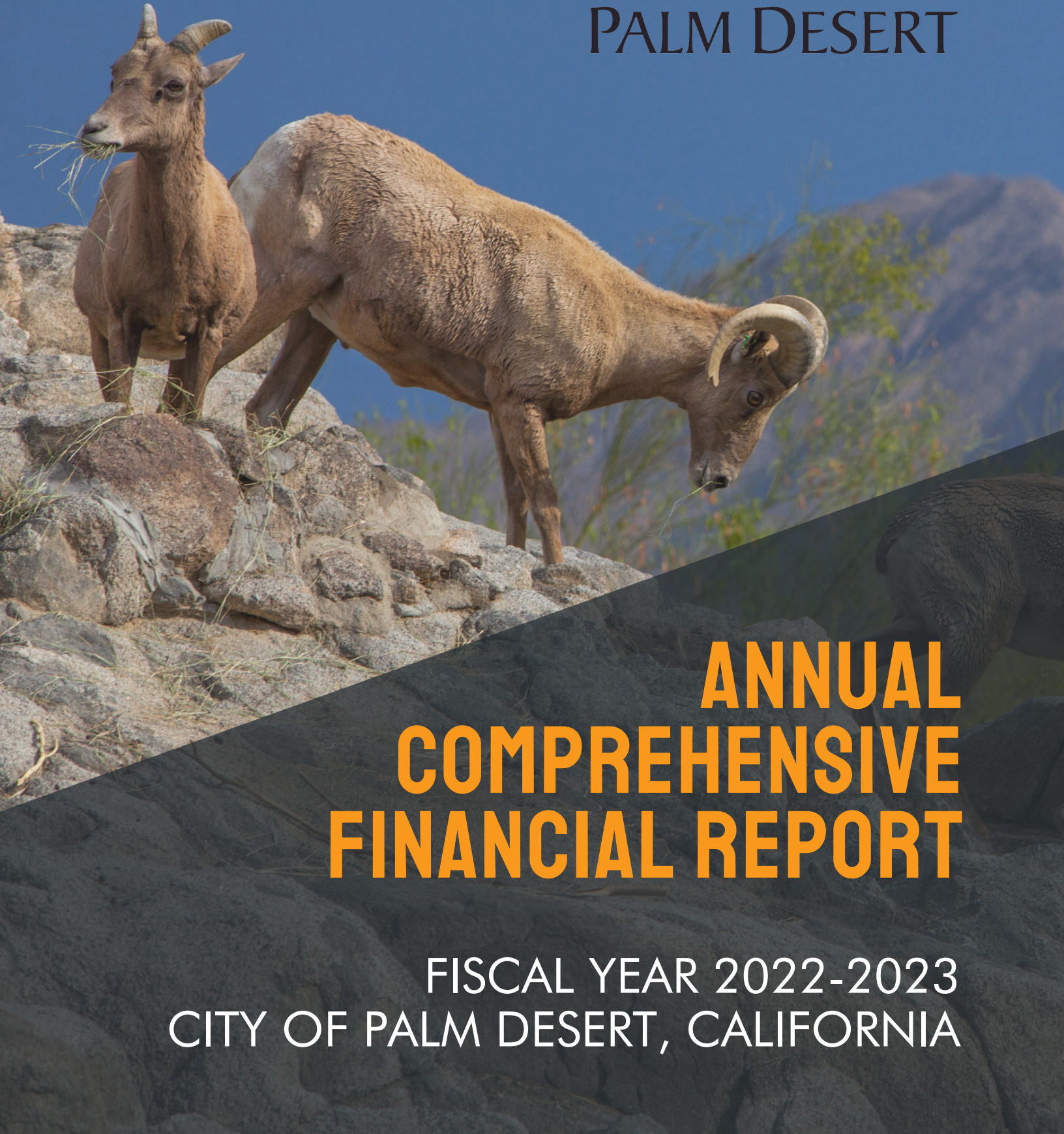


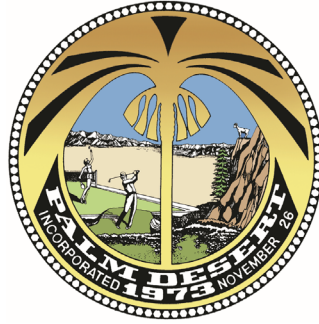


PALM DESERT



**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

FISCAL YEAR 2022-2023
CITY OF PALM DESERT, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT
of the
CITY OF PALM DESERT, CALIFORNIA

For the Fiscal Year ended
June 30, 2023

Prepared by the Finance Department

City Treasurer/Director of Finance
Veronica Chavez

Deputy Director of Finance
John Ramont

Deputy Director of Finance
Liberty Urban, CPA

Finance Staff

(in alphabetical order by positions and last names)

ACCOUNTANT
Mitchell Arbaugh

ACCOUNTING TECHNICIAN II
Horacio Celaya

ADMINISTRATIVE ASSISTANT
Sarah Castro

ACCOUNTANT
Arlene Arellano

ACCOUNTING TECHNICIAN II
Kalaina Perez

FINANCE SUPERVISOR
James Bounds

ACCOUNTANT
Sarah Sullivan

ACCOUNTING TECHNICIAN II
Miguel Zepeda

MANAGEMENT ANALYST I
Skky Garcia

SENIOR CONTRACTS & GRANTS
ANALYST
Joe Barron



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CITY OF PALM DESERT, CALIFORNIA
Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2023

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CITY OF PALM DESERT

73-510 FRED WARING DRIVE
PALM DESERT, CALIFORNIA 92260-2578
TEL: 760 346-0611
INFO@PALM-DESERT.ORG

January 19, 2024

Residents of Palm Desert,
Honorable Mayor and Members of the City Council

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Palm Desert for the fiscal year ended June 30, 2023.

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and the Governmental Accounting Standards Board (GASB). We believe the data, as presented, is accurate in all material respects and is presented in a manner that fairly represents the financial position and changes in financial position of the City as measured by the financial activity of each of its funds. We also believe that all disclosures necessary to enable the reader to fully understand the City's financial activities have been presented. Responsibility for the accuracy, completeness and reliability of the information contained in this report rests with the City.

The City of Palm Desert conducts an annual audit, which is performed by an independent certified public accountant. The independent audit of the City's financial statements for fiscal year ended June 30, 2023 was conducted by Lance Soll & Lunghard, LLP. The auditor's unmodified opinion on the basic financial statements is included in the Financial Section of this report. This is the most favorable opinion.

As part of the City's annual audit engagement, the auditors reviewed the City's internal control structure as well as compliance with applicable laws and regulations. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. The results of the City's annual audit for fiscal year ended June 30, 2023 provided no instances of material weaknesses in connection with the internal control structure or significant violations of applicable laws and regulations.

As recipients of federal, state and county financial resources, the City may be required to undergo an annual single audit. For the fiscal year ended June 30, 2023, the City will have a single audit performed. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF PALM DESERT

Located in Riverside County in the geographical center of the Coachella Valley, Palm Desert was incorporated on November 26, 1973, as a General Law City. On November 4, 1997, voters overwhelmingly approved Measure LL adopting a city charter.

Under the provisions of the charter, the City of Palm Desert has full authority over its own municipal affairs including: bidding and contracting procedures; regulation of parks, libraries, and other facilities; certain fees; imposition of taxes; municipal zoning; salaries of officials and employees; municipal utilities; and municipal election procedures.

The City operates under a Council-Manager form of government. The City Council is comprised of five members elected to four-year terms every two years by the residents of the City. The City has two-districts, District One includes neighborhoods in and around the Palm Desert Civic Center core, comprising about 20% of the City's population which is represented by one (1) elected City Council member. District Two comprises 80% of the City's population, which is represented by four (4) elected City Council members. Each December, the City Council selects the Mayor from among its members for a one-year term. The City Council appoints the City Manager and the City Attorney.

The City operates as a "contract city," primarily utilizing agreements with other governmental entities, private firms, and individuals to provide many services. Contracted services include: police protection through the County of Riverside; fire protection through Cal-Fire; animal control; road maintenance and construction services; legal services; landscape maintenance; and recreation program services. Palm Desert is a member of the California Joint Powers Insurance Authority that provides insurance coverage for the City. Water, sewage treatment and wastewater disposal are provided by the Coachella Valley Water District. Southern California Gas Company supplies natural gas to the City and electric power is provided by the Southern California Edison Company. Waste Disposal is provided by Burrtec Waste & Recycling Services. Telephone/Internet service is available through Frontier Communications. Cable television/Internet service is provided by Time Warner Cable/Spectrum.

The City provides traditional municipal, public enterprise, and housing services as follows:

Municipal Services

- Public improvements, infrastructure and maintenance
- Public art and community promotion
- Planning, zoning, building and engineering
- Housing and community development
- Code compliance
- Economic development and business advocacy
- Legislative, city clerk, visitor's services, public information, general administration, fiscal services, human resources, and risk management
- Building permitting, inspections and services



Palm Desert Civic Center

Public Enterprise Services

- Golf course
- Office complex
- Internal service

Blended & Discrete Component Units

- Palm Desert Housing Authority
- Palm Desert Financing Authority
- Palm Desert Recreational Facilities Corporation

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, Special Revenue, Debt Service, and Capital Project Funds are included in the annual appropriated budget. Budgetary amounts for Debt Service, Capital Projects, and certain Special Revenue Funds are adopted annually; however, these budgets are considered to be long-term in nature.

The City also maintains an encumbrance accounting system of purchase orders and contracts at the fund level as a means of accomplishing budgetary control. At each fiscal year end, open encumbrances are carried over to the new fiscal year. Purchase orders are reviewed to ensure that funds are available and that requests are properly authorized prior to being released to vendors.

The adopted budget for fiscal year 2022-2023 was prepared in accordance with accounting principles generally accepted in the United States of America. As reflected in the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

LOCAL ECONOMY

The City comprises an area of approximately 26 square miles and, as of January 1, 2023, has a population of 50,615 according to data provided by the California Department of Finance. In addition to permanent residents, approximately 20,000 seasonal residents make Palm Desert their home for three to six months each year.

The City has cultivated a sound foundation of general fund revenues including sales tax, transient occupancy tax, licenses and permits, property tax, and investment earnings. The City's main revenue sources are transient occupancy taxes and sales tax. Due to the timing of the City's incorporation, in 1973, and the implementation of Proposition 13, the City receives less than 7 percent of property taxes; therefore, the City relies heavily on sales tax and transient occupancy tax.

As a community where economic, environmental, social, and cultural development flourishes, Palm Desert is a much sought-after place to visit and reside. Palm Desert is the first city in Riverside County to create a public art program and is home to numerous cultural attractions including: the McCallum Theatre for the Performing Arts, a 1,127-seat theater that hosts a wide variety of A-list entertainers, touring theatrical productions and arts-related educational programs; the Living Desert Zoo and Gardens, a 1,200-acre facility containing a wide array of plants and animals from desert regions around the world; and the Palm Desert Art in Public Places program, a museum without walls, featuring more than 150 works of art on permanent display throughout the city.

Palm Desert's active, five-star accredited Chamber of Commerce has more than 1,125 members who work to promote, support, and enhance business prosperity, civic vitality, and the quality of life within their community. Noted for its extensive array of retail options, including the world-famous upscale shopping destination of El Paseo, Palm Desert is home to a variety of malls and retail centers including The Shops at Palm Desert, Desert Crossing, The Gardens on El Paseo, and El Paseo Village.

The internationally acclaimed Desert Willow Golf Resort, one of the nation's premier municipal courses, boasts 36 holes of championship golf and stunning scenery in close proximity to first-class hotel accommodations and fine dining.



Desert Willow Golf Resort

In addition to being the home of the Coachella Valley's only community college, College of the Desert, Palm Desert is the location of satellite campuses for both the University of California, Riverside, and California State University, San Bernardino, the region's only public, four-year university.

The State of California Employment Development Department Labor Market Information Division reported that the City of Palm Desert had an unemployment rate of 4.8% compared to Riverside County, which had a rate of 5.0%. Worldwide issues such as inflation and supply-chain

constraints presented a new set of challenges over the course of the COVID-19 pandemic, and the City continues to face such challenges through the same lens of fiscal responsibility and sound financial practices that have proven successful in the past. Despite such challenges, the City of Palm Desert continued to provide exceptional services and amenities to residents throughout the course of the year.

LONG-TERM FINANCIAL PLANNING

In June 2023, the City Council approved a total of \$78.88 million in funding for various capital improvement projects for Fiscal Year 2023-24. Projects include resurfacing streets, sidewalk repairs and construction, accessibility improvements, street widening, improving drainage areas, park improvements, and improvements at Desert Willow Golf Resort and Parkview Office Complex. During Fiscal Year 2022-23, a standalone Capital Projects Department was created to begin tackling the large list of capital projects in the adopted financial plan.

CERTIFICATES OF AWARDS FOR OUTSTANDING FINANCIAL REPORTING

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 Desert for its comprehensive annual financial report for the fiscal year ended June 30, 2022. This was the 26th consecutive year that the City has achieved this prestigious award. To receive the Certificate of Achievement, a government 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 that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report is attributable to the efficient and dedicated staff of the Finance Department who are individually recognized on the title page. The Mayor and the City Council are credited for their support in planning and conducting the operations of the City in a prudent, responsible and progressive manner. Recognition is also given to all employees of the City of Palm Desert who continue to serve our community with commitment and dedication throughout the year. Our greatest appreciation goes to you, the residents of Palm Desert, for your continued support, input, and guidance in helping us serve you better, thus preserving our city's quality of life and reputation for innovation and leadership.

Respectfully submitted,



Todd Hileman (Dec 23, 2023 11:26 EST)

L. Todd Hileman
City Manager



Veronica Chavez (Dec 22, 2023 16:00 PST)

Veronica Chavez
Director of Finance

LAU:lau



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Palm Desert
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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CITY OF PALM DESERT

List of Principal Officials
as of June 30, 2023

City Council - Manager Form of Government

CITY COUNCIL

KATHLEEN KELLY
Mayor

KARINA QUINTANILLA
Mayor Pro-Tempore

JAN C. HARNIK
Council Member

GINA NESTANDE
Council Member

EVAN TRUBEE
Council Member

CITY ADMINISTRATION

TODD HILEMAN
City Manager

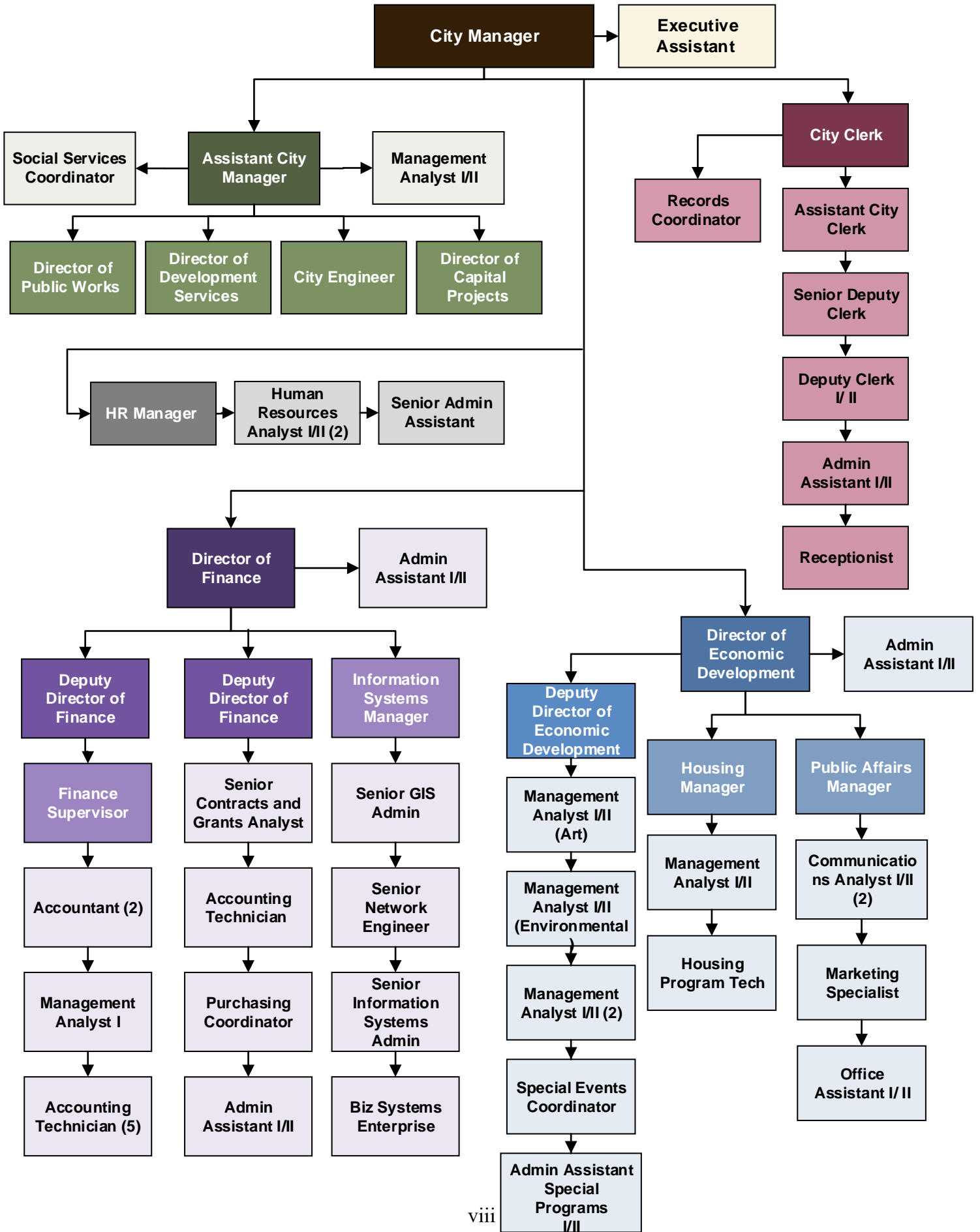
Robert W. Hargreaves
City Attorney - Best, Best & Krieger, LLP

Veronica Chavez
Director of Finance/City Treasurer

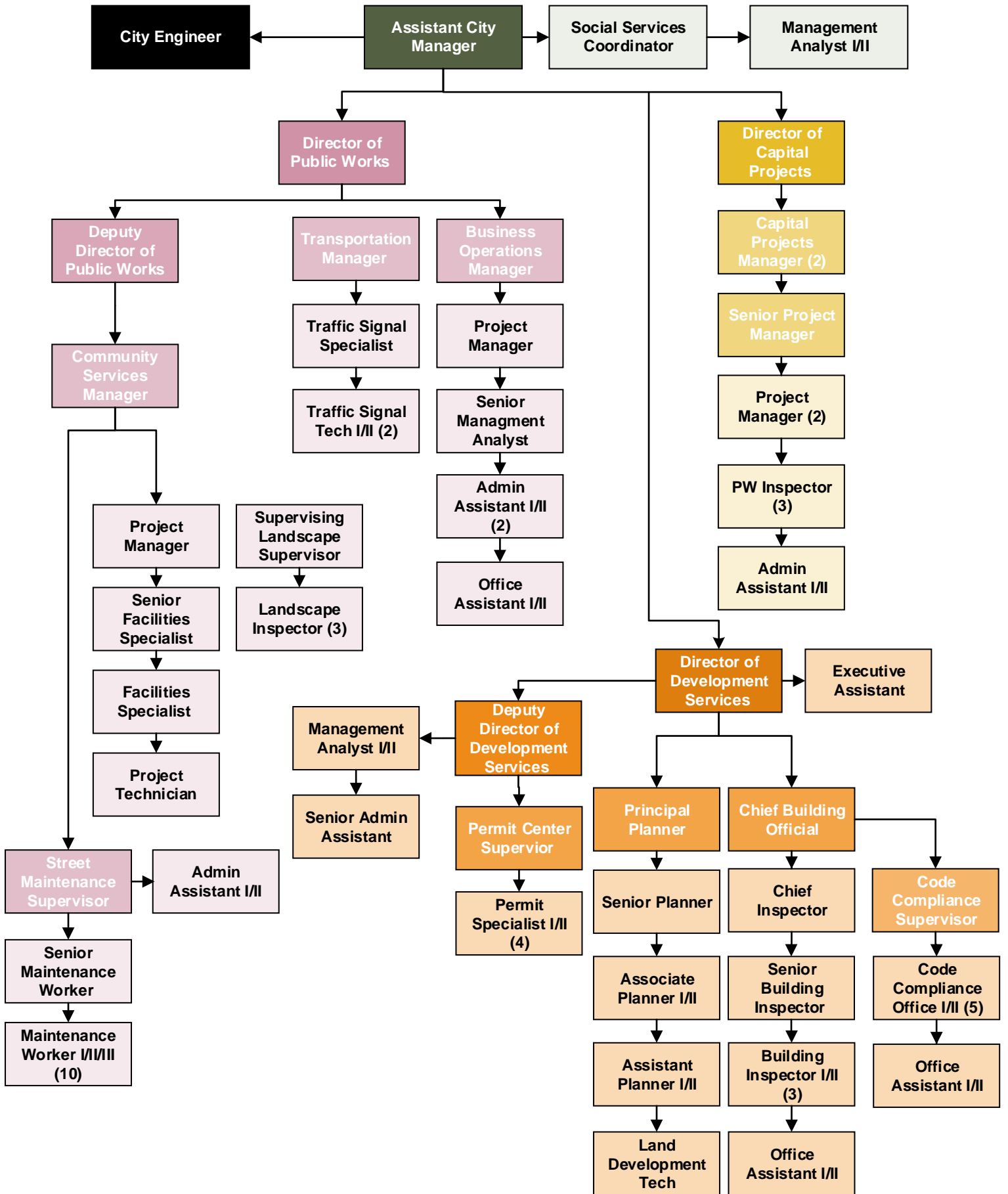
SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY

TODD HILEMAN
Executive Director

CITY OF PALM DESERT ORGANIZATION CHART



CITY OF PALM DESERT ORGANIZATION CHART





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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Palm Desert, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Palm Desert, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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.



To the Honorable Mayor and Members of the City Council
City of Palm Desert, California

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council
City of Palm Desert, California

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 and schedules (supplementary information) 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 auditor's 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 January 30, 2024, 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Brea, California
January 30, 2024



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CITY OF PALM DESERT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Palm Desert's financial performance for the fiscal year ended June 30, 2023, provides: a comparison of current year to prior year ending results based on the government-wide financial statements; an analysis of the City's overall financial position and results of operations to assist users in evaluating the City's financial position; a discussion of significant changes that occurred in the funds; and significant budget variances. In addition, it describes the activities during the year for capital assets and long-term debt. We end our discussion and analysis with a description of known facts, decisions, and conditions that are expected to have a significant effect on the financial position or results of operations. Please read it in conjunction with the transmittal letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City's total assets and deferred outflows exceeded its liabilities and deferred inflows by \$825.09 million (net position).
- The City's governmental activities net position increased by \$11.51 million, and the net position of the business-type activities increased by \$1.95 million.
- During the year, the City's revenues were \$131.59 million and expenses were \$120.10 million in its governmental activities, compared to fiscal year 2022, where revenues were \$125.46 million and expenses were \$102.87 million.
- In the City's business-type activities, expenses were \$12.48 million, \$1.62 million more than the \$10.86 million in prior year expenses. Revenues generated from golf course green fees, merchandise sales, rental income and other revenues increased by \$1.00 million compared to prior year, and Parkview Office Complex revenues for business-type activities revenues increased \$132.70 thousand from prior year.
- The City's governmental activities program revenues and general revenues increased by \$6.13 million, while program expenses increased by \$17.23 million.
- Business-type activities revenues increased \$1.79 million, from \$12.64 million to \$14.43 million. Expenses increased from \$10.86 million to \$12.48 million.
- The City kept its General Fund expenditures within spending limits by \$5.39 million. The revenues available for expenditures exceeded budget by \$14.34 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and Statement of Activities (on pages 17, 18 and 19) provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements start on page 20. For governmental activities, these fund statements tell how these services were financed in the short term as well as what remains for future spending. The fund financial statements also report the City's operation in more detail than the government-wide statements by providing information about the City's most significant funds and other funds. The remaining fiduciary fund statement provides financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities:

Our analysis of the City as a whole begins on page 17. 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 answers this question. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and *changes* in them. Net position is the difference between total assets and deferred outflows of resources less liabilities and deferred inflows, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are an indication of whether its *financial health* is improving or deteriorating. Other non-financial factors should be considered, however, such as changes in the economy that could cause a decrease in consumer spending.

In the Statement of Net Position and the Statement of Activities, we separate City activities as follows:

Governmental activities – Most of the City's basic services are reported in this category, including general administration (city manager, city clerk, finance, etc.), housing and redevelopment, public safety (police and fire protection), public works, parks, recreation and culture departments. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

Business-type activities – The City charges customers to cover all or most of the cost of certain services it provides. The City's municipal golf course, Desert Willow, and the City's Parkview Office Complex activities are reported in this category.

Component unit activities – The City includes one separate legal entity in its report – the Palm Desert Recreational Facilities Corporation. Although legally separate, this "component unit" is important because the City is financially accountable for it.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements:

The fund financial statements provide detailed information about the most significant funds and other funds, not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. The City has three types of funds: governmental, proprietary and fiduciary.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows in 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 *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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds – When the City charges customers for the services it provides, 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. The City’s enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and information such as a statement of cash flows.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Palm Desert operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

THE CITY AS TRUSTEE

Reporting the City’s Fiduciary Responsibilities:

The City is the trustee, or *fiduciary*, for the Successor Agency to the Palm Desert Redevelopment Agency’s (Successor Agency) private-purpose trust fund and for certain custodial funds held on behalf of developers and its employees’ retiree service stipend fund. The City’s fiduciary activities are reported in separate Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Combining Statement of Statement of Assets and Liabilities-All Custodial Funds, and Combining Statement of Changes in Fiduciary Net Position-All Custodial Funds. 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.

THE CITY AS A WHOLE

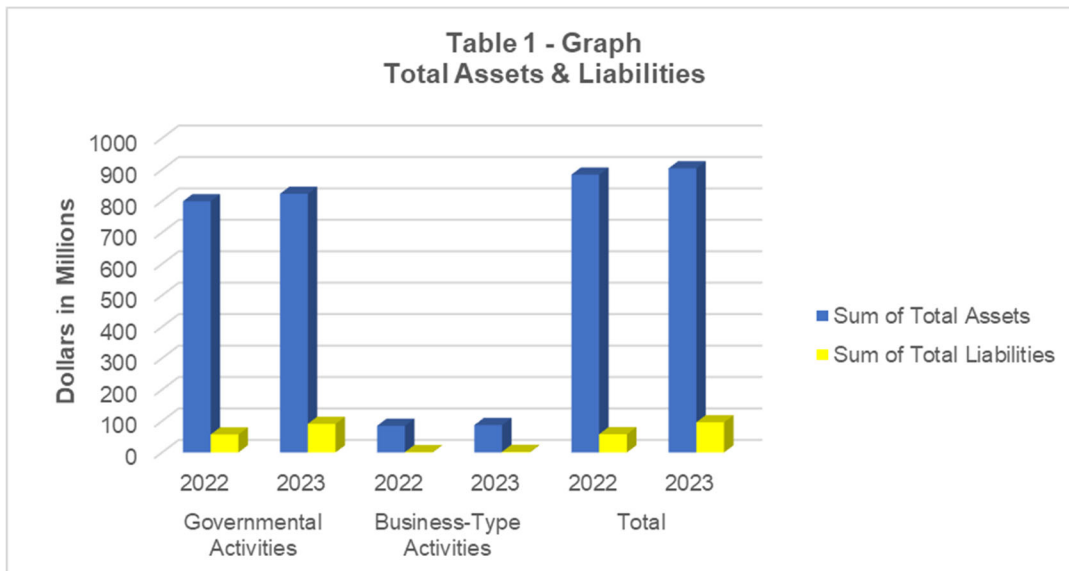
During the fiscal year ending June 30, 2023, the City’s combined net position increased \$4.15 million from \$811.63 million to \$815.78 million. A separate review of the net change in the governmental and business-type activities is provided for the reader. Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City’s governmental and business-type activities.

TABLE 1

NET POSITION
(IN MILLIONS)

As of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and restricted assets	\$ 397.71	\$ 373.47	\$ 11.31	\$ 11.08	\$ 409.02	\$ 384.55
Noncurrent assets						
Receivables	3.44	1.23	5.89	5.90	9.33	7.13
Capital assets	422.26	424.81	69.55	67.52	491.81	492.33
TOTAL ASSETS	823.41	799.51	86.75	84.50	910.16	884.01
Deferred outflows of resources	\$ 18.10	\$ 6.75	\$ -	\$ -	\$ 18.10	\$ 6.75
	841.51	806.26				
Current liabilities	45.70	32.33	1.69	1.36	47.39	33.69
Noncurrent liabilities	45.28	24.79	0.23	-	45.51	24.79
TOTAL LIABILITIES	90.98	57.12	1.92	1.36	92.90	58.48
Deferred inflows of resources	\$ 5.22	\$ 16.53	\$ -	\$ -	\$ 5.22	\$ 16.53
	96.20	73.65				
Net position:						
Net investment in capital assets	416.68	422.40	69.24	67.33	485.92	489.73
Restricted	172.53	164.63	-	-	172.53	164.63
Unrestricted	156.10	146.77	10.54	10.50	166.64	157.27
TOTAL NET POSITION	\$ 745.31	\$ 733.80	\$ 79.78	\$ 77.83	\$ 825.09	\$ 811.63



The City's governmental activities net position increased \$11.51 million. The City's net position is made up of three components: Net investment in capital assets; restricted net position; and unrestricted net position. For governmental activities, unrestricted net position, which represents the part of net position that can be used to finance day-to-day operations, accounted for 20 percent of the overall total net position. Unrestricted net position increased \$9.33 million from \$146.77 million in 2022 to \$156.10 million in 2023, and restricted net position increased from \$164.63 million to \$172.53 million, an increase of \$7.9 million. The increase in unrestricted net position was primarily driven by increases in program revenues, investment earnings and transient occupancy tax, as tourism continued to strengthen after pandemic closures were lifted and the City's investment portfolio took advantage of high interest rates in both short-term savings vehicles and longer-term investments. A portion of these increases was offset by \$7.29 million in decreases for operating grants and contributions compared to prior year. Total charges for services increased from \$32.22 million in 2022 compared to \$38.83 million in 2023, an increase of \$6.13 million; and transient occupancy tax increased from \$22.13 million in 2022 to \$23.96 million in 2023, representing an increase of \$1.83 million. Investment earnings saw an increase of \$7.14 million from 2022 to 2023 and interest rates remained high through the end of fiscal year 2023.

The decrease of \$1.41 million in restricted net position was due to restricted special projects decreasing by \$2.76 million from the prior year, while restricted capital projects funds increased by \$1.35 million. During the year, construction on major projects continued; including the completion of the Council Chambers renovation and Cook Street resurfacing, progress on the Development Services Lobby renovation, and continuation of the annual street resurfacing program. Investment in capital assets in governmental funds decreased marginally by \$5.72 million, slightly over 1 percent of the total balance.

The City's governmental activities total assets and deferred outflow of resources combined increased \$35.25 million from \$806.26 million in 2022 to \$841.51 million in 2023. The majority of increases to total assets were in cash and investments, which increased by \$22.04 million over the prior year. Some of this increase is related to stronger-than-expected revenue results in General Fund sales tax and charges for services, along with robust interest earnings for the fiscal year, whereas other portions of the increase, such as those in the Fire Tax fund, are related to the timing of cash outflows for yearend expenditures. Increases to deferred outflows made up the remainder of the \$35.25 million increase, totaling \$8.91 million in pension deferred outflows and \$2.44 million in OPEB deferred outflows.

Total governmental fund liabilities and deferred inflows combined increased by \$22.55 million from \$73.65 million in 2022 to \$96.20 million in 2023. An increase of \$33.86 million in total liabilities, mainly attributable to a pension liability increase of \$19.09 million and an accounts payable increase of \$15.92 million, was offset by a decrease in deferred inflows of \$11.31 million, mostly due to increased deferred inflows from pensions.

The net position of the business-type activities recognized an increase of \$1.95 million, from \$77.83 million during 2022 to \$79.78 million during 2023. The main factor for the increase in net position was the addition of just over \$2 million in capital assets, primarily new golf carts and equipment for Desert Willow Golf Course.

Total assets in the business-type activities increased by \$2.25 million from \$84.50 million in 2022 to \$86.75 million in 2023. The major increase was related to the addition of Desert Willow Golf Course golf carts and equipment mentioned above. Total liabilities in the business-type activities increased slightly by \$0.56 million from \$1.36 million in 2022 to \$1.92 million in 2023.

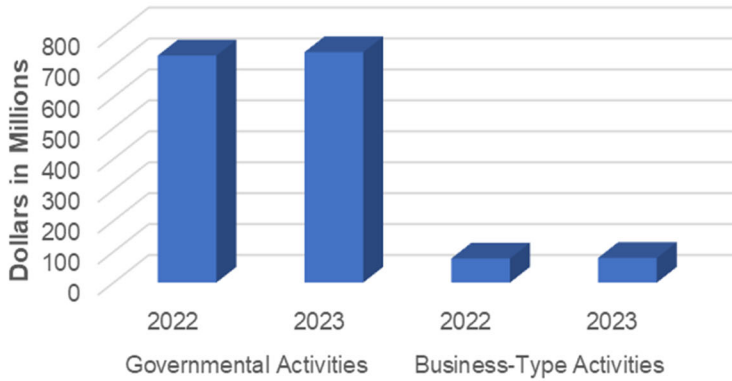
TABLE 2

CHANGES IN NET POSITION
(IN MILLIONS)

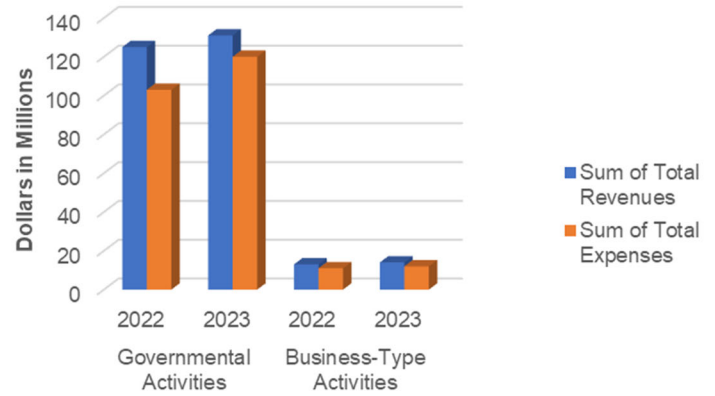
As of June 30, 2023 and 2022

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues:						
Charges for services	\$ 38.83	\$ 32.22	\$ 13.63	\$ 12.41	\$ 52.46	\$ 44.63
Operating grants and contributions	13.04	20.33	-	-	13.04	20.33
Capital grants and contributions	4.67	4.83	0.09	0.19	4.76	5.02
General Revenues:						
Property taxes	13.89	12.94	-	-	13.89	12.94
Transient occupancy tax	23.96	22.13	-	-	23.96	22.13
Sales tax	26.37	27.50	-	-	26.37	27.50
Other taxes	3.58	3.63	-	-	3.58	3.63
Investment earnings	5.17	(1.97)	0.45	(0.10)	5.62	(2.07)
Other revenues	2.08	3.85	0.26	0.14	2.34	3.99
TOTAL REVENUES	<u>131.59</u>	<u>125.46</u>	<u>14.43</u>	<u>12.64</u>	<u>146.02</u>	<u>138.10</u>
EXPENSES						
General Government	26.19	24.74	-	-	26.19	24.74
Housing and redevelopment	13.25	9.63	-	-	13.25	9.63
Public safety	40.76	37.40	-	-	40.76	37.40
Parks, recreation and culture	19.11	8.88	-	-	19.11	8.88
Public works	20.65	22.07	-	-	20.65	22.07
Interest on long-term debt	0.15	0.15	-	-	0.15	0.15
Golf Course - Desert Willow	-	-	11.07	9.91	11.07	9.91
Office Complex - Parkview	-	-	1.41	0.95	1.41	0.95
TOTAL EXPENSES	<u>120.10</u>	<u>102.87</u>	<u>12.48</u>	<u>10.86</u>	<u>132.58</u>	<u>113.73</u>
INCREASE (DECREASE) IN NET POSITION	11.49	22.59	1.95	1.78	13.44	24.37
BEGINNING NET POSITION	733.80	711.21	77.83	76.05	811.63	787.26
RESTATEMENT OF NET POSITION	0.02	-	-	-	0.02	-
ENDING NET POSITION	<u>\$ 745.31</u>	<u>\$ 733.80</u>	<u>\$ 79.78</u>	<u>\$ 77.83</u>	<u>\$ 825.09</u>	<u>\$ 811.63</u>

**Table 2a - Graph
Changes in Net Position**



**Table 2b - Graph
Changes in Revenues & Expenses**



Governmental Activities

Total revenue increased by \$6.13 million from \$125.46 million to \$131.59 million. Factors that contributed to the changes in revenues are as follows:

- Transient occupancy tax increased from \$22.13 million in 2022 to \$23.96 million in 2023, a slight increase of \$1.83 million. The use of hotels and short-term rentals throughout the city continued to strengthen through 2023, and the implementation of a new online system for short-term rental registration and payment of transient occupancy taxes gave residents a new, convenient option for tax and fee remittance.
- The City's sales tax decreased by \$1.13 million from \$27.50 million in 2022 to \$26.37 million in 2023. Despite the year-over-year decrease, sales tax receipts still exceeded budget expectations by about \$680 thousand for 2023.
- In 2023, the City's investment earnings were \$7.14 million more than the prior year, an increase from \$(1.97) million in 2022 to \$5.17 million in 2023, which was strongly correlated to the high interest rate environment. The City continued to utilize multiple investment vehicles throughout the year, taking advantage of high interest rates available in short-term investment pools such as the Local Agency Investment Fund (LAIF), and the California Asset Management Program (CAMP), along with the reinvestment of maturing investments into long-term investment products.
- Charges for services saw a strong increase from \$32.22 million in 2022 to \$38.83 million in 2023.
- Operating contributions and grants recognized a decrease of \$7.29 million. This decrease was mainly the result of one-time public safety operating contributions and grants that were received in the prior year, but not in the current year. Capital contributions and grants decreased by \$0.16 million, from \$4.83 million in 2022 to \$4.67 million in 2023.

Total governmental expenses increased from \$102.87 million in 2022 to \$120.10 million in 2023, an increase of about 17 percent. Factors that contributed to the changes in expenditures are as follows:

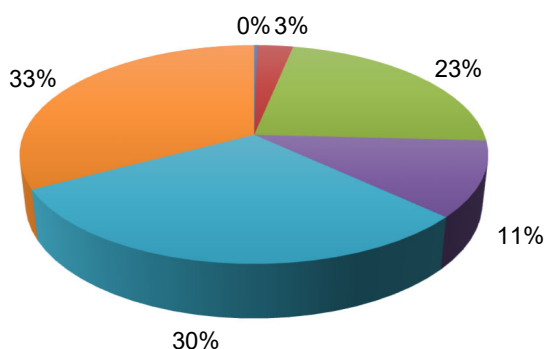
- Expenditures in housing and redevelopment increased from \$9.63 million in 2022 to \$13.25 million in 2023, an increase of \$3.62 million.
- Public safety expenditures increased by \$3.36 million, from \$37.40 million in 2022 to \$40.76 million in 2023, related to increases in contracted police services of \$1 million, and increases in contracted fire protection services of \$1.90 million. The large increase in fire protection costs was related to the adoption of new memorandums of understanding for fire protection staff.
- Parks, recreation, and culture saw increases in expenditures of \$10.23 million, from \$8.8 million in 2022 to \$19.11 million in 2023.

The following schedule represents the net cost of providing services:

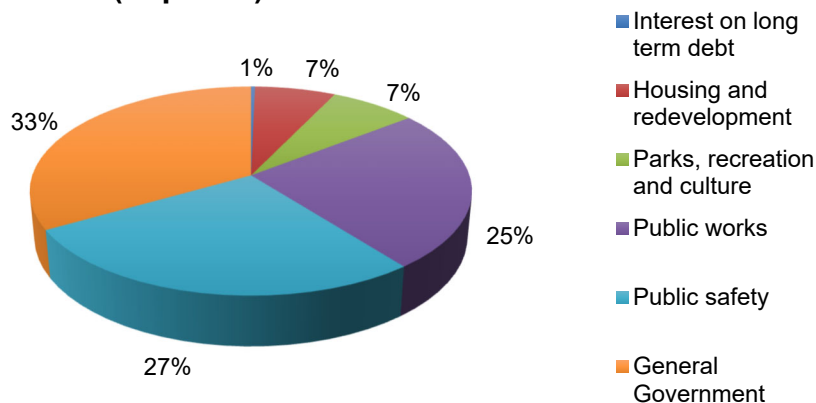
Governmental Activities
Net (Expense) Revenue
(In Millions)

	2023	2022
General government	(\$21.01)	(\$15.13)
Housing and redevelopment	(1.76)	(3.11)
Public safety	(19.18)	(12.43)
Parks, recreation and culture	(14.39)	(3.33)
Public works	(7.07)	(11.34)
Interest on long term debt	(0.15)	(0.15)
Total	(\$63.56)	(\$45.49)

**2023
Governmental Activities Net
(Expense) Revenue**



**2022
Governmental Activities Net
(Expense) Revenue**



Business-type Activities

In the business-type activities, total revenues increased by 14 percent from \$12.64 million to \$14.43 million, a \$1.79 million increase. The main factor for the change in total revenues was the overall increase in fee revenue, which recognized a \$1.22 million growth from prior year.

The Parkview Office Complex revenues increased slightly from \$1.34 million in 2022 to \$1.47 million in 2023 due to annual lease adjustments.

Operating expenses for business-type activities increased by \$1.62 million from \$10.86 million to \$12.48 million. The majority of the increase is related to the growth in operations at Desert Golf resort which recognized an \$1.16 million increase in overall expenditures. Parkview Office Complex accounts for the remaining increase of \$0.46 million due to tenant improvements completed throughout 2023.

THE CITY'S FUNDS

On page 20, the governmental funds balance sheet is shown. The combined fund balance of \$341.59 million increased \$13.34 million from \$328.25 million. This total includes the General Fund balance of \$120.92 million, which increased by \$1.04 million from the prior year. The City's General Fund balance has a non-spendable balance of \$3.49 million, committed balance of \$83.42 million, assigned

balance of \$19.28 million, and \$14.72 million of unassigned fund balance. The increase in the General Fund's balance was due to increases in sales tax and development fees as building remained strong throughout the City during fiscal year 2023. Other major fund balance changes are noted below:

- The Prop A Fire Tax Special Revenue Fund: The fund balance increased by \$3.06 million.
- The Housing Asset Fund: The fund had an increase of \$1.41 million mainly due to significant increases in investment earnings during the fiscal year.
- The Housing Authority Fund: The fund balance had a slight increase of \$132 thousand.
- Capital Properties Fund: The fund balance increased \$3.02 million from \$48.19 million to \$51.21 million. The increase represents the accumulation of fund balance needed to implement the City's Capital Improvement Plan for the 2024 fiscal year.
- The remaining increase of \$4.69 million is spread across multiple non-major funds.

More detailed information about the combined fund balance reserves is presented in Note 16 to the financial statements.

General Fund Budgetary Highlights

Based upon recommendations from the staff, the City Council revised the budget several times during the year. Adjustments were made on a monthly basis as City staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or were underestimated. At mid-year, some adjustments were also requested to better meet departmental demands and adjust for any revenue fluctuations. At year-end, budgets were adjusted for unanticipated approved expenditures. All amendments that either increase or decrease appropriations are approved by the City Council.

For the City's General Fund, the actual ending revenues of \$86.12 million were \$14.34 million more than the final budgeted revenues of \$71.79 million. Sales and transient occupancy taxes continue to be the top two revenue generators for the City, totaling \$50.33 million or 58.27 percent of the total General Fund actual revenues. The original budget was \$71.18 million compared to the final budget of \$71.79 million, an increase of \$0.61 million. The City increase in the final budget was related to better-than-expected increases in both building permit and plan check fee revenues.

