

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR
ENDED JUNE 30, 2021

City of Palm Springs

Palm Springs, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

Prepared by:
Finance Department

Nancy Pauley
Director of Finance and Treasurer

City of Palm Springs
Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

INTRODUCTORY SECTION
FISCAL YEAR
ENDED JUNE 30, 2021





City of Palm Springs

Department of Finance & Treasury

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262
Tel: (760) 323-8229 • Fax: (760) 322-8320 • Web: www.palmspringsca.gov

December 31, 2021

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

The City Charter and State of California mandate 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 Annual Comprehensive Financial Report (ACFR) of the City of Palm Springs for the year ended June 30, 2021, is hereby submitted.

The ACFR 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, 2021 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, 2021 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 at the center of 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 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 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.

Although 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 7.4% compared to Riverside County, which has a rate of 7.9%.

The City of Palm Springs economy has experienced strong levels of growth through significant investments, strategic planning and marketing efforts specifically within the Leisure and Hospitality sector, which attracts visitors and engages residents. Palm Springs provides a dynamic downtown area with stylish hotels, world class dining, fashionable restaurants, shops, boutiques, cultural and entertainment venues. There are several significant events and cultural experiences drawing tourists from all over the world to visit Palm Springs including the Palm Springs International Film Festival, Modernism Week, the Convention Center, the Palm Springs Art Museum, Architecture and Design Center in downtown Palm Springs, and the Agua Caliente Band of Cahuilla Indian Tribe's cultural center, spa and casino.

Top Three Revenue Sources

Since 2014, the City of Palm Springs has experienced increases in the top three revenue categories: sales taxes, transient occupancy taxes, and property taxes. These revenue increases are evidence of the City's strong tourism industry. Beginning in fiscal year 2015-16 and continuing through fiscal year 2020-21, 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 \$43 million and are the City's largest source of revenue. The traditional Bradley Burns sales tax was approximately \$16.4 million in revenue for fiscal year 2020-21, Measure J approximately \$17.8 million, Measure D approximately \$8.8 million, Safety Augmentation approximately \$1.2 million and Measure A taxes at \$3.1 million.

Transient Occupancy Tax (TOT), or 'hotel, motel, and vacation rental tax,' is the City's second 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 \$35 million in fiscal year 2020-21.

Property taxes are the City's third 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 \$31 million.

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

- Airport Passenger Boarding Bridges
- Street Slurry Seal Project
- Park Restrooms and Shade Structures
- New Downtown Park
- Renovated Airport Ticket Wing Improvement Project

Other notable initiatives

- ERP System
- HVAC Chillers – City Yard Facilities & Maintenance Building
- Fire Department Radio Replacement
- Replace Gym Floor at James O. Jessie Desert Highland Unity Center

Palm Springs Airport

The Palm Springs International Airport is owned and operated by the City of Palm Springs and is the only commercial services airport in the Coachella Valley. The Airport served over 1.3 million passengers in the year ending June 30, 2021. This was a decrease of nearly 478,000 total passengers due to the impact of COVID and the stay-at-home orders issued in November 2020 for California, which were lifted at the end of January 2021. Air travel has been a major component of the Coachella Valley with an average of 34 daily departures from 12 major airlines. The airport's air carriers provide non-stop flights to 29 airports in the United States and 5 airports in Canada. Major airport improvements under construction during the fiscal year included ticketing expansion, baggage handling system, and eight passenger boarding bridges.

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 June 30, 2021 to account for reduced revenues due to the COVID-19 pandemic.

The City and employee bargaining unit contracts are currently in negotiations for a new three-year contract period of July 1, 2021 – June 30, 2024. 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, 2021, City Council has established a restricted reserve of \$22,250,000 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 (9) 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:

- Street Repaving
- Indian Canyon Drive bridge widening
- Remodel existing and build new park restrooms
- Highway Safety Improvements – traffic signals, flashing beacons, and traffic signals
- Electric vehicle charging stations
- Homelessness

Awards and Acknowledgments

The City has prepared a comprehensive annual financial report for the past 32 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, 2020. 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 also like to thank our auditors The Pun Group, LLP for their time and technical expertise and guidance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Nancy Pauley".

Nancy Pauley
Director of Finance and Treasurer

CITY OF PALM SPRINGS

List of Principal Officials

June 30, 2021

CITY COUNCIL

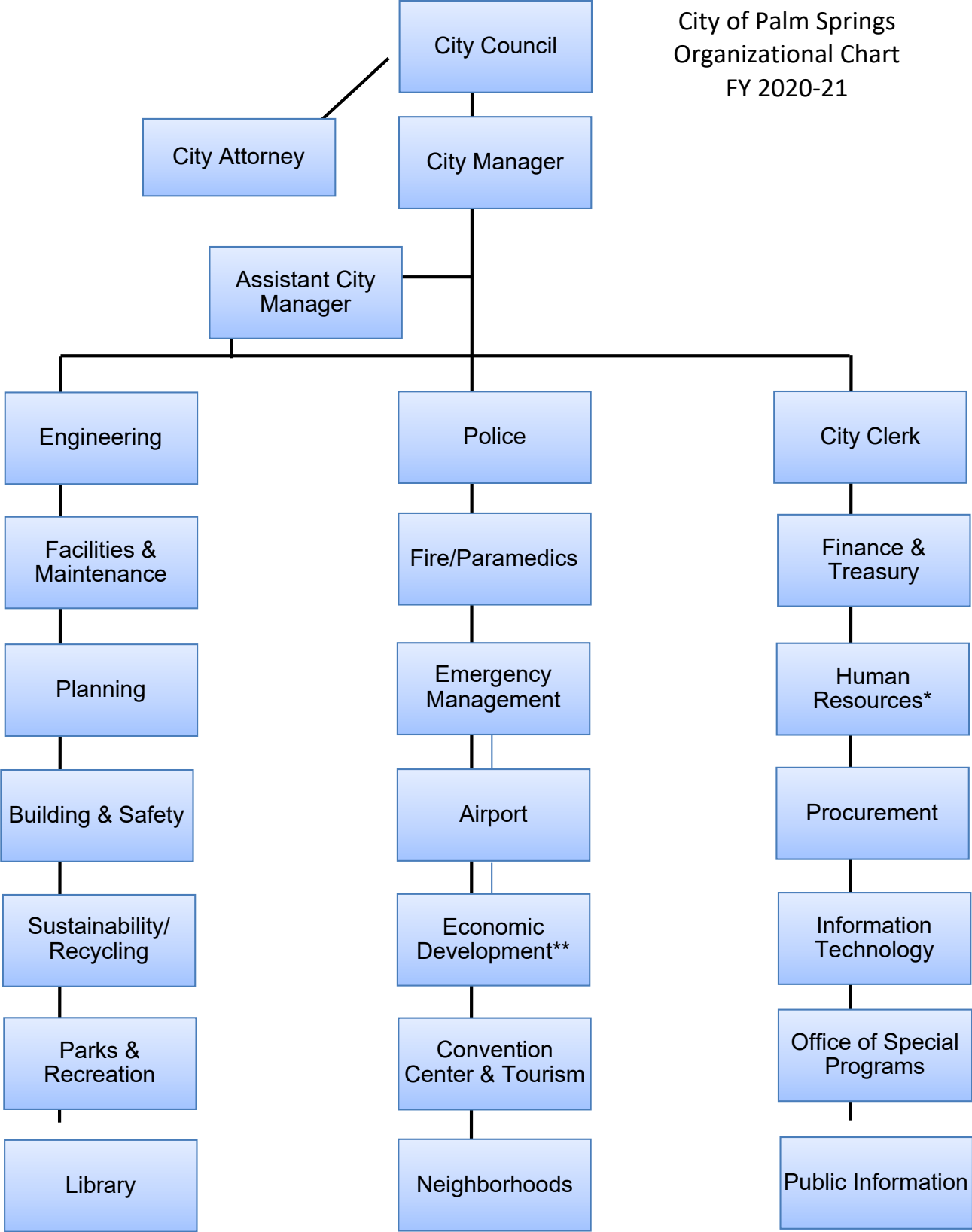
Christy Holstege, Mayor
Lisa Middleton, Mayor Pro Tem
Grace Garner
Geoff Kors
Dennis Woods

EXECUTIVE MANAGEMENT

City Manager
Assistant City Manager
Deputy City Manager
City Clerk
Director of Community/Economic Dev
Director of Finance and Treasurer
Director of Human Resources
Director of Library Services
Director of Maintenance and Facilities
Director of Recreation
Director of Development Services
Executive Director of PS Int'l Airport
Fire Chief
Police Chief

Justin Clifton
Vacant
Arron Brown
Anthony Mejia
Whitlan Jay Virata
Nancy Pauley
Jeremy Hammond
Regina Kays
Staci Schafer
Cynthia Alverado
Flinn Fagg
Ulises Aguirre
Kevin Nalder
Bryan Reyes

City of Palm Springs
Organizational Chart
FY 2020-21



*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, 2020

Christopher P. Morill

Executive Director/CEO

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FINANCIAL SECTION
FISCAL YEAR
ENDED JUNE 30, 2021





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, 2021, 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, 2021, 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, and the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios on pages 5 to 15 and 105 to 119 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, 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 30, 2021 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 30, 2021

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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, 2021. 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)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 229,699	\$ 183,776	\$ 119,840	\$ 123,636	\$ 349,539	\$ 307,412
Capital assets	314,283	305,780	151,317	138,765	465,600	444,545
Total assets	543,982	489,556	271,157	262,401	815,139	751,957
Deferred Outflows	35,601	33,120	4,420	3,755	40,021	36,875
Long-term debt outstanding	430,181	426,011	87,274	85,123	517,455	511,134
Other liabilities	48,930	26,091	17,323	13,471	66,253	39,562
Total liabilities	479,111	452,102	104,597	98,594	583,708	550,696
Deferred Inflows	18,721	25,403	2,374	2,399	21,095	27,802
Net position:						
Net investment in						
capital assets	194,166	201,150	108,474	82,416	302,640	283,566
Restricted	49,666	77,064	2,898	19,465	52,564	96,529
Unrestricted	(162,081)	(233,043)	57,234	63,282	(104,847)	(169,761)
Total net position	<u>\$ 81,751</u>	<u>\$ 45,171</u>	<u>\$ 168,606</u>	<u>\$ 165,163</u>	<u>\$ 250,357</u>	<u>\$ 210,334</u>

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, 2021, assets plus deferred outflows exceeded liabilities and deferred inflow by approximately \$250 million of net position.

The largest portion of the City's net position of \$303 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 \$53 million represents resources that are subject to external restrictions on how resources may be used. The remaining unrestricted balance of net position is (\$105 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 \$46 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 \$38 million and business-type activities had an increase of \$8 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	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 20,852	\$ 14,930	\$ 38,953	\$ 44,439	\$ 59,805	\$ 59,369
Operating contributions & grants	6,834	14,907	8,912	5,905	15,746	20,812
Capital contributions & grants	8,185	1,635	-	-	8,185	1,635
General revenues:						
Property taxes & tax increment	31,149	29,740	-	-	31,149	29,740
Transient occupancy taxes	35,093	25,818	-	-	35,093	25,818
Sales taxes	47,291	39,142	-	-	47,291	39,142
Other taxes	18,104	14,720	-	-	18,104	14,720
Motor vehicle in lieu - unrestricted	5,704	5,419	-	-	5,704	5,419
Settlement	-	36,520	-	-	-	36,520
Gain on sale of capital asset	95	11	-	-	95	11
Other general revenues	245	5,210	641	1,836	886	7,046
Total revenues	<u>\$ 173,552</u>	<u>\$ 188,052</u>	<u>\$ 48,506</u>	<u>\$ 52,180</u>	<u>\$ 222,058</u>	<u>\$ 240,232</u>
Program expenses						
General government	\$ 23,065	\$ 21,838	\$ -	\$ -	\$ 23,065	\$ 21,838
Public safety	62,790	65,928	-	-	62,790	65,928
Culture and convention center	8,701	9,209	-	-	8,701	9,209
Parks and recreation	10,417	10,225	-	-	10,417	10,225
Public Works	19,368	26,286	-	-	19,368	26,286
Library	2,639	2,793	-	-	2,639	2,793
Interest	6,066	6,483	-	-	6,066	6,483
Airport	-	-	29,122	29,898	29,122	29,898
Wastewater	-	-	8,940	8,802	8,940	8,802
Golf Course	-	-	4,786	5,185	4,786	5,185
Total expenses	<u>\$ 133,046</u>	<u>\$ 142,762</u>	<u>\$ 42,848</u>	<u>\$ 43,885</u>	<u>\$ 175,894</u>	<u>\$ 186,647</u>
Excess (deficiency) before special items and transfers	40,506	45,290	5,658	8,295	46,164	53,585
Transfers	(2,589)	(1,479)	2,589	1,479	-	-
Increase (decrease) in net position	<u>37,917</u>	<u>43,811</u>	<u>8,247</u>	<u>9,774</u>	<u>46,164</u>	<u>53,585</u>
Beginning net position, restated	43,834	1,360	160,359	155,389	204,193	156,749
Ending net position	<u>\$ 81,751</u>	<u>\$ 45,171</u>	<u>\$ 168,606</u>	<u>\$ 165,163</u>	<u>\$ 250,357</u>	<u>\$ 210,334</u>

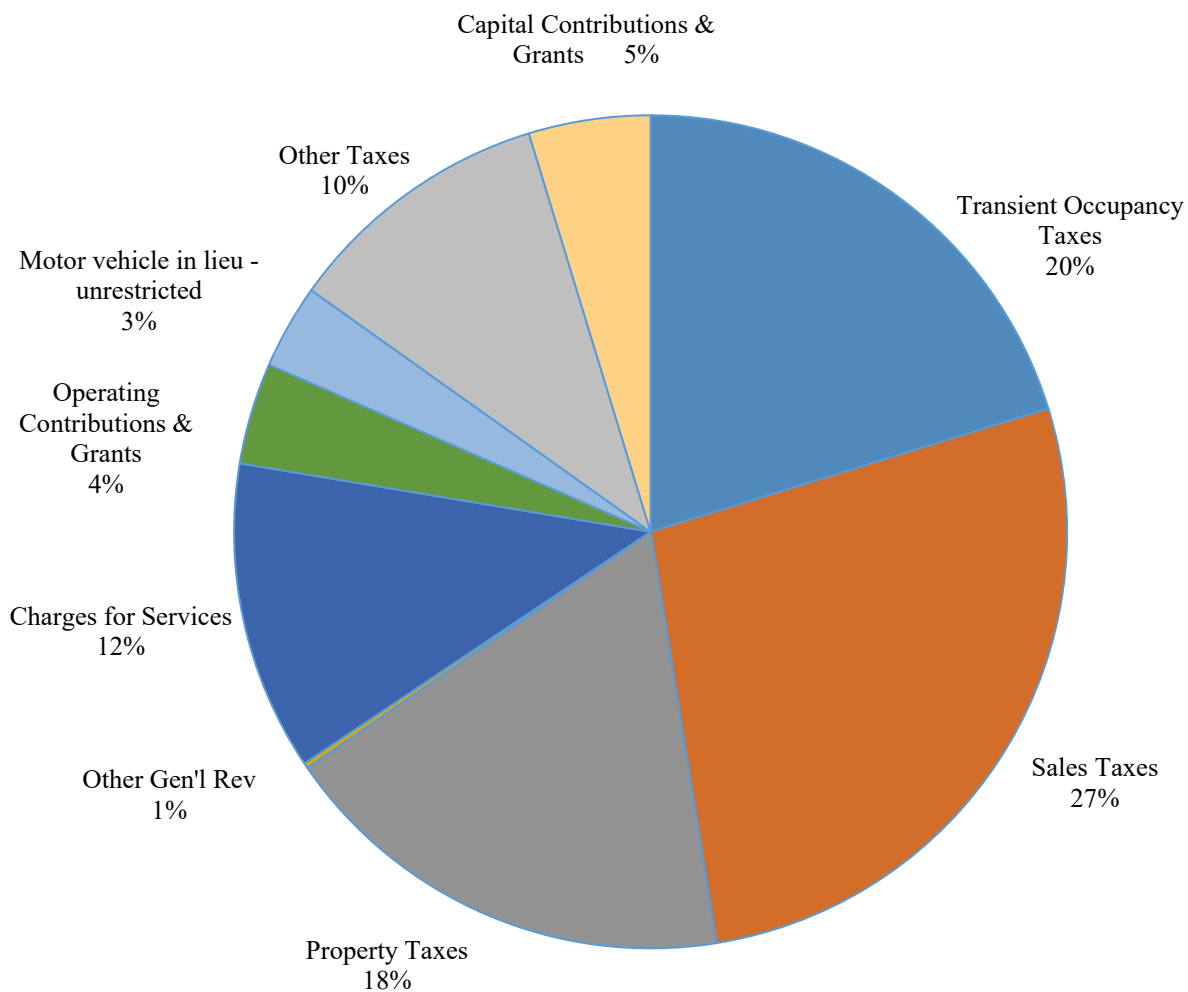
The City’s total revenues were \$222 million while the total expenditures were \$176 million.

Sales taxes were the City’s largest revenue source at \$47 million (21% of total revenues and 27% of governmental revenues). Transient occupancy taxes (TOT), the City’s second largest revenue sources, at \$35 million (16% of total revenues and 20% of governmental revenues). Property taxes were the City’s third largest revenue source at \$31 million (14% of total revenues and 16% of governmental revenues).

Governmental Activities. The governmental activities’ increase in net position of \$38 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 second largest governmental activity representing 17% of the total cost of governmental activities. Charges for services and operating contributions and grants offset 70% 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 47% of the total cost of governmental activities this past year. Charges for services, operating contribution and grants, and capital contributions and grants offset 7% of the cost of providing these services.

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

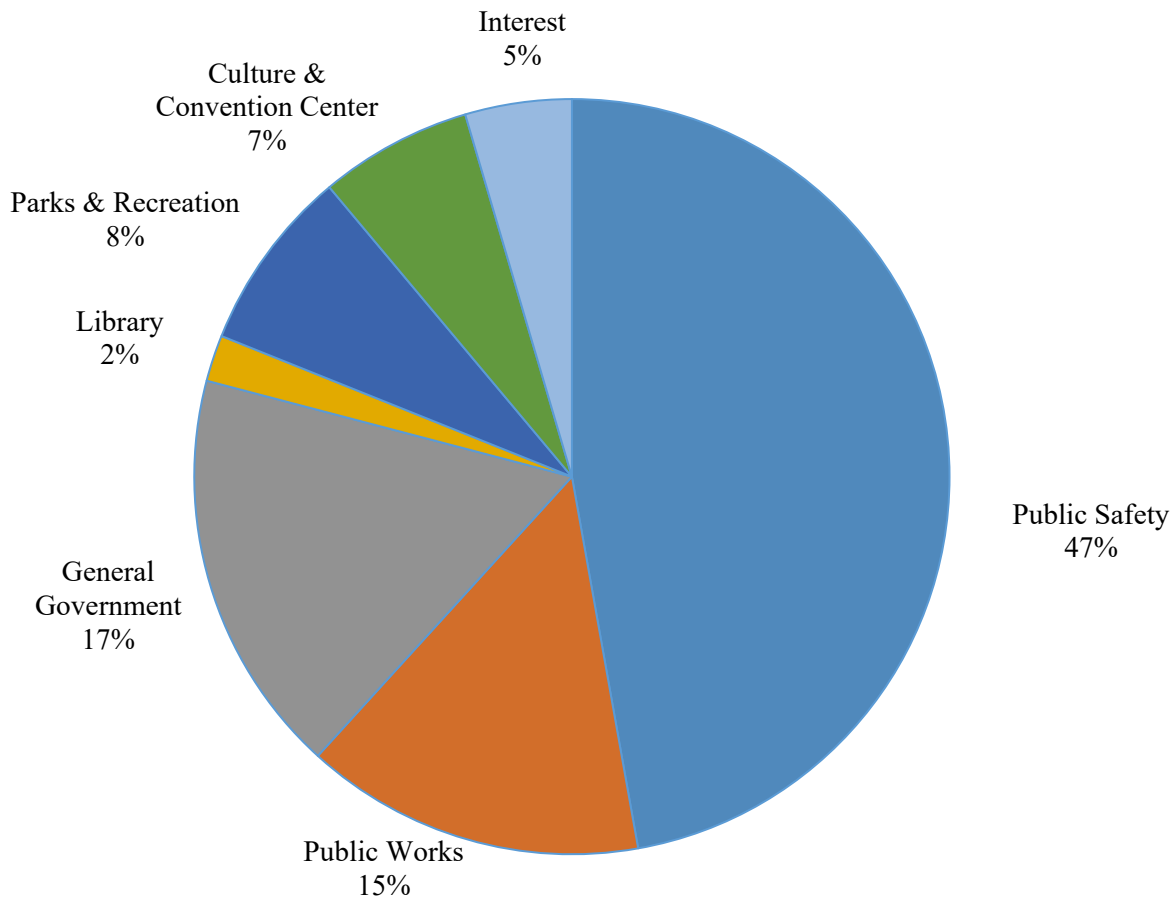
Parks and Recreation expenses were 8% of the total cost of governmental activities. Charges for services, operating contribution and grants, and capital contributions and grants offset 28% of the cost of providing these services.

Public Works expenses are comprised of Planning, Building and Safety, Engineering, Street Maintenance, and Downtown Maintenance was the third largest component of governmental activities representing 15% of the total cost of governmental activities this past year. Charges for services, operating contribution and grants, and capital contributions and grants offset 65% 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 .20% 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, 2021, the governmental funds reported combined ending fund balances of \$152 million, an increase of \$27 million in comparison with the prior year mainly due to the recovery relating to COVID-19 Coronavirus. The City has \$3 million (2%) in fund balance classified as nonspendable to indicate it cannot be readily converted to cash; \$34 million (22%) in restricted fund balance to indicate that it has an externally imposed restriction on the money may be spent; \$63 million (41%) in assigned fund balance to indicate that the City Council has assigned purpose or intent for how the money should be spent; and \$52 million (34%) is unassigned fund balance to indicate that it is the residual balance not otherwise restricted.

The fund balance of the City's General Fund increased by \$30 million during the fiscal year ended June 30, 2021. 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 increased to \$132 million from \$112 million (prior year), an overall increase of \$20 million, an increase of 18%. Significant fluctuations over prior year include the following:

- Sales Taxes increased to \$25 million from \$21 million, an overall increase of \$5 million.
- Property taxes increased to \$24 million from \$27 million, an overall increase of \$3 million.
- Transient Occupancy Taxes increased to \$35 million from \$26 million, an overall increase of \$9 million.
- Cannabis Taxes increased to \$5 million from \$3 million, an overall increase of \$2 million.
- Utility User Taxes increase to \$8 million from \$7 million, an overall increase of \$1 million

Total General Fund expenditures before transfers in/out, increased \$2 million compared to the prior year.

This is reflective of increases in CalPERS costs, and increases in health care costs due to compensation agreements with our seven employee bargaining groups.

The City's other Major Governmental Funds include the Measure J Capital Projects Fund and General Debt Service Fund.

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 \$848,000 thousand and end the current year with \$21 million in fund balance.

The General Debt Service Fund had ending fund balance of \$4 million, the same as prior year. The City refunded the 2012 Lease Revenue Refunding Bonds, Series B with 2021 Lease Revenue Refunding Bonds, Series A during the year ended June 30, 2021.

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 \$57 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 several times during the fiscal year. 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 significant variances are briefly summarized as follows:

- Revenues original budget of \$82 million and final budget of \$132 million, an increase of \$50 million. Increases include increases in tax revenues and Intergovernmental revenues homelessness grant and several State and Federal grants.
- Expenditures original budget of \$97 million increased to \$121 million, an increase of \$24 million.

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

- Total revenues were \$85 thousand above final budgeted revenues for the year ended June 30, 2021.
- Total expenditures were under the budgeted amount by \$20 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	
	2021	2020	2021	2020	2021	2020
Buildings	\$ 42,924	\$ 45,501	\$ 30,480	\$ 36,394	\$ 73,404	\$ 81,895
Improvements	28,228	22,571	44,077	50,386	72,305	72,957
Furniture and equipment	17,864	17,149	2,603	3,158	20,467	20,307
Vehicles	7,137	7,264	1,112	1,484	8,249	8,748
Infrastructure	104,906	101,398	4,397	5,522	109,303	106,920
Land	69,583	69,582	37,387	37,387	106,970	106,969
Construction in progress	26,773	29,718	31,261	13,464	58,034	43,182
Right-of-way	16,868	16,868	-	-	16,868	16,868
Total	\$ 314,283	\$ 310,051	\$ 151,317	\$ 147,795	\$ 465,600	\$ 457,846

Major capital improvement projects include street repaving improvements, park restrooms and shade structures, construction of the new Downtown Park project, Airport passenger boarding bridges and, renovation of the Airport ticket wing.

Variances over prior year reflect the assets shown as net of depreciation. For additional details of changes in capital assets, please see Note 5 Capital Assets in the Notes section of the accompanying financial statements.

LONG-TERM DEBT
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Compensated absences	\$ 8,015	\$ 7,294	\$ 1,322	\$ 1,017	\$ 9,337	\$ 8,311
Claims and judgments	14,759	10,244	-	-	14,759	10,244
Leases	5,845	4,405	278	426	6,123	4,830
Notes Payable	15,663	16,236	24,662	25,359	40,324	41,595
Lease Revenue Bonds	96,677	102,796	26,946	29,365	123,622	132,161
Special Assessment Bonds	4,273	4,664	-	-	4,273	4,664
Pension Obligation Bonds	18,906	19,358	-	-	18,906	19,358
Total	164,137	164,997	53,207	56,167	217,345	221,163
Net OPEB Liability	129,835	128,882	15,687	10,632	145,522	139,514
Net Pension Liability	156,770	148,558	22,763	22,301	179,533	170,859
Total Long-Term Debt	<u>\$ 450,741</u>	<u>\$ 442,437</u>	<u>\$ 91,658</u>	<u>\$ 89,100</u>	<u>\$ 542,398</u>	<u>\$ 531,537</u>

As of June 30, 2021, the City's total outstanding debt long-term debt was \$542 million, which is \$11 million higher than the prior year. There were several changes in the debt position resulting in the net increase. Increases includes compensated absences of \$1 million, claims and judgements of \$5 million, leases of \$1 million, net OPEB liability of \$6 million, and net pension liability of \$9 million. Reductions includes a reduction of \$1 million in notes payable, and \$9 million of special assessment bonds.

