



CALIFORNIA
CITY OF RANCHO PALOS VERDES

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30TH, 2019

Pictured: Ocean Trails Reserve at sunset

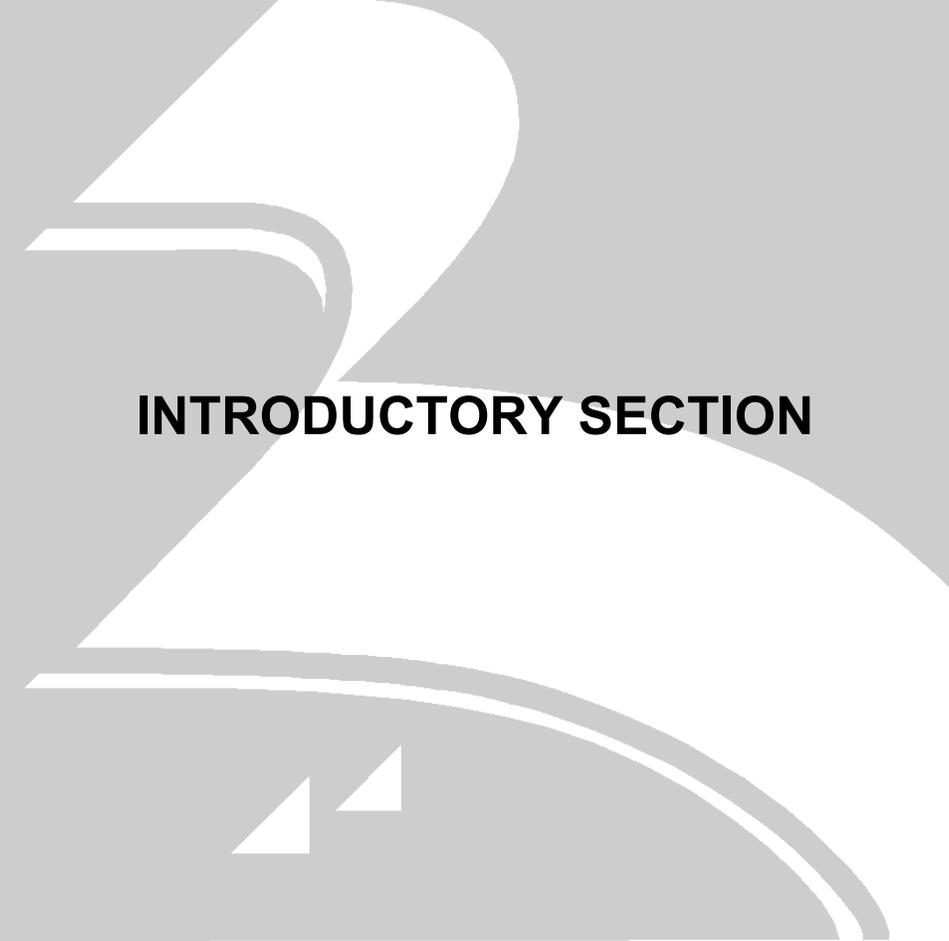
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Photo and Design by
Karen Okstad





CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019

Prepared by:
Finance Department



INTRODUCTORY SECTION



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RANCHO PALOS VERDES

December 27, 2019

Honorable Mayor and City Council
City of Rancho Palos Verdes
Rancho Palos Verdes, California

The Comprehensive Annual Financial Report (CAFR) of the City of Rancho Palos Verdes for the fiscal year ended June 30, 2019, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of Rancho Palos Verdes issue annually a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component unit of the City of Rancho Palos Verdes. In addition, to the best of our knowledge, there are no untrue statements of material fact within the financial statements or omissions of material fact to cause the financial statements to be misleading. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

White Nelson Diehl Evans, LLP, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the City's financial statements for the fiscal year ended June 30, 2019 are free of material misstatement. The independent auditor concluded it was reasonable to render an unmodified opinion and that the City's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. Their report is presented in the beginning of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

City of Rancho Palos Verdes Profile

The City of Rancho Palos Verdes is located on a coastal peninsula overlooking the Pacific Ocean in Los Angeles County, 20 miles south of the City of Los Angeles. The City was

incorporated September 7, 1973, and currently has land area of 13.6 square miles and a population of about 42,000. The City is primarily a "bedroom" community with relatively little commercial activity.

The City has operated under the council-manager form of government since incorporation. Policy-making and legislative authority are vested in the governing City Council, which consists of five Council Members, including the Mayor and Mayor Pro-Tem. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments. The City Council is elected on a non-partisan, at-large basis. Council Members are elected to four-year staggered terms with two or three Council Members elected every two years. The City Council designates the Mayor and Mayor Pro-Tem for a one-year term.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Rancho Palos Verdes as legally defined), as well as its component unit, the Rancho Palos Verdes Joint Powers Improvement Authority. A component unit is a legally separate entity for which the primary government is financially accountable. The City provides a broad range of services, including police protection, solid waste collection, construction and maintenance of streets and other infrastructure, planning and zoning activities, recreational activities, cultural events, and general administrative services. The City of Rancho Palos Verdes is a contract city, meaning that some of these services are provided by contract with other agencies (both public and private) and some services are delivered by the City's own employees.

Special districts of the County of Los Angeles provide library services, fire protection services, and sewer services. The City has excluded the County of Los Angeles, as well as the State of California and various school districts, from the financial reporting entity because they do not meet the established criteria for inclusion.

FINANCIAL INFORMATION

Budgetary Controls

The City of Rancho Palos Verdes maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions contained in the annual appropriated budgets approved by the City Council and the Improvement Authority Commission. Activities of the General fund, Special Revenue funds, Capital Projects funds and Permanent funds are included in the annual appropriated budgets of the government units. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department/function level within each fund. Formal budgetary integration is employed as a management control device. The City also maintains an encumbrance accounting system as one method of maintaining budgetary control. These encumbrances lapse at year-end, and

any unexpended balance is eligible to be carried over to the following year's budget appropriations with City Council approval.

Adopted Budget to Actual Comparison

The City experienced an overall \$3.5 million favorable budget variance in the General fund for the fiscal year ended June 30, 2019. The City also experienced a favorable revenue variance of \$700,000 greater than budgeted and \$2.8 million in expenditures below budget. Consequently, this resulted in a net change to fund balance in the amount \$3.5 million. Much of the positive expenditure variances were permanent savings resulting from conservative budget practices, savings from vacant positions, and the continued careful management of resources during FY 2018-19.

Financial Policies

The City Council has established Reserve policies for the General Fund of 50 percent of the annual operating expenditures in the General Fund. Reserve levels are reviewed annually during the budget process. This reserve may be used at the discretion of the City Council to provide for economic uncertainties, local disasters, contingencies for unseen operating or capital needs, cash flow requirements and/or other financial hardships or downturns in the local or national economy. At June 30, 2019, the reserve balance is \$12.8 million or 50 percent of fiscal year 2018-19 General Fund operating budget.

The City also maintains a \$3 million reserve in the Capital Improvement Projects (CIP) fund as a reserve for major improvement projects related to roadways, storm drains, parks, buildings, rights-of-way, and the sewer system.

Internal Control

The Finance Department of the City is responsible for establishing and maintaining an appropriate internal control structure. The internal control system is designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

Significant Financial Events

There were no changes to financial policies that resulted in a significant impact on the June 30, 2019 financial statements.

Long-term Financial Planning

The City utilizes two long-term planning tools that serve as a guide to best allocate resources to meet the City's needs over time. The first of which is the Five-Year Capital Improvement Program (CIP). The CIP provides efficient and effective delivery of resources for improvement and maintaining public infrastructure and facilities. The Five-Year Capital Improvement Plan is updated annually during the budget process.

The second long-term planning tool is the City's Five-Year Financial Model (Model). The Model establishes the foundation for guiding policy and making financial decisions, taking into account any forecasted challenges and opportunities before they arise. This Model allows for creation of baseline and alternative revenue and spending forecasts, including historic and projected annual periods for the next five years. The Model also allows for testing the impact of assumptions and proposed initiatives on projected budget gaps and fund balances.

MAJOR INITIATIVES

The City's staff, following specific directives of the City Council and the City Manager, has been involved in a variety of projects throughout the year. These projects reflect the City's commitment to ensuring that its citizens are able to live and work in a thriving environment.

- The City received formal approval from the federal government to transfer oversight of the Civic Center property on Hawthorne Boulevard from the National Park Service (NPS) to the U.S. General Services Administration (GSA) on behalf of the Department of Justice (DOJ) and the Federal Emergency Management Agency (FEMA). The transfer culminates a 25-year effort to lift longstanding restrictions that limit uses of the property, a former Nike missile post that has been home to Rancho Palos Verdes City Hall since the 1970s. This change will enable the City to add public safety uses to the Civic Center site, such as a fire station, Sheriff's Department substation, an upgraded helipad and a state-of-the-art emergency operations center. City Administration is working with the Civic Center Advisory Committee to develop proposed program for the new Civic Center property.
- Adopted the Rancho Palos Verdes Natural Communities Conservation Plan/Habitat Conservation Plan (NCCP/HCP), which sets aside the 1,400 acres Palos Verdes Nature Preserve in perpetuity for species and habitat preservation. This plan provides for streamlined project approvals and differs from project-by-project permitting, and establishes a regional conservation approach for comprehensive reserve planning for both the core and linkage habitats for covered species.
- A new Ranger Program has been created and approved for Preserve management and enforcement. This program doubles the staffing for additional presence and provides for seven day a week coverage.

- Adopted the Ladera Linda Park and Community Center Masterplan and continued the plan to proceed with Phase 2 of the project, the creation of detailed construction drawings. This phase will include the generation of detailed cost estimates and project financing alternatives.
- Revised the City's General Plan, which underlies all land use decisions in a city. This plan provides a basis for local government decision-making, including decisions on development approvals and exactions, provide residents with opportunities to participate in the planning and decision-making processes of their communities and provide the ground rules that guide development within a particular community.
- Updated the City's Coyote Masterplan, which emphasizes public outreach to raise awareness of coyote attractants and deterrents. The goal of the Plan is to encourage and support coexistence with urban coyotes using education, behavior modification and development of a tiered response to aggressive coyote behavior.
- Installed new lighting at the Palos Verdes Interpretive Center Parking Lot and installed new exhibits showcasing historical pieces of the City.
- Completed the Pavement Management plan, which is updated every three years to evaluate the condition of the City's roadway system and to help plan for future road and street improvements. This year, the City resurfaced 1.3 million square feet of residential roadway, in order to keep up with the goal of maintaining 95% of our roads in very good condition.
- Continued our commitment to ensuring public safety; this year, we saw a decrease of 36% in vehicle burglaries and 16% in residential burglaries. Rancho Palos Verdes continues to be one of the safest cities in the state, recognized as #7 Safest City in California by Safewise.
- In recent years, Southern California Edison (SCE) altered its long-standing corporate policy and established a mechanism that allowed local governments the opportunity to purchase SCE-owned street lights within their jurisdictions. Obtaining ownership of these street lights allows the City to convert the lamps to energy-efficient light-emitting diodes (LEDs). City ownership also yields greater responsiveness and timely maintenance, and allows for the use of technological advancements including placement of automated license plate recognition (ALPR) cameras and/or control of the placement of any wireless telecommunications devices or the poles. This year, the City purchased about 1,800 of these lights and plans to convert the lamps to LEDs.
- To enhance neighborhood safety, the City purchased Automated License Plate Reader (ALPR) Cameras to be installed in the Eastview area. The City also implemented a security camera loaner program for residents to use while away on vacation, during home renovation, or if a residential burglary occurred in surrounding neighborhood area. Additionally, our public safety group educated residents about Ring's "Neighbors" app to enhance neighborhood safety. Over 200 residents participated in the education program.

OTHER INFORMATION

Independent Audit

The City requires an annual audit by independent certified public accountants. The accounting firm of White Nelson Diehl Evans LLP conducted this year's audit. The auditors' report on the government-wide financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Single Audit

As a recipient of federal, state, and county financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. In years when over \$750,000 is expended on Federal financial assistance programs, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and the Uniform Guidance. For the year ended June 30, 2019, the City did not expend over \$750,000 on Federal financial assistance programs; and therefore a Single Audit is not required.

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Finance Reporting to the City of Rancho Palos Verdes for its CAFR for the fiscal year ended June 30, 2018. This was the 25th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

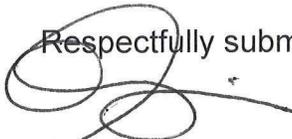
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report would have not been possible without the dedication of the entire staff of the Finance Department. I would also like to acknowledge the assistance of the City's auditors, White Nelson Diehl Evans LLP and the contributions of all the departments by providing data necessary to prepare the City's FY 2018-19 CAFR.

In closing, I want to thank the City Council for their continued leadership directing the City to achieve a sound fiscal position over the last several years. We look forward to maintaining this success in the future under the leadership of the City Council.

Respectfully submitted,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Angelina Garcia
Interim Director of Finance

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**Comprehensive Annual Financial Report
FY2018-2019**

CITY OFFICIALS

FY2018-2019



Jerry V. Duhovic
Mayor



John Cruikshank
Mayor Pro Tem



Eric Alegria
Councilmember



Susan Brooks
Councilmember

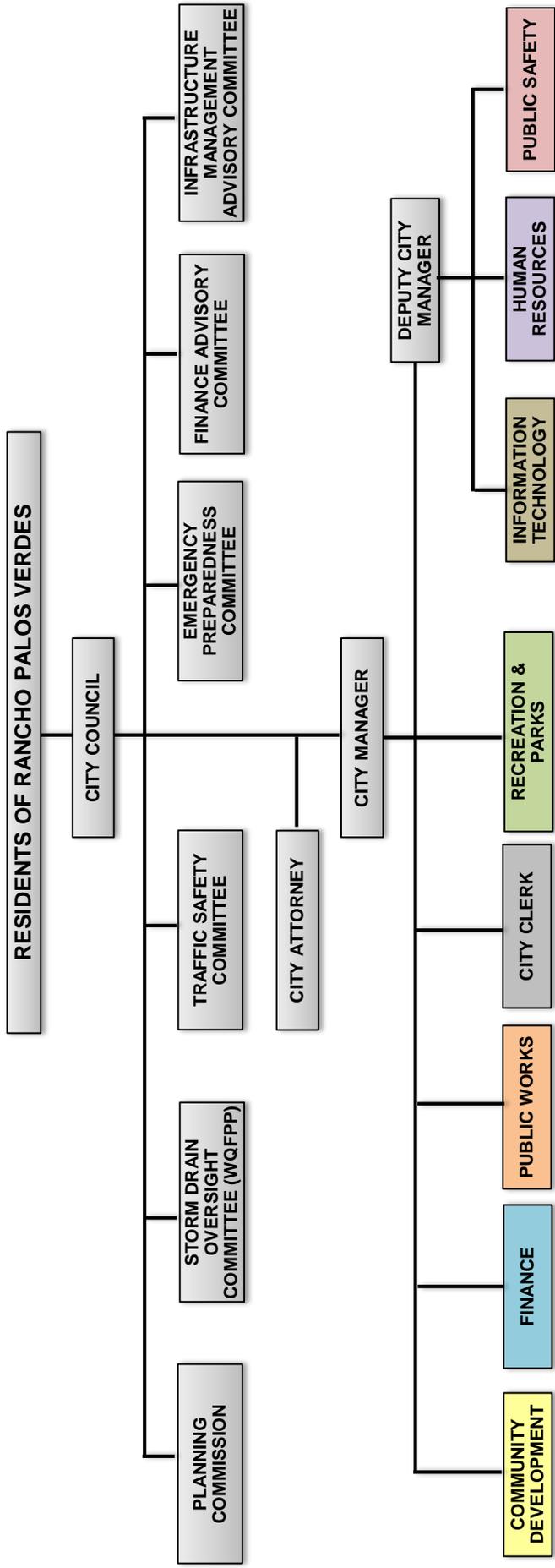


Ken Dyda
Councilmember

CITY STAFF

Interim City Manager
Ara Mihranian

Interim Deputy City Manager.....Kit Fox
 Interim Director of Finance.....Angelina Garcia
 Director of Recreation and Parks.....Cory Linder
 Interim Director of Community Development.....Terry Rodrigue
 Director of Public Works.....Elias Sassoon





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rancho Palos Verdes
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

City Council Members
City of Rancho Palos Verdes
Rancho Palos Verdes, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rancho Palos Verdes (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rancho Palos Verdes, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and state grants special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of pension contributions, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI 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 the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and individual fund schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

White Nelson Dick Evans LLP

Irvine, California
December 27, 2019

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MANAGEMENT'S DISCUSSION & ANALYSIS





City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

The Management of the City of Rancho Palos Verdes offers readers of the City of Rancho Palos Verdes' Financial Statements this narrative overview and analysis of the City's financial activities for the Fiscal Year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages v-xi of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Rancho Palos Verdes exceeded its liabilities and deferred inflows of resources at the close of the Fiscal Year ended June 30, 2019, by \$223.5 million (Net Position). Of this amount, \$47.7 million (Unrestricted Net Position) may be used to meet the City's ongoing obligations to its citizens and creditors. The remaining amount is invested in capital assets or is otherwise restricted, and therefore not available to meet the City's obligations.
- The City's total Net Position increased by \$1.7 million from the prior year, primarily from the Governmental activities increase in the amount of \$2.3 million and a decrease of \$0.6 million from Business-type activities. As explained further in this report, Governmental activities received transfers of \$34.3 million from the Business-type activities due to the closing of the Water Quality Flood Protection from the Enterprise Fund.
- As of June 30, 2019, the City's Governmental Funds reported combined ending Fund Balances of \$61.5 million, an increase of \$2.2 million in comparison with the prior year. A significant portion of this increase is due to the City's continued revenue growth and other grants and contributions. Additionally, the net increase is attributable to the timing of capital outlays and overall expenses being less than the previous year.
- At the end of the current fiscal year, the General Fund reported an increase in fund balance in the amount of \$2.7 million. The increase is due primarily to higher than expected inflow from licenses, permits, franchise tax, and savings from expenditures.
- As of June 30, 2019, unassigned fund balance for the General Fund was \$19.4 million or 78% of the General Fund expenditures. Of this amount, \$19.1 million constitutes the City Council's General Fund Reserve (rainy day fund).
- Due to the City Council's reserve policy, the unassigned fund balance has historically been maintained at or above the policy threshold level of 50% of annually budgeted General Fund expenditures. At the end of the current fiscal year, the General Fund expenditures including transfers was \$28.9 million, which is 67% of the unassigned fund balance.



City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) Government-Wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as *Net Position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Rancho Palos Verdes is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent Fiscal Year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both the Government-Wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development and parks and recreation. The City's business-type activities include only the Water Quality and Flood Protection program for renewal and maintenance of the City's storm drain facilities.

The Government-Wide Financial Statements include not only the City of Rancho Palos Verdes itself (known as the *Primary Government*), but also a legally separate Improvement Authority for which the City of Rancho Palos Verdes is financially accountable. Financial information for this *Component Unit* has been included as an integral part of the primary government.



City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)

The Government-Wide Financial Statements can be found on pages 19-21 of this report.

Fund Financial Statements

A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rancho Palos Verdes, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the Fiscal Year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

The City of Rancho Palos Verdes maintained 30 individual Governmental Funds during the Fiscal Year ended June 30, 2019. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, State Grants Special Revenue Fund and the Capital Improvements Fund, all of which are considered to be major funds. Data from the other 30 Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of these Other Governmental Funds is provided in the form of *combining statements* elsewhere in this report.



City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)

The City of Rancho Palos Verdes adopts an annual appropriated budget for each of its Governmental Funds. A budgetary comparison statement has been provided for each Governmental Fund to demonstrate compliance with this budget.

Proprietary Funds

The City of Rancho Palos Verdes maintains two types of *Proprietary Funds*. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the Government-Wide Financial Statements. The City uses an Enterprise Fund to account for its Water Quality and Flood Protection Program. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for its fleet of vehicles, computer systems, furniture and equipment, and Civic Center building replacement/improvements. Because these services predominantly benefit the governmental function, they have been included within governmental activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements provide the same type of information as the Government-Wide Financial Statements, only in more detail. These statements can be found on pages 29-31 of this report. The Proprietary Fund Financial Statements provide separate information for the Enterprise Fund and the Internal Service Funds. The Enterprise Fund is presented as a single major fund of the City, while the Internal Service Funds are combined and presented as a single, aggregated presentation in the Statement. Individual fund data for the Internal Service Funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Fund

The City is a fiduciary for the Successor Agency to the Rancho Palos Verdes Redevelopment Agency (the "Successor Agency"). The City is responsible for ensuring that the assets reported in the Successor Agency's private-purpose trust fund are only: 1) used to extinguish the obligations of the former RDA; or 2) transferred to another agency pursuant to state redevelopment dissolution law. All of the fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the City's Government-Wide Financial Statement because the City cannot use these assets to finance its operations. Individual Fiduciary Fund statements can be found on pages 32-33 of this report.



City of Rancho Palos Verdes

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2019**

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes to the financial statements can be found on pages 35-68 of this report.

Other information

The combining statements referred to earlier in connection with Other Governmental Funds and Internal Service Funds are presented immediately following the Notes to the Financial Statements. Combining and individual fund statements and schedules can be found on pages 69-110 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Rancho Palos Verdes, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$223.5 million at June 30, 2019. By far, the largest portion of the City’s Net Position of \$159.6 million or 71% reflects its net investment in Capital Assets (e.g. Land, Infrastructure, Buildings, and Equipment). The City uses these Capital Assets to provide services to its citizens; consequently, these assets are not available for future spending.

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 77,547,330	\$ 74,878,019	\$ -	\$ 1,031,929	\$ 77,547,330	\$ 75,909,948
Capital assets	159,556,834	125,420,414	-	34,996,398	159,556,834	160,416,812
Total assets	237,104,164	200,298,433	-	36,028,327	237,104,164	234,598,204
Deferred outflows of resources	2,871,414	3,243,597	-	-	2,871,414	2,804,770
Long-term liabilities outstanding	10,995,129	11,202,942	-	-	10,995,129	11,202,942
Other liabilities	4,780,662	5,111,936	-	1,159,540	4,780,662	6,271,476
Total liabilities	15,775,791	16,314,878	-	1,159,540	15,775,791	14,769,289
Deferred inflows of resources	734,107	338,809	-	-	734,107	338,809
Net Investment in capital assets	159,556,834	125,420,414	-	34,996,398	159,556,834	160,416,812
Restricted	16,170,342	17,300,320	-	-	16,170,342	17,300,320
Unrestricted	47,738,504	44,167,609	-	(127,611)	47,738,504	44,039,998
Total net position	\$ 223,465,680	\$ 186,888,343	\$ -	\$ 34,868,787	\$ 223,465,680	\$ 221,757,130



City of Rancho Palms Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

A portion of the City's Net Position of \$16.2 million or 7%, represents resources subject to external restrictions. The remaining balance of Unrestricted Net Position of \$47.7 million or 21 % may be used to meet the government's ongoing obligations to its citizens and creditors.

Total current and other assets increased by \$1.6 million in comparison to the previous year. The majority of the increase is due to the continued revenue growth, other grants and contributions, and overall expenses being less than the previous year.

Total capital assets decreased by \$0.9 million mainly from less construction in progress from prior year. Additionally, \$34.3 million of capital assets in the Water Quality Flood Protection Enterprise Fund (Business-type activities) were transferred to the General Fund (Governmental activities), upon the closing of the Water Quality Flood Protection Program. The City Council eliminated the collection of storm drain user fees, with a sunset date occurring in FY 2015-2016. These fees were previously collected to fund the maintenance and improvements of the City-owned storm drain facilities. As of June 30 2019, the final phase of the storm drain project funded by the remaining balance in the Water Quality Flood Protection Enterprise Fund has been completed. All subsequent activities will be recorded in the General Fund and Capital Improvement Fund. As such, the assets from the Business-type activities were transferred to the Governmental activities.



