



ANNUAL COMPREHENSIVE FINANCIAL REPORT

PALM SPRINGS CITY HALL

3200

FISCAL YEAR ENDED JUNE 30, 2023

City of Palm Springs

Palm Springs, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

Prepared by:
Finance Department

Kristopher Mooney
Director of Finance and Treasurer

City of Palm Springs
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

PALM SPRINGS CITY HALL

3200

INTRODUCTORY SECTION
FISCAL YEAR ENDED JUNE 30, 2023



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 30, 2023

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, 2023, 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, 2023, 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, 2023, 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 45,000. 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 policymaking, 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 (4.7 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.

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 2022-23, property tax revenues have exceeded pre-recession levels because of the ongoing rebound in the real estate market locally, statewide, and throughout the nation. This important revenue category is expected to continue 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 \$59.8 million and are the City's largest source of revenue. The traditional Bradley Burns sales tax was approximately \$22.5 million in revenue for fiscal year 2022-23, Measure J approximately \$22 million, Measure D approximately \$10.5 million, Safety Augmentation approximately \$1.4 million and Measure A taxes at \$3.3 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 remained consistent 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 \$53 million in fiscal year 2022-23.

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 \$39 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

- Homeless Navigation Center
- Airport Ticket Wing Renovations
- Pedestrian Enhancements at North Palm Canyon
- Highway Safety Improvement Program, Cycle 7
- Wastewater Treatment Plant Digester No.2 and Gas Flare Project

Other notable initiatives

- Replacement of several Public Safety vehicles
- Plaza Theater Renovations
- Implementation of a new ERP system

Palm Springs International 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 3.2 million passengers in the fiscal year ending June 30, 2023. This was an increase of over 400,000 total passengers and nearly a 15% increase over the prior fiscal year. Air travel has been a major component of the Coachella Valley with an average of 43 daily departures from 12 major airlines. The Airport is served by Air Canada, Alaska, Allegiant, Avelo, American, Delta, Flair, JetBlue, Southwest, Sun Country, United, and WestJet. The airport's air carriers provide nonstop flights to 25 airports in the United States and 5 airports in Canada. Major airport improvements in fiscal year 2023 were the implementation of the automated vehicle identifiers for commercial vehicles while updating ground transportation transponders, completion of a new Information Technology network infrastructure, construction of airline storage space, installation of two new trash compactors, and enhanced the taxiway. Future plans for the airport include a 20-year master planning process that will provide guidance for future airport development necessary to accommodate forecasted demand and recommendations for future improvements to the airport.

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 06/30/26 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 funding reserves to offset projected increased retirement pension costs and other post-employment benefits. As of June 30, 2023, City Council has established a restricted reserve of \$34.3 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 ACFR – see note (10) 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:

- Palm Springs Public Library renovation
- Plaza Theater renovation
- Downtown Fire Station
- Increased funding for Park playground equipment and shade structures
- Recreation Fields LED lighting upgrades
- Swim Center upgrades
- Increased funding for Street and Bridge repairs

Awards and Acknowledgments

The City has prepared an annual comprehensive financial report for the past 34 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 annual comprehensive financial report for the fiscal year ended June 30, 2022. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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 'K. Mooney', with a long horizontal flourish extending to the right.

Kristopher J. Mooney
Director of Finance and Treasurer

CITY OF PALM SPRINGS

List of Principal Officials

June 30, 2023

CITY COUNCIL

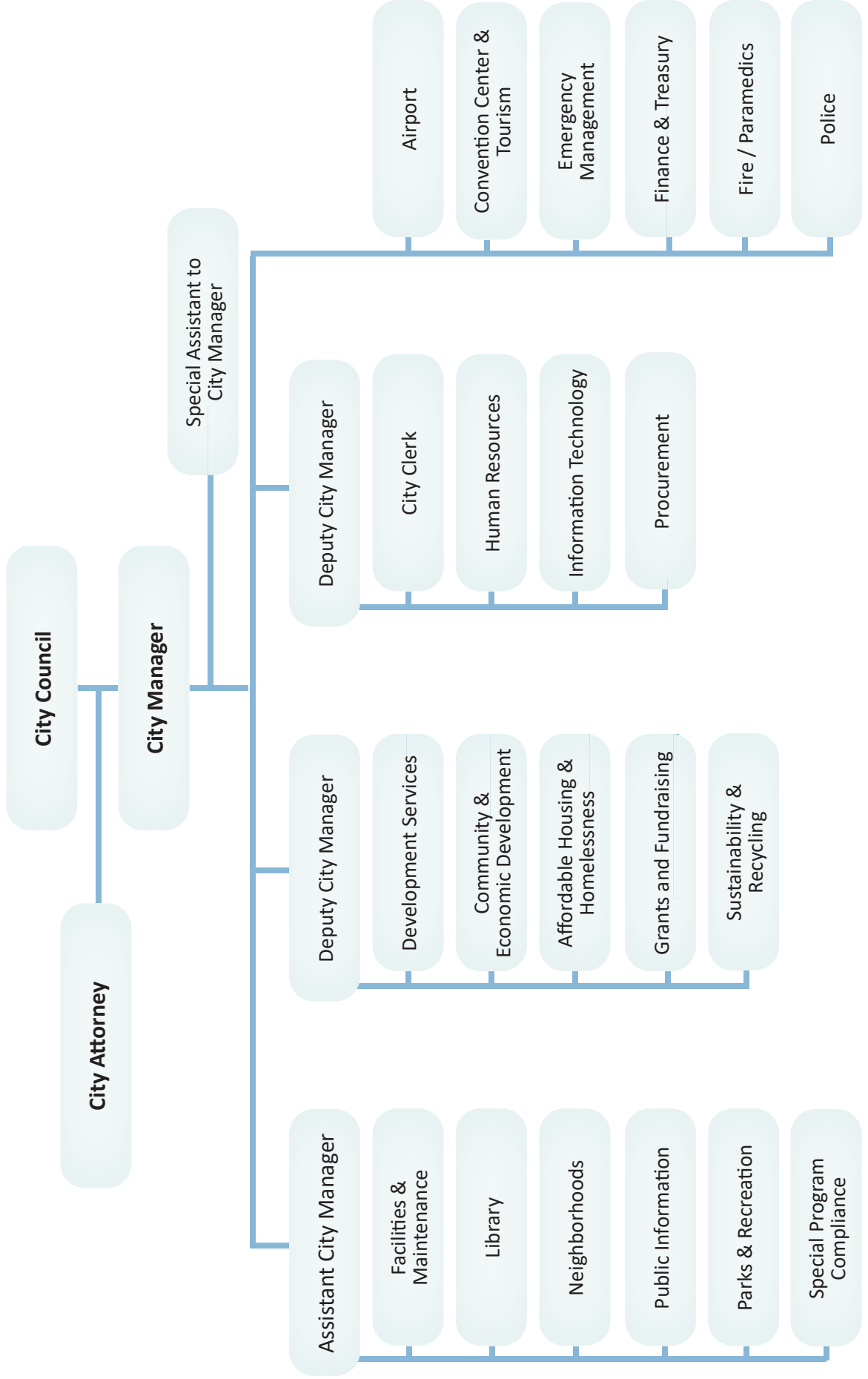
Grace Elena Garner, Mayor
Jeffrey Bernstein, Mayor Pro Tem
Ron deHarte
Christy Holstege
Lisa Middleton

EXECUTIVE MANAGEMENT

City Manager	Scott Stiles
Assistant City Manager	Teresa Gallavan
Deputy City Manager - Development Services	Flinn Fagg
Deputy City Manager - Administration	Jeremy Hammond
City Clerk	Brenda Pree
Director of Community/Economic Development	Whitlan Jay Virata
Director of Finance and Treasurer	Kristopher J. Mooney
Director of Human Resources	Stephanie George
Director of Library Services	Regina Kays
Director of Maintenance and Facilities	David McAbee
Director of Recreation	Yvonne Wise
Executive Director of Aviation	Harry Barrett
Fire Chief	Paul Alvarado
Police Chief	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, 2022

Christopher P. Morill

Executive Director/CEO

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

PALM SPRINGS CITY HALL

3200

**FINANCIAL SECTION
FISCAL YEAR ENDED JUNE 30, 2023**

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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, 2023, 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, 2023, 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 auditors' 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 Schedule 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 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 accompanying 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 30, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Santa Ana, California
December 30, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Palm Springs (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. Our intent is to assist the reader of these financial statements in 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 financial statements.

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.
 - Governmental fund statements provide information on how the general government uses services and how those services 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, including the airport, wastewater and golf course.
 - Fiduciary fund statements provide information about fiduciary relationships, such as custodial funds, 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 a notes section that provides more detailed information. The statements are followed by a section of required supplementary information that provides 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>	<u>Fund Statements</u>		
		<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 on 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)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 397,391	\$ 333,130	\$ 167,468	\$ 128,757	\$ 564,859	\$ 461,887
Capital assets	370,607	360,818	160,049	157,533	530,656	518,351
Total assets	<u>767,998</u>	<u>693,948</u>	<u>327,517</u>	<u>286,290</u>	<u>1,095,515</u>	<u>980,238</u>
Deferred Outflows	<u>65,761</u>	<u>38,692</u>	<u>8,120</u>	<u>4,163</u>	<u>73,881</u>	<u>42,855</u>
Long-term debt outstanding, restated	460,060	427,663	72,269	71,592	532,329	499,255
Other liabilities	<u>47,387</u>	<u>45,791</u>	<u>13,729</u>	<u>13,526</u>	<u>61,116</u>	<u>59,317</u>
Total liabilities	<u>507,447</u>	<u>473,454</u>	<u>85,998</u>	<u>85,118</u>	<u>593,445</u>	<u>558,572</u>
Deferred Inflows	<u>74,584</u>	<u>90,999</u>	<u>3,445</u>	<u>8,831</u>	<u>78,029</u>	<u>99,830</u>
Net position:						
Net investment in capital assets	213,373	195,148	120,120	112,632	333,493	307,780
Restricted	55,086	43,348	4,935	3,329	60,021	46,677
Unrestricted	<u>(16,731)</u>	<u>(70,309)</u>	<u>121,139</u>	<u>80,543</u>	<u>104,408</u>	<u>10,234</u>
Total net position	<u>\$ 251,728</u>	<u>\$ 168,187</u>	<u>\$ 246,194</u>	<u>\$ 196,504</u>	<u>\$ 497,922</u>	<u>\$ 364,691</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the fiscal year ending June 30, 2023, assets plus deferred outflows exceeded liabilities and deferred inflow by approximately \$498 million of net position.

The largest portion of the City's net position of \$498 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 \$60 million represents resources that are subject to external restrictions on how resources may be used. The remaining unrestricted balance of net position is \$104 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 2023, the City maintained a strong growing tourism industry leading to \$133 million increase in net position with \$83 million coming from governmental activities and \$50 million in business-type activities. The steady growth also led to a significant increase in passenger traffic at the City's airport, a total of 3.2 million passengers which is 400,000 more than 2022.

A summary of the government wide statement of activities follows:

Table 2
Changes in Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 25,806	\$ 25,530	\$ 69,660	\$ 60,440	\$ 95,466	\$ 85,970
Operating contributions & grants	9,852	9,339	23,312	7,193	33,164	16,532
Capital contributions & grants	23,853	10,298	-	-	23,853	10,298
General revenues:						
Property taxes & tax increment	34,673	33,134	-	-	34,673	33,134
Transient occupancy taxes	53,550	54,326	-	-	53,550	54,326
Sales taxes	55,113	58,626	-	-	55,113	58,626
Other taxes	27,385	26,310	-	-	27,385	26,310
Motor vehicle in lieu - unrestricted	6,740	6,142	-	-	6,740	6,142
Loss on sale of capital asset	(43)	284	-	-	(43)	284
Other general revenues	5,009	(2,113)	1,639	(1,715)	6,648	(3,828)
Total revenues	<u>241,938</u>	<u>221,876</u>	<u>94,611</u>	<u>65,918</u>	<u>336,549</u>	<u>287,794</u>
Program expenses						
General government	38,038	19,401	-	-	38,038	19,401
Public safety	70,599	62,730	-	-	70,599	62,730
Culture and convention center	12,025	10,685	-	-	12,025	10,685
Parks and recreation	11,898	10,528	-	-	11,898	10,528
Public Works	18,619	23,104	-	-	18,619	23,104
Library	3,005	2,693	-	-	3,005	2,693
Interest	3,939	5,175	-	-	3,939	5,175
Airport	-	-	30,858	24,203	30,858	24,203
Wastewater	-	-	8,927	9,567	8,927	9,567
Golf Course	-	-	5,536	5,374	5,536	5,374
Total expenses	<u>158,123</u>	<u>134,316</u>	<u>45,321</u>	<u>39,144</u>	<u>203,444</u>	<u>173,460</u>
Excess (deficiency) before transfers	83,815	87,560	49,290	26,774	133,105	114,334
Transfers	(400)	(1,124)	400	1,124	-	-
Increase (decrease) in net position	<u>83,415</u>	<u>86,436</u>	<u>49,690</u>	<u>27,898</u>	<u>133,105</u>	<u>114,334</u>
Beginning net position, as restated	168,313	81,751	196,504	168,606	364,817	250,357
Ending net position	<u>\$ 251,728</u>	<u>\$ 168,187</u>	<u>\$ 246,194</u>	<u>\$ 196,504</u>	<u>\$ 497,921</u>	<u>\$ 364,693</u>

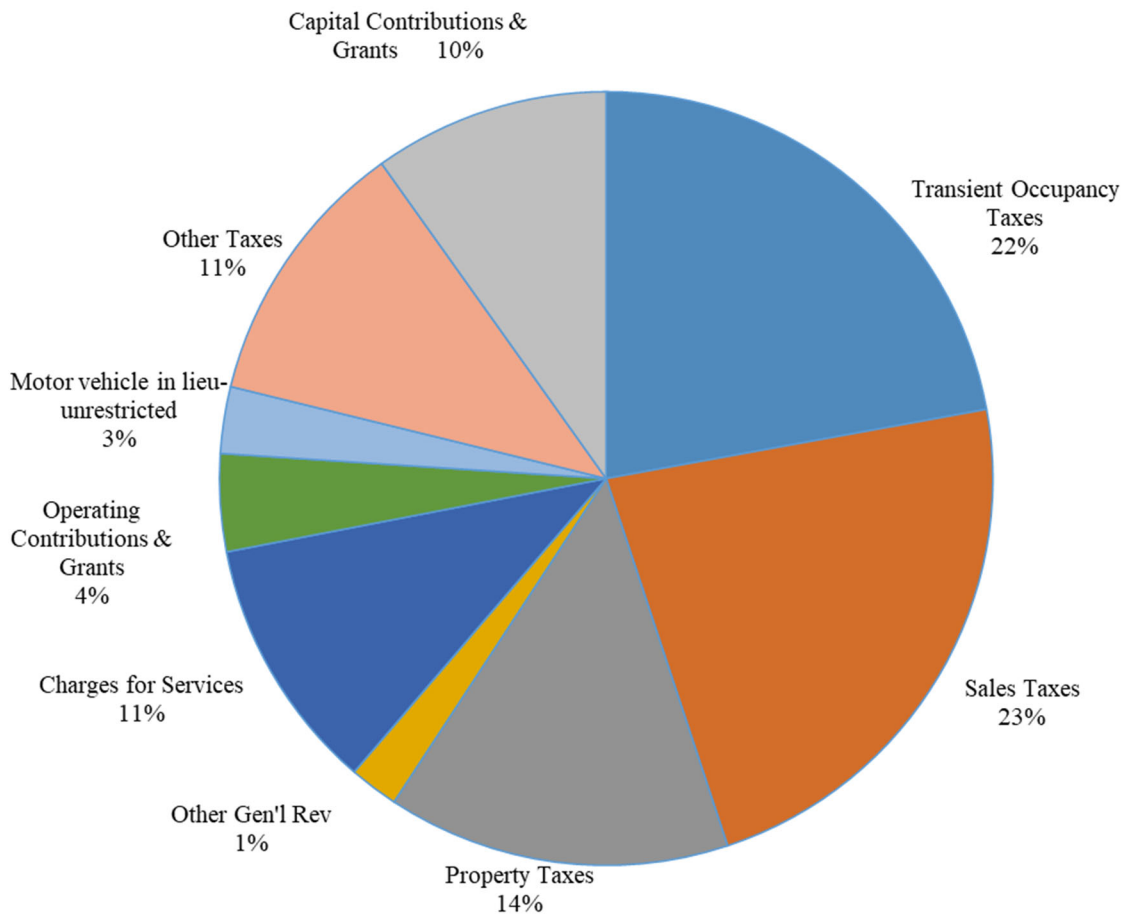
The City's total revenues were \$337 million while the total expenditure was \$203 million.

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 \$55 million (16% of total revenues and 23% of governmental revenues). The City's Transient occupancy taxes (TOT), or hotel and vacation rental tax, the City's second largest revenue source at \$54 million (16% of total revenues and 22% of governmental revenues). Property taxes were the City's third largest revenue source at \$35 million (10% of total revenues and 14% 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 net position of \$83 million accounted for 63% 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 24% of the total cost of governmental activities.

Public Safety expenses are comprised of Police and Fire and are the largest component of governmental activities, approximately 45% 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.

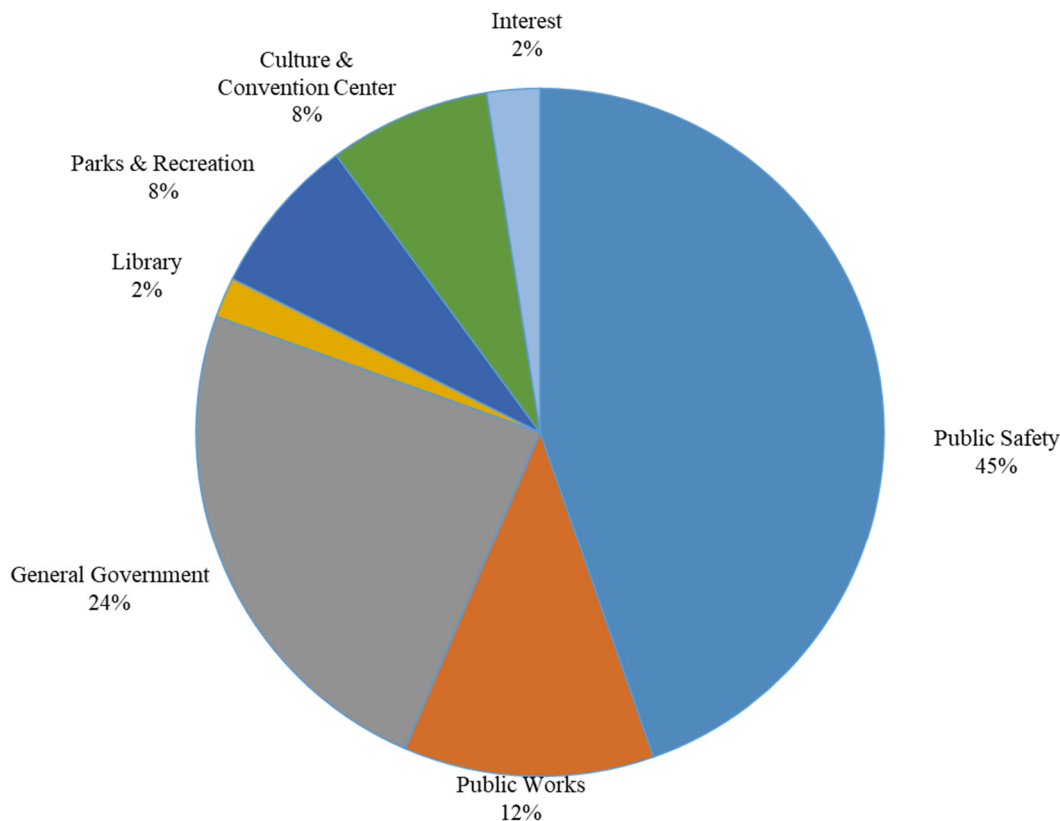
Public Works expenses are comprised of Planning, Building and Safety, Engineering, Street Maintenance, and Downtown Maintenance was the third largest component of governmental activities representing 12% of the total cost of governmental activities this past year.

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

Interest expenses were 2% 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 \$ 50 million, or 37%, over prior year, this equates to 14% 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, 2023, the governmental funds reported combined ending fund balances of \$271.3 million, an increase of \$43 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 \$2.1 million (<1%) in fund balance classified as nonspendable to indicate it cannot be readily converted to cash; \$55 million (20%) in restricted fund balance to indicate that it has an externally imposed restriction on how the funds may be spent; \$3 million (1%) in committed fund balance to indicate that the City Council has committed the money for affordable housing; \$97 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 \$117 million (42%) 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 \$21 million during the fiscal year ended June 30, 2023. 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 \$192 million from \$186 million (prior year), an overall increase of \$6 million, an increase of 3%. Significant fluctuations over prior year include the following:

- Sales Taxes increased to \$33 million from \$32 million, an overall increase of \$1 million.
- Property taxes increased to \$33 million from \$29 million, an overall increase of \$4 million.
- Transient Occupancy Taxes decreased to \$53 million from \$54 million, an overall decrease of \$1 million.
- Utility User Taxes decreased to \$15 million from \$16 million, an overall decrease of \$1 million.

Total General Fund expenditures before transfers in/out, increased to \$142 million from \$120 million (prior year), a total increase of \$22 million. This is reflective of salary and benefit increases due to an increase in positions as the City begins to continued re-hire after COVID-19.

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

The Measure J 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 approximately \$500 thousand to \$22.3 million, and the fund balance increased by \$6 million to \$39 million.

The Capital Projects Fund had an ending fund balance of \$16.9 million, an increase of \$2.7 million from prior year.

The General Debt Service Fund had an ending fund balance of \$6.6 million. The City had no debt issuances or refunding in Fiscal Year 2022-23.

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 \$121.1 million largely due to the Airport growing their unrestricted fund balance by \$43.4 million to \$71.1 million at the end of Fiscal Year 2022-23. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGET

There were just a few minor budget adjustments during the year. The City remained committed to spending 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 \$187.2 million and final budget of \$188.6 million, an increase of \$1.3 million. Increases largely due to unexpected grant revenue for the Police and Fire departments as well as grant funding for the Palm Springs Boys and Girls Club overseen by the City.
- Expenditures original budget of \$205.3 million increased to \$207.7 million, an increase of \$2.4 million. Again, the increase was largely due to an increase in the grant expense mentioned above and some headcount increases across several departments.

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

- Total revenues were \$192.3 million, an increase of \$3.7 million above final budgeted revenues for the year ended June 30, 2023. Most of that increase came from increased tax revenue and interest income offset by not as much grant revenue being recorded due to timing differences.
- Total expenditure was \$141.7 million, a decrease of \$65.9 million from final budgeted expenses. This was largely due to a grant expense being under budget due to delays in the City’s Navigation center construction, savings in Salary and Benefits due to many departmental headcount vacancies, and unspent dollars the City Council had set aside for specific priorities.

CAPITAL ASSETS

Capital Assets

(in thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022		2022		2022	
	2023	(As Restated)	2023	2022	2023	(As Restated)
<u>Assets</u>						
Buildings	\$ 93,487	\$ 93,487	\$ 80,276	\$ 80,275	\$ 173,763	\$ 173,762
Improvements	91,082	90,116	210,914	211,491	301,996	301,607
Furniture and equipment	34,083	31,807	9,202	8,378	43,285	40,185
Vehicles	21,698	19,354	2,476	4,293	24,174	23,647
Infrastructure	270,975	270,224	28,003	27,388	298,978	297,612
Leased Assets	47,226	47,237	-	-	47,226	47,237
Subscription Assets	1,879	1,453	488	-	2,367	1,453
Land	69,122	69,122	37,387	37,387	106,509	106,509
Construction in progress	56,492	39,044	51,643	43,685	108,135	82,729
Right-of-way	16,868	16,868	-	-	16,868	16,868
Total Capital Assets	702,912	678,712	420,389	412,897	1,123,301	1,091,609
<u>Accumulated Depreciation and Amortization</u>						
Buildings	55,634	53,101	48,779	46,631	104,413	99,732
Improvements	68,942	65,103	181,043	177,491	249,985	242,594
Furniture and equipment	15,954	14,475	4,488	4,297	20,442	18,772
Vehicles	13,690	12,159	1,607	3,331	15,297	15,490
Infrastructure	174,814	170,276	24,273	23,614	199,087	193,890
Leased Assets	2,646	1,327	-	-	2,646	1,327
Subscription Assets	626	-	152	-	778	-
Total Accumulated Depreciation and Amortization	332,306	316,441	260,342	255,364	592,648	571,805
Total Capital Assets, Net	\$ 373,878	\$ 363,598	\$ 160,199	\$ 157,533	\$ 534,077	\$ 521,131

Major capital improvement projects included Homeless Navigation Center, Pedestrian enhancements at North Palm Canyon, Highway Safety Improvement Program, and Wastewater Treatment Plant improvements. At the Airport, construction improvements include the ticket hall expansion and the passenger boarding bridges.

Variances over the prior year reflect the assets shown as net of depreciation. For additional details of changes in capital assets, please see Note 6 Capital Assets in the Notes section of the accompanying financial statements.

