



WELCOME TO PALM SPRINGS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

WELCOME TO PALM SPRINGS INTERNATIONAL AIRPORT
AMERICA'S RESORTPORT

**FISCAL YEAR
ENDED JUNE 30, 2022**

City of Palm Springs

Palm Springs, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2022

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, 2022

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WELCOME TO PALM SPRINGS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

WELCOME TO PALM SPRINGS INTERNATIONAL AIRPORT
AMERICA'S RESORTPORT

INTRODUCTORY SECTION
FISCAL YEAR ENDED JUNE 30, 2022



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, 2022

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 accountants 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, 2022, 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, 2022 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, 2022 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. The Coachella Valley economy has all but recovered from the COVID-19 pandemic. Employment is near pre-COVID 19 levels and the unemployment rate is at historical lows, for Palm Springs the unemployment rate is around 4%, compared to a little over 7% in the prior year.

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. The City ended fiscal year 2022 with the strongest year in history having General Fund revenues of \$180 million, nearly \$48 million greater than fiscal year 2021. This was driven largely by a considerable spike in the area tourism business as the City's transient occupancy tax (hotel and vacation rental tax) grew by 55% to \$54 million. The City expects the tourism business will remain strong in future years, however, if the economy takes a downturn, such as entering into a recession, the City could see those revenues from the tourism industry negatively affected.

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 %) and other district taxes for a combined total of \$58.7 million and are the City's largest source of revenue. The traditional Bradley Burns sales tax was approximately \$20.2 million in revenue for fiscal year 2021-22, Measure J approximately \$22.2 million, Measure D approximately \$11.7 million, Safety Augmentation approximately \$1.4 million and Measure A taxes at \$3.2 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 \$54 million in fiscal year 2021-22.

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 2021-22, transient occupancy taxes and sales taxes have exceeded property tax revenue. This fiscal year Property taxes are \$33 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

- Indian Canyon Bridge Widening
- Highway Safety Improvement Program, Cycle 7
- Pedestrian Traffic Signal (HAWK) at Racquet Club and Via Miraleste
- Wastewater Treatment Plant Headworks, Clarifiers, and Sand Filter Demolition
- Wastewater Treatment Plant Digester No.2 and Gas Flare Project

Other notable initiatives

- Replacement of several Public Safety vehicles
- Implementation of a new ERP system
- Fire Department Self-Contained Breathing Apparatus Replacements

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 2.8 million passengers in the year ending June 30, 2022, one of the busiest years in the airport's history. This was an increase of nearly 1.5 million total passengers over the prior year. Air travel has been a major component of the Coachella Valley with an average of 42 daily departures from 12 major airlines. The airport's air carriers provide non-stop flights to 26 airports in the United States and 5 airports in Canada. Major airport improvements in fiscal year 2022 were the completion of the ticketing expansion and the baggage handling system. Additionally, the construction was completed on the 8 passenger boarding bridges in the Bono concourse. New server equipment and data storage was added in 2022 to continue to enhance the reliability of technology services at the airport. Future enhancements to the airport include improving the retail stores and food and beverage services with new and remodeled stores/restaurants and new vendors.

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 and the six employee bargaining units are currently under contract, with four of the six under contract through 06/30/23 and the other two under contract through 06/30/25. 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, 2022, City Council has established a restricted reserve of \$28.3 million 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. The City is currently reviewing methods of strategically paying down the unfunded liability.

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, recommend expenditures to the City Council for approval, 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 continues to look for ways to grow the Palm Springs economy and to continue the 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:

- Increase funding for Street and Bridge repairs
- Palm Springs Public Library renovation
- Continued remodeling of park restrooms
- Recreation Fields LED lighting upgrades
- Homeless Navigation Center

Awards and Acknowledgments

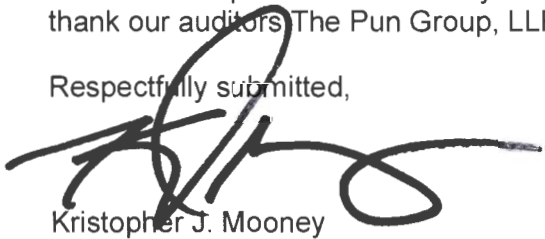
The City has prepared a comprehensive annual financial report for the past 33 years. The City has received awards for excellence in financial reporting for each of those years.

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, 2021. 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 black ink, appearing to read 'Kristopher J. Mooney', with a large, stylized flourish extending to the right.

Kristopher J. Mooney
Acting Director of Finance

CITY OF PALM SPRINGS

List of Principal Officials

June 30, 2022

CITY COUNCIL

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

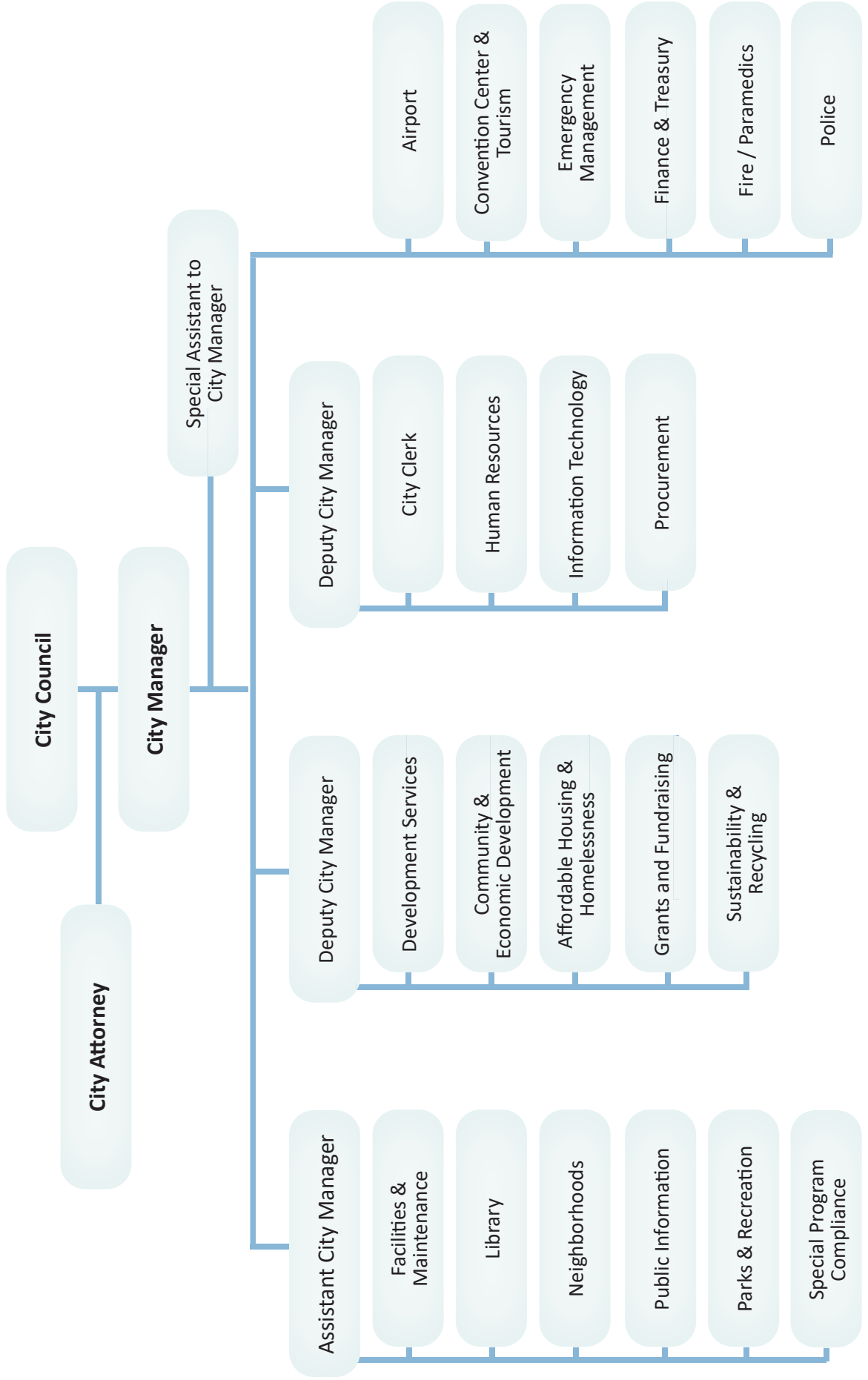
EXECUTIVE MANAGEMENT

City Manager
Assistant City Manager
Deputy 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
Executive Director of PS Int'l Airport
Fire Chief
Police Chief

Justin Clifton
Teresa Gallavan
Flinn Fagg
Jeremy Hammond
Vacant
Whitlan Jay Virata
Nancy Pauley
Stephanie George
Regina Kays
Vacant
Yvonne Wise
Harry Barrett
Kevin Nalder
Andrew Mills



City of Palm Springs Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Palm Springs
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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WELCOME TO PALM SPRINGS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

WELCOME TO PALM SPRINGS INTERNATIONAL AIRPORT
AMERICA'S RESORTPORT

FINANCIAL SECTION
FISCAL YEAR ENDED JUNE 30, 2022



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 Audit of the Financial Statements

Opinions

We have audited the 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, 2022, 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.

In our opinion, the accompanying 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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 103 to 115 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2022 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.



Santa Ana, California
December 23, 2022

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MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

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, 2022. 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 like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered 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 two 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 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 soon 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 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 333,130	\$ 229,699	\$ 128,757	\$ 119,840	\$ 461,887	\$ 349,539
Capital assets, restated	<u>360,818</u>	<u>361,520</u>	<u>157,533</u>	<u>151,317</u>	<u>518,351</u>	<u>512,837</u>
Total assets	693,948	591,219	286,290	271,157	980,238	862,376
Deferred Outflows	38,692	35,601	4,163	4,420	42,855	40,021
Long-term debt						
outstanding, restated	427,663	477,418	71,592	87,274	499,255	564,692
Other liabilities	<u>45,791</u>	<u>48,930</u>	<u>13,526</u>	<u>17,323</u>	<u>59,317</u>	<u>66,253</u>
Total liabilities	473,454	526,348	85,118	104,597	558,572	630,945
Deferred Inflows	90,999	18,721	8,831	2,374	99,830	21,095
Net position:						
Net investment in						
capital assets	195,148	194,166	112,632	108,474	307,780	302,640
Restricted	43,348	49,666	3,329	2,898	46,677	52,564
Unrestricted	<u>(70,309)</u>	<u>(162,081)</u>	<u>80,543</u>	<u>57,234</u>	<u>10,234</u>	<u>(104,847)</u>
Total net position	<u>\$ 168,187</u>	<u>\$ 81,751</u>	<u>\$ 196,504</u>	<u>\$ 168,606</u>	<u>\$ 364,691</u>	<u>\$ 250,357</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, 2022, assets plus deferred outflows exceeded liabilities and deferred inflow by approximately \$365 million of net position.

The largest portion of the City's net position of \$365 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 \$47 million represents resources that are subject to external restrictions on how resources may be used. The remaining unrestricted balance of net position is \$10 million.

At the end of the current fiscal year, the City reported positive balances in all 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 also positive.

In 2022, the City experienced a large increase in its tourism industry, generating the largest amount of revenue in the City's history. This growth led to the \$114 million increase in net position with \$86 million coming from governmental activities and \$28 million in business-type activities. This growth also led to a significant increase in passenger traffic at the City's airport, a total of 2.8 million passengers which is 1.5 million more than 2021. This growth was the driving factor behind the \$15 million increase in business-type activities net position.

A summary of the government wide statement of activities follows:

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 25,530	\$ 20,852	\$ 60,440	\$ 38,953	\$ 85,970	\$ 59,805
Operating contributions & grants	9,339	6,834	7,193	8,912	16,532	15,746
Capital contributions & grants	10,298	8,185	-	-	10,298	8,185
General revenues:						
Property taxes & tax increment	33,134	31,149	-	-	33,134	31,149
Transient occupancy taxes	54,326	35,093	-	-	54,326	35,093
Sales taxes	58,626	47,291	-	-	58,626	47,291
Other taxes	26,310	18,104	-	-	26,310	18,104
Motor vehicle in lieu - unrestricted	6,142	5,704	-	-	6,142	5,704
Settlement	-	-	-	-	-	-
Gain on sale of capital asset	284	95	-	-	284	95
Other general revenues	(2,113)	245	(1,715)	641	(3,828)	886
Total revenues	<u>\$ 221,876</u>	<u>\$ 173,552</u>	<u>\$ 65,918</u>	<u>\$ 48,506</u>	<u>\$ 287,794</u>	<u>\$ 222,058</u>
Program expenses						
General government	\$ 19,401	\$ 23,065	\$ -	\$ -	\$ 19,401	\$ 23,065
Public safety	62,730	62,790	-	-	62,730	62,790
Culture and convention center	10,685	8,701	-	-	10,685	8,701
Parks and recreation	10,528	10,417	-	-	10,528	10,417
Public Works	23,104	19,368	-	-	23,104	19,368
Library	2,693	2,639	-	-	2,693	2,639
Interest	5,175	6,066	-	-	5,175	6,066
Airport	-	-	24,203	29,122	24,203	29,122
Wastewater	-	-	9,567	8,941	9,567	8,941
Golf Course	-	-	5,374	4,787	5,374	4,787
Total expenses	<u>\$ 134,316</u>	<u>\$ 133,046</u>	<u>\$ 39,144</u>	<u>\$ 42,850</u>	<u>\$ 173,460</u>	<u>\$ 175,896</u>
Excess (deficiency) before special items and transfers	87,560	40,506	26,774	5,656	114,334	46,162
Transfers	(1,124)	(2,589)	1,124	2,589	-	-
Increase (decrease) in net position	<u>86,436</u>	<u>37,917</u>	<u>27,898</u>	<u>8,245</u>	<u>114,334</u>	<u>46,162</u>
Beginning net position, restated	81,751	43,834	168,606	160,359	250,357	204,193
Ending net position	<u>\$ 168,187</u>	<u>\$ 81,751</u>	<u>\$ 196,504</u>	<u>\$ 168,606</u>	<u>\$ 364,690</u>	<u>\$ 250,357</u>

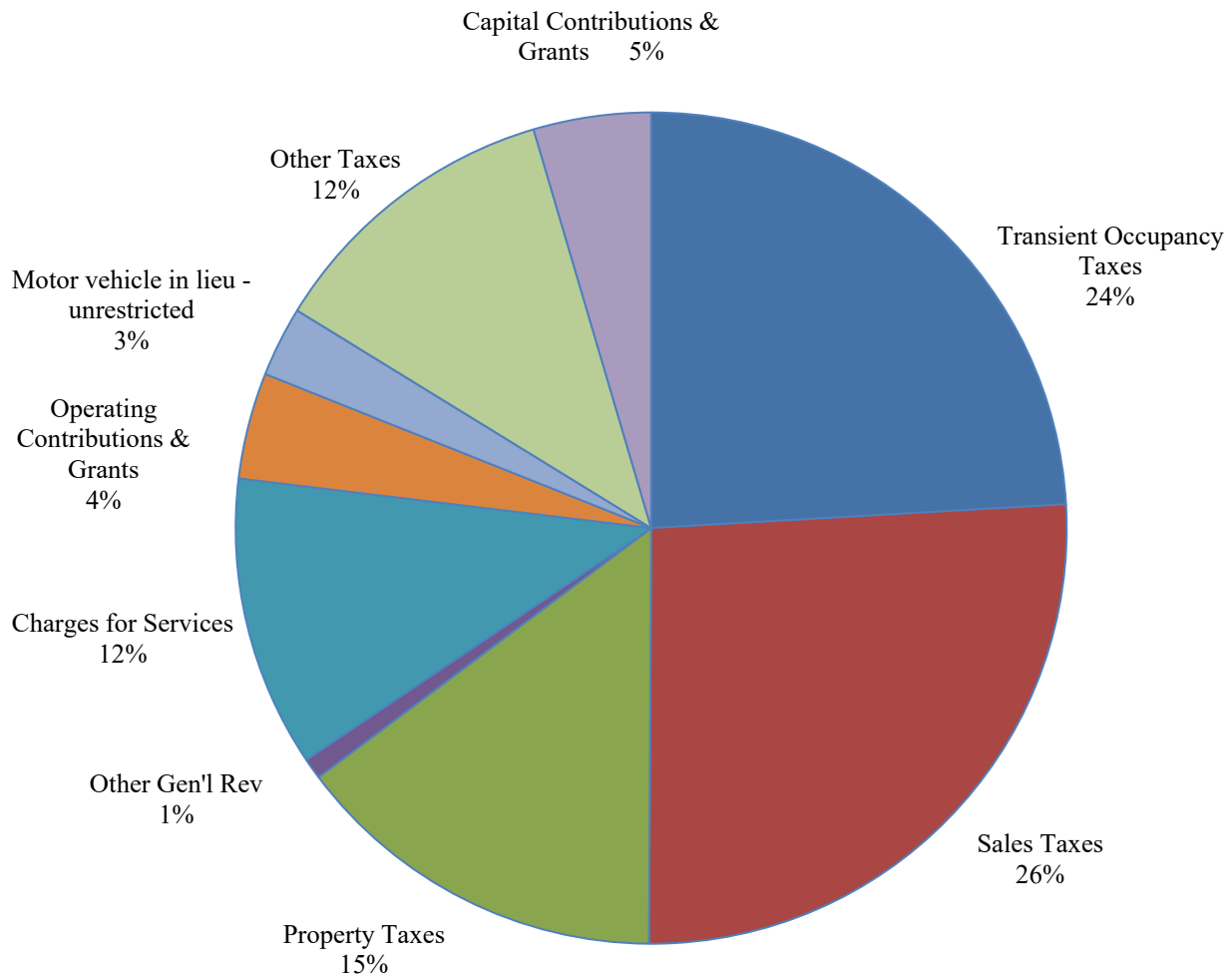
The City's total revenues were \$288 million while the total expenditures were \$173 million.

With the significant growth in the City’s tourism industry, the increased pedestrian traffic drove increases in the City’s three largest sources of tax revenue. Sales taxes were the City’s largest revenue source at \$59 million (20% of total revenues and 26% of governmental revenues). The largest growth in taxes was in the City’s Transient occupancy taxes (TOT), or hotel and vacation rental tax, the City’s second largest revenue source at \$54 million (19% of total revenues and 24% of governmental revenues). In 2021, TOT revenue was \$35 million, a 54% increase in 2022. Property taxes were the City’s third largest revenue source at \$33 million (12% of total revenues and 15% of governmental revenues). Property taxes have steadily grown over the past few years largely due to the continued growth of assessed valuations in the Palm Springs area. Palm Springs experiences one of the highest rates of growth of the sales price of homes in the Coachella Valley.

Governmental Activities. The governmental activities’ increase in net position of \$86 million accounted for 76% of 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 14% of the total cost of governmental activities.

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.

Culture and Convention Center expenses were 8% of the total cost of governmental activities.

Parks and Recreation expenses were 8% of the total cost of governmental activities.

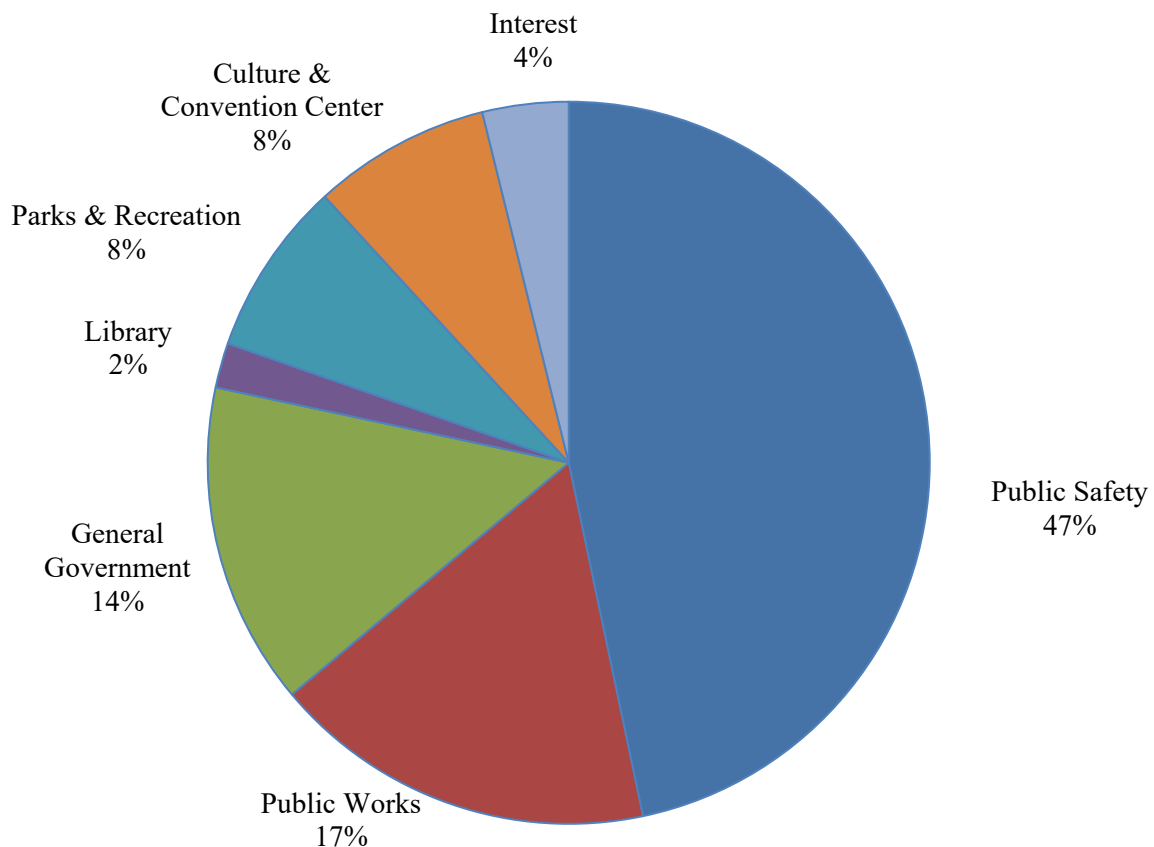
Public Works expenses are comprised of Planning, Building and Safety, Engineering, Street Maintenance, and Downtown Maintenance was the third largest component of governmental activities representing 17% of the total cost of governmental activities this past year.

Library expenses were 2% of the total cost of governmental activities.

Interest expenses were 4% of the total cost of governmental activities.

Most areas of the City's categories of expense experienced growth largely due to increased personnel costs. Coming off of COVID-19 where the City took a conservative approach in responding to the pandemic by terminating some positions. The City sought to re-hire in those areas as the impact of COVID-19 wasn't as detrimental as experienced.

Expenses by Function – Governmental Activities



Business-Type Activities. Business-type activities net position increased by \$27 million, or 17%, over prior year, this equates to 24% of the City's total growth. 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, 2022, the governmental funds reported combined ending fund balances of \$228 million, an increase of \$76 million in comparison with the prior year mainly due to historic growth in the City's tourism industry causing significant increases in the City's tax revenue. The City has \$1.8 million (<1%) in fund balance classified as nonspendable to indicate it cannot be readily converted to cash; \$43 million (19%) in restricted fund balance to indicate that it has an externally imposed restriction on the money may be spent; \$81 million (36%) in assigned fund balance to indicate that the City Council has assigned purpose or intent for how the money should be spent; and \$102 million (45%) 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 \$50 million during the fiscal year ended June 30, 2022. 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 \$179 million from \$132 million (prior year), an overall increase of \$47 million, an increase of 35%. Significant fluctuations over prior year include the following:

- Sales Taxes increased to \$32 million from \$25 million, an overall increase of \$7 million.
- Property taxes increased to \$29 million from \$27 million, an overall increase of \$2 million.
- Transient Occupancy Taxes increased to \$54 million from \$35 million, an overall increase of \$19 million.
- Utility User Taxes increase to \$16 million from \$8 million, an overall increase of \$8 million

Total General Fund expenditures before transfers in/out, increased to \$125 million from \$102 million (prior year), a total increase of \$23 million. This is reflective of salary and benefit increases due to an increase in positions as the City begins to re-hire after COVID-19.

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 revenue increased by \$3.9 million to \$22 million, and the fund balance increased by \$11.6 million to \$33 million.

The General Debt Service Fund had ending fund balance of \$5.7 million, the City issued 2021 Federally Taxable Lease Revenue Refunding Bonds, Series B. The proceeds from the issuance were used to advance refund the 2012 Lease Revenue Bonds, Series A and the 2014 Lease Revenue Refunding Bonds, Series A.

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 \$80.5 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 \$129 million and final budget of \$148. million, an increase of \$19 million. Increases largely due to tax revenues as the City recognized the increase in the tourism industry.
- Expenditures original budget of \$117 million increased to \$152 million, an increase of \$35 million. Again, the increase was largely due to an increase in salary and benefits as the City was coming out of a conservative budget due to the uncertainty of COVID-19.

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

- Total revenues were \$31 million above final budgeted revenues for the year ended June 30, 2022.
- Total expenditures were under the budgeted amount by \$28 million as hiring in the Public Safety divisions was prioritized over General government.

