



PALM DESERT

Fiscal Year 2023-2024

**Annual
Comprehensive
Financial Report**

City of Palm Desert



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

For the Year Ended
June 30, 2024

Prepared by the Finance Department

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CITY OF PALM DESERT

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January 27, 2025

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, 2024.

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, 2024 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, 2024 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, 2024, 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. 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 library 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 2023-2024 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, 2024, has a population of 50,889 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. And in 2024, ground was broken for development to build a five-and-a-half-acre Wavegarden Cove, DSRT Surf, which will make it the largest of its kind in the United States.



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 2024, the City Council approved a total of \$72.4 million in funding for various capital improvement projects for Fiscal Year 2024-25. 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.

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, 2023. 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,

Signed by:


CE3F366233F0405...
L. Todd Hileman
City Manager

Signed by:


BE46F4F325A44A2...
Veronica Chavez
Director of Finance



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, 2023

Christopher P. Morill

Executive Director/CEO



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CITY OF PALM DESERT

List of Principal Officials
as of June 30, 2024

City Council - Manager Form of Government

CITY COUNCIL

KARINA QUINTANILLA
Mayor

JAN C. HARNIK
Mayor Pro-Tempore

KATHLEEN KELLY
Council Member

GINA NESTANDE
Council Member

EVAN TRUBEE
Council Member

CITY ADMINISTRATION

TODD HILEMAN
City Manager

Israh Shah
City Attorney - Best, Best & Krieger, LLP

Veronica Chavez
Director of Finance/City Treasurer

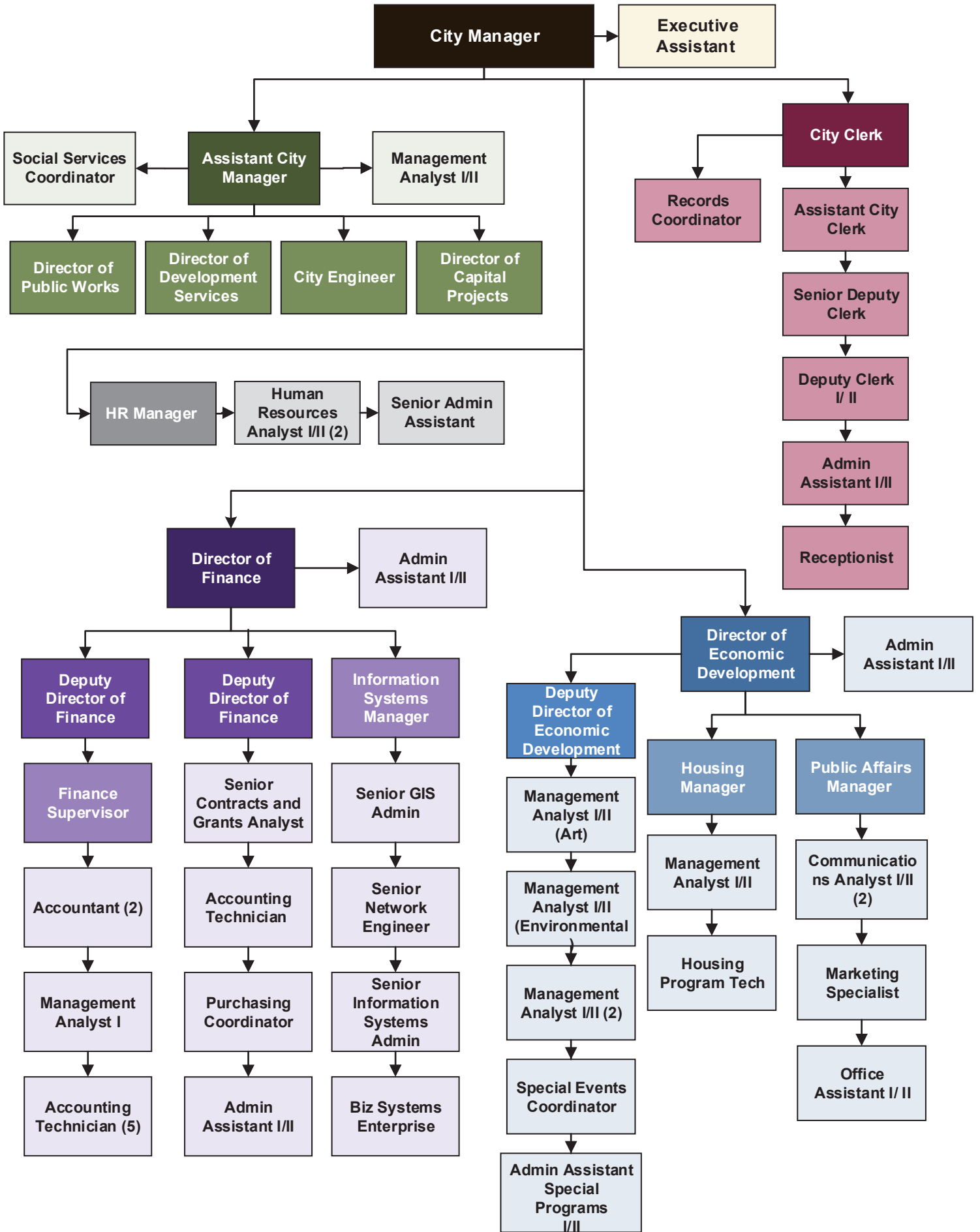
PALM DESERT HOUSING AUTHORITY

TODD HILEMAN
Executive Director

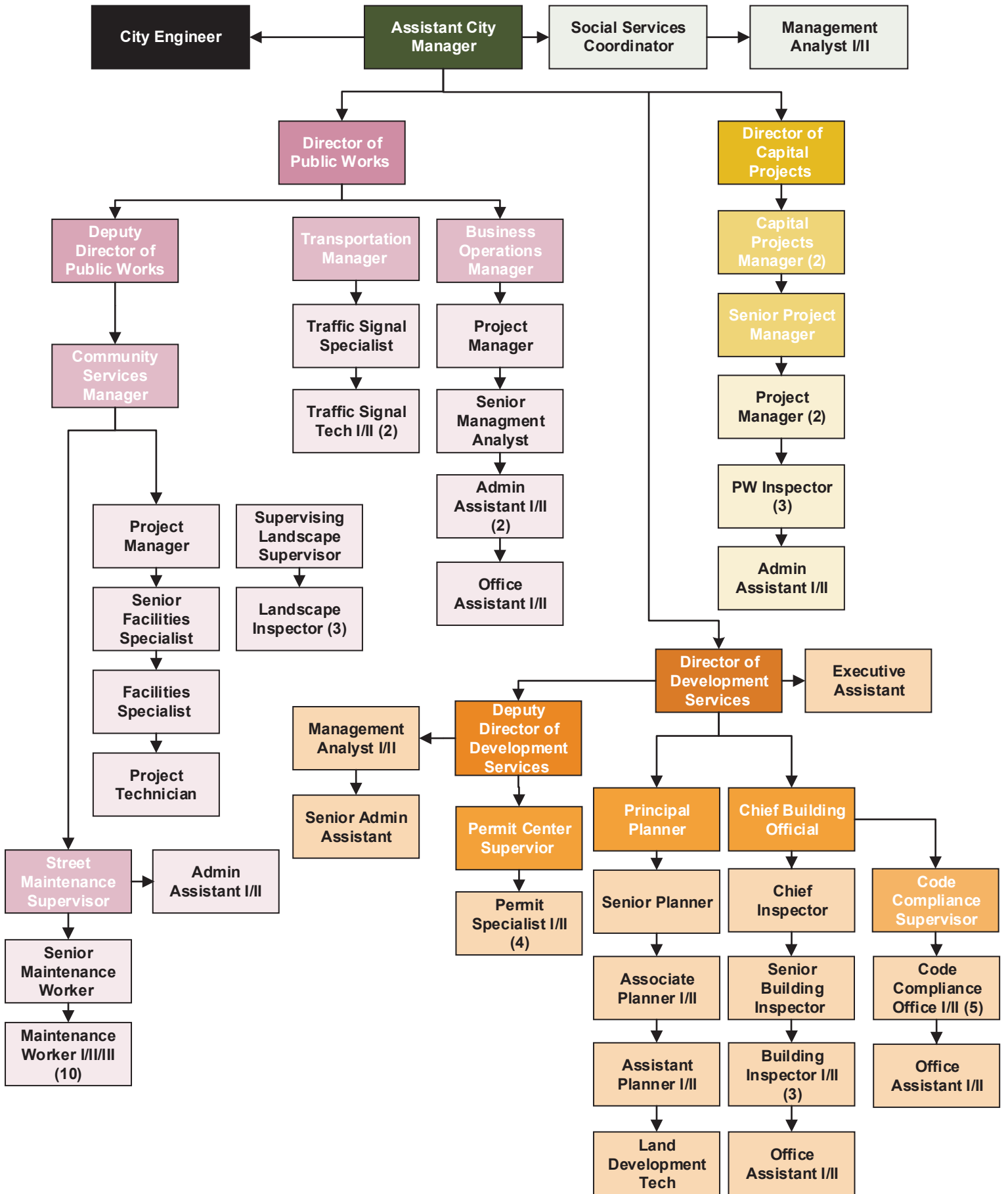
SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY

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, 2024, 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, 2024, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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 information, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 27, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
January 27, 2025



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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, 2024, 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 \$812.65 million (net position).
- The City's governmental activities net position decreased by \$12.16 million, and the net position of the business-type activities decreased by \$0.27 million.
- During the year, the City's revenues were \$155.47 million and expenses were \$167.64 million in its governmental activities, compared to fiscal year 2023, where revenues were \$131.59 million and expenses were \$120.10 million.
- In the City's business-type activities, expenses were \$14.33 million, \$1.85 million more than the \$12.48 million in prior year expenses. Revenues generated from golf course green fees, merchandise sales, rental income and other revenues increased by \$0.13 million compared to prior year, and Parkview Office Complex revenues for business-type activities revenues decreased \$0.25 million from prior year.
- The City's governmental activities program revenues and general revenues increased by \$23.88 million, while program expenses increased by \$47.54 million.
- Business-type activities revenues decreased \$ 0.37 million, from \$14.43 million to \$14.06 million. Expenses increased from \$12.48 million to \$14.33 million.
- The City kept its General Fund expenditures within spending limits by \$10.23 million. The revenues available for expenditures exceeded budget by \$4.87 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

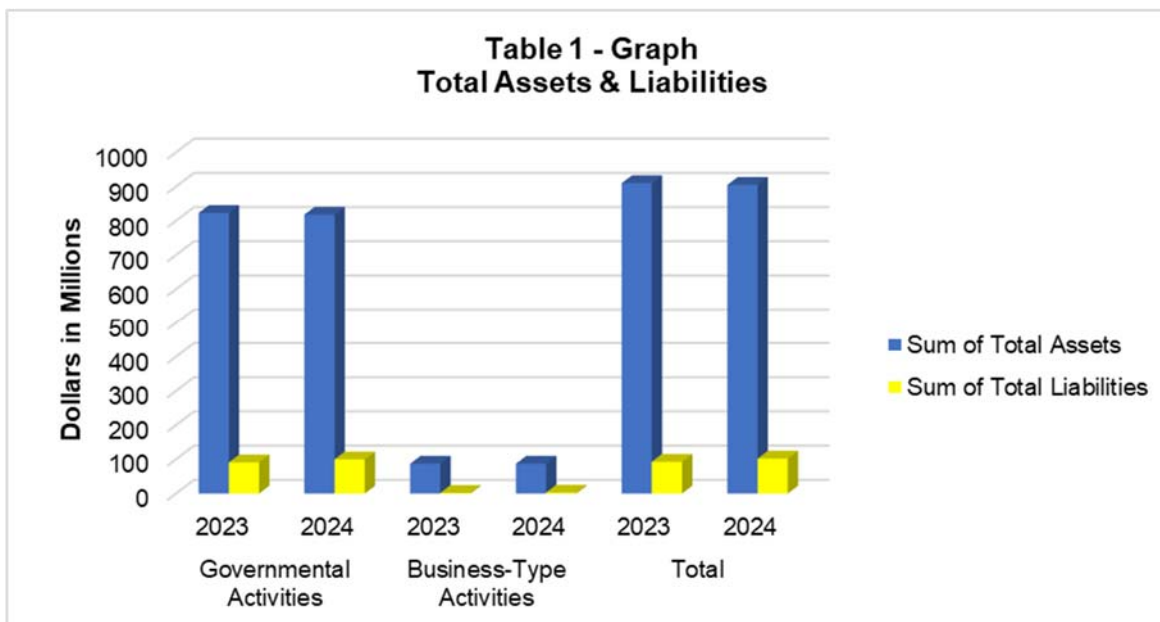
During the fiscal year ending June 30, 2024, the City's combined net position decreased \$12.43 million from \$825.09 million to \$812.65 million. A separate review of the net change in the governmental and business-type activities is provided for the reader. Our analysis focuses on the net position (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, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and restricted assets	\$ 401.93	\$ 397.71	\$ 13.27	\$ 11.31	\$ 415.20	\$ 402.99
Noncurrent assets						
Receivables	3.26	3.44	5.19	5.89	8.44	15.36
Capital assets	412.61	422.26	68.70	69.55	481.31	491.81
TOTAL ASSETS	817.79	823.41	87.16	86.75	904.96	910.16
Deferred outflows of resources	19.41	18.10	-	-	19.41	18.10
Current liabilities	44.68	45.70	1.54	1.69	46.22	47.39
Noncurrent liabilities	55.55	45.28	1.54	0.23	57.09	45.51
TOTAL LIABILITIES	100.23	90.98	3.08	1.92	103.31	92.90
Deferred inflows of resources	3.83	5.22	4.58	5.05	8.40	10.27
Net position:						
Net investment in capital assets	401.72	416.68	68.47	69.24	470.19	485.92
Restricted	175.67	172.53	-	-	175.67	172.53
Unrestricted	155.76	156.10	11.04	10.54	166.79	166.64
TOTAL NET POSITION	\$ 733.15	\$ 745.31	\$ 79.51	\$ 79.78	\$ 812.65	\$ 825.09



The City's governmental activities net position decreased \$12.16 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 21 percent of the overall total net position. Unrestricted net position decreased \$0.34 million from \$156.10 million in 2023 to \$155.76 million in 2024, and restricted net position increased from \$172.53 million to \$175.67 million, an increase of \$3.14 million. The increase in unrestricted net position was primarily driven by increases in program revenues, investment earnings and transient occupancy tax, and the City's investment portfolio took advantage of high interest rates in both short-term savings vehicles and longer-term investments. Total charges for services increased from \$38.82 million in 2023 compared to \$39.35 million in 2024, an increase of \$0.53 million; and transient occupancy tax decreased from \$23.96 million in 2023 to \$23.02 million in 2024, representing a decrease of \$0.94 million. Investment earnings saw an increase of \$13.93 million from 2023 to 2024 and interest rates remained high through the end of fiscal year 2024.

The increase of \$3.14 million in restricted net position was due to restricted special projects increasing by \$34.74 million from the prior year, while restricted capital projects funds decreased by \$31.82 million. During the year, construction on major projects continued; including the completion of the Desert Willow parking lot, Sec 29 Retention Basin, and Fred Waring Street rehabilitation. Investment in capital assets in governmental funds decreased by \$14.56 million, slightly over 3 percent of the total balance.

The City's governmental activities total assets and deferred outflow of resources combined decreased \$4.31 million from \$841.51 million in 2023 to \$837.20 million in 2024. The majority of the decrease to total assets were in capital assets, which decreased by \$9.65 million over the prior year. This decrease was also offset by increases to cash and investments by \$4.22 million and deferred outflows of resources by \$1.31 million due to the OPEB pension discount rate change.

Total governmental fund liabilities and deferred inflows combined increased by \$7.86 million from \$96.2 million in 2023 to \$104.10 million in 2024. An increase of \$9.25 million in total liabilities, mainly attributable to a pension liability increase of \$5.32 million, an OPEB liability increase of \$1.03 million.

The net position of the business-type activities recognized a decrease of \$0.27 million, from \$79.78 million during 2023 to \$79.51 million during 2024.

Total assets in the business-type activities increased by \$0.41 million from \$86.75 million in 2023 to \$87.16 million in 2024.

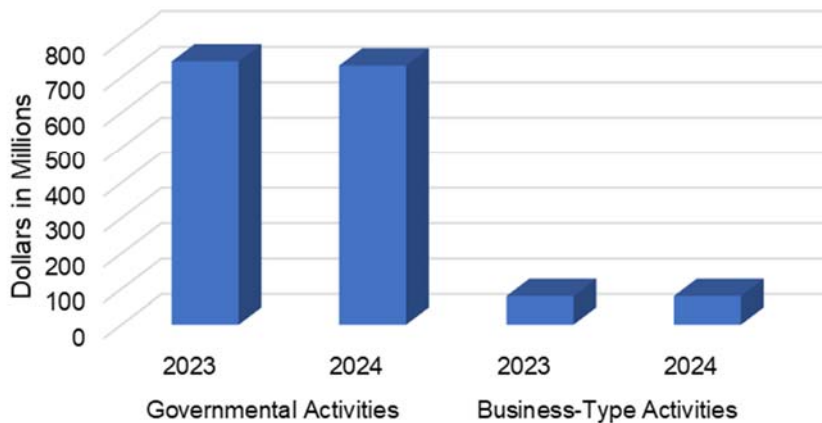
TABLE 2

CHANGES IN NET POSITION
(IN MILLIONS)

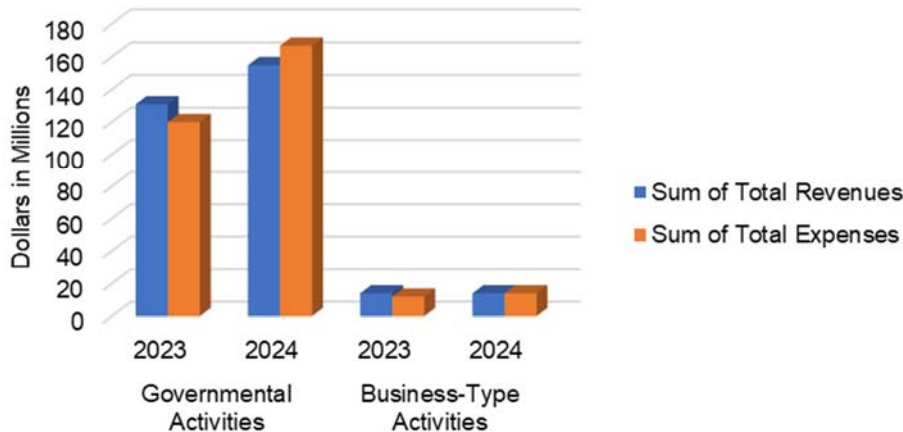
As of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues:						
Charges for services	\$ 39.35	\$ 38.83	\$ 13.42	\$ 13.63	\$ 52.77	\$ 52.46
Operating grants and contributions	9.90	13.04	-	-	9.90	13.04
Capital grants and contributions	17.31	4.67	0.19	0.09	17.50	4.76
General Revenues:						
Property taxes	15.33	13.89	-	-	15.33	13.89
Transient occupancy tax	23.02	23.96	-	-	23.02	23.96
Sales tax	25.39	26.37	-	-	25.39	26.37
Other taxes	3.78	3.58	-	-	3.78	3.58
Investment earnings	19.10	5.17	0.74	0.45	19.84	5.62
Other revenues	2.00	2.08	-	0.26	2.00	2.34
Transfers	0.29	-	(0.29)	-	-	-
TOTAL REVENUES	155.47	131.59	14.06	14.43	169.53	146.02
EXPENSES						
General Government	46.41	26.19	-	-	46.41	26.19
Housing and redevelopment	27.87	13.25	-	-	27.87	13.25
Public safety	43.64	40.76	-	-	43.64	40.76
Parks, recreation and culture	20.32	19.11	-	-	20.32	19.11
Public works	28.65	20.65	-	-	28.65	20.65
Library	0.61	-	-	-	0.61	-
Interest on long-term debt	0.15	0.15	-	-	0.15	0.15
Golf Course - Desert Willow	-	-	12.97	11.07	12.97	11.07
Office Complex - Parkview	-	-	1.36	1.41	1.36	1.41
TOTAL EXPENSES	167.64	120.10	14.33	12.48	181.97	132.58
INCREASE (DECREASE) IN NET POSITION	(12.17)	11.49	(0.27)	1.95	(12.44)	13.44
BEGINNING NET POSITION	745.31	733.80	79.78	77.83	825.09	811.63
RESTATEMENT OF NET POSITION	-	0.02	-	-	-	0.02
ENDING NET POSITION	\$ 733.14	\$ 745.31	\$ 79.51	\$ 79.78	\$ 812.65	\$ 825.09

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



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



Governmental Activities

Total revenue increased by \$23.88 million from \$131.59 million to \$155.47 million. Factors that contributed to the changes in revenues are as follows:

- Transient occupancy tax decreased from \$23.96 million in 2023 to \$23.02 million in 2024, a slight decrease of \$0.94 million.
- The City's sales tax decreased by \$0.98 million from \$26.37 million in 2023 to \$25.39 million in 2024. Despite the year-over-year decrease, sales tax receipts still exceeded budget expectations by about \$0.39 million for 2024.
- In 2024, the City's investment earnings were \$13.93 million more than the prior year, an increase from \$5.17 million in 2023 to \$19.10 million in 2024, 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 slight increase from \$38.83 million in 2023 to \$39.35 million in 2024.
- Operating contributions and grants recognized a decrease of \$3.14 million. Capital contributions and grants increased by \$12.64 million, from \$4.67 million in 2023 to \$17.31 million in 2024.

Total governmental expenses increased from \$120.10 million in 2023 to \$167.64 million in 2024, an increase of \$47.54 million. Factors that contributed to the changes in expenditures are as follows:

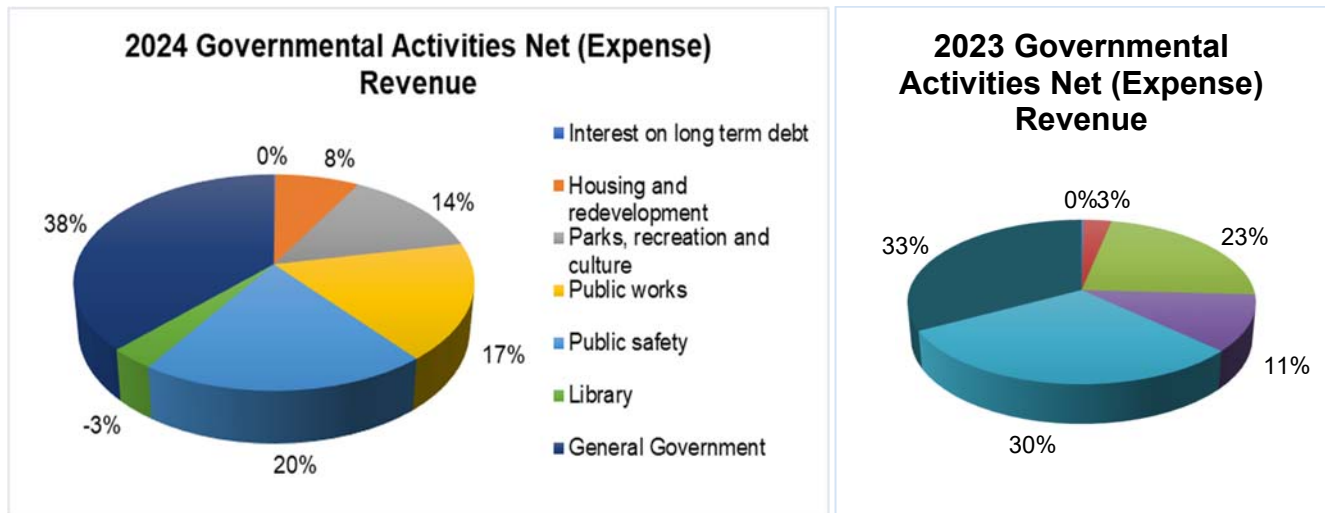
- Expenditures in housing and redevelopment increased from \$13.25 million in 2023 to \$27.87 million in 2024, an increase of \$14.62 million.
- Public safety expenditures increased by \$2.88 million, from \$40.76 million in 2023 to \$43.64 million in 2024, mainly related to increases in fire protection costs related to the adoption of new memorandums of understanding for fire protection staff.
- Parks, recreation, and culture saw increases in expenditures of \$1.21 million, from \$19.11 million in 2023 to \$20.32 million in 2024.

The following schedule represents the net cost of providing services:

Governmental Activities

Net (Expense) Revenue
(In Millions)

	2024	2023
General Government	\$ (40.64)	\$ (21.01)
Housing and Redevelopment	(8.65)	(1.76)
Public Safety	(21.52)	(19.18)
Parks, Recreation and Culture	(14.70)	(14.39)
Public Works	(18.82)	(7.07)
Library	3.39	-
Interest on Long-Term Debt	(0.15)	(0.15)
Total	\$ (101.09)	\$ (63.56)



Business-type Activities

In the business-type activities, total revenues decreased by 2.5 percent from \$14.43 million to \$14.06 million, a \$0.37 million decrease.

The Parkview Office Complex revenues decreased slightly from \$1.47 million in 2023 to \$1.22 million in 2024 due to increased vacancy.

Operating expenses for business-type activities increased by \$1.85 million from \$12.48 million to \$14.33 million. The majority of the increase is related to the growth in operations at Desert Golf resort which recognized a \$1.80 million increase in overall expenditures.

THE CITY'S FUNDS

On page 20, the governmental funds balance sheet is shown. The combined fund balance of \$346.30 million increased \$4.71 million from \$341.59 million. This total includes the General Fund balance of \$126.35 million, which increased by \$5.44 million from the prior year. The City's General Fund balance has a non-spendable balance of \$2.89 million, committed balance of \$52.31 million, assigned balance of \$18.70 million, and \$52.46 million of unassigned fund balance. The increase in the General Fund's balance was due to increases in taxes collected, intergovernmental revenues and investment earnings. Other major fund balance changes are noted below:

- The Prop A Fire Tax Special Revenue Fund: The fund balance increased by \$6.62 million due to staffing vacancies that were not fully filled during the period as well as labor cost savings from more efficient staffing levels and coverage.
- The Housing Asset Fund: The fund had an increase of \$1.93 million, mainly due to significant increases in investment earnings during the fiscal year.
- The Housing Authority Fund: The fund balance had a slight decrease of \$2.20 million.
- Capital Project Fund: The fund balance decreased \$4.00 million from \$51.21 million to \$47.23 million mainly due to increased expenditures and capital outlay in 2024.
- The remaining increase of \$3.14 million is spread across the general fund and 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 \$84.45 million were \$4.87 million more than the final budgeted revenues of \$79.58 million. Sales and transient occupancy taxes continue to be the top two revenue generators for the City, totaling \$48.40 million or 68.74 percent of the total General Fund actual revenues. The original budget for expenditures was \$75.35 million compared to the final budget of \$89.71 million, an increase of \$14.36 million. The City increase in the final budget was related to better-than-expected increases in both building interest earnings and sales tax revenues.

The General Fund actual ending expenditures of \$79.49 million were \$10.22 million less than the final budgeted expenses of \$89.71 million. There were changes in the original budget compared to the final budget during the year. The original expenditure budget was \$75.35 million compared to the final budget of \$89.71 million, a \$14.36 million increase. During the year, the following represent the major changes between the original budget and the final budget: the City Manager, General Services, and Information Technology, budgets were increased to accommodate new staff and expanded city services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

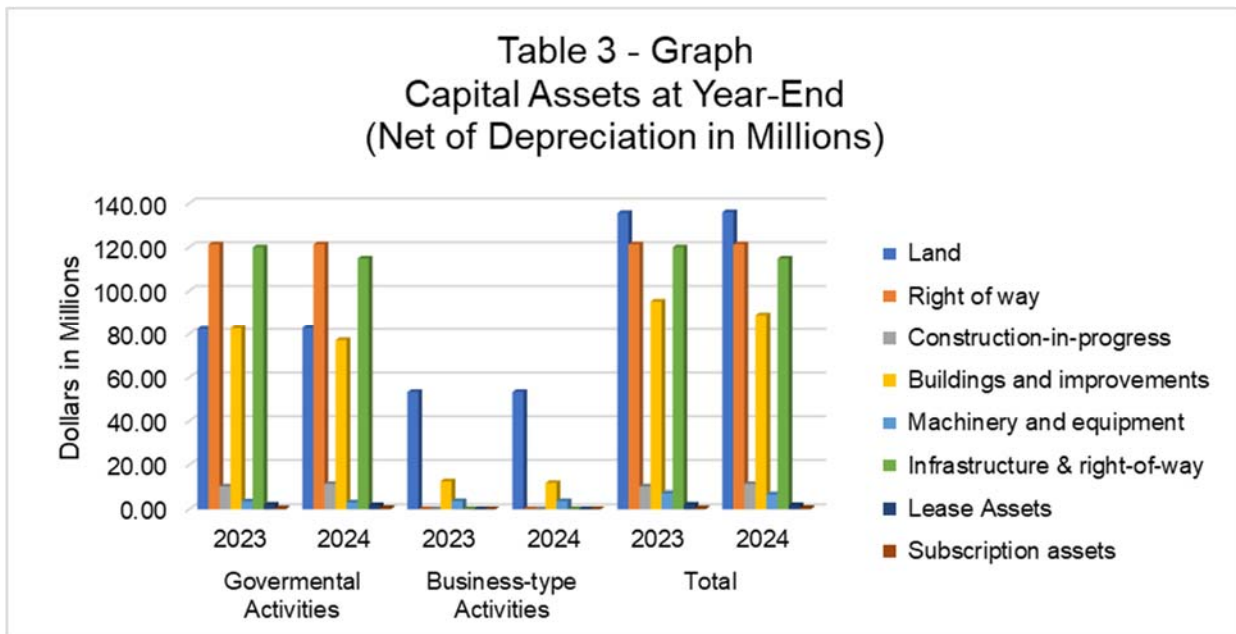
At the end of 2024, the City had \$481.32 million invested in a broad range of capital assets including land, streets, bridges, drainage systems, traffic lights, parks, buildings, artwork, vehicles, golf courses and equipment (See Table 3). This amount represents a net decrease (including additions and deductions) of \$10.50 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, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 82.70	\$ 82.29	\$ 53.31	\$ 53.31	\$ 136.01	\$ 135.60
Construction-in-progress	11.22	10.12	-	-	11.22	10.12
Buildings and improvements other than buildings	77.10	82.59	-	-	77.10	82.59
Machinery and equipment	-	-	11.71	12.51	11.71	12.51
Infrastructure & right-of-way	3.11	3.53	3.69	3.74	6.79	7.27
Lease assets	236.06	241.19	-	-	236.06	241.19
Subscription assets	1.90	2.13	-	-	1.90	2.13
Subscription assets	0.53	0.41	-	-	0.53	0.41
TOTALS	\$ 412.61	\$ 422.26	\$ 68.71	\$ 69.56	\$ 481.32	\$ 491.82



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

Buildings	\$ -
Improvements Other Than Buildings	-
Equipment Purchases	0.03
Infrastructure	-
Land/Right of Way	0.53
Subscription Assets	0.47
	<u>\$ 1.03</u>

The City's fiscal year 2025 adopted capital budget calls for an additional \$72.43 million to be spent, plus continuing capital projects of \$37.91 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 \$55.56 million in bonds, claims, compensated absences, and pension liability versus \$46.57 million last year, an increase of \$8.98 million as shown in Table 4. The major increase was the City's Net Pension liability which went from \$38.68 million in 2023 to \$44.00 million in 2024, an increase of \$5.32 million, related to a change in the discount rate.