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

During the fiscal year the State of California lifted COVID-19 restrictions which allowed the economy to move towards operating fully. Although the economy has begun to operate and travel restrictions lifted, the uncertainty relating to the COVID-19 Coronavirus pandemic, could once again impact two of the City's largest revenue sources, sales tax and transient occupancy tax. 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 2021-2022 reflects continued fiscal prudence and maintains high quality standards provided for the City of Palm Springs residents and visitors.

The City's 2021-2022 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 92262; or visit our website at www.palmspringsca.gov or call (760) 323-8221.

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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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 192,797,204	\$ 105,809,371	\$ 298,606,575
Receivables:			
Accounts	24,241,766	4,599,513	28,841,279
Accrued interest	251,326	-	251,326
Notes and loans	7,471,636	-	7,471,636
Special assessments	-	173,287	173,287
Internal balances	2,640,000	(2,640,000)	-
Prepaid items	407,648	870	408,518
Deposits	200,000	-	200,000
Inventories	153,560	15,371	168,931
Total current assets	<u>228,163,140</u>	<u>107,958,412</u>	<u>336,121,552</u>
Noncurrent assets:			
Land held for resale	638,904	-	638,904
Restricted investments with fiscal agent	896,847	11,881,297	12,778,144
Capital assets - nondepreciable	113,223,126	68,647,876	181,871,002
Capital assets - depreciable, net	201,060,097	82,668,737	283,728,834
Total noncurrent assets	<u>315,818,974</u>	<u>163,197,910</u>	<u>479,016,884</u>
Total assets	<u>543,982,114</u>	<u>271,156,322</u>	<u>815,138,436</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	2,755,360	59,458	2,814,818
Deferred outflows of resources related to pensions	20,842,908	2,910,190	23,753,098
Deferred outflows of resources related to OPEB	12,002,773	1,450,235	13,453,008
Total deferred outflows of resources	<u>35,601,041</u>	<u>4,419,883</u>	<u>40,020,924</u>

City of Palm Springs
Statement of Net Position (Continued)
June 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	6,960,182	10,351,148	17,311,330
Accrued liabilities	3,023,786	537,607	3,561,393
Accrued interest payable	771,148	1,538,448	2,309,596
Deposits payable	2,691,036	511,200	3,202,236
Unearned revenues	14,923,604	-	14,923,604
Compensated absences, due within one year	5,750,708	1,321,631	7,072,339
Claims and judgments, due within one year	8,101,777	-	8,101,777
Bonds, notes and leases payable, due within one year	6,708,410	3,062,550	9,770,960
Total current liabilities	<u>48,930,651</u>	<u>17,322,584</u>	<u>66,253,235</u>
Noncurrent liabilities:			
Compensated absences, due in more than on year	2,264,783	-	2,264,783
Claims and judgments, due in more than on year	6,657,043	-	6,657,043
Bonds, notes and leases payable, due in more than on year	134,654,813	48,822,940	183,477,753
Net pension liability	156,769,802	22,763,140	179,532,942
Net OPEB liability	129,834,620	15,687,259	145,521,879
Total noncurrent liabilities	<u>430,181,061</u>	<u>87,273,339</u>	<u>517,454,400</u>
Total liabilities	<u>479,111,712</u>	<u>104,595,923</u>	<u>583,707,635</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	880,657	218,663	1,099,320
Deferred inflows of resources related to OPEB	17,840,113	2,155,530	19,995,643
Total deferred inflows of resources	<u>18,720,770</u>	<u>2,374,193</u>	<u>21,094,963</u>
NET POSITION			
Net investment in capital assets	194,166,383	108,473,977	302,640,360
Restricted for:			
Community development projects	12,744,864	-	12,744,864
Public safety grants and programs	3,413,281	-	3,413,281
Public works projects	26,284,106	-	26,284,106
Debt service	2,216,080	2,897,901	5,113,981
Library	1,865,935	-	1,865,935
Special projects	3,141,400	-	3,141,400
Total restricted	<u>49,665,666</u>	<u>2,897,901</u>	<u>52,563,567</u>
Unrestricted (deficit)	<u>(162,081,376)</u>	<u>57,234,211</u>	<u>(104,847,165)</u>
Total net position	<u>\$ 81,750,673</u>	<u>\$ 168,606,089</u>	<u>\$ 250,356,762</u>

City of Palm Springs
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 23,064,805	\$ 11,775,694	\$ 2,117,605	\$ 2,242,415
Public safety	62,790,098	2,911,245	1,272,139	-
Cultural and convention center	8,701,458	-	-	-
Parks and recreation	10,417,370	2,870,786	1,766	-
Public works	19,367,549	3,288,955	3,442,718	5,942,230
Library	2,639,183	4,983	17	-
Interest on long term debt	6,065,747	-	-	-
Total Governmental Activities	133,046,210	20,851,663	6,834,245	8,184,645
Business-Type Activities:				
Airport	29,121,612	23,043,916	8,912,450	-
Wastewater	8,940,635	12,358,649	-	-
Golf Course	4,786,833	3,550,751	-	-
Total Business-Type Activities	42,849,080	38,953,316	8,912,450	-
Total Primary Government	\$ 175,895,290	\$ 59,804,979	\$ 15,746,695	\$ 8,184,645

City of Palm Springs
Statement of Activities (Continued)
For the Year Ended June 30, 2021

	Net (Expense) Revenue and Changes in Net Positions		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ (6,929,091)	\$ -	\$ (6,929,091)
Public safety	(58,606,714)	-	(58,606,714)
Cultural and convention center	(8,701,458)	-	(8,701,458)
Parks and recreation	(7,544,818)	-	(7,544,818)
Public works	(6,693,646)	-	(6,693,646)
Library	(2,634,183)	-	(2,634,183)
Interest on long term debt	(6,065,747)	-	(6,065,747)
Total Governmental Activities	<u>(97,175,657)</u>	<u>-</u>	<u>(97,175,657)</u>
Business-Type Activities:			
Airport	-	2,834,754	2,834,754
Wastewater	-	3,418,014	3,418,014
Golf Course	-	(1,236,082)	(1,236,082)
Total Business-Type Activities	<u>-</u>	<u>5,016,686</u>	<u>5,016,686</u>
Total Primary Government	<u>(97,175,657)</u>	<u>5,016,686</u>	<u>(92,158,971)</u>
General Revenues:			
Taxes:			
Property taxes	31,148,883	-	31,148,883
Transient occupancy taxes	35,092,830	-	35,092,830
Sales taxes	47,291,146	-	47,291,146
Franchise taxes	3,277,733	-	3,277,733
Utility users tax	8,284,837	-	8,284,837
Other taxes	6,542,006	-	6,542,006
Motor vehicle in lieu - unrestricted	5,703,803	-	5,703,803
Use of money and property	85,682	641,487	727,169
Gain on sale of capital assets	95,252	-	95,252
Other	158,992	-	158,992
Total General Revenues	<u>137,681,164</u>	<u>641,487</u>	<u>138,322,651</u>
Transfers:			
Transfers	(2,588,900)	2,588,900	-
Total Transfers	<u>(2,588,900)</u>	<u>2,588,900</u>	<u>-</u>
Changes in Net Position	<u>37,916,607</u>	<u>8,247,073</u>	<u>46,163,680</u>
Net Position - Beginning of year, as restated (Note 17)	<u>43,834,066</u>	<u>160,359,016</u>	<u>204,193,082</u>
Net Position - End of Year	<u>\$ 81,750,673</u>	<u>\$ 168,606,089</u>	<u>\$ 250,356,762</u>

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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, 2021**

	General	Capital	Debt
		Projects Fund	Service Fund
		Measure J	General Debt Service
ASSETS			
Cash and investments	\$ 88,472,444	\$ 18,038,971	\$ 3,367,365
Receivables:			
Accounts	12,003,119	3,997,678	-
Accrued interest	79,323	37,516	-
Notes and loans	1,096,667	-	-
Prepaid items	398,998	-	-
Deposits	200,000	-	-
Advances to other funds	1,210,000	-	-
Due from other funds	772,244	-	-
Land held for resale	49,950	-	-
Restricted assets:			
Cash and investments with fiscal agent	-	-	624,529
Total assets	\$ 104,282,745	\$ 22,074,165	\$ 3,991,894
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,196,049	\$ 928,949	\$ -
Accrued liabilities	2,724,018	2,647	-
Deposits payable	2,634,257	-	-
Due to other funds	-	-	-
Unearned revenues	14,923,604	-	-
Total liabilities	22,477,928	931,596	-
Deferred inflows of resources:			
Unavailable revenues	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Nonspendable	2,955,615	-	-
Restricted	-	-	624,529
Assigned	26,400,668	21,142,569	3,367,365
Unassigned	52,448,534	-	-
Total fund balances	81,804,817	21,142,569	3,991,894
Total liabilities, deferred inflows of resources, and fund balances	\$ 104,282,745	\$ 22,074,165	\$ 3,991,894

**City of Palm Springs
Balance Sheet (Continued)
Governmental Funds
June 30, 2021**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 37,190,109	\$ 147,068,889
Receivables:		
Accounts	8,078,973	24,079,770
Accrued interest	74,824	191,663
Notes and loans	6,374,969	7,471,636
Prepaid items	8,650	407,648
Deposits	-	200,000
Advances to other funds	-	1,210,000
Due from other funds	-	772,244
Land held for resale	588,954	638,904
Restricted assets:		
Cash and investments with fiscal agent	272,318	896,847
Total assets	\$ 52,588,797	\$ 182,937,601
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 2,614,992	\$ 5,739,990
Accrued liabilities	103,645	2,830,310
Deposits payable	56,779	2,691,036
Due to other funds	772,244	772,244
Unearned revenues	-	14,923,604
Total liabilities	3,547,660	26,957,184
 Deferred inflows of resources:		
Unavailable revenues	3,801,228	3,801,228
Total deferred inflows of resources	3,801,228	3,801,228
 Fund balances:		
Nonspendable	8,650	2,964,265
Restricted	33,589,274	34,213,803
Assigned	11,641,985	62,552,587
Unassigned	-	52,448,534
Total fund balances	45,239,909	152,179,189
Total liabilities, deferred inflows of resources, and fund balances	\$ 52,588,797	\$ 182,937,601

City of Palm Springs
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds \$ 152,179,189

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	\$ 113,223,126	
Depreciable assets, net of \$303,116,018 accumulated depreciation	201,060,097	
Less: Amount reported in Internal Service Fund		
Depreciable assets, net of \$24,336,086 accumulated depreciation	<u>(25,312,810)</u>	288,970,413

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)	2,739,221
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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.	3,801,228
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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 \$359,358 reported in Internal Service Fund	(7,656,133)	
Capital leases, notes, and bonds, net of \$22,646,229 reported in Internal Service Fund	<u>(118,716,994)</u>	(126,373,127)

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.

Deferred outflows of resources, net of \$573,315 reported in Internal Service Fund	(152,285,407)	
Net pension liability, net of \$4,484,395 reported in Internal Service Fund	20,269,593	
Deferred inflows of resources, net of \$43,077 reported in Internal Service Fund	<u>(837,580)</u>	(132,853,394)

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.

Deferred outflows of resources, net of \$659,197 reported in Internal Service Fund	(122,704,048)	
Net OPEB liability, net of \$7,130,572 reported in Internal Service Fund	11,343,576	
Deferred inflows of resources, net of \$179,787 reported in Internal Service Fund	<u>(16,860,326)</u>	(128,220,798)

Accrued interest payable due on long-term debt not reported in the governmental funds, net of \$184,533 reported in Internal Service Fund.	(586,615)
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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.	<u>22,094,556</u>
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Net position of governmental activities \$ 81,750,673

City of Palm Springs
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Capital Projects	Debt Service
		Fund	Fund
		Measure J	General Debt Service
Revenues:			
Taxes	\$ 115,282,199	\$ 17,770,795	\$ -
Intergovernmental	2,977,502	-	-
Licenses and permits	7,047,587	-	-
Fines and forfeitures	510,420	-	-
Use of money and property	(209,783)	139,289	9,760
Charges for services	5,996,143	-	-
Miscellaneous	820,352	-	-
Total revenues	132,424,420	17,910,084	9,760
Expenditures:			
Current:			
General government	20,939,888	-	-
Public safety	52,780,015	-	-
Cultural and convention center	6,924,810	-	-
Parks and recreation	3,985,130	-	-
Public works	14,639,567	543,778	-
Library	2,275,043	-	-
Capital outlay	-	7,664,009	-
Debt service:			
Principal retirement	-	-	38,690,615
Interest and fiscal charges	-	-	6,885,140
Total expenditures	101,544,453	8,207,787	45,575,755
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	30,879,967	9,702,297	(45,565,995)
Other financing sources (uses):			
Issuance of debt	-	-	33,495,000
Transfers in	11,550,000	-	12,810,356
Transfers out	(12,119,200)	(10,550,000)	(1,174,190)
Total other financing sources (uses)	(569,200)	(10,550,000)	45,131,166
NET CHANGE IN FUND BALANCES	30,310,767	(847,703)	(434,829)
FUND BALANCES:			
Beginning of year, as restated (Note 17)	51,494,050	21,990,272	4,426,723
End of year	\$ 81,804,817	\$ 21,142,569	\$ 3,991,894

City of Palm Springs
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2021

	Other Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ 6,143,161	\$ 139,196,155
Intergovernmental	6,910,583	9,888,085
Licenses and permits	335,196	7,382,783
Fines and forfeitures	46,592	557,012
Use of money and property	259,984	199,250
Charges for services	4,641,293	10,637,436
Miscellaneous	326,969	1,147,321
Total revenues	18,663,778	169,008,042
EXPENDITURES:		
Current:		
General government	1,287,431	22,227,319
Public safety	2,805,178	55,585,193
Cultural and convention center	829,051	7,753,861
Parks and recreation	49	3,985,179
Public works	1,208,792	16,392,137
Library	176,671	2,451,714
Capital outlay	11,462,078	19,126,087
Debt service:		
Principal retirement	405,421	39,096,036
Interest and fiscal charges	141,538	7,026,678
Total expenditures	18,316,209	173,644,204
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	347,569	(4,636,162)
OTHER FINANCING SOURCES (USES)		
Issuance of debt	-	33,495,000
Transfers in	2,613,300	26,973,656
Transfers out	(5,295,300)	(29,138,690)
Total other financing sources (uses)	(2,682,000)	31,329,966
NET CHANGE IN FUND BALANCES	(2,334,431)	26,693,804
FUND BALANCES:		
Beginning of year	47,574,340	125,485,385
End of year	\$ 45,239,909	\$ 152,179,189

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, 2021

Net change in fund balances - total governmental funds: \$ 26,693,804

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, net of functional expenditures of \$2,971,434.	\$ 16,154,653	
Depreciation expense, net of \$2,013,287 reported in Internal Service Funds	(12,084,068)	4,070,585

Revenues that are measurable but not available and are reported as unavailable revenue under the modified accrual basis of accounting in the governmental funds.		3,801,228
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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 debt, net of \$17,711,555 reported in Internal Service Funds	(33,495,000)	
Deferred charges on the debt issuance	718,567	
Principal repayment of debt	39,096,036	6,319,603

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 \$15,889,330 contribution after measurement date	(5,168,640)	
OPEB expense, net of \$3,819,649 contribution after measurement date	12,509	
Net change in compensated absences	(671,983)	(5,828,114)

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	(238,922)	
Amortization of premium, net of \$7,751 reported in Internal Service Funds	1,527,086	
Amortization of debt discount	(3,658)	
Amortization of deferred amount on refunding	(118,220)	1,166,286

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.		1,693,215
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Change in net position of governmental activities		\$ 37,916,607
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PROPRIETARY FUND FINANCIAL STATEMENTS

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City of Palm Springs
Statement of Net Position
Proprietary Funds
June 30, 2021

ASSETS	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Totals	Internal Service Funds
Current assets:					
Cash and investments	\$ 49,061,719	\$ 51,090,945	\$ 5,656,707	\$ 105,809,371	\$ 45,728,315
Receivable:					
Accounts	4,038,486	345,655	215,372	4,599,513	161,996
Interest	90,850	82,437	-	173,287	59,663
Prepaid items	-	-	870	870	-
Inventories	15,371	-	-	15,371	153,560
Restricted:					
Cash and investments with fiscal agent	11,881,295	-	2	11,881,297	-
Total current assets	65,087,721	51,519,037	5,872,951	122,479,709	46,103,534
Noncurrent assets:					
Advances to other funds	-	-	-	-	1,430,000
Capital assets, nondepreciable	50,687,701	12,638,478	5,321,697	68,647,876	2,697,812
Capital assets, net of accumulated depreciation	39,874,794	42,008,357	785,586	82,668,737	22,614,998
Total noncurrent assets	90,562,495	54,646,835	6,107,283	151,316,613	26,742,810
Total assets	155,650,216	106,165,872	11,980,234	273,796,322	72,846,344
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	59,458	59,458	16,139
Deferred outflows of resources related to pensions	2,901,621	8,569	-	2,910,190	573,315
Deferred outflows of resources related to OPEB	1,438,127	12,108	-	1,450,235	659,197
Total deferred outflows of resources	4,339,748	20,677	59,458	4,419,883	1,248,651

City of Palm Springs
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Totals	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable	8,822,372	1,276,207	252,569	10,351,148	1,220,192
Accrued liabilities	531,752	5,855	-	537,607	193,476
Interest payable	80,333	314,439	1,143,676	1,538,448	184,533
Deposits payable	11,200	-	500,000	511,200	-
Compensated absences - due within one year	1,321,631	-	-	1,321,631	359,358
Claims and judgments - due within one year	-	-	-	-	8,101,777
Bonds, notes, and capital leases - due within one year	1,530,000	695,050	837,500	3,062,550	1,639,646
Total current liabilities	12,297,288	2,291,551	2,733,745	17,322,584	11,698,982
Noncurrent liabilities:					
Advances from other funds	-	-	2,640,000	2,640,000	-
Claims and judgments	-	-	-	-	6,657,043
Bonds, notes, and capital leases	20,548,598	23,966,807	4,307,535	48,822,940	21,006,583
Aggregate net pension liability	22,696,112	67,028	-	22,763,140	4,484,395
Net OPEB liability	15,556,289	130,970	-	15,687,259	7,130,572
Total noncurrent liabilities	58,800,999	24,164,805	6,947,535	89,913,339	39,278,593
Total liabilities	71,098,287	26,456,356	9,681,280	107,235,923	50,977,575
DEFERRED INFLOW OF RESOURCES					
Deferred inflows of resources related to pensions	218,019	644	-	218,663	43,077
Deferred inflows of resources related to OPEB	2,137,534	17,996	-	2,155,530	979,787
Total deferred inflows of resources	2,355,553	18,640	-	2,374,193	1,022,864
NET POSITION					
Net investment in capital assets	77,467,293	29,984,978	1,021,706	108,473,977	2,666,581
Restricted for debt service	2,897,899	-	2	2,897,901	-
Unrestricted	6,170,932	49,726,575	1,336,704	57,234,211	19,427,975
Total net position	\$ 86,536,124	\$ 79,711,553	\$ 2,358,412	\$ 168,606,089	\$ 22,094,556

City of Palm Springs
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021

	Business-Type Activities				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service
OPERATING REVENUES:					
Charges for services	\$ 23,043,916	\$ 12,358,649	\$ 3,550,751	\$ 38,953,316	\$ 60,149,007
Miscellaneous	-	-	-	-	17,865
Total operating revenues	23,043,916	12,358,649	3,550,751	38,953,316	60,166,872
OPERATING EXPENSES:					
Administration and general	2,014,990	19,025	17,100	2,051,115	1,687,936
Personnel services	12,839,863	45,211	-	12,885,074	262,812
Materials and supplies	432,573	-	-	432,573	-
Maintenance operations	-	-	-	-	2,282,906
Facilities maintenance	-	-	-	-	3,945,597
Retirement	-	-	-	-	21,780,937
Retiree health insurance	-	-	-	-	3,308,320
Other claims and insurance	-	385,000	-	385,000	7,826,920
Depreciation expense	5,722,352	3,129,688	196,764	9,048,804	2,013,287
Utilities	1,148,479	169,211	-	1,317,690	1,397,321
Other charges and services	5,645,780	4,767,579	4,391,047	14,804,406	-
Cogeneration electricity	101,400	-	-	101,400	142,766
Medical, health, and life insurance	-	-	-	-	8,627,594
Workers compensation	411,400	6,300	-	417,700	4,591,920
Total operating expenses	28,316,837	8,522,014	4,604,911	41,443,762	57,868,316
OPERATING INCOME (LOSS)	(5,272,921)	3,836,635	(1,054,160)	(2,490,446)	2,298,556
NONOPERATING INCOME (LOSS):					
Interest revenue	309,132	299,417	32,938	641,487	(98,140)
Interest expense	(753,869)	(418,621)	(181,922)	(1,354,412)	(923,922)
Intergovernmental grant revenue	8,912,450	-	-	8,912,450	745,335
Gain (loss) on disposal of capital assets	(50,906)	-	-	(50,906)	95,252
Total nonoperating income (loss)	8,416,807	(119,204)	(148,984)	8,148,619	(181,475)
NET INCOME (LOSS) BEFORE TRANSFERS	3,143,886	3,717,431	(1,203,144)	5,658,173	2,117,081
TRANSFERS:					
Transfers in	-	-	2,588,900	2,588,900	1,174,190
Transfers out	-	-	-	-	(1,598,056)
Total Transfers	-	-	2,588,900	2,588,900	(423,866)
CHANGES IN NET POSITION	3,143,886	3,717,431	1,385,756	8,247,073	1,693,215
NET POSITION:					
Beginning of the year, as restated (Note 17)	83,392,238	75,994,122	972,656	160,359,016	20,401,341
End of the year	<u>\$ 86,536,124</u>	<u>\$ 79,711,553</u>	<u>\$ 2,358,412</u>	<u>\$ 168,606,089</u>	<u>\$ 22,094,556</u>

City of Palm Springs
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities				Governmental
	Airport	Wastewater	Golf Course	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 25,395,961	\$ 12,418,483	\$ 3,628,096	\$ 41,442,540	\$ 60,064,415
Cash paid to suppliers for goods and services	(6,713,652)	(4,652,008)	(4,367,522)	(15,733,182)	(6,573,175)
Cash paid to employees for services	(12,861,228)	(51,483)	-	(12,912,711)	(24,871,385)
Cash paid for insurance premium and claims	-	-	-	-	(19,562,421)
Net cash provided by (used in) operating activities	5,821,081	7,714,992	(739,426)	12,796,647	9,057,434
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in	-	-	2,588,900	2,588,900	-
Cash transfers out	-	-	-	-	(423,866)
Grant revenue received	8,912,450	-	-	8,912,450	745,335
Net cash provided by noncapital financing activities	8,912,450	-	2,588,900	11,501,350	321,469
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(20,508,369)	(1,142,960)	-	(21,651,329)	(368,111)
Proceeds from disposal of capital assets	-	-	-	-	145,803
Proceeds from loans	-	-	-	-	15,854,440
Principal paid on bonds, loans, and capital leases	(1,460,000)	(696,931)	(803,245)	(2,960,176)	(17,012,929)
Interest paid	(1,037,000)	(417,371)	(187,566)	(1,641,937)	(950,970)
Net cash (used in) capital and related financing activities	(23,005,369)	(2,257,262)	(990,811)	(26,253,442)	(2,331,767)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	287,347	277,957	32,938	598,242	174,717
Net cash provided by investing activities	287,347	277,957	32,938	598,242	174,717
Net increase (decrease) in cash and cash equivalents	(7,984,491)	5,735,687	891,601	(1,357,203)	7,221,853
CASH AND CASH EQUIVALENTS:					
Beginning of year	68,927,505	45,355,258	4,765,108	119,047,871	38,506,462
End of year	<u>\$ 60,943,014</u>	<u>\$ 51,090,945</u>	<u>\$ 5,656,709</u>	<u>\$ 117,690,668</u>	<u>\$ 45,728,315</u>
CASH AND CASH EQUIVALENTS:					
Cash and investments	49,061,719	51,090,945	5,656,707	105,809,371	45,728,315
Cash and investments with fiscal agent	11,881,295	-	2	11,881,297	-
Total cash and cash equivalents	<u>\$ 60,943,014</u>	<u>\$ 51,090,945</u>	<u>\$ 5,656,709</u>	<u>\$ 117,690,668</u>	<u>\$ 45,728,315</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	(5,272,921)	3,836,635	(1,054,160)	(2,490,446)	2,298,556
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	5,722,352	3,129,688	196,764	9,048,804	2,013,287
Changes in assets and liabilities:					
(Increase)/decrease in accounts receivables	2,345,845	59,834	77,345	2,483,024	(102,457)
(Increase)/decrease in prepaids	-	-	(870)	(870)	27,752
(Increase)/decrease in deferred outflows of resources	(595,033)	(2,712)	-	(597,745)	(163,085)
Increase/(decrease) in accounts payable	2,628,327	687,492	41,495	3,357,314	169,605
Increase/(decrease) in accrued liabilities	74,315	1,315	-	75,630	84,199
Increase/(decrease) in compensated absences	304,437	-	-	304,437	49,398
Increase/(decrease) in claims and judgments	-	-	-	-	4,515,033
Increase/(decrease) in deposits payable	6,200	-	-	6,200	-
Increase/(decrease) in net pension liabilities	748,852	2,212	-	751,064	147,961
Increase/(decrease) in net OPEB liabilities	642,209	5,407	-	647,616	294,370
Increase/(decrease) in deferred inflows of resources	(783,502)	(4,879)	-	(788,381)	(277,185)
Net cash provided by (used in) operating activities	<u>\$ 5,821,081</u>	<u>\$ 7,714,992</u>	<u>\$ (739,426)</u>	<u>\$ 12,796,647</u>	<u>\$ 9,057,434</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 Fund
June 30, 2021

	Private Purpose Trust Fund
	Successor Agency Fund
ASSETS:	
Pooled cash and investments	\$ 271,760
Receivables:	
Accrued interest	212
Land held for resale	600,196
Restricted assets:	
Cash and investments with fiscal agent	2,151,195
Total assets	3,023,363
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charges on refunding	203,758
Total deferred outflows of resources	203,758
LIABILITIES:	
Accounts payable	1,861,036
Accrued liability	8,424
Accrued interest	288,964
Long-term liabilities:	
Due in one year	1,685,000
Due in more than one year	27,254,099
Total liabilities	31,097,523
NET POSITION:	
Held in trust for individuals, organizations, and other governments	(27,870,402)
Total net position (deficit)	\$ (27,870,402)

City of Palm Springs
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Private Purpose Trust Fund
	Successor Agency Fund
ADDITIONS:	
Property taxes	\$ 2,857,256
Investment income	179,323
Total additions	3,036,579
DEDUCTIONS:	
Administrative expenses	415,930
Interest expense	1,170,519
Total deductions	1,586,449
Change in net position	1,450,130
NET POSITION:	
Beginning of year	(29,320,532)
End of year	\$ (27,870,402)

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, 2021

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 Public Financing Authority (the “Authority”). This blended component unit is discussed below and is included in the reporting entity because of the significance of its operations and financial relationship with the City.