CAPITAL ASSETS

Capital Assets
(in thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021 (As Restated)	2022	2021	2022	2021 (As Restated)
<u>Assets</u>						
Buildings	\$ 93,487	\$ 93,487	\$ 80,275	\$ 74,895	\$ 173,762	\$ 168,382
Improvements	90,116	89,395	211,491	220,663	301,607	310,058
Furniture and equipment	31,807	31,010	8,378	6,327	40,185	37,337
Vehicles	19,354	20,530	4,293	4,178	23,647	24,708
Infrastructure	270,224	269,754	27,388	27,388	297,612	297,142
Land	69,122	69,582	37,387	37,387	106,509	106,969
Construction in progress	39,044	26,773	43,685	31,261	82,729	58,034
Right-of-way	16,868	16,868	-	-	16,868	16,868
	<u>630,022</u>	<u>617,399</u>	<u>412,897</u>	<u>402,099</u>	<u>1,042,919</u>	<u>1,019,498</u>
<u>Accumulated Depreciation</u>						
Buildings	53,101	50,563	46,631	44,415	99,732	94,978
Improvements	65,103	61,166	177,491	176,585	242,594	237,751
Furniture and equipment	14,475	13,146	4,297	3,724	18,772	16,870
Vehicles	12,159	13,393	3,331	3,066	15,490	16,459
Infrastructure	170,276	164,848	23,614	22,992	193,890	187,840
	<u>315,114</u>	<u>303,116</u>	<u>255,364</u>	<u>250,782</u>	<u>570,478</u>	<u>553,898</u>
<u>Intangible Assets, being amortized</u>						
Leased Assets	47,237	47,237				
Accumulated amortization	(1,327)	-				
Total Intangible assets, net	<u>45,910</u>	<u>47,237</u>				
Capital Assets Net of AD	<u>\$ 360,818</u>	<u>\$ 361,520</u>	<u>\$ 157,533</u>	<u>\$ 151,317</u>	<u>\$ 472,441</u>	<u>\$ 465,600</u>

Major capital improvement projects included Indian Canyon Bridge Widening, Highway Safety Improvement Program, Pedestrian Traffic Signal (HAWK) at the intersection of Racquet club and Via Miraleste and Wastewater Treatment Plant improvements. At the Airport, construction was completed on the Airport passenger boarding bridges and 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		2021		2021	
	2022	(As Restated)	2022	2021	2022	(As Restated)
Compensated absences	\$ 8,406	\$ 8,015	\$ 1,393	\$ 1,322	\$ 9,799	\$ 9,337
Claims and judgments	10,411	14,759	-	-	10,411	14,759
Lease Liabilities	45,860	47,237	124	278	45,984	47,515
Finance Purchase	5,135	5,845	-	-	5,135	5,845
Notes Payable	20,649	15,663	23,967	24,662	44,616	40,324
Lease Revenue Bonds	94,134	96,677	24,381	26,946	118,515	123,622
Special Assessment Bonds	3,872	4,273	-	-	3,872	4,273
Pension Obligation Bonds	18,370	18,906	-	-	18,370	18,906
Total	\$ 206,837	\$ 211,375	\$ 49,865	\$ 53,207	\$ 256,702	\$ 264,582
Net OPEB Obligation	130,859	129,835	11,502	15,687	142,361	145,522
Net Pension Liability	111,197	156,770	14,767	22,763	125,964	179,533
Total Long-Term Debt	\$ 448,893	\$ 497,979	\$ 76,134	\$ 91,657	\$ 525,027	\$ 589,636

As of June 30, 2022, the City's total outstanding debt long-term debt was \$525 million, which is \$65 million less than the prior year. The decrease is largely due to the drop in net pension liability resulting from significant market gains for the pension investment portfolio in fiscal year 2021. Also, in fiscal year 2022 the City issued debt in the amount of \$55.5 million to advance refund the outstanding 2012 Lease Revenue Bonds, Series A, and 2014 Lease Revenue Refunding Bond, Series A which resulted in additional long-term savings.

Additional detailed information regarding long term debt may be found in the Note 7 – Long Term Liabilities, Note 8 – Compensated Absences, Note 8 – Claims and Judgements, Note 10 – Defined Benefit Pension Plan and Note 11 – Other Post-Retirement Health Care Benefits in the accompanying financial statements.

Economic Factors and Next Year's Budget

During the fiscal year the City of Palm Springs experienced a resurgence in the tourism industry resulting in one of the most successful years financially the City has ever experienced. Palm Springs had historical growth in tax revenue due to the resurgence in tourism and ended the year with a historical high in General Fund revenue. In addition, the Palm Springs International Airport had record passenger traffic, surpassing the number of passengers in 2021 by more than double and also had a successful year with significant growth in revenue.

In preparing the budget for fiscal year 2022-2023, management feels that the tourism industry will remain strong but down slightly from fiscal year 2022. One factor that could be detrimental to the tourism industry would be a recession. In an economic recession, people travel less, and this could affect the City significantly. The talk of a recession is ongoing, but it doesn't appear in the near term, and was not considered in the preparation of the 2022-2023 budget.

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 2022-2023 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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 265,426,642	\$ 120,703,070	\$ 386,129,712
Accounts receivable	19,129,896	3,657,193	22,787,089
Interest receivable	254,879	-	254,879
Special assessments receivable	-	127,401	127,401
Internal balances	2,640,000	(2,640,000)	-
Lease receivable - due within one year	841,798	-	841,798
Prepaid items	424,146	44,539	468,685
Deposits	200,000	-	200,000
Inventories	87,247	15,371	102,618
Total current assets	289,004,608	121,907,574	410,912,182
Noncurrent assets:			
Restricted investments with fiscal agent	276,940	6,849,991	7,126,931
Notes and loans	10,519,270	-	10,519,270
Lease receivable - due in more than one year	33,192,885	-	33,192,885
Land held for resale	136,203	-	136,203
Capital assets - nondepreciable	125,033,940	81,072,415	206,106,355
Capital assets - depreciable, net	189,872,950	76,460,680	266,333,630
Intangible assets - amortization, net	45,910,623	-	45,910,623
Total noncurrent assets	404,942,811	164,383,086	569,325,897
Total assets	693,947,419	286,290,660	980,238,079
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	4,181,463	49,266	4,230,729
Deferred outflows of resources related to pensions	20,283,964	2,862,838	23,146,802
Deferred outflows of resources related to OPEB	14,226,679	1,250,561	15,477,240
Total deferred outflows of resources	38,692,106	4,162,665	42,854,771

City of Palm Springs
Statement of Net Position (Continued)
June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	8,695,125	6,239,862	14,934,987
Accrued liabilities	2,113,473	661,067	2,774,540
Accrued interest payable	623,374	1,518,654	2,142,028
Deposits payable	2,981,618	565,213	3,546,831
Unearned revenues	10,148,337	-	10,148,337
Compensated absences, due within one year	6,030,569	1,393,133	7,423,702
Claims and judgments, due within one year	4,576,099	-	4,576,099
Bonds and notes payable, due within one year	9,648,423	3,147,723	12,796,146
Lease liability, due within one year	973,796	-	973,796
Total current liabilities	<u>45,790,814</u>	<u>13,525,652</u>	<u>59,316,466</u>
Noncurrent liabilities:			
Compensated absences, due in more than on year	2,375,000	-	2,375,000
Claims and judgments, due in more than on year	5,835,043	-	5,835,043
Bonds and notes payable, due in more than on year	132,509,932	45,323,407	177,833,339
Lease liability, due in more than one year	44,886,265	-	44,886,265
Net pension liability	111,197,271	14,766,876	125,964,147
Net OPEB liability	130,859,101	11,502,112	142,361,213
Total noncurrent liabilities	<u>427,662,612</u>	<u>71,592,395</u>	<u>499,255,007</u>
Total liabilities	<u>473,453,426</u>	<u>85,118,047</u>	<u>558,571,473</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	34,275,596	6,839,380	41,114,976
Deferred inflows of resources related to OPEB	22,655,160	1,991,446	24,646,606
Leases	34,068,197	-	34,068,197
Total deferred inflows of resources	<u>90,998,953</u>	<u>8,830,826</u>	<u>99,829,779</u>
NET POSITION			
Net investment in capital assets	<u>195,148,344</u>	<u>112,632,195</u>	<u>307,780,539</u>
Restricted for:			
Community development projects	13,043,168	-	13,043,168
Public safety grants and programs	4,035,433	-	4,035,433
Public works projects	19,973,702	-	19,973,702
Debt service	1,612,361	3,329,027	4,941,388
Library	1,773,195	-	1,773,195
Special projects	2,910,189	-	2,910,189
Total restricted	<u>43,348,048</u>	<u>3,329,027</u>	<u>46,677,075</u>
Unrestricted (deficit)	<u>(70,309,246)</u>	<u>80,543,230</u>	<u>10,233,984</u>
Total net position	<u>\$ 168,187,146</u>	<u>\$ 196,504,452</u>	<u>\$ 364,691,598</u>

City of Palm Springs
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 19,400,905	\$ 15,173,309	\$ 812,359	\$ 12,102,934
Public safety	62,729,858	2,582,957	1,423,948	-
Cultural and convention center	10,685,109	-	-	-
Parks and recreation	10,527,534	3,523,378	26,160	-
Public works	23,103,890	4,208,931	7,076,358	(1,804,920)
Library	2,693,467	41,246	85	-
Interest on long term debt	5,174,676	-	-	-
Total Governmental Activities	134,315,439	25,529,821	9,338,910	10,298,014
Business-Type Activities:				
Airport	24,203,153	42,934,803	7,192,602	-
Wastewater	9,567,033	12,233,664	-	-
Golf Course	5,373,731	5,271,752	-	-
Total Business-Type Activities	39,143,917	60,440,219	7,192,602	-
Total Primary Government	\$ 173,459,356	\$ 85,970,040	\$ 16,531,512	\$ 10,298,014

City of Palm Springs
Statement of Activities (Continued)
For the Year Ended June 30, 2022

	Net (Expense) Revenue and Changes in Net Positions		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ 8,687,697	\$ -	\$ 8,687,697
Public safety	(58,722,953)	-	(58,722,953)
Cultural and convention center	(10,685,109)	-	(10,685,109)
Parks and recreation	(6,977,996)	-	(6,977,996)
Public works	(13,623,521)	-	(13,623,521)
Library	(2,652,136)	-	(2,652,136)
Interest on long term debt	(5,174,676)	-	(5,174,676)
Total Governmental Activities	(89,148,694)	-	(89,148,694)
Business-Type Activities:			
Airport	-	25,924,252	25,924,252
Wastewater	-	2,666,631	2,666,631
Golf Course	-	(101,979)	(101,979)
Total Business-Type Activities	-	28,488,904	28,488,904
Total Primary Government	(89,148,694)	28,488,904	(60,659,790)
General Revenues:			
Taxes:			
Property taxes	33,134,473	-	33,134,473
Transient occupancy taxes	54,326,094	-	54,326,094
Sales taxes	58,626,015	-	58,626,015
Franchise taxes	4,138,935	-	4,138,935
Utility users tax	15,627,960	-	15,627,960
Other taxes	6,543,695	-	6,543,695
Motor vehicle in lieu - unrestricted	6,141,974	-	6,141,974
Use of money and property	(2,551,223)	(1,714,541)	(4,265,764)
Gain on sale of capital assets	284,367	-	284,367
Other	436,877	-	436,877
Total General Revenues	176,709,167	(1,714,541)	174,994,626
Transfers:			
Transfers	(1,124,000)	1,124,000	-
Total Transfers	(1,124,000)	1,124,000	-
Changes in Net Position	86,436,473	27,898,363	114,334,836
Net Position - Beginning of year	81,750,673	168,606,089	250,356,762
Net Position - End of Year	\$ 168,187,146	\$ 196,504,452	\$ 364,691,598

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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, 2022**

	Capital		Debt		Other Governmental Funds	Total Governmental Funds
	Projects Fund		Service Fund			
	General	Measure J	General Debt Service			
ASSETS						
Cash and investments	\$ 136,991,788	\$ 29,483,270	\$ 5,692,088	\$ 46,513,579	\$ 218,680,725	
Accounts receivable	12,745,307	4,031,577	-	2,212,840	18,989,724	
Interest receivable	128,373	30,102	-	52,919	211,394	
Prepaid items	173,533	-	-	-	173,533	
Deposits	200,000	-	-	-	200,000	
Due from other funds	208,742	-	-	-	208,742	
Lease receivable	34,034,683	-	-	-	34,034,683	
Notes and loans	166,667	-	-	10,352,603	10,519,270	
Advances to other funds	1,210,000	-	-	-	1,210,000	
Land held for resale	49,950	-	-	86,253	136,203	
Restricted assets:						
Cash and investments with fiscal agent	-	-	4,550	272,390	276,940	
Total assets	\$ 185,909,043	\$ 33,544,949	\$ 5,696,638	\$ 59,490,584	\$ 284,641,214	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 4,722,707	\$ 797,898	\$ 3,500	\$ 1,581,119	\$ 7,105,224	
Accrued liabilities	1,854,541	2,250	-	107,548	1,964,339	
Deposits payable	2,923,681	-	-	57,937	2,981,618	
Due to other funds	-	-	-	208,742	208,742	
Unearned revenues	10,148,337	-	-	-	10,148,337	
Total liabilities	19,649,266	800,148	3,500	1,955,346	22,408,260	
Deferred inflows of resources:						
Unavailable revenues	-	-	-	43,170	43,170	
Leases	34,068,197	-	-	-	34,068,197	
Total deferred inflows of resources	34,068,197	-	-	43,170	34,111,367	
Fund balances:						
Nonspendable	1,800,150	-	-	-	1,800,150	
Restricted	-	-	4,550	43,300,328	43,304,878	
Assigned	28,438,899	32,744,801	5,688,588	14,191,740	81,064,028	
Unassigned	101,952,531	-	-	-	101,952,531	
Total fund balances	132,191,580	32,744,801	5,693,138	57,492,068	228,121,587	
Total liabilities, deferred inflows of resources, and fund balances	\$ 185,909,043	\$ 33,544,949	\$ 5,696,638	\$ 59,490,584	\$ 284,641,214	

City of Palm Springs
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 228,121,587

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	\$ 125,033,940	
Depreciable assets, net of \$315,113,725 accumulated depreciation	189,872,950	
Intangible assets, net of \$1,326,579 accumulated amortization	45,910,623	
Less: Amount reported in Internal Service Fund	(24,597,119)	336,220,394

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), net of \$13,372 reported on Internal Service Fund. 4,168,091

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. 43,170

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 \$326,704 reported in Internal Service Fund	(8,078,865)	
Bonds and notes payables, net of \$20,986,533 reported in Internal Service Fund	(121,171,822)	
Lease liability	(45,860,061)	(175,110,748)

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 \$604,918 reported in Internal Service Fund	19,679,046	
Net pension liability, net of \$(3,120,243) reported in Internal Service Fund	(108,077,028)	
Deferred inflows of resources, net of \$1,445,162 reported in Internal Service Fund	(32,830,434)	(121,228,416)

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 \$348,238 reported in Internal Service Fund	13,878,441	
Net OPEB liability, net of \$(3,195,092) reported in Internal Service Fund	(127,664,009)	
Deferred inflows of resources, net of \$544,548 reported in Internal Service Fund	(22,100,612)	(135,886,180)

Accrued interest payable due on long-term debt not reported in the governmental funds, net of \$244,465 reported in Internal Service Fund. (378,909)

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. 32,238,157

Net position of governmental activities \$ 168,187,146

City of Palm Springs
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General	Capital Projects Fund Measure J	Debt Service Fund General Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 151,731,890	\$ 22,202,207	\$ -	\$ 7,274,937	\$ 181,209,034
Intergovernmental	12,378,527	-	-	11,088,291	23,466,818
Licenses and permits	8,130,099	-	-	626,037	8,756,136
Fines and forfeitures	590,165	-	-	1,738	591,903
Use of money and property	(1,167,104)	(445,703)	8,616	(328,141)	(1,932,332)
Charges for services	6,689,111	-	1,601,164	4,414,636	12,704,911
Miscellaneous	621,980	13,955	-	476,651	1,112,586
Total revenues	178,974,668	21,770,459	1,609,780	23,554,149	225,909,056
Expenditures:					
Current:					
General government	21,866,018	-	-	1,040,943	22,906,961
Public safety	61,530,034	-	-	2,970,301	64,500,335
Cultural and convention center	7,572,864	-	-	834,365	8,407,229
Parks and recreation	5,264,398	-	-	-	5,264,398
Public works	17,466,953	599,309	-	2,332,158	20,398,420
Library	2,854,721	-	-	88,737	2,943,458
Capital outlay	6,576,311	8,166,086	-	4,851,419	19,593,816
Debt service:					
Principal retirement	1,377,141	-	60,201,233	415,421	61,993,795
Interest and fiscal charges	375,500	-	4,201,400	149,146	4,726,046
Total expenditures	124,883,940	8,765,395	64,402,633	12,682,490	210,734,458
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	54,090,728	13,005,064	(62,792,853)	10,871,659	15,174,598
Other financing sources (uses):					
Issuance of debt	5,740,000	-	55,500,000	-	61,240,000
Proceeds from sale of capital assets	651,800	-	-	-	651,800
Transfers in	-	-	8,994,097	2,000,000	10,994,097
Transfers out	(10,095,765)	(1,402,832)	-	(619,500)	(12,118,097)
Total other financing sources (uses)	(3,703,965)	(1,402,832)	64,494,097	1,380,500	60,767,800
NET CHANGE IN FUND BALANCES	50,386,763	11,602,232	1,701,244	12,252,159	75,942,398
FUND BALANCES:					
Beginning of year	81,804,817	21,142,569	3,991,894	45,239,909	152,179,189
End of year	<u>\$ 132,191,580</u>	<u>\$ 32,744,801</u>	<u>\$ 5,693,138</u>	<u>\$ 57,492,068</u>	<u>\$ 228,121,587</u>

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, 2022

Net change in fund balances - total governmental funds: \$ 75,942,398

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 expenses of \$5,150,476.	\$ 14,443,340	
Net effect on disposal of capital assets	(460,417)	
Depreciation/amortization expense, net of \$1,952,885 reported in Internal Service Funds	<u>(13,970,144)</u>	12,779

Revenues that are measurable but not available and are reported as unavailable revenue under the modified accrual basis of accounting in the governmental funds. (3,758,058)

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	(61,240,000)	
Principal repayment of debt and lease liabilities	<u>61,993,795</u>	753,795

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 \$17,162,467 contribution after measurement date	11,624,978	
OPEB expense, net of \$3,860,251 contribution after measurement date	(7,665,382)	
Net change in compensated absences	<u>(422,732)</u>	3,536,864

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 and lease payable	(145,631)	
Amortization of premium, net of \$20,050 reported in Internal Service Funds	276,177	
Amortization of debt discount	(3,658)	
Amortization of deferred amount on refunding	<u>(321,794)</u>	(194,906)

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.

10,143,601

Change in net position of governmental activities **\$ 86,436,473**

PROPRIETARY FUND FINANCIAL STATEMENTS

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City of Palm Springs
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 61,833,475	\$ 52,886,471	\$ 5,983,124	\$ 120,703,070	\$ 46,745,917
Receivable:					
Accounts	2,894,281	533,094	229,818	3,657,193	140,172
Interest	64,459	62,942	-	127,401	43,485
Prepaid items	44,539	-	-	44,539	250,613
Inventories	15,371	-	-	15,371	87,247
Restricted:					
Cash and investments with fiscal agent	6,849,989	-	2	6,849,991	-
Total current assets	71,702,114	53,482,507	6,212,944	131,397,565	47,267,434
Noncurrent assets:					
Advances to other funds	-	-	-	-	1,430,000
Capital assets, nondepreciable	61,854,152	13,896,566	5,321,697	81,072,415	2,583,349
Capital assets, net of accumulated depreciation	35,452,129	40,432,077	576,474	76,460,680	22,013,770
Total noncurrent assets	97,306,281	54,328,643	5,898,171	157,533,095	26,027,119
Total assets	169,008,395	107,811,150	12,111,115	288,930,660	73,294,553
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	49,266	49,266	13,372
Deferred outflows of resources related to pensions	2,856,236	6,602	-	2,862,838	604,918
Deferred outflows of resources related to OPEB	1,208,772	41,789	-	1,250,561	348,238
Total deferred outflows of resources	4,065,008	48,391	49,266	4,162,665	966,528

City of Palm Springs
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Totals	Internal Service Funds
	Airport	Wastewater	Golf Course	Totals	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable	4,434,953	1,559,596	245,313	6,239,862	1,589,901
Accrued liabilities	655,253	5,814	-	661,067	149,134
Interest payable	73,958	305,577	1,139,119	1,518,654	244,465
Deposits payable	65,213	-	500,000	565,213	-
Compensated absences - due within one year	1,393,133	-	-	1,393,133	326,704
Claims and judgments - due within one year	-	-	-	-	4,576,099
Bonds and notes payable - due within one year	1,610,000	706,866	830,857	3,147,723	1,557,913
Total current liabilities	8,232,510	2,577,853	2,715,289	13,525,652	8,444,216
Noncurrent liabilities:					
Advances from other funds	-	-	2,640,000	2,640,000	-
Claims and judgments - due in more than one year	-	-	-	-	5,835,043
Bonds and notes payable - due in more than one year	18,661,051	23,259,941	3,402,415	45,323,407	19,428,620
Aggregate net pension liability	14,732,822	34,054	-	14,766,876	3,120,243
Net OPEB liability	11,120,365	381,747	-	11,502,112	3,195,092
Total noncurrent liabilities	44,514,238	23,675,742	6,042,415	74,232,395	31,578,998
Total liabilities	52,746,748	26,253,595	8,757,704	87,758,047	40,023,214
DEFERRED INFLOW OF RESOURCES					
Deferred inflows of resources related to pensions	6,823,607	15,773	-	6,839,380	1,445,162
Deferred inflows of resources related to OPEB	1,924,900	66,546	-	1,991,446	554,548
Total deferred inflows of resources	8,748,507	82,319	-	8,830,826	1,999,710
NET POSITION					
Net investment in capital assets	80,556,194	30,361,836	1,714,165	112,632,195	3,623,958
Restricted for debt service	3,329,025	-	2	3,329,027	-
Unrestricted	27,692,929	51,161,791	1,688,510	80,543,230	28,614,199
Total net position	\$ 111,578,148	\$ 81,523,627	\$ 3,402,677	\$ 196,504,452	\$ 32,238,157

City of Palm Springs
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

	Business-Type Activities				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service
OPERATING REVENUES:					
Charges for services	\$ 42,934,803	\$ 12,233,664	\$ 5,271,752	\$ 60,440,219	\$ 65,289,139
Miscellaneous	-	-	-	-	30,902
Total operating revenues	42,934,803	12,233,664	5,271,752	60,440,219	65,320,041
OPERATING EXPENSES:					
Administration and general	2,286,812	27,666	5,223	2,319,701	1,950,409
Personnel services	7,864,312	290,587	-	8,154,899	-
Materials and supplies	569,804	-	-	569,804	-
Maintenance operations	-	-	-	-	2,745,843
Facilities maintenance	-	-	-	-	1,306,287
Retirement	-	-	-	-	24,489,450
Retiree health insurance	-	-	-	-	3,335,131
Other claims and insurance	-	646,697	-	646,697	2,899,940
Depreciation expense	5,211,774	3,009,377	195,761	8,416,912	1,952,885
Utilities	1,384,604	158,533	-	1,543,137	1,789,910
Other charges and services	5,728,600	5,018,324	5,073,612	15,820,536	-
Cogeneration electricity	122,706	-	-	122,706	176,879
Medical, health, and life insurance	-	-	-	-	8,907,345
Workers compensation	354,463	5,459	-	359,922	4,902,168
Total operating expenses	23,523,075	9,156,643	5,274,596	37,954,314	54,456,247
OPERATING INCOME (LOSS)	19,411,728	3,077,021	(2,844)	22,485,905	10,863,794
NONOPERATING INCOME (LOSS):					
Investment earning (loss)	(882,228)	(854,557)	22,244	(1,714,541)	(619,453)
Interest expense	(680,078)	(410,390)	(99,135)	(1,189,603)	(253,724)
Intergovernmental revenue	7,192,602	-	-	7,192,602	60,000
Gain on disposal of capital assets	-	-	-	-	92,984
Total nonoperating income (loss)	5,630,296	(1,264,947)	(76,891)	4,288,458	(720,193)
NET INCOME (LOSS) BEFORE TRANSFERS	25,042,024	1,812,074	(79,735)	26,774,363	10,143,601
TRANSFERS:					
Transfers in	-	-	1,124,000	1,124,000	-
Total Transfers	-	-	1,124,000	1,124,000	-
CHANGES IN NET POSITION	25,042,024	1,812,074	1,044,265	27,898,363	10,143,601
NET POSITION:					
Beginning of the year	86,536,124	79,711,553	2,358,412	168,606,089	22,094,556
End of the year	\$ 111,578,148	\$ 81,523,627	\$ 3,402,677	\$ 196,504,452	\$ 32,238,157

