upon the note amount, shall be immediately due and payable upon (i) any default of the agreement if not cured within the time set forth in Section 13 of the Deed of Trust. The outstanding balance has been paid off as of June 30, 2020.

Mesquite Loan

The Coachella Valley Association of Governments (the “CVAG”) Executive Committee, on December 1, 2003, approved the City of Palm Springs’ request to reimburse CVAG, a total of \$364,744 by means of annual payments for the Mid Valley Parkway project improvement. Annual payments of \$10,422 are required beginning July 1, 2004 with final payment due on July 1, 2039. CVAG is to pay back from funds received from future development of the properties adjacent to the improved Dinah Shore/Mid Valley Parkway, to reduce the outstanding balance owed by the City. No interest is required to accrue on the outstanding balance.

Annual debt service payments remaining as of June 30, 2020, are as follows:

Year Ending June 30,	Principal
2021	\$ 10,422
2022	10,422
2023	10,422
2024	10,422
2025	10,422
2026-2030	52,110
2031-2035	52,110
2036-2039	41,692
Total	<u>\$ 198,022</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Special Assessment Debt with Government Commitment

At June 30, 2020, the City of Palm Springs has one outstanding Assessment District (A.O.) 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, 2020 is \$4,705,000 with an unamortized discount of \$(40,816).

Annual requirements to amortize outstanding special assessment debt as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 395,000	\$ 141,713	536,713
2022	405,000	132,700	537,700
2023	415,000	121,413	536,413
2024	425,000	108,813	533,813
2025	435,000	95,641	530,641
2026-2030	2,420,000	251,465	2,671,465
2031	210,000	3,806	213,806
Total	<u>\$ 4,705,000</u>	<u>\$ 855,551</u>	<u>\$ 5,560,551</u>

The outstanding bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement.

2012A 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 2012A and 2014A Convention Center Lease Revenue Bond is \$5,005,928 and is satisfied with a Municipal Bond Debt Service Reserve Insurance Policy deposited in the reserve fund, and fully funded at June 30, 2020. The amount of bonds outstanding at June 30, 2020, is \$13,765,000 with unamortized premium of \$86,154.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2012A Convention Center Lease Revenue Bonds (Continued)

Future debt service requirements on the Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,460,000	\$ 496,363	1,956,363
2022	1,505,000	446,887	1,951,887
2023	2,550,000	370,500	2,920,500
2024	2,645,000	278,706	2,923,706
2025	2,740,000	189,488	2,929,488
2026-2030	2,865,000	71,625	2,936,625
Total	<u>\$ 13,765,000</u>	<u>\$ 1,853,569</u>	<u>\$ 15,618,569</u>

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee to the Authority, may elect not to terminate the Lease Agreement and may re-enter and re-let the facilities and may enforce the lease agreement and hold the City liable for all lease payments on an annual basis while re-entering and reletting the facilities. Alternatively, the Trustee may elect to terminate the lease agreement and may re-enter and re-let the facilities and seek to recover all costs, losses or damages caused by the City's default.

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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2007 Taxable Pension Obligation Bonds (Continued)

The balance outstanding as of June 30, 2020, was \$19,358,146 including accreted interest of \$5,868,146. Future debt service requirements on the Bonds are as follows:

Year Ending June 30,	A-1 Principal	Interest	Accreted Interest	Total
2021	\$ 790,000	\$ 744,838	\$ -	\$ 1,534,838
2022	-	702,415	799,898	1,502,313
2023	675,000	702,415	237,946	1,615,361
2024	1,050,000	665,398	-	1,715,398
2025	1,175,000	607,816	-	1,782,816
2026-2030	1,305,000	2,430,627	3,884,864	7,620,491
2031-2035	8,495,000	1,706,466	945,438	11,146,904
Total	<u>\$ 13,490,000</u>	<u>\$ 7,559,975</u>	<u>\$ 5,868,146</u>	<u>\$ 26,918,121</u>

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.

The total Lease Revenue bonds outstanding at June 30, 2020, is \$34,070,000 including \$946,192 of unamortized premium. Future debt service payments on the Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,625,000	\$ 1,561,363	3,186,363
2022	1,690,000	1,496,363	3,186,363
2023	1,755,000	1,428,763	3,183,763
2024	1,845,000	1,341,013	3,186,013
2025	1,935,000	1,248,763	3,183,763
2026-2030	11,240,000	4,694,838	15,934,838
2031-2035	13,980,000	1,953,738	15,933,738
Total	<u>\$ 34,070,000</u>	<u>\$ 13,724,841</u>	<u>\$ 47,794,841</u>

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority, may elect not to terminate the Lease Agreement and may re-enter and re-let the Leased Property and may enforce the Lease Agreement and hold the city liable for all Lease Payments on an annual basis while re-entering and reletting the Leased Property. Alternatively, the Trustee may elect to terminate the Lease Agreement and may re-enter and re-let the Leased Property and seek to recover all costs, losses or damages caused by the City's default.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2014 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.

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 2012A and 2014A Convention Center Lease Revenue Bond is \$5,005,928 and is satisfied with a Municipal Bond Debt Service Reserve Insurance Policy deposited in the reserve fund, and fully funded at June 30, 2020. The amount of bonds outstanding at June 30, 2020, is \$40,770,000 with unamortized premium of \$3,715,721.

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 outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority, may elect not to terminate the Lease Agreement and may re-enter and re-let the Leased Property and may enforce the Lease Agreement and hold the City liable for all Lease Payments on an annual basis while re-entering and reletting the Leased Property. Such re-entry and reletting shall not affect a surrender of the Lease Agreement. Alternatively, the Trustee may elect to terminate the Lease Agreement and may re-enter and re-let the Leased Property and seek to recover all costs, losses or damages caused by the City's default.

Future requirements to amortize outstanding convention center bonds as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 825,000	\$ 1,906,856	2,731,856
2022	870,000	1,864,481	2,734,481
2023	-	1,842,731	1,842,731
2024	-	1,842,731	1,842,731
2025	-	1,842,731	1,842,731
2026-2030	13,390,000	7,994,406	21,384,406
2031-2035	20,860,000	4,047,925	24,907,925
2036	4,825,000	181,938	5,006,938
Total	<u>\$ 40,770,000</u>	<u>\$ 21,523,799</u>	<u>\$ 62,293,799</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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 Lease 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, 2020, is \$1,605,000 including \$152,937 of unamortized premium. Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,015,000	\$ 80,250	1,095,250
2022	590,000	29,500	619,500
Total	<u>\$ 1,605,000</u>	<u>\$ 109,750</u>	<u>\$ 1,714,750</u>

The outstanding bonds contain a provision that if any event of default should occur or continuing, the Trustee has the right, at its option and without any further demand upon or notice to the City, to take any one or more of the following actions: (a) acceleration of maturities declaring the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, (b) actions at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the City under the Indenture, or (c) appointment of receiver or receivers of the Measure A revenues and other amounts pledged under the Indenture, with such powers as the court making such appointment shall confer.

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, 2020, is \$4,555,000 including \$598,251 of unamortized premium.

Year Ending June 30,	Principal	Interest	Total
2021	\$ 425,000	\$ 217,125	642,125
2022	455,000	195,125	650,125
2023	485,000	171,625	656,625
2024	570,000	145,250	715,250
2025	590,000	116,250	706,250
2026-2028	2,030,000	156,250	2,186,250
Total	<u>\$ 4,555,000</u>	<u>\$ 1,001,625</u>	<u>\$ 5,556,625</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2015 Lease Revenue Refunding Bonds (Continued)

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority, may elect to terminate the Lease Agreement and may re-enter and re-let the Leased Property and may enforce the Lease Agreement and hold the City liable for all Lease Payments on an annual basis while re-entering and reletting the Leased Property. Alternatively, the Trustee may elect to terminate the Lease Agreement and may re-enter and re-let the Leased Property and seek to recover all costs, losses or damages caused by the City's default.

2017 Lease Revenue Refunding Bonds

On June 13, 2018, 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). The bond refunding has deferred refunding charges of \$937,118.

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.

Governmental Activities:	
Police building project	\$ 1,120,195
Cogeneration plant fund	1,895,795
Total governmental activities portion	3,015,990
 Business-Type Activities:	
Golf Course Fund	6,954,010
Total governmental activities portion	6,954,010
	\$ 9,970,000

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2017 Lease Revenue Refunding Bonds (Continued)

The total outstanding balance on the 2017 Lease Revenue Refunding Bonds was \$7,300,000 as of June 30, 2020. The annual debt service requirement to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 940,000	\$ 261,550	1,201,550
2022	980,000	223,950	1,203,950
2023	1,015,000	184,750	1,199,750
2024	1,035,000	164,450	1,199,450
2025	1,055,000	143,750	1,198,750
2026-2027	2,275,000	137,400	2,412,400
Total	<u>7,300,000</u>	<u>1,115,850</u>	<u>8,415,850</u>

The outstanding balance on the 2017 Lease Revenue Refunding Bonds for the governmental activities portion, is \$2,208,297 with an unamortized premium of \$323,126.

The annual debt service requirement to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 284,356	\$ 79,121	363,477
2022	296,456	67,746	364,202
2023	307,044	55,888	362,932
2024	313,094	49,747	362,841
2025	319,144	43,485	362,629
2026-2027	688,203	41,564	729,767
Total	<u>2,208,297</u>	<u>337,551</u>	<u>2,545,848</u>

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority, may elect not to terminate the Lease Agreement and may re-enter and re-let the Leased Property and may enforce the Lease Agreement and hold the City liable for all Lease Payments on an annual basis while re-entering and reletting the Leased Property. Alternatively, the Trustee may elect to terminate the Lease Agreement and may re-enter and re-let the Leased Property and seek to recover all costs, losses or damages caused by the City's default.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities

Changes in long-term liabilities for the year ended June 30, 2020 for the business-type activities are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
Business-type Activities:						
Direct Borrowings:						
State Water Resource Control Board	\$ 21,747,934	\$ 4,202,952	\$ (592,098)	\$ 25,358,788	\$ 696,930	\$ 24,661,858
TCF Capital Equipment	528,191	-	(132,270)	395,921	138,346	257,575
Yamaha golf leases	-	38,374	(8,612)	29,762	9,555	20,207
Public Borrowings:						
Airport Revenue Bonds:						
2006 Airport PFC Revenue Bonds	4,395,000	-	(4,395,000)	-	-	-
2008 Airport PFC Revenue Bonds	2,740,000	-	(2,740,000)	-	-	-
2019 Airport Passenger Facility Charge Revenue Bonds	-	22,270,000	(1,530,000)	20,740,000	1,460,000	19,280,000
Unamortized Premiums/(Discounts):						
2006 Airport PFC Revenue Bonds	(89,737)	-	89,737	-	-	-
2008 Airport PFC Revenue Bonds	(133,090)	-	133,090	-	-	-
2019 Airport Passenger Facility Charge Revenue Bonds	-	3,330,563	(254,918)	3,075,645	-	3,075,645
Airport Revenue Bonds, net	6,912,173	25,600,563	(8,697,091)	23,815,645	1,460,000	22,355,645
Lease Revenue Bonds:						
2017 Lease Revenue Refunding Bonds	5,722,934	-	(631,231)	5,091,703	655,644	4,436,059
Unamortized premium	522,930	-	(65,366)	457,564	-	457,564
Lease Revenue Bonds, net	6,245,864	-	(696,597)	5,549,267	655,644	4,893,623
Total business-type activities	\$ 35,434,162	\$ 29,841,889	\$ (10,126,668)	\$ 55,149,383	\$ 2,960,475	\$ 52,188,908

State Water Resources Control Board

The City entered in a \$29,917,266 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 City drew up to \$21,747,934 as of June 30, 2019 and \$4,202,952 during the fiscal year ended June 30, 2020. The term of the loan is 30 years with an annual interest rate of 1.70%. Annual payments of \$1,114,302 are due starting September 2019 through 2048. The outstanding balance at June 30, 2020, is \$25,358,788.

Annual requirements to amortize outstanding loans payable as of June 30, 2020, is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 696,930	\$ 417,372	1,114,302
2022	695,050	419,252	1,114,302
2023	706,866	407,436	1,114,302
2024	718,883	395,419	1,114,302
2025	731,104	383,198	1,114,302
2026-2030	3,846,230	1,725,278	5,571,508
2031-2035	4,184,465	1,387,042	5,571,507
2036-2040	4,552,445	1,019,062	5,571,507
2041-2045	4,952,785	618,723	5,571,508
2046-2048	4,274,030	183,178	4,457,208
Total	\$ 25,358,788	\$ 6,955,960	\$ 32,314,748

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

TCF Capital Equipment Lease

In December 2017, the City entered into a five-year 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, 2020, is \$395,921.

Annual requirements to amortize outstanding capital lease debt service payments as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 138,346	\$ 14,986	153,332
2022	144,702	8,630	153,332
2023	112,873	2,127	115,000
Total	<u>\$ 395,921</u>	<u>\$ 25,743</u>	<u>\$ 421,664</u>

Yamaha Golf Lease

The City executed a master lease agreement on August 29, 2019 for leasing of golf carts and equipment for Tahquitz Creek Golf Resort. The lease term is for 48 months and payment commenced on November 1, 2019. Interest factor is 4.2% and payment outstanding as of June 30, 2020 is \$32,417.

Annual requirements to amortize outstanding capital lease debt service payments as of June 30, 2020, are as follows:

Year Ending June 30,	Payments
2021	\$ 9,555
2022	9,555
2023	9,555
2024	3,752
Total payment	32,417
Interest	(2,655)
Principal	<u>29,762</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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.

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.

A special redemption was made on July 1, 2019, with the redemption price at 100% for the amount of \$1,355,000.

The outstanding bonds were redeemed in full on July 15, 2019 at a redemption price of 100% of the principal amount from available passenger facility charges, and the bonds are no long outstanding as of June 30, 2020.

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, 2019. 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.

The Bonds maturing on or after July 1, 2019, 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, 2019, with the redemption price at 100% for the amount of \$845,000.

The outstanding bonds were redeemed in full on July 15, 2019 at a redemption price of 100% of the principal amount from available passenger facility charges, and the bonds are no long outstanding as of June 30, 2020.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2019 Airport Passenger Facility Charge Revenue Bonds

On July 18, 2019, the City of Palm Springs issued 2019 Airport Passenger Facility Charge Revenue Bonds for 22,270,000 to finance a portion of the design, acquisition, and construction of ticketing hall and baggage handling system improvements at the Palm Springs International Airport. Interest is payable semiannually on June 1, and December 1 of each year, commencing December 1, 2019, until maturity or earlier redemption. Interest rate is 5% and net original issue premium is \$3,330,563. The principal balance outstanding and unamortized premium as of June 30, 2020 are \$20,740,000 and \$3,075,645, respectively.

Future debt service payments for the 2019 Airport Passenger Facility Charge Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,460,000	\$ 1,037,000	2,497,000
2022	1,530,000	964,000	2,494,000
2023	1,610,000	887,500	2,497,500
2024	1,690,000	807,000	2,497,000
2025	1,775,000	722,500	2,497,500
2026-2030	10,295,000	2,189,250	12,484,250
2031	2,380,000	119,000	2,499,000
Total	<u>\$ 20,740,000</u>	<u>\$ 6,726,250</u>	<u>\$ 27,466,250</u>

Pledged Revenues

The PFC Bonds are payable from the revenues pledged under the Indenture consisting primarily of Passenger Facilities Charges ("PFC Revenues") imposed by the City under the authority of its Federal Aviation Act and regulation. As of June 30, 2020, principal and interest remaining on the PFC bonds was \$27,466,250. For the current year, principal and interest paid and total PFC revenues were \$2,498,126 and \$4,104,645, respectively.

2017 Lease Revenue Refunding Bonds

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. Refer to Long Term Debt Governmental Activities 2017 Lease Revenue Refunding Bonds for full description of the bond on pages 73-74.

The outstanding balance on the 2017 Lease Revenue Refunding Bonds for the business-type activities portion was \$5,091,703, with an unamortized premium of \$323,126 as of June 30, 2020.

The annual debt service requirement to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	655,644	\$ 182,429	838,073
2022	683,544	156,204	839,748
2023	707,956	128,862	836,818
2024	721,906	114,703	836,609
2025	735,856	100,265	836,121
2026-2030	1,586,797	95,836	1,682,633
Total	<u>5,091,703</u>	<u>778,299</u>	<u>5,870,002</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities

Changes in long-term liabilities for the year ended June 30, 2020 for the fiduciary activities are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Advances from the City of Palm Springs						
Loan Payable - General Fund	\$ 447,288	\$ 47,679	\$ (494,967)	\$ -	\$ -	\$ -
Note Payable - Clawback Sustain	1,139,871	-	(1,139,871)	-	-	-
Tax Allocation Bonds:						
2007 Tax Allocation Bonds, Series B	1,785,000	-	(70,000)	1,715,000	75,000	1,640,000
2014 Tax Allocation Bonds	11,830,000	-	(1,070,000)	10,760,000	1,120,000	9,640,000
2017A Tax Allocation Refunding Parity Bonds	10,950,000	-	(295,000)	10,655,000	295,000	10,360,000
2017B Tax Allocation Refunding Parity Bonds	5,375,000	-	(275,000)	5,100,000	285,000	4,815,000
Unamortized Premiums/(Discounts):						
2014 Tax Allocation Bonds	1,580,086	-	(98,750)	1,481,336	-	1,481,336
2017A Tax Allocation Refunding Parity Bonds	1,366,864	-	(85,430)	1,281,434	-	1,281,434
2017B Tax Allocation Refunding Parity Bonds	(115,487)	-	10,498	(104,989)	-	(104,989)
Tax Allocation Bonds, net	32,771,463	-	(1,883,682)	30,887,781	1,775,000	29,112,781
Total fiduciary activities	\$ 34,358,622	\$ 47,679	\$ (3,518,520)	\$ 30,887,781	\$ 1,775,000	\$ 29,112,781

Advances from the City of Palm Springs

The Successor Agency has paid off remaining advances from the City of Palm Springs Housing Fund as of June 30, 2020.

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 8, 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, 2018 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 are 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2007 Tax Allocation Bonds Series A, B, C (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, 2020, is \$1,715,000. Future requirements to amortize are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 75,000	\$ 105,318	180,318
2022	80,000	100,712	180,712
2023	80,000	95,799	175,799
2024	85,000	90,887	175,887
2025	90,000	85,667	175,667
2026-2030	555,000	336,219	891,219
2031-2034	750,000	144,314	894,314
Total	<u>\$ 1,715,000</u>	<u>\$ 958,916</u>	<u>\$ 2,673,916</u>

The outstanding bonds contain a provision that if any event of default should occur, or continuing to occur, the Trustee may and, if requested in writing by the majority in aggregate principal amount of the Bonds at the time outstanding, shall (a) declare the principal of all the Bonds and the interest accrued thereon, to be due and payable immediately, will become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) exercise any other remedies available to the Trustee and the Owners in law or at equity.

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, 2020, is \$10,760,000 including \$1,481,336 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,120,000	\$ 479,600	1,599,600
2022	1,155,000	433,925	1,588,925
2023	870,000	384,300	1,254,300
2024	910,000	348,900	1,258,900
2025	475,000	323,375	798,375
2026-2030	2,735,000	1,228,875	3,963,875
2031-2034	3,495,000	454,625	3,949,625
Total	<u>\$ 10,760,000</u>	<u>\$ 3,653,600</u>	<u>\$ 14,413,600</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2014 Subordinate Tax Allocation Refunding Bonds (Continued)

The outstanding bonds contain a provision that if any event of default should occur, or during the continuance of such an event, the Trustee may and, if requested by the Owners of a majority in aggregate principal amount of the Bonds at the time outstanding, the Trustee shall, (a) declare the principal of all the Bonds and the interest accrued thereon, to be due and payable immediately, will become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) exercise any other remedies available to the Trustee and the Owners in law or at equity.

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.