The General Fund actual ending expenditures of \$85.11 million were \$5.39 million less than the final budget of \$90.50 million. There were changes in the original budget compared to the final budget during the year. The original expenditure budget was \$71.18 million compared to the final budget of \$90.50 million, a \$19.32 million increase. During the year, the following represent the major changes between the original budget and the final budget: the City Clerk, Street Maintenance, and Public Buildings Operations/Maintenance budgets were increased to accommodate new staff and expanded city services. The budget for transfers out was increased by \$16.91 million. These transfers were mainly to capital project funds to cover upcoming projects, including the Discover PD visitors' center, Lupine Plaza, Turf Retrofit grants, the Development Services Lobby renovation, along with property purchases.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

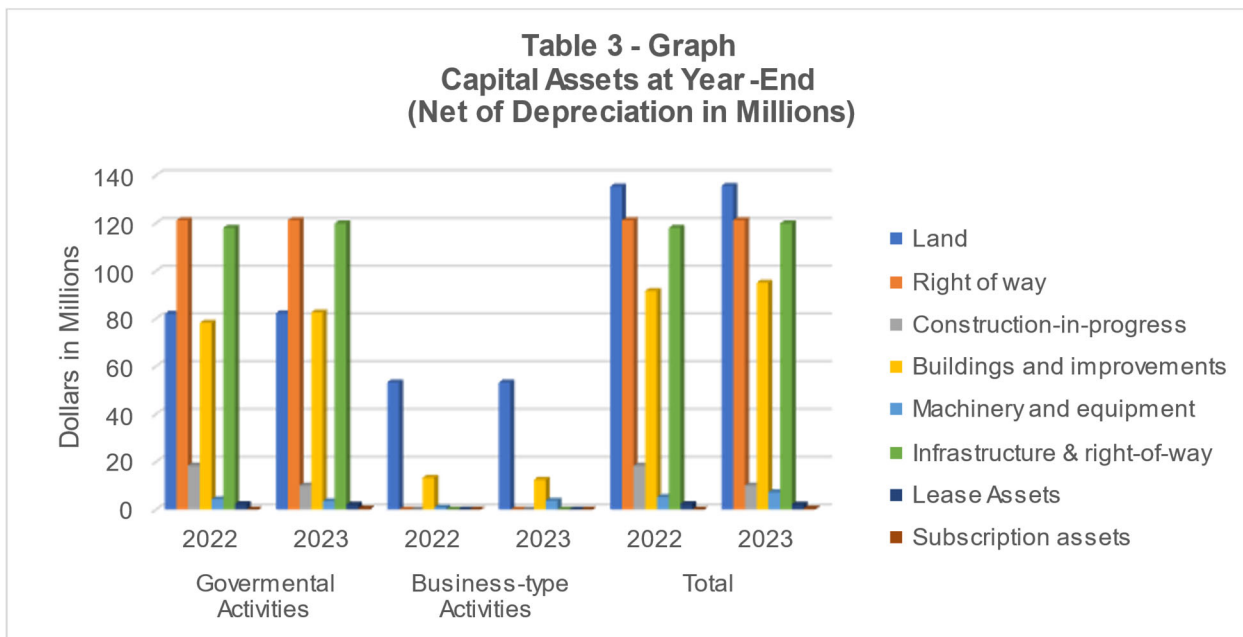
At the end of 2023, the City had \$491.79 million invested in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, artwork, vehicles, golf courses and equipment (See Table 3). This amount represents a net decrease (including additions and deductions) of \$0.53 million over the prior year, due mainly to depreciation.

TABLE 3

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION, IN MILLIONS)

For the years ended June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 82.29	\$ 82.06	\$ 53.31	\$ 53.31	\$ 135.60	\$ 135.37
Construction-in-progress	10.12	18.45	-	-	10.12	18.45
Buildings and improvements other than buildings	82.59	78.28	12.51	13.34	82.59	78.28
Machinery and equipment	3.53	4.35	3.74	0.87	7.27	5.22
Infrastructure & right-of-way	241.19	241.66	-	-	241.19	241.66
Lease assets	2.13	-	-	-	2.13	-
Subscription assets	0.41	-	-	-	0.41	-
TOTALS	422.26	424.80	69.56	67.52	491.82	492.32



This year's major additions included (in millions):

Buildings	\$ 6.85
Improvements other than buildings	2.78
Equipment purchases	0.28
Infrastructure	1.04
Land/right of way	0.27
Lease assets – subscriptions	0.00
Subscription assets	<u>0.54</u>
	<u>\$ 11.76</u>

The City's fiscal year 2024 adopted capital budget calls for an additional \$78.88 million to be spent, plus continuing capital projects of \$14.89 million from prior year, with the majority being spent on streets, infrastructure, buildings, parks, and golf course improvements. Projects will be funded with existing bond proceeds or funds that have been designated by an outside party for specific use. The City has adopted a bold capital improvement program to make significant capital improvements throughout the jurisdiction, and to catch up on projects that may have been deferred in the past. More detailed information about the City's capital assets is presented in Note 1h and Note 5 to the financial statements.

Debt

At year-end, the City's governmental activities had \$48.80 million in bonds, claims, compensated absences, and pension liability versus \$26.14 million last year, a increase of \$22.66 million as shown in Table 4. The major increase was the City's Net Pension liability which went from \$19.59 million in 2022 to \$38.68 million in 2023, an increase of \$19.09 million.

TABLE 4

OUTSTANDING DEBT AT YEAR-END
(IN MILLIONS)

For the years ended June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Compensated absences	\$ 2.60	\$ 2.29	\$ -	\$ -	\$ 2.60	\$ 2.29
Due to primary government	2.10	-	-	-	2.10	-
Lease liability	2.20	2.41	-	-	2.20	2.41
Financed purchase	-	-	0.32	0.19	0.32	0.19
SBITA liability	0.40	-	-	-	0.40	-
Claims and judgments payable	0.68	0.56	-	-	0.68	0.56
Special assessments debt with government commitment	1.03	1.08	-	-	1.03	1.08
Limited obligation improvement bonds	0.26	0.21	-	-	0.26	0.21
OPEB liability (net)	0.86	-	-	-	-	-
Pension liability (net)	38.68	19.59	-	-	38.68	\$ 19.59
TOTALS	<u>\$ 48.80</u>	<u>\$ 26.14</u>	<u>\$ 0.32</u>	<u>\$ 0.19</u>	<u>\$ 48.27</u>	<u>\$ 26.33</u>

The City was able to meet its current year debt obligations in a timely manner. Bonds that were issued in prior years have been used to finance various capital projects.

The City's business-type activities debt increased \$0.13 million from \$0.19 million to \$0.32 million. Debt in the business-type activities is for amounts due back to the City for the financing of capital equipment. The City's golf course used a city-funded financing option as an alternative to purchasing golf carts and maintenance equipment from cash flows derived through day-to-day operations. The City's business-type activities were able to meet their current year debt obligation in a timely manner. More detailed information about the City's long-term liabilities is presented in Note 6 through Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the budget for fiscal year 2024, management and the City Council considered many ongoing economic impacts such as inflation, supply chain constraints, and labor issues associated with contracts. Keeping the well-being and safety of residents, visitors, and businesses as the highest priority, the City Council has maintained funding to sustain current service levels and supported efforts to ensure that much of the deferred maintenance owing to the pandemic is now being addressed. In addition, the City Council established strategic goals and objectives before the creation of the annual budget, which were given the highest priority during the budget development process. The City Council's strategic goals and objectives include both capital and monetary investments to support the City's economic stability.

Most notably, the fiscal year 2024 budget includes a robust Capital Improvement Plan, which will be supported by a newly created Capital Projects department. Additionally, during fiscal year 2024, the City expects to transition the local library from a county-run facility to a municipal library with support from a new Library Services department. These considerations, among others, have been factored into the fiscal year 2024 budget to date.

The City's 2023-2024 Financial Plan can be found on the City's website at www.cityofpalmdesert.org.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and serves as a resource to demonstrate the stewardship and accountability for the public monies it receives.

If you have questions about this report or need additional financial information, please contact the Finance Department at (760) 346-0611 or info@cityofpalmdesert.org.

CITY OF PALM DESERT
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Palm Desert Recreational Facilities Corporation
Assets:				
Current assets:				
Cash and investments	\$ 295,587,088	\$ 14,100,518	\$ 309,687,606	\$ 1,216,690
Receivables:				
Accounts	4,839,487	241,436	5,080,923	33,236
Notes	1,032,000	-	1,032,000	-
Accrued interest	917,006	-	917,006	-
Loans	12,415,466	-	12,415,466	-
Leases	177,671	799,886	977,557	-
Internal balances	4,179,888	(4,179,888)	-	-
Prepaid costs	535,478	25,479	560,957	10,937
Deposits	20,000	-	20,000	-
Due from other governments	9,556,392	-	9,556,392	-
Inventories	17,570	313,932	331,502	75,170
Property held for resale	61,516	-	61,516	-
Restricted assets:				
Cash with fiscal agent	68,373,658	-	68,373,658	-
Noncurrent assets:				
Leases receivable	3,018,822	4,312,103	7,330,925	-
Due from component unit	420,000	1,578,564	1,998,564	-
Capital assets, not being depreciated/amortized	213,726,834	53,304,965	267,031,799	-
Capital assets, net of depreciation/amortization	208,530,757	16,253,767	224,784,524	2,494,164
Total Assets	823,409,633	86,750,762	910,160,395	3,830,197
Deferred Outflows of Resources:				
Deferred outflows from pensions	13,243,801	-	13,243,801	-
Deferred outflows from OPEB	4,860,869	-	4,860,869	-
Total Deferred Outflows of Resources	18,104,670	-	18,104,670	-
Liabilities:				
Current liabilities:				
Accounts payable	24,202,824	1,006,261	25,209,085	37,113
Accrued liabilities	737,981	232,666	970,647	137,002
Accrued interest	56,038	-	56,038	3,594
Unearned revenue	15,460,263	333,836	15,794,099	188,193
Deposits payable	3,949,536	26,590	3,976,126	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	500,000	-	500,000	-
Lease liability	218,453	-	218,453	53,295
SBITA liability	274,401	-	274,401	-
Long-term debt	74,000	86,217	160,217	-
Claims and judgements	224,361	-	224,361	-
Due in more than one year:				
Due to primary government	-	-	-	1,998,564
Compensated absences	2,101,028	-	2,101,028	-
Lease liability	1,978,673	-	1,978,673	2,475,747
SBITA liability	125,182	-	125,182	-
Claims and judgements	455,520	-	455,520	-
Long-term debt	1,084,000	232,952	1,316,952	-
Net OPEB liability	855,839	-	855,839	-
Net pension liability	38,681,819	-	38,681,819	-
Total Liabilities	90,979,918	1,918,522	92,898,440	4,893,508
Deferred Inflows of Resources:				
Deferred inflows from pensions	1,614,248	-	1,614,248	-
Deferred inflows from OPEB	433,542	-	433,542	-
Deferred inflows from leases	3,168,657	5,051,339	8,219,996	-
Total Deferred Inflows of Resources	5,216,447	5,051,339	10,267,786	-
Net Position:				
Net investment in capital assets	416,680,537	69,239,563	485,920,100	-
Restricted for:				
Special projects	93,279,580	-	93,279,580	-
Capital projects	79,251,472	-	79,251,472	-
Unrestricted (deficit)	156,106,349	10,541,338	166,647,687	(1,063,311)
Total Net Position	\$ 745,317,938	\$ 79,780,901	\$ 825,098,839	\$ (1,063,311)

See Notes to Financial Statements.

CITY OF PALM DESERT
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Primary Government:				
Governmental activities:				
General government	\$ 26,185,065	\$ 2,678,135	\$ 781,822	\$ 1,711,324
Housing and redevelopment	13,251,192	11,016,631	266,263	211,596
Public safety	40,753,734	18,831,126	2,393,227	346,836
Parks, recreation and culture	19,112,483	3,339,445	632,113	750,777
Public works	20,646,936	2,958,606	8,966,309	1,652,965
Interest on long-term debt	143,521	-	-	-
Total Governmental Activities	120,092,931	38,823,943	13,039,734	4,673,498
Business-type activities:				
Desert Willow Golf Course	11,073,128	12,159,419	-	99,154
Parkview Office Complex	1,409,321	1,473,376	-	-
Total Business-Type Activities	12,482,449	13,632,795	-	99,154
Total Primary Government	\$ 132,575,380	\$ 52,456,738	\$ 13,039,734	\$ 4,772,652
Component Unit:				
Palm Desert Recreational Facilities Corp.	\$ 4,958,674	\$ 4,875,792	\$ -	\$ -

General Revenues:
Taxes:
Property taxes, levied for general purpose
Transient occupancy taxes
Sales taxes
Franchise taxes
Other taxes
Investment earnings
Miscellaneous
Gain on sale of capital assets
 Total general revenues
 Change in net position
 Net position - beginning of year
 Restatement of net position
 Net position - beginning of year, as restated
 Net position - end of year

See Notes to Financial Statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Palm Desert Recreational Facilities Corporation
\$ (21,013,784)	\$ -	\$ (21,013,784)	\$ -
(1,756,702)	-	(1,756,702)	-
(19,182,545)	-	(19,182,545)	-
(14,390,148)	-	(14,390,148)	-
(7,069,056)	-	(7,069,056)	-
(143,521)	-	(143,521)	-
(63,555,756)	-	(63,555,756)	-
-	1,185,445	1,185,445	-
-	64,055	64,055	-
-	1,249,500	1,249,500	-
(63,555,756)	1,249,500	(62,306,256)	-
-	-	-	(82,882)
13,887,103	-	13,887,103	-
23,959,975	-	23,959,975	-
26,373,509	-	26,373,509	-
3,574,273	-	3,574,273	-
14,330	-	14,330	-
5,165,176	450,279	5,615,455	-
1,250,480	257,743	1,508,223	-
825,294	-	825,294	-
75,050,140	708,022	75,758,162	-
11,494,384	1,957,522	13,451,906	(82,882)
733,803,875	77,823,379	811,627,254	(960,750)
19,679	-	19,679	(19,679)
733,823,554	77,823,379	811,646,933	(980,429)
\$ 745,317,938	\$ 79,780,901	\$ 825,098,839	\$ (1,063,311)

See Notes to Financial Statements.

CITY OF PALM DESERT
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Prop A Fire Tax</u>	<u>Housing Asset Fund</u>	<u>Housing Authority</u>
Assets:				
Pooled cash and investments	\$ 124,938,153	\$ 19,058,450	\$ 38,807,689	\$ 16,258,989
Receivables:				
Accounts	2,322,660	496,957	-	36,378
Assessments	-	-	-	-
Notes	1,032,000	-	-	-
Interest	590,361	-	19,553	-
Loans	14,978	-	11,178,813	-
Leases Receivable	3,196,493	-	-	-
Prepaid costs	498,844	-	551	-
Deposits	-	-	-	-
Due from other governments	6,287,055	1,787,917	-	-
Due from other funds	1,136,962	-	-	-
Advances to other funds	1,956,000	-	-	-
Inventories	-	-	-	-
Property held for resale	-	-	61,516	-
Due from component unit	420,000	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	2	3,758,346
Total Assets	<u>\$ 142,393,506</u>	<u>\$ 21,343,324</u>	<u>\$ 50,068,124</u>	<u>\$ 20,053,713</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 12,918,122	\$ 5,604,693	\$ 33,692	\$ 28,404
Accrued liabilities	575,858	-	-	147,603
Unearned revenues	-	-	-	27,002
Deposits payable	3,352,482	-	-	593,274
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>16,846,462</u>	<u>5,604,693</u>	<u>33,692</u>	<u>796,283</u>
Deferred Inflows of Resources:				
Unavailable revenue	1,461,875	-	19,551	-
Leases	3,168,657	-	-	-
Total Deferred Inflows of Resources:	<u>4,630,532</u>	<u>-</u>	<u>19,551</u>	<u>-</u>
Fund Balances:				
Nonspendable	3,501,822	-	551	-
Restricted	-	15,738,631	50,014,330	7,381,942
Committed	83,424,843	-	-	11,875,488
Assigned	19,282,496	-	-	-
Unassigned	14,707,351	-	-	-
Total Fund Balances	<u>120,916,512</u>	<u>15,738,631</u>	<u>50,014,881</u>	<u>19,257,430</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 142,393,506</u>	<u>\$ 21,343,324</u>	<u>\$ 50,068,124</u>	<u>\$ 20,053,713</u>

See Notes to Financial Statements.

CITY OF PALM DESERT
Balance Sheet
Governmental Funds
June 30, 2023

	<u>Capital Projects Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Capital Properties</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ 1,633,533	\$ 85,737,530	\$ 286,434,344
Receivables:			
Accounts	-	902,488	3,758,483
Assessments	-	1,081,004	1,081,004
Notes	-	-	1,032,000
Interest	257,841	49,251	917,006
Loans	-	1,221,675	12,415,466
Leases Receivable	-	-	3,196,493
Prepaid costs	-	34,087	533,482
Deposits	-	20,000	20,000
Due from other governments	-	1,481,420	9,556,392
Due from other funds	-	-	1,136,962
Advances to other funds	-	3,179,888	5,135,888
Inventories	-	17,570	17,570
Property held for resale	-	-	61,516
Due from component unit	-	-	420,000
Restricted assets:			
Cash and investments with fiscal agent	64,615,310	-	68,373,658
Total Assets	<u>\$ 66,506,684</u>	<u>\$ 93,724,913</u>	<u>\$ 394,090,264</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 394,640	\$ 5,223,273	\$ 24,202,824
Accrued liabilities	-	14,520	737,981
Unearned revenues	14,901,154	532,107	15,460,263
Deposits payable	-	3,780	3,949,536
Due to other funds	-	1,136,962	1,136,962
Advances from other funds	-	956,000	956,000
Total Liabilities	<u>15,295,794</u>	<u>7,866,642</u>	<u>46,443,566</u>
Deferred Inflows of Resources:			
Unavailable revenue	-	1,405,998	2,887,424
Leases	-	-	3,168,657
Total Deferred Inflows of Resources:	<u>-</u>	<u>1,405,998</u>	<u>6,056,081</u>
Fund Balances:			
Nonspendable	-	51,657	3,554,030
Restricted	51,210,890	48,185,259	172,531,052
Committed	-	3,692,757	98,993,088
Assigned	-	32,522,600	51,805,096
Unassigned	-	-	14,707,351
Total Fund Balances	<u>51,210,890</u>	<u>84,452,273</u>	<u>341,590,617</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 66,506,684</u>	<u>\$ 93,724,913</u>	<u>\$ 394,090,264</u>

See Notes to Financial Statements.



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CITY OF PALM DESERT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Total fund balance for governmental funds		\$ 341,590,617
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of depreciation/amortization have not been included as financial resources in the governmental fund activity.		419,648,133
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows and deferred inflows of resources on the Statement of Net Position		
Deferred outflows-pension related	13,243,801	
Deferred outflows-OPEB related	4,860,869	
Deferred inflows-pension related	(1,614,248)	
Deferred inflows-OPEB related	<u>(433,542)</u>	16,056,880
Long-term debt, claims and judgements and net pension liability are not in the governmental fund activity:		
Bonds	(1,158,000)	
Claims and judgments	(679,881)	
Lease liability	(2,197,126)	
SBITA Liability	(399,583)	
Net OPEB liability	(855,839)	
Net pension liability	<u>(38,681,819)</u>	(43,972,248)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(56,038)
Unavailable revenues are not reported as revenues in governmental funds and thus have the effect of decreasing fund balances. For the City as a whole, however, the collection of these receipts increases the net position in the Statement of Net Position and results in revenues in the Statement of Activities.		2,887,424
Internal service funds are used by management to charge the costs of certain activities, such as equipment and compensated absences to individual funds. The assets and liabilities of the internal service fund must be added to the Statement of Net Position.		<u>9,163,170</u>
Net Position of Governmental Activities		<u>\$ 745,317,938</u>

CITY OF PALM DESERT
Statement of Revenues
Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	General	Prop A Fire Tax	Housing Asset Fund	Housing Authority
Revenues:				
Taxes	\$ 70,722,443	\$ 9,169,242	\$ -	\$ -
Special assessments collected	-	2,138,587	-	-
Licenses and permits	2,539,460	-	-	-
Intergovernmental revenues	1,615,519	1,457,526	-	-
Rental income	138,649	-	-	8,737,330
Charges for services	1,918,866	3,100,323	-	-
Investment earnings	5,025,534	222,043	1,554,962	685,559
Fines and forfeitures	119,702	-	-	-
Miscellaneous	568,556	-	38,780	-
Total Revenues	82,648,729	16,087,721	1,593,742	9,422,889
Expenditures:				
Current:				
General government	22,880,727	-	-	-
Public safety	23,304,557	16,970,960	-	-
Parks, recreation and culture	5,561,999	-	-	-
Public works	6,879,202	-	-	-
Housing	-	-	419,870	8,874,525
Capital outlay	685,071	660,442	56,074	-
Debt service:				
Principal retirement	129,574	-	-	-
Interest and fiscal charges	4,498	-	-	-
Total Expenditures	59,445,628	17,631,402	475,944	8,874,525
Excess of Revenues Over (Under) Expenditures	23,203,101	(1,543,681)	1,117,798	548,364
Other Financing Sources (Uses):				
Transfers in	2,478,731	4,600,000	-	-
Transfers out	(24,813,041)	-	-	(415,990)
Proceeds from sale of capital asset	452,687	-	293,804	-
Contribution to other government	(834,654)	-	-	-
Proceeds from subscriptions	529,156	-	-	-
Total Other Financing Sources (Uses)	(22,187,121)	4,600,000	293,804	(415,990)
Net Change in Fund Balances	1,015,980	3,056,319	1,411,602	132,374
Fund Balances, Beginning of Year	119,880,853	12,682,312	48,603,279	19,125,056
Restatements	19,679	-	-	-
Fund Balances, Beginning of Year, as restated	119,900,532	12,682,312	48,603,279	19,125,056
Fund Balances, End of Year	\$ 120,916,512	\$ 15,738,631	\$ 50,014,881	\$ 19,257,430

See Notes to Financial Statements.

CITY OF PALM DESERT
Statement of Revenues
Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	Capital Projects Funds		
	Capital Properties	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 6,796,234	\$ 86,687,919
Special assessments collected	-	1,480,385	3,618,972
Licenses and permits	-	571,716	3,111,176
Intergovernmental revenues	-	3,638,318	6,711,363
Rental income	-	82,981	8,958,960
Charges for services	-	3,724,605	8,743,794
Investment earnings	2,203,742	2,437,890	12,129,730
Fines and forfeitures	-	7,385	127,087
Miscellaneous	-	244,817	852,153
Total Revenues	2,203,742	18,984,331	130,941,154
Expenditures:			
Current:			
General government	1,540	2,014,679	24,896,946
Public safety	-	384,731	40,660,248
Parks, recreation and culture	-	12,146,635	17,708,634
Public works	824,708	7,583,978	15,287,888
Housing	-	1,016,156	10,310,551
Capital outlay	158,993	6,275,182	7,835,762
Debt service:			
Principal retirement	-	136,000	265,574
Interest and fiscal charges	-	129,640	134,138
Total Expenditures	985,241	29,687,001	117,099,741
Excess of Revenues Over (Under) Expenditures	1,218,501	(10,702,670)	13,841,413
Other Financing Sources (Uses):			
Transfers in	1,800,000	17,867,742	26,746,473
Transfers out	-	(2,478,731)	(27,707,762)
Proceeds from sale of capital asset	-	-	746,491
Contribution to other government	-	-	(834,654)
Proceeds from subscriptions	-	-	529,156
Total Other Financing Sources (Uses)	1,800,000	15,389,011	(520,296)
Net Change in Fund Balances	3,018,501	4,686,341	13,321,117
Fund Balances, Beginning of Year	48,192,389	79,765,932	328,249,821
Restatements	-	-	19,679
Fund Balances, Beginning of Year, as restated	48,192,389	79,765,932	328,269,500
Fund Balances, End of Year	\$ 51,210,890	\$ 84,452,273	\$ 341,590,617

See Notes to Financial Statements.



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CITY OF PALM DESERT
Reconciliation of the Revenues, Expenditures
and Changes in the Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ 13,321,117

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 costs of those assets are allocated over their estimated useful lives as depreciation/amortization expense.

Capital outlay	\$ 13,151,163	
Loss on disposal and transfer of capital assets	(3,572,869)	
Depreciation and amortization	<u>(11,460,183)</u>	(1,881,889)

Bond and other debt proceeds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond principal payments	77,000	
Subscriptions issued	(529,156)	
Subscription and lease payments	<u>398,389</u>	(53,767)

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 governmental funds:

Net change in accrued interest for the current period	(9,383)	
Net change in claims and judgments for the current period	<u>(115,408)</u>	(124,791)

Pension obligation and OPEB expenses are expenditures in the governmental funds, but reduce the Net Pension Liability and Net OPEB Liability in the statement of net position:

Pension expense	208,654	
OPEB expense	<u>735,400</u>	944,054

Unavailable revenues are not reported as revenues in governmental funds and thus has the effect of decreasing fund balances. For the City as a whole, however, the collection of these receipts increases the net position in the Statement of Net Position and results in revenues in the Statement of Activities.

(465,423)

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.

(244,917)

Change in Net Position of Governmental Activities

\$ 11,494,384

CITY OF PALM DESERT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds			Governmental
	Parkview Office Complex	Desert Willow Golf Course	Total Enterprise Funds	Activities - Internal Service Funds
Assets:				
Current Assets:				
Cash and investments	\$ 8,242,310	\$ 5,858,208	\$ 14,100,518	\$ 9,152,744
Receivables:				
Accounts	134,734	106,702	241,436	-
Lease	799,886	-	799,886	-
Prepaid costs	-	25,479	25,479	1,996
Inventories	-	313,932	313,932	-
Due from component unit	-	1,578,564	1,578,564	-
Total Current Assets	9,176,930	7,882,885	17,059,815	9,154,740
Noncurrent Assets:				
Lease receivable	4,312,103	-	4,312,103	-
Nondepreciable capital assets	-	53,304,965	53,304,965	11,821
Depreciable capital assets, net	5,295,210	10,958,557	16,253,767	2,597,637
Total Noncurrent Assets	9,607,313	64,263,522	73,870,835	2,609,458
Total Assets	18,784,243	72,146,407	90,930,650	11,764,198
Liabilities:				
Current Liabilities:				
Accounts payable	355,421	650,840	1,006,261	-
Accrued liabilities	-	232,666	232,666	-
Unearned revenues	29,314	304,522	333,836	-
Deposits payable	26,590	-	26,590	-
Financed purchases	-	86,217	86,217	-
Compensated absences	-	-	-	500,000
Total Current Liabilities	411,325	1,274,245	1,685,570	500,000
Noncurrent Liabilities:				
Financed purchases	-	232,952	232,952	-
Advances from other funds	-	4,179,888	4,179,888	-
Compensated absences	-	-	-	2,101,028
Total Noncurrent Liabilities	-	4,412,840	4,412,840	2,101,028
Total Liabilities	411,325	5,687,085	6,098,410	2,601,028
Deferred Inflows of Resources:				
Leases	5,051,339	-	5,051,339	-
Total Deferred Inflows of Resources	5,051,339	-	5,051,339	-
Net Position:				
Net investment in capital assets	5,295,210	63,944,353	69,239,563	2,609,458
Unrestricted	8,026,369	2,514,969	10,541,338	6,553,712
Total Net Position	\$ 13,321,579	\$ 66,459,322	\$ 79,780,901	\$ 9,163,170

See Notes to Financial Statements.

CITY OF PALM DESERT
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major Funds		Total Enterprise Funds	
	Parkview Office Complex	Desert Willow Golf Course		
Operative Revenues:				
Fees and rentals	\$ 1,473,376	\$ 10,480,418	\$ 11,953,794	\$ -
Miscellaneous	-	257,743	257,743	-
Merchandise sales	-	1,679,001	1,679,001	-
Total Operating Revenues	1,473,376	12,417,162	13,890,538	-
Operating Expenses:				
General and administrative	146,143	2,954,930	3,101,073	425,084
Cost of merchandise	-	725,418	725,418	-
Maintenance and operations	948,002	6,050,549	6,998,551	394,955
Depreciation and amortization	315,176	1,224,975	1,540,151	751,260
Total Operating Expenses	1,409,321	10,955,872	12,365,193	1,571,299
Operating Income (Loss)	64,055	1,461,290	1,525,345	(1,571,299)
Nonoperating Revenues (Expenses)				
Interest revenue	331,447	118,832	450,279	286,290
Interest expense	-	(117,256)	(117,256)	-
Gain on disposal of capital assets	-	-	-	78,803
Total Nonoperating Revenues (Expenses)	331,447	1,576	333,023	365,093
Income (Loss) Before Capital Contributions & Transfers	395,502	1,462,866	1,858,368	(1,206,206)
Capital Contributions	-	99,154	99,154	-
Transfers In	-	-	-	961,289
Change in Net Position	395,502	1,562,020	1,957,522	(244,917)
Net Position, Beginning of Year	12,926,077	64,897,302	77,823,379	9,408,087
Net Position, End of Year	\$ 13,321,579	\$ 66,459,322	\$ 79,780,901	\$ 9,163,170

See Notes to Financial Statements.

CITY OF PALM DESERT
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Major Funds</u>		<u>Total Enterprise Funds</u>	
	<u>Parkview Office Complex</u>	<u>Desert Willow Golf Course</u>		
Cash Flows from Operating Activities:				
Receipts from customers	\$ 1,364,506	\$ 12,067,646	\$ 13,432,152	\$ -
Payments to suppliers	(784,472)	(9,603,099)	(10,387,571)	(401,470)
Cash paid to employees for services	-	-	-	(113,394)
Net Cash Provided (Used) by Operating Activities	580,034	2,464,547	3,044,581	(514,864)
Cash Flows from Noncapital and Related Financing Activities:				
Cash received from other funds	-	-	-	961,289
Repayment of advances from other funds	-	(500,000)	(500,000)	-
Advance received from other funds	-	3,179,888	3,179,888	-
Net Cash Provided by (Used) Noncapital and Related Financing Activities	-	2,679,888	2,679,888	961,289
Cash Flows from Capital and : Related Financing Activities				
Purchases of capital assets	-	(3,583,646)	(3,583,646)	(90,621)
Principal paid financed purchases	-	(222,721)	(222,721)	-
Interest paid on financed purchases	-	(117,256)	(117,256)	-
Proceeds from sale of capital assets	-	453,616	453,616	86,265
Net Cash Used by Capital and Related Financing Activities	-	(3,470,007)	(3,470,007)	(4,356)
Cash Flows from Investing Activities:				
Interest and dividends	331,447	118,832	450,279	286,290
Net Cash Provide by (Used) Investing Activities	331,447	118,832	450,279	286,290
Net Increase (Decrease) in Cash and Cash Equivalents	911,481	1,793,260	2,704,741	728,359
Cash and Cash Equivalents, Beginning of Year	7,330,829	4,064,948	11,395,777	8,424,385
Cash and Cash Equivalents, End of Year	\$ 8,242,310	\$ 5,858,208	\$ 14,100,518	\$ 9,152,744

See Notes to Financial Statements.

CITY OF PALM DESERT
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Parkview Office Complex	Desert Willow Golf Course		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 64,055	\$ 1,461,290	\$ 1,525,345	\$ (1,571,299)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	315,176	1,224,975	1,540,151	751,260
Changes in assets and liabilities:				
(Increase) decrease in receivables, net	(31,074)	15,234	(15,840)	-
(Increase) decrease in lease receivable, net	(33,358)	-	(33,358)	-
(Increase) decrease in prepaid costs	-	28,963	28,963	4,150
(Increase) decrease in due from other governments	-	-	-	-
(Increase) decrease in inventories	-	(45,672)	(45,672)	-
(Increase) decrease in due from component unit	-	(383,040)	(383,040)	-
Increase (decrease) in accounts payable and accrued liabilities	309,673	144,507	454,180	(10,665)
Increase (decrease) in deposits payable	-	-	-	-
Increase (decrease) in unearned revenue	(44,438)	18,290	(26,148)	-
Increase (decrease) in compensated absences	-	-	-	311,690
Total Adjustments	515,979	1,003,257	1,519,236	1,056,435
Net Cash Provided (Used) by Operating Activities	\$ 580,034	\$ 2,464,547	\$ 3,044,581	\$ (514,864)
Noncash Items:				
Capital Contributions	\$ -	\$ 99,154	\$ 99,154	\$ -

See Notes to Financial Statements.

CITY OF PALM DESERT
Statement of Fiduciary Position
Fiduciary Funds
June 30, 2023

	Custodial Funds	Private- Purpose Trust
		Successor Agency to the Palm Desert Redevelopment Agency
Assets:		
Pooled cash and investments	\$ 7,620,166	\$ 29,574,317
Receivables:		
Assessments	35,481,134	-
Accrued interest	699	164
Prepaid costs	-	1,223,948
Due from other governments	24,995	-
Restricted assets:		
Cash and investments with fiscal agents	2,948,748	12,493,814
Capital assets:		
Capital assets, not being depreciated	-	17,226,397
Total Assets	46,075,742	60,518,640
Liabilities:		
Accounts payable	-	704,122
Accrued interest	-	1,750,413
Deposits payable	35,481,134	20,000
Due to external parties/other agencies	7,638,549	-
Long-term liabilities:		
Long-term debt due in one year	-	19,915,000
Long-term debt due in more than one year	-	142,971,365
Total Liabilities	43,119,683	169,868,487
Deferred Inflows of Resources:		
Deferred charge on refunding	-	273,476
Total Deferred Inflows or Resources	-	273,476
Net Position:		
Restricted for dissolution of former RDA	-	(109,623,323)
Restricted for other purposes	2,956,059	-
Total Net Position	\$ 2,956,059	\$ (109,623,323)

CITY OF PALM DESERT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023

	Custodial Funds	Private- Purpose Trust Successor Agency to the Palm Desert Redevelopment Agency
Additions:		
Taxes	\$ 3,054,242	\$ 23,501,644
Investment income	201,683	261,102
Contributions from City	834,654	-
Other	-	-
Gain sale of capital assets	-	5,485,088
Total Additions	4,090,579	29,247,834
Deductions:		
Housing and development	-	945,727
Administrative expenses	50,179	-
Contractual services	1,216,447	-
Interest expense	1,446,244	6,287,959
Payments to bondholders	1,305,000	-
Contributions to other governments	-	12,167,792
Total Deductions	4,017,870	19,401,478
Changes in Net Position	72,709	9,846,356
Net Position, Beginning of Year	10,674,106	(119,469,679)
Restatement (Note 15)	(7,790,756)	-
Net Position, Beginning of Year, as restated	2,883,350	(119,469,679)
Net Position, End of Year	\$ 2,956,059	\$ (109,623,323)



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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description Of The Reporting Entity

The City of Palm Desert was originally incorporated on November 26, 1973, as a General Law City. In December 1997, Measure LL was enacted following a vote by Palm Desert residents, which adopted a City Charter. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, public improvements, community development (planning, building and zoning) and general administrative services.

The City has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America which provides guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. The Basic Financial Statements present information on the activities of the reporting entity, which include the City of Palm Desert (the primary government) and its component units, entities for which the government is considered financially accountable.

Accounting principles generally accepted in the United States of America require that the component units be separated into blended or discretely presented units for reporting purposes. The following criteria were used in determination of blended component units: appointment of the governing board and fiscal dependence. Although legally separate entities, blended component units are, in substance, part of the City's operations. Therefore, they are reported as part of the primary government. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the City.

Blended Component Units

Following are descriptions of legally separate component units for which the City is financially accountable that are blended with the Primary Government. The governing bodies of these component units are substantially the same with operational responsibility as the City and provides a financial benefit.

The Palm Desert Housing Authority (Housing Authority) was established by the City Council in January 1998, and is responsible for the administration of providing affordable housing in the City. The Housing Authority transactions are reported in the governmental funds balance sheet as a major fund.

The Palm Desert Financing Authority (Financing Authority) was formed on January 26, 1989. The purpose of the Financing Authority is to issue debt and loan the proceeds to the City and Agency. The Financing Authority's capital related transactions are reported in the governmental fund financial statements in the capital projects funds, and the collection of assessments and payments of debt service is recorded in the fiduciary funds.

The City Council of Palm Desert is the governing body for the Housing Authority and Financing Authority.

Separate financial statements are not issued for the Housing Authority and Financing Authority.

Discretely Presented Component Unit

The Palm Desert Recreational Facilities Corporation (Corporation) was incorporated on February 25, 1997. The purpose of the Corporation is to lease, operate and manage a restaurant and bar in the Desert Willow Golf Course in Palm Desert, California. The Board of Directors of the Corporation appoints an executive director to administer operations.

The Corporation is in a separate column to emphasize that it is legally separate from the City and is financially accountable to the City. The two-member board governing the Corporation is appointed by the City Council, the City has authority to approve the Corporation's budget, and the City must approve any debt issued.

Complete financial statements of the Component Unit can be obtained from the City's administrative offices.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide 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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are 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. Expenses reported for functional activities include allocated indirect expenses.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operation fund of the City or meets the following criteria:

- a. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and;
- b. Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined; and;
- c. The government has determined that a fund is important to the financial statement user.

The funds of the financial reporting entity are described below:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund Types

Enterprise Funds - The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Council is that the costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Primary Government's Enterprise funds consist of the Parkview Office Complex and the Desert Willow Golf Course. Desert Willow Golf Course is operated by a management company. The discretely presented Component Unit's fund consists of the Palm Desert Recreational Facilities Corporation, also operated by a management company.

Internal Service Funds - The Internal Service Funds account for financial transactions related to replacement of City-owned vehicles and equipment and to fund compensated absences. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

Fiduciary Fund Types

Private-Purpose Trust Fund

The Successor Agency to the Palm Desert Redevelopment Agency Private Purpose Trust Fund is used to account for the activities of the Successor Agency to the Palm Desert Redevelopment Agency.

Custodial Funds

The Custodial, Special Assessment and Treasurers 1911 Bond Act Funds are used to account for assets held by the City in a custodial capacity as a trustee. These assets include deposits placed with the City by individuals, as well as deposits from assessment district's property owners. These deposits are reduced by payments to individuals.

The City's Retiree Service Stipend Fund is used to account for assets held to pay for the retiree service stipend.

The Treasurers 1991 Bond Act Fund is used to account for assets held for the Bond Act.

The major funds are as follows:

Governmental Funds

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Prop A Fire Tax Special Revenue Fund is used to account for all revenues derived from tax collected within the City for upgrading fire protection and prevention. Its use is restricted to obtaining, furnishing, operating and maintaining fire protection and prevention services (currently under contract with Riverside County Fire Department) equipment or apparatus. This fund is reported as a major fund because the tax collected is a voter approved measure.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Housing Asset Special Revenue Fund is used to account for any funds generated from housing assets of the former Redevelopment Agency to be used for projects that benefit low and moderate income families.

The Housing Authority Special Revenue Fund is used to account for revenues and expenditures related to rental units owned by the Housing Authority, established in January 1998. This fund is determined to be important to the users of the financial statements and determined to be a major fund.

The Capital Properties Capital Projects Fund is used to account for the cost of city owned properties that will either be sold or for the construction of public facilities, and the proceeds of bond funds for capital related properties.

Proprietary Fund

The Parkview Office Complex Fund is used to account for rent received from the City owned office complex.

The Desert Willow Golf Course Fund is used to account for the fees collected and expenses incurred in connection with operating the municipal golf course in the City of Palm Desert.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting objectives of the economic measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

1. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund and private purpose trust fund and custodial funds utilize an “economic resources” measurement focus. Proprietary fund and private purpose trust fund equity and custodial funds are classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Revenues that are susceptible to accrual include property taxes and special assessments that are levied for and due for the fiscal year and collected within 60 days after year-end. Licenses, permits, fines, forfeits, charges for services and miscellaneous revenues are recorded as governmental fund type revenues when received in cash because they are not generally measurable until actually received. Revenue from taxpayer assessed taxes, such as sales taxes, are recognized in the accounting period in which they became both measurable and available to pay liabilities of the current period. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met. 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.

Interfund activity has been eliminated from the general government function for the government-wide financial statements except for charges between the government’s Desert Willow Golf Course and Parkview Office Complex funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues for the various functions considered.

The accrual basis of accounting is followed by the proprietary fund and private purpose trust fund. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic assets are used.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund’s principal ongoing operations. The principal revenue of the Desert Willow Golf Course and Parkview Office Complex Enterprise Funds are charges to customers for use of the golf course and rental fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Appropriations Limit

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. For the fiscal year ended June 30, 2023, proceeds of taxes did not exceed appropriations.

E. Cash and Investments

For purposes of the statement of cash flows, the City has defined cash and investments to include cash on hand, demand deposits, investments held in various instruments, and investments held in the California Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP) and Riverside County Treasurer’s Pooled Investment Fund.

F. Investments

Investments are reported in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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, maturity, or sale of investments.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Held for Resale

The land held for resale is recorded in the Housing Asset Fund as property held for resale at the lower of cost or market. At June 30, 2023, the cost of the property held for resale for various housing properties in Palm Desert totaled \$61,516.

H. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, traffic signals, drainage systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost above the amounts described in the table below and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The City has reported general infrastructure assets acquired in prior and current years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Capitalization Threshold	Useful Life	Subject to Depreciation?
Land	\$0	Infinite	No
Buildings	\$100,000	20-50 Years	Yes
Infrastructure	\$100,000	10-50 Years	Yes
Improvements other than Buildings	\$100,000	20-50 Years	Yes
Equipment, Furniture & Vehicles	\$10,000	3-15 Years	Yes
Intangible Assets - Permanent Easements	\$10,000	Infinite	No
Intangible Assets - Temporary Easements	\$10,000	5 Years	Yes
City-Owned or Developed Software	\$100,000	5 Years	Yes
Works of Art / Historical Treasures	\$10,000	Infinite	No
Construction in Progress	\$0	N/A	No

I. Inventories, Prepaid Costs and Deposits

Inventory in the amount of \$313,932 and \$75,170, for the Desert Willow Golf Course Enterprise Fund (Primary Government) and Palm Desert Recreational Facilities Corporation (Component Unit), respectively, are reported at lower of cost or market. These inventories are held for resale.

Inventory in the amount of \$17,570 in the Other Governmental Funds are also reported at lower of cost or market. Inventory and prepaid costs are recorded as an expenditure when consumed rather than purchased.

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid costs in the government-wide and fund financial statements.

Deposit of \$20,000 in other governmental funds represents security deposit on rental of commercial space.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Property Tax Calendar

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date:	January 1
Levy date:	July 1 to June 30
Due date:	November 1 - 1st Installment March 1 - 2nd Installment
Delinquent date:	December 10 - 1st Installment April 10 - 2nd Installment

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas prescribed by state statutes. The City accrues only those taxes, which are received within 60 days after the year-end. The City is a participant in the Teeter Plan under the California Revenue and Taxation Code. The County of Riverside has responsibility for the collection of delinquent taxes and the City receives 100% of the levy.

K. Leases

Lessee

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. 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 the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is 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 inflow of resources is recognized as revenue over the life of the lease term.

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 its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. 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.

L. Subscription-Based Information Technology Arrangements

The City is a subscriber for a noncancellable subscription of information technology services. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City is reasonably certain to exercise.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Deferred amount on refunding. A deferred amount on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to pensions and OPEB. This amount is equal to employer contributions made after the measurement date of the net pension liability and net OPEB liability/(asset).
- Deferred outflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.
- Deferred outflows of resources related to pensions arising from a change in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan, which is 3.0 years.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from *unavailable revenue*, which arises under a modified accrual basis of accounting is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: rent, investment income, grants, notes receivables collections and reimbursements. These amounts are unavailable and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to pensions for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan, which is 3.0 years.
- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plan, which is 3.0 years.
- Deferred inflows from lease related items for the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first 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 OPEB and are to be recognized in future OPEB expense.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years straight-line recognition
All other amounts	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.

N. Employee Compensated Absences

It is the government’s policy to permit employees to accumulate earned but unused vacation and sick leave (compensated absences). Vacation pay and sick leave, which are expected to be liquidated with expendable available resources, are reported as expenditure and liability of the governmental fund that will pay it only if they have matured, for example, as a result of employee resignations or retirements.

O. Pensions

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

GASB Statement No. 68 requires 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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

P. Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and the OPEB expense 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, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balance

The fund balances reported on the fund statements now consist of the following categories:

- Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- Committed - This classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City considers the adoption of a resolution to institute a formal action of City Council for the purpose of establishing, modifying or rescinding committed fund balances.
- Assigned - This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This includes amounts that are assigned through adoption of a resolution by City Council. The Council may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. Such delegation of authority occurred on September 27th, 2018 and will be in effect for future fiscal years.
- Unassigned - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

R. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate trustee bank accounts and their use is limited to applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

T. Deficit Fund Equity

At June 30, 2023, the City reported deficit fund balances/net position in the following funds:

Primary Government

Fund Name	Fund Type	Deficit
Compensation Benefits	Internal Service Fund	\$ (272,399)

The deficit in the Compensation Benefits Fund will be eliminated in future years through contributions from other funds.

Component Unit

Fund Name	Fund Type	Deficit
Palm Desert Recreational Facilities Corporation	Component Unit	\$ (1,063,311)

The deficit in the Palm Desert Recreational Facilities Corporation will be eliminated with future revenues through banquet and dining reservations.