LONG-TERM DEBT
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022				2022	
	2023	(As Restated)	2023	2022	2023	(As Restated)
Compensated Absences	\$ 8,723	\$ 8,406	\$ 1,489	\$ 1,393	\$ 10,212	\$ 9,799
Claims and Judgments	10,455	10,411	-	-	10,455	10,411
Lease & Subscription Liabilities	46,051	47,187	76	124	46,127	47,311
Finance Purchase	4,565	5,135	-	-	4,565	5,135
Notes Payable	19,834	20,649	23,263	23,967	43,097	44,616
Lease Revenue Bonds	87,101	94,134	21,711	24,381	108,812	118,515
Special Assessment Bonds	3,460	3,872	-	-	3,460	3,872
Pension Obligation Bonds	17,741	18,370	-	-	17,741	18,370
Subtotal	197,930	208,164	46,539	49,865	244,469	258,029
Net OPEB Liability	113,035	130,859	7,469	11,502	120,504	142,361
Net Pension Liability	171,795	111,197	22,922	14,767	194,717	125,964
Total Long-Term Debt	\$ 482,760	\$ 450,220	\$ 76,930	\$ 76,134	\$ 559,690	\$ 526,354

As of June 30, 2023, the City’s total outstanding debt long-term debt was \$560 million, which is \$33 million less than the prior year. The decrease is largely due to the drop in net OPEB liability resulting from change in actuarial assumption resulting in lower total OPEB liability. Also, in fiscal year 2023 the City issued debt in the amount of \$55.5 million to 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 9 – 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 2023. 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 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 2023-2024 reflects continued fiscal prudence and maintains high quality standards provided for the City of Palm Springs residents and visitors.

The City’s 2023-2024 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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Palm Springs
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 315,922,881	\$ 148,319,464	\$ 464,242,345
Accounts receivable	25,630,380	12,950,181	38,580,561
Interest receivable	1,023,824	-	1,023,824
Special assessments receivable	-	354,119	354,119
Internal balances	2,640,000	(2,640,000)	-
Lease receivable - due within one year	810,539	-	810,539
Prepaid items	769,318	13,130	782,448
Deposits	200,000	-	200,000
Inventories	147,859	15,371	163,230
Total current assets	347,144,801	159,012,265	506,157,066
Noncurrent assets:			
Restricted investments with fiscal agent	283,532	8,455,631	8,739,163
Notes and loans	17,444,151	-	17,444,151
Lease receivable - due in more than one year	32,382,346	-	32,382,346
Land held for resale	136,203	-	136,203
Capital assets, not being depreciated	142,481,841	89,029,974	231,511,815
Capital assets, being depreciated, net	182,290,993	70,682,930	252,973,923
Intangible capital assets, being amortized, net	45,833,692	335,936	46,169,628
Total capital assets	370,606,526	160,048,840	530,655,366
Total noncurrent assets	420,852,758	168,504,471	589,357,229
Total assets	767,997,559	327,516,736	1,095,514,295
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	3,777,977	39,073	3,817,050
Pension related	49,309,818	7,243,351	56,553,169
OPEB related	12,673,408	837,688	13,511,096
Total deferred outflows of resources	65,761,203	8,120,112	73,881,315

City of Palm Springs
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	9,716,554	6,823,371	16,539,925
Accrued liabilities	1,264,079	172,741	1,436,820
Accrued interest payable	489,924	1,502,111	1,992,035
Deposits payable	2,067,803	569,813	2,637,616
Unearned revenues	11,148,868	-	11,148,868
Compensated absences, due within one year	6,258,568	1,068,464	7,327,032
Claims and judgments, due within one year	4,922,495	-	4,922,495
Bonds and notes payable, due within one year	9,958,730	3,134,238	13,092,968
Lease liability, due within one year	985,153	-	985,153
Subscription liability, due within one year	574,682	37,303	611,985
Total current liabilities	47,386,856	13,308,041	60,694,897
Noncurrent liabilities:			
Compensated absences, due in more than on year	2,464,792	420,790	2,885,582
Claims and judgments, due in more than on year	5,532,130	-	5,532,130
Bonds and notes payable, due in more than on year	122,741,475	41,840,374	164,581,849
Lease liability, due in more than one year	43,897,398	38,117	43,935,515
Subscription liability, due in more than one year	594,070	-	594,070
Net pension liability	171,795,054	22,921,914	194,716,968
Net OPEB liability	113,034,673	7,468,607	120,503,280
Total noncurrent liabilities	460,059,592	72,689,802	532,749,394
Total liabilities	507,446,448	85,997,843	593,444,291
DEFERRED INFLOWS OF RESOURCES			
Pension related	4,502,782	992,007	5,494,789
OPEB related	37,116,760	2,453,347	39,570,107
Leases	32,964,725	-	32,964,725
Total deferred inflows of resources	74,584,267	3,445,354	78,029,621
NET POSITION			
Net investment in capital assets	213,373,059	120,119,678	333,492,737
Restricted for:			
Community development projects	20,428,330	-	20,428,330
Public safety grants and programs	5,341,146	-	5,341,146
Public works projects	23,376,186	-	23,376,186
Debt service	1,636,443	4,934,667	6,571,110
Library	1,788,437	-	1,788,437
Special projects	2,514,982	-	2,514,982
Total restricted	55,085,524	4,934,667	60,020,191
Unrestricted (deficit)	(16,730,536)	121,139,306	104,408,770
Total net position	\$ 251,728,047	\$ 246,193,651	\$ 497,921,698

City of Palm Springs
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 38,037,310	\$ 15,460,319	\$ 3,790,893	\$ 17,913,516
Public safety	70,599,261	3,514,731	3,907,901	-
Cultural and convention center	12,024,987	-	-	-
Parks and recreation	11,897,817	2,941,384	850	-
Public works	18,619,335	3,850,293	2,151,738	5,939,848
Library	3,005,061	39,705	174	-
Interest on long term debt	3,939,384	-	-	-
Total Governmental Activities	158,123,155	25,806,432	9,851,556	23,853,364
Business-Type Activities:				
Airport	30,857,869	52,293,997	23,312,203	-
Wastewater	8,927,516	11,669,093	-	-
Golf Course	5,536,030	5,696,556	-	-
Total Business-Type Activities	45,321,415	69,659,646	23,312,203	-
Total Primary Government	\$ 203,444,570	\$ 95,466,078	\$ 33,163,759	\$ 23,853,364

City of Palm Springs
Statement of Activities (Continued)
For the Year Ended June 30, 2023

	Net (Expense) Revenue and Changes in Net Positions		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs			
Governmental Activities:			
General government	\$ (872,582)	\$ -	\$ (872,582)
Public safety	(63,176,629)	-	(63,176,629)
Cultural and convention center	(12,024,987)	-	(12,024,987)
Parks and recreation	(8,955,583)	-	(8,955,583)
Public works	(6,677,456)	-	(6,677,456)
Library	(2,965,182)	-	(2,965,182)
Interest on long term debt	(3,939,384)	-	(3,939,384)
Total Governmental Activities	(98,611,803)	-	(98,611,803)
Business-Type Activities:			
Airport	-	44,748,331	44,748,331
Wastewater	-	2,741,577	2,741,577
Golf Course	-	160,526	160,526
Total Business-Type Activities	-	47,650,434	47,650,434
Total Primary Government	(98,611,803)	47,650,434	(50,961,369)
General Revenues:			
Taxes:			
Property taxes	34,673,191	-	34,673,191
Transient occupancy taxes	53,549,686	-	53,549,686
Sales taxes	55,112,635	-	55,112,635
Franchise taxes	4,571,990	-	4,571,990
Utility users tax	14,988,973	-	14,988,973
Other taxes	7,823,985	-	7,823,985
Motor vehicle in lieu - unrestricted	6,739,528	-	6,739,528
Use of money and property	4,604,988	1,638,765	6,243,753
Gain on sale of capital assets	(42,781)	-	(42,781)
Other	404,509	-	404,509
Total General Revenues	182,426,704	1,638,765	184,065,469
Transfers:			
Transfers	(400,000)	400,000	-
Total Transfers	(400,000)	400,000	-
Changes in Net Position	83,414,901	49,689,199	133,104,100
Net Position - Beginning of year, as restated (Note 14)	168,313,146	196,504,452	364,817,598
Net Position - End of Year	\$ 251,728,047	\$ 246,193,651	\$ 497,921,698

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Palm Springs
Balance Sheet
Governmental Funds
June 30, 2023**

	Capital Projects Funds			Debt Service Fund
	General	Measure J	Capital Projects	General Debt Service
	General	Measure J	Capital Projects	General Debt Service
ASSETS				
Cash and investments	\$ 149,311,020	\$ 36,272,918	\$ 20,547,707	\$ 6,562,643
Accounts receivable	15,316,054	3,527,055	4,167,529	-
Interest receivable	666,616	95,027	42,922	-
Prepaid items	519,404	-	-	-
Deposits	200,000	-	-	-
Due from other funds	32,287	-	-	-
Lease receivable	33,192,885	-	-	-
Notes and loans	166,667	-	-	-
Advances to other funds	1,210,000	-	-	-
Land held for resale	49,950	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	2,664
Total assets	\$ 200,664,883	\$ 39,895,000	\$ 24,758,158	\$ 6,565,307
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,820,761	\$ 821,628	\$ 1,587,507	\$ 1,350
Accrued liabilities	926,833	3,047	2,432	-
Deposits payable	2,009,472	-	1,097	-
Due to other funds	-	-	-	-
Unearned revenues	6,049,497	-	4,956,161	-
Total liabilities	13,806,563	824,675	6,547,197	1,350
Deferred inflows of resources:				
Unavailable revenues	207,828	-	1,284,330	-
Leases	32,964,725	-	-	-
Total deferred inflows of resources	33,172,553	-	1,284,330	-
Fund balances:				
Nonspendable	2,146,021	-	-	-
Restricted	-	-	-	2,664
Committed	3,211,707	-	-	-
Assigned	34,416,667	39,070,325	16,926,631	6,561,293
Unassigned	113,911,372	-	-	-
Total fund balances	153,685,767	39,070,325	16,926,631	6,563,957
Total liabilities, deferred inflows of resources, and fund balances	\$ 200,664,883	\$ 39,895,000	\$ 24,758,158	\$ 6,565,307

**City of Palm Springs
Balance Sheet (Continued)
Governmental Funds
June 30, 2023**

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 36,613,064	\$ 249,307,352
Accounts receivable	2,124,933	25,135,571
Interest receivable	91,982	896,547
Prepaid items	-	519,404
Deposits	-	200,000
Due from other funds	-	32,287
Lease receivable	-	33,192,885
Notes and loans	17,277,484	17,444,151
Advances to other funds	-	1,210,000
Land held for resale	86,253	136,203
Restricted assets:		
Cash and investments with fiscal agent	280,868	283,532
Total assets	\$ 56,474,584	\$ 328,357,932
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 781,540	\$ 8,012,786
Accrued liabilities	21,017	953,329
Deposits payable	57,234	2,067,803
Due to other funds	32,287	32,287
Unearned revenues	143,210	11,148,868
Total liabilities	1,035,288	22,215,073
Deferred inflows of resources:		
Unavailable revenues	408,763	1,900,921
Leases	-	32,964,725
Total deferred inflows of resources	408,763	34,865,646
Fund balances:		
Nonspendable	-	2,146,021
Restricted	55,082,860	55,085,524
Committed	-	3,211,707
Assigned	-	96,974,916
Unassigned	(52,327)	113,859,045
Total fund balances	55,030,533	271,277,213
Total liabilities, deferred inflows of resources, and fund balances	\$ 56,474,584	\$ 328,357,932

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City of Palm Springs
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 271,277,213

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	\$ 142,481,841	
Depreciable assets, net of accumulated depreciation	182,290,993	
Intangible assets, net of accumulated amortization	45,833,692	
Less: Amount reported in Internal Service Fund	(23,092,230)	347,514,296

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 \$10,606 reported on Internal Service Fund. 3,767,371

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. 1,900,921

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 \$424,780 reported in Internal Service Fund	(8,298,580)	
Bonds and notes payables, net of \$19,399,124 reported in Internal Service Fund	(113,301,081)	
Subscription liability	(44,882,551)	
Lease liability	(1,168,752)	(167,650,964)

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 \$1,445,607 reported in Internal Service Fund	47,864,211	
Net pension liability, net of \$4,574,690 reported in Internal Service Fund	(167,220,364)	
Deferred inflows of resources, net of \$197,982 reported in Internal Service Fund	(4,304,800)	(123,660,953)

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 \$272,924 reported in Internal Service Fund	12,400,484	
Net OPEB liability, net of \$2,430,455 reported in Internal Service Fund	(110,604,218)	
Deferred inflows of resource, net of \$799,316 reported in Internal Service Fund	(36,317,444)	(134,521,178)

Accrued interest payable due on long-term debt not reported in the governmental funds, net of \$296,666 reported in Internal Service Fund. (362,037)

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. 53,463,378

Net position of governmental activities \$ 251,728,047

City of Palm Springs
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds			Debt Service Fund
	General	Measure J	Capital Projects	General Debt Service
Revenues:				
Taxes	\$ 155,323,105	\$ 21,942,491	\$ -	\$ -
Intergovernmental	18,361,745	-	3,317,731	-
Licenses and permits	8,148,325	-	-	-
Fines and forfeitures	709,711	-	-	-
Use of money and property	1,795,782	348,226	74,331	65,540
Charges for services	7,186,128	-	565,362	1,661,219
Miscellaneous	767,195	-	221,290	-
Total revenues	<u>192,291,991</u>	<u>22,290,717</u>	<u>4,178,714</u>	<u>1,726,759</u>
Expenditures:				
Current:				
General government	38,324,328	-	-	-
Public safety	74,291,825	-	-	-
Cultural and convention center	8,526,676	-	-	-
Parks and recreation	7,423,487	-	-	-
Public works	21,729,448	607,726	13,061	-
Library	3,164,175	-	-	-
Capital outlay	1,287,099	10,218,967	7,472,576	-
Debt service:				
Principal retirement	1,121,748	-	440,148	7,679,042
Interest and fiscal charges	186	-	18,038	2,996,348
Total expenditures	<u>155,868,972</u>	<u>10,826,693</u>	<u>7,943,823</u>	<u>10,675,390</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>36,423,019</u>	<u>11,464,024</u>	<u>(3,765,109)</u>	<u>(8,948,631)</u>
Other financing sources (uses):				
Issuance of debt	425,787	-	-	-
Proceeds from sale of capital assets	9,470	-	-	-
Transfers in	1,000,000	-	6,500,000	9,819,450
Transfers out	(16,364,089)	(5,138,500)	-	-
Total other financing sources (uses)	<u>(14,928,832)</u>	<u>(5,138,500)</u>	<u>6,500,000</u>	<u>9,819,450</u>
NET CHANGE IN FUND BALANCES	21,494,187	6,325,524	2,734,891	870,819
FUND BALANCES:				
Beginning of year	132,191,580	32,744,801	14,191,740	5,693,138
End of year	<u>\$ 153,685,767</u>	<u>\$ 39,070,325</u>	<u>\$ 16,926,631</u>	<u>\$ 6,563,957</u>

City of Palm Springs
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 2,775,027	\$ 180,040,623
Intergovernmental	10,355,727	32,035,203
Licenses and permits	460,101	8,608,426
Fines and forfeitures	46,922	756,633
Use of money and property	2,017,977	4,301,856
Charges for services	3,075,561	12,488,270
Miscellaneous	16,653	1,005,138
Total revenues	18,747,968	239,236,149
Expenditures:		
Current:		
General government	1,007,437	39,331,765
Public safety	3,199,425	77,491,250
Cultural and convention center	1,025,170	9,551,846
Parks and recreation	-	7,423,487
Public works	505,260	22,855,495
Library	18,019	3,182,194
Capital outlay	4,477,201	23,455,843
Debt service:		
Principal retirement	425,444	9,666,382
Interest and fiscal charges	142,946	3,157,518
Total expenditures	10,800,902	196,115,780
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,947,066	43,120,369
Other financing sources (uses):		
Issuance of debt	-	425,787
Proceeds from sale of capital assets	-	9,470
Transfers in	3,783,139	21,102,589
Transfers out	-	(21,502,589)
Total other financing sources (uses)	3,783,139	35,257
NET CHANGE IN FUND BALANCES	11,730,205	43,155,626
FUND BALANCES:		
Beginning of year	43,300,328	228,121,587
End of year	\$ 55,030,533	\$ 271,277,213

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, 2023

Net change in fund balances - total governmental funds: \$ 43,155,626

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 \$(135,530).	\$ 23,591,373	
Net effect on disposal of capital assets	(86,972)	
Depreciation/amortization expense, net of \$2,739,185 reported in Internal Service Funds	(13,663,850)	9,840,551

Revenues that are measurable but not available and are reported as unavailable revenue under the modified accrual basis of accounting in the governmental funds.		1,857,751
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Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Issuance of debt	(425,787)	
Principal repayment of long-term liabilities	9,666,382	9,240,595

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 \$19,279,634 contribution after measurement date	(2,432,537)	
OPEB expense, net of \$4,255,816 contribution after measurement date	1,365,002	
Net change in compensated absences	(219,715)	(1,287,250)

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 long-term liabilities	(308,679)	
Amortization of premium, net of \$20,050 reported in Internal Service Funds	95,464	
Amortization of debt discount	(3,658)	
Amortization of deferred amount on refunding, net of \$2,766 reported on Internal Service Fund	(400,720)	(617,593)

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.

21,225,221

Change in net position of governmental activities \$ 83,414,901

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Palm Springs
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service Funds
	ASSETS				
Current assets:					
Cash and investments	\$ 90,993,853	\$ 51,326,557	\$ 5,999,054	\$ 148,319,464	\$ 66,615,529
Receivable:					
Accounts	12,239,209	468,470	242,502	12,950,181	494,809
Interest	210,933	143,186	-	354,119	127,277
Prepaid items	13,130	-	-	13,130	249,914
Inventories	15,371	-	-	15,371	147,859
Restricted:					
Cash and investments with fiscal agent	8,454,689	-	942	8,455,631	-
Total current assets	111,927,185	51,938,213	6,242,498	170,107,896	67,635,388
Noncurrent assets:					
Advances to other funds	-	-	-	-	1,430,000
Capital assets, nondepreciable	61,856,274	21,852,003	5,321,697	89,029,974	177,118
Capital assets, net of accumulated depreciation	32,148,608	38,147,807	386,515	70,682,930	22,915,112
Intangible capital asset, net of accumulated amortization	335,936	-	-	335,936	-
Total capital assets	94,340,818	59,999,810	5,708,212	160,048,840	23,092,230
Total noncurrent assets	94,340,818	59,999,810	5,708,212	160,048,840	24,522,230
Total assets	206,268,003	111,938,023	11,950,710	330,156,736	92,157,618
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	39,073	39,073	10,606
Pension related	7,228,057	15,294	-	7,243,351	1,445,607
OPEB related	836,337	1,351	-	837,688	272,924
Total deferred outflows of resources	8,064,394	16,645	39,073	8,120,112	1,729,137

City of Palm Springs
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable	3,294,645	3,179,474	349,252	6,823,371	1,703,768
Accrued liabilities	171,371	1,370	-	172,741	310,750
Interest payable	68,787	296,564	1,136,760	1,502,111	127,887
Deposits payable	69,813	-	500,000	569,813	-
Compensated absences - due within one year	1,068,464	-	-	1,068,464	424,780
Claims and judgments - due within one year	-	-	-	-	4,922,495
Subscription liability - due within one year	37,303	-	-	37,303	-
Bonds and notes payable - due within one year	1,690,000	718,883	725,355	3,134,238	1,637,020
Total current liabilities	6,400,383	4,196,291	2,711,367	13,308,041	9,126,700
Noncurrent liabilities:					
Advances from other funds	-	-	2,640,000	2,640,000	-
Compensated absences - due in more than one year	420,790	-	-	420,790	-
Claims and judgments - due in more than one year	-	-	-	-	5,532,130
Subscription liability - due in more than one year	38,117	-	-	38,117	-
Bonds and notes payable - due in more than one year	16,693,504	22,541,058	2,605,812	41,840,374	17,762,104
Net pension liability	22,873,516	48,398	-	22,921,914	4,574,690
Net OPEB liability	7,456,557	12,050	-	7,468,607	2,430,455
Total noncurrent liabilities	47,482,484	22,601,506	5,245,812	75,329,802	30,299,379
Total liabilities	53,882,867	26,797,797	7,957,179	88,637,843	39,426,079
DEFERRED INFLOW OF RESOURCES					
Pension related	989,912	2,095	-	992,007	197,982
OPEB related	2,449,390	3,957	-	2,453,347	799,316
Total deferred inflows of resources	3,439,302	6,052	-	3,445,354	997,298
NET POSITION					
Net investment in capital assets	80,963,691	36,739,869	2,416,118	120,119,678	3,703,712
Restricted for debt service	4,933,725	-	942	4,934,667	-
Unrestricted	71,112,812	48,410,950	1,615,544	121,139,306	49,759,666
Total net position	\$ 157,010,228	\$ 85,150,819	\$ 4,032,604	\$ 246,193,651	\$ 53,463,378

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City of Palm Springs
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

	Business-Type Activities				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service
OPERATING REVENUES:					
Charges for services	\$ 52,293,997	\$ 11,669,093	\$ 5,696,556	\$ 69,659,646	\$ 84,768,204
Miscellaneous	-	-	-	-	40,240
Total operating revenues	<u>52,293,997</u>	<u>11,669,093</u>	<u>5,696,556</u>	<u>69,659,646</u>	<u>84,808,444</u>
OPERATING EXPENSES:					
Administration and general	3,130,519	41,131	25,567	3,197,217	1,982,467
Personnel services	10,378,823	(356,523)	-	10,022,300	-
Materials and supplies	811,417	-	-	811,417	157,202
Maintenance operations	-	-	-	-	3,257,962
Facilities maintenance	-	-	-	-	5,481,601
Retirement	-	-	-	-	26,357,679
Retiree health insurance	-	-	-	-	3,659,826
Other claims and insurance	-	638,794	-	638,794	3,696,312
Depreciation and amortization expense	4,888,102	2,950,389	189,959	8,028,450	2,739,185
Utilities	1,439,384	130,123	-	1,569,507	2,421,730
Other charges and services	9,071,001	5,119,487	5,253,327	19,443,815	-
Cogeneration electricity	159,472	-	-	159,472	239,807
Medical, health, and life insurance	-	-	-	-	9,729,733
Workers compensation	371,674	5,692	-	377,366	4,609,677
Total operating expenses	<u>30,250,392</u>	<u>8,529,093</u>	<u>5,468,853</u>	<u>44,248,338</u>	<u>64,333,181</u>
OPERATING INCOME	<u>22,043,605</u>	<u>3,140,000</u>	<u>227,703</u>	<u>25,411,308</u>	<u>20,475,263</u>
NONOPERATING INCOME (EXPENSES):					
Investment earning	683,749	885,615	69,401	1,638,765	302,571
Interest expense	(607,477)	(398,423)	(67,177)	(1,073,077)	(164,273)
Intergovernmental revenue	23,312,203	-	-	23,312,203	584,366
Gain on disposal of capital assets	-	-	-	-	27,294
Total nonoperating income	<u>23,388,475</u>	<u>487,192</u>	<u>2,224</u>	<u>23,877,891</u>	<u>749,958</u>
NET INCOME BEFORE TRANSFERS	<u>45,432,080</u>	<u>3,627,192</u>	<u>229,927</u>	<u>49,289,199</u>	<u>21,225,221</u>
TRANSFERS:					
Transfers in	-	-	400,000	400,000	-
Total Transfers	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
CHANGES IN NET POSITION	<u>45,432,080</u>	<u>3,627,192</u>	<u>629,927</u>	<u>49,689,199</u>	<u>21,225,221</u>
NET POSITION:					
Beginning of the year	111,578,148	81,523,627	3,402,677	196,504,452	32,238,157
End of the year	<u>\$ 157,010,228</u>	<u>\$ 85,150,819</u>	<u>\$ 4,032,604</u>	<u>\$ 246,193,651</u>	<u>\$ 53,463,378</u>

City of Palm Springs
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities				Governmental Activities
	Airport	Wastewater	Golf Course	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 42,953,669	\$ 11,733,717	\$ 5,683,872	\$ 60,371,258	\$ 84,453,807
Cash paid to suppliers for goods and services	(15,745,952)	(3,922,253)	(5,174,955)	(24,843,160)	(10,101,082)
Cash paid to employees for services	(15,944,703)	(440,891)	-	(16,385,594)	(31,232,569)
Cash paid for insurance premium and claims	-	-	-	-	(20,981,193)
Net cash provided by operating activities	11,263,014	7,370,573	508,917	19,142,504	22,138,963
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in	-	-	400,000	400,000	-
Grant revenue received	23,312,203	-	-	23,312,203	584,366
Net cash provided by noncapital financing activities	23,312,203	-	400,000	23,712,203	584,366
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(1,808,269)	(8,621,556)	-	(10,429,825)	(1,391,235)
Proceeds from disposal of capital assets	-	-	-	-	184,233
Principal paid on bonds and notes payable	(1,648,950)	(706,866)	(828,237)	(3,184,053)	(1,567,359)
Interest paid	(890,195)	(407,436)	(133,211)	(1,430,842)	(298,135)
Net cash (used in) capital and related financing activities	(4,347,414)	(9,735,858)	(961,448)	(15,044,720)	(3,072,496)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	537,275	805,371	69,401	1,412,047	218,779
Net cash provided by investing activities	537,275	805,371	69,401	1,412,047	218,779
Net change in cash and cash equivalents	30,765,078	(1,559,914)	16,870	29,222,034	19,869,612
CASH AND CASH EQUIVALENTS:					
Beginning of year	68,683,464	52,886,471	5,983,126	127,553,061	46,745,917
End of year	<u>\$ 99,448,542</u>	<u>\$ 51,326,557</u>	<u>\$ 5,999,996</u>	<u>\$ 156,775,095</u>	<u>\$ 66,615,529</u>
CASH AND CASH EQUIVALENTS:					
Cash and investments	90,993,853	51,326,557	5,999,054	148,319,464	66,615,529
Cash and investments with fiscal agent	8,454,689	-	942	8,455,631	-
Total cash and cash equivalents	<u>\$ 99,448,542</u>	<u>\$ 51,326,557</u>	<u>\$ 5,999,996</u>	<u>\$ 156,775,095</u>	<u>\$ 66,615,529</u>
NONCASH ITEMS:					
Acquisition of subscription assets	<u>\$ 114,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,370</u>	<u>\$ -</u>
Issuance of subscription assets	<u>\$ (114,370)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,370)</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	22,043,605	3,140,000	227,703	25,411,308	20,475,263
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	4,888,102	2,950,389	189,959	8,028,450	2,739,185
Changes in assets and liabilities:					
(Increase)/decrease in accounts receivables	(9,344,928)	64,624	(12,684)	(9,292,988)	(354,637)
(Increase)/decrease in prepaids	31,409	-	-	31,409	(249,215)
(Increase)/decrease in inventories	-	-	-	-	(60,612)
(Increase)/decrease in deferred outflows of resources	(3,999,386)	31,746	-	(3,967,640)	(286,448)
Increase/(decrease) in accounts payable	(1,140,308)	1,619,878	103,939	583,509	113,867
Increase/(decrease) in accrued liabilities	(483,882)	(4,444)	-	(488,326)	411,530
Increase/(decrease) in compensated absences	96,121	-	-	96,121	98,076
Increase/(decrease) in claims and judgments	-	-	-	-	43,483
Increase/(decrease) in deposits payable	4,600	-	-	4,600	-
Increase/(decrease) in net pension liabilities	8,140,694	14,344	-	8,155,038	1,454,447
Increase/(decrease) in net OPEB liabilities	(3,663,808)	(369,697)	-	(4,033,505)	(764,637)
Increase/(decrease) in deferred inflows of resources	(5,309,205)	(76,267)	-	(5,385,472)	(1,481,339)
Net cash provided by (used in) operating activities	<u>\$ 11,263,014</u>	<u>\$ 7,370,573</u>	<u>\$ 508,917</u>	<u>\$ 19,142,504</u>	<u>\$ 22,138,963</u>

FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Palm Springs
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Private Purpose Trust Fund
	Successor Agency Fund
ASSETS:	
Pooled cash and investments	\$ 88,650
Land held for resale	6,325
Restricted cash and investments with fiscal agent	1,935,038
Total assets	2,030,013
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charges on refunding	143,829
Total deferred outflows of resources	143,829
LIABILITIES:	
Accounts payable	1,862,520
Accrued interest	338,936
Long-term liabilities:	
Due in one year	1,395,000
Due in more than one year	24,121,735
Total liabilities	27,718,191
NET POSITION:	
Restricted for Successor Agency	(25,544,349)
Total net position (deficit)	\$ (25,544,349)

City of Palm Springs
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Private Purpose Trust Fund
	Successor Agency Fund
ADDITIONS:	
Redevelopment property taxes trust fund	\$ 2,737,386
Redevelopment investment income	38,419
Gain on sale of land held for resale	306,129
Total additions	3,081,934
DEDUCTIONS:	
Administrative expenses	309,787
Distribution to taxing entities	896,457
Interest expense	913,459
Total deductions	2,119,703
Change in net position	962,231
NET POSITION:	
Beginning of year	(26,506,580)
End of year	\$ (25,544,349)

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, 2023

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, 2023

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, 2023

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.