The total bond balance outstanding at June 30, 2020, is \$10,655,000 including \$1,281,434 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 295,000	\$ 449,575	744,575
2022	165,000	438,075	603,075
2023	150,000	430,200	580,200
2024	100,000	425,450	525,450
2025	555,000	410,575	965,575
2026-2030	3,725,000	1,382,725	5,107,725
2031-2034	5,665,000	718,825	6,383,825
Total	<u>\$ 10,655,000</u>	<u>\$ 4,255,425</u>	<u>\$ 14,910,425</u>

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, 2020, is \$5,100,000 including \$108,269 of unamortized discount. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 285,000	\$ 151,994	436,994
2022	285,000	146,294	431,294
2023	290,000	140,181	430,181
2024	300,000	133,169	433,169
2025	305,000	125,225	430,225
2026-2030	1,675,000	405,891	2,080,891
2031-2034	1,960,000	250,325	2,210,325
Total	<u>\$ 5,100,000</u>	<u>\$ 1,353,078</u>	<u>\$ 6,453,078</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2017B Taxable Tax Allocation Refunding Parity Bonds (Continued)

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 monies, 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.

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).

The outstanding Series A and B bonds contain a provision that if any event of default should occur, or during the continuance of such an event, the Trustee may, and if requested by the Owners of a majority in aggregate principal amount of the Bonds at the time outstanding, the Trustee shall, (a) declare the principal of all of the Bonds, and the interest accrued thereon, to be due and payable immediately, will become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) exercise any other remedies available to the Trustee and the Owners in law or at equity.

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 indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the various bonds is \$38,451,019, payable through September 2034. For the current year, principal and interest paid and total property tax revenues were \$2,963,523 and \$3,026,196 respectively.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Compensated Absences

The City's policies relating to compensated absences are described in Note 1. The liability will be paid in future years by the General Fund, the Motor Vehicle Replacement Fund, the Facilities Maintenance Fund, the Risk Management Fund, and the Airport Fund as it becomes due. Changes in compensated absences for the year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences payable	\$ 8,033,990	\$ 3,075,177	\$ (3,815,057)	\$ 7,294,110	\$ 5,233,154	\$ 2,060,956
Business-Type Activities:						
Compensated absences payable	\$ 1,013,072	\$ 500,486	\$ (496,364)	\$ 1,017,194	\$ 1,017,194	\$ -

This liability represents the total unpaid leave 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 8 – 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 Nos. 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, 2020, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$10,243,786 of which \$3,359,690 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, 2018, 2019, and 2020 for the Risk Management Fund are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2017-2018	\$ 9,546,244	\$ 3,308,681	\$ (3,455,207)	\$ 9,399,718
2018-2019	9,399,718	3,313,390	(2,718,045)	9,995,063
2019-2020	9,995,063	2,901,730	(2,653,006)	10,243,787

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS)

A summary of pension-related items as of June 30, 2020 is as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 4,824,268	\$ 2,404,988	\$ 7,229,256
Safety	9,561,292	-	9,561,292
Total contribution after measurement date	<u>14,385,560</u>	<u>2,404,988</u>	<u>16,790,548</u>
Changes in assumptions:			
Safety	3,551,305	-	3,551,305
Total changes in assumptions	<u>3,551,305</u>	<u>-</u>	<u>3,551,305</u>
Difference between expected and actual experience:			
Miscellaneous	233,054	116,182	349,236
Safety	1,891,655	-	1,891,655
Total difference between expected and actual experience	<u>2,124,709</u>	<u>116,182</u>	<u>2,240,891</u>
Total deferred outflows of resources	<u><u>\$ 20,061,574</u></u>	<u><u>\$ 2,521,170</u></u>	<u><u>\$ 22,582,744</u></u>
Aggregate net pension liabilities:			
Miscellaneous	\$ 44,735,519	\$ 22,301,492	\$ 67,037,011
Safety	103,822,504	-	103,822,504
Total aggregate net pension liabilities	<u><u>\$ 148,558,023</u></u>	<u><u>\$ 22,301,492</u></u>	<u><u>\$ 170,859,515</u></u>
Deferred inflows of resources:			
Changes in assumptions:			
Miscellaneous	\$ 192,084	\$ 95,757	\$ 287,841
Safety	695,472	-	695,472
Total changes in assumptions	<u>887,556</u>	<u>95,757</u>	<u>983,313</u>
Difference between expected and actual experience:			
Miscellaneous	290,818	144,978	435,796
Safety	219,064	-	219,064
Total difference between expected and actual experience	<u>509,882</u>	<u>144,978</u>	<u>654,860</u>
Difference between projected and actual earnings on plan investments:			
Miscellaneous	602,019	300,117	902,136
Safety	876,502	-	876,502
Total difference between projected and actual earnings on plan investments	<u>1,478,521</u>	<u>300,117</u>	<u>1,778,638</u>
Total deferred inflows of resources	<u><u>\$ 2,875,959</u></u>	<u><u>\$ 540,852</u></u>	<u><u>\$ 3,416,811</u></u>
Pension expense:			
Miscellaneous	\$ 6,245,981	\$ 3,113,739	\$ 9,359,720
Safety	17,715,445	-	17,715,445
Total net pension expense	<u><u>\$ 23,961,426</u></u>	<u><u>\$ 3,113,739</u></u>	<u><u>\$ 27,075,165</u></u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS) (Continued)

A. 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.

B. 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, 2020, are summarized as follows:

	Miscellaneous		
	Classic	Tier 2	PEPRA
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.000%	7.000%	8.000%
Required contribution during measurement period	12.038%	12.038%	12.038%
	Safety		
	Classic	Tier 2	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	3%, 50+ yrs	2.4%-3%, 50 yrs - 55+ yrs, respectively	2%-2.7%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000%	9.000%	12.250%
Required contribution during measurement period	20.571%	20.571%	20.571%

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS) (Continued)

C. Employees Covered

At June 30, 2019, the measurement date, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous	Safety
Active employees	303	159
Transferred members	118	31
Terminated members	175	33
Retired Employees and Beneficiaries	518	286
Total	1114	509

D. 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, 2020, the employer contributions recognized as a reduction to the net pension liability for the Miscellaneous and Safety Plan were \$7,229,256 and \$9,561,292, respectively.

E. 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, 2019 using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard updated procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

F. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2018 valuation was based on the results of an actuarial experience study for the period from 1997 to 2015, 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS) (Continued)

G. Changes of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

H. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

I. Long-Term Expected Rate of Return

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 fund. The expected rate of return was set by calculating the rounded 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 adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class ¹	Current Target Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

¹ In the CalPER's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

² An expected inflation of 2.0% used

³ An expected inflation of 2.92% used

J. Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS) (Continued)

K. 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:

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018 (Valuation Date)	\$ 229,465,841	\$ 164,414,268	\$ 65,051,573
Changes Recognized for the Measurement Period:			
Service Cost	4,208,238	-	4,208,238
Interest on the total pension liability	16,144,692	-	16,144,692
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	567,509	-	567,509
Plan to plan resource movement	-	-	-
Contributions from the employer	-	6,489,424	(6,489,424)
Contributions from employees	-	1,835,717	(1,835,717)
Net investment income	-	10,726,808	(10,726,808)
Benefit payments, including refunds of employee contributions	(12,675,189)	(12,675,189)	-
Administrative expenses	-	(117,330)	117,330
Other Miscellaneous Income/(Expense)	-	382	(382)
Net Changes during July 1, 2018 to June 30, 2019	<u>8,245,250</u>	<u>6,259,812</u>	<u>1,985,438</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 237,711,091</u>	<u>\$ 170,674,080</u>	<u>\$ 67,037,011</u>

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

	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018 (Valuation Date)	\$ 275,635,763	\$ 177,056,179	\$ 98,579,584
Changes Recognized for the Measurement Period:			
Service Cost	4,893,432	-	4,893,432
Interest on the total pension liability	19,523,838	-	19,523,838
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	2,501,866	-	2,501,866
Plan to plan resource movement	-	-	-
Contributions from the employer	-	8,585,908	(8,585,908)
Contributions from employees	-	1,671,882	(1,671,882)
Net investment income	-	11,544,364	(11,544,364)
Benefit payments, including refunds of employee contributions	(15,047,324)	(15,047,324)	-
Administrative expenses	-	(126,351)	126,351
Other Miscellaneous Income/(Expense)	-	413	(413)
Net Changes during July 1, 2018 to June 30, 2019	<u>11,871,812</u>	<u>6,628,892</u>	<u>5,242,920</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 287,507,575</u>	<u>\$ 183,685,071</u>	<u>\$ 103,822,504</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS) (Continued)

L. 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:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (6.15%)	Rate (7.15%)	+ 1% (8.15%)
Miscellaneous Plan	\$ 96,593,676	\$ 67,037,011	\$ 42,444,738
Safety Plan	\$ 143,064,363	\$ 103,822,504	\$ 71,670,354

M. 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.

N. 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, 2018), the net pension liability was \$65,051,573. The liability will be paid in future years by the General Fund, the Motor Vehicle Replacement Fund, the Facilities Maintenance Fund, the Risk Management Fund, the Wastewater Fund, and the Airport Fund as it becomes due. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense/(income) of \$9,359,720 for the Miscellaneous Plan.

As of June 30, 2020, the City has deferred outflows and deferred inflows of resources related to pensions for the Miscellaneous Plan as follows:

	Miscellaneous Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 7,229,256	\$ -
Changes of assumptions	-	(287,841)
Difference between expected and actual experience	349,236	(435,796)
Net difference between projected and actual earning on pension plan investments	-	(902,136)
Total	\$ 7,578,492	\$ (1,625,773)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS) (Continued)

N. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

The \$7,229,256 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 Ending June 30	Deferred Outflows/ (Inflows) of Resources Miscellaneous Plan
2020	\$ 136,625
2021	(1,307,319)
2022	(270,476)
2023	164,633
2024	-
Thereafter	-
	<u>\$ (1,276,537)</u>

For the Safety agent multiple-employer plan, as of the start of the measurement period (July 1, 2018), the net pension liability was \$98,579,584. The liability will be paid in future years by the General Fund as it becomes due. For the measurement period ending June 30, 2019 (the measurement date), the City incurred a pension expense/(income) of \$17,715,445 for the Plan.

As of June 30, 2020, the City has deferred outflows and deferred inflows of resources related to pensions for the Safety Plan as follows:

Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 9,561,292	\$ -
Changes of assumptions	3,551,305	(695,472)
Difference between expected and actual experience	1,891,655	(219,064)
Net difference between projected and actual earnings on pension plan investments	-	(876,502)
Total	<u>\$ 15,004,252</u>	<u>\$ (1,791,038)</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 9 – Defined Benefit Pension Plan (PERS) (Continued)

N. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

The \$9,561,292 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 Ending June 30	Deferred Outflows/ (Inflows) of Resources Safety Plan
2020	\$ 4,438,686
2021	(1,290,015)
2022	255,854
2023	247,397
2024	-
Thereafter	-
	\$ 3,651,922

Note 10 – Other Postemployment Benefits (OPEB)

A summary of OPEB-related items included in the financial statements is as follows:

	Governmental Activities	Business - Type Activities	Total
Deferred outflows of resources:			
OPEB contribution made after measurement date	\$ 3,646,778	\$ 300,831	\$ 3,947,609
Change of assumptions	7,272,752	599,946	7,872,698
Total deferred outflows of resources	\$ 10,919,530	\$ 900,777	\$ 11,820,307
Net OPEB liability:	\$ 128,882,492	\$ 10,631,824	\$ 139,514,316
Deferred inflows of resources:			
Changes in assumptions	\$ 5,849,467	\$ 482,536	\$ 6,332,003
Difference between expected and actual experience	16,677,566	1,375,772	18,053,338
Total deferred inflows of resources	\$ 22,527,033	\$ 1,858,308	\$ 24,385,341
OPEB expenses:	\$ 4,701,887	\$ 387,870	\$ 5,089,757

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Other Postemployment Benefits (OPEB) (Continued)

A. 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.

B. Employees Covered

At June 30, 2019, the measurement date, the following numbers of participants were covered by the benefit terms:

Active employees	465
Retirees	226
Total	691

C. 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 2020, the City paid a total of \$3,947,609 for retiree health insurance.

D. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019 for the measurement period July 1, 2018 through June 30, 2019. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Actuarial Assumptions:	
Discount Rate and Long Term Expected Rate of Return on Assets	2.79% per annum.
General Inflation	2.5% per annum
Salary Increases	3.0% per annum, in aggregate
Mortality	CalPERS 2017 Experience Study
Mortality Improvement	MW Scale 2020
Healthcare Cost Trend Rates	6.5% in 2021, fluctuates until ultimate rate of 4% in 2076
Retirement Age	From 50 to 75

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Other Postemployment Benefits (OPEB) (Continued)

E. 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 3.13% as of June 30, 2017 and 2.79% as of June 30, 2019.

F. Changes in the Total OPEB Liability.

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018	\$ 149,759,468	\$ -	\$ 149,759,468
Changes recognized for the measurement period:			
Service cost	3,627,328	-	3,627,328
Interest on the total OPEB liability	4,515,822	-	4,515,822
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(20,708,241)	-	(20,708,241)
Changes of assumptions	6,018,257	-	6,018,257
Contributions from the employer	-	3,698,318	(3,698,318)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	-	-
Benefit payments, including refunds of employee contributions	(3,698,318)	(3,698,318)	-
Administrative expense	-	-	-
Net Changes during July 1, 2018 to June 30, 2019	(10,245,152)	-	(10,245,152)
Balance at June 30, 2019 (Measurement Date)	\$ 139,514,316	\$ -	\$ 139,514,316

The liability will be paid in future years by the Retiree Health Insurance Fund as it becomes due.

G. 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, 2019:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (1.79%)	Current Discount Rate (2.79%)	Discount Rate + 1% (3.79%)
\$ 165,218,111	\$ 139,514,316	\$ 119,181,051

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Other Postemployment Benefits (OPEB) (Continued)

H. 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:

Plan's Net OPEB Liability/(Asset)		
1% Decrease	Current Trend Rate	1% Increase
\$ 117,925,006	\$ 139,514,316	\$ 167,070,639

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$5,089,757. At June 30, 2020, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 3,947,609	\$ -
Difference between expected and actual experience	-	(18,053,338)
Changes of assumptions	7,872,698	(6,332,003)
Total	\$ 11,820,307	\$ (24,385,341)

The \$3,947,609 reported as deferred outflows 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:

Measurement Period Ending June 30	Deferred Outflows /(Inflows) of Resources
2021	\$ (3,053,393)
2022	(3,053,393)
2023	(3,053,393)
2024	(2,446,216)
2025	(1,516,256)
Thereafter	(3,389,992)
	\$ (16,512,643)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Fund Balance Classifications

At June 30, 2020, the City's governmental funds had the following fund balance classifications in accordance with GASB 54:

	General	Special	Capital Projects Funds		Nonmajor	Total
		Revenue Fund	Capital	Measure J	Governmental	
		Special Grants	Projects		Funds	
Nonspendable:						
Prepaid items	\$ 1,619	\$ -	\$ -	\$ -	\$ -	\$ 1,619
Deposits	200,000	-	-	-	-	200,000
Advances to other funds	1,210,000	-	-	-	-	1,210,000
Land held for resale	49,950	-	-	-	588,954	638,904
Subtotal	1,461,569	-	-	-	588,954	2,050,523
Restricted:						
Community development projects	-	-	-	-	12,367,843	12,367,843
Public safety grants and programs	-	-	-	-	2,576,050	2,576,050
Parks and recreation activities	-	-	-	-	4,849,709	4,849,709
Public works projects	-	-	-	-	8,180,386	8,180,386
Debt service	-	-	-	-	6,000,135	6,000,135
Library	-	-	-	-	2,028,976	2,028,976
Lease	-	-	-	-	155,898	155,898
Special projects	-	18,173	-	-	3,012,111	3,030,284
Subtotal	-	18,173	-	-	39,171,108	39,189,281
Assigned:						
Continuing appropriations	3,734,547	-	-	-	-	3,734,547
Public works projects	-	-	-	21,990,272	-	21,990,272
Capital projects	217,039	-	14,502,261	-	-	14,719,300
CalPERS	16,250,000	-	-	-	-	16,250,000
Save the Plaza	303,458	-	-	-	-	303,458
Subtotal	20,505,044	-	14,502,261	21,990,272	-	56,997,577
Unassigned	26,320,928	-	-	-	(32,850)	26,288,078
Total	\$ 48,287,541	\$ 18,173	\$ 14,502,261	\$ 21,990,272	\$ 39,727,212	\$ 124,525,459

Note 12 – 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Leasehold Interest (Continued)

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 \$1,209,167

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 \$1,432,704. 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.

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 sublandlord 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 13 – Other Required Fund Disclosures

The following funds had deficit balances as of June 30, 2020:

Funds	Amount
Governmental Activities:	\$ (23,342,836)
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Community Development Block Grant	(32,850)
Proprietary Funds:	
Internal Service Funds:	
Employee Benefits	(13,751,032)
Cogeneration Plant	(2,437,089)
Fiduciary Funds:	
Private Purpose Trust Fund	
Successor Agency Funds	(29,320,532)

The following funds exceeded appropriation amounts for the year ended June 30, 2020:

Funds	Final Appropriations	Expenditures	Excess
Major Governmental Funds:			
Capital Projects Fund:			
Public works	\$ 20,375,822	\$ 41,869,321	\$(21,493,499)
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Emergency Response			
Public safety	963,900	1,035,595	(71,695)
Small Hotel TBID			
Cultural and convention center	343,000	361,006	(18,006)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 14 – Construction Commitments

The City has active construction projects as of June 30, 2020. 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:

Name of Project	Spent-to-Date	Remaining Commitment
Keyless Entry System	\$ 368,475	\$ 67,657
Downtown Park	1,430,058	6,512,867
Welwood Library Improvements	-	280,055
Traffic Signal Improvements	983,766	51,777
Indian Canyon Pedestrian Enhancements	4,578,606	351,657
Palm Canyon Pedestrian Enhancements	-	1,765,749
Annual City Sign Replacement Program	115,631	6,086
Co-Gen Plant Cooling Units	144,432	7,602
2019 Pavement Rehabilitation	5,451,636	286,928
Groundwater Monitoring Wells	370,500	19,500
City Yard HVAC Chillers	-	244,811
Airport Terminal Modifications	1,397,019	96,258
Airport Environmental Boring & Drilling	-	142,400
Laser Leveling of Ballfields	50,255	2,645
WWTP Fire Sprinkler and Alarm System Upgrades	-	241,000
WWTP Biosolids Handling Area Upgrade	-	117,632
Sewer Manhole Rehabilitation	-	180,512
	<u>\$ 14,890,378</u>	<u>\$ 10,375,136</u>

Note 15 – 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 15 – Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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.

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 8.

Note 16 – 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, 2020, TOT revenues were refunded by \$2,133,010 under these agreements with the following hotels:

	Incentive Amount	End of Agreement
Triada	\$ 186,168	October 31, 2019
Colony Palms Hotel	210,253	February 28, 2021
Hyatt	16,386	April 30, 2022
Saguaro	208,846	April 30, 2022
Bearfoot Inn	8,208	December 31, 2022
Hilton	174,554	April 30, 2023
Hotel Zoso	48,348	September 30, 2023
Sparrows Lodge	96,719	September 30, 2023
Skylark Hotel	18,258	February 28, 2024
Palm Mountain Resort & Spa	169,336	September 30, 2025
The Palm Springs Hotel	50,553	October 31, 2025
Alcazar	51,154	December 31, 2025
Arrive Hotel	115,925	February 28, 2026
Dive Palm Springs	33,162	June 30, 2026
The Rowan	745,140	October 31, 2047
Total	\$ 2,133,010	

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 17 – Commitments and Contingencies

There are other claims against the former Palm Springs Redevelopment Agency which have been denied and referred to the Palm Springs Redevelopment Agency’s insurance carrier. The Successor Agency believes that none of these claims will exceed insurance coverage.

Under the terms of federal, county, and state grants, periodic audits are required and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If expenditures were disallowed, the City believes such disallowances, if any, would be immaterial.

The City is a defendant in certain legal claims and actions arising from the normal course of operations. In the opinion of management and legal counsel, such claims and actions will not have a material adverse effect on the City’s financial position.

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The ultimate financial impact and duration cannot be estimated at this time.