Fiduciary Funds

Fund Name	Fund Type	Deficit
Successor Agency to the Palm Desert Redevelopment Agency	Private-Purpose Trust Fund	\$ (109,623,323)

The deficit in the Successor Agency to the Palm Desert Redevelopment Agency Private-Purpose Trust Fund will be eliminated through future property taxes collected by the County under the direction of the State. The State of California is the responsible body for the elimination of this deficit.

U. Use of Estimates

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management's best estimates and judgments. The financial statements include estimates for the value of the capital assets (infrastructure), depreciation expense, the fair value of investments, the amounts reported for the net pension liability and related items (Note 11), the amounts reported for the net pension liability, net OPEB liability/(asset) and related items (Note 15), and claims payable (Note 9). Accordingly, actual results could differ from the estimates.

V. New GASB Pronouncements Effective During Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 91, Conduit Debt Obligations

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

GASB Statement No. 100, Accounting Changes and Error Corrections

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 2: CASH AND INVESTMENTS

As of June 30, 2023, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 363,960,746
Business-type activities	14,100,518
Component unit	1,216,690
Fiduciary funds	52,637,045
Total cash and investments	<u>\$ 431,914,999</u>

Cash and investments at June 30, 2023, consisted of the following:

<u>Primary Government</u>	
Demand accounts	\$ 20,721,619
Petty cash	22,550
Investments	357,317,095
Total cash and investments - Primary Government	<u>\$ 378,061,264</u>

<u>Component Unit</u>	
Demand accounts	<u>\$ 1,216,690</u>

<u>Fiduciary Funds</u>	
Demand accounts	\$ 37,106,568
Pooled with primary government	32,906
Investments	15,497,571
Total cash and investments - Fiduciary Funds	<u>\$ 52,637,045</u>

The City of Palm Desert maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

A. Deposits

At June 30, 2023, the carrying amount of the deposits was \$59,044,877, and the bank balance was \$59,647,216. The \$602,339 difference represents outstanding checks, deposits in transit and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an Entity's deposits by pledging government securities with a value of 110% of an Entity's deposits. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors.

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments

Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City’s investment policy. The table also identifies certain provisions of the California Government Code (or the City’s investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity *	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer *
United States Treasury Bills, Notes, Bonds	Yes	5 years	100%	none
United States Government-Sponsored Agency Securities	Yes	5 years	100%	30%
California State and Local Agency Debt	Yes	180 days	25%	none
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	5%	none
Time Certificates of Deposit	Yes	5 years	5%	none
Repurchase Agreements	Yes	1 year	10%	none
Medium-Term Corporate Notes	Yes	5 years	25%	10%
Money Market Mutual Funds	Yes	5 years	20%	none
Local Agency Investment Fund (LAIF)	Yes	N/A	\$75M/Acct	none
Structured Notes (STRIPS)	Yes	5 years	20%	none
Local Government Investment Pools	Yes	N/A	75%	none

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

GASB Statement No. 31

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values.

The City Treasurer is authorized under state and municipal law to invest in various types of securities that meet specified credit quality standards, based upon credit risk ratings assigned by Standard and Poors (S&P), Fitch, or by Moody’s Investor Services (Moody’s). Permissible City investments include medium-term notes that are rated “A” or higher at time of purchase; commercial paper that is rated “A-1” or the equivalent; money market mutual funds that are rated “AAA”; and United States Government and Federal Agency securities (the quality of United States Treasury securities is not analyzed since they are not deemed to have 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, when applicable, by the California Government Code, the City’s investment policy, or debt agreements, and the rating by Standard and Poor’s, Fitch and Moody’s as of year-end for each investment type.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Primary Government

Investment Type	Total	Minimum Legal Rating	Aaa	AAA	Other	Exempt or Not Rated
California Local Agency Investment Fund	\$ 21,483,702	N/A	\$ -	\$ -	\$ -	\$ 21,483,702
California Asset Management Program	205,329,656	N/A	-	205,329,656	-	-
Riverside County Treasurer's Pooled Investment Fund	2,449,520	N/A	2,449,520	-	-	-
U.S. Government Sponsored Agency Securities	35,532,809	N/A	35,532,809	-	-	-
Medium-Term Corporate Notes	24,147,750	N/A	-	-	24,147,750	-
Held by Fiscal Agent:						
Money Market Deposit Account	68,373,658	N/A	-	-	-	68,373,658
Total	\$ 357,317,095		\$ 37,982,329	\$ 205,329,656	\$ 24,147,750	\$ 89,857,360

The ratings for the "Other" category above are as follows:

Investment Type	A1	A2	Total
Medium-Term Corporate Notes	\$ 16,305,700	\$ 7,842,050	\$ 24,147,750

Fiduciary Funds

Investment Type	Total	Minimum Legal Rating	Aaa	AAA	Exempt or Not Rated
California Local Agency Investment Fund	\$ 762	N/A	\$ -	\$ -	\$ 762
California Asset Management Program	5,973	N/A	-	5,973	-
Riverside County Treasurer's Pooled Investment Fund	341	N/A	341	-	-
Investment in City Bonds	126,000	N/A	-	-	126,000
Held by Fiscal Agent:					
Money Market Deposit Account	15,364,495	N/A	-	-	15,364,495
Total	\$ 15,497,571		\$ 341	\$ 5,973	\$ 15,491,257

Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for the investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2023, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions on the percentage the City can invest in certain types of investments, which the City is in compliance. As of June 30, 2023, in accordance with GASB Statement No. 40, if the City has invested more than 10% of its total investments in any one issuer then they are exposed to concentration of credit risk. The City is not invested in any one issuer that is more than 10% of its total investments.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that the City shall not invest in securities with maturities exceeding five years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2023, the City had the following investments and maturities:

Primary Government

Investment Type	Total	Less Than 6 Months	6 Months - 1 Year	1 Year - 3 Years	Over 3 Years
California Local Agency Investment Fund	\$ 21,483,702	\$ 21,483,702	\$ -	\$ -	\$ -
California Asset Management Program	205,329,656	205,329,656	-	-	-
Riverside County Treasurer's Pooled Investment Fund	2,449,520	2,449,520	-	-	-
U.S. Government Sponsored Agency Securities	35,532,809	20,266,899	-	15,265,910	-
Medium-Term Corporate Notes	24,147,750	-	19,177,300	-	4,970,450
Held by Fiscal Agent:					
Money Market Deposit Account	68,373,658	68,373,658	-	-	-
Total	\$ 357,317,095	\$ 317,903,435	\$ 19,177,300	\$ 15,265,910	\$ 4,970,450

Fiduciary Funds

Investment Type	Total	Less Than 6 Months	6 Months - 1 Year	1 Year - 3 Years	Over 3 Years
California Local Agency Investment Fund	\$ 762	\$ 762	\$ -	\$ -	\$ -
California Asset Management Program	5,973	5,973	-	-	-
Riverside County Treasurer's Pooled Investment Fund	341	341	-	-	-
Investment in City Bonds	126,000	67,000	-	59,000	-
Held by Fiscal Agent:					
Money Market Deposit Account	15,364,495	15,364,495	-	-	-
Total	\$ 15,497,571	\$ 15,438,571	\$ -	\$ 59,000	\$ -

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in California Asset Management Program

The California Asset Management Program (CAMP) is a public joint powers authority which provides California Public Agencies with investment management services for surplus funds and comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings. The CAMP currently offers the Cash Reserve Portfolio, a short-term investment portfolio, as a means for Public Agencies to invest these funds. Public Agencies that invest in the Pool (Participants) purchase shares of beneficial interest.

Participants may also establish individual, professionally managed investment accounts (Individual Portfolios) by separate agreement with the Investment Advisor.

Investments in the Pools and Individual Portfolios are made only in investments in which Public Agencies generally are permitted by California statute. The CAMP may reject any investment and may limit the size of a Participant's account. The Pool seeks to maintain, but does not guarantee, a constant net asset value of \$1.00 per share. A Participant may withdraw funds from its Pool accounts at any time by check or wire transfers. Requests

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

for same-day wire transfers must be made by 11:00 a.m. that day. Fair value of the Pool is determined by the fair value per share of the Pool's underlying portfolio.

Investment in Riverside County Treasurer's Pooled Investment Fund

The City is a voluntary participant in the Riverside County Treasurer's Pooled Investment Fund (Pooled Fund). The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value that the Riverside County Treasurer's Office has provided for the entire Pooled Fund (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based upon the accounting records that the Riverside County Treasurer's Office maintains, which are recorded on an amortized cost basis.

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by City's asset manager from third party service provider.

The following is a description of the recurring valuation methods and assumptions used by the City to estimate the fair value of its investments.

For a large portion of the City's portfolio, the City's custodian applies their leveling methodology across all securities in a specific sector (i.e. U.S. Government Sponsored Agency Securities). Inputs to their pricing models are based on observable market inputs in active markets.

The Successor Agency Former RDA's investment in City bonds is not tradable and is categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

Primary Government

Investment Type	Total	Input Category			
		Level 1	Level 2	Level 3	Uncategorized
California Local Agency Investment Fund	\$ 21,483,702	\$ -	\$ -	\$ -	\$ 21,483,702
California Asset Management Program	205,329,656	-	-	-	205,329,656
Riverside County Treasurer's Pooled Investment Fund	2,449,520	-	-	-	2,449,520
U.S. Government Sponsored Agency Securities	35,532,809	-	\$ 35,532,809	-	-
Medium-Term Corporate Notes	24,147,750	-	24,147,750	-	-
Held by Fiscal Agent: Money Market Deposit Account	68,373,658	-	-	-	68,373,658
Total	\$ 357,317,095	\$ -	\$ 59,680,559	\$ -	\$ 297,636,536

Fiduciary Funds

Investment Type	Total	Input Category			
		Level 1	Level 2	Level 3	Uncategorized
California Local Agency Investment Fund	\$ 762	\$ -	\$ -	\$ -	\$ 762
California Asset Management Program	5,973	-	-	-	5,973
Riverside County Treasurer's Pooled Investment Fund	341	-	-	-	341
Investment in City Bonds	126,000	-	-	126,000	-
Held by Fiscal Agent: Money Market Deposit Account	15,364,495	-	-	-	15,364,495
Total	\$ 15,497,571	\$ -	\$ -	\$ 126,000	\$ 15,371,571

NOTE 3: NOTES AND LOANS RECEIVABLE

A. Notes Receivable

On August 8, 2006, the City of Palm Desert issued \$3,165,000 of Limited Obligation Bonds. The proceeds of the Bonds were used to finance the construction of the utility undergrounding and pay the cost of issuance. The debt

NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)

service on the bonds is to be paid by assessments secured on the property tax rolls of those properties benefiting from the improvements. Bond maturities began September 2, 2007, and continue annually through 2036. The interest rates of the bonds range from 3.85% to 5.15%. The City of Palm Desert is the only bondholder on record for the bonds and reports a receivable in the general fund that corresponds to the outstanding principal on the bonds. As of June 30, 2023, the receivable balance was \$1,032,000.

B. Loans Receivable

The City entered into several individual loan agreements with residents of the Highlands Utility Undergrounding Assessment District No. 04-01. The loans were issued by the City to pay off the principal of the respective properties assessment. In turn, the residents agreed to pay to the City the full cost of the loan amount plus any accrued interest at a rate of 5.35%. The full amount of the loan along with all accrued interest is due and payable at the earliest of September 2, 2036 or any change in ownership of the property. As of June 30, 2023, the total receivable from the Highlands Deferral Loan Program was \$14,978.

Pursuant to Health and Safety Code 34176(b), the housing assets of the former RDA have been transferred to the Housing Asset Fund as the successor housing entity. The Housing Asset Fund has a loan receivable for the construction of a multi-family affordable housing development dated June 14, 2001 due from the PD Hovley Limited Partnership. The loan is secured by a Deed of Trust and Regulatory Agreement with Options on the housing development located in Palm Desert. On April 8, 2021 the Authority Board approved the re-syndication, refinancing and rehabilitation of the affordable housing development. The existing 2001 loan was modified to extend its maturity for fifty-five (55) years and provides for a suspension of principal payments for the estimated construction period. The Authority Loan shall bear interest at the greater of the current applicable federal rate as of the date of the Promissory Note or one percent (1%) simple interest per annum, and will be repaid from seventy-five percent (75%) of the developments residual receipts remaining after payment of fees and expenses. As of June 30, 2023, the total receivable from PD Hovley Limited Partnership was \$5,148,813.

The Housing Asset Fund has a loan receivable for the construction of a multi-family affordable housing development dated December 20, 2022, due from Palm Desert Pacific Associates, a California Limited Partnership. The Authority Loan shall bear interest at three percent (3%) simple interest per annum, and repayment will commence as follows: 50% of Project Net Cash Flow, as defined in the Loan Agreement shall be paid to PDHA on an annual basis on June 30th after the first anniversary of issuance of a final certificate of occupancy for the project and each annual anniversary thereafter (with respect to the Project New Cash Flow for the preceding year ending on June 30th prior to each such payment date) until the Note has been satisfied in full. As of June 30, 2023, the total receivable from Palm Desert Pacific Associates was \$6,030,000 and management has no reason to believe any allowance for doubtful accounts should be established for the loan.

On August 28, 2008, the City Council approved through resolution the Energy Independence Program (EIP), which is supported by Assembly Bill AB811. The EIP program allowed the City to create the funding mechanism to assist the residents and businesses entering into a loan agreement with the City and providing the money for the borrowers to acquire and install energy efficient improvements. Assembly Bill AB811 allows the City to lien the properties through annual property tax assessments for a period not to exceed 20 years. To date, 279 residents and business owners entered into loan agreements with the City and have completed their improvements through the EIP program, as of June 30, 2023, 160 loans have been repaid. The loans are payable in two annual installments for a period of 5 years to 20 years at an interest rate of 7% annually. On June 30, 2023, the outstanding loans receivable through the EIP Program was \$1,221,675.

Pursuant to Health and Safety Code 34176(b), the housing assets of the former RDA have been transferred to the Palm Desert Housing Authority as the successor housing entity. The Housing Authority has loans for several other projects, all of which are secured by a deed of trust. An allowance for doubtful accounts equal to the loan balance has been recognized since there is a significant possibility that these loans will either become uncollectible or forgiven by the Housing Authority at a future date if all the terms of the loans have been met.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)

Detailed information for these loans is as follows:

Project Name	Principal Balance Outstanding	Accrued Unpaid Interest Outstanding	Total Outstanding as of June 30, 2023	Interest Rate	Maturity Date	Notes
Home Improvement Loans	324,466	-	324,466	N/A	N/A	(1),(2)
Portola Palms Mobile Home Park	94,930	2,848	97,778	3.00%	30 years	(3)
Desert Rose	2,319,754	69,593	2,389,347	3.00%	30-45 years*	(1),(3)
Falcon Crest	3,023,876	90,716	3,114,592	3.00%	30-45 years*	(1),(2)
Acquisition, Rehabilitation, Resale	190,510	5,715	196,225	3.00%	30-45 years	(2)
Habitat for Humanity	327,000	23,708	350,708	7.25%	30 years or 2024	(2)
	<u>\$ 6,280,536</u>	<u>\$ 192,580</u>	6,473,116			
			Less: Allowance for Doubtful Accounts		(6,473,116)	
			Balance at June 30, 2023	\$	<u>-</u>	

NOTE 4: INTERFUND RECEIVABLES, PAYABLE, ADVANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2023, was as follows:

A. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	<u>\$ 1,136,962</u>

The amounts loaned from the General Fund to non-major governmental funds and capital properties were to cover cash shortfall at year end as of June 30, 2023.

B. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 956,000
	Desert Willow Golf Course	1,000,000
Other Governmental Funds	Desert Willow Golf Course	3,179,888
		<u>\$ 5,135,888</u>

The General Fund advanced \$956,000 to the Energy Independence Special Revenue Fund to payoff the bonds used to fund energy efficiency, and loaned \$1,000,000 to Desert Willow Golf Course to fund the daily operations, including the daily operations of the restaurant. The advance to the Energy Independence Special Revenue Fund is repaid as the Energy Independence Program (EIP) loans are repaid. See Note 3 for more information on these loans.

The Capital Golf fund advanced \$3,627,329 to the Desert Willow Golf Course for the purchases of golf carts totaling \$2,051,890 and golf course equipment totaling \$1,575,439. The advance for the golf carts will be repaid over 48 months beginning January 1, 2023 and bears interest at a rate of 2.5%. The advance for the golf course equipment will be repaid over 60 months beginning November 1, 2022 and bears interest at a rate of 2.5%.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 4: INTERFUND RECEIVABLES, PAYABLE, ADVANCES AND TRANSFERS (CONTINUED)

The future payment schedule for these advances are as follows:

Fiscal Year	Advance to Other Governmental Fund		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 780,687	\$ 70,592	\$ 851,279
2025	800,428	50,849	851,277
2026	820,670	30,608	851,278
2027	633,196	10,937	644,133
2028	144,907	756	145,663
Total	\$ 3,179,888	\$ 163,742	\$ 3,343,630

C. Due To/From Component Unit

Receivable Fund	Payable Fund	Amount
General Fund	Palm Desert Recreational Facilities Corporation	\$ 420,000
Desert Willow Golf Course	Palm Desert Recreational Facilities Corporation	1,578,564
		\$ 1,998,564

The Palm Desert Recreational Facilities Corporation (the Corporation) owes the General Fund \$420,000 in deferred unpaid rent for various years through FY 2020-2021 associated with the lease between the City and the Corporation. The Corporation owes the Desert Willow Golf Course Fund \$1,578,564 which represents subsidies for operation, \$1,195,524 of which relates to prior fiscal years and \$383,040 which relates to the current year. There is no payment schedule in place for the repayment of these amounts, therefore these transactions have been recorded as long-term in the accompanying financial statements.

D. Interfund Transfers

The composition of interfund transfers as of June 30, 2023, was as follows:

Transfers Out	Transfers In					Totals
	General Fund	Prop A Fire Tax Special Revenue Fund	Capital Properties Projects Fund	Other Governmental Funds	Internal Service Fund	
General Fund	\$ -	\$ 4,600,000	\$ 1,800,000	\$ 17,451,752	\$ 961,289	\$ 24,813,041
Housing Authority						
Special Revenue Fund	-	-	-	415,990	-	415,990
Other Governmental Funds	2,478,731	-	-	-	-	2,478,731
Totals	\$ 2,478,731	\$ 4,600,000	\$ 1,800,000	\$ 17,867,742	\$ 961,289	\$ 27,707,762

Transfers are used to:

1. Transfer revenues to provide for capital projects.
2. Transfer revenues to provide for additional resources to pay for expenditures.
3. Transfer to cover future cost of assets.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2023, was as follows:

A. Primary Government – Governmental Activities

	Balance July 1, 2022	Transfers	Additions	Deletions	Balance June 30, 2023
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 82,066,168	\$ -	\$ 220,921	\$ -	\$ 82,287,089
Right-of-way	121,210,045	-	50,000	-	121,260,045
Construction-in-progress	18,450,547	(6,087,441)	1,389,462	(3,572,868)	10,179,700
Total capital assets, not being depreciated/amortized	<u>221,726,760</u>	<u>(6,087,441)</u>	<u>1,660,383</u>	<u>(3,572,868)</u>	<u>213,726,834</u>
Capital assets, being depreciated/amortized					
Buildings	144,293,925	-	6,846,930	-	151,140,855
Improvements other than buildings	60,724,608	158,113	2,779,842	-	63,662,563
Machinery, equipment, and vehicles	11,277,689	-	276,110	(107,074)	11,446,725
Infrastructure	247,521,105	5,844,499	1,044,052	-	254,409,656
Lease assets	2,603,284	-	-	-	2,603,284
Subscription assets	-	-	543,846	-	543,846
Equipment - Internal service fund	9,205,887	84,829	90,621	(500,987)	8,880,350
Total capital assets, being depreciated/amortized	<u>475,626,498</u>	<u>6,087,441</u>	<u>11,581,401</u>	<u>(608,061)</u>	<u>492,687,279</u>
Less accumulated depreciation/amortization					
Buildings	(78,047,903)	-	(3,573,698)	-	(81,621,601)
Improvements other than buildings	(48,675,399)	-	(1,928,401)	-	(50,603,800)
Machinery and equipment	(10,124,102)	-	(499,151)	107,073	(10,516,180)
Infrastructure	(129,439,376)	-	(5,095,482)	-	(134,534,858)
Lease assets	(233,919)	-	(234,737)	-	(468,656)
Subscription assets	-	-	(128,714)	-	(128,714)
Equipment - Internal service fund	(6,024,978)	-	(751,260)	493,525	(6,282,713)
Total accumulated depreciation/amortization	<u>(272,545,677)</u>	<u>-</u>	<u>(12,211,443)</u>	<u>600,598</u>	<u>(284,156,522)</u>
Total capital assets, being depreciated/amortized, net	<u>203,080,821</u>	<u>6,087,441</u>	<u>(630,042)</u>	<u>(7,463)</u>	<u>208,530,757</u>
Total Governmental Activities Capital Assets	<u>\$ 424,807,581</u>	<u>\$ -</u>	<u>\$ 1,030,341</u>	<u>\$ (3,580,331)</u>	<u>\$ 422,257,591</u>

Depreciation/amortization expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 2,095,474
Housing and redevelopment	1,600,448
Public safety	93,486
Public works	6,266,926
Parks, recreation and culture	1,403,849
Internal Service Funds	751,260
Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 12,211,443</u>

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 5: CAPITAL ASSETS (CONTINUED)

B. Primary Government – Business-Type Activities

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Business-type activities:				
Capital assets, not being depreciated/amortized				
Land	\$ 53,304,965	\$ -	\$ -	\$ 53,304,965
Total capital assets, not being depreciated/amortized	53,304,965	-	-	53,304,965
Capital assets, being depreciated/amortized				
Buildings and improvements	28,576,279	25,614	-	28,601,893
Machinery and equipment	6,968,012	3,558,032	(2,138,233)	8,387,811
Total capital assets, being depreciated/amortized	35,544,291	3,583,646	(2,138,233)	36,989,704
Less accumulated depreciation/amortization				
Buildings and improvements	(15,231,748)	(855,268)	-	(16,087,016)
Machinery and equipment	(6,102,271)	(684,883)	2,138,233	(4,648,921)
Total accumulated depreciation/amortization	(21,334,019)	(1,540,151)	2,138,233	(20,735,937)
Total capital assets, being depreciated/amortized, net	14,210,272	2,043,495	-	16,253,767
Total business-type activities capital assets	<u>\$ 67,515,237</u>	<u>\$ 2,043,495</u>	<u>\$ -</u>	<u>\$ 69,558,732</u>

Depreciation/amortization expense was charged to functions/programs as follows:

Business-Type Activities:	
Parkview Office Complex	\$ 315,176
Desert Willow Golf Course	1,224,975
Total depreciation/amortization expense - business-type activities	<u>\$ 1,540,151</u>

C. Component Unit

	Balance July 1, 2022	Adjustments	Additions	Deletions	Balance June 30, 2023
Component Unit:					
Capital assets, being amortized					
Lease asset	\$ -	\$ 2,636,688	\$ -	\$ -	\$ 2,636,688
Total capital assets, being amortized	-	2,636,688	-	-	2,636,688
Less accumulated amortization					
Lease asset	-	(71,262)	(71,262)	-	(142,524)
Total accumulated amortization	-	(71,262)	(71,262)	-	(142,524)
Total capital assets, being amortized, net	-	2,565,426	(71,262)	-	2,494,164
Total component unit capital assets	<u>\$ -</u>	<u>\$ 2,565,426</u>	<u>\$ (71,262)</u>	<u>\$ -</u>	<u>\$ 2,494,164</u>

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2023.

A. Primary Government – Governmental Activities

	Balance				Balance		Due Within
	June 30, 2022	Additions	Reductions	Bond Calls	June 30, 2023	One Year	
Direct Borrowing:							
Special assessment debt with government commitment	\$ 1,082,000	\$ -	\$ (50,000)	\$ -	\$ 1,032,000	\$ 52,000	
Limited obligation improvement bonds	212,000	-	(27,000)	(59,000)	126,000	22,000	
Total	<u>\$ 1,294,000</u>	<u>\$ -</u>	<u>\$ (77,000)</u>	<u>\$ (59,000)</u>	<u>\$ 1,158,000</u>	<u>\$ 74,000</u>	

Debt service payments for the special assessment debt with government commitment, tax allocation bonds and notes payable are made from debt service funds and a special revenue fund.

Special Assessment Debt with Government Commitment

Highlands Undergrounding Assessment District No. 04-01, Limited Obligation Improvement Bonds, Series 2006

On August 8, 2006, the City Palm Desert issued \$3,165,000 of Limited Obligation Bonds. The proceeds of the Bonds were used to finance the construction of the utility undergrounding and pay the cost of issuance. The debt service on the bonds is to be paid by assessments secured on the property tax rolls of those properties benefiting from the improvements. In the event that assessment collections are insufficient to pay the debt service, the City has a potential obligation to provide additional funds to pay the debt service, therefore these bonds are reported as special assessment debt with government commitment. Bond maturities begin September 2, 2007, and continue annually through 2036. The interest rates of the bonds range from 3.85% to 5.15%. The City of Palm Desert is the only bondholder on record of the bonds and the City does not own the constructed assets.

The future debt service requirements on the Highlands Undergrounding Assessment District No. 04-01, Limited Obligation Improvement Bonds, Series 2006 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 52,000	\$ 51,709	103,709
2025	55,000	48,981	103,981
2026	58,000	46,099	104,099
2027	61,000	43,065	104,065
2028	64,000	39,861	103,861
2029-2033	371,000	145,256	516,256
2034-2038	371,000	39,423	410,423
Total	<u>\$1,032,000</u>	<u>\$ 414,394</u>	<u>\$1,446,394</u>

Limited Obligation Bonds

Limited Obligation Improvement Bonds Series 2009A (Taxable)

On January 29, 2009, the City issued \$2,015,000 Limited Obligation Improvement Bonds Series 2009A (Taxable). The proceeds of the Bonds were used to fund the City's Energy Independence Program. Concurrent with the issuance of the Bonds, the City entered into a bond purchase agreement with the Agency whereby the Agency agreed to purchase the Bonds equal to par value. The bonds bear interest at 3% payable semiannually on September 2 and March 2. Bond maturities commenced September 2, 2010, and continue annually through September 2, 2029.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 6: LONG-TERM DEBT (CONTINUED)

The future debt service requirements on the Limited Obligation Improvement Bonds Series 2009A (Taxable) are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 12,000	\$ 1,950	\$ 13,950
2025	11,000	1,605	12,605
2026	9,000	1,305	10,305
2027	9,000	1,035	10,035
2028	10,000	750	10,750
2029-2033	19,000	600	19,600
Total	\$ 70,000	\$ 7,245	\$ 77,245

Limited Obligation Improvement Bonds Series 2009B (Taxable)

On September 2, 2009, the City issued \$1,136,000 Limited Obligation Improvement Bonds Series 2009B (Taxable). The proceeds of the Bonds were used to fund the City's Energy Independence Program. Concurrent with the issuance of the Bonds, the City entered into a bond purchase agreement with the Agency whereby the Agency agreed to purchase the Bonds equal to par value. The bonds bear interest at 3% payable semiannually on September 2 and March 2. Bond maturities commenced September 2, 2010, and continue annually through September 2, 2029.

The future debt service requirements on the Limited Obligation Improvement Bonds Series 2009B (Taxable) are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 10,000	\$ 1,620	\$ 11,620
2025	10,000	1,320	11,320
2026	7,000	1,065	8,065
2027	8,000	840	8,840
2028	8,000	600	8,600
2029-2033	13,000	480	13,480
Total	\$ 56,000	\$ 5,925	\$ 61,925

B. Primary Government – Business-Type Activities

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
Club Car National Account	\$ 75,743	\$ -	\$ 75,743	\$ -	\$ -
GPSI Leasing, LLC	36,826	-	36,826	-	-
PNC Equipment Finance LLC	74,859	-	74,859	-	-
GPSI Leasing, LLC	-	354,462	35,293	319,169	86,217
Totals	\$ 187,428	\$ 354,462	\$ 222,721	\$ 319,169	\$ 86,217

The City entered into a 48-month agreement for the purchase of golf cart fleet equipment with Club Car National on June 12, 2018. Payments are \$12,330 monthly commencing on February 1, 2019 and includes interest at 5.75%. The amount was paid in full as of June 30, 2023.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 6: LONG-TERM DEBT (CONTINUED)

The City entered into a 48-month agreement for the purchase of golf cart fleet equipment with GPSI Leasing, LLC. The agreement was amended on December 27, 2018 to extend the payment terms an additional 48 months and lower the payment to \$5,792 beginning on November 1, 2018, including interest at 5.75%. The amount was paid in full as of June 30, 2023.

The City entered into a 60-month agreement for the purchase of Toro golf course equipment with PNC Equipment Finance, LLC. Payments are \$25,078 monthly commencing on October 1, 2017 and includes interest at 2.95%. The amount was paid in full as of June 30, 2023.

The City entered into a financed purchase agreement with GPSI Leasing, LLC for the purchase of golf carts. The financed purchase bears interest at a rate of 5.75%. On December 20, 2022 the finance purchase agreement was amended to extend additional the term for an 48 months resulting in a revised annual payment of \$93,213 beginning February 1, 2023.

The future debt service requirements on the financed purchases are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 86,217	\$ 6,996	\$ 93,213
2025	88,397	4,816	93,213
2026	90,632	2,580	93,212
2027	53,923	450	54,373
Total	<u>\$ 319,169</u>	<u>\$ 14,842</u>	<u>\$ 334,011</u>

NOTE 7: COMPENSATED ABSENCES

The City's policy relating to compensated absences is described in Note 1 of the Notes to Financial Statements. The City historically allocates costs to liquidate liabilities for compensated absences and pension liability based on the allocation of the employees earning the respective benefits and their respective payroll expense to various fund across the City. This liability will be paid in future years from future resources in the internal service fund. The outstanding liability for compensated absences accrued was \$2,601,028.

Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
<u>\$ 2,289,338</u>	<u>\$ 425,084</u>	<u>\$ 113,394</u>	<u>\$ 2,601,028</u>	<u>\$ 500,000</u>

NOTE 8: LEASES

A. Leases Receivable and Deferred Inflows of Resources

Primary Government – Governmental Activities

On July 1, 2021, the City entered into a 262-month lease as lessor for the Crown Castle Cell Tower - Cook St @ Desert Willow. An initial lease receivable was recorded in the amount of \$42,517. As of June 30, 2023, the value of the lease receivable is \$24,343. The lessee is required to make annual fixed payments of \$19,243. The lease has an interest rate of 1.5830%. The value of the deferred inflow of resources as of June 30, 2023 was \$38,623, and the City recognized lease revenue of \$1,947 during the fiscal year. The lessee has 2 extension options, each for 120 months.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 8: LEASES (CONTINUED)

On July 1, 2021, the City entered into a 60-month lease as lessor for the use of Soccer Park. An initial lease receivable was recorded in the amount of \$135,241. As of June 30, 2023, the value of the lease receivable is \$81,189. The lessee is required to make annual fixed payments of \$27,376. The lease has an interest rate of 0.5770%. The value of the deferred inflow of resources as of June 30, 2023 was \$81,680, and the City recognized lease revenue of \$26,780 during the fiscal year.

On July 1, 2021, the City entered into a 136-month lease as lessor for the use of Civic Center Cell Tower. An initial lease receivable was recorded in the amount of \$415,792. As of June 30, 2023, the value of the lease receivable is \$356,282. The lessee is required to make monthly fixed payments of \$2,838. The lease has an interest rate of 1.2540%. The value of the deferred inflow of resources as of June 30, 2023 was \$342,417, and the City recognized lease revenue of \$36,688 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On July 1, 2021, the City entered into a 66-month lease as lessor for the use of the Vineyards Commercial Center. An initial lease receivable was recorded in the amount of \$332,785.96. As of June 30, 2023, the value of the lease receivable is \$205,636. The lessee is required to make annual fixed payments of \$64,542. The lease has an interest rate of 0.7030%. The value of the deferred inflow of resources as of June 30, 2023 was \$211,773, and the City recognized lease revenue of \$60,507 during the fiscal year.

On July 1, 2021, the City entered into a 444-month lease as lessor for the use of the restaurant at the Desert Willow Golf Course Clubhouse from the Corporation. An initial lease receivable was recorded in the amount of \$2,636,688. As of June 30, 2023, the value of the lease receivable is \$2,529,043. The Corporation is required to make monthly fixed payments of \$8,000. The lease has an interest rate of 1.7050%. The value of the deferred inflow of resources as of June 30, 2023 was \$2,494,164, and the City recognized lease revenue of \$71,262 during the fiscal year.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 177,671	\$ 49,293	\$ 130,964
2025	182,375	47,358	133,733
2026	187,203	45,373	133,733
2027	91,761	43,336	133,733
2028	94,353	41,916	133,733
2029 - 2033	510,196	7,387	133,733
2034 - 2038	327,022	152,979	133,733
2039 - 2043	356,101	123,899	133,733
2044 - 2048	387,767	92,233	133,733
2049 - 2053	422,249	57,751	133,733
2054 - 2058	459,795	20,203	133,733
Total	\$ 3,196,493	\$ 681,728	\$ 1,468,294

Primary Government – Business-Type Activities

On January 3, 2023, the City entered into a 24-month lease as lessor for the use of Parkview Office Complex, Ste 129. An initial lease receivable was recorded in the amount of \$40,498. As of June 30, 2023, the value of the lease receivable is \$30,661. The lessee is required to make monthly fixed payments of \$1,706. The lease has an interest rate of 2.707%. The value of the deferred inflow of resources as of June 30, 2023 was \$30,486, and the City recognized lease revenue of \$10,012 during the fiscal year. The lessee has 5 extension options, each for 12 months.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 8: LEASES (CONTINUED)

On May 1, 2023, the City entered into a 60-month lease as lessor for the use of Parkview Office Complex, Ste 126. An initial lease receivable was recorded in the amount of \$103,212. As of June 30, 2023, the value of the lease receivable is \$99,976. The lessee is required to make monthly fixed payments of \$1,716. The lease has an interest rate of 2.31%. The value of the deferred inflow of resources as of June 30, 2023 was \$99,772, and the City recognized lease revenue of \$3,440 during the fiscal year. The lessee has 5 extension options, each for 12 months.

On December 1, 2022, the City entered into a 60-month lease as lessor for the use of Parkview Office Complex, Ste 120. An initial lease receivable was recorded in the amount of \$143,073. As of June 30, 2023, the value of the lease receivable is \$128,250. The lessee is required to make monthly fixed payments of \$2,438. The lease has an interest rate of 3.305%. The value of the deferred inflow of resources as of June 30, 2023 was \$126,381, and the City recognized lease revenue of \$16,692 during the fiscal year. The lessee has 5 extension options, each for 12 months.

On December 1, 2022, the City entered into a 24-month lease as lessor for the use of Parkview Office Complex, Suites 108, 100, 116, and 220. An initial lease receivable was recorded in the amount of \$172,400. As of June 30, 2023, the value of the lease receivable is \$123,684. The lessee is required to make monthly fixed payments of \$7,298. The lease has an interest rate of 3.207%. The value of the deferred inflow of resources as of June 30, 2023 was \$122,117, and the City recognized lease revenue of \$50,283 during the fiscal year. The lessee has 1 extension options, for 12 months.

On December 1, 2022, the City entered into a 24-month lease as lessor for the use of Parkview Office Complex Ste 103. An initial lease receivable was recorded in the amount of \$24,118. As of June 30, 2023, the value of the lease receivable is \$18,137. The lessee is required to make monthly fixed payments of \$903. The lease has an interest rate of 3.2070%. The value of the deferred inflow of resources as of June 30, 2023 was \$17,083, and the City recognized lease revenue of \$7,034 during the fiscal year. The lessee has 2 extension options, each for 12 months.

On July 1, 2021, the City entered into a 48-month lease as lessor for the use of 73-720 Fred Waring Dr. An initial lease receivable was recorded in the amount of \$400,629. As of June 30, 2023, the value of the lease receivable is \$213,504. The lessee is required to make monthly fixed payments of \$8,139. The lease has an interest rate of 0.5770%. The value of the deferred inflow of resources as of June 30, 2023 was \$200,315, and the City recognized lease revenue of \$100,157 during the fiscal year.

On July 1, 2021, the City entered into a 132-month lease as lessor for the use of Parkview Suite 112. An initial lease receivable was recorded in the amount of \$223,707. As of June 30, 2023, the value of the lease receivable is \$192,177. The lessee is required to make monthly fixed payments of \$1,823. The lease has an interest rate of 2.927%. The value of the deferred inflow of resources as of June 30, 2023 was \$183,033, and the City recognized lease revenue of \$20,337 during the fiscal year.

On July 1, 2021, the City entered into a 84-month lease as lessor for the use of Parkview Office Ste 104. An initial lease receivable was recorded in the amount of \$261,206. As of June 30, 2023, the value of the lease receivable is \$187,993. The lessee is required to make monthly fixed payments of \$3,200. The lease has an interest rate of 0.8330%. The value of the deferred inflow of resources as of June 30, 2023 was \$186,576, and the City recognized lease revenue of \$37,315 during the fiscal year. The lessee has 1 extension options, each for 60 months.

On July 1, 2021, the City entered into a 63-month lease as lessor for the use of Parkview Ste 102. An initial lease receivable was recorded in the amount of \$131,906. As of June 30, 2023, the value of the lease receivable is \$82,087. The lessee is required to make monthly fixed payments of \$2,125. The lease has an interest rate of 0.5770%. The value of the deferred inflow of resources as of June 30, 2023 was \$81,656, and the City recognized lease revenue of \$25,125 during the fiscal year. The lessee has 3 extension options, each for 12 months.

On January 1, 2022, the City entered into a 120-month lease as lessor for the use of Civic Center Sheriff Substation. An initial lease receivable was recorded in the amount of \$4,710,493. As of June 30, 2023, the value of the lease

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 8: LEASES (CONTINUED)

receivable is \$4,035,520. The lessee is required to make monthly fixed payments of \$41,645. The lease has an interest rate of 1.2050%. The value of the deferred inflow of resources as of June 30, 2023 was \$4,003,920, and the City recognized lease revenue of \$471,049 during the fiscal year. The lessee has 1 extension option for 60 months.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 799,886	\$ 64,001	\$ 863,887
2025	749,755	52,327	802,082
2026	596,544	43,590	640,134
2027	588,292	35,471	623,763
2028	567,858	27,424	595,282
2029 - 2033	1,809,654	43,241	1,852,895
Total	\$ 5,111,989	\$ 266,054	\$ 5,378,043

B. Leases Payable and Lease Assets

Primary Government – Governmental Activities

On July 1, 2021, the City entered into a 51-month lease as lessee for the use of Xerox Financial Services. An initial lease liability was recorded in the amount of \$125,262. As of June 30, 2023, the value of the lease liability is \$70,926. The City is required to make monthly fixed payments of \$2,646. The lease has an interest rate of 0.6320%. The value of the lease asset as of June 30, 2023 of \$125,262 with accumulated amortization of \$58,947 is included with equipment on the lease class activities table found below.

On July 1, 2021, the City entered into a 145-month lease as lessee for the use of 37023 Cook Street. An initial lease liability was recorded in the amount of \$2,468,060. As of June 30, 2023, the value of the lease liability is \$2,119,331. The City is required to make monthly fixed payments of \$16,621. The lease has an interest rate of 1.2540%. The value of the lease asset as of June 30, 2023 of \$2,468,060 with accumulated amortization of \$406,544 is included with buildings on the lease class activities table found below. The City has one extension options for 84 months.

On November 29, 2021, the City entered into a 60-month lease as lessee for the use of Xerox Financial Services. An initial lease liability was recorded in the amount of \$9,962. As of June 30, 2023, the value of the lease liability is \$6,869. The City is required to make monthly fixed payments of \$178. The lease has an interest rate of 2.1840%. The value of the lease asset as of June 30, 2023 of \$9,962 with accumulated amortization of \$3,165 is included with equipment on the lease class activities table found below.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 218,453	\$ 26,008	\$ 244,461
2025	227,383	23,394	250,777
2026	212,749	20,718	233,467
2027	207,088	18,104	225,192
2028	208,982	15,498	224,480
2029 - 2033	1,085,116	37,283	1,122,399
2034 - 2038	37,355	59	37,414
Total	\$ 2,197,126	\$ 141,064	\$ 2,338,190

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 8: LEASES (CONTINUED)

Lease assets by class activity at June 30, 2023 are as follows:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Building	Lease assets - building	\$ 2,468,060	\$ 406,544
Equipment	Lease assets - equipment	135,224	62,112
		<u>\$ 2,603,284</u>	<u>\$ 468,656</u>

Component Unit

On July 1, 2021, the Corporation entered into a 444-month lease as lessee for the use of the restaurant at the Desert Willow Golf Course Clubhouse from the City. An initial lease liability was recorded in the amount of \$2,636,688. As of June 30, 2023, the value of the lease liability is \$2,529,042. The Corporation is required to make monthly fixed payments of \$8,000. The lease has an interest rate of 1.705%. The value of the lease asset as of June 30, 2023 of \$2,636,688 with accumulated amortization of \$142,524 is included with buildings on the lease class activities table found below.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Component Unit		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 53,295	\$ 42,705	\$ 96,000
2025	54,211	41,789	96,000
2026	55,142	40,858	96,000
2027	56,090	39,910	96,000
2028	57,054	38,946	96,000
2029 - 2033	300,316	179,684	480,000
2034 - 2038	327,022	152,978	480,000
2039 - 2043	356,101	123,899	480,000
2044 - 2048	387,767	92,233	480,000
2049 - 2053	422,249	57,751	480,000
2054 - 2058	459,795	20,204	479,999
Total	<u>\$ 2,529,042</u>	<u>\$ 830,957</u>	<u>\$ 3,359,999</u>

Lease assets by class activity at June 30, 2023 are as follows:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Building	Lease assets - building	<u>\$ 2,636,688</u>	<u>\$ 142,524</u>

NOTE 9: SUBSCRIPTIONS

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the subscription asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible subscription asset. For additional information, refer to the disclosures below.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 9: SUBSCRIPTIONS (CONTINUED)

On August 15, 2022, the City entered into a 24-month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$123,373. As of June 30, 2023, the value of the subscription liability is \$113,623. The City is required to make monthly fixed payments of \$9,750. The subscription has an interest rate of 2.0240%. The value of the subscription asset as of June 30, 2023 is \$129,123 with accumulated amortization of \$56,671.

On February 1, 2023, the City entered into a 36-month subscription for the use of Recycle Coach. An initial subscription liability was recorded in the amount of \$22,920. As of June 30, 2023, the value of the subscription liability is \$15,570. The City is required to make annual fixed payments of \$7,350. The subscription has an interest rate of 2.6560%. The value of the subscription asset as of June 30, 2023 is \$22,920 with accumulated amortization of \$3,183. The City had a termination period of 3 months as of the subscription commencement.

On January 1, 2023, the City entered into a 24-month subscription for the use of OpenGov Budgeting and Planning. An initial subscription liability was recorded in the amount of \$76,656. As of June 30, 2023, the value of the subscription liability is \$37,816. The City is required to make annual fixed payments of \$38,840. The subscription has an interest rate of 2.7070%. The value of the subscription asset as of June 30, 2023 is \$76,656 with accumulated amortization of \$19,164 is included with Software on the Subscription Class activities table found below.

On November 15, 2022, the City entered into a 26-month subscription for the use of OpenGov Procurement. An initial subscription liability was recorded in the amount of \$72,791. As of June 30, 2023, the value of the subscription liability is \$45,893. The City is required to make annual fixed payments of \$24,056. The subscription has an interest rate of 3.2070%. The value of the subscription asset as of June 30, 2023 is \$72,791 with accumulated amortization of \$20,667.

On April 14, 2023, the City entered into a 14-month subscription for the use of Zoho Manage Engine. An initial subscription liability was recorded in the amount of \$100,176. As of June 30, 2023, the value of the subscription liability is \$78,793. The City is required to make monthly fixed payments of \$7,255. The subscription has an interest rate of 2.5600%. The value of the subscription asset as of June 30, 2023 is \$100,176 with accumulated amortization of \$18,366.