City of Palm Springs
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-Type Activities				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 44,133,021	\$ 12,046,225	\$ 5,257,306	\$ 61,436,552	\$ 65,341,865
Cash paid to suppliers for goods and services	(14,536,998)	(5,837,518)	(5,085,221)	(25,459,737)	(4,166,893)
Cash paid to employees for services	(13,742,778)	227,368	-	(13,515,410)	(32,720,883)
Cash paid for insurance premium and claims	-	-	-	-	(23,898,281)
Net cash provided by operating activities	15,853,245	6,436,075	172,085	22,461,405	4,555,808
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in	-	-	1,124,000	1,124,000	-
Grant revenue received	7,192,602	-	-	7,192,602	60,000
Net cash provided by noncapital financing activities	7,192,602	-	1,124,000	8,316,602	60,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(11,986,101)	(2,691,185)	-	(14,677,286)	(1,237,194)
Proceeds from disposal of capital assets	30,541	-	13,351	43,892	92,984
Principal paid on bonds and notes payable	(1,530,000)	(695,050)	(837,896)	(3,062,946)	(1,639,646)
Interest paid	(964,000)	(419,252)	(167,367)	(1,550,619)	(211,075)
Net cash (used in) capital and related financing activities	(14,449,560)	(3,805,487)	(991,912)	(19,246,959)	(2,994,931)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received (investment loss)	(855,837)	(835,062)	22,244	(1,668,655)	(603,275)
Net cash provided by (used in) investing activities	(855,837)	(835,062)	22,244	(1,668,655)	(603,275)
Net change in cash and cash equivalents	7,740,450	1,795,526	326,417	9,862,393	1,017,602
CASH AND CASH EQUIVALENTS:					
Beginning of year	60,943,014	51,090,945	5,656,709	117,690,668	45,728,315
End of year	<u>\$ 68,683,464</u>	<u>\$ 52,886,471</u>	<u>\$ 5,983,126</u>	<u>\$ 127,553,061</u>	<u>\$ 46,745,917</u>
CASH AND CASH EQUIVALENTS:					
Cash and investments	61,833,475	52,886,471	5,983,124	120,703,070	46,745,917
Cash and investments with fiscal agent	6,849,989	-	2	6,849,991	-
Total cash and cash equivalents	<u>\$ 68,683,464</u>	<u>\$ 52,886,471</u>	<u>\$ 5,983,126</u>	<u>\$ 127,553,061</u>	<u>\$ 46,745,917</u>
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	19,411,728	3,077,021	(2,844)	22,485,905	10,863,794
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	5,211,774	3,009,377	195,761	8,416,912	1,952,885
Changes in assets and liabilities:					
(Increase)/decrease in accounts receivables	1,144,205	(187,439)	(14,446)	942,320	21,824
(Increase)/decrease in prepaids	(44,539)	-	870	(43,669)	(250,613)
(Increase)/decrease in inventories	-	-	-	-	66,313
(Increase)/decrease in deferred outflows of resources	274,740	(27,714)	-	247,026	758,283
Increase/(decrease) in accounts payable	(4,387,419)	283,389	(7,256)	(4,111,286)	369,709
Increase/(decrease) in accrued liabilities	123,501	(41)	-	123,460	(44,342)
Increase/(decrease) in compensated absences	71,502	-	-	71,502	(32,654)
Increase/(decrease) in claims and judgments	-	-	-	-	(4,347,678)
Increase/(decrease) in deposits payable	54,013	-	-	54,013	-
Increase/(decrease) in net pension liabilities	(7,963,290)	(32,974)	-	(7,996,264)	(1,364,152)
Increase/(decrease) in net OPEB liabilities	(4,435,924)	250,777	-	(4,185,147)	(3,935,480)
Increase/(decrease) in deferred inflows of resources	6,392,954	63,679	-	6,456,633	497,919
Net cash provided by (used in) operating activities	<u>\$ 15,853,245</u>	<u>\$ 6,436,075</u>	<u>\$ 172,085</u>	<u>\$ 22,461,405</u>	<u>\$ 4,555,808</u>

FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Palm Springs
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2022

	Private Purpose Trust Fund
	Successor Agency Fund
ASSETS:	
Pooled cash and investments	\$ 1,979,544
Land held for resale	600,196
Restricted cash and investments with fiscal agent	17,882
Total assets	2,597,622
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charges on refunding	203,758
Total deferred outflows of resources	203,758
LIABILITIES:	
Accounts payable	1,857,632
Accrued liability	10,163
Accrued interest	359,748
Long-term liabilities:	
Due in one year	1,390,000
Due in more than one year	25,690,417
Total liabilities	29,307,960
NET POSITION:	
Held in trust for individuals, organizations, and other governments	(26,506,580)
Total net position (deficit)	\$ (26,506,580)

City of Palm Springs
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Private Purpose Trust Fund
	Successor Agency Fund
ADDITIONS:	
Redevelopment Property taxes trust fund	\$ 2,739,244
Redevelopment investment income	5,875
Total additions	2,745,119
DEDUCTIONS:	
Administrative expenses	366,645
Interest expense	1,014,652
Total deductions	1,381,297
Change in net position	1,363,822
NET POSITION:	
Beginning of year	(27,870,402)
End of year	\$ (26,506,580)

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, 2022

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Palm Springs, California (the “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, 2022

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, 2022

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 or user funds 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 major proprietary funds:

Airport Enterprise Fund - This fund is used to account for operation 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 operation 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, 2022

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 fiduciary 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 receives 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 allocated 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, 2022

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 amortized 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, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Lease Receivable

The City is a lessor for leases of land and recognizes lease receivables and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. The City established a threshold of \$10,000 for lease receivables. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses incremental borrowing rate (IBR) provided by the financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

H. Land Held for Resale

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

I. Capital Assets

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

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

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

J. Deferred Outflows/Inflows of Resources

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

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) 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.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) 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 and leases in this category.

K. Lease Liabilities

The City recognizes lease liabilities with an initial, individual value of \$10,000 or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Lease Liabilities (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

L. 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.

General Fund and special revenue funds are typically used to liquidate pension liabilities for governmental funds.

The following timeframes are used for pension reporting:

Valuation Date:	June 30, 2020
Measurement Date:	June 30, 2021
Measurement Period:	July 1, 2020 to June 30, 2021

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.

M. 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Other Postemployment Benefits Liability (Continued)

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, 2020
Measurement Date:	June 30, 2021
Measurement Period:	July 1, 2020 to June 30, 2021

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.

N. 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.

O. 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

P. 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, reduced by outstanding balances of retention payable and debt that are attributable to the acquisition, construction, or improvement of those assets, and related deferred outflows and inflows of resources, net of unspent debt proceeds.

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.

Q. 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Fund Balances (Continued)

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

R. 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.

S. 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.

T. Implementation of New GASB Pronouncements

During the fiscal year ended June 30, 2022, the City implemented the following new GASB pronouncements:

- GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, Leases (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Implementation of New GASB Pronouncements (Continued)

The effective date of GASB No. 87 (as amended by GASB Statement No. 95) is for fiscal years beginning after June 15, 2021. Implementation of this Statement resulted in restatement of beginning balance of lease assets (Note 9) and lease liabilities (Note 11) at July 1, 2021.

- GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre–November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business–type activity or enterprise fund. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2022.

- GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, Omnibus 2020. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2022.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2022, 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	\$ 265,426,642	\$ 120,703,070	\$ 1,979,544	\$ 388,109,256
Restricted assets:				
Cash and investments with fiscal agent	276,940	6,849,991	17,882	7,144,813
Total cash and investments	\$ 265,703,582	\$ 127,553,061	\$ 1,997,426	\$ 395,254,069

Cash and investments as of June 30, 2022, consist of the following:

Cash on hand	\$ 2,300
Deposits with financial institutions	14,565,708
Investments	380,686,061
Total cash and investments	\$ 395,254,069

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

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, 2022, the carrying amount of the City's demand deposits was \$14,565,708 the bank balance was \$13,886,508. The \$679,200 difference represents outstanding checks, deposits in transit, and other reconciling items.

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

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

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

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

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

B. Investments Authorized by Debt Agreements

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

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

B. Investments Authorized by Debt Agreements (Continued)

<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

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	\$ 71,710,328	\$ 71,710,328	\$ -	\$ -
CalTRUST Short Term Fund	50,260,645	50,260,645	-	-
U.S. Treasury Securities	98,651,925	27,536,180	29,857,702	41,258,043
U.S. Government Sponsored Enterprise Securities	54,188,228	17,076,003	28,064,519	9,047,706
Negotiable Certificates of Deposit	1,503,856	750,544	753,312	-
Collateralized Mortgage Obligations	2,716,552			2,716,552
Corporate Bonds	42,482,577	1,983,065	24,616,384	15,883,128
Asset-backed Securities	2,142,708	-	-	2,142,708
Supranational	4,748,620	-	4,748,620	-
Money Market Mutual Funds	45,135,809	45,135,809	-	-
Held by fiscal agent:				
Money Market Mutual Funds	7,144,813	7,144,813	-	-
Total investments	\$ 380,686,061	\$ 221,597,387	\$ 88,040,537	\$ 71,048,137

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

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	\$ 71,710,328	\$ -	\$ -	\$ 71,710,328
CalTRUST Short Term Fund	50,260,645	-	-	50,260,645
U.S. Treasury Securities	98,651,925	98,651,925		
U.S. Government Sponsored Enterprise Securities	54,188,228	54,188,228		
Negotiable Certificates of Deposit	1,503,856	-	-	1,503,856
Collateralized Mortgage Obligations	2,716,552	2,716,552	-	-
Corporate Bonds	42,482,577	3,982,352	38,500,225	-
Asset-backed Securities	2,142,708	2,142,708	-	-
Supranational	4,748,620	4,748,620	-	-
Money Market Mutual Funds	45,135,809	45,135,809	-	-
Held by fiscal agent:				
Money market funds	7,144,813	7,144,813	-	-
Total investments	\$ 380,686,061	\$ 218,711,007	\$ 38,500,225	\$ 123,474,829

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. There are no 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.

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, 2022:

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

F. Fair Value Hierarchy (Continued)

Investment Type	Measurement Input		Total
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs (Level 2)	
U.S. Treasury Securities	\$ 98,651,925	\$ -	\$ 98,651,925
U.S. Government Sponsored Enterprise Securities	-	54,188,228	54,188,228
Negotiable Certificates of Deposit	-	1,503,856	1,503,856
Collateralized Mortgage Obligations	-	2,716,552	2,716,552
Corporate Bonds	-	42,482,577	42,482,577
Asset-backed Securities	-	2,142,708	2,142,708
Supranational	-	4,748,620	4,748,620
Total investments subject to fair value measurement	\$ 98,651,925	\$ 107,782,541	\$ 206,434,466

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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

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, 2022, the City had \$71,710,328 invested in LAIF, which had invested 1.88% 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 and reported at amortized cost which approximates fair value.

Note 3 – Interfund Receivables, Payables and Transfers

A. 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, 2022, the outstanding advances are:

Advances to Other Funds				
		Governmental Fund	Proprietary Fund	
		General Fund	Internal Service Funds	Total
Advances from Other 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, 2022 and the Golf Course has not made any interest payment. At June 30, 2022, 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

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

B. Transfers In/Transfers Out

The following schedule summarizes the City's transfer activity:

Transfers Out	Transfers In			
	Governmental Funds		Proprietary Funds	
	General Debt Service Fund	Nonmajor Governmental Funds	Golf Course Enterprise Fund	Total
Governmental Funds:				
General Fund	\$ 6,971,765	\$ 2,000,000	\$ 1,124,000	\$ 10,095,765
Measure J Fund	1,402,832	-	-	1,402,832
Nonmajor Governmental Funds	619,500	-	-	619,500
	\$ 8,994,097	\$ 2,000,000	\$ 1,124,000	\$ 12,118,097

General Fund transferred of \$2,000,000 to the Nonmajor Governmental Funds (Capital Projects Fund) consist of \$2,000,000 from the General Fund to the Capital Project Fund to fund future capital projects.

Transfers of \$8,994,097 to the General Debt Service Fund consist of 1) \$6,917,000 from the General Fund, \$1,402,832 from Measure J Capital Projects Fund, and \$619,500 from nonmajor governmental funds for debt service-related costs.

Transfers of \$1,124,000 to the Golf Course Enterprise Fund for the golf course subsidy.

Note 4 – Notes and Loans Receivable

The following is a summary of notes and loans receivable as of June 30, 2022:

Economic Incentive	\$ 174,167
Hacienda Sunset (Coyote)	1,586,261
Santiago Sunrise Village	270,864
Vista Sunrise Apartments	1,671,398
Vista Sunrise Apartments II	2,772,034
Sahara Multiple Housing	254,546
Desert Highland	1,600,000
Monarch Apartments	2,190,000
Total notes and loans receivable	\$ 10,519,270

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Lease Receivable

Lease receivables consist of agreements with others for the right-to-use of the underlying assets for land and buildings owned by the City at various locations. For the year ended June 30, 2022, the City recognized \$1,103,905 in lease revenue and \$277,984 in interest revenue. The outstanding receivables are in the amounts of \$34,034,683.

Renaissance/Bureau of Indian Affairs

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

On September 28, 1989, the City of Palm Springs entered into an agreement with SENCA to assume SENCA's lease. The agreement provided for, among other things, the assignment by SENCA to the City of all of SENCA's right, title and interest in and to the Master Lease and the three subleases in exchange for \$3,000,000.

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

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Lease Receivable (Continued)

Renaissance/Bureau of Indian Affairs

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

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

The remaining terms of these lease and sublease agreements are 38 years. The incremental borrowing rates used was 1.7050%.

Other Lease Receivables

The City entered into lease agreements granting the right to use of land for cell towers, right to use Palm Canyon Theatre and right to use Visitor Info Center. The remaining terms of these agreements range from 2 to 4 years. The incremental borrowing rates used were from .2180% to .5770%.

Total future receipts for these leases, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 841,798	\$ 573,606	\$ 1,415,404
2024	810,539	562,129	1,372,668
2025	730,443	550,628	1,281,071
2026	696,598	539,210	1,235,808
2027	683,536	527,720	1,211,256
2028-2032	3,574,481	2,460,839	6,035,320
2033-2037	3,889,775	2,145,545	6,035,320
2038-2042	4,232,881	1,802,439	6,035,320
2043-2047	4,606,251	1,429,069	6,035,320
2048-2052	5,012,554	1,022,766	6,035,320
2053-2057	5,454,697	580,623	6,035,320
2058-2060	3,501,130	120,061	3,621,191
Total	<u>\$ 34,034,683</u>	<u>\$ 12,314,635</u>	<u>\$ 46,349,318</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Capital Assets

The following is a summary of capital assets activities for the governmental activities for the year ended June 30, 2022:

	Balance July 1, 2021 (As Restated)	Additions	Deletions	Reclassification	Balance June 30, 2022
Capital assets, not being depreciated:					
Land	\$ 69,582,361	\$ -	\$ (460,417)	\$ -	\$ 69,121,944
Construction in progress	26,772,506	13,844,636	-	(1,573,405)	39,043,737
Rights of way	16,868,259	-	-	-	16,868,259
Total capital assets, not being depreciated	113,223,126	13,844,636	(460,417)	(1,573,405)	125,033,940
Capital assets, being depreciated:					
Buildings	93,486,880	-	-	-	93,486,880
Improvements	89,394,684	1,963	-	719,080	90,115,727
Furniture and equipment	31,009,906	881,366	(84,517)	-	31,806,755
Vehicles	20,530,147	952,569	(2,514,226)	385,307	19,353,797
Infrastructure	269,754,498	-	-	469,018	270,223,516
Total capital assets, being depreciated	504,176,115	1,835,898	(2,598,743)	1,573,405	504,986,675
Less accumulated depreciation for:					
Buildings	(50,562,663)	(2,538,296)	-	-	(53,100,959)
Improvements	(61,166,219)	(3,936,894)	-	-	(65,103,113)
Furniture and equipment	(13,146,024)	(1,413,698)	84,517	-	(14,475,205)
Vehicles	(13,392,652)	(1,280,086)	2,514,226	-	(12,158,512)
Infrastructure	(164,848,460)	(5,427,476)	-	-	(170,275,936)
Total accumulated depreciation	(303,116,018)	(14,596,450)	2,598,743	-	(315,113,725)
Total capital assets, being depreciated, net	201,060,097	(12,760,552)	-	1,573,405	189,872,950
Intangible assets, being amortized:					
Leased assets	47,237,202	-	-	-	47,237,202
Accumulated amortization	-	(1,326,579)	-	-	(1,326,579)
Total intangible assets, net	47,237,202	(1,326,579)	-	-	45,910,623
Total capital assets, net	\$ 361,520,425	\$ (242,495)	\$ (460,417)	\$ -	\$360,817,513

Depreciation and amortization expenses were charged in the following governmental activities in the Statement of Activities:

General government	\$ 1,008,342
Cultural and convention center	4,454,408
Public safety	1,195,955
Public works	6,760,926
Parks and recreation	363,093
Library	187,420
Internal Service Fund	1,952,885
Total	\$ 15,923,029

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Capital Assets (Continued)

The following is a summary of capital assets activities for the business-type activities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
Capital assets, not being depreciated:					
Land	\$ 37,387,081	\$ -	\$ -	\$ -	\$ 37,387,081
Construction in progress	31,260,795	13,857,635	-	(1,433,096)	43,685,334
Total capital assets, not being depreciated	68,647,876	13,857,635	-	(1,433,096)	81,072,415
Capital assets, being depreciated:					
Buildings	74,894,988	321	-	5,379,916	80,275,225
Improvements	220,662,761	-	(3,833,753)	(5,338,318)	211,490,690
Machinery and equipment	6,327,484	662,899	(45,361)	1,433,096	8,378,118
Motor vehicles	4,178,274	156,431	-	(41,598)	4,293,107
Subsurface lines	27,387,700	-	-	-	27,387,700
Total capital assets, being depreciated	333,451,207	819,651	(3,879,114)	1,433,096	331,824,840
Less accumulated depreciation for:					
Buildings	(44,415,315)	(2,215,716)	-	-	(46,631,031)
Improvements	(176,585,034)	(4,708,987)	3,803,212	-	(177,490,809)
Machinery and equipment	(3,724,357)	(604,589)	32,010	-	(4,296,936)
Motor vehicles	(3,065,965)	(265,194)	-	-	(3,331,159)
Subsurface lines	(22,991,799)	(622,426)	-	-	(23,614,225)
Total accumulated depreciation	(250,782,470)	(8,416,912)	3,835,222	-	(255,364,160)
Total capital assets, being depreciated, net	82,668,737	(7,597,261)	(43,892)	1,433,096	76,460,680
Total capital assets, net	\$ 151,316,613	\$ 6,260,374	\$ (43,892)	\$ -	\$ 157,533,095

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

Airport	\$ 5,211,774
Wastewater	3,009,377
Golf course	195,761
Total	\$ 8,416,912

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt

A. Governmental Activities

The following is a summary of changes in long-term debts for the governmental activities for the year ended June 30, 2022:

	Balance July 1, 2021 (As Restated)	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct Borrowings:						
Finance Purchase:						
Fire Trucks	\$ 3,827,480	\$ -	\$ (280,366)	\$ 3,547,114	\$ 287,519	\$ 3,259,595
Police Interceptors	160,405	-	(160,405)	-	-	-
2021 Fire Truck Lease	901,145	-	(82,907)	818,238	84,916	733,322
2021 Police Interceptor Vehicles	955,970	-	(186,303)	769,667	188,260	581,407
Notes Payable:						
Cogen Capital Refinance Agreement	15,474,919	-	(743,318)	14,731,601	804,216	13,927,385
Mesquite Loan	187,601	-	(10,421)	177,180	10,421	166,759
Homeless Navigation Center	-	5,740,000	-	5,740,000	-	5,740,000
Public Borrowings:						
Bonds Payable, net:						
Special Assessment Debt	4,310,000	-	(405,000)	3,905,000	415,000	3,490,000
2012A Lease Revenue Bonds	12,305,000	-	(12,305,000)	-	-	-
2007 Pension Obligation Bonds	18,906,176	353,337	(890,000)	18,369,513	941,047	17,428,466
2014 Lease Revenue Refunding Bonds	39,945,000	-	(39,945,000)	-	-	-
2015 Measure A Sales Tax Revenue Bonds	590,000	-	(590,000)	-	-	-
2015 Lease Revenue Refunding Bonds	4,130,000	-	(455,000)	3,675,000	485,000	3,190,000
2017 Lease Revenue Refunding Bonds	1,923,941	-	(296,456)	1,627,485	307,044	1,320,441
2021 Lease Revenue Refunding Bonds - Series A	33,495,000	-	(740,000)	32,755,000	2,535,000	30,220,000
2021 Lease Revenue Refunding Bonds - Series B	-	55,500,000	-	55,500,000	3,590,000	51,910,000
Unamortized Premiums/(Discounts):						
Special Assessment Debt	(37,158)	-	3,658	(33,500)	-	(33,500)
2012A Lease Revenue Bonds	25,334	-	(25,334)	-	-	-
2014 Lease Revenue Refunding Bonds	3,490,525	-	(3,490,525)	-	-	-
2015 Measure A Sales Tax Revenue Bonds	76,467	-	(76,467)	-	-	-
2015 Lease Revenue Refunding Bonds	510,749	-	(87,703)	423,046	-	423,046
2017 Lease Revenue Refunding Bonds	184,669	-	(31,658)	153,011	-	153,011
Lease liabilities:						
Equipment Lease	331,736	-	(110,882)	220,854	110,253	110,601
Renaissance/Bureau of Indian Affairs	46,905,466	-	(1,266,259)	45,639,207	863,543	44,775,664
Total Governmental Activities	\$141,363,223	\$ 61,593,337	\$(62,175,346)	\$188,018,416	\$ 10,622,219	\$ 177,396,197

Fire Trucks

In September 2017, the City acquired four fire trucks under a 15-year finance purchase 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 outstanding balance at June 30, 2022, is \$3,547,114.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Fire Trucks (Continued)

The future debt service payments as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Payments
2023	\$ 287,519	\$ 89,309	\$ 376,828
2024	294,855	81,973	376,828
2025	302,379	74,448	376,827
2026	310,096	66,732	376,828
2027	318,010	58,818	376,828
2028-2032	1,716,020	168,119	1,884,139
2033-2035	318,235	12,632	330,867
Total	<u>\$ 3,547,114</u>	<u>\$ 552,031</u>	<u>\$ 4,099,145</u>

Police Interceptor Vehicles

In November 2017, the City entered into a five-year finance purchase 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. At June 30, 2022, the outstanding balance of the capital lease was paid in full.

2021 Fire Trucks

In January 2021, the City acquired additional two fire trucks from Boise Mobile Equipment under a 10-year finance purchase 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 outstanding balance at June 30, 2022, is \$818,238.

The future debt service payments as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Payments
2023	\$ 84,916	\$ 13,471	\$ 98,387
2024	86,358	12,030	98,388
2025	87,823	10,564	98,387
2026	89,314	9,074	98,388
2027	90,830	7,558	98,388
2028-2031	378,997	14,553	393,550
Total	<u>\$ 818,238</u>	<u>\$ 67,250</u>	<u>\$ 885,488</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2021 Police Interceptor Vehicles Capital Lease

In March 2021, the City entered into a five-year finance purchase 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 outstanding balance at June 30, 2022, is \$769,667.

The future debt service payments as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Payments
2023	\$ 188,260	\$ 11,426	\$ 199,686
2024	191,107	8,579	199,686
2025	193,973	5,713	199,686
2026	196,327	2,803	199,130
Subtotal	<u>\$ 769,667</u>	<u>\$ 28,521</u>	<u>\$ 798,188</u>

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, 2022 is \$14,731,601.

The future debt service payments as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,084,147	313,799	1,397,946
2028-2032	6,650,507	1,063,002	7,713,509
2033-2034	3,382,659	98,019	3,480,678
Subtotal	<u>\$ 14,731,601</u>	<u>\$ 2,982,668</u>	<u>\$ 17,714,269</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

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.

Annual debt service payments remaining as of June 30, 2022, are as follows:

Year Ending June 30,	Principal
2023	\$ 10,421
2024	10,421
2025	10,421
2026	10,421
2027	10,421
2028-2032	52,105
2033-2037	52,105
2038-2039	20,865
Total	<u>\$ 177,180</u>

Homeless Navigation Center Loan

On January 28, 2022, the City entered into a loan agreement with the County of Riverside (“County”) for the use of American Rescue Plan Act (“ARPA”) funds. The agreement provides zero-percent interest financing up to \$5,740,000 for the purchase of land for the City’s Homeless Navigation Center of which the entire amount maybe forgiven after the end July 1, 2077 if the City is in compliance with the ARPA loan agreement.

The County may determine the loan to be breached and the City to be in default if the City (1) fails to pay when due any sums payable or any advances made by County, (2) uses the loan for costs other than those costs permitted, (3) fails to make any other payment of any assessment or tax due, (4) discriminates on the basis of characteristics prohibited by the agreement or applicable law. Following a breach, the County shall have the right to declare the entire balance of the loan obligation due and payable.

Special Assessment Debt with Government Commitment

At June 30, 2022, 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, 2022 is \$3,905,000 with an unamortized discount of \$(33,500).

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Special Assessment Debt with Government Commitment (Continued)

Annual requirements to amortize outstanding special assessment debt as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	470,000	67,144	537,144
2028-2031	1,710,000	106,316	1,816,316
Total	<u>\$ 3,905,000</u>	<u>\$ 581,140</u>	<u>\$ 4,486,140</u>

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

2012A Convention Center Lease Revenue Bonds

On February 1, 2012, the City of Palm Springs 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.

In November 2022, the 2012A Convention Center Lease Revenue Bonds were defeased by 2021 Lease Revenue Refunding Bonds, Series B.

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, 2022

Note 7 – Long-Term Debt (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 A-2 Capital Appreciation Bonds bear interest ranges from 5.16% to 5.69% and are payable only at maturity. The accreted value of each capital appreciation bond is equal to its accreted value upon the maturity thereof, being comprised of its initial purchase price and the accreted interest between the delivery date and its respective maturity date. The capital appreciation bonds are not subject to redemption prior to maturity.

The balance outstanding as of June 30, 2022 was \$18,369,513. 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	
2023	\$ 675,000	\$ 702,414	\$ 113,856	\$ 152,191	\$ 166,144	\$ 1,809,605
2024	1,050,000	665,398	-	-	-	1,715,398
2025	1,175,000	607,815	-	-	-	1,782,815
2026	1,305,000	543,379	-	-	-	1,848,379
2027	-	471,812	470,351	630,987	1,921,812	3,494,962
2028-2032	1,835,000	2,359,062	1,833,244	2,468,884	5,676,405	14,172,595
2033-2035	6,660,000	762,841	-	-	-	7,422,841
Total	<u>\$ 12,700,000</u>	<u>\$ 6,112,721</u>	<u>\$ 2,417,451</u>	<u>\$ 3,252,062</u>	<u>\$ 7,764,361</u>	<u>\$ 32,246,595</u>

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.