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

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, the City's cogeneration plant and equipment replacement. 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, 2023

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, 2023

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, 2023

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 \$50,000 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 the incremental borrowing rate (IBR) provided by the financial institution during implementation for existing leases or the current rate at the time a new lease is executed or modified.
- 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, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

The intangible right-to-use asset includes lease asset and subscription-based information technology arrangements (“SBITA”) asset (“subscription asset”). These intangible assets are recorded at the amount of the initial measurement of the lease liabilities or SBITA liabilities (“subscription liabilities”) and adjusted by any lease made to the lessor or subscription payments to the SBITA vendor at or before the commencement of the lease or subscription term, less any incentives received from the lessor or SBITA vendor at or before the commencement of the lease or subscription term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service or subscription implementation costs. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset. Subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

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 a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

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, 2023

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. Subscription Based Information Technology Arrangements Liabilities

The City recognizes subscription liabilities with an initial, individual value of \$50,000 or more with a subscription term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the City, usage of the underlying IT assets, or number of user seats are not included in the measurement of the subscription liability.

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

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

- The City uses the interest rate charged by the SBITA vendor 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 subscription liabilities.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

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

M. 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Net Pension Liability (Continued)

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, 2021
Measurement Date:	June 30, 2022
Measurement Period:	July 1, 2021 to June 30, 2022

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.

N. Other Postemployment Benefits Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City's OPEB plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2022
Measurement Period:	July 1, 2021 to June 30, 2022

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

O. 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.

P. 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.

Q. 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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Net Position (Continued)

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.

R. Fund Balances

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

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

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

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

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

Unassigned - amounts include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that should report this category of fund balance, unless a negative fund balance exists.

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

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Fund Balances (Continued)

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

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (GASB Statement No. 96), to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset. The effective date of GASB Statement No. 96 is for fiscal years beginning after June 15, 2022. Implementation of this Statement resulted in restatement of beginning balance of capital assets (Note 9) and long-term debt liabilities (Note 11) at July 1, 2022.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2023, 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	\$ 315,922,881	\$ 148,319,464	\$ 88,650	\$ 464,330,995
Restricted assets:				
Cash and investments with fiscal agent	283,532	8,455,631	1,935,038	10,674,201
Total cash and investments	\$ 316,206,413	\$ 156,775,095	\$ 2,023,688	\$ 475,005,196

Cash and investments as of June 30, 2023, consist of the following:

Cash on hand	\$ 2,953
Deposits with financial institutions	21,015,197
Investments	453,987,046
Total cash and investments	\$ 475,005,196

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023, the carrying amount of the City's demand deposits was \$21,015,197 the bank balance was \$22,223,355. The 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%.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

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.

Authorized Investment Type	Maximum Maturity
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	\$ 72,784,288	\$ 72,784,288	\$ -	\$ -
CalTRUST Short Term Fund	25,109,410	25,109,410	-	-
U.S. Treasury Securities	138,117,791	18,667,540	50,923,127	68,527,124
U.S. Government Sponsored Enterprise Securities	100,112,995	14,056,856	44,567,287	41,488,852
Negotiable Certificates of Deposit	5,739,416	5,739,416	-	-
Collateralized Mortgage Obligations	2,617,500	-	-	2,617,500
Corporate Bonds	80,073,050	11,202,463	37,287,418	31,583,169
Asset-backed Securities	1,781,429	-	1,781,429	-
Supranational	14,326,208	2,453,345	11,872,863	-
Money Market Mutual Funds	2,650,758	2,650,758	-	-
Held by fiscal agent:				
Money Market Mutual Funds	10,674,201	10,674,201	-	-
Total investments	\$ 453,987,046	\$ 163,338,277	\$ 146,432,124	\$ 144,216,645

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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	\$ 72,784,288	\$ -	\$ -	\$ 72,784,288
CalTRUST Short Term Fund	25,109,410	-	-	25,109,410
U.S. Treasury Securities	138,117,791	138,117,791	-	-
U.S. Government Sponsored Enterprise Securities	100,112,995	100,112,995	-	-
Negotiable Certificates of Deposit	5,739,416	-	-	5,739,416
Collateralized Mortgage Obligations	2,617,500	2,617,500	-	-
Corporate Bonds	80,073,050	5,859,041	74,214,009	-
Asset-backed Securities	1,781,429	1,781,429	-	-
Supranational	14,326,208	14,326,208	-	-
Money Market Mutual Funds	2,650,758	2,650,758	-	-
Held by fiscal agent:				
Money market funds	10,674,201	10,674,201	-	-
Total investments	\$ 453,987,046	\$ 276,139,923	\$ 74,214,009	\$ 103,633,114

E. Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investments pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percentage
Federal Farm Credit Bank	U.S. Government Sponsored Enterprise Securities	\$ 47,536,358	10.72%
Federal Home Loan Bank	U.S. Government Sponsored Enterprise Securities	36,583,703	8.25%

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, 2023:

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

F. Fair Value Hierarchy (Continued)

Investment Type	Measurement Input		
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs (Level 2)	Total
U.S. Treasury Securities	\$ -	\$ 138,117,791	\$ 138,117,791
U.S. Government Sponsored Enterprise Securities	-	100,112,995	100,112,995
Negotiable Certificates of Deposit	-	5,739,416	5,739,416
Collateralized Mortgage Obligations	-	2,617,500	2,617,500
Corporate Bonds	-	80,073,050	80,073,050
Asset-backed Securities	-	1,781,429	1,781,429
Supranational	-	14,326,208	14,326,208
Total investments subject to fair value measurement	\$ -	\$ 342,768,389	\$ 342,768,389

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, 2023

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. As of June 30, 2023, the City had \$72,784,288 invested in LAIF. 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.

I. CalTrust Short Term Fund

The City is a participant in the CalTrust Short Term Fund under the provisions of California Government Code Section 6500 and 6509.7. As of June 30, 2023, the City had \$25,109,410 invested in CalTrust Short Term Fund. 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, 2023, the outstanding advances are:

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

- (a) The Golf Course Fund initially received \$2,000,000 from the General Fund payable at 6% over 20 years. The City has elected to not accrue any interest for the year ended June 30, 2023 and the Golf Course has not made any interest payment. At June 30, 2023, 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, 2023

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					Total
	Governmental Funds				Proprietary Fund	
	General Fund	General Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Golf Course Enterprise Fund	
Governmental Funds:						
General Fund	\$ -	\$ 6,680,950	\$ 5,500,000	\$ 3,783,139	\$ 400,000	\$ 16,364,089
Measure J Fund	1,000,000	3,138,500	1,000,000	-	-	5,138,500
	<u>\$ 1,000,000</u>	<u>\$ 9,819,450</u>	<u>\$ 6,500,000</u>	<u>\$ 3,783,139</u>	<u>\$ 400,000</u>	<u>\$ 21,502,589</u>

General Fund transfers of \$5,500,000 to the Capital Projects Fund to fund future capital projects and to the Nonmajor Governmental Funds \$140,578 to cover operating expenditure and \$3,642,561 to fund the Housing developer loans based on the executed Disposition and Development Agreement.

A transfer of \$400,000 to Golf Course Enterprise Fund from General Fund was for the golf course subsidy.

Transfers of \$9,819,450 to the General Debt Service Fund consist of \$6,680,950 from the General Fund and \$3,138,500 from Measure J Capital Projects Fund for debt service-related costs.

Measure J Capital Projects Fund transferred \$1,000,000 to the General Fund for the Plaza Theatre and \$1,000,000 Nonmajor Governmental Funds (Capital Projects Fund) for Police Radios.

Note 4 – Notes and Loans Receivable

The following is a summary of notes and loans receivable as of June 30, 2023:

Economic Incentive	\$ 174,167
Hacienda Sunset (Coyote)	1,586,261
Santiago Sunrise Village	263,736
Vista Sunrise Apartments	1,666,836
Vista Sunrise Apartments II	3,742,223
Sahara Multiple Housing	247,273
Desert Highland	1,600,000
Monarch Apartments	2,190,000
Aloe Palm Canyon	5,973,655
Total notes and loans receivable	<u>\$ 17,444,151</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023, the City recognized \$1,103,472 in lease revenue and \$573,606 in interest revenue. The outstanding receivables are in the amounts of \$33,192,885.

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, 2023

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 37 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 1 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
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	690,930	516,134	1,207,064
2029-2033	3,635,426	2,399,894	6,035,320
2034-2038	3,956,096	2,079,224	6,035,320
2039-2043	4,305,051	1,730,269	6,035,320
2044-2048	4,684,787	1,350,533	6,035,320
2049-2053	5,098,018	937,302	6,035,320
2054-2058	5,547,699	487,621	6,035,320
2059-2060	2,353,762	60,367	2,414,129
Total	<u>\$ 33,192,885</u>	<u>\$ 11,741,031</u>	<u>\$ 44,933,916</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Capital Assets

The following is a summary of capital assets activities for the governmental activities for the year ended June 30, 2023:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 69,121,944	\$ -	\$ -	\$ -	\$ 69,121,944
Construction in progress	39,043,737	23,092,152	(79,545)	(5,564,706)	56,491,638
Rights of way	16,868,259	-	-	-	16,868,259
Total capital assets, not being depreciated	125,033,940	23,092,152	(79,545)	(5,564,706)	142,481,841
Capital assets, being depreciated:					
Buildings	93,486,880	-	-	-	93,486,880
Improvements	90,115,727	-	-	966,191	91,081,918
Furniture and equipment	31,806,755	1,075,106	(64,196)	1,265,682	34,083,347
Vehicles	19,353,797	387,850	(626,803)	2,583,349	21,698,193
Infrastructure	270,223,516	1,714	-	749,484	270,974,714
Total capital assets, being depreciated	504,986,675	1,464,670	(690,999)	5,564,706	511,325,052
Less accumulated depreciation for:					
Buildings	(53,100,959)	(2,532,613)	-	-	(55,633,572)
Improvements	(65,103,113)	(3,839,458)	-	-	(68,942,571)
Furniture and equipment	(14,475,205)	(1,543,301)	64,196	-	(15,954,310)
Vehicles	(12,158,512)	(2,000,959)	469,863	-	(13,689,608)
Infrastructure	(170,275,936)	(4,538,062)	-	-	(174,813,998)
Total accumulated depreciation	(315,113,725)	(14,454,393)	534,059	-	(329,034,059)
Total capital assets, being depreciated, net	189,872,950	(12,989,723)	(156,940)	5,564,706	182,290,993
Intangible capital assets, being amortized:					
Right-to-use lease assets - building	46,905,466	-	-	-	46,905,466
Right-to-use lease assets - equipment	331,736	-	(11,140)	-	320,596
Right-to-use subscription assets	1,453,351	425,787	-	-	1,879,138
Total intangible capital assets, net	48,690,553	425,787	(11,140)	-	49,105,200
Less accumulated amortization for:					
Right-to-use lease assets - building	(1,218,323)	(1,218,324)	-	-	(2,436,647)
Right-to-use lease assets - equipment	(108,256)	(104,542)	3,713	-	(209,085)
Right-to-use subscription assets	-	(625,776)	-	-	(625,776)
Total accumulated amortization	(1,326,579)	(1,948,642)	3,713	-	(3,271,508)
Total intangible capital assets, being amortized, net	47,363,974	(1,522,855)	(7,427)	-	45,833,692
Total capital assets, net	\$362,270,864	\$ 8,579,574	\$ (243,912)	\$ -	\$370,606,526

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

General government	\$ 2,839,831
Cultural and convention center	3,183,225
Public safety	1,259,659
Public works	5,810,469
Parks and recreation	392,430
Library	178,236
Internal Service Fund	2,739,185
Total	\$ 16,403,035

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023:

	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 37,387,081	\$ -	\$ -	\$ -	\$ 37,387,081
Construction in progress	43,685,334	8,814,314	-	(856,755)	51,642,893
Total capital assets, not being depreciated	81,072,415	8,814,314	-	(856,755)	89,029,974
Capital assets, being depreciated:					
Buildings	80,275,225	992	-		80,276,217
Improvements	211,490,690	-	(716,505)	139,887	210,914,072
Machinery and equipment	8,378,118	1,140,050	(369,192)	53,522	9,202,498
Motor vehicles	4,293,107	64,571	(1,966,011)	84,599	2,476,266
Subsurface lines	27,387,700	36,619	-	578,747	28,003,066
Total capital assets, being depreciated	331,824,840	1,242,232	(3,051,708)	856,755	330,872,119
Less accumulated depreciation for:					
Buildings	(46,631,031)	(2,147,914)	-	-	(48,778,945)
Improvements	(177,490,809)	(4,268,440)	716,505	-	(181,042,744)
Machinery and equipment	(4,296,936)	(560,010)	369,192	-	(4,487,754)
Motor vehicles	(3,331,159)	(241,546)	1,966,011	-	(1,606,694)
Subsurface lines	(23,614,225)	(658,827)	-	-	(24,273,052)
Total accumulated depreciation	(255,364,160)	(7,876,737)	3,051,708	-	(260,189,189)
Total capital assets, being depreciated, net	76,460,680	(6,634,505)	-	856,755	70,682,930
Intangible capital assets, being amortized:					
Right-to-use subscription assets	-	487,649	-	-	487,649
Total intangible capital assets, net	-	487,649	-	-	487,649
Less accumulated amortization for:					
Right-to-use subscription assets	-	(151,713)	-	-	(151,713)
Total accumulated amortization	-	(151,713)	-	-	(151,713)
Total intangible capital assets, being amortized, net	-	335,936	-	-	335,936
Total capital assets, net	\$157,533,095	\$ 2,515,745	\$ -	\$ -	\$160,048,840

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

Airport	\$ 4,888,102
Wastewater	2,950,389
Golf course	189,959
Total	\$ 8,028,450

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023:

	Balance July 1, 2022 (As Restated)	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Governmental Activities:						
Direct Borrowings:						
Finance Purchase:						
Fire Trucks	\$ 3,547,114	\$ -	\$ (287,519)	\$ 3,259,595	\$ 294,855	\$ 2,964,740
2021 Fire Truck Lease	818,238	-	(84,916)	733,322	86,358	646,964
2021 Police Interceptor Vehicles	769,667	-	(197,706)	571,961	191,107	380,854
Notes Payable:						
Cogen Capital Refinance Agreement	14,731,601	-	(804,216)	13,927,385	867,895	13,059,490
Mesquite Loan	177,180	-	(10,444)	166,736	10,421	156,315
Homeless Navigation Center	5,740,000	-	-	5,740,000	-	5,740,000
Public Borrowings:						
Bonds Payable, net:						
Special Assessment Debt	3,905,000	-	(415,000)	3,490,000	425,000	3,065,000
2007 Pension Obligation Bonds	18,369,513	325,551	(955,000)	17,740,064	1,050,000	16,690,064
2015 Lease Revenue Refunding Bonds	3,675,000	-	(485,000)	3,190,000	570,000	2,620,000
2017 Lease Revenue Refunding Bonds	1,627,485	-	(307,044)	1,320,441	313,094	1,007,347
2021 Lease Revenue Refunding Bonds - Series A	32,755,000	-	(2,535,000)	30,220,000	2,545,000	27,675,000
2021 Lease Revenue Refunding Bonds - Series B	55,500,000	-	(3,590,000)	51,910,000	3,605,000	48,305,000
Unamortized Premiums/(Discounts):						
Special Assessment Debt	(33,500)	-	3,658	(29,842)	-	(29,842)
2015 Lease Revenue Refunding Bonds	423,046	-	(83,856)	339,190	-	339,190
2017 Lease Revenue Refunding Bonds	153,011	-	(31,658)	121,353	-	121,353
Lease liabilities:						
Equipment Lease	220,854	-	(113,967)	106,887	106,887	-
Renaissance/Bureau of Indian Affairs	45,639,207	-	(863,543)	44,775,664	878,266	43,897,398
Subscription liabilities	1,327,351	425,787	(584,386)	1,168,752	574,682	594,070
Total Governmental Activities	\$189,345,767	\$ 751,338	\$(11,345,597)	\$178,751,508	\$ 11,518,565	\$ 167,232,943

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, 2023, is \$3,259,595.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Fire Trucks (Continued)

The future debt service payments as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Payments
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	326,126	50,702	376,828
2029-2033	1,493,283	124,317	1,617,600
2034-2035	214,846	292,238	507,084
Total	<u>\$ 3,259,595</u>	<u>\$ 749,228</u>	<u>\$ 4,008,823</u>

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, 2023, is \$733,322.

The future debt service payments as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Payments
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	92,371	6,016	98,387
2029-2031	286,626	8,536	295,162
Total	<u>\$ 733,322</u>	<u>\$ 53,778</u>	<u>\$ 787,100</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023, is \$571,961.

The future debt service payments as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Payments
2024	\$ 191,107	\$ 8,579	\$ 199,686
2025	193,973	5,713	199,686
2026	186,881	2,803	189,684
Subtotal	<u>\$ 571,961</u>	<u>\$ 17,095</u>	<u>\$ 589,056</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 \$4,415,162 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, 2023 is \$13,927,385.

The future debt service payments as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,165,173	284,487	1,449,660
2029-2033	7,108,663	863,119	7,971,782
2034	1,759,330	13,415	1,772,745
Subtotal	<u>\$ 13,927,385</u>	<u>\$ 2,571,538</u>	<u>\$ 16,498,923</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023, are as follows:

Year Ending June 30,	Principal
2024	\$ 10,421
2025	10,421
2026	10,421
2027	10,421
2028	10,421
2029-2033	52,105
2034-2038	52,105
2039	10,421
Total	<u>\$ 166,736</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, 2023, 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, 2023 is \$3,490,000 with an unamortized discount of \$(29,842).

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	485,000	51,322	536,322
2029-2031	1,225,000	54,994	1,279,994
Total	<u>\$ 3,490,000</u>	<u>\$ 459,727</u>	<u>\$ 3,949,727</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.

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.

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2007 Taxable Pension Obligation Bonds (Continued)

The balance outstanding as of June 30, 2023 was \$17,740,064. 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	
2024	\$ 1,050,000	\$ 665,398	\$ -	\$ -	\$ -	\$ 1,715,398
2025	1,175,000	607,816	-	-	-	1,782,816
2026	1,305,000	543,379	-	-	-	1,848,379
2027	-	471,812	470,351	694,362	979,649	2,616,174
2028	-	47,181	465,272	688,679	1,054,728	2,255,860
2029-2033	3,850,000	2,257,146	1,367,972	2,028,428	3,642,028	13,145,574
2034-2035	4,645,000	392,946	-	-	-	5,037,946
Total	<u>\$ 12,025,000</u>	<u>\$ 4,985,678</u>	<u>\$ 2,303,595</u>	<u>\$ 3,411,469</u>	<u>\$ 5,676,405</u>	<u>\$ 28,402,147</u>

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, 2023, is \$3,190,000 including \$339,190 of unamortized premium. Future debt service requirements on the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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>\$ 3,190,000</u>	<u>\$ 417,750</u>	<u>\$ 3,607,750</u>

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

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

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.

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 resulted on deferred refunding charges of \$99,502 at issuance.

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 \$4,365,000 as of June 30, 2023. 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
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	\$ 1,320,441	134,796	\$ 3,044,559	\$ 310,804	\$ 4,365,000	\$ 445,600	\$ 4,810,600
Unamortized premium	\$ 121,353		\$ 283,159		\$ 404,512		

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

2017 Lease Revenue Refunding Bonds (Continued)

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

2021 Lease Revenue Refunding Bonds, Series A

On April 28, 2021, the 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 \$30,220,000.

The City reduced the aggregate debt service payments by \$4,366,004 over the remaining maturity period of the 2012 Lease Revenue Bonds, Series B to obtain an economic gain of \$4,311,217 (difference between the present values of the debt service payments on the old and new debt).

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority, shall have the option (i) without terminating the lease agreement, to collect each installment of rent as it become due regardless of whether or not the City has abandoned the leased property, or to exercise any rights of re-entry upon and to release the leased property, or (ii) to terminate the lease agreement and release the leased property. The City remains liable, if the leased property is not relet, to pay the full amount of the rent to the end of the term of the lease agreement or, if the leased property is relet, to pay any deficiency in rent that results therefrom. In the event of any default, there is no available remedy of acceleration of lease payments which have not become due and payable under lease agreement. The City will only be liable for lease payments on an annual basis, and the Trustee may be required to seek a separate judgment in each fiscal year for the fiscal year's defaulted lease payments. In the event the Trustee elects to terminate the lease agreement, such leased property may be relet for the remaining term of the lease agreement.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	512,913	3,137,913
2028	2,665,000	470,650	3,135,650
2029-2033	14,185,000	1,494,789	15,679,789
2034	3,050,000	83,357	3,133,357
Total	<u>\$ 30,220,000</u>	<u>\$ 4,269,333</u>	<u>\$ 34,489,333</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

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, 2023 was \$51,910,000.

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, 2023, the outstanding balance of the defeased 2012 Lease Revenue Bonds, Series A was fully redeemed, and 2014 Lease Revenue Refunding Bonds, Series A, had outstanding balance in the amount of \$39,075,000.

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority, shall have the option (i) without terminating the lease agreement, to collect each installment of rent as it become due regardless of whether or not the City has abandoned the leased property, or to exercise any rights of re-entry upon and to release the leased property, or (ii) to terminate the lease agreement and release the leased property. The City remains liable, if the leased property is not relet, to pay the full amount of the rent to the end of the term of the lease agreement or, if the leased property is relet, to pay any deficiency in rent that results therefrom. In the event of any default, there is no available remedy of acceleration of lease payments which have not become due and payable under lease agreement. The City will only be liable for lease payments on an annual basis, and the Trustee may be required to seek a separate judgment in each fiscal year for the fiscal year's defaulted lease payments. In the event the Trustee elects to terminate the lease agreement, such leased property may be relet for the remaining term of the lease agreement.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	3,775,000	889,415	4,664,415
2029-2033	20,115,000	3,220,689	23,335,689
2034-2036	13,400,000	595,472	13,995,472
Total	<u>\$ 51,910,000</u>	<u>\$ 8,741,256</u>	<u>\$ 60,651,256</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 \$107,224. The lease has an interest rate of .3150%. The Vehicles estimated useful life was 0 months as of the contract commencement.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Equipment Lease (Continued)

The value of the right to use asset as of June 30, 2023 of \$106,887 with accumulated amortization of \$108,256 included with governmental activities intangible lease assets.