Note 18 – Restatements

Following net positions were restated:

	Governmental Activities	Proprietary Funds		
		Airport	Wastewater	Internal Service Funds
Beginning	\$ (10,845,444)	\$ 92,207,613	\$ 72,618,056	\$ (158,274,954)
Reclassification of Other Post-employment Benefits	11,502,314	(10,626,310)	(876,004)	155,831,492
Understatement of Non-depreciable Assets	-	647,433	-	-
Understatement of Loans Receivable	703,449	-	-	-
Overstatement of Accounts Payable	-	1,026,075	-	-
Ending, as restated	<u>\$ 1,360,319</u>	<u>\$ 83,254,811</u>	<u>\$ 71,742,052</u>	<u>\$ (2,443,462)</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 19 – Settlement

On July 24, 2019, the City reached a settlement agreement of dispute claims with Grit Development LLC (the “GRIT”). As part of the settlement, Grit Development donated marketable titles of certain parcels of vacant land to the City. As additional consideration, GRIT waived its right to the credits or waiver of development mitigation fees for the private improvements in the Downtown Project incurred from and after the date of the Agreement and also waive its right to reimbursement from the City for 50% of the legal costs incurred in defending previous lawsuits.

In consideration for the promises from GRIT, the City agreed that the Downtown Project Agreements are ratified and re-affirmed in their entirety, except to the extent that said Agreements are modified by the terms. Fair values were recorded for the donated parcels of land to the City in amount of \$36,520,000 during the fiscal year ended June 30, 2020.

Note 20 – Subsequent Events

Coronavirus Relief Funds Allocation

On March 7, 2020, the US congress passed the third federal stimulus bill related to the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748, Public Law 116-136), provided \$2 trillion in stimulus funding to spread relief across the national economy, and included \$10 billion in direct stimulus to qualifying airports. As a result of this CARES Act, Palm Springs International Airport was eligible for direct stimulus payment in the amount of \$11.0 million. \$1.6 million was recognized during the year and remainder is to be collected during next fiscal year.

On June 29, 2020, the State approved the budget and authorized the Department of Finance to allocate \$1,289,065,000 to address the public health and public safety impacts of COVID-19 including homelessness. Pursuant to the provisions of Control Section 11.90, cities with populations between 300,000 and 500,000 were allocated \$225 million and cities with populations of less than 300,000 were allocated \$275 million. Based on the City’s population, the City is allocated \$585,587 and be received starting July 2020.

Equipment Lease

On December 1, 2020, the City entered into a lease agreement with the City of Palm Springs Financing Authority (the “Authority”) in the amount of \$15,854,440. The lease agreement is comprised of an equipment lease maturing May 1, 2029 bearing an interest at 2.25% and a project lease maturing August 1, 2033 bearing interest at 3.05%. The lease agreement was assigned by the Authority to Capital One Public Funding, LLC and was entered into to refinance the note payable entered into in 2013 to energy conservation measures, outstanding in the amount of \$16,037,963 as of June 30, 2020.

Oswit

Settlement and Release Agreement and Joint Escrow Instructions (the “Amended Agreement”) was agreed between the City and the Committee to Save Oswit Canyon (the “Oswit”). In addition to the purchase price, the City and Oswit is to pay a settlement payment to settle all claims arising out of the litigation. The amount of the settlement payment is \$1,300,000, which includes \$26,027 to be allocated to the escrow for the City’s purchase of the Flood Control Parcel. The City paid \$1,000,000, with additional \$34,656 to reimburse for the application fee, on July 1, 2020.

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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Palm Springs
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 107,013,640	\$ 82,899,512	\$ 96,578,382	\$ 13,678,870
Intergovernmental	290,000	220,000	342,782	122,782
Licenses and permits	5,786,000	5,925,925	6,141,326	215,401
Fines and forfeitures	1,045,500	418,200	482,266	64,066
Use of money and property	394,680	386,010	1,643,398	1,257,388
Charges for services	6,408,100	5,080,224	5,973,773	893,549
Miscellaneous	293,900	635,502	1,277,903	642,401
Total revenues	<u>121,231,820</u>	<u>95,565,373</u>	<u>112,439,830</u>	<u>16,874,457</u>
EXPENDITURES:				
Current:				
Current:				
General government	25,096,100	25,028,389	18,510,406	6,517,983
Public safety	53,502,200	52,910,031	52,807,377	102,654
Cultural and convention center	6,136,900	7,325,499	6,346,316	979,183
Parks and recreation	4,533,200	4,284,861	4,103,505	181,356
Public works	16,959,700	16,986,229	15,703,733	1,282,496
Library	2,920,000	2,740,377	2,528,754	211,623
Total expenditures	<u>109,148,100</u>	<u>109,275,386</u>	<u>100,000,091</u>	<u>9,275,295</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>12,083,720</u>	<u>(13,710,013)</u>	<u>12,439,739</u>	<u>26,149,752</u>
OTHER FINANCING SOURCES:				
Transfers in	-	8,769,010	8,855,433	86,423
Transfers out	(11,993,900)	(23,978,205)	(24,074,841)	(96,636)
Total other financing sources	<u>(11,993,900)</u>	<u>(15,209,195)</u>	<u>(15,219,408)</u>	<u>(10,213)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 89,820</u>	<u>\$ (28,919,208)</u>	<u>(2,779,669)</u>	<u>\$ 26,139,539</u>
FUND BALANCE:				
Beginning of Year			<u>51,067,210</u>	
End of Year			<u>\$ 48,287,541</u>	

City of Palm Springs
Required Supplementary Information
Budgetary Comparison Schedule - Special Grants Special Revenue Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	178,200	11,069,929	\$ 336,914	\$ (10,733,015)
Use of money and property	-	-	11,262	11,262
Total revenues	178,200	11,069,929	348,176	(10,721,753)
EXPENDITURES:				
Current:				
General government	-	10,000,000	-	10,000,000
Public safety	178,200	1,848,393	333,234	1,515,159
Parks and recreation	-	5,000	-	5,000
Total expenditures	178,200	11,853,393	333,234	11,520,159
NET CHANGE IN FUND BALANCE	\$ -	\$ (783,464)	14,942	\$ 798,406
FUND BALANCE:				
Beginning of Year			3,231	
End of Year			\$ 18,173	

City of Palm Springs
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2020

Budget and Budgetary Accounting

The City Council establishes budgets for all governmental funds on a basis consistent with Generally Accepted Accounting Principles, with the exception of capital projects which are budgeted a project-length basis. The City Council approves budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. All supplemental appropriations, where required during the period, are also approved by the City Council. Intradepartmental budget transfers are approved by the City Manager. In most cases, expenditures may not exceed appropriations at the departmental level with the General Fund and at the fund level for other funds. At fiscal year-end, all operating budget appropriations lapse. The budgetary comparison schedules are not presented for the Business Improvements Special Revenue Fund and Energy Efficiency Loan Fund due to no approved budget for the year ended June 30, 2020.

Encumbrances are estimates of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in governmental funds. These commitments are recorded for budgetary control purposes in governmental funds. Encumbrances are closed out at the end of each fiscal year.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous Plan

Measurement period	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Total pension liability						
Service cost	\$ 4,208,238	\$ 4,139,745	\$ 4,112,823	\$ 3,592,689	\$ 3,638,462	\$ 3,620,370
Interest	16,144,692	15,577,388	15,276,818	14,978,434	14,462,203	13,835,783
Changes of benefit terms	-	-	-	-	-	-
Changes of assumptions	-	(1,439,205)	12,113,075	-	(3,373,293)	-
Differences between expected and actual experience	567,509	(2,178,980)	(2,221,040)	(994,153)	165,779	-
Benefit payments, including refunds of employee contributions	(12,675,189)	(12,093,941)	(11,068,366)	(10,647,582)	(10,023,409)	(9,349,367)
Net change in total pension liability	8,245,250	4,005,007	18,213,310	6,929,388	4,869,742	8,106,786
Total pension liability - beginning	229,465,841	225,460,834	207,247,524	200,318,136	195,448,394	187,341,608
Total pension liability - ending (a)	\$ 237,711,091	\$ 229,465,841	\$ 225,460,834	\$ 207,247,524	\$ 200,318,136	\$ 195,448,394
Pension fiduciary net position						
Contributions - employer	\$ 6,489,424	\$ 5,808,438	\$ 5,240,243	\$ 4,921,063	\$ 4,332,593	\$ 3,834,378
Contributions - employee	1,835,717	1,706,914	1,589,948	1,523,892	1,635,767	1,523,877
Net investment income	10,726,808	13,132,786	15,993,781	730,670	3,336,784	22,411,505
Benefit payments, including refunds of employee contributions	(12,675,189)	(12,093,941)	(11,068,366)	(10,647,582)	(10,023,409)	(9,349,367)
Plan to plan resource movement	-	(382)	-	2,627	123	-
Administrative expense ²	(117,330)	(243,976)	(214,122)	(90,556)	(167,261)	-
Other Miscellaneous Income/(Expense) ¹	382	(463,314)	-	-	-	-
Net change in plan fiduciary net position	6,259,812	7,846,525	11,541,484	(3,559,886)	(885,403)	18,420,393
Plan fiduciary net position - beginning³	164,414,268	156,567,743	145,026,259	148,586,145	149,471,548	131,051,155
Plan fiduciary net position - ending (b)	\$ 170,674,080	\$ 164,414,268	\$ 156,567,743	\$ 145,026,259	\$ 148,586,145	\$ 149,471,548
Plan net pension liability - ending (a) - (b)	\$ 67,037,011	\$ 65,051,573	\$ 68,893,091	\$ 62,221,265	\$ 51,731,991	\$ 45,976,846
Plan fiduciary net position as a percentage of the total pension liability	71.80%	71.65%	69.44%	69.98%	74.18%	76.48%
Covered payroll³	\$ 21,751,370	\$ 20,888,815	\$ 20,128,338	\$ 19,306,195	\$ 18,686,572	\$ 17,841,364
Plan net pension liability as a percentage of covered payroll	308.20%	311.42%	342.27%	322.29%	276.84%	257.70%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

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, 2017 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: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumption December 2017. There were no changes in the discount rate. 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
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

Measurement period	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Total pension liability						
Service cost	\$ 4,893,432	\$ 4,910,144	\$ 4,569,365	\$ 3,694,824	\$ 3,579,202	\$ 3,785,830
Interest	19,523,838	18,707,566	18,189,561	17,690,881	16,817,588	16,202,972
Changes of benefit terms	-	-	-	-	-	-
Changes of assumptions	-	(1,327,718)	15,388,990	-	(4,117,429)	-
Differences between expected and actual experience	2,501,866	(224,141)	(440,513)	3,936,551	207,093	-
Benefit payments, including refunds of employee contributions	(15,047,324)	(14,342,279)	(13,922,996)	(13,327,695)	(12,623,417)	(11,730,688)
Net change in total pension liability	11,871,812	7,723,572	23,784,407	11,994,561	3,863,037	8,258,114
Total pension liability - beginning	275,635,763	267,912,191	244,127,784	232,133,223	228,270,186	220,012,072
Total pension liability - ending (a)	\$287,507,575	\$275,635,763	\$267,912,191	\$244,127,784	\$232,133,223	\$228,270,186
Pension fiduciary net position						
Contributions - employer	\$ 8,585,908	\$ 7,446,996	\$ 7,095,444	\$ 5,906,758	\$ 5,272,145	\$ 4,602,200
Contributions - employee	1,671,882	1,597,791	1,442,765	1,335,497	1,348,094	1,392,329
Net investment income	11,544,364	14,186,404	17,283,485	796,599	3,617,828	25,042,700
Benefit payments, including refunds of employee contributions	(15,047,324)	(14,342,279)	(13,922,996)	(13,327,695)	(12,623,417)	(11,730,688)
Plan to plan resource movement	-	(413)	-	-	-	-
Administrative expense ²	(126,351)	(263,241)	(232,190)	(99,128)	(183,062)	-
Other Miscellaneous Income/(Expense) ¹	413	(499,899)	-	-	-	-
Net change in plan fiduciary net position	6,628,892	8,125,359	11,666,508	(5,387,969)	(2,568,412)	19,306,541
Plan fiduciary net position - beginning³	177,056,179	168,930,820	157,264,312	162,652,281	165,220,693	145,914,152
Plan fiduciary net position - ending (b)	\$183,685,071	\$177,056,179	\$168,930,820	\$157,264,312	\$162,652,281	\$165,220,693
Plan net pension liability - ending (a) - (b)	\$103,822,504	\$98,579,584	\$98,981,371	\$86,863,472	\$69,480,942	\$63,049,493
Plan fiduciary net position as a percentage of the total pension liability	63.89%	64.24%	63.05%	64.42%	70.07%	72.38%
Covered payroll³	\$16,426,425	\$16,237,787	\$15,010,562	\$13,664,290	\$13,037,562	\$13,209,455
Plan net pension liability as a percentage of covered payroll	632.05%	607.10%	659.41%	635.70%	532.93%	477.31%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

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, 2017 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: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumption December 2017. There were no changes in the discount rate. 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
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 7,229,256	\$ 6,489,424	\$ 5,808,438	\$ 5,240,243	\$ 4,921,063	\$ 4,332,593	\$ 3,834,378
Contributions in relation to the actuarially determined contribution ²	(7,229,256)	(6,489,424)	(5,808,438)	(5,240,243)	(4,921,063)	(4,332,593)	(3,834,378)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 22,403,911	\$ 21,751,370	\$ 20,888,815	\$ 20,128,338	\$ 19,306,195	\$ 18,686,572	\$ 17,841,364
Contributions as a percentage of covered payroll ³	32.27%	29.83%	27.81%	26.03%	25.49%	23.19%	21.49%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were derived from the June 30, 2016 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll Growth	3.00%
Investment rate of return	7.375% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Safety Plan

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Actuarially determined contribution	\$ 9,561,292	\$ 8,585,908	\$ 7,446,996	\$ 7,095,444	\$ 5,906,758	\$ 5,272,145	\$ 4,602,200
Contributions in relation to the actuarially determined contribution ²	(9,561,292)	(8,585,908)	(7,446,996)	(7,095,444)	(5,906,758)	(5,272,145)	(4,602,200)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ³	\$ 16,919,218	\$ 16,426,425	\$ 16,237,787	\$ 15,010,562	\$ 13,664,290	\$ 13,037,562	\$ 13,209,455
Contributions as a percentage of covered payroll ³	56.51%	52.27%	45.86%	47.27%	43.23%	40.44%	34.84%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were derived from the June 30, 2016 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Payroll Growth	3.00%
Investment rate of return	7.375% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

Last Ten Fiscal Years

Other Post Employment Benefit Plan

Measurement period	2018-19	2017-18	2016-17
Total OPEB liability			
Service cost	\$ 3,627,328	\$ 3,358,207	\$ 3,726,841
Interest	4,515,822	4,484,043	4,040,843
Differences between expected and actual experience	(20,708,241)	-	-
Changes of assumptions	6,018,257	3,755,480	(11,536,388)
Benefit payments, including refunds of employee contributions	(3,698,318)	(3,480,420)	(3,280,004)
Net change in total OPEB liability	(10,245,152)	8,117,310	(7,048,708)
Total OPEB liability - beginning	149,759,468	141,642,158	148,690,866
Total OPEB liability - ending (a)	<u>\$ 139,514,316</u>	<u>\$ 149,759,468</u>	<u>\$ 141,642,158</u>
OPEB fiduciary net position			
Contributions - employer	\$ 3,698,318	\$ 3,358,204	\$ 3,280,004
Net investment income	(3,698,318)	(3,358,204)	(3,280,004)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 139,514,316</u>	<u>\$ 149,759,468</u>	<u>\$ 141,642,158</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered payroll³	<u>\$ 46,516,674</u>	<u>\$ 45,672,020</u>	<u>\$ 34,929,760</u>
Plan net OPEB liability as a percentage of covered payroll	<u>299.92%</u>	<u>327.90%</u>	<u>405.51%</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation	2.5% per year	2.75% per year	2.75% per year
Healthcare cost trend rates	6.5% in 2021, fluctuates until ultimate rate of 4% in 2076	8.0% in 2018, Step down 0.5% each year to 5% in 2024	8.0% in 2018, Step down 0.5% each year to 5% in 2024
Salary increases	3%	3.25%	3.25%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	CalPERS 2017 Experience Study	CalPERS 2014 Experience Study	CalPERS 2014 Experience Study
Mortality Improvement	MW Scale 2020	MW Scale 2017	MW Scale 2017

SUPPLEMENTARY INFORMATION

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 132,100	\$ 835,576	\$ 2,596,520	\$ 1,760,944
Use of money and property	-	-	285,225	285,225
Charges for services	100,000	100,000	445,671	345,671
Miscellaneous	-	343,735	345,736	2,001
Total Revenues	<u>232,100</u>	<u>1,279,311</u>	<u>3,673,152</u>	<u>2,393,841</u>
EXPENDITURES:				
Current:				
General government	-	18,024,430	2,690,564	15,333,866
Public safety	-	395,921	191,378	204,543
Public works	9,232,976	20,375,822	5,349,321	15,026,501
Total Expenditures	<u>9,232,976</u>	<u>38,796,173</u>	<u>8,231,263</u>	<u>30,564,910</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,000,876)</u>	<u>(37,516,862)</u>	<u>(4,558,111)</u>	<u>32,958,751</u>
Other Financing Sources (Uses):				
Settlement	-	-	36,520,000	36,520,000
Capital outlay in lieu of settlement	-	-	(36,520,000)	(36,520,000)
Transfers in	1,500,000	6,257,329	6,257,329	-
Transfers out	-	(2,356,070)	(2,356,070)	-
Total Other Financing Sources (Uses)	<u>1,500,000</u>	<u>3,901,259</u>	<u>3,901,259</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,500,876)</u>	<u>\$ (33,615,603)</u>	<u>(656,852)</u>	<u>\$ 32,958,751</u>
FUND BALANCE:				
Beginning of Year			<u>15,159,113</u>	
End of Year			<u>\$ 14,502,261</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure J Capital Projects Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 15,506,400	\$ 10,899,435	\$ 14,829,517	\$ 3,930,082
Use of money and property	-	-	428,552	428,552
Miscellaneous	-	1,665	1,665	-
Total Revenues	<u>15,506,400</u>	<u>10,901,100</u>	<u>15,259,734</u>	<u>4,358,634</u>
EXPENDITURES:				
Current:				
Public works	12,306,400	43,013,137	7,439,741	35,573,396
Total Expenditures	<u>12,306,400</u>	<u>43,013,137</u>	<u>7,439,741</u>	<u>35,573,396</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,200,000</u>	<u>(32,112,037)</u>	<u>7,819,993</u>	<u>39,932,030</u>
Other Financing Sources (Uses):				
Transfers out	-	(8,343,940)	(8,343,940)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(8,343,940)</u>	<u>(8,343,940)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,200,000</u>	<u>\$ (40,455,977)</u>	<u>(523,947)</u>	<u>\$ 39,932,030</u>
FUND BALANCE:				
Beginning of Year			<u>22,514,219</u>	
End of Year			<u>\$ 21,990,272</u>	

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.

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 1/2% 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 Involvement - 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 1/2% 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.

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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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.

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.

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.

SBI-RMRA Fund - To account for the revenues received under Senate Bill 1 (SB1), identified as "The Road Repair and Accountability Act of 2017" that assess fees for local street and road funds allocated through the Highway Users Tax Account and Road Maintenance and Rehabilitation Account (RMRA).

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 and 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 fee charges, and to account for the capital expenditures for parking improvements.

CFD Canyon View Fund - To account for revenues and related costs pertaining to special taxes levied in a Community Facilities District within the City.

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.

Special Assessments - To account for the payment of principal and interest on 1915 Act Assessment District Bond issues.