Blended Component Units

City of Palm Springs Public Financing Authority

The City of Palm Springs Public Financing Authority was created by a joint exercise of 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 the Successor Agency to the 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, did not affect the validity of the joint powers' agreement.

Since the City Council serves as the governing board for the Palm Springs Public Financing Authority, the 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 Public Financing Authority issues separate component unit financial statements which can be obtained at the City Hall.

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

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, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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.

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.

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.

Governmental Fund Financial Statements

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 investment income 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, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements (Continued)

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.

Measure J Capital Projects Fund – This fund is used to account for the costs related to various capital projects funded by Measure J.

General Debt Service Fund – To account for the payment of principal and interest on long-term debt for the City.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

The City reports the following proprietary funds:

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

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

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

Additionally, the City reports the following proprietary fund types:

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, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary fund represents private purpose trust fund. The private purpose trust fund are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

The City reports the following fiduciary fund type:

Successor Agency of the Former Redevelopment Agency Private Purpose Trust Fund - 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.

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). In accordance with the Bill, all redevelopment agencies in California were dissolved and ceased to operate as of February 1, 2012.

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.

C. 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Property Taxes (Continued)

The property tax calendar is as follows:

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

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

December 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

D. 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.

E. 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.

F. Prepaid Items and 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements by using purchase method.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute "available spendable resources," even though they are a component of current assets.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

G. 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 net realizable value determined at the date a disposition and development agreement is executed.

H. Capital Assets

Capital assets (including infrastructure) greater than \$5,000 are capitalized and recorded at cost or at the estimated fair value of the assets at the time of acquisition where complete historical records have not been maintained. Contributed capital assets are valued at acquisition 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.

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 Vaults, and Subsurface Lines	50
Infrastructure:	
Pavement	25
Curbs and Gutters	50
Sidewalks	50
Other	25 to 60

In fiscal year ended June 30, 2021, the governmental funds had capital outlay expenditure of \$16,154,653. These capital expenditures are reported in the City’s individual departments in the accompanying financial statements.

I. 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 and other postemployment benefits (“OPEB”) contribution after measurement date and deferred loss related to pension, OPEB, and debt refunding in this category.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows/Inflows of Resources (Continued)

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.

J. Net Pension Liability

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

The following timeframes are used for pension reporting:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Measurement Period:	July 1, 2019 to June 30, 2020

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.

K. 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, 2020
Measurement Period:	July 1, 2019 to June 30, 2020

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Other Postemployment Benefits Liability (Continued)

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

M. 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.

N. 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Net Position (Continued)

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 net 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.

O. 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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

P. 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.

Q. Use of Estimates

The preparation of financial statements in accordance with U.S GAAP requires management to make estimates and assumptions which affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Implementation of New GASB Pronouncements

During the fiscal year ended June 30, 2021, the city implemented the following new GASB pronouncements:

- In January 2017, GASB issued Statement No. 84, Fiduciary Activities (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. As result of implementation of GASB 84, the previously reported Agency Fund was closed and reported as part of governmental funds during the year ended June 30, 2021.
- In October 2021, GASB issues Statement No. 98, The Annual Comprehensive Financial Report, to establish the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Implementation of this did not have a material effect on the financial statements.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments

Cash and investments as of June 30, 2021, 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	\$ 192,797,204	\$ 105,809,371	\$ 271,760	\$ 298,878,335
Restricted assets:				
Cash and investments with fiscal agent	896,847	11,881,297	2,151,195	14,929,339
Total cash and investments	\$ 193,694,051	\$ 117,690,668	\$ 2,422,955	\$ 313,807,674

Cash and investments as of June 30, 2021, consist of the following:

Cash on hand	\$ 2,300
Deposits with financial institutions	17,203,526
Investments	296,601,848
Total cash and investments	\$ 313,807,674

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.

A. Deposits

At June 30, 2021, the carrying amount of the City's demand deposits was \$17,203,526 the bank balance was \$12,634,946. The \$4,568,580 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Cash and Investments (Continued)

A. Deposits (Continued)

<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, 2021

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 short-term and long-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	\$ 61,477,533	\$ 61,477,533	\$ -	\$ -
CalTRUST Short Term Fund	103,621,436	103,621,436	-	-
U.S. Treasury Securities	54,766,137	16,695,982	36,079,609	1,990,546
U.S. Government Sponsored Enterprise Securities	44,802,315	17,142,223	27,660,092	-
Negotiable Certificates of Deposit	3,086,346	1,516,289	1,570,057	-
Corporate Bonds	12,544,237	2,023,820	9,227,407	1,293,010
Asset-backed Securities	1,247,254	-	-	1,247,254
Money Market Mutual Funds	127,251	127,251	-	-
Held by fiscal agent:				
Money Market Mutual Funds	14,929,339	14,929,339	-	-
Total investments	\$ 296,601,848	\$ 217,533,873	\$ 74,537,165	\$ 4,530,810

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	AA	Not Rated
Local Agency Investment Fund	\$ 61,477,533	\$ -	\$ -	\$ 61,477,533
CalTRUST Short Term Fund	103,621,436	103,621,436	-	-
U.S. Treasury Securities	54,766,137	54,766,137	-	-
U.S. Government Sponsored Enterprise Securities	44,802,315	44,802,315	-	-
Negotiable Certificates of Deposit	3,086,346	-	-	3,086,346
Corporate Bonds	12,544,237	1,150,050	11,394,187	-
Asset-backed Securities	1,247,254	1,247,254	-	-
Money Market Mutual Funds	127,251	127,251	-	-
Held by fiscal agent:				
Money market funds	14,929,339	14,929,339	-	-
Total investments	\$ 296,601,848	\$ 220,643,782	\$ 11,394,187	\$ 64,563,879

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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	Amount	Percentage
Federal Home Loan Mortgage Corp.	U.S. Government Sponsored Enterprise Securities	18,641,105	6.28%
Federal National Mortgage Association	U.S. Government Sponsored Enterprise Securities	19,074,585	6.43%

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, 2021:

Investment Type	Measurement Input		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. Treasury Securities	\$ 54,766,137	\$ -	\$ 54,766,137
U.S. Government Sponsored Enterprise Securities	-	44,802,315	44,802,315
Negotiable Certificates of Deposit	-	3,086,346	3,086,346
Corporate Bonds	-	12,544,237	12,544,237
Asset-backed Securities	-	1,247,254	1,247,254
Total investments subject to fair value measurement	\$ 54,766,137	\$ 61,680,152	\$ 116,446,289

Level 1 investments are valued using prices quoted in active markets. Level 2 investments are valued using quoted prices for similar assets in active markets based on matrix pricing.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

H. Investment in State Investment Pool

The City is a participant in the Local Agency Investment Fund (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, 2021, the City had \$61,477,533 invested in LAIF, which had invested 2.31% of the Pool investment funds in Structured Notes and Asset-Backed Securities. The fair 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, 2021

Note 3 – Interfund Receivables, Payables and Transfers

A. Internal Balances

At June 30, 2021, the City had the following internal receivable and payable, which represents internal service charges between the governmental activities and business-type activities:

Internal Payable	Internal Receivable	
	Governmental Activities	
Business-Type Activities	\$	2,640,000

B. Advances To/From Other Funds

The City has authorized interfund advances to be used for the operations of the funds receiving the advances. At June 30, 2021, the outstanding advances are:

Advances from Other Funds	Advances to Other Funds		Total
	Governmental Fund	Proprietary Fund	
	General Fund	Internal Service Funds	
Proprietary Fund:			
Golf Course Enterprise Fund	\$ 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, 2021 and the Golf Course has not made any interest payment. At June 30, 2021, 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.

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	General Debt Service Fund	Nonmajor Governmental Funds	Golf Course Enterprise Fund	Internal Service Funds	
Governmental Funds:						
General Fund	\$ -	\$ 6,917,000	\$ 2,613,300	\$ 2,588,900	\$ -	\$12,119,200
Measure J Fund	7,350,000	3,200,000	-	-	-	10,550,000
General Debt Service Fund	-	-	-	-	1,174,190	1,174,190
Nonmajor Governmental Funds	4,200,000	1,095,300	-	-	-	5,295,300
Proprietary Funds:						
Internal Service Funds	-	1,598,056	-	-	-	1,598,056
	<u>\$11,550,000</u>	<u>\$12,810,356</u>	<u>\$ 2,613,300</u>	<u>\$ 2,588,900</u>	<u>\$ 1,174,190</u>	<u>\$30,736,746</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

C. Transfers In/Transfers Out (Continued)

Transfers of \$11,550,000 to the General Fund consist of 1) \$7,350,000 from the Measure J Fund and \$4,200,000 from the Nonmajor Governmental Fund to offset costs associated with COVID-19.

A transfer of \$2,613,300 to the Nonmajor Governmental Funds consist of \$2,612,300 from the General Fund to the Capital Project Fund to fund future capital projects and \$1,000 to Community Development Block Grant to cover for program expenditures.

Transfers of \$12,810,356 to the General Debt Service Fund consist of 1) \$6,917,000 from the General Fund, \$3,200,000 from Measure J Capital Projects Fund, \$1,095,300 from nonmajor governmental funds, and \$1,598,056 from Internal Service Funds for debt service-related costs.

Transfers of \$2,588,900 to the Golf Course Enterprise Fund were associated with impacts of COVID-19.

Transfers of \$1,174,190 to the Internal Service Funds from Debt Service Fund is for debt service-related costs.

Note 4 – Notes and Loans Receivable

The following is a summary of notes and loans receivable as of June 30, 2021:

Economic Incentive	\$	1,104,167
Library Endowment		70,000
Hacienda Sunset (Coyote)		1,586,261
Santiago Sunrise Village		277,992
Vista Sunrise Apartments		1,671,398
Sahara Multiple Housing		261,818
Desert Highland		1,600,000
Monarch Apartments		900,000
Total notes and loans receivable	\$	7,471,636

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 5 – Capital Assets

The following is a summary of capital assets activity for the governmental activities for the year ended June 30, 2021:

	Balance July 1, 2020 (As Restated)	Additions	Deletions	Reclassification	Balance June 30, 2021
Capital assets, not being depreciated:					
Land	\$ 69,582,361	\$ -	\$ -	\$ -	\$ 69,582,361
Construction in progress	29,718,107	17,162,728	-	(20,108,329)	26,772,506
Rights of way	16,868,259	-	-	-	16,868,259
Total capital assets, not being depreciated	116,168,727	17,162,728	-	(20,108,329)	113,223,126
Capital assets, being depreciated:					
Buildings	93,486,880	-	-	-	93,486,880
Improvements	80,060,973	39,543	(43,822)	9,337,990	89,394,684
Furniture and equipment	29,480,469	1,177,608	(491,875)	843,704	31,009,906
Vehicles	21,079,475	-	(1,701,166)	1,151,838	20,530,147
Infrastructure	260,979,701	-	-	8,774,797	269,754,498
Total capital assets, being depreciated	485,087,498	1,217,151	(2,236,863)	20,108,329	504,176,115
Less accumulated depreciation for:					
Buildings	(47,986,227)	(2,576,436)	-	-	(50,562,663)
Improvements	(57,489,857)	(3,720,184)	43,822	-	(61,166,219)
Furniture and equipment	(12,331,210)	(1,306,689)	491,875	-	(13,146,024)
Vehicles	(13,815,625)	(1,227,642)	1,650,615	-	(13,392,652)
Infrastructure	(159,582,056)	(5,266,404)	-	-	(164,848,460)
Total accumulated depreciation	(291,204,975)	(14,097,355)	2,186,312	-	(303,116,018)
Total capital assets, being depreciated, net	193,882,523	(12,880,204)	(50,551)	20,108,329	201,060,097
Governmental activities capital assets, net	\$ 310,051,250	\$ 4,282,524	\$ (50,551)	\$ -	\$ 314,283,223

Depreciation expense was charged in the following governmental activities in the Statement of Activities:

General government	\$ 952,910
Cultural and convention center	3,177,930
Public safety	1,020,903
Public works	6,446,447
Parks and recreation	280,050
Library	205,828
Internal Service Fund	2,013,287
Total	\$ 14,097,355

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 5 – Capital Assets (Continued)

The following is a summary of capital assets activity for the business-type activities for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Reclassification	Balance June 30, 2021
Capital assets, not being depreciated:					
Land	\$ 37,387,081	\$ -	\$ -	\$ -	\$ 37,387,081
Construction in progress	13,463,652	21,568,133	-	(3,770,990)	31,260,795
Total capital assets, not being depreciated	50,850,733	21,568,133	-	(3,770,990)	68,647,876
Capital assets, being depreciated:					
Buildings	74,894,988	-	-	-	74,894,988
Improvements	220,195,673	-	(2,871,628)	3,338,716	220,662,761
Machinery and equipment	6,402,670	41,598	(463,146)	346,362	6,327,484
Motor vehicles	4,166,003	41,598	(115,239)	85,912	4,178,274
Subsurface lines	27,387,700	-	-	-	27,387,700
Total capital assets, being depreciated	333,047,034	83,196	(3,450,013)	3,770,990	333,451,207
Less accumulated depreciation for:					
Buildings	(41,263,848)	(2,732,607)	-	(418,860)	(44,415,315)
Improvements	(174,811,238)	(5,014,578)	2,821,922	418,860	(176,585,034)
Machinery and equipment	(3,693,378)	(492,925)	461,946	-	(3,724,357)
Motor vehicles	(2,935,012)	(246,192)	115,239	-	(3,065,965)
Subsurface lines	(22,429,297)	(562,502)	-	-	(22,991,799)
Total accumulated depreciation	(245,132,773)	(9,048,804)	3,399,107	-	(250,782,470)
Total capital assets, being depreciated, net	87,914,261	(8,965,608)	(50,906)	3,770,990	82,668,737
Total capital assets, net	\$ 138,764,994	\$ 12,602,525	\$ (50,906)	\$ -	\$ 151,316,613

Depreciation expense was charged in the following business-type activities of the primary government:

Airport	5,722,352
Wastewater	3,129,688
Golf course	196,764
Total	\$ 9,048,804

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts

A. Governmental Activities

Summary of changes in long-term debts for the year ended June 30, 2021 for the governmental activities is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct Borrowings:						
Capital Lease - Fire Trucks	\$ 4,090,583	\$ -	\$ (263,103)	\$ 3,827,480	\$ 280,366	\$ 3,547,114
Capital Lease - Police Interceptors	314,006	-	(153,601)	160,405	160,405	-
Capital Lease - 2021 Fire Truck Lease	-	901,145	-	901,145	82,907	818,238
Capital Lease - 2021 Police Interceptor Vehicles	-	955,970	-	955,970	186,303	769,667
Notes Payable:						
Capital One Public Financing - Chevron	16,037,963	-	(16,037,963)	-	-	-
Cogen Capital Refinance Agreement	-	15,854,440	(379,521)	15,474,919	743,318	14,731,601
Mesquite Loan	198,022	-	(10,421)	187,601	10,421	177,180
Public Borrowings:						
Bonds Payable, net:						
Special Assessment Debt	4,705,000	-	(395,000)	4,310,000	405,000	3,905,000
2012A Lease Revenue Bonds	13,765,000	-	(1,460,000)	12,305,000	1,505,000	10,800,000
2012B Measure J Lease Revenue Bonds	34,070,000	-	(34,070,000)	-	-	-
2007 Pension Obligation Bonds	19,358,146	338,030	(790,000)	18,906,176	383,234	18,522,942
2014 Lease Revenue Refunding Bonds	40,770,000	-	(825,000)	39,945,000	870,000	39,075,000
2015 Measure A Sales Tax Revenue Bonds	1,605,000	-	(1,015,000)	590,000	590,000	-
2015 Lease Revenue Refunding Bonds	4,555,000	-	(425,000)	4,130,000	455,000	3,675,000
2017 Lease Revenue Refunding Bonds	2,208,297	-	(284,356)	1,923,941	296,456	1,627,485
2021 Lease Revenue Refunding Bonds	-	33,495,000	-	33,495,000	740,000	32,755,000
Unamortized Premiums/(Discounts):						
Special Assessment Debt	(40,816)	-	3,658	(37,158)	-	(37,158)
2012A Lease Revenue Bonds	86,154	-	(60,820)	25,334	-	25,334
2012B Measure J Lease Revenue Bonds	946,192	-	(946,192)	-	-	-
2014 Lease Revenue Refunding Bonds	3,715,721	-	(225,196)	3,490,525	-	3,490,525
2015 Measure A Sales Tax Revenue Bonds	152,937	-	(76,470)	76,467	-	76,467
2015 Lease Revenue Refunding Bonds	598,452	-	(87,703)	510,749	-	510,749
2017 Lease Revenue Refunding Bonds	323,125	-	(138,456)	184,669	-	184,669
Total Governmental Activities	\$ 147,458,782	\$ 51,544,585	\$ (57,640,144)	\$ 141,363,223	\$ 6,708,410	\$ 134,654,813

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 are 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 the inception with accumulated depreciation of \$335,823 as of June 30, 2021. The outstanding balance at June 30, 2021, is \$3,827,480.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

Fire Trucks Capital Lease (Continued)

The present value of the future lease payment as of June 30, 2021, are as follows:

Year Ending June 30,	Payments
2022	\$ 376,829
2023	376,828
2024	376,828
2025	376,827
2026	376,828
2027-2031	1,884,139
2032-2035	719,335
Subtotal	4,487,614
Interest	(660,134)
Present Value of Future Lease Payment	\$ 3,827,480

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. Annual payments in the amount of \$167,511 are due on January 1 of each year through 2022. The capital assets have been recorded at the present value of the future minimum lease payments as of the date of the inception with accumulated depreciation of \$446,567 as of June 30, 2021. The outstanding balance at June 30, 2021, is \$160,405.

The present value of the future lease payment as of June 30, 2021, are as follows:

Year Ending June 30,	Payments
2022	\$ 167,511
Interest	(7,106)
Present Value of Future Lease Payment	\$ 160,405

2021 Fire Trucks Capital Lease

In January 2021, the City acquired additional two fire trucks from Boise Mobile Equipment under a 10-year capital lease agreement with Capital One Public Funding, LLC for \$901,145 at a 1.69% annual interest rate with an annual payments of \$98,386 commencing February 1, 2022 through 2031. The present value of the future minimum lease payments at the date of inception is \$901,145. The capital assets have been recorded at the present value of the future minimum lease payments as of the date of the inception. The accumulated depreciation for the 2021 fire trucks was \$0 at June 30, 2021. The outstanding balance at June 30, 2021, is \$901,145.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2021 Fire Trucks Capital Lease (Continued)

The present value of the future lease payment as of June 30, 2021, are as follows:

Year Ending June 30,	Payments
2022	\$ 98,390
2023	98,387
2024	98,388
2025	98,387
2026	98,388
2027-2031	491,938
Subtotal	983,878
Interest	(82,733)
Present Value of Future Lease Payment	\$ 901,145

2021 Police Interceptor Vehicles Capital Lease

In March 2021, the City entered into a five-year capital lease agreement for the additional purchase of 19 Police vehicles from National Auto Fleet Group with Capital One Public Funding, LLC at a 1.5% annual interest rate with an annual payment of \$199,686 due on March 1 of each year from 2022 through 2026. The capital assets have been recorded at the present value of future minimum lease payments as of the date of inception. The accumulated depreciation for the 2021 police vehicles was \$0 at June 30, 2021. The outstanding balance at June 30, 2021, is \$955,970.

The present value of the future lease payment as of June 30, 2021, are as follows:

Year Ending June 30,	Payments
2022	\$ 199,687
2023	199,686
2024	199,686
2025	199,686
2026	199,686
Subtotal	998,431
Interest	(42,461)
Present Value of Future Lease Payment	\$ 955,970

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (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 of \$16,037,963 was refinanced and paid off during the year with Cogen Capital Refinancing Agreement.

Cogen Capital Refinancing Agreement

On December 1, 2020, the City entered into a refinancing agreement with the City of Palm Springs Financing Authority (the “Authority”) in the amount of \$15,854,440. The refinancing agreement is comprised of an equipment lease in the amount of \$4,877,139 maturing May 1, 2029 bearing an interest at 2.25% and a project lease amounting to \$11,439,278 maturing August 1, 2033 bearing interest at 3.05%. The refinancing 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. The outstanding balance of refinancing agreement at June 30, 2021 is \$15,474,919.

Annual requirements to amortize outstanding refinancing agreement debt service payments as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 743,318	\$ 431,058	\$ 1,174,376
2023	804,216	411,130	1,215,346
2024	867,895	389,536	1,257,431
2025	935,195	366,192	1,301,387
2026	1,006,982	340,990	1,347,972
2027-2031	6,220,974	1,244,775	7,465,749
2032-2033	4,896,339	230,045	5,126,384
Subtotal	<u>\$ 15,474,919</u>	<u>\$ 3,413,726</u>	<u>\$ 18,888,645</u>

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 \$10,421 are required beginning July 1, 2004 with final payment due on July 1, 2039. The City 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. No interest is required to accrue on the outstanding balance.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

Annual debt service payments remaining as of June 30, 2021, are as follows:

Year Ending June 30,	Principal
2022	\$ 10,421
2023	10,421
2024	10,421
2025	10,421
2026	10,421
2027-2031	52,105
2032-2035	52,105
2036-2039	31,286
Total	<u>\$ 187,601</u>

Special Assessment Debt with Government Commitment

At June 30, 2021, 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. The \$6,645,000 bonds were issued April 1, 2015, maturing 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, 2021 is \$4,310,000 with an unamortized discount of \$(37,158).

Annual requirements to amortize outstanding special assessment debt as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	450,000	81,813	531,813
2027-2031	2,180,000	173,459	2,353,459
Total	<u>\$ 4,310,000</u>	<u>\$ 713,839</u>	<u>\$ 5,023,839</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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2012A Convention Center Lease Revenue Bonds

On February 1, 2012, the City of Palm Springs Public 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 \$1,180,000 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, 2021. The amount of bonds outstanding at June 30, 2021, is \$12,305,000 with unamortized premium of \$25,334.

Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	2,865,000	71,625	2,936,625
Total	<u>\$ 12,305,000</u>	<u>\$ 1,357,206</u>	<u>\$ 13,662,206</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 ("CalPERS"). 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2007 Taxable Pension Obligation Bonds (Continued)

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

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

The balance outstanding as of June 30, 2021 was \$18,906,176. Future debt service requirements on the Bonds are as follows:

Year Ending June 30,	A-1		A-2			Total
	Principal	Interest	Principal	Accreted Interest	Interest	
2022	\$ -	\$ 702,415	\$ 383,234	\$ 462,492	\$ 506,766	\$ 2,054,907
2023	675,000	702,414	113,856	137,748	166,144	1,795,162
2024	1,050,000	665,398	-	-	-	1,715,398
2025	1,175,000	607,816	-	-	-	1,782,816
2026	1,305,000	543,379	-	-	-	1,848,379
2027-2031	-	2,359,062	2,303,595	2,805,251	5,676,405	13,144,313
2032-2024	8,495,000	1,234,653	-	-	-	9,729,653
Total	\$ 12,700,000	\$ 6,815,136	\$ 2,800,685	\$ 3,405,491	\$ 6,349,315	\$ 32,070,627

2012 Lease Revenue Refunding Bonds, Series B

On June 6, 2012, the City of Palm Springs Public 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 amount of \$34,070,000 including \$946,192 of unamortized premium was refinanced during the year by 2021 Lease Revenue Refunding Bonds, Series A.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2014 Convention Center Lease Revenue Refunding Bonds

On July 24, 2014, the City of Palm Springs Public 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, 2021. The amount of bonds outstanding at June 30, 2021, is \$39,945,000 with unamortized premium of \$3,490,525.

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).