On February 16, 2023, the City entered into a 60-month subscription for the use of eScribe Agenda Management. An initial subscription liability was recorded in the amount of \$133,239. As of June 30, 2023, the value of the subscription liability is \$107,888. The City is required to make monthly fixed payments of \$25,500. The subscription has an interest rate of 2.6820%. The value of the subscription asset as of June 30, 2023 is \$142,180 with accumulated amortization of \$10,663. The Vendor has 2 extension option(s), each for 12 months.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 274,401	\$ 10,175	\$ 284,576
2025	67,037	3,233	70,270
2026	27,960	1,559	29,519
2027	30,185	810	30,995
Total	\$ 399,583	\$ 15,777	\$ 415,360

NOTE 9: SUBSCRIPTIONS (CONTINUED)

Subscription assets include the following at June 30, 2023:

Major Class of Underlying Asset	Amount of Subscription Assets	Accumulated Amortization
Subscription assets - software	\$ 543,846	\$ 128,714

NOTE 10: RISK MANAGEMENT AND CLAIMS PAYABLE

A. Description of Self-Insurance Pool Pursuant to Joint Power Agreement

The City of Palm Desert is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

C. Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

D. Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 10: RISK MANAGEMENT AND CLAIMS PAYABLE (CONTINUED)

For 2022-23 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

E. Pollution Legal Liability Insurance

The City of Palm Desert participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Palm Desert. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

F. Property Insurance

The City of Palm Desert participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Palm Desert property is currently insured according to a schedule of covered property submitted by the City of Palm Desert to the Authority. City of Palm Desert property currently has all-risk property insurance protection in the amount of \$363,203,889. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

G. Crime Insurance

The City of Palm Desert purchases crime insurance coverage in the amount of \$10,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

H. Special Event Tenant User Liability Insurance

The City of Palm Desert further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Palm Desert according to a schedule. The City of Palm Desert then pays for the insurance. The insurance is facilitated by the Authority.

I. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were no significant reductions in pooled or insured liability coverage in the fiscal year 2022-23.

J. Claims Payable

Estimates for all workers' compensation and general liabilities up to the self-insured levels have been recorded as long-term liabilities.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 10: RISK MANAGEMENT AND CLAIMS PAYABLE (CONTINUED)

Changes in claims liabilities during the past two years are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Claims payable - Beginning of year	\$ 384,643	\$ 564,473
Incurred claims (including IBNR) and changes in estimates	205,457	299,985
Claims payments	(25,627)	(184,577)
Claims payable - End of year	<u>\$ 564,473</u>	<u>\$ 679,881</u>
Claims payable - due in one year	186,276	224,361
Claims payable - due in more than one year	378,197	455,520
	<u>\$ 564,473</u>	<u>\$ 679,881</u>

NOTE 11: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years.

The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Pursuant to changes in August 1996, of IRC Section 457, in January 1997, the City established a trust in which all assets held by Nationwide Retirement Solutions, Inc. (NRS) and ICMA Retirement Corporation (ICMA) were placed. In June 2023, the City transitioned all 457 accounts from Nationwide and ICMA to Empower. The City does not have fiduciary responsibility for the plan assets held by NRS, ICMA, or Empower. The assets, all property and rights purchased with such amounts and all income attributable to such amounts are held in trust for the exclusive benefit of the participants and the beneficiaries. The assets are no longer the property of the City, and as such, are no longer subject to the claims of the City's general creditors. As a result, the assets of the 457 plan in the amount of \$7,494,722 held by NRS, ICMA, and Empower of the 457 Plan are not reflected in the City's financial statements.

NOTE 12: PENSION PLAN

A. General Information about the Pension Plan:

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 the plan are applied as specified by the Public Employees' Retirement Law.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 12: PENSION PLAN (CONTINUED)

The Plan's provisions and benefits in effect at measurement date, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67	52-67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	7%-8%	6.25%
Required employer contribution rates	12.890%	12.890%

Employees Covered

At June 30, 2022, the following employees were covered by the benefit terms for all Plans:

Inactive employees or beneficiaries currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	35
Active employees	97
Total	221

Contributions

Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of Plan 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 update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

NOTE 12: PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry
Investment Rate of Return	6.9% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality rate table *	Derived using CalPERS' membership data for all funds

*The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 6.90% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 12: PENSION PLAN (CONTINUED)

Asset Class	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 debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study

C. Changes in the Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2023, with a measurement date of June 30, 2022, for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021 (Measurement Date)	\$ 147,437,667	\$ 127,850,893	\$ 19,586,774
Changes in the Year:			
Service Cost	1,976,289	-	1,976,289
Interest on the Total Pension Liability	10,122,299	-	10,122,299
Difference between Expected and Actual Experience	(2,563,805)	-	(2,563,805)
Changes in Assumptions	4,699,855	-	4,699,855
Net Plan to Plan Resource Movement	-	-	-
Contributions - Employer	-	4,020,131	(4,020,131)
Contributions - Employees	-	791,130	(791,130)
Net Investment Income	-	(9,592,025)	9,592,025
Benefit Payments including Refunds of Employee	(7,723,744)	(7,723,744)	-
Administrative expense	-	(79,643)	79,643
Other Misc Income / (Expense)	-	-	-
Net Changes	6,510,894	(12,584,151)	19,095,045
Balance at June 30, 2022 (Measurement Date)	\$ 153,948,561	\$ 115,266,742	\$ 38,681,819

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 12: PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Plan's net pension liability/(asset)	\$ 58,826,252	\$ 38,681,819	\$ 21,984,690

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense of \$208,654. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 4,574,753	\$ -
Change in assumptions	2,959,168	-
Differences between expected and actual experience	30,325	1,614,248
Net difference between projected and actual earnings on pension plan investments	5,679,555	-
Total	\$ 13,243,801	\$ 1,614,248

\$4,574,753 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,700,763
2025	1,335,314
2026	356,699
2027	3,662,024
Total	\$ 7,054,800

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

In addition to the pension benefits described in Note 11, the City provides other post-employment benefits (OPEB) through the California Employers’ Retiree Benefit Trust Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees’ Retirement System (CalPERS).

All full-time or part-time employees who meet the eligibility requirements for this program may continue their medical coverage through the CalPERS Health Plan and receive reimbursement from the City for a portion of the costs for the coverage. Separate financial statements for the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North, 400 Q Street, Sacramento, California 95811, or by visiting the CalPERS website at www.calpers.ca.gov.

Employees Hired Prior to January 1, 2008

Eligibility for the stipend requires retirement simultaneously from the City and CalPERS on or after age 50 with at least 10 consecutive years of service with the City. Eligible employees must be covered under the CalPERS Health Plan at the time of retirement and elect to participate in the stipend program within 30 days of retirement.

The City’s contribution towards the coverage is based on years of service as follows:

Consecutive Years of Service With the City at Retirement	City's Contribution Percentage
10 years of service	50%
11 years of service	55%
12 years of service	60%
13 years of service	65%
14 years of service	70%
15 or more years of service	75%

Employees Hired On or After January 1, 2008

Eligibility for the stipend requires retirement simultaneously from the City and CalPERS on or after age 50 with at least 15 consecutive years of service with the City. Eligible employees must be covered under the CalPERS Health Plan at the time of retirement and elect to participate in the stipend program within 30 days of retirement. The stipend is discontinued when the retiree reaches Medicare eligibility age. The City’s contribution towards the coverage will be applied to the lowest cost plan and is based on age at retirement and consecutive years of service with the City as outlined in the following table:

Age	Consecutive Years of Service at Retirement										
	15	16	17	18	19	20	21	22	23	24	25+
50	0%	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%
51	10%	15%	20%	25%	30%	35%	40%	45%	50%	50%	50%
52	20%	25%	30%	35%	40%	45%	50%	50%	50%	50%	50%
53	30%	35%	40%	45%	50%	50%	50%	50%	50%	50%	50%
54	40%	45%	50%	50%	50%	50%	50%	50%	50%	50%	50%
55+	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%

Employees with at least 5 years of service, not meeting the eligibility requirements for the stipend program, who retire simultaneously from the City and CalPERS are eligible to continue medical coverage through the CalPERS Health Plan. The City is required to pay the CalPERS minimum employer contribution (\$149 in 2022 and \$151 in 2023) for these employees.

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Employees Hired On or After January 1, 2015

Employees are not eligible for either of the defined retiree health benefits plan but are instead enrolled in the City's ICMA Retirement Health Savings Account. Employees have a mandatory 1% contribution to the Retirement Health Savings Plan and the City matches the 1% contribution. In addition, an employee can participate in the ICMA 401A Governmental Money Purchase Plan with a maximum pre-tax dollar contribution of 10%, with the City maximum match of 2%.

As of June 30, 2022, the date of the most recent actuarial valuation, the City's plan has 97 active employees.

Employees Covered - Plan membership, at June 30, 2021 valuation date, membership consisted of the following:

Inactive plan members or beneficiaries	124
Active plan members	97
Total	221

B. City Contributions to the Plan

City contributions to the Plan occur as benefits are paid to retirees and/or to the OPEB trust.

C. Net OPEB Liability/(Asset)

The City's Net OPEB Liability/(Asset) was measured as of June 30, 2022 and the Total OPEB Liability used to calculate the Net OPEB Liability/(Asset) was determined by an actuarial valuation as of June 30, 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increase	3.00% per annum
Assumed Wage Inflation	3.00% per annum
Investment Rate of Return	5.50% per annum
Healthcare cost-trend rates	Assumed to start at 6.5% and grade down by 0.5% each year to 5% in 2024
Retirement Age	The City offers the same plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverages offered under PEMHCA.
Mortality	Mortality rates used were those published by CalPERS under the 2017 Experience study and projected using the MacLeod Watts Scale 2018 applied generationally.

D. Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

E. Changes in the Net OPEB Liability/(Asset)

The changes in the net OPEB liability/(asset) for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021 (Measurement Date)	\$ 19,628,837	\$ 23,762,792	\$ (4,133,955)
Changes in the Year:			
Service Cost	294,337	-	294,337
Interest on the Total OPEB Liability	1,205,943	-	1,205,943
Changes in Assumptions	1,691,792	(4,504,553)	6,196,345
Contributions - Employer		1,230,895	(1,230,895)
Net Investment Income		1,481,970	(1,481,970)
Benefit Payments	(944,960)	(944,960)	-
Changes in Benefit Terms	-	-	-
Administrative Expenses	-	(6,034)	6,034
Net Changes	<u>2,247,112</u>	<u>(2,742,682)</u>	<u>4,989,794</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 21,875,949</u>	<u>\$ 21,020,110</u>	<u>\$ 855,839</u>

F. Sensitivity of the Total OPEB Liability and Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the total OPEB liability and net OPEB liability/(asset), as well as what the total OPEB liability and net OPEB liability/(asset) would be if they were calculated using a discount rate that is 1-percentage point lower (5.50 percent) or 1-percentage-point higher (6.50 percent) than the current discount rate:

	Discount Rate -1 Percent (4.50%)	Current Discount Rate (5.50%)	Discount Rate +1 Percent (6.50%)
Net OPEB liability/(asset)	\$ 3,679,950	\$ 855,839	\$ (1,498,372)

G. Sensitivity of the Total OPEB Liability and Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability and net OPEB liability/(asset), as well as what the total OPEB liability and net OPEB liability/(asset) would be if they were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.70 percent decreasing to 4.70 percent) or 1-percentage-point higher (5.70 percent increasing to 6.70 percent) than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability/(asset)	\$ (1,599,584)	\$ 855,839	\$ 3,818,003

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

H. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense (revenue) of \$610,395. As of fiscal year ended June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 1,108,988	\$ -
Change in assumptions	1,633,966	553
Differences between expected and actual experience	73,555	432,989
Net difference between projected and actual earnings on pension plan investments	2,044,360	-
Total	\$ 4,860,869	\$ 433,542

The City will recognize the contributions made subsequent to the measurement date totaling \$1,108,988 in the next fiscal year. In addition, future recognition of the deferred resources is shown below:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 891,446
2025	949,901
2026	440,465
2027	924,029
2028	23,210
Thereafter	89,288
Total	\$ 3,318,339

NOTE 14: SPECIAL ASSESSMENT DEBT

Below is a summary of the changes in the special assessment bonds payable:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
2003 Assessment Revenue Bonds	\$ 900,000	\$ -	\$ 120,000	\$ 780,000	\$ 115,000
CFD 2021-1 Special Tax Bonds Series 2021	15,200,000	-	245,000	14,955,000	305,000
CFD 2005-1 Special Tax Bonds Series 2021A	5,165,000	-	250,000	4,915,000	270,000
Section 29 Assessment District 2004-02 Limited Obligation Bonds Series 2021	16,400,000	-	685,000	15,715,000	785,000
Total	\$ 37,665,000	\$ -	\$ 1,300,000	\$ 36,365,000	\$ 1,475,000

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 14: SPECIAL ASSESSMENT DEBT (CONTINUED)

The City has Special Assessment Bonds Payable issued under the 1911 and 1915, Special Improvement Acts and the 1982 Mello-Roos Community Facilities Act (1982 Bonds). The City has no liability to 1911 Act bondholders until assessments have been collected from the property owner. Such liability is then recorded in the Custodial Funds. Therefore, the 1911 Bonds are not recorded as liabilities in the accompanying financial statements.

The City also has no liability to the 1915 Act bondholders, or the bondholders of bonds issued under the 1982 Mello-Roos Community Facilities Act until assessments are collected on the tax rolls. However, the City may take certain actions to assume secondary liability for all or part of 1915 Act Bonds and the 1982 Bonds until such time as foreclosure proceedings are consummated.

Special assessment bonds payable, as described below, and are not recorded as long-term liabilities, as these obligations do not constitute a debt or obligation of the City.

A. 2003 Assessment Revenue Bonds

In June 2003, the Palm Desert Financing Authority issued \$4,423,000 in 2003 Assessment Revenue Bonds. The proceeds were used to purchase three series of limited obligation improvement bonds issued by the City in connection with the financing and refinancing of certain improvements of benefit to property within the City's Assessment District No. 94-2 (Sunterrace), Assessment District No. 94-3 (Merano) and Silver Spur Ranch Utility Undergrounding Assessment District No. 01-01. These bonds were issued under the 1915 Improvement Bond Act to provide funds for public improvements in the respective assessment districts.

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 115,000	\$ 38,763	\$ 153,763
2025	120,000	32,519	152,519
2026	125,000	25,934	150,934
2027	135,000	18,947	153,947
2028	140,000	11,556	151,556
2029	145,000	3,897	148,897
Total	<u>\$ 780,000</u>	<u>\$ 131,616</u>	<u>\$ 911,616</u>

As of June 30, 2023, the principal amounts to be repaid by the Assessment District No. 01-1 to pay off the loans from the Financing Authority is \$780,000.

B. Community Facilities District No. 2005-1, Series 2021A

In July 2021, the City of Palm Desert Community Facilities District No. 2005-1 (University Park) Special Tax Refunding Bonds, Series 2021A (the "Bonds") are being issued by City of Palm Desert Community Facilities District No. 2005-1 (University Park) (the "District") to provide funds: (i) to refund a portion of the District's outstanding Special Tax Bonds, Series 2006A (the "2006 Bonds"); (ii) to fund a Reserve Account for the Bonds; and (iii) to pay costs incurred in connection with the issuance of the Bonds. The 2006 Bonds were issued for the purpose of providing funds to pay the costs of acquiring certain public facilities. The Bonds are special obligations of the District and are payable solely from Net Taxes (as defined herein), and the other assets pledged therefor under the Indenture, all as further described herein. Special Taxes (as defined herein) are to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District. Interest rates vary from 3.00% to 4.00% with interest payable semi-annually on March 1 and September 1, with principal maturing annually on September 1.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 14: SPECIAL ASSESSMENT DEBT (CONTINUED)

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 270,000	\$ 187,050	\$ 457,050
2025	280,000	178,800	458,800
2026	290,000	168,800	458,800
2027	300,000	157,000	457,000
2028	315,000	144,700	459,700
2029-2033	1,780,000	519,600	2,299,600
2034-2037	1,680,000	137,800	1,817,800
Total	<u>\$ 4,915,000</u>	<u>\$ 1,493,750</u>	<u>\$ 6,408,750</u>

C. Section 29 Assessment District (No 2004-02), Limited Obligation Improvement Bonds, Series 2021

In July 2021, the City of Palm Desert issued \$16,400,000 Limited Obligation Improvement Bonds. The proceeds of the Bonds will be used to refund previously issued series 2017 bonds that financed certain infrastructure improvements within the City’s Section 29 Assessment District (No. 2004-02). The debt service on the bonds is to be paid by assessments secured on the property tax rolls of those properties benefiting from the improvements. interest ranging from 4.00% to 4.70% payable semiannually on March 2 and September 2. Bond maturities begin September 2, 2009 and continue annually through 2020. Term bonds in the amount of \$2,525,000 carry an interest rate of 4.75% and mature September 2, 2022. Term bonds in the amount of \$5,110,000 carry an interest rate of 5.05% and mature September 2, 2027. Term bonds in the amount of \$14,925,000 carry an interest rate of 5.10% and mature September 2, 2037.

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 785,000	\$ 612,900	\$ 1,397,900
2025	815,000	596,600	1,411,600
2026	850,000	647,600	1,497,600
2027	880,000	513,000	1,393,000
2028	920,000	477,000	1,397,000
2029-2033	5,175,000	1,792,100	6,967,100
2034-2038	6,290,000	649,200	6,939,200
Total	<u>\$ 15,715,000</u>	<u>\$ 5,288,400</u>	<u>\$ 21,003,400</u>

D. Community Facilities District No. 2021-1, Series 2021

The City of Palm Desert Community Facilities District No. 2021-1 (University Park) Special Tax Bonds, Series 2021 (the “Bonds”) are being issued by the City of Palm Desert Community Facilities District No. 2021-1 (University Park) (the “District”) to: (i) pay and defease a pro rata portion of outstanding Series 2006A Special Tax Bonds (the “CFD 2005-1 Pro Rata Bonds”) issued by, and secured by the special taxes of existing City of Palm Desert Community Facilities District No. 2005-1 (University Park) (“CFD No. 2005-1”); (ii) finance the acquisition of certain public improvements needed with respect to the development of property located within the District, including public improvements to be owned by the City and water and sewer facilities to be owned and operated by the Coachella Valley Water District; (iii) fund a reserve account for the Bonds; and (iv) pay costs of issuance for the Bonds. Interest rates vary from 3.00% to 4.00% with interest payable semi-annually on March 1 and September 1, with principal maturing annually on September 1.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 14: SPECIAL ASSESSMENT DEBT (CONTINUED)

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 305,000	\$ 562,575	\$ 867,575
2025	315,000	553,275	868,275
2026	325,000	543,675	868,675
2027	335,000	533,775	868,775
2028	345,000	523,575	868,575
2029-2033	1,880,000	2,452,300	4,332,300
2034-2038	2,245,000	2,072,500	4,317,500
2039-2043	2,730,000	1,576,400	4,306,400
2044-2048	3,310,000	974,600	4,284,600
2049-2052	3,165,000	259,500	3,424,500
Total	<u>\$ 14,955,000</u>	<u>\$ 10,052,175</u>	<u>\$ 25,007,175</u>

E. Bond Reserve Requirements

At June 30, 2023, the fund balance reserve requirements and actual reserve balances were as follows:

	Requirement	Actual
2003 Financing Authority Revenue Bonds	\$153,947	\$165,720
CFD 2021-1 Special Tax Bonds, Series 2021	868,775	874,214
CFD 2005-1 Special Tax Bonds, Series 2021A	461,800	468,408
Section 29 Assessment District 2004-02 Limited Obligation Bonds Series 2021	1,411,600	1,416,853

NOTE 15: PRIOR PERIOD ADJUSTMENTS

During fiscal year 2023, the City determined that lease agreement between the City and the Corporation was not properly reported in the prior year. Therefore, lease receivable was understated by \$2,581,437, deferred inflows of resources was understated by \$2,565,426 and fund balance/net position was understated by \$19,679 for the fiscal year ended June 30, 2022 in the General Fund and Governmental Activities. The lease payable was understated by \$2,581,437, lease asset, net of amortization was understated by \$2,565,426 and net position was overstated by \$19,679 for the fiscal year ended June 30, 2022 in the Palm Desert Recreation Facility Corporation's financial statements for the same purpose.

During fiscal year 2023, the City determined that due to bondholders in the Custodial Fiduciary Funds was not properly accrued. This was the result of a new interpretation obtained from GASB related to the implementation of GASB Statement No. 84, *Fiduciary Funds*. This resulted in a restatement of net position totaling \$7,790,756 as of June 30, 2022.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 16: FUND BALANCES

In the fund financial statements, reserves segregate portions of fund balances that are either not available or have been earmarked for specific purposes. The various reserves established as of June 30, 2023, were as follows:

	Special Revenue Funds			Capital	Other	Total
	General Fund	Prop A Fire Tax	Housing Asset Fund	Projects Fund Capital Properties	Governmental Funds	
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 17,570	\$ 17,570
Prepaid costs and deposits	498,844	-	551	-	34,087	533,482
Notes and loans	1,046,978	-	-	-	-	1,046,978
Advances	1,956,000	-	-	-	-	1,956,000
Total Nonspendable	3,501,822	-	551	-	51,657	3,554,030
Restricted for:						
Capital projects	-	-	-	51,210,890	190,103	51,400,993
Debt service	-	-	-	-	125,067	125,067
Low income housing	-	-	50,014,330	7,381,942	4,510,728	61,907,000
Public facilities	-	-	-	-	3,978,182	3,978,182
Public safety	-	15,738,631	-	-	2,058,431	17,797,062
Special programs	-	-	-	-	9,472,269	9,472,269
Street related purposes	-	-	-	-	27,850,479	27,850,479
Total Restricted	-	15,738,631	50,014,330	51,210,890	48,185,259	172,531,052
Committed to:						
Aquatic center	-	-	-	-	1,871,454	1,871,454
Capital asset replacement	-	-	-	11,875,488	-	11,875,488
Capital improvement projects reserve	29,885,523	-	-	-	-	29,885,523
Facilities maintenance reserve	19,137,342	-	-	-	-	19,137,342
Liability reserve	4,000,000	-	-	-	-	4,000,000
Other fund stability reserve	2,226,519	-	-	-	-	2,226,519
Emergency/contingency reserve	15,110,893	-	-	-	-	15,110,893
Employment benefits reserve	9,793,387	-	-	-	-	9,793,387
Equipment replacement reserve	3,271,179	-	-	-	-	3,271,179
Energy loan program	-	-	-	-	1,821,303	1,821,303
Total Committed	83,424,843	-	-	11,875,488	3,692,757	98,993,088
Assigned to:						
General fund operating reserve	18,838,496	-	-	-	-	18,838,496
Community contingency	444,000	-	-	-	-	444,000
Capital projects	-	-	-	-	14,734,608	14,734,608
Property acquisition	-	-	-	-	420,387	420,387
Public facilities	-	-	-	-	14,804,510	14,804,510
Special programs	-	-	-	-	687,519	687,519
Street related purposes	-	-	-	-	1,875,576	1,875,576
Total Assigned	19,282,496	-	-	-	32,522,600	51,805,096
Unassigned	14,707,351	-	-	-	-	14,707,351
Totals	\$ 120,916,512	\$ 15,738,631	\$ 50,014,881	\$ 19,257,430	\$ 84,452,273	\$ 341,590,617

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 17: CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments

Primary Government

Project	Contract Amount	Spent To Date	Remaining Commitment
General Fund			
Parks/Recreation	\$ 1,324,034	\$ 185,534	\$ 1,138,500
Measure A			
Citywide bikeway and pedestrian improvements	250,001	111,073	138,928
Traffic operations and capacity improvements	1,153,644	880,958	272,686
Intersection modifications - Highway 74 & Haystack Road	213,483	-	213,483
Traffic signal hardware upgrade	412,560	-	412,560
Engineering and design services for a new traffic signal - Cook	100,610	-	100,610
Engineering and design services for HSIP	181,417	-	181,417
Capital Properties			
Design and planning for North Sphere Regional Park	1,000,000	-	1,000,000
Design and engineering for Cahuilla Hills Park	136,934	945	135,989
Design build of the Development Services Lobby	1,941,001	1,089,774	851,227
Haystack Channel improvements	433,142	167,828	265,314
Housing Authority	-		
City owned buildings improvements	4,326,554	84,326	4,242,228
Other Governmental Funds	-		
Equipment ordered, vehicles	1,156,369	563,563	592,806
Architectural design and structural engineering services - Parkview Office Complex	1,142,400	159,500	982,900
	<u>\$ 13,772,149</u>	<u>\$ 3,243,501</u>	<u>\$ 10,528,648</u>

NOTE 18: SUCCESSOR AGENCY DISCLOSURES

Dissolution of Redevelopment Agency

Pursuant to AB X1 26 (adopted by the California Legislature in June 2011) and the State Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), all redevelopment agencies in the State were dissolved as of February 1, 2012. The City Council adopted Resolution No. 2011-76 on August 25, 2011, pursuant to Health and Safety Code (“HSC”) Section 34172, electing for the City to serve as the Successor Agency (“SARDA”) to the former Palm Desert Redevelopment Agency (the “Dissolved RDA”). SARDA is tasked with the wind-down of the Dissolved RDA’s affairs. Certain SARDA actions must first be approved by an oversight board, composed of seven-members representing taxing entities.

HSC Section 34173(g) expressly provides that SARDA is a separate public entity from the City, and the liabilities and assets of the Dissolved RDA shall not be transferred to the City.

Pursuant to HSC Section 34176, the City Council adopted Resolution No. 2012-07, on February 9, 2012, electing to have the Palm Desert Housing Authority to serve as the Housing Successor. The Housing Authority (as the Housing Successor) submitted to the State Department of Finance (“DOF”) a list of housing assets to be transferred by SARDA to the Housing Successor. On August 31, 2012, the DOF issued a letter indicating that the DOF had no objection to such housing asset list.

The housing assets (per the housing asset list), obligations, and activities of the Dissolved RDA were transferred to the Housing Successor and are reported in the Housing Asset Fund beginning in fiscal year 2011-12. However, outstanding bonds (“Housing Bonds”), secured by a pledge of moneys which would have been deposited into the Dissolved RDA’s low and moderate income housing fund (known as the “Housing Set Aside”), remain as

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

the SARDA's enforceable obligations. See also "*Stipulated Judgment*" below. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The County Auditor-Controller ("CAC") has established a Redevelopment Property Tax Trust Fund (the "RPTTF") for SARDA and is charged with depositing into the RPTTF the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved.

SARDA is required to prepare an annual recognized obligation payment schedule (the "ROPS") setting forth the amounts due for enforceable obligations from each July 1 through the following June 30. The CAC only makes payments to the SARDA from the RPTTF based on the ROPS amounts approved by the oversight board and the DOF.

During fiscal year 2012-13, SARDA was required to conduct due diligence reviews of the low and moderate income housing fund and all other funds to compute the funds (cash) which were not needed to be retained to pay existing enforceable obligations or otherwise unrestricted, and therefore, must be remitted to the CAC. SARDA paid a total amount of \$40,988,399 to the CAC based on the due diligence reviews per the DOF's determination.

The DOF issued a Finding of Completion on May 15, 2013 after SARDA remitted such payments.

The Finding of Completion allows the placement of certain loans ("Advances") made by the City to the Dissolved RDA (which were previously voided by operation of law upon the Dissolved RDA's dissolution) on the ROPS. For each approved repayment 20% of the repayment amount must be allocated to the Housing Asset Fund. The repayment of the Advances, pursuant to the oversight board's and the DOF's approval, began during fiscal year 2019-20. During fiscal year 2022-23, the City received a final determination from the California Department of Finance that these advances would not be deemed an enforceable obligation. There is no financial statement impact as these balances were offset by an allowance for doubtful accounts in previous years.

The California State Controller was directed to review the propriety of any transfers of assets between the Dissolved RDA and other public bodies that occurred after January 1, 2011. The State Controller completed its review on March 14, 2013 and did not identify any unallowable transfers of assets that occurred between the Dissolved RDA and the City or other public agencies.

SARDA's use and disposition of all real properties held (Long Range Property Management Plan ("LRPMP"), was approved by the DOF on June 2, 2014. The LRPMP allowed the SARDA to transfer property used for government purposes with a cost basis of \$6,390,263 to the City.

Stipulated Judgment

On May 15, 1991, the Riverside County Superior Court entered a final judgment incorporating the terms of a Stipulation for Entry of Judgment ("Original Stipulation") in Case No. 51124 and a Stipulation for Entry of Judgment pursuant to Settlement Agreement and Mutual Release ("Settlement Agreement") in Case No. 51124, among the Dissolved RDA, the City, the Western Center on Law and Poverty, Inc., California Rural Legal Assistance, and others. On June 18, 1997 and on September 20, 2002, the Riverside County Superior Court amended the judgment, incorporating Stipulations Amending Stipulation for Entry of Judgment.

The judgment, as amended (the "Judgment"), generally required the Dissolved RDA to use 20% of its tax increment revenues, and additional tax increment revenues if necessary, to develop, rehabilitate, or otherwise financially assist affordable housing units and to meet certain housing needs of the City. Before dissolution, the Dissolved RDA used its Housing Set-Aside to fulfill its obligations under the Judgment (including the payment of debt service on the Housing Bonds issued to finance and refinance affordable housing projects that satisfied the requirements of both the Judgment and the relevant Redevelopment Law provisions). While the low and moderate income housing fund and the requirement to deposit the Housing Set-Aside into such fund have been eliminated upon the Dissolved RDA's dissolution, SARDA continues to recognize the Judgment as its enforceable obligation. On its

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

ROPS, the SARDA has included line items designated as “Stipulation Judgment Case No. 51124,” listing the amounts necessary to fulfill its obligations under the Judgment (after taking into account the amounts already listed for the repayment of the Housing Bonds). While the DOF originally approved such line items, the DOF changed its position beginning with ROPS 14-15A (*i.e.*, covering the period commencing July 1, 2014).

On August 14, 2014, SARDA filed an action, *SARDA to the Palm Desert Redevelopment Agency v. Michael Cohen, Sacramento Superior Court Case No. 34-2014-00167698* (the “Successor Agency Lawsuit”), seeking to compel the DOF to permit payment of the affordable housing obligations mandated by the Judgment. Subsequently, in view of the fact that there were similar cases pending in the California Court of Appeal (Third District), the SARDA voluntarily dismissed its action without prejudice pending resolution of those other cases. To date, none of the other cases has resulted in a decision that would compel the DOF to permit payment of the obligations under the Judgment as an enforceable obligation.

The assets and liabilities of the Dissolved RDA (except for those transferred to the Housing Successor and reported in the Housing Asset Fund) have been transferred to the SARDA. The SARDA is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to these transactions are as follows:

Capital Assets

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 23,909,102	\$ -	\$ (6,682,705)	\$ 17,226,397
Total capital assets, not being depreciated	23,909,102	-	(6,682,705)	17,226,397
Total fiduciary fund capital assets	\$ 23,909,102	\$ -	\$ (6,682,705)	\$ 17,226,397

During the year ending June 30, 2023, the SARDA sold land with a cost basis of \$6,682,705 for a sales price of \$12,167,792. These proceeds are required to be remitted to the County of Riverside for distribution to the taxing entities in accordance with the Health and Safety Code. As of June 30, 2023, \$7,660,205 has been remitted to the County of Riverside and the remaining \$4,507,587 has been accrued in Due to Other Governments for distribution in Fiscal Year 2023-2024.

Tax Allocation Bonds

A summary of changes in tax allocation bonds at June 30, 2023, was as follows:’

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amount Due Within One Year
2003 TARBs, \$15,745,000	\$ 15,745,000	\$ -	\$ -	\$ 15,745,000	\$ 875,000
2017 A TARBs, \$52,390,000	39,600,000	-	3,195,000	36,405,000	715,000
2017 B TARBs, \$140,130,000	105,750,000	-	9,405,000	96,345,000	11,675,000
2017 H-A TARBs, \$7,365,000	5,455,000	-	430,000	5,025,000	455,000
2017 H-B TARBs, \$45,815,000	12,210,000	-	6,015,000	6,195,000	6,195,000
Subtotal	178,760,000	-	19,045,000	159,715,000	19,915,000
Add: Unamortized bond premium	5,363,049	-	723,806	4,639,243	-
Less: Unamortized bond discount	(1,602,609)	-	(134,731)	(1,467,878)	-
Total	\$ 182,520,440	\$ -	\$ 19,634,075	\$ 162,886,365	\$ 19,915,000

The tax allocation revenues bonds issued before 2011 (*i.e.*, before the dissolution of the Dissolved RDA) were issued by the Palm Desert Financing Authority, the proceeds of which were loaned to the Dissolved RDA for financing or refinancing redevelopment projects. Pursuant to the bond documents, the Authority’s bonds were

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

secured by the Dissolved RDA's (and after dissolution, are secured by the Successor Agency's) repayment of the loans were secured by tax increment (after the Dissolved RDA's dissolution, are secured by certain moneys deposited in the RPTTF, see Notes 19) and other funds as provided in the bond documents.

In January 2017, the Successor Agency issued four series of bonds: (i) the Tax Allocation Refunding Bonds, 2017 Series A, in the aggregate principal amount of \$52,390,000 (the "2017A Bonds"), (ii) the Taxable Tax Allocation Refunding Bonds, 2017 Series B, in the aggregate principal amount of \$140,130,000 (the "2017B Bonds"), (iii) the Tax Allocation Refunding Bonds, 2017 Series H-A, in the aggregate principal amount of \$7,365,000 (the "2017H-A Bonds"); and (iv) the Taxable Tax Allocation Refunding Bonds, 2017 Series H-B, in the aggregate principal amount of \$45,815,000 (the "2017H-B Bonds"). As further described below, the 2017 refunding refunded all of the outstanding tax allocation revenue bonds, except for the Project Area No. 2 2003 Bonds.

None of these bonds or any interest thereon are a debt of the City, the State of California or any of its political subdivisions (except for the Successor Agency), and none the City, the State of California nor any of its political subdivisions (except for the Successor Agency) is liable on the bonds, nor in any event shall the bonds and interest thereon be payable out of any funds or properties other than those provided under the respective bond documents.

The remaining outstanding Project Area No. 2 2003 Bonds were insured by MBIA Insurance Corporation ("MBIA"). On February 18, 2009, MBIA announced the restructuring of its financial guaranty insurance operations into two separately capitalized sister companies, with one entity (MBIA Illinois) assuming the risk associated with its U.S. municipal exposures, and the other (MBIA Corp) insuring the remainder of the portfolio. Effective March 19, 2009, MBIA Illinois was renamed National Public Finance Guarantee Corporation ("NPFGC").

Some (but not all) of the maturities of each series of the 2017 Bonds are insured by Build America Mutual Assurance Company.

2003 Series Tax Allocation Revenue Bonds (Project Area No. 2)

On March 26, 2003, the Palm Desert Financing Authority issued \$15,745,000 of Tax Allocation Revenue Bonds (Project Area No. 2) 2003 Series. The Palm Desert Financing Authority loaned the bond proceeds to the Dissolved RDA to fund various redevelopment capital projects in Project Area No. 2. Interest rates on the bonds vary from 4.5% to 5.0% per annum payable semi-annually on February 1 and August 1, with principal maturing as follows:

The future debt service requirements on the 2003 Series Tax Allocation Revenue Bonds (Project Area No. 2) are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 875,000	\$ 749,319	\$ 1,624,319
2025	910,000	709,156	1,619,156
2026	1,145,000	662,203	1,807,203
2027	1,340,000	604,738	1,944,738
2028	1,405,000	538,625	1,943,625
2029-2033	8,175,000	1,536,875	9,711,875
2034	1,895,000	47,375	1,942,375
Total	<u>\$ 15,745,000</u>	<u>\$ 4,848,291</u>	<u>\$ 20,593,291</u>

2017 Series A Tax Allocation Refunding Bonds

On January 31, 2017, the Successor Agency issued the 2017A Bonds, in the principal amount of \$52,390,000. The proceeds from the 2017A Bonds were utilized to refund the Project Area No. 1 2002A Bonds, Project Area No. 1 2003 Bond, Project Area No. 1 2004 Bonds, the Project Area No. 2 2002A Bonds, and the Project Area No. 4 1998 Bonds and pay certain costs associated with the issuance of the bonds.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Interest rates on the bonds vary from 2.00% to 5.00% per annum payable semi-annually on April 1 and October 1, commencing April 1, 2017, with principal maturing annually on October 1. As of June 30, 2023, the outstanding principal balance on the bonds \$36,405,000.

The future debt service requirements on the 2017A Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 715,000	\$ 1,802,375	\$ 2,517,375
2025	6,630,000	1,618,750	8,248,750
2026	6,910,000	1,280,250	8,190,250
2027	5,245,000	976,375	6,221,375
2028	5,495,000	707,875	6,202,875
2029-2031	11,410,000	841,250	12,251,250
Total	\$ 36,405,000	\$ 7,226,875	\$ 43,631,875

2017 Series B Tax Allocation Refunding Bonds

On January 31, 2017, the Successor Agency issued the 2017B Bonds, in the principal amount of \$140,130,000. The proceeds from the 2017B Bonds were utilized refund the Project Area No. 1 2006A Bonds, the Project Area No. 2 2006A Bonds, the Project Area No. 2 2006D Bonds, the Project Area No. 3 2003 Bonds, the Project No. 3 2006A Bonds, the Project Area No. 3 2006B Bonds, the Project Area No. 3 2006C Bonds, the Project Area No. 4 2001 Bonds, the Project Area No. 4 2006A Bonds, and the Project Area No. 4 2006B Bonds and pay certain costs associated with the issuance of the bonds.

Interest rates on the bonds vary from 1.25% to 4.25% per annum payable semi-annually on April 1 and October 1, commencing April 1, 2017, with principal maturing annually on October 1. As of June 30, 2023, the outstanding principal balance on the bonds is \$96,345,000.

The future debt service requirements on the 2017B Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 11,675,000	\$ 3,422,400	\$ 15,097,400
2025	5,585,000	3,160,009	8,745,009
2026	5,710,000	2,979,956	8,689,956
2027	8,060,000	2,751,156	10,811,156
2028	4,790,000	2,531,319	7,321,319
2029-2033	30,135,000	9,533,322	39,668,322
2034-2038	27,755,000	2,783,431	30,538,431
2039-2042	2,635,000	229,606	2,864,606
Total	\$ 96,345,000	\$ 27,391,199	\$ 123,736,199

2017 Series H-A Tax Allocation Refunding Bonds

On January 31, 2017, the Successor Agency issued the 2017H-A Bonds, in the principal amount of \$7,365,000. The proceeds from the 2017H-A Bonds were used to refund the 2002 Housing Bonds and pay certain costs associated with the issuance of the bonds.

CITY OF PALM DESERT
Notes To Basic Financial Statements
Year Ended June 30, 2023

NOTE 18: SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Interest rates on the bonds vary from 2.00% to 5.00% per annum payable semi-annually on April 1 and October 1, commencing April 1, 2017, with principal maturing annually on October 1. As of June 30, 2023, the outstanding principal balance on the bonds is \$5,025,000.

The future debt service requirements on the 2017 Series H-A Tax Allocation Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 455,000	\$ 216,144	\$ 671,144
2025	475,000	192,894	667,894
2026	505,000	168,394	673,394
2027	525,000	142,644	667,644
2028	555,000	115,644	670,644
2029-2033	2,510,000	186,784	2,696,784
Total	<u>\$ 5,025,000</u>	<u>\$ 1,022,504</u>	<u>\$ 6,047,504</u>

2017 Series H-B Tax Allocation Refunding Bonds

On January 31, 2017, the Successor Agency issued the 2017H-B Bonds, in the principal amount of \$45,815,000. The proceeds from the 2017 H-B Bonds were used to refund the 2007 Housing Bond and pay certain costs associated with the issuance of the bonds.

Interest rates on the bonds vary from 1.25% to 3.00% per annum payable semi-annually on April 1 and October 1, commencing April 1, 2017, with principal maturing annually on October 1. As of June 30, 2023, the outstanding principal balance on the bonds is \$6,195,000.

The future debt service requirements on the 2017H-B Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 6,195,000	\$ 92,925	\$ 6,287,925
Total	<u>\$ 6,195,000</u>	<u>\$ 92,925</u>	<u>\$ 6,287,925</u>

NOTE 19: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through January 30, 2024, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023, that required recognition or disclosure in these financial statements.

CITY OF PALM DESERT
Miscellaneous Plan - Agent Multiple-Employer
Schedule of Changes in Net Pension Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 2,156,598	\$ 2,125,437	\$ 2,076,964	\$ 2,204,265
Interest	7,991,591	8,223,320	8,327,823	8,558,529
Difference between Expected and Actual Experience	-	(2,378,254)	(4,259,317)	(1,895,482)
Changes in Assumptions	-	(2,091,348)	-	7,367,723
Benefit Payments, Including Refunds of Employee Contributions	(4,849,320)	(4,597,025)	(4,801,252)	(5,401,531)
Net Change in Total Pension Liability	5,298,869	1,282,130	1,344,218	10,833,504
Total Pension Liability - Beginning	107,900,900	113,199,769	114,481,899	115,826,117
Total Pension Liability - Ending (a)	\$ 113,199,769	\$ 114,481,899	\$ 115,826,117	\$ 126,659,621
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 3,320,450	\$ 4,065,411	\$ 4,257,322	\$ 5,303,371
Contributions - Employee	995,504	878,171	870,981	828,467
Net Investment Income	11,290,314	1,682,498	448,184	8,800,663
Benefit Payments, Including Refunds of Employee Contributions	(4,849,320)	(4,597,025)	(4,801,252)	(5,401,531)
Administrative Expense	-	(87,279)	(47,263)	(115,573)
Net Plan to Plan Resource Movement	-	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	10,756,948	1,941,776	727,972	9,415,397
Plan Fiduciary Net Position - Beginning	64,851,550	75,608,498	77,550,274	78,278,246
Plan Fiduciary Net Position - Ending (b)	\$ 75,608,498	\$ 77,550,274	\$ 78,278,246	\$ 87,693,643
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 37,591,271	\$ 36,931,625	\$ 37,547,871	\$ 38,965,978
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.79%	67.74%	67.58%	69.24%
Covered Payroll	\$ 11,110,759	\$ 11,448,621	\$ 11,342,713	\$ 10,684,238
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	338.33%	322.59%	331.03%	364.71%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

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: None in 2020-2022. In 2019, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2018, the discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2015, amounts reported were based on the 7.50% discount rate.