Year Ending June 30,	Principal	Interest	Total
2024	\$ 106,887	\$ 337	\$ 107,224

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, 2023, the value of the lease liability is \$44,775,664. 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 value of the right to use asset as of June 30, 2023 of \$44,468,819 with accumulated amortization of \$2,436,647 is included governmental activities intangible lease assets.

Year Ending June 30,	Principal	Interest	Total
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	939,714	701,978	1,641,692
2029-2033	4,944,434	3,264,024	8,208,458
2034-2038	5,380,568	2,827,890	8,208,458
2039-2043	5,855,171	2,353,287	8,208,458
2044-2048	6,371,639	1,836,819	8,208,458
2049-2053	6,933,662	1,274,796	8,208,458
2054-2058	7,545,259	663,199	8,208,458
2059-2060	3,201,279	82,104	3,283,383
Total	\$ 44,775,664	\$ 15,966,927	\$ 60,742,591

Subscription Liability

The City has entered into subscriptions for information technology arrangements. The terms of the arrangements ranges from 24 to 36 months with implicit interest rate of 2.1840%. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 574,682	\$ 26,356	\$ 601,038
2025	594,070	13,398	607,468
Total	\$ 1,168,752	\$ 39,754	\$ 1,208,506

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities

Summary of changes in long-term debts for the year ended June 30, 2023 for the business-type activities are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Business-type Activities:						
Direct Borrowings:						
State Water Resource Control Board	\$ 23,966,807	\$ -	\$ (706,866)	\$ 23,259,941	\$ 718,883	\$ 22,541,058
TCF Capital Equipment	112,873	-	(112,873)	-	-	-
Yamaha golf leases	10,857	-	(7,408)	3,449	3,449	-
Public Offerings:						
2019 Airport Passenger Facility Charge						
Revenue Bonds	17,750,000	-	(1,610,000)	16,140,000	1,690,000	14,450,000
Unamortized premiums	2,521,051	-	(277,547)	2,243,504	-	2,243,504
Airport Revenue Bonds, net	20,271,051	-	(1,887,547)	18,383,504	1,690,000	16,693,504
2017 Lease Revenue Refunding Bonds						
Unamortized premium	3,752,515	-	(707,956)	3,044,559	721,906	2,322,653
Lease Revenue Bonds, net	357,027	-	(73,868)	283,159	-	283,159
Subscription liability	4,109,542	-	(781,824)	3,327,718	721,906	2,605,812
	-	114,370	(38,950)	75,420	37,303	38,117
Total business-type activities	\$ 48,471,130	\$ 114,370	\$ (3,535,468)	\$ 45,050,032	\$ 3,171,541	\$ 41,878,491

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, 2023, is \$23,259,941.

Annual requirements to amortize outstanding loans payable as of June 30, 2023, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	769,027	345,274	1,114,301
2029-2033	4,045,741	1,525,767	5,571,508
2034-2038	4,401,522	1,169,987	5,571,509
2039-2043	4,788,589	782,919	5,571,508
2044-2048	5,209,696	361,812	5,571,508
2049	1,095,675	18,626	1,114,301
Total	\$ 23,259,941	\$ 5,711,900	\$ 28,971,841

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

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. At June 30, 2023, the outstanding balance of TCF capital equipment lease was fully paid.

Yamaha Golf Lease

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, 2023 is \$3,449.

The present value of future lease payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 3,449	\$ 30	\$ 3,479

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, 2023 are \$16,140,000 and \$2,243,504, respectively.

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

Year Ending June 30,	Principal	Interest	Total
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	2,055,000	442,750	2,497,750
2029-2031	6,800,000	691,250	7,491,250
Total	\$ 16,140,000	\$ 3,837,750	\$ 19,977,750

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

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, 2023, principal and interest remaining on the PFC bonds was \$19,977,750. For the current year, principal and interest paid and total PFC revenues were \$2,497,500 and \$6,232,032, 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.

Subscription Liability

The City has entered into a subscription for information technology arrangement. The term of the arrangement is 36 months with implicit interest rate of 2.1840%. Principal and interest to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 37,303	\$ 1,647	\$ 38,950
2025	38,117	833	38,950
Total	<u>\$ 75,420</u>	<u>\$ 2,480</u>	<u>\$ 77,900</u>

C. Fiduciary Activities

Summary of changes in long-term liabilities for the year ended June 30, 2023 for the fiduciary activities are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Fiduciary Activities:						
Tax Allocation Bonds:						
2007 Tax Allocation Bonds, Series B	\$ 1,560,000	\$ -	\$ (80,000)	\$ 1,480,000	\$ 85,000	\$ 1,395,000
2014 Tax Allocation Bonds	8,485,000	-	(870,000)	7,615,000	910,000	6,705,000
2017A Tax Allocation Refunding Parity Bond	10,195,000	-	(150,000)	10,045,000	100,000	9,945,000
2017B Tax Allocation Refunding Parity Bond	4,530,000	-	(290,000)	4,240,000	300,000	3,940,000
Unamortized Premiums/(Discounts):						
2014 Tax Allocation Bonds	1,283,836	-	(98,750)	1,185,086	-	1,185,086
2017A Tax Allocation Refunding Parity Bond	1,110,574	-	(85,430)	1,025,144	-	1,025,144
2017B Tax Allocation Refunding Parity Bond	(83,993)	-	10,498	(73,495)	-	(73,495)
Tax Allocation Bonds, net	<u>27,080,417</u>	<u>-</u>	<u>(1,563,682)</u>	<u>25,516,735</u>	<u>1,395,000</u>	<u>24,121,735</u>
Total fiduciary activities	<u>\$27,080,417</u>	<u>\$ -</u>	<u>\$ (1,563,682)</u>	<u>\$25,516,735</u>	<u>\$ 1,395,000</u>	<u>\$24,121,735</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities (Continued)

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.

The balance outstanding on the 2007 Tax Allocation Bonds, Series B, as of June 30, 2023, is \$1,480,000. Future requirements to amortize are as follows:

Year Ending June 30,	Principal	Interest	Total
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	110,000	64,173	174,173
2029-2035	990,000	228,445	1,218,445
Total	<u>\$ 1,480,000</u>	<u>\$ 611,644</u>	<u>\$ 2,091,644</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities (Continued)

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

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, 2023, is \$7,615,000 including \$1,185,086 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	545,000	247,125	792,125
2029-2035	4,670,000	863,500	5,533,500
Total	<u>\$ 7,615,000</u>	<u>\$ 2,355,775</u>	<u>\$ 9,970,775</u>

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

2017A and B Tax Allocation Refunding Parity Bonds

On October 26, 2017, the Successor Agency to the Palm Springs Community Redevelopment Agency issued \$11,345,000 Tax Allocation Refunding Parity Bonds. The proceeds from the issuance were used to refund the 2007 Series A and B Housing Tax Allocation Bonds. Interest on the bonds range between 0.930% and 3.260% and the final maturity date is September 1, 2034.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities (Continued)

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

The total bond balance outstanding at June 30, 2023, is \$10,045,000 including \$1,025,144 of unamortized premium. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	885,000	329,875	1,214,875
2029-2035	7,575,000	1,003,325	8,578,325
Total	<u>\$ 10,045,000</u>	<u>\$ 2,937,575</u>	<u>\$ 12,982,575</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, 2023, is \$4,240,000 including \$73,495 of unamortized discount. Future debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	335,000	96,747	431,747
2029-2035	2,665,000	336,231	3,001,231
Total	<u>\$ 4,240,000</u>	<u>\$ 914,609</u>	<u>\$ 5,154,609</u>

As a result of issuing 2017 A and B Tax Allocation Refunding Bonds, the Successor Agency reduced the aggregate debt service payments by \$4.9 million over the remaining maturity period of the 2017 A Tax Allocation Refunding Parity Bonds and 2017 B Taxable Tax Allocation Refunding Parity Bonds and realized an economic gain of \$3.6 million (difference between the present values of the debt service payments on the old and new debt).

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Debt (Continued)

C. Fiduciary Activities (Continued)

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 \$30,199,603, payable through September 2034. For the current year, principal and interest paid and total property tax revenues were \$2,438,024 and \$2,737,386 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, 2023, are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in More Than One Year
Governmental Activities:						
Compensated absences payable	\$ 8,405,569	\$ 443,611	\$ (125,820)	\$ 8,723,360	\$ 6,258,568	\$ 2,464,792
Business-Type Activities:						
Compensated absences payable	\$ 1,393,133	\$ 117,601	\$ (21,480)	\$ 1,489,254	\$ 1,068,464	\$ 420,790

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Claims and Judgments (Continued)

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, 2023, claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to \$10,454,623 of which \$4,922,495 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, 2023 are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
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
2022-2023	10,411,142	4,147,110	(4,103,627)	10,454,625

Note 10 – Defined Benefit Pension Plan

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.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plan (Continued)

B. Benefits Provided

The Plan's provisions and benefits in effect at June 30, 2023, 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%	8.000%
Required contribution during measurement period	11.560%	11.560%	11.560%
	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%	12.750%
Required contribution during measurement period	20.830%	20.830%	20.830%

C. Employees Covered

At June 30, 2021, 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	<u>1142</u>	<u>523</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plan (Continued)

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, 2023, the employer contributions recognized as a reduction to the net pension liability for the Miscellaneous and Safety Plan were \$8,122,222 and \$11,857,376, 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, 2022 using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 valuation was rolled forward to determine the June 30, 2022 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	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

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 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

G. Changes of Assumptions

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension and fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plan (Continued)

H. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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 next 20 years using a building-block approach. The expected rate of return was then adjusted to account for the assumed administrative expenses of 10 Bases points.

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

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - Cap-weighted	30.00%	4.54%
Global equity - Non-Cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private equity	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

¹ An expected inflation of 2.30% used for this

² Figures are based on the 2021 Asset Liability Management Study

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, 2023

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, 2021 (Valuation Date)	\$ 250,712,620	\$ 208,144,512	\$ 42,568,108
Changes Recognized for the Measurement Period:			
Service Cost	4,148,867	-	4,148,867
Interest on the total pension liability	17,074,565	-	17,074,565
Changes of benefit terms	-	-	-
Changes of assumptions	6,992,201	-	6,992,201
Difference between expected and actual experience	(4,925,679)	-	(4,925,679)
Plan to plan resource movement	-	-	-
Contributions from the employer	-	8,122,222	(8,122,222)
Contributions from employees	-	1,843,421	(1,843,421)
Net investment income	-	(15,639,674)	15,639,674
Benefit payments, including refunds of employee contributions	(14,792,244)	(14,792,244)	-
Administrative expenses	-	(129,662)	129,662
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	8,497,710	(20,595,937)	29,093,647
Balance at June 30, 2021 (Measurement Date)	<u>\$ 259,210,330</u>	<u>\$ 187,548,575</u>	<u>\$ 71,661,755</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, 2021 (Valuation Date)	\$ 312,086,939	\$ 228,690,900	\$ 83,396,039
Changes Recognized for the Measurement Period:			
Service Cost	6,278,174	-	6,278,174
Interest on the total pension liability	21,732,508	-	21,732,508
Changes of benefit terms	-	-	-
Changes of assumptions	11,273,385	-	11,273,385
Difference between expected and actual experience	(3,165,512)	-	(3,165,512)
Plan to plan resource movement	-	-	-
Contributions from the employer	-	-	-
Contributions from employees	-	11,857,376	(11,857,376)
Net investment income	-	2,178,264	(2,178,264)
Benefit payments, including refunds of employee contributions	(16,740,048)	(16,740,048)	-
Administrative expenses	-	(142,461)	142,461
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	19,378,507	(20,280,667)	39,659,174
Balance at June 30, 2022 (Measurement Date)	<u>\$ 331,465,446</u>	<u>\$ 208,410,233</u>	<u>\$ 123,055,213</u>

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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 6.90 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 (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (5.90%)	Rate (6.90%)	+ 1% (7.90%)
Miscellaneous Plan	\$ 103,643,377	\$ 71,661,755	\$ 45,111,144
Safety Plan	\$ 169,261,707	\$ 123,055,213	\$ 85,317,838

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, 2022, the net pension liability was \$71,661,755. 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, 2022 (the measurement date), the City incurred a pension expense/(income) of \$6,951,163 for the Miscellaneous Plan.

As of June 30, 2023, 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	\$ 8,865,155	\$ -
Changes of assumptions	4,402,497	-
Difference between expected and actual experience	53,402	(3,101,353)
Net difference between projected and actual earning on pension plan investments	9,324,142	-
Total	\$ 22,645,196	\$ (3,101,353)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plan (Continued)

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

The \$8,865,155 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, 2024. 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
2023	\$ 2,279,488
2024	1,831,839
2025	608,288
2026	5,959,073
2027	-
Thereafter	-
	\$ 10,678,688

The expected average remaining service lifetime (“EARSL”) for the Miscellaneous Plan for the measurement period ending June 30, 2022 is 2.7 years, which was obtained by the total service years of 3,061 (the sum of remaining service lifetimes of the active employees) by 1,142 (the number of participants: active, inactive, and retired).

For the Safety agent multiple-employer plan, at the measurement period date June 30, 2022, the net pension liability was \$123,055,213. The liability will be paid in future years by the General Fund as it becomes due. For the measurement period ended June 30, 2022 (the measurement date), the City incurred a pension expense of \$14,889,984 for the Plan.

As of June 30, 2023, 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	\$ 13,250,442	\$ -
Changes of assumptions	8,523,779	-
Difference between expected and actual experience	1,575,362	(2,393,436)
Net difference between projected and actual earnings on pension plan investments	10,558,390	-
Total	\$ 33,907,973	\$ (2,393,436)

The expected average remaining service lifetime (“EARSL”) for the Safety Plan for the measurement period June 30, 2023 is 4.1 years, which was obtained by dividing the total service years of 2,167 (the sum of remaining service lifetimes of the active employees) by 523 (the total number of participants: active, inactive, and retired).

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Defined Benefit Pension Plan (Continued)

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

The \$13,250,442 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, 2024. 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
2023	\$ 4,583,137
2024	4,057,025
2025	2,804,121
2026	6,819,812
2027	-
Thereafter	-
	\$ 18,264,095

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the Miscellaneous Plan for the 2021-22 measurement period is 4.7 years which was obtained by dividing the total.

Note 11 – Other Postemployment Benefits (“OPEB”)

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, 2022, the valuation date, the following numbers of participants were covered by the benefit terms:

Active employees	479
Retirees and beneficiaries	266
Inactive with deferred benefits	250
Total	995

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

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 2023, the City paid a total of \$4,536,682 for retiree health insurance.

D. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2022 for the measurement period July 1, 2021 through June 30, 2022. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Actuarial Assumptions:	
Discount Rates	4.09% per annum as of June 30, 2022 2.18% per annum as of June 30, 2021
General Inflation	2.5% per annum
Salary Increases	2.8% per annum, in aggregate
Mortality	CalPERS 2019 Experience Study
Mortality Improvement	Scale MP-2021 Projection Scale
Healthcare Cost Trend Rates	Pre-Medicare - 6.95% in 2024, fluctuates until ultimate rate of 4.5%. Post-Medicare - 4.99% in 2024, fluctuates until ultimate rate of 4.5%.

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 2.18% as of June 30, 2021 and 4.09% as of June 30, 2022.

F. Change in Assumption

The discount rate was raised from 2.18% to 4.09% based on a change in the S&P Municipal Bond 20-year High Grade index. The salary scale was lowered from 3.00% to 2.80% based on the 2019 CalPERS Actuarial Experience Study. The mortality base tables, mortality improvement projection scale, withdrawal, retirement, and disability rates were also updated based on the 2019 CalPERS Actuarial Experience Study. The Healthcare Trend Rates were updated based on a 2022 study of expected medical inflation. Morbidity rates were updated based on the 2019 CalPERS PEMCHA Morbidity study.

There have been no other changes to the assumptions since the last measurement date.

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

G. 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, 2021	\$ 142,361,213	\$ -	\$ 142,361,213
Changes recognized for the measurement period:			
Service cost	2,828,136	-	2,828,136
Interest on the total OPEB liability	3,119,598	-	3,119,598
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(1,982,014)	-	(1,982,014)
Changes of assumptions	(21,624,076)	-	(21,624,076)
Contributions from the employer	-	4,199,577	(4,199,577)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	-	-
Benefit payments, including refunds of employee contributions	(4,199,577)	(4,199,577)	-
Administrative expense	-	-	-
Net Changes during July 1, 2021 to June 30, 2022	(21,857,933)	-	(21,857,933)
Balance at June 30, 2022 (Measurement Date)	\$ 120,503,280	\$ -	\$ 120,503,280

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

H. 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, 2022:

Plan's Net OPEB Liability/(Asset)		
Discount Rate	Current Discount	Discount Rate
- 1% (3.09%)	Rate (4.09%)	+ 1% (5.09%)
\$ 104,737,715	\$ 120,503,280	\$ 140,187,571

I. 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
\$ 140,527,620	\$ 120,503,280	\$ 104,419,912

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

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

For the fiscal year ended June 30, 2023, the City recognized OPEB credit of \$431,606. At June 30, 2023, 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	\$ 4,536,682	\$ -
Difference between expected and actual experience	-	19,497,976
Changes of assumptions	8,974,414	20,072,131
Total	\$ 13,511,096	\$ 39,570,107

The \$4,536,682 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, 2024. 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
2024	\$ (5,772,163)
2025	(4,842,203)
2026	(5,209,279)
2017	(4,832,607)
2028	(3,403,459)
Thereafter	(6,535,982)
	\$ (30,595,693)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Fund Balance Classifications

At June 30, 2023, the City’s governmental funds had the following fund balance classifications:

	General	Capital Projects Fund		Debt	Nonmajor Governmental Funds	Total
		Measure J	Capital Projects	Service Fund General Debt Service		
Nonspendable:						
Notes and loans receivables	\$ 166,667	\$ -	\$ -	\$ -	\$ -	\$ 166,667
Prepaid items	519,404	-	-	-	-	519,404
Deposits	200,000	-	-	-	-	200,000
Advances to other funds	1,210,000	-	-	-	-	1,210,000
Land held for resale	49,950	-	-	-	-	49,950
Subtotal	2,146,021	-	-	-	-	2,146,021
Restricted:						
Community development projects	-	-	-	-	20,428,330	20,428,330
Capital Projects	-	-	-	-	587,109	587,109
Public safety grants and programs	-	-	-	-	7,318,258	7,318,258
Public works projects	-	-	-	-	20,811,965	20,811,965
Debt service	-	-	-	2,664	1,633,779	1,636,443
Library	-	-	-	-	1,788,437	1,788,437
Special projects	-	-	-	-	2,514,982	2,514,982
Subtotal	-	-	-	2,664	55,082,860	55,085,524
Committed:						
Affordable housing	3,211,707	-	-	-	-	3,211,707
Assigned:						
Public works projects	-	39,070,325	-	-	-	39,070,325
Capital projects	-	-	16,926,631	-	-	16,926,631
Debt Service	-	-	-	6,561,293	-	6,561,293
CalPERS	34,250,000	-	-	-	-	34,250,000
Reserve Economic Incentive	166,667	-	-	-	-	166,667
Subtotal	34,416,667	39,070,325	16,926,631	6,561,293	-	96,974,916
Unassigned	113,911,372	-	-	-	(52,327)	113,859,045
Total	\$153,685,767	\$ 39,070,325	\$ 16,926,631	\$ 6,563,957	\$ 55,030,533	\$ 271,277,213

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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	\$ 370,606,526	\$ 160,048,840	\$ 94,340,818	\$ 59,999,810	\$ 5,708,212
Unspent capital debt proceed	-	5,006,377	5,006,377	-	-
Deferred loss on refunding debt	3,777,977	39,073	-	-	39,073
Capital related debt	(161,011,444)	(44,974,612)	(18,383,504)	(23,259,941)	(3,331,167)
Net investment in capital assets	<u>\$ 213,373,059</u>	<u>\$ 120,119,678</u>	<u>\$ 80,963,691</u>	<u>\$ 36,739,869</u>	<u>\$ 2,416,118</u>

Note 14 – Restatement of Beginning Net Position

	Governmental Activities
Net position as previously reported at July 1, 2022	\$ 168,187,146
Subscription assets	1,453,351
Subscription liabilities	(1,327,351)
Net position as restated at July 1, 2022	<u>\$ 168,313,146</u>

Note 15 – Other Required Fund Disclosures

The following funds had deficit balances as of June 30, 2023:

Funds	Amount
Fiduciary Funds:	
Private Purpose Trust Fund	
Successor Agency Funds	\$ (25,544,349)
Nonmajor Governmental Funds:	
Community Development Block Grant Special Revenue Fund	(48,863)
Opioids Settlement Special Revenue Funds	(3,464)

The following funds exceeded appropriation amounts for the year ended June 30, 2023:

Funds	Final Appropriations	Expenditures	Excess
Nonmajor Governmental Funds:			
Special Projects Special Revenue Fund	\$ 100,000	\$ 456,214	\$ (356,214)
Emergency Response Special Revenue Fund	1,043,627	1,044,700	(1,073)
Small Hotel TBID Special Revenue Fund	700,000	815,723	(115,723)

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Construction Commitments

The City has active construction projects as of June 30, 2023. 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
*Indian Canyon Drive Widening	\$ -	\$ 40,253,920
HSIP Cycle 7 Traffic Signal Modifications	2,839,978	221,159
*Traffic Signal Improvements (14 Intersections)	-	3,485,843
HSIP Cycle 8 - Flashing Beacon	316,687	16,668
Palm Canyon Drive Pedestrian and Bicycle Safety	1,906,516	1,900,609
*Bogert Trail Sewage Lift Station	-	2,342,139
*Skylight Railings	-	831,052
Demuth Community Center Egress & HVAC Improvements	871,465	53,306
*Recreation Fields LED Lighting Upgrades	-	4,974,788
Desert Highland Traffic Signal	484,637	154,244
WWTP Digester & Gas Flare	6,673,650	8,560,459
San Rafael Dr. & Avenida Cabbaleros Traffic Signal	332,218	179,488
*Sludge Drying Beds 16-18 and 19-26 Rehabilitations	-	2,167,854
HAWK Pedestrian Signal at Racquet Club and Via Miraleste	140,529	223,260
Arnico Street Sewer Improvements Project Phase 4	42,374	605,761
*Airport Common Use Podiums - Bono Concourse Navigation Center	4,047,445	6,261,573
*Demuth Dog Park Interim Measures Shade Structure	-	79,736
	<u>\$ 17,655,499</u>	<u>\$ 74,016,017</u>

*Awarded but no payments made as of June 30, 2023.

Note 17 – 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, 2023, TOT was refunded under the agreements to the following hotels:

	Incentive Amount	End of Agreement
Hotel Zoso	\$ 78,376	September 30, 2023
Sparrows Hotel	138,919	September 30, 2023
Palm Mountain Resort	175,613	September 30, 2025
Palm Springs Hotel	58,928	October 31, 2024
Alcazar Palm Springs	57,101	December 31, 2025
Descanso Resort	58,843	December 31, 2032
Skylark Hotel	40,120	February 28, 2024
Hilton Palm Springs	584,882	April 30, 2023
The Arrive Hotel	180,008	February 28, 2026
Dive Palm Springs	45,879	June 30, 2025
Santiago Resort	66,126	February 28, 2032
Rowan Kimpton Hotel	1,432,250	October 31, 2046
Total	<u>\$ 2,917,045</u>	

City of Palm Springs
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 18 – 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.

**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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
REVENUES:				
Taxes	\$ 139,712,393	\$ 139,916,693	\$ 155,323,105	\$ 15,406,412
Intergovernmental	31,837,725	32,554,577	18,361,745	(14,192,832)
Licenses and permits	7,147,347	7,147,347	8,148,325	1,000,978
Fines and forfeitures	566,407	566,407	709,711	143,304
Use of money and property	1,708,116	1,708,116	1,795,782	87,666
Charges for services	6,167,340	6,309,069	7,186,128	877,059
Miscellaneous	135,145	360,345	767,195	406,850
Total revenues	<u>187,274,473</u>	<u>188,562,554</u>	<u>192,291,991</u>	<u>3,729,437</u>
EXPENDITURES:				
Current:				
General government	85,655,310	89,132,527	38,324,328	50,808,199
Public safety	72,372,180	74,648,173	74,291,825	356,348
Cultural and convention center	8,404,457	8,613,306	8,526,676	86,630
Parks and recreation	7,699,792	8,077,672	7,423,487	654,185
Public works	23,762,429	24,671,269	21,729,448	2,941,821
Library	3,440,106	3,594,616	3,164,175	430,441
Capital outlay	2,221,700	2,180,706	1,287,099	893,607
Debt service:				
Principal retirement	1,377,141	1,377,141	1,121,748	255,393
Interest and fiscal charges	375,500	375,500	186	375,314
Total expenditures	<u>205,308,615</u>	<u>212,670,910</u>	<u>155,868,972</u>	<u>56,801,938</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,034,142)</u>	<u>(24,108,356)</u>	<u>36,423,019</u>	<u>60,531,375</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	425,787	425,787
Proceeds from sale of capital assets	-	-	9,470	9,470
Transfers in	1,000,000	1,012,516	1,000,000	(12,516)
Transfers out	(26,863,798)	(22,331,298)	(16,364,089)	5,967,209
Total other financing sources (uses)	<u>(25,863,798)</u>	<u>(21,318,782)</u>	<u>(14,928,832)</u>	<u>6,389,950</u>
NET CHANGE IN FUND BALANCE	<u>\$ (43,897,940)</u>	<u>\$ (45,427,138)</u>	21,494,187	<u>\$ 66,921,325</u>
FUND BALANCE:				
Beginning of year			<u>132,191,580</u>	
End of Year			<u>\$ 153,685,767</u>	

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City of Palm Springs
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2023

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 on a project-length basis. The City Council approves the 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 Opioid Settlement Special Revenue Fund and Parking Projects Capital Projects Fund budgets were not adopted for the year ended June 30, 2023.