TABLE 4
OUTSTANDING DEBT AT YEAR-END
(IN MILLIONS)

For the years ended June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Compensated absences	\$ 2.67	\$ 2.60	\$ -	\$ -	\$ 2.67	\$ 2.60
Lease liability	1.98	2.20	-	-	1.98	2.20
Financed purchase	-	-	0.23	0.32	0.23	0.32
SBITA liability	0.28	0.40	-	-	0.28	0.40
Claims and judgments payable	3.68	0.68	-	-	3.68	0.68
Special assessments debt with government commitment	0.98	1.03	-	-	0.98	1.03
Limited obligation improvement bonds	0.09	0.13	-	-	0.09	0.13
OPEB liability (net)	1.88	0.86	-	-	1.88	0.86
Pension liability (net)	44.00	38.68	-	-	44.00	38.68
TOTALS	<u>\$ 55.56</u>	<u>\$ 46.57</u>	<u>\$ 0.23</u>	<u>\$ 0.32</u>	<u>\$ 55.79</u>	<u>\$ 46.89</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 decreased \$0.09 million from \$0.32 million to \$0.23 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 2025, 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 2025 budget includes a robust Capital Improvement Plan. Additionally, for fiscal year 2025, the City has transitioned 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 2025 budget to date.

The City's 2024-2025 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, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Palm Desert Recreational Facilities Corporation
ASSETS				
Current assets:				
Cash and investments	\$ 292,283,474	\$ 14,604,475	\$ 306,887,949	\$ 907,655
Receivables:				
Accounts	3,940,471	287,169	4,227,640	4,000
Assessments	1,017,154	-	1,017,154	-
Notes	980,000	-	980,000	-
Accrued interest	968,456	-	968,456	-
Loans	19,404,764	-	19,404,764	-
Leases	182,375	919,097	1,101,472	-
Internal balances	2,899,202	(2,899,202)	-	-
Due from other governments	9,400,256	-	9,400,256	1,305,037
Deposits	20,000	-	20,000	-
Prepaid costs	631,220	59,913	691,133	11,452
Inventories	13,710	301,682	315,392	43,797
Land held for resale	61,516	-	61,516	-
Restricted assets:				
Cash with fiscal agent	70,124,025	-	70,124,025	-
Noncurrent assets:				
Due from component unit	420,000	1,437,644	1,857,644	-
Leases receivable	2,836,447	3,750,307	6,586,754	-
Capital assets (not being depreciated)	215,176,109	53,304,965	268,481,074	-
Capital assets (net of accumulated depreciation/amortization)	197,432,486	15,397,456	212,829,942	2,422,902
Total Assets	817,791,665	87,163,506	904,955,171	4,694,843
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related	14,397,120	-	14,397,120	-
OPEB-related	5,013,842	-	5,013,842	-
Total Deferred Outflows of Resources	19,410,962	-	19,410,962	-
LIABILITIES				
Accounts payable	24,426,757	957,306	25,384,063	49,758
Accrued liabilities	683,183	266,561	949,744	114,787
Accrued interest	56,038	-	56,038	3,518
Unearned revenue	15,589,126	290,871	15,879,997	193,389
Deposits payable	3,923,141	26,590	3,949,731	-
Noncurrent liabilities:				
Due to component unit	-	1,305,037	1,305,037	-
Financed purchases	-	88,397	88,397	-
Due within one year: bonds, notes, leases, SBITA, claims, and compensated absences	2,151,463	-	2,151,463	54,211
Due in more than one year:				
Due to primary government	-	-	-	1,857,644
Net pension liability	43,997,360	-	43,997,360	-
Net OPEB liability	1,881,920	-	1,881,920	-
Financed purchases	-	144,555	144,555	-
Bonds, notes, leases, SBITA, claims, and compensated absences	7,521,899	-	7,521,899	2,421,536
Total Liabilities	100,230,887	3,079,317	103,310,204	4,694,843
DEFERRED INFLOWS OF RESOURCES				
Pension-related	664,691	-	664,691	-
OPEB-related	189,386	-	189,386	-
Lease-related	2,971,474	4,578,821	7,550,295	-
Total Deferred Inflows of Resources	3,825,551	4,578,821	8,404,372	-
NET POSITION				
Net investment in capital assets	401,724,234	68,469,469	470,193,703	-
Restricted:				
Capital projects	47,432,023	-	47,432,023	-
Special projects	128,234,012	-	128,234,012	-
Unrestricted	155,755,920	11,035,899	166,791,819	-
Total Net Position	\$ 733,146,189	\$ 79,505,368	\$ 812,651,557	\$ -

CITY OF PALM DESERT, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2024

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 46,406,293	\$ 2,889,464	\$ 1,084,357	\$ 1,789,418
Public safety	43,639,884	20,828,172	1,129,323	166,938
Housing and redevelopment	27,871,773	9,193,031	-	10,031,800
Parks, recreation and culture	20,317,786	3,578,805	1,212,443	831,005
Public works	28,646,485	2,860,351	6,476,073	491,645
Library	606,561	-	-	4,000,000
Interest on long-term debt	153,203	-	-	-
Total Governmental Activities	167,641,985	39,349,823	9,902,196	17,310,806
Business-type activities:				
Desert Willow Golf Course	12,973,341	12,200,236	-	189,931
Parkview Office Complex	1,362,313	1,220,790	-	-
Total Business-Type Activities	14,335,654	13,421,026	-	189,931
Total Primary Government	\$ 181,977,639	\$ 52,770,849	\$ 9,902,196	\$ 17,500,737
Component Units:				
Palm Desert Recreational Facilities Corp.	\$ 4,812,702	\$ 4,570,976	\$ 1,305,037	\$ -

General Revenues and Transfers:

General revenues:
Property taxes
Sales taxes
Transient occupancy taxes
Franchise taxes
Other taxes
Use of money and property
Other
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position-Beginning

Net Position-Ending

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Palm Desert Recreational Facilities Corporation Unit
Governmental Activities	Business-Type Activities	Total	
\$ (40,643,054)	\$ -	\$ (40,643,054)	\$ -
(21,515,451)	-	(21,515,451)	-
(8,646,942)	-	(8,646,942)	-
(14,695,533)	-	(14,695,533)	-
(18,818,416)	-	(18,818,416)	-
3,393,439	-	3,393,439	-
(153,203)	-	(153,203)	-
(101,079,160)	-	(101,079,160)	-
-	(583,174)	(583,174)	-
-	(141,523)	(141,523)	-
-	(724,697)	(724,697)	-
(101,079,160)	(724,697)	(101,803,857)	-
-	-	-	1,063,311
15,326,607	-	15,326,607	-
25,391,092	-	25,391,092	-
23,019,911	-	23,019,911	-
3,727,659	-	3,727,659	-
56,029	-	56,029	-
19,097,000	743,269	19,840,269	-
1,995,008	-	1,995,008	-
294,105	(294,105)	-	-
88,907,411	449,164	89,356,575	-
(12,171,749)	(275,533)	(12,447,282)	1,063,311
745,317,938	79,780,901	825,098,839	(1,063,311)
\$ 733,146,189	\$ 79,505,368	\$ 812,651,557	\$ -

CITY OF PALM DESERT, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Prop A Fire Tax</u>	<u>Housing Asset Fund</u>	<u>Housing Authority</u>
ASSETS				
Cash and investments	\$ 123,775,600	\$ 22,516,225	\$ 33,285,834	\$ 19,013,312
Receivables:				
Accounts	2,116,538	760,791	198,926	387,939
Assessments	-	-	-	-
Notes	980,000	-	-	-
Interest	614,525	-	311,935	-
Loans	14,978	-	18,413,813	-
Leases Receivable	3,018,822	-	-	-
Prepaid Cost	583,470	-	660	-
Deposits	-	-	-	-
Due from other governments	6,001,905	1,753,914	-	-
Due from other funds	3,898,553	-	-	-
Advances to other funds	1,310,000	-	-	-
Inventories	-	-	-	-
Property held for resale	-	-	61,516	-
Due from component unit	420,000	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	1,964,076
Total Assets	<u>\$ 142,734,391</u>	<u>\$ 25,030,930</u>	<u>\$ 52,272,684</u>	<u>\$ 21,365,327</u>
LIABILITIES				
Accounts payable	\$ 8,346,583	\$ 2,677,203	\$ 19,035	\$ 1,448,867
Accrued liabilities	532,171	-	-	84,825
Unearned revenues	-	-	-	25,594
Deposits payable	3,306,556	-	-	612,805
Due to other funds	-	-	-	2,095,518
Advances from other funds	-	-	-	-
Total Liabilities	<u>12,185,310</u>	<u>2,677,203</u>	<u>19,035</u>	<u>4,267,609</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,223,954	-	311,935	-
Leases	2,971,474	-	-	-
Total Deferred Inflows of Resources	<u>4,195,428</u>	<u>-</u>	<u>311,935</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	2,888,448	-	660	-
Restricted	-	22,353,727	51,941,054	5,222,230
Committed	52,308,943	-	-	11,875,488
Assigned	18,698,560	-	-	-
Unassigned	52,457,702	-	-	-
Total Fund Balances	<u>126,353,653</u>	<u>22,353,727</u>	<u>51,941,714</u>	<u>17,097,718</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 142,734,391</u>	<u>\$ 25,030,930</u>	<u>\$ 52,272,684</u>	<u>\$ 21,365,327</u>

CITY OF PALM DESERT, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	<u>Capital Projects Funds</u>		
	<u>Restricted Capital Project Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 1,776	\$ 85,245,171	\$ 283,837,918
Receivables:			
Accounts	-	476,277	3,940,471
Assessments	-	1,017,154	1,017,154
Notes	-	-	980,000
Interest	-	41,996	968,456
Loans	-	975,973	19,404,764
Leases Receivable	-	-	3,018,822
Prepaid Cost	-	47,090	631,220
Deposits	-	20,000	20,000
Due from other governments	-	1,644,437	9,400,256
Due from other funds	-	-	3,898,553
Advances to other funds	-	2,399,202	3,709,202
Inventories	-	13,710	13,710
Property held for resale	-	-	61,516
Due from component unit	-	-	420,000
Restricted assets:			
Cash and investments with fiscal agent	65,488,271	2,671,678	70,124,025
Total Assets	<u>\$ 65,490,047</u>	<u>\$ 94,552,688</u>	<u>\$ 401,446,067</u>
LIABILITIES			
Accounts payable	\$ 1,781,374	\$ 10,130,544	\$ 24,403,606
Accrued liabilities	-	66,187	683,183
Unearned revenues	14,901,154	662,378	15,589,126
Deposits payable	-	3,780	3,923,141
Due to other funds	1,574,342	228,693	3,898,553
Advances from other funds	-	810,000	810,000
Total Liabilities	<u>18,256,870</u>	<u>11,901,582</u>	<u>49,307,609</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	1,335,410	2,871,299
Leases	-	-	2,971,474
Total Deferred Inflows of Resources	<u>-</u>	<u>1,335,410</u>	<u>5,842,773</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	80,800	2,969,908
Restricted	47,233,177	48,915,847	175,666,035
Committed	-	8,398,771	72,583,202
Assigned	-	24,365,783	43,064,343
Unassigned	-	(445,505)	52,012,197
Total Fund Balances	<u>47,233,177</u>	<u>81,315,696</u>	<u>346,295,685</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 65,490,047</u>	<u>\$ 94,552,688</u>	<u>\$ 401,446,067</u>



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CITY OF PALM DESERT, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 346,295,685
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		409,727,420
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 of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 14,397,120	
Deferred outflows-OPEB related	5,013,842	
Deferred inflows-pension related	(664,691)	
Deferred inflows-OPEB related	<u>(189,386)</u>	
Total deferred outflows and inflows related to postemployment benefits		18,556,885
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	<u>2,871,299</u>	
Total other long-term assets		2,871,299
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		8,630,893
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(1,068,000)	
Claims and judgments	(3,675,340)	
Leases and SBITA	(2,257,335)	
Accrued interest payable on long-term debt	(56,038)	
Net pension liability	(43,997,360)	
Net OPEB liability	<u>(1,881,920)</u>	
Total long-term liabilities		<u>(52,935,993)</u>
Net Position of Governmental Activities		<u>\$ 733,146,189</u>

CITY OF PALM DESERT, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	General	Prop A Fire Tax	Housing Asset Fund	Housing Authority
REVENUES				
Taxes	\$ 70,410,983	\$ 11,402,490	\$ -	\$ -
Special Assessments collected	-	2,154,150	-	-
Licenses and permits	1,596,381	-	-	-
Intergovernmental revenues	1,682,441	1,437,276	-	-
Rental Income	136,047	-	-	9,158,677
Charges for services	1,874,444	4,158,057	198,926	-
Investment earnings	7,031,574	869,365	1,956,111	989,378
Fines and forfeitures	104,423	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	622,101	-	34,354	-
Total Revenues	83,458,394	20,021,338	2,189,391	10,148,055
EXPENDITURES				
Current:				
General government	31,942,721	-	-	-
Public safety	24,181,750	17,377,791	-	-
Parks, recreation and culture	5,711,369	-	-	-
Public works	6,023,503	-	-	-
Housing	-	-	157,355	11,854,770
Library	-	-	-	-
Capital outlay	720,738	628,451	105,203	-
Debt service:	-	-	-	-
Principal Retirement	492,854	-	-	-
Interest Expense and Fiscal Charges	43,191	-	-	-
Total Expenditures	69,116,126	18,006,242	262,558	11,854,770
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,342,268	2,015,096	1,926,833	(1,706,715)
OTHER FINANCING SOURCES (USES)				
Transfers In	396,806	4,600,000	-	-
Transfers Out	(9,480,177)	-	-	(452,997)
Proceeds for Sale of Capital Assets	594,610	-	-	-
Contribution to other government	(890,129)	-	-	-
Proceeds from subscriptions	473,763	-	-	-
Total Other Financing Sources (Uses)	(8,905,127)	4,600,000	-	(452,997)
Net Change in Fund Balances	5,437,141	6,615,096	1,926,833	(2,159,712)
Fund Balances-Beginning	120,916,512	15,738,631	50,014,881	19,257,430
Fund Balances-Ending	\$ 126,353,653	\$ 22,353,727	\$ 51,941,714	\$ 17,097,718

CITY OF PALM DESERT, CALIFORNIA
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>Capital Projects Funds</u>		
	<u>Restricted Capital Project Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ -	\$ 5,525,864	\$ 87,339,337
Special Assessments collected	-	1,543,516	3,697,666
Licenses and permits	-	394,251	1,990,632
Intergovernmental revenues	-	8,251,411	11,371,128
Rental Income	-	168,582	9,463,306
Charges for services	-	4,053,210	10,284,637
Investment earnings	3,178,677	4,482,976	18,508,081
Fines and forfeitures	-	1,729	106,152
Capital contributions	-	10,000,000	10,000,000
Miscellaneous	-	1,299,493	1,955,948
Total Revenues	<u>3,178,677</u>	<u>35,721,032</u>	<u>154,716,887</u>
EXPENDITURES			
Current:			
General government	1,540	2,739,106	34,683,367
Public safety	1,653,302	237,127	43,449,970
Parks, recreation and culture	-	13,201,203	18,912,572
Public works	176,739	7,902,414	14,102,656
Housing	-	1,078,569	13,090,694
Library	-	606,561	606,561
Capital outlay	3,524,809	19,530,903	24,510,104
Debt service:	-		
Principal Retirement	-	90,000	582,854
Interest Expense and Fiscal Charges	-	110,012	153,203
Total Expenditures	<u>5,356,390</u>	<u>45,495,895</u>	<u>150,091,981</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,177,713)</u>	<u>(9,774,863)</u>	<u>4,624,906</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	10,060,774	15,057,580
Transfers Out	(1,800,000)	(3,422,488)	(15,155,662)
Proceeds for Sale of Capital Assets	-	-	594,610
Contribution to other government	-	-	(890,129)
Proceeds from subscriptions	-	-	473,763
Total Other Financing Sources (Uses)	<u>(1,800,000)</u>	<u>6,638,286</u>	<u>80,162</u>
Net Change in Fund Balances	<u>(3,977,713)</u>	<u>(3,136,577)</u>	<u>4,705,068</u>
Fund Balances-Beginning	51,210,890	84,452,273	341,590,617
Fund Balances-Ending	<u>\$ 47,233,177</u>	<u>\$ 81,315,696</u>	<u>\$ 346,295,685</u>



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CITY OF PALM DESERT, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds: \$ 4,705,068

Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 2,197,596	
Loss on disposal and transfer of capital assets	(820,345)	
Depreciation/amortization expense	<u>(11,297,964)</u>	
Total adjustment		(9,920,713)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable grant revenues	<u>(16,125)</u>	
Total adjustment		(16,125)

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Net change in claims and judgments for the current period	(2,995,459)	
Subscriptions and lease payments	339,374	
Principal payments	<u>90,000</u>	
Total adjustment		(2,566,085)

Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.

(532,277)

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

Changes in pension liabilities and related deferred outflows and inflows of resources	(3,212,665)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(628,952)</u>	
Total adjustment		<u>(3,841,617)</u>

Change in Net Position of Governmental Activities \$ (12,171,749)

CITY OF PALM DESERT, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Governmental
	Parkview Office	Desert Willow Golf	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 8,498,003	\$ 6,106,472	\$ 14,604,475	\$ 8,445,556
Receivables:				
Accounts	59,756	227,413	287,169	-
Leases	919,097	-	919,097	-
Prepaid costs	-	59,913	59,913	-
Inventories	-	301,682	301,682	-
Due from component unit	-	1,437,644	1,437,644	-
Total current assets	9,476,856	8,133,124	17,609,980	8,445,556
Noncurrent:				
Leases Receivable, Noncurrent	3,750,307	-	3,750,307	-
Nondepreciable capital assets	-	53,304,965	53,304,965	11,821
Depreciable capital assets, net	4,976,565	10,420,891	15,397,456	2,869,354
Total noncurrent assets	8,726,872	63,725,856	72,452,728	2,881,175
Total Assets	18,203,728	71,858,980	90,062,708	11,326,731
LIABILITIES				
Current liabilities:				
Accounts payable	147,981	809,325	957,306	23,151
Accrued liabilities	-	266,561	266,561	-
Unearned revenues	29,314	261,557	290,871	-
Deposits Received	26,590	-	26,590	-
Due to component unit	-	1,305,037	1,305,037	-
Financed purchases	-	88,397	88,397	-
Compensated absences	-	-	-	500,000
Total current liabilities	203,885	2,730,877	2,934,762	523,151
Noncurrent liabilities:				
Financed purchases	-	144,555	144,555	-
Advances from other funds	-	2,899,202	2,899,202	-
Compensated absences	-	-	-	2,172,687
Total noncurrent liabilities	-	3,043,757	3,043,757	2,172,687
Total Liabilities	203,885	5,774,634	5,978,519	2,695,838
DEFERRED INFLOWS OF RESOURCES				
Leases	4,578,821	-	4,578,821	-
Total Deferred Inflows of Resources	4,578,821	-	4,578,821	-
NET POSITION				
Net Investment in Capital Assets	4,976,565	63,492,904	68,469,469	2,881,175
Net Position, Unrestricted	8,444,457	2,591,442	11,035,899	5,749,718
Total Net Position	\$ 13,421,022	\$ 66,084,346	\$ 79,505,368	\$ 8,630,893

CITY OF PALM DESERT, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental
	Parkview Office	Desert Willow Golf	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Fees and rentals	\$ 1,206,190	\$ 10,277,282	\$ 11,483,472	\$ -
Miscellaneous	14,600	269,876	284,476	-
Merchandise sales	-	1,653,078	1,653,078	-
Total Operating Revenues	1,220,790	12,200,236	13,421,026	-
OPERATING EXPENSES				
General and administrative	93,030	3,185,818	3,278,848	283,100
Cost of merchandise	-	688,371	688,371	-
Maintenance and operations	950,638	6,056,077	7,006,715	317,148
Depreciation	318,645	1,620,450	1,939,095	736,211
Total Operating Expenses	1,362,313	11,550,716	12,913,029	1,336,459
Operating Income (Loss)	(141,523)	649,520	507,997	(1,336,459)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	535,071	208,198	743,269	475,369
Interest Expense and Fiscal Charges	-	(117,588)	(117,588)	-
Contribution to component unit	-	(1,305,037)	(1,305,037)	-
Gains (Losses) on Sale of Capital Asset	-	-	-	(63,374)
Total Nonoperating Revenues (Expenses)	535,071	(1,214,427)	(679,356)	411,995
Income (Loss) Before Capital Contributions and Transfers	393,548	(564,907)	(171,359)	(924,464)
Capital contributions	-	189,931	189,931	-
Transfers in	-	-	-	392,187
Transfers out	(294,105)	-	(294,105)	-
Change in Net Position	99,443	(374,976)	(275,533)	(532,277)
Net position-beginning	13,321,579	66,459,322	79,780,901	9,163,170
Net Position-Ending	\$ 13,421,022	\$ 66,084,346	\$ 79,505,368	\$ 8,630,893

CITY OF PALM DESERT, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Parkview Office	Desert Willow Golf	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,265,835	\$ 12,177,480	\$ 13,443,315	\$ -
Payments to suppliers and service providers	(1,251,108)	(9,760,070)	(11,011,178)	(503,442)
Net Cash Provided By (Used For) Operating Activities	14,727	2,417,410	2,432,137	(503,442)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	392,187
Transfers to other funds	(294,105)	-	(294,105)	-
Payments to other funds on interfund borrowings	-	(1,280,686)	(1,280,686)	-
Net Cash Provided By (Used For) Noncapital Financing Activities	(294,105)	(1,280,686)	(1,574,791)	392,187
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	189,931	189,931	-
Acquisition and construction of capital assets	-	(1,082,784)	(1,082,784)	(1,071,302)
Principal paid on capital debt	-	(86,217)	(86,217)	-
Interest paid on capital debt	-	(117,588)	(117,588)	-
Net Cash Provided By (Used For) Capital and Related Financing Activities	-	(1,096,658)	(1,096,658)	(1,071,302)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	535,071	208,198	743,269	475,369
Net Cash Provided By (Used For) Investing Activities	535,071	208,198	743,269	475,369
Net increase (decrease) in Cash and Cash Equivalents	255,693	248,264	503,957	(707,188)
Cash and Cash Equivalents-Beginning	8,242,310	5,858,208	14,100,518	9,152,744
Cash and Cash Equivalents-Ending	\$ 8,498,003	\$ 6,106,472	\$ 14,604,475	\$ 8,445,556

CITY OF PALM DESERT, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities
	Parkview Office	Desert Willow Golf	Totals	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ (141,523)	\$ 649,520	\$ 507,997	\$ (1,336,459)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	318,645	1,620,450	1,939,095	736,211
(Increase) decrease in accounts receivable	15,754	(120,711)	(104,957)	-
(Increase) decrease in notes and loans receivable	-	140,920	140,920	-
(Increase) decrease in leases receivable	29,291	-	29,291	-
(Increase) decrease in inventories	-	12,250	12,250	-
(Increase) decrease in prepaid items	-	(34,434)	(34,434)	1,996
Increase (decrease) in accounts payable	(207,440)	158,485	(48,955)	23,151
Increase (decrease) in accrued liabilities	-	33,895	33,895	-
Increase (decrease) in deposits payable	-	(42,965)	(42,965)	-
Increase (decrease) in compensated absences	-	-	-	71,659
Total adjustments	156,250	1,767,890	1,924,140	833,017
Net Cash Provided By (Used For) Operating Activities	<u>\$ 14,727</u>	<u>\$ 2,417,410</u>	<u>\$ 2,432,137</u>	<u>\$ (503,442)</u>
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES				
Contribution to component unit not paid as of June 30, 2024	\$ -	\$ 1,305,037	\$ 1,305,037	\$ -

CITY OF PALM DESERT, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Pooled cash and investments	\$ 10,366,701	\$ 9,277,930
Receivables:		
Assessments	-	45,569,000
Due from other governments	22,000	35,012
Prepaid costs	1,123,299	-
Restricted assets:		
Cash and investments with fiscal agents	19,880,789	4,244,913
Capital assets, not being depreciated	15,939,958	-
Total Assets	47,332,747	59,126,855
LIABILITIES		
Accounts payable	782,756	9,576
Accrued interest	1,585,079	164,092
Deposits payable	20,000	45,569,000
Due to external parties/other agencies	-	10,223,452
Long-term liabilities:		
Long-term debt due in one year	13,600,000	-
Long-term debt due in more than one year	128,821,623	-
Total Liabilities	144,809,458	55,966,120
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on debt issuance	232,718	66,892
Total Deferred Inflows of Resources	232,718	66,892
NET POSITION		
Restricted for other purposes	-	3,093,843
Restricted for dissolution of former RDA	(97,709,429)	-
Total Net Position	\$ (97,709,429)	\$ 3,093,843

CITY OF PALM DESERT, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Investment income	\$ 33,447	\$ 330,371
Gain on sale of capital assets	3,313,560	-
Total investment earnings	<u>3,347,007</u>	<u>330,371</u>
Taxes	19,752,951	-
Intergovernmental	-	6,078,090
Contributions from City	-	890,129
Total Additions	<u>23,099,958</u>	<u>7,298,590</u>
DEDUCTIONS		
Administrative expenses	-	515,190
Contractual services	963,295	3,600,971
Interest expense	5,622,769	1,569,645
Principal expense	-	1,475,000
Contributions to other governments	4,600,000	-
Total Deductions	<u>11,186,064</u>	<u>7,160,806</u>
Net Increase (Decrease) in Fiduciary Net Position	11,913,894	137,784
Net Position-Beginning	<u>(109,623,323)</u>	<u>2,956,059</u>
Net Position-Ending	<u>\$ (97,709,429)</u>	<u>\$ 3,093,843</u>



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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 Restricted Capital Project 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, 2024, 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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, 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	\$ -	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	\$ -	N/A	No

I. Inventories, Prepaid Costs and Deposits

Inventory in the amount of \$301,682 and \$43,797, 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 \$13,710 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 buildings and 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 several 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 several 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 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 and OPEB resulting from the difference in projected and actual earnings on investments of the pension plan and OPEB fiduciary net position. These amounts are amortized over five years.

Deferred outflows of resources related to pensions and OPEB arising from a change in assumptions and 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 and OPEB through the plan.

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 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 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 and OPEB 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 and OPEB through the plan.
- Deferred inflows from OPEB 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 OPEB through the plan.
- 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

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.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

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, 2024, the City reported deficit fund balances/net position in the following funds:

Primary Government

Fund Name	Fund Type	Deficit
Permanent Local Housing Allocation Grant	Nonmajor Special Revenue Fund	\$ (170,884)
Buildings	Nonmajor Capital Projects Fund	(274,621)
Compensation Benefits	Internal Service Fund	(155,216)

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The deficit in the Permanent Local Housing Allocation Grant Fund will be eliminated in future years through contributions from other funds.

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

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

Fiduciary Funds

Fund Name	Fund Type	Deficit
Successor Agency to the Palm Desert Redevelopment Agency	Private-Purpose Trust Fund	\$ (97,709,429)

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.

NOTE 2: CASH AND INVESTMENTS

As of June 30, 2024, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 362,407,499
Business-type activities	14,604,475
Component unit	907,655
Fiduciary funds	<u>43,770,333</u>
Total cash and investments	<u>\$ 421,689,962</u>

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2024, consisted of the following:

<u>Primary Government</u>	
Demand accounts	\$ 2,675,045
Petty cash	23,718
Investments	374,313,211
Total cash and investments - Primary Government	<u>\$ 377,011,974</u>
 <u>Component Unit</u>	
Demand accounts	<u>\$ 907,655</u>
 <u>Fiduciary Funds</u>	
Demand accounts	\$ 19,558,462
Pooled with primary government	1,341,826
Investments	22,870,045
Total cash and investments - Fiduciary Funds	<u>\$ 43,770,333</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, 2024, the carrying amount of the deposits was \$23,141,162, and the bank balance was \$21,338,535. The \$1,802,627 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.