In November 2022, the 2014 Convention Center Lease Revenue Refunding Bonds were defeased by 2021 Lease Revenue Refunding Bonds, Series B.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2015 Local Measure A Sales Tax Revenue Bonds

On July 24, 2014, the City of Palm Springs Public Financing Authority issued \$6,245,000 Lease Revenue Series A Refunding Bonds. The proceeds from the issuance were used to refund a portion of the Lease Revenue Bonds, 2004 series, which were used to fund capital projects related to the expansion of the convention center project. Interest on the bonds range between 2.0% to 5.0% and the final maturity date is June 1, 2022. During the year ended June 30, 2022, the outstanding balance of Sales Tax Revenue bonds was paid in full.

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, 2022, is \$3,675,000 including \$423,046 of unamortized premium. Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	690,000	52,750	742,750
2028	710,000	17,750	727,750
Total	<u>\$ 3,675,000</u>	<u>\$ 589,375</u>	<u>\$ 4,264,375</u>

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

2017 Lease Revenue Refunding Bonds

On June 13, 2017, the 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2017 Lease Revenue Refunding Bonds (Continued)

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 refunding was for the police building project and cogeneration plant governmental activities and the golf course business-type activities as following:

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 \$5,380,000 as of June 30, 2022. The annual debt service requirement to maturity are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2023	\$ 307,044	\$ 55,888	\$ 707,956	\$ 128,862	\$ 1,015,000	\$ 184,750	\$ 1,199,750
2024	313,094	49,747	721,906	114,703	1,035,000	164,450	1,199,450
2025	319,144	43,485	735,856	100,265	1,055,000	143,750	1,198,750
2026	337,295	27,528	777,705	63,472	1,115,000	91,000	1,206,000
2027	350,908	14,036	809,092	32,364	1,160,000	46,400	1,206,400
Total	\$ 1,627,485	190,684	\$ 3,752,515	\$ 439,666	5,380,000	630,350	6,010,350
Unamortized premium	\$ 153,011		\$ 357,027		\$ 510,038		

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

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2021 Lease Revenue Refunding Bonds, Series A

On April 28, 2021, the 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, 2022 was \$32,755,000.

As of June 30, 2022, the outstanding balance of defeased 2012 Lease Revenue Refunding Bonds, Series B, were fully redeemed.

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.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	2,625,000	470,650	3,095,650
2028-2032	13,880,000	1,330,254	15,210,254
2033-2034	6,020,000	247,883	6,267,883
Total	\$ 32,755,000	\$ 4,354,690	\$ 37,109,690

2021 Lease Revenue Refunding Bonds, Series B

On October 14, 2021, the Authority issued 2021 Federally Taxable Lease Revenue Refunding Bonds, Series B, in the amount of \$55,500,000. The proceeds from the issuance were used to advance refund the outstanding 2012 Lease Revenue Bonds, Series A, and 2014 Lease Revenue Refunding Bond, Series A.

Interest on the bonds is payable semiannually on May 1 and November 1 of each year commencing on May 1, 2022, and the Bonds mature on November 1, 2035. The principal balance of the outstanding bonds at June 30, 2022 was \$55,500,000.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2021 Lease Revenue Refunding Bonds, Series B (Continued)

The City reduced the aggregate debt service payments by \$3,222,083 over the remaining maturity period of the 2012 Lease Revenue Refunding Bonds, Series A and 2014 Lease Revenue Refunding Bond, Series A, to obtain an economic gain of \$2,736,148 (difference between the present values of the debt service payments on the old and new debt).

As of June 30, 2022, the outstanding balance of the defeased 2012 Lease Revenue Bonds, Series A, and 2014 Lease Revenue Refunding Bonds, Series A, were in the amount of \$49,875,000.

The 2021 Lease Revenue Refunding Bonds, Series B, 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.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 3,590,000	\$ 1,072,898	\$ 4,662,898
2024	3,605,000	1,057,893	4,662,893
2025	3,630,000	1,033,413	4,663,413
2026	3,665,000	995,964	4,660,964
2027	3,720,000	948,410	4,668,410
2028-2032	19,670,000	3,660,527	23,330,527
2033-2036	17,620,000	1,045,049	18,665,049
Total	<u>\$ 55,500,000</u>	<u>\$ 9,814,154</u>	<u>\$ 65,314,154</u>

Equipment Lease

On July 1, 2021, the City entered into a 36 month lease as Lessee for the use of Xerox equipment. An initial lease liability was recorded in the amount of \$331,736. As of June 30, 2022, the value of the lease liability is \$220,854. The City is required to make annual fixed payments of \$110,949. The lease has an interest rate of .3150%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$223,481 with accumulated amortization of \$108,256 included with governmental activities intangible lease assets.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 110,253	\$ 696	\$ 110,949
2024	110,601	348	110,949
Total	<u>\$ 220,854</u>	<u>\$ 1,044</u>	<u>\$ 221,898</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Master Lease – Renaissance/Bureau of Indian Affairs

On July 1, 2021, the City entered into a 462 month lease as Lessee for the use of Master Lease Renaissance/Bureau of Indian Affairs. An initial lease liability was recorded in the amount of \$46,905,466. As of June 30, 2022, the value of the lease liability is \$45,639,207. The City is required to make annual variable principal and interest payments of \$1,641,692 based on a CPI index of 0.00%. The lease has an interest rate of 1.7050%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$46,905,466 with accumulated amortization of \$1,218,324 is included governmental activities intangible lease assets.

Year Ending June 30,	Principal	Interest	Total
2023	\$ 863,543	\$ 778,149	\$ 1,641,692
2024	878,266	763,426	1,641,692
2025	893,241	748,451	1,641,692
2026	908,471	733,221	1,641,692
2027	923,960	717,732	1,641,692
2028-2032	4,861,545	3,346,913	8,208,458
2033-2037	5,290,367	2,918,091	8,208,458
2038-2042	5,757,014	2,451,444	8,208,458
2043-2047	6,264,823	1,943,635	8,208,458
2048-2052	6,817,425	1,391,033	8,208,458
2053-2057	7,418,769	789,689	8,208,458
2058-2060	4,761,783	163,292	4,925,075
Total	<u>\$ 45,639,207</u>	<u>\$ 16,745,076</u>	<u>\$ 62,384,283</u>

B. Business-Type Activities

Summary of changes in long-term debts for the year ended June 30, 2022 for the business-type activities are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Business-type Activities:						
Direct Borrowings:						
State Water Resource Control Board	\$ 24,661,857	\$ -	\$ (695,050)	\$ 23,966,807	\$ 706,866	\$ 23,259,941
TCF Capital Equipment	257,575	-	(144,702)	112,873	112,873	-
Yamaha golf leases	20,507	-	(9,650)	10,857	10,028	829
Public Offerings:						
2019 Airport Passenger Facility Charge						
Revenue Bonds	19,280,000	-	(1,530,000)	17,750,000	1,610,000	16,140,000
Unamortized premiums	2,798,598	-	(277,547)	2,521,051	-	2,521,051
Airport Revenue Bonds, net	<u>22,078,598</u>	<u>-</u>	<u>(1,807,547)</u>	<u>20,271,051</u>	<u>1,610,000</u>	<u>18,661,051</u>
2017 Lease Revenue Refunding Bonds	4,436,059	-	(683,544)	3,752,515	707,956	3,044,559
Unamortized premium	430,894	-	(73,867)	357,027	-	357,027
Lease Revenue Bonds, net	<u>4,866,953</u>	<u>-</u>	<u>(757,411)</u>	<u>4,109,542</u>	<u>707,956</u>	<u>3,401,586</u>
Total business-type activities	<u>\$ 51,885,490</u>	<u>\$ -</u>	<u>\$ (3,414,360)</u>	<u>\$ 48,471,130</u>	<u>\$ 3,147,723</u>	<u>\$ 45,323,407</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

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, 2022, is \$23,966,807.

Annual requirements to amortize outstanding loans payable as of June 30, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	756,172	358,129	1,114,301
2028-2032	3,978,113	1,593,395	5,571,508
2033-2037	4,327,946	1,243,562	5,571,508
2038-2042	4,708,544	862,964	5,571,508
2043-2047	5,122,611	448,897	5,571,508
2048-2049	2,173,036	55,568	2,228,604
Total	<u>\$ 23,966,807</u>	<u>\$ 6,119,337</u>	<u>\$ 30,086,144</u>

TCF Capital Equipment Lease

In December 2017, the City entered into a five-year finance purchase 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 outstanding balance at June 30, 2022, is \$112,873.

The future debt service payment is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	<u>\$ 112,873</u>	<u>\$ 2,127</u>	<u>\$ 115,000</u>

Yamaha Golf

The City executed a finance purchase 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, 2022 is \$10,857.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Yamaha Golf Lease (Continued)

The present value of future lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 10,028	\$ 410	\$ 10,438
2024	829	44	873
Total	<u>\$ 10,857</u>	<u>\$ 454</u>	<u>\$ 11,311</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, 2022 are \$17,750,000 and \$2,521,051, respectively.

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

Year Ending June 30,	Principal	Interest	Total
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	1,955,000	540,500	2,495,500
2028-2031	8,855,000	1,134,000	9,989,000
Total	<u>\$ 17,750,000</u>	<u>\$ 4,725,250</u>	<u>\$ 22,475,250</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, 2022, principal and interest remaining on the PFC bonds was \$22,475,250. For the current year, principal and interest paid and total PFC revenues were \$2,494,000 and \$5,480,477, respectively.

2017 Lease Revenue Refunding Bonds

The activities associated with the police building project and cogeneration plant are governmental activities and the activities of the golf course are business-type activities. Refer to Long Term Debt Governmental Activities 2017 Lease Revenue Refunding Bonds for full description of the bond on pages 73-74.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities

Summary of changes in long-term liabilities for the year ended June 30, 2022 for the fiduciary activities are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Tax Allocation Bonds:						
2007 Tax Allocation Bonds, Series B	\$ 1,640,000	\$ -	\$ (80,000)	\$ 1,560,000	\$ 80,000	\$ 1,480,000
2014 Tax Allocation Bonds	9,640,000	-	(1,155,000)	8,485,000	870,000	7,615,000
2017A Tax Allocation Refunding Parity Bonds	10,360,000	-	(165,000)	10,195,000	150,000	10,045,000
2017B Tax Allocation Refunding Parity Bonds	4,815,000	-	(285,000)	4,530,000	290,000	4,240,000
Unamortized Premiums/(Discounts):						
2014 Tax Allocation Bonds	1,382,586	-	(98,750)	1,283,836	-	1,283,836
2017A Tax Allocation Refunding Parity Bonds	1,196,004	-	(85,430)	1,110,574	-	1,110,574
2017B Tax Allocation Refunding Parity Bonds	(94,491)	-	10,498	(83,993)	-	(83,993)
Tax Allocation Bonds, net	28,939,099	-	(1,858,682)	27,080,417	1,390,000	25,690,417
Total fiduciary activities	\$ 28,939,099	\$ -	\$ (1,858,682)	\$ 27,080,417	\$ 1,390,000	\$ 25,690,417

2007 Tax Allocation Bonds Series A, B, C

On September 7, 2007, the former Community Redevelopment Agency issued \$12,770,000 TAB Series A, \$1,910,000 TAB Series 8, and \$6,495,000 Series C. The Bonds were issued to finance redevelopment activities of the Agency within, or of benefit to, the Agency's Merged Project Area No. 1, capitalize interest in the Series A Bonds, satisfy a portion of the reserve requirement for the Bonds, and provide for the costs of issuing the Bonds.

The Series A Bonds consist of \$2,715,000 of serial bonds and \$10,055,000 of term bonds. The serial bonds accrue interest at rates between 4.00% and 4.50% and mature between September 1, 2018 and September 1, 2025 in amounts ranging from \$150,000 to \$615,000. The first portion of the term bonds with principal of \$5,000,000 accrues interest at a rate of 5.00% and matures on September 1, 2030. The second portion of the term bonds with principal of \$5,055,000 accrues interest at a rate of 5.00% and matures on September 1, 2034. These bonds were fully refunded 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities (Continued)

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

The balance outstanding on the 2007 Tax Allocation Bonds, Series B, as of June 30, 2022, is \$1,560,000. Future requirements to amortize are as follows:

Year Ending June 30,	Principal	Interest	Total
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	105,000	70,775	175,775
2028-2035	1,100,000	292,619	1,392,619
Total	<u>\$ 1,560,000</u>	<u>\$ 704,987</u>	<u>\$ 2,264,987</u>

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

2014 Subordinate Tax Allocation Refunding Bonds

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

The total bond balance outstanding at June 30, 2022, is \$8,485,000 including \$1,283,836 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	520,000	273,750	793,750
2028-2034	5,215,000	1,110,625	6,325,625
Total	<u>\$ 8,485,000</u>	<u>\$ 2,740,075</u>	<u>\$ 11,225,075</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities (Continued)

2014 Subordinate Tax Allocation Refunding Bonds (Continued)

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

2017A 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.

The total bond balance outstanding at June 30, 2022, is \$10,195,000 including \$1,110,574 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	840,000	373,000	1,213,000
2028-2034	8,460,000	1,333,200	9,793,200
Total	<u>\$ 10,195,000</u>	<u>\$ 3,367,775</u>	<u>\$ 13,562,775</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, 2022, is \$4,530,000 including \$83,933 of unamortized discount. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	325,000	106,856	431,856
2028-2034	3,000,000	432,978	3,432,978
Total	<u>\$ 4,530,000</u>	<u>\$ 1,054,790</u>	<u>\$ 5,584,790</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities (Continued)

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

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).

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 \$32,637,627, payable through September 2034. For the current year, principal and interest paid and total property tax revenues were \$2,802,550 and \$2,739,244 respectively.

Note 8 – 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, 2022, are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences payable	\$ 8,015,491	\$ 5,438,067	\$ (5,047,989)	\$ 8,405,569	\$ 6,030,569	\$ 2,375,000
Business-Type Activities:						
Compensated absences payable	\$ 1,321,631	\$ 908,152	\$ (836,650)	\$ 1,393,133	\$ 1,393,133	\$ -

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Claims and Judgments

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

The 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, 2022, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$10,411,142 of which \$4,576,099 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. 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 three years ended June 30, 2022 are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
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
2021-2022	14,758,820	5,004,816	(9,352,494)	10,411,142

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Defined Benefit Pension Plan

A summary of pension-related items as of June 30, 2022 is as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 5,305,091	\$ 2,817,848	\$ 8,122,939
Safety	11,857,376	-	11,857,376
Total contribution after measurement date	<u>17,162,467</u>	<u>2,817,848</u>	<u>19,980,315</u>
Difference between expected and actual experience:			
Miscellaneous	84,702	44,990	129,692
Safety	3,036,795	-	3,036,795
Total difference between expected and actual experience	<u>3,121,497</u>	<u>44,990</u>	<u>3,166,487</u>
Total deferred outflows of resources	<u>\$ 20,283,964</u>	<u>\$ 2,862,838</u>	<u>\$ 23,146,802</u>
Aggregate net pension liabilities:			
Miscellaneous	\$ 27,801,232	\$ 14,766,876	\$ 42,568,108
Safety	83,396,039	-	83,396,039
Total aggregate net pension liabilities	<u>\$111,197,271</u>	<u>\$ 14,766,876</u>	<u>\$125,964,147</u>
Deferred inflows of resources:			
Changes in assumptions:			
Safety	\$ 63,226	\$ -	\$ 63,226
Total changes in assumptions	<u>63,226</u>	<u>-</u>	<u>63,226</u>
Difference between expected and actual experience:			
Miscellaneous	176,396	93,694	270,090
Safety	10,673	-	10,673
Total difference between expected and actual experience	<u>187,069</u>	<u>93,694</u>	<u>280,763</u>
Difference between projected and actual earnings on plan investments:			
Miscellaneous	12,699,934	6,745,686	19,445,620
Safety	21,325,367	-	21,325,367
Total difference between projected and actual earnings on plan	<u>34,025,301</u>	<u>6,745,686</u>	<u>40,770,987</u>
Total deferred inflows of resources	<u>\$ 34,275,596</u>	<u>\$ 6,839,380</u>	<u>\$ 41,114,976</u>
Pension expense:			
Miscellaneous	\$ 677,555	\$ 359,889	\$ 1,037,444
Safety	5,996,744	-	5,996,744
Total net pension expense	<u>\$ 6,674,299</u>	<u>\$ 359,889</u>	<u>\$ 7,034,188</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Defined Benefit Pension Plan (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, 2022, 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%	7.000%	7.250%
Required contribution during measurement period	12.270%	12.270%	12.270%
	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%	12.250%
Required contribution during measurement period	21.241%	21.241%	21.241%

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Defined Benefit Pension Plan (Continued)

C. Employees Covered

At June 30, 2020, the valuation date, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous	Safety
Active employees	282	160
Transferred members	111	38
Terminated members	196	35
Retired Employees and Beneficiaries	553	290
Total	1142	523

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, 2022, the employer contributions recognized as a reduction to the net pension liability for the Miscellaneous and Safety Plan were \$7,525,607 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, 2021 using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2020 valuation was rolled forward to determine the June 30, 2021 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, 2022

Note 10 – Defined Benefit Pension Plan (Continued)

G. Changes of Assumptions

In 2021, 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, 2022

Note 10 – Defined Benefit Pension Plan (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, 2020 (Valuation Date)	\$ 243,951,746	\$ 174,627,396	\$ 69,324,350
Changes Recognized for the Measurement Period:			
Service Cost	3,987,258	-	3,987,258
Interest on the total pension liability	17,080,970	-	17,080,970
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	205,982	-	205,982
Plan to plan resource movement	-	-	-
Contributions from the employer	-	7,525,607	(7,525,607)
Contributions from employees	-	1,676,713	(1,676,713)
Net investment income	-	39,002,574	(39,002,574)
Benefit payments, including refunds of employee contributions	(14,513,336)	(14,513,336)	-
Administrative expenses	-	(174,442)	174,442
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	<u>6,760,874</u>	<u>33,517,116</u>	<u>(26,756,242)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 250,712,620</u>	<u>\$ 208,144,512</u>	<u>\$ 42,568,108</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, 2020 (Valuation Date)	\$ 299,397,446	\$ 189,188,854	\$ 110,208,592
Changes Recognized for the Measurement Period:			
Service Cost	5,673,430	-	5,673,430
Interest on the total pension liability	21,171,704	-	21,171,704
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Difference between expected and actual experience	1,902,838	-	1,902,838
Plan to plan resource movement	-	-	-
Contributions from the employer	-	10,835,613	(10,835,613)
Contributions from employees	-	2,081,430	(2,081,430)
Net investment income	-	42,832,470	(42,832,470)
Benefit payments, including refunds of employee contributions	(16,058,479)	(16,058,479)	-
Administrative expenses	-	(188,988)	188,988
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	<u>12,689,493</u>	<u>39,502,046</u>	<u>(26,812,553)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 312,086,939</u>	<u>\$ 228,690,900</u>	<u>\$ 83,396,039</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Defined Benefit Pension Plan (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	\$ 72,833,254	\$ 42,568,108	\$ 17,340,105
Safety Plan	\$ 125,877,188	\$ 83,396,039	\$ 48,552,061

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 Annual Comprehensive 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, at the measurement date June 30, 2021, the net pension liability was \$42,568,128. The liability will be paid in future years by the General Fund, the Motor Vehicle Replacement Internal Service Fund, the Facilities Maintenance Internal Service Fund, the Risk Management Internal Service Fund, the Wastewater Enterprise Fund, and the Airport Enterprise Fund as it becomes due. For the measurement period ended June 30, 2021 (the measurement date), the City incurred a pension expense/(income) of \$1,037,444 for the Miscellaneous Plan.

As of June 30, 2022, 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	\$ 8,122,939	\$ -
Difference between expected and actual experience	129,692	(270,090)
Net difference between projected and actual earning on pension plan investments	-	(19,445,620)
Total	\$ 8,252,631	\$ (19,715,710)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Defined Benefit Pension Plan (Continued)

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

The \$8,122,939 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, 2023. 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
2022	\$ (5,127,273)
2023	(4,444,962)
2024	(4,662,999)
2025	(5,350,784)
2026	-
Thereafter	-
	\$ (19,586,018)

For the Safety agent multiple-employer plan, at the measurement period date June 30, 2021, the net pension liability was \$83,396,039. The liability will be paid in future years by the General Fund as it becomes due. For the measurement period ended June 30, 2021 (the measurement date), the City incurred a pension expense of \$5,996,744 for the Plan.

As of June 30, 2022, 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	\$ 11,857,376	\$ -
Changes of assumptions	-	(63,226)
Difference between expected and actual experience	3,036,795	(10,673)
Net difference between projected and actual earnings on pension plan investments	-	(21,325,367)
Total	\$ 14,894,171	\$ (21,399,266)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Defined Benefit Pension Plan (Continued)

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

The \$11,857,376 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, 2023. 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
2022	\$ (4,007,993)
2023	(4,016,450)
2024	(4,542,562)
2025	(5,795,466)
2026	-
Thereafter	-
	\$ (18,362,471)

Note 11 – 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	\$ 3,860,251	\$ 339,326	\$ 4,199,577
Change of assumptions	10,366,428	911,235	11,277,663
Total deferred outflows of resources	\$ 14,226,679	\$ 1,250,561	\$ 15,477,240
Net OPEB liability:	\$ 130,859,101	\$ 11,502,112	\$ 142,361,213
Deferred inflows of resources:			
Changes in assumptions	\$ 2,631,130	\$ 231,283	\$ 2,862,413
Difference between expected and actual experience	20,024,030	1,760,163	21,784,193
Total deferred inflows of resources	\$ 22,655,160	\$ 1,991,446	\$ 24,646,606
OPEB expenses (credit):	\$ 7,475,873	\$ (3,810,231)	\$ 3,665,642

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – 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, 2020, the valuation date, the following numbers of participants were covered by the benefit terms:

Active employees	442
Retirees	259
Total	701

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 2022, the City paid a total of \$4,199,577 for retiree health insurance.

D. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2021 for the measurement period July 1, 2020 through June 30, 2021. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2020, 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	2.18% per annum as of June 30, 2021 2.66% per annum as of June 30, 2020
General Inflation	2.5% per annum
Salary Increases	3.0% per annum, in aggregate
Mortality	CalPERS 2017 Experience Study
Mortality Improvement	MW Scale 2022
Healthcare Cost Trend Rates	5.8% in 2023, fluctuates until ultimate rate

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 2.66% as of June 30, 2020 and 2.18% as of June 30, 2021.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

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, 2020	\$ 145,521,879	\$ -	\$ 145,521,879
Changes recognized for the measurement period:			
Service cost	3,220,216	-	3,220,216
Interest on the total OPEB liability	3,899,600	-	3,899,600
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(10,408,386)	-	(10,408,386)
Changes of assumptions	4,409,062	-	4,409,062
Contributions from the employer	-	4,281,158	(4,281,158)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	-	-
Benefit payments, including refunds of employee contributions	(4,281,158)	(4,281,158)	-
Administrative expense	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	(3,160,666)	-	(3,160,666)
Balance at June 30, 2021 (Measurement Date)	\$ 142,361,213	\$ -	\$ 142,361,213

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, 2021:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (1.18%)	Current Discount Rate (2.18%)	Discount Rate + 1% (3.18%)
\$ 168,299,170	\$ 142,361,213	\$ 121,833,044

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
\$ 120,805,998	\$ 142,361,213	\$ 169,750,583

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 11 – Other Postemployment Benefits (“OPEB”) (Continued)

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$3,665,642. At June 30, 2022, 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	\$ 4,199,577	\$ -
Difference between expected and actual experience	-	(21,784,193)
Changes of assumptions	11,277,663	(2,862,413)
Total	\$ 15,477,240	\$ (24,646,606)

The \$4,199,577 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 fiscal year ending June 30, 2023. 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	\$ (3,454,174)
2023	(2,846,997)
2024	(1,917,037)
2025	(2,284,113)
2026	(1,907,441)
Thereafter	(959,181)
	\$ (13,368,943)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 12 – Fund Balance Classifications

At June 30, 2022, the City’s governmental funds had the following fund balance classifications:

	General	Capital	Debt	Nonmajor Governmental Funds	Total
		Projects Fund	Service Fund		
		Measure J	General Debt Service		
Nonspendable:					
Notes and loans receivables	\$ 166,667	\$ -	\$ -	\$ -	\$ 166,667
Prepaid items	173,533	-	-	-	173,533
Deposits	200,000	-	-	-	200,000
Advances to other funds	1,210,000	-	-	-	1,210,000
Land held for resale	49,950	-	-	-	49,950
Subtotal	1,800,150	-	-	-	1,800,150
Restricted:					
Community development projects	-	-	-	13,043,168	13,043,168
Capital Projects	-	-	-	563,910	563,910
Public safety grants and programs	-	-	-	4,035,433	4,035,433
Public works projects	-	-	-	19,366,622	19,366,622
Debt service	-	-	-	1,607,811	1,607,811
Library	-	-	-	1,773,195	1,773,195
Debt service	-	-	4,550	-	4,550
Special projects	-	-	-	2,910,189	2,910,189
Subtotal	-	-	4,550	43,300,328	43,304,878
Assigned:					
Public works projects	-	32,744,801	-	-	32,744,801
Capital projects	-	-	-	14,191,740	14,191,740
Debt Service	-	-	5,688,588	-	5,688,588
CalPERS	28,250,000	-	-	-	28,250,000
Reserve Special Grants Fund	188,899	-	-	-	188,899
Subtotal	28,438,899	32,744,801	5,688,588	14,191,740	81,064,028
Unassigned	101,952,531	-	-	-	101,952,531
Total	\$132,191,580	\$ 32,744,801	\$ 5,693,138	\$ 57,492,068	\$ 228,121,587

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Net Investment in Capital Assets

The net investment in capital assets for governmental activities, business-type activities, and enterprise funds is calculated as follows:

	Governmental Activities	Business-Type Activities	Enterprise Fund		
			Airport	Wastewater	Golf
Total capital assets, net	\$ 360,817,513	\$ 157,533,095	\$ 97,306,281	\$ 54,328,643	\$ 5,898,171
Unspent capital debt proceed	-	3,520,964	3,520,964	-	-
Deferred loss on refunding debt	4,181,463	49,266	-	-	49,266
Capital related debt	<u>(169,850,632)</u>	<u>(48,471,130)</u>	<u>(20,271,051)</u>	<u>(23,966,807)</u>	<u>(4,233,272)</u>
Net investment in capital assets	<u>\$ 195,148,344</u>	<u>\$ 112,632,195</u>	<u>\$ 80,556,194</u>	<u>\$ 30,361,836</u>	<u>\$ 1,714,165</u>

Note 14 – Other Required Fund Disclosures

The following funds had deficit balances as of June 30, 2022:

Funds	Amount
Fiduciary Funds:	
Private Purpose Trust Fund	
Successor Agency Funds	\$ (26,506,580)

The following funds exceeded appropriation amounts for the year ended June 30, 2022:

Funds	Final Appropriations	Expenditures	Excess
Major Governmental Funds:			
General Debt Service Fund	\$ 10,277,904	\$ 64,402,633	\$(54,124,729)
Nonmajor Governmental Funds:			
Safety Augmentation Special Revenue Fund			
Public safety	833,004	1,018,815	(185,811)
Air Quality Management Special Revenue Fund			
Public works	50,000	66,172	(16,172)
Special Projects Special Revenue Fund			
Public safety	100,000	254,408	(154,408)
Emergency Response Special Revenue Fund			
Public safety	1,042,373	1,045,479	(3,106)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 15 – Construction Commitments

The City has active construction projects as of June 30, 2022. 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
HSIP Cycle 7 Traffic Signal Modifications	\$ 690,178	\$ 2,157,581
HSIP Cycle 8 - Flashing Beacon	-	317,838
Bogert Trail Sewage Lift Station	-	2,342,139
Demuth Community Center Egress & HVAC Improvements	532,860	391,911
City Yard Roof Replacement	190,000	10,000
Airport Passenger Boarding Bridges	7,077,948	424,965
Desert Highland Traffic Signal	-	638,881
City Hall and Police Department Cooling Towers	279,340	14,702
WWTP Digester & Gas Flare	-	15,905,500
Pavilion Acoustic Upgrades	-	112,783
Demuth and Desert Highland Park Restroom	683,739	203,737
San Rafael Dr. & Avenida Cabbaleros Traffic Signal	-	511,706
2022 Slurry Seal	295,304	562,543
Airport Demonstration Garden	152,944	5,950
WWTP Fiber Optic Line	-	36,619
Desert Highland Park Shade Structure	-	17,763
Airport Storage Spaces	8,693	35,813
Swim Center Shade Structures	-	100,946
	<u>\$ 9,911,006</u>	<u>\$ 23,791,377</u>

Note 16 – Tax Abatement (Hotel Incentive Program)

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, 2022, TOT was refunded under the agreements to the following hotels:

	Incentive Amount	End of Agreement
Hyatt	\$ 172,314	April 30, 2022
Saguaro	462,577	April 30, 2022
Margaritaville Resort	561,605	May 31, 2022
Bearfoot Inn	7,736	December 31, 2022
Skylark Hotel	26,156	February 28, 2023
Hilton	486,887	April 30, 2023
Sparrows Lodge	114,396	September 30, 2023
Palm Mountain Resort & Spa	64,316	September 30, 2025
The Palm Springs Hotel	46,920	October 31, 2025
Alcazar	43,258	December 31, 2025
Arrive Hotel	155,455	February 28, 2026
Dive Palm Springs	58,527	June 30, 2026
Santiago Resort	54,806	February 28, 2031
The Rowan	1,456,578	October 31, 2047
Total	<u>\$ 3,711,531</u>	

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 17 – 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.

