



CALIFORNIA
CITY OF RANCHO PALOS VERDES

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30TH, 2020

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Karen Okstad

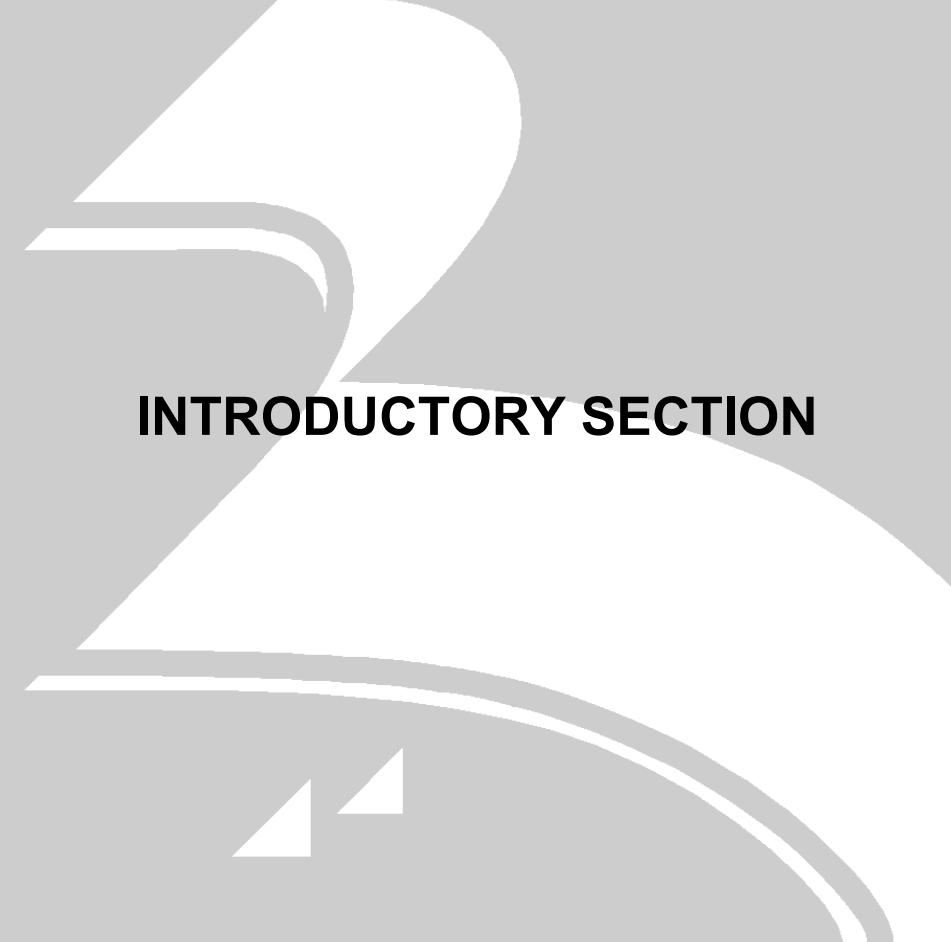


CITY OF RANCHO PALOS VERDES, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020

**Prepared by:
Finance Department**



INTRODUCTORY SECTION



CITY OF RANCHO PALOS VERDES, CALIFORNIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Table of Contents

	<u>PAGE NUMBER</u>
INTRODUCTORY SECTION	
Table of Contents	i
Letter of Transmittal	v
Directory of Officials	xiii
Organizational Chart	xiv
GFOA Certificate of Achievement for Excellence in Financial Reporting	xv
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Government-Wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Government Funds	
Balance Sheet	21
Reconciliation of the Governmental Funds Balance Sheet to the	
Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	24
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual	25
Proprietary Funds	
Statement of Net Position	27
Statement of Revenues, Expenses and Changes in Net Position	28
Statement of Cash Flows	29
Fiduciary Funds	
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31
Notes to the Financial Statements	33
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	65
Schedule of Pension Contributions	66

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

Table of Contents

	<u>PAGE NUMBER</u>
FINANCIAL SECTION (CONTINUED)	
Supplementary Information	
Non-Major Governmental Funds	
Description of Special Revenue Funds	67
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Special Revenue Funds	
Gas Tax Fund	82
1972 Act Fund	83
El Prado Fund	84
1911 Act Fund	85
Waste Reduction Fund	86
Air Quality Management Fund	87
Proposition C Fund	88
Proposition A Fund	89
Public Safety Grants Fund	90
Measure R Fund	91
Measure A Fund	92
Measure M Fund	93
Abalone Cove Sewer Assessment Fund	94
Dr. Allen and Charlotte Ginsburg Cultural Arts Building Fund	95
Donor Restricted Contributions Fund	96
Joint Powers Improvement Authority - Portuguese Bend Fund	97
Community Development Block Grant Fund	98
Federal Grants	99
State Grants	100
Quimby Fund	101
Environmental Excise Tax Fund	102
Capital Projects Fund	
Low-Moderate Income Capital Projects Fund	103
Affordable Housing In-Lieu Capital Projects Fund	104
Permanent Funds	
Habitat Restoration Fund	105
Subregion One Permanent Fund	106
Joint Powers Improvement Authority - Abalone Cove Fund	107
Capital Improvement Major Capital Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	108

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Comprehensive Annual Financial Report****For the Fiscal Year Ended June 30, 2020****Table of Contents**

	<u>PAGE NUMBER</u>
STATISTICAL SECTION (Unaudited)	
Description of Statistical Section Contents	109
Financial Trends	
Net Position by Component	110
Changes in Net Position	112
Governmental Activities Tax Revenue by Source	115
Fund Balances of Governmental Funds	116
Changes in Fund Balances of Governmental Funds	118
Revenue Capacity	
Assessed Value of Taxable Property	120
Assessed Value and Estimated Actual Value of Taxable Property	121
Property Tax Rates - Direct and Overlapping Governments	122
Principal Property Tax Payers	124
Property Tax Levies and Collections	125
Debt Capacity	
Direct and Overlapping Governmental Activities Debt	127
Legal Debt Margin Information	128
Demographic and Economic Information	
Demographic and Economic Statistics	130
Principal Sales Tax Producers	132
Principal Employers	133
Operating Information	
Full-time Equivalent City Government Employees by Function	135
Operating Indicators by Function	136
Capital Asset Statistics by Function	138

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January 15, 2021

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, 2020, 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, 2020 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, 2020, 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 \$2 million favorable budget variance in the General fund for the fiscal year ended June 30, 2020. Due to the economic slowdown caused by the COVID-19 pandemic, the City experienced an unfavorable revenue variance of \$2.2 lower than budgeted, mainly from the revenue loss of Transient Occupancy Taxes. However, in response to the sudden loss of revenues and to mitigate the financial impact of the pandemic, the City identified savings in various categories and ended the year \$4.2 million in expenditures below budget. 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.

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, 2020, the reserve balance is approximately \$13 million or 50 percent of Fiscal Year 2019-2020 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

The economic slowdown caused by the COVID-19 pandemic had a broad impact across Los Angeles County and the State of California as a whole. On March 19, 2020 the Governor Newsom, issued a stay at home order across the state. This marked the start of measures that were put in place in an effort to mitigate the spread of the virus. On that

same day, Terranea (the city's largest source of TOT revenue) announced the temporary closure of their resort and all amenities. Terranea would not resume operations until June 12, 2020, although at reduced capacity. The Transient Occupancy Tax (TOT) revenue generated by Terranea fell to just over \$141,000 for March through June compared to \$1.7 million for the same period the prior fiscal year. Total TOT revenue ended the year at \$3.9 million, \$1.6 million under the \$5.5 million planned for at budget adoption.

As the pandemic persisted through the end of the fiscal year and consumer demand remained depressed, sales tax revenue also experienced a sizeable decline ending the year at \$2.16 million, \$365,000 under the \$2.53 million budgeted. As mentioned previously, the COVID-19 health crisis caused the temporary closure of Terranea Resort, along with a decrease in demand to retail and restaurants throughout the City. Terranea and local restaurants comprised nearly half of all sales tax revenue prior to the start of the pandemic and subsequently fell to just under 15%.

At the end of FY 2019-2020, the results validate the significant impact on the City's revenues due to the pandemic and the sudden economic downturn. In response to the financial impacts since the pandemic, the City continued to be fiscally prudent, monitored spending, and identified savings when possible. As a result, after applying the City's obligations and commitments, the City's funds ended the year with a surplus. For instance the City's general operating account, the general fund, increased by \$80,700, ending the fiscal year with an unrestricted excess reserve of over \$8 million.

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.

In response of the financial impacts of the pandemic, the City continues to closely monitor the assumptions that were previously used in the long-term planning tools. In order to have a more accurate forecast, the Finance Department will actively update the planning tools with the most current information available. Accordingly, any substantial changes of the assumptions will be presented to the City Council.

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. Here are some projects to highlight the City's commitment to ensuring that its citizens are able to live and work in a thriving environment.

- Advocated for the League of California Cities and California Public Utilities Commission to revise the Rule 20 program to make it possible for more communities to put power lines underground for wildfire prevention.
- Launched the Alert SouthBay emergency notification system with other South Bay cities.
- Implemented a COVID-19 public information campaign, including a daily community newsletter, social media updates, and a comprehensive webpage.
- Launched the Ready RPV wildfire preparedness social media challenge.
- Implemented the Everbridge Emergency Notification System, Alert SouthBay.
- Created a School Resource Officer program with the other three Peninsula cities for PVPUSD.
- Created a Seniors Resource Guide and other Community resources information during COVID-19.
- The City of Rancho Palos Verdes named the 7th Safest City in California by California Safewise.
- The City of Rancho Palos Verdes and City of Rolling Hills Estates joint Hazard Mitigation Plan was submitted to the California Governor's Office of Emergency Services (Cal OES) on June 18, 2020.
- The Palos Verdes Peninsula cities and other community partners compiled a Senior Resource Guide a list of local resources supporting seniors and individuals with disabilities during the COVID-19 crisis.
- The Emergency Preparedness Committee presented a Wildfire Mitigation presentation to the City Council on May 5, 2020.
- The Information Technology (IT) Department proactively planned and prepared the City IT infrastructure for the increased remote access demand during the "Safer at Home" shutdown, which allowed the City to continue its core business operations uninterrupted.
- Successfully implemented technical solutions enabling remote online meetings (including City Council, Planning Commission, and various advisory board). Provided training to staff and board members on how to run and participate in online virtual meetings.
- Completed the ADA Access Improvements in Area 9.
- Completed Landslide GPS Survey.
- Constructed the Residential Street Rehabilitation Program Area 3 and 4.
- Completed the biennial update to the City's Pavement Management Program.
- Completed Phase 1 of the Traffic Sign Replacement program.