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.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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.

Primary Government

Investment Type	Total	Minimum Legal Rating	Aaa	AAA	Other	Exempt or Not Rated
California Local Agency Investment Fund	\$ 1,979,111	N/A	\$ -	\$ -	\$ -	\$ 1,979,111
California Asset Management Program	232,579,739	N/A	-	232,579,739	-	-
Fund	2,804,389	N/A	2,804,389	-	-	-
U.S. Government Sponsored Agency Securities	45,525,237	N/A	45,525,237	-	-	-
Medium-Term Corporate Notes	16,591,869	N/A	-	-	16,591,869	-
Money Market Deposit Account	4,708,841	N/A	-	-	-	4,708,841
Held by Fiscal Agent:						
Money Market Deposit Account	70,124,025	N/A	-	-	-	70,124,025
Total	\$ 374,313,211		\$ 48,329,626	\$ 232,579,739	\$ 16,591,869	\$ 76,811,977

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The ratings for the “Other” category above are as follows:

Investment Type	A	A1	A2	A3	Total
Medium-Term Corporate Notes	\$ 1,506,771	\$ 4,289,368	\$ 7,944,892	\$ 2,850,838	\$ 16,591,869

Fiduciary Funds

Investment Type	Total	Minimum Legal Rating	Aaa	AAA	Exempt or Not Rated
California Local Agency Investment Fund	\$ 794	N/A	\$ -	\$ -	\$ 794
California Asset Management Program	6,310	N/A	-	6,310	-
Fund	357	N/A	357	-	-
Investment in City Bonds	92,000	N/A	-	-	92,000
Held by Fiscal Agent:					
Money Market Deposit Account	22,770,584	N/A	-	-	22,770,584
Total	\$ 22,870,045		\$ 357	\$ 6,310	\$ 22,863,378

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, 2024, 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, 2024, 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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2024, 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	\$ 1,979,111	\$ 1,979,111	\$ -	\$ -	\$ -
California Asset Management Program	232,579,739	232,579,739	-	-	-
Riverside County Treasurer's Pooled Investment Fund	2,804,389	2,804,389	-	-	-
U.S. Government Sponsored Agency Securities	45,525,237	14,811,560	144,177	20,097,480	10,472,020
Medium-Term Corporate Notes	16,591,869	-	-	11,849,025	4,742,844
Money Market Desposit Account Held by Fiscal Agent:	4,708,841	4,708,841	-	-	-
Money Market Deposit Account	70,124,025	70,124,025	-	-	-
Total	\$ 374,313,211	\$ 327,007,665	\$ 144,177	\$ 31,946,505	\$ 15,214,864

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	\$ 794	\$ 794	\$ -	\$ -	\$ -
California Asset Management Program	6,310	6,310	-	-	-
Riverside County Treasurer's Pooled Investment Fund	357	357	-	-	-
Investment in City Bonds Held by Fiscal Agent:	92,000	92,000	-	-	-
Money Market Deposit Account	22,770,584	22,770,584	-	-	-
Total	\$ 22,870,045	\$ 22,870,045	\$ -	\$ -	\$ -

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 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.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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.

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.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

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	\$ 1,979,111	\$ -	\$ -	\$ -	\$ 1,979,111
California Asset Management Program	232,579,739	-	-	-	232,579,739
Riverside County Treasurer's Pooled Investment Fund	2,804,389	-	-	-	2,804,389
U.S. Government Sponsored Agency Securities	45,525,237	-	45,525,237	-	-
Medium-Term Corporate Notes	16,591,869	-	16,591,869	-	-
Money Market Deposit Account	4,708,841	-	-	-	4,708,841
Held by Fiscal Agent:					
Money Market Deposit Account	70,124,025	-	-	-	70,124,025
Total	\$ 374,313,211	\$ -	\$ 62,117,106	\$ -	\$ 312,196,105

Fiduciary Funds

Investment Type	Total	Input Category			
		Level 1	Level 2	Level 3	Uncategorized
California Local Agency Investment Fund	\$ 794	\$ -	\$ -	\$ -	\$ 794
California Asset Management Program	6,310	-	-	-	6,310
Riverside County Treasurer's Pooled Investment Fund	357	-	-	-	357
Investment in City Bonds	92,000	-	-	92,000	-
Held by Fiscal Agent:					
Money Market Deposit Account	22,770,584	-	-	-	22,770,584
Total	\$ 22,870,045	\$ -	\$ -	\$ 92,000	\$ 22,778,045

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 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, 2024, the receivable balance was \$980,000.

NOTE 3: NOTES AND LOANS RECEIVABLE (CONTINUED)

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, 2024, 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, 2024, 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, 2024, 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, 2024, 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, 2024, the outstanding loans receivable through the EIP Program was \$975,973.

On November 1, 2023 The Palm Desert Housing Authority entered into a new loan agreement with A0358 Monterey L.P., a California limited partnership, in the amount of Seven Million Two Hundred Thirty-Five Thousand Dollars (\$7,235,000) from the Authority's Low and Moderate Income Housing Asset Fund to fund the construction of One-Hundred Thirty Nine (139) of the One-Hundred Seventy Four (174) affordable housing units comprising the proposed apartment project, Crossings at Palm Desert Apartments.

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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024	Interest Rate	Maturity Date	Notes
Home Improvement Loans	\$ 324,466	\$ -	\$ 324,466	N/A	N/A	(1),(2)
Portola Palms Mobile Home Park	62,891	1,887	64,778	3.00%	30 years	(3)
Desert Rose	2,465,156	73,955	2,539,111	3.00%	30-45 years*	(1),(3)
Falcon Crest	3,003,562	90,107	3,093,669	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	9,810	336,810	7.25%	30 years or 2024	(2)
	<u>\$ 6,373,585</u>	<u>\$ 181,474</u>	6,555,059			
			Less: Allowance for Doubtful Accounts			(6,555,059)
			Balance at June 30, 2024			<u>\$ -</u>

* All properties acquired from the former Redevelopment Agency after June 2009 will have a 45 year restrictive covenant and are secured by a deed of trust.

- (1) Portion of deferred loans are from funding sources other than Housing Authority.
- (2) Loan is payable upon change or transfer of title, refinancing or upon the death of the borrower.
- (3) Loan balance and interest will be forgiven at maturity if debtor does not breach the terms and conditions of either the unit regulatory agreement or note.

NOTE 4: INTERFUND RECEIVABLES, PAYABLE, ADVANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2024, was as follows:

A. Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Housing Authority	\$ 2,095,518
	Restricted Capital Project Fund	1,574,342
	Other Governmental Funds	228,693
		<u>\$ 3,898,553</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, 2024.

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

B. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 810,000
	Desert Willow Golf Course	500,000
Other Governmental Funds	Desert Willow Golf Course	2,399,202
		<u>\$ 3,709,202</u>

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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

The General Fund advanced \$810,000 to the Energy Independence Special Revenue Fund to payoff the bonds used to fund energy efficiency, and loaned \$500,000 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%.

The future payment schedule for these advances are as follows:

Fiscal Year	Advance to Desert Willow Golf Course Fund		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 800,428	\$ 50,849	\$ 851,277
2026	820,670	30,608	851,278
2027	633,196	10,937	644,133
2028	144,908	756	145,664
Total	\$ 2,399,202	\$ 93,150	\$ 2,492,352

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	1,437,644
		\$ 1,857,644

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 \$1,437,644 which represents subsidies for operation, \$1,296,724 of which relates to prior fiscal years and \$140,040 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, 2024, was as follows:

Transfers Out	Prop A Fire Tax Special Revenue Fund				Internal Service Fund	Totals
	General Fund	Prop A Fire Tax Special Revenue Fund	Other Governmental Funds	Internal Service Fund		
General Fund	\$ -	\$ 4,600,000	\$ 4,607,778	\$ 272,399	\$ 9,480,177	
Housing Authority						
Special Revenue Fund	-	-	452,997	-	452,997	
Restricted Capital						
Project Fund	-	-	1,800,000	-	1,800,000	
Other Governmental Funds	102,701	-	3,199,999	119,788	3,422,488	
Parkview Office	294,105	-	-	-	294,105	
Totals	\$ 396,806	\$ 4,600,000	\$ 10,060,774	\$ 392,187	\$ 15,449,767	

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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

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.

NOTE 5: CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2024, was as follows:

A. Primary Government – Governmental Activities

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated/amortized				
Land	\$ 82,287,089	\$ 533,261	\$ (123,330)	\$ 82,697,020
Right-of-way	121,260,045	-	-	121,260,045
Construction-in-progress	10,179,700	1,228,864	(189,520)	11,219,044
Total capital assets, not being depreciated/amortized	<u>213,726,834</u>	<u>1,762,125</u>	<u>(312,850)</u>	<u>215,176,109</u>
Capital assets, being depreciated/amortized				
Buildings	151,140,855	-	-	151,140,855
Improvements other than buildings	63,662,563	-	-	63,662,563
Machinery, equipment, and vehicles	11,446,725	25,082	(512,479)	10,959,328
Infrastructure	254,409,656	-	-	254,409,656
Lease assets	2,603,284	-	-	2,603,284
Subscription assets	543,846	473,763	(204,241)	813,368
Equipment - Internal service fund	8,880,350	1,007,928	(63,373)	9,824,905
Total capital assets, being depreciated/amortized	<u>492,687,279</u>	<u>1,506,773</u>	<u>(780,093)</u>	<u>493,413,959</u>
Less accumulated depreciation/amortization				
Buildings	(81,621,601)	(3,586,447)	-	(85,208,048)
Improvements other than buildings	(50,603,800)	(1,894,577)	-	(52,498,377)
Machinery and equipment	(10,516,180)	(207,459)	-	(10,723,639)
Infrastructure	(134,534,858)	(5,073,845)	-	(139,608,703)
Lease assets	(468,656)	(234,738)	-	(703,394)
Subscription assets	(128,714)	(300,898)	145,851	(283,761)
Equipment - Internal service fund	(6,282,713)	(736,211)	63,373	(6,955,551)
Total accumulated depreciation/amortization	<u>(284,156,522)</u>	<u>(12,034,175)</u>	<u>209,224</u>	<u>(295,981,473)</u>
Total capital assets, being depreciated/amortized, net	<u>208,530,757</u>	<u>(10,527,402)</u>	<u>(570,869)</u>	<u>197,432,486</u>
Total Governmental Activities Capital Assets	<u>\$ 422,257,591</u>	<u>\$ (8,765,277)</u>	<u>\$ (883,719)</u>	<u>\$ 412,608,595</u>

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General government	\$ 2,216,673
Housing and redevelopment	1,600,448
Public safety	189,914
Public works	5,885,715
Parks, recreation and culture	1,405,214
Internal Service Funds	736,211

Total Depreciation/Amortization Expense - Governmental Activities	<u>\$ 12,034,176</u>
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B. Primary Government – Business-Type Activities

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Business-type activities:				
Capital assets, not being depreciated/amortized				
Land	\$ 53,304,965	\$ -	\$ -	\$ 53,304,965
Total capital assets, not being depreciated/amortized	<u>53,304,965</u>	<u>-</u>	<u>-</u>	<u>53,304,965</u>
Capital assets, being depreciated/amortized				
Buildings and improvements	28,601,893	41,366	-	28,643,259
Machinery and equipment	8,387,811	1,041,418	-	9,429,229
Total capital assets, being depreciated/amortized	<u>36,989,704</u>	<u>1,082,784</u>	<u>-</u>	<u>38,072,488</u>
Less accumulated depreciation/amortization				
Buildings and improvements	(16,087,016)	(844,617)	-	(16,931,633)
Machinery and equipment	(4,648,921)	(1,094,478)	-	(5,743,399)
Total accumulated depreciation/amortization	<u>(20,735,937)</u>	<u>(1,939,095)</u>	<u>-</u>	<u>(22,675,032)</u>
Total capital assets, being depreciated/amortized, net	<u>16,253,767</u>	<u>(856,311)</u>	<u>-</u>	<u>15,397,456</u>
Total business-type activities capital assets	<u>\$ 69,558,732</u>	<u>\$ (856,311)</u>	<u>\$ -</u>	<u>\$ 68,702,421</u>

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

Business-Type Activities:

Parkview Office Complex	\$ 318,645
Desert Willow Golf Course	1,620,450

Total depreciation/amortization expense - business-type activities	<u>\$ 1,939,095</u>
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CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: CAPITAL ASSETS (CONTINUED)

C. Component Unit

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
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	(142,524)	(71,262)	-	(213,786)
Total accumulated amortization	(142,524)	(71,262)	-	(213,786)
Total capital assets, being amortized, net	2,494,164	(71,262)	-	2,422,902
Total component unit capital assets	<u>\$ 2,494,164</u>	<u>\$ (71,262)</u>	<u>\$ -</u>	<u>\$ 2,422,902</u>

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2024.

A. Primary Government – Governmental Activities

	Balance June 30, 2023	Additions	Reductions	Bond Calls	Balance June 30, 2024	Due Within One Year
Direct Borrowing:						
Special assessment debt with government commitment	\$ 1,032,000	\$ -	\$ (52,000)	\$ -	\$ 980,000	\$ 55,000
Limited obligation improvement bonds	126,000	-	(26,000)	(12,000)	88,000	18,000
Total	<u>\$ 1,158,000</u>	<u>\$ -</u>	<u>\$ (78,000)</u>	<u>\$ (12,000)</u>	<u>\$ 1,068,000</u>	<u>\$ 73,000</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.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM DEBT (CONTINUED)

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
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	67,000	36,488	103,488
2030-2034	390,000	125,660	515,660
2035-2038	285,000	22,531	307,531
Total	\$ 980,000	\$ 362,684	\$ 1,342,684

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.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 9,000	\$ 1,410	\$ 10,410
2026	7,000	1,140	8,140
2027	7,000	930	7,930
2028	8,000	720	8,720
2029	8,000	480	8,480
2030-2033	8,000	240	8,240
Total	\$ 47,000	\$ 4,920	\$ 51,920

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.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM DEBT (CONTINUED)

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 9,000	\$ 1,470	\$ 10,470
2026	6,000	1,170	7,170
2027	7,000	960	7,960
2028	7,000	720	7,720
2029	7,000	480	7,480
2030-2033	5,000	240	5,240
Total	\$ 41,000	\$ 5,040	\$ 46,040

B. Primary Government – Business-Type Activities

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
GPSI Leasing, LLC	\$ 319,169	\$ -	\$ 86,217	\$ 232,952	\$ 88,397
Totals	\$ 319,169	\$ -	\$ 86,217	\$ 232,952	\$ 88,397

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, 2024.

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, 2024.

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, 2024.

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
2025	\$ 88,397	\$ 4,816	\$ 93,213
2026	90,632	2,580	93,212
2027	53,923	450	54,373
Total	\$ 232,952	\$ 7,846	\$ 240,798

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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 \$2,672,688.

Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
\$ 2,601,028	\$ 283,100	\$ 211,441	\$ 2,672,687	\$ 500,000

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 at Desert Willow. An initial lease receivable was recorded in the amount of \$42,517. As of June 30, 2024, the value of the lease receivable is \$24,729. 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, 2024 was \$36,677, and the City recognized lease revenue of \$1,947 during the fiscal year. The lessee has 2 extension options, each for 120 months.

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, 2024, the value of the lease receivable is \$54,281. 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, 2024 was \$54,900, 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, 2024, the value of the lease receivable is \$324,792. 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, 2024 was \$305,729, 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 \$332,786. As of June 30, 2024, the value of the lease receivable is \$139,272. 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, 2024 was \$151,266, 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, 2024, the value of the lease receivable is \$2,475,748. 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, 2024 was \$2,422,902, and the City recognized lease revenue of \$71,261 during the fiscal year.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LEASES (CONTINUED)

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 182,375	\$ 47,358	\$ 229,733
2026	187,203	45,373	232,576
2027	91,761	43,336	135,097
2028	94,353	41,916	136,269
2029	97,017	40,460	137,477
2030 - 2034	476,374	179,415	655,789
2035 - 2039	332,641	147,359	480,000
2040 - 2044	362,221	117,779	480,000
2045 - 2049	394,430	85,570	480,000
2050 - 2054	429,504	50,496	480,000
2055 - 2058	370,943	13,056	383,999
Total	\$ 3,018,822	\$ 812,118	\$ 3,830,940

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, 2024, the value of the lease receivable is \$10,464. 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, 2024 was \$10,237, and the City recognized lease revenue of \$20,249 during the fiscal year. The lessee has 5 extension options, each for 12 months.

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, 2024, the value of the lease receivable is \$81,395. 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, 2024 was \$79,130, and the City recognized lease revenue of \$20,642 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, 2024, the value of the lease receivable is \$102,340. 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, 2024 was \$97,767, and the City recognized lease revenue of \$28,615 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, 2024, the value of the lease receivable is \$37,287. 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, 2024 was \$35,917, and the City recognized lease revenue of \$86,200 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, 2024, the value of the lease receivable is \$4,612. 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, 2024 was \$4,202, and the City recognized lease revenue of \$10,085 during the fiscal year. The lessee has 2 extension options, each for 12 months.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LEASES (CONTINUED)

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, 2024, the value of the lease receivable is \$109,165. 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, 2024 was \$100,157, and the City recognized lease revenue of \$100,157 during the fiscal year.

On January 1, 2023, the City entered into a 24 month lease as Lessor for the use of 73-720 Fred Waring Drive, Suite 100 - SWRCB. An initial lease receivable was recorded in the amount of \$658,251. As of June 30, 2024, the value of the lease receivable is \$167,691 and the value of the short-term lease receivable is \$167,691. The lessee is required to make monthly fixed payments of \$28,181. The lease has an interest rate of 2.8470%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2024 was \$164,563, and the City recognized lease revenue of \$329,126 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, 2024, the value of the lease receivable is \$175,707. 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, 2024 was \$162,696, and the City recognized lease revenue of \$20,337 during the fiscal year.

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, 2024, the value of the lease receivable is \$65,932. The lessee is required to make monthly fixed payments of \$2,458. The lease has an interest rate of 0.5770%. The value of the deferred inflow of resources as of June 30, 2024 was \$65,483, and the City recognized lease revenue of \$28,109 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, 2024, the value of the lease receivable is \$3,581,915. 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, 2024 was \$3,532,870, and the City recognized lease revenue of \$471,049 during the fiscal year. The lessee has 1 extension option for 60 months.

On October 1, 2023, the City entered into a 96 month lease as Lessor for the use of Parkview Ste 212 - Dept of Food and Agriculture. An initial lease receivable was recorded in the amount of \$200,081. As of June 30, 2024, the value of the lease receivable is \$185,274. The lessee is required to make monthly fixed payments of \$2,178. The lease has an interest rate of 3.7390%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2024 was \$181,324, and the City recognized lease revenue of \$18,758 during the fiscal year. The lessee had a termination period of 48 months as of the lease commencement.

On October 1, 2023, the City entered into a 96 month lease as Lessor for the use of Parkview Ste 201 - Dept of Food and Agriculture . An initial lease receivable was recorded in the amount of \$159,420. As of June 30, 2024, the value of the lease receivable is \$147,622. The lessee is required to make monthly fixed payments of \$1,736. The lease has an interest rate of 3.7390%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2024 was \$144,475, and the City recognized lease revenue of \$14,946 during the fiscal year.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LEASES (CONTINUED)

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

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 919,097	\$ 64,473	\$ 983,569
2026	601,955	53,239	655,195
2027	593,400	43,907	637,307
2028	574,804	34,552	609,356
2029	553,019	26,086	579,105
2030 - 2034	1,427,129	28,158	1,455,286
Total	\$ 4,669,404	\$ 250,415	\$ 4,919,818

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, 2024, the value of the lease liability is \$39,528. 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, 2024 of \$125,262 with accumulated amortization of \$88,420 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, 2024, the value of the lease liability is \$1,934,285. 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, 2024 of \$2,468,060 with accumulated amortization of \$609,816 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, 2024, the value of the lease liability is \$4,860. 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, 2024 of \$9,962 with accumulated amortization of \$5,158 is included with equipment on the lease class activities table found below.

Lease liability

Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
\$2,197,126	\$ -	\$(218,453)	\$1,978,673	\$227,383

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
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	211,618	12,862	224,480
2030 - 2034	910,853	24,479	935,332
Total	\$ 1,978,673	\$ 115,055	\$ 2,093,728

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: LEASES (CONTINUED)

Lease assets by class activity at June 30, 2024 are as follows:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Building	Lease assets - building	\$ 2,468,060	\$ 609,816
Equipment	Lease assets - equipment	135,224	93,578
		<u>\$ 2,603,284</u>	<u>\$ 703,394</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, 2024, the value of the lease liability is \$2,475,747. 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, 2024 of \$2,636,688 with accumulated amortization of \$213,786 is included with buildings on the lease class activities table found below.

Lease liability

Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<u>\$ 2,529,042</u>	<u>\$ -</u>	<u>\$ (53,295)</u>	<u>\$ 2,475,747</u>	<u>\$ 54,211</u>

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

Fiscal Year	Component Unit		
	Principal Payments	Interest Payments	Total Payments
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	58,034	37,966	96,000
2030 - 2034	305,477	174,523	480,000
2035 - 2039	332,641	147,359	480,000
2040 - 2044	362,221	117,779	480,000
2045 - 2049	394,430	85,570	480,000
2050 - 2054	429,504	50,496	480,000
2055 - 2058	370,943	13,056	383,999
Total	<u>\$ 2,475,747</u>	<u>\$ 788,252</u>	<u>\$ 3,263,999</u>

Lease assets by class activity at June 30, 2024 are as follows:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Building	Lease assets - building	\$ 2,636,688	\$ 213,786
		<u>\$ 2,636,688</u>	<u>\$ 213,786</u>

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 9: SUBSCRIPTIONS

As of June 30, 2024, the City had 10 active subscriptions. The subscriptions have payments that range from \$7,850 to \$79,805 and interest rates that range from 2.0240% to 3.7640%. As of June 30, 2024 the total combined value of the subscription liability is \$278,662, and the total combined value of the short-term subscription liability is \$135,216. The combined value of the right to use asset, as of June 30, 2024 of \$813,368 with accumulated amortization of \$283,761 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

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

Subscription liability

Balance			Balance	Due
June 30, 2023	Additions	Reductions	June 30, 2024	Within One Year
\$ 399,583	\$302,378	\$(423,299)	\$ 278,662	\$135,216

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 135,216	\$ 8,923	\$ 144,139
2026	113,260	4,541	117,801
2027	30,186	810	30,996
Total	\$ 278,662	\$ 14,274	\$ 292,936

Subscription assets include the following at June 30, 2024:

Major Class of Underlying Asset	Amount of Subscription Assets	Accumulated Amortization
Subscription assets - software	\$ 813,368	\$ 283,761

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 126 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. 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.

NOTE 10: RISK MANAGEMENT AND CLAIMS PAYABLE (CONTINUED)

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.

For 2023-24 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 \$395,707,820. 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.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: RISK MANAGEMENT AND CLAIMS PAYABLE (CONTINUED)

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 2023-24.

NOTE 10: RISK MANAGEMENT AND CLAIMS PAYABLE (CONTINUED)

J. Claims Payable

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

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

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Claims payable - Beginning of year	\$ 564,473	\$ 679,881
Incurred claims (including IBNR) and changes in estimates	299,985	3,987,107
Claims payments	(184,577)	(991,648)
Claims payable - End of year	<u>\$ 679,881</u>	<u>\$ 3,675,340</u>
Claims payable - due in one year	\$ 224,361	\$ 1,212,864
Claims payable - due in more than one year	<u>455,520</u>	<u>2,462,476</u>
	<u>\$ 679,881</u>	<u>\$ 3,675,340</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 \$15,873,542 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.

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%	7.75%
Required employer contribution rates	13.20%	13.20%

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms for all Plans:

Inactive employees or beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	97
Active employees	128
Total	421

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.

NOTE 12: PENSION PLAN (CONTINUED)

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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry
Investment Rate of Return	7.0% 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.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: PENSION PLAN (CONTINUED)

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.

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, 2024, with a measurement date of June 30, 2023, for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022 (Measurement Date)	\$ 153,948,561	\$ 115,266,742	\$ 38,681,819
Changes in the Year:			
Service Cost	2,235,788	-	2,235,788
Interest on the Total Pension Liability	10,733,434	-	10,733,434
Difference between Expected and Actual Experience	4,624,824	-	4,624,824
Changes of Benefit Terms	105,799	-	105,799
Contributions - Employer	-	4,539,654	(4,539,654)
Contributions - Employees	-	868,122	(868,122)
Net Investment Income	-	7,061,290	(7,061,290)
Benefit Payments including Refunds of Employee	(8,480,159)	(8,480,159)	-
Administrative expense	-	(84,762)	84,762
Net Changes	9,219,686	3,904,145	5,315,541
Balance at June 30, 2023 (Measurement Date)	\$ 163,168,247	\$ 119,170,887	\$ 43,997,360

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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)	\$ 65,048,416	\$ 43,997,360	\$ 26,543,957

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, 2024, the City recognized pension expense of \$7,846,692. At June 30, 2024, 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	\$ 4,669,126	\$ -
Change in assumptions	1,218,481	-
Differences between expected and actual experience	3,083,216	664,691
Net difference between projected and actual earnings on pension plan investments	5,426,297	-
Total	\$ 14,397,120	\$ 664,691

\$4,669,126 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, 2025. 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
2025	\$ 3,033,435
2026	2,054,820
2027	3,818,537
2028	156,511
Total	\$ 9,063,303

CITY OF PALM DESERT, CALIFORNIA
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For the Year Ended June 30, 2024

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 (\$151 in 2023 and \$157 in 2024) for these employees.

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2023, the date of the most recent actuarial valuation, the City's plan has 128 active employees.

Employees Covered - Plan membership, at June 30, 2023 valuation date, membership consisted of the following:

Inactive plan members or beneficiaries	94
Active plan members	128
Total	222

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, 2023 and the Total OPEB Liability used to calculate the Net OPEB Liability/(Asset) was determined by an actuarial valuation as of June 30, 2023.

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 3.9% in 2075.
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 2021 Experience study and projected using the MacLeod Watts Scale 2022 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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2022 (Measurement Date)	\$ 21,875,949	\$ 21,020,110	\$ 855,839
Changes in the Year:			
Service Cost	357,354	-	357,354
Interest on the Total OPEB Liability	1,193,064	-	1,193,064
Changes in Assumptions	170	-	170
Contributions - Employer	-	1,108,988	(1,108,988)
Net Investment Income	-	748,799	(748,799)
Benefit Payments	(1,082,459)	(1,082,459)	-
Difference between expected and actual experience	1,327,257	-	1,327,257
Administrative Expenses	-	(6,023)	6,023
Net Changes	<u>1,795,386</u>	<u>769,305</u>	<u>1,026,081</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 23,671,335</u>	<u>\$ 21,789,415</u>	<u>\$ 1,881,920</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)	<u>\$ 4,741,984</u>	<u>\$ 1,881,920</u>	<u>\$ (509,730)</u>

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)	<u>\$ (663,004)</u>	<u>\$ 1,881,920</u>	<u>\$ 4,940,803</u>

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, the City recognized OPEB expense (revenue) of \$1,935,943. As of fiscal year ended June 30, 2024, 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	\$ 1,306,991	\$ -
Change in assumptions	806,060	8,031
Differences between expected and actual experience	902,087	181,355
Net difference between projected and actual earnings on pension plan investments	1,998,704	-
Total	\$ 5,013,842	\$ 189,386

The City will recognize the contributions made subsequent to the measurement date totaling \$1,306,991 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
2025	\$ 1,594,627
2026	783,228
2027	999,014
2028	98,106
2029	16,531
Thereafter	25,959
Total	\$ 3,517,465

NOTE 14: SPECIAL ASSESSMENT DEBT

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

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
2003 Assessment Revenue Bonds	\$ 780,000	\$ -	\$ 115,000	\$ 665,000	\$ 120,000
CFD 2021-1 Special Tax Bonds Series 2021	14,955,000	-	305,000	14,650,000	315,000
CFD 2005-1 Special Tax Bonds Series 2021A	4,915,000	-	270,000	4,645,000	280,000
Section 29 Assessment District 2004-02 Limited Obligation Bonds Series 2021	15,715,000	-	785,000	14,930,000	815,000
Special Tax Bonds, Series 2024	-	11,600,000	-	11,600,000	-
Total	\$ 36,365,000	\$ 11,600,000	\$ 1,475,000	\$ 46,490,000	\$ 1,530,000

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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
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	\$ 665,000	\$ 92,853	\$ 757,853

As of June 30, 2024, the principal amounts to be repaid by the Assessment District No. 01-1 to pay off the loans from the Financing Authority is \$665,000.