City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 4,292,011	\$ 4,626,968	\$ -	\$ -	\$ 4,292,011	\$ 4,626,968
Operating contributions and grants	4,608,132	4,481,324	-	-	4,608,132	4,481,324
Capital contributions and grants	1,136,762	769,248	-	-	1,136,762	769,248
General revenues:						
Property taxes	14,349,681	13,761,647	-	-	14,349,681	13,761,647
Other taxes	12,802,577	12,504,276	-	-	12,802,577	12,504,276
Other	2,222,040	1,600,966	200,000	28,934	2,422,040	1,629,900
Total revenues	39,411,203	37,744,429	200,000	28,934	39,611,203	37,773,363
Administration	\$ 6,562,703	\$ 7,258,049	\$ -	\$ -	\$ 6,562,703	\$ 7,258,049
Public safety	7,214,441	7,338,918	-	-	7,214,441	7,338,918
Public works	16,064,163	16,072,939	-	-	16,064,163	16,072,939
Community development	3,051,881	2,735,948	-	-	3,051,881	2,735,948
Parks and recreation	3,064,444	2,726,331	-	-	3,064,444	2,726,331
Non-departmental	1,133,906	1,166,154	-	-	1,133,906	1,166,154
Water Quality Flood Protection	-	-	811,115	1,070,747	811,115	1,070,747
Total expenses	37,091,538	37,298,339	811,115	1,070,747	37,902,653	38,369,086
Transfers	34,257,672	-	(34,257,672)	-	-	-
(Decrease) / Increase in net position	36,577,337	446,090	(34,868,787)	(1,041,813)	1,708,550	(595,723)
Net position - beginning of fiscal year	186,888,343	186,442,253	34,868,787	35,910,600	221,757,130	222,352,853
Net position - end of fiscal year	\$ 223,465,680	\$ 186,888,343	\$ -	\$ 34,868,787	\$ 223,465,680	\$ 221,757,130

As illustrated in the chart above, the City's net position increased by \$1.7 million when compared to the prior year. Of the increased amount, \$2.3 was an increased from the Governmental activities and a decrease of \$0.6 million from the Business-type activities.

Governmental Activities

Overall, government-wide revenues for the fiscal year ended June 30, 2019, increased by \$1.8 million. The increased amount was primarily from the continued revenue growth in property taxes and a capital grant from Proposition A Los Angeles County Regional Parks and Open Space for the Lower Hesse Park Improvement Project.



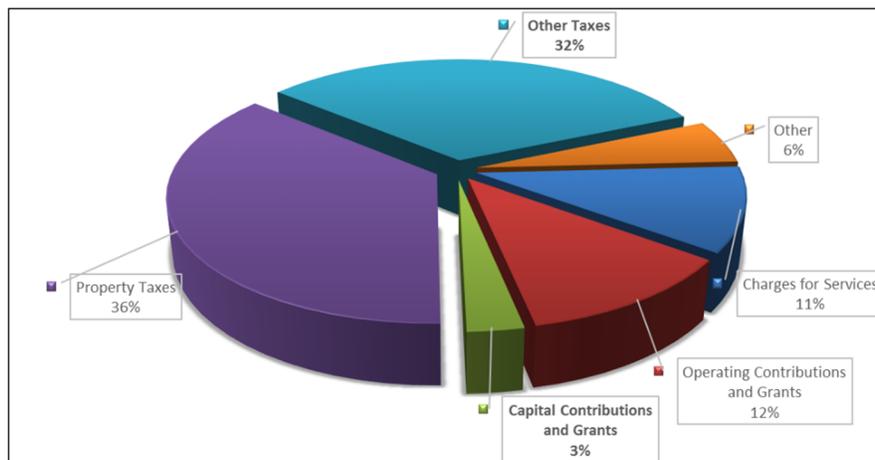
City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The percentages of each category for the sources of revenues are illustrated in the following chart.

Sources of Revenue - Governmental Activities



The government-wide expenses for the fiscal year ended June 30, 2019, decreased by \$0.5 million from the prior year. The majority of the decreased amount was from the ongoing capital and maintenance projects that were not completed by year-end. Additionally, the City also realized some savings from salaries and benefits due to the employee vacancies that were not filled by the end of the fiscal year. The percentages of each function for the expenses are illustrated in the following chart.

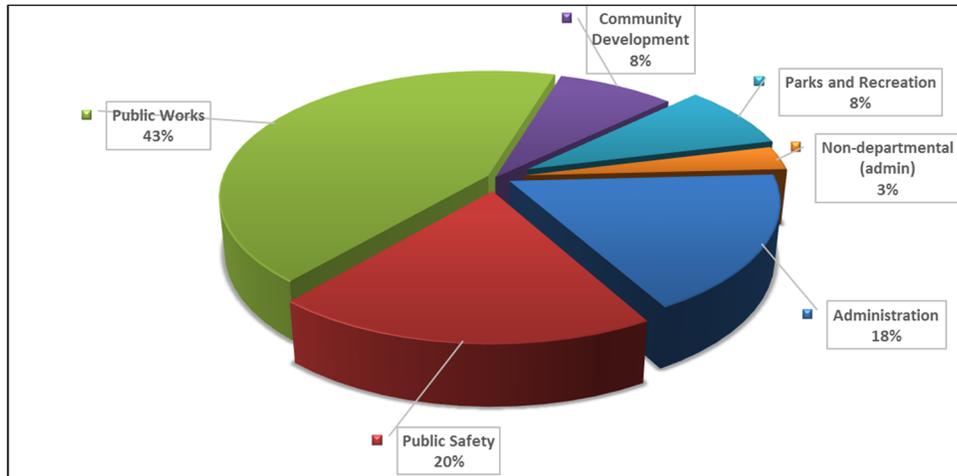


City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Expenses by Function – Governmental Activities



Business-Type Activities

As of June 30, 2019, the final phase of the storm drain project funded by the remaining balance in the Water Quality Flood Protection Enterprise Fund has been completed. As such, the assets in the amount of \$34.3 million from the Business-type activities were transferred to the Governmental activities. All subsequent activities will be recorded in the General Fund and Capital Improvement Fund.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As of the end of the current fiscal year, the City's Governmental Funds reported combined ending Fund Balances of \$61.5 million, a decrease of \$2.2 million in comparison to the prior year. Approximately \$58.6 million or 95% of the combined ending Fund Balances constitutes spendable fund balance. The remainder of the combined ending Fund Balances are either non-spendable due to legal restrictions or non-spendable in the form of prepaid items and inventory. Additional information on the non-spendable items can be found in Note 7 on pages 51-53 of this report.

The General Fund is the chief operating fund of the City of Rancho Palos Verdes. At the end of the current fiscal year, the unassigned fund balance of the General Fund is \$19.4 million, while total Fund Balance reached to \$20.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and Total Fund Balance to total fund uses (expenditures and transfers out). Unassigned Fund Balance represents 67% of total General Fund uses, while total Fund Balance represents 71% of the same amount.



City of Rancho Palms Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS (CONTINUED)

The fund balance of the City's General Fund increased by \$2.7 million from the prior year. The increase is due to the higher than expected inflow of revenues including property taxes, franchise taxes, licenses, permits, and savings from maintenance and capital outlay expenses that were not completed by year-end. Additional details on General Fund are provided in the General Fund Highlights.

The State Grant Special Revenue Fund has a deficit fund balance of \$0.6 million at the end of the current fiscal year. The deficit will be eliminated by recognition of revenue not available as of year-end and through transfers from other funds. The grant monies are estimated to be reimbursed in the next fiscal year.

The Capital Improvements Fund Balance ended the year with an increase of \$2.6 million from the prior year. The majority of the decrease is largely from the budgeted capital outlay projects that were not completed by year-end. These projects are primarily from

the street rehabilitation program and the City's Streetlight Acquisition that will continue in the next fiscal year.

Financial Analysis of Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail. The Net Position of the Enterprise Fund at the end of the fiscal year is \$0, a decrease of \$34.9 million from the prior year. At the end of the current fiscal year, the Water Quality Flood Protection Enterprise Fund was closed as the fund no longer collects user fees. Additionally, the final phase of the storm drain project using the remaining balance has been completed.

As such, the assets in the amount of \$34.3 million from the Business-type activities were transferred to the Governmental activities. All subsequent activities will be recorded in the General Fund and Capital Improvement Fund.

The Net Position of the Internal Service Funds at the end of the fiscal year amounted to \$3.1 million, a decrease to the Net Position by \$0.1 million. The decreased amount is due to the payments made for the City's new permitting system and financial software.



City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS (CONTINUED)

General Fund Budgetary Highlights

The City of Rancho Palos Verdes' budget is prepared over the course of several months, beginning with a thorough review and analysis of the prior fiscal year between September and December. The General Fund actual year-end results show operations ending the year with total revenues of almost \$31.6 million and just under \$24.9 million of expenditures. When including net transfers of \$4.1 million there is a positive variance of \$2.7 million (revenues to expenditures).

The increase in revenues is due primarily to higher than expected inflow from property tax, franchise tax, user utility tax, interest earnings, and other miscellaneous revenues. Savings from expenditures are due to underruns in salaries and benefits, professional and technical services, repairs and maintenance, and supplies.

Revenue Highlights

Taxes

- Make up City's largest revenue sources. Taxes include property tax, transient occupancy tax, and sales tax. Tax revenues came in slightly higher than final budget by \$255,000 or just under 1%. This increase was due primarily to secured property tax, franchise tax, and gas user utility tax actual revenues ending the year higher than expected.

Use of Money and Property

- Consists of interest earnings and rental & lease revenue. These revenue sources combined came in at approximately \$260,000 or 44% higher than the final budget. The majority of this increase, \$211,000, is the result of continued growth in interest earnings as returns have increased over the past 12 months.

Expenditure Highlights

Salaries & Benefits

- Combined ended the year almost \$974,000 or 9% under final budget. This is due to several unanticipated employee separations in the fourth quarter.

Professional & Technical Services

- This category came in approximately \$1 million under final budget. This underrun is due to delayed services and planned services that were not utilized during the fiscal year.



City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in Capital Assets for its Governmental activities and Business-type activities as of June 30, 2019, amounts to \$159.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, furniture, other equipment, and construction in progress. During the current fiscal year, the City's investment in governmental capital assets increased by \$34.1 million or 21% primarily from the transfer of the capital assets from the Business-type activities.

Major capital asset events during the current fiscal year included the following:

- Depreciation of \$5.6 million was recorded for the City's Capital Assets.
- A total of \$5.4 million of construction in progress was added primarily from the residential and street improvements, beautification projects, and improvement of the Palos Verdes Interpretive Center Exhibit.

The Capital Assets (net of accumulated depreciation) for Business-type activities as of June 30, 2019 is \$0.

City of Rancho Palos Verdes Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital assets not being depreciated						
Land	\$ 43,515,818	\$ 42,087,575	\$ -	\$ 1,428,243	\$ 43,515,818	\$ 43,515,818
Construction in progress	3,130,630	1,646,826	-	4,432,416	3,130,630	6,079,242
Total capital assets not being depreciated	46,646,448	43,734,401	-	5,860,659	46,646,448	49,595,060
Capital assets being depreciated, net						
Buildings	7,193,177	6,743,360	-	-	7,193,177	6,743,360
Vehicles	104,423	145,398			104,423	145,398
Computer equipment	91,141	182,326			91,141	182,326
Equipment - water quality	-	-			-	-
Furniture, fixtures and equipment	188,377	298,841			188,377	298,841
Infrastructure					-	
Roadway system	56,131,059	55,395,146			56,131,059	55,395,146
Sewer system	4,937,865	5,391,539			4,937,865	5,391,539
Storm drain system	8,671,515	8,939,039	-	29,135,739	8,671,515	38,074,778
Storm drain system - water quality	30,422,761	-	-	-	30,422,761	-
Park system	5,170,068	4,590,364			5,170,068	4,590,364
Total capital assets being depreciated, net	112,910,386	81,686,013	-	29,135,739	112,910,386	110,821,752
Capital Assets, net	\$ 159,556,834	\$ 125,420,414	\$ -	\$ 34,996,398	\$ 159,556,834	\$ 160,416,812



CITY OF RANCHO PALOS VERDES

MANAGEMENT’S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Additional information on the City’s Capital Assets can be found in Note #4 on pages 48-49 of this report.

Long-term debt. At the end of the current Fiscal Year, the City of Rancho Palos Verdes had total debt outstanding of \$400,504 for Employee Compensated Absences.

City of Rancho Palos Verdes Outstanding Debt

	Governmental Activities	
	2019	2018
Employee compensated absences	400,504	424,249
Total	\$ 400,504	\$ 424,249

At the fiscal year ended June 30, 2019, the City’s total debt decreased by \$0.02 million or 6%.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City of Rancho Palos Verdes is \$1,935,260,000.

ECONOMIC FACTORS AND NEXT YEAR BUDGETS AND RATES

The City historically follows a very fiscally conservative forecasting model and continued that practice with the FY 2018-19 budget. Based on this practice, the City maintains a healthy financial outlook and supports the General Fund operations with only recurring tax revenue. Roughly 43% of the City’s revenue comes from Property Tax, a stable revenue source with steady predictable growth year over year.

During FY 2018-19 total property values within the city grew by 5.576%. There has been an increase in the demand for housing especially in the coastal areas. Home values are expected to rise through 2020 to an average state value of over \$593,000 by the end of 2020. The median sales price of a detached single family residence in Rancho Palos Verdes reached \$1,340,000, 11.7% higher than the peak median price before the 2008 recession.



City of Rancho Palos Verdes

MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2019

ECONOMIC FACTORS AND NEXT YEAR BUDGETS AND RATES

Transient Occupancy Tax (TOT) receipts from a major hotel resort support a strong capital program and while the current long-term forecast for TOT is moderate growth over the next five years there are adequate revenues and reserves to meet the needs of the community. The City-wide annual budget continues to showcase the City's commitment to fiscal prudence, predicated on maintaining a structurally sound operating budget, lean staffing, healthy cash reserves and absence of debt.

The Los Angeles County Economic Development Corporation (LAEDC), expects, all else being relatively equal, the trend of aggregate Californian economic confidence should continue. The forecast concluded the following state statistics:

- A 3.0 percent gross state product growth in both 2019 and 2020, exceeding the national forecast of 2.2 percent in 2019 and 2.4 percent in 2020.
- An unemployment rate of 3.7 percent in 2019 and 3.4 percent in 2020.

REQUESTS FOR INFORMATION

This Financial Report is designed to provide a general overview of the financial position of the City of Rancho Palos Verdes for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Finance Department at 30940 Hawthorne Boulevard, Rancho Palos Verdes, CA 90275 or finance@rpvca.gov.



BASIC FINANCIAL STATEMENTS



CITY OF RANCHO PALOS VERDES

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities	Business-type Activity	Total
ASSETS			
CURRENT ASSETS:			
Cash and investments	\$ 65,188,261	\$ -	\$ 65,188,261
Receivables:			
Taxes	1,864,679	-	1,864,679
Interest	200,679	-	200,679
Notes	8,313,954	-	8,313,954
Other	963,298	-	963,298
Inventory	19,454	-	19,454
Prepaid costs	997,005	-	997,005
TOTAL CURRENT ASSETS	77,547,330	-	77,547,330
NONCURRENT ASSETS:			
Receivable from Successor Agency	10,620,275	-	10,620,275
Allowance for Successor Agency receivable	(10,620,275)	-	(10,620,275)
Capital assets, not being depreciated:			
Land	43,515,818	-	43,515,818
Construction in progress	3,130,630	-	3,130,630
Capital assets, being depreciated, net:			
Property and equipment	383,941	-	383,941
Buildings and improvements	7,193,177	-	7,193,177
Infrastructure	105,333,268	-	105,333,268
TOTAL NONCURRENT ASSETS	159,556,834	-	159,556,834
TOTAL ASSETS	237,104,164	-	237,104,164
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,871,414	-	2,871,414
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable and accrued liabilities	3,532,666	-	3,532,666
Retentions payable	233,468	-	233,468
Unearned revenue	9,835	-	9,835
Deposits payable	677,478	-	677,478
Current portion of noncurrent liabilities	327,215	-	327,215
TOTAL CURRENT LIABILITIES	4,780,662	-	4,780,662
NONCURRENT LIABILITIES:			
Due beyond one year	73,289	-	73,289
Net pension liability	10,921,840	-	10,921,840
TOTAL NONCURRENT LIABILITIES	10,995,129	-	10,995,129
TOTAL LIABILITIES	15,775,791	-	15,775,791
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	734,107	-	734,107
NET POSITION			
Net invested in capital assets	159,556,834	-	159,556,834
Restricted for:			
Expendable	14,268,162	-	14,268,162
Nonexpendable	1,902,180	-	1,902,180
Unrestricted	47,738,504	-	47,738,504
TOTAL NET POSITION	\$ 223,465,680	\$ -	\$ 223,465,680

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Administration	\$ 6,562,703	\$ 1,064,583	\$ 1,359	\$ -
Public safety	7,214,441	104,134	150,863	-
Public works	16,064,163	227,162	4,455,910	1,136,762
Parks and recreation	3,064,444	765,787	-	-
Community development	3,051,881	2,130,345	-	-
Non-departmental	1,133,906	-	-	-
Total governmental activities	<u>37,091,538</u>	<u>4,292,011</u>	<u>4,608,132</u>	<u>1,136,762</u>
Business-type Activity:				
Water Protection Flood Control	<u>811,115</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 37,902,653</u>	<u>\$ -</u>	<u>\$ 4,608,132</u>	<u>\$ 1,136,762</u>

General revenues:

Taxes:

Property taxes

Transient occupancy tax

Franchise tax

Utility user tax

Other taxes

Unrestricted intergovernmental revenue - shared sales tax

Investment income

Unrestricted grants, contributions and other revenues

Total general revenues

Transfers

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying notes to basic financial statements.

Net Revenue (Expense) and
Changes in Net Position

Governmental Activities	Business-type Activity	Total
\$ (5,496,761)	\$ -	\$ (5,496,761)
(6,959,444)	-	(6,959,444)
(10,244,329)	-	(10,244,329)
(2,298,657)	-	(2,298,657)
(921,536)	-	(921,536)
(1,133,906)	-	(1,133,906)
<u>(27,054,633)</u>	<u>-</u>	<u>(27,054,633)</u>
-	(811,115)	(811,115)
<u>(27,054,633)</u>	<u>(811,115)</u>	<u>(27,865,748)</u>
14,349,681	-	14,349,681
5,645,497	-	5,645,497
2,149,743	-	2,149,743
1,917,107	-	1,917,107
429,049	-	429,049
2,661,181	-	2,661,181
1,313,004	-	1,313,004
909,036	200,000	1,109,036
<u>29,374,298</u>	<u>200,000</u>	<u>29,574,298</u>
<u>34,257,672</u>	<u>(34,257,672)</u>	<u>-</u>
36,577,337	(34,868,787)	1,708,550
<u>186,888,343</u>	<u>34,868,787</u>	<u>221,757,130</u>
<u>\$ 223,465,680</u>	<u>\$ -</u>	<u>\$ 223,465,680</u>

CITY OF RANCHO PALOS VERDES

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

	General	Special Revenue State Grants	Capital Projects Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 20,473,726	\$ -	\$ 27,331,551	\$ 14,691,570	\$ 62,496,847
Receivables:					
Taxes	1,847,906	-	-	16,773	1,864,679
Interest	63,949	-	80,628	48,177	192,754
Other	83,005	444,320	-	435,973	963,298
Due from other funds	667,359	-	-	-	667,359
Inventory	19,454	-	-	-	19,454
Prepaid items	997,005	-	-	-	997,005
Receivable from Successor Agency	10,620,275	-	-	-	10,620,275
Allowance for Successor Agency Receivable	(10,620,275)	-	-	-	(10,620,275)
TOTAL ASSETS	<u>\$ 24,152,404</u>	<u>\$ 444,320</u>	<u>\$ 27,412,179</u>	<u>\$ 15,192,493</u>	<u>\$ 67,201,396</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 2,324,224	\$ 158,604	\$ 313,694	\$ 724,126	\$ 3,520,648
Due to other funds	-	541,410	-	125,949	667,359
Retentions payable	127,872	8,047	81,294	16,255	233,468
Unearned revenue	-	-	-	9,835	9,835
Deposits payable	677,478	-	-	-	677,478
TOTAL LIABILITIES	<u>3,129,574</u>	<u>708,061</u>	<u>394,988</u>	<u>876,165</u>	<u>5,108,788</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	234,283	300,000	-	63,086	597,369
FUND BALANCES (DEFICITS):					
Non-Spendable					
Endowment principal	-	-	-	750,000	750,000
Reimbursement settlement agreement	-	-	-	1,000,000	1,000,000
Prepaid items	997,005	-	-	-	997,005
Inventory	19,454	-	-	-	19,454
Habitat restoration	-	-	-	152,180	152,180
Restricted	-	-	1,917,100	12,351,062	14,268,162
Committed	341,432	-	-	-	341,432
Assigned	-	-	25,100,091	-	25,100,091
Unassigned	19,430,656	(563,741)	-	-	18,866,915
TOTAL FUND BALANCES (DEFICITS)	<u>20,788,547</u>	<u>(563,741)</u>	<u>27,017,191</u>	<u>14,253,242</u>	<u>61,495,239</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 24,152,404</u>	<u>\$ 444,320</u>	<u>\$ 27,412,179</u>	<u>\$ 15,192,493</u>	<u>\$ 67,201,396</u>

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2019

Fund balances - total governmental funds	\$ 61,495,239
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	159,172,893
Receivables not available to pay for current period expenditures are reported as unavailable revenue in the financial statements.	597,369
Long-term notes receivable are not current available resources and, therefore, do not affect the governmental fund balance.	8,313,954
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(400,504)
The pension liability and related amounts are not due and payable in the current period and, therefore, are not reported in the governmental funds. Deferred outflows of resources and deferred inflows of resources related pensions are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities:	
Net pension liability	(10,921,840)
Deferred outflows of resources related to pensions	2,871,414
Deferred inflows of resources related to pensions	(734,107)
Internal service funds are used by management to charge the costs of certain activities, including equipment and building replacement to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Position.	<u>3,071,262</u>
Net position of governmental activities	<u>\$ 223,465,680</u>

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the year ended June 30, 2019

	General	Special Revenue State Grants	Capital Projects Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 27,315,505	\$ -	\$ -	\$ 782,545	\$ 28,098,050
Licenses and permits	2,204,606	-	-	-	2,204,606
Revenue from other agencies	1,359	144,320	5,007	5,007,422	5,158,108
Charges for services	26,881	-	-	188,142	215,023
Fines and forfeitures	331,226	-	-	-	331,226
Use of money and property	845,137	-	508,963	302,022	1,656,122
Other revenues	893,950	-	-	131,722	1,025,672
TOTAL REVENUES	31,618,664	144,320	513,970	6,411,853	38,688,807
EXPENDITURES:					
Current:					
Administration	5,580,819	-	-	-	5,580,819
Public safety	7,214,441	-	-	-	7,214,441
Public works	5,191,136	408,061	-	7,947,144	13,546,341
Parks and recreation	2,682,426	-	-	86,344	2,768,770
Community development	3,051,881	-	-	-	3,051,881
Non-departmental	1,133,906	-	-	-	1,133,906
Capital outlay	-	-	3,291,424	-	3,291,424
TOTAL EXPENDITURES	24,854,609	408,061	3,291,424	8,033,488	36,587,582
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,764,055	(263,741)	(2,777,454)	(1,621,635)	2,101,225
OTHER FINANCING SOURCES (USES):					
Transfers in	292,384	-	5,389,170	345,000	6,026,554
Transfers out	(4,346,852)	(300,000)	-	(1,307,318)	(5,954,170)
TOTAL OTHER FINANCING SOURCES (USES)	(4,054,468)	(300,000)	5,389,170	(962,318)	72,384
NET CHANGE IN FUND BALANCES	2,709,587	(563,741)	2,611,716	(2,583,953)	2,173,609
FUND BALANCES - BEGINNING OF YEAR	18,078,960	-	24,405,475	16,837,195	59,321,630
FUND BALANCES - END OF YEAR (DEFICITS)	\$ 20,788,547	\$ (563,741)	\$ 27,017,191	\$ 14,253,242	\$ 61,495,239

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the year ended June 30, 2019

Net change in fund balances - total governmental funds	\$ 2,173,609
Amounts reported for governmental activities in the Statement of Activities are different because:	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense, or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. Asset disposals are also not recognized in the governmental funds. This activity is reconciled as follows:</p>	
Cost of assets capitalized	5,496,456
Contribution of net capital assets from the closing of the Water Quality Flood Protection Enterprise Fund	34,185,288
Depreciation expense	(5,308,050)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	484,020
Increases in long-term notes receivable use current financial resources and are included in the expenditures of governmental funds. Repayments of long-term notes receivable provide current financial resources and are included in the revenues of governmental funds. These changes in notes receivable are not reflected in the revenues or expenses of the Statement of Activities. This amount represents the net change in the long-term notes receivable.	188,117
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	23,745
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows relate to pensions. This amount represents the net change in pension related amounts.	(564,632)
Internal service funds are used by management to charge the costs of certain activities, including equipment and building replacement and employee benefits, to individual funds. The net revenues/ (expenses) of the internal service funds are reported with governmental activities.	<u>(101,216)</u>
Change in net position of governmental activities	<u><u>\$ 36,577,337</u></u>