**City of Palm Springs
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	Special Development	CSA 152
ASSETS				
Cash and investments	\$ 259,701	\$ 1,767,947	\$ 2,094,241	\$ 197,915
Receivables:				
Accounts	-	117,927	-	99,177
Accrued interest	362	2,543	3,114	-
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 260,063	\$ 1,888,417	\$ 2,097,355	\$ 297,092
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 24,843	\$ 41,818
Accrued liabilities	-	22,986	-	2,071
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	22,986	24,843	43,889
Fund balances:				
Nonspendable	-	-	-	-
Restricted	260,063	1,865,431	2,072,512	253,203
Unassigned (deficit)	-	-	-	-
Total fund balances	260,063	1,865,431	2,072,512	253,203
Total liabilities and fund balances	\$ 260,063	\$ 1,888,417	\$ 2,097,355	\$ 297,092

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			
	Recycling AB 929	Villagefest	Neighborhood Involvements	Parking
ASSETS				
Cash and investments	\$ 1,100,567	\$ -	\$ -	\$ -
Receivables:				
Accounts	26,893	-	-	-
Accrued interest	1,748	-	-	-
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 1,129,208	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 35,454	\$ -	\$ -	\$ -
Accrued liabilities	5,283	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	40,737	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	1,088,471	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	1,088,471	-	-	-
Total liabilities and fund balances	\$ 1,129,208	\$ -	\$ -	\$ -

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
ASSETS				
Cash and investments	\$ 1,079,625	\$ 1,390,314	\$ 1,351,282	\$ 3,374
Receivables:				
Accounts	94,856	1,191,412	-	-
Accrued interest	1,400	3,256	2,007	-
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	8,663	-	-
Total assets	\$ 1,175,881	\$ 2,593,645	\$ 1,353,289	\$ 3,374
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,104	\$ 727,856	\$ 10,162	\$ 19,730
Accrued liabilities	1,167	3,252	298	16,494
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	7,271	731,108	10,460	36,224
Fund balances:				
Nonspendable	-	-	-	-
Restricted	1,168,610	1,862,537	1,342,829	-
Unassigned (deficit)	-	-	-	(32,850)
Total fund balances	1,168,610	1,862,537	1,342,829	(32,850)
Total liabilities and fund balances	\$ 1,175,881	\$ 2,593,645	\$ 1,353,289	\$ 3,374

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			
	Master Lease	Air Quality Management	Public Arts	Library
ASSETS				
Cash and investments	\$ 155,898	\$ 139,348	\$ 511,915	\$ 1,936,911
Receivables:				
Accounts	-	15,252	2,804	-
Accrued interest	-	208	678	2,926
Loans and notes	-	-	-	90,000
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 155,898	\$ 154,808	\$ 515,397	\$ 2,029,837
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 76	\$ 15,952	\$ 861
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	76	15,952	861
Fund balances:				
Nonspendable	-	-	-	-
Restricted	155,898	154,732	499,445	2,028,976
Unassigned (deficit)	-	-	-	-
Total fund balances	155,898	154,732	499,445	2,028,976
Total liabilities and fund balances	\$ 155,898	\$ 154,808	\$ 515,397	\$ 2,029,837

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds		
	Quimby Act Fees	Special Projects	CFD Public Safety #1
ASSETS			
Cash and investments	\$ 4,036,745	\$ 3,074,562	\$ 379,421
Receivables:			
Accounts	-	45,359	25,154
Accrued interest	6,743	4,449	1,586
Loans and notes	-	-	-
Land held for resale	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total assets	\$ 4,043,488	\$ 3,124,370	\$ 406,161
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 271,965	\$ 10,194	\$ -
Accrued liabilities	1,317	2,065	11,665
Deposits	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	100,000	-
Total liabilities	273,282	112,259	11,665
Fund balances:			
Nonspendable	-	-	-
Restricted	3,770,206	3,012,111	394,496
Unassigned (deficit)	-	-	-
Total fund balances	3,770,206	3,012,111	394,496
Total liabilities and fund balances	\$ 4,043,488	\$ 3,124,370	\$ 406,161

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds		
	Park		
	Maintenance District	Emergency Response	Sustainability
ASSETS			
Cash and investments	\$ 834,543	\$ -	\$ 751,712
Receivables:			
Accounts	6,096	88,832	101,504
Accrued interest	1,139	338	1,065
Loans and notes	-	-	-
Land held for resale	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total assets	\$ 841,778	\$ 89,170	\$ 854,281
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 14,959	\$ 9,631	\$ 4,379
Accrued liabilities	519	-	1,761
Deposits	-	-	-
Due to other funds	-	23,479	-
Unearned revenue	-	-	-
Total liabilities	15,478	33,110	6,140
Fund balances:			
Nonspendable	-	-	-
Restricted	826,300	56,060	848,141
Unassigned (deficit)	-	-	-
Total fund balances	826,300	56,060	848,141
Total liabilities and fund balances	\$ 841,778	\$ 89,170	\$ 854,281

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds			Capital Projects Fund
	Housing	Small Hotel TBID	SB1-RMRA	Parking Projects
	ASSETS			
Cash and investments	\$ 5,262,514	\$ 13,105	\$ 92,487	\$ 540,378
Receivables:				
Accounts	-	14,751	60,772	-
Accrued interest	7,780	-	485	805
Loans and notes	5,588,102	-	-	-
Land held for resale	588,954	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 11,447,350	\$ 27,856	\$ 153,744	\$ 541,183
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 13,414	\$ 21,504	\$ -	\$ -
Accrued liabilities	30,839	-	-	-
Deposits	34,216	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	78,469	21,504	-	-
Fund balances:				
Nonspendable	588,954	-	-	-
Restricted	10,779,927	6,352	153,744	541,183
Unassigned (deficit)	-	-	-	-
Total fund balances	11,368,881	6,352	153,744	541,183
Total liabilities and fund balances	\$ 11,447,350	\$ 27,856	\$ 153,744	\$ 541,183

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	Capital Projects Fund	Debt Service Fund		Total Other Governmental Funds
	CFD Canyon View	General Debt Service	Special Assessments	
ASSETS				
Cash and investments	\$ 34,750	\$ 551,989	\$ 1,288,841	\$ 28,850,085
Receivables:				
Accounts	-	-	15,534	1,906,323
Accrued interest	52	-	-	42,684
Loans and notes	-	-	-	5,678,102
Land held for resale	-	-	-	588,954
Restricted assets:				
Cash and investments with fiscal agents	-	3,874,734	272,988	4,156,385
Total assets	\$ 34,802	\$ 4,426,723	\$ 1,577,363	\$ 41,222,533
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,056	\$ -	\$ 3,951	\$ 1,237,909
Accrued liabilities	-	-	-	99,717
Deposits	-	-	-	34,216
Due to other funds	-	-	-	23,479
Unearned revenue	-	-	-	100,000
Total liabilities	5,056	-	3,951	1,495,321
Fund balances:				
Nonspendable	-	-	-	588,954
Restricted	29,746	4,426,723	1,573,412	39,171,108
Unassigned (deficit)	-	-	-	(32,850)
Total fund balances	29,746	4,426,723	1,573,412	39,727,212
Total liabilities and fund balances	\$ 34,802	\$ 4,426,723	\$ 1,577,363	\$ 41,222,533

(Concluded)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	Special Development	CSA 152
REVENUES:				
Taxes	\$ -	\$ 1,087,260	\$ 29,754	\$ 425,132
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	54,108	-	-	-
Use of money and property	3,934	29,735	36,155	568
Charges for services	-	49,156	-	-
Miscellaneous	-	-	-	-
Total revenues	58,042	1,166,151	65,909	425,700
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	2,977	784,322	-	-
Cultural and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	55,093	424,906
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,977	784,322	55,093	424,906
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	55,065	381,829	10,816	794
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	55,065	381,829	10,816	794
FUND BALANCES:				
Beginning of year, as restated (Note 18)	204,998	1,483,602	2,061,696	252,409
End of year	<u>\$ 260,063</u>	<u>\$ 1,865,431</u>	<u>\$ 2,072,512</u>	<u>\$ 253,203</u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Recycling AB 929	Villagefest	Neighborhood Involvements	Parking
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,034	-	-	-
Licenses and permits	-	346,116	-	-
Fines and forfeitures	-	-	-	112,175
Use of money and property	21,042	99	107	1,490
Charges for services	121,069	-	-	3,012
Miscellaneous	-	8,025	-	-
Total revenues	161,145	354,240	107	116,677
EXPENDITURES:				
Current:				
General government	404,759	-	-	-
Public safety	-	-	-	-
Cultural and convention center	-	-	-	-
Parks and recreation	-	445,306	-	-
Public works	-	-	-	275,226
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	404,759	445,306	-	275,226
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(243,614)	(91,066)	107	(158,549)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	124,661	-	47,115
Transfers out	-	(41,233)	(6,183)	(39,007)
Total other financing sources (uses)	-	83,428	(6,183)	8,108
NET CHANGES IN FUND BALANCES	(243,614)	(7,638)	(6,076)	(150,441)
FUND BALANCES:				
Beginning of year, as restated (Note 18)	1,332,085	7,638	6,076	150,441
End of year	<u>\$ 1,088,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
REVENUES:				
Taxes	\$ -	\$ 2,301,944	\$ -	\$ -
Intergovernmental	1,075,183	768,667	-	290,997
Licenses and permits	-	-	205,279	-
Fines and forfeitures	-	-	-	-
Use of money and property	15,522	57,902	23,262	-
Charges for services	-	-	-	412
Miscellaneous	3,825	-	-	-
Total revenues	<u>1,094,530</u>	<u>3,128,513</u>	<u>228,541</u>	<u>291,409</u>
EXPENDITURES:				
Current:				
General government	-	-	-	324,259
Public safety	-	-	-	-
Cultural and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	485,572	5,160,009	226,146	-
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>485,572</u>	<u>5,160,009</u>	<u>226,146</u>	<u>324,259</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>608,958</u>	<u>(2,031,496)</u>	<u>2,395</u>	<u>(32,850)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,039,158	-	-
Transfers out	-	(2,772,220)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,733,062)</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>608,958</u>	<u>(3,764,558)</u>	<u>2,395</u>	<u>(32,850)</u>
FUND BALANCES:				
Beginning of year, as restated (Note 18)	559,652	5,627,095	1,340,434	-
End of year	<u>\$ 1,168,610</u>	<u>\$ 1,862,537</u>	<u>\$ 1,342,829</u>	<u>\$ (32,850)</u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			
	Master Lease	Air Quality Improvement	Public Arts	Library
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	61,444	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	1,209,590	2,404	8,095	34,059
Charges for services	-	-	293,063	-
Miscellaneous	-	-	2,799	6,165
Total revenues	1,209,590	63,848	303,957	40,224
EXPENDITURES:				
Current:				
General government	1,275	-	-	-
Public safety	-	-	-	-
Cultural and convention center	1,432,700	-	240,201	-
Parks and recreation	-	-	-	-
Public works	-	41,219	-	-
Library	-	-	-	102,654
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	1,433,975	41,219	240,201	102,654
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(224,385)	22,629	63,756	(62,430)
OTHER FINANCING SOURCES (USES):				
Transfers in	380,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	380,000	-	-	-
NET CHANGES IN FUND BALANCES	155,615	22,629	63,756	(62,430)
FUND BALANCES:				
Beginning of year, as restated (Note 18)	283	132,103	435,689	2,091,406
End of year	<u>\$ 155,898</u>	<u>\$ 154,732</u>	<u>\$ 499,445</u>	<u>\$ 2,028,976</u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds		
	Quimby Act Fees	Special Projects	CFD Public Safety #1
REVENUES:			
Taxes	\$ -	\$ -	\$ 877,100
Intergovernmental	-	12,450	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	81,573	50,519	20,622
Charges for services	577,622	295,551	-
Miscellaneous	-	198,866	-
Total revenues	<u>659,195</u>	<u>557,386</u>	<u>897,722</u>
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	218,020	599,667
Cultural and convention center	-	-	-
Parks and recreation	-	74,556	-
Public works	1,251,720	32,470	-
Library	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,251,720</u>	<u>325,046</u>	<u>599,667</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(592,525)</u>	<u>232,340</u>	<u>298,055</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	(1,200,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,200,000)</u>
NET CHANGES IN FUND BALANCES	(592,525)	232,340	(901,945)
FUND BALANCES:			
Beginning of year, as restated (Note 18)	4,362,731	2,779,771	1,296,441
End of year	<u>\$ 3,770,206</u>	<u>\$ 3,012,111</u>	<u>\$ 394,496</u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds		
	Park Maintenance District	Emergency Response	Sustainability
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	20,180
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Use of money and property	13,121	2,537	12,099
Charges for services	265,163	1,025,897	370,174
Miscellaneous	-	-	-
Total revenues	278,284	1,028,434	402,453
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	1,035,595	-
Cultural and convention center	-	-	-
Parks and recreation	-	-	-
Public works	191,681	-	1,054,489
Library	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	191,681	1,035,595	1,054,489
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	86,603	(7,161)	(652,036)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGES IN FUND BALANCES	86,603	(7,161)	(652,036)
FUND BALANCES:			
Beginning of year, as restated (Note 18)	739,697	63,221	1,500,177
End of year	<u>\$ 826,300</u>	<u>\$ 56,060</u>	<u>\$ 848,141</u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			Capital Projects Fund
	Housing	Small Hotel TBID	SB1-RMRA	Parking Projects
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	830,717	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	92,978	143	9,971	9,351
Charges for services	-	358,332	-	7,200
Miscellaneous	-	-	-	-
Total revenues	92,978	358,475	840,688	16,551
EXPENDITURES:				
Current:				
General government	313,195	-	-	-
Public safety	-	-	-	-
Cultural and convention center	-	361,006	-	-
Parks and recreation	-	-	-	-
Public works	-	-	1,623,523	200
Library	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	313,195	361,006	1,623,523	200
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(220,217)	(2,531)	(782,835)	16,351
OTHER FINANCING SOURCES (USES):				
Transfers in	96,636	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	96,636	-	-	-
NET CHANGES IN FUND BALANCES	(123,581)	(2,531)	(782,835)	16,351
FUND BALANCES:				
Beginning of year, as restated (Note 18)	11,492,462	8,883	936,579	524,832
End of year	<u>\$ 11,368,881</u>	<u>\$ 6,352</u>	<u>\$ 153,744</u>	<u>\$ 541,183</u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Capital Projects		Debt Service Fund		Total Other Governmental Funds
	Fund				
	CFD Canyon View	General Debt Service	Special Assessments		
REVENUES:					
Taxes	\$ -	\$ -	\$ 563,352	\$ 5,284,542	
Intergovernmental	-	-	-	3,078,672	
Licenses and permits	-	-	-	551,395	
Fines and forfeitures	-	-	-	166,283	
Use of money and property	677	52,686	7,598	1,797,839	
Charges for services	-	-	-	3,366,651	
Miscellaneous	-	-	-	219,680	
Total revenues	677	52,686	570,950	14,465,062	
EXPENDITURES:					
Current:					
General government	-	-	48,865	1,092,353	
Public safety	-	-	-	2,640,581	
Cultural and convention center	-	-	-	2,033,907	
Parks and recreation	-	-	-	519,862	
Public works	5,056	-	-	10,827,310	
Library	-	-	-	102,654	
Debt service:					
Principal retirement	-	5,300,572	385,000	5,685,572	
Interest and fiscal charges	-	4,503,846	149,338	4,653,184	
Total expenditures	5,056	9,804,418	583,203	27,555,423	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,379)	(9,751,732)	(12,253)	(13,090,361)	
OTHER FINANCING SOURCES (USES):					
Transfers in	-	12,972,520	-	14,660,090	
Transfers out	-	(2,210,807)	-	(6,269,450)	
Total other financing sources (uses)	-	10,761,713	-	8,390,640	
NET CHANGES IN FUND BALANCES	(4,379)	1,009,981	(12,253)	(4,699,721)	
FUND BALANCES:					
Beginning of year, as restated (Note 18)	34,125	3,416,742	1,585,665	44,426,933	
End of year	\$ 29,746	\$ 4,426,723	\$ 1,573,412	\$ 39,727,212	

(Concluded)