- Completed the certification of the Zone 2 Environmental Impact Report for the development of 32 vacant lots in the City's Landslide Moratorium Area.
- Adopted the City's Natural Communities Conservation Plan/ Habitat Conservation Plan.
- Adopted Code Amendments related to the City's Accessory Dwelling Unit Ordinance.
- Awarded a \$165,000 Senate Bill (SB) 2 for the development of a mixed-use overlay zone along Western Avenue.
- Adopted the City 2019 California Building Code.
- Implemented the City's Emissions Reduction Action Plan.
- Completed the City Specific Vulnerability Assessment as part of the South Bay Cities Climate Adaptation Plan.
- Implemented Short-Term Rental platform, Host Compliance, for third party monitoring service for non-complaint properties City wide.
- Adopted the Natural Communities Conservation Plan/Habitat Conservation Plan (NCCP/HCP).
- Launched the City-operated Park Ranger Program.
- Approved the Conceptual Master Plan for Ladera Linda.

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, 2019. This was the

26th 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, CliftonLarsonAllen LLP, and the contributions of all the departments by providing data necessary to prepare the City's FY 2019-2020 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,



Trang Nguyen
Director of Finance

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Comprehensive Annual Financial Report FY 2019-2020

FY 2019-2020 CITY OFFICIALS



John Cruikshank
Mayor



Eric Alegria
Mayor Pro Tem



David Bradley
Councilmember



Ken Dyda
Councilmember

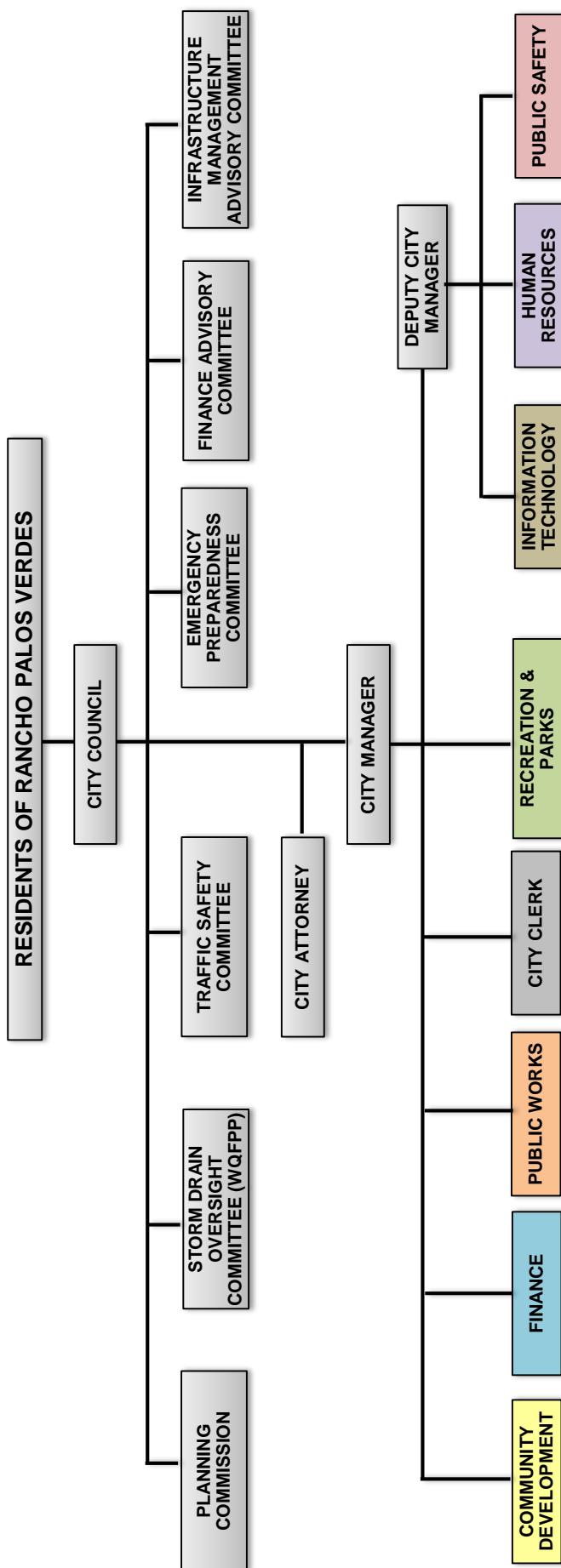


Barbara Ferraro
Councilmember

CITY STAFF

**City Manager
Ara Mihranian, AICP**

Deputy City Manager.....	Karina Banales
Director of Finance.....	Trang Nguyen
Director of Recreation and Parks.....	Cory Linder
Director of Community Development.....	Ken Rukavina
Director of Public Works.....	Vacant





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Rancho Palos Verdes
California**

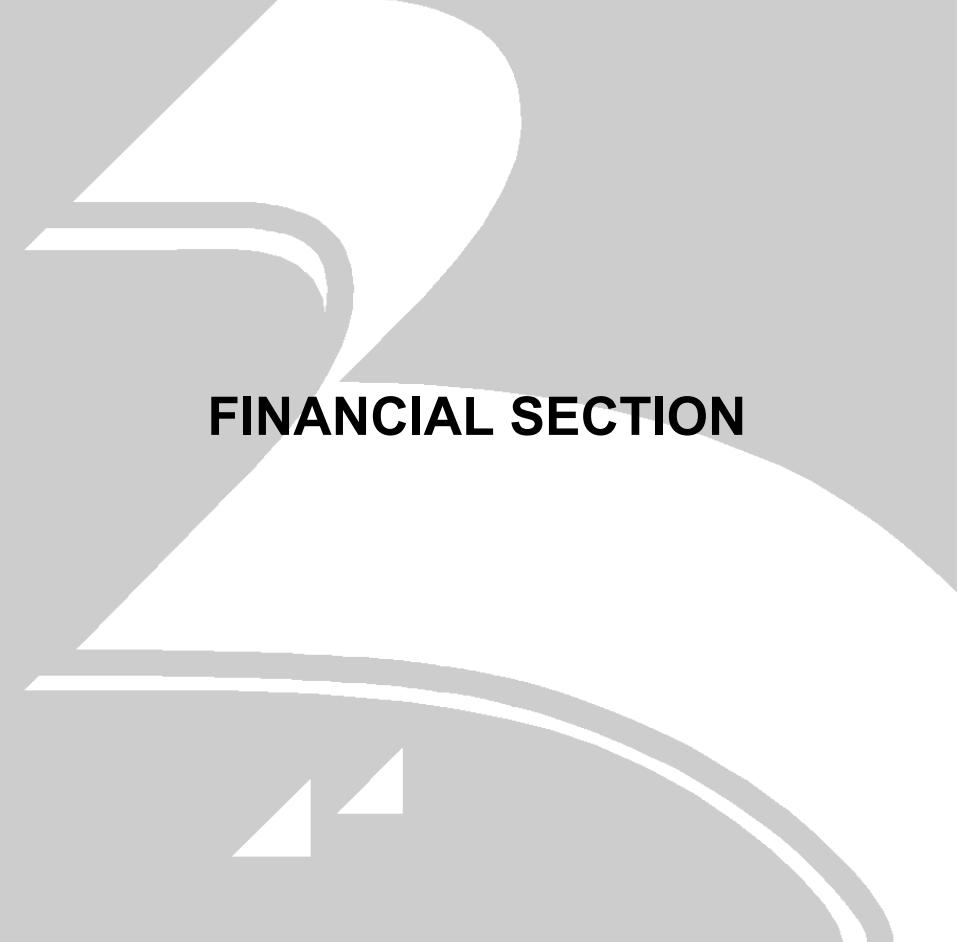
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

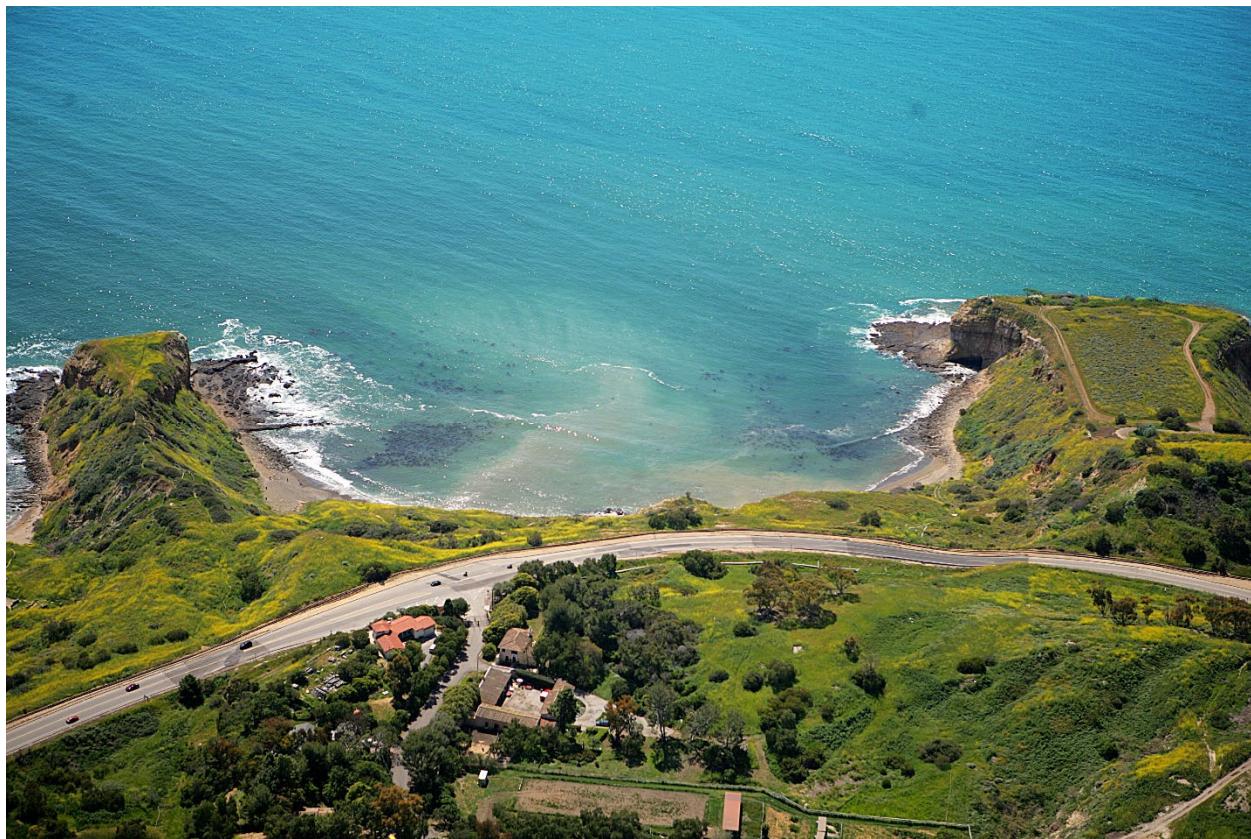
Christopher P. Monill

Executive Director/CEO

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FINANCIAL SECTION





CliftonLarsonAllen LLP
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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, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's 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 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, each major fund, and the aggregate remaining fund information of the City of Rancho Palos Verdes, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general 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 financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 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 January 15, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