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

GENERAL FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 27,060,300	\$ 27,060,300	\$ 27,315,505	\$ 255,205
Licenses and permits	2,290,300	2,290,300	2,204,606	(85,694)
Revenue from other agencies	-	-	1,359	1,359
Charges for services	15,200	15,200	26,881	11,681
Fines and forfeitures	327,000	327,000	331,226	4,226
Use of money and property	585,400	585,400	845,137	259,737
Other revenues	644,900	644,900	893,950	249,050
TOTAL REVENUES	30,923,100	30,923,100	31,618,664	695,564
EXPENDITURES:				
Administration				
City council	154,600	150,300	96,253	54,047
City manager	856,500	848,182	791,758	56,424
Legal services	925,000	925,000	1,171,414	(246,414)
Community outreach	75,100	65,300	62,247	3,053
City clerk	621,200	524,176	449,727	74,449
RPV TV	289,400	238,400	179,550	58,850
Personnel	365,600	405,774	302,545	103,229
Finance	1,606,100	1,604,538	1,502,164	102,374
Information technology - Data	1,119,400	1,055,950	928,885	127,065
Information technology - Voice	113,000	105,000	96,276	8,724
Total Administration	6,125,900	5,922,620	5,580,819	341,801
Public safety				
Sheriff	6,318,500	6,318,500	6,335,382	(16,882)
Special programs	868,600	972,211	783,421	188,790
Animal control	-	-	(7,781)	7,781
Emergency preparedness	196,100	191,000	103,419	87,581
Total Public Safety	7,383,200	7,481,711	7,214,441	267,270
Public Works				
Public works administration	2,767,300	2,530,713	2,155,313	375,400
Traffic management	563,000	586,020	460,402	125,618
Storm water quality	606,000	533,200	535,920	(2,720)
Building maintenance	679,900	569,875	453,630	116,245
Park/Trail/Open Space maintenance	1,316,000	1,422,014	989,471	432,543
Street landscape Maintenance	-	453,709	573,850	(120,141)
Sewer maintenance	69,000	35,000	22,550	12,450
Total Public Works	6,001,200	6,130,531	5,191,136	939,395

(Continued)

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED)**

GENERAL FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED):				
Parks and Recreation				
Recreation administration	1,041,400	1,028,958	1,022,002	6,956
Recreation facilities	902,900	1,000,082	851,183	148,899
Special events	246,900	227,417	197,409	30,008
PVIC	546,200	544,674	513,420	31,254
REACH	95,300	91,600	69,328	22,272
Support services	22,400	22,400	29,084	(6,684)
Total Parks and Recreation	<u>2,855,100</u>	<u>2,915,131</u>	<u>2,682,426</u>	<u>232,705</u>
Community Development				
Planning services	1,726,300	1,816,038	1,505,918	310,120
Building & safety	995,100	970,600	826,227	144,373
Code enforcement	307,800	307,800	189,361	118,439
View restoration/preservation	371,100	371,100	321,835	49,265
NCCP	50,000	50,000	11,445	38,555
Geology	150,000	150,000	107,253	42,747
Animal Control	136,000	136,000	89,842	46,158
Total Community Development	<u>3,736,300</u>	<u>3,801,538</u>	<u>3,051,881</u>	<u>749,657</u>
Non-departmental	<u>1,323,200</u>	<u>1,110,646</u>	<u>1,133,906</u>	<u>(23,260)</u>
TOTAL EXPENDITURES	<u>27,424,900</u>	<u>27,362,177</u>	<u>24,854,609</u>	<u>2,507,568</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,498,200</u>	<u>3,560,923</u>	<u>6,764,055</u>	<u>(1,812,004)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	220,000	220,000	292,384	72,384
Transfers out	<u>(4,564,700)</u>	<u>(4,564,700)</u>	<u>(4,346,852)</u>	<u>217,848</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,344,700)</u>	<u>(4,344,700)</u>	<u>(4,054,468)</u>	<u>290,232</u>
NET CHANGE IN FUND BALANCE	(846,500)	(783,777)	2,709,587	(1,521,772)
FUND BALANCE - BEGINNING OF YEAR	<u>18,078,960</u>	<u>18,078,960</u>	<u>18,078,960</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,232,460</u>	<u>\$ 17,295,183</u>	<u>\$ 20,788,547</u>	<u>\$ (1,521,772)</u>

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

STATE GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 600,000	\$ 744,320	\$ 144,320	\$ (600,000)
EXPENDITURES:				
Public works	-	965,645	408,061	557,584
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	600,000	(221,325)	(263,741)	(42,416)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(300,000)	(300,000)	-
NET CHANGE IN FUND BALANCE	600,000	(521,325)	(563,741)	(42,416)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ 600,000</u>	<u>\$ (521,325)</u>	<u>\$ (563,741)</u>	<u>\$ (42,416)</u>

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2019

	Business-type Activity- Water Quality Flood Protection Enterprise Fund	Equipment Replacement Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash and investments	\$ -	\$ 2,691,414
Receivables:		
Interest	-	7,925
TOTAL CURRENT ASSETS	-	2,699,339
NONCURRENT ASSETS:		
Capital assets, not being depreciated:		
Land	-	-
Construction in progress	-	-
Capital assets, being depreciated:		
Property and equipment	-	2,414,346
Infrastructure	-	-
Accumulated depreciation	-	(2,030,405)
TOTAL NONCURRENT ASSETS	-	383,941
TOTAL ASSETS	-	3,083,280
LIABILITIES		
LIABILITIES:		
Accounts payable and accrued liabilities	-	12,018
Retentions payable	-	-
TOTAL LIABILITIES	-	12,018
NET POSITION		
Invested in capital assets	-	383,941
Unrestricted	-	2,687,321
TOTAL NET POSITION	\$ -	\$ 3,071,262

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS**

For the year ended June 30, 2019

	Business-type Activity Water Quality Flood Protection Enterprise Fund	Equipment Replacement Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ -	\$ 300,900
OPERATING EXPENSES:		
Materials and supplies	-	210,066
Maintenance	80,390	-
Depreciation	730,725	242,309
TOTAL OPERATING EXPENSES	811,115	452,375
OPERATING LOSS	(811,115)	(151,475)
NONOPERATING REVENUES:		
Grant revenues	200,000	-
Investment income	-	50,259
TOTAL NONOPERATING REVENUES	200,000	50,259
INCOME (LOSS) BEFORE TRANSFERS	(611,115)	(101,216)
TRANSFER OUT	(34,257,672)	-
CHANGE IN NET POSITION	(34,868,787)	(101,216)
TOTAL NET POSITION - BEGINNING OF YEAR	34,868,787	3,172,478
TOTAL NET POSITION - END OF YEAR	\$ -	\$ 3,071,262

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the year ended June 30, 2019

	Business-type Activity Water Quality Flood Protection Enterprise Fund	Equipment Replacement Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interfund services provided	\$ -	\$ 300,900
Payments to suppliers	(97,917)	(201,162)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(97,917)	99,738
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(944,660)	(5,035)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Receipts from other revenues	200,000	-
Transfer to other funds	(189,352)	-
NET CASH PROVIDED FROM NON-CAPITAL FINANCING ACTIVITIES	10,648	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	2,520	47,402
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,029,409)	142,105
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,029,409	2,549,309
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 2,691,414
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (811,115)	\$ (151,475)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	730,725	242,309
Changes in operating assets and liabilities:		
Decrease in accounts payable and accrued liabilities	-	8,904
Decrease in retentions payable	(17,527)	-
NET PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (97,917)	\$ 99,738
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contribution of capital assets to City's governmental activities	\$ 34,185,288	\$ -

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

June 30, 2019

	<u>Successor Agency Private-Purpose Trust Fund</u>
ASSETS	
Cash and investments	\$ 192,509
Interest receivable	570
Prepaid costs	<u>356,125</u>
TOTAL ASSETS	<u>549,204</u>
LIABILITIES	
CURRENT LIABILITIES:	
Current portion of noncurrent liabilities	<u>454,922</u>
TOTAL CURRENT LIABILITIES	<u>454,922</u>
NONCURRENT LIABILITIES:	
Due beyond one year	<u>13,955,353</u>
TOTAL NONCURRENT LIABILITIES	13,955,353
TOTAL LIABILITIES	<u>14,410,275</u>
NET POSITION (DEFICIT) HELD IN TRUST	<u>\$ (13,861,071)</u>

See accompanying notes to basic financial statements.

CITY OF RANCHO PALOS VERDES

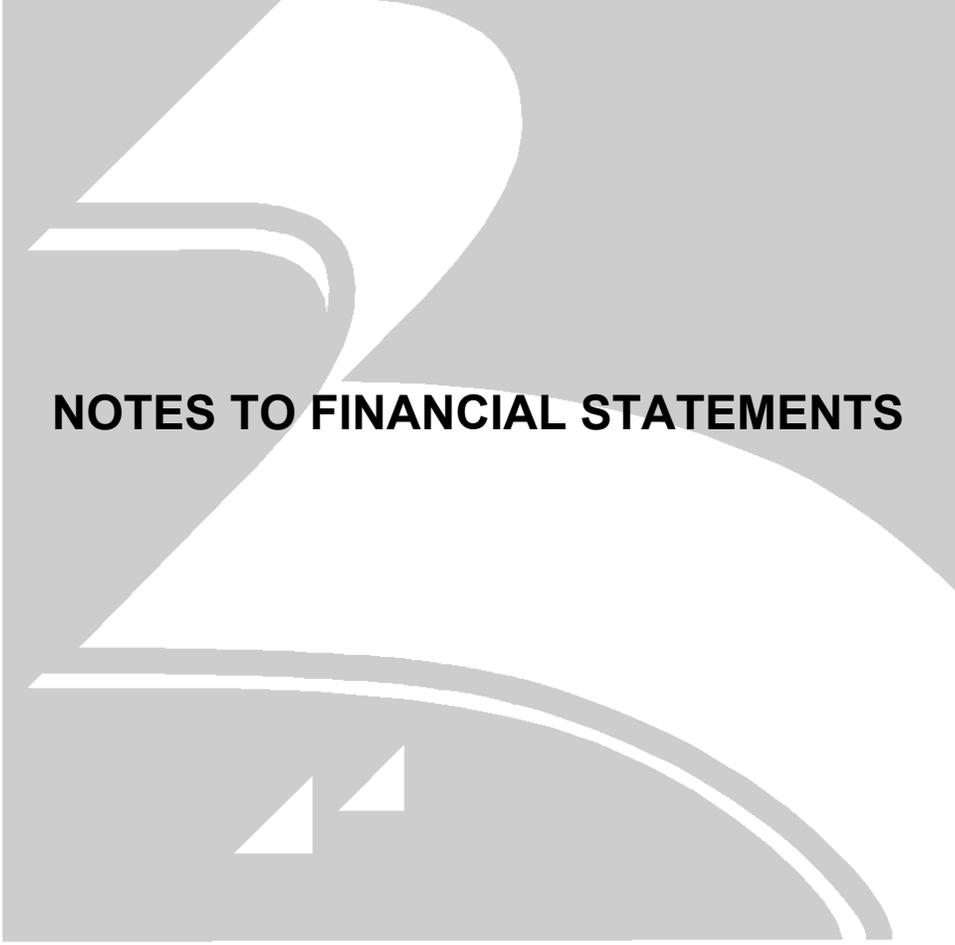
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the year ended June 30, 2019

	Successor Agency Private-Purpose Trust Fund
ADDITIONS:	
Taxes	\$ 625,797
Use of money and property	6,296
TOTAL ADDITIONS	632,093
DEDUCTIONS:	
Administration	226,839
Debt interest and fiscal charges	378,214
TOTAL DEDUCTIONS	605,053
CHANGE IN NET POSITION	27,040
NET POSITION (DEFICIT) - BEGINNING OF YEAR	(13,888,111)
NET POSITION (DEFICIT) - END OF YEAR	\$ (13,861,071)

See accompanying notes to basic financial statements.

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NOTES TO FINANCIAL STATEMENTS



CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Basic Financial Statements

June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Rancho Palos Verdes (the “City”) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for governmental accounting and financial reporting principles. The following is a summary of the significant policies.

A. Reporting Entity

The reporting entity, “City of Rancho Palos Verdes”, includes the accounts of the City and the Joint Powers Improvement Authority (the Authority). The City was incorporated on September 7, 1973, as a General Law City and operates under a Council/Manager form of government.

The City sponsored the formation of a Redevelopment Agency in 1984 pursuant to the State of California Health and Safety Code Section 33000 entitled “Community Redevelopment Law” with a purpose to finance long-term capital improvements designed to eliminate physical and economic blight in a project area through stabilization of hazardous landslides. Effective February 1, 2012, pursuant to state law, the Redevelopment Agency was dissolved and its assets were transferred to a Successor Agency for the purpose of winding down the business of the former Redevelopment Agency (see Note 14). The Successor Agency is a separate legal entity that is a related organization to the City; but is not a component unit, as described more fully below.

The Authority was formed on September 4, 1990, in accordance with the provisions of the Reimbursement and Settlement Agreement, dated October 27, 1987, entered into by the City, the former Redevelopment Agency, and the County of Los Angeles (County) in connection with the Horan Lawsuit. The Agreement requires funds to be set aside and expended by the Authority to maintain landslide abatement improvements installed and constructed by the former Redevelopment Agency.

The City of Rancho Palos Verdes is the primary government unit. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading. The City has accounted for the Authority as a “blended” component unit. The balances and transactions of the Authority are reported in separate Permanent and Special Revenue Funds; and are included in the government-wide statements.

The following specific criteria were used in determining that the Authority is a “blended” component unit.

- The members of the City Council also act as members of the Authority Board.
- The Authority is fiscally dependent on the City, and there is potential for the Authority to impose specific financial burdens on the City; as the City subsidizes maintenance operations performed by the Authority and the City is legally liable for facilities maintained by the Authority.

Separately issued financial statements for the Authority may be obtained at the City’s administrative offices.

The Successor Agency does not meet the criteria for reporting as a component unit, as it is not fiscally dependent on the City. In addition, the business of the Successor Agency must be approved by an independently appointed Oversight Board and the California Department of Finance. Therefore, the balances and transactions of the Successor Agency are reported as a separate Fiduciary Fund (private purpose trust fund), and are not included in the government-wide statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Participation in Public Entity Jointly Controlled Government

The City is a member of the Palos Verdes Peninsula Transit Joint Powers Authority (the Transit Authority). The Transit Authority is comprised of three member cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to study, implement, and provide a public transit system within and around the Palos Verdes Peninsula. These transit services include Palos Verdes Transit, Dial-A-Ride, and a fixed route shuttle service. Periodic deposits are paid by member Cities and are adjusted retrospectively to cover costs. Costs are prorated among all participating Cities based on population.

The City does not have an equity interest in the Transit Authority; therefore, no amount has been reported in the Statement of Net Position. However, the City does have an ongoing financial interest, because the City is able to influence the operations of the Authority so that the Authority uses its resources on behalf of the City. Also, an ongoing financial responsibility exists because the Authority is dependent on continued funding from the City. The condensed financial information of the Authority has not been reproduced in this report, but is available upon request from the Authority by emailing pvtransit@palosverdes.com or mailing a request to P.O. Box 2656, Palos Verdes Peninsula, CA 90274.

B. Description of Funds

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows, fund equity, revenues, and expenditures. The following are types of funds used.

Governmental Fund Types

General Fund - Used to account for all financial resources except those that are required to be accounted for in another fund. The financial resources accounted for in the General Fund may be used to fund any City program.

Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specified purposes.

Capital Projects Funds - Used to account for financial resources used for the construction of specific capital projects.

Permanent Funds - Used to account for resources legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Proprietary Fund Types

Enterprise Fund - Used to finance and account for the acquisition, operation, and maintenance of the City's facilities and services; which are supported primarily by user charges.

Internal Service Funds - Used to centralize the accounting for purchases of equipment, furniture and vehicles on behalf of all City departments, and the accumulation of funds for replacement of certain buildings on behalf of the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Fiduciary Fund Type

Private-Purpose Trust Fund - Used to account for property tax revenue allocated to the Successor Agency and payments of the obligations of the former Redevelopment Agency.

C. Basis of Accounting/Measurement Focus

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a "Statement of Net Position" and a "Statement of Activities." These two statements present summaries of Governmental and Business-type Activities for the City; and do not include fiduciary activities. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources; including capital assets, infrastructure, and long-term debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue transactions for the City are reported in three categories: 1) Charges for Services, 2) Operating Grants and Contributions, and 3) Capital Grants and Contributions. Charges for Services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating Grants and Contributions include revenues restricted to meeting the requirements of a particular operating function and may include state shared revenues and grants. Capital Grants and Contributions include revenues restricted to meeting the requirements of a particular capital function and may include grants and developer fees. Taxes and other items not properly included among program revenues are reported instead as general revenues. As a general rule, the effect of inter-fund activity has been eliminated from the Government-Wide Financial Statements.

Governmental Fund Financial Statements

Governmental fund financial statements include a "Balance Sheet - Governmental Funds" and "Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds" for all major and other governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the Net Position presented in the Government-Wide Financial Statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those that are required to be accounted for in another fund.

The State Grants Special Revenue Fund is used to account for state financial assistance programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The Capital Improvement Capital Projects Fund is used to account for funds used for the City's capital improvement projects.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Under the "current financial resources" measurement focus, generally only current assets, current liabilities and deferred inflows are reported on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Accrued revenues include property taxes received within 60 days after year-end, taxpayer-assessed taxes such as sales taxes, and earnings on investments. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as unearned revenues. Expenditures are recorded when the fund liability is incurred, if measurable, except for interest on general long-term debt that has not yet matured, which is recognized when due.

Proprietary Fund Financial Statements

Proprietary fund types are accounted for using the "economic resources" measurement focus and accrual basis of accounting. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the balance sheet. Fund equity is presented as total net position. The operating statement of proprietary funds presents increases (revenues) and decreases (expenses) in total net position. Revenues are recognized when they are earned and expenses are recognized when the liability is incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for services. Operating expenses for the enterprise and internal service funds include the costs of services, employee benefits, maintenance of capital assets, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City uses an internal service fund to finance and account for goods and services provided by one City department to other City departments, including the purchase and maintenance of equipment. The City's internal service fund is presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund is consolidated into the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (administration, public safety, public works, etc.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following major enterprise fund.

The Water Quality Flood Protection Fund is used to account for the voter approved storm drain user fees used to repair and replace the City's storm drain facilities. The remaining assets of this fund were contributed the General Fund.

Fiduciary Fund Financial Statements

The fiduciary private-purpose trust fund type is accounted for using the economic resources measurement focus and accrual basis of accounting similar to the proprietary funds.

The City reports the following fiduciary fund.

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency as part of the business of redevelopment dissolution. The Successor Agency private-purpose trust fund accounts for the changes in the former Redevelopment Agency's assets and liabilities until they are disposed of through dissolution. This fund also accounts for the administrative costs associated with dissolution.

D. Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year-end. Budget control is maintained over all accounts, and expenditures are not allowed to exceed appropriations at the department level. Throughout the year, the City Council made several budgetary adjustments to the General fund, Special Revenue funds, Capital Projects funds, and Permanent funds.

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, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2019, based on calculations by City Management, the proceeds of taxes in the amount of \$27.1 million did not exceed appropriation limit of \$30.1 million.

E. Capital Assets

Capital assets include land, construction in progress, building and improvements, vehicles, computer equipment, furniture, fixtures and equipment, and infrastructure assets (street systems, storm drains, sewer systems, etc.). Capital assets are defined by the City as all land and buildings, vehicles, computers and equipment with an initial individual cost of more than \$5,000; and improvements and infrastructure assets with costs of more than \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at acquisition value at the date of donation or annexation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the Government-Wide Financial Statements on a straight-line basis over the useful life of the assets as follows:

Buildings and Improvements	25 to 50 years
Vehicles, Computers, and Equipment	3 to 10 years
Infrastructure Assets	
Roadway Network	10 to 100 years
Sewer Network	25 to 50 years
Storm Drain Network	30 to 100 years
Parks and Recreation Network	25 years

F. Employee Compensated Absences

City employees may receive from 10 to 20 days of vacation time each year, depending upon length of service. An employee may accumulate earned vacation time up to a maximum of two years' worth of accrued vacation leave. Upon termination, employees are paid the full value of their unused vacation time at their existing salary.

City employees accrue 96 hours of sick leave each year with a maximum accrual of 720 hours. However, unused sick leave is never paid out to the employee upon separation; and therefore, the City does not accrue a liability.

The General Fund will primarily be used to liquidate the liability for compensated absences in future years. Any liability for compensated absences is only carried in the General Fund if there is unused/unpaid leave outstanding following an employee's separation.

G. Investments

Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. All fair values are determined by external consultants. Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period.

H. Cash and Investments

The Water Quality Flood Protection Enterprise Fund and the Internal Service Funds participate in the pooling of City-wide cash and investments. Amounts from the pool are available to these funds on demand. Therefore the cash and investments reported in these funds are considered to be cash and cash equivalents for purpose of the statement of cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Claims and Judgments

When it is probable that a claim liability has been incurred, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage under its self-insurance program. Small claims and judgments are recorded as expenditures when paid.

The City's self-insurance program is administered through the California Joint Powers Authority (the CJPIA), which is described at Note 9. The CJPIA is a public entity risk pool. The City records amounts deposited with CJPIA as insurance expenditures in the General Fund.

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. In governmental funds, the prepaid assets recorded do not reflect current appropriable resources and thus, an equivalent portion of fund balance is reported as non-spendable. The City had a total of \$997,005 of prepaid items as of June 30, 2019.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first. When unrestricted resources (committed, assigned or unassigned) are available for use, it is the City's policy to use committed resources first, assigned resources second and finally unassigned resources.

M. Deferred Inflows and Outflows

In addition to assets, the statement of net position 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 position that applies to a future period and 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 equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pensions for the changes in proportion and differences between employer contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Inflows and Outflows (Continued)

- Deferred outflows related to pensions resulting from the net difference between projected and actual earnings on investments of the pension plans fiduciary net position. These amounts are amortized over five years.
- Deferred outflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to pensions for the changes in proportion and differences between employer contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to pensions for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Current Accounting Pronouncements

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018. This accounting pronouncement did not impact the City.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. This accounting pronouncement did not impact the City.

O. Future Accounting Pronouncements

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91 - *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

P. 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 City'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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position	Fiduciary Fund Statement of Fiduciary Net Position	Total
Total cash and investments	<u>\$ 65,188,261</u>	<u>\$ 192,509</u>	<u>\$ 65,380,770</u>

Cash and investments as of June 30, 2019 consist of the following:

Petty Cash	\$ 5,000
Deposits with Financial Institutions	5,139,975
Certificates of Deposit	17,450,000
Money Market Funds	1,227
U.S. Treasury Obligations	6,000,000
Negotiable Certificates of Deposit	4,165,130
Local Agency Investment Fund (LAIF)	<u>32,619,438</u>
	<u>\$ 65,380,770</u>

Investments Authorized by the California Government Code and the City of Rancho Palos Verdes' Investment Policy.

The table below identifies the investment types that are authorized for the City of Rancho Palos Verdes by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Amount or Percent of Portfolio	Maximum in One Issuer
U.S. Treasury Obligations	3 years	None	None
Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	7 days	15%	None
Money Market Mutual Funds	N/A	15%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million per acct.
Money Market Savings/Demand Deposits	N/A	15%	\$5 million

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect fair value of an investment. Generally, the longer the maturity of an investment, there is a greater sensitivity of its fair value to changes in market interest rates. The City manages its exposure to interest rate risk by investing with the Local Agency Investment Fund (LAIF) such that the portfolio provides cash flows and liquidity need for operations. The City's investment is represented by shares in the pool, which can be withdrawn in one business day. The average maturity of the pool is less than one year.

Investment Type	Remaining Maturity				Total
	0-6 months	6-12 months	12-36 months	36-60 months	
Certificates of Deposit	\$ 4,500,000	\$ 1,450,000	\$ 9,000,000	\$ 2,500,000	\$ 17,450,000
Money Market Funds	1,227	-	-	-	1,227
U.S. Treasury Obligations	3,000,000	-	3,000,000	-	6,000,000
Negotiable Certificates of Deposit	-	4,165,130	-	-	4,165,130
Local Agency Investment Fund (LAIF)	32,619,438	-	-	-	32,619,438
Total	<u>\$ 40,120,665</u>	<u>\$ 5,615,130</u>	<u>\$ 12,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ 60,235,795</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The certificates of deposit, negotiable certificates of deposit, and LAIF are not rated. The money market funds are rated AAA.