Future requirements to amortize outstanding convention center bonds as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	-	1,842,731	1,842,731
2027-2031	17,175,000	7,252,781	24,427,781
2032-2036	21,900,000	2,529,891	24,429,891
Total	<u>\$ 39,945,000</u>	<u>\$ 19,018,077</u>	<u>\$ 58,963,077</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. 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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2015 Local Measure A Sales Tax Revenue Bonds (Continued)

The total Sales Tax Revenue bonds outstanding at June 30, 2021, is \$590,000 including \$76,467 of unamortized premium. Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 590,000	\$ 29,500	\$ 619,500

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, 2021, is \$4,130,000 including \$510,749 of unamortized premium. Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	630,000	85,750	715,750
2027-2028	1,400,000	70,500	1,470,500
Total	\$ 4,130,000	\$ 784,500	\$ 4,914,500

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2017 Lease Revenue Refunding Bonds

On June 13, 2017, the City of Palm Springs Public 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

The total outstanding balance on the 2017 Lease Revenue Refunding Bonds was \$6,360,000 as of June 30, 2021. The annual debt service requirement to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,115,000	91,000	1,206,000
2027	1,160,000	46,400	1,206,400
Total	6,360,000	854,300	7,214,300

The outstanding balance on the 2017 Lease Revenue Refunding Bonds for the governmental activities portion, is \$1,923,941 with an unamortized premium of \$184,669.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2017 Lease Revenue Refunding Bonds (Continued)

The annual debt service requirement to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	337,295	27,528	364,823
2027	350,908	14,036	364,944
Total	<u>1,923,941</u>	<u>258,430</u>	<u>2,182,371</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.

2021 Lease Revenue Refunding Bonds, Series A

On April 28, 2021, the City of Palm Springs Public Financing Authority issued 2021 Federally Taxable Lease Revenue Refunding Bonds, Series A in the amount of \$33,495,000. The proceeds from the issuance were used to refinance the outstanding 2012 Lease Revenue Refunding Bonds, Series B.

Interest on the bonds is payable semiannually on June 1 and December 1 of each year commencing on December 1, 2021, and the Bonds mature on June 1, 2034. The principal balance of the outstanding bonds at June 30, 2021 was \$33,495,000.

The City reduced the aggregate debt service payments by \$4,366,004 over the remaining maturity period of the 2012 Lease Revenue Bonds, Series B to obtain an economic gain of \$4,311,217 (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 the all the 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 the leased property and seek to recover all costs, losses or damages caused by the City's fault.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

A. Governmental Activities (Continued)

2021 Lease Revenue Refunding Bonds, Series A (Continued)

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 740,000	\$ 654,987	\$ 1,394,987
2023	2,535,000	598,279	3,133,279
2024	2,545,000	588,620	3,133,620
2025	2,560,000	573,198	3,133,198
2026	2,590,000	545,806	3,135,806
2027-2031	13,605,000	2,076,703	15,681,703
2032-2034	8,920,000	484,997	9,404,997
Total	<u>\$ 33,495,000</u>	<u>\$ 5,522,590</u>	<u>\$ 39,017,590</u>

B. Business-Type Activities

Changes in long-term debts for the year ended June 30, 2021 for the business-type activities are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in More Than One Year
Business-type Activities:						
Direct Borrowings:						
State Water Resource Control Board	\$ 25,358,788	\$ -	\$ (696,931)	\$ 24,661,857	\$ 695,050	\$ 23,966,807
TCF Capital Equipment	395,921	-	(138,346)	257,575	144,702	112,873
Yamaha golf leases	29,762	-	(9,255)	20,507	9,254	11,253
Public Offerings:						
2019 Airport Passenger Facility Charge						
Revenue Bonds	20,740,000	-	(1,460,000)	19,280,000	1,530,000	17,750,000
Unamortized premiums	3,075,645	-	(277,047)	2,798,598	-	2,798,598
Airport Revenue Bonds, net	23,815,645	-	(1,737,047)	22,078,598	1,530,000	20,548,598
2017 Lease Revenue Refunding Bonds	5,091,703	-	(655,644)	4,436,059	683,544	3,752,515
Unamortized premium	457,564	-	(26,670)	430,894	-	430,894
Lease Revenue Bonds, net	5,549,267	-	(682,314)	4,866,953	683,544	4,183,409
Total business-type activities	<u>\$ 55,149,383</u>	<u>\$ -</u>	<u>\$ (3,263,893)</u>	<u>\$ 51,885,490</u>	<u>\$ 3,062,550</u>	<u>\$ 48,822,940</u>

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 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, 2021, is \$24,661,857.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

B. Business-Type Activities (Continued)

Annual requirements to amortize outstanding loans payable as of June 30, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	743,532	370,769	1,114,301
2027-2031	3,911,616	1,659,893	5,571,509
2032-2036	4,255,601	1,315,907	5,571,508
2037-2041	4,629,837	941,671	5,571,508
2042-2046	5,036,983	534,526	5,571,509
2047-2049	3,232,385	110,519	3,342,904
Total	<u>\$ 24,661,857</u>	<u>\$ 6,538,590</u>	<u>\$ 31,200,447</u>

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 with accumulated depreciation of \$351,405 as of June 30, 2021. The outstanding balance at June 30, 2021, is \$257,575.

The present value of future lease payment is as follows:

Year Ending June 30,	Payments
2022	\$ 153,332
2023	115,000
Subtotal	268,332
Interest	(10,757)
Present Value of Future Lease Payment	<u>\$ 257,575</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, 2021 is \$20,507. The golf carts were reported as capital assets at the present value of future minimum lease payments at the date of inception with accumulated depreciation of \$3,391 at June 30, 2021.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

B. Business-Type Activities (Continued)

Yamaha Golf Lease (Continued)

The present value of future lease payment is as follows:

Year Ending June 30,	Payments
2022	\$ 9,555
2023	9,555
2024	3,752
Subtotal	22,862
Interest	(2,355)
Present Value of Future Lease Payment	<u>\$ 20,507</u>

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, 2021 are \$19,280,000 and \$2,798,598, respectively.

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

Year Ending June 30,	Principal	Interest	Total
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	1,865,000	633,750	2,498,750
2027-2031	10,810,000	1,674,500	12,484,500
Total	<u>\$ 19,280,000</u>	<u>\$ 5,689,250</u>	<u>\$ 24,969,250</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, 2021, principal and interest remaining on the PFC bonds was \$24,969,250. For the current year, principal and interest paid and total PFC revenues were \$2,497,000 and \$2,636,590, respectively.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

B. Business-Type Activities (Continued)

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 75-76.

The outstanding balance on the 2017 Lease Revenue Refunding Bonds for the business-type activities portion was \$4,436,059, with an unamortized premium of \$430,894 as of June 30, 2021.

The annual debt service requirement to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	777,705	63,472	841,177
2027	809,092	32,364	841,456
Total	<u>\$ 4,436,059</u>	<u>\$ 595,870</u>	<u>\$ 5,031,929</u>

C. Fiduciary Activities

Changes in long-term liabilities for the year ended June 30, 2021 for the fiduciary activities are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Tax Allocation Bonds:						
2007 Tax Allocation Bonds, Series B	\$ 1,715,000	\$ -	\$ (75,000)	\$ 1,640,000	\$ 80,000	\$ 1,560,000
2014 Tax Allocation Bonds	10,760,000	-	(1,120,000)	9,640,000	1,155,000	8,485,000
2017A Tax Allocation Refunding Parity Bonds	10,655,000	-	(295,000)	10,360,000	165,000	10,195,000
2017B Tax Allocation Refunding Parity Bonds	5,100,000	-	(285,000)	4,815,000	285,000	4,530,000
Unamortized Premiums/(Discounts):						
2014 Tax Allocation Bonds	1,481,336	-	(98,750)	1,382,586	-	1,382,586
2017A Tax Allocation Refunding Parity Bonds	1,281,434	-	(85,430)	1,196,004	-	1,196,004
2017B Tax Allocation Refunding Parity Bonds	(104,989)	-	10,498	(94,491)	-	(94,491)
Tax Allocation Bonds, net	<u>30,887,781</u>	<u>-</u>	<u>(1,948,682)</u>	<u>28,939,099</u>	<u>1,685,000</u>	<u>27,254,099</u>
Total fiduciary activities	<u>\$ 30,887,781</u>	<u>\$ -</u>	<u>\$ (1,948,682)</u>	<u>\$ 28,939,099</u>	<u>\$ 1,685,000</u>	<u>\$ 27,254,099</u>

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

C. Fiduciary Activities (Continued)

2007 Tax Allocation Bonds Series A, B, C (Continued)

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 with the issuance of the 2017 A 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 B Bonds were partially refunded with the issuance of 2017 A TAB.

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 2017 B Taxable Tax Allocation Refunding Parity Bonds.

The remaining Series B Bonds are subjected 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.

The balance outstanding on the 2007 Tax Allocation Bonds Series B as of June 30, 2021, is \$1,640,000. Future requirements to amortize are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 80,000	\$ 98,256	\$ 178,256
2023	80,000	93,343	173,343
2024	85,000	88,277	173,277
2025	90,000	82,904	172,904
2026	100,000	77,070	177,070
2027-2031	585,000	284,175	869,175
2032-2034	620,000	79,219	699,219
Total	<u>\$ 1,640,000</u>	<u>\$ 803,244</u>	<u>\$ 2,443,244</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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

C. Fiduciary Activities (Continued)

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, 2021, is \$9,640,000 including \$1,382,586 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,155,000	\$ 434,925	\$ 1,589,925
2023	870,000	384,300	1,254,300
2024	910,000	348,900	1,258,900
2025	475,000	323,375	798,375
2026	495,000	299,125	794,125
2027-2031	2,870,000	1,088,750	3,958,750
2032-2034	2,865,000	295,625	3,160,625
Total	<u>\$ 9,640,000</u>	<u>\$ 3,175,000</u>	<u>\$ 12,815,000</u>

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 and B 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

C. Fiduciary Activities (Continued)

2017A and B Tax Allocation Refunding Parity Bonds (Continued)

The total bond balance outstanding at June 30, 2021, is \$10,360,000 including \$1,196,004 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	90,000	395,350	485,350
2027-2031	4,660,000	1,410,750	6,070,750
2032-2034	4,640,000	295,450	4,935,450
Total	<u>\$ 10,360,000</u>	<u>\$ 3,805,850</u>	<u>\$ 14,165,850</u>

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 current 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, 2021, is \$4,815,000 including \$94,491 of unamortized discount. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	310,000	116,381	426,381
2027-2031	1,730,000	426,172	2,156,172
2032-2034	1,595,000	113,663	1,708,663
Total	<u>\$ 4,815,000</u>	<u>\$ 1,201,084</u>	<u>\$ 6,016,084</u>

As a result of issuing 2017 A and B Tax Allocation Refunding Bonds, 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).

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 6 – Long-Term Debts (Continued)

C. Fiduciary Activities (Continued)

2017A and B Tax Allocation Refunding Parity Bonds (Continued)

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 \$2,961,487 and \$2,857,256 respectively.

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 and the Internal Service Fund for the governmental activities, and the Airport Enterprise Fund for business-type activities as it becomes due. Changes in compensated absences for the year ended June 30, 2021, are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences payable	\$ 7,294,110	\$ 3,773,750	\$ (3,052,369)	\$ 8,015,491	\$ 5,750,708	\$ 2,264,783
Business-Type Activities:						
Compensated absences payable	\$ 1,017,194	\$ 1,612,595	\$ (1,308,158)	\$ 1,321,631	\$ 1,321,631	\$ -

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Claims and Judgments (Continued)

The Successor Agency is covered under the City of Palm Springs' insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency.

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, 2021, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$14,758,820 of which \$8,101,777 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 except for one general liability settlement for incident occurred back on 2016. The City entered into settlement agreement with the plaintiff on September 9, 2021. The City agreed to paid \$5,000,000 and the remaining \$10,000,000 is covered by the City's general liability insurance. The \$5,000,000 is reported as part of the claims payable at June 30, 2021. There have been no significant reductions in pooled or insured liability coverage in the prior year.

Changes in the claims and judgments payable amounts for the years ended June 30, 2019, 2020, and 2021 are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
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
2020-2021	10,243,787	8,095,884	(3,580,851)	14,758,820

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 9 – Defined Benefit Pension Plan (PERS)

A summary of pension-related items as of June 30, 2021 is as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 5,053,717	\$ 2,471,174	\$ 7,524,891
Safety	10,835,613	-	10,835,613
Total contribution after measurement date	<u>15,889,330</u>	<u>2,471,174</u>	<u>18,360,504</u>
Difference between expected and actual experience:			
Miscellaneous	87,955	43,008	130,963
Safety	2,595,390	-	2,595,390
Total difference between expected and actual experience	<u>2,683,345</u>	<u>43,008</u>	<u>2,726,353</u>
Difference between projected and actual earnings on plan investments:			
Miscellaneous	811,021	396,008	1,207,029
Safety	1,459,212	-	1,459,212
Total difference between projected and actual earnings on plan investments	<u>2,270,233</u>	<u>396,008</u>	<u>2,666,241</u>
Total deferred outflows of resources	<u>\$ 20,842,908</u>	<u>\$ 2,910,190</u>	<u>\$ 23,753,098</u>
Aggregate net pension liabilities:			
Miscellaneous	\$ 46,561,210	\$ 22,763,140	\$ 69,324,350
Safety	110,208,592	-	110,208,592
Total aggregate net pension liabilities	<u>\$ 156,769,802</u>	<u>\$ 22,763,140</u>	<u>\$ 179,532,942</u>
Deferred inflows of resources:			
Changes in assumptions:			
Safety	\$ 379,349	\$ -	\$ 379,349
Total changes in assumptions	<u>379,349</u>	<u>-</u>	<u>379,349</u>
Difference between expected and actual experience:			
Miscellaneous	437,268	218,663	655,931
Safety	64,040	-	64,040
Total difference between expected and actual experience	<u>501,308</u>	<u>218,663</u>	<u>719,971</u>
Total deferred inflows of resources	<u>\$ 880,657</u>	<u>\$ 218,663</u>	<u>\$ 1,099,320</u>
Pension expense:			
Miscellaneous	\$ 4,632,655	\$ 3,030,049	\$ 7,662,704
Safety	16,428,103	-	16,428,103
Total net pension expense	<u>\$ 21,060,758</u>	<u>\$ 3,030,049</u>	<u>\$ 24,090,807</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 (“CalPERS”), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS 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 CalPERS' 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, 2021, are summarized as follows:

	Miscellaneous		
	Classic	Tier 2	PEPRA
	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date			
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%	6.750%	7.000%
Required contribution during measurement period	12.038%	12.038%	12.038%
	Safety		
	Classic	Tier 2	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013	On or after January 1, 2013
Hire date			
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%	11.500%
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, 2021

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

C. Employees Covered

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

	Miscellaneous	Safety
Active employees	298	161
Transferred members	116	36
Terminated members	184	36
Retired Employees and Beneficiaries	539	287
Total	1137	520

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, 2021, the employer contributions recognized as a reduction to the net pension liability for the Miscellaneous and Safety Plan were \$7,524,891 and \$10,835,613, 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, 2020 using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2019 valuation was rolled forward to determine the June 30, 2020 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

¹The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this tables please refer to the CalPERS experience study and Review of Actuarial Assumption report from December 2017 that can be found on the CalPERS website.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

G. Changes of Assumptions

In 2020, there were no changes in assumptions.

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, 2021

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, 2019 (Valuation Date)	\$ 237,711,091	\$ 170,674,080	\$ 67,037,011
Changes Recognized for the Measurement Period:			
Service Cost	4,152,046	-	4,152,046
Interest on the total pension liability	16,589,141	-	16,589,141
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	(1,041,772)	-	(1,041,772)
Plan to plan resource movement	-	-	-
Contributions from the employer	-	7,333,963	(7,333,963)
Contributions from employees	-	1,764,550	(1,764,550)
Net investment income	-	8,554,172	(8,554,172)
Benefit payments, including refunds of employee contributions	(13,458,760)	(13,458,760)	-
Administrative expenses	-	(240,609)	240,609
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2019 to June 30, 2020	<u>6,240,655</u>	<u>3,953,316</u>	<u>2,287,339</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 243,951,746</u>	<u>\$ 174,627,396</u>	<u>\$ 69,324,350</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, 2019 (Valuation Date)	\$ 287,507,575	\$ 183,685,071	\$ 103,822,504
Changes Recognized for the Measurement Period:			
Service Cost	5,322,964	-	5,322,964
Interest on the total pension liability	20,316,740	-	20,316,740
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	1,712,111	-	1,712,111
Plan to plan resource movement	-	-	-
Contributions from the employer	-	10,001,306	(10,001,306)
Contributions from employees	-	2,081,546	(2,081,546)
Net investment income	-	9,141,826	(9,141,826)
Benefit payments, including refunds of employee contributions	(15,461,944)	(15,461,944)	-
Administrative expenses	-	(258,951)	258,951
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2019 to June 30, 2020	<u>11,889,871</u>	<u>5,503,783</u>	<u>6,386,088</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 299,397,446</u>	<u>\$ 189,188,854</u>	<u>\$ 110,208,592</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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	\$ 99,173,460	\$ 69,324,350	\$ 44,456,260
Safety Plan	\$ 150,951,820	\$ 110,208,592	\$ 76,805,915

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, 2019), the net pension liability was \$67,037,011. 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, 2020 (the measurement date), the City incurred a pension expense/(income) of \$7,662,704 for the Miscellaneous Plan.

As of June 30, 2021, 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	\$ 7,524,891	\$ -
Changes of assumptions	-	-
Difference between expected and actual experience	130,963	(655,931)
Net difference between projected and actual earning on pension plan investments	1,207,029	-
Total	\$ 8,862,883	\$ (655,931)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

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

The \$7,524,891 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 year ending June 30, 2022. 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
2021	\$ (1,005,371)
2022	147,223
2023	852,422
2024	687,787
2025	-
Thereafter	-
	\$ 682,061

For the Safety agent multiple-employer plan, as of the start of the measurement period (July 1, 2019), the net pension liability was \$110,208,592. The liability will be paid in future years by the General Fund as it becomes due. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a pension expense of \$16,428,103 for the Plan.

As of June 30, 2021, 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	\$ 10,835,613	\$ -
Changes of assumptions	-	(379,349)
Difference between expected and actual experience	2,595,390	(64,040)
Net difference between projected and actual earnings on pension plan investments	1,459,212	-
Total	\$ 14,890,215	\$ (443,389)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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

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

The \$10,835,613 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 year ending June 30, 2022. 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
2021	\$ (120,842)
2022	1,425,027
2023	1,416,570
2024	890,458
2025	-
Thereafter	-
	\$ 3,611,213

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	\$ 3,819,649	\$ 461,509	\$ 4,281,158
Change of assumptions	8,183,124	988,726	9,171,850
Total deferred outflows of resources	\$ 12,002,773	\$ 1,450,235	\$ 13,453,008
Net OPEB liability:	\$ 129,834,620	\$ 15,687,259	\$ 145,521,879
Deferred inflows of resources:			
Changes in assumptions	\$ 4,101,629	\$ 495,579	\$ 4,597,208
Difference between expected and actual experience	13,738,484	1,659,951	15,398,435
Total deferred inflows of resources	\$ 17,840,113	\$ 2,155,530	\$ 19,995,643
OPEB expenses (credit):	\$ 6,453,317	\$ (1,363,560)	\$ 5,089,757

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 CalPERS pension. The benefits are available only to employees who retire from the City.

B. Employees Covered

At June 30, 2019, the valuation 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 2021, the City paid a total of \$4,281,158 for retiree health insurance.

D. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2020 for the measurement period July 1, 2019 through June 30, 2020. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Payr
Actuarial Assumptions:	
Discount Rate and Long Term Expected Rate of Return on Assets	2.66% per annum as of June 30, 2020 2.79% per annum as of June 30, 2019
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

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 2.79% as of June 30, 2019 and 2.66% as of June 30, 2020.

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	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2019	\$ 139,514,316	\$ -	\$ 139,514,316
Changes recognized for the measurement period:			
Service cost	3,010,767	-	3,010,767
Interest on the total OPEB liability	3,921,381	-	3,921,381
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	3,023,024	-	3,023,024
Contributions from the employer	-	3,947,609	(3,947,609)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	-	-
Benefit payments, including refunds of employee contributions	(3,947,609)	(3,947,609)	-
Administrative expense	-	-	-
Net Changes during July 1, 2019 to June 30, 2020	<u>6,007,563</u>	<u>-</u>	<u>6,007,563</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 145,521,879</u>	<u>\$ -</u>	<u>\$ 145,521,879</u>

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, 2020:

Plan's Net OPEB Liability/(Asset)		
Discount Rate	Current Discount	Discount Rate
- 1% (1.66%)	Rate (2.66%)	+ 1% (3.66%)
\$ 172,132,464	\$ 145,521,879	\$ 124,432,990

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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
\$ 123,002,921	\$ 145,521,879	\$ 174,264,792

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$4,266,322. At June 30, 2021, 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	\$ 4,281,158	\$ -
Difference between expected and actual experience	-	(15,398,435)
Changes of assumptions	9,171,850	(4,597,208)
Total	\$ 13,453,008	\$ (19,995,643)

The \$4,281,158 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 year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB credit as follows:

Measurement Period Ending June 30	Deferred Outflows /(Inflows) of Resources
2022	\$ (2,665,826)
2023	(2,665,826)
2024	(2,058,649)
2025	(1,128,689)
2026	(1,495,765)
Thereafter	(809,038)
	\$ (10,823,793)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Fund Balance Classifications

At June 30, 2021, the City’s governmental funds had the following fund balance classifications:

	General	Capital Projects Fund Measure J	Debt Service Fund General Debt Service	Nonmajor Governmental Funds	Total
Nonspendable:					
Notes and loans receivables	\$ 1,096,667	\$ -	\$ -	\$ -	\$ 1,096,667
Prepaid items	398,998	-	-	8,650	407,648
Deposits	200,000	-	-	-	200,000
Advances to other funds	1,210,000	-	-	-	1,210,000
Land held for resale	49,950	-	-	-	49,950
Subtotal	<u>2,955,615</u>	<u>-</u>	<u>-</u>	<u>8,650</u>	<u>2,964,265</u>
Restricted:					
Community development projects	-	-	-	12,744,863	12,744,863
Capital Projects	-	-	-	561,492	561,492
Public safety grants and programs	-	-	-	3,413,280	3,413,280
Public works projects	-	-	-	10,272,770	10,272,770
Debt service	-	-	-	1,589,534	1,589,534
Library	-	-	-	1,865,935	1,865,935
Debt service	-	-	624,529	-	624,529
Special projects	-	-	-	3,141,400	3,141,400
Subtotal	<u>-</u>	<u>-</u>	<u>624,529</u>	<u>33,589,274</u>	<u>34,213,803</u>
Assigned:					
Continuing appropriations	1,742,276	-	-	-	1,742,276
Public works projects	-	21,142,569	-	-	21,142,569
Capital projects	-	-	-	11,641,985	11,641,985
Debt Service	-	-	3,367,365	-	3,367,365
CalPERS	22,250,000	-	-	-	22,250,000
Reserve Special Development Fund	2,056,144	-	-	-	2,056,144
Reserve Special Grants Fund	188,899	-	-	-	188,899
Save the Plaza	163,349	-	-	-	163,349
Subtotal	<u>26,400,668</u>	<u>21,142,569</u>	<u>3,367,365</u>	<u>11,641,985</u>	<u>62,552,587</u>
Unassigned	<u>52,448,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,448,534</u>
Total	<u>\$ 81,804,817</u>	<u>\$ 21,142,569</u>	<u>\$ 3,991,894</u>	<u>\$ 45,239,909</u>	<u>\$ 152,179,189</u>

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, 2021

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, 2021

Note 13 – Other Required Fund Disclosures

The following funds had deficit balances as of June 30, 2021:

Funds	Amount
Proprietary Funds:	
Internal Service Funds:	
Facilities Maintenance	\$ (4,158,978)
Fiduciary Funds:	
Private Purpose Trust Fund	
Successor Agency Funds	(27,870,402)

The following funds exceeded appropriation amounts for the year ended June 30, 2021:

Funds	Final Appropriations	Expenditures	Excess
Major Governmental Funds:			
General Debt Service Fund	\$ 12,742,424	\$ 45,575,754	\$(32,833,330)
Nonmajor Governmental Funds:			
Emergency Response Special Revenue Fund			
Public safety	968,900	1,040,530	(71,630)
Small Hotel TBID Special Revenue Fund			
Cultural and convention center	406,356	514,182	(107,826)

Note 14 – Construction Commitments

The City has active construction projects as of June 30, 2021. 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
Downtown Park	\$ 6,564,501	\$ 1,973,083
Tahquitz Canyon Way & Civic Drive	414,793	45,207
HSIP Cycle 7 Traffic Signal Modifications	59,850	2,787,909
Sunrise Park Restroom Remodel	180,567	68,664
Airport Passenger Boarding Bridges	2,909,374	4,133,571
2020 Slurry Seal (Re-Bid)	1,674,879	146,075
WWTP Biosolids Handling Area Upgrade	171,716	945,884
City Hall & Police Department Cooling Towers	67,481	182,488
Traffic Calming FY20-21	179,183	29,621
Gym Floor Replacement at JOHDHUC	93,399	4,916
Shade Structures at Parks	310,783	16,357
WWTP Fiber Optic Line	-	36,619
	\$ 12,626,526	\$ 10,370,394

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 15 – 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 the agreed upon refurbish costs. During the year ended June 30, 2021, TOT was refunded under the agreements to the following hotels:

	Incentive Amount	End of Agreement
Saguaro	100,703	April 30, 2022
Bearfoot Inn	4,165	December 31, 2022
Hilton	1,105	April 30, 2023
Sparrows Lodge	71,035	September 30, 2023
Palm Mountain Resort & Spa	35,293	September 30, 2025
The Palm Springs Hotel	35,465	October 31, 2025
Alcazar	14,416	December 31, 2025
Arrive Hotel	76,408	February 28, 2026
Dive Palm Springs	48,379	June 30, 2026
The Rowan	746,174	October 31, 2047
	<u>\$ 1,133,143</u>	

Note 16 – Commitments and Contingencies

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.