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, 2023

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 implemented.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80 percent growth assumption for fiscal year ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

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

Measurement period	2018-19	2019-20	2020-21	2021-22
Total pension liability				
Service cost	\$ 4,208,238	\$ 4,152,046	\$ 3,987,258	\$ 4,148,867
Interest	16,144,692	16,589,141	17,080,970	17,074,565
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	-	6,992,201
Differences between expected and actual experience	567,509	(1,041,772)	205,982	(4,925,679)
Benefit payments, including refunds of employee contributions	(12,675,189)	(13,458,760)	(14,513,336)	(14,792,244)
Net change in total pension liability	8,245,250	6,240,655	6,760,874	8,497,710
Total pension liability - beginning	229,465,841	237,711,091	243,951,746	250,712,620
Total pension liability - ending (a)	\$ 237,711,091	\$ 243,951,746	\$ 250,712,620	\$ 259,210,330
Pension fiduciary net position				
Contributions - employer	\$ 6,489,424	\$ 7,333,963	\$ 7,525,607	\$ 8,122,222
Contributions - employee	1,835,717	1,764,550	1,676,713	1,843,421
Net investment income	10,726,808	8,554,172	39,002,574	(15,639,674)
Benefit payments, including refunds of employee contributions	(12,675,189)	(13,458,760)	(14,513,336)	(14,792,244)
Plan to plan resource movement	-	-	-	-
Administrative expense ²	(117,330)	(240,609)	(174,442)	(129,662)
Other Miscellaneous Income/(Expense) ¹	382	-	-	-
Net change in plan fiduciary net position	6,259,812	3,953,316	33,517,116	(20,595,937)
Plan fiduciary net position - beginning³	164,414,268	170,674,080	174,627,396	208,144,512
Plan fiduciary net position - ending (b)	\$ 170,674,080	\$ 174,627,396	\$ 208,144,512	\$ 187,548,575
Plan net pension liability - ending (a) - (b)	\$ 67,037,011	\$ 69,324,350	\$ 42,568,108	\$ 71,661,755
Plan fiduciary net position as a percentage of the total pension liability	71.80%	71.58%	83.02%	72.35%
Covered payroll³	\$ 21,751,370	\$ 21,991,770	\$ 21,980,474	\$ 20,953,875
Plan net pension liability as a percentage of covered payroll	308.20%	315.23%	193.66%	342.00%

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, 2023

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 implemented.

² Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80 percent growth assumption for fiscal year ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

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

Measurement period	2018-19	2019-20	2020-21	2021-22
Total pension liability				
Service cost	\$ 4,893,432	\$ 5,322,964	\$ 5,673,430	\$ 6,278,174
Interest	19,523,838	20,316,740	21,171,704	21,732,508
Changes of benefit terms	-	-	-	-
Changes of assumptions	-	-	-	11,273,385
Differences between expected and actual experience	2,501,866	1,712,111	1,902,838	(3,165,512)
Benefit payments, including refunds of employee contributions	(15,047,324)	(15,461,944)	(16,058,479)	(16,740,048)
Net change in total pension liability	11,871,812	11,889,871	12,689,493	19,378,507
Total pension liability - beginning	275,635,763	287,507,575	299,397,446	312,086,939
Total pension liability - ending (a)	<u>\$ 287,507,575</u>	<u>\$ 299,397,446</u>	<u>\$ 312,086,939</u>	<u>\$ 331,465,446</u>
Pension fiduciary net position				
Contributions - employer	\$ 8,585,908	\$ 10,001,306	\$ 10,835,613	\$ 11,857,376
Contributions - employee	1,671,882	2,081,546	2,081,430	2,178,264
Net investment income	11,544,364	9,141,826	42,832,470	(17,433,798)
Benefit payments, including refunds of employee contributions	(15,047,324)	(15,461,944)	(16,058,479)	(16,740,048)
Plan to plan resource movement	-	-	-	-
Administrative expense ²	(126,351)	(258,951)	(188,988)	(142,461)
Other Miscellaneous Income/(Expense) ¹	413	-	-	-
Net change in plan fiduciary net position	6,628,892	5,503,783	39,502,046	(20,280,667)
Plan fiduciary net position - beginning³	177,056,179	183,685,071	189,188,854	228,690,900
Plan fiduciary net position - ending (b)	<u>\$ 183,685,071</u>	<u>\$ 189,188,854</u>	<u>\$ 228,690,900</u>	<u>\$ 208,410,233</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 103,822,504</u>	<u>\$ 110,208,592</u>	<u>\$ 83,396,039</u>	<u>\$ 123,055,213</u>
Plan fiduciary net position as a percentage of the total pension liability	63.89%	63.19%	73.28%	62.88%
Covered payroll³	<u>\$ 16,426,425</u>	<u>\$ 18,013,413</u>	<u>\$ 19,469,562</u>	<u>\$ 19,521,684</u>
Plan net pension liability as a percentage of covered payroll	632.05%	611.81%	428.34%	630.35%

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2023

Last Ten Fiscal Years

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

	2013-14	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 ¹	(3,834,378)	(4,332,593)	(4,921,063)	(5,240,243)	(5,808,438)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 17,841,364	\$ 18,686,572	\$ 19,306,195	\$ 20,128,338	\$ 20,888,815
Contributions as a percentage of covered payroll ²	21.49%	23.19%	25.49%	26.03%	27.81%

¹ 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.

² Includes one year's payroll growth using 2.80 percent growth assumption for fiscal year ended June 30, 2022 and 2023; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 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 2021-22 were derived from the June 30, 2020 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 90 percent of Scale MP-2016 published by the Society of Actuaries.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2023

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>	<u>2022-23</u>
Actuarially determined contribution	\$ 6,489,424	\$ 7,333,963	\$ 7,525,607	\$ 8,122,939	\$ 8,865,155
Contributions in relation to the actuarially determined contribution ¹	<u>(6,489,424)</u>	<u>(7,333,963)</u>	<u>(7,525,607)</u>	<u>(8,122,939)</u>	<u>(8,865,155)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 21,751,370	\$ 21,991,770	\$ 21,980,474	\$ 20,953,875	\$ 21,540,584
Contributions as a percentage of covered payroll ²	29.83%	33.35%	34.24%	38.77%	41.16%

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension
For the Year Ended June 30, 2023

Last Ten Fiscal Years

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

	2013-14	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 ¹	(4,602,200)	(5,272,145)	(5,906,758)	(7,095,444)	(7,446,996)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 13,209,455	\$ 13,037,562	\$ 13,664,290	\$ 15,010,562	\$ 16,237,787
Contributions as a percentage of covered payroll ²	34.84%	40.44%	43.23%	47.27%	45.86%

¹ 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.

² Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal year ended June 30, 2022 and 2023; 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-

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-23 were derived from the June 30, 2020 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 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 90 percent of Scale MP-2016 published by the Society of Actuaries.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pension (Continued)
For the Year Ended June 30, 2023

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>	<u>2021-22</u>
Actuarially determined contribution	\$ 8,585,908	\$ 10,001,306	\$ 10,835,613	\$ 11,857,376	\$ 13,250,442
Contributions in relation to the actuarially determined contribution ¹	<u>(8,585,908)</u>	<u>(10,001,306)</u>	<u>(10,835,613)</u>	<u>(11,857,376)</u>	<u>(13,250,442)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 16,426,425	\$ 18,013,413	\$ 19,469,562	\$ 19,521,684	\$ 20,068,291
Contributions as a percentage of covered payroll ²	52.27%	55.52%	55.65%	60.74%	66.03%

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, 2023

Last Ten Fiscal Years*

Other Postemployment Benefit Plan

Measurement period	2016-17	2017-18	2018-19	2019-20	2020-21
Total OPEB liability					
Service cost	\$ 3,726,841	\$ 3,358,207	\$ 3,627,328	\$ 3,010,767	\$ 3,220,216
Interest	4,040,843	4,484,043	4,515,822	3,921,381	3,899,600
Differences between expected and actual experience	-	-	(20,708,241)	-	(10,408,386)
Changes of assumptions	(11,536,388)	3,755,480	6,018,257	3,023,024	4,409,062
Benefit payments, including refunds of employee contributions	(3,280,004)	(3,480,420)	(3,698,318)	(3,947,609)	(4,281,158)
Net change in total OPEB liability	(7,048,708)	8,117,310	(10,245,152)	6,007,563	(3,160,666)
Total OPEB liability - beginning	148,690,866	141,642,158	149,759,468	139,514,316	145,521,879
Total OPEB liability - ending (a)	<u>\$ 141,642,158</u>	<u>\$ 149,759,468</u>	<u>\$ 139,514,316</u>	<u>\$ 145,521,879</u>	<u>\$ 142,361,213</u>
OPEB fiduciary net position					
Contributions - employer	\$ 3,280,004	\$ 3,358,204	\$ 3,698,318	\$ 3,947,609	\$ 4,281,158
Benefit payments, including refunds for employee contributions.	(3,280,004)	(3,358,204)	(3,698,318)	(3,947,609)	(4,281,158)
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>\$ 141,642,158</u>	<u>\$ 149,759,468</u>	<u>\$ 139,514,316</u>	<u>\$ 145,521,879</u>	<u>\$ 142,361,213</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 payroll	<u>\$ 34,929,760</u>	<u>\$ 45,672,020</u>	<u>\$ 46,516,674</u>	<u>\$ 49,907,595</u>	<u>\$ 46,594,259</u>
Plan net OPEB liability as a percentage of covered-employee payroll	<u>405.51%</u>	<u>327.90%</u>	<u>299.92%</u>	<u>291.58%</u>	<u>305.53%</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation	2.75% per year	2.75% per year	2.5% per year	2.5% per year	2.5% per year
Healthcare cost trend rates	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	6.5% in 2021, fluctuates until ultimate rate of 4% in 2076	6.5% in 2021, fluctuates until ultimate rate of 4% in 2076	5.8% in 2023, fluctuates until ultimate rate of 3.9% in 2076
Salary increases	3.25%	3.25%	3.00%	3.00%	3.00%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	CalPERS 2014 Experience Study	CalPERS 2014 Experience Study	CalPERS 2017 Experience Study	CalPERS 2017 Experience Study	CalPERS 2017 Experience Study
Mortality Improvement	MW Scale 2017	MW Scale 2017	MW Scale 2020	MW Scale 2020	MW Scale 2022

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.

City of Palm Springs
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years*

Other Postemployment Benefit Plan

	2021-22
Measurement period	
Total OPEB liability	
Service cost	\$ 2,828,136
Interest	3,119,598
Differences between expected and actual experience	(1,982,014)
Changes of assumptions	(21,624,076)
Benefit payments, including refunds of employee contributions	(4,199,577)
Net change in total OPEB liability	(21,857,933)
Total OPEB liability - beginning	142,361,213
Total OPEB liability - ending (a)	\$ 120,503,280
OPEB fiduciary net position	
Contributions - employer	\$ 4,199,577
Benefit payments, including refunds for employee contributions.	(4,199,577)
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 120,503,280
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered- employee payroll	\$ 42,359,521
Plan net OPEB liability as a percentage of covered-employee payroll	284.48%
Actuarial cost method	Entry Age Normal
Inflation	2.5% per year
Healthcare cost trend rates	Pre-medicare 6.95% and Post-medicare 4.99% in 2024, fluctuates until ultimate rate of 4.5% in 2049
Salary increases	2.80%
Retirement age	From 50 to 75
Mortality	CalPERS 2019 Experience Study
Mortality Improvement	MP Scale 2021

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.

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SUPPLEMENTARY INFORMATION

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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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 20,352,400	\$ 20,352,400	\$ 21,942,491	\$ 1,590,091
Use of money and property	-	-	348,226	348,226
Total Revenues	<u>20,352,400</u>	<u>20,352,400</u>	<u>22,290,717</u>	<u>1,938,317</u>
EXPENDITURES:				
Current:				
Public works	1,099,735	1,248,825	607,726	641,099
Capital outlay	26,596,150	43,721,050	10,218,967	33,502,083
Total Expenditures	<u>27,695,885</u>	<u>44,969,875</u>	<u>10,826,693</u>	<u>34,143,182</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,343,485)</u>	<u>(24,617,475)</u>	<u>11,464,024</u>	<u>36,081,499</u>
Other Financing (Uses):				
Transfers out	(5,138,500)	(5,138,500)	(5,138,500)	-
Total other financing (uses)	<u>(5,138,500)</u>	<u>(5,138,500)</u>	<u>(5,138,500)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (12,481,985)</u>	<u>\$ (29,755,975)</u>	6,325,524	<u>\$ 36,081,499</u>
FUND BALANCE:				
Beginning of Year			<u>32,744,801</u>	
End of Year			<u>\$ 39,070,325</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 29,967,414	\$ 30,469,036	\$ 3,317,731	\$ (27,151,305)
Use of money and property	-	-	74,331	74,331
Charges for services	100,000	100,000	565,362	465,362
Miscellaneous	-	-	221,290	221,290
Total Revenues	<u>30,067,414</u>	<u>30,569,036</u>	<u>4,178,714</u>	<u>(26,390,322)</u>
EXPENDITURES:				
Current:				
Public works	-	13,062	13,061	1
Capital outlay	44,243,406	93,037,900	7,472,576	85,565,324
Debt service				
Principal retirement	440,148	440,148	440,148	-
Interest and fiscal charges	18,038	18,038	18,038	-
Total Expenditures	<u>44,701,592</u>	<u>93,509,148</u>	<u>7,943,823</u>	<u>85,565,325</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,634,178)</u>	<u>(62,940,112)</u>	<u>(3,765,109)</u>	<u>59,175,003</u>
Other Financing Sources:				
Transfers in	6,500,000	6,500,000	6,500,000	-
Total Other Financing Sources	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (8,134,178)</u>	<u>\$ (56,440,112)</u>	2,734,891	<u>\$ 59,175,003</u>
FUND BALANCE:				
Beginning of Year			<u>14,191,740</u>	
End of Year			<u>\$ 16,926,631</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
General Debt Service Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	65,540	\$ 65,540
Total revenues	<u>-</u>	<u>-</u>	<u>65,540</u>	<u>65,540</u>
EXPENDITURES:				
Debt service:				
Principal retirement	8,483,316	8,483,316	7,679,042	804,274
Interest and fiscal charges	2,995,695	2,995,695	2,996,348	(653)
Total expenditures	<u>11,479,011</u>	<u>11,479,011</u>	<u>10,675,390</u>	<u>803,621</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,479,011)</u>	<u>(11,479,011)</u>	<u>(10,609,850)</u>	<u>869,161</u>
OTHER FINANCING SOURCES:				
Transfers in	9,819,450	9,819,450	9,819,450	-
Total other financing sources	<u>9,819,450</u>	<u>9,819,450</u>	<u>9,819,450</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,659,561)</u>	<u>\$ (1,659,561)</u>	(790,400)	<u>\$ 869,161</u>
FUND BALANCE:				
Beginning of Year			5,693,138	
End of Year			<u>\$ 4,902,738</u>	

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 fees collected on new constructions with expenditures restricted for procuring art objects for public benefit.

Library Fund - To account for revenues received which are restricted for use on library facilities.

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).

Opioids Settlement Fund - To account for the revenues received as a result of two opioid settlement agreements that shall be dedicated to funding opioid abatement measures.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the purchase or construction of major capital facilities which are not financed by Proprietary Funds or Trust Funds, Capital Projects Funds are ordinarily not used to account for the acquisition of furniture, fixtures, machinery and equipment, and other relatively minor or comparatively short-lived capital assets.

Parking Projects Fund - To account for payments into the Fund from in lieu parking fee charges, and to account for the capital expenditures for parking improvements.

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

DEBT SERVICE FUNDS

Debt Service Funds are used to accumulate resources for the payment of principal and interest on long-term debt for the City.

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, 2023**

Special Revenue Funds

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	CSA 152	Recycling AB 929
ASSETS				
Cash and investments	\$ 283,565	\$ 2,803,555	\$ 135,508	\$ 509,131
Accounts receivable	-	368,667	-	63,274
Interest receivable	711	7,368	-	1,605
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 284,276	\$ 3,179,590	\$ 135,508	\$ 574,010
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 32	\$ -	\$ 20,669	\$ 4,834
Accrued liabilities	-	8,562	588	2,025
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	32	8,562	21,257	6,859
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	284,244	3,171,028	114,251	567,151
Unassigned	-	-	-	-
Total fund balances	284,244	3,171,028	114,251	567,151
Total liabilities, deferred inflows of resources and fund balances	\$ 284,276	\$ 3,179,590	\$ 135,508	\$ 574,010

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
ASSETS				
Cash and investments	\$ 2,322,453	\$ 9,078,955	\$ 2,499,817	\$ -
Accounts	98,859	1,127,395	-	49,863
Accrued interest	5,634	23,912	6,543	-
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 2,426,946</u>	<u>\$ 10,230,262</u>	<u>\$ 2,506,360</u>	<u>\$ 49,863</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 26	\$ 191,180	\$ 14,671	\$ 16,576
Accrued liabilities	7	635	72	-
Deposits	-	-	-	-
Due to other funds	-	-	-	32,287
Unearned revenues	-	-	-	-
Total liabilities	<u>33</u>	<u>191,815</u>	<u>14,743</u>	<u>48,863</u>
Deferred inflows of resources:				
Unavailable revenues	-	301,284	-	49,863
Total deferred inflows of resources	<u>-</u>	<u>301,284</u>	<u>-</u>	<u>49,863</u>
Fund balances:				
Restricted	2,426,913	9,737,163	2,491,617	-
Unassigned	-	-	-	(48,863)
Total fund balances	<u>2,426,913</u>	<u>9,737,163</u>	<u>2,491,617</u>	<u>(48,863)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,426,946</u>	<u>\$ 10,230,262</u>	<u>\$ 2,506,360</u>	<u>\$ 49,863</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Air Quality Management	Public Arts	Library	Quimby Act Fees
ASSETS				
Cash and investments	\$ 171,124	\$ 1,431,526	\$ 1,784,177	\$ 3,804,822
Accounts receivable	14,901	-	-	-
Interest receivable	444	3,838	5,010	10,377
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	<u>\$ 186,469</u>	<u>\$ 1,435,364</u>	<u>\$ 1,789,187</u>	<u>\$ 3,815,199</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 22,474	\$ 500	\$ 750	\$ 207,711
Accrued liabilities	-	-	-	158
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	<u>22,474</u>	<u>500</u>	<u>750</u>	<u>207,869</u>
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	163,995	1,434,864	1,788,437	3,607,330
Unassigned	-	-	-	-
Total fund balances	<u>163,995</u>	<u>1,434,864</u>	<u>1,788,437</u>	<u>3,607,330</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 186,469</u>	<u>\$ 1,435,364</u>	<u>\$ 1,789,187</u>	<u>\$ 3,815,199</u>

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Special Projects	CFD Public Safety #1	Park Maintenance District	Emergency Response
ASSETS				
Cash and investments	\$ 2,478,463	\$ 1,708,650	\$ 767,042	\$ 128,686
Accounts receivable	28,836	34,153	3,287	22,525
Interest receivable	7,683	3,589	1,986	1,257
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 2,514,982	\$ 1,746,392	\$ 772,315	\$ 152,468
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 53,908	\$ 6,383
Accrued liabilities	-	6,146	397	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	6,146	54,305	6,383
Deferred inflows of resources:				
Unavailable revenues	-	457	24	-
Total deferred inflows of resources	-	457	24	-
Fund balances:				
Restricted	2,514,982	1,739,789	717,986	146,085
Unassigned	-	-	-	-
Total fund balances	2,514,982	1,739,789	717,986	146,085
Total liabilities, deferred inflows of resources and fund balances	\$ 2,514,982	\$ 1,746,392	\$ 772,315	\$ 152,468

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds

	Special Revenue Funds			
	Sustainability	Housing	Small Hotel TBID	SB1-RMRA
ASSETS				
Cash and investments	\$ 1,491,307	\$ 1,113,913	\$ 50,057	\$ 1,979,100
Accounts receivable	130,646	-	86,180	88,923
Interest receivable	3,415	1,062	191	5,728
Loans and notes	-	17,277,484	-	-
Land held for resale	-	86,253	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total assets	\$ 1,625,368	\$ 18,478,712	\$ 136,428	\$ 2,073,751
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 13,579	\$ 4,820	\$ 126,487	\$ 96,440
Accrued liabilities	2,228	-	-	199
Deposits	-	57,234	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	15,807	62,054	126,487	96,639
Deferred inflows of resources:				
Unavailable revenues	56,851	-	284	-
Total deferred inflows of resources	56,851	-	284	-
Fund balances:				
Restricted	1,552,710	18,416,658	9,657	1,977,112
Unassigned	-	-	-	-
Total fund balances	1,552,710	18,416,658	9,657	1,977,112
Total liabilities, deferred inflows of resources and fund balances	\$ 1,625,368	\$ 18,478,712	\$ 136,428	\$ 2,073,751

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Fund	Capital Projects Funds		Debt Service Fund
	Opioids Settlement	Parking Projects	CFD Canyon View	Special Assessments
ASSETS				
Cash and investments	\$ 139,714	\$ 568,696	\$ 16,816	\$ 1,345,987
Accounts receivable	-	-	-	7,424
Interest receivable	32	1,550	47	-
Loans and notes	-	-	-	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	280,868
Total assets	\$ 139,746	\$ 570,246	\$ 16,863	\$ 1,634,279
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 500
Accrued liabilities	-	-	-	-
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	143,210	-	-	-
Total liabilities	143,210	-	-	500
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	-	570,246	16,863	1,633,779
Unassigned	(3,464)	-	-	-
Total fund balances	(3,464)	570,246	16,863	1,633,779
Total liabilities, deferred inflows of resources and fund balances	\$ 139,746	\$ 570,246	\$ 16,863	\$ 1,634,279

(Continued)

City of Palm Springs
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 36,613,064
Accounts receivable	2,124,933
Interest receivable	91,982
Loans and notes	17,277,484
Land held for resale	86,253
Restricted assets:	
Cash and investments with fiscal agents	280,868
Total assets	<u><u>\$ 56,474,584</u></u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 781,540
Accrued liabilities	21,017
Deposits	57,234
Due to other funds	32,287
Unearned revenues	143,210
Total liabilities	<u>1,035,288</u>
 Deferred inflows of resources:	
Unavailable revenues	408,763
Total deferred inflows of resources	<u>408,763</u>
 Fund balances:	
Restricted	55,082,860
Unassigned	(52,327)
Total fund balances	<u>55,030,533</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 56,474,584</u></u>

(Concluded)

City of Palm Springs
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Forfeiture	Safety Augmentation	CSA 152	Recycling AB 929
REVENUES:				
Taxes	\$ -	\$ -	\$ 187,547	\$ -
Intergovernmental	-	1,451,989	-	19,725
Licenses and permits	-	-	-	-
Fines and forfeitures	46,922	-	-	-
Use of money and property	3,801	32,149	2,367	13,392
Charges for services	-	236,163	-	159,173
Miscellaneous	-	-	-	-
Total revenues	50,723	1,720,301	189,914	192,290
EXPENDITURES:				
Current:				
General government	-	-	-	320,957
Public safety	17,434	975,280	-	-
Cultural and convention center	-	-	-	-
Public works	-	-	292,324	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	17,434	975,280	292,324	320,957
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	33,289	745,021	(102,410)	(128,667)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
NET CHANGES IN FUND BALANCES	33,289	745,021	(102,410)	(128,667)
FUND BALANCES:				
Beginning of year	250,955	2,426,007	216,661	695,818
End of year	<u>\$ 284,244</u>	<u>\$ 3,171,028</u>	<u>\$ 114,251</u>	<u>\$ 567,151</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, 2023

	Special Revenue Funds			
	Gas Tax	Measure A Improvements	Drainage Construction	Community Development Block Grant
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,025,729	3,994,728	-	274,269
Licenses and permits	-	-	460,101	-
Fines and forfeitures	-	-	-	-
Use of money and property	24,521	67,546	27,224	-
Charges for services	-	-	-	562
Miscellaneous	-	3,762	-	434
Total revenues	1,050,250	4,066,036	487,325	275,265
EXPENDITURES:				
Current:				
General government	-	-	-	129,742
Public safety	-	-	-	-
Cultural and convention center	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Capital outlay	682,252	2,309,806	45,673	194,386
Debt service:				
Principal retirement	-	10,444	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	682,252	2,320,250	45,673	324,128
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	367,998	1,745,786	441,652	(48,863)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
NET CHANGES IN FUND BALANCES	367,998	1,745,786	441,652	(48,863)
FUND BALANCES:				
Beginning of year	2,058,915	7,991,377	2,049,965	-
End of year	<u>\$ 2,426,913</u>	<u>\$ 9,737,163</u>	<u>\$ 2,491,617</u>	<u>\$ (48,863)</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, 2023