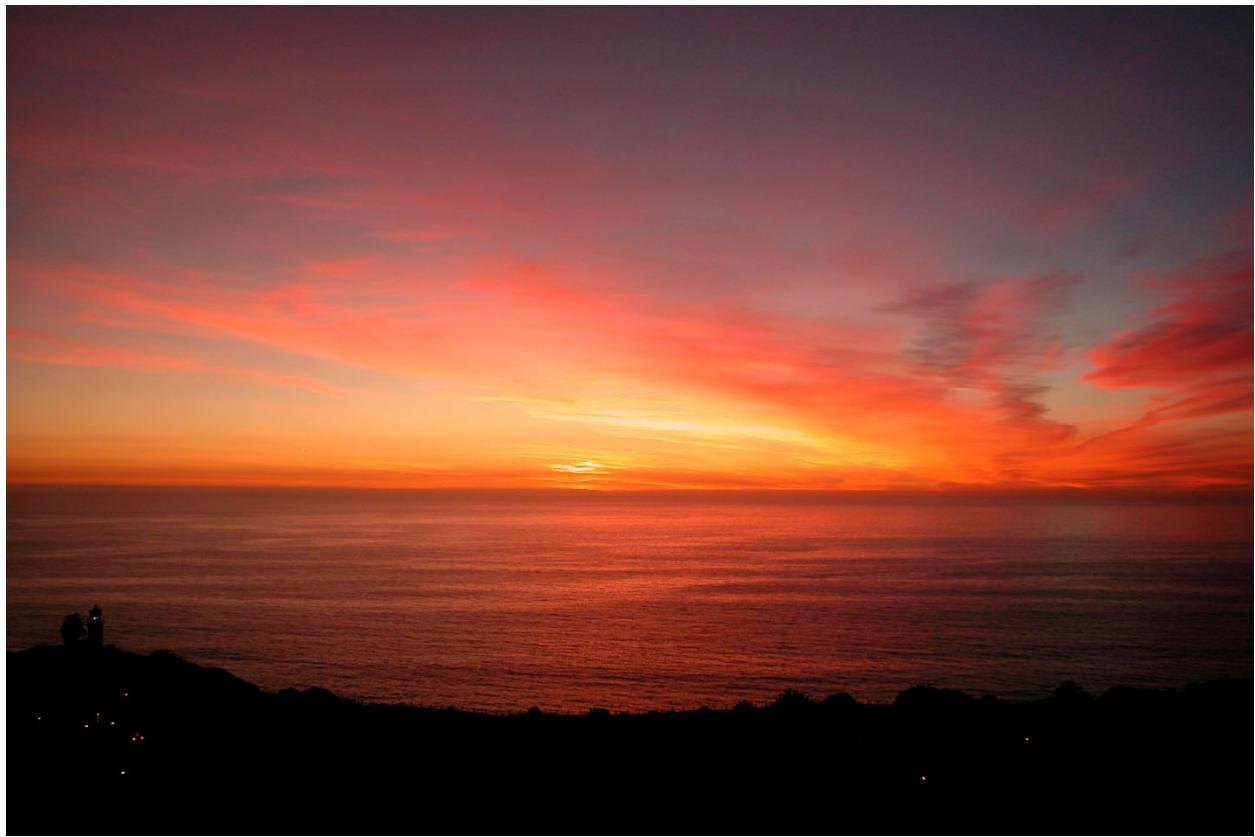
CliftonLarsonAllen LLP

Irvine, California
January 15, 2021

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MANAGEMENT'S DISCUSSION & ANALYSIS





MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

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, 2020. 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, 2020, by \$219.5 million (Net Position). Of this amount, \$38.6 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 decreased by \$4.0 million from the prior year from the Governmental activities primarily due to the increase of capital assets being depreciated and the decrease of the unrestricted fund balance from completed projects.
- As of June 30, 2020, the City's Governmental Funds reported combined ending Fund Balances of \$61.1 million, a decrease of \$0.4 million in comparison with the prior year due to lower amount of prepaid items.
- At the end of the current fiscal year, the General Fund reported an increase in fund balance in the amount of \$1 million. The increase is due primarily to higher inflow of revenues over expenditures.
- As of June 30, 2020, unassigned fund balance for the General Fund was \$21.3 million or 82% of the General Fund expenditures. Of this amount, \$20.8 million constitutes the City Council's General Fund Reserve (rainy day fund).
- As a result of 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 \$28.5 million. General Fund unassigned fund balance represents 75% of this amount.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

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 no longer has business-type activities.

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.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

The Government-Wide Financial Statements can be found on pages 19-20 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. The Governmental Fund Financial Statements can be found on pages 21-24.

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 28 individual Governmental Funds during the Fiscal Year ended June 30, 2020. 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 and the Capital Improvements Fund are considered to be major funds. Data from the other 26 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.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

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 one type of *Proprietary Fund*. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an Internal Service Fund 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.

The Proprietary Fund Financial Statements can be found on pages 27-29 of this report. The Proprietary Fund Financial Statements provide separate information for the City's Internal Service Fund. The Internal Service Fund is combined and presented with the City's governmental activities in the government-wide financial statements.

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 30-31 of this report.

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 33-64 of this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

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 70-108 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 \$219.5 million at June 30, 2020. By far, the largest portion of the City's Net Position of \$156.8 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	
	2020	2019
Current and other assets	\$ 77,628,528	\$ 77,547,330
Capital assets	157,569,827	159,556,834
Total assets	235,198,355	237,104,164
 Deferred outflows of resources	 2,661,430	 2,871,414
Long-term liabilities outstanding	12,008,364	10,995,129
Other liabilities	5,714,365	4,780,662
Total liabilities	17,722,729	15,775,791
 Deferred inflows of resources	 676,537	 734,107
Net Investment in capital assets	156,763,391	159,556,834
Restricted	24,115,702	16,170,342
Unrestricted	38,581,426	47,738,504
Total net position	\$ 219,460,519	\$ 223,465,680



MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020

A portion of the City's Net Position of \$24.1 million or 11%, represents resources subject to external restrictions. The remaining balance of Unrestricted Net Position of \$38.6 million or 18 % may be used to meet the government's ongoing obligations to its citizens and creditors.

Compared to the prior year, the total current and other assets increased by \$0.08 million mainly due to the lower amount paid in prepaid items. Moreover, the total capital assets decreased by \$2.5 million over the prior year.

As a result of the net pension liability increase, the long-term liabilities outstanding increased by \$1 million over the prior year. Additionally, other liabilities increased by \$0.9 million over prior year.

Statement of Activities

	Governmental Activities	
	2020	2019
Program revenues:		
Charges for services	\$ 3,855,702	\$ 4,292,011
Operating contributions and grants	4,604,829	4,608,132
Capital contributions and grants	625,618	1,136,762
General revenues:		
Property taxes	14,993,467	14,349,681
Other taxes	10,526,313	12,802,577
Other	1,850,900	2,222,040
Total revenues	<u>36,456,829</u>	<u>39,411,203</u>
Administration	8,013,351	6,562,703
Public safety	7,360,045	7,214,441
Public works	18,182,315	16,064,163
Parks and recreation	2,857,317	3,064,444
Community development	2,857,235	3,051,881
Non-departmental	1,191,727	1,133,906
Total expenses	<u>40,461,990</u>	<u>37,091,538</u>
Transfers	-	34,257,672
(Decrease) / Increase in net position	<u>(4,005,161)</u>	<u>36,577,337</u>
Net position - beginning of fiscal year	223,465,680	186,888,343
Net position - end of fiscal year	<u>\$ 219,460,519</u>	<u>\$ 223,465,680</u>



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

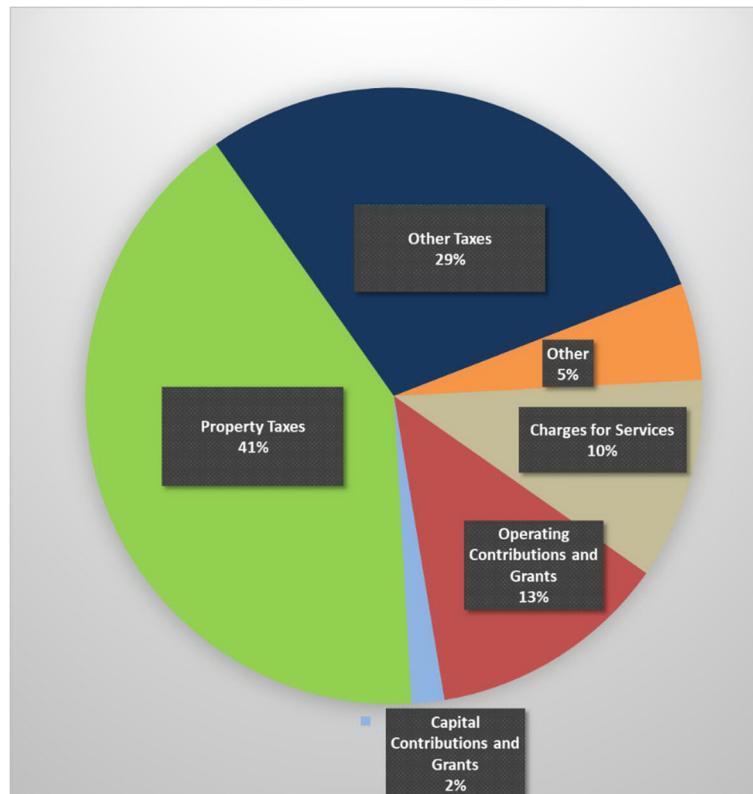
Governmental Activities

As illustrated in the chart above, the City's Net Position in Governmental Activities decreased by \$4 million when compared to the prior year mainly due to the economic impact of the COVID-19 pandemic.