2019	2020	2021	2022	2023
\$ 2,196,462	\$ 1,973,971	\$ 2,086,683	\$ 2,042,043	\$ 1,976,289
8,797,867	9,261,660	9,645,145	10,005,168	10,122,299
(594,882)	1,762,387	533,373	116,967	(2,563,805)
(1,148,708)	-	-	-	4,699,855
(5,934,338)	(6,383,377)	(6,540,485)	(7,041,890)	(7,723,744)
3,316,401	6,614,641	5,724,716	5,122,288	6,510,894
126,659,621	129,976,022	136,590,663	142,315,379	147,437,667
\$ 129,976,022	\$ 136,590,663	\$ 142,315,379	\$ 147,437,667	\$ 153,948,561
\$ 5,407,412	\$ 5,963,737	\$ 4,521,813	\$ 4,729,858	\$ 4,020,131
812,447	791,794	805,528	745,959	791,130
7,555,653	6,322,815	5,102,524	24,010,711	(9,592,025)
(5,934,338)	(6,383,377)	(6,540,485)	(7,041,890)	(7,723,744)
(136,651)	(67,893)	(143,465)	(105,400)	(79,643)
(222)	-	-	-	-
(259,502)	222	-	-	-
7,444,799	6,627,298	3,745,915	22,339,238	(12,584,151)
87,693,643	95,138,442	101,765,740	105,511,655	127,850,893
\$ 95,138,442	\$ 101,765,740	\$ 105,511,655	\$ 127,850,893	\$ 115,266,742
\$ 34,837,580	\$ 34,824,923	\$ 36,803,724	\$ 19,586,774	\$ 38,681,819
73.20%	74.50%	74.14%	86.72%	74.87%
\$ 10,751,687	\$ 9,807,088	\$ 10,353,849	\$ 10,386,791	\$ 9,621,662
324.02%	355.10%	355.46%	188.57%	402.03%

CITY OF PALM DESERT
Miscellaneous Plan - Agent Multiple-Employer
Schedule of Plan Contributions
As of June 30, For the Last Ten Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 3,393,171	\$ 3,585,082	\$ 3,550,127	\$ 4,219,764
Contribution in Relation to the Actuarially Determined Contribution	(4,065,411)	(4,257,322)	(5,303,371)	(5,396,908)
Contribution Deficiency (Excess)	<u>\$ (672,240)</u>	<u>\$ (672,240)</u>	<u>\$ (1,753,244)</u>	<u>\$ (1,177,144)</u>
Covered Payroll	\$ 11,448,621	\$ 11,342,713	\$ 10,684,238	\$ 10,751,687
Contributions as a Percentage of Covered Payroll	35.51%	37.53%	49.64%	50.20%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

Note to Schedule:

Valuation Date:	June 30, 2021
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method/period	Level percentage of payroll, closed
Asset valuation method	Market value
Inflation	2.300%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	6.9% net of pension investment and administrative expenses, including
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 retirement 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 the 90% scale MP 2016 published by the Society of

2019	2020	2021	2022	2023
\$ 4,225,204	\$ 4,736,668	\$ 4,936,652	\$ 4,123,142	\$ 4,574,753
(5,963,737)	(4,521,813)	(4,729,797)	(4,123,142)	(4,574,753)
<u>\$ (1,738,533)</u>	<u>\$ 214,855</u>	<u>\$ 206,855</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,807,088	\$ 10,353,849	\$ 10,386,791	\$ 9,621,662	\$ 10,601,359
60.81%	43.67%	45.54%	42.85%	43.15%

CITY OF PALM DESERT
Schedule of Changes in the Net OPEB Liability/(Asset)
and Related Ratios
As of June 30, for the Last Ten Fiscal Years (1)

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 346,417	\$ 357,675	\$ 369,299
Interest on the total OPEB liability	1,144,106	1,199,747	1,256,431
Differences between expected and actual experience	-	-	(4,066,457)
Changes in assumptions	-	-	2,552,767
Changes in benefit terms	-	-	-
Benefit payments	(653,187)	(696,845)	(756,759)
Net change in total OPEB liability	<u>837,336</u>	<u>860,577</u>	<u>(644,719)</u>
Total OPEB liability - beginning	<u>16,980,271</u>	<u>17,817,607</u>	<u>18,678,184</u>
Total OPEB liability - ending (a)	<u>\$ 17,817,607</u>	<u>\$ 18,678,184</u>	<u>\$ 18,033,465</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 1,255,960	\$ 1,381,501	\$ 2,408,260
Net investment income	902,331	843,319	1,226,966
Benefit payments	(653,187)	(696,845)	(756,759)
Administrative expense	(6,541)	(7,371)	(3,515)
Other Expenses	-	(18,115)	-
Net change in plan fiduciary net position	<u>1,498,563</u>	<u>1,502,489</u>	<u>2,874,952</u>
Plan fiduciary net position - beginning	<u>12,198,460</u>	<u>13,697,023</u>	<u>15,199,512</u>
Plan fiduciary net position - ending (b)	<u>13,697,023</u>	<u>15,199,512</u>	<u>18,074,464</u>
Net OPEB Liability/(Asset) - ending (a) - (b)	<u>\$ 4,120,584</u>	<u>\$ 3,478,672</u>	<u>\$ (40,999)</u>
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	76.87%	81.38%	100.23%
Covered-Employee payroll	\$ 10,741,786	\$ 10,546,052	\$ 11,382,103
Net OPEB liability/(asset) as a percentage of covered-employee payroll	38.36%	32.99%	-0.36%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

2021	2022	2023
\$ 366,971	\$ 378,897	\$ 294,337
1,117,500	1,161,531	1,205,943
-	-	-
-	1,053,761	1,691,792
-	(910,834)	-
(752,486)	(819,968)	(944,960)
731,985	863,387	2,247,112
18,033,465	18,765,450	19,628,837
\$ 18,765,450	\$ 19,628,837	\$ 21,875,949

\$ 1,280,453	\$ 1,140,548	\$ 1,230,895
977,487	3,878,532	(3,022,583)
(752,486)	(819,968)	(944,960)
(9,045)	(7,193)	(6,034)
-	-	-
1,496,409	4,191,919	(2,742,682)
18,074,464	19,570,873	23,762,792
19,570,873	23,762,792	21,020,110
\$ (805,423)	\$ (4,133,955)	\$ 855,839

104.29% 121.06% 96.09%

\$ 10,881,697 \$ 11,208,147 \$ 12,780,729

-7.40% -36.88% 6.70%

See Notes to Required Supplementary Information.

CITY OF PALM DESERT
Schedule of Plan Contributions - OPEB
As of June 30, for the Last Ten Fiscal Years (1)

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 520,620	\$ 455,021	\$ 348,915
Contribution in Relation to the Actuarially Determined Contributions	(1,217,465)	(2,211,778)	(1,280,453)
Contribution Deficiency (Excess)	<u>\$ (696,845)</u>	<u>\$ (1,756,757)</u>	<u>\$ (931,538)</u>
Covered-Employee payroll	\$ 10,741,786	\$ 10,546,052	\$ 11,382,103
Contributions as a percentage of covered-employee payroll	11.33%	20.97%	11.25%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation.

Notes to Schedule:

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll over
Asset Valuation Method	Market Value
Inflation	2.50%
Payroll Growth	3.00% per annum, in aggregate
Investment Rate of Return	5.50% per
Healthcare cost-trend rates	Assumed to start at 6.5% and grade down by 0.5% each year to 5% in 2024
Retirement Age	The City offers the same plans to its retirees as to its active employees, with the general exception that upon reaching age 65 and becoming eligible for Medicare, the retiree must join one of the Medicare Supplement coverages under PEMHCA.
Mortality	Mortality rates used were those published by CalPERS under the 2017 Experience study and projected using the MacLeod Watts Scale 2018 applied generationally.

2021	2022	2023
\$ 320,508	\$ 994,088	\$ 452,627
(1,140,548)	(994,088)	(1,108,988)
<u>\$ (820,040)</u>	<u>\$ -</u>	<u>\$ (656,361)</u>
\$ 10,881,697	\$ 11,208,147	\$ 12,780,729
10.48%	8.87%	8.68%

CITY OF PALM DESERT
Budgetary Comparison Schedule by Department
General Fund
Year Ended June 30, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, as restated	\$ 119,900,532	\$ 119,900,532	\$ 119,900,532	\$ -
Resources (Inflows):				
Taxes				
Property taxes	7,230,029	7,230,029	7,918,559	688,530
Property transfer tax	774,000	774,000	934,735	160,735
Property tax in lieu	4,800,000	4,800,000	5,033,448	233,448
Timeshare mitigation fee	1,584,000	1,584,000	1,711,324	127,324
Sales tax	25,673,460	25,673,460	26,354,774	681,314
Business license tax	1,200,000	1,200,000	1,139,514	(60,486)
Job valuation fees	32,947	32,947	45,187	12,240
Transient occupancy tax	17,815,000	17,815,000	23,825,410	6,010,410
Franchises	3,150,000	3,150,000	3,574,273	424,273
Penalties and interest on taxes	20,000	20,000	185,219	165,219
Total Taxes	<u>62,279,436</u>	<u>62,279,436</u>	<u>70,722,443</u>	<u>8,443,007</u>
Licenses and Permits				
Building permits	900,000	1,500,000	2,275,257	775,257
Grading permits	25,000	25,000	15,717	(9,283)
Encroachment permits	40,000	200,000	226,113	26,113
Miscellaneous permits	-	-	530	530
Business regulatory permits	22,500	22,500	19,388	(3,112)
Golf cart permits	945	945	2,380	1,435
Valet parking permits	550	550	75	(475)
Total Licenses and Permits	<u>988,995</u>	<u>1,748,995</u>	<u>2,539,460</u>	<u>790,465</u>
Intergovernmental				
State mandate cost	-	-	94,795	94,795
Motor vehicle in-lieu fees	24,000	24,000	52,162	28,162
Monthly parking bail	10,000	10,000	4,332	(5,668)
Reimbursement RDA costs	700,000	700,000	1,052,201	352,201
Other reimbursements	626,500	626,500	412,029	(214,471)
Total Intergovernmental	<u>1,360,500</u>	<u>1,360,500</u>	<u>1,615,519</u>	<u>255,019</u>
Rental Income	<u>155,000</u>	<u>155,000</u>	<u>138,649</u>	<u>(16,351)</u>
Charges for Services				
Subdivision fees	500,000	500,000	451,094	(48,906)
Zoning fees	40,000	40,000	52,200	12,200
Plan check fees	335,500	600,000	644,448	44,448
Sale of maps and publications	5,000	5,000	8,210	3,210
Microfilm fees	500	500	199	(301)
Vehicle impact fee	625,000	625,000	595,493	(29,507)
Other fees	135,450	135,450	167,222	31,772
Total Charges for Services	<u>1,641,450</u>	<u>1,905,950</u>	<u>1,918,866</u>	<u>12,916</u>
Investment Earnings				
Interest income	450,000	450,000	4,853,178	4,403,178
Interest on notes receivable	200,000	200,000	172,356	(27,644)
Total Investment Earnings	<u>650,000</u>	<u>650,000</u>	<u>5,025,534</u>	<u>4,375,534</u>
Fines and Forfeitures				
Vehicle code fines	35,000	35,000	22,197	(12,803)
Municipal court fines	25,000	25,000	7,789	(17,211)
VICR fees	75,000	75,000	89,716	14,716
Total Fines and Forfeitures	<u>135,000</u>	<u>135,000</u>	<u>119,702</u>	<u>(15,298)</u>
Miscellaneous				
Code compliance	150,000	150,000	152,450	2,450
Certificate of compliance fee	500	500	200	(300)
Nuisance abatement tax	20,000	20,000	3,511	(16,489)
Abandoned vehicle abatement	38,000	38,000	69,162	31,162
Other revenue	157,000	267,000	343,233	76,233
Total Miscellaneous	<u>365,500</u>	<u>475,500</u>	<u>568,556</u>	<u>93,056</u>
Transfers In	<u>3,604,700</u>	<u>3,075,963</u>	<u>2,478,731</u>	<u>(597,232)</u>
Amounts Available for Appropriations	<u>191,081,113</u>	<u>191,686,876</u>	<u>206,009,835</u>	<u>14,322,959</u>

See Notes to Required Supplementary Information.

CITY OF PALM DESERT
Budgetary Comparison Schedule by Department
General Fund
Year Ended June 30, 2023

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriation (Outflow):				
General Government				
City Council	291,198	344,078	246,156	97,922
City Clerk	886,160	1,047,726	941,796	105,930
Legislative Advocacy	39,655	39,655	36,000	3,655
Elections	326,500	405,491	405,574	(83)
City Attorney	304,337	304,337	296,988	7,349
Legal Special Services	309,986	409,986	452,317	(42,331)
City Manager	1,184,119	1,179,950	1,077,518	102,432
Community Services	-	-	80,042	(80,042)
Finance	2,114,050	2,459,750	2,041,090	418,660
Independent Audit	90,000	117,000	145,036	(28,036)
Human Resources	798,160	1,282,478	835,145	447,333
General Services	7,244,134	4,738,486	4,281,784	456,702
Information Technology	2,319,961	2,672,246	2,319,470	352,776
Unemployment Insurance	10,000	10,000	138	9,862
Insurance	1,124,000	1,124,000	1,029,186	94,814
Contributions to Other Agencies	628,500	781,500	773,889	7,611
Community Promotions	1,189,500	1,332,200	1,347,204	(15,004)
Marketing	1,818,030	2,025,980	1,523,041	502,939
Visitors Information Center	12,930	12,930	27,166	(14,236)
Economic Development Center	993,200	2,422,575	1,413,836	1,008,739
Planning & Community Development	1,932,950	1,909,657	2,057,343	(147,686)
Total General Government	<u>23,617,370</u>	<u>24,620,025</u>	<u>21,330,719</u>	<u>3,289,306</u>
Public Safety				
Police Services	20,976,865	20,976,865	20,403,994	572,871
Animal Regulation	336,977	336,977	409,231	(72,254)
Traffic Safety	1,171,900	1,189,250	915,244	274,006
Building and Safety	1,483,239	1,736,125	1,366,067	370,058
Community Safety	435,000	785,000	210,021	574,979
Total Public Safety	<u>24,403,981</u>	<u>25,024,217</u>	<u>23,304,557</u>	<u>1,719,660</u>
Parks, Recreation, and Culture				
Civic Center Park	1,752,200	1,739,592	1,674,247	65,345
Park Maintenance	1,196,000	1,277,088	1,106,087	171,001
Landscaping Service	2,729,305	2,994,874	2,693,153	301,721
Civic Center Park - Improvement	145,000	145,000	88,512	56,488
Total Parks, Recreation and Culture	<u>5,822,505</u>	<u>6,156,554</u>	<u>5,561,999</u>	<u>594,555</u>
Public Works				
Administration	3,056,050	3,144,625	3,026,733	117,892
Street Maintenance	2,066,250	2,290,900	2,156,583	134,317
Street Resurfacing	300,000	300,000	-	300,000
Curb & Gutter	25,000	25,000	14,980	10,020
Parking Lot	440,000	223,000	-	223,000
Corporate Yard	158,000	220,500	189,549	30,951
Auto Fleet / Equipment	299,000	396,000	328,117	67,883
Public Bldg - Opr/Maint.	895,000	1,088,400	998,577	89,823
Portola Community Center	192,000	182,000	164,663	17,337
Total Public Works	<u>7,431,300</u>	<u>7,870,425</u>	<u>6,879,202</u>	<u>991,223</u>
Capital Outlay	162,000	175,500	685,071	(509,571)
Debt service:				-
Principal retirement	-	-	129,574	(129,574)
Interest and fiscal charges	-	-	4,498	(4,498)
Transfers Out	8,106,823	25,018,281	24,813,041	205,240
Contribution to Other Government	-	-	834,654	(834,654)
Total Charges to Appropriations	<u>71,176,429</u>	<u>90,502,802</u>	<u>85,093,323</u>	<u>5,409,479</u>
Budgetary Fund Balance, June 30	<u>\$ 119,904,684</u>	<u>\$ 101,184,074</u>	<u>\$ 120,916,512</u>	<u>\$ 19,732,438</u>

CITY OF PALM DESERT
Budgetary Comparison Schedule
Prop A Fire Tax
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,682,312	\$ 12,682,312	\$ 12,682,312	\$ -
Resources (Inflows):				
Taxes	7,000,000	7,000,000	9,169,242	2,169,242
Assessments	2,200,000	2,200,000	2,138,587	(61,413)
Intergovernmental	1,100,000	1,100,000	1,457,526	357,526
Charges for services	2,400,000	2,400,000	3,100,323	700,323
Investment earnings	20,000	20,000	222,043	202,043
Transfers in	4,600,000	4,600,000	4,600,000	-
Amounts Available for Appropriations	30,002,312	30,002,312	33,370,033	3,367,721
Charges to Appropriation (Outflow):				
Public safety	17,057,875	18,185,785	16,970,960	1,214,825
Capital outlay	638,400	1,751,820	660,442	1,091,378
Total Charges to Appropriations	17,696,275	19,937,605	17,631,402	2,306,203
Budgetary Fund Balance, June 30	\$ 12,306,037	\$ 10,064,707	\$ 15,738,631	\$ 5,673,924

See Notes to Required Supplementary Information.

CITY OF PALM DESERT
Budgetary Comparison Schedule
Housing Asset Fund
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 48,603,279	\$ 48,603,279	\$ 48,603,279	\$ -
Resources (Inflows):				
Investment earnings	95,000	95,000	1,554,962	1,459,962
Miscellaneous	-	-	38,780	38,780
Proceeds from sale of capital asset	-	-	293,804	293,804
Amounts Available for Appropriations	48,698,279	48,698,279	50,490,825	1,792,546
Charges to Appropriation (Outflow):				
Housing and redevelopment	423,650	7,758,650	419,870	7,338,780
Capital outlay	300,000	200,000	56,074	143,926
Total Charges to Appropriations	723,650	7,958,650	475,944	7,482,706
Budgetary Fund Balance, June 30	\$ 47,974,629	\$ 40,739,629	\$ 50,014,881	\$ 9,275,252

See Notes to Required Supplementary Information.

CITY OF PALM DESERT
Budgetary Comparison Schedule
Housing Authority
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,125,056	\$ 19,125,056	\$ 19,125,056	\$ -
Resources (Inflows):				
Rental income	8,028,316	8,028,316	8,737,330	709,014
Investment earnings	20,000	20,000	685,559	665,559
Amounts Available for Appropriations	27,173,372	27,173,372	28,547,945	1,374,573
Charges to Appropriation (Outflow):				
Housing and redevelopment	9,659,554	11,435,247	8,874,525	2,560,722
Transfers out	446,400	439,500	415,990	23,510
Total Charges to Appropriations	10,105,954	11,874,747	9,290,515	2,584,232
Budgetary Fund Balance, June 30	\$ 17,067,418	\$ 15,298,625	\$ 19,257,430	\$ 3,958,805

See Notes to Required Supplementary Information.

BUDGETS AND BUDGETARY ACCOUNTING

The City used the following procedures in establishing the budgetary data reported in the financial statements:

1. Before the beginning of the fiscal year, the City Manager submits to the City Council a proposed budget for the year commencing the following July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is subsequently adopted through passage of a resolution.
4. Expenditures for the General Fund cannot exceed amounts budgeted at the departmental level, which is the legal level of control. For other funds, expenditures cannot exceed the total amount budgeted for each fund, which is the legal level of control.

The City Manager is authorized to transfer appropriations (without council approval) between an object of a General Fund Department and authority to adjust intra-and outer departmental budgeted line items, as well as inter-fund transfers, provided such adjustments do not exceed the total approved budget. The City Council approves all other changes. Annual appropriation amounts lapse at year-end.

5. Encumbrances and continuing appropriations are rebudgeted as of July 1, by Council action.
6. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain special revenue funds and capital projects funds, which adopt project length budgets and debt service funds that are not budgeted as effective budgetary control is achieved through debt indenture provisions. The following funds did not have legally adopted budgets during the current fiscal year:

Other Governmental Funds

- Library
- Assessment District No. 94-3 Merano
- Silver Spur Ranch
- Highlands Undergrounding
- CFD University Special Assessment
- Assessment 29
- University Park
- National Opioid Settlement

**OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENTS**

CITY OF PALM DESERT
Combining Balance Sheet
Other Governmental Funds
June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Other Governmental Funds
Assets:				
Pooled cash and investments	\$ 51,964,406	\$ 33,652,432	\$ 120,692	\$ 85,737,530
Receivables:				
Accounts	902,488	-	-	902,488
Assessments	4,481	-	1,076,523	1,081,004
Loans	1,221,675	-	-	1,221,675
Interest	49,251	-	-	49,251
Prepaid costs	16,968	17,119	-	34,087
Deposits	-	20,000	-	20,000
Due from other governments	1,477,045	-	4,375	1,481,420
Advances to other funds	-	3,179,888	-	3,179,888
Inventories	17,570	-	-	17,570
Total Assets	\$ 55,653,884	\$ 36,869,439	\$ 1,201,590	\$ 93,724,913
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,637,568	\$ 2,585,705	\$ -	\$ 5,223,273
Accrued liabilities	14,520	-	-	14,520
Unearned revenues	280,834	251,273	-	532,107
Deposits payable	3,780	-	-	3,780
Due to other funds	1,136,962	-	-	1,136,962
Advances from other funds	956,000	-	-	956,000
Total Liabilities	5,029,664	2,836,978	-	7,866,642
Deferred Inflows or Resources:				
Unavailable revenues	329,475	-	1,076,523	1,405,998
Total Deferred Inflows of Resources	329,475	-	1,076,523	1,405,998
Fund Balances:				
Nonspendable:				
Inventory	17,570	-	-	17,570
Prepaid costs and deposits	16,968	17,119	-	34,087
Restricted for:				
Public safety	2,058,431	-	-	2,058,431
Capital projects	-	190,103	-	190,103
Debt service	-	-	125,067	125,067
Street related purposes	27,850,479	-	-	27,850,479
Low income housing	4,510,728	-	-	4,510,728
Public facilities	3,978,182	-	-	3,978,182
Special programs	8,169,630	1,302,639	-	9,472,269
Committed to:				
Aquatic center	1,871,454	-	-	1,871,454
Energy loan program	1,821,303	-	-	1,821,303
Assigned to:				
Capital projects	-	14,734,608	-	14,734,608
Property acquisition	-	420,387	-	420,387
Public facilities	-	14,804,510	-	14,804,510
Special programs	-	687,519	-	687,519
Street related purposes	-	1,875,576	-	1,875,576
Total Fund Balances	50,294,745	34,032,461	125,067	84,452,273
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 55,653,884	\$ 36,869,439	\$ 1,201,590	\$ 93,724,913

CITY OF PALM DESERT
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Other Governmental Funds
Revenues:				
Taxes	\$ 6,796,234	\$ -	\$ -	\$ 6,796,234
Special assessments collected	1,351,625	-	128,760	1,480,385
Licenses and permits	-	571,716	-	571,716
Intergovernmental revenues	3,605,743	32,575	-	3,638,318
Charges for services	1,136,741	2,587,864	-	3,724,605
Investment earnings	1,424,259	1,010,906	2,725	2,437,890
Rental income	-	82,981	-	82,981
Fines and forfeitures	7,385	-	-	7,385
Miscellaneous	30,027	214,790	-	244,817
Total Revenues	14,352,014	4,500,832	131,485	18,984,331
Expenditures:				
Current:				
General government	828,827	1,184,038	1,814	2,014,679
Public safety	384,731	-	-	384,731
Parks, recreation and culture	2,221,231	9,925,404	-	12,146,635
Public works	6,941,412	642,566	-	7,583,978
Housing and redevelopment	1,016,156	-	-	1,016,156
Capital outlay	2,747,563	3,527,619	-	6,275,182
Debt service:				
Principal retirement	86,000	-	50,000	136,000
Interest and fiscal charges	75,330	-	54,310	129,640
Total Expenditures	14,301,250	15,279,627	106,124	29,687,001
Excess of Revenues Over (Under) Expenditures	50,764	(10,778,795)	25,361	(10,702,670)
Other Financing Sources (Uses)				
Transfers in	2,515,384	15,352,358	-	17,867,742
Transfers out	(2,407,925)	(70,806)	-	(2,478,731)
Total Other Financing Sources (Uses)	107,459	15,281,552	-	15,389,011
Net Change in Fund Balances	158,223	4,502,757	25,361	4,686,341
Fund Balances, Beginning of Year	50,136,522	29,529,704	99,706	79,765,932
Fund Balances, End of Year	\$ 50,294,745	\$ 34,032,461	\$ 125,067	\$ 84,452,273

OTHER GOVERNMENTAL FUNDS - SPECIAL REVENUE

Special Revenue Funds are used to account for proceeds of specific revenue sources other than expendable trust that are legally restricted to expenditures for specific purposes.

Traffic Safety Fund – Traffic and court fines are collected in these funds. A transfer from this Fund to the General Fund is made at the end of the fiscal year by council action to be applied toward the eligible expenditures permitted by law.

Gas Tax Fund – Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to cities throughout the State. These funds are restricted to expenditure for transit and street-related purposes.

Measure A – This fund is used to account for the half-cent sales tax approved by the voters of Riverside County in 1988. Funds are restricted for local street and road expenditures only.

Housing Mitigation Fee Fund – This fund is used to account for fees collected from construction of commercial and office buildings for low and moderate income mitigation purposes to be used strictly for projects and programs that benefit the low and moderate income households.

Community Development Block Grant Fund – This fund is used to account for the receipts and expenditures of CDBG funds received from the U.S. Department of Housing and Urban Development.

Child Care Program Fund – This fund is used to collect funds from developers for the purpose of providing child care programs.

Public Safety Police Grants Fund – This fund is used to account for grants received from the U.S. Department of Justice under the Local Law Enforcement Block Grant Program for the purpose of purchasing equipment related to public safety.

New Construction Tax Fund – This fund is used to account for tax collected upon application to the City for a building permit from every person/entity for the construction of any new building, addition or trailer space in the city according to a fee schedule. Its use is restricted for the acquisition and development of public facilities such as parks, playgrounds and public structures.

Planned Drainage Fund – This fund is used to account for off-site drainage fees based on an established fee schedule collected prior to approval of the final map in the case of land being subdivided or prior to the issuance of a building permit in the case of construction or improvement of subdivided land.

Parks and Recreational Facilities Fund – This fund is used to account for fees collected for residential and subdivision developments collected either at the time grading permits are paid or prior to the approval of the final map. Its use is restricted for expenditures related to park development, maintenance and equipment.

Traffic Signals Fund – This fund is used to account for fees collected for residential, commercial and industrial developments either at the time grading permits are paid or prior to the approval of the final map. Its use is restricted for expenditures related to the acquisition and maintenance of traffic signals.

Fire Facilities Restoration Fund – This fund is used to collect funds from developers for the purpose of construction, restoration and purchase of equipment for fire stations within the City.

Recycling Fund – This fund is used to account for resources resulting from lower landfill tipping fees which have been reduced to zero in 2013, and State grant funds. Funds will be utilized for purposes of promoting recycling and recycling related activities.

**OTHER GOVERNMENTAL FUNDS - SPECIAL REVENUE
(CONTINUED)**

Energy Independence Loan Fund – This fund is used to provide funding for the AB811 Energy Loans and collect assessments from those AB811 loans through property tax collections. The assessments collected will be used to service debt issued and to provide additional funding for the AB811 loans.

Air Quality Management Fund – This fund accounts for receipts from South Coast Air Quality Management District, sixty percent of which is disbursed to the Coachella Valley Association of Governments.

Aquatic Center Fund – This fund is used to account for revenues and expenditures for the City's aquatic facility.

Cannabis Compliance Fund – This fund is used to account for revenues and expenditures for the City's cannabis compliance activity.

EI Paseo Assessment District Fund – This fund is used to collect assessments on all business establishments located within the boundaries set for the EI Paseo Parking and business improvement area based on a fee schedule established for the various types of businesses. Proceeds from all charges are used for the promotion of business activities in the area.

Various Landscape and Lighting District Funds – These funds are used to account for expenditures and receipts of property taxes and service fees levied to the property owners in the various landscaping and lighting districts, which were formed to provide landscaping and street lighting maintenance. Individual landscaping and lighting funds are set up for Districts No 1 through 17.

Affordable Housing Fund – This fund is used to account for the management and operation of the affordable housing portfolio.

Permanent Local Housing Allocation Grant Fund – This fund provides a permanent source of funding to cities and counties to help meet the need for affordable housing and to increase the supply of affordable housing units.

Opioid Settlement Funds – This fund is used to account for the receipts and expenditures related to the Nationwide Class Action Opioid Settlement intended to be used to address the nation's continuing opioid crisis.

**CITY OF PALM DESERT
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2023**

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Measure A</u>	<u>Housing Mitigation Fee</u>
Assets:				
Pooled cash and investments	\$ 1,806	\$ 4,673,470	\$ 21,719,622	\$ 3,158,997
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Allowance for interest on Successor Agency	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	3,904	337,925	1,004,357	-
Inventories	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,710</u>	<u>\$ 5,011,395</u>	<u>\$ 22,723,979</u>	<u>\$ 3,158,997</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 187,892	\$ 844,705	\$ 3,054
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>187,892</u>	<u>844,705</u>	<u>3,054</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	280,889	-
	<u>-</u>	<u>-</u>	<u>280,889</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>280,889</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Prepaid costs	-	-	-	-
Restricted for:				
Public safety	-	-	-	-
Street related purposes	5,710	4,823,503	21,598,385	-
Low income housing	-	-	-	3,155,943
Public facilities	-	-	-	-
Special programs	-	-	-	-
Committed to:				
Aquatic center	-	-	-	-
Energy loan program	-	-	-	-
Assigned to:				
Community development projects	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,710</u>	<u>4,823,503</u>	<u>21,598,385</u>	<u>3,155,943</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,710</u>	<u>\$ 5,011,395</u>	<u>\$ 22,723,979</u>	<u>\$ 3,158,997</u>

**CITY OF PALM DESERT
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2023**

(CONTINUED)

	Community Development Block Grant	Child Care Program	Public Safety Police Grants	New Construction Tax
Assets:				
Pooled cash and investments	\$ 7,998	\$ 769,068	\$ 207,054	\$ 1,578,845
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Allowance for interest on Successor Agency	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	93,471	-	-	-
Inventories	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 101,469</u>	<u>\$ 769,068</u>	<u>\$ 207,054</u>	<u>\$ 1,578,845</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 62,307	\$ -	\$ 109,800	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	76,180	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>62,307</u>	<u>-</u>	<u>185,980</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Prepaid costs	-	-	-	-
Restricted for:				
Public safety	-	-	21,074	-
Street related purposes	-	-	-	-
Low income housing	-	-	-	-
Public facilities	-	769,068	-	1,578,845
Special programs	39,162	-	-	-
Committed to:				
Aquatic center	-	-	-	-
Energy loan program	-	-	-	-
Assigned to:				
Community development projects	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>39,162</u>	<u>769,068</u>	<u>21,074</u>	<u>1,578,845</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 101,469</u>	<u>\$ 769,068</u>	<u>\$ 207,054</u>	<u>\$ 1,578,845</u>

**CITY OF PALM DESERT
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2023**

	Planned Drainage	Parks and Recreational Facilities	Traffic Signals	Fire Facilities Restoration
Assets:				
Pooled cash and investments	\$ 897,347	\$ 1,838,223	\$ 525,534	\$ 1,661,964
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Allowance for interest on Successor Agency	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 897,347</u>	<u>\$ 1,838,223</u>	<u>\$ 525,534</u>	<u>\$ 1,661,964</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 207,954	\$ -	\$ 81,264
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>207,954</u>	<u>-</u>	<u>81,264</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Prepaid costs	-	-	-	-
Restricted for:				
Public safety	-	-	-	1,580,700
Street related purposes	897,347	-	525,534	-
Low income housing	-	-	-	-
Public facilities	-	1,630,269	-	-
Special programs	-	-	-	-
Committed to:				
Aquatic center	-	-	-	-
Energy loan program	-	-	-	-
Assigned to:				
Community development projects	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>897,347</u>	<u>1,630,269</u>	<u>525,534</u>	<u>1,580,700</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 897,347</u>	<u>\$ 1,838,223</u>	<u>\$ 525,534</u>	<u>\$ 1,661,964</u>

**CITY OF PALM DESERT
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2023**

(CONTINUED)

	Recycling	Energy Independence Loan	Air Quality Management	Aquatic Center
Assets:				
Pooled cash and investments	\$ 3,221,737	\$ 1,552,717	\$ 41,076	\$ 2,094,235
Receivables:				
Accounts	65,691	-	-	666,790
Assessments	-	4,481	-	-
Loans	-	1,221,675	-	-
Interest	-	49,251	-	-
Allowance for interest on Successor Agency	-	-	-	-
Prepaid costs	1,050	4,000	-	11,918
Due from other governments	-	-	16,972	-
Inventories	-	-	-	17,570
Total Assets	\$ 3,288,478	\$ 2,832,124	\$ 58,048	\$ 2,790,513
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 30,672	\$ 2,235	\$ 25,759	\$ 889,571
Accrued liabilities	-	-	-	-
Unearned revenues	103,613	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	956,000	-	-
Total Liabilities	134,285	958,235	25,759	889,571
Deferred Inflows of Resources:				
Unavailable revenues	-	48,586	-	-
Total Deferred Inflows of Resources	-	48,586	-	-
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	17,570
Prepaid costs	1,050	4,000	-	11,918
Restricted for:				
Public safety	-	-	-	-
Street related purposes	-	-	-	-
Low income housing	-	-	-	-
Public facilities	-	-	-	-
Special programs	3,153,143	-	32,289	-
Committed to:				
Aquatic center	-	-	-	1,871,454
Energy loan program	-	1,821,303	-	-
Assigned to:				
Community development projects	-	-	-	-
Total Fund Balances	3,154,193	1,825,303	32,289	1,900,942
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,288,478	\$ 2,832,124	\$ 58,048	\$ 2,790,513

CITY OF PALM DESERT
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2023

	Cannabis Compliance	El Paseo Assessment District	Landscape and Lighting District Nos. 1 - 17	Affordable Housing
Assets:				
Pooled cash and investments	\$ 1,433,948	\$ 81,840	\$ 5,026,091	\$ 1,364,171
Receivables:				
Accounts	160,963	9,044	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Allowance for interest on Successor Agency	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	20,416	-
Inventories	-	-	-	-
Total Assets	\$ 1,594,911	\$ 90,884	\$ 5,046,507	\$ 1,364,171
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 28,669	\$ 163,686	\$ -
Accrued liabilities	-	-	-	14,520
Unearned revenues	-	-	-	-
Deposits payable	3,780	-	-	-
Due to other funds	1,136,962	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	1,140,742	28,669	163,686	14,520
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Prepaid costs	-	-	-	-
Restricted for:				
Public safety	454,169	-	-	-
Street related purposes	-	-	-	-
Low income housing	-	-	-	1,349,651
Public facilities	-	-	-	-
Special programs	-	62,215	4,882,821	-
Committed to:				
Aquatic center	-	-	-	-
Energy loan program	-	-	-	-
Assigned to:				
Community development projects	-	-	-	-
Total Fund Balances	454,169	62,215	4,882,821	1,349,651
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,594,911	\$ 90,884	\$ 5,046,507	\$ 1,364,171

CITY OF PALM DESERT
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2023

	Permanent Local Housing Allocation Grant	National Opioid Settlement	Total Other Special Revenue Funds
Assets:			
Pooled cash and investments	\$ 5,134	\$ 103,529	\$ 51,964,406
Receivables:			
Accounts	-	-	902,488
Assessments	-	-	4,481
Loans	-	-	1,221,675
Interest	-	-	49,251
Allowance for interest on Successor Agency	-	-	-
Prepaid costs	-	-	16,968
Due from other governments	-	-	1,477,045
Inventories	-	-	17,570
	<u>-</u>	<u>-</u>	<u>17,570</u>
Total Assets	<u>\$ 5,134</u>	<u>\$ 103,529</u>	<u>\$ 55,653,884</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 2,637,568
Accrued liabilities	-	-	14,520
Unearned revenues	-	101,041	280,834
Deposits payable	-	-	3,780
Due to other funds	-	-	1,136,962
Advances from other funds	-	-	956,000
	<u>-</u>	<u>-</u>	<u>956,000</u>
Total Liabilities	<u>-</u>	<u>101,041</u>	<u>5,029,664</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	329,475
	<u>-</u>	<u>-</u>	<u>329,475</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>329,475</u>
Fund Balances:			
Nonspendable:			
Inventory	-	-	17,570
Prepaid costs	-	-	16,968
Restricted for:			
Public safety	-	2,488	2,058,431
Street related purposes	-	-	27,850,479
Low income housing	5,134	-	4,510,728
Public facilities	-	-	3,978,182
Special programs	-	-	8,169,630
Committed to:			
Aquatic center	-	-	1,871,454
Energy loan program	-	-	1,821,303
Assigned to:			
Community development projects	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,134</u>	<u>2,488</u>	<u>50,294,745</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,134</u>	<u>\$ 103,529</u>	<u>\$ 55,653,884</u>

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Special Revenue Funds
Year Ended June 30, 2023

	<u>Traffic Safety</u>	<u>Gas Tax</u>	<u>Measure A</u>	<u>Housing Mitigation Fee</u>
Revenues:				
Taxes	\$ -	\$ -	\$ 3,562,513	\$ 55,521
Special assessments collected	-	-	-	-
Intergovernmental revenues	-	2,421,662	97,960	-
Charges for services	-	-	-	-
Investment earnings	87	86,076	738,084	126,075
Fines and forfeitures	7,385	-	-	-
Miscellaneous	-	-	-	30,000
Total Revenues	<u>7,472</u>	<u>2,507,738</u>	<u>4,398,557</u>	<u>211,596</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and culture	-	-	-	-
Public works	-	2,853,403	3,171,819	-
Housing and redevelopment	-	-	-	602,802
Capital outlay	-	-	1,446,804	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,853,403</u>	<u>4,618,623</u>	<u>602,802</u>
Excess of Revenues Over (Under) Expenditures	<u>7,472</u>	<u>(345,665)</u>	<u>(220,066)</u>	<u>(391,206)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(4,700)	-	-	-
Total Other Financing Sources (Uses)	<u>(4,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>2,772</u>	<u>(345,665)</u>	<u>(220,066)</u>	<u>(391,206)</u>
Fund Balances, Beginning of Year	<u>2,938</u>	<u>5,169,168</u>	<u>21,818,451</u>	<u>3,547,149</u>
Fund Balances, End of Year	<u>\$ 5,710</u>	<u>\$ 4,823,503</u>	<u>\$ 21,598,385</u>	<u>\$ 3,155,943</u>

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Special Revenue Funds
Year Ended June 30, 2023

(CONTINUED)

	Community Development Block Grant	Child Care Program	Public Safety Police Grants	New Construction Tax
Revenues:				
Taxes	\$ -	\$ 71,412	\$ -	\$ 518,442
Special assessments collected	-	-	-	-
Intergovernmental revenues	352,646	-	382,311	-
Charges for services	-	-	-	-
Investment earnings	-	23,793	5,027	52,485
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	352,646	95,205	387,338	570,927
Expenditures:				
Current:				
General government	186,870	-	-	-
Public safety	-	-	382,311	-
Parks, recreation and culture	-	-	-	-
Public works	-	-	-	-
Housing and redevelopment	-	-	-	-
Capital outlay	-	-	-	444,430
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	186,870	-	382,311	444,430
Excess of Revenues Over (Under) Expenditures	165,776	95,205	5,027	126,497
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	165,776	95,205	5,027	126,497
Fund Balances, Beginning of Year	(126,614)	673,863	16,047	1,452,348
Fund Balances, End of Year	\$ 39,162	\$ 769,068	\$ 21,074	\$ 1,578,845

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Special Revenue Funds
Year Ended June 30, 2023

	<u>Planned Drainage</u>	<u>Parks and Recreational Facilities</u>	<u>Traffic Signals</u>	<u>Fire Facilities Restoration</u>
Revenues:				
Taxes	\$ 132,022	\$ 70,597	\$ 70,931	\$ 297,648
Special assessments collected	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	27,188	59,795	15,853	49,188
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	159,210	130,392	86,784	346,836
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	2,400	-	-	-
Parks, recreation and culture	-	-	-	-
Public works	-	-	-	-
Housing and redevelopment	-	-	-	-
Capital outlay	-	208,754	-	134,222
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,400	208,754	-	134,222
Excess of Revenues Over (Under) Expenditures	156,810	(78,362)	86,784	212,614
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	156,810	(78,362)	86,784	212,614
Fund Balances, Beginning of Year	740,537	1,708,631	438,750	1,368,086
Fund Balances, End of Year	\$ 897,347	\$ 1,630,269	\$ 525,534	\$ 1,580,700

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Special Revenue Funds
Year Ended June 30, 2023

(CONTINUED)

	<u>Recycling</u>	<u>Energy Independence Loan</u>	<u>Air Quality Management</u>	<u>Aquatic Center</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments collected	-	71,522	-	-
Intergovernmental revenues	-	-	84,901	-
Charges for services	412,066	-	-	724,675
Investment earnings	103,946	28,740	1,302	17,600
Fines and forfeitures	-	-	-	-
Miscellaneous	27	-	-	-
Total Revenues	516,039	100,262	86,203	742,275
Expenditures:				
Current:				
General government	289,792	5,315	64,689	-
Public safety	-	-	-	-
Parks, recreation and culture	-	-	-	2,221,231
Public works	-	-	-	-
Housing and redevelopment	-	-	-	-
Capital outlay	-	-	4,061	506,656
Debt service:				
Principal retirement	-	86,000	-	-
Interest and fiscal charges	-	75,330	-	-
Total Expenditures	289,792	166,645	68,750	2,727,887
Excess of Revenues Over (Under) Expenditures	226,247	(66,383)	17,453	(1,985,612)
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,890,294
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,890,294
Net Change in Fund Balances	226,247	(66,383)	17,453	(95,318)
Fund Balances, Beginning of Year	2,927,946	1,891,686	14,836	1,996,260
Fund Balances, End of Year	\$ 3,154,193	\$ 1,825,303	\$ 32,289	\$ 1,900,942

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Special Revenue Funds
Year Ended June 30, 2023

	Cannabis Compliance	El Paseo Assessment District	Landscape and Lighting District Nos. 1 - 17	Affordable Housing
Revenues:				
Taxes	\$ 2,017,148	\$ -	\$ -	\$ -
Special assessments collected	-	271,431	1,008,672	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	1,460	79,938	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,017,148	272,891	1,088,610	-
Expenditures:				
Current:				
General government	-	282,161	-	-
Public safety	20	-	-	-
Parks, recreation and culture	-	-	-	-
Public works	-	-	916,190	-
Housing and redevelopment	-	-	-	413,354
Capital outlay	-	-	-	2,636
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	20	282,161	916,190	415,990
Excess of Revenues Over (Under) Expenditures	2,017,128	(9,270)	172,420	(415,990)
Other Financing Sources (Uses)				
Transfers in	-	-	209,100	415,990
Transfers out	(2,136,962)	-	-	-
Total Other Financing Sources (Uses)	(2,136,962)	-	209,100	415,990
Net Change in Fund Balances	(119,834)	(9,270)	381,520	-
Fund Balances, Beginning of Year	574,003	71,485	4,501,301	1,349,651
Fund Balances, End of Year	\$ 454,169	\$ 62,215	\$ 4,882,821	\$ 1,349,651

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Special Revenue Funds
Year Ended June 30, 2023

	Permanent Local Housing Allocation Grant	National Opioid Settlement	Total Other Special Revenue Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 6,796,234
Special assessments collected	-	-	1,351,625
Intergovernmental revenues	266,263	-	3,605,743
Charges for services	-	-	1,136,741
Investment earnings	5,134	2,488	1,424,259
Fines and forfeitures	-	-	7,385
Miscellaneous	-	-	30,027
Total Revenues	271,397	2,488	14,352,014
Expenditures:			
Current:			
General government	-	-	828,827
Public safety	-	-	384,731
Parks, recreation and culture	-	-	2,221,231
Public works	-	-	6,941,412
Housing and redevelopment	-	-	1,016,156
Capital outlay	-	-	2,747,563
Debt service:			
Principal retirement	-	-	86,000
Interest and fiscal charges	-	-	75,330
Total Expenditures	-	-	14,301,250
Excess of Revenues Over (Under) Expenditures	271,397	2,488	50,764
Other Financing Sources (Uses)			
Transfers in	-	-	2,515,384
Transfers out	(266,263)	-	(2,407,925)
Total Other Financing Sources (Uses)	(266,263)	-	107,459
Net Change in Fund Balances	5,134	2,488	158,223
Fund Balances, Beginning of Year	-	-	50,136,522
Fund Balances, End of Year	\$ 5,134	\$ 2,488	\$ 50,294,745

CITY OF PALM DESERT
Budgetary Comparison Schedule
Traffic Safety
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,938	\$ 2,938	\$ 2,938	\$ -
Resources (Inflows):				
Investment earnings	-	-	87	87
Fines and forfeitures	4,700	4,700	7,385	2,685
Amounts Available for Appropriations	7,638	7,638	10,410	2,772
Charges to Appropriation (Outflow):				
Transfers out	4,700	4,700	4,700	-
Total Charges to Appropriations	4,700	4,700	4,700	-
Budgetary Fund Balance, June 30	\$ 2,938	\$ 2,938	\$ 5,710	\$ 2,772

CITY OF PALM DESERT
Budgetary Comparison Schedule
Gas Tax
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,169,168	\$ 5,169,168	\$ 5,169,168	\$ -
Resources (Inflows):				
Intergovernmental	2,802,451	2,802,451	2,421,662	(380,789)
Investment earnings	13,000	13,000	86,076	73,076
Amounts Available for Appropriations	7,984,619	7,984,619	7,676,906	(307,713)
Charges to Appropriation (Outflow):				
Public works	4,700,000	7,353,968	2,853,403	4,500,565
Total Charges to Appropriations	4,700,000	7,353,968	2,853,403	4,500,565
Budgetary Fund Balance, June 30	\$ 3,284,619	\$ 630,651	\$ 4,823,503	\$ 4,192,852

CITY OF PALM DESERT
Budgetary Comparison Schedule
Measure A
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,818,451	\$ 21,818,451	\$ 21,818,451	\$ -
Resources (Inflows):				
Taxes	3,199,000	3,199,000	3,562,513	363,513
Intergovernmental	1,663,000	1,663,000	97,960	(1,565,040)
Investment earnings	100,000	100,000	738,084	638,084
Amounts Available for Appropriations	26,780,451	26,780,451	26,217,008	(563,443)
Charges to Appropriation (Outflow):				
Public works	300,000	4,521,524	3,171,819	1,349,705
Capital outlay	7,878,000	10,666,684	1,446,804	9,219,880
Total Charges to Appropriations	8,178,000	15,188,207	4,618,623	10,569,584
Budgetary Fund Balance, June 30	\$ 18,602,451	\$ 11,592,244	\$ 21,598,385	\$ 10,006,141

CITY OF PALM DESERT
Budgetary Comparison Schedule
Housing Mitigation Fee
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,547,149	\$ 3,547,149	\$ 3,547,149	\$ -
Resources (Inflows):				
Taxes	64,000	64,000	55,521	(8,479)
Investment earnings	8,000	8,000	126,075	118,075
Miscellaneous	-	-	30,000	30,000
Amounts Available for Appropriations	3,619,149	3,619,149	3,758,745	139,596
Charges to Appropriation (Outflow):				
Housing and redevelopment	404,500	404,500	602,802	(198,302)
Total Charges to Appropriations	404,500	404,500	602,802	(198,302)
Budgetary Fund Balance, June 30	\$ 3,214,649	\$ 3,214,649	\$ 3,155,943	\$ (58,706)