Note 17 – Prior Period Adjustments

Beginning net positions and fund balance were restated as follows:

	Government-Wide	
	Governmental Activities	Business-type Activities
Beginning, as previously reported	\$ 45,170,925	\$ 165,163,423
Capital assets:		
Depreciable asset	4,928,602	-
Accumulated depreciation	(657,147)	-
Deferred charges refunding	-	(263,323)
Unearned revenue	(10,149,398)	-
Pension related	(263,715)	263,715
OPEB related	4,804,799	(4,804,799)
Beginning, as restated	<u>\$ 43,834,066</u>	<u>\$ 160,359,016</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 17 – Prior Period Adjustments (Continued)

	Governmental	Proprietary Funds				Internal Service Funds
	Fund	Airport Enterprise Fund	Wastewater Enterprise Fund	Golf Course Enterprise Fund	Total Enterprise Fund	
	General Fund*					
Beginning as previously reported	\$ 50,534,124	\$ 88,693,760	\$ 75,233,684	\$ 1,235,979	\$ 165,163,423	\$ 8,112,928
Capital assets:						
Depreciable asset	-	-	-	-	-	4,928,602
Accumulated depreciation	-	-	-	-	-	(657,147)
2007 Pension Obligation Bonds:						
Interest payable	-	-	-	-	-	62,070
Long-term debt	-	-	-	-	-	19,358,146
Deferred charges refunding	-	-	-	(263,323)	(263,323)	-
Unavailable revenue	959,926	-	-	-	-	-
Pension related	-	249,039	14,676	-	263,715	(3,951,369)
OPEB related	-	(5,550,561)	745,762	-	(4,804,799)	(7,451,889)
Beginning as restated	<u>\$ 51,494,050</u>	<u>\$ 83,392,238</u>	<u>\$ 75,994,122</u>	<u>\$ 972,656</u>	<u>\$ 160,359,016</u>	<u>\$ 20,401,341</u>

Capital Assets – Internal Service Fund beginning net position was restated to correct the capital assets and related accumulated depreciation.

2007 Pension Obligation Bonds – Internal Service Fund beginning net position was restated to reclassified the 2007 Pension Obligation Bonds from the Internal Service Fund to the governmental activities.

Deferred charges on refunding – Golf Course Enterprise Fund beginning net position was restated to correct deferred charges on refunding on old debt refunded in prior year.

Unavailable revenue – General Fund beginning fund balance was restated to report long-term receivable in the nonspendable fund balance category.

Unearned revenue – Governmental Activities beginning net position was restated to report \$10,149,398 unearned revenue for advance grant funding in the amounts of \$9,945,000 for homeless grant and \$149,398 for cannabis grant.

Pension and Other postemployment Benefits – Allocation of net pension liability, net other postemployment benefits liability, and related deferred outflows and inflows of resources were made to Internal Service Funds.

*The General Fund at July 1, 2020 included the fund balances previously reported in Special Grants Special Revenue Fund, Special Development Special Revenue Fund, and Master Lease Special Revenue Fund that were closed at 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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 69,552,506	\$ 100,310,390	\$ 115,282,199	\$ 14,971,809
Intergovernmental	459,400	18,708,660	2,977,502	(15,731,158)
Licenses and permits	5,159,340	5,923,754	7,047,587	1,123,833
Fines and forfeitures	603,205	603,205	510,420	(92,785)
Use of money and property	1,243,290	1,365,440	(209,783)	(1,575,223)
Charges for services	4,936,685	5,181,289	5,996,143	814,854
Miscellaneous	163,776	246,329	820,352	574,023
Total revenues	<u>82,118,202</u>	<u>132,339,067</u>	<u>132,424,420</u>	<u>85,353</u>
EXPENDITURES:				
Current:				
Current:				
General government	17,614,411	27,690,009	20,939,888	6,750,121
Public safety	50,833,928	56,523,669	52,780,015	3,743,654
Cultural and convention center	6,817,145	7,567,815	6,924,810	643,005
Parks and recreation	4,503,859	4,641,994	3,985,130	656,864
Public works	14,263,013	22,362,737	14,639,567	7,723,170
Library	2,503,455	2,552,359	2,275,043	277,316
Total expenditures	<u>96,535,811</u>	<u>121,338,583</u>	<u>101,544,453</u>	<u>19,794,130</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,417,609)</u>	<u>11,000,484</u>	<u>30,879,967</u>	<u>19,879,483</u>
OTHER FINANCING SOURCES:				
Transfers in	14,740,000	11,940,000	11,550,000	(390,000)
Transfers out	(12,000,300)	(12,508,200)	(12,119,200)	389,000
Total other financing sources	<u>2,739,700</u>	<u>(568,200)</u>	<u>(569,200)</u>	<u>(1,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (11,677,909)</u>	<u>\$ 10,432,284</u>	30,310,767	<u>\$ 19,878,483</u>
FUND BALANCE:				
Beginning of year, as restated (Note 18)			<u>51,494,050</u>	
End of Year			<u>\$ 81,804,817</u>	

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City of Palm Springs
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2021

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 Parking Projects Capital Projects Fund due to no approved budget for the year ended June 30, 2021.

Encumbrances are estimates of costs related to unperformed contracts for goods and services. 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, 2021

Last Ten Fiscal Years

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

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

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 and 2020. 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, 2021

Last Ten Fiscal Years

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

Measurement period	2018-19	2019-20
Total pension liability		
Service cost	\$ 4,208,238	\$ 4,152,046
Interest	16,144,692	16,589,141
Changes of benefit terms	-	-
Changes of assumptions	-	-
Differences between expected and actual experience	567,509	(1,041,772)
Benefit payments, including refunds of employee contributions	(12,675,189)	(13,458,760)
Net change in total pension liability	8,245,250	6,240,655
Total pension liability - beginning	229,465,841	237,711,091
Total pension liability - ending (a)	\$ 237,711,091	\$ 243,951,746
Pension fiduciary net position		
Contributions - employer	\$ 6,489,424	\$ 7,333,963
Contributions - employee	1,835,717	1,764,550
Net investment income	10,726,808	8,554,172
Benefit payments, including refunds of employee contributions	(12,675,189)	(13,458,760)
Plan to plan resource movement	-	-
Administrative expense ²	(117,330)	(240,609)
Other Miscellaneous Income/(Expense) ¹	382	-
Net change in plan fiduciary net position	6,259,812	3,953,316
Plan fiduciary net position - beginning³	164,414,268	170,674,080
Plan fiduciary net position - ending (b)	\$ 170,674,080	\$ 174,627,396
Plan net pension liability - ending (a) - (b)	\$ 67,037,011	\$ 69,324,350
Plan fiduciary net position as a percentage of the total pension liability	71.80%	71.58%
Covered payroll³	\$ 21,751,370	\$ 21,991,770
Plan net pension liability as a percentage of covered payroll	308.20%	315.23%

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, 2021

Last Ten Fiscal Years

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

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

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 and 2020. 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, 2021

Last Ten Fiscal Years

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

Measurement period	2018-19	2019-20
Total pension liability		
Service cost	\$ 4,893,432	\$ 5,322,964
Interest	19,523,838	20,316,740
Changes of benefit terms	-	-
Changes of assumptions	-	-
Differences between expected and actual experience	2,501,866	1,712,111
Benefit payments, including refunds of employee contributions	(15,047,324)	(15,461,944)
Net change in total pension liability	11,871,812	11,889,871
Total pension liability - beginning	275,635,763	287,507,575
Total pension liability - ending (a)	<u>\$ 287,507,575</u>	<u>\$ 299,397,446</u>
Pension fiduciary net position		
Contributions - employer	\$ 8,585,908	\$ 10,001,306
Contributions - employee	1,671,882	2,081,546
Net investment income	11,544,364	9,141,826
Benefit payments, including refunds of employee contributions	(15,047,324)	(15,461,944)
Plan to plan resource movement	-	-
Administrative expense ²	(126,351)	(258,951)
Other Miscellaneous Income/(Expense) ¹	413	-
Net change in plan fiduciary net position	6,628,892	5,503,783
Plan fiduciary net position - beginning³	177,056,179	183,685,071
Plan fiduciary net position - ending (b)	<u>\$ 183,685,071</u>	<u>\$ 189,188,854</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 103,822,504</u>	<u>\$ 110,208,592</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>63.89%</u>	<u>63.19%</u>
Covered payroll³	<u>\$ 16,426,425</u>	<u>\$ 18,013,413</u>
Plan net pension liability as a percentage of covered payroll	<u>632.05%</u>	<u>611.81%</u>

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2021

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

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

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	Fair value
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll Growth	2.88%
Investment rate of return	7.25% 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, 2021

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan - Miscellaneous

	2018-19	2019-20	2020-21
Actuarially determined contribution	\$ 6,489,424	\$ 7,333,963	\$ 7,524,891
Contributions in relation to the actuarially determined contribution ²	(6,489,424)	(7,333,963)	(7,524,891)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll ³	\$ 21,751,370	\$ 21,991,770	\$ 22,596,544
Contributions as a percentage of covered payroll ³	29.83%	33.35%	33.30%

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2021

Last Ten Fiscal Years

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

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

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	Fair value
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll Growth	2.88%
Investment rate of return	7.25% 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, 2021

Last Ten Fiscal Years

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

	2018-19	2019-20	2020-21
Actuarially determined contribution	\$ 8,585,908	\$ 10,001,306	\$ 10,835,613
Contributions in relation to the actuarially determined contribution ²	(8,585,908)	(10,001,306)	(10,835,613)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll ³	\$ 16,426,425	\$ 18,013,413	\$ 18,508,782
Contributions as a percentage of covered payroll ³	52.27%	55.52%	58.54%

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, 2021

Last Ten Fiscal Years

Other Post Employment Benefit Plan

Measurement period	2019-2020	2018-19	2017-18	2016-17
Total OPEB liability				
Service cost	\$ 3,010,767	\$ 3,627,328	\$ 3,358,207	\$ 3,726,841
Interest	3,921,381	4,515,822	4,484,043	4,040,843
Differences between expected and actual experience	-	(20,708,241)	-	-
Changes of assumptions	3,023,024	6,018,257	3,755,480	(11,536,388)
Benefit payments, including refunds of employee contributions	(3,947,609)	(3,698,318)	(3,480,420)	(3,280,004)
Net change in total OPEB liability	6,007,563	(10,245,152)	8,117,310	(7,048,708)
Total OPEB liability - beginning	139,514,316	149,759,468	141,642,158	148,690,866
Total OPEB liability - ending (a)	<u>\$ 145,521,879</u>	<u>\$ 139,514,316</u>	<u>\$ 149,759,468</u>	<u>\$ 141,642,158</u>
OPEB fiduciary net position				
Contributions - employer	\$ (3,947,609)	\$ 3,698,318	\$ 3,358,204	\$ 3,280,004
Net investment income	3,947,609	(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>	<u>\$ -</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 145,521,879</u>	<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>	<u>0.00%</u>
Covered- employee payroll³	<u>\$ 49,907,595</u>	<u>\$ 46,516,674</u>	<u>\$ 45,672,020</u>	<u>\$ 34,929,760</u>
Plan net OPEB liability as a percentage of covered-employee payroll	<u>291.58%</u>	<u>299.92%</u>	<u>327.90%</u>	<u>405.51%</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation	2.5% per year	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	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%	3.25%	3.25%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	CalPERS 2017 Experience Study	CalPERS 2017 Experience Study	CalPERS 2014 Experience Study	CalPERS 2014 Experience Study
Mortality Improvement	MW Scale 2020	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
Measure J Capital Projects Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,966,900	\$ 16,037,834	\$ 17,770,795	\$ 1,732,961
Use of money and property	-	-	139,289	139,289
Total Revenues	<u>5,966,900</u>	<u>16,037,834</u>	<u>17,910,084</u>	<u>1,872,250</u>
EXPENDITURES:				
Current:				
Public works	-	683,511	543,778	139,733
Capital outlay	6,000,000	21,420,485	7,664,009	13,756,476
Total Expenditures	<u>6,000,000</u>	<u>22,103,996</u>	<u>8,207,787</u>	<u>13,896,209</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,100)</u>	<u>(6,066,162)</u>	<u>9,702,297</u>	<u>15,768,459</u>
Other Financing (Uses):				
Transfers out	(13,350,000)	(10,550,000)	(10,550,000)	-
Total Other Financing (Uses)	<u>(13,350,000)</u>	<u>(10,550,000)</u>	<u>(10,550,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (13,383,100)</u>	<u>\$ (16,616,162)</u>	(847,703)	<u>\$ 15,768,459</u>
FUND BALANCE:				
Beginning of Year			<u>21,990,272</u>	
End of Year			<u>\$ 21,142,569</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 9,760	\$ 9,760
Total Revenues	<u>-</u>	<u>-</u>	<u>9,760</u>	<u>9,760</u>
EXPENDITURES:				
Debt service:				
Principal retirement	6,221,015	7,011,015	38,690,615	(31,679,600)
Interest and fiscal charges	4,984,009	5,731,409	6,885,140	(1,153,731)
Total Expenditures	<u>11,205,024</u>	<u>12,742,424</u>	<u>45,575,755</u>	<u>(32,833,331)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,205,024)</u>	<u>(12,742,424)</u>	<u>(45,565,995)</u>	<u>(32,823,571)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	33,495,000	33,495,000
Transfers in	11,212,300	11,212,300	12,810,356	1,598,056
Transfers out	-	-	(1,174,190)	(1,174,190)
Total Other Financing Sources (Uses)	<u>11,212,300</u>	<u>11,212,300</u>	<u>45,131,166</u>	<u>33,918,866</u>
NET CHANGE IN FUND BALANCE	<u>\$ 7,276</u>	<u>\$ (1,530,124)</u>	<u>(434,829)</u>	<u>\$ 1,095,295</u>
FUND BALANCE:				
Beginning of Year			<u>4,426,723</u>	
End of Year			<u>\$ 3,991,894</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.

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.

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.

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.

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

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.

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, 2021**

Special Revenue Funds

	Forfeiture	Safety Augmentation	CSA 152	Recycling AB 929
ASSETS				
Cash and investments	\$ 261,251	\$ 1,935,553	\$ 174,906	\$ 920,538
Receivables:				
Accounts	-	184,871	82,382	34,670
Accrued interest	501	3,559	-	2,025
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 261,752</u>	<u>\$ 2,123,983</u>	<u>\$ 257,288</u>	<u>\$ 957,233</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 11,346	\$ 27,801
Accrued liabilities	-	37,960	2,882	10,190
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>37,960</u>	<u>14,228</u>	<u>37,991</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
No spendable	-	-	-	-
Restricted	261,752	2,086,023	243,060	919,242
Assigned	-	-	-	-
Total fund balances	<u>261,752</u>	<u>2,086,023</u>	<u>243,060</u>	<u>919,242</u>
Total liabilities and fund balances	<u>\$ 261,752</u>	<u>\$ 2,123,983</u>	<u>\$ 257,288</u>	<u>\$ 957,233</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
ASSETS				
Cash and investments	\$ 1,502,850	\$ 599,995	\$ 1,529,368	\$ 1,000
Receivables:				
Accounts	121,034	5,228,013	-	835,545
Accrued interest	2,598	3,587	2,710	-
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 1,626,482</u>	<u>\$ 5,831,595</u>	<u>\$ 1,532,078</u>	<u>\$ 836,545</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 122,904	\$ 796,508	\$ 3,008	\$ 60,543
Accrued liabilities	1,073	2,275	250	3,758
Deposits	-	-	-	-
Due to other funds	-	-	-	772,244
Total liabilities	<u>123,977</u>	<u>798,783</u>	<u>3,258</u>	<u>836,545</u>
Deferred inflows of resources:				
Unavailable revenues	-	3,460,139	-	-
Total deferred inflows of resources	<u>-</u>	<u>3,460,139</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	1,502,505	1,572,673	1,528,820	-
Assigned	-	-	-	-
Total fund balances	<u>1,502,505</u>	<u>1,572,673</u>	<u>1,528,820</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,626,482</u>	<u>\$ 5,831,595</u>	<u>\$ 1,532,078</u>	<u>\$ 836,545</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Air Quality Management	Public Arts	Library	Quimby Act Fees
ASSETS				
Cash and investments	\$ 162,185	\$ 582,144	\$ 1,806,439	\$ 3,502,192
Receivables:				
Accounts	-	1,000	26	-
Accrued interest	281	1,072	3,606	7,351
Loans and notes	-	-	70,000	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 162,466</u>	<u>\$ 584,216</u>	<u>\$ 1,880,071</u>	<u>\$ 3,509,543</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 12,073	\$ 22,822	\$ 14,136	\$ 984,471
Accrued liabilities	213	-	-	1,642
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>12,286</u>	<u>22,822</u>	<u>14,136</u>	<u>986,113</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	150,180	561,394	1,865,935	2,523,430
Assigned	-	-	-	-
Total fund balances	<u>150,180</u>	<u>561,394</u>	<u>1,865,935</u>	<u>2,523,430</u>
Total liabilities and fund balances	<u>\$ 162,466</u>	<u>\$ 584,216</u>	<u>\$ 1,880,071</u>	<u>\$ 3,509,543</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Special Projects	CFD Public Safety #1	Park Maintenance District	Emergency Response
ASSETS				
Cash and investments	\$ 3,111,106	\$ 773,252	\$ 772,165	\$ 207,700
Receivables:				
Accounts	28,836	24,861	1,622	87,950
Accrued interest	6,004	256	1,528	33
Loans and notes	-	-	-	-
Prepaid items	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 3,145,946</u>	<u>\$ 798,369</u>	<u>\$ 775,315</u>	<u>\$ 295,683</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,584	\$ -	\$ 23,122	\$ 6,375
Accrued liabilities	1,962	22,171	1,199	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>4,546</u>	<u>22,171</u>	<u>24,321</u>	<u>6,375</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	3,141,400	776,198	750,994	289,308
Assigned	-	-	-	-
Total fund balances	<u>3,141,400</u>	<u>776,198</u>	<u>750,994</u>	<u>289,308</u>
Total liabilities and fund balances	<u>\$ 3,145,946</u>	<u>\$ 798,369</u>	<u>\$ 775,315</u>	<u>\$ 295,683</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Sustainability	Housing	Small Hotel TBID	SB1-RMRA
ASSETS				
Cash and investments	\$ 939,009	\$ 4,268,805	\$ 62,924	\$ 882,337
Receivables:				
Accounts	106,005	150,500	53,012	85,707
Accrued interest	1,622	9,884	-	656
Loans and notes	-	6,304,969	-	-
Prepaid items	-	-	-	-
Land held for resale	-	588,954	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 1,046,636</u>	<u>\$ 11,323,112</u>	<u>\$ 115,936</u>	<u>\$ 968,700</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,440	\$ 4,749	\$ 107,566	\$ 4,044
Accrued liabilities	3,397	5,726	-	349
Deposits	-	56,779	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>9,837</u>	<u>67,254</u>	<u>107,566</u>	<u>4,393</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	1,036,799	11,255,858	8,370	964,307
Assigned	-	-	-	-
Total fund balances	<u>1,036,799</u>	<u>11,255,858</u>	<u>8,370</u>	<u>964,307</u>
Total liabilities and fund balances	<u>\$ 1,046,636</u>	<u>\$ 11,323,112</u>	<u>\$ 115,936</u>	<u>\$ 968,700</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Capital Projects Funds			Debt Service Fund
	Capital Projects	Parking Projects	CFD Canyon View	Special Assessments
ASSETS				
Cash and investments	\$ 11,330,324	\$ 543,603	\$ 16,794	\$ 1,303,669
Receivables:				
Accounts	1,039,392	-	-	13,547
Accrued interest	26,456	1,044	51	-
Loans and notes	-	-	-	-
Prepaid items	6,633	-	-	2,017
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	272,318
Total assets	<u>\$ 12,402,805</u>	<u>\$ 544,647</u>	<u>\$ 16,845</u>	<u>\$ 1,591,551</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 404,500	\$ -	\$ -	\$ -
Accrued liabilities	8,598	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>413,098</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	341,089	-	-	-
Total deferred inflows of resources	<u>341,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	6,633	-	-	2,017
Restricted	-	544,647	16,845	1,589,534
Assigned	11,641,985	-	-	-
Total fund balances	<u>11,648,618</u>	<u>544,647</u>	<u>16,845</u>	<u>1,591,551</u>
Total liabilities and fund balances	<u>\$ 12,402,805</u>	<u>\$ 544,647</u>	<u>\$ 16,845</u>	<u>\$ 1,591,551</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 37,190,109
Receivables:	
Accounts	8,078,973
Accrued interest	74,824
Loans and notes	6,374,969
Prepaid items	8,650
Land held for resale	588,954
Restricted assets:	
Cash and investments with fiscal agents	272,318
Total assets	<u><u>\$ 52,588,797</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 2,614,992
Accrued liabilities	103,645
Deposits	56,779
Due to other funds	772,244
Total liabilities	<u>3,547,660</u>
 Deferred inflows of resources:	
Unavailable revenues	3,801,228
Total deferred inflows of resources	<u>3,801,228</u>
 Fund balances:	
Nonspendable	8,650
Restricted	33,589,274
Assigned	11,641,985
Total fund balances	<u>45,239,909</u>
Total liabilities and fund balances	<u><u>\$ 52,588,797</u></u>

(Continued)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	CSA 152	Recycling AB 929
REVENUES:				
Taxes	\$ -	\$ 1,186,920	\$ 299,880	\$ -
Intergovernmental	-	-	-	11,956
Licenses and permits	-	-	-	-
Fines and forfeitures	-	46,592	-	-
Use of money and property	1,689	12,135	1,629	5,122
Charges for services	-	-	-	128,694
Miscellaneous	-	50,000	-	-
Total revenues	1,689	1,295,647	301,509	145,772
EXPENDITURES:				
Current:				
General government	-	-	-	315,001
Public safety	-	1,008,495	-	-
Cultural and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	311,652	-
Library	-	-	-	-
Capital outlay	-	66,560	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	1,075,055	311,652	315,001
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,689	220,592	(10,143)	(169,229)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	1,689	220,592	(10,143)	(169,229)
FUND BALANCES:				
Beginning of year	260,063	1,865,431	253,203	1,088,471
End of year	\$ 261,752	\$ 2,086,023	\$ 243,060	\$ 919,242

(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, 2021

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
REVENUES:				
Taxes	\$ -	\$ 3,101,321	\$ -	\$ -
Intergovernmental	1,068,253	998,264	-	1,071,012
Licenses and permits	-	-	335,196	-
Fines and forfeitures	-	-	-	-
Use of money and property	9,504	9,619	9,300	-
Charges for services	-	-	-	450
Miscellaneous	-	247,115	-	-
Total revenues	<u>1,077,757</u>	<u>4,356,319</u>	<u>344,496</u>	<u>1,071,462</u>
EXPENDITURES:				
Current:				
General government	-	-	-	813,867
Public safety	-	-	-	-
Cultural and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	2,420	-	-
Library	-	-	-	-
Capital outlay	743,862	3,538,042	158,505	225,745
Debt service:				
Principal retirement	-	10,421	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>743,862</u>	<u>3,550,883</u>	<u>158,505</u>	<u>1,039,612</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>333,895</u>	<u>805,436</u>	<u>185,991</u>	<u>31,850</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	1,000
Transfers out	-	(1,095,300)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,095,300)</u>	<u>-</u>	<u>1,000</u>
NET CHANGES IN FUND BALANCES	333,895	(289,864)	185,991	32,850
FUND BALANCES:				
Beginning of year	1,168,610	1,862,537	1,342,829	(32,850)
End of year	<u>\$ 1,502,505</u>	<u>\$ 1,572,673</u>	<u>\$ 1,528,820</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, 2021

	Special Revenue Funds			
	Air Quality Improvement	Public Arts	Library	Quimby Act Fees
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	46,182	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	960	3,790	11,848	23,577
Charges for services	-	373,028	-	1,033,767
Miscellaneous	-	-	1,782	-
Total revenues	47,142	376,818	13,630	1,057,344
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Cultural and convention center	-	314,869	-	-
Parks and recreation	-	-	-	-
Public works	51,694	-	-	10,981
Library	-	-	176,671	-
Capital outlay	-	-	-	2,293,139
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	51,694	314,869	176,671	2,304,120
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,552)	61,949	(163,041)	(1,246,776)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	(4,552)	61,949	(163,041)	(1,246,776)
FUND BALANCES:				
Beginning of year	154,732	499,445	2,028,976	3,770,206
End of year	<u>\$ 150,180</u>	<u>\$ 561,394</u>	<u>\$ 1,865,935</u>	<u>\$ 2,523,430</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, 2021

	Special Revenue Funds			
	Special Projects	CFD Public Safety #1	Park Maintenance District	Emergency Response
REVENUES:				
Taxes	\$ -	\$ 988,657	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	19,857	1,240	5,171	825
Charges for services	191,035	-	91,640	1,272,953
Miscellaneous	18,598	-	-	-
Total revenues	<u>229,490</u>	<u>989,897</u>	<u>96,811</u>	<u>1,273,778</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	87,768	608,195	-	1,040,530
Cultural and convention center	-	-	-	-
Parks and recreation	49	-	-	-
Public works	12,384	-	-	-
Library	-	-	-	-
Capital outlay	-	-	172,117	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>100,201</u>	<u>608,195</u>	<u>172,117</u>	<u>1,040,530</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>129,289</u>	<u>381,702</u>	<u>(75,306)</u>	<u>233,248</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	129,289	381,702	(75,306)	233,248
FUND BALANCES:				
Beginning of year	<u>3,012,111</u>	<u>394,496</u>	<u>826,300</u>	<u>56,060</u>
End of year	<u>\$ 3,141,400</u>	<u>\$ 776,198</u>	<u>\$ 750,994</u>	<u>\$ 289,308</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, 2021

Special Revenue Funds

	Sustainability	Housing	Small Hotel TBID	SB1-RMRA
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	872,833
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	5,729	31,728	473	2,884
Charges for services	380,005	-	515,727	-
Miscellaneous	810	500	-	-
Total revenues	386,544	32,228	516,200	875,717
EXPENDITURES:				
Current:				
General government	-	145,251	-	-
Public safety	-	-	-	-
Cultural and convention center	-	-	514,182	-
Parks and recreation	-	-	-	-
Public works	197,886	-	-	-
Library	-	-	-	-
Capital outlay	-	-	-	65,154
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	197,886	145,251	514,182	65,154
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	188,658	(113,023)	2,018	810,563
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	188,658	(113,023)	2,018	810,563
FUND BALANCES:				
Beginning of year	848,141	11,368,881	6,352	153,744
End of year	\$ 1,036,799	\$ 11,255,858	\$ 8,370	\$ 964,307