Overall, government-wide revenues for the fiscal year ended June 30, 2020, decreased by \$3 million. Of the decreased amount, \$1 million was from the program revenues and \$2 million was from general revenues. The decrease in revenues was due to the economic impact of the COVID-19 pandemic; mainly impacting the City's transient occupancy tax and sales tax.

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

Sources of Revenue - Governmental Activities

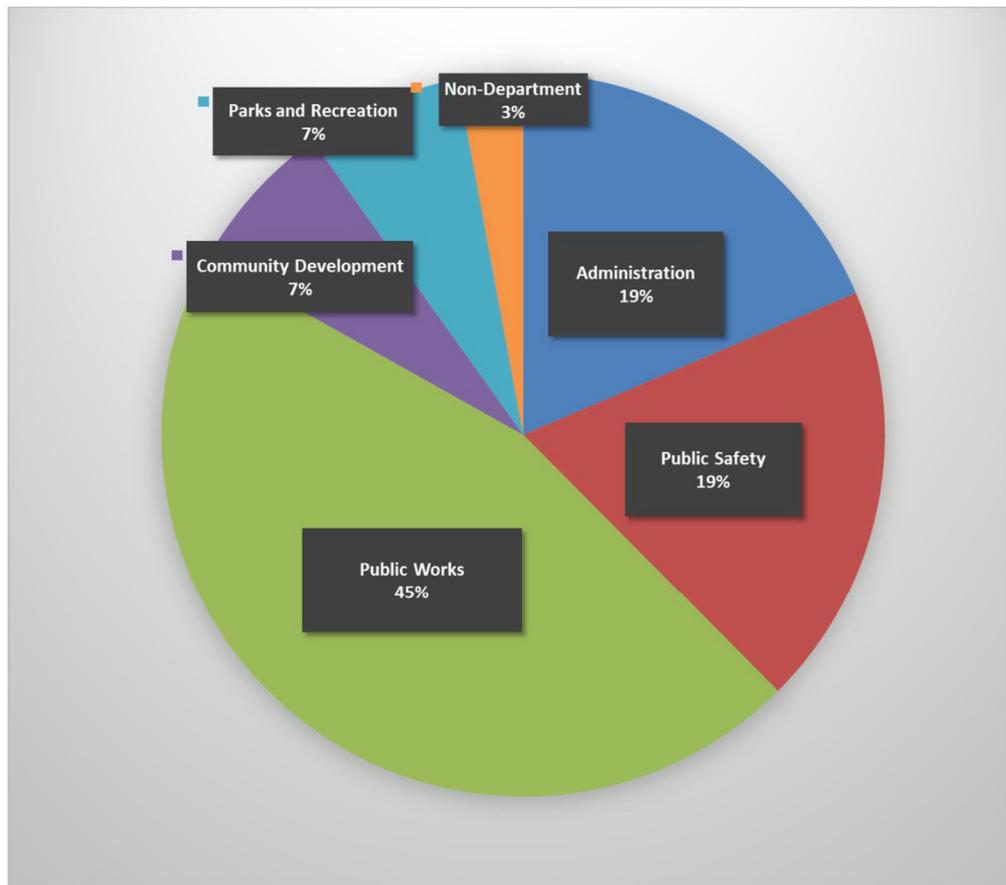




MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

The government-wide expenses for the fiscal year ended June 30, 2020 increased by \$3.4 million from the prior year. The majority of the increased amount was from the completion of the ongoing capital and maintenance projects, and unforeseen emergency operations center expenses. The percentages of each function for the expenses are illustrated in the following chart.

Expenses by Function – Governmental Activities





MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

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 \$61.1 million, a decrease of \$0.4 million in comparison to the prior year. Approximately \$58.9 million or 96% of the combined ending Fund Balances constitutes spendable fund balance. The remainder of the combined ending Fund Balances are non-spendable either 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 49-51 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 \$21.3 million, while total Fund Balance reached to \$21.7 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 75% of total General Fund uses, while total Fund Balance represents 76% of the same amount.

The fund balance of the City's General Fund increased by \$1 million from the prior year. The increase is due to the higher inflow of revenues and the department wide personnel and non-personnel savings. Additional details on General Fund are provided in the General Fund Highlights.

The Capital Improvements Fund Balance ended the year with a decrease of \$1.7 million from the prior year. The majority of the decrease is largely from the budgeted capital outlay projects that were completed by year-end. These projects are primarily from the residential street rehabilitation program and the City's Portuguese Bend Landslide project.

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 Internal Service Funds at the end of the fiscal year amounted to \$2.8 million, a decrease to the Net Position by \$0.2 million. The decreased amount is due the replacement of computers and hardware, and the purchase of a vehicle for the new park ranger program.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

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 \$29.2 million and \$26 million of expenditures. When including net transfers of \$2.3 million, there is a positive variance of just over \$1 million (revenues to expenditures).

The decrease in revenues during FY 2019-2020 was due to the economic slowdown caused by the COVID-19 pandemic. Revenue from transient occupancy tax and sales tax experienced the largest impact. To mitigate the revenue loss, staff across all departments worked together to identify savings and reduce costs. As a result, the General Fund ended the year with a positive variance.

Revenue Highlights

Taxes

- The City's tax revenue is its largest revenue sources. Taxes include property tax, transient occupancy tax (TOT), and sales tax. Tax revenues came in at \$25.6 million, \$1.7 million, or 6% under final budget of \$27.3 million. This underperformance of revenue was due primarily to the impact the COVID-19 pandemic had on travel, leisure activities, and dining which lead to drops in TOT and sales tax revenue.

Use of Money and Property

- Consists of interest earnings and rental & lease revenue, these revenue sources ended the year at \$706,236, which is \$132,264 or 16% under than the final budget of \$838,500. The majority of this decrease of \$112,000, is the result of lost rental & lease revenue as facilities were closed due to the pandemic.

Licenses and Permits

- This category ended the year lower than estimated by \$250,977 or 12% due to the expected decrease in demand from the stay home orders.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

Expenditure Highlights

Salaries & Benefits

- This category ended the year just over \$1 million or 9.6% under the final budget of \$10.6 million. This is due to several delayed and unfilled positions and the reduction in staffing needs due to the closure of parks and facilities.

Professional & Technical Services

- This category came in approximately \$955,000 or 24.6% under the final budget of \$3.9 million. This underrun is due to delayed services and planned services that were not utilized during the fiscal year and reduced activities in the fourth quarter from augmenting services.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City's investment in Capital Assets for its Governmental activities as of June 30, 2020, amounts to \$156.8 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.

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

- Depreciation of \$6.6 million was recorded for the City's Capital Assets.
- A total of \$4.7 million of construction in progress was added primarily from the residential and street improvements and beautification projects.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

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

	Governmental Activities	
	2020	2019
Capital assets not being depreciated		
Land	\$ 43,528,625	\$ 42,087,575
Construction in progress	4,635,208	3,130,630
Total capital assets not being depreciated	48,163,833	45,218,205
Capital assets being depreciated, net		
Buildings	6,927,004	7,193,177
Vehicles	103,678	104,423
Computer equipment	24,580	91,141
Equipment - water quality	-	-
Furniture, fixtures and equipment	151,276	188,377
Infrastructure		
Roadway system	52,132,630	56,131,059
Sewer system	4,484,110	4,937,865
Storm drain system	8,425,905	8,671,515
Storm drain system - water quality	31,953,125	30,422,761
Park system	5,203,686	5,170,068
Total capital assets being depreciated, net	109,405,994	112,910,386
Capital Assets, net	\$ 157,569,827	\$ 158,128,591

Additional information on the City's Capital Assets can be found in Note #4 on pages 47-48 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 \$403,201 for Employee Compensated Absences.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

City of Rancho Palos Verdes Outstanding Debt

		Governmental Activities	
		2020	2019
Employee compensated absences		403,201	400,505
Total		\$ 403,201	\$ 400,505

At the fiscal year ended June 30, 2020, the City's total debt decreased by \$0.003 million or 1%.

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 \$2,021,758,000.

ECONOMIC FACTORS AND NEXT YEAR BUDGETS AND RATES

The City historically follows a very fiscally conservative budgeting and forecasting model and the impacts of this practice were seen this fiscal year as the pandemic caused an economic slowdown that touched nearly all areas of the economy across the country. Despite decreases to revenue from transient occupancy tax and sales tax, the City maintains a healthy financial outlook and supports the General Fund operations with only recurring tax revenue. Roughly 41% of the City's revenue came from property tax during FY 2019-2020. Property tax is expected to make up 46% of general fund revenue during FY 2020-2021. This stable revenue base provides the City with a steady and predictable revenue inflow year over year.

During 2019, total property values within the city grew by 4.4%, or \$596 million, bringing the total net taxable property value for the City to \$14.14 billion. This increase is slightly less than the 6.1% increase seen across Los Angeles County as a whole. Of the \$596 million increase, \$566 million was from growth in residential properties which makes up 92% of the total property value, followed by an \$18 million increase in commercial property (5.5% of total property value). Despite the lasting impacts the pandemic has had on the economy, the demand for real estate has remained high.