CITY OF PALM DESERT
Budgetary Comparison Schedule
Community Development Block Grant
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (126,614)	\$ (126,614)	\$ (126,614)	\$ -
Resources (Inflows):				
Intergovernmental	418,663	418,663	352,646	(66,017)
Investment earnings	100	100	-	(100)
Amounts Available for Appropriations	292,149	292,149	226,032	(66,117)
Charges to Appropriation (Outflow):				
General government	418,663	822,853	186,870	635,983
Total Charges to Appropriations	418,663	822,853	186,870	635,983
Budgetary Fund Balance, June 30	\$ (126,514)	\$ (530,704)	\$ 39,162	\$ 569,866

CITY OF PALM DESERT
Budgetary Comparison Schedule
Child Care Program
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 673,863	\$ 673,863	\$ 673,863	\$ -
Resources (Inflows):				
Taxes	90,000	90,000	71,412	(18,588)
Investment earnings	4,000	4,000	23,793	19,793
Amounts Available for Appropriations	767,863	767,863	769,068	1,205
Charges to Appropriation (Outflow):				
Capital outlay	-	684,000	-	684,000
Total Charges to Appropriations	-	684,000	-	684,000
Budgetary Fund Balance, June 30	\$ 767,863	\$ 83,863	\$ 769,068	\$ 685,205

CITY OF PALM DESERT
Budgetary Comparison Schedule
Public Safety Police Grants
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,047	\$ 16,047	\$ 16,047	\$ -
Resources (Inflows):				
Intergovernmental	200,000	200,000	382,311	182,311
Investment earnings	500	500	5,027	4,527
Amounts Available for Appropriations	216,547	216,547	403,385	186,838
Charges to Appropriation (Outflow):				
Public safety	200,000	200,000	382,311	(182,311)
Total Charges to Appropriations	200,000	200,000	382,311	(182,311)
Budgetary Fund Balance, June 30	\$ 16,547	\$ 16,547	\$ 21,074	\$ 4,527

CITY OF PALM DESERT
Budgetary Comparison Schedule
New Construction Tax
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,452,348	\$ 1,452,348	\$ 1,452,348	\$ -
Resources (Inflows):				
Taxes	414,200	414,200	518,442	104,242
Intergovernmental	3,724,907	3,724,907	-	(3,724,907)
Investment earnings	8,000	8,000	52,485	44,485
Amounts Available for Appropriations	5,599,455	5,599,455	2,023,275	(3,576,180)
Charges to Appropriation (Outflow):				
Capital outlay	1,500,000	4,212,082	444,430	3,767,652
Total Charges to Appropriations	1,500,000	4,212,082	444,430	3,767,652
Budgetary Fund Balance, June 30	\$ 4,099,455	\$ 1,387,373	\$ 1,578,845	\$ 191,472

CITY OF PALM DESERT
Budgetary Comparison Schedule
Planned Drainage
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 740,537	\$ 740,537	\$ 740,537	\$ -
Resources (Inflows):				
Taxes	70,000	70,000	132,022	62,022
Investment earnings	2,500	2,500	27,188	24,688
Amounts Available for Appropriations	813,037	813,037	899,747	86,710
Charges to Appropriation (Outflow):				
Public safety	239,262	239,262	2,400	236,862
Total Charges to Appropriations	239,262	239,262	2,400	236,862
Budgetary Fund Balance, June 30	\$ 573,775	\$ 573,775	\$ 897,347	\$ 323,572

CITY OF PALM DESERT
Budgetary Comparison Schedule
Parks and Recreational Facilities
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,708,631	\$ 1,708,631	\$ 1,708,631	\$ -
Resources (Inflows):				
Taxes	175,000	175,000	70,597	(104,403)
Investment earnings	3,000	3,000	59,795	56,795
Amounts Available for Appropriations	1,886,631	1,886,631	1,839,023	(47,608)
Charges to Appropriation (Outflow):				
Capital outlay	-	1,258,400	208,754	1,049,646
Total Charges to Appropriations	-	1,258,400	208,754	1,049,646
Budgetary Fund Balance, June 30	\$ 1,886,631	\$ 628,231	\$ 1,630,269	\$ 1,002,038

CITY OF PALM DESERT
Budgetary Comparison Schedule
Traffic Signals
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 438,750	\$ 438,750	\$ 438,750	\$ -
Resources (Inflows):				
Taxes	20,000	20,000	70,931	50,931
Investment earnings	500	500	15,853	15,353
Amounts Available for Appropriations	459,250	459,250	525,534	66,284
Charges to Appropriation (Outflow):				
Capital outlay	-	225,000	-	225,000
Total Charges to Appropriations	-	225,000	-	225,000
Budgetary Fund Balance, June 30	\$ 459,250	\$ 234,250	\$ 525,534	\$ 291,284

CITY OF PALM DESERT
Budgetary Comparison Schedule
Fire Facilities Restoration
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,368,086	\$ 1,368,086	\$ 1,368,086	\$ -
Resources (Inflows):				
Taxes	116,100	116,100	297,648	181,548
Investment earnings	7,000	7,000	49,188	42,188
Amounts Available for Appropriations	1,491,186	1,491,186	1,714,922	223,736
Charges to Appropriation (Outflow):				
Capital outlay	-	1,223,471	134,222	1,089,249
Total Charges to Appropriations	-	1,223,471	134,222	1,089,249
Budgetary Fund Balance, June 30	\$ 1,491,186	\$ 267,715	\$ 1,580,700	\$ 1,312,985

CITY OF PALM DESERT
Budgetary Comparison Schedule
Recycling
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,927,946	\$ 2,927,946	\$ 2,927,946	\$ -
Resources (Inflows):				
Intergovernmental	50,000	50,000	-	(50,000)
Charges for services	430,000	430,000	412,066	(17,934)
Investment earnings	15,000	15,000	103,946	88,946
Miscellaneous	-	-	27	27
Amounts Available for Appropriations	3,422,946	3,422,946	3,443,985	21,039
Charges to Appropriation (Outflow):				
General government	633,000	699,050	289,792	409,258
Total Charges to Appropriations	633,000	699,050	289,792	409,258
Budgetary Fund Balance, June 30	\$ 2,789,946	\$ 2,723,896	\$ 3,154,193	\$ 430,297

CITY OF PALM DESERT
Budgetary Comparison Schedule
Energy Independence Loan
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,891,686	\$ 1,891,686	\$ 1,891,686	\$ -
Resources (Inflows):				
Assessments	300,000	300,000	71,522	(228,478)
Investment earnings	5,000	5,000	28,740	23,740
Amounts Available for Appropriations	2,196,686	2,196,686	1,991,948	(204,738)
Charges to Appropriation (Outflow):				
General government	15,000	15,000	5,315	9,685
Debt service:				
Principal retirement	130,000	130,000	86,000	44,000
Interest and fiscal charges	83,480	83,480	75,330	8,150
Total Charges to Appropriations	228,480	228,480	166,645	61,835
Budgetary Fund Balance, June 30	\$ 1,968,206	\$ 1,968,206	\$ 1,825,303	\$ (142,903)

CITY OF PALM DESERT
Budgetary Comparison Schedule
Air Quality Management
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 14,836	\$ 14,836	\$ 14,836	\$ -
Resources (Inflows):				
Intergovernmental	73,400	73,400	84,901	11,501
Investment earnings	50	50	1,302	1,252
Amounts Available for Appropriations	88,286	88,286	101,039	12,753
Charges to Appropriation (Outflow):				
General government	63,100	63,100	64,689	(1,589)
Capital outlay	-	-	4,061	(4,061)
Total Charges to Appropriations	63,100	63,100	68,750	(5,650)
Budgetary Fund Balance, June 30	\$ 25,186	\$ 25,186	\$ 32,289	\$ 7,103

CITY OF PALM DESERT
Budgetary Comparison Schedule
Aquatic Center
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,996,260	\$ 1,996,260	\$ 1,996,260	\$ -
Resources (Inflows):				
Charges for services	811,786	811,786	724,675	(87,111)
Investment earnings	3,000	3,000	17,600	14,600
Transfers in	1,805,294	1,920,294	1,890,294	(30,000)
Amounts Available for Appropriations	4,616,340	4,731,340	4,628,829	(102,511)
Charges to Appropriation (Outflow):				
Parks, recreation and culture	2,349,080	2,349,080	2,221,231	127,849
Capital outlay	271,000	543,517	506,656	36,861
Total Charges to Appropriations	2,620,080	2,892,597	2,727,887	164,710
Budgetary Fund Balance, June 30	\$ 1,996,260	\$ 1,838,743	\$ 1,900,942	\$ 62,199

CITY OF PALM DESERT
Budgetary Comparison Schedule
Cannabis Compliance
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 574,003	\$ 574,003	\$ 574,003	\$ -
Resources (Inflows):				
Taxes	3,190,000	2,395,000	2,017,148	(377,852)
Amounts Available for Appropriations	3,764,003	2,969,003	2,591,151	(377,852)
Charges to Appropriation (Outflow):				
Public safety	-	-	20	(20)
Transfers out	3,180,000	3,180,000	2,136,962	1,043,038
Total Charges to Appropriations	3,180,000	3,180,000	2,136,982	1,043,018
Budgetary Fund Balance, June 30	\$ 584,003	\$ (210,997)	\$ 454,169	\$ 665,166

**CITY OF PALM DESERT
 Budgetary Comparison Schedule
 El Paseo Assessment District
 Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 71,485	\$ 71,485	\$ 71,485	\$ -
Resources (Inflows):				
Special assessments collected	250,000	250,000	271,431	21,431
Investment earnings	-	-	1,460	1,460
Amounts Available for Appropriations	321,485	321,485	344,376	22,891
Charges to Appropriation (Outflow):				
General government	250,000	291,000	282,161	8,839
Total Charges to Appropriations	250,000	291,000	282,161	8,839
Budgetary Fund Balance, June 30	\$ 71,485	\$ 30,485	\$ 62,215	\$ 31,730

CITY OF PALM DESERT
Budgetary Comparison Schedule
Landscape and Lighting Districts Nos. 1 - 17
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,501,301	\$ 4,501,301	\$ 4,501,301	\$ -
Resources (Inflows):				
Special assessments collected	1,035,784	1,035,784	1,008,672	(27,112)
Investment earnings	10,000	10,000	79,938	69,938
Transfers in	135,000	209,100	209,100	-
Amounts Available for Appropriations	5,682,085	5,756,185	5,799,011	42,826
Charges to Appropriation (Outflow):				
Public works	1,791,480	1,802,000	916,190	885,810
Total Charges to Appropriations	1,791,480	1,802,000	916,190	885,810
Budgetary Fund Balance, June 30	\$ 3,890,605	\$ 3,954,185	\$ 4,882,821	\$ 928,636

CITY OF PALM DESERT
Budgetary Comparison Schedule
Affordable Housing Fund
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,349,651	\$ 1,349,651	\$ 1,349,651	\$ -
Resources (Inflows):				
Transfers in	446,400	439,500	415,990	(23,510)
Amounts Available for Appropriations	1,796,051	1,789,151	1,765,641	(23,510)
Charges to Appropriation (Outflow):				
Housing and redevelopment	445,400	436,500	413,354	23,146
Capital outlay	1,000	3,000	2,636	364
Total Charges to Appropriations	446,400	439,500	415,990	23,510
Budgetary Fund Balance, June 30	\$ 1,349,651	\$ 1,349,651	\$ 1,349,651	\$ -

CITY OF PALM DESERT
Budgetary Comparison Schedule
Permanent Local Housing Allocation Grant
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	-	266,263	266,263
Use of money and property	-	-	5,134	5,134
Amounts Available for Appropriation	-	-	271,397	271,397
Charges to Appropriation (Outflow):				
Transfers out	-	266,263	266,263	-
Total Charges to Appropriations	-	266,263	266,263	-
Budgetary Fund Balance, June 30	\$ -	\$ (266,263)	\$ 5,134	\$ 271,397



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OTHER GOVERNMENTAL FUNDS - CAPITAL PROJECTS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities, except for those financed by certain Special Revenue and Enterprise funds.

Capital Projects Reserve – This fund is used to account for resources and expenditures for capital improvement projects that are related to the acquisition and development of public facilities, infrastructure and equipment.

Drainage Facilities Fund – This fund is used to account for resources and expenditures for planned capital improvement projects that are under the Master Drainage Plan.

Economic Development – This fund is used to account for façade enhancement projects for Palm Desert businesses utilizing funds from the sales of certain City-owned properties.

Parks and Recreational Facilities Fund – This fund is used to account for resources and expenditures for capital improvement projects that are related to park development, maintenance and equipment.

Art in Public Places Fund – This fund is used to account for fees collected from residential, commercial and public facilities development except for street and drainage projects. Its use is restricted for acquisition, installation, improvement and maintenance of artwork to be displayed in the City, the administration of the program and community public art education programs.

Signalization Fund – This fund is used to account for resources and expenditures for capital improvement projects that are related to the acquisition and maintenance of traffic signals.

Capital Golf Fund – This fund is used to offset the cost of capital improvements, equipment purchases, perimeter maintenance, pay off assessments and other nonrecurring costs that will arise as a result of Desert Willow Golf Course Resort. Funding sources for the Golf Course Maintenance Fund are collections from the IROC and Standard Vacation Ownership, Inc. time-share project.

Buildings Fund – This fund is used to account for resources and expenditures for capital improvement projects that are related to the improvement and maintenance of public facilities and structures.

Library Fund – This fund is used to account for resources and expenditures for capital improvement projects that are related to the purchase of library resources for the Multi-Agency Library.

Special Assessment District Funds – This fund is used to account for the construction of public improvements from proceeds resulting from the creation of various assessment Districts.

Assessment District No. 94-3 Merano
Silver Spur Ranch
Highlands Undergrounding
CFD University Special Assessment
Assessment 29
University Park

CITY OF PALM DESERT
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2023

	Capital Projects Reserve	Drainage Facilities	Economic Development	Parks and Recreational Facilities
Assets:				
Pooled cash and investments	\$ 14,157,687	\$ 1,807,607	\$ 1,438,911	\$ 10,047
Receivables:				
Interest	-	-	-	-
Prepaid costs	-	-	17,119	-
Deposits	-	-	20,000	-
Advances to other funds	-	-	-	-
Total Assets	\$ 14,157,687	\$ 1,807,607	\$ 1,476,030	\$ 10,047
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 662,673	\$ 43,436	\$ 3,435	\$ -
Unearned revenues	251,273	-	-	-
Total Liabilities	913,946	43,436	3,435	-
Fund Balances:				
Nonspendable:				
Prepaid costs and deposits	-	-	17,119	-
Restricted for:				
Capital projects	-	-	-	-
Special programs	-	-	-	-
Assigned to:				
Capital projects	12,823,354	-	-	-
Property acquisition	420,387	-	-	-
Public facilities	-	-	1,455,476	10,047
Special programs	-	-	-	-
Street related purposes	-	1,764,171	-	-
Total Fund Balances	13,243,741	1,764,171	1,472,595	10,047
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,157,687	\$ 1,807,607	\$ 1,476,030	\$ 10,047

CITY OF PALM DESERT
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2023

(CONTINUED)

	<u>Art in Public Places</u>	<u>Signalization</u>	<u>Capital Golf</u>	<u>Buildings</u>
Assets:				
Pooled cash and investments	\$ 1,418,070	\$ 111,405	\$ 10,480,088	\$ 3,350,995
Receivables:				
Interest	-	-	-	-
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	-	-	3,179,888	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,418,070</u>	<u>\$ 111,405</u>	<u>\$ 13,659,976</u>	<u>\$ 3,350,995</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 115,431	\$ -	\$ 320,989	\$ 1,439,741
Unearned revenues	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>115,431</u>	<u>-</u>	<u>320,989</u>	<u>1,439,741</u>
Fund Balances:				
Nonspendable:				
Prepaid costs and deposits	-	-	-	-
Restricted for:				
Capital projects	-	-	-	-
Special programs	1,302,639	-	-	-
Assigned to:				
Capital projects	-	-	-	1,911,254
Property acquisition	-	-	-	-
Public facilities	-	-	13,338,987	-
Special programs	-	-	-	-
Street related purposes	-	111,405	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,302,639</u>	<u>111,405</u>	<u>13,338,987</u>	<u>1,911,254</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,418,070</u>	<u>\$ 111,405</u>	<u>\$ 13,659,976</u>	<u>\$ 3,350,995</u>

CITY OF PALM DESERT
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2023

	Library	Assessment District No. 94-3 Merano	Silver Spur Ranch	Highlands Undergrounding
Assets:				
Pooled cash and investments	\$ 687,519	\$ 188,794	\$ 618	\$ 21
Receivables:				
Interest	-	-	-	-
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	\$ 687,519	\$ 188,794	\$ 618	\$ 21
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Nonspendable:				
Prepaid costs and deposits	-	-	-	-
Restricted for:				
Capital projects	-	188,794	618	21
Special programs	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Property acquisition	-	-	-	-
Public facilities	-	-	-	-
Special programs	687,519	-	-	-
Street related purposes	-	-	-	-
Total Fund Balances	687,519	188,794	618	21
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 687,519	\$ 188,794	\$ 618	\$ 21

CITY OF PALM DESERT
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2023

	<u>Assessment District 29</u>	<u>Total Other Capital Projects Funds</u>
Assets:		
Pooled cash and investments	\$ 670	\$ 33,652,432
Receivables:		
Interest	-	-
Prepaid costs	-	17,119
Deposits	-	20,000
Advances to other funds	-	3,179,888
	<u> </u>	<u> </u>
Total Assets	<u>\$ 670</u>	<u>\$ 36,869,439</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 2,585,705
Unearned revenues	-	251,273
	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>2,836,978</u>
Fund Balances:		
Nonspendable:		
Prepaid costs and deposits	-	17,119
Restricted for:		
Capital projects	670	190,103
Special programs	-	1,302,639
Assigned to:		
Capital projects	-	14,734,608
Property acquisition	-	420,387
Public facilities	-	14,804,510
Special programs	-	687,519
Street related purposes	-	1,875,576
	<u> </u>	<u> </u>
Total Fund Balances	<u>670</u>	<u>34,032,461</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 670</u>	<u>\$ 36,869,439</u>

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Capital Projects Funds
Year Ended June 30, 2023

	Capital Projects Reserve	Drainage Facilities	Economic Development	Parks and Recreational Facilities
Revenues:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	32,575	-
Charges for services	-	-	-	-
Investment earnings	306,876	66,253	56,065	351
Rental income	-	-	82,981	-
Miscellaneous	50,000	-	-	-
Total Revenues	356,876	66,253	171,621	351
Expenditures:				
Current:				
General government	400,000	-	487,069	-
Parks, recreation and culture	8,911,852	-	-	-
Public works	336,423	306,143	-	-
Capital outlay	1,395,245	-	-	-
Total Expenditures	11,043,520	306,143	487,069	-
Excess of Revenues Over (Under) Expenditures	(10,686,644)	(239,890)	(315,448)	351
Other Financing Sources (Uses)				
Transfers in	14,184,017	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	14,184,017	-	-	-
Net Change in Fund Balances	3,497,373	(239,890)	(315,448)	351
Fund Balances, Beginning of Year	9,746,368	2,004,061	1,788,043	9,696
Fund Balances, End of Year	\$ 13,243,741	\$ 1,764,171	\$ 1,472,595	\$ 10,047

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Capital Projects Funds
Year Ended June 30, 2023

(CONTINUED)

	<u>Art in Public Places</u>	<u>Signalization</u>	<u>Capital Golf</u>	<u>Buildings</u>
Revenues:				
Licenses and permits	\$ 571,716	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	2,587,864	-
Investment earnings	48,669	3,720	416,972	89,036
Rental income	-	-	-	-
Miscellaneous	164,790	-	-	-
Total Revenues	<u>785,175</u>	<u>3,720</u>	<u>3,004,836</u>	<u>89,036</u>
Expenditures:				
Current:				
General government	-	-	-	296,969
Parks, recreation and culture	123,717	-	889,835	-
Public works	-	-	-	-
Capital outlay	532,954	-	-	1,599,420
Total Expenditures	<u>656,671</u>	<u>-</u>	<u>889,835</u>	<u>1,896,389</u>
Excess of Revenues Over (Under) Expenditures	<u>128,504</u>	<u>3,720</u>	<u>2,115,001</u>	<u>(1,807,353)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,168,341
Transfers out	(70,806)	-	-	-
Total Other Financing Sources (Uses)	<u>(70,806)</u>	<u>-</u>	<u>-</u>	<u>1,168,341</u>
Net Change in Fund Balances	<u>57,698</u>	<u>3,720</u>	<u>2,115,001</u>	<u>(639,012)</u>
Fund Balances, Beginning of Year	<u>1,244,941</u>	<u>107,685</u>	<u>11,223,986</u>	<u>2,550,266</u>
Fund Balances, End of Year	<u>\$ 1,302,639</u>	<u>\$ 111,405</u>	<u>\$ 13,338,987</u>	<u>\$ 1,911,254</u>

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Capital Projects Funds
Year Ended June 30, 2023

	<u>Library</u>	<u>Assessment District No. 94- 3 Merano</u>	<u>Silver Spur Ranch</u>	<u>Highlands Undergrounding</u>
Revenues:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	22,964	-	-	-
Rental income	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>22,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Parks, recreation and culture	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>22,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>22,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>664,555</u>	<u>188,794</u>	<u>618</u>	<u>21</u>
Fund Balances, End of Year	<u>\$ 687,519</u>	<u>\$ 188,794</u>	<u>\$ 618</u>	<u>\$ 21</u>

CITY OF PALM DESERT
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Capital Projects Funds
Year Ended June 30, 2023

	Assessment District 29	Total Other Capital Projects Fund
Revenues:		
Licenses and permits	\$ -	\$ 571,716
Intergovernmental revenues	-	32,575
Charges for services	-	2,587,864
Investment earnings	-	1,010,906
Rental income	-	82,981
Miscellaneous	-	214,790
Total Revenues	-	4,500,832
Expenditures:		
Current:		
General government	-	1,184,038
Parks, recreation and culture	-	9,925,404
Public works	-	642,566
Capital outlay	-	3,527,619
Total Expenditures	-	15,279,627
Excess of Revenues Over (Under) Expenditures	-	(10,778,795)
Other Financing Sources (Uses)		
Transfers in	-	15,352,358
Transfers out	-	(70,806)
Total Other Financing Sources (Uses)	-	15,281,552
Net Change in Fund Balances	-	4,502,757
Fund Balances, Beginning of Year	670	29,529,704
Fund Balances, End of Year	\$ 670	\$ 34,032,461

CITY OF PALM DESERT
Budgetary Comparison Schedule
Capital Properties
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 48,192,389	\$ 48,192,389	\$ 48,192,389	\$ -
Resources (Inflows):				
Investment earnings	40,000	40,000	2,203,742	2,163,742
Transfers in	-	1,800,000	1,800,000	-
Amounts Available for Appropriations	48,232,389	50,032,389	52,196,131	2,163,742
Charges to Appropriation (Outflow):				
General government	-	-	1,540	(1,540)
Parks and recreation	100,000	650,000	-	650,000
Public works	-	1,962,058	824,708	1,137,350
Capital outlay	-	22,995,454	158,993	22,836,461
Total Charges to Appropriations	100,000	25,607,512	985,241	24,622,271
Budgetary Fund Balance, June 30	\$ 48,132,389	\$ 24,424,877	\$ 51,210,890	\$ 26,786,013

CITY OF PALM DESERT
Budgetary Comparison Schedule
Capital Projects Reserve
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,746,368	\$ 9,746,368	\$ 9,746,368	\$ -
Resources (Inflows):				
Investment earnings	10,000	10,000	306,876	296,876
Miscellaneous	-	262,321	50,000	(212,321)
Transfers in	400,000	14,154,017	14,184,017	30,000
Amounts Available for Appropriations	10,156,368	24,172,706	24,287,261	114,555
Charges to Appropriation (Outflow):				
General government	400,000	400,000	400,000	-
Parks, recreation and culture	173,800	13,136,121	8,911,852	4,224,269
Public works	-	341,696	336,423	5,273
Capital outlay	250,000	1,657,311	1,395,245	262,066
Total Charges to Appropriations	823,800	15,535,128	11,043,520	4,491,608
Budgetary Fund Balance, June 30	\$ 9,332,568	\$ 8,637,578	\$ 13,243,741	\$ 4,606,163

CITY OF PALM DESERT
Budgetary Comparison Schedule
Drainage Facilities
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,004,061	\$ 2,004,061	\$ 2,004,061	\$ -
Resources (Inflows):				
Investment earnings	20,000	20,000	66,253	46,253
Amounts Available for Appropriations	2,024,061	2,024,061	2,070,314	46,253
Charges to Appropriation (Outflow):				
Public works	1,105,000	2,099,016	306,143	1,792,873
Total Charges to Appropriations	1,105,000	2,099,016	306,143	1,792,873
Budgetary Fund Balance, June 30	\$ 919,061	\$ (74,955)	\$ 1,764,171	\$ 1,839,126

CITY OF PALM DESERT
Budgetary Comparison Schedule
Economic Development
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,788,043	\$ 1,788,043	\$ 1,788,043	\$ -
Resources (Inflows):				
Rental income	64,543	64,543	82,981	18,438
Intergovernmental	35,000	35,000	32,575	(2,425)
Investment earnings	10,000	10,000	56,065	46,065
Amounts Available for Appropriations	1,897,586	1,897,586	1,959,664	62,078
Charges to Appropriation (Outflow):				
General government	474,442	1,210,624	487,069	723,555
Total Charges to Appropriations	474,442	1,210,624	487,069	723,555
Budgetary Fund Balance, June 30	\$ 1,423,144	\$ 686,962	\$ 1,472,595	\$ 785,633

CITY OF PALM DESERT
Budgetary Comparison Schedule
Parks and Recreational Facilities
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,696	\$ 9,696	\$ 9,696	\$ -
Resources (Inflows):				
Investment earnings	100	100	351	251
Amounts Available for Appropriations	9,796	9,796	10,047	251
Budgetary Fund Balance, June 30	\$ 9,796	\$ 9,796	\$ 10,047	\$ 251

CITY OF PALM DESERT
Budgetary Comparison Schedule
Art in Public Places
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,244,941	\$ 1,244,941	\$ 1,244,941	\$ -
Resources (Inflows):				
Licenses and permits	328,275	328,275	571,716	243,441
Investment earnings	400	400	48,669	48,269
Miscellaneous	164,790	164,790	164,790	-
Amounts Available for Appropriations	1,738,406	1,738,406	2,030,116	291,710
Charges to Appropriation (Outflow):				
Parks, recreation and culture	196,520	196,520	123,717	72,803
Capital outlay	593,390	915,390	532,954	382,436
Transfers out	120,000	120,000	70,806	49,194
Total Charges to Appropriations	909,910	1,231,910	727,477	504,433
Budgetary Fund Balance, June 30	\$ 828,496	\$ 506,496	\$ 1,302,639	\$ 796,143

CITY OF PALM DESERT
 Budgetary Comparison Schedule
 Signalization
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 107,685	\$ 107,685	\$ 107,685	\$ -
Resources (Inflows):				
Investment earnings	300	300	3,720	3,420
Amounts Available for Appropriations	107,985	107,985	111,405	3,420
Budgetary Fund Balance, June 30	\$ 107,985	\$ 107,985	\$ 111,405	\$ 3,420

CITY OF PALM DESERT
 Budgetary Comparison Schedule
 Capital Golf
 Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,223,986	\$ 11,223,986	\$ 11,223,986	\$ -
Resources (Inflows):				
Charges for services	2,587,864	2,587,864	2,587,864	-
Investment earnings	30,000	30,000	416,972	386,972
Amounts Available for Appropriations	13,841,850	13,841,850	14,228,822	386,972
Charges to Appropriation (Outflow):				
Parks, recreation and culture	891,500	4,649,681	889,835	3,759,846
Total Charges to Appropriations	891,500	4,649,681	889,835	3,759,846
Budgetary Fund Balance, June 30	\$ 12,950,350	\$ 9,192,169	\$ 13,338,987	\$ 4,146,818

CITY OF PALM DESERT
Budgetary Comparison Schedule
Buildings
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,550,266	\$ 2,550,266	\$ 2,550,266	\$ -
Resources (Inflows):				
Investment earnings	5,000	5,000	89,036	84,036
Transfers in	-	1,168,341	1,168,341	-
Amounts Available for Appropriations	2,555,266	3,723,607	3,807,643	84,036
Charges to Appropriation (Outflow):				
General government	-	150,792	296,969	(146,177)
Capital outlay	935,000	3,313,471	1,599,420	1,714,051
Total Charges to Appropriations	935,000	3,464,263	1,896,389	1,567,874
Budgetary Fund Balance, June 30	\$ 1,620,266	\$ 259,344	\$ 1,911,254	\$ 1,651,910

OTHER GOVERNMENTAL FUNDS – DEBT SERVICE FUND

City Highlands Undergrounding Fund – This fund is used to account for the resources and payment for debt related to Highlands Undergrounding.

CITY OF PALM DESERT
Balance Sheet
Other Debt Service Fund
June 30, 2023

	City Highland Undergrounding
Assets:	
Pooled cash and investments	\$ 120,692
Receivables:	
Assessments	1,076,523
Due from other governments	<u>4,375</u>
Total Assets	<u>\$ 1,201,590</u>
Deferred Inflows of Resources:	
Unavailable revenues	<u>\$ 1,076,523</u>
Total Deferred Inflows of Resources	<u>1,076,523</u>
Fund Balances:	
Restricted for:	
Debt service	<u>125,067</u>
Total Fund Balances	<u>125,067</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,201,590</u>

CITY OF PALM DESERT
Statement of Revenues,
Expenditures and Changes in Fund Balances
Other Debt Service Fund
Year Ended June 30, 2023

	City Highlands Undergrounding
Revenues:	
Special assessments collected	\$ 128,760
Investment earnings	<u>2,725</u>
Total Revenues	<u>131,485</u>
Expenditures:	
Current:	
General government	1,814
Debt service:	
Principal retirement	50,000
Interest and fiscal charges	<u>54,310</u>
Total Expenditures	<u>106,124</u>
Excess of Revenues Over (Under) Expenditures	<u>25,361</u>
Net Changes in Fund Balances	25,361
Fund Balances, Beginning of Year	<u>99,706</u>
Fund Balances, End of Year	<u>\$ 125,067</u>

CITY OF PALM DESERT
Budgetary Comparison Schedule
City Highland Undergrounding
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 99,706	\$ 99,706	\$ 99,706	\$ -
Resources (Inflows):				
Special assessments collected	120,391	120,391	128,760	8,369
Investment earnings	100	100	2,725	2,625
Amounts Available for Appropriations	220,197	220,197	231,191	10,994
Charges to Appropriation (Outflow):				
General government	16,684	16,684	1,814	14,870
Debt service:				
Principal retirement	50,000	50,000	50,000	-
Interest and fiscal charges	54,310	54,310	54,310	-
Total Charges to Appropriations	120,994	120,994	106,124	14,870
Budgetary Fund Balance, June 30	\$ 99,203	\$ 99,203	\$ 125,067	\$ 25,864

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for services provided to other departments or agencies of the City on a cost reimbursement basis.

Equipment Replacement – This fund is used to account for financial transactions related to replacement of City-owned vehicles and equipment.

Compensation Benefits Fund – This fund is used to account for funding of compensated absences.

CITY OF PALM DESERT
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	<u>Equipment Replacement</u>	<u>Compensation Benefits</u>	<u>Total</u>
Assets:			
Current Assets			
Cash and investments	\$ 6,824,115	\$ 2,328,629	\$ 9,152,744
Prepaid costs	1,996	-	1,996
Total Current Assets	6,826,111	2,328,629	9,154,740
Capital Assets			
Nondepreciable	11,821	-	11,821
Depreciable, net	2,597,637	-	2,597,637
Capital Assets, Net	2,609,458	-	2,609,458
Total Assets	9,435,569	2,328,629	11,764,198
Liabilities:			
Current Liabilities			
Compensated absences	-	500,000	500,000
Total Current Liabilities	-	500,000	500,000
Noncurrent Liabilities:			
Compensated absences	-	2,101,028	2,101,028
Total Noncurrent Liabilities	-	2,101,028	2,101,028
Total Liabilities	-	2,601,028	2,601,028
Net Position:			
Invested in capital assets	2,609,458	-	2,609,458
Unrestricted	6,826,111	(272,399)	6,553,712
Total Net Position	\$ 9,435,569	\$ (272,399)	\$ 9,163,170

CITY OF PALM DESERT
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2023

	Equipment Replacement	Compensation Benefits	Total
Operating Expenses:			
General and administrative	\$ -	\$ 425,084	\$ 425,084
Maintenance and operations	394,955	-	394,955
Depreciation and amortization	751,260	-	751,260
Total Operating Expenses	1,146,215	425,084	1,571,299
Operating Loss	(1,146,215)	(425,084)	(1,571,299)
Nonoperating Revenues (Expenses)			
Interest income	209,556	76,734	286,290
Gain on disposal of capital assets	78,803	-	78,803
Total Nonoperating Revenues (Expenses)	288,359	76,734	365,093
Income (Loss) Before Capital Contributions & Transfers	(857,856)	(348,350)	(1,206,206)
Transfers In	860,000	101,289	961,289
Change in Net Position	2,144	(247,061)	(244,917)
Net Position, Beginning of Year	9,433,425	(25,338)	9,408,087
Net Position, End of Year	\$ 9,435,569	\$ (272,399)	\$ 9,163,170

CITY OF PALM DESERT
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2023

	Equipment Replacement	Compensation Benefits	Total
Cash Flows from Operating Activities:			
Payments to suppliers	\$ (401,470)	\$ -	\$ (401,470)
Cash paid to employees for services	-	(113,394)	(113,394)
Net Cash Used by Operating Activities	(401,470)	(113,394)	(514,864)
Cash Flows from Noncapital and Related Financing Activities:			
Cash received from other funds	860,000	101,289	961,289
Net Cash Provided by Noncapital and Related Financing Activities	860,000	101,289	961,289
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	(90,621)	-	(90,621)
Proceeds from sale of capital assets	86,265	-	86,265
Net Cash Used by Capital and Related Financing Activities	(4,356)	-	(4,356)
Cash Flows from Investing Activities:			
Interest and dividends	209,556	76,734	286,290
Net Cash Provided by Investing Activities	209,556	76,734	286,290
Net Decrease Cash and Cash Equivalents	663,730	64,629	728,359
Cash and Cash Equivalents, Beginning of Year	6,160,385	2,264,000	8,424,385
Cash and Cash Equivalents, End of Year	\$ 6,824,115	\$ 2,328,629	\$ 9,152,744
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (1,146,215)	\$ (425,084)	\$ (1,571,299)
Adjustments to Reconcile Operating Loss to Net Cash Provided (used) by Operating Activities:			
Depreciation and amortization	751,260	-	751,260
(Increase) decrease in prepaid expense	4,150	-	4,150
Increase (decrease) in accounts payable	(10,665)	-	(10,665)
Increase (decrease) in compensated absences	-	311,690	311,690
Total Adjustments	744,745	311,690	1,056,435
Net Cash Used by Operating Activities	\$ (401,470)	\$ (113,394)	\$ (514,864)

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the city as an custodian for individuals, private organizations, other governments and/or funds.

Retiree Service Stipend Fund – This fund is used to account for assets held to pay for the retiree service stipend.

Special Assessment Funds – These funds are used to account for the collection of special assessments and the future payment of debt service related to bonds issued.

CITY OF PALM DESERT
Combining Statement of Net Position
All Custodial Funds
June 30, 2023

	<u>Retiree Service Stipend Fund</u>	<u>Special Assessment Funds</u>	<u>Totals</u>
Assets:			
Pooled cash and investments	\$ 2,956,059	\$ 4,664,107	\$ 7,620,166
Receivables:			
Assessments	-	35,481,134	35,481,134
Accrued interest	-	699	699
Due from other governments	-	24,995	24,995
Restricted assets:			
Cash and investments with fiscal agents	-	2,948,748	2,948,748
Total Assets	<u>2,956,059</u>	<u>43,119,683</u>	<u>46,075,742</u>
Liabilities:			
Deposits payable	-	35,481,134	35,481,134
Due to bondholders	-	7,638,549	7,638,549
Total Liabilities	<u>-</u>	<u>43,119,683</u>	<u>43,119,683</u>
Net Position:			
Restricted for other purposes	<u>2,956,059</u>	<u>-</u>	<u>2,956,059</u>
Total Net Position	<u><u>\$ 2,956,059</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,956,059</u></u>

CITY OF PALM DESERT
Combining Statement of Changes in Fiduciary Net Position
All Custodial Funds
Year Ended June 30, 2023

	Retiree Service Stipend Fund	Special Assessment Funds	Total Custodial Funds
Additions:			
Intergovernmental	\$ -	\$ 3,054,242	\$ 3,054,242
Investment income	72,709	128,974	201,683
Contributions from City	834,654	-	834,654
Total Additions	907,363	3,183,216	4,090,579
Deductions			
Administrative expenses	-	50,179	50,179
Contractual services	834,654	381,793	1,216,447
Interest expense	-	1,446,244	1,446,244
Debt service expense	-	1,305,000	1,305,000
Total Deductions	834,654	3,183,216	4,017,870
Changes in Net Position	72,709	-	72,709
Net Position, Beginning of Year	2,883,350	7,790,756	10,674,106
Restatement (Note 15)	-	(7,790,756)	(7,790,756)
Net Position, Beginning of Year, as Restated	2,883,350	-	2,883,350
Net Position, End of Year	\$ 2,956,059	\$ -	\$ 2,956,059



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DESCRIPTION OF STATISTICAL SECTION CONTENTS

Year Ended June 30, 2023

This part of the City of Palm Desert's 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 say about the city's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



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City of Palm Desert
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Governmental Activities	2023	2022	2021	2020	2019
Net Investment in capital assets	416,680,537	422,400,639	421,568,819	424,163,964	429,729,549
Restricted	172,531,052	164,636,470	197,082,889	196,858,726	200,536,233
Unrestricted	156,106,349	146,766,766	92,557,050	86,017,220	90,057,306
Total Governmental Activities Net Position	745,317,938	733,803,875	711,208,758	707,039,910	720,323,088
Business-Type Activities	-	-	-	-	-
Net Investment in capital assets	69,239,563	67,327,809	67,981,326	68,394,059	69,070,734
Unrestricted	10,541,338	10,495,570	8,069,182	6,672,261	6,590,251
Total Business-type Activities Net Position	79,780,901	77,823,379	76,050,508	75,066,320	75,660,985
Primary Government					
Net Investment in capital assets	485,920,100	489,728,448	489,550,145	492,558,023	498,800,283
Restricted	172,531,052	164,636,470	197,082,889	196,858,726	200,536,233
Unrestricted	166,647,687	157,262,336	100,626,232	92,689,481	96,647,557
Total Primary Government Net Position	825,098,839	811,627,254	787,259,266	782,106,230	795,984,073
Governmental Activities	2018	2017	2016	2015	2014
Net Investment in capital assets	438,184,070	449,037,170	459,644,720	473,722,694	466,246,732
Restricted	197,349,364	197,824,604	193,298,431	135,900,520	140,460,575
Unrestricted	83,054,707	87,091,894	78,812,066	71,530,456	105,537,785
Total Governmental Activities Net Position	718,588,141	733,953,668	731,755,217	(3) 681,153,670	(2) 712,245,092
Business-Type Activities	-	-	-	-	-
Net Investment in capital assets	69,111,797	69,829,772	70,202,487	71,129,743	72,009,184
Restricted	-	-	-	-	-
Unrestricted	5,609,843	4,829,456	4,479,575	4,302,958	3,920,382
Total Business-type Activities Net Position	74,721,640	74,659,228	74,682,062	75,432,701	75,929,566
Primary Government					
Net Investment in capital assets	507,295,867	518,866,942	529,847,207	544,852,437	538,255,916
Restricted	197,349,364	197,824,604	193,298,431	135,900,520	140,460,575
Unrestricted	88,664,550	91,921,350	83,291,641	75,833,414	109,458,167
Total Primary Government Net Position	793,309,781	808,612,896	806,437,279	756,586,371	788,174,658

(1) On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert.

(2) The implementation of GASB Statement No. 68 and Statement No. 71 resulted in a prior year restatement decrease of \$37.73 million in the governmental activities net positions.

(3) The City's Capital Properties Capital Project Fund received \$65,566,963 and the Housing Asset Fund received \$6,571,706 for a combined total of \$72,138,669 of capital bond proceeds transferred from the Successor Agency.

City of Palm Desert
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Expenses	2023	2022	2021	2020	2019
Governmental Activities:					
General government	26,185,065	24,738,040	25,610,212	24,297,715	23,252,576
Public safety	40,753,734	37,396,780	34,280,941	37,286,860	37,195,732
Housing & Redevelopment	13,251,192	9,626,399	10,496,579	8,802,290	9,067,858
Parks, recreation and culture	19,112,483	8,880,984	7,969,386	7,651,094	8,284,914
Public works	20,646,936	22,071,598	24,979,279	28,270,798	14,836,332
Payments to other agencies	-	2,692	-	-	-
Interest on long term debt	143,521	148,079	176,259	203,183	231,228
Total Governmental activities Expenses	120,092,931	102,864,572	103,512,656	106,511,940	92,868,640
Business-Type Activities:					
Desert Willow Golf Course	11,073,128	9,910,813	8,960,991	8,603,243	8,700,514
Office Complex - Parkview	1,409,321	951,353	872,212	856,196	874,753
Total Business-Type Activities	12,482,449	10,862,166	9,833,203	9,459,439	9,575,267
Total primary government expenses	132,575,380	113,726,738	113,345,859	115,971,379	102,443,907
Program Revenues					
Governmental Activities					
Charges for services					
General government	2,678,135	2,901,226	2,437,840	2,343,116	2,645,724
Housing & Redevelopment	11,016,631	8,060,726	7,455,959	8,446,585	8,180,354
Public safety	18,831,126	17,506,658	18,828,021	16,429,810	14,503,741
Parks, recreation and culture	3,339,445	675,307	325,485	532,543	829,557
Public works	2,958,606	3,075,351	2,443,299	2,386,635	2,762,045
Operating grants & contributions	13,039,734	20,328,308	10,617,579	10,416,281	10,426,397
Capital grants & contributions	4,673,498	4,828,197	16,836,560	3,661,487	4,016,193
Total Governmental Activities Program Revenues	56,537,175	57,375,773	58,944,743	44,216,457	43,364,011
Business-Type Activities					
Charges for Service:					
Desert Willow Golf Course	12,159,419	11,068,847	9,171,607	7,099,985	8,743,654
Office Complex - Parkview	1,473,376	1,340,680	1,291,020	1,311,140	1,298,066
Capital grants & contributions	99,154	187,083	220,198	183,556	504,217
Total Business-type activities program revenue	13,731,949	12,596,610	10,682,825	8,594,681	10,545,937
Total Primary Government program revenue	70,269,124	69,972,383	69,627,568	52,811,138	53,909,948
Net (Expense) / Revenue					
Governmental activities	(63,555,756)	(45,488,799)	(44,567,913)	(62,295,483)	(49,504,629)
Business-type activities	1,249,500	1,734,444	849,622	(864,758)	970,670
Total Primary Government Net Expense	(62,306,256)	(43,754,355)	(43,718,291)	(63,160,241)	(48,533,959)
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes: (Combined/Net Pass-through)	67,809,190	66,204,764	47,221,069	45,210,477	53,894,917
Investment Earnings	5,165,176	(1,971,646)	301,330	2,366,204	3,170,693
Gain(loss) on sales of capital assets	825,294	-	-	80,490	7,452
Miscellaneous	1,250,480	3,850,798	1,214,362	1,355,134	1,396,514
Special Item (3)	-	-	-	-	(7,530,000)
Transfers In / (Out)	-	-	-	-	300,000
Gain on Transfer to Successor Agency/ Extraordinary Gain (2)	-	-	-	-	-
Total Governmental activities Net Revenues	75,050,140	68,083,916	48,736,761	49,012,305	51,239,576
Business-Type Activities:					
Investment Earnings	450,279	(99,994)	20,283	159,115	181,310
Gain(loss) on sales of capital assets	-	-	-	-	87,365
Miscellaneous	257,743	138,421	114,283	110,978	-
Transfers Out	-	-	-	-	(300,000)
Total Business-type activities	708,022	38,427	134,566	270,093	(31,325)
Total primary government	75,758,162	68,122,343	48,871,327	49,282,398	51,208,251
Change in Net Position					
Governmental Activities:	11,494,384	22,595,117	4,168,848	(13,283,178)	1,734,947
Business-Type Activities:	1,957,522	1,772,871	984,188	(594,665)	939,345
Total primary government	13,451,906	24,367,988	5,153,036	(13,877,843)	2,674,292

(1) On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert.