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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 14: SPECIAL ASSESSMENT DEBT (CONTINUED)

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	330,000	131,800	461,800
2030-2034	1,845,000	447,100	2,292,100
2035-2037	1,285,000	78,500	1,363,500
Total	<u>\$ 4,645,000</u>	<u>\$ 1,306,700</u>	<u>\$ 5,951,700</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 \$14,930,000 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	\$ 815,000	\$ 596,600	\$ 1,411,600
2025	850,000	547,600	1,397,600
2026	880,000	513,000	1,393,000
2027	920,000	477,000	1,397,000
2028	955,000	439,500	1,394,500
2029-2033	5,380,000	1,581,000	6,961,000
2034-2038	5,130,000	420,800	5,550,800
Total	<u>\$ 14,930,000</u>	<u>\$ 4,575,500</u>	<u>\$ 19,505,500</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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 14: SPECIAL ASSESSMENT DEBT (CONTINUED)

Debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
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	355,000	513,075	868,075
2030-2034	1,940,000	2,388,925	4,328,925
2035-2039	2,335,000	1,980,900	4,315,900
2040-2044	2,835,000	1,465,100	4,300,100
2045-2049	3,445,000	839,500	4,284,500
2050-2052	2,420,000	147,800	2,567,800
Total	<u>\$ 14,650,000</u>	<u>\$ 9,489,600</u>	<u>\$ 24,139,600</u>

E. Community Facilities District No. 2021-1, Series 2024

The City of Palm Desert Community Facilities District No. 2021-1 (University Park) Special Tax Bonds, Series 2024 (the "Bonds") are being issued by the City of Palm Desert Community Facilities District No. 2021-1 (University Park) (the "District") to: (i) 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 of Palm Desert (the "City") and water and sewer facilities to be owned and operated by the Coachella Valley Water District ("CVWD"); (ii) fund a reserve account for the Bonds; and (iii) pay costs of issuance for the Bonds; and (iv) fund capitalized interest to pay debt service on the Bonds through and including September 1, 2024. 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.

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 531,975	\$ 531,975
2026	40,000	570,825	610,825
2027	50,000	568,913	618,913
2028	65,000	566,469	631,469
2029	80,000	563,388	643,388
2030-2034	680,000	2,744,475	3,424,475
2035-2039	1,225,000	2,530,644	3,755,644
2040-2044	2,005,000	2,132,125	4,137,125
2045-2049	3,045,000	1,506,375	4,551,375
2050-2054	4,410,000	583,000	4,993,000
Total	<u>\$ 11,600,000</u>	<u>\$ 12,298,188</u>	<u>\$ 23,898,188</u>

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 14: SPECIAL ASSESSMENT DEBT (CONTINUED)

F. Bond Reserve Requirements

At June 30, 2024, the fund balance reserve requirements and actual reserve balances were as follows:

	Requirement	Actual
2003 Financing Authority Revenue Bonds	\$ 153,947	\$ 153,947
CFD 2021-1 Special Tax Bonds, Series 2021	868,775	868,775
CFD 2005-1 Special Tax Bonds, Series 2021A	461,800	461,800
Section 29 Assessment District 2004-02 Limited Obligation Bonds Series 2021	1,411,600	1,411,600
Special Tax Bonds, Series 2024	1,021,147	1,021,147

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, 2024, were as follows:

	Special Revenue Funds				Capital Projects Fund	Other Governmental Funds	Total
	General Fund	Prop A Fire Tax	Housing Asset Fund	Housing Authority	Restricted Capital Project Fund		
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,710	\$ 13,710
Prepaid costs and deposits	583,470	-	660	-	-	67,090	651,220
Notes and loans	994,978	-	-	-	-	-	994,978
Advances	1,310,000	-	-	-	-	-	1,310,000
Total Nonspendable	<u>2,888,448</u>	<u>-</u>	<u>660</u>	<u>-</u>	<u>-</u>	<u>80,800</u>	<u>2,969,908</u>
Restricted for:							
Capital projects	-	-	-	-	47,233,177	198,846	47,432,023
Debt service	-	-	-	-	-	142,430	142,430
Low income housing	-	-	51,941,054	5,222,230	-	4,520,132	61,683,416
Public facilities	-	-	-	-	-	4,590,140	4,590,140
Public safety	-	22,353,727	-	-	-	2,718,105	25,071,832
Special programs	-	-	-	-	-	7,657,582	7,657,582
Street related purposes	-	-	-	-	-	29,088,612	29,088,612
Total Restricted	<u>-</u>	<u>22,353,727</u>	<u>51,941,054</u>	<u>5,222,230</u>	<u>47,233,177</u>	<u>48,915,847</u>	<u>175,666,035</u>
Committed to:							
Aquatic center	-	-	-	-	-	2,776,523	2,776,523
Library	-	-	-	-	-	3,752,866	3,752,866
Capital asset replacement	-	-	-	11,875,488	-	-	11,875,488
Capital improvement projects reserve	13,965,065	-	-	-	-	-	13,965,065
Facilities maintenance reserve	1,858,919	-	-	-	-	-	1,858,919
Liability reserve	4,000,000	-	-	-	-	-	4,000,000
Other fund stability reserve	2,556,900	-	-	-	-	-	2,556,900
Emergency/contingency reserve	16,623,972	-	-	-	-	-	16,623,972
Employment benefits reserve	10,434,732	-	-	-	-	-	10,434,732
Equipment replacement reserve	2,869,355	-	-	-	-	-	2,869,355
Energy loan program	-	-	-	-	-	1,869,382	1,869,382
Total Committed	<u>52,308,943</u>	<u>-</u>	<u>-</u>	<u>11,875,488</u>	<u>-</u>	<u>8,398,771</u>	<u>72,583,202</u>
Assigned to:							
General fund operating reserve	18,254,560	-	-	-	-	-	18,254,560
Community contingency	444,000	-	-	-	-	-	444,000
Capital projects	-	-	-	-	-	9,699,897	9,699,897
Property acquisition	-	-	-	-	-	420,387	420,387
Public facilities	-	-	-	-	-	8,767,874	8,767,874
Special programs	-	-	-	-	-	614,323	614,323
Street related purposes	-	-	-	-	-	4,863,302	4,863,302
Total Assigned	<u>18,698,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,365,783</u>	<u>43,064,343</u>
Unassigned	<u>52,457,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(445,505)</u>	<u>52,012,197</u>
Totals	<u>\$ 126,353,653</u>	<u>\$ 22,353,727</u>	<u>\$ 51,941,714</u>	<u>\$ 17,097,718</u>	<u>\$ 47,233,177</u>	<u>\$ 81,315,696</u>	<u>\$ 346,295,685</u>

CITY OF PALM DESERT, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 17: CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments

Primary Government

Project	Contract Amount	Spent To Date	Remaining Commitment
General Fund			
Parks/Recreation	\$ 1,804,291	\$ 1,000,901	\$ 803,390
Tropical Storm Hilary maintenance and repair	1,320,248	314,092	1,006,156
Measure A			
Bridge maintenance program	397,835	165,698	232,138
Traffic operations and capacity improvements	1,463,644	1,194,264	269,380
Intersection modifications - Highway 74 & Haystack Road,	373,245	-	373,245
Haystack traffic calming	206,930	5,348	201,583
CV link enhancement and slurry seal	1,903,952	-	1,903,952
Capital Properties			
Design and planning for North Sphere Regional Park	1,000,000	360,272	639,729
Haystack channel improvements	433,143	302,999	130,143
Housing Authority			
City owned buildings improvements	3,481,631	3,133,295	348,336
Other Governmental Funds			
Equipment ordered, vehicles	1,806,860	228,699	1,578,160
Architectural design and structural engineering services -			
Parkview Office Complex	1,142,400	424,373	718,027
Palm Desert Library New Building	642,865	146,648	496,218
	<u>\$ 15,977,043</u>	<u>\$ 7,276,588</u>	<u>\$ 8,700,456</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 2023-24, 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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 17,226,397	\$ -	\$ (1,286,439)	\$ 15,939,958
Total capital assets, not being depreciated	17,226,397	-	(1,286,439)	15,939,958
Total fiduciary fund capital assets	\$ 17,226,397	\$ -	\$ (1,286,439)	\$ 15,939,958

During the year ending June 30, 2024, the SARDA sold land with a cost basis of \$1,286,439 for a sales price of \$4,600,000. 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, 2024, \$4,600,000 has been remitted to the County of Riverside.

Tax Allocation Bonds

A summary of changes in tax allocation bonds at June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Amount Due Within One Year
2003 TARBs, \$15,745,000	\$ 15,745,000	\$ -	\$ 875,000	\$ 14,870,000	\$ 910,000
2017 A TARBs, \$52,390,000	36,405,000	-	715,000	35,690,000	6,630,000
2017 B TARBs, \$140,130,000	96,345,000	-	11,675,000	84,670,000	5,585,000
2017 H-A TARBs, \$7,365,000	5,025,000	-	455,000	4,570,000	475,000
2017 H-B TARBs, \$45,815,000	6,195,000	-	6,195,000	-	-
Subtotal	159,715,000	-	19,915,000	139,800,000	13,600,000
Add: Unamortized bond premium	4,639,243	-	643,183	3,996,060	-
Less: Unamortized bond discount	(1,467,878)	-	(93,441)	(1,374,437)	-
Total	\$ 162,886,365	\$ -	\$ 20,464,742	\$ 142,421,623	\$ 13,600,000

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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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.

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
2025	\$ 910,000	\$ 709,156	\$ 1,619,156
2026	1,145,000	688,681	1,833,681
2027	1,340,000	635,725	1,975,725
2028	1,405,000	573,750	1,978,750
2029	1,475,000	503,500	1,978,500
2030-2033	8,595,000	1,332,500	9,927,500
Total	<u>\$ 14,870,000</u>	<u>\$ 4,443,312</u>	<u>\$ 19,313,312</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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, the outstanding principal balance on the bonds \$35,690,000.

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

Year Ending June 30,	Principal	Interest	Total
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	4,055,000	469,125	4,524,125
2030-2031	7,355,000	372,125	7,727,125
Total	\$ 35,690,000	\$ 5,424,500	\$ 41,114,500

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, 2024, the outstanding principal balance on the bonds is \$84,670,000.

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

Year Ending June 30,	Principal	Interest	Total
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	5,055,000	2,355,872	7,410,872
2030-2034	32,035,000	8,321,231	40,356,231
2035-2039	21,420,000	1,738,463	23,158,463
2040-2042	2,015,000	130,794	2,145,794
Total	\$ 84,670,000	\$ 23,968,799	\$ 108,638,799

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, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024, the outstanding principal balance on the bonds is \$4,570,000.

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
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	585,000	87,144	672,144
2030-2033	1,925,000	99,641	2,024,641
Total	<u>\$ 4,570,000</u>	<u>\$ 806,360</u>	<u>\$ 5,376,360</u>

NOTE 19: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through January 27, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.



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CITY OF PALM DESERT, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan
As of June 30, for the Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
TOTAL PENSION LIABILITY					
Service cost	\$ 2,235,788	\$ 1,976,289	\$ 2,042,043	\$ 2,086,683	\$ 1,973,971
Interest on total pension liability	10,733,434	10,122,299	10,005,168	9,645,145	9,261,660
Changes of benefit terms	105,799	-	-	-	-
Changes of assumptions	-	4,699,855	-	-	-
Difference between expected and actual experience	4,624,824	(2,563,805)	116,967	533,373	1,762,387
Benefit payments, including refunds of employee contributions	(8,480,159)	(7,723,744)	(7,041,890)	(6,540,485)	(6,383,377)
Net Change in Total Pension Liability	9,219,686	6,510,894	5,122,288	5,724,716	6,614,641
Total pension liability-beginning	153,948,561	147,437,667	142,315,379	136,590,663	129,976,022
Total Pension Liability-Ending (a)	163,168,247	153,948,561	147,437,667	142,315,379	136,590,663
PLAN FIDUCIARY NET POSITION					
Contributions-employer	4,539,654	4,020,131	4,729,858	4,521,813	5,963,737
Contributions-employee	868,122	791,130	745,959	805,528	791,794
Net investment income	7,061,290	(9,592,025)	24,010,711	5,102,524	6,322,815
Benefit payments, including refunds of employee contributions	(8,480,159)	(7,723,744)	(7,041,890)	(6,540,485)	(6,383,377)
Net plan to plan resource movement	-	-	-	-	-
Administrative expense	(84,762)	(79,643)	(105,400)	(143,465)	(67,893)
Other miscellaneous income/(expense)	-	-	-	-	222
Net Change in Fiduciary Net Position	3,904,145	(12,584,151)	22,339,238	3,745,915	6,627,298
Plan Fiduciary Net Position-Beginning	115,266,742	127,850,893	105,511,655	101,765,740	95,138,442
Plan Fiduciary Net Position-Ending (b)	119,170,887	115,266,742	127,850,893	105,511,655	101,765,740
Net Pension Liability/(Asset) (a) - (b)	\$ 43,997,360	\$ 38,681,819	\$ 19,586,774	\$ 36,803,724	\$ 34,824,923
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.0%	74.9%	86.7%	74.1%	74.5%
Covered payroll	\$ 10,601,359	\$ 9,621,662	\$ 10,386,791	\$ 10,353,849	\$ 9,807,088
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	415.0%	402.0%	188.6%	355.5%	355.1%

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

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	2018	2017	2016	2015
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/29/2016</u>	<u>6/30/2015</u>
\$	2,196,462	\$ 2,204,265	\$ 2,076,964	\$ 2,125,437	\$ 2,156,598
	8,797,867	8,558,529	8,327,823	8,223,320	7,991,591
	-	-	-	-	-
	(1,148,708)	7,367,723	-	(2,091,348)	-
	(594,882)	(1,895,482)	(4,259,317)	(2,378,254)	-
	(5,934,338)	(5,401,531)	(4,801,252)	(4,597,025)	(4,849,320)
	3,316,401	10,833,504	1,344,218	1,282,130	5,298,869
	126,659,621	115,826,117	114,481,899	113,199,769	107,900,900
	129,976,022	126,659,621	115,826,117	114,481,899	113,199,769
	5,407,412	5,303,371	4,257,322	4,065,411	3,320,450
	812,447	828,467	870,981	878,171	995,504
	7,555,653	8,800,663	448,184	1,682,498	11,290,314
	(5,934,338)	(5,401,531)	(4,801,252)	(4,597,025)	(4,849,320)
	(222)	-	-	-	-
	(136,651)	(115,573)	(47,263)	(87,279)	-
	(259,502)	-	-	-	-
	7,444,799	9,415,397	727,972	1,941,776	10,756,948
	87,693,643	78,278,246	77,550,274	75,608,498	64,851,550
	95,138,442	87,693,643	78,278,246	77,550,274	75,608,498
\$	34,837,580	\$ 38,965,978	\$ 37,547,871	\$ 36,931,625	\$ 37,591,271
	73.2%	69.2%	67.6%	67.7%	66.8%
\$	10,751,687	\$ 10,684,238	\$ 11,342,713	\$ 11,448,621	\$ 11,110,759
	324.0%	364.7%	331.0%	322.6%	338.3%

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

	2024	2023	2022	2021
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
TOTAL OPEB LIABILITY				
Service cost	357,354	\$ 294,337	\$ 378,897	\$ 366,971
Interest on total pension liability	1,193,064	1,205,943	1,161,531	1,117,500
Changes of benefit terms	-	-	(910,834)	-
Changes of assumptions	170	1,691,792	1,053,761	-
Difference between expected and actual experience	1,327,257	-	-	-
Benefit payments, including refunds of employee contributions	<u>(1,082,459)</u>	<u>(944,960)</u>	<u>(819,968)</u>	<u>(752,486)</u>
Net Change in Total OPEB Liability	1,795,386	2,247,112	863,387	731,985
Total OPEB Liability-Beginning	<u>21,875,949</u>	<u>19,628,837</u>	<u>18,765,450</u>	<u>18,033,465</u>
Total OPEB Liability-Ending (a)	<u>23,671,335</u>	<u>21,875,949</u>	<u>19,628,837</u>	<u>18,765,450</u>
PLAN FIDUCIARY NET POSITION				
Contributions-employer	1,108,988	1,230,895	1,140,548	1,280,453
Net investment income	748,799	(3,022,583)	3,878,532	977,487
Benefit payments, including refunds of employee contributions	(1,082,459)	(944,960)	(819,968)	(752,486)
Administrative expense	(6,023)	(6,034)	(7,193)	(9,045)
Other miscellaneous income/(expense)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fiduciary Net Position	769,305	(2,742,682)	4,191,919	1,496,409
Plan fiduciary net position-beginning	<u>21,020,110</u>	<u>23,762,792</u>	<u>19,570,873</u>	<u>18,074,464</u>
Plan Fiduciary Net Position-Ending (b)	<u>21,789,415</u>	<u>21,020,110</u>	<u>23,762,792</u>	<u>19,570,873</u>
Net OPEB Liability/(Asset) (a) - (b)	<u>\$ 1,881,920</u>	<u>\$ 855,839</u>	<u>\$ (4,133,955)</u>	<u>\$ (805,423)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	92.0%	96.1%	121.1%	104.3%
Covered-employee payroll	\$ 12,780,729	\$ 11,208,147	\$ 10,881,697	\$ 11,382,103
Plan Net OPEB Liability/(Asset) as a Percentage of Covered-Employee Payroll	14.7%	7.6%	-38.0%	-7.1%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes: None

Changes of Assumptions: None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

2020	2019	2018
6/30/2020	6/30/2019	6/30/2018
\$ 369,299	\$ 357,675	\$ 346,417
1,256,431	1,199,747	1,144,106
-	-	-
2,552,767	-	-
(4,066,457)	-	-
(756,759)	(696,845)	(653,187)
(644,719)	860,577	837,336
18,678,184	17,817,607	16,980,271
18,033,465	18,678,184	17,817,607
2,408,260	1,381,501	1,255,960
1,226,966	843,319	902,331
(756,759)	(696,845)	(653,187)
(3,515)	(7,371)	(6,541)
-	(18,115)	-
2,874,952	1,502,489	1,498,563
15,199,512	13,697,023	12,198,460
18,074,464	15,199,512	13,697,023
\$ (40,999)	\$ 3,478,672	\$ 4,120,584
100.2%	81.4%	76.9%
\$ 10,546,052	\$ 10,741,786	\$ 10,584,400
-0.4%	32.4%	38.9%



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CITY OF PALM DESERT, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>Miscellaneous Agent, Multiple-Employer Pension Plan</u>					
2024	\$ 4,539,654	\$ (4,669,126)	\$ (129,472)	\$ 11,030,033	42.3%
2023	4,574,753	(4,574,753)	-	10,601,359	43.2%
2022	4,123,142	(4,123,142)	-	9,621,662	42.9%
2021	4,936,652	(4,729,797)	206,855	10,386,791	45.5%
2020	4,736,668	(4,521,813)	214,855	10,353,849	43.7%
2019	4,225,204	(5,963,737)	(1,738,533)	9,807,088	60.8%
2018	4,219,764	(5,396,908)	(1,177,144)	10,751,687	50.2%
2017	3,550,127	(5,303,371)	(1,753,244)	10,684,238	49.6%
2016	3,585,082	(4,257,322)	(672,240)	11,342,713	37.5%
2015	3,393,171	(4,065,411)	(672,240)	11,448,621	35.5%

Note to Schedule:

Valuation Date: June 30, 2022

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	Fair Value
Inflation	2.50%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	6.9% net of pension investment and administrative expenses, including inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of 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 Actuaries.

Single Employer OPEB Plan

2024	\$ 533,751	\$ 1,306,991	\$ (773,240)	\$ 15,090,207	8.7%
2023	452,627	1,123,177	(670,550)	12,780,729	8.8%
2022	285,935	1,230,895	(944,960)	11,208,147	11.0%
2021	320,508	1,140,548	(820,040)	10,881,697	10.5%
2020	527,966	1,340,978	(813,012)	11,382,103	11.8%
2019	651,501	2,408,260	(1,756,759)	10,546,052	22.8%
2018	684,656	1,381,501	(696,845)	10,741,786	12.9%

Note to Schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of
Asset Valuation Method	Fair Value
Inflation	2.50%
Payroll Growth	3.00% per annum, in aggregate
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 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.

CITY OF PALM DESERT, CALIFORNIA
Budgetary Comparison Schedule by Department
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Taxes				
Property taxes	\$ 7,646,302	\$ 7,646,302	\$ 8,768,396	\$ 1,122,094
Property transfer tax	1,100,426	1,100,426	918,983	(181,443)
Property tax in lieu	5,000,000	5,000,000	5,419,392	419,392
Timeshare mitigation fee	1,711,324	3,311,324	1,789,418	(1,521,906)
Sales tax	26,623,447	25,000,000	25,391,092	391,092
Business license tax	1,300,000	1,100,000	1,272,634	172,634
Job valuation fees	35,000	35,000	48,642	13,642
Transient occupancy tax	21,005,000	22,505,000	23,006,598	501,598
Franchises	3,200,000	3,200,000	3,727,659	527,659
Penalties and interest on taxes	40,000	40,000	68,169	28,169
Total Taxes	67,661,499	68,938,052	70,410,983	1,472,931
Licenses and Permits				
Building permits	1,228,300	1,428,300	1,479,918	51,618
Grading permits	25,000	15,000	11,253	(3,747)
Encroachment permits	150,000	100,000	85,406	(14,594)
Miscellaneous permits	-	800	925	125
Business regulatory permits	22,500	12,500	17,094	4,594
Golf cart permits	1,500	1,500	1,310	(190)
Valet parking permits	250	250	475	225
Total Licenses and Permits	1,427,550	1,558,350	1,596,381	38,031
Intergovernmental				
State mandate cost	-	-	68,633	68,633
Motor vehicle in-lieu fees	24,000	50,000	62,620	12,620
Monthly parking bail	5,000	5,000	5,052	52
Reimbursement RDA costs	700,000	700,000	782,473	82,473
Other reimbursements	776,500	776,500	763,663	(12,837)
Total Intergovernmental	1,505,500	1,531,500	1,682,441	150,941
Rental Income	171,000	171,000	136,047	(34,953)
Charges for Services				
Subdivision fees	500,000	500,000	492,062	(7,938)
Zoning fees	40,000	50,000	59,941	9,941
Plan check fees	307,768	407,768	471,287	63,519
Sale of maps and publications	5,000	2,500	7,340	4,840
Microfilm fees	500	500	2	(498)
Vehicle impact fee	625,000	625,000	696,611	71,611
Other fees	135,450	135,450	147,201	11,751
Total Charges for Services	1,613,718	1,721,218	1,874,444	153,226
Investment Earnings				
Interest income	500,000	3,000,000	6,826,348	3,826,348
Interest on notes receivable	200,000	200,000	205,226	5,226
Total Investment Earnings	700,000	3,200,000	7,031,574	3,831,574
Fines and Forfeitures				
Vehicle code fines	35,000	25,000	24,931	(69)
Municipal court fines	25,000	25,000	1,720	(23,280)
VICR fees	75,000	75,000	77,772	2,772
Total Fines and Forfeitures	135,000	125,000	104,423	(20,577)
Miscellaneous				
Code compliance	150,000	150,000	71,332	(78,668)
Certificate of compliance fee	500	500	250	(250)
Nuisance abatement tax	20,000	10,000	4,068	(5,932)
Abandoned vehicle abatement	50,000	50,000	31,207	(18,793)
Other revenue	267,000	267,000	515,244	248,244
Total Miscellaneous	487,500	477,500	622,101	144,601
Transfers In	1,852,700	1,852,700	396,806	(1,455,894)
Proceeds from sale of capital asset	-	-	594,610	594,610
Amounts Available for Appropriations	75,554,467	79,575,320	84,449,810	4,874,490

CITY OF PALM DESERT, CALIFORNIA
Budgetary Comparison Schedule by Department
General Fund
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriation (Outflow):				
General Government				
City Council	310,856	364,043	305,968	58,075
City Clerk	1,098,834	1,232,775	1,134,444	98,331
Legislative Advocacy	40,845	40,845	33,000	7,845
Elections	317,500	167,050	124,031	43,019
City Attorney	313,467	313,467	308,580	4,887
Legal Special Services	318,341	474,451	470,547	3,904
City Manager	1,371,083	2,699,620	2,588,316	111,304
Finance	2,443,261	2,384,251	2,206,100	178,151
Independent Audit	90,000	102,910	73,473	29,437
Human Resources	914,392	1,017,714	904,795	112,919
General Services	5,741,317	12,851,315	8,243,183	4,608,132
Information Technology	2,369,979	5,048,699	3,775,249	1,273,450
Unemployment Insurance	10,000	13,253	13,253	-
Insurance	1,149,000	996,648	991,648	5,000
Community Promotions	504,700	784,700	746,864	37,836
Marketing	1,963,471	2,053,968	1,958,430	95,538
Visitors Information Center	12,930	3,230	988	2,242
Economic Development Center	1,848,981	2,392,233	2,184,235	207,998
Code enforcement	847,877	1,028,119	915,643	112,476
Permit center	589,439	593,758	527,110	66,648
Contributions	1,592,721	1,732,871	1,656,113	76,758
Planning & Community Development	4,454,887	3,981,423	3,309,788	671,635
Total General Government	28,303,881	40,277,344	32,471,758	7,805,585
Public Safety				
Police Services	21,519,523	21,637,523	20,909,026	728,497
Animal Regulation	362,000	382,000	364,087	17,913
Traffic Safety	1,237,105	1,439,518	1,370,907	68,611
Building and Safety	1,505,143	1,509,259	1,282,002	227,257
Community Safety	488,000	495,000	255,728	239,272
Total Public Safety	25,111,771	25,463,300	24,181,750	1,281,550
Parks, Recreation, and Culture				
Civic Center Park	1,971,200	1,980,858	1,714,194	266,664
Park Maintenance	1,289,500	1,328,724	1,129,303	199,421
Landscaping Service	3,048,691	3,199,005	2,867,872	331,133
Total Parks, Recreation and Culture	6,309,391	6,508,587	5,711,369	797,218
Public Works				
Administration	1,748,112	2,094,152	1,897,288	196,864
Street Maintenance	2,351,005	2,516,653	2,342,284	174,369
Street Resurfacing	25,000	25,000	-	25,000
Curb & Gutter	200,000	208,405	37,955	170,450
Corporate Yard	197,700	226,700	170,602	56,098
Auto Fleet / Equipment	337,500	470,403	417,528	52,875
Public Bldg - Opr/Maint.	1,324,051	1,158,107	988,206	169,901
Portola Community Center	194,500	194,500	169,640	24,860
Total Public Works	6,377,868	6,893,920	6,023,503	870,417
Capital Outlay	345,000	341,132	720,738	(379,606)
Debt service:				
Interest and fiscal charges	-	-	7,008	(7,008)
Transfers Out	8,906,074	10,227,601	9,480,177	747,424
Contribution to Other Government	-	-	890,129	(890,129)
Total Charges to Appropriations	75,353,985	89,711,884	79,486,432	10,225,451
Net Change in Fund Balances	\$ 200,482	\$ (10,136,564)	4,963,378	\$ 15,099,941
Fund Balances-Beginning			120,916,512	
Budgetary Fund Balance, June 30			\$ 125,879,890	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Prop A Fire Tax
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (Inflows)				
Taxes	\$ 9,169,242	\$ 9,169,242	\$ 11,402,490	\$ 2,233,248
Assessments	2,400,000	2,400,000	2,154,150	(245,850)
Intergovernmental	1,200,000	1,200,000	1,437,276	237,276
Charges for services	2,900,000	2,900,000	4,158,057	1,258,057
Investment earnings	20,000	20,000	869,365	849,365
Transfers In	4,600,000	4,600,000	4,600,000	-
Amounts Available for Appropriations	<u>20,289,242</u>	<u>20,289,242</u>	<u>24,621,338</u>	<u>4,332,096</u>
Charges to Appropriation (Outflow)				
Current:				
Public safety	20,343,162	21,228,340	17,377,791	3,850,549
Capital outlay	4,460,000	4,972,262	628,451	4,343,811
Total Charges to Appropriations	<u>24,803,162</u>	<u>26,200,602</u>	<u>18,006,242</u>	<u>8,194,360</u>
Net Change in Fund Balances	<u>\$ (4,513,920)</u>	<u>\$ (5,911,360)</u>	<u>6,615,096</u>	<u>\$ 12,526,456</u>
Fund Balances-Beginning			15,738,631	
Fund Balances-Ending			<u>\$ 22,353,727</u>	

CITY OF PALM DESERT, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Housing Asset Fund
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (Inflows)				
Charges for services	\$ -	\$ -	\$ 198,926	\$ 198,926
Investment earnings	95,000	1,083,328	1,956,111	872,783
Miscellaneous	-	-	34,354	34,354
Amounts Available for Appropriations	<u>95,000</u>	<u>1,083,328</u>	<u>2,189,391</u>	<u>1,106,063</u>
Charges to Appropriation (Outflow)				
Current:				
Housing and redevelopment	443,650	10,233,336	157,355	10,075,981
Capital outlay	300,000	300,000	105,203	194,797
Total Charges to Appropriations	<u>743,650</u>	<u>10,533,336</u>	<u>262,558</u>	<u>10,270,778</u>
Net Change in Fund Balances	<u>\$ (648,650)</u>	<u>\$ (9,450,008)</u>	<u>1,926,833</u>	<u>\$ 11,376,841</u>
Fund Balances-Beginning			<u>50,014,881</u>	
Fund Balances-Ending			<u>\$ 51,941,714</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing Authority
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Resources (Inflows)				
Rental Income	\$ 9,068,266	\$ 9,068,266	\$ 9,158,677	\$ 90,411
Investment earnings	20,000	465,000	989,378	524,378
Amounts Available for Appropriations	<u>9,088,266</u>	<u>9,533,266</u>	<u>10,148,055</u>	<u>614,789</u>
Charges to Appropriation (Outflow)				
Housing and redevelopment	10,769,155	15,650,683	11,854,770	3,795,913
Transfers out	941,044	941,044	452,997	488,047
Total Charges to Appropriations	<u>11,710,199</u>	<u>16,591,727</u>	<u>12,307,767</u>	<u>4,283,960</u>
Net Change in Fund Balances	<u>\$ (2,621,933)</u>	<u>\$ (7,058,461)</u>	<u>(2,159,712)</u>	<u>\$ 4,898,749</u>
Fund Balances-Beginning			<u>19,257,430</u>	
Fund Balances-Ending			<u>\$ 17,097,718</u>	