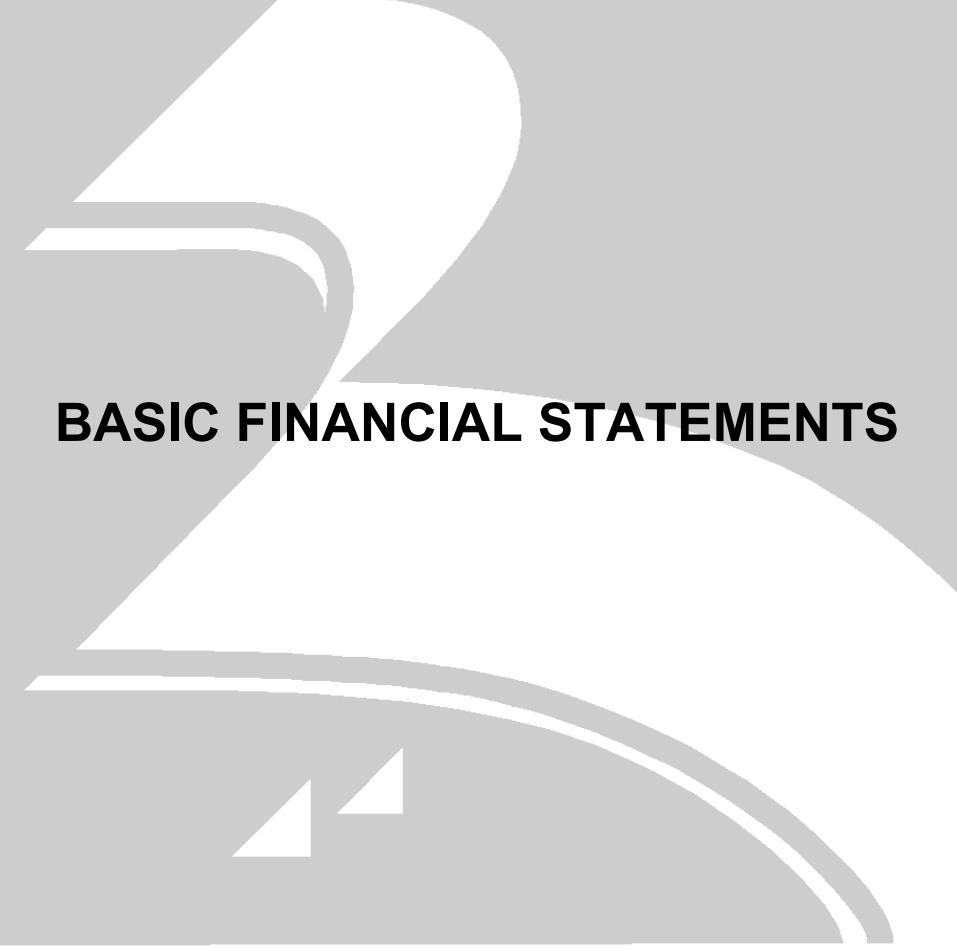
MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2020

The median sale price of a detached single family residential home in Rancho Palos Verdes from January through August 2020 was \$1,350,000. This represents a \$25,000 (1.9%) increase in median sale price from 2019.

The economic slowdown and stay at home orders across the state had the largest impact to Transient Occupancy Tax (TOT). The City's prudent practice of limiting the majority of TOT revenue to supporting the City's capital program and not operating expenses greatly reduced the impact of the lost revenue to the City's operations. Despite the impact to revenue, 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.

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, 2020

	Governmental Activities
ASSETS	
CURRENT ASSETS:	
Cash and investments	\$ 66,869,944
Receivables:	
Taxes	1,328,201
Interest	123,328
Other	588,153
Inventory	36,113
Prepaid costs	<u>212,648</u>
TOTAL CURRENT ASSETS	<u>69,158,387</u>
NONCURRENT ASSETS:	
Notes receivable	8,470,141
Receivable from Successor Agency	10,656,709
Allowance for Successor Agency receivable	(10,656,709)
Capital assets:	
Non-depreciable	48,163,833
Depreciable, net	<u>109,405,994</u>
TOTAL NONCURRENT ASSETS	<u>166,039,968</u>
TOTAL ASSETS	<u>235,198,355</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>2,661,430</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	4,082,525
Retentions payable	240,511
Unearned revenue	208,667
Deposits payable	869,752
Current portion of noncurrent liabilities	<u>312,910</u>
TOTAL CURRENT LIABILITIES	<u>5,714,365</u>
NONCURRENT LIABILITIES:	
Due beyond one year	90,291
Net pension liability	<u>11,918,073</u>
TOTAL NONCURRENT LIABILITIES	<u>12,008,364</u>
TOTAL LIABILITIES	<u>17,722,729</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>676,537</u>
NET POSITION	
Net invested in capital assets	156,763,391
Restricted for:	
Housing and community development	9,574,507
Transportation	5,486,428
Public works	5,001,927
Parks and recreation	2,074,240
Public safety	76,420
Nonexpendable endowment principal	1,915,317
Unrestricted	<u>38,568,289</u>
TOTAL NET POSITION	<u>\$ 219,460,519</u>

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

Functions/programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
		Governmental Activities			
Governmental Activities:					
Administration	\$ 8,013,351	\$ 1,063,790	\$ -	\$ -	\$ (6,949,561)
Public safety	7,360,045	110,639	158,079	-	(7,091,327)
Public works	18,182,315	309,326	4,446,750	625,618	(12,800,621)
Parks and recreation	2,857,317	579,382	-	-	(2,277,935)
Community development	2,857,235	1,792,565	-	-	(1,064,670)
Non-departmental	1,191,727	-	-	-	(1,191,727)
Total primary government	<u>\$ 40,461,990</u>	<u>\$ 3,855,702</u>	<u>\$ 4,604,829</u>	<u>\$ 625,618</u>	<u>(31,375,841)</u>
General revenues:					
Taxes:					
Property taxes					14,993,467
Transient occupancy tax					3,909,799
Franchise tax					2,146,037
Utility user tax					1,912,370
Other taxes					394,765
Unrestricted intergovernmental revenue - shared sales tax					2,163,342
Investment income					1,225,042
Unrestricted grants, contributions and other revenues					<u>625,858</u>
Total general revenues					<u>27,370,680</u>
Change in net position					(4,005,161)
Net position - beginning of year					<u>223,465,680</u>
Net position - end of year					<u>\$ 219,460,519</u>

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Capital Improvements		
ASSETS				
Cash and investments	\$ 23,734,081	\$ 25,758,040	\$ 14,759,140	\$ 64,251,261
Receivables:				
Taxes	1,005,521	-	322,680	1,328,201
Interest	42,387	46,425	29,806	118,618
Other	120,774	4,426	462,953	588,153
Due from other funds	451,708	-	-	451,708
Inventory	36,113	-	-	36,113
Prepaid items	212,648	-	-	212,648
Receivable from Successor Agency	10,656,709	-	-	10,656,709
Allowance for Successor Agency Receivable	(10,656,709)	-	-	(10,656,709)
TOTAL ASSETS	\$ 25,603,232	\$ 25,808,891	\$ 15,574,579	\$ 66,986,702
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ 2,766,942	\$ 285,102	\$ 1,019,577	\$ 4,071,621
Due to other funds	-	-	451,708	451,708
Retentions payable	9,162	178,981	52,368	240,511
Unearned revenue	208,667	-	-	208,667
Deposits payable	869,752	-	-	869,752
TOTAL LIABILITIES	3,854,523	464,083	1,523,653	5,842,259
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	52,632	52,632
FUND BALANCES (DEFICITS):				
Non-Spendable				
Endowment principal	-	-	1,915,317	1,915,317
Prepaid items	212,648	-	-	212,648
Inventory	36,113	-	-	36,113
Restricted	-	1,379,700	12,297,912	13,677,612
Committed	167,174	-	-	167,174
Assigned	-	23,965,108	-	23,965,108
Unassigned	21,332,774	-	(214,935)	21,117,839
TOTAL FUND BALANCES (DEFICITS)	21,748,709	25,344,808	13,998,294	61,091,811
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 25,603,232	\$ 25,808,891	\$ 15,574,579	\$ 66,986,702

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2020

Fund balances - total governmental funds \$ 61,091,811

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. 157,339,564

Receivables not available to pay for current period expenditures are reported as unavailable revenue in the financial statements. 52,632

Long-term notes receivable are not current available resources and, therefore, do not affect the governmental fund balance. 8,470,141

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. (403,201)

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	(11,918,073)
Deferred outflows of resources related to pensions	2,661,430
Deferred inflows of resources related to pensions	(676,537)

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. 2,842,752

Net position of governmental activities \$ 219,460,519

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

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

For the year ended June 30, 2020

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Capital Improvements		
REVENUES:				
Taxes	\$ 25,606,371	\$ -	\$ 809,575	\$ 26,415,946
Licenses and permits	1,916,823	-	-	1,916,823
Revenue from other agencies	-	-	5,441,869	5,441,869
Charges for services	8,407	-	194,632	203,039
Fines and forfeitures	365,074	-	-	365,074
Use of money and property	706,236	471,473	268,769	1,446,478
Other revenues	621,094	-	387,920	1,009,014
TOTAL REVENUES	29,224,005	471,473	7,102,765	36,798,243
EXPENDITURES:				
Current:				
Administration	6,319,098	-	-	6,319,098
Public safety	7,360,045	-	-	7,360,045
Public works	5,714,008	-	6,546,264	12,260,272
Parks and recreation	2,533,171	-	14,408	2,547,579
Community development	2,857,235	-	-	2,857,235
Non-departmental	1,204,534	-	-	1,204,534
Capital outlay	-	4,652,908	-	4,652,908
TOTAL EXPENDITURES	25,988,091	4,652,908	6,560,672	37,201,671
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,235,914	(4,181,435)	542,093	(403,428)
OTHER FINANCING SOURCES (USES):				
Transfers in	275,000	2,509,052	140,000	2,924,052
Transfers out	(2,550,752)	-	(373,300)	(2,924,052)
TOTAL OTHER FINANCING SOURCES (USES)	(2,275,752)	2,509,052	(233,300)	-
NET CHANGE IN FUND BALANCES	960,162	(1,672,383)	308,793	(403,428)
FUND BALANCES - BEGINNING OF YEAR	20,788,547	27,017,191	13,689,501	61,495,239
FUND BALANCES - END OF YEAR	\$ 21,748,709	\$ 25,344,808	\$ 13,998,294	\$ 61,091,811

See accompanying notes to 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, 2020

Net change in fund balances - total governmental funds	\$ (403,428)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over 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:

Cost of assets capitalized	4,528,913
Depreciation expense	(6,362,242)

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

(544,737)

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.

156,187

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.

(2,697)

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.

(1,148,647)

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.