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Forfeiture Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ 54,126	\$ 54,108	\$ (18)
Use of money and property	-	-	3,934	3,934
Total Revenues	<u>-</u>	<u>54,126</u>	<u>58,042</u>	<u>3,916</u>
EXPENDITURES:				
Current:				
Public safety	-	229,109	2,977	226,132
Total Expenditures	<u>-</u>	<u>229,109</u>	<u>2,977</u>	<u>226,132</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (174,983)</u>	55,065	<u>\$ 230,048</u>
FUND BALANCE:				
Beginning of Year			<u>204,998</u>	
End of Year			<u>\$ 260,063</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Safety Augmentation Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 956,700	\$ 980,000	\$ 1,087,260	\$ 107,260
Use of money and property	-	-	29,735	29,735
Charges for services	-	-	49,156	49,156
Total Revenues	<u>956,700</u>	<u>980,000</u>	<u>1,166,151</u>	<u>186,151</u>
EXPENDITURES:				
Current:				
Public safety	909,600	956,700	784,322	172,378
Total Expenditures	<u>909,600</u>	<u>956,700</u>	<u>784,322</u>	<u>172,378</u>
NET CHANGE IN FUND BALANCE	<u>\$ 47,100</u>	<u>\$ 23,300</u>	381,829	<u>\$ 358,529</u>
FUND BALANCE:				
Beginning of Year			<u>1,483,602</u>	
End of Year			<u>\$ 1,865,431</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Development Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	\$ -	\$ 29,754	\$ 29,754
Use of money and property	-	-	36,155	36,155
Total Revenues	<u>-</u>	<u>-</u>	<u>65,909</u>	<u>65,909</u>
EXPENDITURES:				
Current:				
Public works	-	1,778,809	55,093	1,723,716
Total Expenditures	<u>-</u>	<u>1,778,809</u>	<u>55,093</u>	<u>1,723,716</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (1,778,809)</u>	10,816	<u>\$ 1,789,625</u>
FUND BALANCE:				
Beginning of Year			<u>2,061,696</u>	
End of Year			<u>\$ 2,072,512</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CSA 152 Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 909,600	\$ 755,900	\$ 425,132	\$ (330,768)
Use of money and property	-	-	568	568
Total Revenues	<u>909,600</u>	<u>755,900</u>	<u>425,700</u>	<u>(330,200)</u>
EXPENDITURES:				
Current:				
Public works	909,600	955,900	424,906	530,994
Total Expenditures	<u>909,600</u>	<u>955,900</u>	<u>424,906</u>	<u>530,994</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (200,000)</u>	794	<u>\$ 200,794</u>
FUND BALANCE:				
Beginning of Year			<u>252,409</u>	
End of Year			<u>\$ 253,203</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Recycling AB 929 Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 12,000	\$ 67,450	\$ 19,034	\$ (48,416)
Use of money and property	-	-	21,042	21,042
Charges for services	120,000	115,000	121,069	6,069
Total Revenues	<u>132,000</u>	<u>182,450</u>	<u>161,145</u>	<u>(21,305)</u>
EXPENDITURES:				
Current:				
General government	632,200	779,133	404,759	374,374
Total Expenditures	<u>632,200</u>	<u>779,133</u>	<u>404,759</u>	<u>374,374</u>
NET CHANGE IN FUND BALANCE	<u>\$ (500,200)</u>	<u>\$ (596,683)</u>	(243,614)	<u>\$ 353,069</u>
FUND BALANCE:				
Beginning of Year			<u>1,332,085</u>	
End of Year			<u>\$ 1,088,471</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Villagefest Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 494,000	\$ 356,000	\$ 346,116	\$ (9,884)
Use of money and property	-	-	99	99
Miscellaneous	6,000	8,000	8,025	25
Total Revenues	<u>500,000</u>	<u>364,000</u>	<u>354,240</u>	<u>(9,760)</u>
EXPENDITURES:				
Current:				
Parks and recreation	528,900	484,577	445,306	39,271
Total Expenditures	<u>528,900</u>	<u>484,577</u>	<u>445,306</u>	<u>39,271</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(28,900)</u>	<u>(120,577)</u>	<u>(91,066)</u>	<u>29,511</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	124,661	124,661	-
Transfers out	-	(5,338)	(41,233)	(35,895)
Total Other Financing Sources (Uses)	<u>-</u>	<u>119,323</u>	<u>83,428</u>	<u>(35,895)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (28,900)</u>	<u>\$ (1,254)</u>	<u>(7,638)</u>	<u>\$ (6,384)</u>
FUND BALANCE:				
Beginning of Year			<u>7,638</u>	
End of Year			<u>\$ -</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Neighborhood Involvement Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 107	\$ 107
Total Revenues	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
EXPENDITURES:				
Current:				
Public works	-	11,979	-	11,979
Total Expenditures	<u>-</u>	<u>11,979</u>	<u>-</u>	<u>11,979</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(11,979)</u>	<u>107</u>	<u>12,086</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(6,183)	(6,183)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(6,183)</u>	<u>(6,183)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (11,979)</u>	<u>(6,076)</u>	<u>\$ 5,903</u>
FUND BALANCE:				
Beginning of Year			<u>6,076</u>	
End of Year			<u>\$ -</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parking Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 140,000	\$ 110,000	\$ 112,175	\$ 2,175
Use of money and property	-	-	1,490	1,490
Charges for services	2,754	3,000	3,012	12
Total Revenues	<u>142,754</u>	<u>113,000</u>	<u>116,677</u>	<u>3,677</u>
EXPENDITURES:				
Current:				
Public works	306,732	380,121	275,226	104,895
Total Expenditures	<u>306,732</u>	<u>380,121</u>	<u>275,226</u>	<u>104,895</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(163,978)</u>	<u>(267,121)</u>	<u>(158,549)</u>	<u>108,572</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	47,115	47,115	-
Transfers out	-	-	(39,007)	(39,007)
Total Other Financing Sources (Uses)	<u>-</u>	<u>47,115</u>	<u>8,108</u>	<u>(39,007)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (163,978)</u>	<u>\$ (220,006)</u>	<u>(150,441)</u>	<u>\$ 69,565</u>
FUND BALANCE:				
Beginning of Year			<u>150,441</u>	
End of Year			<u>\$ -</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,195,300	\$ 552,000	\$ 1,075,183	\$ 523,183
Use of money and property	-	-	15,522	15,522
Miscellaneous	-	-	3,825	3,825
Total Revenues	<u>1,195,300</u>	<u>552,000</u>	<u>1,094,530</u>	<u>542,530</u>
EXPENDITURES:				
Current:				
Public works	1,197,300	1,036,227	485,572	550,655
Total Expenditures	<u>1,197,300</u>	<u>1,036,227</u>	<u>485,572</u>	<u>550,655</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,000)</u>	<u>\$ (484,227)</u>	608,958	<u>\$ 1,093,185</u>
FUND BALANCE:				
Beginning of Year			559,652	
End of Year			<u>\$ 1,168,610</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure A Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,430,900	\$ 2,139,192	\$ 2,301,944	\$ 162,752
Use of money and property	130,000	15,496,865	768,667	(14,728,198)
Investment income	-	-	57,902	57,902
Total Revenues	<u>2,560,900</u>	<u>17,636,057</u>	<u>3,128,513</u>	<u>(14,507,544)</u>
EXPENDITURES:				
Current:				
Public works	1,010,400	20,458,723	5,160,009	15,298,714
Total Expenditures	<u>1,010,400</u>	<u>20,458,723</u>	<u>5,160,009</u>	<u>15,298,714</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,550,500</u>	<u>(2,822,666)</u>	<u>(2,031,496)</u>	<u>791,170</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,039,158	1,039,158
Transfers out	-	(1,099,900)	(2,772,220)	(1,672,320)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,099,900)</u>	<u>(1,733,062)</u>	<u>(633,162)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,550,500</u>	<u>\$ (3,922,566)</u>	<u>(3,764,558)</u>	<u>\$ 158,008</u>
FUND BALANCE:				
Beginning of Year			<u>5,627,095</u>	
End of Year			<u>\$ 1,862,537</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Drainage Construction Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 274,000	\$ 274,000	\$ 205,279	\$ (68,721)
Use of money and property	-	-	23,262	23,262
Total Revenues	<u>274,000</u>	<u>274,000</u>	<u>228,541</u>	<u>(45,459)</u>
EXPENDITURES:				
Current:				
Public works	210,000	725,770	226,146	499,624
Total Expenditures	<u>210,000</u>	<u>725,770</u>	<u>226,146</u>	<u>499,624</u>
NET CHANGE IN FUND BALANCE	<u>\$ 64,000</u>	<u>\$ (451,770)</u>	2,395	<u>\$ 454,165</u>
FUND BALANCE:				
Beginning of Year			1,340,434	
End of Year			<u>\$ 1,342,829</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 431,579	\$ 621,757	\$ 290,997	\$ (330,760)
Charges for services	-	-	412	412
Total Revenues	<u>431,579</u>	<u>621,757</u>	<u>291,409</u>	<u>(330,348)</u>
EXPENDITURES:				
Current:				
General government	431,579	876,725	324,259	552,466
Total Expenditures	<u>431,579</u>	<u>876,725</u>	<u>324,259</u>	<u>552,466</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (254,968)</u>	<u>(32,850)</u>	<u>\$ 222,118</u>
FUND BALANCE:				
Beginning of Year			-	
End of Year			<u>\$ (32,850)</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Master Lease Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,054,100	\$ 1,209,167	\$ 1,209,590	\$ 423
Total Revenues	<u>1,054,100</u>	<u>1,209,167</u>	<u>1,209,590</u>	<u>423</u>
EXPENDITURES:				
Current:				
General government	-	1,276	1,275	1
Cultural and convention center	1,432,700	1,433,980	1,432,700	1,280
Total Expenditures	<u>1,432,700</u>	<u>1,435,256</u>	<u>1,433,975</u>	<u>1,281</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(378,600)</u>	<u>(226,089)</u>	<u>(224,385)</u>	<u>1,704</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	380,000	380,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>380,000</u>	<u>380,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (378,600)</u>	<u>\$ 153,911</u>	155,615	<u>\$ 1,704</u>
FUND BALANCE:				
Beginning of Year			<u>283</u>	
End of Year			<u>\$ 155,898</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Air Quality Management Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 61,000	\$ 54,900	\$ 61,444	\$ 6,544
Use of money and property	-	-	2,404	2,404
Total Revenues	<u>61,000</u>	<u>54,900</u>	<u>63,848</u>	<u>8,948</u>
EXPENDITURES:				
Current:				
Public works	60,000	181,299	41,219	140,080
Total Expenditures	<u>60,000</u>	<u>181,299</u>	<u>41,219</u>	<u>140,080</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,000</u>	<u>\$ (126,399)</u>	22,629	<u>\$ 149,028</u>
FUND BALANCE:				
Beginning of Year			<u>132,103</u>	
End of Year			<u>\$ 154,732</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Arts Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 8,095	\$ 7,095
Charges for services	180,000	180,000	293,063	113,063
Miscellaneous	-	-	2,799	2,799
Total Revenues	<u>181,000</u>	<u>181,000</u>	<u>303,957</u>	<u>122,957</u>
EXPENDITURES:				
Current:				
Cultural and convention center	181,000	913,313	240,201	673,112
Total Expenditures	<u>181,000</u>	<u>913,313</u>	<u>240,201</u>	<u>673,112</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (732,313)</u>	63,756	<u>\$ 796,069</u>
FUND BALANCE:				
Beginning of Year			435,689	
End of Year			<u>\$ 499,445</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Library Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 34,059	\$ 34,059
Miscellaneous	-	6,024	6,165	141
Total Revenues	<u>-</u>	<u>6,024</u>	<u>40,224</u>	<u>34,200</u>
EXPENDITURES:				
Current:				
Library	5,000	2,152,972	102,654	2,050,318
Total Expenditures	<u>5,000</u>	<u>2,152,972</u>	<u>102,654</u>	<u>2,050,318</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,000)</u>	<u>\$ (2,146,948)</u>	<u>(62,430)</u>	<u>\$ 2,084,518</u>
FUND BALANCE:				
Beginning of Year			<u>2,091,406</u>	
End of Year			<u>\$ 2,028,976</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Quimby Act Fees Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ 70,000	\$ 81,573	\$ 11,573
Charges for services	-	580,000	577,622	(2,378)
Total Revenues	<u>-</u>	<u>650,000</u>	<u>659,195</u>	<u>9,195</u>
EXPENDITURES:				
Current:				
Public works	890,061	5,506,782	1,251,720	4,255,062
Total Expenditures	<u>890,061</u>	<u>5,506,782</u>	<u>1,251,720</u>	<u>4,255,062</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(890,061)</u>	<u>(4,856,782)</u>	<u>(592,525)</u>	<u>4,264,257</u>
NET CHANGE IN FUND BALANCE	<u>\$ (890,061)</u>	<u>\$ (4,856,782)</u>	<u>(592,525)</u>	<u>\$ 4,264,257</u>
FUND BALANCE:				
Beginning of Year			4,362,731	
End of Year			<u>\$ 3,770,206</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Projects Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 112,450	\$ 12,450	\$ (100,000)
Use of money and property	-	-	50,519	50,519
Charges for services	100,000	186,364	295,551	109,187
Miscellaneous	-	139,747	198,866	59,119
Total Revenues	<u>100,000</u>	<u>438,561</u>	<u>557,386</u>	<u>118,825</u>
EXPENDITURES:				
Current:				
Public safety	100,000	926,516	218,020	708,496
Parks and recreation	-	257,615	74,556	183,059
Public works	-	2,301,519	32,470	2,269,049
Total Expenditures	<u>100,000</u>	<u>3,485,650</u>	<u>325,046</u>	<u>3,160,604</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (3,047,089)</u>	232,340	<u>\$ 3,279,429</u>
FUND BALANCE:				
Beginning of Year			<u>2,779,771</u>	
End of Year			<u>\$ 3,012,111</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CFD Public Safety #1 Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 835,400	\$ 793,630	\$ 877,100	\$ 83,470
Use of money and property	-	-	20,622	20,622
Total Revenues	<u>835,400</u>	<u>793,630</u>	<u>897,722</u>	<u>104,092</u>
EXPENDITURES:				
Current:				
Public safety	777,200	785,424	599,667	185,757
Total Expenditures	<u>777,200</u>	<u>785,424</u>	<u>599,667</u>	<u>185,757</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>58,200</u>	<u>8,206</u>	<u>298,055</u>	<u>289,849</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,200,000)	(1,200,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 58,200</u>	<u>\$ (1,191,794)</u>	(901,945)	<u>\$ 289,849</u>
FUND BALANCE:				
Beginning of Year			1,296,441	
End of Year			<u>\$ 394,496</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Park Maintenance Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 13,121	\$ 13,121
Charges for services	372,900	528,055	265,163	(262,892)
Total Revenues	<u>372,900</u>	<u>528,055</u>	<u>278,284</u>	<u>(249,771)</u>
EXPENDITURES:				
Current:				
Public works	299,900	1,175,947	191,681	984,266
Total Expenditures	<u>299,900</u>	<u>1,175,947</u>	<u>191,681</u>	<u>984,266</u>
NET CHANGE IN FUND BALANCE	<u>\$ 73,000</u>	<u>\$ (647,892)</u>	86,603	<u>\$ 734,495</u>
FUND BALANCE:				
Beginning of Year			739,697	
End of Year			<u>\$ 826,300</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Emergency Response Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 2,537	\$ 2,537
Charges for services	1,000,000	1,000,000	1,025,897	25,897
Total Revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,028,434</u>	<u>28,434</u>
EXPENDITURES:				
Current:				
Public safety	963,900	963,900	1,035,595	(71,695)
Total Expenditures	<u>963,900</u>	<u>963,900</u>	<u>1,035,595</u>	<u>(71,695)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 36,100</u>	<u>\$ 36,100</u>	(7,161)	<u>\$ (43,261)</u>
FUND BALANCE:				
Beginning of Year			63,221	
End of Year			<u>\$ 56,060</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sustainability Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 18,900	\$ 20,180	\$ 1,280
Use of money and property	4,000	4,000	12,099	8,099
Charges for services	300,000	292,000	370,174	78,174
Total Revenues	<u>304,000</u>	<u>314,900</u>	<u>402,453</u>	<u>87,553</u>
EXPENDITURES:				
Current:				
Public works	667,600	1,410,792	1,054,489	356,303
Total Expenditures	<u>667,600</u>	<u>1,410,792</u>	<u>1,054,489</u>	<u>356,303</u>
NET CHANGE IN FUND BALANCE	<u>\$ (363,600)</u>	<u>\$ (1,095,892)</u>	(652,036)	<u>\$ 443,856</u>
FUND BALANCE:				
Beginning of Year			1,500,177	
End of Year			<u>\$ 848,141</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	92,978	92,978
Total Revenues	<u>-</u>	<u>-</u>	<u>92,978</u>	<u>92,978</u>
EXPENDITURES:				
Current:				
General government	2,658,500	2,611,500	313,195	2,298,305
Public safety	-	-	-	-
Library	-	-	-	-
Total Expenditures	<u>2,658,500</u>	<u>2,611,500</u>	<u>313,195</u>	<u>2,298,305</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,658,500)</u>	<u>(2,611,500)</u>	<u>(220,217)</u>	<u>2,391,283</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	96,636	96,636
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>96,636</u>	<u>96,636</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,658,500)</u>	<u>\$ (2,611,500)</u>	<u>(123,581)</u>	<u>\$ 2,487,919</u>
FUND BALANCE:				
Beginning of Year			<u>11,492,462</u>	
End of Year			<u>\$ 11,368,881</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Small Hotel TBID Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 143	\$ 143
Charges for services	486,450	335,000	358,332	23,332
Total Revenues	<u>486,450</u>	<u>335,000</u>	<u>358,475</u>	<u>23,475</u>
EXPENDITURES:				
Current:				
Cultural and convention center	486,500	343,000	361,006	(18,006)
Total Expenditures	<u>486,500</u>	<u>343,000</u>	<u>361,006</u>	<u>(18,006)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (50)</u>	<u>\$ (8,000)</u>	(2,531)	<u>\$ 5,469</u>
FUND BALANCE:				
Beginning of Year			8,883	
End of Year			<u>\$ 6,352</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB1-RMRA Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 843,400	\$ 724,960	\$ 830,717	\$ 105,757
Use of money and property	-	-	9,971	9,971
Total Revenues	<u>843,400</u>	<u>724,960</u>	<u>840,688</u>	<u>115,728</u>
EXPENDITURES:				
Current:				
Public works	843,400	1,623,523	1,623,523	-
Total Expenditures	<u>843,400</u>	<u>1,623,523</u>	<u>1,623,523</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (898,563)</u>	(782,835)	<u>\$ 115,728</u>
FUND BALANCE:				
Beginning of Year			936,579	
End of Year			<u>\$ 153,744</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parking Projects Capital Projects Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 9,351	\$ 9,351
Charges for services	-	7,200	7,200	-
Total Revenues	<u>-</u>	<u>7,200</u>	<u>16,551</u>	<u>9,351</u>
EXPENDITURES:				
Current:				
Public works	200	1,022,593	200	1,022,393
Total Expenditures	<u>200</u>	<u>1,022,593</u>	<u>200</u>	<u>1,022,393</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(200)</u>	<u>(1,015,393)</u>	<u>16,351</u>	<u>1,031,744</u>
NET CHANGE IN FUND BALANCE	<u>\$ (200)</u>	<u>\$ (1,015,393)</u>	<u>16,351</u>	<u>\$ 1,031,744</u>
FUND BALANCE:				
Beginning of Year			<u>524,832</u>	
End of Year			<u>\$ 541,183</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CFD Canyon View Capital Projects Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 677	\$ 677
Total Revenues	<u>-</u>	<u>-</u>	<u>677</u>	<u>677</u>
EXPENDITURES:				
Current:				
Public works	-	34,125	5,056	29,069
Total Expenditures	<u>-</u>	<u>34,125</u>	<u>5,056</u>	<u>29,069</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (34,125)</u>	(4,379)	<u>\$ 29,746</u>
FUND BALANCE:				
Beginning of Year			<u>34,125</u>	
End of Year			<u>\$ 29,746</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Debt Service Debt Service Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 52,686	\$ 52,686
Total Revenues	<u>-</u>	<u>-</u>	<u>52,686</u>	<u>52,686</u>
EXPENDITURES:				
Current:				
General government	3,500	3,500	-	3,500
Debt service:				
Principal retirement	6,083,319	6,083,319	5,300,572	782,747
Interest and fiscal charges	5,213,381	5,213,381	4,503,846	709,535
Total Expenditures	<u>11,300,200</u>	<u>11,300,200</u>	<u>9,804,418</u>	<u>1,495,782</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,300,200)</u>	<u>(11,300,200)</u>	<u>(9,751,732)</u>	<u>1,548,468</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	11,300,200	11,300,200	12,972,520	1,672,320
Transfers out	(4,299,900)	-	(2,210,807)	(2,210,807)
Total Other Financing Sources (Uses)	<u>7,000,300</u>	<u>11,300,200</u>	<u>10,761,713</u>	<u>(538,487)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,299,900)</u>	<u>\$ -</u>	<u>1,009,981</u>	<u>\$ 1,009,981</u>
FUND BALANCE:				
Beginning of Year			<u>3,416,742</u>	
End of Year			<u>\$ 4,426,723</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Assessments Debt Service Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 559,400	\$ 559,400	\$ 563,352	\$ 3,952
Use of money and property	-	-	7,598	7,598
Total Revenues	<u>559,400</u>	<u>559,400</u>	<u>570,950</u>	<u>11,550</u>
EXPENDITURES:				
Current:				
General government	25,000	25,000	48,865	(23,865)
Debt service:				
Principal retirement	385,000	385,000	385,000	-
Interest and fiscal charges	149,400	149,400	149,338	62
Total Expenditures	<u>559,400</u>	<u>559,400</u>	<u>583,203</u>	<u>(23,865)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(12,253)	<u>\$ (12,253)</u>
FUND BALANCE:				
Beginning of Year			<u>1,585,665</u>	
End of Year			<u>\$ 1,573,412</u>	

INTERNAL SERVICE FUND FINANCIAL STATEMENTS

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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. 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
All Internal Service Funds
June 30, 2020

	<u>Motor Vehicle Replacement</u>	<u>Facilities Maintenance</u>	<u>Employee Benefits</u>	<u>Risk Management</u>
ASSETS				
Current assets:				
Cash and investments	\$ 4,526,785	\$ 3,878,219	\$ 3,946,034	\$ 20,139,689
Receivable:				
Accounts	-	-	-	50,087
Interest	6,755	5,847	293,150	18,306
Prepaid	-	-	-	-
Inventory	153,560	-	-	-
Total current assets	<u>4,687,100</u>	<u>3,884,066</u>	<u>4,239,184</u>	<u>20,208,082</u>
Noncurrent assets:				
Advances to other funds	-	-	1,430,000	-
Capital assets, nondepreciable	1,690,024	-	-	-
Capital assets, net of accumulated depreciation	7,311,047	278,785	-	30,129
Total noncurrent assets	<u>9,001,071</u>	<u>278,785</u>	<u>1,430,000</u>	<u>30,129</u>
Total assets	<u>13,688,171</u>	<u>4,162,851</u>	<u>5,669,184</u>	<u>20,238,211</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	287,456	236,355	-	264,307
Accrued liabilities	23,307	49,453	-	36,390
Interest payable	73,687	-	62,070	-
Compensated absences	47,883	182,975	-	79,102
Claims and judgments - due within one year	-	-	-	3,359,690
Bonds, notes, and capital assets - due within one year	416,704	-	790,000	-
Total current liabilities	<u>849,037</u>	<u>468,783</u>	<u>852,070</u>	<u>3,739,489</u>
Noncurrent liabilities:				
Claims and judgments	-	-	-	6,884,097
Bonds, notes, and capital leases	3,987,885	-	18,568,146	-
Total noncurrent liabilities	<u>3,987,885</u>	<u>-</u>	<u>18,568,146</u>	<u>6,884,097</u>
Total liabilities	<u>4,836,922</u>	<u>468,783</u>	<u>19,420,216</u>	<u>10,623,586</u>
NET POSITION				
Investment in capital assets	4,522,795	278,785	-	30,129
Unrestricted (deficit)	4,328,454	3,415,283	(13,751,032)	9,584,496
Total net position	<u>\$ 8,851,249</u>	<u>\$ 3,694,068</u>	<u>\$ (13,751,032)</u>	<u>\$ 9,614,625</u>