NOTE 1: 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
Special Assessment District



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**OTHER GOVERNMENTAL FUNDS
COMBINING STATEMENTS**

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	Traffic Safety	Gas Tax	Measure A	Housing Mitigation Fee
ASSETS				
Pooled cash and investments	\$ 4,315	\$ 4,078,636	\$ 23,344,068	\$ 3,142,586
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Deposits	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	661	484,744	903,483	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	4,976	4,563,380	24,247,551	3,142,586
LIABILITIES				
Accounts payable	-	324,026	580,660	32,464
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total Liabilities	-	324,026	580,660	32,464
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	280,889	-
Total Deferred Inflows of Resources	-	-	280,889	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	4,976	4,239,354	23,386,002	3,110,122
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	4,976	4,239,354	23,386,002	3,110,122
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 4,976	\$ 4,563,380	\$ 24,247,551	\$ 3,142,586

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Child Care Program	Public Safety Police Grants	New Construction Tax
ASSETS				
Pooled cash and investments	\$ -	\$ 866,922	\$ 216,183	\$ 1,939,127
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Deposits	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	205,857	-	-	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	205,857	866,922	216,183	1,939,127
LIABILITIES				
Accounts payable	144,634	-	10,572	5,500
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	175,852	-
Deposits payable	-	-	-	-
Due to other funds	22,061	-	-	-
Advances to other funds	-	-	-	-
Total Liabilities	166,695	-	186,424	5,500
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	39,162	866,922	29,759	1,933,627
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	39,162	866,922	29,759	1,933,627
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 205,857	\$ 866,922	\$ 216,183	\$ 1,939,127

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Planned Drainage	Parks and Recreational Facilities	Traffic Signals	Fire Facilities Restoration
ASSETS				
Pooled cash and investments	\$ 861,277	\$ 2,146,130	\$ 606,215	\$ 1,271,172
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Deposits	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	861,277	2,146,130	606,215	1,271,172
LIABILITIES				
Accounts payable	9,212	356,539	-	84,867
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total Liabilities	9,212	356,539	-	84,867
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	852,065	1,789,591	606,215	1,186,305
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	852,065	1,789,591	606,215	1,186,305
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 861,277	\$ 2,146,130	\$ 606,215	\$ 1,271,172

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds			
	Recycling	Energy Independence Loan	Air Quality Management	Aquatic Center
ASSETS				
Pooled cash and investments	\$ 3,534,217	\$ 1,720,780	\$ 51,916	\$ 3,184,862
Receivables:				
Accounts	66,073	-	-	252,065
Assessments	-	1,147	-	-
Loans	-	975,973	-	-
Interest	-	41,996	-	-
Deposits	-	-	-	-
Prepaid costs	-	-	-	8,997
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	13,710
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	3,600,290	2,739,896	51,916	3,459,634
LIABILITIES				
Accounts payable	20,805	22,000	20,184	658,004
Accrued liabilities	-	-	-	-
Unearned revenue	110,143	-	-	2,400
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances to other funds	-	810,000	-	-
Total Liabilities	130,948	832,000	20,184	660,404
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	38,514	-	-
Total Deferred Inflows of Resources	-	38,514	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	22,707
Restricted	3,469,342	-	31,732	-
Committed	-	1,869,382	-	2,776,523
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	3,469,342	1,869,382	31,732	2,799,230
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 3,600,290	\$ 2,739,896	\$ 51,916	\$ 3,459,634

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Cannabis Compliance	El Paseo Assessment District	Various Landscape and Lighting District	Affordable Housing
ASSETS				
Pooled cash and investments	\$ 1,409,788	\$ 107,665	\$ 2,686,247	\$ 1,423,062
Receivables:				
Accounts	88,494	14,729	4,916	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Deposits	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	30,544	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	1,498,282	122,394	2,721,707	1,423,062
LIABILITIES				
Accounts payable	-	19,750	205,696	-
Accrued liabilities	-	-	-	13,052
Unearned revenue	-	-	-	-
Deposits payable	3,780	-	-	-
Due to other funds	-	-	11,557	-
Advances to other funds	-	-	-	-
Total Liabilities	3,780	19,750	217,253	13,052
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	1,494,502	102,644	2,504,454	1,410,010
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	1,494,502	102,644	2,504,454	1,410,010
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,498,282	\$ 122,394	\$ 2,721,707	\$ 1,423,062

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds			
	Permanent Local Housing Allocation Grant	Opioid Settlement	Library Services	Capital Projects Reserve
ASSETS				
Pooled cash and investments	\$ -	\$ 139,814	\$ 773,392	\$ 10,986,347
Receivables:				
Accounts	-	-	-	50,000
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Deposits	-	-	-	-
Prepaid costs	-	-	20,460	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	-	139,814	793,852	11,036,347
LIABILITIES				
Accounts payable	9,565	9,565	105,934	664,790
Accrued liabilities	-	-	53,135	-
Unearned revenue	-	122,710	-	251,273
Deposits payable	-	-	-	-
Due to other funds	161,319	-	-	-
Advances to other funds	-	-	-	-
Total Liabilities	170,884	132,275	159,069	916,063
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	20,460	-
Restricted	-	7,539	-	-
Committed	-	-	-	-
Assigned	-	-	614,323	10,120,284
Unassigned	(170,884)	-	-	-
Total Fund Balances (Deficits)	(170,884)	7,539	634,783	10,120,284
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ -	\$ 139,814	\$ 793,852	\$ 11,036,347

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects Funds			
	Drainage Facilities	Economic Development	Parks and Recreational Facilities	Art in Public Places
ASSETS				
Pooled cash and investments	\$ 4,775,792	\$ 1,237,229	\$ 10,605	\$ 1,521,638
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Deposits	-	20,000	-	-
Prepaid costs	-	17,633	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	4,775,792	1,274,862	10,605	1,521,638
LIABILITIES				
Accounts payable	30,068	62,900	-	11,390
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total Liabilities	30,068	62,900	-	11,390
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	37,633	-	-
Restricted	-	-	-	1,510,248
Committed	-	-	-	-
Assigned	4,745,724	1,174,329	10,605	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	4,745,724	1,211,962	10,605	1,510,248
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 4,775,792	\$ 1,274,862	\$ 10,605	\$ 1,521,638

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Capital Projects Funds			
	Signalization	Capital Golf	Buildings	Library
ASSETS				
Pooled cash and investments	\$ 117,578	\$ 8,441,685	\$ 2,184	\$ 4,303,711
Receivables:				
Accounts	-	-	-	-
Assessments	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Deposits	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	17,814
Advances to other funds	-	2,399,202	-	-
Property held for resale	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	117,578	10,840,887	2,184	4,321,525
LIABILITIES				
Accounts payable	-	3,257,947	243,049	568,659
Accrued liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	33,756	-
Advances to other funds	-	-	-	-
Total Liabilities	-	3,257,947	276,805	568,659
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	3,752,866
Assigned	117,578	7,582,940	-	-
Unassigned	-	-	(274,621)	-
Total Fund Balances (Deficits)	117,578	7,582,940	(274,621)	3,752,866
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 117,578	\$ 10,840,887	\$ 2,184	\$ 4,321,525

CITY OF PALM DESERT, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	
	<u>Special Assessment District</u>	<u>City Highlands Undergrounding</u>	<u>Total Nonmajor Funds</u>
ASSETS			
Pooled cash and investments	\$ 198,807	\$ 141,221	\$ 85,245,171
Receivables:			
Accounts	-	-	476,277
Assessments	-	1,016,007	1,017,154
Loans	-	-	975,973
Interest	-	-	41,996
Deposits	-	-	20,000
Prepaid costs	-	-	47,090
Due from other governments	-	1,334	1,644,437
Advances to other funds	-	-	2,399,202
Property held for resale	-	-	13,710
Restricted assets:			
Cash and investments with fiscal agents	2,671,678	-	2,671,678
Total Assets	2,870,485	1,158,562	94,552,688
LIABILITIES			
Accounts payable	2,671,639	125	10,130,544
Accrued liabilities	-	-	66,187
Unearned revenue	-	-	662,378
Deposits payable	-	-	3,780
Due to other funds	-	-	228,693
Advances to other funds	-	-	810,000
Total Liabilities	2,671,639	125	11,901,582
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	1,016,007	1,335,410
Total Deferred Inflows of Resources	-	1,016,007	1,335,410
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	80,800
Restricted	198,846	142,430	48,915,847
Committed	-	-	8,398,771
Assigned	-	-	24,365,783
Unassigned	-	-	(445,505)
Total Fund Balances (Deficits)	198,846	142,430	81,315,696
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,870,485	\$ 1,158,562	\$ 94,552,688



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CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Traffic Safety	Gas Tax	Measure A	Housing Mitigation Fee
REVENUES				
Taxes	\$ -	\$ -	\$ 3,469,376	\$ 31,800
Special assessments collected	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	2,811,135	121,088	-
Rental income	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	237	243,147	1,226,499	169,971
Fines and forfeitures	1,729	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	-	-	30,000
Total revenues	1,966	3,054,282	4,816,963	231,771
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and culture	-	-	-	-
Public works	-	3,638,431	153,447	-
Housing	-	-	-	277,592
Library	-	-	-	-
Capital outlay	-	-	2,875,899	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	3,638,431	3,029,346	277,592
Excess (deficiency) of revenues over (under) expenditures	1,966	(584,149)	1,787,617	(45,821)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(2,700)	-	-	-
Total other financing sources (uses)	(2,700)	-	-	-
Net change in fund balances	(734)	(584,149)	1,787,617	(45,821)
Fund balances-beginning	5,710	4,823,503	21,598,385	3,155,943
Fund balances (deficit)-ending	\$ 4,976	\$ 4,239,354	\$ 23,386,002	\$ 3,110,122

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Community Development Block Grant	Child Care Program	Public Safety Police Grants	New Construction Tax
REVENUES				
Taxes	\$ -	\$ 54,200	\$ -	\$ 265,447
Special assessments collected	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	737,446	-	86,487	-
Rental income	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	43,654	8,685	95,246
Fines and forfeitures	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	737,446	97,854	95,172	360,693
EXPENDITURES				
Current:				
General government	612,664	-	-	-
Public safety	-	-	86,487	-
Parks, recreation and culture	-	-	-	-
Public works	-	-	-	-
Housing	-	-	-	-
Library	-	-	-	-
Capital outlay	124,782	-	-	5,911
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	737,446	-	86,487	5,911
Excess (deficiency) of revenues over (under) expenditures	-	97,854	8,685	354,782
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	97,854	8,685	354,782
Fund balances-beginning	39,162	769,068	21,074	1,578,845
Fund balances (deficit)-ending	\$ 39,162	\$ 866,922	\$ 29,759	\$ 1,933,627

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Planned Drainage	Parks and Recreational Facilities	Traffic Signals	Fire Facilities Restoration
REVENUES				
Taxes	\$ 54,470	\$ 427,547	\$ 50,640	\$ 166,938
Special assessments collected	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Rental income	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	47,972	92,047	30,041	86,848
Fines and forfeitures	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	102,442	519,594	80,681	253,786
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	147,724	-	-	-
Parks, recreation and culture	-	-	-	-
Public works	-	-	-	-
Housing	-	-	-	-
Library	-	-	-	-
Capital outlay	-	360,272	-	622,933
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	147,724	360,272	-	622,933
Excess (deficiency) of revenues over (under) expenditures	(45,282)	159,322	80,681	(369,147)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(25,248)
Total other financing sources (uses)	-	-	-	(25,248)
Net change in fund balances	(45,282)	159,322	80,681	(394,395)
Fund balances-beginning	897,347	1,630,269	525,534	1,580,700
Fund balances (deficit)-ending	\$ 852,065	\$ 1,789,591	\$ 606,215	\$ 1,186,305

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Recycling	Energy Independence Loan	Air Quality Management	Aquatic Center
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments collected	-	54,510	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	145,630	-	51,055	-
Rental income	-	-	-	55,032
Charges for services	466,258	-	-	906,765
Investment earnings	179,202	90,020	1,969	55,398
Fines and forfeitures	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	791,090	144,530	53,024	1,017,195
EXPENDITURES				
Current:				
General government	475,941	3,891	52,501	-
Public safety	-	-	-	-
Parks, recreation and culture	-	-	-	2,768,686
Public works	-	-	-	-
Housing	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	1,080	326,471
Debt service:				
Principal	-	38,000	-	-
Interest and fiscal charges	-	58,560	-	-
Total expenditures	475,941	100,451	53,581	3,095,157
Excess (deficiency) of revenues over (under) expenditures	315,149	44,079	(557)	(2,077,962)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	2,976,250
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	2,976,250
Net change in fund balances	315,149	44,079	(557)	898,288
Fund balances-beginning	3,154,193	1,825,303	32,289	1,900,942
Fund balances (deficit)-ending	\$ 3,469,342	\$ 1,869,382	\$ 31,732	\$ 2,799,230

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Cannabis Compliance	El Paseo Assessment District	Various Landscape and Lighting District	Affordable Housing
REVENUES				
Taxes	\$ 1,005,446	\$ -	\$ -	\$ -
Special assessments collected	-	297,039	1,060,525	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Rental income	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	37,803	5,532	246,818	(537)
Fines and forfeitures	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	-	-	46,377
Total revenues	1,043,249	302,571	1,307,343	45,840
EXPENDITURES				
Current:				
General government	-	262,142	-	1,760
Public safety	2,916	-	-	-
Parks, recreation and culture	-	-	-	-
Public works	-	-	3,795,710	-
Housing	-	-	-	436,598
Library	-	-	-	-
Capital outlay	-	-	-	120
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,916	262,142	3,795,710	438,478
Excess (deficiency) of revenues over (under) expenditures	1,040,333	40,429	(2,488,367)	(392,638)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	110,000	452,997
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	110,000	452,997
Net change in fund balances	1,040,333	40,429	(2,378,367)	60,359
Fund balances-beginning	454,169	62,215	4,882,821	1,349,651
Fund balances (deficit)-ending	\$ 1,494,502	\$ 102,644	\$ 2,504,454	\$ 1,410,010

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Special Revenue Funds			
	Permanent Local Housing Allocation Grant	Opioid Settlement	Library Services	Capital Projects Reserve
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments collected	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	78,734	-	-
Rental income	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	2,716	5,051	14,357	682,681
Fines and forfeitures	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	-	-	312,321
Total revenues	2,716	83,785	14,357	995,002
EXPENDITURES				
Current:				
General government	-	-	-	700,000
Public safety	-	-	-	-
Parks, recreation and culture	-	-	-	292,121
Public works	-	-	-	-
Housing	78,734	78,734	-	-
Library	-	-	606,561	-
Capital outlay	-	-	-	1,926,338
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	78,734	78,734	606,561	2,918,459
Excess (deficiency) of revenues over (under) expenditures	(76,018)	5,051	(592,204)	(1,923,457)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	1,321,527	2,000,000
Transfers Out	(100,000)	-	(94,540)	(3,200,000)
Total other financing sources (uses)	(100,000)	-	1,226,987	(1,200,000)
Net change in fund balances	(176,018)	5,051	634,783	(3,123,457)
Fund balances-beginning	5,134	2,488	-	13,243,741
Fund balances (deficit)-ending	\$ (170,884)	\$ 7,539	\$ 634,783	\$ 10,120,284

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Funds			
	Drainage Facilities	Economic Development	Parks and Recreational Facilities	Art in Public Places
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments collected	-	-	-	-
Licenses and permits	-	-	-	394,251
Intergovernmental revenues	-	219,836	-	-
Rental income	-	113,550	-	-
Charges for services	-	-	-	-
Investment earnings	94,297	73,940	558	77,436
Fines and forfeitures	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	1,500	-	9,207
Total revenues	94,297	408,826	558	480,894
EXPENDITURES				
Current:				
General government	-	450,466	-	-
Public safety	-	-	-	-
Parks, recreation and culture	-	-	-	113,750
Public works	312,744	2,082	-	-
Housing	-	206,911	-	-
Library	-	-	-	-
Capital outlay	-	10,000	-	159,535
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	312,744	669,459	-	273,285
Excess (deficiency) of revenues over (under) expenditures	(218,447)	(260,633)	558	207,609
OTHER FINANCING SOURCES (USES)				
Transfers In	3,200,000	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	3,200,000	-	-	-
Net change in fund balances	2,981,553	(260,633)	558	207,609
Fund balances-beginning	1,764,171	1,472,595	10,047	1,302,639
Fund balances (deficit)-ending	\$ 4,745,724	\$ 1,211,962	\$ 10,605	\$ 1,510,248

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

(Continued)

	Capital Projects Funds			
	Signalization	Capital Golf	Buildings	Library
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments collected	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	4,000,000
Rental income	-	-	-	-
Charges for services	-	2,680,153	-	-
Investment earnings	6,173	690,324	70,343	90,926
Fines and forfeitures	-	-	-	-
Capital contributions	-	-	-	-
Miscellaneous	-	900,122	-	-
Total revenues	6,173	4,270,599	70,343	4,090,926
EXPENDITURES				
Current:				
General government	-	-	164,235	-
Public safety	-	-	-	-
Parks, recreation and culture	-	10,026,646	-	-
Public works	-	-	-	-
Housing	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	2,091,983	1,025,579
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	10,026,646	2,256,218	1,025,579
Excess (deficiency) of revenues over (under) expenditures	6,173	(5,756,047)	(2,185,875)	3,065,347
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	6,173	(5,756,047)	(2,185,875)	3,065,347
Fund balances-beginning	111,405	13,338,987	1,911,254	687,519
Fund balances (deficit)-ending	\$ 117,578	\$ 7,582,940	\$ (274,621)	\$ 3,752,866

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	
	<u>Special Assessment District</u>	<u>City Highlands Undergrounding</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Taxes	\$ -	\$ -	\$ 5,525,864
Special assessments collected	-	131,442	1,543,516
Licenses and permits	-	-	394,251
Intergovernmental revenues	-	-	8,251,411
Rental income	-	-	168,582
Charges for services	-	-	4,053,210
Investment earnings	8,743	4,879	4,482,976
Fines and forfeitures	-	-	1,729
Capital contributions	10,000,000	-	10,000,000
Miscellaneous	-	-	1,299,493
Total revenues	10,008,743	136,321	35,721,032
EXPENDITURES			
Current:			
General government	-	15,506	2,739,106
Public safety	-	-	237,127
Parks, recreation and culture	-	-	13,201,203
Public works	-	-	7,902,414
Housing	-	-	1,078,569
Library	-	-	606,561
Capital outlay	10,000,000	-	19,530,903
Debt service:			
Principal	-	52,000	90,000
Interest and fiscal charges	-	51,452	110,012
Total expenditures	10,000,000	118,958	45,495,895
Excess (deficiency) of revenues over (under) expenditures	8,743	17,363	(9,774,863)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	10,060,774
Transfers Out	-	-	(3,422,488)
Total other financing sources (uses)	-	-	6,638,286
Net change in fund balances	8,743	17,363	(3,136,577)
Fund balances-beginning	190,103	125,067	84,452,273
Fund balances (deficit)-ending	\$ 198,846	\$ 142,430	\$ 81,315,696