(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, 2021

	Capital Projects Funds			Debt Service Fund
	Capital Projects	Parking Projects	CFD Canyon View	Special Assessments
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 566,383
Intergovernmental	2,842,083	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	97,689	3,464	145	1,606
Charges for services	653,994	-	-	-
Miscellaneous	8,164	-	-	-
Total revenues	3,601,930	3,464	145	567,989
EXPENDITURES:				
Current:				
General government	-	-	-	13,312
Public safety	60,190	-	-	-
Cultural and convention center	-	-	-	-
Parks and recreation	-	-	-	-
Public works	621,775	-	-	-
Library	-	-	-	-
Capital outlay	4,185,908	-	13,046	-
Debt service:				
Principal retirement	-	-	-	395,000
Interest and fiscal charges	-	-	-	141,538
Total expenditures	4,867,873	-	13,046	549,850
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,265,943)	3,464	(12,901)	18,139
OTHER FINANCING SOURCES (USES):				
Transfers in	2,612,300	-	-	-
Transfers out	(4,200,000)	-	-	-
Total other financing sources (uses)	(1,587,700)	-	-	-
NET CHANGES IN FUND BALANCES	(2,853,643)	3,464	(12,901)	18,139
FUND BALANCES:				
Beginning of year	14,502,261	541,183	29,746	1,573,412
End of year	<u>\$ 11,648,618</u>	<u>\$ 544,647</u>	<u>\$ 16,845</u>	<u>\$ 1,591,551</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, 2021

	Total Nonmajor Governmental Funds
REVENUES:	
Taxes	\$ 6,143,161
Intergovernmental	6,910,583
Licenses and permits	335,196
Fines and forfeitures	46,592
Use of money and property	259,984
Charges for services	4,641,293
Miscellaneous	326,969
Total revenues	18,663,778
EXPENDITURES:	
Current:	
General government	1,287,431
Public safety	2,805,178
Cultural and convention center	829,051
Parks and recreation	49
Public works	1,208,792
Library	176,671
Capital outlay	11,462,078
Debt service:	
Principal retirement	405,421
Interest and fiscal charges	141,538
Total expenditures	18,316,209
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	347,569
OTHER FINANCING SOURCES (USES):	
Transfers in	2,613,300
Transfers out	(5,295,300)
Total other financing sources (uses)	(2,682,000)
NET CHANGES IN FUND BALANCES	(2,334,431)
FUND BALANCES:	
Beginning of year	47,574,340
End of year	\$ 45,239,909

(Continued)

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,689	\$ 1,689
Total Revenues	<u>-</u>	<u>-</u>	<u>1,689</u>	<u>1,689</u>
EXPENDITURES:				
Current:				
Public safety	-	245,022	-	245,022
Total Expenditures	<u>-</u>	<u>245,022</u>	<u>-</u>	<u>245,022</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (245,022)</u>	1,689	<u>\$ 246,711</u>
FUND BALANCE:				
Beginning of Year			<u>260,063</u>	
End of Year			<u>\$ 261,752</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 404,188	\$ 404,188	\$ 1,186,920	\$ 782,732
Fines and forfeitures	-	-	46,592	46,592
Use of money and property	-	-	12,135	12,135
Miscellaneous	-	50,000	50,000	-
Total Revenues	<u>404,188</u>	<u>454,188</u>	<u>1,295,647</u>	<u>841,459</u>
EXPENDITURES:				
Current:				
Public safety	992,500	992,500	1,008,495	(15,995)
Capital outlay	-	229,860	66,560	163,300
Total Expenditures	<u>992,500</u>	<u>1,222,360</u>	<u>1,075,055</u>	<u>147,305</u>
NET CHANGE IN FUND BALANCE	<u>\$ (588,312)</u>	<u>\$ (768,172)</u>	220,592	<u>\$ 988,764</u>
FUND BALANCE:				
Beginning of Year			<u>1,865,431</u>	
End of Year			<u>\$ 2,086,023</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 459,100	\$ 459,100	\$ 299,880	\$ (159,220)
Use of money and property	-	-	1,629	1,629
Total Revenues	<u>459,100</u>	<u>459,100</u>	<u>301,509</u>	<u>(157,591)</u>
EXPENDITURES:				
Current:				
Public works	459,100	530,271	311,652	218,619
Total Expenditures	<u>459,100</u>	<u>530,271</u>	<u>311,652</u>	<u>218,619</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (71,171)</u>	<u>(10,143)</u>	<u>\$ 61,028</u>
FUND BALANCE:				
Beginning of Year			<u>253,203</u>	
End of Year			<u>\$ 243,060</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 11,956	\$ (8,044)
Use of money and property	-	-	5,122	5,122
Charges for services	84,000	84,000	128,694	44,694
Total Revenues	<u>104,000</u>	<u>104,000</u>	<u>145,772</u>	<u>41,772</u>
EXPENDITURES:				
Current:				
General government	934,963	994,982	315,001	679,981
Total Expenditures	<u>934,963</u>	<u>994,982</u>	<u>315,001</u>	<u>679,981</u>
NET CHANGE IN FUND BALANCE	<u>\$ (830,963)</u>	<u>\$ (890,982)</u>	(169,229)	<u>\$ 721,753</u>
FUND BALANCE:				
Beginning of Year			<u>1,088,471</u>	
End of Year			<u>\$ 919,242</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 657,400	\$ 657,400	\$ 1,068,253	\$ 410,853
Use of money and property	-	-	9,504	9,504
Total Revenues	<u>657,400</u>	<u>657,400</u>	<u>1,077,757</u>	<u>420,357</u>
EXPENDITURES:				
Current:				
Public works	2,000	2,801	-	2,801
Capital outlay	750,000	1,474,557	743,862	730,695
Total Expenditures	<u>752,000</u>	<u>1,477,358</u>	<u>743,862</u>	<u>733,496</u>
NET CHANGE IN FUND BALANCE	<u>\$ (94,600)</u>	<u>\$ (819,958)</u>	333,895	<u>\$ 1,153,853</u>
FUND BALANCE:				
Beginning of Year			1,168,610	
End of Year			<u>\$ 1,502,505</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure A Improvements Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,971,918	\$ 1,971,918	\$ 3,101,321	\$ 1,129,403
Use of money and property	101,400	10,170,273	998,264	(9,172,009)
Investment income	-	-	9,619	9,619
Contributions	-	-	247,115	247,115
Total Revenues	<u>2,073,318</u>	<u>12,142,191</u>	<u>4,356,319</u>	<u>(7,785,872)</u>
EXPENDITURES:				
Current:				
Public works	-	197,352	2,420	194,932
Capital outlay	960,400	11,454,530	3,538,042	7,916,488
Debt service:				
Principal retirement	-	-	10,421	(10,421)
Total Expenditures	<u>960,400</u>	<u>11,651,882</u>	<u>3,550,883</u>	<u>8,100,999</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,112,918</u>	<u>490,309</u>	<u>805,436</u>	<u>315,127</u>
OTHER FINANCING USES:				
Transfers out	<u>(1,095,300)</u>	<u>(1,095,300)</u>	<u>(1,095,300)</u>	<u>-</u>
Total Other Financing Uses	<u>(1,095,300)</u>	<u>(1,095,300)</u>	<u>(1,095,300)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 17,618</u>	<u>\$ (604,991)</u>	<u>(289,864)</u>	<u>\$ 315,127</u>
FUND BALANCE:				
Beginning of Year			<u>1,862,537</u>	
End of Year			<u>\$ 1,572,673</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 275,000	\$ 275,000	\$ 335,196	\$ 60,196
Use of money and property	-	-	9,300	9,300
Total Revenues	<u>275,000</u>	<u>275,000</u>	<u>344,496</u>	<u>69,496</u>
EXPENDITURES:				
Capital outlay	210,000	709,625	158,505	551,120
Total Expenditures	<u>210,000</u>	<u>709,625</u>	<u>158,505</u>	<u>551,120</u>
NET CHANGE IN FUND BALANCE	<u>\$ 65,000</u>	<u>\$ (434,625)</u>	185,991	<u>\$ 620,616</u>
FUND BALANCE:				
Beginning of Year			<u>1,342,829</u>	
End of Year			<u>\$ 1,528,820</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 431,579	\$ 1,703,581	\$ 1,071,012	\$ (632,569)
Charges for services	-	-	450	450
Total Revenues	<u>431,579</u>	<u>1,703,581</u>	<u>1,071,462</u>	<u>(632,119)</u>
EXPENDITURES:				
Current:				
General government	431,579	1,041,320	813,867	227,453
Capital outlay	-	629,410	225,745	403,665
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>431,579</u>	<u>1,670,730</u>	<u>1,039,612</u>	<u>631,118</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>32,851</u>	<u>31,850</u>	<u>(1,001)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,000	1,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 32,851</u>	32,850	<u>\$ (1)</u>
FUND BALANCE:				
Beginning of Year			<u>(32,850)</u>	
End of Year			<u>\$ -</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 46,500	\$ 46,500	\$ 46,182	\$ (318)
Use of money and property	-	-	960	960
Total Revenues	<u>46,500</u>	<u>46,500</u>	<u>47,142</u>	<u>642</u>
EXPENDITURES:				
Current:				
Public works	50,000	190,157	51,694	138,463
Total Expenditures	<u>50,000</u>	<u>190,157</u>	<u>51,694</u>	<u>138,463</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,500)</u>	<u>\$ (143,657)</u>	(4,552)	<u>\$ 139,105</u>
FUND BALANCE:				
Beginning of Year			<u>154,732</u>	
End of Year			<u>\$ 150,180</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 3,790	\$ 2,790
Charges for services	180,000	180,000	373,028	193,028
Miscellaneous	-	2,799	-	(2,799)
Total Revenues	<u>181,000</u>	<u>183,799</u>	<u>376,818</u>	<u>193,019</u>
EXPENDITURES:				
Current:				
Cultural and convention center	181,000	499,591	314,869	184,722
Total Expenditures	<u>181,000</u>	<u>499,591</u>	<u>314,869</u>	<u>184,722</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (315,792)</u>	61,949	<u>\$ 377,741</u>
FUND BALANCE:				
Beginning of Year			499,445	
End of Year			<u>\$ 561,394</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 11,848	\$ 11,848
Miscellaneous	-	1,000	1,782	782
Total Revenues	-	1,000	13,630	12,630
EXPENDITURES:				
Current:				
Library	-	1,956,218	176,671	1,779,547
Total Expenditures	-	1,956,218	176,671	1,779,547
NET CHANGE IN FUND BALANCE	\$ -	\$ (1,955,218)	(163,041)	\$ 1,792,177
FUND BALANCE:				
Beginning of Year			2,028,976	
End of Year			<u>\$ 1,865,935</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 70,000	\$ 70,000	\$ 23,577	\$ (46,423)
Charges for services	580,000	580,000	1,033,767	453,767
Total Revenues	650,000	650,000	1,057,344	407,344
EXPENDITURES:				
Current:				
Public works	650,000	809,250	10,981	798,269
Capital outlay	-	3,610,956	2,293,139	1,317,817
Total Expenditures	650,000	4,420,206	2,304,120	2,116,086
NET CHANGE IN FUND BALANCE	\$ -	\$ (3,770,206)	(1,246,776)	\$ 2,523,430
FUND BALANCE:				
Beginning of Year			3,770,206	
End of Year			<u>\$ 2,523,430</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 19,857	\$ 19,857
Charges for services	100,000	100,000	191,035	91,035
Miscellaneous	-	10,000	18,598	8,598
Total Revenues	<u>100,000</u>	<u>110,000</u>	<u>229,490</u>	<u>119,490</u>
EXPENDITURES:				
Current:				
Public safety	100,000	100,000	87,768	12,232
Parks and recreation	-	-	49	(49)
Public works	-	26,700	12,384	14,316
Total Expenditures	<u>100,000</u>	<u>126,700</u>	<u>100,201</u>	<u>26,499</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (16,700)</u>	129,289	<u>\$ 145,989</u>
FUND BALANCE:				
Beginning of Year			<u>3,012,111</u>	
End of Year			<u>\$ 3,141,400</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 787,245	\$ 787,245	\$ 988,657	\$ 201,412
Use of money and property	-	-	1,240	1,240
Total Revenues	<u>787,245</u>	<u>787,245</u>	<u>989,897</u>	<u>202,652</u>
EXPENDITURES:				
Current:				
Public safety	799,900	799,900	608,195	191,705
Total Expenditures	<u>799,900</u>	<u>799,900</u>	<u>608,195</u>	<u>191,705</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,655)</u>	<u>\$ (12,655)</u>	381,702	<u>\$ 394,357</u>
FUND BALANCE:				
Beginning of Year			<u>394,496</u>	
End of Year			<u>\$ 776,198</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 5,171	\$ 5,171
Charges for services	372,900	372,900	91,640	(281,260)
Total Revenues	<u>372,900</u>	<u>372,900</u>	<u>96,811</u>	<u>(276,089)</u>
EXPENDITURES:				
Capital outlay	309,900	1,066,772	172,117	894,655
Total Expenditures	<u>309,900</u>	<u>1,066,772</u>	<u>172,117</u>	<u>894,655</u>
NET CHANGE IN FUND BALANCE	<u>\$ 63,000</u>	<u>\$ (693,872)</u>	(75,306)	<u>\$ 618,566</u>
FUND BALANCE:				
Beginning of Year			<u>826,300</u>	
End of Year			<u>\$ 750,994</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 825	\$ 825
Charges for services	1,020,000	1,020,000	1,272,953	252,953
Total Revenues	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,273,778</u>	<u>253,778</u>
EXPENDITURES:				
Current:				
Public safety	968,900	968,900	1,040,530	(71,630)
Total Expenditures	<u>968,900</u>	<u>968,900</u>	<u>1,040,530</u>	<u>(71,630)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 51,100</u>	<u>\$ 51,100</u>	233,248	<u>\$ 182,148</u>
FUND BALANCE:				
Beginning of Year			<u>56,060</u>	
End of Year			<u>\$ 289,308</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Use of money and property	4,000	4,000	5,729	1,729
Charges for services	175,000	175,000	380,005	205,005
Miscellaneous	-	-	810	810
Total Revenues	<u>189,000</u>	<u>189,000</u>	<u>386,544</u>	<u>197,544</u>
EXPENDITURES:				
Current:				
Public works	543,274	924,332	197,886	726,446
Total Expenditures	<u>543,274</u>	<u>924,332</u>	<u>197,886</u>	<u>726,446</u>
NET CHANGE IN FUND BALANCE	<u>\$ (354,274)</u>	<u>\$ (735,332)</u>	188,658	<u>\$ 923,990</u>
FUND BALANCE:				
Beginning of Year			848,141	
End of Year			<u>\$ 1,036,799</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 31,728	\$ 31,728
Contributions	-	-	500	500
Total Revenues	<u>-</u>	<u>-</u>	<u>32,228</u>	<u>32,228</u>
EXPENDITURES:				
Current:				
General government	2,670,500	4,785,252	145,251	4,640,001
Total Expenditures	<u>2,670,500</u>	<u>4,785,252</u>	<u>145,251</u>	<u>4,640,001</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,670,500)</u>	<u>\$ (4,785,252)</u>	(113,023)	<u>\$ 4,672,229</u>
FUND BALANCE:				
Beginning of Year			11,368,881	
End of Year			<u>\$ 11,255,858</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 473	\$ 473
Charges for services	196,356	406,356	515,727	109,371
Total Revenues	<u>196,356</u>	<u>406,356</u>	<u>516,200</u>	<u>109,844</u>
EXPENDITURES:				
Current:				
Cultural and convention center	196,356	406,356	514,182	(107,826)
Total Expenditures	<u>196,356</u>	<u>406,356</u>	<u>514,182</u>	<u>(107,826)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	2,018	<u>\$ 2,018</u>
FUND BALANCE:				
Beginning of Year			<u>6,352</u>	
End of Year			<u>\$ 8,370</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 442,924	\$ 442,924	\$ 872,833	\$ 429,909
Use of money and property	54,876	54,876	2,884	(51,992)
Total Revenues	<u>497,800</u>	<u>497,800</u>	<u>875,717</u>	<u>377,917</u>
EXPENDITURES:				
Capital outlay	535,816	535,816	65,154	470,662
Total Expenditures	<u>535,816</u>	<u>535,816</u>	<u>65,154</u>	<u>470,662</u>
NET CHANGE IN FUND BALANCE	<u>\$ (38,016)</u>	<u>\$ (38,016)</u>	810,563	<u>\$ 848,579</u>
FUND BALANCE:				
Beginning of Year			<u>153,744</u>	
End of Year			<u>\$ 964,307</u>	

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 132,100	\$ 5,839,743	\$ 2,842,083	\$ (2,997,660)
Charges for services	100,000	100,000	653,994	553,994
Miscellaneous	-	212,800	8,164	(204,636)
Total Revenues	<u>232,100</u>	<u>6,152,543</u>	<u>3,601,930</u>	<u>(2,550,613)</u>
EXPENDITURES:				
Current:				
Public safety	-	216,978	60,190	156,788
Public works	-	143,167	621,775	(478,608)
Capital outlay	661,697	21,054,282	4,185,908	16,868,374
Total Expenditures	<u>661,697</u>	<u>21,414,427</u>	<u>4,867,873</u>	<u>16,546,554</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(429,597)</u>	<u>(15,261,884)</u>	<u>(1,265,943)</u>	<u>13,995,941</u>
Other Financing Sources (Uses):				
Transfers in	2,000,000	2,612,300	2,612,300	-
Transfers out	(4,200,000)	(4,200,000)	(4,200,000)	-
Total Other Financing Sources (Uses)	<u>(2,200,000)</u>	<u>(1,587,700)</u>	<u>(1,587,700)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,629,597)</u>	<u>\$ (16,849,584)</u>	<u>(2,853,643)</u>	<u>\$ 13,995,941</u>
FUND BALANCE:				
Beginning of Year			<u>14,502,261</u>	
End of Year			<u>\$ 11,648,618</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 145	\$ 145
Total Revenues	<u>-</u>	<u>-</u>	<u>145</u>	<u>145</u>
EXPENDITURES:				
Capital outlay	-	29,069	13,046	16,023
Total Expenditures	<u>-</u>	<u>29,069</u>	<u>13,046</u>	<u>16,023</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (29,069)</u>	(12,901)	<u>\$ 16,168</u>
FUND BALANCE:				
Beginning of Year			<u>29,746</u>	
End of Year			<u>\$ 16,845</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 561,600	\$ 561,600	\$ 566,383	\$ 4,783
Use of money and property	-	-	1,606	1,606
Total Revenues	<u>561,600</u>	<u>561,600</u>	<u>567,989</u>	<u>6,389</u>
EXPENDITURES:				
Current:				
General government	25,000	25,000	13,312	11,688
Debt service:				
Principal retirement	395,000	395,000	395,000	-
Interest and fiscal charges	141,600	141,600	141,538	62
Total Expenditures	<u>561,600</u>	<u>561,600</u>	<u>549,850</u>	<u>11,750</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	18,139	<u>\$ 18,139</u>
FUND BALANCE:				
Beginning of Year			<u>1,573,412</u>	
End of Year			<u>\$ 1,591,551</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 public employees' retirement system contributions. 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 actual payments (excluding implied subsidy) for providing health insurance to qualifying retirees. Costs are recovered by charges to retirees' departments.

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, 2021

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
ASSETS				
Current assets:				
Cash and investments	\$ 4,714,730	\$ 3,934,870	\$ 4,217,975	\$ 26,237,046
Receivable:				
Accounts	-	-	-	144,961
Interest	7,780	6,764	-	34,026
Inventories	153,560	-	-	-
Total current assets	4,876,070	3,941,634	4,217,975	26,416,033
Noncurrent assets:				
Advances to other funds	-	-	1,430,000	-
Capital assets, nondepreciable	2,697,812	-	-	-
Capital assets, net of accumulated depreciation	7,170,012	278,969	-	30,129
Total noncurrent assets	9,867,824	278,969	1,430,000	30,129
Total assets	14,743,894	4,220,603	5,647,975	26,446,162
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	-	-	-
Pension related items	156,568	357,403	-	59,344
Other postemployment benefits related items	180,270	478,927	-	-
Total deferred outflows of resources	336,838	836,330	-	59,344
LIABILITIES				
Current Liabilities:				
Accounts payable	244,197	186,897	418,861	182,571
Accrued liabilities	35,681	86,600	-	71,195
Interest payable	71,721	-	-	-
Compensated absences	56,474	227,575	-	75,309
Claims and judgments - due within one year	-	-	-	8,101,777
Bonds, notes, and capital assets - due within one year	709,981	-	-	-
Total current liabilities	1,118,054	501,072	418,861	8,430,852
Noncurrent liabilities:				
Claims and judgments	-	-	-	6,657,043
Bonds, notes, and capital leases	5,135,019	-	-	-
Net pension liability	1,224,655	2,795,561	-	464,179
Net OPEB liability	1,949,993	5,180,579	-	-
Total noncurrent liabilities	8,309,667	7,976,140	-	7,121,222
Total liabilities	9,427,721	8,477,212	418,861	15,552,074
DEFERRED INFLOWS OF RESOURCES				
Deferred pension related items	11,764	26,854	-	4,459
Deferred OPEB related items	267,942	711,845	-	-
Total deferred inflows of resources	279,706	738,699	-	4,459
NET POSITION				
Net investment in capital assets	4,022,824	278,969	-	30,129
Unrestricted (deficit)	1,350,481	(4,437,947)	5,229,114	10,918,844
Total net position	\$ 5,373,305	\$ (4,158,978)	\$ 5,229,114	\$ 10,948,973

See accompanying Notes to the Basic Financial Statements

City of Palm Springs
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2021

ASSETS	Retiree Health Insurance	Cogeneration Plant	Total
Current assets:			
Cash and investments	\$ 2,480,533	\$ 4,143,161	\$ 45,728,315
Receivable:			
Accounts	17,035	-	161,996
Interest	3,681	7,412	59,663
Inventories	-	-	153,560
Total current assets	2,501,249	4,150,573	46,103,534
Noncurrent assets:			
Advances to other funds	-	-	1,430,000
Capital assets, nondepreciable	-	-	2,697,812
Capital assets, net of accumulated depreciation	-	15,135,888	22,614,998
Total noncurrent assets	-	15,135,888	26,742,810
Total assets	2,501,249	19,286,461	72,846,344
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	16,139	16,139
Pension related items	-	-	573,315
Other postemployment benefits related items	-	-	659,197
Total deferred outflows of resources	-	16,139	1,248,651
LIABILITIES			
Current Liabilities:			
Accounts payable	656	187,010	1,220,192
Accrued liabilities	-	-	193,476
Interest payable	-	112,812	184,533
Compensated absences - due within one year	-	-	359,358
Claims and judgments - due within one year	-	-	8,101,777
Bonds, notes, and capital assets - due within one year	-	929,665	1,639,646
Total current liabilities	656	1,229,487	11,698,982
Noncurrent liabilities:			
Claims and judgments	-	-	6,657,043
Bonds, notes, and capital leases	-	15,871,564	21,006,583
Net pension liability	-	-	4,484,395
Net OPEB liability	-	-	7,130,572
Total noncurrent liabilities	-	15,871,564	39,278,593
Total liabilities	656	17,101,051	50,977,575
DEFERRED INFLOWS OF RESOURCES			
Deferred pension related items	-	-	43,077
Deferred OPEB related items	-	-	979,787
Total deferred inflows of resources	-	-	1,022,864
NET POSITION			
Net investment in capital assets	-	(1,665,341)	2,666,581
Unrestricted	2,500,593	3,866,890	19,427,975
Total net position	\$ 2,500,593	\$ 2,201,549	\$ 22,094,556

See accompanying Notes to the Basic Financial Statements

City of Palm Springs
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2021

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
OPERATING REVENUES:				
Service charges	\$ 3,574,059	\$ 4,185,200	\$ 23,228,027	\$ 23,653,673
Miscellaneous	2,000	11,901	-	-
Total operating revenues	<u>3,576,059</u>	<u>4,197,101</u>	<u>23,228,027</u>	<u>23,653,673</u>
OPERATING EXPENSES:				
Administration and general	-	-	-	1,683,973
Personnel service	-	-	-	262,812
Maintenance operations	2,282,906	-	-	-
Facilities maintenance	-	3,945,597	-	-
Retirement	-	-	21,780,937	-
Retiree health insurance	-	-	-	-
Other claims and insurance	56,625	29,200	-	7,741,095
Depreciation expense	1,242,322	65,416	-	-
Utilities	10,092	43,153	-	-
Cogeneration electricity	129,600	-	-	13,100
Medical, health, and life insurance	-	-	-	8,627,594
Workers compensation	50,000	112,000	-	4,429,920
Total operating expenses	<u>3,771,545</u>	<u>4,195,366</u>	<u>21,780,937</u>	<u>22,758,494</u>
OPERATING INCOME (LOSS)	<u>(195,486)</u>	<u>1,735</u>	<u>1,447,090</u>	<u>895,179</u>
NONOPERATING INCOME (LOSS):				
Intergovernmental	-	-	-	745,335
Interest revenue	26,891	22,518	(289,104)	102,840
Interest expense	(287,648)	-	-	-
Gain on disposal of capital assets	95,252	-	-	-
Total Nonoperating Income (Loss)	<u>(165,505)</u>	<u>22,518</u>	<u>(289,104)</u>	<u>848,175</u>
Net Income (Loss) Before Transfers and Capital Contributions	<u>(360,991)</u>	<u>24,253</u>	<u>1,157,986</u>	<u>1,743,354</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Transfers in	-	-	-	-
Transfers out	-	-	(1,598,056)	-
Total transfers and capital contributions	<u>-</u>	<u>-</u>	<u>(1,598,056)</u>	<u>-</u>
CHANGES IN NET POSITION	<u>(360,991)</u>	<u>24,253</u>	<u>(440,070)</u>	<u>1,743,354</u>
NET POSITION:				
Beginning of the year, as restated (Note 17)	<u>5,734,296</u>	<u>(4,183,231)</u>	<u>5,669,184</u>	<u>9,205,619</u>
End of the year	<u>\$ 5,373,305</u>	<u>\$ (4,158,978)</u>	<u>\$ 5,229,114</u>	<u>\$ 10,948,973</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, 2021