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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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 107,736,400	\$ 115,136,400	\$ 151,731,890	\$ 36,595,490
Intergovernmental	6,079,149	17,446,394	12,378,527	(5,067,867)
Licenses and permits	6,508,243	6,678,761	8,130,099	1,451,338
Fines and forfeitures	622,266	451,748	590,165	138,417
Use of money and property	1,708,116	1,708,116	(1,167,104)	(2,875,220)
Charges for services	6,143,860	6,438,394	6,689,111	250,717
Miscellaneous	169,456	507,734	621,980	114,246
Total revenues	<u>128,967,490</u>	<u>148,367,547</u>	<u>178,974,668</u>	<u>30,607,121</u>
EXPENDITURES:				
Current:				
General government	29,425,942	48,750,662	21,866,018	26,884,644
Public safety	54,303,776	64,113,651	61,530,034	2,583,617
Cultural and convention center	6,928,031	7,542,276	7,572,864	(30,588)
Parks and recreation	5,375,080	6,074,268	5,264,398	809,870
Public works	18,058,696	21,863,164	17,466,953	4,396,211
Library	2,888,481	3,067,006	2,854,721	212,285
Capital outlay	98,000	634,828	6,576,311	(5,941,483)
Debt service:				
Principal retirement	1,377,141	1,377,141	1,377,141	-
Interest and fiscal charges	375,500	375,500	375,500	-
Total expenditures	<u>117,078,006</u>	<u>152,045,855</u>	<u>124,883,940</u>	<u>28,914,556</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,889,484</u>	<u>(3,678,308)</u>	<u>54,090,728</u>	<u>59,521,677</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	5,740,000	5,740,000
Proceeds from sale of capital assets	-	-	651,800	651,800
Transfers in	433,600	-	-	-
Transfers out	(10,529,365)	(10,095,765)	(10,095,765)	-
Total other financing sources (uses)	<u>(10,095,765)</u>	<u>(10,095,765)</u>	<u>(3,703,965)</u>	<u>6,391,800</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,793,719</u>	<u>\$ (13,774,073)</u>	<u>50,386,763</u>	<u>\$ 65,913,477</u>
FUND BALANCE:				
Beginning of year			<u>81,804,817</u>	
End of Year			<u>\$ 132,191,580</u>	

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City of Palm Springs
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2022

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 fund level. 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, 2022.

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, 2022

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 2020 and 2021. 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, 2022

Last Ten Fiscal Years

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

Measurement period	2018-19	2019-20	2020-21
Total pension liability			
Service cost	\$ 4,208,238	\$ 4,152,046	\$ 3,987,258
Interest	16,144,692	16,589,141	17,080,970
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	567,509	(1,041,772)	205,982
Benefit payments, including refunds of employee contributions	(12,675,189)	(13,458,760)	(14,513,336)
Net change in total pension liability	8,245,250	6,240,655	6,760,874
Total pension liability - beginning	229,465,841	237,711,091	243,951,746
Total pension liability - ending (a)	\$ 237,711,091	\$ 243,951,746	\$ 250,712,620
Pension fiduciary net position			
Contributions - employer	\$ 6,489,424	\$ 7,333,963	\$ 7,525,607
Contributions - employee	1,835,717	1,764,550	1,676,713
Net investment income	10,726,808	8,554,172	39,002,574
Benefit payments, including refunds of employee contributions	(12,675,189)	(13,458,760)	(14,513,336)
Plan to plan resource movement	-	-	-
Administrative expense ²	(117,330)	(240,609)	(174,442)
Other Miscellaneous Income/(Expense) ¹	382	-	-
Net change in plan fiduciary net position	6,259,812	3,953,316	33,517,116
Plan fiduciary net position - beginning³	164,414,268	170,674,080	174,627,396
Plan fiduciary net position - ending (b)	\$ 170,674,080	\$ 174,627,396	\$ 208,144,512
Plan net pension liability - ending (a) - (b)	\$ 67,037,011	\$ 69,324,350	\$ 42,568,108
Plan fiduciary net position as a percentage of the total pension liability	71.80%	71.58%	83.02%
Covered payroll³	\$ 21,751,370	\$ 21,991,770	\$ 21,980,474
Plan net pension liability as a percentage of covered payroll	308.20%	315.23%	193.66%

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, 2022

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 2020 and 2021. 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, 2022

Last Ten Fiscal Years

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

Measurement period	2018-19	2019-20	2020-21
Total pension liability			
Service cost	\$ 4,893,432	\$ 5,322,964	\$ 5,673,430
Interest	19,523,838	20,316,740	21,171,704
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	2,501,866	1,712,111	1,902,838
Benefit payments, including refunds of employee contributions	(15,047,324)	(15,461,944)	(16,058,479)
Net change in total pension liability	11,871,812	11,889,871	12,689,493
Total pension liability - beginning	275,635,763	287,507,575	299,397,446
Total pension liability - ending (a)	<u>\$ 287,507,575</u>	<u>\$ 299,397,446</u>	<u>\$ 312,086,939</u>
Pension fiduciary net position			
Contributions - employer	\$ 8,585,908	\$ 10,001,306	\$ 10,835,613
Contributions - employee	1,671,882	2,081,546	2,081,430
Net investment income	11,544,364	9,141,826	42,832,470
Benefit payments, including refunds of employee contributions	(15,047,324)	(15,461,944)	(16,058,479)
Plan to plan resource movement	-	-	-
Administrative expense ²	(126,351)	(258,951)	(188,988)
Other Miscellaneous Income/(Expense) ¹	413	-	-
Net change in plan fiduciary net position	6,628,892	5,503,783	39,502,046
Plan fiduciary net position - beginning³	177,056,179	183,685,071	189,188,854
Plan fiduciary net position - ending (b)	<u>\$ 183,685,071</u>	<u>\$ 189,188,854</u>	<u>\$ 228,690,900</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 103,822,504</u>	<u>\$ 110,208,592</u>	<u>\$ 83,396,039</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>63.89%</u>	<u>63.19%</u>	<u>73.28%</u>
Covered payroll³	<u>\$ 16,426,425</u>	<u>\$ 18,013,413</u>	<u>\$ 19,469,562</u>
Plan net pension liability as a percentage of covered payroll	<u>632.05%</u>	<u>611.81%</u>	<u>428.34%</u>

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2022

Last Ten Fiscal Years

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

	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	<u>(3,834,378)</u>	<u>(4,332,593)</u>	<u>(4,921,063)</u>	<u>(5,240,243)</u>	<u>(5,808,438)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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 2020-21 were derived from the June 30, 2018 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	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% net of pension plan investment expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience study for the period from 1997 to 2015.
Mortality	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 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, 2022

Last Ten Fiscal Years

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

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Actuarially determined contribution	\$ 6,489,424	\$ 7,333,963	\$ 7,525,607	\$ 8,122,939
Contributions in relation to the actuarially determined contribution ²	<u>(6,489,424)</u>	<u>(7,333,963)</u>	<u>(7,525,607)</u>	<u>(8,122,939)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 21,751,370	\$ 21,991,770	\$ 21,980,474	\$ 22,584,937
Contributions as a percentage of covered payroll ³	29.83%	33.35%	34.24%	35.97%

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2022

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	<u>(4,602,200)</u>	<u>(5,272,145)</u>	<u>(5,906,758)</u>	<u>(7,095,444)</u>	<u>(7,446,996)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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 2020-21 were derived from the June 30, 2018 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	2.50%
Salary increases	Varies by entry age and service
Payroll Growth	2.75%
Investment rate of return	7.00% 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 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 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, 2022

Last Ten Fiscal Years

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

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Actuarially determined contribution	\$ 8,585,908	\$ 10,001,306	\$ 10,835,613	\$ 11,857,376
Contributions in relation to the actuarially determined contribution ²	<u>(8,585,908)</u>	<u>(10,001,306)</u>	<u>(10,835,613)</u>	<u>(11,857,376)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ³	\$ 16,426,425	\$ 18,013,413	\$ 19,469,562	\$ 20,004,975
Contributions as a percentage of covered payroll ³	52.27%	55.52%	55.65%	59.27%

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, 2022

Last Ten Fiscal Years*

Other Postemployment Benefit Plan

Measurement period	2020-21	2019-20	2018-19	2017-18	2016-17
Total OPEB liability					
Service cost	\$ 3,220,216	\$ 3,010,767	\$ 3,627,328	\$ 3,358,207	\$ 3,726,841
Interest	3,899,600	3,921,381	4,515,822	4,484,043	4,040,843
Differences between expected and actual experience	(10,408,386)	-	(20,708,241)	-	-
Changes of assumptions	4,409,062	3,023,024	6,018,257	3,755,480	(11,536,388)
Benefit payments, including refunds of employee contributions	(4,281,158)	(3,947,609)	(3,698,318)	(3,480,420)	(3,280,004)
Net change in total OPEB liability	(3,160,666)	6,007,563	(10,245,152)	8,117,310	(7,048,708)
Total OPEB liability - beginning	145,521,879	139,514,316	149,759,468	141,642,158	148,690,866
Total OPEB liability - ending (a)	<u>\$ 142,361,213</u>	<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)	\$ (3,947,609)	\$ 3,698,318	\$ 3,358,204	\$ 3,280,004
Net investment income	3,947,609	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>	<u>\$ -</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 142,361,213</u>	<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>	<u>0.00%</u>
Covered- employee payroll³	<u>\$ 46,594,259</u>	<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>305.53%</u>	<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	Entry Age Normal
Inflation	2.5% per year	2.5% per year	2.5% per year	2.75% per year	2.75% per year
Healthcare cost trend rates	5.8% in 2023, fluctuates until ultimate rate of 3.9% in 2076	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%	3.25%	3.25%
Retirement age	From 50 to 75	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 2017 Experience Study	CalPERS 2014 Experience Study	CalPERS 2014 Experience Study
Mortality Improvement	MW Scale 2022	MW Scale 2020	MW Scale 2020	MW Scale 2017	MW Scale 2017

Notes to Schedule:

* Until a full 10-year trend is compiled, only information for those years available is presented. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 16,500,000	\$ 17,800,000	\$ 22,202,207	\$ 4,402,207
Use of money and property	-	-	(445,703)	(445,703)
Other revenue	-	-	13,955	13,955
Total Revenues	<u>16,500,000</u>	<u>17,800,000</u>	<u>21,770,459</u>	<u>3,970,459</u>
EXPENDITURES:				
Current:				
Public works	4,350,000	4,490,828	599,309	3,891,519
Capital outlay	10,755,000	24,537,753	8,166,086	16,371,667
Total Expenditures	<u>15,105,000</u>	<u>29,028,581</u>	<u>8,765,395</u>	<u>20,263,186</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,395,000</u>	<u>(11,228,581)</u>	<u>13,005,064</u>	<u>24,233,645</u>
Other Financing (Uses):				
Transfers out	(1,402,832)	(1,402,832)	(1,402,832)	-
Total Other Financing (Uses)	<u>(1,402,832)</u>	<u>(1,402,832)</u>	<u>(1,402,832)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,832)</u>	<u>\$ (12,631,413)</u>	11,602,232	<u>\$ 24,233,645</u>
FUND BALANCE:				
Beginning of Year			<u>21,142,569</u>	
End of Year			<u>\$ 32,744,801</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Debt Service Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	-	-	\$ 1,601,164	\$ 1,601,164
Use of money and property	-	-	8,616	8,616
Total Revenues	-	-	1,609,780	1,609,780
EXPENDITURES:				
Debt service:				
Principal retirement	5,829,427	5,829,427	60,201,233	(54,371,806)
Interest and fiscal charges	4,448,477	4,448,477	4,201,400	247,077
Total Expenditures	10,277,904	10,277,904	64,402,633	(54,124,729)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,277,904)	(10,277,904)	(62,792,853)	(52,514,949)
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	55,500,000	55,500,000
Transfers in	8,994,097	8,994,097	8,994,097	-
Total Other Financing Sources	8,994,097	8,994,097	64,494,097	55,500,000
NET CHANGE IN FUND BALANCE	\$ (1,283,807)	\$ (1,283,807)	1,701,244	\$ 2,985,051
FUND BALANCE:				
Beginning of Year			3,991,894	
End of Year			\$ 5,693,138	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted or committed to expenditures 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 Community Development 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.

Library Fund - To account for revenues received for 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 restricted 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 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 the small 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 Fund - 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, 2022**

Special Revenue Funds

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	CSA 152	Recycling AB 929
ASSETS				
Cash and investments	\$ 250,629	\$ 2,329,480	\$ 125,091	\$ 654,898
Accounts receivable	-	135,364	122,637	49,592
Interest receivable	326	2,752	-	1,000
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 250,955</u>	<u>\$ 2,467,596</u>	<u>\$ 247,728</u>	<u>\$ 705,490</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 28,483	\$ 4,131
Accrued liabilities	-	41,589	2,584	5,541
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>41,589</u>	<u>31,067</u>	<u>9,672</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	250,955	2,426,007	216,661	695,818
Assigned	-	-	-	-
Total fund balances	<u>250,955</u>	<u>2,426,007</u>	<u>216,661</u>	<u>695,818</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 250,955</u>	<u>\$ 2,467,596</u>	<u>\$ 247,728</u>	<u>\$ 705,490</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
ASSETS				
Cash and investments	\$ 2,204,381	\$ 7,401,699	\$ 2,047,746	\$ -
Accounts	187,301	814,535	-	350,928
Accrued interest	2,314	6,534	2,327	-
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 2,393,996</u>	<u>\$ 8,222,768</u>	<u>\$ 2,050,073</u>	<u>\$ 350,928</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 332,329	\$ 231,062	\$ -	\$ 142,186
Accrued liabilities	2,752	329	108	-
Deposits	-	-	-	-
Due to other funds	-	-	-	208,742
Total liabilities	<u>335,081</u>	<u>231,391</u>	<u>108</u>	<u>350,928</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	2,058,915	7,991,377	2,049,965	-
Assigned	-	-	-	-
Total fund balances	<u>2,058,915</u>	<u>7,991,377</u>	<u>2,049,965</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,393,996</u>	<u>\$ 8,222,768</u>	<u>\$ 2,050,073</u>	<u>\$ 350,928</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Air Quality Management	Public Arts	Library	Quimby Act Fees
ASSETS				
Cash and investments	\$ 165,782	\$ 1,113,491	\$ 1,772,399	\$ 3,459,497
Accounts receivable	-	125	-	-
Interest receivable	202	1,088	2,279	4,131
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 165,984</u>	<u>\$ 1,114,704</u>	<u>\$ 1,774,678</u>	<u>\$ 3,463,628</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 23,268	\$ 1,500	\$ 1,483	\$ 212,489
Accrued liabilities	255	-	-	1,197
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>23,523</u>	<u>1,500</u>	<u>1,483</u>	<u>213,686</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	142,461	1,113,204	1,773,195	3,249,942
Assigned	-	-	-	-
Total fund balances	<u>142,461</u>	<u>1,113,204</u>	<u>1,773,195</u>	<u>3,249,942</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 165,984</u>	<u>\$ 1,114,704</u>	<u>\$ 1,774,678</u>	<u>\$ 3,463,628</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Special Projects	CFD Public Safety #1	Park Maintenance District	Emergency Response
ASSETS				
Cash and investments	\$ 2,892,007	\$ 1,207,924	\$ 734,568	\$ 57,458
Accounts receivable	28,836	30,701	4,699	87,368
Interest receivable	3,785	975	941	384
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 2,924,628	\$ 1,239,600	\$ 740,208	\$ 145,210
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 26,527	\$ 6,494
Accrued liabilities	14,439	19,845	2,108	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	14,439	19,845	28,635	6,494
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	2,910,189	1,219,755	711,573	138,716
Assigned	-	-	-	-
Total fund balances	2,910,189	1,219,755	711,573	138,716
Total liabilities, deferred inflows of resources and fund balances	\$ 2,924,628	\$ 1,239,600	\$ 740,208	\$ 145,210

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	Sustainability	Housing	Small Hotel TBID	SB1-RMRA
ASSETS				
Cash and investments	\$ 1,039,976	\$ 883,651	\$ 77,879	\$ 1,775,151
Accounts receivable	98,186	-	62,121	80,598
Interest receivable	1,326	4,327	119	1,709
Loans and notes	-	10,352,603	-	-
Land held for resale	-	86,253	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 1,139,488</u>	<u>\$ 11,326,834</u>	<u>\$ 140,119</u>	<u>\$ 1,857,458</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 47,596	\$ 56,597	\$ 110,984	\$ 1,155
Accrued liabilities	1,847	8,386	-	620
Deposits	-	56,840	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>49,443</u>	<u>121,823</u>	<u>110,984</u>	<u>1,775</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	1,090,045	11,205,011	29,135	1,855,683
Assigned	-	-	-	-
Total fund balances	<u>1,090,045</u>	<u>11,205,011</u>	<u>29,135</u>	<u>1,855,683</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,139,488</u>	<u>\$ 11,326,834</u>	<u>\$ 140,119</u>	<u>\$ 1,857,458</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Capital Projects Funds			Debt Service Fund
	Capital Projects	Parking Projects	CFD Canyon View	Special Assessments
ASSETS				
Cash and investments	\$ 14,430,601	\$ 546,648	\$ 16,544	\$ 1,326,079
Accounts receivable	147,587	-	-	12,262
Interest receivable	15,682	697	21	-
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	272,390
Total assets	\$ 14,593,870	\$ 547,345	\$ 16,565	\$ 1,610,731
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 351,915	\$ -	\$ -	\$ 2,920
Accrued liabilities	5,948	-	-	-
Deposits	1,097	-	-	-
Due to other funds	-	-	-	-
Total liabilities	358,960	-	-	2,920
Deferred inflows of resources:				
Unavailable revenues	43,170	-	-	-
Total deferred inflows of resources	43,170	-	-	-
Fund balances:				
Restricted	-	547,345	16,565	1,607,811
Assigned	14,191,740	-	-	-
Total fund balances	14,191,740	547,345	16,565	1,607,811
Total liabilities, deferred inflows of resources and fund balances	\$ 14,593,870	\$ 547,345	\$ 16,565	\$ 1,610,731

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 46,513,579
Accounts receivable	2,212,840
Interest receivable	52,919
Loans and notes	10,352,603
Land held for resale	86,253
Restricted assets:	
Cash and investments with fiscal agents	272,390
Total assets	\$ 59,490,584
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 1,581,119
Accrued liabilities	107,548
Deposits	57,937
Due to other funds	208,742
Total liabilities	1,955,346
Deferred inflows of resources:	
Unavailable revenues	43,170
Total deferred inflows of resources	43,170
Fund balances:	
Restricted	43,300,328
Assigned	14,191,740
Total fund balances	57,492,068
Total liabilities, deferred inflows of resources and fund balances	\$ 59,490,584

(Concluded)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	CSA 152	Recycling AB 929
REVENUES:				
Taxes	\$ -	\$ 1,420,388	\$ 249,623	\$ -
Intergovernmental	-	-	-	124,342
Licenses and permits	-	-	-	-
Fines and forfeitures	1,738	-	-	-
Use of money and property	(4,328)	(37,012)	924	(8,905)
Charges for services	-	-	-	118,933
Miscellaneous	-	-	-	-
Total revenues	(2,590)	1,383,376	250,547	234,370
EXPENDITURES:				
Current:				
General government	-	-	-	457,794
Public safety	8,207	1,018,815	-	-
Cultural and convention center	-	-	-	-
Public works	-	-	276,946	-
Library	-	-	-	-
Capital outlay	-	24,577	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	8,207	1,043,392	276,946	457,794
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,797)	339,984	(26,399)	(223,424)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	(10,797)	339,984	(26,399)	(223,424)
FUND BALANCES:				
Beginning of year	261,752	2,086,023	243,060	919,242
End of year	\$ 250,955	\$ 2,426,007	\$ 216,661	\$ 695,818

(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, 2022

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
REVENUES:				
Taxes	\$ -	\$ 3,184,660	\$ -	\$ -
Intergovernmental	1,110,168	4,879,245	-	745,187
Licenses and permits	-	-	626,037	-
Fines and forfeitures	-	-	-	-
Use of money and property	(31,443)	(94,848)	(32,291)	-
Charges for services	-	-	-	562
Miscellaneous	-	193,851	-	-
Total revenues	1,078,725	8,162,908	593,746	745,749
EXPENDITURES:				
Current:				
General government	-	-	-	179,229
Public safety	-	-	-	-
Cultural and convention center	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Capital outlay	522,315	1,114,283	72,601	566,520
Debt service:				
Principal retirement	-	10,421	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	522,315	1,124,704	72,601	745,749
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	556,410	7,038,204	521,145	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(619,500)	-	-
Total other financing sources (uses)	-	(619,500)	-	-
NET CHANGES IN FUND BALANCES	556,410	6,418,704	521,145	-
FUND BALANCES:				
Beginning of year	1,502,505	1,572,673	1,528,820	-
End of year	\$ 2,058,915	\$ 7,991,377	\$ 2,049,965	\$ -

(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, 2022

	Special Revenue Funds			
	Air Quality Improvement	Public Arts	Library	Quimby Act Fees
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	61,206	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	(2,753)	(15,609)	(30,248)	(54,378)
Charges for services	-	647,304	-	1,256,792
Miscellaneous	-	-	26,245	-
Total revenues	58,453	631,695	(4,003)	1,202,414
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Cultural and convention center	-	79,885	-	-
Public works	66,172	-	-	-
Library	-	-	88,737	-
Capital outlay	-	-	-	475,902
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	66,172	79,885	88,737	475,902
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,719)	551,810	(92,740)	726,512
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	(7,719)	551,810	(92,740)	726,512
FUND BALANCES:				
Beginning of year	150,180	561,394	1,865,935	2,523,430
End of year	\$ 142,461	\$ 1,113,204	\$ 1,773,195	\$ 3,249,942