(228,510)

Change in net position of governmental activities	<u>\$ (4,005,161)</u>
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See accompanying notes to 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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 27,331,900	\$ 27,331,900	\$ 25,606,371	\$ (1,725,529)
Licenses and permits	2,167,800	2,167,800	1,916,823	(250,977)
Charges for services	15,100	15,100	8,407	(6,693)
Fines and forfeitures	327,000	327,000	365,074	38,074
Use of money and property	838,500	838,500	706,236	(132,264)
Other revenues	<u>743,100</u>	<u>743,100</u>	621,094	(122,006)
TOTAL REVENUES	<u>31,423,400</u>	<u>31,423,400</u>	29,224,005	(2,199,395)
EXPENDITURES:				
Administration				
City council	123,200	123,200	89,739	33,461
City manager	778,000	639,800	645,233	(5,433)
Legal services	925,000	925,000	1,133,168	(208,168)
Community outreach	75,100	75,100	63,415	11,685
City clerk	711,100	656,900	722,449	(65,549)
RPV TV	252,500	252,500	182,625	69,875
Personnel	391,900	429,926	364,038	65,888
Finance	1,641,300	1,661,551	1,634,788	26,763
Information technology - Data	1,003,900	1,062,979	975,570	87,409
Information technology - Voice	115,000	109,000	103,792	5,208
Emergency operations	<u>-</u>	<u>-</u>	404,281	(404,281)
Total Administration	<u>6,017,000</u>	<u>5,935,956</u>	6,319,098	(383,142)
Public safety				
Sheriff	6,540,000	6,690,000	6,683,678	6,322
Special programs	760,200	714,700	651,804	62,896
Emergency preparedness	<u>165,700</u>	<u>165,700</u>	24,563	141,137
Total Public Safety	<u>7,465,900</u>	<u>7,570,400</u>	7,360,045	210,355
Public Works				
Public works administration	2,090,400	2,063,224	2,092,585	(29,361)
Traffic management	403,500	1,606,488	1,355,298	251,190
Storm water quality	489,000	522,369	479,833	42,536
Building maintenance	643,400	466,900	448,644	18,256
Park/Trail/Open Space maintenance	1,403,800	1,192,607	1,147,988	44,619
Street landscape Maintenance	181,000	181,000	147,382	33,618
Sewer maintenance	<u>46,000</u>	<u>36,000</u>	42,278	(6,278)
Total Public Works	<u>5,257,100</u>	<u>6,068,588</u>	5,714,008	354,580

(Continued)

See accompanying notes to 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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED):				
Parks and Recreation				
Recreation administration	\$ 1,042,600	\$ 935,642	\$ 964,028	\$ (28,386)
Recreation facilities	914,200	937,882	900,585	37,297
Special events	262,100	172,383	169,037	3,346
PVIC	540,900	452,626	457,537	(4,911)
REACH	78,000	24,000	20,789	3,211
Support services	<u>24,400</u>	<u>24,400</u>	<u>21,195</u>	<u>3,205</u>
Total Parks and Recreation	<u>2,862,200</u>	<u>2,546,933</u>	<u>2,533,171</u>	<u>13,762</u>
Community Development				
Planning services	1,622,200	1,431,254	1,358,503	72,751
Building & safety	1,074,300	658,800	678,640	(19,840)
Code enforcement	267,200	227,000	222,319	4,681
View restoration/preservation	389,200	387,000	384,590	2,410
NCCP	50,000	15,000	-	15,000
Geology	150,000	118,000	111,100	6,900
Animal Control	<u>140,000</u>	<u>120,000</u>	<u>102,083</u>	<u>17,917</u>
Total Community Development	<u>3,692,900</u>	<u>2,957,054</u>	<u>2,857,235</u>	<u>99,819</u>
Non-departmental				
	<u>1,297,800</u>	<u>1,387,410</u>	<u>1,204,534</u>	<u>182,876</u>
TOTAL EXPENDITURES	<u>26,592,900</u>	<u>26,466,341</u>	<u>25,988,091</u>	<u>478,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,830,500</u>	<u>4,957,059</u>	<u>3,235,914</u>	<u>(1,721,145)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	275,000	275,000	275,000	-
Transfers out	<u>(4,116,900)</u>	<u>(2,757,300)</u>	<u>(2,550,752)</u>	<u>206,548</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,841,900)</u>	<u>(2,482,300)</u>	<u>(2,275,752)</u>	<u>206,548</u>
NET CHANGE IN FUND BALANCE	<u>988,600</u>	<u>2,474,759</u>	<u>960,162</u>	<u>(1,514,597)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>20,788,547</u>	<u>20,788,547</u>	<u>20,788,547</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 21,777,147</u>	<u>\$ 23,263,306</u>	<u>\$ 21,748,709</u>	<u>\$ (1,514,597)</u>

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2020

	Equipment Replacement Internal Service Fund
ASSETS	
CURRENT ASSETS:	
Cash and investments	\$ 2,618,683
Receivables:	
Interest	<u>4,710</u>
TOTAL CURRENT ASSETS	
	<u>2,623,393</u>
NONCURRENT ASSETS:	
Capital assets, being depreciated:	
Property and equipment	2,466,342
Accumulated depreciation	<u>(2,236,079)</u>
TOTAL NONCURRENT ASSETS	
	<u>230,263</u>
TOTAL ASSETS	
	<u>2,853,656</u>
LIABILITIES	
LIABILITIES:	
Accounts payable and accrued liabilities	<u>10,904</u>
NET POSITION	
Invested in capital assets	230,263
Unrestricted	<u>2,612,489</u>
TOTAL NET POSITION	
	<u>\$ 2,842,752</u>

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

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

For the year ended June 30, 2020

	Equipment Replacement Internal Service Fund
OPERATING REVENUES:	
Charges for services	\$ 84,600
Miscellaneous	<u>450</u>
TOTAL OPERATING REVENUES	<u>85,050</u>
OPERATING EXPENSES:	
Materials and supplies	154,572
Depreciation	<u>205,674</u>
TOTAL OPERATING EXPENSES	<u>360,246</u>
OPERATING LOSS	(275,196)
NONOPERATING REVENUES:	
Investment income	<u>46,686</u>
CHANGE IN NET POSITION	(228,510)
TOTAL NET POSITION - BEGINNING OF YEAR	<u>3,071,262</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 2,842,752</u>

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the year ended June 30, 2020

	Equipment Replacement Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from interfund services provided	\$ 85,050
Payments to suppliers	<u>(155,686)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(70,636)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	<u>(51,996)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	<u>49,901</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(72,731)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,691,414</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,618,683</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (275,196)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	205,674
Changes in operating assets and liabilities:	
Decrease in accounts payable and accrued liabilities	<u>(1,114)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (70,636)</u>

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND**

June 30, 2020

	Successor Agency Private-Purpose Trust Fund
ASSETS	
Cash and investments	\$ 309,666
Interest receivable	353
Prepaid costs	<u>356,125</u>
TOTAL ASSETS	<u>666,144</u>
LIABILITIES	
CURRENT LIABILITIES:	
Current portion of noncurrent liabilities	<u>489,551</u>
TOTAL CURRENT LIABILITIES	<u>489,551</u>
NONCURRENT LIABILITIES:	
Due beyond one year	<u>13,677,158</u>
TOTAL NONCURRENT LIABILITIES	<u>13,677,158</u>
TOTAL LIABILITIES	<u>14,166,709</u>
NET POSITION (DEFICIT) HELD IN TRUST	<u><u>\$ (13,500,565)</u></u>

See accompanying notes to financial statements.

CITY OF RANCHO PALOS VERDES

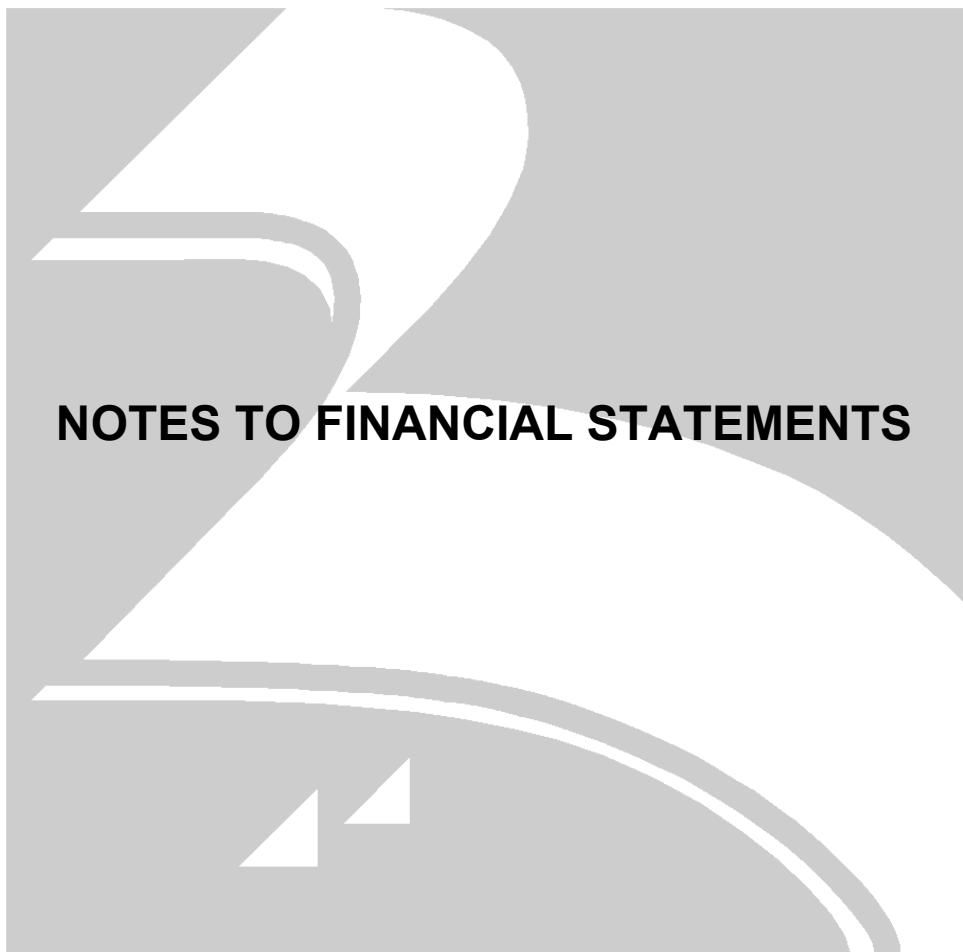
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the year ended June 30, 2020

	Successor Agency Private-Purpose Trust Fund
ADDITIONS:	
Taxes	\$ 769,327
Use of money and property	3,408
Miscellaneous	<u>1,548</u>
TOTAL ADDITIONS	<u>774,283</u>
DEDUCTIONS:	
Administration	51,727
Debt interest and fiscal charges	<u>362,050</u>
TOTAL DEDUCTIONS	<u>413,777</u>
CHANGE IN NET POSITION	<u>360,506</u>
NET POSITION (DEFICIT) - BEGINNING OF YEAR	<u>(13,861,071)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (13,500,565)</u>

See accompanying notes to financial statements.