	Retiree Health Insurance	Cogeneration Plant	Total
OPERATING REVENUES:			
Service charges	\$ 3,654,648	\$ 1,853,400	\$ 60,149,007
Miscellaneous	-	3,964	17,865
Total operating revenues	<u>3,654,648</u>	<u>1,857,364</u>	<u>60,166,872</u>
OPERATING EXPENSES:			
Administration and general	-	3,963	1,687,936
Personnel service	-	-	262,812
Maintenance operations	-	-	2,282,906
Facilities maintenance	-	-	3,945,597
Retirement	-	-	21,780,937
Retiree health insurance	3,308,320	-	3,308,320
Other claims and insurance	-	-	7,826,920
Depreciation expense	-	705,549	2,013,287
Utilities	-	1,344,076	1,397,321
Cogeneration electricity	-	66	142,766
Medical, health, and life insurance	-	-	8,627,594
Workers compensation	-	-	4,591,920
Total operating expenses	<u>3,308,320</u>	<u>2,053,654</u>	<u>57,868,316</u>
OPERATING INCOME (LOSS)	<u>346,328</u>	<u>(196,290)</u>	<u>2,298,556</u>
NONOPERATING INCOME (LOSS):			
Intergovernmental	-	-	745,335
Interest revenue	13,158	25,557	(98,140)
Interest expense	-	(636,274)	(923,922)
Gain on disposal of capital assets	-	-	95,252
Total Nonoperating Income (Loss)	<u>13,158</u>	<u>(610,717)</u>	<u>(181,475)</u>
Net Income (Loss) Before Transfers and Capital Contributions	<u>359,486</u>	<u>(807,007)</u>	<u>2,117,081</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:			
Transfers in	-	1,174,190	1,174,190
Transfers out	-	-	(1,598,056)
Total transfers and capital contributions	<u>-</u>	<u>1,174,190</u>	<u>(423,866)</u>
CHANGES IN NET POSITION	<u>359,486</u>	<u>367,183</u>	<u>1,693,215</u>
NET POSITION:			
Beginning of the year, as restated (Note 18)	<u>2,141,107</u>	<u>1,834,366</u>	<u>20,401,341</u>
End of the year	<u>\$ 2,500,593</u>	<u>\$ 2,201,549</u>	<u>\$ 22,094,556</u>

City of Palm Springs
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	<u>Motor Vehicle Replacement</u>	<u>Facilities Maintenance</u>	<u>Employee Benefits</u>	<u>Risk Management</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 3,576,059	\$ 4,197,101	\$ 23,228,027	\$ 23,558,799
Cash paid to suppliers for goods and services	(1,668,533)	(2,309,819)	-	(1,199,472)
Cash paid to employees for services	(882,421)	(1,786,632)	(21,362,076)	(840,256)
Cash paid for insurance premium and claims	-	-	-	(16,254,169)
Net cash provided by operating activities	<u>1,025,105</u>	<u>100,650</u>	<u>1,865,951</u>	<u>5,264,902</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash transfers in (out)	-	-	(1,598,056)	-
Cash received from other governmental agency	-	-	-	745,335
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(1,598,056)</u>	<u>745,335</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(302,511)	(65,600)	-	-
Proceeds from new loans	-	-	-	-
Proceeds from sale property	145,803	-	-	-
Principal paid on bonds and loans	(416,704)	-	-	-
Interest paid	(289,614)	-	-	-
Net cash used in capital and related financing activities	<u>(863,026)</u>	<u>(65,600)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	25,866	21,601	4,046	87,120
Net cash provided by investing activities	<u>25,866</u>	<u>21,601</u>	<u>4,046</u>	<u>87,120</u>
Net change in cash and cash equivalents	187,945	56,651	271,941	6,097,357
CASH AND CASH EQUIVALENTS:				
Beginning of year	4,526,785	3,878,219	3,946,034	20,139,689
End of year	<u>\$ 4,714,730</u>	<u>\$ 3,934,870</u>	<u>\$ 4,217,975</u>	<u>\$ 26,237,046</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (195,486)	\$ 1,735	\$ 1,447,090	\$ 895,179
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,242,322	65,416	-	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivable	-	-	-	(94,874)
(Increase)/decrease in prepaid items	-	-	-	-
(Increase)/decrease in deferred outflows of resources	(44,567)	(109,918)	-	(8,600)
Increase/(decrease) in accounts payable	(43,259)	(49,458)	418,861	(81,736)
Increase/(decrease) in accrued liabilities	12,374	37,147	-	34,805
Increase/(decrease) in compensated absences	8,591	44,600	-	(3,793)
Increase/(decrease) in claims and judgments	-	-	-	4,515,033
Increase/(decrease) in net pension liability	40,407	92,239	-	15,315
Increase/(decrease) in total OPEB liability	80,501	213,869	-	-
Increase/(decrease) in deferred inflows of resources	(75,778)	(194,980)	-	(6,427)
Net cash provided by operating activities	<u>\$ 1,025,105</u>	<u>\$ 100,650</u>	<u>\$ 1,865,951</u>	<u>\$ 5,264,902</u>

City of Palm Springs
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2021

	Retiree Health Insurance	Cogeneration Plant	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 3,647,065	\$ 1,857,364	\$ 60,064,415
Cash paid to suppliers for goods and services	-	(1,395,351)	(6,573,175)
Cash paid to employees for services	-	-	(24,871,385)
Cash paid for insurance premium and claims	(3,308,252)	-	(19,562,421)
Net cash provided by operating activities	338,813	462,013	9,057,434
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash transfers in (out)	-	1,174,190	(423,866)
Cash received from other governmental agency	-	-	745,335
Net cash provided by (used in) noncapital financing activities	-	1,174,190	321,469
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	-	(368,111)
Proceeds from new loans	-	15,854,440	15,854,440
Proceeds from sale property	-	-	145,803
Principal paid on bonds and loans	-	(16,596,225)	(17,012,929)
Interest paid	-	(661,356)	(950,970)
Net cash used in capital and related financing activities	-	(1,403,141)	(2,331,767)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	12,296	23,788	174,717
Net cash provided by investing activities	12,296	23,788	174,717
Net change in cash and cash equivalents	351,109	256,850	7,221,853
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,129,424	3,886,311	38,506,462
End of year	<u>\$ 2,480,533</u>	<u>\$ 4,143,161</u>	<u>\$ 45,728,315</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating income (loss)	\$ 346,328	\$ (196,290)	\$ 2,298,556
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	705,549	2,013,287
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivable	(7,583)	-	(102,457)
(Increase)/decrease in prepaid items	-	27,752	27,752
(Increase)/decrease in deferred outflows of resources	-	-	(163,085)
Increase/(decrease) in accounts payable	68	(74,871)	169,605
Increase/(decrease) in accrued liabilities	-	(127)	84,199
Increase/(decrease) in compensated absences	-	-	49,398
Increase/(decrease) in claims and judgments	-	-	4,515,033
Increase/(decrease) in net pension liability	-	-	147,961
Increase/(decrease) in total OPEB liability	-	-	294,370
Increase/(decrease) in deferred inflows of resources	-	-	(277,185)
Net cash provided by operating activities	\$ 338,813	\$ 462,013	\$ 9,057,434

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



STATISTICAL SECTION
FISCAL YEAR
ENDED JUNE 30, 2021

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.

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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.	170-179
Revenue Capacity	
These schedules contain information to help the reader assess one of the government's most significant local revenue sources - property tax.	180-183
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.	184-190
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.	191-192
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.	193-199

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental activities:					
Net investment in capital assets	\$ 194,166,383	\$ 201,149,733	\$ 148,845,833	\$ 141,219,883	\$ 120,745,654
Restricted	49,665,666	77,064,027	43,201,882	37,220,218	41,363,491
Unrestricted	<u>(162,081,376)</u>	<u>(233,042,836)</u>	<u>(202,893,159)</u>	<u>(212,859,813)</u>	<u>(104,511,647)</u>
Total governmental activities net position	<u>\$ 81,750,673</u>	<u>\$ 45,170,924</u>	<u>\$ (10,845,444)</u>	<u>\$ (34,419,712)</u>	<u>\$ 57,597,498</u>
Business-type activities:					
Net investment in capital assets	\$ 108,473,977	\$ 82,416,136	\$ 97,712,572	\$ 104,660,531	\$ 102,297,901
Restricted	2,897,901	19,464,837	7,371,373	4,884,179	4,022,467
Unrestricted	<u>57,234,211</u>	<u>63,282,450</u>	<u>60,133,921</u>	<u>42,880,602</u>	<u>33,781,069</u>
Total business-type activities net position	<u>\$ 168,606,089</u>	<u>\$ 165,163,423</u>	<u>\$ 165,217,866</u>	<u>\$ 152,425,312</u>	<u>\$ 140,101,437</u>
Primary government:					
Net investment in capital assets	\$ 302,640,360	\$ 283,565,869	\$ 246,558,405	\$ 245,880,414	\$ 223,043,555
Restricted	52,563,567	96,528,864	50,573,255	42,104,397	45,385,958
Unrestricted	<u>(104,847,165)</u>	<u>(169,760,386)</u>	<u>(142,759,238)</u>	<u>(169,979,211)</u>	<u>(70,730,578)</u>
Total primary government net position	<u>\$ 250,356,762</u>	<u>\$ 210,334,347</u>	<u>\$ 154,372,422</u>	<u>\$ 118,005,600</u>	<u>\$ 197,698,935</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				
	2016	2015	2014	2013	2012
Governmental activities:					
Net investment in capital assets	\$ 126,124,062	\$ 106,475,801	\$ 107,217,515	\$ 119,129,764	\$ 124,797,484
Restricted	41,633,373	50,159,957	64,475,152	59,250,531	53,290,867
Unrestricted	<u>(103,317,463)</u>	<u>(102,730,809)</u>	<u>9,032,025</u>	<u>8,263,055</u>	<u>7,603,335</u>
Total governmental activities net position	<u>\$ 64,439,972</u>	<u>\$ 53,904,949</u>	<u>\$ 180,724,692</u>	<u>\$ 186,643,350</u>	<u>\$ 185,691,686</u>
Business-type activities:					
Net investment in capital assets	\$ 98,280,993	\$ 90,467,867	\$ 90,775,976	\$ 82,089,205	\$ 86,255,293
Restricted	5,307,758	4,125,236	4,038,239	4,777,681	4,024,930
Unrestricted	<u>30,918,220</u>	<u>22,023,465</u>	<u>34,234,038</u>	<u>29,620,437</u>	<u>25,605,934</u>
Total business-type activities net position	<u>\$ 134,506,971</u>	<u>\$ 116,616,568</u>	<u>\$ 129,048,253</u>	<u>\$ 116,487,323</u>	<u>\$ 115,886,157</u>
Primary government:					
Net investment in capital assets	\$ 224,405,055	\$ 196,943,668	\$ 197,993,491	\$ 201,218,969	\$ 211,052,777
Restricted	46,941,131	54,285,193	68,513,391	64,028,212	57,315,797
Unrestricted	<u>(72,399,243)</u>	<u>(80,707,344)</u>	<u>43,266,063</u>	<u>37,883,492</u>	<u>33,209,269</u>
Total primary government net position	<u>\$ 198,946,943</u>	<u>\$ 170,521,517</u>	<u>\$ 309,772,945</u>	<u>\$ 303,130,673</u>	<u>\$ 301,577,843</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				
	2021	2020	2019	2018	2017
Expenses:					
Governmental activities:					
General government	\$ 23,479,828	\$ 21,838,398	\$ 27,615,740	\$ 24,668,184	\$ 19,998,488
Public safety	62,790,098	65,927,910	60,644,565	55,465,639	49,397,778
Cultural and convention center	8,701,458	9,208,504	8,941,987	7,473,990	7,454,099
Parks and recreation	10,605,881	10,224,630	10,559,974	10,412,411	9,902,789
Public works	18,764,015	26,286,051	23,159,223	20,620,601	33,476,271
Library	2,639,183	2,793,479	3,009,917	3,196,140	3,238,731
Interest on long-term debt	6,065,747	6,483,060	6,113,954	6,640,855	6,856,841
Total governmental activities expenses	<u>133,046,210</u>	<u>142,762,032</u>	<u>140,045,360</u>	<u>128,477,820</u>	<u>130,324,997</u>
Business-type activities:					
Airport	29,121,612	29,897,619	29,585,274	28,715,596	28,961,927
Wastewater	8,940,635	8,801,889	9,601,345	7,455,920	7,009,637
Golf Course	4,786,833	5,185,383	4,948,156	5,208,536	5,141,317
Total business-type activities expenses	<u>42,849,080</u>	<u>43,884,891</u>	<u>44,134,775</u>	<u>41,380,052</u>	<u>41,112,881</u>
Total primary government expenses	<u>175,895,290</u>	<u>186,646,923</u>	<u>184,180,135</u>	<u>169,857,872</u>	<u>171,437,878</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	11,775,694	7,387,666	6,687,864	5,784,465	4,966,153
Public safety	2,911,245	3,308,726	4,405,683	4,352,932	3,789,214
Cultural and convention center	-	-	-	157,769	-
Parks and recreation	2,870,786	1,631,055	1,979,848	1,913,540	1,921,560
Public works	3,288,955	17,416,141	8,222,528	6,956,478	5,794,610
Library	4,983	15,804	20,945	28,287	37,753
Operating grants and contributions	6,834,245	14,906,252	7,583,185	3,829,388	2,879,858
Capital grants and contributions	8,184,645	1,635,273	5,215,366	2,633,028	4,188,835
Total governmental activities program revenues	<u>35,870,553</u>	<u>46,300,917</u>	<u>34,115,419</u>	<u>25,655,887</u>	<u>23,577,983</u>
Business-type activities:					
Charges for services:					
Airport	23,043,916	28,636,927	30,628,795	28,134,244	25,621,382
Wastewater	12,358,649	11,595,926	12,366,518	12,785,023	11,771,816
Golf Course	3,550,751	4,206,028	4,286,852	4,526,664	4,317,981
Operating grants and contributions	8,912,450	5,904,934	-	-	-
Capital grants and contributions	-	-	1,164,219	3,769,554	1,519,902
Total business-type activities program revenues	<u>47,865,766</u>	<u>50,343,815</u>	<u>48,446,384</u>	<u>49,215,485</u>	<u>43,231,081</u>
Total primary government program revenues	<u>83,736,319</u>	<u>96,644,732</u>	<u>82,561,803</u>	<u>74,871,372</u>	<u>66,809,064</u>

(Continued)

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Net revenues (expenses):					
Governmental activities	(97,175,657)	(96,461,115)	(105,929,941)	(102,821,933)	(106,747,014)
Business-type activities	<u>5,016,686</u>	<u>6,458,924</u>	<u>4,311,609</u>	<u>7,835,433</u>	<u>2,118,200</u>
Total net revenues (expenses)	<u>(92,158,971)</u>	<u>(90,002,191)</u>	<u>(101,618,332)</u>	<u>(94,986,500)</u>	<u>(104,628,814)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	31,148,883	29,739,817	33,422,946	31,291,584	24,535,870
Sales tax	47,291,146	24,312,838	42,903,653	32,956,508	30,971,801
Transient occupancy taxes	35,092,830	25,817,660	36,475,057	34,241,233	28,591,763
Franchise taxes	3,277,733	3,424,711	-	-	-
Utility users taxes	8,284,837	7,025,604	-	-	-
Other taxes	6,542,006	4,270,217	14,586,952	12,777,836	13,111,478
Motor vehicle in lieu, unrestricted	5,703,803	5,418,600	22,899	24,940	4,492,728
Use of money and property	85,682	4,757,768	5,049,841	1,600,566	1,557,326
Other general revenues	158,992	452,161	550,676	133,067	68,720
Gain on sale of capital asset	95,252	11,367	215,895	4,680	-
Extraordinary gain/(loss)	-	-	-	-	-
Settlement	-	36,520,000	-	-	-
Transfers	<u>(2,588,900)</u>	<u>(1,479,023)</u>	<u>(3,723,710)</u>	<u>(725,601)</u>	<u>(2,245,997)</u>
Total governmental activities	<u>135,092,264</u>	<u>140,271,720</u>	<u>129,504,209</u>	<u>112,304,813</u>	<u>101,083,689</u>
Business-type activities:					
Use of money and property	641,487	1,836,416	2,236,850	129,407	163,540
Other revenue	-	-	2,520,385	1,932,380	917,966
Extraordinary gain/(loss)	-	-	-	-	-
Transfers	<u>2,588,900</u>	<u>1,479,023</u>	<u>3,723,710</u>	<u>725,601</u>	<u>2,245,997</u>
Total business-type activities	<u>3,230,387</u>	<u>3,315,439</u>	<u>8,480,945</u>	<u>2,787,388</u>	<u>3,327,503</u>
Total primary government	<u>138,322,651</u>	<u>143,587,159</u>	<u>137,985,154</u>	<u>115,092,201</u>	<u>104,411,192</u>
Changes in net position					
Governmental activities	37,916,607	43,810,605	23,574,268	9,482,880	(5,663,325)
Business-type activities	<u>8,247,073</u>	<u>9,774,363</u>	<u>12,792,554</u>	<u>10,622,821</u>	<u>5,445,703</u>
Total primary government	<u>\$ 46,163,680</u>	<u>\$ 53,584,968</u>	<u>\$ 36,366,822</u>	<u>\$ 20,105,701</u>	<u>\$ (217,622)</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				
	2016	2015	2014	2013	2012
Expenses:					
Governmental activities:					
General government	\$ 11,759,819	\$ 14,353,882	\$ 17,734,430	\$ 11,981,549	\$ 11,680,752
Public safety	45,219,115	42,911,251	42,041,061	38,070,130	36,489,937
Cultural and convention center	8,293,582	8,041,954	6,884,266	7,482,648	7,638,730
Parks and recreation	7,756,225	9,008,961	8,832,666	12,150,464	9,728,209
Public works	27,299,586	26,799,641	26,594,799	14,674,398	36,660,915
Library	2,909,766	2,308,501	2,718,241	2,125,382	2,168,904
Interest on long-term debt	6,657,372	7,153,434	5,435,432	5,565,437	7,553,342
Total governmental activities expenses	<u>109,895,465</u>	<u>110,577,624</u>	<u>110,240,895</u>	<u>92,050,008</u>	<u>111,920,789</u>
Business-type activities:					
Airport	25,300,163	25,811,396	25,580,134	25,581,945	24,990,169
Wastewater	6,539,225	6,693,464	7,118,541	5,711,562	5,967,510
Golf Course	4,972,995	5,370,771	5,527,984	5,948,442	5,662,881
Total business-type activities expenses	<u>36,812,383</u>	<u>37,875,631</u>	<u>38,226,659</u>	<u>37,241,949</u>	<u>36,620,560</u>
Total primary government expenses	<u>146,707,848</u>	<u>148,453,255</u>	<u>148,467,554</u>	<u>129,291,957</u>	<u>148,541,349</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	4,019,379	4,151,215	3,640,512	3,552,667	3,517,758
Public safety	3,401,378	3,256,962	2,930,416	2,843,908	2,878,838
Cultural and convention center	113	-	-	-	-
Parks and recreation	1,747,440	1,911,290	1,775,662	1,614,526	1,370,673
Public works	5,972,587	4,344,298	6,339,972	4,582,804	4,045,121
Library	42,655	41,075	38,517	38,172	59,501
Operating grants and contributions	4,082,086	3,469,962	5,861,447	5,192,616	7,381,835
Capital grants and contributions	6,823,197	2,936,236	1,448,409	5,093,264	16,382,186
Total governmental activities program revenues	<u>26,088,835</u>	<u>20,111,038</u>	<u>22,034,935</u>	<u>22,917,957</u>	<u>35,635,912</u>
Business-type activities:					
Charges for services:					
Airport	24,352,244	23,900,962	23,017,582	21,745,074	20,342,504
Wastewater	10,667,824	9,524,542	8,220,813	7,019,449	5,965,340
Golf Course	4,234,555	4,836,445	4,519,169	4,850,343	5,046,766
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	13,405,121	2,180,401	11,788,567	2,290,385	2,315,123
Total business-type activities program revenues	<u>52,659,744</u>	<u>40,442,350</u>	<u>47,546,131</u>	<u>35,905,251</u>	<u>33,669,733</u>
Total primary government program revenues	<u>78,748,579</u>	<u>60,553,388</u>	<u>69,581,066</u>	<u>58,823,208</u>	<u>69,305,645</u>

(Continued)

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Net revenues (expenses):					
Governmental activities	(83,806,630)	(90,466,586)	(88,205,960)	(69,132,051)	(76,284,877)
Business-type activities	<u>15,847,361</u>	<u>2,566,719</u>	<u>9,319,472</u>	<u>(1,336,698)</u>	<u>(2,950,827)</u>
Total net revenues (expenses)	<u>(67,959,269)</u>	<u>(87,899,867)</u>	<u>(78,886,488)</u>	<u>(70,468,749)</u>	<u>(79,235,704)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	22,245,363	21,294,978	21,065,170	18,655,013	24,229,315
Sales tax	27,681,241	25,367,807	24,113,415	21,948,058	12,130,059
Transient occupancy taxes	25,814,526	24,695,585	22,249,462	19,396,331	17,874,173
Franchise taxes	-	-	-	-	-
Utility users taxes	-	-	-	-	-
Other taxes	12,939,461	14,687,706	14,142,596	13,840,763	13,070,963
Motor vehicle in lieu, unrestricted	4,209,089	3,920,259	3,673,718	3,537,631	3,505,007
Use of money and property	2,176,122	2,211,049	2,336,973	1,217,844	1,583,805
Other general revenues	85,881	54,954	80,795	178,958	117,096
Gain on sale of capital asset	-	86,492	(238,179)	161,770	-
Extraordinary gain/(loss)	-	-	(2,585,890)	(6,935,586)	31,771,682
Settlement	-	-	-	-	-
Transfers	<u>(810,030)</u>	<u>(412,270)</u>	<u>(2,550,758)</u>	<u>(1,952,165)</u>	<u>2,450</u>
Total governmental activities	<u>94,341,653</u>	<u>91,906,560</u>	<u>82,287,302</u>	<u>70,048,617</u>	<u>104,284,550</u>
Business-type activities:					
Use of money and property	323,896	299,716	526,158	(122,318)	333,192
Other revenue	909,116	986,504	164,542	182,232	161,417
Extraordinary gain/(loss)	-	-	-	(74,215)	(1,227,000)
Transfers	<u>810,030</u>	<u>412,270</u>	<u>2,550,758</u>	<u>1,952,165</u>	<u>(2,450)</u>
Total business-type activities	<u>2,043,042</u>	<u>1,698,490</u>	<u>3,241,458</u>	<u>1,937,864</u>	<u>(734,841)</u>
Total primary government	<u>96,384,695</u>	<u>93,605,050</u>	<u>85,528,760</u>	<u>71,986,481</u>	<u>103,549,709</u>
Changes in net position					
Governmental activities	10,535,023	1,439,974	(5,918,658)	916,566	27,999,673
Business-type activities	<u>17,890,403</u>	<u>4,265,209</u>	<u>12,560,930</u>	<u>601,166</u>	<u>(3,685,668)</u>
Total primary government	<u>\$ 28,425,426</u>	<u>\$ 5,705,183</u>	<u>\$ 6,642,272</u>	<u>\$ 1,517,732</u>	<u>\$ 24,314,005</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				
	2021	2020	2019	2018	2017
General fund:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	2,955,615	1,461,569	1,444,569	3,019,428	3,019,428
Assigned	26,400,668	16,553,458	10,302,670	9,673,725	8,002,942
Unassigned	52,448,534	30,272,514	39,319,971	37,617,037	21,548,391
Total general fund	<u>\$ 81,804,817</u>	<u>\$ 48,287,541</u>	<u>\$ 51,067,210</u>	<u>\$ 50,310,190</u>	<u>\$ 32,570,761</u>
All other governmental funds:					
Restricted	34,213,803	39,189,281	43,201,882	37,220,218	41,363,491
Nonspendable	8,650	588,954	-	-	-
Committed	-	-	-	-	-
Assigned	36,151,919	36,492,533	38,198,165	23,354,766	21,667,783
Unassigned	-	(32,850)	-	(2,174,918)	(476,099)
Total all other governmental funds	<u>\$ 70,374,372</u>	<u>\$ 76,237,918</u>	<u>\$ 81,400,047</u>	<u>\$ 58,400,066</u>	<u>\$ 62,555,175</u>

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				
	2016	2015	2014	2013	2012
General fund:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	3,019,428	3,919,428	3,019,428	3,670,535	1,410,000
Assigned	7,884,694	6,850,022	7,060,894	6,442,546	5,333,035
Unassigned	<u>18,545,979</u>	<u>14,985,654</u>	<u>13,199,370</u>	<u>12,803,298</u>	<u>13,041,689</u>
Total general fund	<u>\$ 29,450,101</u>	<u>\$ 25,755,104</u>	<u>\$ 23,279,692</u>	<u>\$ 22,916,379</u>	<u>\$ 19,784,724</u>
All other governmental funds:					
Restricted	41,633,373	50,159,957	64,475,152	48,061,626	40,966,247
Nonspendable	-	-	-	11,188,905	12,324,620
Committed	-	-	-	-	-
Assigned	14,227,585	14,344,936	2,446,752	3,657,054	1,216,595
Unassigned	<u>(23,156)</u>	<u>(52,112)</u>	<u>(23,463)</u>	<u>(184,499)</u>	<u>(154,048)</u>
Total all other governmental funds	<u>\$ 55,837,802</u>	<u>\$ 64,452,781</u>	<u>\$ 66,898,441</u>	<u>\$ 62,723,086</u>	<u>\$ 54,353,414</u>