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Traffic Safety
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ 237	\$ 237
Fines and forfeitures	2,700	2,700	1,729	(971)
Total Revenues	<u>2,700</u>	<u>2,700</u>	<u>1,966</u>	<u>(734)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,700)	(2,700)	(2,700)	-
Total Other Financing Sources (Uses)	<u>(2,700)</u>	<u>(2,700)</u>	<u>(2,700)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(734)</u>	<u>\$ (734)</u>
Fund Balances (Deficit)-Beginning			<u>5,710</u>	
Fund Balances (Deficit)-Ending			<u>\$ 4,976</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Gas Tax
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 2,716,001	\$ 2,716,001	\$ 2,811,135	\$ 95,134
Use of money and property	14,560	14,560	243,147	228,587
Total Revenues	<u>2,730,561</u>	<u>2,730,561</u>	<u>3,054,282</u>	<u>323,721</u>
EXPENDITURES				
Current:				
Public works	2,205,000	9,075,897	3,638,431	5,437,466
Total Expenditures	<u>2,205,000</u>	<u>9,075,897</u>	<u>3,638,431</u>	<u>5,437,466</u>
Net Change in Fund Balances	<u>\$ 525,561</u>	<u>\$ (6,345,336)</u>	<u>(584,149)</u>	<u>\$ 5,761,187</u>
Fund Balances (Deficit)-Beginning			<u>4,823,503</u>	
Fund Balances (Deficit)-Ending			<u>\$ 4,239,354</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure A
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 3,263,000	\$ 3,263,000	\$ 3,469,376	\$ 206,376
Intergovernmental	1,663,000	1,663,000	121,088	(1,541,912)
Use of money and property	100,000	100,000	1,226,499	1,126,499
Total Revenues	<u>5,026,000</u>	<u>5,026,000</u>	<u>4,816,963</u>	<u>(209,037)</u>
EXPENDITURES				
Current:				
Public works	2,950,000	3,017,064	153,447	2,863,617
Capital outlay	11,209,925	17,733,824	2,875,899	14,857,925
Total Expenditures	<u>14,159,925</u>	<u>20,750,888</u>	<u>3,029,346</u>	<u>17,721,542</u>
Net Change in Fund Balances	<u>\$ (9,133,925)</u>	<u>\$ (15,724,888)</u>	<u>1,787,617</u>	<u>\$ 17,512,505</u>
Fund Balances (Deficit)-Beginning			21,598,385	
Fund Balances (Deficit)-Ending			<u>\$ 23,386,002</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing Mitigation Fee
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 64,000	\$ 64,000	\$ 31,800	\$ (32,200)
Use of money and property	8,000	8,000	169,971	161,971
Miscellaneous	-	-	30,000	30,000
Total Revenues	<u>72,000</u>	<u>72,000</u>	<u>231,771</u>	<u>159,771</u>
EXPENDITURES				
Housing	404,500	989,216	277,592	711,624
Total Expenditures	<u>404,500</u>	<u>989,216</u>	<u>277,592</u>	<u>711,624</u>
Net Change in Fund Balances	<u>\$ (332,500)</u>	<u>\$ (917,216)</u>	<u>(45,821)</u>	<u>\$ 871,395</u>
Fund Balances (Deficit)-Beginning			<u>3,155,943</u>	
Fund Balances (Deficit)-Ending			<u>\$ 3,110,122</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Community Development Block Grant
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 418,663	\$ 418,663	\$ 737,446	\$ 318,783
Use of money and property	100	100	-	(100)
Total Revenues	<u>418,763</u>	<u>418,763</u>	<u>737,446</u>	<u>318,683</u>
EXPENDITURES				
General government	393,904	1,159,920	612,664	547,256
Capital outlay	-	329,544	124,782	204,762
Total Expenditures	<u>393,904</u>	<u>1,489,464</u>	<u>737,446</u>	<u>752,018</u>
Net Change in Fund Balances	<u>\$ 24,859</u>	<u>\$ (1,070,701)</u>	<u>-</u>	<u>\$ 1,070,701</u>
Fund Balances (Deficit)-Beginning			<u>39,162</u>	
Fund Balances (Deficit)-Ending			<u>\$ 39,162</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Child Care Program
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 90,000	\$ 90,000	\$ 54,200	\$ (35,800)
Use of money and property	4,000	4,000	43,654	39,654
Total Revenues	<u>94,000</u>	<u>94,000</u>	<u>97,854</u>	<u>3,854</u>
EXPENDITURES				
Capital outlay	-	684,000	-	684,000
Total Expenditures	<u>-</u>	<u>684,000</u>	<u>-</u>	<u>684,000</u>
Net Change in Fund Balances	<u>\$ 94,000</u>	<u>\$ (590,000)</u>	<u>97,854</u>	<u>\$ 687,854</u>
Fund Balances (Deficit)-Beginning			<u>769,068</u>	
Fund Balances (Deficit)-Ending			<u>\$ 866,922</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Public Safety Police Grants
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 86,487	\$ (113,513)
Use of money and property	500	500	8,685	8,185
Total Revenues	<u>200,500</u>	<u>200,500</u>	<u>95,172</u>	<u>(105,328)</u>
EXPENDITURES				
Public safety	234,000	142,125	86,487	55,638
Total Expenditures	<u>234,000</u>	<u>142,125</u>	<u>86,487</u>	<u>55,638</u>
Net Change in Fund Balances	<u>\$ (33,500)</u>	<u>\$ 58,375</u>	<u>8,685</u>	<u>\$ (49,690)</u>
Fund Balances (Deficit)-Beginning			<u>21,074</u>	
Fund Balances (Deficit)-Ending			<u>\$ 29,759</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
New Construction Tax
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 414,200	\$ 414,200	\$ 265,447	\$ (148,753)
Intergovernmental	3,724,907	3,724,907	-	(3,724,907)
Use of money and property	8,000	8,000	95,246	87,246
Total Revenues	<u>4,147,107</u>	<u>4,147,107</u>	<u>360,693</u>	<u>(3,786,414)</u>
EXPENDITURES				
Capital outlay	500,000	530,000	5,911	524,089
Total Expenditures	<u>500,000</u>	<u>530,000</u>	<u>5,911</u>	<u>524,089</u>
Net Change in Fund Balances	<u>\$ 3,647,107</u>	<u>\$ 3,617,107</u>	<u>354,782</u>	<u>\$ (3,262,325)</u>
Fund Balances (Deficit)-Beginning			<u>1,578,845</u>	
Fund Balances (Deficit)-Ending			<u>\$ 1,933,627</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Planned Drainage
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 70,000	\$ 70,000	\$ 54,470	\$ (15,530)
Use of money and property	2,500	2,500	47,972	45,472
Total Revenues	<u>72,500</u>	<u>72,500</u>	<u>102,442</u>	<u>29,942</u>
EXPENDITURES				
Public safety	263,138	500,000	147,724	352,276
Total Expenditures	<u>263,138</u>	<u>500,000</u>	<u>147,724</u>	<u>352,276</u>
Net Change in Fund Balances	<u>\$ (190,638)</u>	<u>\$ (427,500)</u>	<u>(45,282)</u>	<u>\$ 382,218</u>
Fund Balances (Deficit)-Beginning			<u>897,347</u>	
Fund Balances (Deficit)-Ending			<u>\$ 852,065</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Parks and Recreational Facilities
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 175,000	\$ 175,000	\$ 427,547	\$ 252,547
Use of money and property	3,000	3,000	92,047	89,047
Total Revenues	<u>178,000</u>	<u>178,000</u>	<u>519,594</u>	<u>341,594</u>
EXPENDITURES				
Capital outlay	-	1,000,000	360,272	639,728
Total Expenditures	<u>-</u>	<u>1,000,000</u>	<u>360,272</u>	<u>639,728</u>
Net Change in Fund Balances	<u>\$ 178,000</u>	<u>\$ (822,000)</u>	<u>159,322</u>	<u>\$ 981,322</u>
Fund Balances (Deficit)-Beginning			<u>1,630,269</u>	
Fund Balances (Deficit)-Ending			<u>\$ 1,789,591</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Traffic Signals
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 20,000	\$ 36,000	\$ 50,640	\$ 14,640
Use of money and property	500	500	30,041	29,541
Total Revenues	<u>20,500</u>	<u>36,500</u>	<u>80,681</u>	<u>44,181</u>
EXPENDITURES				
Capital outlay	235,075	460,075	-	460,075
Total Expenditures	<u>235,075</u>	<u>460,075</u>	<u>-</u>	<u>460,075</u>
Net Change in Fund Balances	<u>\$ (214,575)</u>	<u>\$ (423,575)</u>	<u>80,681</u>	<u>\$ 504,256</u>
Fund Balances (Deficit)-Beginning			<u>525,534</u>	
Fund Balances (Deficit)-Ending			<u>\$ 606,215</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Fire Facilities Restoration
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 116,100	\$ 116,100	\$ 166,938	\$ 50,838
Use of money and property	7,000	7,000	86,848	79,848
Total Revenues	<u>123,100</u>	<u>123,100</u>	<u>253,786</u>	<u>130,686</u>
EXPENDITURES				
Capital outlay	645,600	1,734,849	622,933	1,111,916
Total Expenditures	<u>645,600</u>	<u>1,734,849</u>	<u>622,933</u>	<u>1,111,916</u>
Excess (Deficiency) of Revenues				
Transfers out	-	(25,248)	(25,248)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(25,248)</u>	<u>(25,248)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (522,500)</u>	<u>\$ (1,636,997)</u>	<u>(394,395)</u>	<u>\$ 1,242,602</u>
Fund Balances (Deficit)-Beginning			1,580,700	
Fund Balances (Deficit)-Ending			<u>\$ 1,186,305</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Recycling
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 54,130	\$ 54,130	\$ 145,630	\$ 91,500
Charges for services	430,000	430,000	466,258	36,258
Use of money and property	15,000	15,000	179,202	164,202
Total Revenues	<u>499,130</u>	<u>499,130</u>	<u>791,090</u>	<u>291,960</u>
EXPENDITURES				
General government	516,180	572,604	475,941	96,663
Total Expenditures	<u>516,180</u>	<u>572,604</u>	<u>475,941</u>	<u>96,663</u>
Net Change in Fund Balances	<u>\$ (17,050)</u>	<u>\$ (73,474)</u>	<u>315,149</u>	<u>\$ 388,623</u>
Fund Balances (Deficit)-Beginning			<u>3,154,193</u>	
Fund Balances (Deficit)-Ending			<u>\$ 3,469,342</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Energy Independence Loan
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Assessments	\$ 300,000	\$ 300,000	\$ 54,510	\$ (245,490)
Use of money and property	5,000	6,200	90,020	83,820
Total Revenues	<u>305,000</u>	<u>306,200</u>	<u>144,530</u>	<u>(161,670)</u>
EXPENDITURES				
General government	15,000	15,000	3,891	11,109
Debt service:				
Principal	130,000	130,000	38,000	92,000
Interest and fiscal charges	83,480	83,480	58,560	24,920
Total Expenditures	<u>228,480</u>	<u>228,480</u>	<u>100,451</u>	<u>128,029</u>
Net Change in Fund Balances	<u>\$ 76,520</u>	<u>\$ 77,720</u>	<u>44,079</u>	<u>\$ (33,641)</u>
Fund Balances (Deficit)-Beginning			1,825,303	
Fund Balances (Deficit)-Ending			<u>\$ 1,869,382</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Air Quality Management
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 73,400	\$ 73,400	\$ 51,055	\$ (22,345)
Use of money and property	50	50	1,969	1,919
Total Revenues	<u>73,450</u>	<u>73,450</u>	<u>53,024</u>	<u>(20,426)</u>
EXPENDITURES				
General government	63,000	74,000	52,501	21,499
Capital outlay	15,830	15,830	1,080	14,750
Total Expenditures	<u>78,830</u>	<u>89,830</u>	<u>53,581</u>	<u>36,249</u>
Net Change in Fund Balances	<u>\$ (5,380)</u>	<u>\$ (16,380)</u>	<u>(557)</u>	<u>\$ 15,823</u>
Fund Balances (Deficit)-Beginning			<u>32,289</u>	
Fund Balances (Deficit)-Ending			<u>\$ 31,732</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Aquatic Center
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Rental income	\$ -	\$ -	\$ 55,032	\$ 55,032
Charges for services	648,000	648,000	906,765	258,765
Use of money and property	16,000	16,000	55,398	39,398
Total Revenues	664,000	664,000	1,017,195	353,195
EXPENDITURES				
Current:				
Parks and recreation	2,640,250	2,974,671	2,768,686	205,985
Capital outlay	1,250,000	1,576,286	326,471	1,249,815
Total Expenditures	3,890,250	4,550,957	3,095,157	1,455,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,226,250)	(3,886,957)	(2,077,962)	1,808,995
OTHER FINANCING SOURCES (USES)				
Transfers in	2,976,250	2,976,250	2,976,250	-
Total Other Financing Sources (Uses)	2,976,250	2,976,250	2,976,250	-
Net Change in Fund Balances	\$ (250,000)	\$ (910,707)	898,288	\$ 1,808,995
Fund Balances (Deficit)-Beginning			1,900,942	
Fund Balances (Deficit)-Ending			\$ 2,799,230	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Cannabis Compliance
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 1,210,000	\$ 934,700	\$ 1,005,446	\$ 70,746
Use of money and property	-	-	37,803	37,803
Total Revenues	<u>1,210,000</u>	<u>934,700</u>	<u>1,043,249</u>	<u>108,549</u>
EXPENDITURES				
Public safety	-	5,000	2,916	2,084
Total Expenditures	<u>-</u>	<u>5,000</u>	<u>2,916</u>	<u>2,084</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,210,000</u>	<u>929,700</u>	<u>1,040,333</u>	<u>110,633</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,200,000)	(1,195,000)	-	1,195,000
Total Other Financing Sources (Uses)	<u>(1,200,000)</u>	<u>(1,195,000)</u>	<u>-</u>	<u>1,195,000</u>
Net Change in Fund Balances	<u>\$ 10,000</u>	<u>\$ (265,300)</u>	<u>1,040,333</u>	<u>\$ 1,305,633</u>
Fund Balances (Deficit)-Beginning			454,169	
Fund Balances (Deficit)-Ending			<u>\$ 1,494,502</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
El Paseo Assessment District
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Assessments	\$ 250,000	\$ 411,770	\$ 297,039	\$ (114,731)
Use of money and property	-	-	5,532	5,532
Total Revenues	<u>250,000</u>	<u>411,770</u>	<u>302,571</u>	<u>(109,199)</u>
EXPENDITURES				
General government	250,000	330,000	262,142	67,858
Total Expenditures	<u>250,000</u>	<u>330,000</u>	<u>262,142</u>	<u>67,858</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 81,770</u>	<u>40,429</u>	<u>\$ (41,341)</u>
Fund Balances (Deficit)-Beginning			<u>62,215</u>	
Fund Balances (Deficit)-Ending			<u>\$ 102,644</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Various Landscape and Lighting District
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Assessments	\$ 895,475	\$ 933,475	\$ 1,060,525	\$ 127,050
Use of money and property	7,000	7,000	246,818	239,818
Total Revenues	<u>902,475</u>	<u>940,475</u>	<u>1,307,343</u>	<u>366,868</u>
EXPENDITURES				
Public works	1,825,362	4,286,986	3,795,710	491,276
Total Expenditures	<u>1,825,362</u>	<u>4,286,986</u>	<u>3,795,710</u>	<u>491,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(922,887)</u>	<u>(3,346,511)</u>	<u>(2,488,367)</u>	<u>858,144</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	110,000	110,000	110,000	-
Total Other Financing Sources (Uses)	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (812,887)</u>	<u>\$ (3,236,511)</u>	<u>(2,378,367)</u>	<u>\$ 858,144</u>
Fund Balances (Deficit)-Beginning			4,882,821	
Fund Balances (Deficit)-Ending			<u>\$ 2,504,454</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Affordable Housing
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ (537)	\$ (537)
Miscellaneous	-	-	46,377	46,377
Total Revenues	<u>-</u>	<u>-</u>	<u>45,840</u>	<u>45,840</u>
EXPENDITURES				
General government	-	1,900	1,760	140
Housing	503,922	474,945	436,598	38,347
Capital outlay	1,000	1,000	120	880
Total Expenditures	<u>504,922</u>	<u>477,845</u>	<u>438,478</u>	<u>39,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(504,922)</u>	<u>(477,845)</u>	<u>(392,638)</u>	<u>85,207</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	504,922	504,922	452,997	(51,925)
Total Other Financing Sources (Uses)	<u>504,922</u>	<u>504,922</u>	<u>452,997</u>	<u>(51,925)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ 27,077</u>	<u>60,359</u>	<u>\$ 33,282</u>
Fund Balances (Deficit)-Beginning			<u>1,349,651</u>	
Fund Balances (Deficit)-Ending			<u>\$ 1,410,010</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Permanent Local Housing Allocation Grant
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Use of money and property	-	-	2,716	2,716
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>2,716</u>	<u>(247,284)</u>
EXPENDITURES				
Housing	-	150,000	78,734	71,266
Total Expenditures	<u>-</u>	<u>150,000</u>	<u>78,734</u>	<u>71,266</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>250,000</u>	<u>100,000</u>	<u>(76,018)</u>	<u>(176,018)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(250,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(176,018)</u>	<u>\$ (176,018)</u>
Fund Balances (Deficit)-Beginning			5,134	
Fund Balances (Deficit)-Ending			<u>\$ (170,884)</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Opioid Settlement
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 78,734	\$ 78,734
Use of money and property	-	-	5,051	5,051
Total Revenues	<u>-</u>	<u>-</u>	<u>83,785</u>	<u>83,785</u>
EXPENDITURES				
Housing	-	101,000	78,734	22,266
Total Expenditures	<u>-</u>	<u>101,000</u>	<u>78,734</u>	<u>22,266</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(101,000)</u>	<u>5,051</u>	<u>106,051</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (101,000)</u>	<u>5,051</u>	<u>\$ 106,051</u>
Fund Balances (Deficit)-Beginning			<u>2,488</u>	
Fund Balances (Deficit)-Ending			<u>\$ 7,539</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Library Services
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ 14,357	\$ 14,357
Total Revenues	<u>-</u>	<u>-</u>	<u>14,357</u>	<u>14,357</u>
EXPENDITURES				
Library	-	1,255,002	606,561	648,441
Total Expenditures	<u>-</u>	<u>1,255,002</u>	<u>606,561</u>	<u>648,441</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,255,002)</u>	<u>(592,204)</u>	<u>662,798</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,321,527	1,321,527	-
Transfers out	-	(94,540)	(94,540)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,226,987</u>	<u>1,226,987</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (28,015)</u>	<u>634,783</u>	<u>\$ 662,798</u>
Fund Balances (Deficit)-Beginning			<u>-</u>	
Fund Balances (Deficit)-Ending			<u>\$ 634,783</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Restricted Capital Project Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Resources (Inflows)				
Investment earnings	\$ 250,000	\$ 250,000	\$ 3,178,677	\$ 2,928,677
Amounts Available for Appropriations	<u>250,000</u>	<u>250,000</u>	<u>3,178,677</u>	<u>2,928,677</u>
Charges to Appropriation (Outflow)				
General government	-	-	1,540	(1,540)
Public safety	-	1,900,000	1,653,302	246,698
Public works	900,000	10,180,303	176,739	10,003,564
Capital outlay	31,177,730	31,535,153	3,524,809	28,010,344
Transfers out	-	-	1,800,000	(1,800,000)
Total Charges to Appropriations	<u>32,077,730</u>	<u>43,615,456</u>	<u>7,156,390</u>	<u>36,459,066</u>
Net Change in Fund Balances	<u>\$ (31,827,730)</u>	<u>\$ (43,365,456)</u>	<u>(3,977,713)</u>	<u>\$ 39,387,743</u>
Fund Balances-Beginning			<u>51,210,890</u>	
Fund Balances-Ending			<u>\$ 47,233,177</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Capital Projects Reserve
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 10,000	\$ 10,000	\$ 682,681	\$ 672,681
Miscellaneous	-	-	312,321	312,321
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>995,002</u>	<u>985,002</u>
EXPENDITURES				
Current:				
General government	3,400,000	3,900,000	700,000	3,200,000
Parks and recreation	3,150,000	574,516	292,121	282,395
Capital outlay	3,630,578	5,918,796	1,926,338	3,992,458
Total Expenditures	<u>10,180,578</u>	<u>10,393,312</u>	<u>2,918,459</u>	<u>7,474,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,170,578)</u>	<u>(10,383,312)</u>	<u>(1,923,457)</u>	<u>8,459,855</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	2,000,000	1,800,000
Transfers out	(3,200,000)	(3,200,000)	(3,200,000)	-
Total Other Financing Sources (Uses)	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>(1,200,000)</u>	<u>1,800,000</u>
Net Change in Fund Balances	<u>\$ (13,170,578)</u>	<u>\$ (13,383,312)</u>	<u>(3,123,457)</u>	<u>\$ 10,259,855</u>
Fund Balances (Deficit)-Beginning			13,243,741	
Fund Balances (Deficit)-Ending			<u>\$ 10,120,284</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Drainage Facilities
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 20,000	\$ 20,000	\$ 94,297	\$ 74,297
Total Revenues	20,000	20,000	94,297	74,297
EXPENDITURES				
Public works	3,200,000	3,824,279	312,744	3,511,535
Total Expenditures	3,200,000	3,824,279	312,744	3,511,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,180,000)	(3,804,279)	(218,447)	3,585,832
OTHER FINANCING SOURCES (USES)				
Transfers in	3,200,000	3,200,000	3,200,000	-
Total Other Financing Sources (Uses)	3,200,000	3,200,000	3,200,000	-
Net Change in Fund Balances	\$ 20,000	\$ (604,279)	2,981,553	\$ 3,585,832
Fund Balances (Deficit)-Beginning			1,764,171	
Fund Balances (Deficit)-Ending			\$ 4,745,724	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Economic Development
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 219,836	\$ 204,836
Rental income	64,543	64,543	113,550	49,007
Use of money and property	10,000	10,000	73,940	63,940
Miscellaneous	-	1,500	1,500	-
Total Revenues	<u>89,543</u>	<u>91,043</u>	<u>408,826</u>	<u>317,783</u>
EXPENDITURES				
General government	492,952	1,208,990	450,466	758,524
Public works	3,600	3,600	2,082	1,518
Housing	234,000	298,000	206,911	91,089
Capital outlay	-	15,000	10,000	5,000
Total Expenditures	<u>730,552</u>	<u>1,525,590</u>	<u>669,459</u>	<u>856,131</u>
Net Change in Fund Balances	<u>\$ (641,009)</u>	<u>\$ (1,434,547)</u>	<u>(260,633)</u>	<u>\$ 1,173,914</u>
Fund Balances (Deficit)-Beginning			<u>1,472,595</u>	
Fund Balances (Deficit)-Ending			<u>\$ 1,211,962</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Parks and Recreational Facilities
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 100	\$ 100	\$ 558	\$ 458
Total Revenues	<u>100</u>	<u>100</u>	<u>558</u>	<u>458</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100</u>	<u>100</u>	<u>558</u>	<u>458</u>
Net Change in Fund Balances	<u>\$ 100</u>	<u>\$ 100</u>	<u>558</u>	<u>\$ 458</u>
Fund Balances (Deficit)-Beginning			<u>10,047</u>	
Fund Balances (Deficit)-Ending			<u>\$ 10,605</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Art in Public Places
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 328,275	\$ 328,275	\$ 394,251	\$ 65,976
Use of money and property	400	400	77,436	77,036
Miscellaneous	164,790	164,790	9,207	(155,583)
Total Revenues	<u>493,465</u>	<u>493,465</u>	<u>480,894</u>	<u>(12,571)</u>
EXPENDITURES				
Parks and recreation	204,370	252,870	113,750	139,120
Capital outlay	390,000	673,557	159,535	514,022
Total Expenditures	<u>594,370</u>	<u>926,427</u>	<u>273,285</u>	<u>653,142</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(100,905)</u>	<u>(432,962)</u>	<u>207,609</u>	<u>640,571</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	-	100,000
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balances	<u>\$ (200,905)</u>	<u>\$ (532,962)</u>	<u>207,609</u>	<u>\$ 740,571</u>
Fund Balances (Deficit)-Beginning			1,302,639	
Fund Balances (Deficit)-Ending			<u>\$ 1,510,248</u>	

CITY OF PALM DESERT, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Signalization
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 300	\$ 300	\$ 6,173	\$ 5,873
Total Revenues	<u>300</u>	<u>300</u>	<u>6,173</u>	<u>5,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>300</u>	<u>300</u>	<u>6,173</u>	<u>5,873</u>
Net Change in Fund Balances	<u>\$ 300</u>	<u>\$ 300</u>	<u>6,173</u>	<u>\$ 5,873</u>
Fund Balances (Deficit)-Beginning			<u>111,405</u>	
Fund Balances (Deficit)-Ending			<u>\$ 117,578</u>	

CITY OF PALM DESERT, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Capital Golf
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 2,587,865	\$ 2,587,865	\$ 2,680,153	\$ 92,288
Use of money and property	30,000	30,000	690,324	660,324
Miscellaneous	-	-	900,122	900,122
Total Revenues	<u>2,617,865</u>	<u>2,617,865</u>	<u>4,270,599</u>	<u>1,652,734</u>
EXPENDITURES				
Parks and recreation	1,850,000	13,701,793	10,026,646	3,675,147
Total Expenditures	<u>1,850,000</u>	<u>13,701,793</u>	<u>10,026,646</u>	<u>3,675,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>767,865</u>	<u>(11,083,928)</u>	<u>(5,756,047)</u>	<u>5,327,881</u>
Net Change in Fund Balances	<u>\$ 767,865</u>	<u>\$ (11,083,928)</u>	<u>(5,756,047)</u>	<u>\$ 5,327,881</u>
Fund Balances (Deficit)-Beginning			13,338,987	
Fund Balances (Deficit)-Ending			<u>\$ 7,582,940</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Buildings
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 5,000	\$ 5,000	\$ 70,343	\$ 65,343
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>70,343</u>	<u>65,343</u>
EXPENDITURES				
Current:				
General government	450,000	450,000	164,235	285,765
Parks and recreation	100,000	100,000	-	100,000
Capital outlay	1,400,000	2,787,567	2,091,983	695,584
Total Expenditures	<u>1,950,000</u>	<u>3,337,567</u>	<u>2,256,218</u>	<u>1,081,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,945,000)</u>	<u>(3,332,567)</u>	<u>(2,185,875)</u>	<u>1,146,692</u>
Net Change in Fund Balances	<u>\$ (1,945,000)</u>	<u>\$ (3,332,567)</u>	<u>(2,185,875)</u>	<u>\$ 1,146,692</u>
Fund Balances (Deficit)-Beginning			1,911,254	
Fund Balances (Deficit)-Ending			<u>\$ (274,621)</u>	

CITY OF PALM DESERT, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Library
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000
Use of money and property	-	-	90,926	90,926
Total Revenues	<u>-</u>	<u>-</u>	<u>4,090,926</u>	<u>4,090,926</u>
EXPENDITURES				
Capital outlay	-	1,737,797	1,025,579	712,218
Total Expenditures	<u>-</u>	<u>1,737,797</u>	<u>1,025,579</u>	<u>712,218</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (1,737,797)</u>	<u>3,065,347</u>	<u>\$ 4,803,144</u>
Fund Balances (Deficit)-Beginning			<u>687,519</u>	
Fund Balances (Deficit)-Ending			<u>\$ 3,752,866</u>	

CITY OF PALM DESERT, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
City Highlands Undergrounding
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Assessments	\$ 120,391	\$ 120,391	\$ 131,442	\$ 11,051
Use of money and property	300	300	4,879	4,579
Total Revenues	<u>120,691</u>	<u>120,691</u>	<u>136,321</u>	<u>15,630</u>
EXPENDITURES				
Current:				
General government	16,684	15,684	15,506	178
Debt service:				
Principal	51,000	52,000	52,000	-
Interest and fiscal charges	51,709	51,709	51,452	257
Total Expenditures	<u>119,393</u>	<u>119,393</u>	<u>118,958</u>	<u>435</u>
Net Change in Fund Balances	<u>\$ 1,298</u>	<u>\$ 1,298</u>	<u>17,363</u>	<u>\$ 16,065</u>
Fund Balances (Deficit)-Beginning			<u>125,067</u>	
Fund Balances (Deficit)-Ending			<u>\$ 142,430</u>	

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	<u>Equipment Replacement</u>	<u>Compensation Benefits</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and investments	\$ 5,928,085	\$ 2,517,471	\$ 8,445,556
Total current assets	<u>5,928,085</u>	<u>2,517,471</u>	<u>8,445,556</u>
Noncurrent:			
Nondepreciable capital assets	11,821	-	11,821
Depreciable capital assets, net	2,869,354	-	2,869,354
Total noncurrent assets	<u>2,881,175</u>	<u>-</u>	<u>2,881,175</u>
Total Assets	<u>8,809,260</u>	<u>2,517,471</u>	<u>11,326,731</u>
LIABILITIES			
Current liabilities:			
Accounts payable	23,151	-	23,151
Compensated absences	-	500,000	500,000
Total current liabilities	<u>23,151</u>	<u>500,000</u>	<u>523,151</u>
Noncurrent liabilities:			
Compensated absences	-	2,172,687	2,172,687
Total noncurrent liabilities	<u>-</u>	<u>2,172,687</u>	<u>2,172,687</u>
Total Liabilities	<u>23,151</u>	<u>2,672,687</u>	<u>2,695,838</u>
NET POSITION			
Net invested in capital assets	2,881,175	-	2,881,175
Unrestricted	5,904,934	(155,216)	5,749,718
Total Net Position	<u>\$ 8,786,109</u>	<u>\$ (155,216)</u>	<u>\$ 8,630,893</u>

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Equipment Replacement	Compensation Benefits	Total Internal Service Funds
OPERATING EXPENSES			
General and administrative	\$ -	\$ 283,100	\$ 283,100
Maintenance and operations	317,148	-	317,148
Depreciation	736,211	-	736,211
Total Operating Expenses	1,053,359	283,100	1,336,459
Operating Income (Loss)	(1,053,359)	(283,100)	(1,336,459)
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	347,485	127,884	475,369
Gain (loss) on disposal of capital assets	(63,374)	-	(63,374)
Total Nonoperating Revenues (Expenses)	284,111	127,884	411,995
Income (Loss) Before Capital Contributions and Transfers	(769,248)	(155,216)	(924,464)
Transfers in	119,788	272,399	392,187
Change in Net Position	(649,460)	117,183	(532,277)
Net Position-Beginning	9,435,569	(272,399)	9,163,170
Net Position-Ending	\$ 8,786,109	\$ (155,216)	\$ 8,630,893

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	<u>Equipment Replacement</u>	<u>Compensation Benefits</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and service providers	\$ (292,001)	\$ (211,441)	\$ (503,442)
Net Cash Provided By (Used For)			
Operating Activities	<u>(292,001)</u>	<u>(211,441)</u>	<u>(503,442)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	119,788	272,399	392,187
Net Cash Provided By (Used For)			
Noncapital Financing Activities	<u>119,788</u>	<u>272,399</u>	<u>392,187</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,071,302)	-	(1,071,302)
Net Cash Provided By (Used For)			
Capital and Related Financing Activities	<u>(1,071,302)</u>	<u>-</u>	<u>(1,071,302)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	347,485	127,884	475,369
Net Cash Provided By (Used For)			
Investing Activities	<u>347,485</u>	<u>127,884</u>	<u>475,369</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(896,030)</u>	<u>188,842</u>	<u>(707,188)</u>
Cash and Cash Equivalents-Beginning	6,824,115	2,328,629	9,152,744
Cash and Cash Equivalents-Ending	<u>\$ 5,928,085</u>	<u>\$ 2,517,471</u>	<u>\$ 8,445,556</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,053,359)	\$ (283,100)	\$ (1,336,459)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	736,211	-	736,211
(Increase) decrease in prepaid items	1,996	-	1,996
Increase (decrease) in accounts payable	23,151	-	23,151
Increase (decrease) in compensated absences	-	71,659	71,659
Total adjustments	<u>761,358</u>	<u>71,659</u>	<u>\$ 833,017</u>
Net Cash Provided By (Used For)			
Operating Activities	<u>\$ (292,001)</u>	<u>\$ (211,441)</u>	<u>\$ (503,442)</u>

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	<u>Retiree Service</u>	<u>Special Assessment Districts</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,102,293	\$ 6,175,637	\$ 9,277,930
Receivables:			
Assessments	-	45,569,000	45,569,000
Due from other governments	-	35,012	35,012
Restricted assets:			
Cash and investments with fiscal agents	-	4,244,913	4,244,913
Total Assets	<u>3,102,293</u>	<u>56,024,562</u>	<u>59,126,855</u>
LIABILITIES			
Trade Accounts Payable	8,450	1,126	9,576
Accrued Interest Payable, Deposits	-	164,092	164,092
Deposits Received	-	45,569,000	45,569,000
Due to Other Governments, Current	-	10,223,452	10,223,452
Total Liabilities	<u>8,450</u>	<u>55,957,670</u>	<u>55,966,120</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on debt issuance	-	66,892	66,892
Total Deferred Inflows of Resources	<u>-</u>	<u>66,892</u>	<u>66,892</u>
NET POSITION			
Restricted for other purposes	3,093,843	-	3,093,843
Total Net Position	<u>\$ 3,093,843</u>	<u>\$ -</u>	<u>\$ 3,093,843</u>

CITY OF PALM DESERT, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	Retiree Service	Special Assessment Districts	Total Custodial Funds
ADDITIONS			
Investment income	\$ 137,784	\$ 192,587	\$ 330,371
Intergovernmental Revenues	-	6,078,090	6,078,090
Contributions from City	890,129	-	890,129
Total Additions	1,027,913	6,270,677	7,298,590
DEDUCTIONS			
Administrative expenses	10,400	504,790	515,190
Contractual services	879,729	2,721,242	3,600,971
Interest expense	-	1,569,645	1,569,645
Principal expense	-	1,475,000	1,475,000
Total Deductions	890,129	6,270,677	7,160,806
Net Increase (Decrease) in Fiduciary Net Position	137,784	-	137,784
Net Position-Beginning	2,956,059	-	2,956,059
Net Position-Ending	\$ 3,093,843	\$ -	\$ 3,093,843



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DESCRIPTION OF STATISTICAL SECTION CONTENTS

For the Year Ended June 30, 2024

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	2024	2023	2022	2021	2020
Net Investment in capital assets	\$ 401,724,234	\$ 416,680,537	\$ 422,400,639	\$ 421,568,819	\$ 424,163,964
Restricted	175,666,035	172,531,052	164,636,470	197,082,889	196,858,726
Unrestricted	155,755,920	156,106,349	146,766,766	92,557,050	86,017,220
Total Governmental Activities Net Position	733,146,189	745,317,938	733,803,875	711,208,758	707,039,910
Business-Type Activities					
Net Investment in capital assets	68,469,469	69,239,563	67,327,809	67,981,326	68,394,059
Unrestricted	11,035,899	10,541,338	10,495,570	8,069,182	6,672,261
Total Business-type Activities Net Position	79,505,368	79,780,901	77,823,379	76,050,508	75,066,320
Primary Government					
Net Investment in capital assets	470,193,703	485,920,100	489,728,448	489,550,145	492,558,023
Restricted	175,666,035	172,531,052	164,636,470	197,082,889	196,858,726
Unrestricted	166,791,819	166,647,687	157,262,336	100,626,232	92,689,481
Total Primary Government Net Position	\$ 812,651,557	\$ 825,098,839	\$ 811,627,254	\$ 787,259,266	\$ 782,106,230

Governmental Activities	2019	2018	2017	2016	2015
Net Investment in capital assets	\$ 429,729,549	\$ 438,184,070	\$ 449,037,170	\$ 459,644,720	\$ 473,722,694
Restricted	200,536,233	197,349,364	197,824,604	193,298,431	135,900,520
Unrestricted	90,057,306	83,054,707	87,091,894	78,812,066	71,530,456
Total Governmental Activities Net Position	720,323,088	718,588,141	733,953,668	731,755,217	(3) 681,153,670 (2)
Business-Type Activities					
Net Investment in capital assets	69,070,734	69,111,797	69,829,772	70,202,487	71,129,743
Unrestricted	6,590,251	5,609,843	4,829,456	4,479,575	4,302,958
Total Business-type Activities Net Position	75,660,985	74,721,640	74,659,228	74,682,062	75,432,701
Primary Government					
Net Investment in capital assets	498,800,283	507,295,867	518,866,942	529,847,207	544,852,437
Restricted	200,536,233	197,349,364	197,824,604	193,298,431	135,900,520
Unrestricted	96,647,557	88,664,550	91,921,350	83,291,641	75,833,414
Total Primary Government Net Position	\$ 795,984,073	\$ 793,309,781	\$ 808,612,896	\$ 806,437,279	\$ 756,586,371

(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	2024	2023	2022	2021	2020
Governmental Activities:					
General government	\$ 46,406,293	\$ 26,185,065	\$ 24,738,040	\$ 25,610,212	\$ 24,297,715
Public safety	43,639,884	40,753,734	37,396,780	34,280,941	37,286,860
Housing & Redevelopment	27,871,773	13,251,192	9,626,399	10,496,579	8,802,290
Parks, recreation and culture	20,317,786	19,112,483	8,880,984	7,969,386	7,651,094
Public works	28,646,485	20,646,936	22,071,598	24,979,279	28,270,798
Library	606,561	-	-	-	-
Payments to other agencies	-	-	2,692	-	-
Interest on long term debt	153,203	143,521	148,079	176,259	203,183
Total Governmental activities Expenses	167,641,985	120,092,931	102,864,572	103,512,656	106,511,940
Business-Type Activities:					
Desert Willow Golf Course	12,973,341	11,073,128	9,910,813	8,960,991	8,603,243
Office Complex - Parkview	1,362,313	1,409,321	951,353	872,212	856,196
Total Business-Type Activities	14,335,654	12,482,449	10,862,166	9,833,203	9,459,439
Total primary government expenses	\$ 181,977,639	\$ 132,575,380	\$ 113,726,738	\$ 113,345,859	\$ 115,971,379
Program Revenues					
Governmental Activities					
Charges for services					
General government	\$ 2,889,464	\$ 2,678,135	\$ 2,901,226	\$ 2,437,840	\$ 2,343,116
Housing & Redevelopment	9,193,031	11,016,631	8,060,726	7,455,959	8,446,585
Public safety	20,828,172	18,831,126	17,506,658	18,828,021	16,429,810
Parks, recreation and culture	3,578,805	3,339,445	675,307	325,485	532,543
Public works	2,860,351	2,958,606	3,075,351	2,443,299	2,386,635
Operating grants & contributions	9,902,196	13,039,734	20,328,308	10,617,579	10,416,281
Capital grants & contributions	17,310,806	4,673,498	4,828,197	16,836,560	3,661,487
Total Governmental Activities Program Revenues	66,562,825	56,537,175	57,375,773	58,944,743	44,216,457
Business-Type Activities					
Charges for Service:					
Desert Willow Golf Course	12,200,236	12,159,419	11,068,847	9,171,607	7,099,985
Office Complex - Parkview	1,220,790	1,473,376	1,340,680	1,291,020	1,311,140
Capital grants & contributions	189,931	99,154	187,083	220,198	183,556
Total Business-type activities program revenue	13,610,957	13,731,949	12,596,610	10,682,825	8,594,681
Total Primary Government program revenue	\$ 80,173,782	\$ 70,269,124	\$ 69,972,383	\$ 69,627,568	\$ 52,811,138
Net (Expense) / Revenue					
Governmental activities	\$ (101,079,160)	\$ (63,555,756)	\$ (45,488,799)	\$ (44,567,913)	\$ (62,295,483)
Business-type activities	(724,697)	1,249,500	1,734,444	849,622	(864,758)
Total Primary Government Net Expense	\$ (101,803,857)	\$ (62,306,256)	\$ (43,754,355)	\$ (43,718,291)	\$ (63,160,241)
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes: (Combined/Net Pass-through)	\$ 67,521,298	\$ 67,809,190	\$ 66,204,764	\$ 47,221,069	\$ 45,210,477
Investment Earnings	-	5,165,176	(1,971,646)	301,330	2,366,204
Gain(loss) on sales of capital assets	-	825,294	-	-	80,490
Miscellaneous	21,092,008	1,250,480	3,850,798	1,214,362	1,355,134
Special Item (3)	-	-	-	-	-
Transfers In / (Out)	294,105	-	-	-	-
Total Governmental activities Net Revenues	88,907,411	75,050,140	68,083,916	48,736,761	49,012,305
Business-Type Activities:					
Investment Earnings	-	450,279	(99,994)	20,283	159,115
Miscellaneous	743,269	257,743	138,421	114,283	110,978
Transfers Out	(294,105)	-	-	-	-
Total Business-type activities	449,164	708,022	38,427	134,566	270,093
Total primary government	\$ 89,356,575	\$ 75,758,162	\$ 68,122,343	\$ 48,871,327	\$ 49,282,398
Change in Net Position					
Governmental Activities:	\$ (12,171,749)	\$ 11,494,384	\$ 22,595,117	\$ 4,168,848	\$ (13,283,178)
Business-Type Activities:	(275,533)	1,957,522	1,772,871	984,188	(594,665)
Total primary government	\$ (12,447,282)	\$ 13,451,906	\$ 24,367,988	\$ 5,153,036	\$ (13,877,843)