Concentration of Credit Risk

The investment policy of the City of Rancho Palos Verdes contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City of Rancho Palos Verdes' investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

2. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts, but not in the name of the City. The financial institutions that held the uninsured deposits are legally required by the California Government Code to collateralize the City's deposits as noted above.

Investment in Local Agency Investment Fund (LAIF)

The City of Rancho Palos Verdes is a voluntary participant in 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 of Rancho Palos Verdes' investment in this pool is based upon the City of Rancho Palos Verdes' pro-rata share of the fair value provided by LAIF for the entire pool 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.

LAIF is a governmental investment pool managed and directed by the Treasurer of the State of California and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various other participants provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office.

Fair Value Classifications

The City categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets, Level 3 inputs are significant unobservable inputs.

The fair value of the City's investments in negotiable certificates of deposits is based on Level 2 inputs. The City's investments in FDIC insured certificates of deposits, money market funds and LAIF are not subject to the fair value hierarchy.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

3. INTERFUND TRANSACTIONS

Interfund Receivable/Payable

Interfund transfers for the year ended June 30, 2019, consisted of the following:

Transfer To	Transfer From				Totals
	General Fund	State Grants Special Revenue Fund	Other Governmental Funds	Water Quality Flood Protection	
General Fund	\$ -	\$ -	\$ 220,000	\$ 72,384	\$ 292,384
Capital Improvement Projects	4,301,852	-	1,087,318	-	5,389,170
Other Governmental Funds	45,000	300,000	-	-	345,000
Subtotal	4,346,852	300,000	1,307,318	72,384	6,026,554
Close of Water Quality Flood Protection Enterprise Fund	-	-	-	34,185,288	34,185,288
Total	\$ 4,346,852	\$ 300,000	\$ 1,307,318	\$ 34,257,672	\$ 40,211,842

Transfers are used to: (1) move revenues from the fund that statute or budget requires for collection to the fund that statute or budget requires for expenditure; (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or grant matching requirements; (3) return money that was originally transferred from the General Fund to another fund, yet not used; and (4) close out of the Water Quality Flood Protection Fund and transfer remaining assets to the Governmental Funds.

The General Fund transferred a total of \$4,346,852. Of this amount, \$4,301,852 was transferred to the Capital Improvement Projects (CIP) Fund as a CIP Reserve for future infrastructure projects, as required by the City Council's Reserve Policy. The amount of \$25,000 was transferred to the Improvement Authority Abalone Cove and \$20,000 to the Improvement Authority Portuguese Bend. The State Grants Special Revenue Fund transferred \$300,000 to Other Governmental Funds (Proposition A Special Revenue Fund) for costs related to the Lower Hesse Park Grant. The General Fund received \$220,000 during the year from Other Governmental Funds. Of this amount, \$130,000 was transferred from the Public Safety Grants Fund to supplement the special community resource policing team for the deputy cost within the Sherriff program of the public safety section of the budget and \$90,000 was transferred from the Measure A Maintenance Fund to fund Parks, Trails, and Open Space Maintenance within the General Fund for fuel modification in the Open Space areas. The General Fund received \$72,384 during the year from the Water Quality Flood Projection Enterprise fund as the voter approved user fees sunset in FY 15-16 and the remaining balance of the fund were spent by FY 18-19. The Capital Improvement Projects (CIP) Fund received \$1,087,318 during the year from the Other Governmental Funds (Federal Grants Fund) to reimburse for project costs.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Basic Financial Statements

June 30, 2019

4. CAPITAL ASSETS AND DEPRECIATION

The City has reported all capital assets including infrastructure in the Government-Wide Statement of Net Position. The City elected to use the basic reporting approach as defined by GASB Statement No. 34 for all infrastructures, whereby depreciation expense and accumulated depreciation has been recorded. The following tables present the capital assets activity for the year ended June 30, 2019.

	Beginning Balance	Increases	Decreases	Contribution from Business-Type Activities	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 42,087,575	\$ -	\$ -	\$ 1,428,243	\$ 43,515,818
Construction in progress	1,646,826	5,449,496	(6,299,976)	2,334,284	3,130,630
Total capital assets not being depreciated	43,734,401	5,449,496	(6,299,976)	3,762,527	46,646,448
Capital assets being depreciated:					
Building and improvements	13,547,209	733,989	-	-	14,281,198
Vehicles	511,560	-	-	-	511,560
Computer equipment	989,151	-	-	-	989,151
Equipment - water quality	-	-	-	11,813	11,813
Furniture, fixtures and equipment	908,600	5,035	-	-	913,635
Infrastructure					
Roadway system	116,904,719	4,737,569	-	-	121,642,288
Sewer system	25,965,995	-	-	-	25,965,995
Storm drain system	13,660,322	-	-	-	13,660,322
Storm drain system - water quality	-	-	-	34,512,356	34,512,356
Parks system	6,734,479	875,378	-	-	7,609,857
Total capital assets being depreciated	179,222,035	6,351,971	-	34,524,169	220,098,175
Less accumulated depreciation for:					
Buildings and improvements	(6,803,849)	(284,172)	-	-	(7,088,021)
Vehicles	(366,162)	(40,975)	-	-	(407,137)
Computer equipment	(806,825)	(91,185)	-	-	(898,010)
Equipment - water quality	-	-	-	(11,813)	(11,813)
Furniture, fixtures and equipment	(609,759)	(115,499)	-	-	(725,258)
Infrastructure					
Roadway system	(61,509,573)	(4,001,656)	-	-	(65,511,229)
Sewer system	(20,574,456)	(453,674)	-	-	(21,028,130)
Storm drain system	(4,721,283)	(267,524)	-	-	(4,988,807)
Storm drain system - water quality	-	-	-	(4,089,595)	(4,089,595)
Parks system	(2,144,115)	(295,674)	-	-	(2,439,789)
Total accumulated depreciation	(97,536,022)	(5,550,359)	-	(4,101,408)	(107,187,789)
Total capital assets being depreciated, net	81,686,013	801,612	-	30,422,761	112,910,386
Governmental activities capital assets, net	\$ 125,420,414	\$ 6,251,108	\$ (6,299,976)	\$ 34,185,288	\$ 159,556,834

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

4. CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Administration (depreciation of buildings and some furniture)	\$ 289,522
Public Works (depreciation of roadways, sewers, and storm drains)	4,722,854
Parks and recreation (depreciation of parks system)	295,674
Capital assets held by the City's internal service funds are charged to various functions based on their usage of the assets	<u>242,309</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 5,550,359</u></u>

	Beginning Balance	Increases	Decreases	Transfer to Governmental Activities	Ending Balance
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 1,428,243	\$ -	\$ -	\$ (1,428,243)	\$ -
Construction in progress	4,432,416	-	(2,098,132)	(2,334,284)	-
Total capital assets not being depreciated	<u>5,860,659</u>	<u>-</u>	<u>(2,098,132)</u>	<u>(3,762,527)</u>	<u>-</u>
Capital assets being depreciated:					
Equipment	11,813	-	-	(11,813)	-
Storm drain system	32,494,609	2,017,747	-	(34,512,356)	-
Total capital assets being depreciated	<u>32,506,422</u>	<u>2,017,747</u>	<u>-</u>	<u>(34,524,169)</u>	<u>-</u>
Less accumulated depreciation for:					
Equipment	(11,813)	-	-	11,813	-
Storm drain system	(3,358,870)	(730,725)	-	4,089,595	-
Total accumulated depreciation	<u>(3,370,683)</u>	<u>(730,725)</u>	<u>-</u>	<u>4,101,408</u>	<u>-</u>
Total capital assets being depreciated, net	<u>29,135,739</u>	<u>1,287,022</u>	<u>-</u>	<u>(30,422,761)</u>	<u>-</u>
Business-type activities capital assets, net	<u><u>\$ 34,996,398</u></u>	<u><u>\$ 1,287,022</u></u>	<u><u>\$ (2,098,132)</u></u>	<u><u>\$ (34,185,288)</u></u>	<u><u>\$ -</u></u>

Depreciation expense of \$730,725 is included in the Water Quality Flood Protection enterprise fund.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

5. NOTES RECEIVABLE

	Notes Receivable
Affordable Housing	\$ 7,967,488
Community Development Block Grant	346,466
Subtotal	<u>8,313,954</u>
Receivable from Successor Agency	10,620,275
Allowance from Successor Agency receivable	<u>(10,620,275)</u>
Total Notes Receivable	<u>\$ 8,313,954</u>

The receivable from the Successor Agency is discussed further in Note 14.

Affordable Housing

In March 2009, the former Redevelopment Agency (RDA) entered into a Disposition and Development Agreement (DDA) with AMCAL Mirandela Fund LP (AMCAL). Under the DDA, the former RDA provided financial assistance to AMCAL in an amount up to \$6,790,000 to develop a thirty-four unit senior housing project. The loan accrues simple interest at a rate of 3% per annum on the amounts disbursed. The note is due December 22, 2065. The balance of note receivable from AMCAL including accrued unpaid interest of \$1,696,944 at June 30, 2019 was \$7,967,488.

In March 2011, the former RDA sold an affordable housing condominium to an individual for \$350,000. In connection with the sale, the buyer issued a secured promissory note in the amount of \$126,320. The note bears no interest and principal is payable upon default by the owner (or any successors' owner) under a regulatory agreement that requires the condominium to be occupied by person or families of moderate income. If no such default has occurred by February 22, 2056, the principal will be forgiven. Due to the nature of this loan, the outstanding balance has been offset in full by an allowance for uncollectability.

As part of redevelopment dissolution, these two long-term notes receivable were transferred to the housing successor (the City), which elected to retain the housing assets and function of the former Redevelopment Agency.

Community Development Block Grant (CDBG)

As part of the City's CDBG program, the City extends loans to property owners meeting low and moderate income requirements to make repairs and improvements to their homes. These notes receivable bear no interest, and repayment is required when the title to the property is transferred or the property is re-financed. The maximum loan amount per property is \$13,000. Amounts repaid are returned to the CDBG program. The total of these loans outstanding at June 30, 2019 is \$346,466.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

6. LONG-TERM LIABILITIES

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amount Due in One Year
Employee Compensated Absences	\$ 424,249	\$ 322,869	\$ (346,614)	\$ 400,504	\$ 327,215

Employee Compensated Absences

There is no fixed payment schedule for employee compensated absences. Based on historical trends, \$327,215 is estimated to be the amount that will be used and/or paid out during the fiscal year ended June 30, 2019.

7. CLASSIFICATIONS OF NET POSITION AND FUND BALANCE

Government-Wide Financial Statements

In the Government-Wide financial statements net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation on these assets reduces this category as does any outstanding balance on debt incurred in acquiring or constructing the capital assets.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributions or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the difference between total net position and the two categories noted above: Net Investment in Capital Assets and Restricted Net Position.

Fund Financial Statements

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

Non-spendable - Amounts that are not in a spendable form (such as inventory and prepaid expenditures) or are legally required to be maintained intact (such as the corpus of an endowment fund).

Restricted - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed - Amounts constrained to specific purposes by the City Council via a City Council resolution or ordinance, which are considered to be equally binding. To be reported as committed, amounts cannot be used for any other purpose unless the City Council adopts another resolution to remove or change the constraint.

Assigned - Amounts the City Council *intends* to use for a specific purpose, which is expressed by the City Council via minute order.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

7. CLASSIFICATIONS OF NET POSITION AND FUND BALANCE (CONTINUED)

Fund Financial Statements (Continued)

Unassigned - Amounts that are available for any purpose; these amounts are reported only in the General Fund. However, if there is a deficit fund balance to be reported in any fund, it is classified as unassigned.

The City's governmental fund balances were classified as follows at June 30, 2019:

	General Fund	State Grants Special Revenue Fund	Capital Improvement Fund	Other Governmental Funds
Nonspendable:				
In Form (inventory and prepaid)	\$ 1,016,459	\$ -	\$ -	\$ -
Legally	-	-	-	1,750,000
Habitat Restoration	-	-	-	152,180
Restricted:				
Public Works	-	-	1,917,100	12,351,064
Committed:				
Public Works	179,041	-	-	-
City Administration	39,600	-	-	-
Community Development	103,623	-	-	-
Recreation and Parks	19,168	-	-	-
Assigned:				
Public Works	-	-	23,720,033	-
Continued Appropriations	-	-	1,380,058	-
Unassigned:				
Unrestricted Fund Balance	19,130,656	(563,741)	-	-
Continued Appropriations	300,000	-	-	-
	<u>\$ 20,788,547</u>	<u>\$ (563,741)</u>	<u>\$ 27,017,191</u>	<u>\$ 14,253,244</u>
Governmental Fund Balance Totals				

Non-Spendable Fund Balance

General Fund assets include \$19,454 of inventory held for resale at the Point Vicente Interpretive Center gift shop, and \$997,005 of prepayments for expenditures related to the fiscal year ended June 30, 2020.

The fund balance of the Improvement Authority's Abalone Cove Fund includes a \$1,000,000 non-spendable fund balance, as required by a Reimbursement and Settlement Agreement dated October 27, 1987 in connection with the Horan Lawsuit (discussed further in Note 14).

The fund balance of the Subregion One Maintenance Fund includes a \$750,000 non-spendable endowment, as required by the developer agreement for the Subregion One tract.

Beginning with the fiscal year ended June 30, 2006, the City's Natural Communities Conservation Plan requires an endowment in the Habitat Restoration Fund to be funded at the rate of \$10,000 annually (plus interest) for fifty (50) years, to provide for maintenance of habitat in the future. The balance of \$152,180 represents 12 years of annual \$10,000 contributions plus interest earnings.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Basic Financial Statements

June 30, 2019

7. CLASSIFICATIONS OF NET POSITION AND FUND BALANCE (CONTINUED)

Restricted Fund Balance

The balances of the City’s Special Revenue Funds, including California Highway User Tax apportionments in the Gas Tax Fund, are constrained to use for specific purposes by other governmental agencies.

The \$1,917,100 balance of the Capital Improvement Fund is restricted for ongoing improvements for streets, building, parks, trails and open space, and Portuguese Bend’s dewatering wells project.

Balances totaling \$1,029,197 within the Low-Moderate Income Housing Fund and the Affordable Housing In-Lieu Fund have been assigned for the provision of affordable housing within the City.

Committed Fund Balance

The \$341,432 balance of the General Fund is committed for ongoing projects approved by the City Council. These projects can only be redesignated to other projects by City Council.

Assigned Fund Balance

The \$25,100,091 balance of the Capital Improvement Projects Fund has been assigned for the planning, design and construction of infrastructure projects.

Unassigned Fund Balance

City Council Policy No. 41 - *Reserve Policies*, adopted via resolution, requires the City to maintain a minimum General Fund balance of at least fifty percent of annual operating expenditures. This reserve serves as a Rainy Day Fund with a balance of \$19,130,656 at June 30, 2019.

City Council approved to carry forward \$300,000 of FY 2018-19 General Fund appropriations to FY 2019-20.

Statement of Net Position

The Net Position of the City’s governmental activities at June 30, 2019 includes restricted amounts totaling \$16,170,344. The restrictions are itemized in the following table, and are noted above, in the discussion of governmental fund balances.

Improvement Authority non-spendable balance	\$ 1,000,000
Subregion One maintenance non-spendable endowment	750,000
Natural Communities Conservation Plan non-spendable endowment	152,180
Capital Improvement Fund	1,917,100
Other Governmental Funds restricted balances	<u>12,351,064</u>
 Total Restricted portion of Net Position	 <u><u>\$ 16,170,344</u></u>

8. PENSION AND RETIREMENT HEALTH SAVINGS PLANS

Pension Plan Description

All qualified permanent and probationary employees are eligible to participate in the City of Rancho Palos Verdes Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The CalPERS Plan consists of a miscellaneous pool and a safety pool (referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees’ Retirement Fund C (PERF C). Benefit provisions under the Plan are established by State statute and may be amended by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provision, assumption 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 each plan are applied as specified by the Public Employees’ Retirement Law.

The Public Employees’ Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. These PEPRA members in pooled plans are reflected in the new Miscellaneous and Safety risk pools created by the CalPERS Board in response to the passage of PEPRA, beginning with the June 30, 2013, risk-pool valuations.

The Plan’s provisions and benefits in effect at the June 30, 2018 measurement date, are summarized in the following table.

Hire Date	Miscellaneous		
	Classic Tier 1	Classic Tier 2	New Members
	Prior to January 1, 2013	Prior to October 2, 2012	On or after January 1, 2013
Formula	2.5% at 55	2.0% at 60	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of annual salary	2.50%	2.00%	2.00%
Required employee contribution rates	8%	7%	6.25%
Required employer contributions rates:			
Normal cost rate	10.110%	7.200%	6.533%
Payment of unfunded liability	\$ 495,784	\$ 198	\$ 526

8. PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CALPERS' annual actuarial valuation process. 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. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plan as of June 30, 2019, in the amount of \$10,921,840.

The City's net pension liability for the Miscellaneous Plan is measured as the proportionate share of the net pension liability of the CALPERS cost sharing pool. The City's net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Miscellaneous Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Miscellaneous Plan as of the June 30, 2017 and 2018 measurement dates was as follows:

Proportion - June 30, 2017	0.11218%
Proportion - June 30, 2018	<u>0.11334%</u>
Change - Increase (Decrease)	<u><u>-0.00116%</u></u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

8. PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2019, the City recognized pension expense of \$564,632. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City contributions subsequent to the measurement date	\$ 1,153,245	\$ -
Changes in proportion and differences between employer contributions and employer's proportionate share of contributions	-	(286,352)
Net difference between projected and actual earnings on pension plan investments	53,995	-
Differences between expected and actual experience	419,052	(142,600)
Change of assumptions	1,245,122	(305,155)
	<u>2,871,414</u>	<u>(734,107)</u>
Total	<u>\$ 2,871,414</u>	<u>\$ (734,107)</u>

The amount of \$1,153,245 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 ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2020	\$ 966,586
2021	520,927
2022	(405,214)
2023	(98,237)
	<u>984,062</u>

8. PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The total pension liability was based on the following assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using 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) available on the CalPERS website.
- (3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Notes to Basic Financial Statements
June 30, 2019

8. PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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

Asset Class	Target Allocation	(a) Real Return Years 1-10	(b) Rate Return Years 11+
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	262.00%
Inflation Sensitive	0.00%	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the 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% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
\$ 16,785,315	\$ 10,921,840	\$ 6,081,638

8. PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in a separately issued CalPERS financial report.

Payable to the Pension Plan

At June 30, 2019, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

Retirement Health Savings Plan

On November 17, 2009, the City approved the establishment of a defined contribution Retirement Health Savings Plan (the "Plan") for its full-time employees. The Plan is a Health Reimbursement Arrangement ("HRA") within Sections 105 and 106 of the Internal Revenue Code. The Plan assets are managed in a non-taxable trust as described in Section 501 (c)(9) of the Internal Revenue Code. The City is the Plan Administrator, and utilizes the services of a contracted financial services provider for day-to-day administration of contributions and disbursements. The City has the authority to amend the Plan's provisions and contribution requirements.

The City has no obligation to make contributions to the Plan, but as part of the annual budget process the City may elect to make contributions to the Plan. Employees are required to contribute 1% of their gross wages to their account, which is owned by the employee. During the fiscal year ended June 30, 2019, the City contributed a total of \$77,759 to employee accounts.

The Plan assets are not an asset of the City. Therefore, only the City's expense to make contributions to the Plan has been recorded in the General Fund in the City's financial statements.

9. LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Rancho Palos Verdes is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 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.

9. LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE (CONTINUED)

Self-Insurance Programs of the CJPIA

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

General Liability

In the 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 \$30,000 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 \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2018-19 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) \$2.5 million annual aggregate deductible in the \$3 million excess of \$2 million layer, (b) \$3 million excess of \$2 million layer, and (c) \$2.5 million annual aggregate deductible in the \$5 million excess of \$5 million layer.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$40 million per occurrence.

Workers' Compensation

In the 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 \$50,000 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 \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2018-19, the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

9. LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE (CONTINUED)

Purchased Insurance

Pollution Legal Liability Insurance

The City of Rancho Palos Verdes 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 Rancho Palos Verdes. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Rancho Palos Verdes participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Rancho Palos Verdes property is currently insured according to a schedule of covered property submitted by the City of Rancho Palos Verdes to the Authority. City of Rancho Palos Verdes property currently has all-risk property insurance protection in the amount of \$16,436,542. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of Rancho Palos Verdes purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Rancho Palos Verdes property currently has earthquake protection in the amount of \$16,148,596. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City of Rancho Palos Verdes purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

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 also no significant reductions in pooled or insured liability coverage in 2018-19.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Basic Financial Statements

June 30, 2019

10. CONTINGENCIES AND COMMITMENTS

Litigation

In the normal course of operations, the City has been named as a defendant in various claims and legal actions. Generally, unfavorable results of these claims and legal actions are funded through the City's participation in California Joint Powers Insurance Authority (CJPIA, see Note 9) and, as such, the City believes that the ultimate liability for these legal actions and claims will not have a material adverse effect on the City's financial statements. The City is also a defendant in legal actions for which the potential losses would not be covered through participation in CJPIA.

11. PROPERTY TAXES

Under California law, property taxes are assessed and collected by the counties up to one percent 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. Accordingly, the City accrues only those taxes, which are received from the county within sixty days after year-end.

Lien date	January 1
Levy date	June 30
Due date	November 1 and February 1
Collection dates	December 10 and April 10

12. UNAVAILABLE REVENUES

The unavailable revenues in the fund financial statements of the City of Rancho Palos Verdes as of June 30, 2019 are presented in the following table.

Revenue Measurable but Not Available (beyond 60 days):	
General Fund	\$ 234,283
State Grants Special Revenue Fund	300,000
Other Governmental Funds	<u>63,086</u>
 Total Unavailable Revenues	 <u><u>\$ 597,369</u></u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Basic Financial Statements

June 30, 2019

13. OTHER REQUIRED FUND DISCLOSURES

The following department’s budget had expenditures in excess of the budget for the year ended June 30, 2019, as follows:

Program	Budget	Expenditures	Excess
General Fund:			
Non-departmental	\$ 1,110,646	\$ 1,133,906	23,260
Measure M Special Revenue Fund:			
Public works	536,000	565,971	29,971
Dr. Allen and Charlotte Ginsburg Cultural Arts Building Special Revenue Fund:			
Non-departmental	-	86,344	86,344

The State Grants Special Revenue Fund has a deficit fund balance of \$563,741 at June 30, 2019. This deficit will be eliminated by recognition of revenue not available as of year-end and through transfers from other funds. The Successor Agency Private-Purpose Trust Fund has a deficit fiduciary net position at June 30, 2019 of \$13,912,703 which will be reduced by collection of future tax revenues.

14. SUCCESSOR AGENCY

Under the Dissolution Act, each California redevelopment agency (each a “Dissolved RDA”) was dissolved as of February 1, 2012. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On September 6, 2011, the City elected to serve as the Successor Agency of the Rancho Palos Verdes Redevelopment Agency.

Non-Liquid Assets

Prior to redevelopment dissolution, the County of Los Angeles pursuant to a Memorandum of Understanding dated November 1, 1997 (discussed below) impounded property tax increment allocated to the former redevelopment agency for payment of debt owed to the County. The balance of the impounded tax increment not yet applied to debt at June 30, 2019 is \$356,125.

Debt Summary

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due in One Year
Due to City:					
Portuguese Bend	\$ 7,139,869	\$ 116,700	\$ (111,950)	\$ 7,144,619	\$ 117,648
Abalone Cove	3,472,988	65,640	(62,972)	3,475,656	57,274
Due to County:					
Tax Increment Bond	4,045,000	-	(255,000)	3,790,000	280,000
Totals	<u>\$ 14,657,857</u>	<u>\$ 182,340</u>	<u>\$ (429,922)</u>	<u>\$ 14,410,275</u>	<u>\$ 454,922</u>

14. SUCCESSOR AGENCY (CONTINUED)

Consolidated Loan from City

The City entered into an agreement to provide the former Redevelopment Agency (RDA) operating funds and staff assistance, supplies, technical and other services and facilities of the City as the RDA required in carrying out its function under the community redevelopment law. The former RDA was to repay the resulting indebtedness, plus interest, from incremental property tax revenues arising from the project area, as such revenue became available. Pursuant to redevelopment dissolution law, loans from cities to redevelopment agencies made more than two years after formation of the redevelopment agency are not recognized obligations. Therefore, the Consolidated Loan from the City has been previously disallowed on the Successor Agency's Recognized Obligation Payment Schedule (ROPS). However, AB1484 provides a method to secure recognition of the City's Consolidated Loan as an obligation of the Successor Agency. Upon completion of various independent reviews and transfers of funds to Los Angeles County, the Successor Agency received a "Finding of Completion" on April 26, 2013. On December 11, 2013, the Oversight Board made a finding that the Consolidated Loan from the City was made for legitimate redevelopment purposes. As required by dissolution law, twenty percent of the amount available will be deposited into the City's Low-Moderate Income Housing Fund.