	Special Revenue Funds			
	Air Quality Improvement	Public Arts	Library	Quimby Act Fees
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	74,407	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	2,554	12,196	32,237	54,186
Charges for services	-	557,911	-	371,819
Miscellaneous	-	-	1,024	-
Total revenues	76,961	570,107	33,261	426,005
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Cultural and convention center	-	209,447	-	-
Public works	55,427	-	-	-
Library	-	-	18,019	-
Capital outlay	-	39,000	-	68,617
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	55,427	248,447	18,019	68,617
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	21,534	321,660	15,242	357,388
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
NET CHANGES IN FUND BALANCES	21,534	321,660	15,242	357,388
FUND BALANCES:				
Beginning of year	142,461	1,113,204	1,773,195	3,249,942
End of year	<u>\$ 163,995</u>	<u>\$ 1,434,864</u>	<u>\$ 1,788,437</u>	<u>\$ 3,607,330</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, 2023

	Special Revenue Funds			
	Special Projects	CFD Public Safety #1	Park Maintenance District	Emergency Response
REVENUES:				
Taxes	\$ -	\$ 1,224,022	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	61,007	1,809	11,947	13,378
Charges for services	-	-	229,646	1,038,691
Miscellaneous	-	-	-	-
Total revenues	<u>61,007</u>	<u>1,225,831</u>	<u>241,593</u>	<u>1,052,069</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	456,214	705,797	-	1,044,700
Cultural and convention center	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	235,180	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>456,214</u>	<u>705,797</u>	<u>235,180</u>	<u>1,044,700</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(395,207)</u>	<u>520,034</u>	<u>6,413</u>	<u>7,369</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(395,207)</u>	<u>520,034</u>	<u>6,413</u>	<u>7,369</u>
FUND BALANCES:				
Beginning of year	<u>2,910,189</u>	<u>1,219,755</u>	<u>711,573</u>	<u>138,716</u>
End of year	<u>\$ 2,514,982</u>	<u>\$ 1,739,789</u>	<u>\$ 717,986</u>	<u>\$ 146,085</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, 2023

	Special Revenue Funds			
	Sustainability	Housing	Small Hotel TBID	SB1-RMRA
REVENUES:				
Taxes	\$ -	\$ -	\$ 794,940	\$ -
Intergovernmental	3,149	2,531,095	-	980,636
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	10,800	1,583,996	1,305	26,431
Charges for services	481,596	-	-	-
Miscellaneous	700	10,733	-	-
Total revenues	496,245	4,125,824	796,245	1,007,067
EXPENDITURES:				
Current:				
General government	-	556,738	-	-
Public safety	-	-	-	-
Cultural and convention center	-	-	815,723	-
Public works	157,509	-	-	-
Library	-	-	-	-
Capital outlay	16,649	-	-	885,638
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	174,158	556,738	815,723	885,638
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	322,087	3,569,086	(19,478)	121,429
OTHER FINANCING SOURCES:				
Transfers in	140,578	3,642,561	-	-
Total other financing sources	140,578	3,642,561	-	-
NET CHANGES IN FUND BALANCES	462,665	7,211,647	(19,478)	121,429
FUND BALANCES:				
Beginning of year	1,090,045	11,205,011	29,135	1,855,683
End of year	\$ 1,552,710	\$ 18,416,658	\$ 9,657	\$ 1,977,112

(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, 2023

	Special Revenue Fund	Capital Projects Funds		Debt Service Fund
	Opioids Settlement	Parking Projects	CFD Canyon View	Special Assessments
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 568,518
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	(3,464)	22,901	298	15,396
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>(3,464)</u>	<u>22,901</u>	<u>298</u>	<u>583,914</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Cultural and convention center	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	415,000
Interest and fiscal charges	-	-	-	142,946
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>557,946</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,464)</u>	<u>22,901</u>	<u>298</u>	<u>25,968</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(3,464)</u>	<u>22,901</u>	<u>298</u>	<u>25,968</u>
FUND BALANCES:				
Beginning of year	-	547,345	16,565	1,607,811
End of year	<u>\$ (3,464)</u>	<u>\$ 570,246</u>	<u>\$ 16,863</u>	<u>\$ 1,633,779</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, 2023

	Total Nonmajor Governmental Funds
REVENUES:	
Taxes	\$ 2,775,027
Intergovernmental	10,355,727
Licenses and permits	460,101
Fines and forfeitures	46,922
Use of money and property	2,017,977
Charges for services	3,075,561
Miscellaneous	16,653
Total revenues	18,747,968
EXPENDITURES:	
Current:	
General government	1,007,437
Public safety	3,199,425
Cultural and convention center	1,025,170
Public works	505,260
Library	18,019
Capital outlay	4,477,201
Debt service:	
Principal retirement	425,444
Interest and fiscal charges	142,946
Total expenditures	10,800,902
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,947,066
OTHER FINANCING SOURCES:	
Transfers in	3,783,139
Total other financing sources	3,783,139
NET CHANGES IN FUND BALANCES	11,730,205
FUND BALANCES:	
Beginning of year	43,300,328
End of year	\$ 55,030,533

(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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 46,922	\$ 46,922
Use of money and property	-	-	3,801	3,801
Total Revenues	-	-	50,723	50,723
EXPENDITURES:				
Current:				
Public safety	239,315	239,315	17,434	221,881
Total Expenditures	239,315	239,315	17,434	221,881
NET CHANGE IN FUND BALANCE	\$ (239,315)	\$ (239,315)	33,289	\$ 272,604
FUND BALANCE:				
Beginning of Year			250,955	
End of Year			\$ 284,244	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,125,078	\$ 1,125,078	\$ 1,451,989	\$ 326,911
Use of money and property	-	-	32,149	32,149
Charges for services	-	-	236,163	236,163
Total Revenues	<u>1,125,078</u>	<u>1,125,078</u>	<u>1,720,301</u>	<u>595,223</u>
EXPENDITURES:				
Current:				
Public safety	1,110,773	1,110,773	975,280	135,493
Capital outlay	160,315	160,315	-	160,315
Total Expenditures	<u>1,271,088</u>	<u>1,271,088</u>	<u>975,280</u>	<u>295,808</u>
NET CHANGE IN FUND BALANCE	<u>\$ (146,010)</u>	<u>\$ (146,010)</u>	745,021	<u>\$ 891,031</u>
FUND BALANCE:				
Beginning of Year			2,426,007	
End of Year			<u>\$ 3,171,028</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 459,100	\$ 459,100	\$ 187,547	\$ (271,553)
Use of money and property	-	-	2,367	2,367
Total Revenues	<u>459,100</u>	<u>459,100</u>	<u>189,914</u>	<u>(269,186)</u>
EXPENDITURES:				
Current:				
Public works	335,668	335,668	292,324	43,344
Total Expenditures	<u>335,668</u>	<u>335,668</u>	<u>292,324</u>	<u>43,344</u>
NET CHANGE IN FUND BALANCE	<u>\$ 123,432</u>	<u>\$ 123,432</u>	(102,410)	<u>\$ (225,842)</u>
FUND BALANCE:				
Beginning of Year			<u>216,661</u>	
End of Year			<u>\$ 114,251</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 97,957	\$ 97,957	\$ 19,725	\$ (78,232)
Use of money and property	-	-	13,392	13,392
Charges for services	125,500	125,500	159,173	33,673
Total Revenues	<u>223,457</u>	<u>223,457</u>	<u>192,290</u>	<u>(31,167)</u>
EXPENDITURES:				
Current:				
General government	693,398	713,619	320,957	392,662
Total Expenditures	<u>693,398</u>	<u>713,619</u>	<u>320,957</u>	<u>392,662</u>
NET CHANGE IN FUND BALANCE	<u>\$ (469,941)</u>	<u>\$ (490,162)</u>	(128,667)	<u>\$ 361,495</u>
FUND BALANCE:				
Beginning of Year			695,818	
End of Year			<u>\$ 567,151</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,394,633	\$ 1,394,633	\$ 1,025,729	\$ (368,904)
Use of money and property	-	-	24,521	24,521
Total Revenues	<u>1,394,633</u>	<u>1,394,633</u>	<u>1,050,250</u>	<u>(344,383)</u>
EXPENDITURES:				
Current:				
Public works	573,278	1,146,556	-	1,146,556
Capital outlay	1,225,000	2,327,985	682,252	1,645,733
Total Expenditures	<u>1,798,278</u>	<u>3,474,541</u>	<u>682,252</u>	<u>2,792,289</u>
NET CHANGE IN FUND BALANCE	<u>\$ (403,645)</u>	<u>\$ (2,079,908)</u>	367,998	<u>\$ 2,447,906</u>
FUND BALANCE:				
Beginning of Year			<u>2,058,915</u>	
End of Year			<u>\$ 2,426,913</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 6,575,333	\$ 6,575,333	\$ 3,994,728	\$ (2,580,605)
Use of money and property	-	-	67,546	67,546
Miscellaneous	408,403	408,403	3,762	(404,641)
Total Revenues	<u>6,983,736</u>	<u>6,983,736</u>	<u>4,066,036</u>	<u>(2,917,700)</u>
EXPENDITURES:				
Current:				
Public works	-	194,931	-	194,931
Capital outlay	9,773,916	20,176,817	2,309,806	17,867,011
Debt service:				
Principal retirement	-	-	10,444	(10,444)
Total Expenditures	<u>9,773,916</u>	<u>20,371,748</u>	<u>2,320,250</u>	<u>18,051,498</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,790,180)</u>	<u>\$ (13,388,012)</u>	1,745,786	<u>\$ 15,133,798</u>
FUND BALANCE:				
Beginning of Year			<u>7,991,377</u>	
End of Year			<u>\$ 9,737,163</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 301,050	\$ 301,050	\$ 460,101	\$ 159,051
Use of money and property	-	-	27,224	27,224
Total Revenues	<u>301,050</u>	<u>301,050</u>	<u>487,325</u>	<u>186,275</u>
EXPENDITURES:				
Capital outlay	846,615	1,626,182	45,673	1,580,509
Total Expenditures	<u>846,615</u>	<u>1,626,182</u>	<u>45,673</u>	<u>1,580,509</u>
NET CHANGE IN FUND BALANCE	<u>\$ (545,565)</u>	<u>\$ (1,325,132)</u>	441,652	<u>\$ 1,766,784</u>
FUND BALANCE:				
Beginning of Year			<u>2,049,965</u>	
End of Year			<u>\$ 2,491,617</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,289,197	\$ 1,289,197	\$ 274,269	\$ (1,014,928)
Charges for services	-	-	562	562
Miscellaneous	-	-	434	434
Total Revenues	<u>1,289,197</u>	<u>1,289,197</u>	<u>275,265</u>	<u>(1,013,932)</u>
EXPENDITURES:				
Current:				
General government	277,494	343,160	129,742	213,418
Capital outlay	1,011,703	1,235,639	194,386	1,041,253
Total Expenditures	<u>1,289,197</u>	<u>1,578,799</u>	<u>324,128</u>	<u>1,254,671</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (289,602)</u>	(48,863)	<u>\$ 240,739</u>
FUND BALANCE:				
Beginning of Year			-	
End of Year			<u>\$ (48,863)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 62,000	\$ 62,000	\$ 74,407	\$ 12,407
Use of money and property	-	-	2,554	2,554
Total Revenues	<u>62,000</u>	<u>62,000</u>	<u>76,961</u>	<u>14,961</u>
EXPENDITURES:				
Current:				
Public works	101,929	101,929	55,427	46,502
Total Expenditures	<u>101,929</u>	<u>101,929</u>	<u>55,427</u>	<u>46,502</u>
NET CHANGE IN FUND BALANCE	<u>\$ (39,929)</u>	<u>\$ (39,929)</u>	21,534	<u>\$ 61,463</u>
FUND BALANCE:				
Beginning of Year			<u>142,461</u>	
End of Year			<u>\$ 163,995</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 12,196	\$ 11,196
Charges for services	180,000	180,000	557,911	377,911
Total Revenues	<u>181,000</u>	<u>181,000</u>	<u>570,107</u>	<u>389,107</u>
EXPENDITURES:				
Current:				
Cultural and convention center	301,334	587,334	209,447	377,887
Capital outlay	100,000	400,000	39,000	361,000
Total Expenditures	<u>401,334</u>	<u>987,334</u>	<u>248,447</u>	<u>738,887</u>
NET CHANGE IN FUND BALANCE	<u>\$ (220,334)</u>	<u>\$ (806,334)</u>	321,660	<u>\$ 1,127,994</u>
FUND BALANCE:				
Beginning of Year			1,113,204	
End of Year			<u>\$ 1,434,864</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 32,237	\$ 32,237
Miscellaneous	-	-	1,024	1,024
Total Revenues	-	-	33,261	33,261
EXPENDITURES:				
Current:				
Library	1,801,860	1,801,860	18,019	1,783,841
Total Expenditures	1,801,860	1,801,860	18,019	1,783,841
NET CHANGE IN FUND BALANCE	\$ (1,801,860)	\$ (1,801,860)	15,242	\$ 1,817,102
FUND BALANCE:				
Beginning of Year			1,773,195	
End of Year			\$ 1,788,437	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 70,000	\$ 70,000	\$ 54,186	\$ (15,814)
Charges for services	580,000	580,000	371,819	(208,181)
Total Revenues	<u>650,000</u>	<u>650,000</u>	<u>426,005</u>	<u>(223,995)</u>
EXPENDITURES:				
Capital outlay	-	2,440,185	68,617	2,371,568
Total Expenditures	<u>-</u>	<u>2,440,185</u>	<u>68,617</u>	<u>2,371,568</u>
NET CHANGE IN FUND BALANCE	<u>\$ 650,000</u>	<u>\$ (1,790,185)</u>	357,388	<u>\$ 2,147,573</u>
FUND BALANCE:				
Beginning of Year			3,249,942	
End of Year			<u>\$ 3,607,330</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 61,007	\$ 61,007
Charges for services	100,000	100,000	-	(100,000)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>61,007</u>	<u>(38,993)</u>
EXPENDITURES:				
Current:				
Public safety	-	100,000	456,214	(356,214)
Public works	100,000	-	-	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>456,214</u>	<u>(356,214)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(395,207)	<u>\$ (395,207)</u>
FUND BALANCE:				
Beginning of Year			<u>2,910,189</u>	
End of Year			<u>\$ 2,514,982</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 1,007,000	\$ 1,027,302	\$ 1,224,022	\$ 196,720
Use of money and property	-	-	1,809	1,809
Total Revenues	<u>1,007,000</u>	<u>1,027,302</u>	<u>1,225,831</u>	<u>198,529</u>
EXPENDITURES:				
Current:				
Public safety	911,262	931,564	705,797	225,767
Total Expenditures	<u>911,262</u>	<u>931,564</u>	<u>705,797</u>	<u>225,767</u>
NET CHANGE IN FUND BALANCE	<u>\$ 95,738</u>	<u>\$ 95,738</u>	520,034	<u>\$ 424,296</u>
FUND BALANCE:				
Beginning of Year			<u>1,219,755</u>	
End of Year			<u>\$ 1,739,789</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 11,947	\$ 11,947
Charges for services	235,880	235,880	229,646	(6,234)
Total Revenues	<u>235,880</u>	<u>235,880</u>	<u>241,593</u>	<u>5,713</u>
EXPENDITURES:				
Capital outlay	509,983	509,983	235,180	274,803
Total Expenditures	<u>509,983</u>	<u>509,983</u>	<u>235,180</u>	<u>274,803</u>
NET CHANGE IN FUND BALANCE	<u>\$ (274,103)</u>	<u>\$ (274,103)</u>	6,413	<u>\$ 280,516</u>
FUND BALANCE:				
Beginning of Year			<u>711,573</u>	
End of Year			<u>\$ 717,986</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 13,378	\$ 13,378
Charges for services	1,020,000	1,020,000	1,038,691	18,691
Total Revenues	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,052,069</u>	<u>32,069</u>
EXPENDITURES:				
Current:				
Public safety	1,043,627	1,043,627	1,044,700	(1,073)
Total Expenditures	<u>1,043,627</u>	<u>1,043,627</u>	<u>1,044,700</u>	<u>(1,073)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (23,627)</u>	<u>\$ (23,627)</u>	7,369	<u>\$ 30,996</u>
FUND BALANCE:				
Beginning of Year			138,716	
End of Year			<u>\$ 146,085</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 3,149	\$ 3,149
Use of money and property	-	-	10,800	10,800
Charges for services	384,500	384,500	481,596	97,096
Miscellaneous	-	-	700	700
Total Revenues	<u>384,500</u>	<u>384,500</u>	<u>496,245</u>	<u>111,745</u>
EXPENDITURES:				
Current:				
Public works	534,189	477,104	157,509	319,595
Capital outlay	50,000	203,249	16,649	186,600
Total Expenditures	<u>584,189</u>	<u>680,353</u>	<u>174,158</u>	<u>506,195</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(199,689)</u>	<u>(295,853)</u>	<u>322,087</u>	<u>617,940</u>
OTHER FINANCING SOURCES:				
Transfers in	140,578	140,578	140,578	-
Total Other Financing Sources	<u>140,578</u>	<u>140,578</u>	<u>140,578</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (59,111)</u>	<u>\$ (155,275)</u>	<u>462,665</u>	<u>\$ 617,940</u>
FUND BALANCE:				
Beginning of Year			<u>1,090,045</u>	
End of Year			<u>\$ 1,552,710</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 2,531,095	\$ 2,531,095
Use of money and property	-	-	1,583,996	1,583,996
Miscellaneous	-	-	10,733	10,733
Total Revenues	<u>-</u>	<u>-</u>	<u>4,125,824</u>	<u>4,125,824</u>
EXPENDITURES:				
Current:				
General government	2,501,565	3,282,659	556,738	2,725,921
Total Expenditures	<u>2,501,565</u>	<u>3,282,659</u>	<u>556,738</u>	<u>2,725,921</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(2,501,565)</u>	<u>(3,282,659)</u>	<u>3,569,086</u>	<u>6,851,745</u>
OTHER FINANCING SOURCES:				
Transfers in	-	-	3,642,561	3,642,561
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>3,642,561</u>	<u>3,642,561</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,501,565)</u>	<u>\$ (3,282,659)</u>	<u>7,211,647</u>	<u>\$ 10,494,306</u>
FUND BALANCE:				
Beginning of Year			<u>11,205,011</u>	
End of Year			<u>\$ 18,416,658</u>	

City of Palm Springs
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Small Hotel TBID Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 700,000	\$ 700,000	\$ 794,940	\$ 94,940
Use of money and property	-	-	1,305	1,305
Total Revenues	<u>700,000</u>	<u>700,000</u>	<u>796,245</u>	<u>96,245</u>
EXPENDITURES:				
Current:				
Cultural and convention center	700,000	700,000	815,723	(115,723)
Total Expenditures	<u>700,000</u>	<u>700,000</u>	<u>815,723</u>	<u>(115,723)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(19,478)	<u>\$ (19,478)</u>
FUND BALANCE:				
Beginning of Year			<u>29,135</u>	
End of Year			<u>\$ 9,657</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,088,536	\$ 1,088,536	\$ 980,636	\$ (107,900)
Use of money and property	-	-	26,431	26,431
Total Revenues	<u>1,088,536</u>	<u>1,088,536</u>	<u>1,007,067</u>	<u>(81,469)</u>
EXPENDITURES:				
Capital outlay	1,088,536	2,483,389	885,638	1,597,751
Total Expenditures	<u>1,088,536</u>	<u>2,483,389</u>	<u>885,638</u>	<u>1,597,751</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (1,394,853)</u>	121,429	<u>\$ 1,516,282</u>
FUND BALANCE:				
Beginning of Year			1,855,683	
End of Year			<u>\$ 1,977,112</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 298	\$ 298
Total Revenues	<u>-</u>	<u>-</u>	<u>298</u>	<u>298</u>
EXPENDITURES:				
Capital outlay	16,700	16,700	-	16,700
Total Expenditures	<u>16,700</u>	<u>16,700</u>	<u>-</u>	<u>16,700</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,700)</u>	<u>\$ (16,700)</u>	298	<u>\$ (16,402)</u>
FUND BALANCE:				
Beginning of Year			<u>16,565</u>	
End of Year			<u>\$ 16,863</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 565,628	\$ 565,628	\$ 568,518	\$ 2,890
Use of money and property	-	-	15,396	15,396
Total Revenues	<u>565,628</u>	<u>565,628</u>	<u>583,914</u>	<u>18,286</u>
EXPENDITURES:				
Current:				
General government	25,000	25,000	-	25,000
Debt service:				
Principal retirement	415,000	415,000	415,000	-
Interest and fiscal charges	121,240	121,240	142,946	(21,706)
Total Expenditures	<u>561,240</u>	<u>561,240</u>	<u>557,946</u>	<u>3,294</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,388)</u>	<u>\$ (4,388)</u>	25,968	<u>\$ 21,580</u>
FUND BALANCE:				
Beginning of Year			<u>1,607,811</u>	
End of Year			<u>\$ 1,633,779</u>	

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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, 2023

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
ASSETS				
Current assets:				
Cash and investments	\$ 12,495,808	\$ 15,825,502	\$ 7,691,126	\$ 23,490,909
Receivable:				
Accounts	25,350	-	-	469,459
Interest	18,874	32,046	-	58,227
Prepaid items	-	-	-	249,914
Inventories	147,859	-	-	-
Total current assets	12,687,891	15,857,548	7,691,126	24,268,509
Noncurrent assets:				
Advances to other funds	-	-	1,430,000	-
Capital assets, nondepreciable	177,118	-	-	-
Capital assets, net of accumulated depreciation	8,034,103	221,418	-	30,129
Total noncurrent assets	8,211,221	221,418	1,430,000	30,129
Total assets	20,899,112	16,078,966	9,121,126	24,298,638
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	-	-	-
Pension related	462,043	870,075	-	113,489
OPEB related	118,898	154,026	-	-
Total deferred outflows of resources	580,941	1,024,101	-	113,489
LIABILITIES				
Current Liabilities:				
Accounts payable	193,525	374,778	14,335	579,490
Accrued liabilities	14,370	23,025	-	273,355
Interest payable	56,336	-	-	-
Compensated absences - due within one year	100,456	204,099	-	120,225
Claims and judgments - due within one year	-	-	-	4,922,495
Bonds and notes payable - due within one year	572,320	-	-	-
Total current liabilities	937,007	601,902	14,335	5,895,565
Noncurrent liabilities:				
Claims and judgments - due in more than one year	-	-	-	5,532,130
Bonds and notes payable - due in more than one year	3,992,558	-	-	-
Pension related	1,462,155	2,753,393	-	359,142
OPEB related	1,060,973	1,369,482	-	-
Total noncurrent liabilities	6,515,686	4,122,875	-	5,891,272
Total liabilities	7,452,693	4,724,777	14,335	11,786,837
DEFERRED INFLOWS OF RESOURCES				
Deferred pension related items	63,279	119,160	-	15,543
Deferred OPEB related items	348,217	451,099	-	-
Total deferred inflows of resources	411,496	570,259	-	15,543
NET POSITION				
Net investment in capital assets	3,646,343	221,418	-	30,129
Unrestricted	9,969,521	11,586,613	9,106,791	12,579,618
Total net position	\$ 13,615,864	\$ 11,808,031	\$ 9,106,791	\$ 12,609,747

City of Palm Springs
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2023

	Retiree Health Insurance	Cogeneration Plant	Equipment Replacement	Total
ASSETS				
Current assets:				
Cash and investments	\$ 4,267,745	\$ 2,208,759	\$ 635,680	\$ 66,615,529
Receivable:				
Accounts	-	-	-	494,809
Interest	9,242	8,888	-	127,277
Prepaid items	-	-	-	249,914
Inventories	-	-	-	147,859
Total current assets	4,276,987	2,217,647	635,680	67,635,388
Noncurrent assets:				
Advances to other funds	-	-	-	1,430,000
Capital assets, nondepreciable	-	-	-	177,118
Capital assets, net of accumulated depreciation	-	13,873,816	755,646	22,915,112
Total noncurrent assets	-	13,873,816	755,646	24,522,230
Total assets	4,276,987	16,091,463	1,391,326	92,157,618
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	10,606	-	10,606
Pension related	-	-	-	1,445,607
OPEB related	-	-	-	272,924
Total deferred outflows of resources	-	10,606	-	1,729,137
LIABILITIES				
Current Liabilities:				
Accounts payable	667	405,880	135,093	1,703,768
Accrued liabilities	-	-	-	310,750
Interest payable	-	71,551	-	127,887
Compensated absences - due within one year	-	-	-	424,780
Claims and judgments - due within one year	-	-	-	4,922,495
Bonds and notes payable - due within one year	-	1,064,700	-	1,637,020
Total current liabilities	667	1,542,131	135,093	9,126,700
Noncurrent liabilities:				
Claims and judgments - due in more than one year	-	-	-	5,532,130
Bonds and notes payable - due in more than one year	-	13,769,546	-	17,762,104
Pension related	-	-	-	4,574,690
OPEB related	-	-	-	2,430,455
Total noncurrent liabilities	-	13,769,546	-	30,299,379
Total liabilities	667	15,311,677	135,093	39,426,079
DEFERRED INFLOWS OF RESOURCES				
Deferred pension related items	-	-	-	197,982
Deferred OPEB related items	-	-	-	799,316
Total deferred inflows of resources	-	-	-	997,298
NET POSITION				
Net investment in capital assets	-	(949,824)	755,646	3,703,712
Unrestricted	4,276,320	1,740,216	500,587	49,759,666
Total net position	\$ 4,276,320	\$ 790,392	\$ 1,256,233	\$ 53,463,378