(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, 2022

	Special Revenue Funds			
	Special Projects	CFD Public Safety #1	Park Maintenance District	Emergency Response
REVENUES:				
Taxes	\$ -	\$ 1,077,109	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	(50,178)	(14,908)	(12,421)	(4,107)
Charges for services	73,375	-	201,186	898,994
Miscellaneous	-	-	-	-
Total revenues	<u>23,197</u>	<u>1,062,201</u>	<u>188,765</u>	<u>894,887</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	254,408	618,644	-	1,045,479
Cultural and convention center	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	228,186	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>254,408</u>	<u>618,644</u>	<u>228,186</u>	<u>1,045,479</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(231,211)</u>	<u>443,557</u>	<u>(39,421)</u>	<u>(150,592)</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	<u>(231,211)</u>	<u>443,557</u>	<u>(39,421)</u>	<u>(150,592)</u>
FUND BALANCES:				
Beginning of year	3,141,400	776,198	750,994	289,308
End of year	<u>\$ 2,910,189</u>	<u>\$ 1,219,755</u>	<u>\$ 711,573</u>	<u>\$ 138,716</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, 2022

	Special Revenue Funds			
	Sustainability	Housing	Small Hotel TBID	SB1-RMRA
REVENUES:				
Taxes	\$ -	\$ -	\$ 774,641	\$ -
Intergovernmental	-	-	-	945,230
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	(17,617)	327,397	604	(25,573)
Charges for services	377,940	-	-	-
Miscellaneous	810	25,676	-	-
Total revenues	361,133	353,073	775,245	919,657
EXPENDITURES:				
Current:				
General government	-	403,920	-	-
Public safety	-	-	-	-
Cultural and convention center	-	-	754,480	-
Public works	139,537	-	-	-
Library	-	-	-	-
Capital outlay	168,350	-	-	28,281
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	307,887	403,920	754,480	28,281
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	53,246	(50,847)	20,765	891,376
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	53,246	(50,847)	20,765	891,376
FUND BALANCES:				
Beginning of year	1,036,799	11,255,858	8,370	964,307
End of year	\$ 1,090,045	\$ 11,205,011	\$ 29,135	\$ 1,855,683

(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, 2022

	Capital Projects Funds			Debt Service Fund
	Capital Projects	Parking Projects	CFD Canyon View	Special Assessments
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 568,516
Intergovernmental	3,222,913	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	(212,751)	(9,306)	(280)	1,890
Charges for services	827,546	12,004	-	-
Miscellaneous	230,069	-	-	-
Total revenues	4,067,777	2,698	(280)	570,406
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	24,748	-	-	-
Cultural and convention center	-	-	-	-
Public works	1,849,503	-	-	-
Library	-	-	-	-
Capital outlay	1,650,404	-	-	-
Debt service:				
Principal retirement	-	-	-	405,000
Interest and fiscal charges	-	-	-	149,146
Total expenditures	3,524,655	-	-	554,146
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	543,122	2,698	(280)	16,260
OTHER FINANCING SOURCES (USES):				
Transfers in	2,000,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	2,000,000	-	-	-
NET CHANGES IN FUND BALANCES	2,543,122	2,698	(280)	16,260
FUND BALANCES:				
Beginning of year	11,648,618	544,647	16,845	1,591,551
End of year	<u>\$ 14,191,740</u>	<u>\$ 547,345</u>	<u>\$ 16,565</u>	<u>\$ 1,607,811</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, 2022

	Total Nonmajor Governmental Funds
REVENUES:	
Taxes	\$ 7,274,937
Intergovernmental	11,088,291
Licenses and permits	626,037
Fines and forfeitures	1,738
Use of money and property	(328,141)
Charges for services	4,414,636
Miscellaneous	476,651
Total revenues	23,554,149
EXPENDITURES:	
Current:	
General government	1,040,943
Public safety	2,970,301
Cultural and convention center	834,365
Public works	2,332,158
Library	88,737
Capital outlay	4,851,419
Debt service:	
Principal retirement	415,421
Interest and fiscal charges	149,146
Total expenditures	12,682,490
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,871,659
OTHER FINANCING SOURCES (USES):	
Transfers in	2,000,000
Transfers out	(619,500)
Total other financing sources (uses)	1,380,500
NET CHANGES IN FUND BALANCES	12,252,159
FUND BALANCES:	
Beginning of year	45,239,909
End of year	\$ 57,492,068

(Concluded)

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Forfeiture Special Revenue Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 1,738	\$ 1,738
Use of money and property	-	-	(4,328)	(4,328)
Total Revenues	<u>-</u>	<u>-</u>	<u>(2,590)</u>	<u>(2,590)</u>
EXPENDITURES:				
Current:				
Public safety	-	245,022	8,207	236,815
Total Expenditures	<u>-</u>	<u>245,022</u>	<u>8,207</u>	<u>236,815</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (245,022)</u>	<u>(10,797)</u>	<u>\$ 234,225</u>
FUND BALANCE:				
Beginning of Year			<u>261,752</u>	
End of Year			<u>\$ 250,955</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 972,368	\$ 972,368	\$ 1,420,388	\$ 448,020
Use of money and property	-	-	(37,012)	(37,012)
Total Revenues	<u>972,368</u>	<u>972,368</u>	<u>1,383,376</u>	<u>411,008</u>
EXPENDITURES:				
Current:				
Public safety	833,004	833,004	1,018,815	(185,811)
Capital outlay	-	138,300	24,577	113,723
Total Expenditures	<u>833,004</u>	<u>971,304</u>	<u>1,043,392</u>	<u>(72,088)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 139,364</u>	<u>\$ 1,064</u>	339,984	<u>\$ 338,920</u>
FUND BALANCE:				
Beginning of Year			<u>2,086,023</u>	
End of Year			<u>\$ 2,426,007</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 459,100	\$ 459,100	\$ 249,623	\$ (209,477)
Use of money and property	-	-	924	924
Total Revenues	<u>459,100</u>	<u>459,100</u>	<u>250,547</u>	<u>(208,553)</u>
EXPENDITURES:				
Current:				
Public works	459,100	459,100	276,946	182,154
Total Expenditures	<u>459,100</u>	<u>459,100</u>	<u>276,946</u>	<u>182,154</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(26,399)	<u>\$ (26,399)</u>
FUND BALANCE:				
Beginning of Year			<u>243,060</u>	
End of Year			<u>\$ 216,661</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 124,342	\$ 124,342
Use of money and property	-	-	(8,905)	(8,905)
Charges for services	125,500	125,500	118,933	(6,567)
Total Revenues	<u>125,500</u>	<u>125,500</u>	<u>234,370</u>	<u>108,870</u>
EXPENDITURES:				
Current:				
General government	371,575	624,468	457,794	166,674
Total Expenditures	<u>371,575</u>	<u>624,468</u>	<u>457,794</u>	<u>166,674</u>
NET CHANGE IN FUND BALANCE	<u>\$ (246,075)</u>	<u>\$ (498,968)</u>	(223,424)	<u>\$ 275,544</u>
FUND BALANCE:				
Beginning of Year			919,242	
End of Year			<u>\$ 695,818</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,248,278	\$ 1,248,278	\$ 1,110,168	\$ (138,110)
Use of money and property	-	-	(31,443)	(31,443)
Total Revenues	<u>1,248,278</u>	<u>1,248,278</u>	<u>1,078,725</u>	<u>(169,553)</u>
EXPENDITURES:				
Current:				
Public works	573,278	573,278	-	573,278
Capital outlay	675,000	1,385,359	522,315	863,044
Total Expenditures	<u>1,248,278</u>	<u>1,958,637</u>	<u>522,315</u>	<u>1,436,322</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (710,359)</u>	556,410	<u>\$ 1,266,769</u>
FUND BALANCE:				
Beginning of Year			1,502,505	
End of Year			<u>\$ 2,058,915</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,532,138	\$ 2,532,138	\$ 3,184,660	\$ 652,522
Intergovernmental	2,255,458	7,077,413	4,879,245	(2,198,168)
Use of money and property	-	-	(94,848)	(94,848)
Miscellaneous	-	-	193,851	193,851
Total Revenues	<u>4,787,596</u>	<u>9,609,551</u>	<u>8,162,908</u>	<u>(1,446,643)</u>
EXPENDITURES:				
Current:				
Public works	-	194,931	-	194,931
Capital outlay	4,161,514	11,752,831	1,114,283	10,638,548
Debt service:				
Principal retirement	-	-	10,421	(10,421)
Total Expenditures	<u>4,161,514</u>	<u>11,947,762</u>	<u>1,124,704</u>	<u>10,823,058</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>626,082</u>	<u>(2,338,211)</u>	<u>7,038,204</u>	<u>9,376,415</u>
OTHER FINANCING USES:				
Transfers out	(619,500)	(619,500)	(619,500)	-
Total Other Financing Uses	<u>(619,500)</u>	<u>(619,500)</u>	<u>(619,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,582</u>	<u>\$ (2,957,711)</u>	6,418,704	<u>\$ 9,376,415</u>
FUND BALANCE:				
Beginning of Year			1,572,673	
End of Year			<u>\$ 7,991,377</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 301,050	\$ 301,050	\$ 626,037	\$ 324,987
Use of money and property	-	-	(32,291)	(32,291)
Total Revenues	<u>301,050</u>	<u>301,050</u>	<u>593,746</u>	<u>292,696</u>
EXPENDITURES:				
Capital outlay	301,050	852,169	72,601	779,568
Total Expenditures	<u>301,050</u>	<u>852,169</u>	<u>72,601</u>	<u>779,568</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (551,119)</u>	521,145	<u>\$ 1,072,264</u>
FUND BALANCE:				
Beginning of Year			<u>1,528,820</u>	
End of Year			<u>\$ 2,049,965</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 425,116	\$ 1,028,580	\$ 745,187	\$ (283,393)
Charges for services	-	-	562	562
Total Revenues	<u>425,116</u>	<u>1,028,580</u>	<u>745,749</u>	<u>(282,831)</u>
EXPENDITURES:				
Current:				
General government	108,083	245,905	179,229	66,676
Capital outlay	317,033	947,276	566,520	380,756
Total Expenditures	<u>425,116</u>	<u>1,193,181</u>	<u>745,749</u>	<u>447,432</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (164,601)</u>	-	<u>\$ 164,601</u>
FUND BALANCE:				
Beginning of Year			-	
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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 62,000	\$ 62,000	\$ 61,206	\$ (794)
Use of money and property	-	-	(2,753)	(2,753)
Total Revenues	<u>62,000</u>	<u>62,000</u>	<u>58,453</u>	<u>(3,547)</u>
EXPENDITURES:				
Current:				
Public works	50,000	50,000	66,172	(16,172)
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>66,172</u>	<u>(16,172)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,000</u>	<u>\$ 12,000</u>	(7,719)	<u>\$ (19,719)</u>
FUND BALANCE:				
Beginning of Year			<u>150,180</u>	
End of Year			<u>\$ 142,461</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ (15,609)	\$ (16,609)
Charges for services	180,000	180,000	647,304	467,304
Total Revenues	<u>181,000</u>	<u>181,000</u>	<u>631,695</u>	<u>450,695</u>
EXPENDITURES:				
Current:				
Cultural and convention center	382,900	567,621	79,885	487,736
Total Expenditures	<u>382,900</u>	<u>567,621</u>	<u>79,885</u>	<u>487,736</u>
NET CHANGE IN FUND BALANCE	<u>\$ (201,900)</u>	<u>\$ (386,621)</u>	551,810	<u>\$ 938,431</u>
FUND BALANCE:				
Beginning of Year			561,394	
End of Year			<u>\$ 1,113,204</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (30,248)	\$ (30,248)
Miscellaneous	-	25,075	26,245	1,170
Total Revenues	-	25,075	(4,003)	(29,078)
EXPENDITURES:				
Current:				
Library	-	1,791,860	88,737	1,703,123
Total Expenditures	-	1,791,860	88,737	1,703,123
NET CHANGE IN FUND BALANCE	\$ -	\$ (1,766,785)	(92,740)	\$ 1,674,045
FUND BALANCE:				
Beginning of Year			1,865,935	
End of Year			<u>\$ 1,773,195</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 70,000	\$ 70,000	\$ (54,378)	\$ (124,378)
Charges for services	580,000	580,000	1,256,792	676,792
Total Revenues	<u>650,000</u>	<u>650,000</u>	<u>1,202,414</u>	<u>552,414</u>
EXPENDITURES:				
Current:				
Public works	650,000	-	-	-
Capital outlay	-	2,766,087	475,902	2,290,185
Total Expenditures	<u>650,000</u>	<u>2,766,087</u>	<u>475,902</u>	<u>2,290,185</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (2,116,087)</u>	726,512	<u>\$ 2,842,599</u>
FUND BALANCE:				
Beginning of Year			2,523,430	
End of Year			<u>\$ 3,249,942</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (50,178)	\$ (50,178)
Charges for services	100,000	100,000	73,375	(26,625)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>23,197</u>	<u>(76,803)</u>
EXPENDITURES:				
Current:				
Public safety	100,000	100,000	254,408	(154,408)
Public works	2,995,000	2,995,000	-	2,995,000
Total Expenditures	<u>3,095,000</u>	<u>3,095,000</u>	<u>254,408</u>	<u>2,840,592</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,995,000)</u>	<u>\$ (2,995,000)</u>	(231,211)	<u>\$ 2,763,789</u>
FUND BALANCE:				
Beginning of Year			<u>3,141,400</u>	
End of Year			<u>\$ 2,910,189</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,007,000	\$ 1,007,000	\$ 1,077,109	\$ 70,109
Use of money and property	-	-	(14,908)	(14,908)
Total Revenues	<u>1,007,000</u>	<u>1,007,000</u>	<u>1,062,201</u>	<u>55,201</u>
EXPENDITURES:				
Current:				
Public safety	851,478	851,478	618,644	232,834
Total Expenditures	<u>851,478</u>	<u>851,478</u>	<u>618,644</u>	<u>232,834</u>
NET CHANGE IN FUND BALANCE	<u>\$ 155,522</u>	<u>\$ 155,522</u>	443,557	<u>\$ 288,035</u>
FUND BALANCE:				
Beginning of Year			<u>776,198</u>	
End of Year			<u>\$ 1,219,755</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (12,421)	\$ (12,421)
Charges for services	235,880	235,880	201,186	(34,694)
Total Revenues	<u>235,880</u>	<u>235,880</u>	<u>188,765</u>	<u>(47,115)</u>
EXPENDITURES:				
Capital outlay	309,900	1,204,555	228,186	976,369
Total Expenditures	<u>309,900</u>	<u>1,204,555</u>	<u>228,186</u>	<u>976,369</u>
NET CHANGE IN FUND BALANCE	<u>\$ (74,020)</u>	<u>\$ (968,675)</u>	(39,421)	<u>\$ 929,254</u>
FUND BALANCE:				
Beginning of Year			<u>750,994</u>	
End of Year			<u>\$ 711,573</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (4,107)	\$ (4,107)
Charges for services	1,020,000	1,020,000	898,994	(121,006)
Total Revenues	<u>1,020,000</u>	<u>1,020,000</u>	<u>894,887</u>	<u>(125,113)</u>
EXPENDITURES:				
Current:				
Public safety	1,042,373	1,042,373	1,045,479	(3,106)
Total Expenditures	<u>1,042,373</u>	<u>1,042,373</u>	<u>1,045,479</u>	<u>(3,106)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (22,373)</u>	<u>\$ (22,373)</u>	(150,592)	<u>\$ (128,219)</u>
FUND BALANCE:				
Beginning of Year			289,308	
End of Year			<u>\$ 138,716</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (17,617)	\$ (17,617)
Charges for services	384,500	384,500	377,940	(6,560)
Miscellaneous	-	-	810	810
Total Revenues	<u>384,500</u>	<u>384,500</u>	<u>361,133</u>	<u>(23,367)</u>
EXPENDITURES:				
Current:				
Public works	437,309	467,309	139,537	327,772
Capital outlay	-	287,000	168,350	118,650
Total Expenditures	<u>437,309</u>	<u>754,309</u>	<u>307,887</u>	<u>446,422</u>
NET CHANGE IN FUND BALANCE	<u>\$ (52,809)</u>	<u>\$ (369,809)</u>	53,246	<u>\$ 423,055</u>
FUND BALANCE:				
Beginning of Year			1,036,799	
End of Year			<u>\$ 1,090,045</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 327,397	\$ 327,397
Miscellaneous	-	-	25,676	25,676
Total Revenues	-	-	353,073	353,073
EXPENDITURES:				
Current:				
General government	290,110	3,940,110	403,920	3,536,190
Total Expenditures	290,110	3,940,110	403,920	3,536,190
NET CHANGE IN FUND BALANCE	\$ (290,110)	\$ (3,940,110)	(50,847)	\$ 3,889,263
FUND BALANCE:				
Beginning of Year			11,255,858	
End of Year			\$ 11,205,011	

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,490,287	\$ 1,490,287	\$ 774,641	\$ (715,646)
Use of money and property	-	-	604	604
Total Revenues	<u>1,490,287</u>	<u>1,490,287</u>	<u>775,245</u>	<u>(715,042)</u>
EXPENDITURES:				
Current:				
Cultural and convention center	1,490,287	1,490,287	754,480	735,807
Total Expenditures	<u>1,490,287</u>	<u>1,490,287</u>	<u>754,480</u>	<u>735,807</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	20,765	<u>\$ 20,765</u>
FUND BALANCE:				
Beginning of Year			8,370	
End of Year			<u>\$ 29,135</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 952,471	\$ 952,471	\$ 945,230	\$ (7,241)
Use of money and property	-	-	(25,573)	(25,573)
Total Revenues	<u>952,471</u>	<u>952,471</u>	<u>919,657</u>	<u>(32,814)</u>
EXPENDITURES:				
Capital outlay	952,471	1,423,134	28,281	1,394,853
Total Expenditures	<u>952,471</u>	<u>1,423,134</u>	<u>28,281</u>	<u>1,394,853</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (470,663)</u>	891,376	<u>\$ 1,362,039</u>
FUND BALANCE:				
Beginning of Year			<u>964,307</u>	
End of Year			<u>\$ 1,855,683</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 20,225,999	\$ 23,118,706	\$ 3,222,913	\$ (19,895,793)
Use of money and property	-	-	(212,751)	(212,751)
Charges for services	100,000	100,000	827,546	727,546
Miscellaneous	-	-	230,069	230,069
Total Revenues	<u>20,325,999</u>	<u>23,218,706</u>	<u>4,067,777</u>	<u>(19,150,929)</u>
EXPENDITURES:				
Current:				
Public safety	132,100	132,100	24,748	107,352
Public works	-	13,840,699	1,849,503	11,991,196
Capital outlay	21,218,834	14,840,278	1,650,404	13,189,874
Total Expenditures	<u>21,350,934</u>	<u>28,813,077</u>	<u>3,524,655</u>	<u>25,288,422</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,024,935)</u>	<u>(5,594,371)</u>	<u>543,122</u>	<u>6,137,493</u>
Other Financing Sources:				
Transfers in	2,000,000	2,000,000	2,000,000	-
Total Other Financing Sources	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 975,065</u>	<u>\$ (3,594,371)</u>	<u>2,543,122</u>	<u>\$ 6,137,493</u>
FUND BALANCE:				
Beginning of Year			<u>11,648,618</u>	
End of Year			<u>\$ 14,191,740</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ (280)	\$ (280)
Total Revenues	<u>-</u>	<u>-</u>	<u>(280)</u>	<u>(280)</u>
EXPENDITURES:				
Capital outlay	677	16,700	-	16,700
Total Expenditures	<u>677</u>	<u>16,700</u>	<u>-</u>	<u>16,700</u>
NET CHANGE IN FUND BALANCE	<u>\$ (677)</u>	<u>\$ (16,700)</u>	(280)	<u>\$ 16,420</u>
FUND BALANCE:				
Beginning of Year			<u>16,845</u>	
End of Year			<u>\$ 16,565</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 562,600	\$ 562,600	\$ 568,516	\$ 5,916
Use of money and property	-	-	1,890	1,890
Total Revenues	<u>562,600</u>	<u>562,600</u>	<u>570,406</u>	<u>7,806</u>
EXPENDITURES:				
Current:				
General government	25,000	25,000	-	25,000
Debt service:				
Principal retirement	405,000	405,000	405,000	-
Interest and fiscal charges	132,525	132,525	149,146	(16,621)
Total Expenditures	<u>562,525</u>	<u>562,525</u>	<u>554,146</u>	<u>8,379</u>
NET CHANGE IN FUND BALANCE	<u>\$ 75</u>	<u>\$ 75</u>	16,260	<u>\$ 16,185</u>
FUND BALANCE:				
Beginning of Year			<u>1,591,551</u>	
End of Year			<u>\$ 1,607,811</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, 2022

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
ASSETS				
Current assets:				
Cash and investments	\$ 3,328,368	\$ 9,321,803	\$ 5,402,529	\$ 22,005,106
Receivable:				
Accounts	-	-	-	133,071
Interest	4,032	4,715	-	26,293
Prepaid items	-	-	-	250,613
Inventories	87,247	-	-	-
Total current assets	3,419,647	9,326,518	5,402,529	22,415,083
Noncurrent assets:				
Advances to other funds	-	-	1,430,000	-
Capital assets, nondepreciable	2,583,349	-	-	-
Capital assets, net of accumulated depreciation	7,230,327	248,462	-	30,129
Total noncurrent assets	9,813,676	248,462	1,430,000	30,129
Total assets	13,233,323	9,574,980	6,832,529	22,445,212
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	-	-	-
Pension related items	188,985	362,291	-	53,642
Other postemployment benefits related items	112,984	235,254	-	-
Total deferred outflows of resources	301,969	597,545	-	53,642
LIABILITIES				
Current Liabilities:				
Accounts payable	288,315	437,207	467,119	140,810
Accrued liabilities	54,475	94,659	-	-
Interest payable	63,064	-	-	-
Compensated absences - due within one year	81,553	143,633	-	101,518
Claims and judgments - due within one year	-	-	-	4,576,099
Bonds and notes payable - due within one year	560,695	-	-	-
Total current liabilities	1,048,102	675,499	467,119	4,818,427
Noncurrent liabilities:				
Claims and judgments - due in more than one year	-	-	-	5,835,043
Bonds and notes payable - due in more than one year	4,574,324	-	-	-
Net pension liability	974,810	1,868,740	-	276,693
Net OPEB liability	1,035,671	2,159,421	-	-
Total noncurrent liabilities	6,584,805	4,028,161	-	6,111,736
Total liabilities	7,632,907	4,703,660	467,119	10,930,163
DEFERRED INFLOWS OF RESOURCES				
Deferred pension related items	451,490	865,520	-	128,152
Deferred OPEB related items	179,920	374,628	-	-
Total deferred inflows of resources	631,410	1,240,148	-	128,152
NET POSITION				
Net investment in capital assets	4,678,657	248,462	-	30,129
Unrestricted (deficit)	592,318	3,980,255	6,365,410	11,410,410
Total net position	\$ 5,270,975	\$ 4,228,717	\$ 6,365,410	\$ 11,440,539

See accompanying Notes to the Basic Financial Statements

City of Palm Springs
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2022

	Retiree Health Insurance	Cogeneration Plant	Total
ASSETS			
Current assets:			
Cash and investments	\$ 3,186,577	\$ 3,501,534	\$ 46,745,917
Receivable:			
Accounts	7,101	-	140,172
Interest	3,130	5,315	43,485
Prepaid items	-	-	250,613
Inventories	-	-	87,247
Total current assets	3,196,808	3,506,849	47,267,434
Noncurrent assets:			
Advances to other funds	-	-	1,430,000
Capital assets, nondepreciable	-	-	2,583,349
Capital assets, net of accumulated depreciation	-	14,504,852	22,013,770
Total noncurrent assets	-	14,504,852	26,027,119
Total assets	3,196,808	18,011,701	73,294,553
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	13,372	13,372
Pension related items	-	-	604,918
Other postemployment benefits related items	-	-	348,238
Total deferred outflows of resources	-	13,372	966,528
LIABILITIES			
Current Liabilities:			
Accounts payable	1,334	255,116	1,589,901
Accrued liabilities	-	-	149,134
Interest payable	-	181,401	244,465
Compensated absences - due within one year	-	-	326,704
Claims and judgments - due within one year	-	-	4,576,099
Bonds and notes payable - due within one year	-	997,218	1,557,913
Total current liabilities	1,334	1,433,735	8,444,216
Noncurrent liabilities:			
Claims and judgments - due in more than one year	-	-	5,835,043
Bonds and notes payable - due in more than one year	-	14,854,296	19,428,620
Net pension liability	-	-	3,120,243
Net OPEB liability	-	-	3,195,092
Total noncurrent liabilities	-	14,854,296	31,578,998
Total liabilities	1,334	16,288,031	40,023,214
DEFERRED INFLOWS OF RESOURCES			
Deferred pension related items	-	-	1,445,162
Deferred OPEB related items	-	-	554,548
Total deferred inflows of resources	-	-	1,999,710
NET POSITION			
Net investment in capital assets	-	(1,333,290)	3,623,958
Unrestricted	3,195,474	3,070,332	28,614,199
Total net position	\$ 3,195,474	\$ 1,737,042	\$ 32,238,157