On September 22, 2015, Governor Brown signed legislation that became effective immediately. The legislation requires accrued interest on city loans to be recalculated using a simple interest rate of 3%. Previously, accrued interest on the City's loan was calculated using historical Local Agency Investment Fund (LAIF) rates. At June 30, 2019, using the simple interest rate of 3%, the loan balance is \$10,620,275.

	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
Portuguese Bend	\$ 3,921,822	\$ 3,255,840	\$ 7,177,662
Abalone Cove	2,205,897	1,288,348	3,494,245
Allowance from Successor Agency Receivable	<u>(6,127,719)</u>	<u>(4,544,188)</u>	<u>(10,671,907)</u>
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Due to the uncertainty of Redevelopment Property Tax Trust Fund revenue available for future loan repayments, the City's loan receivable of \$10,671,907 has been completely offset with an allowance for uncollectable amounts on the City's financial statements.

Tax Increment Bond and Deferred Interest Payable

In July 1991, the former Redevelopment Agency received \$10,000,000 in loan proceeds (the Loan) from the County of Los Angeles (the County) upon the County's issue of Abalone Cove Improvement Bonds 2651-M pursuant to a Reimbursement and Settlement Agreement (the Agreement), dated October 27, 1987 in connection with the Horan Lawsuit. The Loan was made for the purpose of abating the Abalone Cove landslide. The settlement Loan was secured by property assessment liens in the Abalone Cove project area.

As stipulated by the parties to the Agreement, a portion of the Loan proceeds was used to repay a tax allocation and revenue anticipation promissory note issued to the County in the principal amount of \$1,450,000, plus accrued interest equal to \$179,244. A second portion of the proceeds was used to repay expenses advanced by the County in the amount of \$135,614. A third portion was used to repay certain loans from the City to the former Redevelopment Agency in the amount of \$787,340.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Basic Financial Statements

June 30, 2019

14. SUCCESSOR AGENCY (CONTINUED)

Per the terms of the Agreement, \$1,000,000 of the proceeds was deposited in the Abalone Cove Permanent Fund of the Joint Powers Improvement Authority. The remainder of the proceeds was accounted for in the former Redevelopment Agency's Abalone Cove Fund. Concurrent with the execution of the Agreement, the County deeded its title in the Abalone Cove Beach Park to the former Redevelopment Agency.

As part of the Agreement, the former Redevelopment Agency was required to transfer 17 percent of tax increment revenue to the Consolidated Fire Protection District of the County and 50.9 percent of tax increment revenue for debt repayment to the County. In accordance with the Agreement, the former Redevelopment Agency was to pay the Loan principal plus interest at 7.7654 percent over a 30-year period that began in 1992. However, these debt payments were to be deferred 10 years until the fiscal year ended June 30, 2002.

As part of the deferral arrangement, the accrued interest from the inception of the Loan through June 30, 2002, in the amount of \$7,314,944, was scheduled for payment over a 20-year period beginning in the fiscal year ended June 30, 2002 with no additional interest. The remaining balance of \$10,274,119 was scheduled for payment to the County over a 20-year period beginning in the fiscal year ended June 30, 2002, with interest at 7.7654 percent.

On November 1, 1997, the City, the former Redevelopment Agency and the County of Los Angeles entered into a Memorandum of Understanding (MOU) agreeing to restructure the repayment schedule of the debt owed to the County by the former Redevelopment Agency. In accordance with the terms of the MOU, the \$10,000,000 loan principal owed to the County was cancelled. As consideration for the loan cancellation, the former Redevelopment Agency made a lump sum payment to the County in the amount of \$4,545,000 and issued a \$5,455,000 tax increment bond to the County (the bond). Of the \$4,545,000 lump sum payment, \$2,000,000 was paid from tax increment revenue and interest earnings accumulated in the Debt Service Fund. The remaining \$2,545,000 was funded by a combination of a loan from the General Fund of the City to the Agency for \$1,545,000 and a net operating transfer from the Agency's Abalone Cove Capital Projects Fund to the Debt Service Fund of \$1,000,000. The private property liens resulting from the formation of the bond assessment district in connection with the Reimbursement and Settlement Agreement in 1987 were discharged in accordance with the terms of the MOU.

The bond was issued as a conduit through the Improvement Authority to the County. No issuance costs were incurred. Future allocations of property tax to the Successor Agency will fund the payment of the bond debt and the deferred interest from the original Loan until paid in full. The principal of the bond began maturing in installments each December 2nd, commencing December 2, 2004. Interest accrues at a rate of 5 percent per annum and is payable in arrears each June 2nd and December 2nd.

Additionally, both the accrued interest and deferred interest on the \$10,000,000 Loan previously owed the County was retroactively recalculated from the Loan origination date at a rate of approximately 5 percent compared to 7.7654 percent per the original Agreement. The recalculated deferred interest was \$3,111,400. In accordance with the MOU, the recalculated deferred interest does not accrue additional interest. As of June 30, 2014, the balance of the deferred interest debt has been completely repaid.

The California Department of Finance has approved the Tax Increment Bond and Deferred Interest Payable as obligations of the Successor Agency.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Basic Financial Statements

June 30, 2019

14. SUCCESSOR AGENCY (CONTINUED)

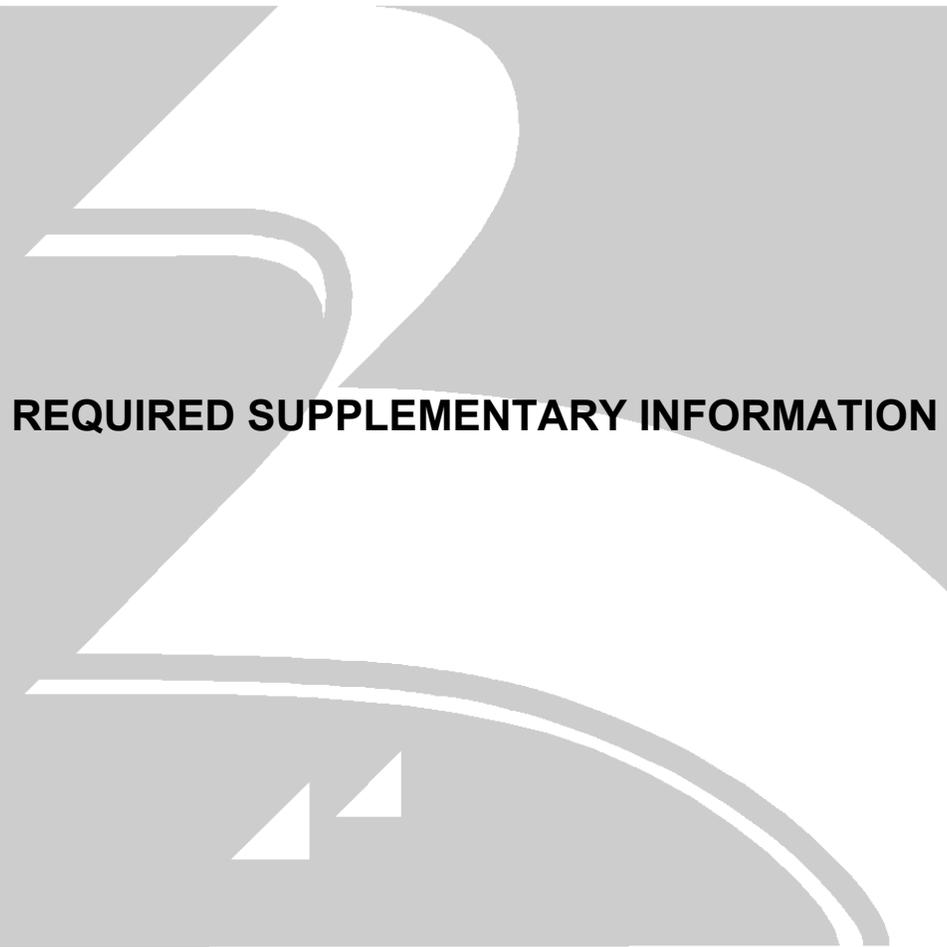
Tax Increment Bond and Deferred Interest Payable (Continued)

The debt service schedule below summarizes all fixed principal and interest payments for the term of the bond. Because the payback period for the deferred interest amount will fluctuate depending on the availability of excess property tax revenue, no amounts have been included in the following schedule for repayment of the deferred interest.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 280,000	\$ 182,500	\$ 462,500
2021	310,000	167,750	477,750
2022	345,000	151,375	496,375
2023	380,000	133,250	513,250
2024	415,000	113,375	528,375
2025 - 2028	<u>2,060,000</u>	<u>216,750</u>	<u>2,276,750</u>
Totals	<u>\$ 3,790,000</u>	<u>\$ 965,000</u>	<u>\$ 4,755,000</u>

15. SUBSEQUENT EVENTS

Events occurring after June 30, 2019, have been evaluated for possible adjustments to the financial statements or disclosure as of December 27, 2019, which is the date these financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION



CITY OF RANCHO PALOS VERDES, CALIFORNIA
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Years*
As of the Fiscal Year Ended June 30, 2019

Fiscal year ended	Miscellaneous				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.28980%	0.21800%	0.11120%	0.11130%	0.09183%
Plan's proportionate share of the net pension liability	\$ 10,921,840	\$ 11,124,689	\$ 9,625,397	\$ 7,637,567	\$ 5,714,320
Plan's covered - payroll	\$ 6,697,322	\$ 6,360,881	\$ 6,124,374	\$ 5,673,471	\$ 5,609,006
Plan's proportionate share of the net pension liability as a percentage of covered - payroll	163.08%	174.89%	157.17%	134.62%	101.88%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.26%	73.31%	74.06%	78.40%	76.48%
Plan's proportionate share of aggregate employer contributions	\$ 1,235,073	\$ 1,096,042	\$ 998,812	\$ 919,858	n/a

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

*Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
Schedule of Pension Contributions
Last Ten Years*
As of the Fiscal Year Ended June 30, 2019

Fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 1,153,245	\$ 990,670	\$ 910,177	\$ 830,645	\$ 725,496
Contributions in relation to the actuarially determined contributions	(1,153,245)	(990,670)	(910,177)	(830,645)	(725,496)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - payroll	\$ 6,697,322	\$ 6,360,881	\$ 6,124,374	\$ 5,997,450	\$ 5,673,471
Contributions as a percentage of covered - payroll	17.22%	15.57%	14.86%	13.85%	12.79%

Notes to Schedule:

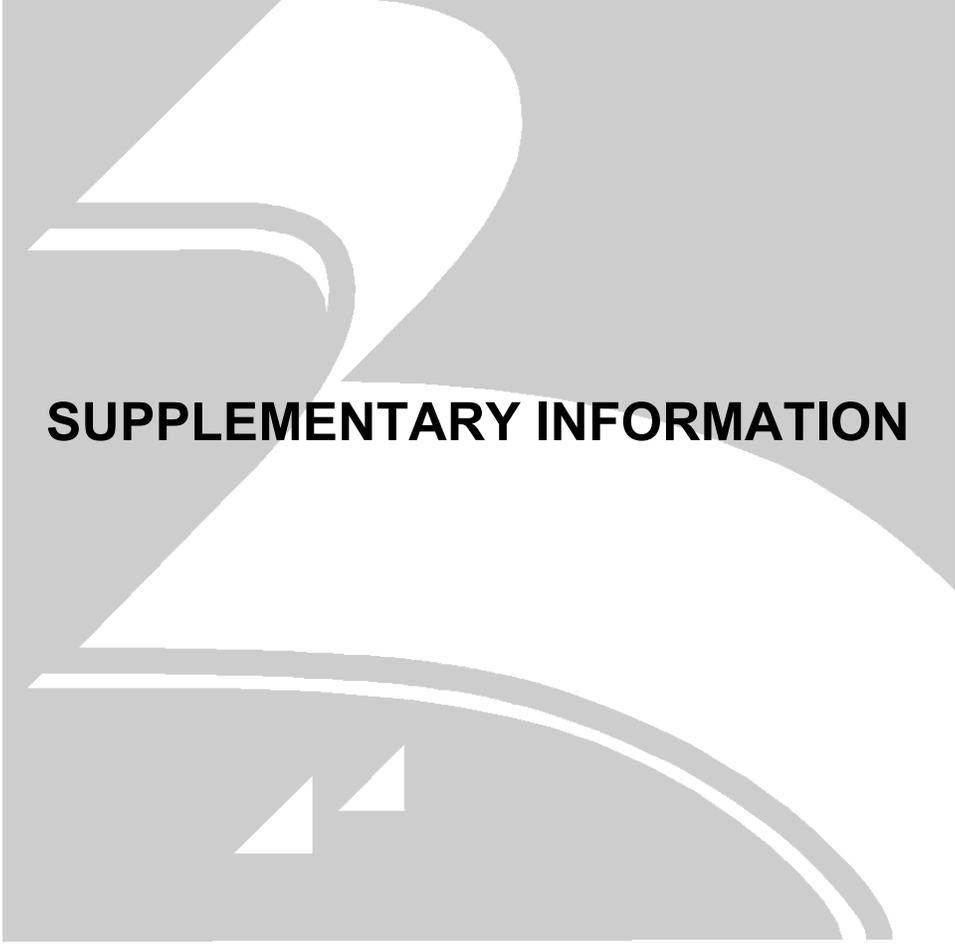
Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
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Methods and Assumptions Used to Determine Contribution Rates:

	Entry age				
Actuarial cost method	(1)	(1)	(1)	(1)	(1)
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation					
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 55 for Tier 1, 60 for Classic Tier 2, and 62 for PEPRA members
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.



SUPPLEMENTARY INFORMATION



Special Revenue Fund Descriptions

Special Revenue Funds are used to account for taxes and other revenues set aside in accordance with law or administrative regulation for a specific purpose.

Gas Tax Fund - to account for state-shared highway users' tax that is restricted to use for street maintenance, right-of-way acquisition and street construction.

1972 Act Landscaping and Lighting District (1972 Act) - to account for revenues and costs associated with the City's landscaping and lighting district.

El Prado - to account for taxes collected to maintain and service existing and proposed improvements to the common area of the El Prado neighborhood.

1911 Act Lighting District (1911 Act) - to account for revenue and costs associated with a lighting district transferred to the "city-side" landscape and lighting district from the County in 1995.

Beautification - to account for monies received for the City's recycling program used for community improvement, grants and promotion of recycling.

Waste Reduction - to account for AB939 fees received for state mandated waste reduction and recycling plans and program.

Air Quality Management - to account for AB2766 fees received to fund programs to reduce air pollution from motor vehicles.

Proposition C - to account for sales taxes received from the County and used to support public transit and related services.

Proposition A - to account for the City share of an additional one-half percent sales tax designated to fund certain public transportation oriented projects.

Public Safety Grants - to account for federal grant funds for local law enforcement supplemental services, AB3229 funds used for additional law enforcement services and public safety technology equipment.

Measure R - to account for the half-cent sales tax approved by the Los Angeles County voters in November 2008 to meet transportation needs, including maintenance and improvement of arterial streets, traffic control, bikeway and pedestrian improvements, and public transit.

Measure A - to account of the voter approved 1992 and 1996 Measure A funds and other state and county grants used for the acquisition of open space and park improvements.

Measure M - to account for the half-cent sales tax and continued half-cent relief tax partially distributed to cities approved by the Los Angeles County voters in November 2016 to fund transportation needs.

Abalone Cove Sewer Assessment - to account for property assessments used to partially pay for operation and maintenance of the Abalone Cove sewer system.

Dr. Allen and Charlotte Ginsburg Cultural Arts Building - to account for a private donation to be used for either construction of a building at the Upper Point Vicente Civic Center to be used for dancing and other cultural activities, or for the purchase of open space within the City for habitat conservation and passive recreational purposes.

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Special Revenue Fund Descriptions (Continued)

Donor Restricted Contributions - to account for donations received to construct or acquire recreational facilities within the City.

Joint Powers Improvement Authority - Portuguese Bend - to account for maintenance and repairs of landslide abatement improvements in the Portuguese Bend Project area.

Community Development Block Grant - to account for federal grants received from the Department of Housing and Urban Development.

Federal Grants - to account for federal financial assistance programs.

Quimby - to account for developer paid fees or the dedication of land for park and recreation purposes.

Environmental Excise Tax - to account for taxes received in connection with new construction within the City.

Capital Projects Fund Descriptions

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

Low-Moderate Income Housing - to account for low and moderate income housing assets that were transferred to the City after electing to retain the housing assets and function of the former redevelopment agency, which was dissolved on January 31, 2012.

Affordable Housing In-Lieu - to account for developer fees paid in-lieu of providing affordable housing in conjunction with new development as required by the Affordable Housing Chapter of the City's Municipal Code (Chapter 17.11).

Permanent Fund Descriptions

Permanent Funds are used to account for resources legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Habitat Restoration - to account for fees paid by developers for conservation easements to be used exclusively for habitat restoration efforts on City owned property. The Habitat Restoration Fund to be funded at the rate of \$10,000 annually (plus interest) for fifty (50) years, to provide for maintenance of habitat in the future.

Sub-region One Maintenance - to account for monies used to maintain public improvements and habitat areas dedicated to the City upon completion of the Sub-region One residential development project also known as Oceanfront Estates. As part of the development agreement, the City received a \$750,000 non-expendable deposit. The interest earnings contribute to the maintenance of the public open space.

Joint Powers Improvement Authority - Abalone Cove - to account for monies received as part of a July 1991 Reimbursement and Settlement Agreement with the County of Los Angeles. As part of this Agreement, the Authority received a \$1,000,000 non-expendable deposit. The interest earnings are used to pay for maintenance and repair of Abalone Cove landslide abatement improvements.

CITY OF RANCHO PALOS VERDES

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

June 30, 2019

		Special Revenue Funds			
		Gas Tax	1972 Act	El Prado	1911 Act
ASSETS					
Cash and investments		\$ 874,293	\$ 28,300	\$ 32,647	\$ 1,509,203
Receivables:					
Taxes		-	-	67	16,706
Interest		2,320	84	97	5,199
Other		140,201	-	-	-
	TOTAL ASSETS	<u>\$ 1,016,814</u>	<u>\$ 28,384</u>	<u>\$ 32,811</u>	<u>\$ 1,531,108</u>
LIABILITIES					
Accounts payable and accrued liabilities		\$ 130,781	\$ -	\$ 36	\$ 64,602
Due to other funds		-	-	-	-
Retentions payable		1,299	-	-	6,894
Unearned revenue		-	-	-	-
	TOTAL LIABILITIES	<u>132,080</u>	<u>-</u>	<u>36</u>	<u>71,496</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue		-	-	-	-
FUND BALANCES					
Non-Spendable:					
Endowment principal		-	-	-	-
Reimbursement settlement agreement		-	-	-	-
Habitat restoration		-	-	-	-
Restricted		884,734	28,384	32,775	1,459,612
	TOTAL FUND BALANCES	<u>884,734</u>	<u>28,384</u>	<u>32,775</u>	<u>1,459,612</u>
	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 1,016,814</u>	<u>\$ 28,384</u>	<u>\$ 32,811</u>	<u>\$ 1,531,108</u>

Special Revenue Funds (Continued)

Beautification	Waste Reduction	Air Quality Management	Proposition C	Proposition A	Public Safety Grants	Measure R
\$ -	\$ 460,219	\$ 82,415	\$ 931,339	\$ 2,378,958	\$ 93,000	\$ 839,664
-	-	-	-	-	-	-
-	1,340	231	2,819	6,075	341	2,438
-	16,027	14,366	-	-	-	-
<u>\$ -</u>	<u>\$ 477,586</u>	<u>\$ 97,012</u>	<u>\$ 934,158</u>	<u>\$ 2,385,033</u>	<u>\$ 93,341</u>	<u>\$ 842,102</u>
\$ -	\$ 13,676	\$ -	\$ 355,530	\$ 5,709	\$ -	\$ 38,953
-	-	-	-	-	-	-
-	-	-	1,528	-	-	-
-	9,835	-	-	-	-	-
-	23,511	-	357,058	5,709	-	38,953
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	454,075	97,012	577,100	2,379,324	93,341	803,149
-	454,075	97,012	577,100	2,379,324	93,341	803,149
<u>\$ -</u>	<u>\$ 477,586</u>	<u>\$ 97,012</u>	<u>\$ 934,158</u>	<u>\$ 2,385,033</u>	<u>\$ 93,341</u>	<u>\$ 842,102</u>

(Continued)

CITY OF RANCHO PALOS VERDES

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2019

		Special Revenue Funds (Continued)			
		Measure A	Measure M	Abalone Cove Sewer	Dr. Allen and Charlotte Ginsburg Cultural Arts Building
ASSETS					
Cash and investments		\$ 66,575	\$ 87,662	\$ 335,419	\$ 1,045
Receivables:					
Taxes		-	-	-	-
Interest		243	190	993	-
Other		52,632	-	1,499	-
TOTAL ASSETS		<u>\$ 119,450</u>	<u>\$ 87,852</u>	<u>\$ 337,911</u>	<u>\$ 1,045</u>
LIABILITIES					
Accounts payable and accrued liabilities		\$ -	\$ 44,145	\$ 957	\$ -
Due to other funds		-	-	-	-
Retentions payable		-	-	-	-
Unearned revenue		-	-	-	-
TOTAL LIABILITIES		<u>-</u>	<u>44,145</u>	<u>957</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue		52,632	-	-	-
FUND BALANCES					
Non-Spendable:					
Endowment principal		-	-	-	-
Reimbursement settlement agreement		-	-	-	-
Habitat restoration		-	-	-	-
Restricted		66,818	43,707	336,954	1,045
TOTAL FUND BALANCES		<u>66,818</u>	<u>43,707</u>	<u>336,954</u>	<u>1,045</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		<u>\$ 119,450</u>	<u>\$ 87,852</u>	<u>\$ 337,911</u>	<u>\$ 1,045</u>

Special Revenue Funds (Continued)

Donor Restricted Contributions	Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	Federal Grants	Quimby	Environmental Excise Tax	Total Special Revenue Funds
\$ 775,078	\$ 109,315	\$ -	\$ 47,310	\$ 1,723,561	\$ 510,061	\$ 10,886,064
-	-	-	-	-	-	16,773
2,302	808	-	-	5,260	1,502	32,242
-	-	160,243	51,005	-	-	435,973
<u>\$ 777,380</u>	<u>\$ 110,123</u>	<u>\$ 160,243</u>	<u>\$ 98,315</u>	<u>\$ 1,728,821</u>	<u>\$ 511,563</u>	<u>\$ 11,371,052</u>
\$ 2,217	\$ 29,148	\$ 5,848	\$ -	\$ 27,729	\$ -	\$ 719,331
-	-	125,949	-	-	-	125,949
-	-	6,534	-	-	-	16,255
-	-	-	-	-	-	9,835
<u>2,217</u>	<u>29,148</u>	<u>138,331</u>	<u>-</u>	<u>27,729</u>	<u>-</u>	<u>871,370</u>
-	-	10,454	-	-	-	63,086
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
775,163	80,975	11,458	98,315	1,701,092	511,563	10,436,596
<u>775,163</u>	<u>80,975</u>	<u>11,458</u>	<u>98,315</u>	<u>1,701,092</u>	<u>511,563</u>	<u>10,436,596</u>
<u>\$ 777,380</u>	<u>\$ 110,123</u>	<u>\$ 160,243</u>	<u>\$ 98,315</u>	<u>\$ 1,728,821</u>	<u>\$ 511,563</u>	<u>\$ 11,371,052</u>

(Continued)