(2) The City's Capital Properties Capital Project Fund received \$65,566,963 and the Housing Asset Fund received \$6,571,706 for a combined total of \$72,138,669 of capital bond proceeds transferred from the Successor Agency.

(3) City established an allowance for advances owed by the Successor Agency.

City of Palm Desert
Changes in Net Position
Continued
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Expenses	2018	2017	2016	2015	2014
Governmental Activities:					
General government	18,467,097	15,708,054	14,836,881	16,337,393	19,194,343
Public safety	36,543,050	34,943,220	34,009,984	32,077,635	29,339,106
Housing & Redevelopment	9,605,756	10,954,630	8,162,859	11,666,724	7,852,611
Parks, recreation and culture	8,240,115	9,850,200	9,223,126	8,598,242	8,327,402
Public works	18,358,907	14,892,145	47,044,197	19,144,213	21,123,197
Payments to other agencies	-	-	-	-	-
Interest on long term debt	259,250	271,603	289,000	294,258	237,053
Total Governmental Activities Expenses	91,474,175	86,619,852	113,566,047	88,118,465	86,073,712
Business-Type Activities:					
Desert Willow Golf Course	8,763,220	8,243,515	8,165,183	8,433,267	8,452,001
Office Complex - Parkview	930,815	893,125	1,005,918	934,296	922,341
Total Business-Type Activities	9,694,035	9,136,640	9,171,101	9,367,563	9,374,342
Total primary government expenses	101,168,210	95,756,492	122,737,148	97,486,028	95,448,054
Program Revenues					
Governmental Activities					
Charges for services					
General government	2,388,260	2,095,648	2,185,123	2,088,393	2,152,280
Housing & Redevelopment	7,551,760	6,861,450	7,029,595	7,971,265	6,851,603
Public safety	10,801,436	10,603,708	10,606,464	9,987,891	10,239,886
Parks, recreation and culture	821,824	793,527	772,801	772,728	729,076
Public works	2,685,831	2,327,521	2,186,153	1,832,241	2,180,877
Operating grants & contributions	8,555,881	7,931,900	9,496,520	7,512,894	9,745,609
Capital grants & contributions	2,442,621	7,710,355	10,839,715	19,297,015	21,086,051
Total Governmental Activities Program Revenues	35,247,613	38,324,109	43,116,371	49,462,427	52,985,382
Business-Type Activities					
Charges for Service:					
Desert Willow Golf Course	8,432,273	7,497,664	7,240,866	7,894,676	7,804,904
Office Complex - Parkview	1,250,456	1,284,462	1,280,230	1,306,042	1,254,521
Capital grants & contributions	167,670	605,186	111,942	47,768	94,076
Total Business-type activities program revenue	9,850,399	9,387,312	8,633,038	9,248,486	9,153,501
Total Primary Government program revenue	45,098,012	47,711,421	51,749,409	58,710,913	62,138,883
Net (Expense) / Revenue					
Governmental Activities	(56,226,562)	(48,295,743)	(70,449,676)	(38,656,038)	(33,088,330)
Business-type activities	156,364	250,672	(538,063)	(119,077)	(220,841)
Total Primary Government Net Expense	(56,070,198)	(48,045,071)	(70,987,739)	(38,775,115)	(33,309,171)
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes: (Combined/Net Pass-through)	50,150,650	47,628,454	44,747,151	41,931,997	39,952,738
Investment Earnings	1,901,536	1,041,232	2,074,934	494,452	358,674
Contributions not restricted for specific purpose	-	-	-	-	-
Gain(loss) on sales of assets	17,274	2,145	24,292	11,720	488,319
Miscellaneous	1,573,106	1,522,363	1,828,677	1,726,007	1,994,506
Special Item (3)	-	-	-	-	-
Transfers In / (Out)	300,000	300,000	237,500	437,500	437,500
Gain on Transfer to Successor Agency/Extraordinary Gain(2)	-	-	72,138,669	-	-
Total Governmental Activities Net Revenues	53,942,566	50,494,194	121,051,223	44,601,676	43,231,737
Business-Type Activities:					
Investment Earnings	74,873	26,494	24,924	11,774	13,646
Gain(loss) on sales of capital assets	131,175	-	-	47,938	-
Miscellaneous	-	-	-	-	-
Transfers Out	(300,000)	(300,000)	(237,500)	(437,500)	(437,500)
Total Business-type activities	(93,952)	(273,506)	(212,576)	(377,788)	(423,854)
Total primary government	53,848,614	50,220,688	120,838,647	44,223,888	42,807,883
Change in Net Position					
Governmental Activities:	(2,283,996)	2,198,451	50,601,547	5,945,638	10,143,407
Business-Type Activities:	62,412	(22,834)	(750,639)	(496,865)	(644,695)
Total primary government	(2,221,584)	2,175,617	49,850,908	5,448,773	9,498,712

(1) On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert.

(2) The City's Capital Properties Capital Project Fund received \$65,566,963 and the Housing Asset Fund received \$6,571,706 for a combined total of \$72,138,669 of capital bond proceeds transferred from the Successor Agency.

(3) City established an allowance for advances owed by the Successor Agency.



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City of Palm Desert
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

General Fund:	2023	2022	2021	2020	2019
Nonspendable	3,501,822	4,050,414	4,178,180	7,196,092	10,559,396
Committed	83,424,843	82,741,109	73,856,851	66,012,415	63,197,223
Assigned	19,282,496	18,238,107	16,696,825	16,196,564	15,964,130
Unassigned	14,707,351	32,645,330	5,681,608	3,473,480	3,322,321
Total General Fund	120,916,512	137,674,960	100,413,464	92,878,551	93,043,070
All other Governmental Funds:					
Nonspendable	51,657	19,591	18,427	15,705	193,189
Restricted	172,531,603	164,636,470	168,368,520	168,806,454	175,780,733
Committed	15,568,245	15,761,482	16,312,379	16,275,373	16,247,652
Assigned	32,522,600	28,078,039	27,459,735	27,133,815	21,238,271
Unassigned	-	(126,614)	-	-	-
Total all other Governmental Funds	220,674,105	208,368,968	212,159,061	212,231,347	213,459,845
General Fund:					
	2018	2017	2016	2015	2014
Nonspendable	10,509,094	9,067,979	9,528,630	10,312,261	7,745,320
Committed	59,666,638	-	-	-	-
Assigned	15,492,508	658,817	991,853	1,771,278	4,425,423
Unassigned	4,702,308	74,259,748	71,842,172	67,727,130	66,203,203
Total General Fund	90,370,548	83,986,544	82,362,655	79,810,669	78,373,946
All other Governmental Funds:					
Nonspendable	1,726	1,276	3,052	348	6,713
Restricted	169,549,126	171,044,474	165,411,544	(3) 106,261,212	114,194,435
Committed	16,751,821	16,771,055	16,873,834	16,952,887	21,644,068
Assigned	23,258,063	23,250,337	-	24,172,531	24,429,824
Unassigned	-	-	-	-	-
Total all other Governmental Funds	209,560,736	211,067,142	182,288,430	147,386,978	160,275,040

(1) On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert.

(2) Advances to the Successor Agency reclassified from Nonspendable to Restricted for Special Revenue Funds.

(3) The City's Capital Properties Capital Project Fund received \$65,566,963 and the Housing Asset Fund received \$6,571,706 for a combined total of \$72,138,669 of capital bond proceeds transferred from the Successor Agency.

City of Palm Desert
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Revenues:	2023	2022	2021	2020	2019
Taxes	86,687,919	84,037,191	65,209,322	59,635,918	67,102,185
Special assessments collected	3,618,972	3,407,107	3,381,657	3,481,924	3,948,157
Licenses & permits	3,111,176	2,622,695	1,504,694	1,268,965	1,416,829
Intergovernmental revenues	6,711,363	12,300,071	20,136,679	6,401,926	6,194,152
Rental income	8,958,960	8,129,025	7,320,419	7,071,648	6,899,916
Charges for services	8,743,794	6,175,500	4,889,634	5,272,577	5,223,285
Investment Earnings	12,129,730	(2,402,801)	1,298,728	10,311,159	7,166,097
Fines & forfeitures	127,087	105,198	147,671	127,801	273,434
Miscellaneous	852,153	7,340,808	3,776,838	4,741,905	2,892,940
Contributions from other government	-	1,974,653	-	-	-
Total Revenues	130,941,154	123,689,447	107,665,642	98,313,823	101,116,995
Expenditures:					
General government	24,896,946	24,079,563	23,478,543	21,468,512	24,269,546
Housing & redevelopment	10,310,551	8,232,440	8,839,559	7,090,941	7,504,119
Public safety	40,660,248	37,322,951	34,035,102	37,021,952	36,901,283
Parks, recreation & culture	17,708,634	7,439,687	6,073,015	5,902,166	6,497,391
Public works	15,287,888	17,667,805	18,533,419	21,994,806	8,728,354
Capital outlay	7,835,762	12,110,677	7,840,438	5,117,968	3,396,511
Debt service:					
Principal retirement	263,809	2,294,052	174,000	225,000	587,000
Interest and fiscal charges	135,903	157,462	184,529	210,292	244,050
Total Expenditures	117,099,741	109,304,637	99,158,605	99,031,637	88,128,254
Excess(deficiency of Revenues over(under) expenditures	13,841,413	14,384,810	8,507,037	(717,814)	12,988,741
Other financing sources (uses)					
Transfers in	26,746,473	11,555,402	10,186,341	10,702,762	5,319,448
Transfers out	(27,707,762)	(11,864,512)	(11,230,751)	(11,377,965)	(5,736,558)
Special Item (3)	-	-	-	-	(6,000,000)
Extraordinary Gain / (Loss) (2)	-	2,603,284	-	-	-
Sale of property	(88,163)	(1,001,688)	-	-	-
Proceeds from subscriptions	529,156	-	-	-	-
Total Other financing sources (uses)	(520,296)	1,292,486	(1,044,410)	(675,203)	(6,417,110)
Net Change In Fund Balance	13,321,117	15,677,296	7,462,627	(1,393,017)	6,571,631
Debt service as a percentage of noncapital expenditures	0.4%	2.5%	0.4%	0.5%	1.0%

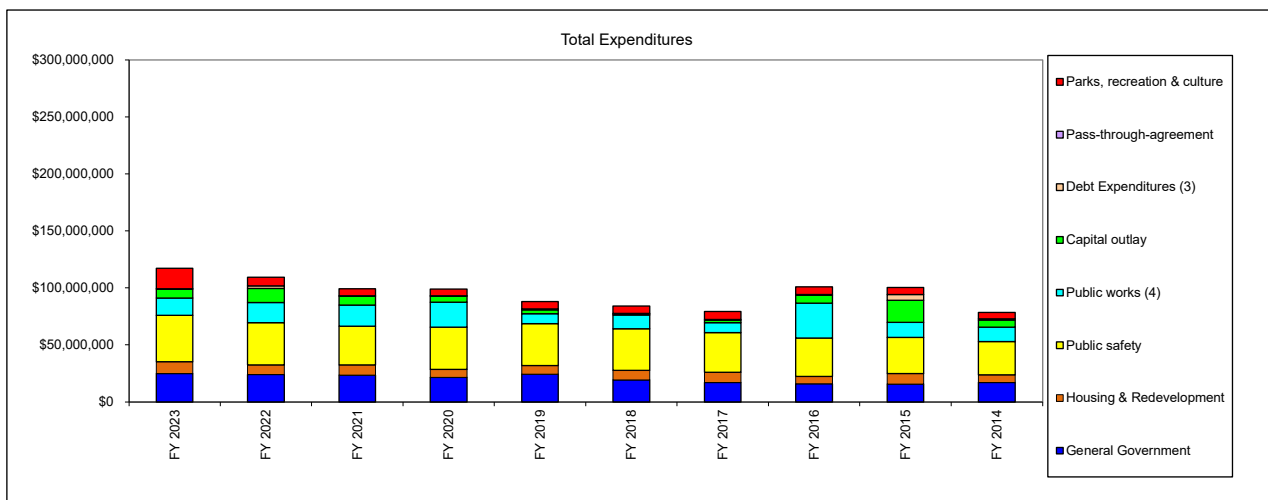
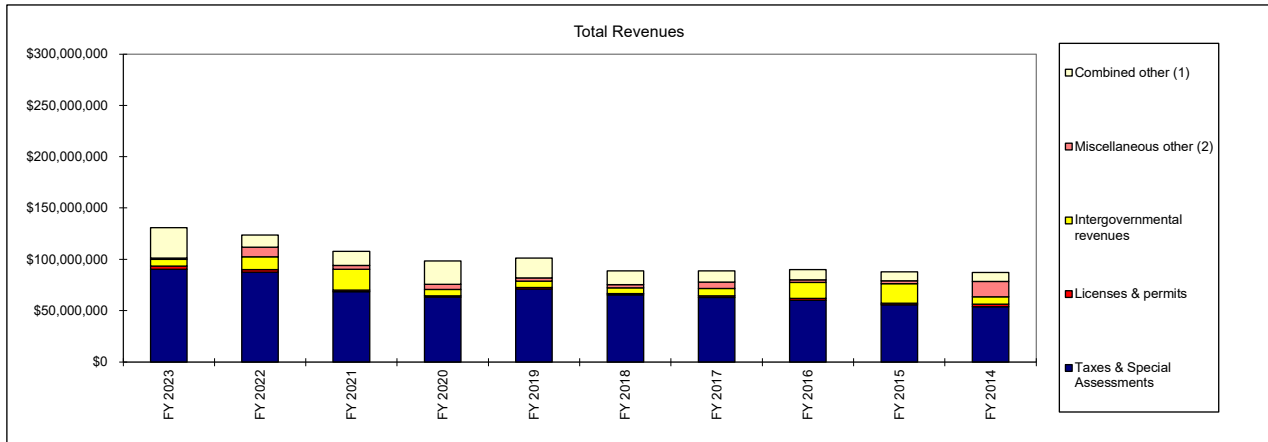
Revenues:	2018	2017	2016	2015	2014
Taxes	61,906,859	59,466,545	56,735,503	52,571,369	50,464,511
Special assessments collected	3,445,246	3,318,114	3,296,705	3,058,766	3,486,220
Licenses & permits	1,326,049	1,678,709	2,057,843	1,757,250	2,262,907
Intergovernmental revenues	5,682,704	7,249,515	15,429,238	18,981,304	7,380,744
Rental income	6,675,632	6,439,458	5,896,480	5,660,762	5,626,850
Charges for services	2,894,821	2,356,363	2,082,843	1,819,464	2,165,020
Investment Earnings	3,626,892	2,086,224	1,837,319	1,242,662	864,853
Fines & forfeitures	162,370	135,276	295,269	224,612	231,768
Miscellaneous	2,886,542	2,594,433	2,317,499	2,377,923	3,539,552
Contributions from other government	-	3,550,991	-	9,168	10,749,218
Contributions from property owners	-	-	7,868	-	420,590
Total Revenues	88,607,115	88,875,628	89,956,567	87,703,280	87,192,233
Expenditures:					
General government	19,281,102	16,887,293	15,783,955	15,467,746	17,070,816
Housing & redevelopment	8,522,801	9,239,680	6,438,849	9,349,021	6,650,178
Pass-through-agreement	-	-	-	-	-
Public safety	36,247,656	34,674,418	33,750,347	31,819,214	29,139,735
Parks, recreation & culture	6,467,713	7,157,821	6,831,534	6,236,717	5,802,941
Public works	12,183,852	8,794,894	11,031,584	13,082,388	12,741,764
Contributions to property owners	-	-	19,584,487	49	2,350,187
Capital outlay	915,422	2,169,035	7,071,738	19,339,987	6,273,822
Debt service:					
Principal retirement	150,000	237,000	257,000	4,944,000	674,000
Interest and fiscal charges	260,971	277,814	296,336	240,219	242,495
Total Expenditures	84,029,517	79,437,955	101,045,830	100,479,341	80,945,938
Excess(deficiency of Revenues over(under) expenditures	4,577,598	9,437,673	(11,089,263)	(12,776,061)	6,246,295
Other financing sources (uses)					
Transfers in	6,613,352	9,406,888	6,030,706	6,132,859	4,861,551
Transfers out	(6,313,352)	(12,218,428)	(6,075,206)	(6,971,359)	(5,424,051)
Special Item (3)	-	-	-	-	-
Extraordinary Gain / (Loss) (2)	-	-	72,138,669	-	-
Sale of property	-	-	225,000	2,163,222	911,001
Proceeds from subscriptions	-	-	-	-	-
Total Other financing sources (uses)	300,000	(2,811,540)	72,319,169	1,324,722	348,501
Net Change In Fund Balance	4,877,598	6,626,133	61,229,906	(11,451,339)	6,594,796
Debt service as a percentage of noncapital expenditures	0.5%	0.7%	0.6%	6.4%	1.2%

(1) On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert. For more information on the dissolution of the RDA please see Note 16 and 17.

(2) The City's Capital Properties Capital Project Fund received \$65,566,963 and the Housing Asset Fund received \$6,571,706 for a combined total of \$72,138,669 of capital bond proceeds transferred from the Successor Agency.

(3) City established an allowance for advances owed by the Successor Agency.

City of Palm Desert
Graphs - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)



(1) Combined Other is a combination of rental income, investment earnings, and charges for services.

(2) Miscellaneous Other is a combination of fines and forfeitures, miscellaneous, contributions from other governments, and contributions from property owners.

(3) Debt Expenditures is a combination of interest/fiscal charges and principal retirement .

(4) Public works is a combination of public works and contributions to property owners.

Note: Graphs excludes Other financing sources and uses.

City of Palm Desert
Supplemental - Historical General Fund Revenues
(including Transfers In)
Last Ten Fiscal Years

FY	2023	2022	2021	2020	2019
Revenue Type:					
Sales Tax	\$ 26,354,774	\$ 26,193,390	\$ 21,156,220	\$ 18,445,806	\$ 21,434,387
Transient Occupancy Tax	23,825,410	22,098,939	10,760,455	11,681,583	17,250,843
Property Tax (3)	12,952,007	11,703,419	11,193,276	11,101,584	11,074,207
Investment Earnings	5,025,534	(1,867,595)	284,744	4,181,814	2,672,643
Transfer In	2,478,731	3,774,873	3,515,966	2,472,976	937,202
Franchises	3,574,273	3,334,555	3,066,989	3,025,984	3,078,855
State Subventions (1) (3)	146,957	127,546	38,945	60,593	82,722
Building & Grading Permits	2,290,974	2,079,314	1,195,893	953,176	1,064,071
Reimbursements (4)	1,464,230	530,474	1,229,484	1,375,770	1,468,351
Business License Tax	1,139,514	1,326,920	962,940	1,038,137	1,216,712
Timeshare Mitigation Fee	1,711,324	1,555,137	1,501,625	1,467,905	1,678,375
Plan Check Fees	644,448	616,576	480,881	468,180	619,763
Property Transfer Tax	934,735	1,197,951	1,027,833	566,468	727,978
Other Revenues (2)	3,581,082	8,337,209	8,072,509	3,130,862	2,352,803
Total General Revenue	\$ 86,123,993	\$ 81,008,708	\$ 64,487,760	\$ 59,970,838	\$ 65,658,912

FY	2018	2017	2016	2015	2014
Revenue Type:					
Sales Tax	\$ 18,627,704	\$ 18,505,449	\$ 18,994,779	\$ 17,565,134	\$ 17,258,958
Transient Occupancy Tax	17,019,034	15,054,259	11,252,997	10,799,680	9,855,509
Property Tax (3)	10,777,998	10,157,813	10,461,595	9,710,990	9,041,428
Investment Earnings	1,237,562	644,341	725,015	416,656	405,456
Transfer In	1,610,830	1,472,852	1,390,258	2,179,472	1,373,786
Franchises	3,097,521	3,146,702	3,095,873	3,102,431	3,007,215
State Subventions (1) (3)	38,876	23,101	59,317	155,049	22,089
Building & Grading Permits	1,048,973	1,247,390	1,216,115	1,279,706	1,695,303
Reimbursements (4)	1,388,654	1,407,811	1,589,511	1,604,707	1,809,323
Business License Tax	1,154,275	1,118,183	1,269,082	1,160,207	1,169,316
Timeshare Mitigation Fee	1,543,762	1,467,028	1,500,683	1,483,158	1,333,586
Plan Check Fees	691,096	431,115	592,818	505,370	662,893
Property Transfer Tax	664,822	690,975	491,060	558,965	530,556
Other Revenues (2)	1,951,122	2,185,703	2,189,063	1,713,758	1,932,009
Total General Revenue	\$ 60,852,229	\$ 57,552,722	\$ 54,828,166	\$ 52,235,283	\$ 50,097,427

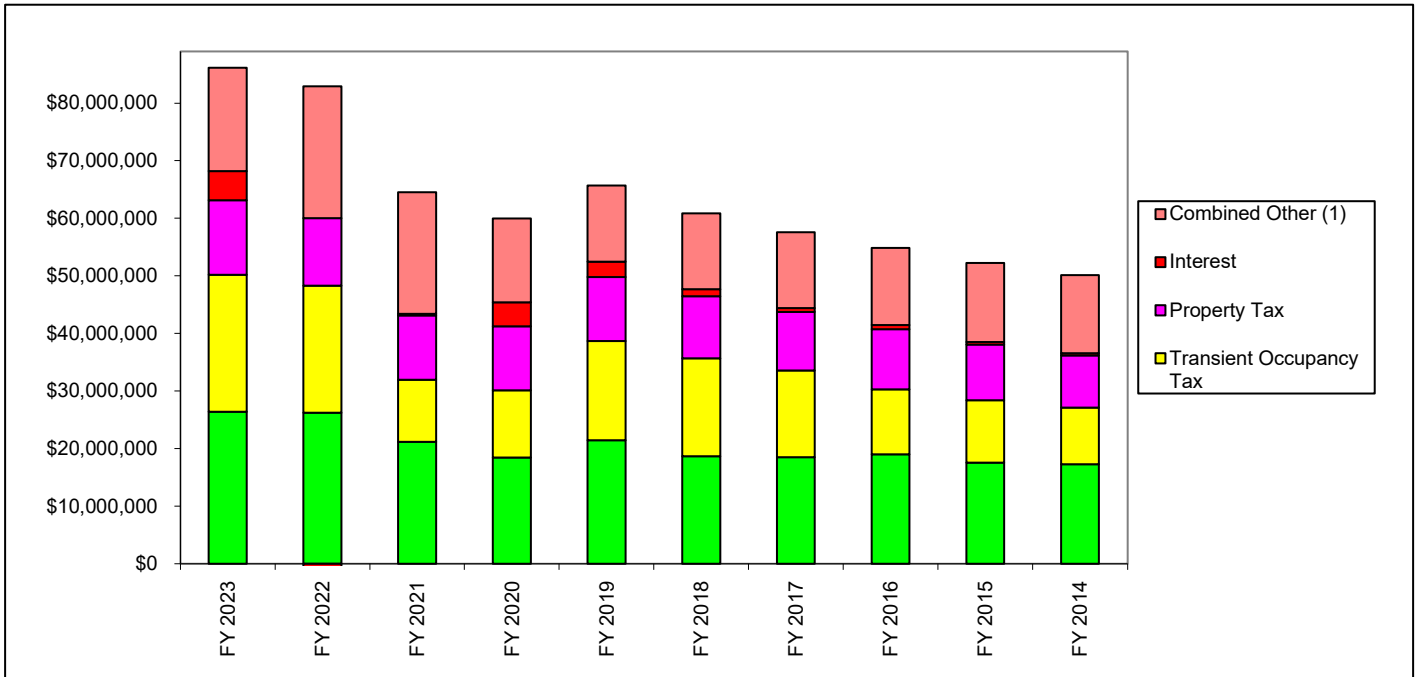
(1) State Subventions is any combination of motor vehicle, off-highway in-lieu, and subventions from state.

(2) Other Revenues is any combination of miscellaneous penalties and interest, permits, grants, parking bails, fees, sales of maps and publications, vehicle and court fines, rental income, other revenues and Federal ARPA-Covid19.

(3) The State of California reprogramed motor vehicle fees, the City now receives this as property taxes.

(4) Reimbursements is a combination of RDA costs and other reimbursements, due to dissolution in February 2012 the RDA reimbursement is limited and applies to existing projects.

City of Palm Desert
Supplemental Graph - Historical General Fund Revenues
(Including Transfers In)
Last Ten Fiscal Years



(1) Combined Other is any combination of transfers, franchises, state subventions, building and grading permits, reimbursements, business license taxes, timeshare mitigation fees, plan check fees, property transfer taxes. It also may include any combination of miscellaneous bails, fees, fines, grants, incomes, penalties, permits, sales and taxes.*

**State Subventions is any combination of motor vehicle, off-highway in-lieu, and subventions from state.*

City of Palm Desert
Supplemental - Historical General Fund Expenditures
(Including Transfers Out)
Last Ten Fiscal Years

FY	2023	2022	2021	2020	2019
Expenditure:					
Public Safety (1)	\$ 23,304,557	\$ 20,288,195	\$ 19,326,751	\$ 21,415,334	\$ 20,975,032
City Administration (2)	14,202,930	12,620,102	12,990,562	11,429,468	12,521,081
Public Works Administration	3,026,733	2,265,476	1,886,402	2,457,045	2,149,715
Community Promotions	1,347,204	1,216,272	420,424	947,370	1,249,674
Street Maintenance	2,156,583	2,421,966	2,317,468	2,212,933	2,185,648
Building Safety	1,366,067	1,751,817	1,461,477	1,661,372	1,828,083
Street Resurfacing	-	-	-	-	-
Public Works (4)	3,852,469	1,338,520	1,165,671	1,151,447	1,250,969
Other Expenditures (3)	35,851,470	18,572,299	17,384,092	18,860,388	20,826,188
Total Expenditures	\$ 85,108,013	\$ 60,474,647	\$ 56,952,847	\$ 60,135,357	\$ 62,986,390

FY	2018	2017	2016	2015	2014
Expenditure:					
Public Safety (1)	\$ 21,088,867	\$ 20,424,249	\$ 20,151,237	\$ 18,784,117	\$ 17,306,342
City Administration (2)	11,460,325	8,238,228	7,971,706	7,561,255	7,413,578
Public Works Administration	2,333,897	2,637,630	2,664,871	2,645,443	2,556,967
Community Promotions	1,179,305	1,062,611	791,565	749,631	618,138
Street Maintenance	2,020,797	2,418,451	2,709,328	2,631,590	2,806,168
Building Safety	1,579,734	1,849,442	1,888,290	1,847,798	1,783,918
Street Resurfacing	2,760	25,326	1,083,919	998,463	4,466
Public Works (4)	1,133,007	970,877	1,004,989	1,067,837	1,018,435
Other Expenditures (3)	13,669,533	18,302,019	14,010,275	14,512,426	14,430,399
Total Expenditures	\$ 54,468,225	\$ 55,928,833	\$ 52,276,180	\$ 50,798,560	\$ 47,938,411

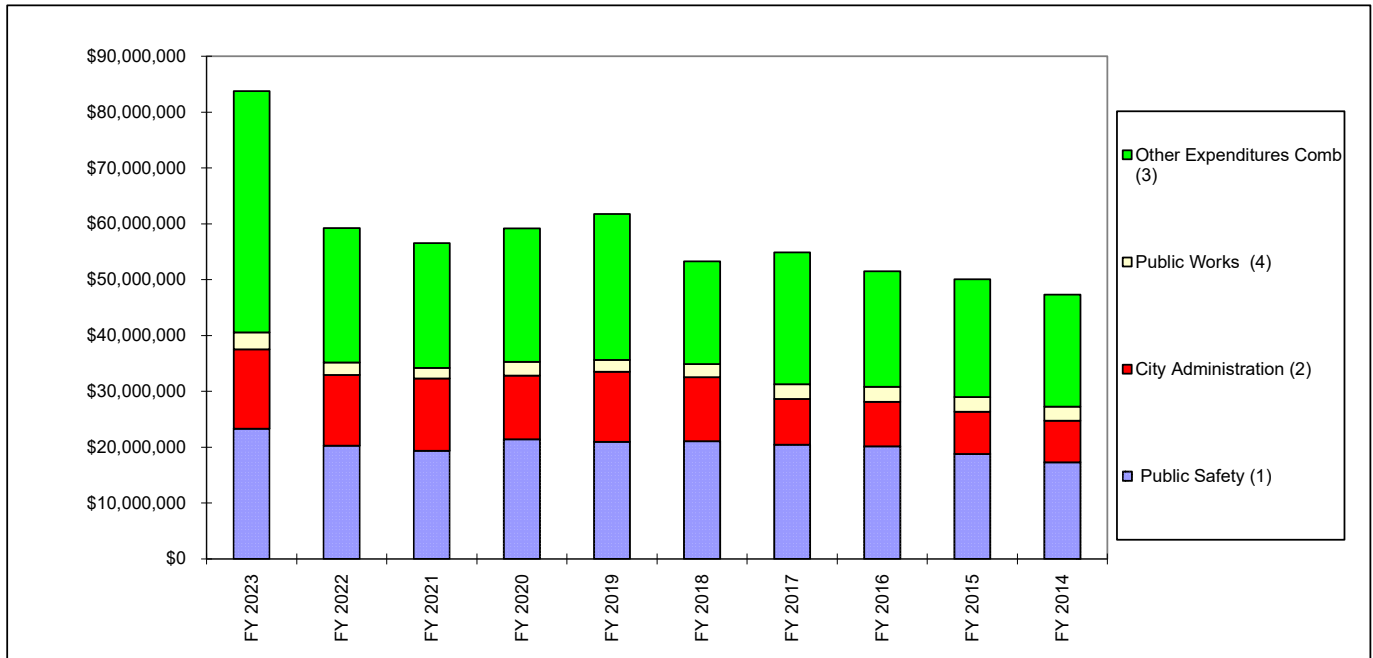
(1) Public Safety is any combination of animal regulation, police services, community safety and traffic safety expenditures, this does not include the cost for Fire Services. Fire Services are reported in a different fund.

(2) City Administration is any combination of community services, independent audit, City attorney, City clerk, City council, City manager, information technology, elections, finance, general services, human resources, insurance, legal special services, legislative advocacy and unemployment insurance expenditures.

(3) Other Expenditures is any combination of acquisitions, committees, contributions, retiree health, planning & community development, economic development, marketing, interfund transfers, parks, recreation and culture, extraordinary loss and visitor center, capital outlay, special item, included in the transfer out is transfer to the Fire fund for its shortfall.

(4) Public Works is a combination of curb & gutter, parking lot, auto fleet, corporate yard, public building maintenance, Portola Community center, storm water permit.

City of Palm Desert
Supplemental Graph- Historical General Fund Expenditures
(Including Transfers Out)
Last Ten Fiscal Years



(1) Public Safety is any combination of animal regulation, police services, community safety and traffic safety expenditures, this does not include the cost for Fire Services. Fire Services are reported in a different fund.

(2) City Administration is any combination of community services, independent audit, City attorney, City clerk, City council, City manager, information technology, elections, finance, general services, human resources, insurance, legal special services, legislative advocacy and unemployment insurance expenditures.

(3) Other Expenditures is any combination of acquisitions, committees, contributions, retiree health, planning & community development, economic development, marketing, interfund transfers, parks, recreation and culture, extraordinary loss and visitor center, capital outlay, special item, included in the transfer out is transfer to the Fire fund for its shortfall.

(4) Public Works is a combination of curb & gutter, parking lot, auto fleet, corporate yard, public building maintenance, Portola Community center, storm water permit.

City of Palm Desert
Supplemental Historical General Revenue and Expenditures Per Capita
Last Ten Fiscal Years

FY	2023	2022	2021	2020	2019
Total General Revenue (2)	\$ 86,123,993	\$ 77,168,851	\$ 60,971,794	\$ 57,497,862	\$ 64,721,710
Population (1)	50,615	50,889	53,892	52,986	53,625
General Revenue Per Capita	1,702	1,516	1,131	1,085	1,207

FY	2018	2017	2016	2015	2014
Total General Revenue (2)	\$ 59,241,399	\$ 56,079,870	\$ 53,437,908	\$ 50,055,811	\$ 48,723,641
Population (1)	52,769	50,740	49,335	51,053	50,417
General Revenue Per Capita	1,123	1,105	1,083	\$ 980	\$ 966

FY	2023	2022	2021	2020	2019
Total General Expenditures (2)	\$ 85,108,013	\$ 52,730,364	\$ 49,481,094	\$ 51,498,878	\$ 57,900,932
Population (1)	50,615	50,889	53,892	52,986	53,625
General Expenditures Per Capita	1,681	1,036	918	972	1,080

FY	2018	2017	2016	2015	2014
Total General Expenditures (2)	\$ 49,992,388	\$ 48,427,111	\$ 48,134,252	\$ 46,302,187	\$ 44,183,659
Population (1)	52,769	50,740	49,335	51,053	50,417
General Expenditures Per Capita	947	954	976	\$ 907	\$ 876

(1) Population figures are as of January start of fiscal year.

(2) Interfund Transfers In/Out, extraordinary loss (gain), and special item are not included in total.

Sources: Population figures from State Department of Finance, City of Palm Desert Finance Department

City of Palm Desert
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential Property	Commercial Industrial Property	Institutional Property	Vacant Land	Less: Tax Exempt	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	
2023	13,770,177,817	3,039,934,131	72,379,384	271,422,690	*	-	18,094,846,015	1.00000	17,895,334,799
2022	12,816,062,846	2,919,685,840	67,899,671	254,623,765	*	-	16,974,917,677	1.00000	16,768,080,495
2021	12,277,100,484	2,872,316,290	65,652,944	279,025,011	*	-	16,413,235,941	1.00000	16,217,619,993
2020	11,781,804,552	2,771,257,791	63,343,035	300,879,417	*	(45,437)	15,835,758,806	1.00000	15,636,583,844
2019	11,231,546,199	2,675,659,205	62,224,633	373,347,796		(326,679,322)	15,556,158,170	1.00000	15,045,226,485
2018	10,757,283,204	2,554,854,761	59,762,684	388,457,449		(313,754,093)	14,940,671,116	1.00000	14,445,331,683
2017	10,555,732,091	2,434,816,656	58,318,962	379,073,252		(306,174,550)	14,579,740,457	1.00000	14,095,158,994
2016	10,174,360,142	2,358,860,033	56,840,001	412,090,006		(312,620,004)	14,210,000,198	1.00000	13,743,682,041
2015	9,636,181,445	2,290,456,630	54,211,991	420,142,932		(298,165,952)	13,552,997,813	1.00000	13,086,962,905
2014	9,043,372,632	2,247,924,054	64,595,519	426,330,424		(297,139,386)	12,919,103,760	1.00000	12,453,921,285

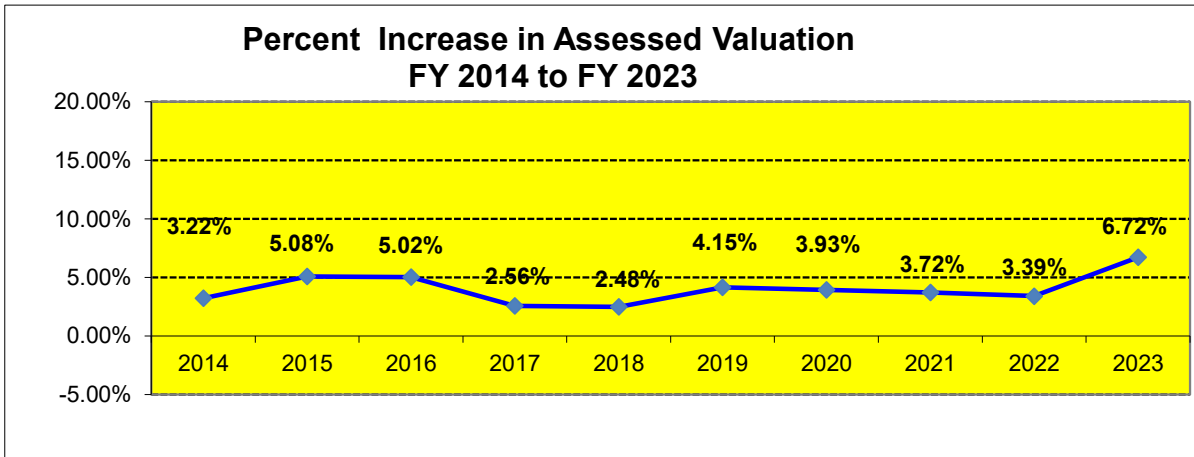
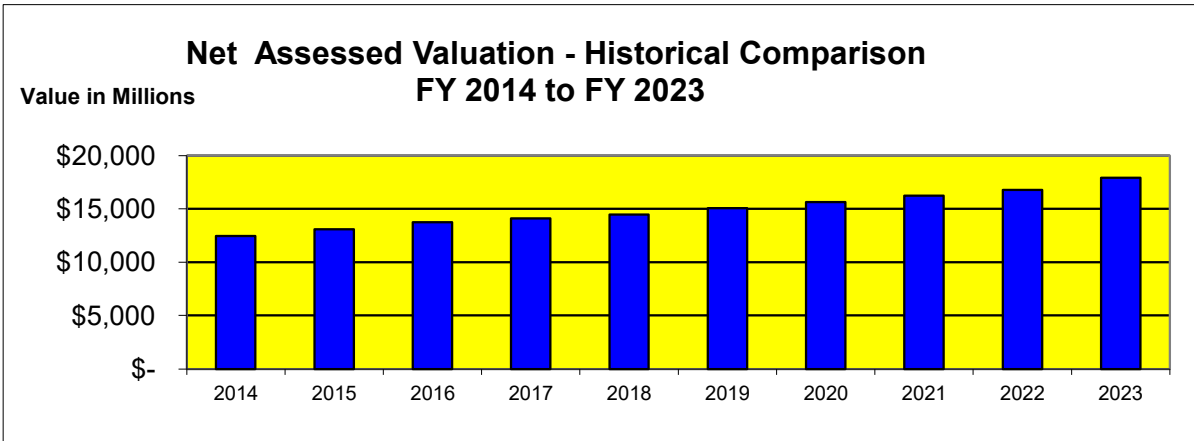
(1) Estimated Actual Taxable Value = Net Taxable Value

* Per HDL there was an artifact change in the Riverside County Assessors data that occurred primarily between 2018 and 2019, new vs old system differences, the few properties which are listed as having assessed value and being non-taxable are either new to the roll or are newly non-taxable for 2019.

Notes: Property Taxes in Riverside County are subject to the State of California's Proposition 13, Jarvis-Gann Initiative which allows reappraisals of real property only when there is a change in ownership or new construction takes place. Further, the proposition limits property assessment increase to no more than two(2%) percent annually. Property is assessed at one hundred percent (100%) of its fair market value at the time of new construction or change in ownership. The tax rate is one (1%) percent of the assessed value.

Source: Riverside County Assessor thru HDL Coren & Cone

City of Palm Desert
Historical Net Assessed Taxable Values Citywide
Graph - Assessed Valuation Growth
Last Ten Fiscal Years



i honestly imagine it being a little

Historical Major Additions

Annexations	FY	Retail Centers	FY
Cook Street Area	88/89	Town Center Mall	83/84
Country Club #28	93/94	Desert Springs Marriott	86/87
Price Club/Costco	93/94	One Eleven Town Ctr	88/89
Palm Desert CC #29	94/95	Mervyn's Center	92/93
Palm Desert Greens	04/05	Desert Crossing	95/96
Suncrest	04/05	Lucky's/Albertson Deep Canyon	96/97
		Remodel 111 Town Ctr (Best Buy)	97/98
		Gardens on El Paseo	98/99
		Remodel Westfield Mall (Sears, Barnes & Noble)	04/05
		Sears Automotive	04/05
		Lowe's Home Improvement	05/06
		Walmart / Sam's Supercenters	05/06
		Kohl's	07/08
		Golfsmith Extreme	08/09
		El Paseo Village	09/10
		Best Buy & Ulta	11/12
		Remodel Westfield Mall (Dick's/H&M/Restaurants)	12/13
		PGA Tour Superstore	12/13
		Total Wine & More	13/14
		Tesla Motors	15/16

Source: Riverside County Assessor thru HDL Coren & Cone

City of Palm Desert
Supplemental FY 2023 and 2022 Breakdown of Basic 1% Property Tax Rate
Not in Redevelopment Project Area

Taxing Agency	FY 2023 Rate	FY 2022 Rate
County General	28.177327%	28.177327%
County Free Library	2.728242%	2.728242%
County Structure Fire Protection	5.873086%	5.873086%
City of Palm Desert (1)	0.000000%	0.000000%
Desert Sands Unified School District	36.221587%	36.221587%
Desert Community College	7.526714%	7.526714%
Riverside County Reg. Park & Open Space	0.426231%	0.426231%
Riverside County Office of Education	4.094919%	4.094919%
Desert Hospital	1.996808%	1.996808%
Coachella Valley Public Cemetery	0.339927%	0.339927%
Desert Recreation District	2.071624%	2.071624%
Coachella Valley Mosquito & Vector Control	1.369698%	1.369698%
Coachella Valley County Water	2.736607%	2.736607%
Coachella Valley County Water Imp. District 80	2.972906%	2.972906%
Coachella Valley County Water Storm Water Unit	3.464324%	3.464324%
General Purpose Basic 1%	100.000000%	100.000000%

(1) City of Palm Desert is a No-Low Property Tax City and the 7% represents what the state allocates to No-Low Property Tax Cities.

Source: County of Riverside, Property Tax Allocation Percentages, TRA 018-041.

**City of Palm Desert
Property Tax Rates
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

City Direct			Overlapping Rates				
Fiscal Year	Basic County-wide Levy	Total Direct Tax Rate	Desert Sands Unified School District	Desert Community College Dist.	Coachella Valley Water District	Coachella Valley Water District I.D. 58	Palm Springs Unified B&I 1192-A Ds
2023	1.00000	1.00000	0.07500	0.03950	0.11000	0.00000	0.15187
2022	1.00000	1.00000	0.07500	0.03950	0.11000	0.00000	0.15030
2021	1.00000	1.00000	0.07390	0.03947	0.10000	0.00000	0.10334
2020	1.00000	1.00000	0.07381	0.03983	0.10000	0.00000	0.10542
2019	1.00000	1.00000	0.07418	0.03978	0.10000	0.00000	0.10603
2018	1.00000	1.00000	0.07251	0.04030	0.10000	0.00000	0.11146
2017	1.00000	1.00000	0.08599	0.02036	0.10000	0.00000	0.11802
2016	1.00000	1.00000	0.10915	0.02087	0.10000	0.00000	0.08978
2015	1.00000	1.00000	0.10984	0.02325	0.10000	0.00000	0.10160
2014	1.00000	1.00000	0.10954	0.01995	0.10000	0.00000	0.12961

Notes: Proposition 13 limits the ability of the city to raise the property tax rate.

Source: CalMuni Statistics Inc

**City of Palm Desert
Principal Property Taxpayers
Current and Ten Years Ago**

2023		
Taxpayer	Taxable Assessed Value	Percentage of Total City Tax Assessed Value
NEWAGE DesertSprings	\$ 183,277,948	1.02%
WEA Palm Desert	167,598,620	0.93%
Gardens on El Paseo LLC	146,001,786	0.81%
WVC Rancho Mirage Inc	134,387,296	0.75%
PRU Desert Crossing LLC	107,432,299	0.60%
CC Cimarron LP	71,394,568	0.40%
First American Trust	63,108,340	0.35%
Walmart /Sams	58,460,349	0.33%
Segovia Operations	55,777,259	0.31%
Sunrise Spectrum	54,306,893	0.00%
Total	\$ 1,041,745,358	5.80%

2014		
Taxpayer	Taxable Assessed Value	Percentage of Total City Tax Assessed Value
WEA Palm Desert	\$ 144,890,985	1.16%
Marriott Desert Springs	136,022,554	1.09%
Gardens on El Paseo LLC	100,463,843	0.80%
WVC Rancho Mirage	84,971,489	0.68%
Pru Desert Crossing II LLC	81,024,967	0.65%
Sinatra and Cook Project	54,874,399	0.44%
Walmart Real Estate Business Trust	48,324,981	0.39%
Segovia Operations	47,715,576	0.38%
Monarch Sevilla Venture	47,671,183	0.38%
Sunrise Spectrum	46,907,800	0.38%
Total	\$ 792,867,777	6.35%

Note: The estimated property tax revenue stated above is based upon net taxable values, tax ratios and base year values that impact the revenue calculation. As a result, parcels with the same assessed value that are assigned to different tax rate areas may contribute dissimilar amounts of total revenue to the City and Redevelopment Agency.