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, 2022

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
OPERATING REVENUES:				
Service charges	\$ 4,218,005	\$ 9,939,445	\$ 25,618,896	\$ 19,298,675
Miscellaneous	-	497	-	30,405
Total operating revenues	<u>4,218,005</u>	<u>9,939,942</u>	<u>25,618,896</u>	<u>19,329,080</u>
OPERATING EXPENSES:				
Administration and general	-	-	-	1,950,409
Maintenance operations	2,745,843	-	-	-
Facilities maintenance	-	1,252,744	-	-
Retirement	-	-	24,489,450	-
Retiree health insurance	-	-	-	-
Other claims and insurance	10,584	49,048	-	2,840,308
Depreciation expense	1,291,342	30,507	-	-
Utilities	12,549	29,492	-	-
Cogeneration electricity	155,617	-	-	15,730
Medical, health, and life insurance	-	-	-	8,907,345
Workers compensation	43,323	97,044	-	4,761,801
Total operating expenses	<u>4,259,258</u>	<u>1,458,835</u>	<u>24,489,450</u>	<u>18,475,593</u>
OPERATING INCOME (LOSS)	<u>(41,253)</u>	<u>8,481,107</u>	<u>1,129,446</u>	<u>853,487</u>
NONOPERATING INCOME (LOSS):				
Intergovernmental	60,000	-	-	-
Investment gain (loss)	(54,702)	(93,412)	6,850	(361,921)
Interest expense	(159,359)	-	-	-
Gain on disposal of capital assets	92,984	-	-	-
Total nonoperating income (loss)	<u>(61,077)</u>	<u>(93,412)</u>	<u>6,850</u>	<u>(361,921)</u>
Net Income (Loss)	<u>(102,330)</u>	<u>8,387,695</u>	<u>1,136,296</u>	<u>491,566</u>
CHANGES IN NET POSITION	(102,330)	8,387,695	1,136,296	491,566
NET POSITION:				
Beginning of the year	5,373,305	(4,158,978)	5,229,114	10,948,973
End of the year	<u>\$ 5,270,975</u>	<u>\$ 4,228,717</u>	<u>\$ 6,365,410</u>	<u>\$ 11,440,539</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, 2022

	Retiree Health Insurance	Cogeneration Plant	Total
OPERATING REVENUES:			
Service charges	\$ 4,077,030	\$ 2,137,088	\$ 65,289,139
Miscellaneous	-	-	30,902
Total operating revenues	4,077,030	2,137,088	65,320,041
OPERATING EXPENSES:			
Administration and general	-	-	1,950,409
Maintenance operations	-	-	2,745,843
Facilities maintenance	-	53,543	1,306,287
Retirement	-	-	24,489,450
Retiree health insurance	3,335,131	-	3,335,131
Other claims and insurance	-	-	2,899,940
Depreciation expense	-	631,036	1,952,885
Utilities	-	1,747,869	1,789,910
Cogeneration electricity	-	5,532	176,879
Medical, health, and life insurance	-	-	8,907,345
Workers compensation	-	-	4,902,168
Total operating expenses	3,335,131	2,437,980	54,456,247
OPERATING INCOME (LOSS)	741,899	(300,892)	10,863,794
NONOPERATING INCOME (LOSS):			
Intergovernmental	-	-	60,000
Investment gain (loss)	(47,018)	(69,250)	(619,453)
Interest expense	-	(94,365)	(253,724)
Gain on disposal of capital assets	-	-	92,984
Total nonoperating income (loss)	(47,018)	(163,615)	(720,193)
Net Income (Loss)	694,881	(464,507)	10,143,601
CHANGES IN NET POSITION	694,881	(464,507)	10,143,601
NET POSITION:			
Beginning of the year	2,500,593	2,201,549	22,094,556
End of the year	\$ 3,195,474	\$ 1,737,042	\$ 32,238,157

City of Palm Springs
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	<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	\$ 4,218,005	\$ 9,939,942	\$ 25,618,896	\$ 19,340,970
Cash paid to suppliers for goods and services	(1,586,041)	730,230	-	(1,572,244)
Cash paid to employees for services	(2,005,165)	(5,191,876)	(24,441,192)	(1,082,650)
Cash paid for insurance premium and claims	-	-	-	(20,563,828)
Net cash provided by (used in) operating activities	<u>626,799</u>	<u>5,478,296</u>	<u>1,177,704</u>	<u>(3,877,752)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other government	60,000	-	-	-
Net cash provided by noncapital financing activities	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(1,237,194)	-	-	-
Proceeds from sale property	92,984	-	-	-
Principal paid on bonds and notes payable	(709,981)	-	-	-
Interest paid	(168,016)	-	-	-
Net cash used in capital and related financing activities	<u>(2,022,207)</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment gain (loss)	(50,954)	(91,363)	6,850	(354,188)
Net cash provided by (used in) investing activities	<u>(50,954)</u>	<u>(91,363)</u>	<u>6,850</u>	<u>(354,188)</u>
Net change in cash and cash equivalents	(1,386,362)	5,386,933	1,184,554	(4,231,940)
CASH AND CASH EQUIVALENTS:				
Beginning of year	4,714,730	3,934,870	4,217,975	26,237,046
End of year	<u>\$ 3,328,368</u>	<u>\$ 9,321,803</u>	<u>\$ 5,402,529</u>	<u>\$ 22,005,106</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ (41,253)	\$ 8,481,107	\$ 1,129,446	\$ 853,487
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,291,342	30,507	-	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivable	-	-	-	11,890
(Increase)/decrease in prepaid items	-	-	-	(250,613)
(Increase)/decrease in inventories	66,313	-	-	-
(Increase)/decrease in deferred outflows of resources	34,869	717,712	-	5,702
Increase/(decrease) in accounts payable	44,118	250,310	48,258	(41,761)
Increase/(decrease) in accrued liabilities	18,794	8,059	-	(71,195)
Increase/(decrease) in compensated absences	25,079	(83,942)	-	26,209
Increase/(decrease) in claims and judgments	-	-	-	(4,347,678)
Increase/(decrease) in net pension liability	(249,845)	(926,821)	-	(187,486)
Increase/(decrease) in total OPEB liability	(914,322)	(3,021,158)	-	-
Increase/(decrease) in deferred inflows of resources	351,704	22,522	-	123,693
Net cash provided by operating activities	<u>\$ 626,799</u>	<u>\$ 5,478,296</u>	<u>\$ 1,177,704</u>	<u>\$ (3,877,752)</u>

City of Palm Springs
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2022

	Retiree Health Insurance	Cogeneration Plant	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 4,086,964	\$ 2,137,088	\$ 65,341,865
Cash paid to suppliers for goods and services	-	(1,738,838)	(4,166,893)
Cash paid to employees for services	-	-	(32,720,883)
Cash paid for insurance premium and claims	(3,334,453)	-	(23,898,281)
Net cash provided by (used in) operating activities	752,511	398,250	4,555,808
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received from other government	-	-	60,000
Net cash provided by noncapital financing activities	-	-	60,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	-	(1,237,194)
Proceeds from sale property	-	-	92,984
Principal paid on bonds and notes payable	-	(929,665)	(1,639,646)
Interest paid	-	(43,059)	(211,075)
Net cash used in capital and related financing activities	-	(972,724)	(2,994,931)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment gain (loss)	(46,467)	(67,153)	(603,275)
Net cash provided by (used in) investing activities	(46,467)	(67,153)	(603,275)
Net change in cash and cash equivalents	706,044	(641,627)	1,017,602
CASH AND CASH EQUIVALENTS:			
Beginning of year	2,480,533	4,143,161	45,728,315
End of year	<u>\$ 3,186,577</u>	<u>\$ 3,501,534</u>	<u>\$ 46,745,917</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:			
Operating income (loss)	\$ 741,899	\$ (300,892)	\$ 10,863,794
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	631,036	1,952,885
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivable	9,934	-	21,824
(Increase)/decrease in prepaid items	-	-	(250,613)
(Increase)/decrease in inventories	-	-	66,313
(Increase)/decrease in deferred outflows of resources	-	-	758,283
Increase/(decrease) in accounts payable	678	68,106	369,709
Increase/(decrease) in accrued liabilities	-	-	(44,342)
Increase/(decrease) in compensated absences	-	-	(32,654)
Increase/(decrease) in claims and judgments	-	-	(4,347,678)
Increase/(decrease) in net pension liability	-	-	(1,364,152)
Increase/(decrease) in total OPEB liability	-	-	(3,935,480)
Increase/(decrease) in deferred inflows of resources	-	-	497,919
Net cash provided by operating activities	\$ 752,511	\$ 398,250	\$ 4,555,808

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WELCOME TO PALM SPRINGS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

WELCOME TO PALM SPRINGS INTERNATIONAL AIRPORT
AMERICA'S RESORTPORT

STATISTICAL SECTION
FISCAL YEAR ENDED JUNE 30, 2022

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City of Palm Springs
Statistical Section Overview
(Unaudited)

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.	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				
	2022	2021	2020	2019	2018
Governmental activities:					
Net investment in capital assets	\$ 195,148,344	\$ 194,166,383	\$ 201,149,733	\$ 148,845,833	\$ 141,219,883
Restricted	43,348,048	49,665,666	77,064,027	43,201,882	37,220,218
Unrestricted	<u>(70,309,246)</u>	<u>(162,081,376)</u>	<u>(233,042,836)</u>	<u>(202,893,159)</u>	<u>(212,859,813)</u>
Total governmental activities net position	<u>\$ 168,187,146</u>	<u>\$ 81,750,673</u>	<u>\$ 45,170,924</u>	<u>\$ (10,845,444)</u>	<u>\$ (34,419,712)</u>
Business-type activities:					
Net investment in capital assets	\$ 112,632,195	\$ 108,473,977	\$ 82,416,136	\$ 97,712,572	\$ 104,660,531
Restricted	3,329,027	2,897,901	19,464,837	7,371,373	4,884,179
Unrestricted	<u>80,543,230</u>	<u>57,234,211</u>	<u>63,282,450</u>	<u>60,133,921</u>	<u>42,880,602</u>
Total business-type activities net position	<u>\$ 196,504,452</u>	<u>\$ 168,606,089</u>	<u>\$ 165,163,423</u>	<u>\$ 165,217,866</u>	<u>\$ 152,425,312</u>
Primary government:					
Net investment in capital assets	\$ 307,780,539	\$ 302,640,360	\$ 283,565,869	\$ 246,558,405	\$ 245,880,414
Restricted	46,677,075	52,563,567	96,528,864	50,573,255	42,104,397
Unrestricted	<u>10,233,984</u>	<u>(104,847,165)</u>	<u>(169,760,386)</u>	<u>(142,759,238)</u>	<u>(169,979,211)</u>
Total primary government net position	<u>\$ 364,691,598</u>	<u>\$ 250,356,762</u>	<u>\$ 210,334,347</u>	<u>\$ 154,372,422</u>	<u>\$ 118,005,600</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				
	2017	2016	2015	2014	2013
Governmental activities:					
Net investment in capital assets	\$ 120,745,654	\$ 126,124,062	\$ 106,475,801	\$ 107,217,515	\$ 119,129,764
Restricted	41,363,491	41,633,373	50,159,957	64,475,152	59,250,531
Unrestricted	<u>(104,511,647)</u>	<u>(103,317,463)</u>	<u>(102,730,809)</u>	<u>9,032,025</u>	<u>8,263,055</u>
Total governmental activities net position	<u>\$ 57,597,498</u>	<u>\$ 64,439,972</u>	<u>\$ 53,904,949</u>	<u>\$ 180,724,692</u>	<u>\$ 186,643,350</u>
Business-type activities:					
Net investment in capital assets	\$ 102,297,901	\$ 98,280,993	\$ 90,467,867	\$ 90,775,976	\$ 82,089,205
Restricted	4,022,467	5,307,758	4,125,236	4,038,239	4,777,681
Unrestricted	<u>33,781,069</u>	<u>30,918,220</u>	<u>22,023,465</u>	<u>34,234,038</u>	<u>29,620,437</u>
Total business-type activities net position	<u>\$ 140,101,437</u>	<u>\$ 134,506,971</u>	<u>\$ 116,616,568</u>	<u>\$ 129,048,253</u>	<u>\$ 116,487,323</u>
Primary government:					
Net investment in capital assets	\$ 223,043,555	\$ 224,405,055	\$ 196,943,668	\$ 197,993,491	\$ 201,218,969
Restricted	45,385,958	46,941,131	54,285,193	68,513,391	64,028,212
Unrestricted	<u>(70,730,578)</u>	<u>(72,399,243)</u>	<u>(80,707,344)</u>	<u>43,266,063</u>	<u>37,883,492</u>
Total primary government net position	<u>\$ 197,698,935</u>	<u>\$ 198,946,943</u>	<u>\$ 170,521,517</u>	<u>\$ 309,772,945</u>	<u>\$ 303,130,673</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				
	2022	2021	2020	2019	2018
Expenses:					
Governmental activities:					
General government	\$ 19,400,905	\$ 23,064,805	\$ 21,838,398	\$ 27,615,740	\$ 24,668,184
Public safety	62,729,858	62,790,098	65,927,910	60,644,565	55,465,639
Cultural and convention center	10,685,109	8,701,458	9,208,504	8,941,987	7,473,990
Parks and recreation	10,527,534	10,417,370	10,224,630	10,559,974	10,412,411
Public works	23,103,890	19,367,549	26,286,051	23,159,223	20,620,601
Library	2,693,467	2,639,183	2,793,479	3,009,917	3,196,140
Interest on long-term debt	5,174,676	6,065,747	6,483,060	6,113,954	6,640,855
Total governmental activities expenses	<u>134,315,439</u>	<u>133,046,210</u>	<u>142,762,032</u>	<u>140,045,360</u>	<u>128,477,820</u>
Business-type activities:					
Airport	24,203,153	29,121,612	29,897,619	29,585,274	28,715,596
Wastewater	9,567,033	8,940,635	8,801,889	9,601,345	7,455,920
Golf Course	5,373,731	4,786,833	5,185,383	4,948,156	5,208,536
Total business-type activities expenses	<u>39,143,917</u>	<u>42,849,080</u>	<u>43,884,891</u>	<u>44,134,775</u>	<u>41,380,052</u>
Total primary government expenses	<u>173,459,356</u>	<u>175,895,290</u>	<u>186,646,923</u>	<u>184,180,135</u>	<u>169,857,872</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	15,173,309	11,775,694	7,387,666	6,687,864	5,784,465
Public safety	2,582,957	2,911,245	3,308,726	4,405,683	4,352,932
Cultural and convention center		-	-	-	157,769
Parks and recreation	3,523,378	2,870,786	1,631,055	1,979,848	1,913,540
Public works	4,208,931	3,288,955	17,416,141	8,222,528	6,956,478
Library	41,246	4,983	15,804	20,945	28,287
Operating grants and contributions	9,338,910	6,834,245	14,906,252	7,583,185	3,829,388
Capital grants and contributions	10,298,014	8,184,645	1,635,273	5,215,366	2,633,028
Total governmental activities program revenues	<u>45,166,745</u>	<u>35,870,553</u>	<u>46,300,917</u>	<u>34,115,419</u>	<u>25,655,887</u>
Business-type activities:					
Charges for services:					
Airport	42,934,803	23,043,916	28,636,927	30,628,795	28,134,244
Wastewater	12,233,664	12,358,649	11,595,926	12,366,518	12,785,023
Golf Course	5,271,752	3,550,751	4,206,028	4,286,852	4,526,664
Operating grants and contributions	7,192,602	8,912,450	5,904,934	-	-
Capital grants and contributions	-	-	-	1,164,219	3,769,554
Total business-type activities program revenues	<u>67,632,821</u>	<u>47,865,766</u>	<u>50,343,815</u>	<u>48,446,384</u>	<u>49,215,485</u>
Total primary government program revenues	<u>112,799,566</u>	<u>83,736,319</u>	<u>96,644,732</u>	<u>82,561,803</u>	<u>74,871,372</u>

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Net revenues (expenses):					
Governmental activities	(89,148,694)	(97,175,657)	(96,461,115)	(105,929,941)	(102,821,933)
Business-type activities	<u>28,488,904</u>	<u>5,016,686</u>	<u>6,458,924</u>	<u>4,311,609</u>	<u>7,835,433</u>
Total net revenues (expenses)	<u>(60,659,790)</u>	<u>(92,158,971)</u>	<u>(90,002,191)</u>	<u>(101,618,332)</u>	<u>(94,986,500)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	33,134,473	31,148,883	29,739,817	33,422,946	31,291,584
Sales tax	58,626,015	47,291,146	24,312,838	42,903,653	32,956,508
Transient occupancy taxes	54,326,094	35,092,830	25,817,660	36,475,057	34,241,233
Franchise taxes	4,138,935	3,277,733	3,424,711	-	-
Utility users taxes	15,627,960	8,284,837	7,025,604	-	-
Other taxes	6,543,695	6,542,006	4,270,217	14,586,952	12,777,836
Motor vehicle in lieu, unrestricted	6,141,974	5,703,803	5,418,600	22,899	24,940
Use of money and property	(2,551,223)	85,682	4,757,768	5,049,841	1,600,566
Other general revenues	436,877	158,992	452,161	550,676	133,067
Gain on sale of capital asset	284,367	95,252	11,367	215,895	4,680
Extraordinary gain/(loss)	-	-	-	-	-
Settlement	-	-	36,520,000	-	-
Transfers	<u>(1,124,000)</u>	<u>(2,588,900)</u>	<u>(1,479,023)</u>	<u>(3,723,710)</u>	<u>(725,601)</u>
Total governmental activities	<u>175,585,167</u>	<u>135,092,264</u>	<u>140,271,720</u>	<u>129,504,209</u>	<u>112,304,813</u>
Business-type activities:					
Use of money and property	(1,714,541)	641,487	1,836,416	2,236,850	129,407
Other revenue	-	-	-	2,520,385	1,932,380
Extraordinary gain/(loss)	-	-	-	-	-
Transfers	<u>1,124,000</u>	<u>2,588,900</u>	<u>1,479,023</u>	<u>3,723,710</u>	<u>725,601</u>
Total business-type activities	<u>(590,541)</u>	<u>3,230,387</u>	<u>3,315,439</u>	<u>8,480,945</u>	<u>2,787,388</u>
Total primary government	<u>174,994,626</u>	<u>138,322,651</u>	<u>143,587,159</u>	<u>137,985,154</u>	<u>115,092,201</u>
Changes in net position					
Governmental activities	86,436,473	37,916,607	43,810,605	23,574,268	9,482,880
Business-type activities	<u>27,898,363</u>	<u>8,247,073</u>	<u>9,774,363</u>	<u>12,792,554</u>	<u>10,622,821</u>
Total primary government	<u>\$ 114,334,836</u>	<u>\$ 46,163,680</u>	<u>\$ 53,584,968</u>	<u>\$ 36,366,822</u>	<u>\$ 20,105,701</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				
	2017	2016	2015	2014	2013
Expenses:					
Governmental activities:					
General government	\$ 19,998,488	\$ 11,759,819	\$ 14,353,882	\$ 17,734,430	\$ 11,981,549
Public safety	49,397,778	45,219,115	42,911,251	42,041,061	38,070,130
Cultural and convention center	7,454,099	8,293,582	8,041,954	6,884,266	7,482,648
Parks and recreation	9,902,789	7,756,225	9,008,961	8,832,666	12,150,464
Public works	33,476,271	27,299,586	26,799,641	26,594,799	14,674,398
Library	3,238,731	2,909,766	2,308,501	2,718,241	2,125,382
Interest on long-term debt	6,856,841	6,657,372	7,153,434	5,435,432	5,565,437
Total governmental activities expenses	<u>130,324,997</u>	<u>109,895,465</u>	<u>110,577,624</u>	<u>110,240,895</u>	<u>92,050,008</u>
Business-type activities:					
Airport	28,961,927	25,300,163	25,811,396	25,580,134	25,581,945
Wastewater	7,009,637	6,539,225	6,693,464	7,118,541	5,711,562
Golf Course	5,141,317	4,972,995	5,370,771	5,527,984	5,948,442
Total business-type activities expenses	<u>41,112,881</u>	<u>36,812,383</u>	<u>37,875,631</u>	<u>38,226,659</u>	<u>37,241,949</u>
Total primary government expenses	<u>171,437,878</u>	<u>146,707,848</u>	<u>148,453,255</u>	<u>148,467,554</u>	<u>129,291,957</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	4,966,153	4,019,379	4,151,215	3,640,512	3,552,667
Public safety	3,789,214	3,401,378	3,256,962	2,930,416	2,843,908
Cultural and convention center	-	113	-	-	-
Parks and recreation	1,921,560	1,747,440	1,911,290	1,775,662	1,614,526
Public works	5,794,610	5,972,587	4,344,298	6,339,972	4,582,804
Library	37,753	42,655	41,075	38,517	38,172
Operating grants and contributions	2,879,858	4,082,086	3,469,962	5,861,447	5,192,616
Capital grants and contributions	4,188,835	6,823,197	2,936,236	1,448,409	5,093,264
Total governmental activities program revenues	<u>23,577,983</u>	<u>26,088,835</u>	<u>20,111,038</u>	<u>22,034,935</u>	<u>22,917,957</u>
Business-type activities:					
Charges for services:					
Airport	25,621,382	24,352,244	23,900,962	23,017,582	21,745,074
Wastewater	11,771,816	10,667,824	9,524,542	8,220,813	7,019,449
Golf Course	4,317,981	4,234,555	4,836,445	4,519,169	4,850,343
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,519,902	13,405,121	2,180,401	11,788,567	2,290,385
Total business-type activities program revenues	<u>43,231,081</u>	<u>52,659,744</u>	<u>40,442,350</u>	<u>47,546,131</u>	<u>35,905,251</u>
Total primary government program revenues	<u>66,809,064</u>	<u>78,748,579</u>	<u>60,553,388</u>	<u>69,581,066</u>	<u>58,823,208</u>

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Net revenues (expenses):					
Governmental activities	(106,747,014)	(83,806,630)	(90,466,586)	(88,205,960)	(69,132,051)
Business-type activities	<u>2,118,200</u>	<u>15,847,361</u>	<u>2,566,719</u>	<u>9,319,472</u>	<u>(1,336,698)</u>
Total net revenues (expenses)	<u>(104,628,814)</u>	<u>(67,959,269)</u>	<u>(87,899,867)</u>	<u>(78,886,488)</u>	<u>(70,468,749)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	24,535,870	22,245,363	21,294,978	21,065,170	18,655,013
Sales tax	30,971,801	27,681,241	25,367,807	24,113,415	21,948,058
Transient occupancy taxes	28,591,763	25,814,526	24,695,585	22,249,462	19,396,331
Franchise taxes	-	-	-	-	-
Utility users taxes	-	-	-	-	-
Other taxes	13,111,478	12,939,461	14,687,706	14,142,596	13,840,763
Motor vehicle in lieu, unrestricted	4,492,728	4,209,089	3,920,259	3,673,718	3,537,631
Use of money and property	1,557,326	2,176,122	2,211,049	2,336,973	1,217,844
Other general revenues	68,720	85,881	54,954	80,795	178,958
Gain on sale of capital asset	-	-	86,492	(238,179)	161,770
Extraordinary gain/(loss)	-	-	-	(2,585,890)	(6,935,586)
Settlement	-	-	-	-	-
Transfers	<u>(2,245,997)</u>	<u>(810,030)</u>	<u>(412,270)</u>	<u>(2,550,758)</u>	<u>(1,952,165)</u>
Total governmental activities	<u>101,083,689</u>	<u>94,341,653</u>	<u>91,906,560</u>	<u>82,287,302</u>	<u>70,048,617</u>
Business-type activities:					
Use of money and property	163,540	323,896	299,716	526,158	(122,318)
Other revenue	917,966	909,116	986,504	164,542	182,232
Extraordinary gain/(loss)	-	-	-	-	(74,215)
Transfers	<u>2,245,997</u>	<u>810,030</u>	<u>412,270</u>	<u>2,550,758</u>	<u>1,952,165</u>
Total business-type activities	<u>3,327,503</u>	<u>2,043,042</u>	<u>1,698,490</u>	<u>3,241,458</u>	<u>1,937,864</u>
Total primary government	<u>104,411,192</u>	<u>96,384,695</u>	<u>93,605,050</u>	<u>85,528,760</u>	<u>71,986,481</u>
Changes in net position					
Governmental activities	(5,663,325)	10,535,023	1,439,974	(5,918,658)	916,566
Business-type activities	<u>5,445,703</u>	<u>17,890,403</u>	<u>4,265,209</u>	<u>12,560,930</u>	<u>601,166</u>
Total primary government	<u>\$ (217,622)</u>	<u>\$ 28,425,426</u>	<u>\$ 5,705,183</u>	<u>\$ 6,642,272</u>	<u>\$ 1,517,732</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				
	2022	2021	2020	2019	2018
General fund:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	1,800,150	2,955,615	1,461,569	1,444,569	3,019,428
Assigned	28,438,899	26,400,668	16,553,458	10,302,670	9,673,725
Unassigned	<u>101,952,531</u>	<u>52,448,534</u>	<u>30,272,514</u>	<u>39,319,971</u>	<u>37,617,037</u>
Total general fund	<u>\$ 132,191,580</u>	<u>\$ 81,804,817</u>	<u>\$ 48,287,541</u>	<u>\$ 51,067,210</u>	<u>\$ 50,310,190</u>
All other governmental funds:					
Restricted	43,304,878	34,213,803	39,189,281	43,201,882	37,220,218
Nonspendable	-	8,650	588,954	-	-
Committed	-	-	-	-	-
Assigned	52,625,129	36,151,919	36,492,533	38,198,165	23,354,766
Unassigned	<u>-</u>	<u>-</u>	<u>(32,850)</u>	<u>-</u>	<u>(2,174,918)</u>
Total all other governmental funds	<u>\$ 95,930,007</u>	<u>\$ 70,374,372</u>	<u>\$ 76,237,918</u>	<u>\$ 81,400,047</u>	<u>\$ 58,400,066</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				
	2017	2016	2015	2014	2013
General fund:					
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	3,019,428	3,019,428	3,919,428	3,019,428	3,670,535
Assigned	8,002,942	7,884,694	6,850,022	7,060,894	6,442,546
Unassigned	<u>21,548,391</u>	<u>18,545,979</u>	<u>14,985,654</u>	<u>13,199,370</u>	<u>12,803,298</u>
Total general fund	<u>\$ 32,570,761</u>	<u>\$ 29,450,101</u>	<u>\$ 25,755,104</u>	<u>\$ 23,279,692</u>	<u>\$ 22,916,379</u>
All other governmental funds:					
Restricted	41,363,491	41,633,373	50,159,957	64,475,152	48,061,626
Nonspendable	-	-	-	-	11,188,905
Committed	-	-	-	-	-
Assigned	21,667,783	14,227,585	14,344,936	2,446,752	3,657,054
Unassigned	<u>(476,099)</u>	<u>(23,156)</u>	<u>(52,112)</u>	<u>(23,463)</u>	<u>(184,499)</u>
Total all other governmental funds	<u>\$ 62,555,175</u>	<u>\$ 55,837,802</u>	<u>\$ 64,452,781</u>	<u>\$ 66,898,441</u>	<u>\$ 62,723,086</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				
	2022	2021	2020	2019	2018
Revenues:					
Taxes	\$ 181,209,034	\$ 139,196,155	\$ 116,692,441	\$ 130,253,883	\$ 106,490,591
Licenses and permits	8,756,136	7,382,783	6,692,721	6,884,620	6,387,567
Fines and penalties	591,903	557,012	648,549	140,420	140,911
Use of money and property	(1,932,332)	199,250	4,166,276	4,318,712	1,707,685
Intergovernmental	23,466,818	9,888,085	6,354,888	9,046,448	10,912,473
Charges for services	12,704,911	10,637,436	9,786,095	11,880,409	11,208,428
Other	1,112,586	1,147,321	1,844,984	5,198,982	2,861,089
Total revenues	<u>225,909,056</u>	<u>169,008,042</u>	<u>146,185,954</u>	<u>167,723,474</u>	<u>139,708,744</u>
Expenditures					
Current:					
General government	22,906,961	22,227,319	22,293,323	26,046,365	22,983,718
Public safety	64,500,335	55,585,193	55,972,570	50,472,039	45,857,964
Cultural and convention center	8,407,229	7,753,861	8,380,223	4,824,429	4,437,893
Parks and recreation	5,264,398	3,985,179	4,623,367	9,921,817	9,600,331
Public works	20,398,420	16,392,137	75,840,105	29,362,695	27,255,537
Library	2,943,458	2,451,714	2,631,408	2,807,742	2,818,197
Capital Outlay*	19,593,816	19,126,087	-	-	-
Debt service:					
Principal retirement	61,993,795	39,096,036	5,685,572	5,876,235	5,652,364
Interest and fiscal charges	4,726,046	7,026,678	4,653,184	4,877,611	5,064,358
Bond issuance costs	-	-	-	-	-
Payment to bond escrow	-	-	-	-	-
Pass-through payments	-	-	-	-	-
Total expenditures	<u>210,734,458</u>	<u>173,644,204</u>	<u>180,079,752</u>	<u>134,188,933</u>	<u>123,670,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,174,598</u>	<u>(4,636,162)</u>	<u>(33,893,798)</u>	<u>33,534,541</u>	<u>16,038,382</u>
Other financing sources (uses):					
Transfers in	10,994,097	26,973,656	29,772,852	41,432,291	21,227,794
Transfers out	(12,118,097)	(29,138,690)	(41,044,301)	(51,209,831)	(23,681,856)
Debt issued	61,240,000	33,495,000	-	-	-
Bond premium	-	-	-	-	-
Bond discount	-	-	-	-	-
Proceeds from sale of capital assets	651,800	-	-	-	-
Settlement	-	-	36,520,000	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>60,767,800</u>	<u>31,329,966</u>	<u>25,248,551</u>	<u>(9,777,540)</u>	<u>(2,454,062)</u>
Extraordinary gain/loss	-	-	-	-	-
Net change in fund balances	<u>\$ 75,942,398</u>	<u>\$ 26,693,804</u>	<u>\$ (8,645,247)</u>	<u>\$ 23,757,001</u>	<u>\$ 13,584,320</u>
Capital outlay included in current expenditures*	\$ 19,593,816	\$ 19,126,087	\$ 19,065,442	\$ 13,347,610	\$ 14,545,855
Debt service as a percentage of noncapital expenditures	34.9%	29.8%	6.4%	8.9%	9.8%