(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	2019	2018	2017	2016	2015
Governmental Activities:					
General government	\$ 23,252,576	\$ 18,467,097	\$ 15,708,054	\$ 14,836,881	\$ 16,337,393
Public safety	37,195,732	36,543,050	34,943,220	34,009,984	32,077,635
Housing & Redevelopment	9,067,858	9,605,756	10,954,630	8,162,859	11,666,724
Parks, recreation and culture	8,284,914	8,240,115	9,850,200	9,223,126	8,598,242
Public works	14,836,332	18,358,907	14,892,145	47,044,197	19,144,213
Interest on long term debt	231,228	259,250	271,603	289,000	294,258
Total Governmental Activities Expenses	92,868,640	91,474,175	86,619,852	113,566,047	88,118,465
Business-Type Activities:					
Desert Willow Golf Course	8,700,514	8,763,220	8,243,515	8,165,183	8,433,267
Office Complex - Parkview	874,753	930,815	893,125	1,005,918	934,296
Total Business-Type Activities	9,575,267	9,694,035	9,136,640	9,171,101	9,367,563
Total primary government expenses	\$ 102,443,907	\$ 101,168,210	\$ 95,756,492	\$ 122,737,148	\$ 97,486,028
Program Revenues					
Governmental Activities					
Charges for services					
General government	\$ 2,645,724	\$ 2,388,260	\$ 2,095,648	\$ 2,185,123	\$ 2,088,393
Housing & Redevelopment	8,180,354	7,551,760	6,861,450	7,029,595	7,971,265
Public safety	14,503,741	10,801,436	10,603,708	10,606,464	9,987,891
Parks, recreation and culture	829,557	821,824	793,527	772,801	772,728
Public works	2,762,045	2,685,831	2,327,521	2,186,153	1,832,241
Operating grants & contributions	10,426,397	8,555,881	7,931,900	9,496,520	7,512,894
Capital grants & contributions	4,016,193	2,442,621	7,710,355	10,839,715	19,297,015
Total Governmental Activities Program Revenues	43,364,011	35,247,613	38,324,109	43,116,371	49,462,427
Business-Type Activities					
Charges for Service:					
Desert Willow Golf Course	8,743,654	8,432,273	7,497,664	7,240,866	7,894,676
Office Complex - Parkview	1,298,066	1,250,456	1,284,462	1,280,230	1,306,042
Capital grants & contributions	504,217	167,670	605,186	111,942	47,768
Total Business-type activities program revenue	10,545,937	9,850,399	9,387,312	8,633,038	9,248,486
Total Primary Government program revenue	\$ 53,909,948	\$ 45,098,012	\$ 47,711,421	\$ 51,749,409	\$ 58,710,913
Net (Expense) / Revenue					
Governmental Activities	\$ (49,504,629)	\$ (56,226,562)	\$ (48,295,743)	\$ (70,449,676)	\$ (38,656,038)
Business-type activities	970,670	156,364	250,672	(538,063)	(119,077)
Total Primary Government Net Expense	\$ (48,533,959)	\$ (56,070,198)	\$ (48,045,071)	\$ (70,987,739)	\$ (38,775,115)
General Revenues & Other Changes in Net Position					
Governmental Activities:					
Taxes: (Combined/Net Pass-through)	\$ 53,894,917	\$ 50,150,650	\$ 47,628,454	\$ 44,747,151	\$ 41,931,997
Investment Earnings	3,170,693	1,901,536	1,041,232	2,074,934	494,452
Gain(loss) on sales of assets	7,452	17,274	2,145	24,292	11,720
Miscellaneous	1,396,514	1,573,106	1,522,363	1,828,677	1,726,007
Special Item (3)	(7,530,000)	-	-	-	-
Transfers In / (Out)	300,000	300,000	300,000	237,500	437,500
Gain on Transfer to Successor Agency/Extraordinary Gain (2)	-	-	-	72,138,669	-
Total Governmental Activities Net Revenues	51,239,576	53,942,566	50,494,194	121,051,223	44,601,676
Business-Type Activities:					
Investment Earnings	181,310	74,873	26,494	24,924	11,774
Gain(loss) on sales of capital assets	87,365	131,175	-	-	47,938
Transfers Out	(300,000)	(300,000)	(300,000)	(237,500)	(437,500)
Total Business-type activities	(31,325)	(93,952)	(273,506)	(212,576)	(377,788)
Total primary government	\$ 51,208,251	\$ 53,848,614	\$ 50,220,688	\$ 120,838,647	\$ 44,223,888
Change in Net Position					
Governmental Activities:	\$ 1,734,947	\$ (2,283,996)	\$ 2,198,451	\$ 50,601,547	\$ 5,945,638
Business-Type Activities:	939,345	62,412	(22,834)	(750,639)	(496,865)
Total primary government	\$ 2,674,292	\$ (2,221,584)	\$ 2,175,617	\$ 49,850,908	\$ 5,448,773

(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:	2024	2023	2022	2021	2020
Nonspendable	\$ 2,888,448	\$ 3,501,822	\$ 4,050,414	\$ 4,178,180	\$ 7,196,092
Committed	52,308,943	83,424,843	82,741,109	73,856,851	66,012,415
Assigned	18,698,560	19,282,496	18,238,107	16,696,825	16,196,564
Unassigned	52,457,702	14,707,351	32,645,330	5,681,608	3,473,480
Total General Fund	126,353,653	120,916,512	137,674,960	100,413,464	92,878,551
All other Governmental Funds:					
Nonspendable	80,800	51,657	19,591	18,427	15,705
Restricted	175,666,695	172,531,603	164,636,470	168,368,520	168,806,454
Committed	20,274,259	15,568,245	15,761,482	16,312,379	16,275,373
Assigned	24,365,783	32,522,600	28,078,039	27,459,735	27,133,815
Unassigned	(445,505)	-	(126,614)	-	-
Total all other Governmental Funds	\$ 219,942,032	\$ 220,674,105	\$ 208,368,968	\$ 212,159,061	\$ 212,231,347

General Fund:	2019	2018	2017	2016	2015
Nonspendable	\$ 10,559,396	\$ 10,509,094	\$ 9,067,979	\$ 9,528,630	\$ 10,312,261
Committed	63,197,223	59,666,638	-	-	-
Assigned	15,964,130	15,492,508	658,817	991,853	1,771,278
Unassigned	3,322,321	4,702,308	74,259,748	71,842,172	67,727,130
Total General Fund	93,043,070	90,370,548	83,986,544	82,362,655	79,810,669
All other Governmental Funds:					
Nonspendable	193,189	1,726	1,276	3,052	348
Restricted	175,780,733	169,549,126	171,044,474	165,411,544 (3)	106,261,212
Committed	16,247,652	16,751,821	16,771,055	16,873,834	16,952,887
Assigned	21,238,271	23,258,063	23,250,337	-	24,172,531
Total all other Governmental Funds	\$ 213,459,845	\$ 209,560,736	\$ 211,067,142	\$ 182,288,430	\$ 147,386,978

(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:	2024	2023	2022	2021	2020
Taxes	\$ 87,339,337	\$ 86,687,919	\$ 84,037,191	\$ 65,209,322	\$ 59,635,918
Special assessments collected	3,697,666	3,618,972	3,407,107	3,381,657	3,481,924
Licenses & permits	1,990,632	3,111,176	2,622,695	1,504,694	1,268,965
Intergovernmental revenues	11,371,128	6,711,363	12,300,071	20,136,679	6,401,926
Rental income	9,463,306	8,958,960	8,129,025	7,320,419	7,071,648
Charges for services	10,284,637	8,743,794	6,175,500	4,889,634	5,272,577
Investment Earnings	18,508,081	12,129,730	(2,402,801)	1,298,728	10,311,159
Fines & forfeitures	106,152	127,087	105,198	147,671	127,801
Miscellaneous	11,955,948	852,153	7,340,808	3,776,838	4,741,905
Contributions from other government	-	-	1,974,653	-	-
Total Revenues	\$ 154,716,887	\$ 130,941,154	\$ 123,689,447	\$ 107,665,642	\$ 98,313,823
Expenditures:					
General government	\$ 34,683,367	\$ 24,896,946	\$ 24,079,563	\$ 23,478,543	\$ 21,468,512
Housing & redevelopment	13,090,694	10,310,551	8,232,440	8,839,559	7,090,941
Public safety	43,449,970	40,660,248	37,322,951	34,035,102	37,021,952
Parks, recreation & culture	18,912,572	17,708,634	7,439,687	6,073,015	5,902,166
Public works	14,102,656	15,287,888	17,667,805	18,533,419	21,994,806
Library	606,561	-	-	-	-
Capital outlay	24,510,104	7,835,762	12,110,677	7,840,438	5,117,968
Debt service:					
Principal retirement	582,854	263,809	2,294,052	174,000	225,000
Interest and fiscal charges	153,203	135,903	157,462	184,529	210,292
Total Expenditures	\$ 150,091,981	\$ 117,099,741	\$ 109,304,637	\$ 99,158,605	\$ 99,031,637
Excess(deficiency of Revenues over(under) expenditures	\$ 4,624,906	\$ 13,841,413	\$ 14,384,810	\$ 8,507,037	\$ (717,814)
Other financing sources (uses)					
Transfers in	15,057,580	26,746,473	11,555,402	10,186,341	10,702,762
Transfers out	(15,155,662)	(27,707,762)	(11,864,512)	(11,230,751)	(11,377,965)
Extraordinary Gain / (Loss) (2)	-	-	2,603,284	-	-
Sale of property	594,610	(88,163)	(1,001,688)	-	-
Proceeds from subscriptions	473,763	529,156	-	-	-
Total Other financing sources (uses)	80,162	(520,296)	1,292,486	(1,044,410)	(675,203)
Net Change In Fund Balance	\$ 4,705,068	\$ 13,321,117	\$ 15,677,296	\$ 7,462,627	\$ (1,393,017)
Debt service as a percentage of noncapital expenditures	0.6%	0.4%	2.5%	0.4%	0.5%

Revenues:	2019	2018	2017	2016	2015
Taxes	\$ 67,102,185	\$ 61,906,859	\$ 59,466,545	\$ 56,735,503	\$ 52,571,369
Special assessments collected	3,948,157	3,445,246	3,318,114	3,296,705	3,058,766
Licenses & permits	1,416,829	1,326,049	1,678,709	2,057,843	1,757,250
Intergovernmental revenues	6,194,152	5,682,704	7,249,515	15,429,238	18,981,304
Rental income	6,899,916	6,675,632	6,439,458	5,896,480	5,660,762
Charges for services	5,223,285	2,894,821	2,356,363	2,082,843	1,819,464
Investment Earnings	7,166,097	3,626,892	2,086,224	1,837,319	1,242,662
Fines & forfeitures	273,434	162,370	135,276	295,269	224,612
Miscellaneous	2,892,940	2,886,542	2,594,433	2,317,499	2,377,923
Contributions from other government	-	-	3,550,991	-	9,168
Contributions from property owners	-	-	-	7,868	-
Total Revenues	\$ 101,116,995	\$ 88,607,115	\$ 88,875,628	\$ 89,956,567	\$ 87,703,280
Expenditures:					
General government	\$ 24,269,546	\$ 19,281,102	\$ 16,887,293	\$ 15,783,955	\$ 15,467,746
Housing & redevelopment	7,504,119	8,522,801	9,239,680	6,438,849	9,349,021
Public safety	36,901,283	36,247,656	34,674,418	33,750,347	31,819,214
Parks, recreation & culture	6,497,391	6,467,713	7,157,821	6,831,534	6,236,717
Public works	8,728,354	12,183,852	8,794,894	11,031,584	13,082,388
Contributions to property owners	-	-	-	19,584,487	49
Capital outlay	3,396,511	915,422	2,169,035	7,071,738	19,339,987
Debt service:					
Principal retirement	587,000	150,000	237,000	257,000	4,944,000
Interest and fiscal charges	244,050	260,971	277,814	296,336	240,219
Total Expenditures	\$ 88,128,254	\$ 84,029,517	\$ 79,437,955	\$ 101,045,830	\$ 100,479,341
Excess(deficiency of Revenues over(under) expenditures	\$ 12,988,741	\$ 4,577,598	\$ 9,437,673	\$ (11,089,263)	\$ (12,776,061)
Other financing sources (uses)					
Transfers in	5,319,448	6,613,352	9,406,888	6,030,706	6,132,859
Transfers out	(5,736,558)	(6,313,352)	(12,218,428)	(6,075,206)	(6,971,359)
Special Item (3)	(6,000,000)	-	-	-	-
Extraordinary Gain / (Loss) (2)	-	-	-	72,138,669	-
Sale of property	-	-	-	225,000	2,163,222
Total Other financing sources (uses)	(6,417,110)	300,000	(2,811,540)	72,319,169	1,324,722
Net Change In Fund Balance	\$ 6,571,631	\$ 4,877,598	\$ 6,626,133	\$ 61,229,906	\$ (11,451,339)
Debt service as a percentage of noncapital expenditures	1.0%	0.5%	0.7%	0.6%	6.4%

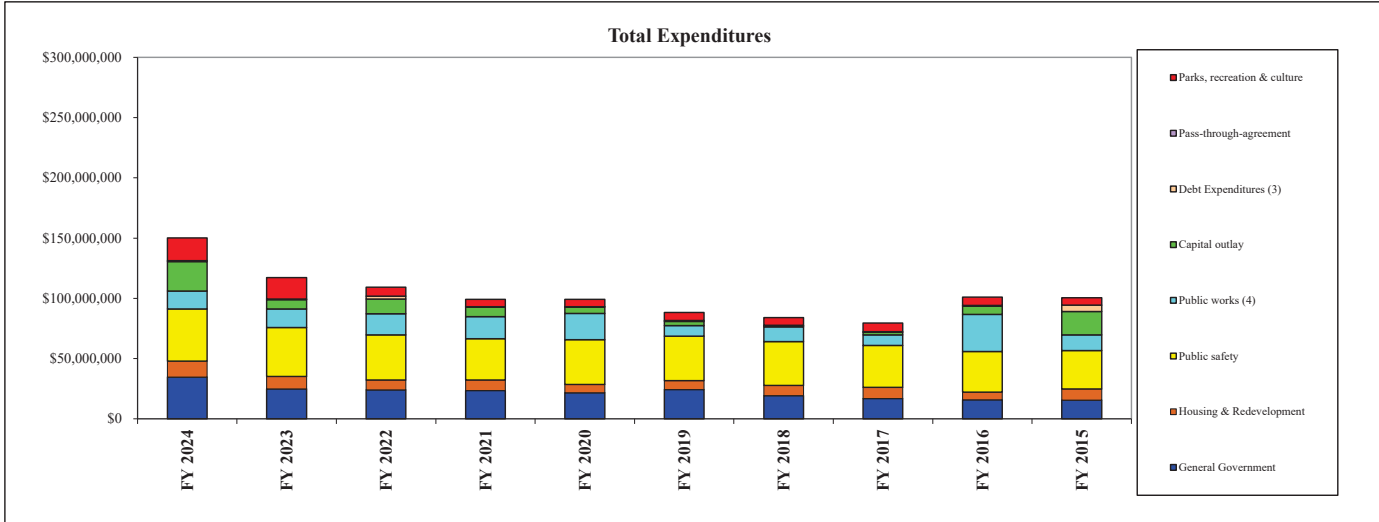
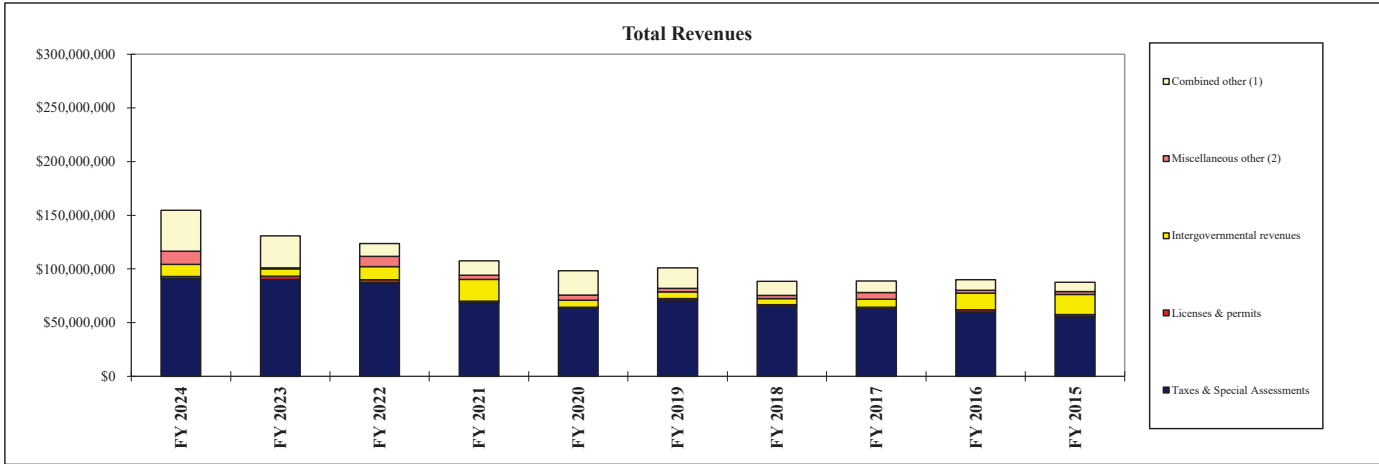
(1) On February 1, 2012 the State of California dissolved the City of Palm Desert Redevelopment Agency as part of the Statewide dissolution of all City Redevelopment Agencies, which in turn created the Successor Agency to the Redevelopment Agency of the City of Palm Desert.

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	2024	2023	2022	2021	2020
Revenue Type:					
Sales Tax	\$ 25,391,092	\$ 26,354,774	\$ 26,193,390	\$ 21,156,220	\$ 18,445,806
Transient Occupancy Tax	23,019,911	23,825,410	22,098,939	10,760,455	11,681,583
Property Tax (3)	15,326,607	12,952,007	11,703,419	11,193,276	11,101,584
Investment Earnings	6,767,157	5,025,534	(1,867,595)	284,744	4,181,814
Transfer In	396,806	2,478,731	3,774,873	3,515,966	2,472,976
Franchises	3,727,659	3,574,273	3,334,555	3,066,989	3,025,984
State Subventions (1) (3)	131,253	146,957	127,546	38,945	60,593
Building & Grading Permits	1,491,171	2,290,974	2,079,314	1,195,893	953,176
Reimbursements (4)	1,531,895	1,464,230	530,474	1,229,484	1,375,770
Business License Tax	1,272,190	1,139,514	1,326,920	962,940	1,038,137
Timeshare Mitigation Fee	1,789,418	1,711,324	1,555,137	1,501,625	1,467,905
Plan Check Fees	471,287	644,448	616,576	480,881	468,180
Property Transfer Tax	918,983	934,735	1,197,951	1,027,833	566,468
Other Revenues (2)	1,611,425	3,581,082	8,337,209	8,072,509	3,130,862
Total General Revenue	\$ 83,846,855	\$ 86,123,993	\$ 81,008,708	\$ 64,487,760	\$ 59,970,838

FY	2019	2018	2017	2016	2015
Revenue Type:					
Sales Tax	\$ 21,434,387	\$ 18,627,704	\$ 18,505,449	\$ 18,994,779	\$ 17,565,134
Transient Occupancy Tax	17,250,843	17,019,034	15,054,259	11,252,997	10,799,680
Property Tax (3)	11,074,207	10,777,998	10,157,813	10,461,595	9,710,990
Investment Earnings	2,672,643	1,237,562	644,341	725,015	416,656
Transfer In	937,202	1,610,830	1,472,852	1,390,258	2,179,472
Franchises	3,078,855	3,097,521	3,146,702	3,095,873	3,102,431
State Subventions (1) (3)	82,722	38,876	23,101	59,317	155,049
Building & Grading Permits	1,064,071	1,048,973	1,247,390	1,216,115	1,279,706
Reimbursements (4)	1,468,351	1,388,654	1,407,811	1,589,511	1,604,707
Business License Tax	1,216,712	1,154,275	1,118,183	1,269,082	1,160,207
Timeshare Mitigation Fee	1,678,375	1,543,762	1,467,028	1,500,683	1,483,158
Plan Check Fees	619,763	691,096	431,115	592,818	505,370
Property Transfer Tax	727,978	664,822	690,975	491,060	558,965
Other Revenues (2)	2,352,803	1,951,122	2,185,703	2,189,063	1,713,758
Total General Revenue	\$ 65,658,912	\$ 60,852,229	\$ 57,552,722	\$ 54,828,166	\$ 52,235,283

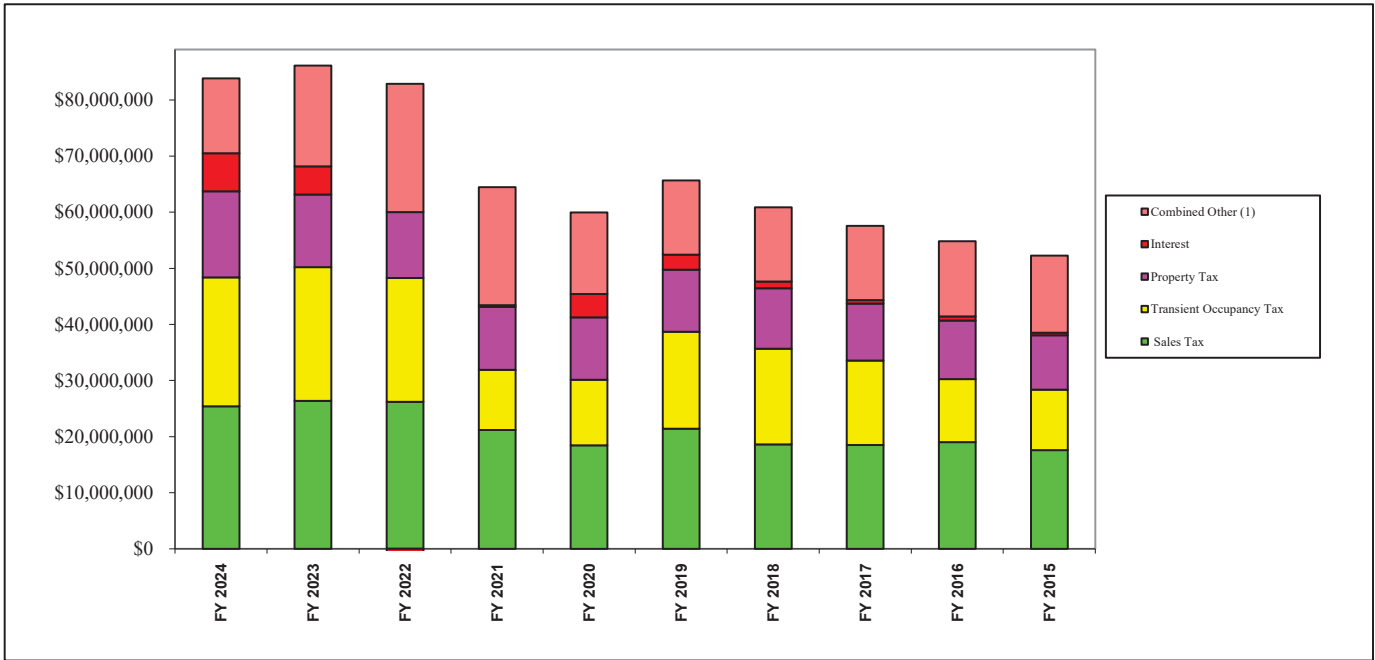
(1) State Subventions is any combination of motor vehicle, off-highway in-lieu, and subventions from state.

(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	2024	2023	2022	2021	2020
Expenditure:					
Public Safety (1)	\$ 24,181,750	\$ 23,304,557	\$ 20,288,195	\$ 19,326,751	\$ 21,415,334
City Administration (2)	21,172,587	14,202,930	12,620,102	12,990,562	11,429,468
Public Works Administration	1,897,288	3,026,733	2,265,476	1,886,402	2,457,045
Community Promotions	746,864	1,347,204	1,216,272	420,424	947,370
Street Maintenance	2,342,284	2,156,583	2,421,966	2,317,468	2,212,933
Building Safety	1,282,002	1,366,067	1,751,817	1,461,477	1,661,372
Public Works (4)	4,126,215	3,852,469	1,338,520	1,165,671	1,151,447
Other Expenditures (3)	23,263,679	35,851,470	18,572,299	17,384,092	18,860,388
Total Expenditures	\$ 79,012,669	\$ 85,108,013	\$ 60,474,647	\$ 56,952,847	\$ 60,135,357

FY	2019	2018	2017	2016	2015
Expenditure:					
Public Safety (1)	\$ 20,975,032	\$ 21,088,867	\$ 20,424,249	\$ 20,151,237	\$ 18,784,117
City Administration (2)	12,521,081	11,460,325	8,238,228	7,971,706	7,561,255
Public Works Administration	2,149,715	2,333,897	2,637,630	2,664,871	2,645,443
Community Promotions	1,249,674	1,179,305	1,062,611	791,565	749,631
Street Maintenance	2,185,648	2,020,797	2,418,451	2,709,328	2,631,590
Building Safety	1,828,083	1,579,734	1,849,442	1,888,290	1,847,798
Street Resurfacing	-	2,760	25,326	1,083,919	998,463
Public Works (4)	1,250,969	1,133,007	970,877	1,004,989	1,067,837
Other Expenditures (3)	20,826,188	13,669,533	18,302,019	14,010,275	14,512,426
Total Expenditures	\$ 62,986,390	\$ 54,468,225	\$ 55,928,833	\$ 52,276,180	\$ 50,798,560

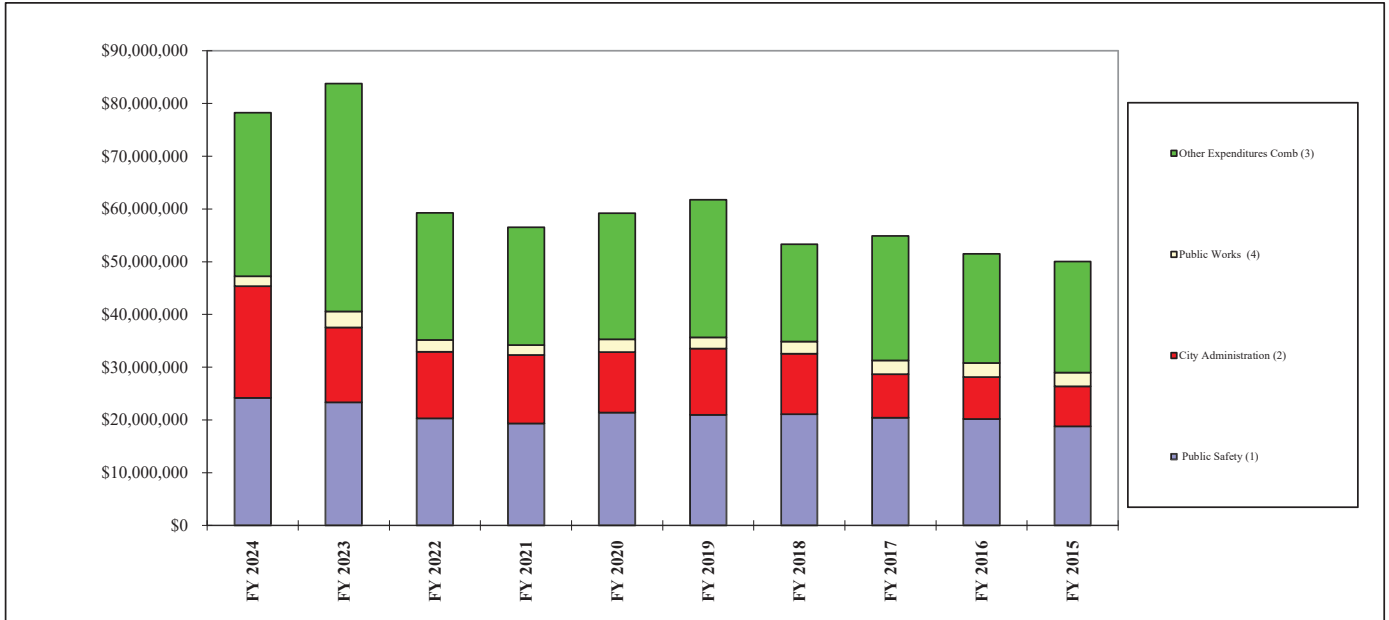
(1) Public Safety is any combination of animal regulation, police services, community safety and traffic safety expenditures, this does not include the cost for Fire Services. Fire Services are reported in a different fund.