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CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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 a summary of Governmental 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 Capital Improvement Capital Projects Fund is used to account for funds used for the City's capital improvement projects.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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 internal service fund are charges for services. Operating expenses for the internal service fund 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 are 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.).

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

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 XIIIIB 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, 2020, based on calculations by City Management, the proceeds of taxes in the amount of \$25.5 million did not exceed appropriation limit of \$31.3 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 construction 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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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 Equipment Replacement Internal Service Fund participates in the pooling of City-wide cash and investments. Amounts from the pool are available to this fund on demand. Therefore, the cash and investments reported in this fund is considered to be cash and cash equivalents for purpose of the statement of cash flows.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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 \$212,648 of prepaid items as of June 30, 2020.

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. Net Position and Fund Balance Flow Assumptions

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 differences between expected and actual experiences, and for changes of assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Inflows and Outflows (Continued)

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 differences between expected and actual experience, for changes of assumptions, and for changes in employer's proportion and differences between employer's 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 the net differences between projected and actual earnings on plan investments. These amounts are amortized over five years.

N. New Accounting Pronouncements

Current Year Standards

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*, and a supersession of GASB Statement No. 32. Paragraph 4 of this Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. Paragraph 5 of this Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these statements did not impact the City.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. New Accounting Pronouncements (Continued)

Pending Accounting Standards

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

In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, GASB issued Statement No. 87 – *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset for leases with a term of more than 12 months. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For leases with a term of 12 months or less, lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, early application is encouraged.

In January 2020, GASB issued Statement No. 92 – *Omnibus 2020*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. New Accounting Pronouncements (Continued)

Pending Accounting Standards (Continued)

The requirements of Statement No. 92 are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

In June 2020, GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. This Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan’s reporting period in all circumstances. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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 Financial Statements****June 30, 2020**

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2020, 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	\$ 66,869,944	\$ 309,666	\$ 67,179,610

Cash and investments as of June 30, 2020 consist of the following:

Petty Cash	\$ 5,000
Deposits with Financial Institutions	3,076,975
Certificates of Deposit	21,724,963
Money Market Mutual Funds	1,038,546
U.S. Treasury Obligations	4,000,000
Local Agency Investment Fund (LAIF)	<u>37,334,126</u>
	<u>\$ 67,179,610</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	None
Money Market Savings/Demand Deposits	N/A	15%	\$5 million

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

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	\$ 1,750,000	\$ 1,750,000	\$ 14,974,963	\$ 3,250,000	\$ 21,724,963
Money Market Mutual Funds	1,038,546	-	-	-	1,038,546
U.S. Treasury Obligations	2,000,000	-	2,000,000	-	4,000,000
Local Agency Investment Fund (LAIF)	<u>37,334,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,334,126</u>
Total	<u>\$ 42,122,672</u>	<u>\$ 1,750,000</u>	<u>\$ 16,974,963</u>	<u>\$ 3,250,000</u>	<u>\$ 64,097,635</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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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 U. S. Treasury Obligations 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.

3. INTERFUND TRANSACTIONS

Interfund Receivable/Payable

The \$451,708 due to the General Fund from Other Governmental Funds (\$32,679 from the Measure A Fund and \$419,029 from the State Grants Fund) is the result of loans to cover temporary deficit cash balances.

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

3. INTERFUND TRANSACTIONS (CONTINUED)**Interfund Transfers**

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfer To	Transfer From		
	General Fund	Other	
		Governmental Funds	Totals
General Fund	\$ -	\$ 275,000	\$ 275,000
Capital Improvement Projects	2,410,752	98,300	2,509,052
Other Governmental Funds	140,000	-	140,000
Total	<u>\$ 2,550,752</u>	<u>\$ 373,300</u>	<u>\$ 2,924,052</u>

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; and, (3) return money that was originally transferred from the General Fund to another fund, yet not used.

The General Fund transferred a total of \$2,550,752 to other funds. Of this amount, \$2,410,752 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 remaining \$140,000 was transferred to the following Other Governmental Funds: \$50,000 to the Improvement Authority Abalone Cove to subsidize annual maintenance of landslide mitigation facilities; \$55,000 to the Improvement Authority Portuguese Bend to subsidize annual maintenance of landslide mitigation facilities; and, \$35,000 to the Subregion 1 Fund to subsidize landscape maintenance. The General Fund received \$275,000 from the following Other Governmental Funds: \$175,000 from the Public Safety Grants Fund to supplement the special community resource policing team for the deputy cost within the Sheriff program of the public safety section of the budget; and, \$100,000 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 Capital Improvement Projects (CIP) Fund received \$98,300 during the year from Other Governmental Funds (Federal Grants Fund) to reimburse for project costs.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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, 2020.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 43,515,818	\$ 12,807	\$ -	\$ 43,528,625
Construction in progress	3,130,630	4,656,077	(3,151,499)	4,635,208
Total capital assets not being depreciated	<u>46,646,448</u>	<u>4,668,884</u>	<u>(3,151,499)</u>	<u>48,163,833</u>
Capital assets being depreciated:				
Building and improvements	14,281,198	-	-	14,281,198
Vehicles	511,560	39,768	-	551,328
Computer equipment	989,151	-	-	989,151
Equipment - water quality	11,813	-	-	11,813
Furniture, fixtures and equipment	913,635	62,589	-	976,224
Infrastructure				
Roadway system	121,642,288	256,027	-	121,898,315
Sewer system	25,965,995	-	-	25,965,995
Storm drain system	13,660,322	22,500	-	13,682,822
Storm drain system - water quality	34,512,356	2,339,284	-	36,851,640
Parks system	<u>7,609,857</u>	<u>343,356</u>	<u>-</u>	<u>7,953,213</u>
Total capital assets being depreciated	<u>220,098,175</u>	<u>3,063,524</u>	<u>-</u>	<u>223,161,699</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,088,021)	(266,173)	-	(7,354,194)
Vehicles	(407,137)	(40,513)	-	(447,650)
Computer equipment	(898,010)	(66,561)	-	(964,571)
Equipment - water quality	(11,813)	-	-	(11,813)
Furniture, fixtures and equipment	(725,258)	(99,690)	-	(824,948)
Infrastructure				
Roadway system	(65,511,229)	(4,254,456)	-	(69,765,685)
Sewer system	(21,028,130)	(453,755)	-	(21,481,885)
Storm drain system	(4,988,807)	(268,110)	-	(5,256,917)
Storm drain system - water quality	(4,089,595)	(808,920)	-	(4,898,515)
Parks system	<u>(2,439,789)</u>	<u>(309,738)</u>	<u>-</u>	<u>(2,749,527)</u>
Total accumulated depreciation	<u>(107,187,789)</u>	<u>(6,567,916)</u>	<u>-</u>	<u>(113,755,705)</u>
Total capital assets being depreciated, net	<u>112,910,386</u>	<u>(3,504,392)</u>	<u>-</u>	<u>109,405,994</u>
Governmental activities capital assets, net	<u>\$ 159,556,834</u>	<u>\$ 1,164,492</u>	<u>\$ (3,151,499)</u>	<u>\$ 157,569,827</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

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)	\$ 267,263
Public Works (depreciation of roadways, sewers, and storm drains)	5,785,241
Parks and recreation (depreciation of parks system)	309,738
Capital assets held by the City's internal service funds are charged to various functions based on their usage of the assets	<u>205,674</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 6,567,916</u>

5. NOTES RECEIVABLE

	Notes Receivable
Affordable Housing	\$ 8,153,675
Community Development Block Grant	<u>316,466</u>
Subtotal	8,470,141
Receivable from Successor Agency	10,656,709
Allowance from Successor Agency receivable	<u>(10,656,709)</u>
Total Notes Receivable	<u>\$ 8,470,141</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 \$1,883,131 at June 30, 2020 was \$8,153,675.

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

5. NOTES RECEIVABLE (CONTINUED)

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, 2020 is \$316,466.

6. LONG-TERM LIABILITIES

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amount Due in One Year
Employee Compensated Absences	\$ 400,504	\$ 313,514	\$ (310,817)	\$ 403,201	\$ 312,910

Employee Compensated Absences

There is no fixed payment schedule for employee compensated absences. Based on historical trends, \$312,910 is estimated to be the amount that will be used and/or paid out during the fiscal year ended June 30, 2021.

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020****7. CLASSIFICATIONS OF NET POSITION AND FUND BALANCE (CONTINUED)****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.

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, 2020:

	General Fund	Capital Improvement Fund	Other Governmental Funds
Nonspendable:			
In Form (inventory and prepaid)	\$ 248,761	\$ -	\$ -
Legally (endowment principal)	-	-	1,915,317
Restricted:			
Public Works	-	1,379,700	3,609,090
Housing and Community Development	-	-	1,104,366
Transportation	-	-	5,486,428
Parks and Recreation	-	-	2,021,608
Public Safety	-	-	76,420
Committed:			
Public Works	75,561	-	-
City Administration	34,828	-	-
Recreation and Parks	56,785	-	-
Assigned:			
Public Works	-	23,965,108	-
Unassigned:			
Unrestricted Fund Balance	20,763,374	-	(214,935)
Continued Appropriations	569,400	-	-
Governmental Fund Balance Totals	\$ 21,748,709	\$ 25,344,808	\$ 13,998,294

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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

Non-Spendable Fund Balance

General Fund assets include \$36,113 of inventory held for resale at the Point Vicente Interpretive Center gift shop, and \$212,648 of prepayments for expenditures related to the fiscal year ended June 30, 2021.

The fund balance of the Improvement Authority's Abalone Cove Fund includes a \$1,000,000 non-spendable endowment, 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 a non-spendable 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 \$165,317 represents 15 years of annual \$10,000 contributions plus interest earnings.

Restricted Fund Balance

The restricted balances of the City's Other Governmental Funds are constrained to use for specific purposes by other governmental agencies, property owners, and grantors.

The \$1,379,700 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.

Committed Fund Balance

The \$167,174 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 \$23,965,108 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 \$20,763,374 at June 30, 2020.