CITY OF RANCHO PALOS VERDES

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2019

		Capital Projects Funds		
		Low-Moderate Income Housing	Affordable Housing In-Lieu	Total Capital Projects Funds
ASSETS				
Cash and investments		\$ 189,899	\$ 836,349	\$ 1,026,248
Receivables:				
Taxes		-	-	-
Interest		461	2,488	2,949
Other		-	-	-
		<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS		<u>\$ 190,360</u>	<u>\$ 838,837</u>	<u>\$ 1,029,197</u>
LIABILITIES				
Accounts payable and accrued liabilities		\$ -	\$ -	\$ -
Due to other funds		-	-	-
Retentions payable		-	-	-
Unearned revenue		-	-	-
		<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES		<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue		<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Non-Spendable:				
Endowment principal		-	-	-
Reimbursement settlement agreement		-	-	-
Habitat restoration		-	-	-
Restricted		190,360	838,837	1,029,197
		<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES		<u>190,360</u>	<u>838,837</u>	<u>1,029,197</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES		<u>\$ 190,360</u>	<u>\$ 838,837</u>	<u>\$ 1,029,197</u>

Permanent Funds

Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds	Total Other Governmental Funds
\$ 946,703	\$ 766,489	\$ 1,066,066	\$ 2,779,258	\$ 14,691,570
-	-	-	-	16,773
2,815	2,288	7,883	12,986	48,177
-	-	-	-	435,973
<u>\$ 949,518</u>	<u>\$ 768,777</u>	<u>\$ 1,073,949</u>	<u>\$ 2,792,244</u>	<u>\$ 15,192,493</u>
\$ -	\$ 3,457	\$ 1,338	\$ 4,795	\$ 724,126
-	-	-	-	125,949
-	-	-	-	16,255
-	-	-	-	9,835
-	3,457	1,338	4,795	876,165
-	-	-	-	63,086
-	750,000	-	750,000	750,000
-	-	1,000,000	1,000,000	1,000,000
152,180	-	-	152,180	152,180
797,338	15,320	72,611	885,269	12,351,062
<u>949,518</u>	<u>765,320</u>	<u>1,072,611</u>	<u>2,787,449</u>	<u>14,253,242</u>
<u>\$ 949,518</u>	<u>\$ 768,777</u>	<u>\$ 1,073,949</u>	<u>\$ 2,792,244</u>	<u>\$ 15,192,493</u>

CITY OF RANCHO PALOS VERDES

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS**

For the year ended June 30, 2019

	Special Revenue Funds			
	Gas Tax	1972 Act	El Prado	1911 Act
REVENUES:				
Taxes	\$ -	\$ -	\$ 2,782	\$ 694,107
Revenue from other agencies	1,659,572	-	-	-
Charges for services	-	-	-	-
Use of money and property	7,466	541	600	37,878
Other revenues	48,179	-	-	-
TOTAL REVENUES	1,715,217	541	3,382	731,985
EXPENDITURES:				
Current:				
Public works	830,552	-	594	1,393,546
Parks and recreation	-	-	-	-
TOTAL EXPENDITURES	830,552	-	594	1,393,546
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	884,665	541	2,788	(661,561)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	884,665	541	2,788	(661,561)
FUND BALANCES - BEGINNING OF YEAR	69	27,843	29,987	2,121,173
FUND BALANCES - END OF YEAR	\$ 884,734	\$ 28,384	\$ 32,775	\$ 1,459,612

Special Revenue Funds (Continued)

Beautification	Waste Reduction	Air Quality Management	Proposition C	Proposition A	Public Safety Grants	Measure R
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	22,644	55,413	714,128	860,943	148,747	535,750
-	188,142	-	-	-	-	-
-	8,680	1,413	15,733	38,887	2,115	34,139
-	-	-	-	-	-	-
-	219,466	56,826	729,861	899,830	150,862	569,889
378,754	212,990	50,000	639,010	749,752	-	2,254,151
-	-	-	-	-	-	-
378,754	212,990	50,000	639,010	749,752	-	2,254,151
(378,754)	6,476	6,826	90,851	150,078	150,862	(1,684,262)
-	-	-	-	300,000	-	-
-	-	-	-	-	(130,000)	-
-	-	-	-	300,000	(130,000)	-
(378,754)	6,476	6,826	90,851	450,078	20,862	(1,684,262)
378,754	447,599	90,186	486,249	1,929,246	72,479	2,487,411
<u>\$ -</u>	<u>\$ 454,075</u>	<u>\$ 97,012</u>	<u>\$ 577,100</u>	<u>\$ 2,379,324</u>	<u>\$ 93,341</u>	<u>\$ 803,149</u>

(Continued)

CITY OF RANCHO PALOS VERDES

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2019

	Special Revenue Funds (Continued)			
	Measure A	Measure M	Abalone Cove Sewer	Dr. Allen and Charlotte Ginsburg Cultural Arts Building
REVENUES:				
Taxes	\$ -	\$ -	\$ 50,672	\$ -
Revenue from other agencies	86,634	603,557	-	-
Charges for services	-	-	-	-
Use of money and property	1,647	1,365	6,407	-
Other revenues	-	-	-	-
TOTAL REVENUES	88,281	604,922	57,079	-
EXPENDITURES:				
Current:				
Public works	-	565,971	49,924	-
Parks and recreation	-	-	-	86,344
TOTAL EXPENDITURES	-	565,971	49,924	86,344
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	88,281	38,951	7,155	(86,344)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(90,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(90,000)	-	-	-
NET CHANGE IN FUND BALANCES	(1,719)	38,951	7,155	(86,344)
FUND BALANCE - BEGINNING OF YEAR	68,537	4,756	329,799	87,389
FUND BALANCES - END OF YEAR	\$ 66,818	\$ 43,707	\$ 336,954	\$ 1,045

Special Revenue Funds (Continued)

Donor Restricted Contributions	Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	Federal Grants	Quimby	Environmental Excise Tax	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 747,561
-	-	178,591	141,443	-	-	5,007,422
-	-	-	-	-	-	188,142
16,090	3,451	-	-	33,272	9,399	219,083
44,523	-	-	-	-	39,020	131,722
<u>60,613</u>	<u>3,451</u>	<u>178,591</u>	<u>141,443</u>	<u>33,272</u>	<u>48,419</u>	<u>6,293,930</u>
168,942	78,333	196,190	-	145,474	-	7,714,183
-	-	-	-	-	-	86,344
<u>168,942</u>	<u>78,333</u>	<u>196,190</u>	<u>-</u>	<u>145,474</u>	<u>-</u>	<u>7,800,527</u>
<u>(108,329)</u>	<u>(74,882)</u>	<u>(17,599)</u>	<u>141,443</u>	<u>(112,202)</u>	<u>48,419</u>	<u>(1,506,597)</u>
-	20,000	-	-	-	-	320,000
-	-	-	(1,087,318)	-	-	(1,307,318)
-	20,000	-	(1,087,318)	-	-	(987,318)
<u>(108,329)</u>	<u>(54,882)</u>	<u>(17,599)</u>	<u>(945,875)</u>	<u>(112,202)</u>	<u>48,419</u>	<u>(2,493,915)</u>
<u>883,492</u>	<u>135,857</u>	<u>29,057</u>	<u>1,044,190</u>	<u>1,813,294</u>	<u>463,144</u>	<u>12,930,511</u>
<u>\$ 775,163</u>	<u>\$ 80,975</u>	<u>\$ 11,458</u>	<u>\$ 98,315</u>	<u>\$ 1,701,092</u>	<u>\$ 511,563</u>	<u>\$ 10,436,596</u>

(Continued)

CITY OF RANCHO PALOS VERDES

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
(CONTINUED)**

For the year ended June 30, 2019

	Capital Projects Funds		
	Low-Moderate Income Housing	Affordable Housing In-Lieu	Total Capital Projects Funds
REVENUES:			
Taxes	\$ 34,984	\$ -	\$ 34,984
Revenue from other agencies	-	-	-
Charges for services	-	-	-
Use of money and property	2,956	15,961	18,917
Other revenues	-	-	-
	37,940	15,961	53,901
TOTAL REVENUES			
EXPENDITURES:			
Current:			
Public works	-	-	-
Parks and recreation	-	-	-
	-	-	-
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	37,940	15,961	53,901
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	-
	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	37,940	15,961	53,901
FUND BALANCES - BEGINNING OF YEAR	152,420	822,876	975,296
FUND BALANCES - END OF YEAR	\$ 190,360	\$ 838,837	\$ 1,029,197

Permanent Funds

Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 782,545
-	-	-	-	5,007,422
-	-	-	-	188,142
19,953	14,969	29,100	64,022	302,022
-	-	-	-	131,722
<u>19,953</u>	<u>14,969</u>	<u>29,100</u>	<u>64,022</u>	<u>6,411,853</u>
149,499	43,831	39,631	232,961	7,947,144
-	-	-	-	86,344
<u>149,499</u>	<u>43,831</u>	<u>39,631</u>	<u>232,961</u>	<u>8,033,488</u>
<u>(129,546)</u>	<u>(28,862)</u>	<u>(10,531)</u>	<u>(168,939)</u>	<u>(1,621,635)</u>
-	-	25,000	25,000	345,000
-	-	-	-	<u>(1,307,318)</u>
-	-	25,000	25,000	(962,318)
(129,546)	(28,862)	14,469	(143,939)	(2,583,953)
<u>1,079,064</u>	<u>794,182</u>	<u>1,058,142</u>	<u>2,931,388</u>	<u>16,837,195</u>
<u>\$ 949,518</u>	<u>\$ 765,320</u>	<u>\$ 1,072,611</u>	<u>\$ 2,787,449</u>	<u>\$ 14,253,242</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 1,748,000	\$ 1,748,000	\$ 1,659,572	\$ (88,428)
Use of money and property	1,800	1,800	7,466	5,666
Other revenues	48,800	48,800	48,179	(621)
TOTAL REVENUES	1,798,600	1,798,600	1,715,217	(83,383)
EXPENDITURES:				
Public works:				
Street landscape maintenance	26,000	26,000	16,770	9,230
Traffic signal maintenance	813,782	1,592,800	813,782	779,018
TOTAL EXPENDITURES	839,782	1,618,800	830,552	788,248
NET CHANGE IN FUND BALANCE	958,818	179,800	884,665	704,865
FUND BALANCE - BEGINNING OF YEAR	69	69	69	-
FUND BALANCE - END OF YEAR	<u>\$ 958,887</u>	<u>\$ 179,869</u>	<u>\$ 884,734</u>	<u>\$ 704,865</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

1972 ACT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 300	\$ 300	\$ 541	\$ 241
NET CHANGE IN FUND BALANCE	300	300	541	241
FUND BALANCE - BEGINNING OF YEAR	<u>27,843</u>	<u>27,843</u>	<u>27,843</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 28,143</u>	<u>\$ 28,143</u>	<u>\$ 28,384</u>	<u>\$ 241</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

EL PRADO SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 2,300	2,300	\$ 2,782	\$ 482
Use of money and property	200	200	600	400
TOTAL REVENUES	2,500	2,500	3,382	882
EXPENDITURES:				
Public works	800	800	594	206
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,700	1,700	2,788	1,088
FUND BALANCE - BEGINNING OF YEAR	29,987	29,987	29,987	-
FUND BALANCE - END OF YEAR	<u>\$ 31,687</u>	<u>\$ 31,687</u>	<u>\$ 32,775</u>	<u>\$ 1,088</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

1911 ACT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 606,800	\$ 606,800	\$ 694,107	\$ 87,307
Use of money and property	21,200	21,200	37,878	16,678
TOTAL REVENUES	628,000	628,000	731,985	103,985
EXPENDITURES:				
Public works	617,000	2,140,276	1,393,546	746,730
NET CHANGE IN FUND BALANCE	11,000	(1,512,276)	(661,561)	850,715
FUND BALANCE - BEGINNING OF YEAR	2,121,173	2,121,173	2,121,173	-
FUND BALANCE - END OF YEAR	<u>\$ 2,132,173</u>	<u>\$ 608,897</u>	<u>\$ 1,459,612</u>	<u>\$ 850,715</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

BEAUTIFICATION SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
EXPENDITURES:				
Public works	-	405,585	378,754	26,831
NET CHANGE IN FUND BALANCE	5,000	(400,585)	(378,754)	21,831
FUND BALANCE - BEGINNING OF YEAR	378,754	378,754	378,754	-
FUND BALANCE - END OF YEAR	<u>\$ 383,754</u>	<u>\$ (21,831)</u>	<u>\$ -</u>	<u>\$ 21,831</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

WASTE REDUCTION SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 22,100	\$ 22,100	\$ 22,644	\$ 544
Charges for services	185,000	185,000	188,142	3,142
Use of money and property	4,600	4,600	8,680	4,080
TOTAL REVENUES	211,700	211,700	219,466	7,766
EXPENDITURES:				
Public works	317,100	317,100	212,990	104,110
NET CHANGE IN FUND BALANCE	(105,400)	(105,400)	6,476	111,876
FUND BALANCE - BEGINNING OF YEAR	447,599	447,599	447,599	-
FUND BALANCE - END OF YEAR	<u>\$ 342,199</u>	<u>\$ 342,199</u>	<u>\$ 454,075</u>	<u>\$ 111,876</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

AIR QUALITY MANAGEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 50,000	\$ 50,000	\$ 55,413	\$ 5,413
Use of money and property	900	900	1,413	513
TOTAL REVENUES	50,900	50,900	56,826	5,926
EXPENDITURES:				
Public works	50,000	50,000	50,000	-
NET CHANGE IN FUND BALANCE	900	900	6,826	5,926
FUND BALANCE - BEGINNING OF YEAR	90,186	90,186	90,186	-
FUND BALANCE - END OF YEAR	<u>\$ 91,086</u>	<u>\$ 91,086</u>	<u>\$ 97,012</u>	<u>\$ 5,926</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

PROPOSITION C SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 696,200	\$ 696,200	\$ 714,128	\$ 17,928
Use of money and property	6,200	6,200	15,733	9,533
TOTAL REVENUES	702,400	702,400	729,861	27,461
EXPENDITURES:				
Public works	600,000	700,000	639,010	60,990
NET CHANGE IN FUND BALANCE	102,400	2,400	90,851	88,451
FUND BALANCE - BEGINNING OF YEAR	486,249	486,249	486,249	-
FUND BALANCE - END OF YEAR	<u>\$ 588,649</u>	<u>\$ 488,649</u>	<u>\$ 577,100</u>	<u>\$ 88,451</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

PROPOSITION A SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 839,400	\$ 839,400	\$ 860,943	\$ 21,543
Use of money and property	10,000	10,000	38,887	28,887
TOTAL REVENUES	849,400	849,400	899,830	50,430
EXPENDITURES:				
Public works	648,300	798,282	749,752	48,530
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	201,100	51,118	150,078	98,960
OTHER FINANCING USES:				
Transfers in	-	300,000	300,000	-
NET CHANGE IN FUND BALANCE	201,100	351,118	450,078	98,960
FUND BALANCE - BEGINNING OF YEAR	1,929,246	1,929,246	1,929,246	-
FUND BALANCE - END OF YEAR	<u>\$ 2,130,346</u>	<u>\$ 2,280,364</u>	<u>\$ 2,379,324</u>	<u>\$ 98,960</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

PUBLIC SAFETY GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 130,000	\$ 130,000	\$ 148,747	\$ 18,747
Use of money and property	1,000	1,000	2,115	1,115
TOTAL REVENUES	131,000	131,000	150,862	19,862
OTHER FINANCING USES:				
Transfers out	(130,000)	(130,000)	(130,000)	-
NET CHANGE IN FUND BALANCE	1,000	1,000	20,862	19,862
FUND BALANCE - BEGINNING OF YEAR	72,479	72,479	72,479	-
FUND BALANCE - END OF YEAR	<u>\$ 73,479</u>	<u>\$ 73,479</u>	<u>\$ 93,341</u>	<u>\$ 19,862</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

MEASURE R SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 522,200	\$ 522,200	\$ 535,750	\$ 13,550
Use of money and property	23,200	23,200	34,139	10,939
TOTAL REVENUES	545,400	545,400	569,889	24,489
EXPENDITURES:				
Public works	100,000	2,400,000	2,254,151	145,849
NET CHANGE IN FUND BALANCE	445,400	(1,854,600)	(1,684,262)	(121,360)
FUND BALANCE - BEGINNING OF YEAR	2,487,411	2,487,411	2,487,411	-
FUND BALANCE - END OF YEAR	<u>\$ 2,932,811</u>	<u>\$ 632,811</u>	<u>\$ 803,149</u>	<u>\$ (121,360)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

MEASURE A SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 90,000	\$ 90,000	\$ 86,634	\$ (3,366)
Use of money and property	1,100	1,100	1,647	547
TOTAL REVENUES	91,100	91,100	88,281	(2,819)
OTHER FINANCING USES:				
Transfers out	(90,000)	(90,000)	(90,000)	-
NET CHANGE IN FUND BALANCE	1,100	1,100	(1,719)	(2,819)
FUND BALANCE - BEGINNING OF YEAR	68,537	68,537	68,537	-
FUND BALANCE - END OF YEAR	<u>\$ 69,637</u>	<u>\$ 69,637</u>	<u>\$ 66,818</u>	<u>\$ (2,819)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

MEASURE M SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 591,800	\$ 591,800	\$ 603,557	\$ 11,757
Use of money and property	300	1,100	1,365	265
TOTAL REVENUES	592,100	592,900	604,922	12,022
EXPENDITURES:				
Public works	536,000	536,000	565,971	(29,971)
NET CHANGE IN FUND BALANCE	56,100	56,900	38,951	(17,949)
FUND BALANCE - BEGINNING OF YEAR	4,756	4,756	4,756	-
FUND BALANCE - END OF YEAR	<u>\$ 60,856</u>	<u>\$ 61,656</u>	<u>\$ 43,707</u>	<u>\$ (17,949)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

ABALONE COVE SEWER ASSESSMENT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 55,100	\$ 55,100	\$ 50,672	\$ (4,428)
Use of money and property	1,900	1,900	6,407	4,507
TOTAL REVENUES	57,000	57,000	57,079	79
EXPENDITURES:				
Public works	429,600	431,906	49,924	381,982
NET CHANGE IN FUND BALANCE	(372,600)	(374,906)	7,155	382,061
FUND BALANCE - BEGINNING OF YEAR	329,799	329,799	329,799	-
FUND BALANCE - END OF YEAR	<u>\$ (42,801)</u>	<u>\$ (45,107)</u>	<u>\$ 336,954</u>	<u>\$ 382,061</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**DR. ALLEN AND CHARLOTTE GINSBURG CULTURAL ARTS BUILDING
SPECIAL REVENUE FUND**

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 900	\$ 900	\$ -	\$ (900)
EXPENDITURES:				
Parks and recreation	-	-	86,344	(86,344)
NET CHANGE IN FUND BALANCE	900	900	(86,344)	85,444
FUND BALANCE - BEGINNING OF YEAR	87,389	87,389	87,389	-
FUND BALANCE - END OF YEAR	<u>\$ 88,289</u>	<u>\$ 88,289</u>	<u>\$ 1,045</u>	<u>\$ 85,444</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DONOR RESTRICTED CONTRIBUTIONS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 9,500	\$ 9,500	\$ 16,090	\$ 6,590
Other revenue	7,500	7,500	44,523	37,023
TOTAL REVENUES	17,000	17,000	60,613	43,613
EXPENDITURES:				
Public works	25,000	267,409	168,942	98,467
NET CHANGE IN FUND BALANCE	(8,000)	(250,409)	(108,329)	(54,854)
FUND BALANCE - BEGINNING OF YEAR	883,492	883,492	883,492	-
FUND BALANCE - END OF YEAR	<u>\$ 875,492</u>	<u>\$ 633,083</u>	<u>\$ 775,163</u>	<u>\$ (54,854)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**JOINT POWERS IMPROVEMENT AUTHORITY PORTUGUESE BEND
SPECIAL REVENUE FUND**

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 1,100	\$ 1,100	\$ 3,451	\$ 2,351
EXPENDITURES:				
Public works	<u>122,000</u>	<u>122,000</u>	<u>78,333</u>	<u>43,667</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(120,900)	(120,900)	(74,882)	\$ 46,018
OTHER FINANCING SOURCES:				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(100,900)	(100,900)	(54,882)	46,018
FUND BALANCE - BEGINNING OF YEAR	<u>135,857</u>	<u>135,857</u>	<u>135,857</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 34,957</u>	<u>\$ 34,957</u>	<u>\$ 80,975</u>	<u>\$ 46,018</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 139,300	\$ 139,300	\$ 178,591	\$ 39,291
EXPENDITURES:				
Public works	-	260,217	196,190	64,027
NET CHANGE IN FUND BALANCE	139,300	(120,917)	(17,599)	103,318
FUND BALANCE - BEGINNING OF YEAR	29,057	29,057	29,057	-
FUND BALANCE - END OF YEAR	<u>\$ 168,357</u>	<u>\$ (91,860)</u>	<u>\$ 11,458</u>	<u>\$ 103,318</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

FEDERAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ 452,800	\$ 452,800	\$ 141,443	\$ (311,357)
Use of money and property	1,000	1,000	-	(1,000)
TOTAL REVENUES	453,800	453,800	141,443	(312,357)
OTHER FINANCING SOURCES:				
Transfers out	(316,000)	(1,087,318)	(1,087,318)	-
NET CHANGE IN FUND BALANCE	137,800	(633,518)	(945,875)	(312,357)
FUND BALANCE - BEGINNING OF YEAR	1,044,190	1,044,190	1,044,190	-
FUND BALANCE - END OF YEAR	<u>\$ 1,181,990</u>	<u>\$ 410,672</u>	<u>\$ 98,315</u>	<u>\$ (312,357)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

QUIMBY SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 22,000	\$ 22,000	\$ 33,272	\$ 11,272
Other revenues	51,000	51,000	-	(51,000)
TOTAL REVENUES	73,000	73,000	33,272	(39,728)
EXPENDITURES:				
Public works	300,000	988,630	145,474	843,156
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(227,000)	(915,630)	(112,202)	803,428
FUND BALANCE - BEGINNING OF YEAR	1,813,294	1,813,294	1,813,294	-
FUND BALANCE - END OF YEAR	<u>\$ 1,586,294</u>	<u>\$ 897,664</u>	<u>\$ 1,701,092</u>	<u>\$ 803,428</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

ENVIRONMENTAL EXCISE TAX SPECIAL REVENUE FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 3,800	\$ 3,800	\$ 9,399	\$ 5,599
Other revenues	113,000	113,000	39,020	(73,980)
TOTAL REVENUES	<u>116,800</u>	<u>116,800</u>	<u>48,419</u>	<u>(68,381)</u>
NET CHANGE IN FUND BALANCE	116,800	116,800	48,419	(68,381)
FUND BALANCE - BEGINNING OF YEAR	<u>463,144</u>	<u>463,144</u>	<u>463,144</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 579,944</u>	<u>\$ 579,944</u>	<u>\$ 511,563</u>	<u>\$ (68,381)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

LOW-MODERATE INCOME CAPITAL PROJECTS FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 43,200	\$ 43,200	\$ 34,984	\$ (8,216)
Use of money and property	1,500	1,500	2,956	-
NET CHANGE IN FUND BALANCE	44,700	44,700	37,940	(8,216)
FUND BALANCE - BEGINNING OF YEAR	152,420	152,420	152,420	-
FUND BALANCE - END OF YEAR	<u>\$ 197,120</u>	<u>\$ 197,120</u>	<u>\$ 190,360</u>	<u>\$ (8,216)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

AFFORDABLE HOUSING IN-LIEU CAPITAL PROJECTS FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 6,200	\$ 6,200	\$ 15,961	\$ 9,761
NET CHANGE IN FUND BALANCE	6,200	6,200	15,961	9,761
FUND BALANCE - BEGINNING OF YEAR	822,876	822,876	822,876	-
FUND BALANCE - END OF YEAR	<u>\$ 829,076</u>	<u>\$ 829,076</u>	<u>\$ 838,837</u>	<u>\$ 9,761</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

HABITAT RESTORATION PERMANENT FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 12,400	\$ 12,400	\$ 19,953	\$ 7,553
EXPENDITURES:				
Public works	179,500	179,500	149,499	30,001
NET CHANGE IN FUND BALANCE	(167,100)	(167,100)	(129,546)	37,554
FUND BALANCE - BEGINNING OF YEAR	1,079,064	1,079,064	1,079,064	-
FUND BALANCE - END OF YEAR	<u>\$ 911,964</u>	<u>\$ 911,964</u>	<u>\$ 949,518</u>	<u>\$ 37,554</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

SUBREGION ONE PERMANENT FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 8,100	\$ 8,100	\$ 14,969	\$ 6,869
EXPENDITURES:				
Public works	46,800	46,800	43,831	2,969
NET CHANGE IN FUND BALANCE	(38,700)	(38,700)	(28,862)	3,900
FUND BALANCE - BEGINNING OF YEAR	794,182	794,182	794,182	-
FUND BALANCE - END OF YEAR	<u>\$ 755,482</u>	<u>\$ 755,482</u>	<u>\$ 765,320</u>	<u>\$ 3,900</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