*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				
	2017	2016	2015	2014	2013
Revenues:					
Taxes	\$ 97,210,912	\$ 88,680,591	\$ 86,046,076	\$ 83,019,658	\$ 75,222,872
Licenses and permits	5,726,357	4,734,400	4,338,884	4,223,695	3,066,526
Fines and penalties	251,091	122,741	283,767	127,672	98,971
Use of money and property	1,550,825	2,069,955	2,130,949	2,214,740	1,287,277
Intergovernmental	15,115,053	8,275,642	9,881,576	8,499,575	13,397,351
Charges for services	9,854,967	8,843,238	8,671,389	8,632,034	7,750,886
Other	2,156,777	3,194,910	2,817,116	873,125	1,322,686
Total revenues	<u>131,865,982</u>	<u>115,921,477</u>	<u>114,169,757</u>	<u>107,590,499</u>	<u>102,146,569</u>
Expenditures					
Current:					
General government	17,186,130	14,514,121	12,639,548	17,145,827	10,885,046
Public safety	44,040,288	39,880,252	38,169,200	36,640,786	35,327,922
Cultural and convention center	4,034,038	5,140,410	4,912,242	3,946,726	4,342,391
Parks and recreation	8,970,655	8,775,698	8,664,379	8,423,471	11,958,245
Public works	28,044,863	37,018,361	30,083,326	20,799,856	15,474,824
Library	2,839,703	2,694,753	3,194,262	2,552,786	2,428,937
Capital Outlay	-	-	-	-	-
Debt service:					
Principal retirement	5,657,193	12,266,638	5,219,260	4,444,570	4,264,596
Interest and fiscal charges	6,069,043	5,888,573	5,587,476	4,647,051	4,618,428
Bond issuance costs	-	-	-	-	-
Payment to bond escrow	-	-	7,145,057	-	-
Pass-through payments	-	-	-	-	-
Total expenditures	<u>116,841,913</u>	<u>126,178,806</u>	<u>115,614,750</u>	<u>98,601,073</u>	<u>89,300,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,024,069</u>	<u>(10,257,329)</u>	<u>(1,444,993)</u>	<u>8,989,426</u>	<u>12,846,180</u>
Other financing sources (uses):					
Transfers in	22,671,479	22,844,245	20,793,279	18,329,676	15,850,073
Transfers out	(27,882,476)	(24,193,175)	(25,785,113)	(22,780,434)	(17,802,238)
Debt issued	1,120,195	5,680,000	58,440,000	-	490,000
Bond premium	105,301	1,006,277	5,376,988	-	-
Bond discount	-	-	(59,946)	-	-
Settlement	-	-	-	-	-
Payment to refunded bond escrow agent	(1,200,535)	-	(55,790,463)	-	-
Total other financing sources (uses)	<u>(5,186,036)</u>	<u>5,337,347</u>	<u>2,974,745</u>	<u>(4,450,758)</u>	<u>(1,462,165)</u>
Extraordinary gain/loss	-	-	-	-	(323,409)
Net change in fund balances	<u>\$ 9,838,033</u>	<u>\$ (4,919,982)</u>	<u>\$ 1,529,752</u>	<u>\$ 4,538,668</u>	<u>\$ 11,060,606</u>
Capital outlay included in current expenditures	\$ 1,970,021	\$ 20,251,033	\$ 12,074,642	\$ 3,538,377	\$ 8,926,703
Debt service as a percentage of noncapital expenditures	10.2%	17.1%	17.3%	9.6%	11.1%

Source: City of Palm Springs, Finance Department

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

Fiscal Year Ended June 30	Residential	Commercial	Industrial	Other (Note 2)	Total Net Taxable Assessed Value	Total Direct Rate
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
2022	12,066,378	1,812,740	181,321	689,049	14,749,488	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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	0.11000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.08000
Desert Community College	0.03950	0.03978	0.03983	0.03978	0.04030	0.02036	0.02087	0.02325	0.01995	0.01995
Palm Springs Unified B & I 1992-A	0.15030	0.10603	0.10542	0.10603	0.11146	0.11802	0.08978	0.10160	0.12961	0.09351
Total Direct and Overlapping Tax Rates	1.29980	1.24581	1.24525	1.24581	1.25176	1.23838	1.21065	1.22485	1.24956	1.19346
City Share of 1% Levy (Note 3)	0.22716	0.22716	0.22716	0.22716	0.27505	0.27505	0.27505	0.27505	0.27505	0.27505
Redevelopment Rate (Note 4)	-	-	-	-	-	-	-	-	-	-
Total Direct Rate (Note 5)	1.29980	1.24581	1.24525	1.24581	1.25176	1.23838	1.21065	1.22485	1.24956	1.19346

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	2022			2013		
	Taxable Assessed Value (\$)	Rank	% of Total City Taxable Assessed Value	Taxable Assessed Value (\$)	Rank	% of Total City Taxable Assessed Value
Coachella Hills Wind LLC	\$ 193,437,588	1	1.25%			
Tenet Healthsystem Desert Inc	123,143,852	2	0.80%	120,583,408	1	1.36%
Dtps	84,609,266	3	0.55%			
Mountain View Power Partners Iv LLC	70,760,502	4	0.46%			
Lilac19 LP	62,628,248	5	0.40%			
Avalon 1150	53,164,967	6	0.34%			
TKG Smoke Tree Commons	48,546,609	7	0.31%			
HH Palm Springs	45,332,298	8	0.29%	39,066,000	2	0.44%
Skywest Airlines Inc	45,125,619	9	0.29%	34,401,024	3	0.39%
Agre Dcp Palm Springs	43,201,463	10	0.28%			
Windpower Partners 1993 LP	42,887,985	11	0.28%	92,711,110	4	1.05%
701 East Palm Canyon Lessee	36,347,650	12	0.23%			
Wal Mart Real Estate Business Trust	33,963,127	13	0.22%	29,268,402	5	0.33%
GHPSI	33,107,602	14	0.21%			
Walter Hotel Corp	32,213,856	15	0.21%	24,200,000	6	0.27%
Parker Palm Springs II	29,627,555	16	0.19%	20,838,658	7	0.24%
Lip-Ca 2	27,925,195	17	0.18%			
Pacific Monarch Resorts Inc	27,285,000	18	0.18%	27,908,668	8	0.32%
Kings Garden Inc	26,456,305	19	0.17%			
Ocl2020 LLC	25,121,000	20	0.16%			
Wr Palm Mountain Resort	23,720,524	21	0.15%			
Palm Springs Land	23,513,389	22	0.15%			
Rbd Hotel Palm Springs	22,081,270	23	0.14%	23,152,084	9	0.26%
Palm Springs Realty Holding	21,556,859	24	0.14%			
Cmk Cielo LLC	21,484,769	25	0.14%			
Riviera Reincarnate				62499874		0.71%
Endure Inv				47124237	10	0.53%
Donahue Schriber Realty Group				46870515	11	0.53%
Palm Springs Art Museum Inc.				44736923	12	0.51%
Wessman John				33111839	13	0.37%
San Gorgonio Westwinds Ii LLC				28435000	14	0.32%
Desert Sun Publishing Co				27691104	15	0.31%
Grp Aviation LLC				23159100	16	0.26%
U Store It LP				22393607	17	0.25%
Time Warner Entertainment Adva				19021330	18	0.21%
Faof Palm Springs				18564000	19	0.21%
Knotts Berry Farm				17967463	20	0.20%
Sunrise Place				17700487	21	0.20%
Lowes Hiw Inc.				16256649	22	0.18%
Palm Springs Hh				15463200	23	0.17%
Ec Land Holdings				14719961	24	0.17%
					25	0.00%
Total Top 25 Taxpayers	\$ 1,197,242,498		7.74%	\$ 867,844,643		9.80%
Total Taxable Value	\$ 15,468,725,701		100%	\$ 8,854,902,701		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
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%
2022*	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
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
2022	18,369,513	164,513,884	5,135,019	188,018,416

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				
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	4,249.53669	4,558
2016	16,694,038	7,947,127	-	-	24,641,165	195,656,954	4,092.55677	4,389
2017	12,826,849	7,607,672	-	-	20,434,521	184,948,544	3,868.56894	4,149
2018	9,929,660	6,918,049	14,354,637	644,329	31,846,675	192,909,168	4,035.08133	4,328
2019	6,912,173	6,245,864	21,747,934	528,191	35,434,162	188,709,956	3,947.24640	4,234
2020	23,815,645	5,549,267	25,358,788	425,683	55,149,383	202,608,165	4,237.95526	4,545
2021	22,078,598	4,866,953	24,661,857	278,082	51,885,490	193,248,713	4,042.18359	4,335
2022	20,271,051	4,109,542	23,966,807	123,729	48,471,129	236,489,545	4,946.65213	5,305

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

* Personal Income 47,808

* Total Population 44,575

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		
2013	\$ 20,068	\$ 132,552	\$ 152,620	1.57%	3,308
2014	19,852	128,648	148,500	1.53%	3,219
2015	19,572	136,552	156,124	1.57%	3,346
2016	20,425	131,071	151,496	1.48%	3,221
2017	20,248	125,668	145,916	1.35%	3,080
2018	20,012	119,758	139,770	1.18%	3,136
2019	19,607	113,656	133,263	1.05%	2,990
2020	19,358	107,460	126,818	0.97%	2,845
2021	18,906	100,950	119,856	0.86%	2,689
2022	18,370	98,005	116,375	0.79%	2,611

(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, 2022

2021-2022 Assessed Valuation: \$ 15,575,347,844

	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/22
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Desert Community College District	\$ 510,745,000	16.762%	\$ 85,611,077
Mount San Jacinto Community College District	253,195,000	0.004%	10,128
Banning Unified School District	57,327,760	0.140%	80,259
Palm Springs Unified School District	451,708,639	44.091%	199,162,856
San Geronio Memorial Hospital District	100,090,000	0.041%	41,037
California Statewide Communities Development Authority 1915 Act Bonds	618,669	100.000%	618,669
City of Palm Springs 1915 Act Bonds	3,900,000	100.000%	3,900,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 289,424,025
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	\$ 720,218,351	4.707%	\$ 33,900,678
Riverside County Pension Obligations	820,060,000	4.707%	38,600,224
Banning Unified School District Certificates of Participation	8,720,000	0.140%	12,208
City of Palm Springs General Fund Obligations	112,041,601	100.000%	112,041,601
City of Palm Springs Pension Obligations	15,117,451	100.000%	15,117,451
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 199,672,162
Less: Riverside County Administrative Center Authority			
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):			
Riverside County Tax Allocation Bonds	180,848,028	0.185-100%	25,784,248
TOTAL OVERLAPPING TAX INCREMENT DEBT			25,784,248
TOTAL DIRECT DEBT			\$ 142,158,355
TOTAL OVERLAPPING DEBT			387,721,384
COMBINED TOTAL DEBT			\$ 529,879,739 (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 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.86%
Total Direct Debt	0.82%
Combined Total Debt	3.31%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,072,862,962):

Total Overlapping Tax Increment Debt	0.84%
--------------------------------------	-------

Source: Municipal Services LLP

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Assessed Valuation	\$15,575,348	\$13,870,348	\$13,133,512	\$12,655,392	\$11,894,269
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,893,837	3,467,587	3,283,378	3,163,848	2,973,567
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	584,076	520,138	492,507	474,577	446,035
Total net debt applicable to limit: General Obligation Bonds	98,005	100,950	107,460	113,656	119,758
Legal debt Margin	<u>\$486,071</u>	<u>\$419,188</u>	<u>\$385,047</u>	<u>\$360,921</u>	<u>\$326,277</u>
 Total Debt applicable to the limit as a percentage of debt limit	 16.8%	 19.4%	 21.8%	 23.9%	 26.8%

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				
	2017	2016	2015	2014	2013
Assessed Valuation	\$10,826,781	\$10,176,176	\$9,975,774	\$9,320,889	\$8,901,314
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,706,695	2,544,044	2,493,944	2,330,222	2,225,329
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	406,004	381,607	374,092	349,533	333,799
Total net debt applicable to limit: General Obligation Bonds	125,668	131,071	136,552	128,648	132,552
Legal debt Margin	<u>\$280,336</u>	<u>\$250,536</u>	<u>\$237,540</u>	<u>\$220,885</u>	<u>\$201,247</u>
 Total Debt applicable to the limit as a percentage of debt limit	 31.0%	 34.3%	 36.5%	 36.8%	 39.7%

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	
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
2022	42,934,803	23,523,075	19,411,728	1,530,000	683,544	8.77

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
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%
2022	44,397	2,476,079	55,771	2.7%

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	2021-22		2012-13
	Number of Employees	Percent of Total Employment (%)	Number of Employees
Palm Springs Unified School District*	2,584	10.86%	
Desert Regional Medical Center	2,459	10.33%	1000-4999
Agua Caliente Casino Palm Springs***	547	2.30%	1000-4999
City of Palm Springs	470	1.97%	
Walmart Supercenter**	387	1.63%	250-499
Margaritaville Resort PS (formerly Riviera PS Resort)**	251	1.05%	250-499
Home Depot	220	0.92%	
Lowe's Home Improvement	152	0.64%	
Ace Hotel & Swim Club	114	0.48%	
Hilton-Palm Springs Resorts	108	0.45%	100-249
Desert Sun Publishing			250-499
Care Fusion			250-499
Savoury's Inc			250-499
Agua Caliente Band of Indians			100-249
Eat at the Desert			100-249
Total Top Employers	7,292	30.63%	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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>General Government</u>										
Administration	86.70	57.65	59.78	62.20	55.20	44.20	39.20	36.25	36.25	35.75
Growth Management	*	-	-	32.39	30.39	31.39	30.37	24.29	22.60	20.80
Quality of Life	*	-	-	55.25	54.00	53.50	52.50	54.50	54.00	53.25
Public Safety	232.00	227.00	246.00	210.00	195.00	189.00	178.00	173.50	170.50	178.50
Public Works & Engineering	*	-	-	23.48	23.48	23.38	23.38	20.33	20.00	20.00
Community & Economic Development	*	5.72	5.72	3.22						
Development Services	*	41.00	60.70	41.00						
Parks and Recreation	*	30.75	34.75	32.50						
Library	*	14.25	14.25	14.25						
Airport	77.00	72.00	75.00	73.00	74.00	70.00	69.00	67.00	67.50	66.50
Motor Vehicle	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Facilities Maintenance	18.00	18.00	17.00	13.90	13.90	13.00	13.00	13.00	13.50	13.50
Risk Management	6.05	4.30	6.05	4.25	4.25	4.25	4.25	3.25	3.25	3.25
Low & Moderate Income Housing	3.28	3.28	2.78	2.78	2.78	2.78	2.80	3.38	3.40	3.70
Wastewater Treatment Plant	*	1.25	0.35	0.42	-	-	-	-	-	-
Total	524.00	506.00	506.00	485.25	461.00	439.50	420.50	403.50	398.00	402.25

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

Source: City of Palm Springs, Finance Department Adopted Budget

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Police:					
Arrests	1,714	1,866	1,914	2,559	2,634
Parking Citations	4,410	1,169	4,483	5,190	5,138
Fire:					
Number of Emergency Calls	12,286	10,735	10,114	9,782	9,880
Inspections	1,060	875	2,488	4,888	3,364
Public Works:					
Street resurfacing (sq feet)	4,772,800	4,450,496	4,567,855	1,967,233	6,129,638
Parks and Recreation:					
Number of recreation classes	3,477	824	5,802	5,982	2,919
Number of facility rentals	2,773	1,226	1,303	3,562	3,851
Airport:					
Passengers serviced	2,825,490	1,332,655	1,816,588	2,457,680	2,213,001
Flights	63,141	49,089	47,934	53,229	50,751
Sewer:					
New Connections	138	188	193	111	198
Ave Daily sewage treatment	4,700.000	4.496	4.800	5.396	6.005
Golf Course:					
Golf rounds played	72,549	56,440	65,594	87,255	92,202

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				
	2017	2016	2015	2014	2013
Police:					
Arrests	2,844	3,566	3,608	4,257	3,090
Parking Citations	4,014	5,424	3,826	3,178	2,796
Fire:					
Number of Emergency Calls	9,993	10,071	9,753	8,798	8,455
Inspections	3,489	3,666	3,389	3,902	3,385
Public Works:					
Street resurfacing (sq feet)	3,385,000	11,111,269	2,875,700	3,136,862	2,638,360
Parks and Recreation:					
Number of recreation classes	5,866	5,385	2,642	2,964	3,715
Number of facility rentals	3,968	3,908	144	167	160
Airport:					
Passengers serviced	2,052,129	1,917,702	1,914,402	1,852,606	1,751,973
Flights	53,174	55,977	55,823	52,993	51,586
Sewer:					
New Connections	163	165	175	120	114
Ave Daily sewage treatment	5.798	5.845	6.042	6.042	6.033
Golf Course:					
Golf rounds played	89,268	89,020	98,866	87,981	95,177

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	2022 Q1	2021 Q1	2020 Q1	2019 Q1	2018 Q1
Accommodation and Food Services	4,343,936	1,963,583	3,631,115	3,749,433	3,567,726
Administrative and Support and Waste Management and Remediation Services	85,327	54,164	72,199	23,738	23,320
Arts, Entertainment, and Recreation	4,239	748	6,629	53,218	62,330
Construction	* -	282,681	290,231	34,658	23,339
Educational Services	26,461	14,120	31,139	8,751	14,360
Health Care and Social Assistance	* -	-	-	34,233	35,684
Information	164,985	90,910	100,407	91,071	80,328
Manufacturing	375,507	416,519	220,658	172,483	146,266
Mining, Quarrying, and Oil and Gas Extraction	530,133	658,228	320,721	327,958	237,045
Other Services (except Public Administration)	89,339	54,226	46,945	98,132	94,203
Professional, Scientific, and Technical Services	17,143	19,371	35,429	82,820	77,070
Real Estate and Rental and Leasing	34,249	18,251	27,567	734,114	648,209
Retail Trade	9,196,836	7,024,380	6,967,671	6,560,086	6,322,551
Utilities	* -	-	-	109,705	86,169
Transportation and Warehousing	1,726,763	929,229	1,267,786	1,247,223	1,051,375
Wholesale Trade	* -	-	-	679,904	535,555
All Other NAICS Sectors	276,714	194,023	184,229	181,934	169,884
Grand Total	\$ 16,871,632	\$ 11,720,433	\$ 13,202,726	\$ 14,189,461	\$ 13,175,415

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

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

* Not provided in current fiscal year

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

Category Name	2017 Q1	2016 Q1	2015 Q1	2014 Q1	2013 Q1
Accommodation and Food Services	\$ 3,148,867	\$ 2,875,562	\$ 2,730,775	\$ 2,511,350	\$ 2,267,889
Administrative and Support and Waste Management and Remediation Services	21,271	18,727	19,010	9,756	8,809
Arts, Entertainment, and Recreation	61,278	65,062	69,369	57,280	65,501
Construction	*	32,364	19,119	26,404	23,978
Educational Services	5,244	176	187	172	165
Health Care and Social Assistance	*	38,614	31,985	31,555	29,890
Information	102,224	122,578	121,648	126,094	86,127
Manufacturing	151,375	153,782	177,326	150,879	131,499
	172,558	119,721	242,038	273,834	368,733
Other Services (except Public Administration)	83,559	78,384	62,323	62,367	56,094
Professional, Scientific, and Technical Services	70,771	78,006	71,692	79,399	72,320
Real Estate and Rental and Leasing	611,087	593,287	608,835	550,724	560,035
Retail Trade	5,950,377	4,974,209	5,629,874	5,583,007	5,255,012
	*	76,036	57,867	44,454	53,667
Transportation and Warehousing	977,468	934,730	955,013	889,155	828,682
Wholesale Trade	*	426,180	332,618	473,398	469,130
Wholesale Trade	*	426,180	332,618	473,398	469,130
Wholesale Trade	*	426,180	332,618	473,398	469,130
All Other NAICS Sectors	143,820	147,248	132,452	158,003	159,921
Grand Total	\$ 12,073,093	\$ 10,603,060	\$ 11,396,353	\$ 11,028,685	\$ 10,547,818

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

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

* Not provided in current fiscal year

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	405	367
Traffic signals	86	86	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	1	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**

2021-22		2012-13	
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
Avis Rent-A-Car	Leasing	Chevron Service Stations	Service Stations
BMW of Palm Springs	Auto Sales - New	Daimler Trust	Leasing
Budget Rent-A-Car	Leasing	Enterprise Rent-A-Car	Leasing
Builders Supply	Bldg.Matls-Retail	Financial Svcs Vehicle Trust	Leasing
Enterprise Rent-A-Car	Leasing	Hertz Rent-A-Car	Leasing
Financial Services Vehicle Trust	Leasing	Home Depot	Bldg.Matls-Retail
Hertz Rent-A-Car	Leasing	Las Casuelas Terraza Restoran	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
Mobil Service Stations	Service Stations	Pilot Travel Center	Service Stations
Palm Springs Hyundai	Auto Sales - New	Ralph's Grocery Company	Food Markets
Palm Springs Infiniti	Auto Sales - New	Rite Aid Drug Stores	Drug Stores
Pilot Travel Center	Service Stations	Riviera Resort & Spa	Restaurants
Porsche of Palm Springs	Auto Sales - New	Ross Stores	Apparel Stores
Ralph's Grocery Company	Food Markets	Ryder Truck Rentals	Leasing
Ross Stores	Apparel Stores	Stein Mart	Apparel Stores
Shell Service Stations	Service Stations	TJ Maxx	Apparel Stores
The Tropicale Restaurant	Restaurants	Viasys Respiratory Care	Health & Government
TJ Maxx	Apparel Stores	VIP Motor Cars	Auto Sales - New
Union 76 Service Stations	Service Stations	W.E.C.S. Electric Supply	Electronic Equipment
Wal Mart Stores	Department Stores	Wal Mart Stores	Department Stores
World Fuel Services	Energy Sales	World Fuel Services	Energy Sales

Source: MuniServices, LLC

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