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				
	2021	2020	2019	2018	2017
Revenues:					
Taxes	\$ 139,196,155	\$ 116,692,441	\$ 130,253,883	\$ 106,490,591	\$ 97,210,912
Licenses and permits	7,382,783	6,692,721	6,884,620	6,387,567	5,726,357
Fines and penalties	557,012	648,549	140,420	140,911	251,091
Use of money and property	199,250	4,166,276	4,318,712	1,707,685	1,550,825
Intergovernmental	9,888,085	6,354,888	9,046,448	10,912,473	15,115,053
Charges for services	10,637,436	9,786,095	11,880,409	11,208,428	9,854,967
Other	1,147,321	1,844,984	5,198,982	2,861,089	2,156,777
Total revenues	<u>169,008,042</u>	<u>146,185,954</u>	<u>167,723,474</u>	<u>139,708,744</u>	<u>131,865,982</u>
Expenditures					
Current:					
General government	23,034,756	22,293,323	26,046,365	22,983,718	17,186,130
Public safety	55,585,193	55,972,570	50,472,039	45,857,964	44,040,288
Cultural and convention center	7,753,861	8,380,223	4,824,429	4,437,893	4,034,038
Parks and recreation	4,351,932	4,623,367	9,921,817	9,600,331	8,970,655
Public works	16,392,137	75,840,105	29,362,695	27,255,537	28,044,863
Library	2,451,714	2,631,408	2,807,742	2,818,197	2,839,703
Capital Outlay*	19,126,087	-	-	-	-
Debt service:					
Principal retirement	39,096,036	5,685,572	5,876,235	5,652,364	5,657,193
Interest and fiscal charges	7,026,678	4,653,184	4,877,611	5,064,358	6,069,043
Bond issuance costs	-	-	-	-	-
Payment to bond escrow	-	-	-	-	-
Pass-through payments	-	-	-	-	-
Total expenditures	<u>174,818,394</u>	<u>180,079,752</u>	<u>134,188,933</u>	<u>123,670,362</u>	<u>116,841,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,810,352)</u>	<u>(33,893,798)</u>	<u>33,534,541</u>	<u>16,038,382</u>	<u>15,024,069</u>
Other financing sources (uses):					
Transfers in	26,973,656	29,772,852	41,432,291	21,227,794	22,671,479
Transfers out	(27,964,500)	(41,044,301)	(51,209,831)	(23,681,856)	(27,882,476)
Debt issued	33,495,000	-	-	-	1,120,195
Bond premium	-	-	-	-	105,301
Bond discount	-	-	-	-	-
Settlement	-	36,520,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(1,200,535)
Total other financing sources (uses)	<u>32,504,156</u>	<u>25,248,551</u>	<u>(9,777,540)</u>	<u>(2,454,062)</u>	<u>(5,186,036)</u>
Extraordinary gain/loss	-	-	-	-	-
Net change in fund balances	<u>\$ 26,693,804</u>	<u>\$ (8,645,247)</u>	<u>\$ 23,757,001</u>	<u>\$ 13,584,320</u>	<u>\$ 9,838,033</u>
Capital outlay included in current expenditures*	\$ 19,126,087	\$ 19,065,442	\$ 13,347,610	\$ 14,545,855	\$ 1,970,021
Debt service as a percentage of noncapital expenditures	29.6%	6.4%	8.9%	9.8%	10.2%

*Starting in the year ended June 30, 2021, the City started to report capital outlay as a separate line item in the Statement of Revenues, Expenditures, and Changes in Fund Balances

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				
	2016	2015	2014	2013	2012
Revenues:					
Taxes	\$ 88,680,591	\$ 86,046,076	\$ 83,019,658	\$ 75,222,872	\$ 68,653,101
Licenses and permits	4,734,400	4,338,884	4,223,695	3,066,526	2,913,367
Fines and penalties	122,741	283,767	127,672	98,971	104,838
Use of money and property	2,069,955	2,130,949	2,214,740	1,287,277	2,006,106
Intergovernmental	8,275,642	9,881,576	8,499,575	13,397,351	27,264,100
Charges for services	8,843,238	8,671,389	8,632,034	7,750,886	7,036,034
Other	3,194,910	2,817,116	873,125	1,322,686	1,292,222
Total revenues	<u>115,921,477</u>	<u>114,169,757</u>	<u>107,590,499</u>	<u>102,146,569</u>	<u>109,269,768</u>
Expenditures					
Current:					
General government	14,514,121	12,639,548	17,145,827	10,885,046	10,863,967
Public safety	39,880,252	38,169,200	36,640,786	35,327,922	35,192,757
Cultural and convention center	5,140,410	4,912,242	3,946,726	4,342,391	4,437,725
Parks and recreation	8,775,698	8,664,379	8,423,471	11,958,245	8,969,751
Public works	37,018,361	30,083,326	20,799,856	15,474,824	74,063,752
Library	2,694,753	3,194,262	2,552,786	2,428,937	2,073,757
Capital Outlay	-	-	-	-	-
Debt service:					
Principal retirement	12,266,638	5,219,260	4,444,570	4,264,596	3,799,784
Interest and fiscal charges	5,888,573	5,587,476	4,647,051	4,618,428	6,579,560
Bond issuance costs	-	-	-	-	-
Payment to bond escrow	-	7,145,057	-	-	-
Pass-through payments	-	-	-	-	1,948,429
Total expenditures	<u>126,178,806</u>	<u>115,614,750</u>	<u>98,601,073</u>	<u>89,300,389</u>	<u>147,929,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,257,329)</u>	<u>(1,444,993)</u>	<u>8,989,426</u>	<u>12,846,180</u>	<u>(38,659,714)</u>
Other financing sources (uses):					
Transfers in	22,844,245	20,793,279	18,329,676	15,850,073	8,756,658
Transfers out	(24,193,175)	(25,785,113)	(22,780,434)	(17,802,238)	(8,754,208)
Debt issued	5,680,000	58,440,000	-	490,000	68,945,000
Bond premium	1,006,277	5,376,988	-	-	2,361,102
Bond discount	-	(59,946)	-	-	-
Settlement	-	-	-	-	-
Payment to refunded bond escrow agent	-	(55,790,463)	-	-	(24,264,400)
Total other financing sources (uses)	<u>5,337,347</u>	<u>2,974,745</u>	<u>(4,450,758)</u>	<u>(1,462,165)</u>	<u>47,044,152</u>
Extraordinary gain/loss	-	-	-	(323,409)	(11,303,318)
Net change in fund balances	<u>\$ (4,919,982)</u>	<u>\$ 1,529,752</u>	<u>\$ 4,538,668</u>	<u>\$ 11,060,606</u>	<u>\$ (2,918,880)</u>
Capital outlay included in current expenditures	\$ 20,251,033	\$ 12,074,642	\$ 3,538,377	\$ 8,926,703	\$ 48,406,654
Debt service as a percentage of noncapital expenditures	17.1%	17.3%	9.6%	11.1%	12.4%

Source: City of Palm Springs, Finance Department

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

Fiscal Year Ended June 30	Residential	Commercial	Industrial	Other (Note 2)	Total Net Taxable Assessed Value	Total Direct Rate
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
2021	11,259,644	1,729,705	172,410	708,589	13,870,348	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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	0.10000	0.08000	0.08000
Desert Community College	0.03978	0.03983	0.03978	0.04030	0.02036	0.02087	0.02325	0.01995	0.01995	0.01995
Palm Springs Unified B & I 1992-A	0.10603	0.10542	0.10603	0.11146	0.11802	0.08978	0.10160	0.12961	0.09351	0.10451
Total Direct and Overlapping Tax Rates	1.24581	1.24525	1.24581	1.25176	1.23838	1.21065	1.22485	1.24956	1.19346	1.20446
City Share of 1% Levy (Note 3)	0.22716	0.22716	0.22716	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505
Redevelopment Rate (Note 4)	-	-	-	-	-	-	-	-	-	1.08000
Total Direct Rate (Note 5)	0.22716	0.22716	0.22716	0.22716	0.22716	0.22716	0.22389	0.22399	0.35452	0.36581

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	2021				2012			
	Taxable Assessed Value (\$)	Rank	% of Total City Taxable Assessed Value	Taxable Assessed Value (\$)	Rank	% of Total City Taxable Assessed Value		
Tenet Healthsystem Desert Inc	\$ 123,790,044	1	0.86%	\$ 117,240,091	1	1.32%		
DTPS C 15	77,193,767	2	0.54%					
TKG Smoke Tree Commons	69,138,468	3	0.48%					
Mountain View Power Partners IV LLC	67,851,295	4	0.47%					
Lilac19 LP	61,986,077	5	0.43%					
Avalon 1150	53,178,982	6	0.37%					
HH Palm Springs	44,867,472	7	0.31%	32,450,000	2	0.37%		
Agre DCP Palm Springs	43,328,420	8	0.30%					
Windpower Partners 1993 LP	42,744,095	9	0.30%	70,620,091	3	0.80%		
Skywest Airlines Inc	39,111,287	10	0.27%	24,897,074	4	0.28%		
701 East Palm Canyon Lessee	35,974,951	11	0.25%					
Wal Mart Real Estate Business Trust	33,614,878	12	0.23%	28,694,514	5	0.32%		
Walter Hotel Corp	31,883,543	13	0.22%					
IIP-CA 2	27,638,860	14	0.19%					
Pacific Monarch Resorts Inc	27,285,000	15	0.19%	25,408,955	6	0.29%		
Parker Palm Springs II	24,996,709	16	0.17%					
WR Palm Mountain Resort	23,545,737	17	0.16%					
Palm Springs Land	23,272,290	18	0.16%					
RBD Hotel Palm Springs	22,249,776	19	0.15%	22,468,956	7	0.25%		
RCC HR Holdings	21,900,000	20	0.15%					
Palm Springs Realty Holding	21,335,900	21	0.15%					
CMK Cielo LLC	21,264,470	22	0.15%					
Desert Flower Apartments Owner	21,180,459	23	0.15%					
Alaska Airlines Inc	21,112,578	24	0.15%	18,712,367	8	0.21%		
Standard Pacific Corp	20,264,658	25	0.14%					
Endure Inv				46,200,240	9	0.52%		
Donahue Schriber Realty Group				45,951,500	10	0.52%		
USA BIA				44,612,968	11	0.50%		
San Gorgonio Westwinds II LLC				40,637,000	12	0.46%		
Palm Springs Art Museum Inc.				36,946,852	13	0.42%		
Wessman John				32,766,363	14	0.37%		
Desert Sun Publishing Co				29,024,460	15	0.33%		
Riviera Reincarnate				22,181,985	16	0.25%		
U Store IT LP				21,954,930	17	0.25%		
Tree Moss Partners				21,333,294	18	0.24%		
Bank Of Calif				20,732,455	19	0.23%		
Time Warner Entertainment Adva				19,458,321	20	0.22%		
Knotts Berry Farm				18,569,576	21	0.21%		
Sunrise Place				17,543,520	22	0.20%		
El Dorado Palm Springs Ltd.				16,805,035	23	0.19%		
Plaza Of Palm Springs Inc.				16,142,904	24	0.18%		
Lowe's HIW Inc.				15,860,947	25	0.18%		
Total Top 25 Taxpayers	\$ 1,000,709,716		6.95%	\$ 807,214,398		9.09%		
Total Taxable Value	\$ 14,398,272,648		100%	\$ 8,878,601,954		100%		

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
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	34,100,680	99.66%
2016	38,459,265	37,007,018	96.22%	1,635,157	38,310,012	99.61%
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%
2021*	52,540,040	46,088,725	87.72%	1,234,691	47,323,416	90.07%

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

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

*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)	Revenue Bonds and Certificates of Participation	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
2021	18,906,176	116,612,047	5,845,000	141,363,223

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	Revenue Bonds	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	4,184.15920	4,254
2016	16,694,038	7,947,127	-	-	24,641,165	195,656,954	4,029.59436	4,097
2017	12,826,849	7,607,672	-	-	20,434,521	184,948,544	3,809.05250	3,873
2018	9,929,660	6,918,049	14,354,637	644,329	31,846,675	192,909,168	3,973.00315	4,040
2019	6,912,173	6,245,864	21,747,934	528,191	35,434,162	188,709,956	3,886.51953	3,952
2020	23,815,645	5,549,267	25,358,788	425,683	55,149,383	202,608,165	4,172.75595	4,243
2021	22,078,598	4,866,953	24,661,857	278,082	51,885,490	193,248,713	3,979.99615	4,047

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

* Personal Income 48,555

* Total Population 47,754

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	Revenue Bonds and Certificates of Participation	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%	2,927
2019	19,607	113,656	133,263	1.05%	2,791
2020	19,358	107,460	126,818	0.97%	2,656
2021	18,906	100,950	119,856	0.86%	2,510

(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, 2021

2020-2021 Assessed Valuation:

\$ 14,488,244,145

	Total Debt 6/30/2021	% Applicable (1)	City's Share of Debt 6/30/21
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Desert Community College District	\$ 392,435,000	16.402%	\$ 64,367,189
Mount San Jacinto Community College District	262,750,000	0.004%	10,510
Banning Unified School District	58,833,143	0.140%	82,366
Palm Springs Unified School District	470,645,982	43.510%	204,778,067
San Geronio Memorial Hospital District	102,730,000	0.043%	44,174
California Statewide Communities Development Authority 1915 Act Bonds	633,585	100.000%	633,585
City of Palm Springs 1915 Act Bonds	4,305,000	100.000%	4,305,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 274,220,891
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	\$ 717,525,698	4.625%	\$ 33,185,564
Riverside County Pension Obligations	881,575,000	4.625%	40,772,844
Banning Unified School District Certificates of Participation	9,050,000	1.400%	126,700
City of Palm Springs General Fund Obligations	111,709,919	100.000%	111,709,919
City of Palm Springs Pension Obligations	15,500,685	100.000%	15,500,685
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 201,295,711
Less: Riverside County Administrative Center Authority			
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
Riverside County Tax Allocation Bonds	189,043,028	0.192-100%	27,538,146
TOTAL OVERLAPPING TAX INCREMENT DEBT			27,538,146
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	1.89%
Total Direct Debt	1.02%
Combined Total Debt	3.29%

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

Total Overlapping Tax Increment Debt	1.11%
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Source: Municipal Services LLP

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Assessed Valuation	\$ 13,870,348	\$ 13,133,512	\$ 12,655,392	\$ 11,894,269	\$ 10,826,781
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,467,587	3,283,378	3,163,848	2,973,567	2,706,695
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	520,138	492,507	474,577	446,035	406,004
Total net debt applicable to limit: General Obligation Bonds	100,950	107,460	113,656	119,758	125,668
Legal debt Margin	<u>\$ 419,188</u>	<u>\$ 385,047</u>	<u>\$ 360,921</u>	<u>\$ 326,277</u>	<u>\$ 280,336</u>
 Total Debt applicable to the limit as a percentage of debt limit	 19.4%	 21.8%	 23.9%	 26.8%	 31.0%

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)

	Fiscal Year				
	2016	2015	2014	2013	2012
Assessed Valuation	\$ 10,176,176	\$ 9,975,774	\$ 9,320,889	\$ 8,901,314	\$ 8,861,010
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,544,044	2,493,944	2,330,222	2,225,329	2,215,253
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	381,607	374,092	349,533	333,799	332,288
Total net debt applicable to limit: General Obligation Bonds	131,071	136,552	128,648	132,552	136,394
Legal debt Margin	<u>\$ 250,536</u>	<u>\$ 237,540</u>	<u>\$ 220,885</u>	<u>\$ 201,247</u>	<u>\$ 195,894</u>
 Total Debt applicable to the limit as a percentage of debt limit	 34.3%	 36.5%	 36.8%	 39.7%	 41.0%

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	Airport Revenue Bonds					
	Airport Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2021	23,043,916	28,316,837	(5,272,921)	1,460,000	753,869	-2.38

- 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
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%
2021	47,754	2,318,714	48,555	10.7%

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 Years ago

Business Name	2020-21		2011-12
	Number of Employees	Percent of Total Employment (%)	Number of Employees
Palm Springs Unified School District*	2,552	10.95%	
Desert Regional Medical Ctr	2,320	9.96%	1000-4999
Aqua Caliente Casino Palm Springs***	511	2.19%	1000-4999
City of Palm Springs	444	1.91%	250-499
Walmart Supercenter	406	1.74%	
Riviera Palm Springs Resort**	214	0.92%	250-499
Home Depot	240	1.03%	
Lowe's Home Improvement	152	0.65%	
Hilton-Palm Springs Resort	108	0.46%	100-249
Desert Sun Publishing	106	0.45%	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	7,053	30.27%	N/A
Total City Employment (1)	23,300		

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

Department	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Administration	57.65	59.78	62.20	55.20	44.20	39.20	36.25	36.25	35.75	34.25
Growth Management	*	-	32.39	30.39	31.39	30.37	24.29	22.60	20.80	20.20
Quality of Life	*	-	55.25	54.00	53.50	52.50	54.50	54.00	53.25	37.25
Public Safety	227.00	246.00	210.00	195.00	189.00	178.00	173.50	170.50	178.50	172.50
Public Works & Engineering	*	-	23.48	23.48	23.38	23.38	20.33	20.00	20.00	27.50
Community & Economic Development	*	5.72	3.22							
Development Services	*	60.70	41.00							
Parks and Recreation	*	34.75	32.50							
Library	*	14.25	14.25							
Airport	72.00	75.00	73.00	74.00	70.00	69.00	67.00	67.50	66.50	66.50
Motor Vehicle	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00
Facilities Maintenance	18.00	17.00	13.90	13.90	13.00	13.00	13.00	13.50	13.50	13.50
Risk Management	4.30	6.05	4.25	4.25	4.25	4.25	3.25	3.25	3.25	2.75
Low & Moderate Income Housing	3.28	2.78	2.78	2.78	2.78	2.80	3.38	3.40	3.70	4.30
Wastewater Treatment Plant	*	0.35	0.42	-	-	-	-	-	-	-
Total	506.00	506.00	485.25	461.00	439.50	420.50	403.50	398.00	402.25	385.75

* 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				
	2021	2020	2019	2018	2017
Police:					
Arrests	1,866	1,914	2,559	2,634	2,844
Parking Citations	1,169	4,483	5,190	5,138	4,014
Fire:					
Number of Emergency Calls	10,735	10,114	9,782	9,880	9,993
Inspections	875	2,488	4,888	3,364	3,489
Public Works:					
Street resurfacing (sq feet)	4,450,496	4,567,855	1,967,233	6,129,638	3,385,000
Parks and Recreation:					
Number of recreation classes	824	5,802	5,982	2,919	5,866
Number of facility rentals	1,226	1,303	3,562	3,851	3,968
Airport:					
Passengers serviced	1,332,655	1,816,588	2,457,680	2,213,001	2,052,129
Flights	49,089	47,934	53,229	50,751	53,174
Sewer:					
New Connections	188	193	111	198	163
Ave Daily sewage treatment	4.496	4.800	5.396	6.005	5.798
Golf Course:					
Golf rounds played	56,440	65,594	87,255	92,202	89,268

Note: There were decreases in FY2021 due to COVID-19

Source: City of Palm Springs, Finance Department

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Police:					
Arrests	3,566	3,608	4,257	3,090	3,360
Parking Citations	5,424	3,826	3,178	2,796	2,585
Fire:					
Number of Emergency Calls	10,071	9,753	8,798	8,455	8,263
Inspections	3,666	3,389	3,902	3,385	1,425
Public Works:					
Street resurfacing (sq feet)	11,111,269	2,875,700	3,136,862	2,638,360	2,468,300
Parks and Recreation:					
Number of recreation classes	5,385	2,642	2,964	3,715	3,229
Number of facility rentals	3,908	144	167	160	195
Airport:					
Passengers serviced	1,917,702	1,914,402	1,852,606	1,751,973	1,668,554
Flights	55,977	55,823	52,993	51,586	58,792
Sewer:					
New Connections	165	175	120	114	112
Ave Daily sewage treatment	5.845	6.042	6.042	6.033	5.698
Golf Course:					
Golf rounds played	89,020	98,866	87,981	95,177	103,653

Note: There were decreases in FY2021 due to COVID-19

Source: City of Palm Springs, Finance Department

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

Category Name	2021 Q1	2020 Q1	2019 Q1	2018 Q1	2017 Q1
Accommodation and Food Services	\$ 1,963,583	\$ 3,631,115	\$ 3,749,433	\$ 3,567,726	\$ 3,148,867
Administrative and Support and Waste Management and Remediation Services	54,164	72,199	23,738	23,320	21,271
Arts, Entertainment, and Recreation	748	6,629	53,218	62,330	61,278
Construction	282,681	290,231	34,658	23,339	32,364
Educational Services	14,120	31,139	8,751	14,360	5,244
Health Care and Social Assistance	* -	-	34,233	35,684	38,614
Information	90,910	100,407	91,071	80,328	102,224
Manufacturing	416,519	220,658	172,483	146,266	151,375
Other Services (except Public Administration)	54,226	46,945	98,132	94,203	83,559
Professional, Scientific, and Technical Services	19,371	35,429	82,820	77,070	70,771
Real Estate and Rental and Leasing	18,251	27,567	734,114	648,209	611,087
Retail Trade	7,024,380	6,967,671	6,560,086	6,322,551	5,950,377
Transportation and Warehousing	* -	-	109,705	86,169	76,036
Wholesale Trade	* -	-	679,904	535,555	426,180
All Other NAICS Sectors	1,450,879	1,681,064	316,971	270,318	229,233
Grand Total	\$ 11,389,832	\$ 13,111,054	\$ 12,749,317	\$ 11,987,429	\$ 11,008,480

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

TOTAL

\$ 20,407,131

Source: Muni Services LLP

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

<u>Category Name</u>	<u>2016 Q1</u>	<u>2015 Q1</u>	<u>2014 Q1</u>	<u>2013 Q1</u>	<u>2012 Q1</u>
Accommodation and Food Services	\$ 2,875,562	\$ 2,730,775	\$ 2,511,350	\$ 2,267,889	\$ 2,193,892
Administrative and Support and Waste Management and Remediation Services	18,727	19,010	9,756	8,809	12,060
Arts, Entertainment, and Recreation	65,062	69,369	57,280	65,501	56,062
Construction	19,119	26,404	23,978	18,904	25,048
Educational Services	176	187	172	165	302
Health Care and Social Assistance	*	31,985	31,555	29,890	32,661
Information	122,578	121,648	126,094	86,127	81,073
Manufacturing	153,782	177,326	150,879	131,499	161,622
Other Services (except Public Administration)	78,384	62,323	62,367	56,094	58,490
Professional, Scientific, and Technical Services	78,006	71,692	79,399	72,320	59,635
Real Estate and Rental and Leasing	593,287	608,835	550,724	560,035	497,889
Retail Trade	4,974,209	5,629,874	5,583,007	5,255,012	4,935,725
Transportation and Warehousing	*	57,867	44,454	53,667	63,462
Wholesale Trade	*	332,618	473,398	469,130	572,005
All Other NAICS Sectors	212,299	190,465	187,587	176,202	175,803
Grand Total	\$ 9,613,660	\$ 10,257,315	\$ 9,895,280	\$ 9,366,684	\$ 8,872,413

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

TOTAL

\$ 16,351,758

\$ 17,279,211

\$ 15,550,935

Source: Muni Services LLP

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Public Works:										
Streets (miles)	270	270	270	270	270	270	270	270	270	270
Streetlights	405	405	405	405	405	405	405	405	367	367
Traffic signals	86	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	264
Storm sewers (miles)	52	52	52	52	52	52	52	52	52	52
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	1	2	2
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**

2020-21		2011-12	
Taxpayer	Business Type	Taxpayer	Business Type
Albertson's Food Centers	Food Markets	Arco AM/PM Mini Marts	Service Stations
Arco AM/PM Mini Marts	Service Stations	BP Products North America	Energy Sales
BMW of Palm Springs	Auto Sales - New	Chevron Service Stations	Service Stations
Builders Supply	Bldg.Matls-Retail	Daimler Trust	Leasing
Burlington Coat Factory	Apparel Stores	Enterprise Rent-A-Car	Leasing
Consolidated Electrical Distributors	Bldg.Matls-Whsle	Financial Svcs Vehicle Trust	Leasing
Daimler Trust	Leasing	Hertz Rent-A-Car	Leasing
Enterprise Rent-A-Car	Leasing	Home Depot	Bldg.Matls-Retail
Financial Services Vehicle Trust	Leasing	Las Casuelas Terraza Restauran	Restaurants
Home Depot	Bldg.Matls-Retail	Le Parker Meridien	Restaurants
Lowe's Home Centers	Bldg.Matls-Retail	Lowe's Home Improvement	Bldg.Matls-Retail
Mercedes-Benz of Palm Springs	Auto Sales - New	Marshall's Stores	Apparel Stores
Palm Springs Hyundai	Auto Sales - New	Pilot Travel Center	Service Stations
Pilot Travel Center	Service Stations	Ralph's Grocery Company	Food Markets
Porsche of Palm Springs	Auto Sales - New	Rite Aid Drug Stores	Drug Stores
Ralph's Grocery Company	Food Markets	Riviera Resort & Spa	Restaurants
Roofing Wholesale	Bldg.Matls-Whsle	Ross Stores	Apparel Stores
Ross Stores	Apparel Stores	Ryder Truck Rentals	Leasing
Shell Service Stations	Service Stations	Stein Mart	Apparel Stores
Superior Pool Products	Bldg.Matls-Whsle	TJ Maxx	Apparel Stores
True Value Hardware	Bldg.Matls-Retail	Viasys Respiratory Care	Health & Government
Union 76 Service Stations	Service Stations	VIP Motor Cars	Auto Sales - New
Vestas American Wind Technology	Heavy Industry	W.E.C.S. Electric Supply	Electronic Equipment
Viasys	Light Industry	Wal Mart Stores	Department Stores
Wal Mart Stores	Department Stores	World Fuel Services	Energy Sales

Source: MuniServices, LLC

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