Source: HdL Coren & Cone thru Riverside County Assessor 22/23 and HdL Coren & Cone thru Riverside County Assessor 13/14

**City of Palm Desert
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 the Levy ^{(1) (2)}		Collections in Subsequent Years ⁽³⁾	Total Collections to Date	
		Amount	Percentage of Levy		Amount ⁽³⁾⁽⁴⁾	Percentage of Levy
2014	5,623,740	5,048,787	89.78%	574,953	\$ 5,623,740	100.00%
2015	5,911,501	5,523,658	93.44%	387,843	\$ 5,911,501	100.00%
2016	6,212,993	5,943,252	95.66%	269,741	\$ 6,212,993	100.00%
2017	6,731,899	6,022,566	89.46%	182,652	\$ 6,205,218	92.18%
2018	6,729,952	6,553,297	97.38%	173,642	\$ 6,726,940	99.96%
2019	6,867,405	6,640,656	96.70%	207,894	\$ 6,848,550	99.73%
2020	7,202,939	6,502,032	90.27%	211,602	\$ 6,713,634	93.21%
2021	7,332,966	6,391,062	87.16%	256,431	\$ 6,647,493	90.65%
2022	8,203,212	7,930,195	96.67%	273,017	\$ 8,203,212	100.00%
2023	8,853,225	8,320,643	93.98%	532,582	\$ 8,853,225	100.00%

(1) City of Palm Desert is on the "Teeter Plan" with the County of Riverside. The first payment was received in the fiscal year 1993/94.

(2) City of Palm Desert is a "No-Low Property Tax City". Proposition 13 rolled the tax rates back to 1973 which is when the City of Palm Desert incorporated and the Property Tax rates were zero. Based on current state law the County allocates 7% of the 1% assessed values within the City less the Redevelopment Agency tax increment. Fiscal Year 1992/93 was the first year to receive the No/Low taxes.

(3) Includes tax collections accrued as of June 30, 2023.

(4) Includes amounts receivable for tax year 2022-2023 along with prior receivables due for prior tax years.

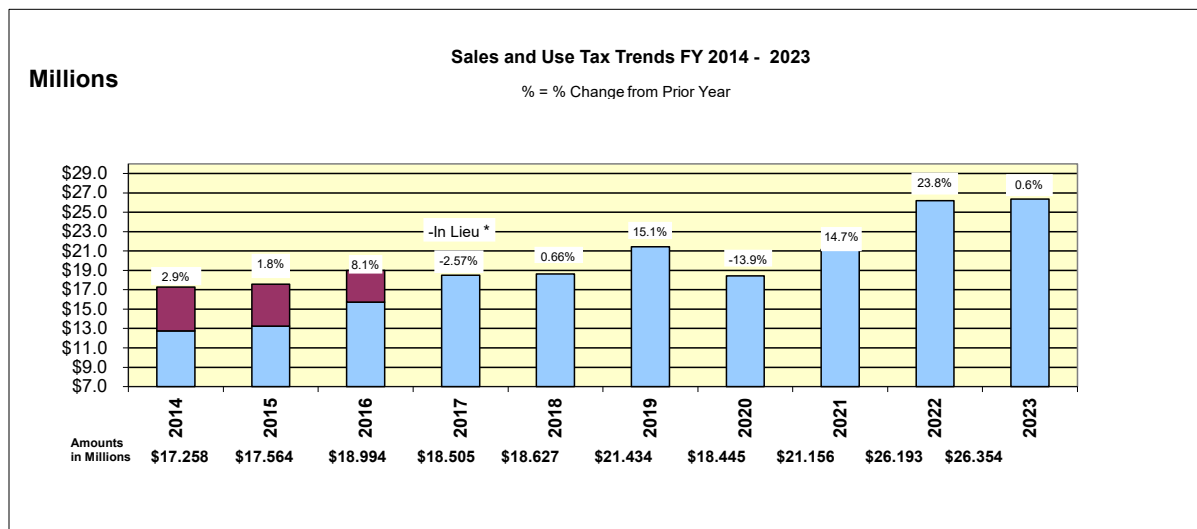
Source: Riverside County Auditor Controller Office and City of Palm Desert

**City of Palm Desert
Supplemental Top 25 Sales Tax Generators**

Graph - Historical Sales Tax Trends
June 30, 2023

Top 25 Sales Tax Generators (1)	Primary Economic Category
ABC SUPPLY COMPANY	BUILDING MATERIALS
ALBERTSON'S FOOD CENTERS	GROCERY STORES
APPLE INC	ELECTRONICS/APPLIANCE STORES
ARIZONA TILE	HOME FURNISHINGS
ASHLEY FURNITURE HOMESTORE	HOME FURNISHINGS
BEST BUY STORES LP	ELECTRONICS/APPLIANCE STORES
CARMAX AUTO SUPERSTORES	USED AUTOMOTIVE DEALERS
CIRCLE K	CONVENIENCE STORES/LIQUOR
CONSOLIDATED ELECTRICAL DISTRIBUTORS	PLUMBING/ELECTRICAL SUPPLIES
COSTCO	DISCOUNT DEPT STORES
JW MARRIOTT DESERT SPRINGS	HOTELS/MOTELS
LEEDS JEWELERS	JEWELRY STORES
LOUIS VUITTON	FAMILY APPAREL
LOWES	BUILDING MATERIALS
MACY'S DEPARTMENT STORES	DEPARTMENT STORES
NORDSTROM RACK	DEPARTMENT STORES
PGA TOUR SUPERSTORE	SPORTING GOODS/BIKE STORES
SAKS FIFTH AVENUE	DEPARTMENT STORES
SAM'S CLUB WITH FUEL	DISCOUNT DEPT STORES
SIMPLOT	GARDEN/AGRICULTURAL SUPPLIES
SUPERIOR POOL PRODUCTS	DRUGS/CHEMICALS
TARGET STORES	DISCOUNT DEPT STORES
TOMMY BAHAMA	FAMILY APPAREL
TOTAL WINE & MORE	CONVENIENCE STORES/LIQUOR
WAL-MART SUPERCENTER	DISCOUNT DEPT STORES

(1) Listed in Alphabetical Order



Note: Current California law prohibits production of individual tax information as an effort not to infringe on proprietary information, therefore confidential information which is protected by law is not disclosed.

* The State of California exchanged Sales Tax Revenue with Property taxes, this amount represents the portion of sales tax that were exchanged.

Source: SBOE Data, MuniServices LLC. In Lieu given to city from State ERAF Property Taxes, City of Palm Desert

City of Palm Desert
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business Type Activities		Percentage of Total Personal Income ^{a,f}	Total Debt Per Capita ^{a,f}
	Special Assessment/ Local Obligation Bonds ^{b,c,d}	Capital Leases	Total Primary Government		
2014	8,246,000	1,222,915	9,468,915	0.39%	198
2015	3,302,000	1,435,046	4,737,046	0.19%	99
2016	3,045,000	929,860	3,974,860	0.16%	83
2017	2,808,000	499,881	3,307,881	0.14%	69
2018	2,658,000	1,493,330	4,151,330	0.17%	87
2019	2,071,000	1,595,394	3,666,394	0.24%	128
2020	1,846,000	1,145,011	2,991,011	0.23%	105
2021	1,672,000	675,976	2,347,976	0.20%	92
2022	1,294,000	-	1,294,000	0.04%	25
2023	1,162,000	-	1,162,000	0.04%	23

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

^a - Personal income, population and per capita information provided by California Department of Finance, and U.S Census Bureau and/or estimated by City Finance using 1% growth rate.

^b - Special Assessment Government Activities includes Highlands Undergrounding AD No# 04-01, as of June 30, 2023 the balance was \$1.032M.

^c - Fiscal Year End 2009 the City issued the Energy Independence Program Limited Obligation Improvement Bonds Series 2009A (Taxable) \$2.5 million Energy Independence Loan Program. The actual Bond Issuance was for \$2.015m. At June 30, 2023 the outstanding balance was \$0.071M

^d - The City issued \$1.136 million dollars of the Energy Independence Program (AB811 Assessments) Limited Obligation Improvement Bonds (Taxable) The special assessment collection commenced during the fiscal year 2010-2011. At June 30, 2023 the outstanding balance was \$0.059M.

^e - In addition the Palm Desert Financing Authority issued \$5.225 million dollars of the Energy Independence Program Variable Rate Demand Lease Revenue Bonds, Series 2009 (Federally Taxable). On September 2, 2014 the bonds were called in full. As of June 30, 2017 there were no outstanding

^f - Personal income and Per Capita statistic includes government and business type activities combined.

**City of Palm Desert
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

General Bonded Debt Outstanding		
Special Assessment Bonds	Percentage of Actual Taxable Value of Property	Per Capita

Note: There are no General Obligation Bonds from FY 2014 to FY 2023

City of Palm Desert
Supplemental Special Assessment Information
June 30, 2023

District Name/Description	2003 01-01 Revenue Bonds Silver Spur Ranch Utility Undergrounding ⁵	Community Facilities District No. 2005-1 (University Park) Special Tax Bonds Series 2021A ⁶	Community Facilities District No. 2021-1 (University Park) Special Tax Bonds Series 2021 ⁷	2004-2 Section 29 Assessment District Limited Obligation Improvement Bonds Series 2021
Bond Issue Date	6/25/2003	7/13/2021	7/13/2021	6/23/2021
Final Maturity Date	9/2/2028	9/1/2036	9/1/2051	9/2/2037
Highest Interest Rate	5.375%	4.000%	4.000%	5.100%
Bond Issue Amount	\$ 2,340,000	5,165,000	15,200,000	16,400,000
Matured Principal	\$ 1,390,000	250,000	245,000	685,000
Called Principal	\$ 170,000	-	-	-
Outstanding Bonds (4)	\$ 780,000	\$ 4,915,000	\$ 14,955,000	\$ 15,715,000
Redemption Premium	3.00%	3.00%	3.00%	3.00%
Original Parcels	201	66	243	859
Active Parcels	193	55	243	776
Reserve Requirement	\$ 153,947	\$ 461,800	\$ 868,775	\$ 1,411,600
Reserve Balance 22/23 ⁽¹⁾	\$ 165,720	\$ 468,408	\$ 874,214	\$ 1,416,863
Principal Due 23/24 ⁽²⁾	\$ 115,000	270,000	305,000	785,000
Principal Levied 22/23 ⁽³⁾	\$ 110,000	250,000	245,000	685,000
Interest Due 23/24 ⁽²⁾	\$ 38,763	187,050	562,575	612,900
Interest Levied 22/23 ⁽³⁾	\$ 44,669	194,850	570,825	635,450
22/23 Delinquency Rate	0.00%	1.64%	0.00%	0.13%
Arbitrage Installment Computation Date: 90% Rebate Due	06/25/23	N/A	N/A	N/A
Arbitrage Yield Rate	4.9129%	N/A	N/A	N/A
Arbitrage-Amount Owed	-	-	-	-
Continuing Disclosure Last Report Issued:	1/4/2021	02/2023	02/2023	02/2023

(1) Reserve Balances are as of 6/30/23.

(2) Outstanding bond balance at June 30, 2023.

(3) Amount represents principal and interest collected during the FY 22/23 tax roll for Debt Service Payment due in FY 23/24 per debt service schedule.

(4) Levied amounts reflect adjustments for construction funds, reserve funds, redemption funds and other adjustments.

(5) The schedule presents the information for each individual local obligation bonded district. Assessment Districts 94-3 Merano and 01-01 Silver Spur were refunded and obligated to pay Debt Service to Series 2003 Assessment Revenue Bonds see note 16 for additional information.

(6) Community Facilities District No. 2005-1 (University Park) Special Tax Bonds 2021A were used to refund Community Facilities District No. 2005-1 (University Park) Special Tax Bonds Series 2006A

(6) Community Facilities District No. 2021-1 (University Park) Special Tax Bonds 2021A were used to pay and defease a pro rata portion of outstanding Community Facilities District No. 2005-1 (University Park) Special Tax Bonds Series 2006A

Source: Willdan Financial Annual Report

City of Palm Desert
Direct and Overlapping Government Activities Debt
June 30, 2023

2022/23 Assessed Valuation:	\$ 17,950,974,247		
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt 6/30/23</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/23</u>
Desert Community College District	\$ 486,615,000	17.736%	\$ 86,306,036
Desert Sands Unified School District	365,405,000	33.619%	122,845,507
Palm Springs Unified School District	418,287,347	4.116%	17,216,707
City of Palm Desert Limited Obligation Improvement Bonds	185,000	100.000%	185,000
City of Palm Desert Community Facilities District No. 2005-1	4,915,000	100.000%	4,915,000
City of Palm Desert Community Facilities District No. 2021-1	14,955,000	100.000%	14,955,000
City of Palm Desert 1915 Act Bonds	17,537,000	100.000%	17,537,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 263,960,250
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	\$ 686,776,829	4.957%	\$ 34,043,527
Riverside County Pensions Obligations	748,540,000	4.957%	37,105,128
Desert Sands Unified School District Certificates of Participation	13,785,000	33.619%	4,634,379
City of Palm Desert	-	100.000%	-
Desert Recreation District Certificates of Participation	1,389,522	25.849%	359,178
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 76,142,212
<u>OVERLAPPING TAX INCREMENT DEBT:(SUCCESSOR AGENCIES)</u>	\$ 457,662,321	0.210-100%	\$ 161,126,242
TOTAL CITY DIRECT DEBT			\$ -
TOTAL OVERLAPPING DEBT			\$ 501,228,704
COMBINED TOTAL DEBT			\$ 501,228,704 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2022-2023 Adjusted Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.47%
Total Direct Debt (\$0)	0.00%
Net Combined Total Debt	2.79%

<u>Ratios to Redevelopment Successor Agencies Incremental Valuation</u>	\$ (11,885,480,015)
Total Overlapping Tax Increment Debt	1.36%

Source: California Municipal Statistics, Inc., City of Palm Desert Finance Department

**City of Palm Desert
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	\$ 17,950,974,247
Debt Limit (15% of Assessed Value) (1)	2,692,646,137
Debt Applicable to Limit:	
General Obligation Bonds	1,032,000
Less: Amount set aside for repayment of general obligation debt	-
Total Debt Applicable to Limit	-
Legal debt margin	\$ 2,691,614,137

FISCAL YEAR

	2014	2015	2016	2017	2018
Debt Limit	1,869,699,132	1,963,741,235	2,059,815,120	2,114,442,742	2,167,115,649
Total Net debt applicable to limit	1,526,000	1,489,000	1,451,000	1,410,000	1,368,000
Legal debt margin	1,868,173,132	1,962,252,235	2,058,364,120	2,113,032,742	2,165,747,649
Total net debt applicable to the limit as a percentage of debt limit	0.08%	0.08%	0.07%	0.07%	0.06%

FISCAL YEAR

	2019	2020	2021	2022	2023
Debt Limit	2,256,723,736	2,345,639,686	2,432,559,897	2,513,282,720	2,692,646,137
Total Net debt applicable to limit	1,310,000	1,178,000	1,130,000	1,082,000	1,032,000
Legal debt margin	2,255,413,736	2,344,461,686	2,431,429,897	2,512,200,720	2,691,614,137
Total net debt applicable to the limit as a percentage of debt limit	0.06%	0.05%	0.05%	0.04%	0.04%

(1) Section 43605 of the California Government Code.

Source: California Municipal Statistic, Inc. San Francisco

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

Fiscal Year	Special Assessment Bonds				Tax Increment ^b			
	Special Assessment Collections ^{a,c}	Debt Service			Special Assessment Collections	Debt Service		
		Principal	Interest	Coverage		Principal	Interest	Coverage
2012	8,822,163	3,332,000	4,897,651	1.0720	32,941,958 ^e	15,290,000	17,651,958	1.000
2013	9,524,786	3,786,896	5,255,558	1.0533	33,473,418 ^e	16,315,000	17,158,418	1.000
2014 ^d	14,895,214	12,324,000 ^d	4,954,432	0.8621	38,444,447 ^e	23,650,000	14,794,447	1.000
2015	10,848,129 ^g	8,159,000 ^f	4,543,692	0.8540	32,294,255 ^e	18,295,000	13,999,255	1.000
2016	8,537,227	25,401,000 ^h	4,463,786	0.2859	34,810,024 ^e	18,055,000	16,755,024	1.000
2017	5,896,670	3,192,000	3,233,399	0.9177	37,535,680 ^{e,i}	16,255,000 ^{e,i}	21,280,680	1.000
2018	5,590,479	3,545,000	3,088,864	0.8427	23,428,001 ^{e,i}	14,235,000 ^{e,i}	9,193,001	1.000
2019	5,608,312	2,427,000	2,942,348	1.0445	25,986,960 ^{e,i}	17,210,000 ^{e,i}	8,776,960	1.000
2020	5,280,905	2,080,000	2,818,146	1.0781	27,833,500 ^{e,i}	19,475,000 ^{e,i}	8,358,500	1.000
2021	5,397,140	2,119,000	2,698,952	1.1202	25,215,056 ^{e,i}	17,330,000 ^{e,i}	7,885,056	1.000
2022	3,342,319 ^{j,k}	488,000	1,072,389	2.1420	25,462,250 ^{e,i}	18,115,000 ^{e,i}	7,347,250	1.000
2023	3,253,687	1,439,235	1,577,199	1.0787	25,798,956 ^{e,i}	19,045,000 ^{e,i}	6,753,956	1.000

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

Liberty-Mitch

^a The City issued \$2.015 million dollars of the Energy Independence Program (AB811 Assessments) Limited Obligation Improvement Bonds (Taxable). The special assessment collection will commence during the fiscal year 2009-2010 with the first interest payment paid on March 2, 2010.

^b Tax increment bonds are backed by property tax increment based on calculation provided by the Riverside County tax assessor office. Additional information on tax increment can be found in the notes to the financial statements.

^c The City issued \$1.136 million dollars of the Energy Independence Program (AB811 Assessments) Limited Obligation Improvement Bonds (Taxable). The special assessment collection will commence during the fiscal year 2010-2011, in addition, the Palm Desert Financing Authority issued \$5.225 million dollars of the Energy Independence Program Variable Rate Demand Lease Revenue Bonds, Series 2009 (Federally Taxable). Interest is paid monthly commencing August 2009 and Principal is paid annually on September 2. The first principal payment was paid on September 2, 2010.

^d A portion of the \$50.51 (2007) and \$17.915 (2008) million CFD 2005-1 (University Park) was prepaid in the amount of \$6.269 Million. The prepaid \$6.269M and \$2.280 (2004-1) were called during on September 2, 2014.

^e The total amount payable for the bonded obligations is disbursed by the State of California Department of Finance to the City of Palm Desert Successor Agency. The annual collection equal the annual obligations.

^f The City called the \$5.225 Million Energy Independence Program Variable Rate Demand Lease Revenue Bonds, Series 2009 (Federally Taxable) in full on September 2, 2014 in the amount of \$4.485 Million. The Energy Fund used the remaining \$5.225 Bond Funds in the amount of \$2.155 Million in addition to the \$2.5 Million loan from the City General Fund as proceeds to call the bonds.

^g The City of Palm Desert loaned the Energy Fund \$2.5 Million to call the \$5.225 Million Energy Independence Program Lease Revenue Bonds, Series 2009 (Federally Taxable). The \$2.5 Million is included as Special Assessment Collections.

^h During the Fiscal Year 2015-16 the Communities Facilities District 2005-1 (University Park Series, Special Tax Bonds Series 2006A and Series 2007 defeased \$20.885M of the original issued \$67.715M.

ⁱ During the Fiscal Year 2016-17 the Successor Agency issued four series of bonds (i) the Tax Allocation Refunding Bonds, 2017 Series A (\$52.39M), (ii) Taxable Tax Allocation Refunding Bonds, 2017 Series B (\$140.130M), Tax allocation Refunding Bonds, 2017 Series H-A (\$7.365M), and (iv) Taxable Tax Allocation Refunding Bonds, 2017 H-B (\$45.815M). See Note 18 Tax Allocation Bonds. The 2017 Refunding Bonds refunded all of the tax allocation revenue bonds; with the exception of the Project Area No. 1 2007A Bonds, and the Project Area No. 2 2003 Bonds.

^j During the Fiscal Year 2021-22, the City of Palm Desert issued CFD 2021-1 Special Tax Bonds Series 2021 and CFD 2005-1 Special Tax Refunding Bonds Series 2021A. The purpose of these bonds is to refund the CFD 2005-1 Special Tax Bonds Series 2006A.

^k During the Fiscal Year 2021-22, the City of Palm Desert issued Section 29 Assessment District 2004-02 Limited Obligation Refunding Improvement Bonds Series 2021. The purpose of this issuance is to refund the Section 29 AD 2004-02 Limited Obligation Improvement Bonds Series 2007.

City of Palm Desert
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year End	City Population	Percentage Increase (Decrease)	Personal Income CY ^a	Per Capita Personal Income CY	City Unemployment Rate ^b	Riverside County Population	Percentage Increase (Decrease)	County Unemployment Rate ^b
2023	50,615	-0.54%	\$ 3,049,841,493	\$ 60,256	4.80%	2,439,234	0.15%	5.00%
2022	50,889	-5.57%	\$ 3,004,769,944	\$ 59,046	4.10%	2,435,525	-0.77%	4.00%
2021	53,892	1.71%	\$ 2,960,364,477	\$ 54,931	7.40%	2,454,453	0.50%	8.00%
2020	52,986	-1.19%	\$ 2,916,615,248	\$ 55,045	17.20%	2,442,304	0.09%	14.70%
2019	53,625	1.62%	\$ 2,873,512,560	\$ 53,585	4.90%	2,440,124	1.00%	4.40%
2018	52,769	4.00%	\$ 2,831,046,858	\$ 53,650	5.00%	2,415,955	1.31%	4.80%
2017	50,740	2.85%	\$ 2,789,208,727	\$ 54,971	4.00%	2,384,783	1.57%	5.70%
2016	49,335	-3.37%	\$ 2,747,988,894	\$ 55,701	4.20%	2,347,828	1.71%	6.70%
2015	51,053	1.26%	\$ 2,707,378,221	\$ 53,031	4.60%	2,308,441	1.25%	6.50%
2014	50,417	0.94%	\$ 2,667,367,705	\$ 52,906	4.90%	2,279,967	1.10%	8.40%

a - Personal Income estimated based on average growth rate of previous four years. The growth rate factor used was 1.5%. Income data will be updated once the actual data is available.

b - Unemployment rate for fiscal year 22/23 is based on annual information from State of California Employment Development Department Labor Market Information Division (not seasonally adjusted)

Sources: State Department of Finance, State Employment Development Department

**City of Palm Desert
Principal Employers
Current and Nine Years Ago**

Employer	2023*			Employer	2014		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
JW Marriot-Desert Springs Resort & DS Villas	2,304	1	10.02%	JW Marriot-Desert Springs Resort & DS Villas	2,304	1	8.15%
Universal Protection Services	1,500	2	6.52%	Universal Protection Services	1,500	2	5.31%
Securitas-Security Service USA	700	3	3.04%	Securitas-Security Service USA	700	3	2.48%
Avida Caregivers	550	4	2.39%	Avida Caregivers-P.Desert	550	4	2.15%
Organization of Legal Pro's	501	5	2.18%	Sunshine Landscape	500	5	1.77%
Sunshine Landscape	500	6	2.17%	Bighorn Golf Club	250	6	0.88%
Costco Wholesale	250	7	1.09%	Costco	250	7	0.88%
Bighorn Golf Club	250	8	1.09%	Westin-Desert Willow	248	8	0.88%
Yellow Cab of Desert	160	9	0.70%	Time Warner Cable	236	9	0.83%
Whole Foods Market	150	10	0.65%	Marriott Shadow Rige	208	10	0.74%

Sources: CA Employment Development Department - Federal and State Government not included

* Data based on prior years numbers, at the time of preparation data was not available.

City of Palm Desert
Supplemental Miscellaneous Statistics
June 30, 2023

City/ Municipal Government

Form of Government: Council - City Manager/Charter City
Date of Incorporation: November 26, 1973
Number of Employees: 123 Full-time Employees
Size of City: 26.96 Square Miles
Geographic Location: Located 117 miles east of Los Angeles and 515 miles south of San Francisco.
Streets: 170 paved street miles
Number of Business Licenses: 4,843 active business licenses
Number of Hotels & Rooms: 19 hotels, 2,822 rooms

CONTRACT SERVICES:

Police Department Contract with Riverside County Sheriff - 61 sworn positions plus 19 support staff (rounded to nearest FTE)
Fire Department Contract with Riverside County/State Fire 49 positions plus 12 Fire Prevention staff
Animal Control Riverside County Animal Services
Water & Sewer Coachella Valley Water District
Trash Collection Burrtec - Waste Management
Electric Southern California Edison
Gas Southern California Gas
Telephone Verizon
Airport Palm Springs International Airport

Public Education

Elementary School (grades K - 5)	4
Middle School (grades 6 - 8)	1
High School (grades 9 - 12)	1
Community College - College of the Desert	1
CSUSB - Palm Desert Campus	1
UCR - Palm Desert Graduate Center	1

Insurance Coverage

General Liability Coverage (Excludes Earthquake & Flood)	Calif. Joint Powers Insurance Authority \$50 Million/Event Excess Coverage: from \$2 Million up to \$50 Million limit
Special Events	Calif. Joint Powers Insurance Authority \$1 Million
Worker's Compensation	Calif. Joint Powers Insurance \$10 Million
Property Insurance	Calif. Joint Powers Insurance Based on Prop. Value

Health Insurance

Medical	California PERS; choice of PPO, HMO, Kaiser, Blue Shield
Dental	Delta Dental
Vision	Vision Service Plan
Disability Insurance	Disability - The Hartford Insurance Company
Life	The Hartford Insurance Company
Retirement	California PERS - Public Employees' Retirement System

Source: City of Palm Desert

City of Palm Desert
Full-time Equivalent City Government Employees by Function / Program
Last Ten Fiscal Years

Function / Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
City	38	35	33	33	31	31	32	32	34	34
Economic Dev & Housing ^b	17	12	11	11	11	10	11	13	13	13
Public Safety	29	28	30	30	28	29	29	28	26	25
Police & Fire (1)	141	141	140	174	172	179	170	163	169	173
Public Works	39	33	38	38	39	39	39	40	40	40
Totals	264	249	252	286	281	288	281	276	282	285

(1) The City operates as a "contract city" utilizing, primarily, agreements with other governmental entities, private firms and individuals to provide services.
Contracted services include: Police and Fire protection through the County of Riverside, Cal-Fire, animal control, health services, legal services and landscape maintenance.

a - As of June 2011 realignments were made due to budget cuts, retirements and layoffs, these continued to FY 2013.

b - On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert.

Source: City of Palm Desert Financial Plan, California Department of Forestry and Fire Protection, Riverside County Sheriff's Department

City of Palm Desert
Operating Indicators by Function / Program
Last Ten Fiscal Years

Function / Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Business License Inspections	*	*	*	*	*	*	*	*	24	33
Contracted Services - Burrtec Waste (1)										
Refuse Collected (tons)	60,753	61,932	60,226	58,096	59,154	56,346	54,301	52,772	54,865	57,935
Recyclables Collected	25,497	22,043	20,964	21,772	27,391	28,119	26,651	23,818	24,611	26,424
Public Safety										
Physical Arrests	1,155	1,198	1,066	621	758	1,654	1,620	1,284	1,946	1,348
Parking Violations	1,128	769	780	899	375	575	587	712	794	386
Traffic Violations	1,497	1,398	2,070	1,392	3,525	7,012	6,939	6,223	5,525	5,284
Emergency Responses-Fire Department	11,136	10,557	9,701	15,088	10,009	9,984	9,617	9,285	8,628	8,235
Fires Extinguished	98	138	104	147	93	90	68	103	88	106
Fire Inspections	#	#	#	3,372	5,397	3,378	1,274	2,118	2,989	2,552
Building Permits Issued	4,795	5,211	3,651	3,118	3,912	3,644	4,734	4,704	4,909	5,552
Building Inspections Conducted	21,857	16,802	13,451	13,439	13,965	18,601	23,542	24,756	24,057	24,830
Public Works										
Street Resurfacing (miles) (3)	37.6	2.25	1.83	16.9	31.6	7.3	25.8	2.9	8	34
Parks, recreation & culture										
Athletic Field Permits Issued	2,766	2,255	2,262	643	2,990	2,934	3,197	2,997	4,430	6,548
Amphitheater / Pavilions Permits Issued	292	350	244	6	119	121	106	104	283	247
Community Center Admissions	37,048	32,326	15,577	9,746	52,203	60,769	51,694	64,493	53,426	50,204
Aquatic Center Admissions (2)	38,864	31,320	38,249	32,905	52,102	53,739	58,023	60,359	64,103	43,545

(1) The City operates as a "contract city" utilizing, primarily, agreement with other governmental entities, private firms and individuals to provide services.

Contracted services include: Police and Fire protection through the County of Riverside, animal control, health services, legal services and landscape maintenance.

(2) Aquatic Center operations began in June 2011, managed by the YMCA.

(3) New methods of street resurfacing have improved efficiency, therefore equaling more miles resurfaced.

(*) Per Building & Safety Department business license inspections are no longer done.

(#) City discontinued the City Fire Marshal services and contracted with the County for State mandated inspections only.

Sources: Riverside County Sheriff's Dept., California State Department of Forestry & Fire Protection, City of Palm Desert, Coachella Valley Recreation & Park District, Burrtec Waste and The YMCA.

City of Palm Desert
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years

Function / Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Contracted Services (1)										
Collection trucks	39	35	29	25	25	24	24	35	30	30
Public Safety - Police & Fire										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units-Cars	26	26	26	27	29	30	29	29	29	26
Patrol Units-Motorcycles	7	7	7	7	6	9	9	11	10	10
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks	1 plus 1 reserve	1 plus 1 reserve	5 plus 2 reserve	4 plus 1 reserve	4 plus 1 Reserve	4 plus 1 Reserve	4 plus 1 Reserve	4 plus 1 Reserve	4 plus 1 Rsrvd	4 plus 1 Rsrvd
Ambulance	4 plus 2 reserve	4 plus 2 reserve	4 plus 3 reserve	4 plus 3 reserve	4 plus 3 Reserve	4 plus 3 Reserve	4 plus 3 Reserve	4 plus 3 Reserve	4 plus 3 Rsrvd	4 plus 3 Rsrvd
Fire Prevention Pick-ups	-	-	-	2.5	4	3	3	3	3	3
Public Works										
Streets (miles)	170	170	170	170	170	170	170	170	170	170
Traffic Signals	99	99	99	99	99	99	99	98	98	98
Parks, recreation & culture										
Acreage	201	201	201	201	201	201	201	201	201	201
Total Parks	13	13	13	13	13	13	13	13	13	13
Playgrounds	16	16	16	16	16	16	16	16	16	16
Baseball/softball diamonds	8	8	8	8	8	8	8	8	8	8
Soccer/football fields	9	9	9	9	9	9	9	9	9	9
Basketball Courts	11	11	11	11	11	11	11	11	11	11
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Volleyball Courts	8	8	8	8	8	8	8	8	8	8
Community Centers	2	2	2	2	2	2	2	2	2	2
Skateboard Parks	2	2	2	2	2	2	2	2	2	2
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Commercial Office Space										
(Parkview Office Complex)										
Leasable Space (square feet)	47,909	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322
Occupancy Rate	80%	84%	84%	91%	91%	82%	84%	90%	90%	86%
Number of Tenants by Type										
Government (State, local regional)	5	7	7	7	7	7	7	9	8	9
Non-Profit	2	4	4	4	4	3	3	4	3	4
Private	3	3	3	3	3	2	3	1	1	4
Square Footage lease by tenant										
Government (State, local regional)	23,374	31,607	31,607	31,607	31,607	30,907	32,287	33,127	30,907	31,921
Non-Profit	4,873	7,339	7,339	7,341	6,621	4,061	4,061	3,561	6,269	3,294
Private	3,083	3,083	3,083	6,693	7,468	6,218	6,938	8,688	8,025	8,025
Vacant	16,597	8,293	8,293	4,681	4,626	9,136	8,416	4,946	5,121	7,082
Municipal Golf Course										
(Desert Willow Golf Resort)										
Courses - Fire Cliff and Mountain View	2	2	2	2	2	2	2	2	2	2
Holes	36	36	36	36	36	36	36	36	36	36
Golf Carts	172	172	172	172	172	172	172	172	172	172
Clubhouse square footage	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Rounds per Course										
Fire Cliff	48,410	52,415	47,695	38,057	48,646	46,620	39,424	39,366	44,845	45,841
Mountain View	50,160	47,949	49,005	35,332	43,523	43,712	39,931	40,910	42,407	43,160
Total Annual Rounds	98,570	100,364	96,700	73,389	92,169	90,332	79,355	80,276	87,252	89,001

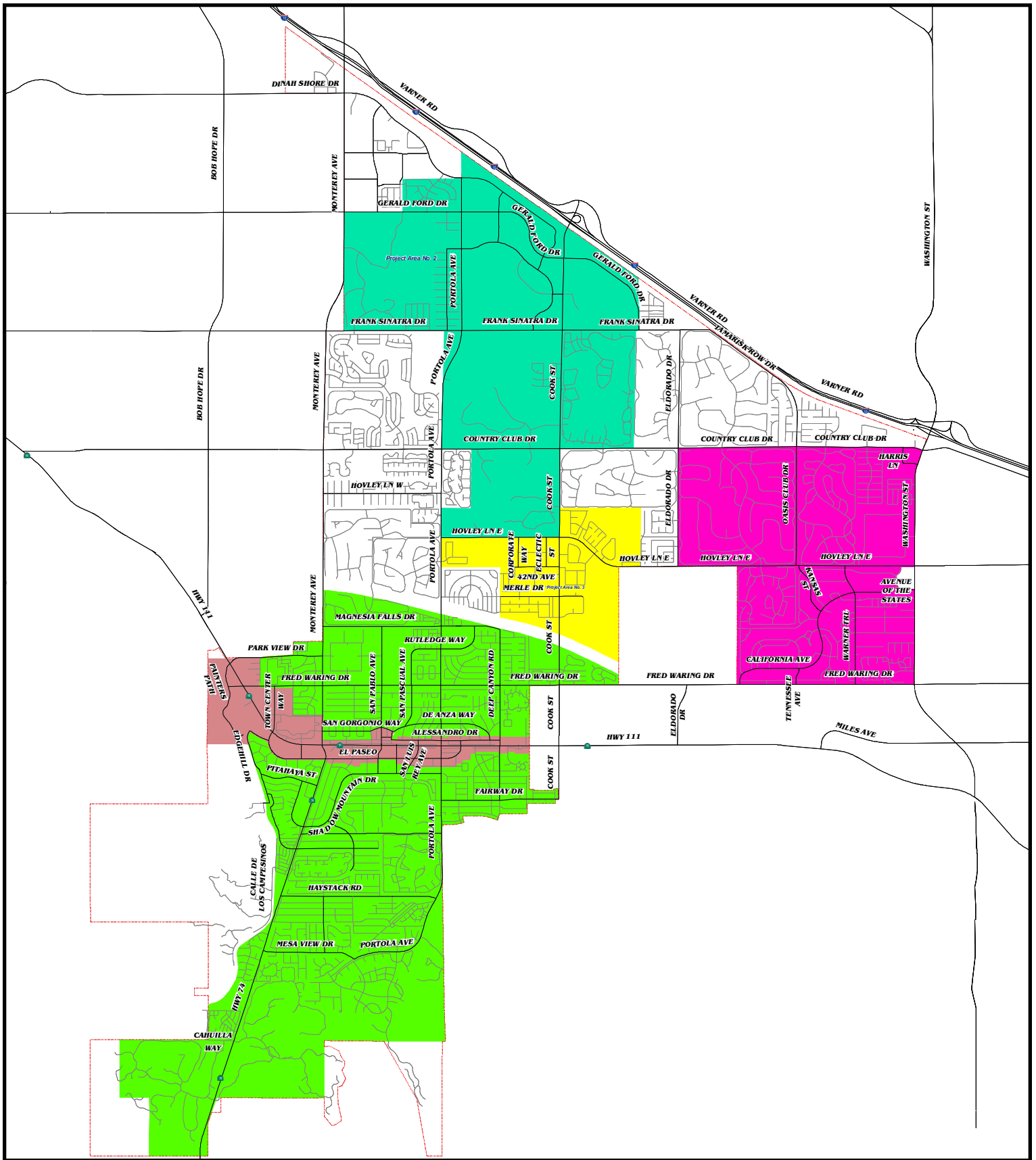
(1) The City operates as a "contract city" utilizing, primarily, agreement with other governmental entities, private firms and individuals to provide services.
Contracted services include: Police and Fire protection through the County of Riverside, animal control, health services, legal services and landscape maintenance.

Sources: Riverside County Sheriff's Dept., California State Department of Forestry & Fire Protection, City of Palm Desert, Coachella Valley Recreation & Park District, Burttec Waste

Supplemental Redevelopment Agency Statistical Section City of Palm Desert, California

Note: This section is not required by GASB No. 44, however, City believes that statistical information is beneficial to the reader.

On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert. For more information on the dissolution of the RDA please see note 19 and note 20.



REDEVELOPMENT AGENCY PROJECT AREAS

- Area 1 - Original (1975)
- Area 1 - Added Territory (1982)
- Area 2
- Area 3
- Area 4
- City Boundary



**City of Palm Desert
Redevelopment Agency
Tax Allocation Bond Issue Information
June 30, 2023**

DESCRIPTION	\$15,745,000 Tax Allocation Revenue Bond
Years	30
Bond Issue Date	03/26/03
Final Maturity Date	08/01/33
Highest Interest Rate	5.00%
Bond Issue Amount	\$ 15,745,000
Outstanding Bond Amount	\$ 15,745,000
Call Premium	1 - 2.00%
Bond Insurer	MBIA
Reserve Requirement (1)	1,574,500
Reserve Balance (1)	(1)
Called Bonds	\$ -
Principal Due 23/24	910,000
Interest Due 23/24	729,631
Arbitrage Yield Rate	4.9502%
Arbitrage-Amount Owed	-
Arbitrage Five Year Due Date:	03/26/28

DESCRIPTION	Non-Housing Tax Allocation Bond (Exempt) ¹	Non-Housing Tax Allocation Bond (Taxable) ²
Years	13	24
Bond Issue Date	01/31/17	01/31/17
Final Maturity Date	10/01/30	10/01/41
Highest Interest Rate	5.000%	4.250%
Bond Issue Amount	\$ 52,390,000	\$ 140,130,000
Outstanding Bond Amount	\$ 36,405,000	\$ 96,345,000
Call Premium	0.00%	0.00%
Bond Insurer	BAM	BAM
Reserve Requirement (1)	5,840,397	9,027,545
Reserve Balance (1)	(1)	(1)
Called Bonds	\$ -	\$ -
Principal Due 23/24	715,000	11,675,000
Interest Due 23/24	1,802,375	3,422,400
Arbitrage Yield Rate	3.659%	3.659%
Arbitrage-Amount Owed	-	-
Arbitrage Five Year Due Date:	01/31/27	01/31/27

DESCRIPTION	Housing Tax Allocation Bond (Exempt) ³	Housing Tax Allocation Bond (Taxable) ⁴
Years	14	6
Bond Issue Date	01/31/17	01/31/17
Final Maturity Date	10/01/31	10/01/23
Highest Interest Rate	5.000%	3.000%
Bond Issue Amount	\$ 7,365,000	\$ 45,815,000
Outstanding Bond Amount	\$ 5,025,000	\$ 6,195,000
Call Premium	0.00%	0.00%
Bond Insurer	BAM	BAM
Reserve Requirement (1)	687,519	4,581,500
Reserve Balance (1)	(1)	(1)
Called Bonds	\$ -	\$ -
Principal Due 23/24	455,000	6,195,000
Interest Due 23/24	216,144	92,925
Arbitrage Yield Rate	2.907%	2.907%
Arbitrage-Amount Owed	-	-
Arbitrage Five Year Due Date:	01/31/27	01/31/27

(1) A surety bond was issued by MBIA Insurance, future reserve balance's will be zero.

¹ Refunded PA 1-4 tax exempt portion of bonds (\$22.07M, \$19M, \$24.945M, \$62.3M, \$17.31M, \$67.6M, \$4.745M, \$15.05M, \$11.02M, \$15.695M, and \$19.2M)

² Refunded PA 1-4 taxable portion of bonds (\$22.07M, \$19M, \$24.945M, \$62.3M, \$17.31M, \$67.6M, \$4.745M, \$15.05M, \$11.02M, \$15.695M, and \$19.2M)

³ Refunded Housing tax exempt portion of bonds (12.1M and \$86.155M)

⁴ Refunded Housing taxable portion of bonds (12.1M and \$86.155M)

Source: City of Palm Desert and Successor Agency to the Palm Desert Redevelopment Agency

City of Palm Desert
**Historical Tax Increment/
Redevelopment Property Tax Trust Fund Summary**
All Project Areas

Project Area No. 1	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Gross Tax Increment	51,298,203	53,437,088	56,610,029	58,222,677	59,842,517	62,844,689	64,495,840	68,597,410	70,656,513	77,499,942
Less:										
Housing Set-Aside*	10,259,641	10,687,418	11,322,006	11,644,535	11,968,503	12,568,938	12,899,168	13,719,482	14,131,303	15,499,988
SB 2557	673,261	686,944	629,449	725,403	662,238	594,754	570,820	858,150	1,503,453	1,246,470
Gross Pass-Throughs	20,111,377	21,241,903	22,961,604	25,052,727	22,919,420	25,953,291	26,949,281	28,676,151	29,944,830	33,357,702
Net Tax Increment	20,253,925	20,820,823	21,696,970	20,800,012	24,292,356	23,727,706	24,076,571	25,343,627	25,076,927	27,395,781

RPTTF Amount Deposited	25,090,381	26,530,801	24,696,424	25,131,004	19,923,194	20,331,658	21,672,933	21,069,258	16,915,008	14,831,440
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Project Area No. 2	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Gross Tax Increment	13,556,184	15,232,096	16,232,329	16,302,895	16,916,067	17,466,255	18,503,456	19,553,601	19,897,195	21,078,916
Less:										
Housing Set-Aside*	2,711,237	3,046,419	3,246,466	3,260,579	3,383,213	3,493,251	3,700,691	3,910,720	3,979,439	4,215,783
SB 2557	179,214	192,900	180,457	202,348	187,481	165,500	172,557	243,191	188,413	339,023
Gross Pass-Throughs	4,967,602	5,665,961	6,078,194	6,103,481	6,372,798	6,609,645	7,125,321	7,569,060	7,672,621	8,741,803
Net Tax Increment	5,698,132	6,326,816	6,727,213	6,736,487	6,972,575	7,146,063	7,504,887	7,830,630	8,056,722	7,782,307

RPTTF Amount Deposited	7,017,531	5,441,721	5,547,427	5,887,814	5,516,674	5,629,776	6,106,095	6,005,764	4,763,343	4,033,947
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Project Area No. 3	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Gross Tax Increment	3,760,421	3,754,999	4,039,902	4,360,574	4,364,606	4,487,719	4,653,982	4,947,578	5,015,404	5,230,337
Less:										
Housing Set-Aside*	752,084	751,000	807,980	872,115	872,921	897,544	930,796	989,516	1,003,081	1,046,067
SB 2557	49,871	48,901	45,175	52,745	8,947	42,853	41,139	62,062	47,593	84,122
Gross Pass-Throughs	1,377,700	1,371,786	1,510,219	1,656,158	1,662,390	1,730,228	1,813,552	1,937,004	1,985,858	2,179,024
Net Tax Increment	1,580,766	1,583,312	1,676,528	1,779,556	1,820,347	1,817,094	1,868,494	1,958,996	1,978,872	1,921,124

RPTTF Amount Deposited	1,357,678	1,237,930	1,290,623	1,295,156	1,422,709	1,451,877	1,563,906	1,519,617	1,200,676	1,000,948
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Project Area No. 4	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Gross Tax Increment	11,941,800	13,057,891	13,889,272	14,287,533	14,685,301	15,251,204	15,776,294	16,815,458	17,592,461	18,995,874
Less:										
Housing Set-Aside*	2,388,360	2,611,578	2,777,854	2,857,507	2,937,060	3,050,241	3,155,259	3,363,092	3,518,492	3,799,175
SB 2557	156,818	166,634	154,976	178,812	162,715	145,017	139,433	210,710	166,282	305,520
Gross Pass-Throughs	7,901,830	8,381,422	8,866,804	9,433,947	9,943,062	10,454,725	8,434,713	11,405,344	12,185,263	13,800,057
Net Tax Increment	1,494,792	1,898,257	2,089,637	1,817,267	1,642,464	1,601,222	4,046,890	1,836,312	1,722,424	1,091,122

RPTTF Amount Deposited	3,675,440	3,071,966	2,443,507	2,610,660	4,834,978	4,934,105	5,301,405	5,164,761	4,211,595	3,635,308
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*For calculation purposes only - No requirement to deposit Housing Set Aside post Redevelopment Dissolution.



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PALM DESERT



CITY OF PALM DESERT

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