(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.



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**City of Palm Desert
Supplemental Historical General Revenue and Expenditures Per Capita
Last Ten Fiscal Years**

FY	2024	2023	2022	2021	2020
Total General Revenue (2)	\$ 83,846,855	\$ 86,123,993	\$ 77,168,851	\$ 60,971,794	\$ 57,497,862
Population (1)	50,889	50,615	50,889	53,892	52,986
General Revenue Per Capita	\$ 1,648	\$ 1,702	\$ 1,516	\$ 1,131	\$ 1,085

FY	2019	2018	2017	2016	2015
Total General Revenue (2)	\$ 64,721,710	\$ 59,241,399	\$ 56,079,870	\$ 53,437,908	\$ 50,055,811
Population (1)	53,625	52,769	50,740	49,335	51,053
General Revenue Per Capita	\$ 1,207	\$ 1,123	\$ 1,105	\$ 1,083	\$ 980

FY	2024	2023	2022	2021	2020
Total General Expenditures (2)	\$ 79,012,669	\$ 85,108,013	\$ 52,730,364	\$ 49,481,094	\$ 51,498,878
Population (1)	50,889	50,615	50,889	53,892	52,986
General Expenditures Per Capita	\$ 1,553	\$ 1,681	\$ 1,036	\$ 918	\$ 972

FY	2019	2018	2017	2016	2015
Total General Expenditures (2)	\$ 57,900,932	\$ 49,992,388	\$ 48,427,111	\$ 48,134,252	\$ 46,302,187
Population (1)	53,625	52,769	50,740	49,335	51,053
General Expenditures Per Capita	\$ 1,080	\$ 947	\$ 954	\$ 976	\$ 907

(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)
2024	14,806,817,526	3,268,784,947	77,828,213	291,855,799	*	-	1.00000	19,294,390,764
2023	13,770,177,817	3,039,934,131	72,379,384	271,422,690	*	-	1.00000	17,895,334,799
2022	12,816,062,846	2,919,685,840	67,899,671	254,623,765	*	-	1.00000	16,768,080,495
2021	12,277,100,484	2,872,316,290	65,652,944	279,025,011	*	-	1.00000	16,217,619,993
2020	11,781,804,552	2,771,257,791	63,343,035	300,879,417	*	(45,437)	1.00000	15,636,583,844
2019	11,231,546,199	2,675,659,205	62,224,633	373,347,796		(326,679,322)	1.00000	15,045,226,485
2018	10,757,283,204	2,554,854,761	59,762,684	388,457,449		(313,754,093)	1.00000	14,445,331,683
2017	10,555,732,091	2,434,816,656	58,318,962	379,073,252		(306,174,550)	1.00000	14,095,158,994
2016	10,174,360,142	2,358,860,033	56,840,001	412,090,006		(312,620,004)	1.00000	13,743,682,041
2015	9,636,181,445	2,290,456,630	54,211,991	420,142,932		(298,165,952)	1.00000	13,086,962,905

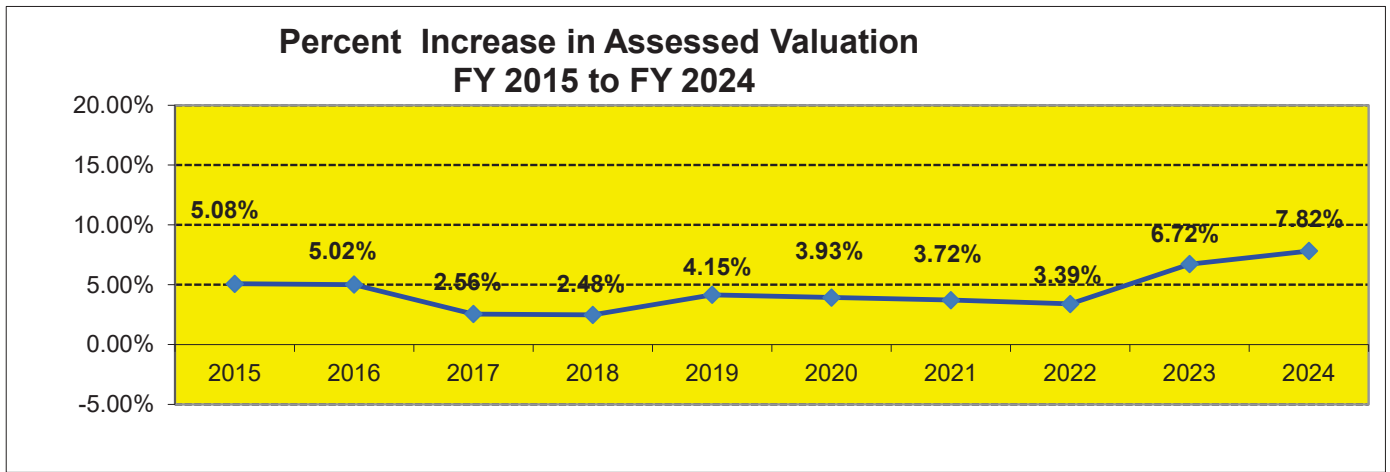
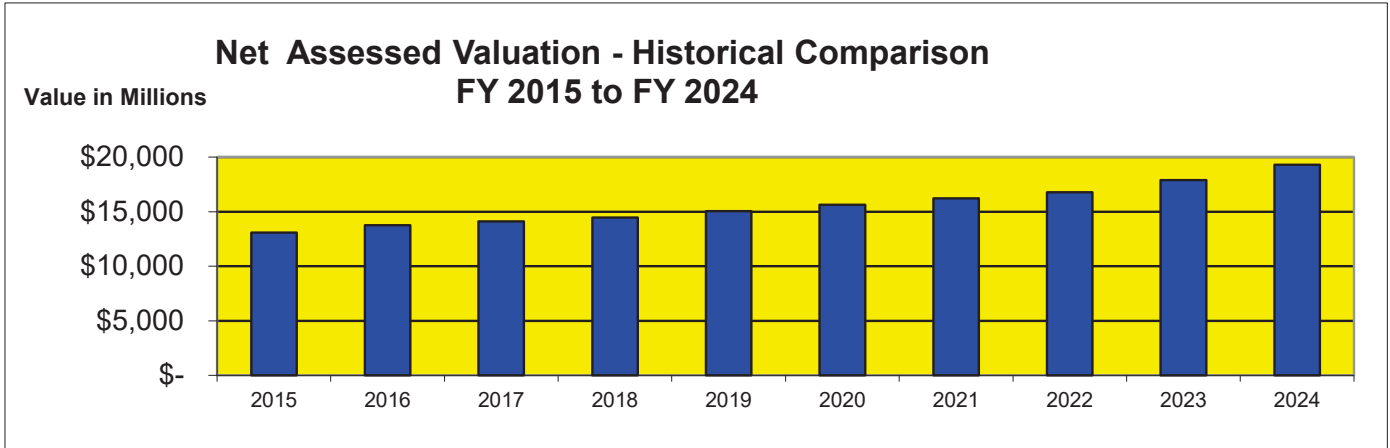
(1) Estimated Actual Taxable Value = Net Taxable Value

* 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



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
		Lowes 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
2024	1.00000	1.00000	0.07500	0.03950	0.11000	0.00000	0.14493
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

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 Nine Years Ago**

2024		
Taxpayer	Taxable Assessed Value	Percentage of Total City Tax Assessed Value
NEWAGE DesertSprings	\$ 186,915,372	0.97%
WEA Palm Desert	170,932,097	0.88%
Gardens on El Paseo LLC	147,812,500	0.76%
WVC Rancho Mirage Inc	136,944,388	0.71%
PRU Desert Crossing LLC	109,835,938	0.57%
CC Cimarron LP	72,822,193	0.38%
First American Trust	65,528,658	0.34%
Walmart /Sams	59,508,979	0.31%
Sunrise Spectrum	55,391,442	0.29%
PC APDG Palm Desert	53,060,398	0.27%
Total	\$ 1,058,751,965	5.47%

2015		
Taxpayer	Taxable Assessed Value	Percentage of Total City Tax Assessed Value
WEA Palm Desert	\$ 144,751,735	1.10%
DS Hotel	142,417,301	1.09%
Gardens on El Paseo LLC	101,110,901	0.77%
WVC Rancho Mirage Inc	94,636,672	0.72%
PRU Desert Crossing LLC	85,231,391	0.65%
Walmart Real Estate Business Trust	57,712,366	0.44%
Marriott Ownership Resorts	56,584,242	0.43%
Segovia Operations	47,927,486	0.37%
Monarch Sevilla Venture	47,585,410	0.36%
Sunrise Spectrum	47,054,777	0.36%
Total	\$ 825,012,281	6.29%

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
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%
2024	9,685,707	9,074,891	93.69%	610,816	9,685,707	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.

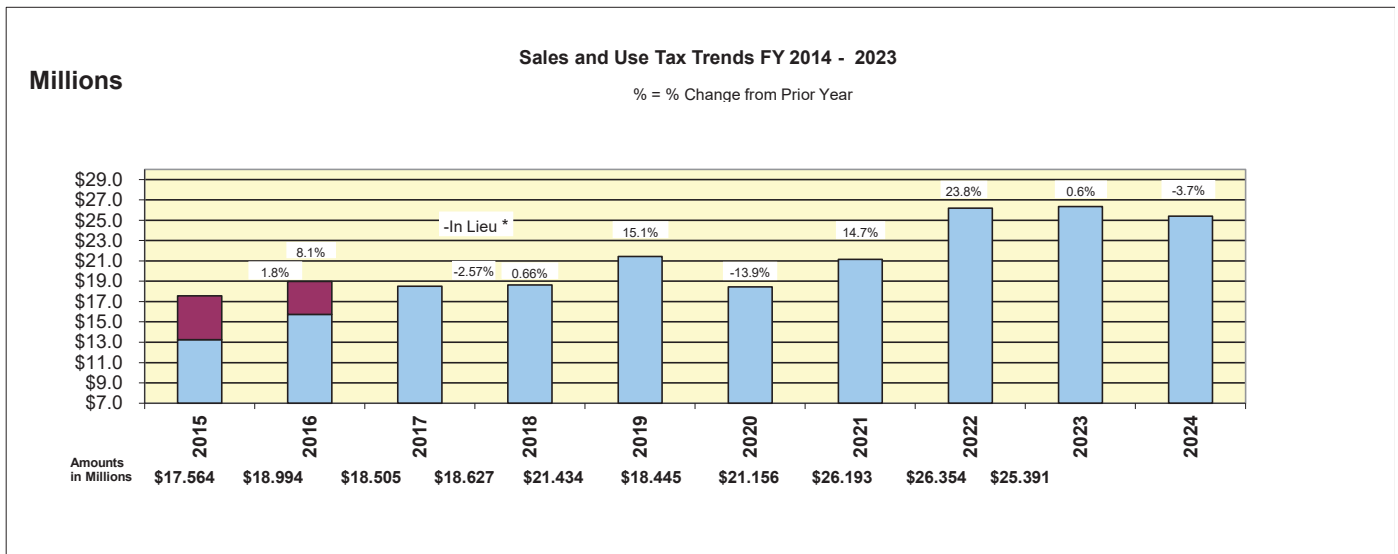
Source: Riverside County Auditor Controller Office and City of Palm Desert

**City of Palm Desert
Supplemental Top 25 Sales Tax Generators**

**Graph - Historical Sales Tax Trends
June 30, 2024**

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
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
TJ MAXX	FAMILY APPAREL
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

Governmental Activities		Business Type Activities			
Fiscal Year	Special Assessment/ Local Obligation Bonds ^{b,c,d}	Capital Leases	Total Primary Government	Percentage of Total Personal Income ^{a,f}	Total Debt Per Capita ^{a,f}
2015	3,302,000 ^e	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
2024	1,068,000	-	1,068,000	0.03%	21

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 to fund the 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 bonds.

^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 2015 to FY 2024*

**City of Palm Desert
Supplemental Special Assessment Information
June 30, 2024**

District Name\Description	2003 01-01 Revenue Bonds Silver Spur Ranch Utility Undergrounding ⁵	2004-2 Section 29 Assessment District Limited Obligation Improvement Bonds Series 2021	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	Community Facilities District No. 2021-1 (University Park) Special Tax Bonds Series 2024
Bond Issue Date	6/25/2003	6/23/2021	7/13/2021	7/13/2021	3/6/2024
Final Maturity Date	9/2/2028	9/2/2037	9/1/2036	9/1/2051	9/1/2053
Highest Interest Rate	5.375%	4.000%	4.000%	4.000%	5.000%
Bond Issue Amount	\$ 2,340,000	\$ 16,400,000	\$ 5,165,000	\$ 15,200,000	\$ 11,600,000
Matured Principal	1,505,000	1,470,000	520,000	550,000	-
Called Principal	175,000	-	-	-	-
Outstanding Bonds (4)	660,000	14,930,000	4,645,000	14,650,000	11,600,000
Redemption Premium	3.00%	3.00%	3.00%	3.00%	N/A
Original Parcels	201	859	66	243	411
Active Parcels	189	775	49	366	243
Reserve Requirement	155,475	1,415,800	468,400	874,200	1,021,147
Reserve Balance 23/24 ⁽¹⁾	168,236	1,415,853	468,408	874,214	1,021,156
Principal Due 24/25 ⁽²⁾	120,000	785,000	280,000	315,000	-
Principal Levied 23/24 ⁽³⁾	115,000	685,000	270,000	550,000	-
Interest Due 24/25 ⁽²⁾	32,250	580,300	178,800	553,275	246,138
Interest Levied 23/24 ⁽³⁾	35,475	612,300	187,050	562,575	-
23/24 Delinquency Rate	0.00%	0.13%	1.64%	0.00%	0.00%
Arbitrage Installment Computation Date: 90% Rebate Due	06/25/23	09/02/25	09/01/25	09/01/25	N/A
Arbitrage Yield Rate	4.9129%	2.1563%	1.9100%	3.2391%	N/A
Continuing Disclosure Last Report Issued:	02/2024	02/2024	02/2024	02/2024	N/A

(1) Reserve Balances are as of 6/30/24.

(2) Outstanding bond balance at June 30, 2024.

(3) Amount represents principal and interest collected during the FY 23/24 tax roll for Debt Service Payment due in FY 24/25 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

(7) 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, 2024

2022/23 Assessed Valuation:	<u>\$ 19,327,379,151</u>		
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt 6/30/24</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 6/30/24</u>
Desert Community College District	\$ 664,990,000	17.511%	\$ 116,446,399
Desert Sands Unified School District	349,520,000	33.388%	116,697,738
Palm Springs Unified School District	475,359,672	4.356%	20,706,667
City of Palm Desert Limited Obligation Improvement Bonds	157,000	100.000%	157,000
City of Palm Desert Community Facilities District No. 2005-1	4,645,000	100.000%	4,645,000
City of Palm Desert Community Facilities District No. 2021-1	26,250,000	100.000%	26,250,000
City of Palm Desert 1915 Act Bonds	16,585,000	100.000%	16,585,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>301,487,804</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Riverside County General Fund Obligations	1,169,217,035	4.871%	56,952,562
Riverside County Pensions Obligations	670,785,000	4.871%	32,673,937
Desert Sands Unified School District Certificates of Participation	7,775,000	33.388%	2,595,917
City of Palm Desert	-	100.000%	-
Desert Recreation District Certificates of Participation	1,194,811	25.396%	303,434
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>92,525,850</u>
<u>OVERLAPPING TAX INCREMENT DEBT:(SUCCESSOR AGENCIES)</u>	424,890,065	0.189-100%	<u>141,037,846</u>
TOTAL OVERLAPPING DEBT			<u>535,051,500</u>
COMBINED TOTAL DEBT			<u>\$ 535,051,500</u> (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

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-2024 Adjusted Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.56%
Total Direct Debt (\$0)	0.00%
Net Combined Total Debt	2.77%

<u>Ratios to Redevelopment Successor Agencies Incremental Valuation</u>	\$ (12,925,331,991)
Total Overlapping Tax Increment Debt	1.09%

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 2024

Assessed Value	\$ 19,327,379,151
Debt Limit (15% of Assessed Value) (1)	2,899,106,873
Debt Applicable to Limit:	
General Obligation Bonds	980,000
Legal debt margin	\$ 2,898,126,873

FISCAL YEAR

	2015	2016	2017	2018	2019
Debt Limit	\$ 1,869,699,132	\$ 2,059,815,120	\$ 2,114,442,742	\$ 2,167,115,649	\$ 2,256,723,736
Total Net debt applicable to limit	1,489,000	1,451,000	1,410,000	1,368,000	1,310,000
Legal debt margin	\$ 1,868,210,132	\$ 2,058,364,120	\$ 2,113,032,742	\$ 2,165,747,649	\$ 2,255,413,736
Total net debt applicable to the limit as a percentage of debt limit	0.08%	0.07%	0.07%	0.06%	0.06%

FISCAL YEAR

	2020	2021	2022	2023	2024
Debt Limit	\$ 2,345,639,686	\$ 2,432,559,897	\$ 2,513,282,720	\$ 2,692,646,137	\$ 2,899,106,873
Total Net debt applicable to limit	1,178,000	1,130,000	1,082,000	1,032,000	980,000
Legal debt margin	\$ 2,344,461,686	\$ 2,431,429,897	\$ 2,512,200,720	\$ 2,691,614,137	\$ 2,898,126,873
Total net debt applicable to the limit as a percentage of debt limit	0.05%	0.05%	0.04%	0.04%	0.03%

(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
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
2024	4,525,650	1,565,000	1,515,565	1.4691	26,032,829 ^{e,i}	19,915,000 ^{e,i}	6,117,829	1.000

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

^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
2024	50,889	0.54%	\$ 3,095,589,116	\$ 60,830	5.50%	2,442,378	0.13%	5.40%
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%

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	2024*		
	Employees	Rank	Percentage of Total City Employment
JW Marriot-Desert Springs Resort & DS Villas	2,304	1	10.02%
Universal Protection Services	1,500	2	6.52%
Securitas-Security Service USA	700	3	3.04%
Avida Caregivers	550	4	2.39%
Organization of Legal Pro's	501	5	2.18%
Sunshine Landscape	500	6	2.17%
Costco Wholesale	250	7	1.09%
Bighorn Golf Club	250	8	1.09%
Yellow Cab of Desert	160	9	0.70%
Whole Foods Market	150	10	0.65%

Employer	2015		
	Employees	Rank	Percentage of Total City Employment
JW Marriot-Desert Springs Resort & DS Villas	2,304	1	8.15%
Universal Protection Services	1,500	2	5.31%
Securitas-Security Service USA	700	3	2.48%
Avida Caregivers-P.Desert	550	4	2.15%
Sunshine Landscape	500	5	1.77%
Bighorn Golf Club	250	6	0.88%
Costco	250	7	0.88%
Westin-Desert Willow	248	8	0.88%
Time Warner Cable	236	9	0.83%
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, 2024

City/ Municipal Government

Form of Government:	Council - City Manager/Charter City
Date of Incorporation:	November 26, 1973
Number of Employees:	147 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:	5,958 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 54 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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
City	58	38	35	33	33	31	31	32	32	34
Economic Dev & Housing ^b	16	17	12	11	11	11	10	11	13	13
Public Safety	30	29	28	30	30	28	29	29	28	26
Police & Fire (1)	146	141	141	140	174	172	179	170	163	169
Public Works	43	39	33	38	38	39	39	39	40	40
Totals	293	264	249	252	286	281	288	281	276	282

(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	2024	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)	60,828	60,753	61,932	60,226	58,096	59,154	56,346	54,301	52,772	54,865	57,935
Recyclables Collected	26,843	25,497	22,043	20,964	21,772	27,391	28,119	26,651	23,818	24,611	26,424
Public Safety											
Physical Arrests	1,215	1,155	1,198	1,066	621	758	1,654	1,620	1,284	1,946	1,348
Parking Violations	1,315	1,128	769	780	899	375	575	587	712	794	386
Traffic Violations	1,617	1,497	1,398	2,070	1,392	3,525	7,012	6,939	6,223	5,525	5,284
Emergency Responses-Fire Department	11,843	11,136	10,557	9,701	15,088	10,009	9,984	9,617	9,285	8,628	8,235
Fires Extinguished	104	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	4,165	4,795	5,211	3,651	3,118	3,912	3,644	4,734	4,704	4,909	5,552
Building Inspections Conducted	14,255	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)	0.87	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	2,244	2,766	2,255	2,262	643	2,990	2,934	3,197	2,997	4,430	6,548
Amphitheater / Pavilions Permits Issued	194	292	350	244	6	119	121	106	104	283	247
Community Center Admissions	11,030	37,048	32,326	15,577	9,746	52,203	60,769	51,694	64,493	53,426	50,204
Aquatic Center Admissions (2)	48,092	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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Contracted Services (1)										
Collection trucks	39	39	35	29	25	25	24	24	35	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	26	27	29	30	29	29	29
Patrol Units-Motorcycles	7	7	7	7	7	6	9	9	11	10
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Trucks	1 plus 1 reserve	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
Ambulance	4 plus 3 reserve	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
Fire Prevention Pick-ups	-	-	-	-	2.5	4	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	99	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)	45,349	47,909	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322
Occupancy Rate	85%	80%	84%	84%	91%	91%	82%	84%	90%	90%
Number of Tenants by Type										
Government (State, local regional)	5	5	7	7	7	7	7	7	9	8
Non-Profit	2	2	4	4	4	4	3	3	4	3
Private	4	3	3	3	3	3	2	3	1	1
Square Footage lease by tenant										
Government (State, local regional)	23,374	23,374	31,607	31,607	31,607	31,607	30,907	32,287	33,127	30,907
Non-Profit	4,873	4,873	7,339	7,339	7,341	6,621	4,061	4,061	3,561	6,269
Private	5,643	3,083	3,083	3,083	6,693	7,468	6,218	6,938	8,688	8,025
Vacant	14,037	16,597	8,293	8,293	4,681	4,626	9,136	8,416	4,946	5,121
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	186	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	42,617	48,410	52,415	47,695	38,057	48,646	46,620	39,424	39,366	44,845
Mountain View	46,023	50,160	47,949	49,005	35,332	43,523	43,712	39,931	40,910	42,407
Total Annual Rounds	88,640	98,570	100,364	96,700	73,389	92,169	90,332	79,355	80,276	87,252

(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.

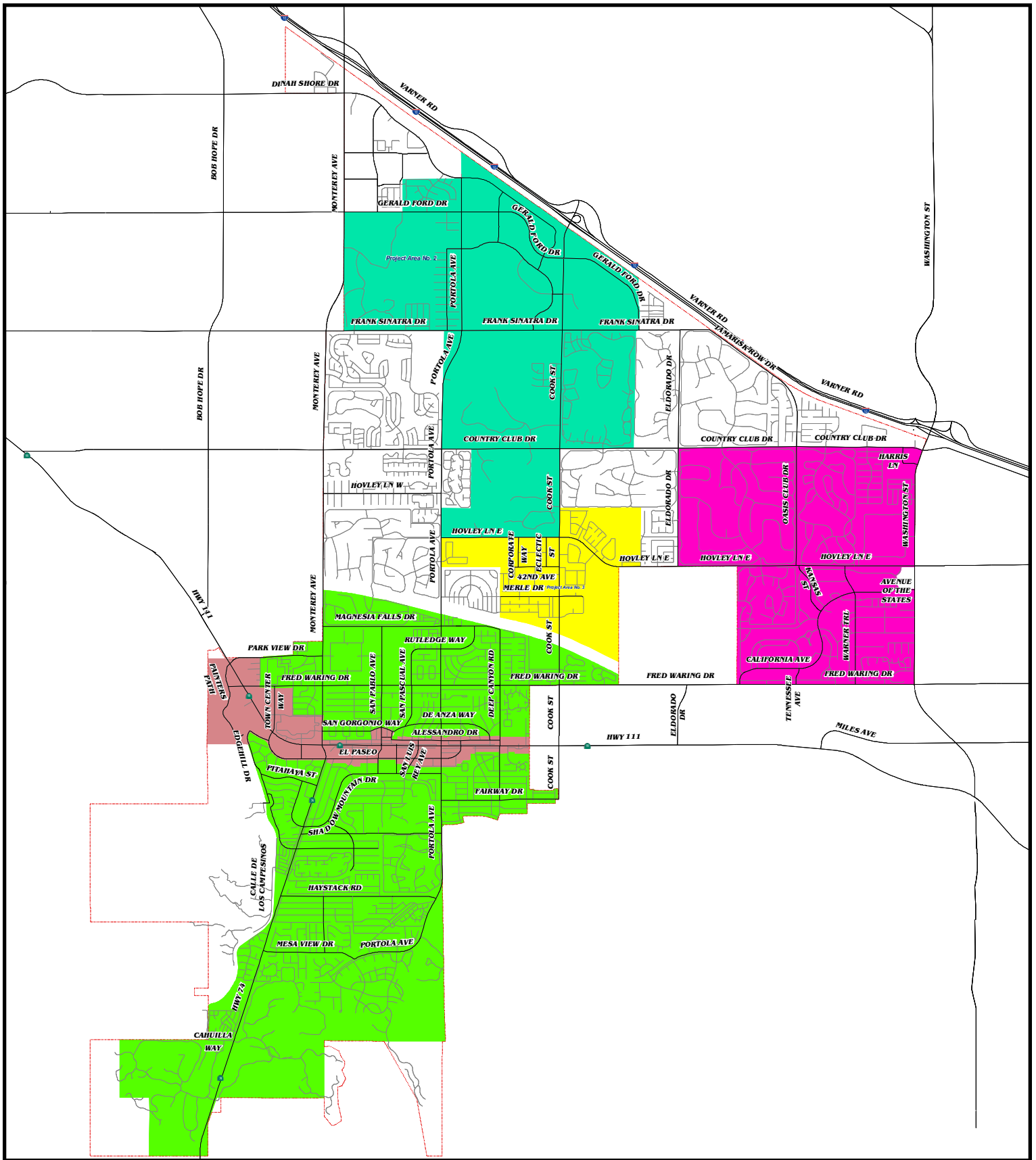
Sources: Riverside County Sheriff's Dept., California State Department of Forestry & Fire Protection, City of Palm Desert, Coachella Valley Recreation & Park District, Burrtec Waste

**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



DATE:
1/2010



**City of Palm Desert
Redevelopment Agency
Tax Allocation Bond Issue Information
June 30, 2024**

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	13,960,000
Call Premium	1 - 2.00%
Bond Insurer	MBIA
Reserve Requirement (1)	1,574,500
Reserve Balance (1)	(1)
Principal Due 23/24	1,145,000
Interest Due 23/24	688,681
Arbitrage Yield Rate	4.9502%
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	35,690,000	84,670,000
Bond Insurer	BAM	BAM
Reserve Requirement (1)	5,840,397	9,027,545
Reserve Balance (1)	(1)	(1)
Principal Due 23/24	6,630,000	5,585,000
Interest Due 23/24	1,784,500	3,247,275
Arbitrage Yield Rate	3.659%	3.659%
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%	
Bond Issue Amount	\$ 7,365,000	\$ 45,815,000
Outstanding Bond Amount	4,570,000	-
Bond Insurer	BAM	BAM
Reserve Requirement (1)	687,519	-
Reserve Balance (1)	(1)	(1)
Principal Due 23/24	475,000	-
Interest Due 23/24	204,769	-
Arbitrage Yield Rate	2.907%	2.907%
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 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	FY 2023/24
Gross Tax Increment	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	84,972,724
Less:										
Housing Set-Aside*	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	16,994,545
SB 2557	686,944	629,449	725,403	662,238	594,754	570,820	858,150	1,503,453	1,246,470	432,274
Gross Pass-Throughs	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	35,580,689
Net Tax Increment	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	31,965,216

RPTTF Amount Deposited	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	12,600,746
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Project Area No. 2	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	FY 2023/24
Gross Tax Increment	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	25,160,631
Less:										
Housing Set-Aside*	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	5,032,126
SB 2557	192,900	180,457	202,348	187,481	165,500	172,557	243,191	188,413	339,023	150,443
Gross Pass-Throughs	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	10,192,720
Net Tax Increment	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	9,785,341

RPTTF Amount Deposited	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	3,731,112
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Project Area No. 3	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	FY 2023/24
Gross Tax Increment	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	5,981,595
Less:										
Housing Set-Aside*	751,000	807,980	872,115	872,921	897,544	930,796	989,516	1,003,081	1,046,067	1,196,319
SB 2557	48,901	45,175	52,745	8,947	42,853	41,139	62,062	47,593	84,122	36,511
Gross Pass-Throughs	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	2,438,525
Net Tax Increment	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	2,310,240

RPTTF Amount Deposited	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	887,021
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Project Area No. 4	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	FY 2023/24
Gross Tax Increment	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	22,394,351
Less:										
Housing Set-Aside*	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	4,478,870
SB 2557	166,634	154,976	178,812	162,715	145,017	139,433	210,710	166,282	305,520	133,556
Gross Pass-Throughs	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	15,336,829
Net Tax Increment	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	2,445,095

RPTTF Amount Deposited	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	3,320,895
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*For calculation purposes only - No requirement to deposit Housing Set Aside post Redevelopment Dissolution.



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Palm Desert, CA 92260
www.palmdesert.gov



PALM DESERT

Image: "Desert Wonderland" by Kathleen Goff