JOINT POWERS IMPROVEMENT AUTHORITY ABALONE COVE PERMANENT FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 3,400	\$ 3,400	\$ 29,100	\$ 25,700
EXPENDITURES:				
Public works	<u>75,700</u>	<u>75,700</u>	<u>39,631</u>	<u>36,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(72,300)	(72,300)	(10,531)	(10,369)
OTHER FINANCING SOURCES:				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(47,300)	(47,300)	14,469	(10,369)
FUND BALANCE - BEGINNING OF YEAR	<u>1,058,142</u>	<u>1,058,142</u>	<u>1,058,142</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,010,842</u>	<u>\$ 1,010,842</u>	<u>\$ 1,072,611</u>	<u>\$ (10,369)</u>

CITY OF RANCHO PALOS VERDES

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from other agencies	\$ -	\$ -	\$ 5,007	\$ 5,007
Use of money and property	285,500	285,500	508,963	223,463
TOTAL REVENUES	285,500	285,500	513,970	228,470
EXPENDITURES:				
Capital Outlay				
Infrastructure administration	-	805,324	160,098	645,226
Street improvements	3,845,000	3,584,619	2,097,774	1,486,845
Parks/Trails/Open Space improvements	524,000	769,437	414,845	354,592
Sewer improvements	250,000	201,995	-	201,995
Landslide improvements	161,100	868,506	414,404	454,102
Building improvements	150,000	681,819	204,303	477,516
TOTAL EXPENDITURES	4,930,100	6,911,700	3,291,424	3,620,276
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,644,600)	(6,626,200)	(2,777,454)	3,848,746
OTHER FINANCING SOURCES:				
Transfers in	4,519,700	4,519,700	5,389,170	869,470
NET CHANGE IN FUND BALANCE	(124,900)	(2,106,500)	2,611,716	4,718,216
FUND BALANCE - BEGINNING OF YEAR	24,405,475	24,405,475	24,405,475	-
FUND BALANCE - END OF YEAR	<u>\$ 24,280,575</u>	<u>\$ 22,298,975</u>	<u>\$ 27,017,191</u>	<u>\$ 4,718,216</u>



STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Rancho Palos Verdes' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	112
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	123
Debt Capacity <i>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. The City does not have general bond indebtedness or debt issued with pledged revenue.</i>	131
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	134
Operating Information <i>These schedules contain services 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.</i>	139

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

City of Rancho Palos Verdes
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net investment in capital assets	\$ 115,331	\$ 115,145	\$ 114,488	\$ 113,284	\$ 114,427
Restricted	1,000	1,750	1,750	1,835	11,792
Unrestricted	31,855	39,066	67,112	46,687	46,679
Total governmental activities net position	<u>\$ 148,186</u>	<u>\$ 155,961</u>	<u>\$ 183,351</u>	<u>\$ 161,806</u>	<u>\$ 172,898</u>
Business-type activities					
Net investment in capital assets	\$ 12,458	\$ 12,753	\$ 13,356	\$ 18,319	\$ 29,557
Restricted	-	-	-	-	-
Unrestricted	2,825	3,365	3,532	9,727	5,317
Total business-type activities net position	<u>\$ 15,283</u>	<u>\$ 16,118</u>	<u>\$ 16,888</u>	<u>\$ 28,046</u>	<u>\$ 34,874</u>
Primary government					
Net investment in capital assets	\$ 127,789	\$ 127,898	\$ 127,845	\$ 131,603	\$ 143,984
Restricted	1,000	1,750	1,750	1,835	11,792
Unrestricted	34,680	42,431	70,644	56,414	51,996
Total primary government net position	<u>\$ 163,469</u>	<u>\$ 172,079</u>	<u>\$ 200,238</u>	<u>\$ 189,852</u>	<u>\$ 207,772</u>

City of Rancho Palos Verdes
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities					
Net investment in capital assets	\$ 119,450	\$ 118,399	\$ 123,437	\$ 125,420	\$ 159,557
Restricted	11,647	21,120	19,387	17,300	16,170
Unrestricted	42,208	42,210	43,618	44,168	47,739
Total governmental activities net position	<u>\$ 173,305</u>	<u>\$ 181,729</u>	<u>\$ 186,442</u>	<u>\$ 186,888</u>	<u>\$ 223,466</u>
Business-type activities					
Net investment in capital assets	\$ 31,168	\$ 31,663	\$ 31,311	\$ 34,996	\$ -
Restricted	-	-	-	-	-
Unrestricted	5,334	5,598	4,600	(128)	-
Total business-type activities net position	<u>\$ 36,502</u>	<u>\$ 37,261</u>	<u>\$ 35,911</u>	<u>\$ 34,868</u>	<u>\$ -</u>
Primary government					
Net investment in capital assets	\$ 150,618	\$ 150,062	\$ 154,748	\$ 160,416	\$ 159,557
Restricted	11,647	21,120	19,387	17,300	16,170
Unrestricted	47,542	47,808	48,218	44,040	47,739
Total primary government net position	<u>\$ 209,807</u>	<u>\$ 218,990</u>	<u>\$ 222,353</u>	<u>\$ 221,756</u>	<u>\$ 223,466</u>

City of Rancho Palos Verdes
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
Administration	\$ 7,824	\$ 5,997	\$ 5,906	\$ 5,534	\$ 7,530
Public safety	4,242	4,335	4,178	4,348	4,429
Public works	13,633	10,389	11,202	10,874	9,377
Community development	2,550	2,622	2,432	2,526	1,927
Parks and recreation	1,826	1,391	1,490	1,696	1,369
Non-departmental	320	-	-	-	35
Interest on long-term debt	265	260	109	-	-
Total governmental activities expenses	<u>30,660</u>	<u>24,994</u>	<u>25,318</u>	<u>24,978</u>	<u>24,667</u>
Business-type activities:					
Water Quality Flood Protection	580	489	560	594	659
Total primary government expenses	<u>\$ 31,240</u>	<u>\$ 25,483</u>	<u>\$ 25,878</u>	<u>\$ 25,572</u>	<u>\$ 25,326</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Administration	\$ 681	\$ 654	\$ 747	\$ 779	\$ 120
Public safety	229	261	194	150	42
Public works	1,356	622	684	543	169
Community development	1,764	1,714	1,644	1,854	1,772
Parks and recreation	896	457	503	476	18
Non-departmental	-	-	-	-	-
Operating grants and contributions	6,633	3,689	3,628	4,133	2,506
Capital grants and contributions	7,179	5	139	139	2,912
Total governmental activities program revenues	<u>18,738</u>	<u>7,402</u>	<u>7,538</u>	<u>8,074</u>	<u>7,539</u>
Business-type activities:					
Charges for services:					
Water Quality Flood Protection	1,264	1,312	1,319	1,313	1,361
Operating grants and contributions	-	-	-	2,137	-
Capital grants and contributions	-	-	-	-	6,115
Total business-type activities program revenues	<u>1,264</u>	<u>1,312</u>	<u>1,319</u>	<u>3,450</u>	<u>7,476</u>
Total primary government program revenues	<u>\$ 20,002</u>	<u>\$ 8,714</u>	<u>\$ 8,857</u>	<u>\$ 11,524</u>	<u>\$ 15,015</u>
Net (expense)/revenue					
Governmental activities	\$ (11,922)	\$ (17,592)	\$ (17,780)	\$ (16,904)	\$ (17,128)
Business-type activities	684	823	759	2,856	6,817
Total primary government net expense	<u>\$ (11,238)</u>	<u>\$ (16,769)</u>	<u>\$ (17,022)</u>	<u>\$ (14,048)</u>	<u>\$ (10,311)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 11,431	\$ 11,854	\$ 11,480	\$ 11,284	\$ 11,991
Transient occupancy tax	1,955	2,640	3,349	3,790	4,250
Sales taxes	1,246	1,548	1,449	1,588	1,642
Franchise taxes	1,711	1,825	1,881	1,907	1,998
Utility user taxes	2,395	2,407	2,333	2,481	2,510
Other taxes	712	814	674	778	1,589
Investment income	207	318	604	184	94
Other	307	271	52	929	4,146
Transfers	-	-	-	(8,293)	-
Extraordinary item	-	-	23,348	(19,289)	-
Total governmental activities	<u>19,964</u>	<u>21,677</u>	<u>45,170</u>	<u>(4,641)</u>	<u>28,220</u>
Business-type activities:					
Investment income	14	13	11	10	11
User Fees	-	-	-	-	-
Other	-	-	-	-	-
Transfers	-	-	-	8,293	-
Total business-type activities	<u>14</u>	<u>13</u>	<u>11</u>	<u>8,303</u>	<u>11</u>
Total primary government	<u>\$ 19,978</u>	<u>\$ 21,690</u>	<u>\$ 45,181</u>	<u>\$ 3,662</u>	<u>\$ 28,231</u>
Change in Net Position					
Governmental activities	\$ 8,042	\$ 4,085	\$ 27,390	\$ (21,545)	\$ 11,092
Business-type activities	698	836	770	11,159	6,828
Total primary government net expense	<u>\$ 8,740</u>	<u>\$ 4,921</u>	<u>\$ 28,159</u>	<u>\$ (10,386)</u>	<u>\$ 17,920</u>

City of Rancho Palos Verdes
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
Administration	\$ 7,127	\$ 8,062	\$ 6,746	\$ 7,258	\$ 6,563
Public safety	4,670	5,215	6,534	7,339	7,214
Public works	10,692	9,610	10,638	16,073	16,064
Community development	2,072	1,971	2,664	2,726	3,052
Parks and recreation	1,669	2,052	2,434	2,736	3,064
Non-departmental	191	134	2,400	1,166	1,134
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>26,421</u>	<u>27,044</u>	<u>31,416</u>	<u>37,298</u>	<u>37,091</u>
Business-type activities:					
Water Quality Flood Protection	1,423	646	1,400	1,071	811
Total primary government expenses	<u>\$ 27,844</u>	<u>\$ 27,690</u>	<u>\$ 32,816</u>	<u>\$ 38,369</u>	<u>\$ 37,902</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Administration	\$ 108	\$ 318	\$ 1,081	\$ 1,032	\$ 1,065
Public safety	43	179	140	124	104
Public works	432	159	274	659	227
Community development	2,058	958	2,066	729	2,130
Parks and recreation	144	781	708	2,083	766
Non-departmental	-	96	-	-	-
Operating grants and contributions	2,274	2,332	4,196	4,481	4,608
Capital grants and contributions	1,230	1,111	818	769	1,137
Total governmental activities program revenues	<u>6,289</u>	<u>5,934</u>	<u>9,283</u>	<u>9,877</u>	<u>10,037</u>
Business-type activities:					
Charges for services:					
Water Quality Flood Protection	1,369	1,385	11	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,213	-	-	-	-
Total business-type activities program revenues	<u>2,582</u>	<u>1,385</u>	<u>11</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ 8,871</u>	<u>\$ 7,319</u>	<u>\$ 9,294</u>	<u>\$ 9,877</u>	<u>\$ 10,037</u>
Net (expense)/revenue					
Governmental activities	\$ (20,132)	\$ (21,110)	\$ (22,133)	\$ (27,421)	\$ (27,054)
Business-type activities	1,159	738	(1,389)	(1,071)	(811)
Total primary government net expense	<u>\$ (18,973)</u>	<u>\$ (20,372)</u>	<u>\$ (23,522)</u>	<u>\$ (28,492)</u>	<u>\$ (27,865)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 12,452	\$ 13,764	\$ 13,302	\$ 13,762	\$ 14,350
Transient occupancy tax	4,812	5,197	5,601	5,615	5,645
Sales taxes	1,758	2,104	2,463	2,520	2,661
Franchise taxes	2,045	2,045	1,985	2,129	2,150
Utility user taxes	1,973	1,866	1,775	1,838	1,917
Other taxes	1,564	1,179	365	402	429
Investment income	122	214	434	839	1,313
Other	3,231	2,608	920	763	909
Transfers	(458)	-	-	-	34,258
Extraordinary item	-	-	-	-	-
Total governmental activities	<u>27,499</u>	<u>28,977</u>	<u>26,845</u>	<u>27,868</u>	<u>63,632</u>
Business-type activities:					
Investment income	10	21	35	29	-
User Fees	-	-	-	-	-
Other	-	-	-	-	200
Transfers	458	-	3	-	(34,258)
Total business-type activities	<u>468</u>	<u>21</u>	<u>38</u>	<u>29</u>	<u>(34,058)</u>
Total primary government	<u>\$ 27,967</u>	<u>\$ 28,998</u>	<u>\$ 26,883</u>	<u>\$ 27,897</u>	<u>\$ 29,574</u>
Change in Net Position					
Governmental activities	\$ 7,367	\$ 7,868	\$ 4,713	\$ 447	\$ 36,578
Business-type activities	1,627	759	(1,351)	(1,042)	(34,869)
Total primary government net expense	<u>\$ 8,994</u>	<u>\$ 8,627</u>	<u>\$ 3,362</u>	<u>\$ (595)</u>	<u>\$ 1,709</u>

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City of Rancho Palos Verdes
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Transient Occupancy Tax	Sales Tax	Franchise Tax	Utility Users Tax	Other Taxes	Total
2010	11,431	1,955	1,246	1,711	2,395	712	19,450
2011	11,854	2,640	1,548	1,825	2,407	814	21,088
2012	11,480	3,349	1,449	1,881	2,333	674	21,166
2013	11,284	3,790	1,588	1,907	2,481	778	21,828
2014	11,991	4,250	1,642	1,998	2,510	1,589	23,980
2015	12,452	4,812	1,758	2,044	1,973	1,564	24,603
2016	13,764	5,197	2,104	2,045	1,866	1,179	26,155
2017	13,302	5,601	2,463	1,985	1,775	365	25,491
2018	13,762	5,615	2,520	2,129	1,838	402	26,266
2019	14,350	5,645	2,661	2,150	1,917	429	27,152

Source
City General Ledger

City of Rancho Palos Verdes
Fund Balances of Governmental Funds
Last Three Fiscal Years - Before GASB 54
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2010
General Fund	
Reserved	\$ 7,166
Designated	1,462
Unreserved, Undesignated	10,745
Total General Fund	\$ 19,373
All other Governmental Funds	
Reserved	\$ 6,361
Designated	
Special Revenue Funds	85
Capital Projects Funds	7,494
Permanent Fund	-
Debt Service Fund	-
Unreserved, Undesignated, reported in:	
Special Revenue Funds	6,058
Capital Projects Funds	1,240
Permanent Fund	333
Debt Service Fund	(17,797)
Total all other Governmental Funds	\$ 3,774

City of Rancho Palos Verdes
Fund Balances of Governmental Funds
Last Seven Fiscal Years - After GASB 54
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund									
Non-Spendable	\$ 7,515	\$ 7,493	\$ 138	\$ 144	\$ 598	\$ 564	\$ 190	\$ 913	\$ 1,016
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	802	964	715	341
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	11,385	12,464	14,370	15,474	16,055	13,702	15,671	16,450	19,431
Total General Fund	<u>\$ 18,900</u>	<u>\$ 19,957</u>	<u>\$ 14,508</u>	<u>\$ 15,618</u>	<u>\$ 16,653</u>	<u>\$ 15,068</u>	<u>\$ 16,825</u>	<u>\$ 18,078</u>	<u>\$ 20,788</u>
All other Governmental Funds									
Non-Spendable									
Special Revenue Funds	\$ 4,818	\$ 3,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	573	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-
Permanent Fund	1,750	1,750	1,835	1,845	1,855	1,866	1,877	1,889	1,902
Restricted									
Special Revenue Funds	7,952	8,187	7,849	8,445	8,362	9,757	11,702	12,825	10,437
Capital Projects Funds	313	-	-	-	-	3,000	4,660	1,438	2,946
Permanent Fund	319	226	280	1,502	1,492	1,312	1,148	1,148	885
Committed									
Special Revenue Funds	-	-	36	58	55	353	-	-	-
Capital Projects Funds	-	-	-	-	-	3,467	-	-	-
Permanent Fund	-	-	-	-	-	-	-	-	-
Assigned									
Special Revenue Funds	-	-	-	794	572	476	479	-	-
Capital Projects Funds	11,650	15,407	13,084	18,535	21,078	23,902	23,149	23,942	25,100
Permanent Fund	-	-	-	-	-	-	-	-	-
Unassigned									
Special Revenue Funds	(126)	(108)	(198)	(116)	(59)	-	-	-	(564)
Debt Service Fund	(19,687)	-	-	-	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-
Permanent Fund	-	-	-	-	-	-	-	-	-
Total all other Governmental Funds	<u>\$ 7,562</u>	<u>\$ 28,528</u>	<u>\$ 22,885</u>	<u>\$ 31,063</u>	<u>\$ 33,355</u>	<u>\$ 44,133</u>	<u>\$ 43,015</u>	<u>\$ 41,242</u>	<u>\$ 40,706</u>

City of Rancho Palos Verdes
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual basis of Accounting)
(Amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues					
Taxes	\$ 19,844	\$ 21,419	\$ 21,867	\$ 22,543	\$ 23,981
Licenses and permits	1,954	1,933	1,806	2,027	1,951
Fines and forfeitures	179	210	159	117	128
Use of money and property	1,601	1,560	1,350	1,383	846
Charges for services	81	73	149	141	323
Donation	-	-	-	445	-
Revenues from other agencies	10,180	3,162	3,421	3,395	5,301
Other Revenues	4,806	229	259	741	3,068
Total Revenues	<u>38,645</u>	<u>28,586</u>	<u>29,011</u>	<u>30,791</u>	<u>35,598</u>
Expenditures					
Administration	5,720	5,503	5,726	5,401	5,792
Public Safety	4,242	4,335	4,178	4,348	4,492
Public Works	6,896	7,875	7,616	7,240	7,611
Parks and Recreation	1,702	1,257	1,479	1,557	1,573
Community Development	2,604	2,784	2,484	2,591	2,640
Non-Departmental	320	-	-	-	35
Pass Through to other agencies	-	-	-	-	-
Capital Outlay	14,567	2,557	3,155	2,721	4,113
Debt Service					
Principal	419	423	464	-	-
Interest	886	887	498	-	-
Total Expenditures	<u>37,356</u>	<u>25,621</u>	<u>25,599</u>	<u>23,857</u>	<u>26,256</u>
Excess of Revenues over (under) Expenditures	1,289	2,965	3,412	6,934	9,342
Other Financing Sources (uses)					
Sales of capital assets	-	350	-	-	-
Transfers in	4,616	8,944	8,226	7,954	10,424
Transfers out	(6,192)	(8,944)	(7,856)	(16,247)	(10,479)
Bond Proceeds	-	-	-	-	-
Advances to the Redevelopment Agency	-	-	-	-	-
Total Other Financing Sources (uses)	<u>(1,576)</u>	<u>350</u>	<u>371</u>	<u>(8,293)</u>	<u>(55)</u>
Extraordinary Gain (Loss)	-	-	18,240	(6,743)	-
Net change in Fund Balances	<u>\$ (287)</u>	<u>\$ 3,315</u>	<u>\$ 22,023</u>	<u>\$ (8,102)</u>	<u>\$ 9,287</u>
Cost of Assets Capitalized	10,866	3,180	2,865	2,022	4,820
Debt Services as a percentage of Non-Capital Expenditures	4.9%	5.8%	4.2%	0.0%	0.0%

City of Rancho Palos Verdes
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual basis of Accounting)
(Amounts expressed in thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues					
Taxes	\$ 24,603	\$ 25,725	\$ 25,491	\$ 26,266	\$ 28,098
Licenses and permits	2,515	2,383	3,044	3,095	2,205
Fines and forfeitures	135	180	153	144	331
Use of money and property	653	750	415	714	1,656
Charges for services	427	558	1,072	1,113	215
Donation	-	-	-	-	-
Revenues from other agencies	3,794	3,443	5,117	5,345	5,158
Other Revenues	2,377	1,668	732	1,038	1,026
Total Revenues	<u>34,504</u>	<u>34,707</u>	<u>36,024</u>	<u>37,715</u>	<u>38,689</u>
Expenditures					
Administration	5,135	6,183	5,445	5,867	5,581
Public Safety	4,761	5,215	6,534	7,399	7,214
Public Works	8,042	7,961	9,084	11,068	13,546
Parks and Recreation	1,819	2,042	2,175	2,493	2,769
Community Development	2,870	2,619	2,664	2,736	3,052
Non-Departmental	190	238	2,400	1,167	1,134
Pass Through to other agencies	-	-	-	-	-
Capital Outlay	8,697	1,344	7,106	7,504	3,291
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>31,514</u>	<u>25,602</u>	<u>35,408</u>	<u>38,234</u>	<u>36,587</u>
Excess of Revenues over (under) Expenditures	2,990	9,105	616	(519)	2,102
Other Financing Sources (uses)					
Sales of capital assets	-	-	-	-	-
Transfers in	13,525	11,784	4,577	5,044	6,027
Transfers out	(13,188)	(11,784)	(4,577)	(5,044)	(5,954)
Bond Proceeds	-	-	-	-	-
Advances to the Redevelopment Agency	-	-	-	-	-
Total Other Financing Sources (uses)	<u>337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>
Extraordinary Gain (Loss)	-	-	-	-	-
Net change in Fund Balances	<u>\$ 3,327</u>	<u>\$ 9,105</u>	<u>\$ 616</u>	<u>\$ (519)</u>	<u>\$ 2,175</u>
Cost of Assets Capitalized	8,490	2,398	8,228	8,228	5,496
Debt Services as a percentage of Non-Capital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

City of Rancho Palos Verdes
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts expressed in thousands)

Fiscal Year	Property Tax	Transient Occupancy Tax	Sales Tax	Franchise Tax	Utility Users Tax	Other Taxes	Total
2010	11,431	1,955	1,158	1,711	2,395	1,194	19,844
2011	11,854	2,640	1,518	1,825	2,407	1,175	21,419
2012	11,480	3,349	1,452	1,881	2,333	1,372	21,867
2013	11,284	3,790	1,589	1,907	2,481	1,492	22,543
2014	11,991	4,250	1,642	1,998	2,510	1,590	23,981
2015	12,452	4,812	1,758	2,044	1,973	1,564	24,603
2016	13,764	5,197	2,104	2,045	1,866	1,179	26,155
2017	13,302	5,601	2,463	1,985	1,775	365	25,491
2018	13,028	5,615	2,520	2,129	1,838	1,290	26,420
2019	13,567	5,645	2,661	2,150	1,917	1,376	27,316

Source
City General Ledger

City of Rancho Palos Verdes
Assessed Value of Taxable Property
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property
2010	8,333,042	263,157	3,341	598,539	49,628
2011	8,362,052	396,195	3,333	570,551	45,258
2012	8,596,777	390,497	3,358	564,763	70,284
2013	8,843,139	402,533	3,425	581,160	48,147
2014	9,190,789	475,510	3,493	660,569	46,962
2015	9,492,704	486,378	3,509	679,241	45,906
2016	10,094,704	501,636	3,580	695,738	44,300
2017	10,770,321	531,536	3,634	506,899	24,986
2018	11,302,341	541,829	3,707	521,883	26,829
2019	11,924,464	580,286	3,781	551,820	25,824

Source

2010-2013 & 2006-07 County Assessor data, Avenu Insights & Analytics

2008-2009 data is provided from previously published CAFR's

Unitary value of \$840,000 is excluded.

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City of Rancho Palos Verdes
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year End	Less Tax-Exempt Property	Taxable Assessed Value	City Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (3)	Assessed Value as a Percentage of Actual Value
2010	236,925	9,010,782	0.063728	\$ 9,515,593	1.05602	94.69%
2011	158,388	9,219,001	0.063728	\$ 9,067,313	0.98355	101.67%
2012	157,307	9,468,372	0.063728	\$ 10,683,820	1.12837	88.62%
2013	174,167	9,704,237	0.063728	\$ 11,390,239	1.17374	85.20%
2014	153,434	10,223,889	0.063728	\$ 13,967,877	1.36620	73.20%
2015	151,709	10,556,029	0.063728	\$ 13,571,675	1.28568	77.78%
2016	155,138	11,184,820	0.063728	\$ 15,366,477	1.37387	72.79%
2017	174,779	11,662,598	0.063728	\$ 17,011,415	1.45863	68.56%
2018	180,953	12,215,635	0.063728	\$ 15,669,728	1.28276	77.96%
2019	184,447	12,901,730	0.063728	\$ 17,984,167	1.39393	71.74%

Source

2010-2013 & 2006-07 County Assessor data, Avenu Insights & Analytics
2008-2009 data is provided from previously published CAFR's
Unitary value of \$840,000 is excluded.