City of Palm Springs
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2020

	Retiree Health Insurance	Cogeneration Plant	Total
ASSETS			
Current assets:			
Cash and investments	\$ 2,129,424	\$ 3,886,311	\$ 38,506,462
Receivable:			
Accounts	9,452	-	59,539
Interest	2,819	5,643	332,520
Prepaid	-	27,752	27,752
Inventory	-	-	153,560
Total current assets	2,141,695	3,919,706	39,079,833
Noncurrent assets:			
Advances to other funds	-	-	1,430,000
Capital assets, nondepreciable	-	-	1,690,024
Capital assets, net of accumulated depreciation	-	11,569,982	19,189,943
Total noncurrent assets	-	11,569,982	22,309,967
Total assets	2,141,695	15,489,688	61,389,800
LIABILITIES			
Current Liabilities:			
Accounts payable	588	261,881	1,050,587
Accrued liabilities	-	127	109,277
Interest payable	-	114,004	249,761
Compensated absences - due within one year	-	-	309,960
Claims and judgments - due within one year	-	-	3,359,690
Bonds, notes, and capital assets - due within one year	-	765,435	1,972,139
Total current liabilities	588	1,141,447	7,051,414
Noncurrent liabilities:			
Claims and judgments	-	-	6,884,097
Bonds, notes, and capital leases	-	16,785,330	39,341,361
Total noncurrent liabilities	-	16,785,330	46,225,458
Total liabilities	588	17,926,777	53,276,872
NET POSITION			
Investment in capital assets	-	11,569,982	16,401,691
Unrestricted	2,141,107	(14,007,071)	(8,288,763)
Total net position	\$ 2,141,107	\$ (2,437,089)	\$ 8,112,928

City of Palm Springs
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2020

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
OPERATING REVENUES:				
Service charges	\$ 3,424,100	\$ 4,037,200	\$ 23,888,154	\$ 16,911,286
Total operating revenues	<u>3,424,100</u>	<u>4,037,200</u>	<u>23,888,154</u>	<u>16,911,286</u>
OPERATING EXPENSES:				
Administration and general	133,499	96,270	-	2,154,324
Personnel service	-	-	-	95,503
Source of supply	-	-	-	-
Maintenance operations	2,702,626	-	-	-
Facilities maintenance	-	4,536,412	-	-
Retirement	-	-	20,812,885	-
Retiree health insurance	-	-	-	-
Other claims and insurance	7,950	29,200	-	4,092,512
Depreciation expense	1,293,803	43,003	-	-
Utilities	-	-	-	-
Medical, health, and life insurance	-	-	-	8,935,159
Workers compensation	-	-	-	1,484,124
Total operating expenses	<u>4,137,878</u>	<u>4,704,885</u>	<u>20,812,885</u>	<u>16,761,622</u>
OPERATING INCOME (LOSS)	<u>(713,778)</u>	<u>(667,685)</u>	<u>3,075,269</u>	<u>149,664</u>
NONOPERATING INCOME (LOSS):				
Intergovernmental	-	-	-	46,534
Interest revenue	77,257	65,450	10,350	198,146
Interest expense	(102,940)	-	(1,224,919)	-
Gain (loss) on disposal of capital assets	11,367	-	-	-
Total Nonoperating Income (Loss)	<u>(14,316)</u>	<u>65,450</u>	<u>(1,214,569)</u>	<u>244,680</u>
Net Income (Loss) Before Transfers and Capital Contributions	<u>(728,094)</u>	<u>(602,235)</u>	<u>1,860,700</u>	<u>394,344</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Contributed capital	36,140	-	-	-
Transfers in	435,000	120,900	-	8,064,877
Total transfers and capital contributions	<u>471,140</u>	<u>120,900</u>	<u>-</u>	<u>8,064,877</u>
CHANGES IN NET POSITION	(256,954)	(481,335)	1,860,700	8,459,221
NET POSITION:				
Beginning of the year, as restated (Note 18)	9,108,203	4,175,403	(15,611,732)	1,155,404
End of the year	<u>\$ 8,851,249</u>	<u>\$ 3,694,068</u>	<u>\$ (13,751,032)</u>	<u>\$ 9,614,625</u>

City of Palm Springs
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
All Internal Service Funds
For the Year Ended June 30, 2020

	Retiree Health Insurance	Cogeneration Plant	Total
OPERATING REVENUES:			
Service charges	\$ 3,500,027	\$ 2,022,222	\$ 53,782,989
Total operating revenues	<u>3,500,027</u>	<u>2,022,222</u>	<u>53,782,989</u>
OPERATING EXPENSES:			
Administration and general	-	4,975	2,389,068
Personnel service	-	-	95,503
Source of supply	8,938	-	8,938
Maintenance operations	-	-	2,702,626
Facilities maintenance	-	-	4,536,412
Retirement	-	-	20,812,885
Retiree health insurance	3,050,842	-	3,050,842
Other claims and insurance	-	-	4,129,662
Depreciation expense	-	524,084	1,860,890
Utilities	-	1,395,729	1,395,729
Medical, health, and life insurance	-	-	8,935,159
Workers compensation	-	-	1,484,124
Total operating expenses	<u>3,059,780</u>	<u>1,924,788</u>	<u>51,401,838</u>
OPERATING INCOME (LOSS)	<u>440,247</u>	<u>97,434</u>	<u>2,381,151</u>
NONOPERATING INCOME (LOSS):			
Intergovernmental	-	-	46,534
Interest revenue	28,417	65,613	445,233
Interest expense	-	(828,602)	(2,156,461)
Gain (loss) on disposal of capital assets	-	-	11,367
Total Nonoperating Income (Loss)	<u>28,417</u>	<u>(762,989)</u>	<u>(1,653,327)</u>
Net Income (Loss) Before Transfers and Capital Contributions	<u>468,664</u>	<u>(665,555)</u>	<u>727,824</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:			
Contributed capital	-	-	36,140
Transfers in	-	1,171,649	9,792,426
Total transfers and capital contributions	<u>-</u>	<u>1,171,649</u>	<u>9,828,566</u>
CHANGES IN NET POSITION	468,664	506,094	10,556,390
NET POSITION:			
Beginning of the year, as restated (Note 18)	1,672,443	(2,943,183)	(2,443,462)
End of the year	<u>\$ 2,141,107</u>	<u>\$ (2,437,089)</u>	<u>\$ 8,112,928</u>

City of Palm Springs
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 3,522,940	\$ 4,037,200	\$ 23,909,197	\$ 17,254,892
Cash paid to suppliers for goods and services	(2,830,110)	(4,721,567)	(26,282)	(16,690,746)
Cash paid to employees for services	303	28,985	(20,812,885)	(78,199)
Cash paid for insurance claims	-	-	-	248,724
Net cash provided by (used in) by operating activities	693,133	(655,382)	3,070,030	734,671
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash transfers in (out)	435,000	120,900	-	8,064,877
Cash received from other governmental agency	-	-	-	46,534
Net cash provided by (used in) noncapital financing activities	435,000	120,900	-	8,111,411
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(2,406,770)	(146,046)	-	(30,129)
Contributed capital	36,140	-	-	-
Proceeds from capital leases	1,376,622	-	-	-
Gain or (loss) on disposal of capital assets	11,367	-	-	-
Principal paid on bonds and loans	(337,464)	-	(249,130)	-
Interest paid	(96,586)	-	(1,228,029)	-
Net Cash (Used in) Capital and Related Financing Activities	(1,416,691)	(146,046)	(1,477,159)	(30,129)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	81,314	70,890	10,350	201,490
Net Cash Provided by Investing Activities	81,314	70,890	10,350	201,490
Net Change in Cash and Cash Equivalents	(207,244)	(609,638)	1,603,221	9,017,443
CASH AND CASH EQUIVALENTS:				
Beginning of year	4,734,029	4,487,857	2,342,813	11,122,246
End of year	<u>\$ 4,526,785</u>	<u>\$ 3,878,219</u>	<u>\$ 3,946,034</u>	<u>\$ 20,139,689</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (713,778)	\$ (667,685)	\$ 3,075,269	\$ 149,664
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,293,803	43,003	-	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivable	98,840	-	21,043	343,606
(Increase)/decrease in prepaid	-	-	-	72
Increase/(decrease) in accounts payable	13,965	(59,685)	(26,282)	(24,699)
Increase/(decrease) in accrued liabilities	4,536	8,012	-	17,882
Increase/(decrease) in compensated absences	(4,233)	20,973	-	(578)
Increase/(decrease) in claims and judgments	-	-	-	248,724
Net cash provided by (used in) operating activities	\$ 693,133	\$ (655,382)	\$ 3,070,030	\$ 734,671

City of Palm Springs
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2020

	Retiree Health Insurance	Cogeneration Plant	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 3,501,792	\$ 2,022,222	\$ 54,248,243
Cash paid to suppliers for goods and services	(3,059,754)	(2,094,447)	(29,422,906)
Cash paid to employees for services	-	-	(20,861,796)
Cash paid for insurance claims	-	-	248,724
Net cash provided by (used in) by operating activities	442,038	(72,225)	4,212,265
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash transfers in (out)	-	1,171,649	9,792,426
Cash received from other governmental agency	-	-	46,534
Net cash provided by (used in) noncapital financing activities	-	1,171,649	9,838,960
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(189,804)	(2,772,749)
Contributed capital	-	-	36,140
Proceeds from capital leases	-	-	1,376,622
Gain or (loss) on disposal of capital assets	-	-	11,367
Principal paid on bonds and loans	-	(697,473)	(1,284,067)
Interest paid	-	(703,357)	(2,027,972)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(1,590,634)	(4,660,659)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	30,743	68,480	463,267
Net Cash Provided by Investing Activities	30,743	68,480	463,267
Net Change in Cash and Cash Equivalents	472,781	(422,730)	9,853,833
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,656,643	4,309,041	28,652,629
End of year	<u>\$ 2,129,424</u>	<u>\$ 3,886,311</u>	<u>\$ 38,506,462</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating income (loss)	\$ 440,247	\$ 97,434	\$ 2,381,151
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	524,084	1,860,890
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivable	1,765	-	465,254
(Increase)/decrease in prepaid	-	(27,752)	(27,680)
Increase/(decrease) in accounts payable	26	(665,264)	(761,939)
Increase/(decrease) in accrued liabilities	-	(727)	29,703
Increase/(decrease) in compensated absences	-	-	16,162
Increase/(decrease) in claims and judgments	-	-	248,724
Net cash provided by (used in) operating activities	\$ 442,038	\$ (72,225)	\$ 4,212,265

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FIDUCIARY FUNDS FINANCIAL STATEMENTS

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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.

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City of Palm Springs
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>Special Deposits</u>				
Assets:				
Cash and investments	\$ 1,449,261	\$ 231,396	\$ (414,186)	\$ 1,266,471
Total Assets	\$ 1,449,261	\$ 231,396	\$ (414,186)	\$ 1,266,471
Liabilities:				
Deposits payable	\$ 1,449,261	\$ 231,396	\$ (414,186)	\$ 1,266,471
Total Liabilities	\$ 1,449,261	\$ 231,396	\$ (414,186)	\$ 1,266,471

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION
FISCAL YEAR
ENDED JUNE 30, 2020



STATISTICAL SECTION

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City of Palm Springs
Statistical Section Overview
(Unaudited)

This part of the City of Palm Springs's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.	182-191
Revenue Capacity	
These schedules contain information to help the reader assess one of the government's most significant local revenue sources - property tax.	192-195
Debt Capacity	
These schedules 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.	196-202
Demographic and Economic Information	
This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	203-204
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.	205-211

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental activities:					
Net investment in capital assets	\$ 201,149,733	\$ 148,845,833	\$ 141,219,883	\$ 120,745,654	\$ 126,124,062
Restricted	77,064,027	43,201,882	37,220,218	41,363,491	41,633,373
Unrestricted	<u>(233,042,836)</u>	<u>(202,893,159)</u>	<u>(212,859,813)</u>	<u>(104,511,647)</u>	<u>(103,317,463)</u>
Total governmental activities net position	<u>\$ 45,170,924</u>	<u>\$ (10,845,444)</u>	<u>\$ (34,419,712)</u>	<u>\$ 57,597,498</u>	<u>\$ 64,439,972</u>
Business-type activities:					
Net investment in capital assets	\$ 82,416,136	\$ 97,712,572	\$ 104,660,531	\$ 102,297,901	\$ 98,280,993
Restricted	19,464,837	7,371,373	4,884,179	4,022,467	5,307,758
Unrestricted	<u>63,282,450</u>	<u>60,133,921</u>	<u>42,880,602</u>	<u>33,781,069</u>	<u>30,918,220</u>
Total business-type activities net position	<u>\$ 165,163,423</u>	<u>\$ 165,217,866</u>	<u>\$ 152,425,312</u>	<u>\$ 140,101,437</u>	<u>\$ 134,506,971</u>
Primary government:					
Net investment in capital assets	\$ 283,565,869	\$ 246,558,405	\$ 245,880,414	\$ 223,043,555	\$ 224,405,055
Restricted	96,528,864	50,573,255	42,104,397	45,385,958	46,941,131
Unrestricted	<u>(169,760,386)</u>	<u>(142,759,238)</u>	<u>(169,979,211)</u>	<u>(70,730,578)</u>	<u>(72,399,243)</u>
Total primary government net position	<u>\$ 210,334,347</u>	<u>\$ 154,372,422</u>	<u>\$ 118,005,600</u>	<u>\$ 197,698,935</u>	<u>\$ 198,946,943</u>

Source: City of Palm Springs, Finance Department

City of Palm Springs
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental activities:					
Net investment in capital assets	\$ 106,475,801	\$ 107,217,515	\$ 119,129,764	\$ 124,797,484	\$ 92,188,168
Restricted	50,159,957	64,475,152	59,250,531	53,290,867	59,544,531
Unrestricted	<u>(102,730,809)</u>	<u>9,032,025</u>	<u>8,263,055</u>	<u>7,603,335</u>	<u>10,785,032</u>
Total governmental activities net position	<u>\$ 53,904,949</u>	<u>\$ 180,724,692</u>	<u>\$ 186,643,350</u>	<u>\$ 185,691,686</u>	<u>\$ 162,517,731</u>
Business-type activities:					
Net investment in capital assets	\$ 90,467,867	\$ 90,775,976	\$ 82,089,205	\$ 86,255,293	\$ 88,813,375
Restricted	4,125,236	4,038,239	4,777,681	4,024,930	4,026,199
Unrestricted	<u>22,023,465</u>	<u>34,234,038</u>	<u>29,620,437</u>	<u>25,605,934</u>	<u>27,502,074</u>
Total business-type activities net position	<u>\$ 116,616,568</u>	<u>\$ 129,048,253</u>	<u>\$ 116,487,323</u>	<u>\$ 115,886,157</u>	<u>\$ 120,341,648</u>
Primary government:					
Net investment in capital assets	\$ 196,943,668	\$ 197,993,491	\$ 201,218,969	\$ 211,052,777	\$ 181,001,543
Restricted	54,285,193	68,513,391	64,028,212	57,315,797	63,570,730
Unrestricted	<u>(80,707,344)</u>	<u>43,266,063</u>	<u>37,883,492</u>	<u>33,209,269</u>	<u>38,287,106</u>
Total primary government net position	<u>\$ 170,521,517</u>	<u>\$ 309,772,945</u>	<u>\$ 303,130,673</u>	<u>\$ 301,577,843</u>	<u>\$ 282,859,379</u>

Source: City of Palm Springs, Finance Department

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses:					
Governmental activities:					
General government	\$ 21,838,398	\$ 27,615,740	\$ 24,668,184	\$ 19,998,488	\$ 11,759,819
Public safety	65,927,910	60,644,565	55,465,639	49,397,778	45,219,115
Cultural and convention center	9,208,504	8,941,987	7,473,990	7,454,099	8,293,582
Parks and recreation	10,224,630	10,559,974	10,412,411	9,902,789	7,756,225
Public works	26,286,051	23,159,223	20,620,601	33,476,271	27,299,586
Library	2,793,479	3,009,917	3,196,140	3,238,731	2,909,766
Interest on long-term debt	6,483,060	6,113,954	6,640,855	6,856,841	6,657,372
Total governmental activities expenses	<u>142,762,032</u>	<u>140,045,360</u>	<u>128,477,820</u>	<u>130,324,997</u>	<u>109,895,465</u>
Business-type activities:					
Airport	29,897,619	29,585,274	28,715,596	28,961,927	25,300,163
Wastewater	8,801,889	9,601,345	7,455,920	7,009,637	6,539,225
Golf Course	5,185,383	4,948,156	5,208,536	5,141,317	4,972,995
Total business-type activities expenses	<u>43,884,891</u>	<u>44,134,775</u>	<u>41,380,052</u>	<u>41,112,881</u>	<u>36,812,383</u>
Total primary government expenses	<u>186,646,923</u>	<u>184,180,135</u>	<u>169,857,872</u>	<u>171,437,878</u>	<u>146,707,848</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	7,387,666	6,687,864	5,784,465	4,966,153	4,019,379
Public safety	3,308,726	4,405,683	4,352,932	3,789,214	3,401,378
Cultural and convention center	-	-	157,769	-	113
Parks and recreation	1,631,055	1,979,848	1,913,540	1,921,560	1,747,440
Public works	2,586,624	8,222,528	6,956,478	5,794,610	5,972,587
Library	15,804	20,945	28,287	37,753	42,655
Operating grants and contributions	14,906,252	7,583,185	3,829,388	2,879,858	4,082,086
Capital grants and contributions	1,635,273	5,215,366	2,633,028	4,188,835	6,823,197
Total governmental activities program revenues	<u>31,471,400</u>	<u>34,115,419</u>	<u>25,655,887</u>	<u>23,577,983</u>	<u>26,088,835</u>
Business-type activities:					
Charges for services:					
Airport	28,636,927	30,628,795	28,134,244	25,621,382	24,352,244
Wastewater	11,595,926	12,366,518	12,785,023	11,771,816	10,667,824
Golf Course	4,206,028	4,286,852	4,526,664	4,317,981	4,234,555
Operating grants and contributions	5,904,934	-	-	-	-
Capital grants and contributions	-	1,164,219	3,769,554	1,519,902	13,405,121
Total business-type activities program revenues	<u>50,343,815</u>	<u>48,446,384</u>	<u>49,215,485</u>	<u>43,231,081</u>	<u>52,659,744</u>
Total primary government program revenues	<u>81,815,215</u>	<u>82,561,803</u>	<u>74,871,372</u>	<u>66,809,064</u>	<u>78,748,579</u>
Net revenues (expenses):					
Governmental activities	(111,290,632)	(105,929,941)	(102,821,933)	(106,747,014)	(83,806,630)
Business-type activities	<u>6,458,924</u>	<u>4,311,609</u>	<u>7,835,433</u>	<u>2,118,200</u>	<u>15,847,361</u>
Total net revenues (expenses)	<u>(104,831,708)</u>	<u>(101,618,332)</u>	<u>(94,986,500)</u>	<u>(104,628,814)</u>	<u>(67,959,269)</u>

(Continued)