City of Palm Springs
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2023

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
OPERATING REVENUES:				
Service charges	\$ 14,226,263	\$ 13,235,398	\$ 29,055,921	\$ 20,106,951
Miscellaneous	-	40,240	-	-
Total operating revenues	<u>14,226,263</u>	<u>13,275,638</u>	<u>29,055,921</u>	<u>20,106,951</u>
OPERATING EXPENSES:				
Administration and general	-	-	-	1,982,467
Maintenance operations	3,257,962	-	-	-
Facilities maintenance	-	5,426,452	-	-
Retirement	-	-	26,357,679	-
Retiree health insurance	-	-	-	-
Other claims and insurance	10,453	48,449	-	3,637,410
Depreciation expense	2,010,484	27,044	-	-
Material and supplies	-	-	-	-
Utilities	19,328	39,679	-	-
Cogeneration electricity	205,381	-	-	20,602
Medical, health, and life insurance	-	-	-	9,729,733
Workers compensation	45,172	101,185	-	4,463,320
Total operating expenses	<u>5,548,780</u>	<u>5,642,809</u>	<u>26,357,679</u>	<u>19,833,532</u>
OPERATING INCOME (LOSS)	<u>8,677,483</u>	<u>7,632,829</u>	<u>2,698,242</u>	<u>273,419</u>
NONOPERATING INCOME (LOSS):				
Intergovernmental	-	-	-	584,366
Investment gain (loss)	(104,176)	(53,515)	43,139	311,423
Interest expense	(255,712)	-	-	-
Gain on disposal of capital assets	27,294	-	-	-
Total nonoperating income (loss)	<u>(332,594)</u>	<u>(53,515)</u>	<u>43,139</u>	<u>895,789</u>
Net Income	<u>8,344,889</u>	<u>7,579,314</u>	<u>2,741,381</u>	<u>1,169,208</u>
CHANGES IN NET POSITION	8,344,889	7,579,314	2,741,381	1,169,208
NET POSITION:				
Beginning of the year	5,270,975	4,228,717	6,365,410	11,440,539
End of the year	<u>\$ 13,615,864</u>	<u>\$ 11,808,031</u>	<u>\$ 9,106,791</u>	<u>\$ 12,609,747</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, 2023

	Retiree Health Insurance	Cogeneration Plant	Equipment Replacement	Total
OPERATING REVENUES:				
Service charges	\$ 4,536,900	\$ 2,106,771	\$ 1,500,000	\$ 84,768,204
Miscellaneous	-	-	-	40,240
Total operating revenues	4,536,900	2,106,771	1,500,000	84,808,444
OPERATING EXPENSES:				
Administration and general	-	-	-	1,982,467
Maintenance operations	-	-	-	3,257,962
Facilities maintenance	-	55,149	-	5,481,601
Retirement	-	-	-	26,357,679
Retiree health insurance	3,475,238	184,588	-	3,659,826
Other claims and insurance	-	-	-	3,696,312
Depreciation expense	-	631,036	70,621	2,739,185
Material and supplies	-	-	157,202	157,202
Utilities	-	2,362,723	-	2,421,730
Cogeneration electricity	-	13,824	-	239,807
Medical, health, and life insurance	-	-	-	9,729,733
Workers compensation	-	-	-	4,609,677
Total operating expenses	3,475,238	3,247,320	227,823	64,333,181
OPERATING INCOME (LOSS)	1,061,662	(1,140,549)	1,272,177	20,475,263
NONOPERATING INCOME (LOSS):				
Intergovernmental	-	-	-	584,366
Investment gain (loss)	19,184	102,460	(15,944)	302,571
Interest expense	-	91,439	-	(164,273)
Gain on disposal of capital assets	-	-	-	27,294
Total nonoperating income (loss)	19,184	193,899	(15,944)	749,958
Net Income	1,080,846	(946,650)	1,256,233	21,225,221
CHANGES IN NET POSITION	1,080,846	(946,650)	1,256,233	21,225,221
NET POSITION:				
Beginning of the year	3,195,474	1,737,042	-	32,238,157
End of the year	\$ 4,276,320	\$ 790,392	\$ 1,256,233	\$ 53,463,378

City of Palm Springs
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Motor Vehicle Replacement	Facilities Maintenance	Employee Benefits	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 14,200,913	\$ 13,275,638	\$ 29,055,921	\$ 19,770,563
Cash paid to suppliers for goods and services	(2,641,978)	(3,788,914)	-	(1,182,561)
Cash paid to employees for services	(1,059,161)	(2,902,179)	(26,810,463)	(460,766)
Cash paid for insurance premium and claims	-	-	-	(17,505,288)
Net cash provided by (used in) operating activities	10,499,774	6,584,545	2,245,458	621,948
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other government	-	-	-	584,366
Net cash provided by noncapital financing activities	-	-	-	584,366
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(564,968)	-	-	-
Proceeds from sale property	184,233	-	-	-
Principal paid on bonds and notes payable	(570,141)	-	-	-
Interest paid	(262,440)	-	-	-
Net cash used in capital and related financing activities	(1,213,316)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment gain (loss)	(119,018)	(80,846)	43,139	279,489
Net cash provided by (used in) investing activities	(119,018)	(80,846)	43,139	279,489
Net change in cash and cash equivalents	9,167,440	6,503,699	2,288,597	1,485,803
CASH AND CASH EQUIVALENTS:				
Beginning of year	3,328,368	9,321,803	5,402,529	22,005,106
End of year	<u>\$ 12,495,808</u>	<u>\$ 15,825,502</u>	<u>\$ 7,691,126</u>	<u>\$ 23,490,909</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 8,677,483	\$ 7,632,829	\$ 2,698,242	\$ 273,419
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,010,484	27,044	-	-
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivable	(25,350)	-	-	(336,388)
(Increase)/decrease in prepaid items	-	-	-	(249,215)
(Increase)/decrease in inventories	(60,612)	-	-	-
(Increase)/decrease in deferred outflows of resources	(278,972)	52,371	-	(59,847)
Increase/(decrease) in accounts payable	(94,790)	(62,429)	(452,784)	438,680
Increase/(decrease) in accrued liabilities	(40,105)	(71,634)	-	523,269
Increase/(decrease) in compensated absences	18,903	60,466	-	18,707
Increase/(decrease) in claims and judgments	-	-	-	43,483
Increase/(decrease) in net pension liability	487,345	884,653	-	82,449
Increase/(decrease) in total OPEB liability	25,302	(789,939)	-	-
Increase/(decrease) in deferred inflows of resources	(219,914)	(1,148,816)	-	(112,609)
Net cash provided by (used in) operating activities	\$ 10,499,774	\$ 6,584,545	\$ 2,245,458	\$ 621,948

City of Palm Springs
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2023

	Retiree Health Insurance	Cogeneration Plant	Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 4,544,001	\$ 2,106,771	\$ 1,500,000	\$ 84,453,807
Cash paid to suppliers for goods and services	-	(2,465,520)	(22,109)	(10,101,082)
Cash paid to employees for services	-	-	-	(31,232,569)
Cash paid for insurance premium and claims	(3,475,905)	-	-	(20,981,193)
Net cash provided by (used in) operating activities	1,068,096	(358,749)	1,477,891	22,138,963
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other government	-	-	-	584,366
Net cash provided by noncapital financing activities	-	-	-	584,366
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	-	(826,267)	(1,391,235)
Proceeds from sale property	-	-	-	184,233
Principal paid on bonds and notes payable	-	(997,218)	-	(1,567,359)
Interest paid	-	(35,695)	-	(298,135)
Net cash used in capital and related financing activities	-	(1,032,913)	(826,267)	(3,072,496)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment gain (loss)	13,072	98,887	(15,944)	218,779
Net cash provided by (used in) investing activities	13,072	98,887	(15,944)	218,779
Net change in cash and cash equivalents	1,081,168	(1,292,775)	635,680	19,869,612
CASH AND CASH EQUIVALENTS:				
Beginning of year	3,186,577	3,501,534	-	46,745,917
End of year	<u>\$ 4,267,745</u>	<u>\$ 2,208,759</u>	<u>\$ 635,680</u>	<u>\$ 66,615,529</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:				
Operating income (loss)	\$ 1,061,662	\$ (1,140,549)	\$ 1,272,177	\$ 20,475,263
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	631,036	70,621	2,739,185
Changes in assets and liabilities:				
(Increase)/decrease in accounts receivable	7,101	-	-	(354,637)
(Increase)/decrease in prepaid items	-	-	-	(249,215)
(Increase)/decrease in inventories	-	-	-	(60,612)
(Increase)/decrease in deferred outflows of resources	-	-	-	(286,448)
Increase/(decrease) in accounts payable	(667)	150,764	135,093	113,867
Increase/(decrease) in accrued liabilities	-	-	-	411,530
Increase/(decrease) in compensated absences	-	-	-	98,076
Increase/(decrease) in claims and judgments	-	-	-	43,483
Increase/(decrease) in net pension liability	-	-	-	1,454,447
Increase/(decrease) in total OPEB liability	-	-	-	(764,637)
Increase/(decrease) in deferred inflows of resources	-	-	-	(1,481,339)
Net cash provided by (used in) operating activities	\$ 1,068,096	\$ (358,749)	\$ 1,477,891	\$ 22,138,963

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

PALM SPRINGS CITY HALL

3200

**STATISTICAL SECTION
FISCAL YEAR ENDED JUNE 30, 2023**

City of Palm Springs

Statistical Section Overview

(Unaudited)

This part of the City of Palm Springs' Annual Comprehensive 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.	193-197

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Governmental activities:					
Net investment in capital assets	\$ 213,373,059	\$ 195,148,344	\$ 194,166,383	\$ 201,149,733	\$ 148,845,833
Restricted	55,085,524	43,348,048	49,665,666	77,064,027	43,201,882
Unrestricted	<u>(16,730,536)</u>	<u>(70,309,246)</u>	<u>(162,081,376)</u>	<u>(233,042,836)</u>	<u>(202,893,159)</u>
Total governmental activities net position	<u>\$ 251,728,047</u>	<u>\$ 168,187,146</u>	<u>\$ 81,750,673</u>	<u>\$ 45,170,924</u>	<u>\$ (10,845,444)</u>
Business-type activities:					
Net investment in capital assets	\$ 120,119,678	\$ 112,632,195	\$ 108,473,977	\$ 82,416,136	\$ 97,712,572
Restricted	4,934,667	3,329,027	2,897,901	19,464,837	7,371,373
Unrestricted	<u>121,139,306</u>	<u>80,543,230</u>	<u>57,234,211</u>	<u>63,282,450</u>	<u>60,133,921</u>
Total business-type activities net position	<u>\$ 246,193,651</u>	<u>\$ 196,504,452</u>	<u>\$ 168,606,089</u>	<u>\$ 165,163,423</u>	<u>\$ 165,217,866</u>
Primary government:					
Net investment in capital assets	\$ 333,492,737	\$ 307,780,539	\$ 302,640,360	\$ 283,565,869	\$ 246,558,405
Restricted	60,020,191	46,677,075	52,563,567	96,528,864	50,573,255
Unrestricted	<u>104,408,770</u>	<u>10,233,984</u>	<u>(104,847,165)</u>	<u>(169,760,386)</u>	<u>(142,759,238)</u>
Total primary government net position	<u>\$ 497,921,698</u>	<u>\$ 364,691,598</u>	<u>\$ 250,356,762</u>	<u>\$ 210,334,347</u>	<u>\$ 154,372,422</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				
	2018	2017	2016	2015	2014
Governmental activities:					
Net investment in capital assets	\$ 141,219,883	\$ 120,745,654	\$ 126,124,062	\$ 106,475,801	\$ 107,217,515
Restricted	37,220,218	41,363,491	41,633,373	50,159,957	64,475,152
Unrestricted	<u>(212,859,813)</u>	<u>(104,511,647)</u>	<u>(103,317,463)</u>	<u>(102,730,809)</u>	<u>9,032,025</u>
Total governmental activities net position	<u>\$ (34,419,712)</u>	<u>\$ 57,597,498</u>	<u>\$ 64,439,972</u>	<u>\$ 53,904,949</u>	<u>\$ 180,724,692</u>
Business-type activities:					
Net investment in capital assets	\$ 104,660,531	\$ 102,297,901	\$ 98,280,993	\$ 90,467,867	\$ 90,775,976
Restricted	4,884,179	4,022,467	5,307,758	4,125,236	4,038,239
Unrestricted	<u>42,880,602</u>	<u>33,781,069</u>	<u>30,918,220</u>	<u>22,023,465</u>	<u>34,234,038</u>
Total business-type activities net position	<u>\$ 152,425,312</u>	<u>\$ 140,101,437</u>	<u>\$ 134,506,971</u>	<u>\$ 116,616,568</u>	<u>\$ 129,048,253</u>
Primary government:					
Net investment in capital assets	\$ 245,880,414	\$ 223,043,555	\$ 224,405,055	\$ 196,943,668	\$ 197,993,491
Restricted	42,104,397	45,385,958	46,941,131	54,285,193	68,513,391
Unrestricted	<u>(169,979,211)</u>	<u>(70,730,578)</u>	<u>(72,399,243)</u>	<u>(80,707,344)</u>	<u>43,266,063</u>
Total primary government net position	<u>\$ 118,005,600</u>	<u>\$ 197,698,935</u>	<u>\$ 198,946,943</u>	<u>\$ 170,521,517</u>	<u>\$ 309,772,945</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				
	2023	2022	2021	2020	2019
Expenses:					
Governmental activities:					
General government	\$ 38,037,310	\$ 19,400,905	\$ 23,064,805	\$ 21,838,398	\$ 27,615,740
Public safety	70,599,261	62,729,858	62,790,098	65,927,910	60,644,565
Cultural and convention center	12,024,987	10,685,109	8,701,458	9,208,504	8,941,987
Parks and recreation	11,897,817	10,527,534	10,417,370	10,224,630	10,559,974
Public works	18,619,335	23,103,890	19,367,549	26,286,051	23,159,223
Library	3,005,061	2,693,467	2,639,183	2,793,479	3,009,917
Interest on long-term debt	3,939,384	5,174,676	6,065,747	6,483,060	6,113,954
Total governmental activities expenses	<u>158,123,155</u>	<u>134,315,439</u>	<u>133,046,210</u>	<u>142,762,032</u>	<u>140,045,360</u>
Business-type activities:					
Airport	30,857,869	24,203,153	29,121,612	29,897,619	29,585,274
Wastewater	8,927,516	9,567,033	8,940,635	8,801,889	9,601,345
Golf Course	5,536,030	5,373,731	4,786,833	5,185,383	4,948,156
Total business-type activities expenses	<u>45,321,415</u>	<u>39,143,917</u>	<u>42,849,080</u>	<u>43,884,891</u>	<u>44,134,775</u>
Total primary government expenses	<u>203,444,570</u>	<u>173,459,356</u>	<u>175,895,290</u>	<u>186,646,923</u>	<u>184,180,135</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	15,460,319	15,173,309	11,775,694	7,387,666	6,687,864
Public safety	3,514,731	2,582,957	2,911,245	3,308,726	4,405,683
Cultural and convention center	-	-	-	-	-
Parks and recreation	2,941,384	3,523,378	2,870,786	1,631,055	1,979,848
Public works	3,850,293	4,208,931	3,288,955	17,416,141	8,222,528
Library	39,705	41,246	4,983	15,804	20,945
Operating grants and contributions	9,851,556	9,338,910	6,834,245	14,906,252	7,583,185
Capital grants and contributions	23,853,364	10,298,014	8,184,645	1,635,273	5,215,366
Total governmental activities program revenues	<u>59,511,352</u>	<u>45,166,745</u>	<u>35,870,553</u>	<u>46,300,917</u>	<u>34,115,419</u>
Business-type activities:					
Charges for services:					
Airport	52,293,997	42,934,803	23,043,916	28,636,927	30,628,795
Wastewater	11,669,093	12,233,664	12,358,649	11,595,926	12,366,518
Golf Course	5,696,556	5,271,752	3,550,751	4,206,028	4,286,852
Operating grants and contributions	23,312,203	7,192,602	8,912,450	5,904,934	-
Capital grants and contributions	-	-	-	-	1,164,219
Total business-type activities program revenues	<u>92,971,849</u>	<u>67,632,821</u>	<u>47,865,766</u>	<u>50,343,815</u>	<u>48,446,384</u>
Total primary government program revenues	<u>152,483,201</u>	<u>112,799,566</u>	<u>83,736,319</u>	<u>96,644,732</u>	<u>82,561,803</u>

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Net revenues (expenses):					
Governmental activities	(98,611,803)	(89,148,694)	(97,175,657)	(96,461,115)	(105,929,941)
Business-type activities	<u>47,650,434</u>	<u>28,488,904</u>	<u>5,016,686</u>	<u>6,458,924</u>	<u>4,311,609</u>
Total net revenues (expenses)	<u>(50,961,369)</u>	<u>(60,659,790)</u>	<u>(92,158,971)</u>	<u>(90,002,191)</u>	<u>(101,618,332)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	34,673,191	33,134,473	31,148,883	29,739,817	33,422,946
Sales tax	53,549,686	58,626,015	47,291,146	24,312,838	42,903,653
Transient occupancy taxes	55,112,635	54,326,094	35,092,830	25,817,660	36,475,057
Franchise taxes	4,571,990	4,138,935	3,277,733	3,424,711	-
Utility users taxes	14,988,973	15,627,960	8,284,837	7,025,604	-
Other taxes	7,823,985	6,543,695	6,542,006	4,270,217	14,586,952
Motor vehicle in lieu, unrestricted	6,739,528	6,141,974	5,703,803	5,418,600	22,899
Use of money and property	4,604,988	(2,551,223)	85,682	4,757,768	5,049,841
Other general revenues	404,509	436,877	158,992	452,161	550,676
Gain on sale of capital asset	(42,781)	284,367	95,252	11,367	215,895
Extraordinary gain/(loss)			-	-	-
Settlement			-	36,520,000	-
Transfers	<u>(400,000)</u>	<u>(1,124,000)</u>	<u>(2,588,900)</u>	<u>(1,479,023)</u>	<u>(3,723,710)</u>
Total governmental activities	<u>182,026,704</u>	<u>175,585,167</u>	<u>135,092,264</u>	<u>140,271,720</u>	<u>129,504,209</u>
Business-type activities:					
Use of money and property	1,638,765	(1,714,541)	641,487	1,836,416	2,236,850
Other revenue		-	-	-	2,520,385
Extraordinary gain/(loss)			-	-	-
Transfers	<u>400,000</u>	<u>1,124,000</u>	<u>2,588,900</u>	<u>1,479,023</u>	<u>3,723,710</u>
Total business-type activities	<u>2,038,765</u>	<u>(590,541)</u>	<u>3,230,387</u>	<u>3,315,439</u>	<u>8,480,945</u>
Total primary government	<u>184,065,469</u>	<u>174,994,626</u>	<u>138,322,651</u>	<u>143,587,159</u>	<u>137,985,154</u>
Changes in net position					
Governmental activities	83,414,901	86,436,473	37,916,607	43,810,605	23,574,268
Business-type activities	<u>49,689,199</u>	<u>27,898,363</u>	<u>8,247,073</u>	<u>9,774,363</u>	<u>12,792,554</u>
Total primary government	<u>\$ 133,104,100</u>	<u>\$ 114,334,836</u>	<u>\$ 46,163,680</u>	<u>\$ 53,584,968</u>	<u>\$ 36,366,822</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				
	2018	2017	2016	2015	2014
Expenses:					
Governmental activities:					
General government	\$ 24,668,184	\$ 19,998,488	\$ 11,759,819	\$ 14,353,882	\$ 17,734,430
Public safety	55,465,639	49,397,778	45,219,115	42,911,251	42,041,061
Cultural and convention center	7,473,990	7,454,099	8,293,582	8,041,954	6,884,266
Parks and recreation	10,412,411	9,902,789	7,756,225	9,008,961	8,832,666
Public works	20,620,601	33,476,271	27,299,586	26,799,641	26,594,799
Library	3,196,140	3,238,731	2,909,766	2,308,501	2,718,241
Interest on long-term debt	6,640,855	6,856,841	6,657,372	7,153,434	5,435,432
Total governmental activities expenses	<u>128,477,820</u>	<u>130,324,997</u>	<u>109,895,465</u>	<u>110,577,624</u>	<u>110,240,895</u>
Business-type activities:					
Airport	28,715,596	28,961,927	25,300,163	25,811,396	25,580,134
Wastewater	7,455,920	7,009,637	6,539,225	6,693,464	7,118,541
Golf Course	5,208,536	5,141,317	4,972,995	5,370,771	5,527,984
Total business-type activities expenses	<u>41,380,052</u>	<u>41,112,881</u>	<u>36,812,383</u>	<u>37,875,631</u>	<u>38,226,659</u>
Total primary government expenses	<u>169,857,872</u>	<u>171,437,878</u>	<u>146,707,848</u>	<u>148,453,255</u>	<u>148,467,554</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	5,784,465	4,966,153	4,019,379	4,151,215	3,640,512
Public safety	4,352,932	3,789,214	3,401,378	3,256,962	2,930,416
Cultural and convention center	157,769	-	113	-	-
Parks and recreation	1,913,540	1,921,560	1,747,440	1,911,290	1,775,662
Public works	6,956,478	5,794,610	5,972,587	4,344,298	6,339,972
Library	28,287	37,753	42,655	41,075	38,517
Operating grants and contributions	3,829,388	2,879,858	4,082,086	3,469,962	5,861,447
Capital grants and contributions	2,633,028	4,188,835	6,823,197	2,936,236	1,448,409
Total governmental activities program revenues	<u>25,655,887</u>	<u>23,577,983</u>	<u>26,088,835</u>	<u>20,111,038</u>	<u>22,034,935</u>
Business-type activities:					
Charges for services:					
Airport	28,134,244	25,621,382	24,352,244	23,900,962	23,017,582
Wastewater	12,785,023	11,771,816	10,667,824	9,524,542	8,220,813
Golf Course	4,526,664	4,317,981	4,234,555	4,836,445	4,519,169
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	3,769,554	1,519,902	13,405,121	2,180,401	11,788,567
Total business-type activities program revenues	<u>49,215,485</u>	<u>43,231,081</u>	<u>52,659,744</u>	<u>40,442,350</u>	<u>47,546,131</u>
Total primary government program revenues	<u>74,871,372</u>	<u>66,809,064</u>	<u>78,748,579</u>	<u>60,553,388</u>	<u>69,581,066</u>

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Net revenues (expenses):					
Governmental activities	(102,821,933)	(106,747,014)	(83,806,630)	(90,466,586)	(88,205,960)
Business-type activities	<u>7,835,433</u>	<u>2,118,200</u>	<u>15,847,361</u>	<u>2,566,719</u>	<u>9,319,472</u>
Total net revenues (expenses)	<u>(94,986,500)</u>	<u>(104,628,814)</u>	<u>(67,959,269)</u>	<u>(87,899,867)</u>	<u>(78,886,488)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	31,291,584	24,535,870	22,245,363	21,294,978	21,065,170
Sales tax	32,956,508	30,971,801	27,681,241	25,367,807	24,113,415
Transient occupancy taxes	34,241,233	28,591,763	25,814,526	24,695,585	22,249,462
Franchise taxes	-	-	-	-	-
Utility users taxes	-	-	-	-	-
Other taxes	12,777,836	13,111,478	12,939,461	14,687,706	14,142,596
Motor vehicle in lieu, unrestricted	24,940	4,492,728	4,209,089	3,920,259	3,673,718
Use of money and property	1,600,566	1,557,326	2,176,122	2,211,049	2,336,973
Other general revenues	133,067	68,720	85,881	54,954	80,795
Gain on sale of capital asset	4,680	-	-	86,492	(238,179)
Extraordinary gain/(loss)	-	-	-	-	(2,585,890)
Settlement	-	-	-	-	-
Transfers	<u>(725,601)</u>	<u>(2,245,997)</u>	<u>(810,030)</u>	<u>(412,270)</u>	<u>(2,550,758)</u>
Total governmental activities	<u>112,304,813</u>	<u>101,083,689</u>	<u>94,341,653</u>	<u>91,906,560</u>	<u>82,287,302</u>
Business-type activities:					
Use of money and property	129,407	163,540	323,896	299,716	526,158
Other revenue	1,932,380	917,966	909,116	986,504	164,542
Extraordinary gain/(loss)	-	-	-	-	-
Transfers	<u>725,601</u>	<u>2,245,997</u>	<u>810,030</u>	<u>412,270</u>	<u>2,550,758</u>
Total business-type activities	<u>2,787,388</u>	<u>3,327,503</u>	<u>2,043,042</u>	<u>1,698,490</u>	<u>3,241,458</u>
Total primary government	<u>115,092,201</u>	<u>104,411,192</u>	<u>96,384,695</u>	<u>93,605,050</u>	<u>85,528,760</u>
Changes in net position					
Governmental activities	9,482,880	(5,663,325)	10,535,023	1,439,974	(5,918,658)
Business-type activities	<u>10,622,821</u>	<u>5,445,703</u>	<u>17,890,403</u>	<u>4,265,209</u>	<u>12,560,930</u>
Total primary government	<u>\$ 20,105,701</u>	<u>\$ (217,622)</u>	<u>\$ 28,425,426</u>	<u>\$ 5,705,183</u>	<u>\$ 6,642,272</u>