(1) City Direct Tax Rate is represented by TRA 001-224.

(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a factor was extrapolated and applied to current assessed values.

City of Rancho Palos Verdes
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2011-12</u>	<u>2013-14</u>
CITY DIRECT RATE	0.063728	0.063728	0.063728	0.063728	0.063728
All other direct rates:					
LA COUNTY GENERAL	0.441223	0.441223	0.441223	0.441223	0.441223
LA COUNTY ACCUM CAP OUTLAY	0.000110	0.000110	0.000110	0.000110	0.000110
CONSOL. FIRE PRO.DIST OF LA CO.	0.169715	0.169715	0.169715	0.169715	0.169715
LA CO. FIRE-FFW	0.006910	0.006910	0.006910	0.006910	0.006910
LA CO.FL.CON.DR.IMP.DIST.MAINT.	0.002597	0.002597	0.002597	0.002597	0.002597
LA CO FLOOD CONTROL MAINT	0.014699	0.014699	0.014699	0.014699	0.014699
PALOS VERDES LIBRARY DIST MAINT	0.043470	0.043470	0.043470	0.043470	0.043470
LA CO WEST VECTOR CONTROL DIST.	0.000319	0.000319	0.000319	0.000319	0.000319
CO SANITATION DIST NO 5 OPERAT	0.017499	0.017499	0.017499	0.017499	0.017499
WTR REPLENISHMENT DIST OF SO CAL	0.000181	0.000181	0.000181	0.000181	0.000181
ERAF	0.000000	0.000000	0.000000	0.000000	0.000000
EDUCATIONAL AUG FD IMPOUND	0.000000	0.000000	0.000000	0.000000	0.000000
COUNTY SCHOOL SERVICES	0.001369	0.001369	0.001369	0.001369	0.001369
CHILDREN'S INSTIL TUITION FUND	0.002717	0.002717	0.002717	0.002717	0.002717
LA CITY COMM COLLEGE DIST	0.029214	0.029214	0.029214	0.029214	0.029214
LA COMM COLL CHILDREN'S CTR FD	0.000302	0.000302	0.000302	0.000302	0.000302
PALOS VERDES PENINSULA USD	0.196986	0.196986	0.196986	0.196986	0.196986
CO.SCH.SERV.FD-LOS ANGELES	0.008085	0.008085	0.008085	0.008085	0.008085
DEV.CTR.HDCPD MINOR-LA UNIF.	0.000876	0.000876	0.000876	0.000876	0.000876
TOTAL	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
Debt Service Rates					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.021642	0.022493	0.022511	0.022511	0.023109
COMMNTY COLLEGE	0.023112	0.040310	0.035296	0.035296	0.044541
PALOS VERDES LIB	0.006618	0.006719	0.006359	0.006359	0.006118
FLOOD CONTROL	0.000000	0.000000	0.000000	0.000000	0.000000
METRO WATER DIST	0.004300	0.003700	0.003700	0.003700	0.003500
TOTAL	<u>0.055672</u>	<u>0.073222</u>	<u>0.067866</u>	<u>0.067866</u>	<u>0.077268</u>
TOTAL TAX RATE	<u><u>1.055672</u></u>	<u><u>1.073222</u></u>	<u><u>1.067866</u></u>	<u><u>1.067866</u></u>	<u><u>1.077268</u></u>

Source

2010-2015 County Assessor data, Avenu Insights & Analytics
2007-2009 data is provided from previously published CAFR's
City has no separate debt service rate, direct rate is 100% operating.
TRA 149 is represented for this report.

City of Rancho Palos Verdes
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
CITY DIRECT RATE	0.063728	0.063728	0.063728	0.063728	0.063728
All other direct rates:					
LA COUNTY GENERAL	0.441223	0.441223	0.441223	0.441223	0.441223
LA COUNTY ACCUM CAP OUTLAY	0.000110	0.000110	0.000110	0.000110	0.000110
CONSOL. FIRE PRO.DIST OF LA CO.	0.169715	0.169715	0.169715	0.169715	0.169715
LA CO. FIRE-FFW	0.006910	0.006910	0.006910	0.006910	0.006910
LA CO.FL.CON.DR.IMP.DIST.MAINT.	0.002597	0.002597	0.002597	0.002597	0.002597
LA CO FLOOD CONTROL MAINT	0.014699	0.014699	0.014699	0.014699	0.014699
PALOS VERDES LIBRARY DIST MAINT	0.043470	0.043470	0.043470	0.043470	0.043470
LA CO WEST VECTOR CONTROL DIST.	0.000319	0.000319	0.000319	0.000319	0.000319
CO SANITATION DIST NO 5 OPERAT	0.017499	0.017499	0.017499	0.017499	0.017499
WTR REPLENISHMENT DIST OF SO CAL	0.000181	0.000181	0.000181	0.000181	0.000181
ERAF	0.000000	0.000000	0.000000	0.000000	0.000000
EDUCATIONAL AUG FD IMPOUND	0.000000	0.000000	0.000000	0.000000	0.000000
COUNTY SCHOOL SERVICES	0.001369	0.001369	0.001369	0.001369	0.001369
CHILDREN'S INSTIL TUITION FUND	0.002717	0.002717	0.002717	0.002717	0.002717
LA CITY COMM COLLEGE DIST	0.029214	0.029214	0.029214	0.029214	0.029214
LA COMM COLL CHILDREN'S CTR FD	0.000302	0.000302	0.000302	0.000302	0.000302
PALOS VERDES PENINSULA USD	0.196986	0.196986	0.196986	0.196986	0.196986
CO.SCH.SERV.FD-LOS ANGELES	0.008085	0.008085	0.008085	0.008085	0.008085
DEV.CTR.HDCPD MINOR-LA UNIF.	0.000876	0.000876	0.000876	0.000876	0.000876
TOTAL	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
Debt Service Rates					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.023289	0.023433	0.023197	0.023093	0.023709
COMMNTY COLLEGE	0.040174	0.035755	0.035956	0.045990	0.046213
PALOS VERDES LIB	0.005854	0.005630	0.000000	0.000000	0.000000
FLOOD CONTROL	0.000000	0.000000	0.000000	0.000000	0.000000
METRO WATER DIST	0.003500	0.003500	0.003500	0.003500	0.003500
TOTAL	<u>0.072817</u>	<u>0.068318</u>	<u>0.062653</u>	<u>0.072583</u>	<u>0.073422</u>
TOTAL TAX RATE	<u><u>1.072817</u></u>	<u><u>1.068318</u></u>	<u><u>1.062653</u></u>	<u><u>1.072583</u></u>	<u><u>1.073422</u></u>

Source

2010-2015 County Assessor data, Avenu Insights & Analytics
2007-2009 data is provided from previously published CAFR's
City has no separate debt service rate, direct rate is 100% operating.
TRA 149 is represented for this report.

**City of Rancho Palos Verdes
Principal Property Tax Payers
Last Fiscal Year and Nine Years Ago**

Taxpayer	2018-19			2009-10		
	Taxable Value (\$)	Rank	Percentage of Total City Taxable Value (%)	Taxable Value (\$)	Rank	Percentage of Total City Taxable Value (%)
Long Point Dev Llc	467,773,033	1	3.63%	143,871,679	1	1.60%
Gs Palos Verdes Llc	110,385,605	2	0.86%			
Roic California Llc	67,768,800	3	0.53%			
P V Victoria Apts Llc	53,106,736	4	0.41%	46,814,659	4	0.52%
6507 6510 Vista Catalina Apts	41,766,804	5	0.32%			
Western Riviera Investors	32,933,894	6	0.26%	28,496,134	6	0.32%
Golden Cove Llc	30,788,239	7	0.24%	26,009,990	7	0.29%
Vh Property Corp	28,798,747	8	0.22%	62,442,705	3	0.69%
Ocean View Drive Inc.	27,516,360	9	0.21%			
Belmont Village Rpv Lp	25,974,272	10	0.20%	22,285,368	9	0.25%
California Water Service Co	19,130,622	11	0.15%	8,042,490	14	0.09%
Johnson Eric C	17,948,735	12	0.14%	20,101,293	10	0.22%
Wlp Westmont Plaza Llc	15,945,078	13	0.12%			
American Golf Inc.	13,265,274	14	0.10%			
Green Hills Memorial Park	11,966,719	15	0.09%			
Chang Jacqueline	9,584,001	16	0.07%			
Maleenont Voravat	9,431,501	17	0.07%			
Victoria Apts	8,804,865	18	0.07%	7,781,871	15	
Thornecrest Llc	8,793,371	19	0.07%			
Palos Verdes Terrace Ltd.	8,626,355	20	0.07%	7,623,193	16	
Li Xin	8,459,000	21	0.07%			
Xcx Bear Llc	8,223,029	22	0.06%			
Bruning Fred W	8,196,504	23	0.06%			
Amdan Investment Llc Lessee	8,080,864	24	0.06%			
Aa Homes Llc	8,000,722	25	0.06%			
Ppc Villas Rpv LLC				89,896,276	2	1.00%
Terraces Rancho Palos Verdes L				35,232,103	5	0.39%
Cox Com Inc. Orange				25,800,250	8	0.29%
Tridiamond LLC				13,343,138	11	0.15%
Ruffin Phillip G				11,964,600	12	0.13%
Gradney Stephen P				8,405,164	13	0.09%
Amdan Investment LLC Lessee				7,140,000	17	0.08%
Gerts Igor & Anna				7,059,800	18	0.08%
Raleigh Group One Llc				6,650,000	19	0.07%
Saitta Christopher L				6,570,900	20	0.07%
500 Silver Spur Road LLC				6,402,560	21	0.07%
3200 Pv Drive West LLC				6,309,582	22	0.07%
Desi Family Limited Partnershi				6,137,800	23	0.07%
Labarba James G Co Tr				6,101,725	24	0.07%
Imbach Scott A & Diane Y Trs				5,992,142	25	0.07%
Total Top 25 Taxpayers	\$ 1,051,269,130		8.15%	\$ 616,475,422		6.67%
Total Taxable Value	\$ 12,901,729,602		100.00%	\$ 9,010,781,799		100.00%

Source

Los Angeles County Assessor data, MuniServices, LLC / an Avenu Insights & Analytics Company

**City of Rancho Palos Verdes
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010*	5,447	4,917	90.27%	8	4,925	90.42%
2011*	5,597	5,462	97.59%	0	5,462	97.59%
2012	5,777	5,656	97.91%	0	5,656	97.91%
2013	5,951	5,844	98.20%	0	5,844	98.20%
2014	6,287	6,193	98.50%	0	6,193	98.50%
2015	6,487	6,396	98.60%	0	6,396	98.60%
2016	6,813	6,716	98.58%	0	6,716	98.58%
2017	7,093	7,009	98.82%	0	7,009	98.82%
2018	7,481	7,389	98.77%	0	7,389	98.77%
2019	7,888	7,782	98.66%	0	7,782	98.66%

Source

County Assessor General Ledger, Avenu Insights & Analytics

* Includes 1% secured apportionment only

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City of Rancho Palos Verdes
Direct and Overlapping Governmental Activities Debt
Current Year

CITY OF RANCHO PALOS VERDES

2018-19 Assessed Valuation: \$12,971,266,058

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt	% Applicable (1)	City's Share of
	<u>6/30/2019</u>		<u>Debt 6/30/19</u>
Metropolitan Water District	\$48,050,000	0.445%	\$213,823
Los Angeles Community College District	3,930,390,000	1.525%	59,938,448
Los Angeles Unified School District	10,106,450,000	0.182%	18,393,739
Palos Verdes Unified School District	58,573,511	47.087%	27,580,509
City of Rancho Palos Verdes	0	100%	0
Los Angeles County Regional Park and Open Space Assessment District	13,620,000	0.854%	116,315
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$106,242,833
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,153,701,630	0.854%	\$18,392,612
Los Angeles County Superintendent of Schools Certificates of Participation	5,827,868	0.854%	49,770
Los Angeles County Sanitation District No. 5 Authority	14,130,958	10.423%	1,472,870
Los Angeles County South Bay Cities Sanitation District Authority	2,408,615	4.103%	98,825
Los Angeles Unified School District Certificates of Participation	180,545,000	0.182%	328,592
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			\$20,342,669
Less: Los Angeles Unified School District QZABs supported by investment fund			13,468
TOTAL NET OVERLAPPING GENERAL FUND DEBT			\$20,329,201
TOTAL DIRECT DEBT			\$0
TOTAL GROSS OVERLAPPING DEBT			\$126,585,502
TOTAL NET OVERLAPPING DEBT			\$126,572,034
GROSS COMBINED TOTAL DEBT			\$126,585,502
NET COMBINED TOTAL DEBT			\$126,572,034

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2018-19 Assessed Valuation:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	0.82%
Gross Combined Total Debt	0.98%
Net Combined Total Debt	0.98%

Source

2018-19 Avenu Insights & Analytics

**City of Rancho Palos Verdes
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (Amounts expressed in thousands)
 Fiscal Year**

	<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2011</u>		<u>2014</u>
Debt Limit \$	1,351,617	\$	1,382,850	\$	1,420,256	\$	1,382,850	\$	1,533,583
Total Net Debt applicable to limit	-		-		-		-		-
Legal Debt Margin \$	<u>1,351,617</u>	\$	<u>1,382,850</u>	\$	<u>1,420,256</u>	\$	<u>1,382,850</u>	\$	<u>1,533,583</u>
ble to the limit as a percentage of Debt Limi	0%		0%		0%		0%		0%

**City of Rancho Palos Verdes
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (Amounts expressed in thousands)
 Fiscal Year**

	2015	2016	2017	2018	2019
Debt Limit	\$ 1,583,404	\$ 1,677,723	\$ 1,749,390	\$ 1,832,345	\$ 1,935,260
Total Net Debt applicable to limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,583,404</u>	<u>\$ 1,677,723</u>	<u>\$ 1,749,390</u>	<u>\$ 1,832,345</u>	<u>\$ 1,935,260</u>
Total Net Debt applicable to the limit as a percentage of Debt Limit	0%	0%	0%	0%	0%
Total Taxable Value					\$ 12,901,730
Debt Limit (15% of total taxable value)					1,935,260
Debt applicable to limit					-
Legal Debt Margin					<u>\$ 1,935,260</u>

Cities have a maximum G.O. debt limit of 15% of the assessed valuation of all property within their boundaries.

**City of Rancho Palos Verdes
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age	**Public School Enrollment
2009-10	42,642	2,250,346,266	52,773	44.9	11,900
2010-11	41,766	2,425,936,344	58,084	44.3	11,928
2011-12	41,897	2,561,016,971	61,127	47.6	11,840
2012-13	42,114	2,618,143,152	62,168	47.8	11,873
2013-14	42,358	2,564,205,491	60,537	47.6	11,700
2014-15	42,564	2,593,892,724	60,941	48.9	11,632
2015-16	43,041	2,461,988,241	57,201	49.6	11,499
2016-17	42,884	2,569,293,654	59,913	49.5	11,428
2017-18	42,723	2,722,513,349	63,725	49.3	11,346
2018-19	42,560	2,860,710,832	67,216	49.4	11,217

Source

Avenu Insights & Analytics

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

(1) Population Projections are provided by the California Department of Finance Projections.

(2) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

**Student Enrollment reflects the total number of students enrolled in the Palos Verdes Unified School District. Other school districts within the City are not included.

**City of Rancho Palos Verdes
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (3)	County Population (1)	City Population (% of County)
2009-10	11.6%	4.0%	10,355,053	0.41%
2010-11	11.9%	4.1%	9,858,989	0.42%
2011-12	11.1%	3.8%	9,884,632	0.42%
2012-13	11.0%	3.7%	9,958,091	0.42%
2013-14	7.6%	2.5%	10,041,797	0.42%
2014-15	7.1%	3.4%	10,136,559	0.42%
2015-16	6.7%	3.2%	10,241,335	0.42%
2016-17	5.2%	2.5%	10,241,278	0.42%
2017-18	4.1%	3.4%	10,283,729	0.42%
2018-19	3.9%	3.3%	10,253,716	0.42%

Source

Avenu Insights & Analytics

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

(1) Population Projections are provided by the California Department of Finance Projections.

(3) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

* The City Unemployment Rate during FY 2017-18 was corrected from 0.9% to 3.4%

**City of Rancho Palos Verdes
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago**

2018-19

2009-10

Taxpayer

7-Eleven Food Store & Service Stations
Alat
Audio Visual Services Group
Avenue Italy
Blue Crab Steak & Seafood Restaurant
Centinela Feed & Pet Supplies
Chevron Service Stations
El Pollo Loco
Granvia Tomatillo Service Center
Green Hills Memorial Park
Highridge Car Wash
IHOP Restaurants
Jack In The Box Restaurants
Los Verdes Golf Course
Marshall's Stores
O'Reilly Auto Parts
Ralph's Grocery Company
Smart & Final
Southern California Discount Tire
Terranea Resort
The Admiral Risty
Trader Joe's
Trump National Golf Club
Western Tobacco
Whose Investment

Business Type

Service Stations
Non-Store Retailers
Rental/Other Repair
Restaurants W/Beer
Restaurants W/Onsale
Nursery
Service Stations
Fast Food Restaurant
Service Stations
Mortuary Sales
Service Stations
Fast Food Restaurant
Fast Food Restaurant
Personal Services
Family Apparel
Auto Supply Stores
Supermarkets
Grocery W/Beer/Wine
Auto Supply Stores
Hotel Food/Bar Sales
Restaurants W/Onsale
Supermarkets
Personal Services
Cigar Stores
Restaurants W/Onsale

Taxpayer

7-Eleven Food Store & Service Stations
Los Verdes Golf Course
Asaka Japanese Cuisine
Carl's Jr. Restaurants
Centinela Feed & Pet Supplies
Chevron Service Stations
Coco's Bakery Restaurant
CSK Auto
Daniel J.Jeldum
El Pollo Loco
G.S. Peeke
Good Night Mattress & Bedroom
Granvia Tomatillo Service Center
Green Hills Memorial Park
Highridge Car Wash
IHOP Restaurants
Jack In The Box Restaurants
Marshall's Stores
Ralph's Grocery Company
Rolling Hills Plastics
Smart & Final
Southern California Discount Tire
The Admiral Risty
Trader Joe's
Trump National Golf Club

Business Type

Service Stations
Personal Services
Restaurants W/Onsale
Fast Food Restaurant
Nursery
Service Stations
Restaurants W/Onsale
Auto Supply Stores
Hardware Stores
Fast Food Restaurant
Hardware Stores
Home Furnishings
Service Stations
Mortuary Sales
Service Stations
Fast Food Restaurant
Fast Food Restaurant
Family Apparel
Supermarkets
Light Industry
Grocery W/Beer/Wine
Auto Supply Stores
Restaurants W/Onsale
Supermarkets
Personal Services

Source

Avenu Insights & Analytics

**City of Rancho Palos Verdes
Principal Employers
Current Year and Three Years Ago**

Employer	2018-19			2015-16		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Palos Verdes Peninsula Unified School District	1,440	1	7.31%	1,432	1	7.50%
Terranea Resort Hotel*	1,273	2	6.46%	1036	2	5.42%
Belmont Corp Ltd (Belmont Village of Rancho)	175	3	0.89%	140	6	0.73%
Canterbury	150	4	0.76%	143	5	0.75%
Trump National Golf Club*	143	5	0.73%	190	4	0.99%
Marymount College	133	6	0.68%	262	3	1.37%
City of Rancho Palos Verdes*	116	7	0.59%			
Ralphs Store #720	105	8	0.53%	106	8	0.55%
Green Hills Memorial Park	81	9	0.41%	75	9	0.39%
American Golf Corp (Los Verdes Golf Course)	71	10	0.36%	70	10	0.37%
Trader Joe's				110	7	0.58%
Subtotal of Principal Employers	3,687		18.72%	3,564		18.66%
Total City Employment (1)	19,700			19,100		

Source

MuniServices, LLC / an Avenu Insights & Analytics Company
(1) Total City Labor Force is provided by EDD Labor Force Data

*Count includes both full and part time employees
Trader Joe's Store's (#57 & #233) choose to no longer participate

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City of Rancho Palos Verdes
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	53	54	52	53	54	60	62	62	64	60
Recreation Part-Time	16.5	18	16.5	16	22	25	29	29	30	29
Total	69.5	72	68.5	69	76	85	91	91	94	89

Source

City Budget documents and Payroll records

**City of Rancho Palos Verdes
Operating Indicators by Function
Last Ten Fiscal Years**

Function	2010	2011	2012	2013	2014
Administration					
Employee Resignations	9	5	8	7	14
Workers Compensation Claims	5	3	3	3	1
Liability Claims	13	14	11	14	9
Budget Adjustments	21	17	11	24	15
Business Licenses Issued	1,629	1,891	1,294	1,868	1,997
Web Site Page Views (1)	2.9 mil	2.8mil	3.0mil	3.1mil	3.3mil
Public Safety					
Part I Crime Rates (per 10,000 population)	110	143	131	149	107
Public Works					
Solid Waste Diversion Rates (2)	4.2lbs/person/day	4.2lbs/person/day	4.2lbs/person/day	2.87lbs/person/day	2.84lbs/person/day
Pavement Rating	85	85	85	84	82
Parks and Recreation					
Park Events	690	580	582	765	631
Class Meetings at Parks	2,398	2,313	1,587	1,202	1,233
Docent Led Nature Hikes	103	105	104	121	109
Community Development					
Building Permits Processed	1,243	1,432	1,221	1,403	1,492
Plan Checks	154	161	161	268	264
Municipal Code Violations Closed	138	371	321	312	392

Source

City Departments

DNA: Data Not Available

(1): The City launched a new website and with it, the methodology used to count total page views was modified.

(2): A new system of measuring AB939 compliance was implemented in 2008 with the passage of SB1016. This changed the previous diversion calculation method to the new disposal-based indicator - the per capita disposal rate. The per capita disposal target is based on the average of 50 percent of generation in 2003 through 2006, expressed in terms of per capital disposal.

**City of Rancho Palos Verdes
Operating Indicators by Function
Last Ten Fiscal Years**

Function	2015	2016	2017	2018	2019
Administration					
Employee Resignations	10	6	6	27	23
Workers Compensation Claims	3	2	8	2	1
Liability Claims	11	28	6	3	
Budget Adjustments	15	18	48	80	
Business Licenses Issued	2,134	2,012	1,939	1,902	1,971
Web Site Page Views (1)	426,772 *	403,704	536,568	445,633	450,206
Public Safety					
Part I Crime Rates (per 10,000 population)	134	106	Not available at this time	113	99
Public Works					
Solid Waste Diversion Rates (2)	3.15lbs/person/day	3.08lbs/person/day	2.46lbs/person/day	2.46lbs/person/day	5.6lbs/person/day
Pavement Rating	82	84	84	84	89
Parks and Recreation					
Park Events	639	810	829	1,281	1,122
Class Meetings at Parks	1,400	1,025	1,030	922	852
Docent Led Nature Hikes	103	94	108	113	104
Volunteer Events (3)			35	61	46
Volunteers (3)			764	1,806	1,095
Volunteer Hours (3)			2,486	5,919	3,569
Open Space Mgmt. Public Contacts (3)			23,101	33,306	29,973
Open Space Mgmt. Rules Enforced (3)			1,367	1,925	1,262
Open Space Mgmt. Maintenance / Projects (3)			782	1,219	546
Community Development					
Building Permits Processed	1,558	1,758	1,665	1,985	2,186
Plan Checks	255	289	289	292	288
Municipal Code Violations Closed	358	505	432	457	338

Source

City Departments

DNA: Data Not Available

(1): The City launched a new website and with it, the methodology used to count total page views was modified.

(2): A new system of measuring AB939 compliance was implemented in 2008 with the passage of SB1016. This changed the previous diversion calculation method to the new disposal-based indicator - the per capita disposal rate. The per capita disposal target is based on the average of 50 percent of generation in 2003 through 2006, expressed in terms of per capital disposal.

(3) Began tracking this indicator in 2017.

**City of Rancho Palos Verdes
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administration										
Computer Workstations	101	92	88	93	98	114	138	140	144	144
Public Works										
Street Miles	143	143	144	141	141	149	149	149	149	150.1
Traffic Signals	16	16	18	15	15	15	15	15	15	15
Parks and Recreation										
Parks	15	15	15	15	16	16	16	16	17	17
Community Development										
Vehicles Used for Inspections	5	5	5	5	4	4	4	2	2	4

Source

City Capital Asset Records

Public safety services are contracted with other agencies. The City does not own any public safety capital assets.