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

	Fiscal Year				
	2020	2019	2018	2017	2016
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	29,739,817	33,422,946	31,291,584	24,535,870	22,245,363
Sales tax	39,142,355	42,903,653	32,956,508	30,971,801	27,681,241
Transient occupancy taxes	25,817,660	36,475,057	34,241,233	28,591,763	25,814,526
Other taxes	14,720,532	14,586,952	12,777,836	13,111,478	12,939,461
Motor vehicle in lieu, unrestricted	5,418,600	22,899	24,940	4,492,728	4,209,089
Use of money and property	4,757,768	5,049,841	1,600,566	1,557,326	2,176,122
Other general revenues	452,161	550,676	133,067	68,720	85,881
Gain on sale of capital asset	11,367	215,895	4,680	-	-
Settlement	36,520,000	-	-	-	-
Extraordinary gain/(loss)	-	-	-	-	-
Transfers	(1,479,023)	(3,723,710)	(725,601)	(2,245,997)	(810,030)
Total governmental activities	<u>155,101,237</u>	<u>129,504,209</u>	<u>112,304,813</u>	<u>101,083,689</u>	<u>94,341,653</u>
Business-type activities:					
Use of money and property	1,836,416	2,236,850	129,407	163,540	323,896
Other revenue	-	2,520,385	1,932,380	917,966	909,116
Extraordinary gain/(loss)	-	-	-	-	-
Transfers	1,479,023	3,723,710	725,601	2,245,997	810,030
Total business-type activities	<u>3,315,439</u>	<u>8,480,945</u>	<u>2,787,388</u>	<u>3,327,503</u>	<u>2,043,042</u>
Total primary government	<u>158,416,676</u>	<u>137,985,154</u>	<u>115,092,201</u>	<u>104,411,192</u>	<u>96,384,695</u>
Changes in net position					
Governmental activities	43,810,605	23,574,268	9,482,880	(5,663,325)	10,535,023
Business-type activities	9,774,363	12,792,554	10,622,821	5,445,703	17,890,403
Total primary government	<u>\$ 53,584,968</u>	<u>\$ 36,366,822</u>	<u>\$ 20,105,701</u>	<u>\$ (217,622)</u>	<u>\$ 28,425,426</u>

(Continued)

Source: City of Palm Springs, Finance Department

City of Palm Springs
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Expenses:					
Governmental activities:					
General government	\$ 14,353,882	\$ 17,734,430	\$ 11,981,549	\$ 11,680,752	\$ 10,149,638
Public safety	42,911,251	42,041,061	38,070,130	36,489,937	36,069,196
Cultural and convention center	8,041,954	6,884,266	7,482,648	7,638,730	7,651,982
Parks and recreation	9,008,961	8,832,666	12,150,464	9,728,209	8,903,287
Public works	26,799,641	26,594,799	14,674,398	36,660,915	22,102,401
Library	2,308,501	2,718,241	2,125,382	2,168,904	2,265,212
Interest on long-term debt	7,153,434	5,435,432	5,565,437	7,553,342	9,183,561
Total governmental activities expenses	<u>110,577,624</u>	<u>110,240,895</u>	<u>92,050,008</u>	<u>111,920,789</u>	<u>96,325,277</u>
Business-type activities:					
Airport	25,811,396	25,580,134	25,581,945	24,990,169	24,526,812
Wastewater	6,693,464	7,118,541	5,711,562	5,967,510	5,863,229
Golf Course	5,370,771	5,527,984	5,948,442	5,662,881	5,441,285
Total business-type activities expenses	<u>37,875,631</u>	<u>38,226,659</u>	<u>37,241,949</u>	<u>36,620,560</u>	<u>35,831,326</u>
Total primary government expenses	<u>148,453,255</u>	<u>148,467,554</u>	<u>129,291,957</u>	<u>148,541,349</u>	<u>132,156,603</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	4,151,215	3,640,512	3,552,667	3,517,758	3,606,184
Public safety	3,256,962	2,930,416	2,843,908	2,878,838	2,847,413
Cultural and convention center	-	-	-	-	-
Parks and recreation	1,911,290	1,775,662	1,614,526	1,370,673	1,376,238
Public works	4,344,298	6,339,972	4,582,804	4,045,121	4,359,177
Library	41,075	38,517	38,172	59,501	42,727
Operating grants and contributions	3,469,962	5,861,447	5,192,616	7,381,835	6,886,447
Capital grants and contributions	2,936,236	1,448,409	5,093,264	16,382,186	13,271,770
	<u>20,111,038</u>	<u>22,034,935</u>	<u>22,917,957</u>	<u>35,635,912</u>	<u>32,389,956</u>
Business-type activities:					
Charges for services:					
Airport	23,900,962	23,017,582	21,745,074	20,342,504	18,747,127
Wastewater	9,524,542	8,220,813	7,019,449	5,965,340	6,045,209
Golf Course	4,836,445	4,519,169	4,850,343	5,046,766	4,832,305
Operating grants and contributions	-	-	-	-	29,056
Capital grants and contributions	2,180,401	11,788,567	2,290,385	2,315,123	483,618
Total business-type activities program revenues	<u>40,442,350</u>	<u>47,546,131</u>	<u>35,905,251</u>	<u>33,669,733</u>	<u>30,137,315</u>
Total primary government program revenues	<u>60,553,388</u>	<u>69,581,066</u>	<u>58,823,208</u>	<u>69,305,645</u>	<u>62,527,271</u>
Net revenues (expenses):					
Governmental activities	(90,466,586)	(88,205,960)	(69,132,051)	(76,284,877)	(63,935,321)
Business-type activities	<u>2,566,719</u>	<u>9,319,472</u>	<u>(1,336,698)</u>	<u>(2,950,827)</u>	<u>(5,694,011)</u>
Total net revenues (expenses)	<u>(87,899,867)</u>	<u>(78,886,488)</u>	<u>(70,468,749)</u>	<u>(79,235,704)</u>	<u>(69,629,332)</u>

(Continued)

City of Palm Springs
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	21,294,978	21,065,170	18,655,013	24,229,315	25,786,509
Sales tax	25,367,807	24,113,415	21,948,058	12,130,059	9,633,250
Transient occupancy taxes	24,695,585	22,249,462	19,396,331	17,874,173	15,731,036
Other taxes	14,687,706	14,142,596	13,840,763	13,070,963	12,533,135
Motor vehicle in lieu, unrestricted	3,920,259	3,673,718	3,537,631	3,505,007	3,797,122
Use of money and property	2,211,049	2,336,973	1,217,844	1,583,805	860,532
Other general revenues	54,954	80,795	178,958	117,096	203,793
Gain on sale of capital asset	86,492	(238,179)	161,770	-	-
Settlement	-	-	-	-	-
Extraordinary gain/(loss)	-	(2,585,890)	(6,935,586)	31,771,682	-
Transfers	(412,270)	(2,550,758)	(1,952,165)	2,450	589,848
Total governmental activities	<u>91,906,560</u>	<u>82,287,302</u>	<u>70,048,617</u>	<u>104,284,550</u>	<u>69,135,225</u>
Business-type activities:					
Use of money and property	299,716	526,158	(122,318)	333,192	336,189
Other revenue	986,504	164,542	182,232	161,417	295,897
Extraordinary gain/(loss)	-	-	(74,215)	(1,227,000)	-
Transfers	412,270	2,550,758	1,952,165	(2,450)	(589,848)
Total business-type activities	<u>1,698,490</u>	<u>3,241,458</u>	<u>1,937,864</u>	<u>(734,841)</u>	<u>42,238</u>
Total primary government	<u>93,605,050</u>	<u>85,528,760</u>	<u>71,986,481</u>	<u>103,549,709</u>	<u>69,177,463</u>
Changes in net position					
Governmental activities	1,439,974	(5,918,658)	916,566	27,999,673	5,199,904
Business-type activities	4,265,209	12,560,930	601,166	(3,685,668)	(5,651,773)
Total primary government	<u>\$ 5,705,183</u>	<u>\$ 6,642,272</u>	<u>\$ 1,517,732</u>	<u>\$ 24,314,005</u>	<u>\$ (451,869)</u>

(Concluded)

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)

	Fiscal Year				
	2020	2019	2018	2017	2016
General fund:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	1,461,569	1,444,569	3,019,428	3,019,428	3,019,428
Assigned	20,505,044	10,302,670	9,673,725	8,002,942	7,884,694
Unassigned	<u>26,320,928</u>	<u>39,319,971</u>	<u>37,617,037</u>	<u>21,548,391</u>	<u>18,545,979</u>
Total general fund	<u>\$ 48,287,541</u>	<u>\$ 51,067,210</u>	<u>\$ 50,310,190</u>	<u>\$ 32,570,761</u>	<u>\$ 29,450,101</u>
All other governmental funds:					
Nonspendable	\$ 588,954	\$ -	\$ -	\$ -	\$ -
Restricted	39,189,281	43,201,882	37,220,218	41,363,491	41,633,373
Committed	-	-	-	-	-
Assigned	36,492,533	38,198,165	23,354,766	21,667,783	14,227,585
Unassigned	<u>(32,850)</u>	<u>-</u>	<u>(2,174,918)</u>	<u>(476,099)</u>	<u>(23,156)</u>
Total all other governmental funds	<u>\$ 76,237,918</u>	<u>\$ 81,400,047</u>	<u>\$ 58,400,066</u>	<u>\$ 62,555,175</u>	<u>\$ 55,837,802</u>

(Continued)

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

	Fiscal Year				
	2015	2014	2013	2012	2011 *
General fund:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	3,919,428	3,019,428	3,670,535	1,410,000	3,015,000
Assigned	6,850,022	7,060,894	6,442,546	5,333,035	3,932,735
Unassigned	<u>14,985,654</u>	<u>13,199,370</u>	<u>12,803,298</u>	<u>13,041,689</u>	<u>11,779,373</u>
Total general fund	<u>\$ 25,755,104</u>	<u>\$ 23,279,692</u>	<u>\$ 22,916,379</u>	<u>\$ 19,784,724</u>	<u>\$ 18,727,108</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ 11,188,905	\$ 12,324,620	\$ 13,290,989
Restricted	50,159,957	64,475,152	48,061,626	40,966,247	46,253,542
Committed	-	-	-	-	1,568,370
Assigned	14,344,936	2,446,752	3,657,054	1,216,595	2,961,717
Unassigned	<u>(52,112)</u>	<u>(23,463)</u>	<u>(184,499)</u>	<u>(154,048)</u>	<u>(5,352,857)</u>
Total all other governmental funds	<u>\$ 64,452,781</u>	<u>\$ 66,898,441</u>	<u>\$ 62,723,086</u>	<u>\$ 54,353,414</u>	<u>\$ 58,721,761</u>

(Concluded)

* 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)

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues:					
Taxes	\$ 116,692,441	\$ 130,253,883	\$ 106,490,591	\$ 97,210,912	\$ 88,680,591
Licenses and permits	6,692,721	6,884,620	6,387,567	5,726,357	4,734,400
Fines and penalties	648,549	140,420	140,911	251,091	122,741
Use of money and property	4,166,276	4,318,712	1,707,685	1,550,825	2,069,955
Intergovernmental	6,354,888	9,046,448	10,912,473	15,115,053	8,275,642
Charges for services	9,786,095	11,880,409	11,208,428	9,854,967	8,843,238
Other	1,844,984	5,198,982	2,861,089	2,156,777	3,194,910
Total revenues	<u>146,185,954</u>	<u>167,723,474</u>	<u>139,708,744</u>	<u>131,865,982</u>	<u>115,921,477</u>
Expenditures					
Current:					
General government	22,293,323	26,046,365	22,983,718	17,186,130	14,514,121
Public safety	55,972,570	50,472,039	45,857,964	44,040,288	39,880,252
Cultural and convention center	8,380,223	4,824,429	4,437,893	4,034,038	5,140,410
Parks and recreation	4,623,367	9,921,817	9,600,331	8,970,655	8,775,698
Public works	39,320,105	29,362,695	27,255,537	28,044,863	37,018,361
Library	2,631,408	2,807,742	2,818,197	2,839,703	2,694,753
Debt service:					
Principal retirement	5,685,572	5,876,235	5,652,364	5,657,193	12,266,638
Interest and fiscal charges	4,653,184	4,877,611	5,064,358	6,069,043	5,888,573
Bond issuance costs	-	-	-	-	-
Payment to bond escrow	-	-	-	-	-
Pass-through payments	-	-	-	-	-
Total expenditures	<u>143,559,752</u>	<u>134,188,933</u>	<u>123,670,362</u>	<u>116,841,913</u>	<u>126,178,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,626,202</u>	<u>33,534,541</u>	<u>16,038,382</u>	<u>15,024,069</u>	<u>(10,257,329)</u>
Other financing sources (uses):					
Settlement	36,520,000	-	-	-	-
Capital outlay in lieu of settlement	(36,520,000)	-	-	-	-
Transfers in	29,772,852	41,432,291	21,227,794	22,671,479	22,844,245
Transfers out	(41,044,301)	(51,209,831)	(23,681,856)	(27,882,476)	(24,193,175)
Debt issued	-	-	-	1,120,195	5,680,000
Bond premium	-	-	-	105,301	1,006,277
Bond discount	-	-	-	-	-
Proceeds from sale of asset	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(1,200,535)	-
Total other financing sources (uses)	<u>(11,271,449)</u>	<u>(9,777,540)</u>	<u>(11,271,449)</u>	<u>(11,271,449)</u>	<u>(11,271,449)</u>
Extraordinary gain/loss	-	-	-	-	-
Net change in fund balances	<u>\$ (8,645,247)</u>	<u>\$ 23,757,001</u>	<u>\$ 4,766,933</u>	<u>\$ 3,752,620</u>	<u>\$ (21,528,778)</u>
Capital outlay included in current expenditures	\$ 55,618,535	\$ 13,347,610	\$ 14,545,855	\$ 1,970,021	\$ 20,251,033
Debt service as a percentage of noncapital expenditures	11.8%	8.9%	9.8%	10.2%	17.1%

Source: City of Palm Springs, Finance Department

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues:					
Taxes	\$ 86,046,076	\$ 83,019,658	\$ 75,222,872	\$ 68,653,101	\$ 72,408,230
Licenses and permits	4,338,884	4,223,695	3,066,526	2,913,367	3,119,482
Fines and penalties	283,767	127,672	98,971	104,838	107,824
Use of money and property	2,130,949	2,214,740	1,287,277	2,006,106	2,349,620
Intergovernmental	9,881,576	8,499,575	13,397,351	27,264,100	20,914,362
Charges for services	8,671,389	8,632,034	7,750,886	7,036,034	7,068,669
Other	2,817,116	873,125	1,322,686	1,292,222	3,265,240
Total revenues	<u>114,169,757</u>	<u>107,590,499</u>	<u>102,146,569</u>	<u>109,269,768</u>	<u>109,233,427</u>
Expenditures					
Current:					
General government	12,639,548	17,145,827	10,885,046	10,863,967	9,562,837
Public safety	38,169,200	36,640,786	35,327,922	35,192,757	32,864,416
Cultural and convention center	4,912,242	3,946,726	4,342,391	4,437,725	4,450,885
Parks and recreation	8,664,379	8,423,471	11,958,245	8,969,751	8,772,280
Public works	30,083,326	20,799,856	15,474,824	74,063,752	40,578,391
Library	3,194,262	2,552,786	2,428,937	2,073,757	2,290,305
Debt service:					
Principal retirement	5,219,260	4,444,570	4,264,596	3,799,784	3,799,956
Interest and fiscal charges	5,587,476	4,647,051	4,618,428	6,579,560	7,966,940
Bond issuance costs	-	-	-	-	-
Payment to bond escrow	7,145,057	-	-	-	-
Pass-through payments	-	-	-	1,948,429	7,201,757
Total expenditures	<u>115,614,750</u>	<u>98,601,073</u>	<u>89,300,389</u>	<u>147,929,482</u>	<u>117,487,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,444,993)</u>	<u>8,989,426</u>	<u>12,846,180</u>	<u>(38,659,714)</u>	<u>(8,254,340)</u>
Other financing sources (uses):					
Settlement	-	-	-	-	-
Capital outlay in lieu of settlement	-	-	-	-	-
Transfers in	20,793,279	18,329,676	15,850,073	8,756,658	9,726,647
Transfers out	(25,785,113)	(22,780,434)	(17,802,238)	(8,754,208)	(9,136,799)
Debt issued	58,440,000	-	490,000	68,945,000	-
Bond premium	5,376,988	-	-	2,361,102	-
Bond discount	(59,946)	-	-	-	-
Proceeds from sale of asset	-	-	-	-	-
Payment to refunded bond escrow agent	(55,790,463)	-	-	(24,264,400)	-
Total other financing sources (uses)	<u>(11,271,449)</u>	<u>(11,271,449)</u>	<u>(11,271,449)</u>	<u>(11,271,449)</u>	<u>(11,271,449)</u>
Extraordinary gain/loss	-	-	(323,409)	(11,303,318)	-
Net change in fund balances	<u>\$ (12,716,442)</u>	<u>\$ (2,282,023)</u>	<u>\$ 1,251,322</u>	<u>\$ (61,234,481)</u>	<u>\$ (19,525,789)</u>
Capital outlay included in current expenditures	\$ 12,074,642	\$ 3,538,377	\$ 8,926,703	\$ 48,406,654	\$ 27,603,363
Debt service as a percentage of noncapital expenditures	17.3%	9.6%	11.1%	12.4%	21.1%

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
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
2019	9,938,495	2,327,969	793	388,136	12,655,393	0.22716
2020	10,371,532	2,291,268	793	469,919	13,133,512	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 Nonunitary, 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)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	0.10000	0.10000	0.08000	0.08000	0.08000
Desert Community College	0.03983	0.03978	0.04030	0.02036	0.02087	0.02325	0.01995	0.01995	0.01995	0.01995
Palm Springs Unified B & I 1992-A	0.10542	0.10603	0.11146	0.11802	0.08978	0.10160	0.12961	0.09351	0.10451	0.13224
Total Direct and Overlapping Tax Rates	1.24525	1.24581	1.25176	1.23838	1.21065	1.22485	1.24956	1.19346	1.20446	1.23219
City Share of 1% Levy (Note 3)	0.63919	0.06146	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505
Redevelopment Rate (Note 4)	-	-	-	-	-	-	-	-	1.08000	1.08000
Total Direct Rate (Note 5)	0.22716	0.22716	0.22716	0.22716	0.22716	0.22389	0.22399	0.35452	0.36581	0.37482

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 to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: County Auditor/Controller data, MuniServices, LLC

City of Palm Springs
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed	Rank	% of Total City Taxable Assessed	Taxable Assessed	Rank	% of Total City Taxable Assessed
	Value (\$)		Value	Value (\$)		Value
Tenet Healthsystem Desert Inc	\$ 111,782,153		0.82%	\$ 111,625,739		1.20%
Dtps A 14	75,680,168		0.55%	-		-
Mountain View Power Partners Iv Llc	68,032,535		0.50%	-		-
Endure Inv	58,871,681		0.43%	45,854,968		0.49%
Avalon 1150	53,059,938		0.39%	-		-
Alaska Airlines Inc	51,767,537		0.38%	21,077,950		0.23%
Tkg Smoke Tree Commons	47,106,708		0.34%	-		-
Hh Palm Springs	43,987,718		0.32%	39,700,000		0.43%
Windpower Partners 1993 Lp	42,359,996		0.31%	-		-
Agre Dcp Palm Springs	41,470,318		0.30%	-		-
Wal Mart Stores Inc	36,399,687		0.27%	28,480,063		0.31%
701 East Palm Canyon Lessee	35,269,560		0.26%	-		-
Skywest Airlines Inc	34,859,051		0.25%	24,317,981		0.26%
Wessman Holdings Llc	31,496,801		0.23%	-		-
Walter Hotel Corp	31,258,377		0.23%	-		-
United Airlines Inc	28,399,444		0.21%	-		-
Pacific Monarch Resorts Inc	26,780,980		0.20%	41,222,484		0.44%
Indigo Prop Palm Springs	25,274,120		0.18%	-		-
Parker Palm Springs Ii	24,071,167		0.18%	-		-
Wr Palm Mountain Resort	23,143,384		0.17%	-		-
Palm Springs Land	22,815,972		0.17%	-		-
Rbd Hotel Palm Springs	22,336,652		0.16%	24,830,202		0.27%
Time Warner Cable Pacific West Llc	22,121,806		0.16%	-		-
American Airlines Inc	21,883,598		0.16%	-		-
Sunrise Way Multi	20,910,000		0.15%	-		-
Usa Bia	-		-	-		-
Donahue Schriber Realty Group	-		-	45,608,096		0.49%
San Gorgonio Westwinds Ii Llc	-		-	42,911,000		0.46%
Psmhop	-		-	36,048,473		0.39%
Palm Springs Art Museum Inc.	-		-	35,405,764		0.38%
Wessman John	-		-	33,930,135		0.37%
Desert Sun Publishing Co	-		-	30,849,556		0.33%
Riviera Reincarnate	-		-	25,993,682		0.28%
Grp Aviation Llc	-		-	24,468,700		0.26%
U Store It Lp	-		-	21,967,016		0.24%
Time Warner Entertainment Adva	-		-	21,298,559		0.23%
Tree Moss Partners	-		-	21,173,857		0.23%
Suncal Psv	-		-	20,830,641		0.22%
Bank Of Calif	-		-	20,325,937		0.22%
Whl Management Llc	-		-	20,000,000		0.22%
Knotts Berry Farm	-		-	19,227,324		0.21%
Sunrise Place	-		-	18,376,793		0.20%
Total Top 25 Taxpayers	\$ 1,001,139,351		7.31%	\$ 775,524,920		8.36%
Total Taxable Value	\$ 13,691,780,184		100%	\$ 9,269,471,211		100%

The amounts shown above include assessed value data for the City
Source: MuniServices, LLC / Avenu Analytics

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
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	34,215,678	100.00%
2016	38,459,265	37,007,018	96.22%	1,635,157	38,459,265	100.00%
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%
2019*	47,670,404	44,464,724	93.28%	1,120,254	45,584,978	95.63%
2020*	49,621,654	45,027,435	90.74%	1,166,109	46,193,544	93.09%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: City of Palm Springs, Finance Department

*Amounts based on estimates with information available at time of report.