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				
	2023	2022	2021	2020	2019
General fund:					
Nonspendable	\$ 2,146,021	\$ 1,800,150	\$ 2,955,615	\$ 1,461,569	\$ 1,444,569
Committed	3,211,707	-	-	-	-
Assigned	34,416,667	28,438,899	26,400,668	16,553,458	10,302,670
Unassigned	<u>113,911,372</u>	<u>101,952,531</u>	<u>52,448,534</u>	<u>30,272,514</u>	<u>39,319,971</u>
Total general fund	<u>\$ 153,685,767</u>	<u>\$ 132,191,580</u>	<u>\$ 81,804,817</u>	<u>\$ 48,287,541</u>	<u>\$ 51,067,210</u>
All other governmental funds:					
Restricted	55,085,524	43,304,878	34,213,803	39,189,281	43,201,882
Nonspendable	-	-	8,650	588,954	-
Assigned	62,558,249	52,625,129	36,151,919	36,492,533	38,198,165
Unassigned	<u>(52,327)</u>	<u>-</u>	<u>-</u>	<u>(32,850)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 117,591,446</u>	<u>\$ 95,930,007</u>	<u>\$ 70,374,372</u>	<u>\$ 76,237,918</u>	<u>\$ 81,400,047</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				
	2018	2017	2016	2015	2014
General fund:					
Nonspendable	\$ 3,019,428	\$ 3,019,428	\$ 3,019,428	\$ 3,919,428	\$ 3,019,428
Committed	-	-	-	-	-
Assigned	9,673,725	8,002,942	7,884,694	6,850,022	7,060,894
Unassigned	<u>37,617,037</u>	<u>21,548,391</u>	<u>18,545,979</u>	<u>14,985,654</u>	<u>13,199,370</u>
Total general fund	<u>\$ 50,310,190</u>	<u>\$ 32,570,761</u>	<u>\$ 29,450,101</u>	<u>\$ 25,755,104</u>	<u>\$ 23,279,692</u>
All other governmental funds:					
Restricted	37,220,218	41,363,491	41,633,373	50,159,957	64,475,152
Nonspendable	-	-	-	-	-
Assigned	23,354,766	21,667,783	14,227,585	14,344,936	2,446,752
Unassigned	<u>(2,174,918)</u>	<u>(476,099)</u>	<u>(23,156)</u>	<u>(52,112)</u>	<u>(23,463)</u>
Total all other governmental funds	<u>\$ 58,400,066</u>	<u>\$ 62,555,175</u>	<u>\$ 55,837,802</u>	<u>\$ 64,452,781</u>	<u>\$ 66,898,441</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				
	2023	2022	2021	2020	2019
Revenues:					
Taxes	\$ 180,040,623	\$ 181,209,034	\$ 139,196,155	\$ 116,692,441	\$ 130,253,883
Licenses and permits	8,608,426	8,756,136	7,382,783	6,692,721	6,884,620
Fines and forfeitures	756,633	591,903	557,012	648,549	140,420
Use of money and property	4,301,856	(1,932,332)	199,250	4,166,276	4,318,712
Intergovernmental	32,035,203	23,466,818	9,888,085	6,354,888	9,046,448
Charges for services	12,488,270	12,704,911	10,637,436	9,786,095	11,880,409
Other	1,005,138	1,112,586	1,147,321	1,844,984	5,198,982
Total revenues	<u>239,236,149</u>	<u>225,909,056</u>	<u>169,008,042</u>	<u>146,185,954</u>	<u>167,723,474</u>
Expenditures					
Current:					
General government	39,331,765	22,906,961	22,227,319	22,293,323	26,046,365
Public safety	77,491,250	64,500,335	55,585,193	55,972,570	50,472,039
Cultural and convention center	9,551,846	8,407,229	7,753,861	8,380,223	4,824,429
Parks and recreation	7,423,487	5,264,398	3,985,179	4,623,367	9,921,817
Public works	22,855,495	20,398,420	16,392,137	75,840,105	29,362,695
Library	3,182,194	2,943,458	2,451,714	2,631,408	2,807,742
Capital Outlay*	23,455,843	19,593,816	19,126,087	-	-
Debt service:					
Principal retirement	9,666,382	61,993,795	39,096,036	5,685,572	5,876,235
Interest and fiscal charges	3,157,518	4,726,046	7,026,678	4,653,184	4,877,611
Payment to bond escrow	-	-	-	-	-
Total expenditures	<u>196,115,780</u>	<u>210,734,458</u>	<u>173,644,204</u>	<u>180,079,752</u>	<u>134,188,933</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,120,369</u>	<u>15,174,598</u>	<u>(4,636,162)</u>	<u>(33,893,798)</u>	<u>33,534,541</u>
Other financing sources (uses):					
Transfers in	21,102,589	10,994,097	26,973,656	29,772,852	41,432,291
Transfers out	(21,502,589)	(12,118,097)	(29,138,690)	(41,044,301)	(51,209,831)
Debt issued	425,787	61,240,000	33,495,000	-	-
Bond premium	-	-	-	-	-
Bond discount	-	-	-	-	-
Proceeds from sale of capital assets	9,470	651,800	-	-	-
Settlement	-	-	-	36,520,000	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>35,257</u>	<u>60,767,800</u>	<u>31,329,966</u>	<u>25,248,551</u>	<u>(9,777,540)</u>
Extraordinary gain/loss	-	-	-	-	-
Net change in fund balances	<u>\$ 43,155,626</u>	<u>\$ 75,942,398</u>	<u>\$ 26,693,804</u>	<u>\$ (8,645,247)</u>	<u>\$ 23,757,001</u>
Capital outlay included in current expenditures*	\$ 23,455,843	\$ 19,593,816	\$ 19,126,087	\$ 19,065,442	\$ 13,347,610
Debt service as a percentage of noncapital expenditures	7.4%	34.9%	29.8%	6.4%	8.9%

*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				
	2018	2017	2016	2015	2014
Revenues:					
Taxes	\$ 106,490,591	\$ 97,210,912	\$ 88,680,591	\$ 86,046,076	\$ 83,019,658
Licenses and permits	6,387,567	5,726,357	4,734,400	4,338,884	4,223,695
Fines and forfeitures	140,911	251,091	122,741	283,767	127,672
Use of money and property	1,707,685	1,550,825	2,069,955	2,130,949	2,214,740
Intergovernmental	10,912,473	15,115,053	8,275,642	9,881,576	8,499,575
Charges for services	11,208,428	9,854,967	8,843,238	8,671,389	8,632,034
Other	2,861,089	2,156,777	3,194,910	2,817,116	873,125
Total revenues	<u>139,708,744</u>	<u>131,865,982</u>	<u>115,921,477</u>	<u>114,169,757</u>	<u>107,590,499</u>
Expenditures					
Current:					
General government	22,983,718	17,186,130	14,514,121	12,639,548	17,145,827
Public safety	45,857,964	44,040,288	39,880,252	38,169,200	36,640,786
Cultural and convention center	4,437,893	4,034,038	5,140,410	4,912,242	3,946,726
Parks and recreation	9,600,331	8,970,655	8,775,698	8,664,379	8,423,471
Public works	27,255,537	28,044,863	37,018,361	30,083,326	20,799,856
Library	2,818,197	2,839,703	2,694,753	3,194,262	2,552,786
Capital Outlay	-	-	-	-	-
Debt service:					
Principal retirement	5,652,364	5,657,193	12,266,638	5,219,260	4,444,570
Interest and fiscal charges	5,064,358	6,069,043	5,888,573	5,587,476	4,647,051
Payment to bond escrow	-	-	-	7,145,057	-
Total expenditures	<u>123,670,362</u>	<u>116,841,913</u>	<u>126,178,806</u>	<u>115,614,750</u>	<u>98,601,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,038,382</u>	<u>15,024,069</u>	<u>(10,257,329)</u>	<u>(1,444,993)</u>	<u>8,989,426</u>
Other financing sources (uses):					
Transfers in	21,227,794	22,671,479	22,844,245	20,793,279	18,329,676
Transfers out	(23,681,856)	(27,882,476)	(24,193,175)	(25,785,113)	(22,780,434)
Debt issued	-	1,120,195	5,680,000	58,440,000	-
Bond premium	-	105,301	1,006,277	5,376,988	-
Bond discount	-	-	-	(59,946)	-
Proceeds from sale of capital assets	-	-	-	-	-
Settlement	-	-	-	-	-
Payment to refunded bond escrow agent	-	(1,200,535)	-	(55,790,463)	-
Total other financing sources (uses)	<u>(2,454,062)</u>	<u>(5,186,036)</u>	<u>5,337,347</u>	<u>2,974,745</u>	<u>(4,450,758)</u>
Extraordinary gain/loss	-	-	-	-	-
Net change in fund balances	<u>\$ 13,584,320</u>	<u>\$ 9,838,033</u>	<u>\$ (4,919,982)</u>	<u>\$ 1,529,752</u>	<u>\$ 4,538,668</u>
Capital outlay included in current expenditures	\$ 14,545,855	\$ 1,970,021	\$ 20,251,033	\$ 12,074,642	\$ 3,538,377
Debt service as a percentage of noncapital expenditures	9.8%	10.2%	17.1%	17.3%	9.6%

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
2014	5,587,885	1,001,335	188,103	2,543,566	9,320,889	0.22399
2015	6,189,449	1,007,976	182,092	2,596,257	9,975,774	0.22389
2016	6,769,881	1,049,728	188,124	2,707,508	10,715,241	0.22420
2017	7,267,097	1,130,143	209,157	2,830,043	11,436,440	0.22439
2018	7,779,070	1,223,619	217,276	3,026,673	12,246,638	0.22388
2019	8,355,259	1,307,774	227,220	3,087,901	12,978,154	0.22503
2020	8,938,311	1,400,156	212,160	3,216,173	13,766,800	0.22472
2021	9,493,712	1,516,182	235,660	3,243,191	14,488,745	0.22471
2022	10,209,521	1,603,629	255,364	3,508,210	15,576,724	0.22432
2023	11,419,940	1,697,736	246,878	3,790,530	17,155,084	0.22417

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 2013/14 - 2022/23 Combined Tax Rolls

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

Taxpayer	2023			2014		
	Taxable Assessed Value (\$)	Rank	% of Total City Taxable Assessed Value	Taxable Assessed Value (\$)	Rank	% of Total City Taxable Assessed Value
Coachella Hills Wind LLC	\$ 203,170,489	1	1.18%			
Tenet Healthsystem Desert Inc	130,893,199	2	0.76%	120,583,408	1	1.36%
TKG Smoke Tree Commons	71,251,809	3	0.42%			
Mountain View Power Partners Iv LLC	70,219,941	4	0.41%			
Lilac19 LP	63,880,803	5	0.37%			
Skywest Airlines Inc	61,579,438	6	0.36%	34,401,024	3	0.39%
Avalon 1150	47,922,009	7	0.28%			
Lip-Ca 2	47,895,607	8	0.28%			
HH Palm Springs	46,238,943	9	0.27%	39,066,000	2	0.44%
Agre Dcp Palm Springs	43,712,718	10	0.25%			
Windpower Partners 1993 LP	41,662,184	11	0.24%	92,711,110	4	1.05%
Hall Palm Springs II	41,449,887	12	0.24%	20,838,658	7	0.24%
Wal Mart Real Estate Business Trust	37,789,410	13	0.22%	29,268,402	5	0.33%
701 East Palm Canyon Lessee	37,074,602	14	0.22%			
GHPSI	36,510,631	15	0.21%			
Dtps	35,074,373	16	0.20%			
Vista Mirage Interval Owners Association	34,948,473	17	0.20%			
Walter Hotel Corp	31,751,141	18	0.19%	24,200,000	6	0.27%
Parker Palm Springs II	30,009,268	19	0.17%	20,838,658	7	0.24%
Kings Garden Inc	28,782,933	20	0.17%			
Diamond Resorts DPM Development	28,009,359	21	0.16%	27,908,668	8	0.32%
Spectrum Pacific West LLC	27,976,988	22	0.16%			
Alaska Airlines	26,629,367	23	0.16%			
OCL 2020 LLC	26,107,420	24	0.15%			
Colony Palms	23,983,656	25	0.14%	23,152,084	9	0.26%
Riviera Reincarnate				62,499,874	10	0.71%
Endure Inv				47,124,237	11	0.53%
Donahue Schriber Realty Group				46,870,515	12	0.53%
Palm Springs Art Museum Inc.				44,736,923	13	0.51%
Wessman John				33,111,839	14	0.37%
San Gorgonio Westwinds Ii LLC				28,435,000	15	0.32%
Desert Sun Publishing Co				27,691,104	16	0.31%
Grp Aviation LLC				23,159,100	17	0.26%
U Store It LP				22,393,607	18	0.25%
Time Warner Entertainment Adva				19,021,330	19	0.21%
Faof Palm Springs				18,564,000	20	0.21%
Knotts Berry Farm				17,967,463	21	0.20%
Sunrise Place				17,700,487	22	0.20%
Lowes Hiw Inc.				16,256,649	23	0.18%
Palm Springs Hh				15,463,200	24	0.17%
Ec Land Holdings				14,719,961	25	0.17%
Total Top 25 Taxpayers	\$ 1,274,524,648		7.43%	\$ 867,844,643		9.80%
Total Taxable Value	\$ 17,155,084,241		100%	\$ 8,854,902,701		100%

Source: HDL Companies

City of Palm Springs
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of Assessed Value)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	0.08000	0.11000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000	0.10000
Desert Community College	0.03950	0.03950	0.03978	0.03983	0.03978	0.04030	0.02036	0.02087	0.02325	0.01995
Palm Springs Unified B & I 1992-A	0.14493	0.15030	0.10603	0.10542	0.10603	0.11146	0.11802	0.08978	0.10160	0.12961
Total Direct and Overlapping Tax Rates	1.26443	1.29980	1.24581	1.24525	1.24581	1.25176	1.23838	1.21065	1.22485	1.24956
City Share of 1% Levy (Note 3)	0.22716	0.22716	0.22716	0.22716	0.22716	0.27505	0.27505	0.27505	0.27505	0.27505
Redevelopment Rate (Note 4)	-	-	-	-	-	-	-	-	-	-
Total Direct Rate (Note 5)	1.2998*	1.29980	1.24581	1.24525	1.24581	1.25176	1.23838	1.21065	1.22485	1.24956

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. Rate was not obtained for 2022-23

Source: County Auditor/Controller data, MuniServices, LLC

**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
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%
2023*	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

*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					Total Governmental Activities
	Pension Obligation Bond	Revenue Bonds	Finance Purchases	Notes Payable	Suspension and Lease Liabilities	
2014**	\$ 19,851,587	\$ -	\$ 128,647,806	\$ -	\$ 21,156,532	\$ 169,655,925
2015	19,572,184	136,551,633	1,873,893	18,494,072	-	176,491,782
2016	19,222,909	131,071,106	1,406,002	18,113,537	-	169,813,554
2017	20,247,941	125,668,199	916,609	17,681,254	-	164,514,003
2018	20,011,558	119,760,742	4,096,506	17,193,687	-	161,062,493
2019	19,607,276	112,901,147	3,365,431	17,401,940	-	153,275,794
2020	19,358,146	107,460,062	4,404,589	16,235,985	-	147,458,782
2021	18,906,176	100,949,527	5,845,000	15,662,520	-	141,363,223
2022	18,369,513	98,005,042	5,135,019	20,648,781	47,187,412	189,345,767
2023	17,740,064	90,561,142	4,564,878	19,834,121	46,051,303	178,751,508

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

** Breakout detail for Governmental Activities not available for 2014

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*	Debt Per Capita*
	Airport Revenue Bonds	Revenue Bonds	Loans	Subscription and Lease Liabilities				
2014	\$ 20,915,000	\$ 9,037,194	\$ -	\$ 92,556	\$ 30,044,750	\$ 199,700,675	117.24	4,329
2015	18,161,227	8,502,035	-	6,807	26,670,069	203,161,850	126.01	4,558
2016	16,694,038	7,947,127	-	-	24,641,165	195,656,954	114.02	4,389
2017	12,826,849	7,607,672	-	-	20,434,521	184,948,544	101.25	4,149
2018	9,929,660	6,918,049	14,354,637	644,329	31,846,675	192,909,168	98.62	4,328
2019	6,912,173	6,245,864	21,747,934	528,191	35,434,162	188,709,956	89.53	4,234
2020	23,815,645	5,549,267	25,358,788	425,683	55,149,383	202,608,165	94.97	4,545
2021	22,078,598	4,866,953	24,661,857	278,082	51,885,490	193,248,713	83.34	4,335
2022	20,271,051	4,109,542	23,966,807	123,729	48,471,129	236,489,545	95.51	5,305
2023	18,383,504	3,327,718	23,259,941	78,869	45,050,032	223,801,540	79.78	4,949

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

* Personal Income 2,805,183

* Total Population 45,223

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	Total		
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
2023	17,740	90,561	108,301	0.63%	2,395

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

(2) City Assessed Value \$17,155,084,241

Source: HDL Companies

City of Palm Springs
Direct and Overlapping Governmental Activities Debt
as of June 30, 2023

2022-23 Assessed Valuation: \$17,129,132,377

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/2023</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/23</u>
Desert Community College District	\$486,615,000	16.919%	\$82,330,392
Mount San Jacinto Community College District	247,850,000	0.004%	9,914
Banning Unified School District	55,637,555	0.113%	73,998
Palm Springs Unified School District	418,287,347	44.096%	184,447,989
San Geronio Memorial Hospital District	108,699,780	0.038%	41,306
California Statewide Community Development Authority Assessment District	603,754	100%	603,754
City of Palm Springs 1915 Act Bonds	3,485,000	100%	<u>3,485,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$270,992,353
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$686,776,829	4.730%	\$32,484,544
Riverside County Pension Obligation Bonds	748,540,000	4.730%	35,405,942
Banning Unified School District Certificates of Participation	8,376,000	0.133%	11,140
City of Palm Springs General Fund Obligations	103,612,385	100%	103,612,385
City of Palm Springs Pension Obligation Bonds	14,328,594	100%	14,328,594
City of Palm Springs Total Lease Liabilities	46,051,303	100%	<u>46,051,303</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$231,893,908
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$174,187,321	 0.174 - 100. %	 \$24,326,034
 TOTAL DIRECT DEBT			 \$163,992,282
TOTAL OVERLAPPING DEBT			\$363,220,013
COMBINED TOTAL DEBT			\$527,212,295

(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 bonds and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.58%
Total Direct Debt (\$163,992,282)	70.72%
Combined Total Debt	2.81%

Ratios to Redevelopment Successor Agencies Incremental Valuation (\$3,378,460,158):

Total Overlapping Tax Increment Debt	0.72%
--------------------------------------	-------

Source: HDL Companies

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Assessed Valuation	\$17,155,084	\$15,575,348	\$13,870,348	\$13,133,512	\$12,655,392
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	4,288,771	3,893,837	3,467,587	3,283,378	3,163,848
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	643,316	584,076	520,138	492,507	474,577
Total net debt applicable to limit: General Obligation Bonds	0	0	0	0	0
Legal debt Margin	<u>\$643,316</u>	<u>\$584,076</u>	<u>\$520,138</u>	<u>\$492,507</u>	<u>\$474,577</u>
 Total Debt applicable to the limit as a percentage of debt limit	 0.0%	 0.0%	 0.0%	 0.0%	 0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Palm Springs, Finance Department

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Assessed Valuation	\$11,894,269	\$10,826,781	\$10,176,176	\$9,975,774	\$9,320,889
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,973,567	2,706,695	2,544,044	2,493,944	2,330,222
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	446,035	406,004	381,607	374,092	349,533
Total net debt applicable to limit: General Obligation Bonds	0	0	0	0	0
Legal debt Margin	<u>\$446,035</u>	<u>\$406,004</u>	<u>\$381,607</u>	<u>\$374,092</u>	<u>\$349,533</u>
 Total Debt applicable to the limit as a percentage of debt limit	 0.0%	 0.0%	 0.0%	 0.0%	 0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Palm Springs, Finance Department

**City of Palm Springs
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Airport Revenue Bonds					
	Airport Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2023	52,293,997	30,250,392	22,043,605	1,610,000	887,500	8.83

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
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%
2023	45,223	2,805,183	62,030	4.8%

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	2022-23		2013-14
	Number of Employees	Percent of Total Employment (%)	Number of Employees
Palm Springs Unified School District	2,647	11.36%	
Desert Regional Medical Center	2,270	9.74%	1000-4999
Agua Caliente Casino Palm Springs	1,047	4.49%	1000-4999
City of Palm Springs	620	2.66%	
Walmart Supercenter	564	2.42%	250-499
Home Depot**	220	0.94%	
Margaritaville Resort PS (formerly Riviera PS Resort)	204	0.88%	250-499
Ace Hotel & Swim Club	179	0.77%	
Lowe's Home Improvement**	152	0.65%	
Hilton-Palm Springs Resorts**	108	0.46%	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	8,011	34.38%	N/A
Total City Employment (1)	23,300		

Source: Direct correspondence with city businesses

(1) Total City Labor Force is provided by EDD Labor Force Data.

** Info not provided for FY2022-23

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

Department	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>General Government</u>										
Administration	78.00	86.70	57.65	59.78	62.20	55.20	44.20	39.20	36.25	36.25
Growth Management		-	-	-	32.39	30.39	31.39	30.37	24.29	22.60
Quality of Life		-	-	-	55.25	54.00	53.50	52.50	54.50	54.00
Public Safety	259.00	232.00	227.00	246.00	210.00	195.00	189.00	178.00	173.50	170.50
Public Works & Engineering	79.00	-	-	-	23.48	23.48	23.38	23.38	20.33	20.00
Community & Economic Development	10.00	5.72	5.72	3.22						
Development Services	52.00	41.00	60.70	41.00						
Parks and Recreation	40.25	30.75	34.75	32.50						
Library	15.25	14.25	14.25	14.25						
Airport	86.50	77.00	72.00	75.00	73.00	74.00	70.00	69.00	67.00	67.50
Motor Vehicle*		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Facilities Maintenance*		18.00	18.00	17.00	13.90	13.90	13.00	13.00	13.00	13.50
Risk Management*		6.05	4.30	6.05	4.25	4.25	4.25	4.25	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
Wastewater Treatment Plant*		1.25	0.35	0.42	-	-	-	-	-	-
Total	620.00	524.00	506.00	506.00	485.25	461.00	439.50	420.50	403.50	398.00

* City re-categorized groupings in the 2022-23 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				
	2023	2022	2021	2020	2019
Police:					
Arrests	1,347	1,714	1,866	1,914	2,559
Parking Citations	5,095	4,410	1,169	4,483	5,190
Fire:					
Number of Emergency Calls	12,264	12,286	10,735	10,114	9,782
Inspections	2,370	1,060	875	2,488	4,888
Public Works:					
Street resurfacing (sq feet)	1,980,000	4,772,800	4,450,496	4,567,855	1,967,233
Parks and Recreation:					
Number of recreation classes	9,221	3,477	824	5,802	5,982
Number of facility rentals	3,404	2,773	1,226	1,303	3,562
Airport:					
Passengers serviced	3,244,015	2,825,490	1,332,655	1,816,588	2,457,680
Flights	63,307	63,141	49,089	47,934	53,229
Sewer:					
New Connections	117	138	188	193	111
Ave Daily sewage treatment	4.670	4.700	4.496	4.800	5.396
Golf Course:					
Golf rounds played	70,906	72,549	56,440	65,594	87,255

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				
	2018	2017	2016	2015	2014
Police:					
Arrests	2,634	2,844	3,566	3,608	4,257
Parking Citations	5,138	4,014	5,424	3,826	3,178
Fire:					
Number of Emergency Calls	9,880	9,993	10,071	9,753	8,798
Inspections	3,364	3,489	3,666	3,389	3,902
Public Works:					
Street resurfacing (sq feet)	6,129,638	3,385,000	11,111,269	2,875,700	3,136,862
Parks and Recreation:					
Number of recreation classes	2,919	5,866	5,385	2,642	2,964
Number of facility rentals	3,851	3,968	3,908	144	167
Airport:					
Passengers serviced	2,213,001	2,052,129	1,917,702	1,914,402	1,852,606
Flights	50,751	53,174	55,977	55,823	52,993
Sewer:					
New Connections	198	163	165	175	120
Ave Daily sewage treatment	6.005	5.798	5.845	6.042	6.042
Golf Course:					
Golf rounds played	92,202	89,268	89,020	98,866	87,981

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

Source: City of Palm Springs, Finance Department

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	5	5	5	5	5	5	5	5	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	405
Traffic signals	86	86	86	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	18	18	18	18	18	18	18	18	18	18
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	1
Golf Course:										
Municipal golf courses	2	2	2	2	2	2	2	2	2	2
Convention Center:										
Square feet	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000	261,000
Meeting rooms	19	19	19	19	19	19	19	19	19	19

Source: City of Palm Springs, Finance Department

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

2022-23		2013-14	
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
Dollar Rent-A-Car	Leasing	Home Depot	Bldg.Matls-Retail
Enterprise Rent-A-Car	Leasing	Hertz Rent-A-Car	Leasing
Hertz Rent-A-Car	Leasing	Las Casuelas Terraza Restaurant	Restaurants
Home Depot	Bldg.Matls-Retail	Le Parker Meridien	Restaurants
Le Parker Meridian Palm Springs	Restaurants	Rite Aid Drug Stores	Drug Stores
Lowe's Home Centers	Bldg.Matls-Retail	Lowe's Home Improvement	Bldg.Matls-Retail
Lulu California Bistro	Restaurants	Viasys Respiratory Care	Health & Government
Mercedes-Benz of Palm Springs	Auto Sales - New	Marshall's Stores	Apparel Stores
Palm Springs Hyundai	Auto Sales - New	Ralph's Grocery Company	Food Markets
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
TJ Maxx	Apparel Stores	VIP Motor Cars	Auto Sales - New
Union 76 Service Stations	Service Stations	W.E.C.S. Electric Supply	Electronic Equipment
United Aviation Fuels	Energy Sales	Pilot Travel Center	Service Stations
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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