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	Loans and Leases	Total Governmental Activities
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	119,757,742	21,293,193	161,062,493
2019	19,607,276	113,655,847	20,012,671	153,275,794
2020	19,358,146	107,460,062	20,640,574	147,458,782

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 (Continued)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Business-Type Activities					Total Business-Type Activities	Total Primary Govt	Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	Airport Revenue Bonds	Certificates of Participation	Loans	Leases					
2012	\$ 25,030,000	\$ 10,045,814	\$ -	\$ 238,248	\$ 35,314,062	\$195,288,374	114.65268	4,233	
2013	24,020,000	9,547,944	-	167,372	33,735,316	189,684,854	111.36289	4,112	
2014	20,915,000	9,037,194	-	92,556	30,044,750	199,700,675	117.24312	4,329	
2015	18,161,227	8,502,035	-	6,807	26,670,069	203,161,850	952.28249	4,516	
2016	16,694,038	7,947,127	-	-	24,641,165	195,656,954	917.10471	4,349	
2017	12,826,849	7,607,672	-	-	20,434,521	184,948,544	866.91108	4,111	
2018	9,929,660	6,918,049	14,354,637	644,329	31,846,675	192,909,168	904.22499	4,288	
2019	6,912,173	6,245,864	21,747,934	528,191	35,434,162	188,709,956	884.54198	4,195	
2020	23,815,645	5,549,267	25,358,788	428,338	55,152,038	202,610,820	949.69964	4,504	

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

* Personal Income 213,342
* Total Population 44,984

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			Percent of Assessed Value ⁽¹⁾	Per Capita
	Pension Obligation Bond	General Obligation Bonds	Total		
2012	\$ 20,222	\$ 136,394	\$ 156,616	1.76%	3,395
2013	20,068	132,552	152,620	1.57%	3,308
2014	19,852	128,648	148,500	1.53%	3,219
2015	19,572	136,552	156,124	1.57%	3,346
2016	20,425	131,071	151,496	1.48%	3,221
2017	20,248	125,668	145,916	1.35%	3,080
2018	20,012	119,758	139,770	1.18%	3,107
2019	19,607	113,656	133,263	1.05%	2,962
2020	19,358	107,460	126,818	0.97%	2,819

⁽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 Governmental Activities Debt
as of June 30, 2020

2019-2020 Assessed Valuation:

\$ 13,766,800,046

	Total Debt	% Applicable ⁽¹⁾	City's Share of
OVERLAPPING TAX AND ASSESSMENT DEBT:	6/30/2020		Debt 6/30/20
Desert Community College District	\$ 337,130,000	16.233%	\$ 54,726,313
Mount San Jacinto Community College District	164,385,000	0.005%	8,219
Banning Unified School District	60,155,313	0.158%	95,045
Palm Springs Unified School District	368,956,707	43.363%	159,990,697
San Geronio Memorial Hospital District	106,565,000	0.052%	55,414
California Statewide Communities Development Authority 1915 Act Bonds	648,500	100.000%	648,500
City of Palm Springs 1915 Act Bonds	4,700,000	100.000%	4,700,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 220,224,188
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	\$ 759,807,924	4.652%	\$ 35,346,265
Riverside County Pension Obligations	938,825,000	4.652%	43,674,139
Banning Unified School District Certificates of Participation	936,600	1.580%	14,798
City of Palm Springs General Fund Obligations	100,460,000	100.000%	100,460,000
City of Palm Springs Pension Obligations	16,290,685	100.000%	16,290,685
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 195,785,887
Less: Riverside County Administrative Center Authority			
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
Riverside County Tax Allocation Bonds	196,963,028	0.209-100%	29,406,205
TOTAL OVERLAPPING TAX INCREMENT DEBT			29,406,205
TOTAL DIRECT DEBT			\$ 147,458,782
TOTAL OVERLAPPING DEBT			328,665,595
COMBINED TOTAL DEBT			\$ 476,124,377 ⁽²⁾

(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, and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.60%
Total Direct Debt	1.07%
Combined Total Debt	3.46%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$2,516,079,642):

Total Overlapping Tax Increment Debt	1.17%
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Source: Municipal Services LLP

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assessed Valuation	\$ 13,133,512	\$ 12,655,392	\$ 11,894,269	\$ 10,826,781	\$ 10,176,176
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,283,378	3,163,848	2,973,567	2,706,695	2,544,044
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	492,507	474,577	446,035	406,004	381,607
Total net debt applicable to limit: General Obligation Bonds	107,460	113,656	119,758	125,668	131,071
Legal debt Margin	<u>\$ 385,047</u>	<u>\$ 360,921</u>	<u>\$ 326,277</u>	<u>\$ 280,336</u>	<u>\$ 250,536</u>
 Total Debt applicable to the limit as a percentage of debt limit	 21.8%	 23.9%	 26.8%	 31.0%	 34.3%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Valuation	\$ 9,975,774	\$ 9,320,889	\$ 8,901,314	\$ 8,861,010	\$ 9,194,873
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,493,944	2,330,222	2,225,329	2,215,253	2,298,718
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	374,092	349,533	333,799	332,288	344,808
Total net debt applicable to limit: General Obligation Bonds	136,552	128,648	132,552	136,394	93,373
Legal debt Margin	<u>\$ 237,540</u>	<u>\$ 220,885</u>	<u>\$ 201,247</u>	<u>\$ 195,894</u>	<u>\$ 251,435</u>
 Total Debt applicable to the limit as a percentage of debt limit	 36.5%	 36.8%	 39.7%	 41.0%	 27.1%

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				Airport Revenue Bonds						
	Tax Increment	Debt Service		Coverage	Airport Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
		Principal	Interest					Principal	Interest		
2011	\$16,214,162	\$ 965,000	\$2,389,109	4.83	\$ 19,724,924	\$ 14,612,198	\$ 5,112,726	\$ 1,310,000	\$ 1,502,770	1.82	
2012	-	-	-	-	23,023,302	15,418,648	7,604,654	965,000	1,438,003	3.16	
2013	-	-	-	-	24,109,169	16,143,466	7,965,703	1,010,000	1,387,851	3.32	
2014	-	-	-	-	35,290,038	16,666,876	18,623,162	3,105,000	1,332,020	4.20	
2015	-	-	-	-	24,793,762	24,630,467	163,295	2,310,000	1,180,929	0.05	
2016	-	-	-	-	25,237,494	24,225,209	1,012,285	1,505,000	1,074,954	0.39	
2017	-	-	-	-	26,526,151	28,080,171	(1,554,020)	3,905,000 1)	881,756	-0.32	
2018	-	-	-	-	29,224,194	27,890,781	1,333,413	2,935,000 2)	722,870	0.36	
2019	-	-	-	-	32,279,397	28,994,735	3,284,662	3,125,000 3)	590,539	0.88	
2020	-	-	-	-	28,636,927	28,354,899	282,028	8,665,000 4)	1,542,720	0.03	

1) Includes \$2,665,000 in special mandatory redemption

2) Includes \$1,625,000 in special mandatory redemption

3) Includes \$1,510,000 in special mandatory redemption

4) Includes \$2,200,000 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
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	City Unemployment Rate
2011	48,040	1,728,191	35,974	11.5%
2012	45,279	1,669,663	36,875	10.6%
2013	45,712	1,714,109	37,498	7.4%
2014	46,135	1,703,304	36,920	6.4%
2015	46,135	1,612,280	34,947	6.8%
2016	46,654	1,716,050	36,782	5.5%
2017	47,379	1,826,568	38,552	5.0%
2018	47,706	1,956,172	41,005	3.5%
2019	48,733	2,107,751	43,251	2.8%
2020	47,427	2,133,442	44,984	18.0%

Source: MuniServices, LLC

Source: 2006-2014 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.

City of Palm Springs
Principal Employers
Last Fiscal Year and Nine Year ago

Business Name	2019-20		2010-11	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Desert Regional Medical Ctr	2,665	29.43%	1000-4999	
Palm Springs Unified School District*	2,565	28.33%		
Spa Resort Casino (Agua Caliente Casino Resort Spa)	2,120	23.42%	1000-4999	
City of Palm Springs	464	5.12%	250-499	
Walmart Supercenter	428	4.73%		
Riviera Palm Springs Resort**	244	2.69%	250-499	
Home Depot	220	2.43%		
Lowe's Home Improvement	148	1.63%		
Las Casuelas Terraza Mexican Restaurant	102	1.13%		
Hilton-Palm Springs Resort	98	1.08%	100-249	
Desert Sun Publishing			250-499	
Care Fusion			250-499	
Savoury's Inc			250-499	
Agua Caliente Band of Indians			100-249	
Eat at the Desert			100-249	
Total Top Employers	9,054	38.69%		
Total City Employment (1)	23,400			

Source: City of Palm Springs website and MuniServices, LLC

Source: 2011 count is from prior published 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

<u>Department</u>	<u>Fiscal Year</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government										
Administration	59.78	62.20	55.20	44.20	39.20	36.25	36.25	35.75	34.25	34.75
Growth Management	* -	32.39	30.39	31.39	30.37	24.29	22.60	20.80	20.20	22.20
Quality of Life	* -	55.25	54.00	53.50	52.50	54.50	54.00	53.25	37.25	38.25
Public Safety	246.00	210.00	195.00	189.00	178.00	173.50	170.50	178.50	172.50	184.50
Public Works & Engineering	* -	23.48	23.48	23.38	23.38	20.33	20.00	20.00	27.50	27.00
Community & Economic Development	* 3.22	-	-	-	-	-	-	-	-	-
Development Services	* 41.00	-	-	-	-	-	-	-	-	-
Parks and Recreation	* 32.50	-	-	-	-	-	-	-	-	-
Library	* 14.25	-	-	-	-	-	-	-	-	-
Airport	75.00	73.00	74.00	70.00	69.00	67.00	67.50	66.50	66.50	64.50
Motor Vehicle	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Facilities Maintenance	17.00	13.90	13.90	13.00	13.00	13.00	13.50	13.50	13.50	12.50
Risk Management	6.05	4.25	4.25	4.25	4.25	3.25	3.25	3.25	2.75	3.25
Low & Moderate Income Housing	2.78	2.78	2.78	2.78	2.80	3.38	3.40	3.70	4.30	4.30
Wastewater Treatment Plant	* 0.42	-	-	-	-	-	-	-	-	-
Total	506.00	485.25	461.00	439.50	420.50	403.50	398.00	402.25	385.75	398.25

* City re-categorized groupings in the 2019-20 fiscal year.

Source: City of Palm Springs, Finance Department Adopted Budget

City of Palm Springs
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2020	2019	2018	2017	2016
Police:					
Arrests	2,999	2,559	2,634	2,844	3,566
Parking Citations	4,483	5,190	5,138	4,014	5,424
Fire:					
Number of Emergency Calls	10,114	9,782	9,880	9,993	10,071
Inspections	2,488	4,888	3,364	3,489	3,666
Public Works:					
Street resurfacing (sq feet)	4,567,855	1,967,233	6,129,638	3,385,000	11,111,269
Parks and Recreation:					
Number of recreation classes	5,802	5,982	2,919	5,866	5,385
Number of facility rentals	1,303	3,562	3,851	3,968	3,908
Airport:					
Passengers serviced	1,816,588	2,457,680	2,213,001	2,052,129	1,917,702
Flights	47,934	53,229	50,751	53,174	55,977
Sewer:					
New Connections	193	111	198	163	165
Ave Daily sewage treatment	4,800.000	5.396	6.005	5.798	5.845
Golf Course:					
Golf rounds played	65,594	87,255	92,202	89,268	89,020

Source: City of Palm Springs, Finance Department

City of Palm Springs
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2015	2014	2013	2012	2011
Police:					
Arrests	3,608	4,257	3,090	3,360	3,528
Parking Citations	3,826	3,178	2,796	2,585	1,936
Fire:					
Number of Emergency Calls	9,753	8,798	8,455	8,263	7,777
Inspections	3,389	3,902	3,385	1,425	4,204
Public Works:					
Street resurfacing (sq feet)	2,875,700	3,136,862	2,638,360	2,468,300	3,049,441
Parks and Recreation:					
Number of recreation classes	2,642	2,964	3,715	3,229	3,171
Number of facility rentals	144	167	160	195	276
Airport:					
Passengers serviced	1,914,402	1,852,606	1,751,973	1,668,554	1,483,051
Flights	55,823	52,993	51,586	58,792	61,584
Sewer:					
New Connections	175	120	114	112	62
Ave Daily sewage treatment	6.042	6.042	6.033	5.698	5.700
Golf Course:					
Golf rounds played	98,866	87,981	95,177	103,653	99,592

Source: City of Palm Springs, Finance Department

City of Palm Springs
Historical Sales Tax Amounts by Benchmark Year
Last Ten Fiscal Years

Category Name	2020 Q1	2019 Q1	2018 Q1	2017 Q1	2016 Q1
Accommodation and Food Services	\$ 3,631,115	\$ 3,749,433	\$ 3,567,726	\$ 3,148,867	\$ 2,875,562
Administrative and Support and Waste Management and Remediation Services	72,199	23,738	23,320	21,271	18,727
Arts, Entertainment, and Recreation	6,629	53,218	62,330	61,278	65,062
Construction	290,231	34,658	23,339	32,364	19,119
Educational Services	31,139	8,751	14,360	5,244	176
Health Care and Social Assistance	*	-	34,233	35,684	38,614
Information	100,407	91,071	80,328	102,224	122,578
Manufacturing	220,658	172,483	146,266	151,375	153,782
Other Services (except Public Administration)	46,945	98,132	94,203	83,559	78,384
Professional, Scientific, and Technical Services	35,429	82,820	77,070	70,771	78,006
Real Estate and Rental and Leasing	27,567	734,114	648,209	611,087	593,287
Retail Trade	6,967,671	6,560,086	6,322,551	5,950,377	4,974,209
Transportation and Warehousing	*	-	109,705	86,169	76,036
Wholesale Trade	*	-	679,904	535,555	426,180
All Other NAICS Sectors	1,681,064	316,971	270,318	229,233	212,299
Grand Total	\$ 13,111,054	\$ 12,749,317	\$ 11,987,429	\$ 11,008,480	\$ 9,613,660

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

The data contained in this report is economic and therefore constantly changing as adjustments, fund transfers, late filings and audits are recorded.

* Not provided in current fiscal year

City of Palm Springs
Historical Sales Tax Amounts by Benchmark Year (Continued)
Last Ten Fiscal Years

Category Name	2015 Q1	2014 Q1	2013 Q1	2012 Q1	2011 Q1
Accommodation and Food Services	\$ 2,730,775	\$ 2,511,350	\$ 2,267,889	\$ 2,193,892	\$ 1,960,869
Administrative and Support and Waste Management and Remediation Services	19,010	9,756	8,809	12,060	15,157
Arts, Entertainment, and Recreation	69,369	57,280	65,501	56,062	44,923
Construction	26,404	23,978	18,904	25,048	24,209
Educational Services	187	172	165	302	211
Health Care and Social Assistance	* 31,555	29,890	32,661	-20,420	32,824
Information	121,648	126,094	86,127	81,073	75,319
Manufacturing	177,326	150,879	131,499	161,622	111,607
Other Services (except Public Administration)	62,323	62,367	56,094	58,490	59,978
Professional, Scientific, and Technical Services	71,692	79,399	72,320	59,635	64,774
Real Estate and Rental and Leasing	608,835	550,724	560,035	497,889	473,884
Retail Trade	5,629,874	5,583,007	5,255,012	4,935,725	4,134,769
Transportation and Warehousing	* 44,454	53,667	63,462	62,669	22,999
Wholesale Trade	* 473,398	469,130	572,005	572,562	474,698
All Other NAICS Sectors	190,465	187,587	176,202	175,803	186,811
Grand Total	\$ 10,257,315	\$ 9,895,280	\$ 9,366,684	\$ 8,872,413	\$ 7,683,032

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

The data contained in this report is economic and therefore constantly changing as adjustments, fund transfers, late filings and audits are recorded.

* Not provided in current fiscal year

**City of Palm Springs
Capital Asset Statistics
By Function
Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	4	4	4	4	4	4	4	4	4	5
Public Works:										
Streets (miles)	270	270	270	270	270	270	270	270	270	270
Streetlights	405	405	405	405	405	405	405	367	367	367
Traffic signals	84	84	84	84	84	84	84	84	84	84
Parks and recreation:										
Parks	10	10	10	10	10	10	10	10	10	10
Community centers	3	3	3	3	3	3	3	3	3	3
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	264	264	250
Storm sewers (miles)	52	52	52	52	52	52	52	52	52	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	1	1	2	2	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	261,000	261,000
Meeting rooms	19	19	19	19	19	19	19	19	19	19

Source: City of Palm Springs, Finance Department

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

2019-20		2010-11	
Taxpayer	Business Type	Taxpayer	Business Type
Albertson's Food Centers	Food Markets	Albertson's Food Centers	Food Markets
Arco AM/PM Mini Marts	Service Stations	Arco Am/Pm Mini Marts	Service Stations
BMW of Palm Springs	Auto Sales - New	BP Products North America	Energy Sales
Budget Rent-A-Car	Leasing	Chevron Service Stations	Service Stations
Builders Supply	Bldg.Matls-Whsle	Daimler Trust	Leasing
Burlington Coat Factory	Apparel Stores	Design Within Reach	Furniture/Appliance
Daimler Trust	Leasing	Enterprise Rent-A-Car	Leasing
Enterprise Rent-A-Car	Leasing	Financial Services Vehicle Trust	Leasing
Financial Services Vehicle Trust	Leasing	Hertz Rent-A-Car	Leasing
Hertz Rent-A-Car	Leasing	Home Depot	Bldg.Matls-Retail
Home Depot	Bldg.Matls-Retail	Las Casuelas Terraza	Restaurants
Las Casuelas Terraza	Restaurants	Le Parker Meridien	Restaurants
Le Parker Meridien	Restaurants	Lowe's Home Centers	Bldg.Matls-Retail
Lowe's Home Centers	Bldg.Matls-Retail	Marshall's Stores	Apparel Stores
Lulu California Bistro	Restaurants	Pilot Travel Center	Service Stations
Mercedes-Benz of Palm Springs	Auto Sales - New	Ralph's Grocery Company	Food Markets
Palm Springs Hyundai	Auto Sales - New	Rite Aid Drug Stores	Drug Stores
Pilot Travel Center	Service Stations	Riviera Resort & Spa	Restaurants
Porsche of Palm Springs	Auto Sales - New	Ross Stores	Apparel Stores
Ralph's Grocery Company	Food Markets	Stein Mart	Apparel Stores
Ross Stores	Apparel Stores	TJ Maxx	Apparel Stores
Shell Service Stations	Service Stations	Viasys Respiratory Care	Light Industry
Union 76 Service Stations	Service Stations	Vip Motor Cars	Auto Sales - New
Wal Mart Stores	Department Stores	Wal Mart Stores	Department Stores
World Fuel Services	Energy Sales	World Fuel Services	Energy Sales

Source: MuniServices, LLC

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