City Council approved to carry forward \$569,400 of FY 2019-20 General Fund appropriations to FY 2020-21.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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, 2019 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 compensation	2.50%	2.00%	2.00%
Required employee contribution rates	8%	7%	6.25%
Required employer contributions rates:			
Normal cost rate	10.609%	7.634%	6.842%
Payment of unfunded liability	\$ 613,118	\$ 1,413	\$ 1,011

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

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, 2020, in the amount of \$11,918,073.

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, 2019, 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, 2018, rolled forward to June 30, 2019, 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, 2018 and 2019 measurement dates was as follows:

Proportion - June 30, 2018	0.11334%
Proportion - June 30, 2019	<u>0.11631%</u>
Change - Increase (Decrease)	<u><u>0.00297%</u></u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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, 2020, the City recognized pension expense of \$2,414,005. At June 30, 2020, 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
Pension contributions subsequent to the measurement date	\$ 1,265,361	\$ -
Differences between expected and actual experience	827,760	(64,135)
Change of assumptions	568,309	(201,461)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(202,576)
Net differences between projected and actual earnings on plan investments	-	(208,365)
Total	\$ 2,661,430	\$ (676,537)

The amount of \$1,265,361 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, 2021. 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,	\$	768,469
2021	\$	768,469
2022	\$	(183,211)
2023	\$	92,169
2024	\$	42,105
2025	\$	-
Thereafter	\$	-
	\$	719,532

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

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, 2019 measurement period was determined by an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the total pension liability to June 30, 2019. The total pension liability was based on the following assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% 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 Financial Statements****June 30, 2020****8. PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)****Long-Term Expected Rate of Return (Continued)**

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

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

- (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%)
\$ 18,197,610	\$ 11,918,073	\$ 6,734,758

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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, 2020, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

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, 2020, the City contributed a total of \$80,310 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 118 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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$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.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpi.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$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 2019-20, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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 policy term.

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 \$17,672,158. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

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 \$16,856,717. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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.

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 2019-20.

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

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, 2020 are presented in the following table.

Revenue Measurable but Not Available (beyond 60 days):

Other Governmental Funds	\$ 52,632
Total Unavailable Revenues	\$ 52,632

13. OTHER REQUIRED FUND DISCLOSURES

The following department's budget had expenditures in excess of the budget for the year ended June 30, 2020, as follows:

Program	Budget	Expenditures	Excess
General Fund:			
Administration	\$ 5,935,956	\$ 6,319,098	383,142
Federal Grants Special Revenue Fund:			
Public works	-	15	15
Dr. Allen and Charlotte Ginsburg Cultural Arts			
Building Special Revenue Fund:			
Parks and recreation	-	1,045	1,045

The State Grants Special Revenue Fund has a deficit fund balance of \$214,935 at June 30, 2020. 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, 2020 of \$13,500,565 which will be reduced by collection of future tax revenues.

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Notes to Financial Statements

June 30, 2020

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, 2020 is \$356,125.

Debt Summary

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Amounts Due in One Year
Due to City:					
Portuguese Bend	\$ 7,144,619	\$ 114,872	\$ (93,026)	\$ 7,166,465	\$ 114,872
Abalone Cove	3,475,656	64,679	(50,091)	3,490,244	64,679
Due to County:					
Tax Increment Bond	3,790,000	-	(280,000)	3,510,000	310,000
Totals	\$ 14,410,275	\$ 179,551	\$ (423,117)	\$ 14,166,709	\$ 489,551

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

14. SUCCESSOR AGENCY (CONTINUED)**Consolidated Loan from City (Continued)**

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, 2020, using the simple interest rate of 3%, the loan balance is \$10,656,709.

	Principal	Interest	Balance
Portuguese Bend	\$ 3,829,077	\$ 3,337,388	\$ 7,166,465
Abalone Cove	2,155,967	1,334,277	3,490,244
Allowance from Successor Agency Receivable	<u>(5,985,044)</u>	<u>(4,671,665)</u>	<u>(10,656,709)</u>
 Totals	 \$ -	 \$ -	 \$ -

Due to the uncertainty of Redevelopment Property Tax Trust Fund revenue available for future loan repayments, the City's loan receivable of \$10,656,709 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.

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA**Notes to Financial Statements****June 30, 2020**

14. SUCCESSOR AGENCY (CONTINUED)**Tax Increment Bond and Deferred Interest Payable (Continued)**

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 Financial Statements****June 30, 2020**

14. SUCCESSOR AGENCY (CONTINUED)**Tax Increment Bond and Deferred Interest Payable (Continued)**

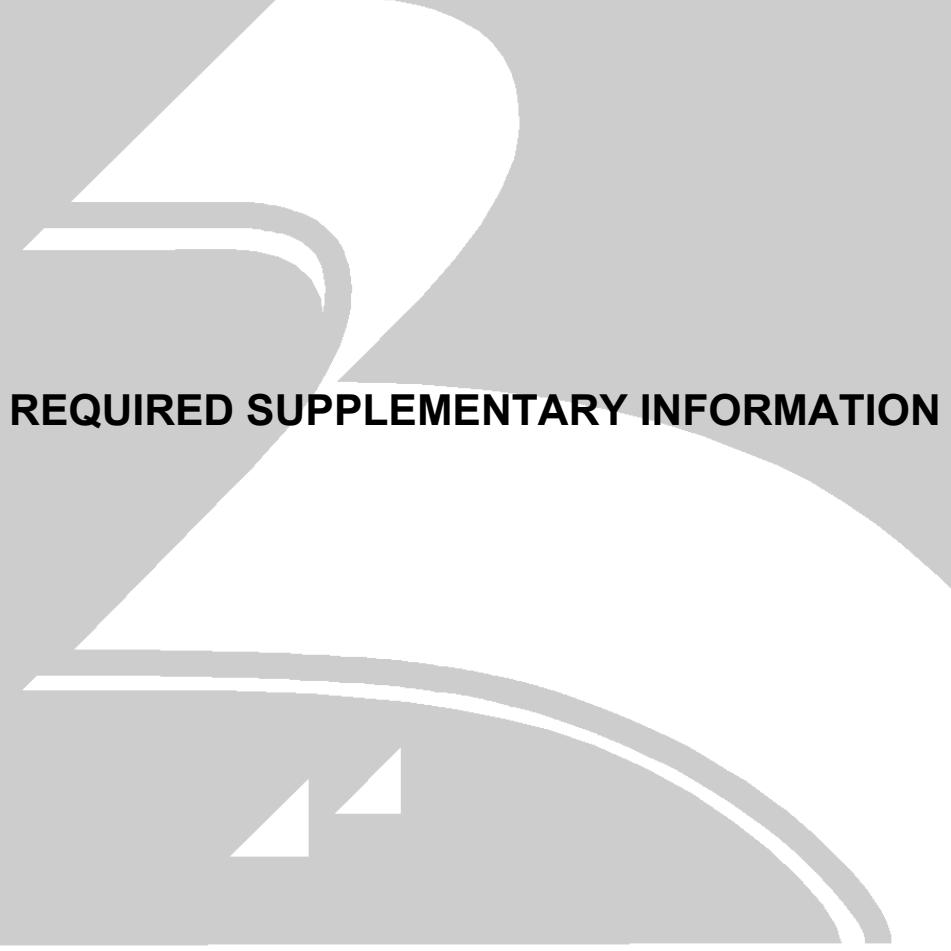
The debt service schedule below summarizes all fixed principal and interest payments for the term of the bond. Because the payback period for the deferred interest amount will fluctuate depending on the availability of excess property tax revenue, no amounts have been included in the following schedule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

Year Ending June 30,	Principal	Interest	Total
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	450,000	91,750	541,750
2026 - 2028	1,610,000	125,000	1,735,000
Totals	<u>\$ 3,510,000</u>	<u>\$ 782,500</u>	<u>\$ 4,292,500</u>

15. ECONOMIC CHALLENGES OF 2020

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of an outbreak of a new strain of coronavirus (COVID-19 outbreak) and the risks that is posed to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally.

The COVID-19 outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. Much like other local governments across the country, the fiscal year 2020-2021, budget process incorporated the impact of the economic downturn which began during the third quarter of FY 2019-20. The City's solid financial foundation, financially conservative approach, and stable property tax revenue, has moderated the impact of the economic disruption caused by the pandemic. The sudden and unprecedented drop in TOT (Transient Occupancy Tax) revenue has resulted in reassessment of the Capital Improvement Program (CIP), focusing on projects that were ranked the highest. Despite this, the FY 2020-21 General Fund is estimated to maintain a healthy fund balance, however, the City cannot estimate the length or gravity of the impact at this time. There will be fiscal challenges in the coming years that the City will need to prepare for and it is more crucial now for the City to continue to be fiscally prudent and produce a structurally balanced operating budget. The City will also continue to utilize a 5-Year Model as an additional tool to engage in discussions and provide guidance in decision making.



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, 2020

	Miscellaneous					
Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.11631%	0.11334%	0.11218%	0.11120%	0.11130%	0.09183%
Plan's proportionate share of the net pension liability	\$ 11,918,073	\$ 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	\$ 5,997,450	\$ 5,673,471	\$ 5,609,006
Plan's proportionate share of the net pension liability as a percentage of covered payroll	177.95%	171.70%	181.65%	160.49%	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%	75.26%	73.31%	74.06%	78.40%	76.48%
Plan's proportionate share of aggregate employer contributions	\$ 1,440,684	\$ 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.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

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

CITY OF RANCHO PALOS VERDES, CALIFORNIA

Schedule of Pension Contributions

Last Ten Years*

As of the Fiscal Year Ended June 30, 2020

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 1,265,361	\$ 1,153,245	\$ 990,670	\$ 910,177	\$ 830,645	\$ 725,496
Contributions in relation to the actuarially determined contributions	(1,265,361)	(1,153,245)	(990,670)	(910,177)	(830,645)	(725,496)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,454,856	\$ 6,697,322	\$ 6,360,881	\$ 6,124,374	\$ 5,997,450	\$ 5,673,471
Contributions as a percentage of covered payroll	19.60%	17.22%	15.57%	14.86%	13.85%	12.79%

Notes to Schedule:

Valuation Date	6/30/2018	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 (1)	Entry age (1)				
	Market Value	Market Value				
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)
					15 Year Smoothed Market Method	

(1) Level percentage of payroll, closed

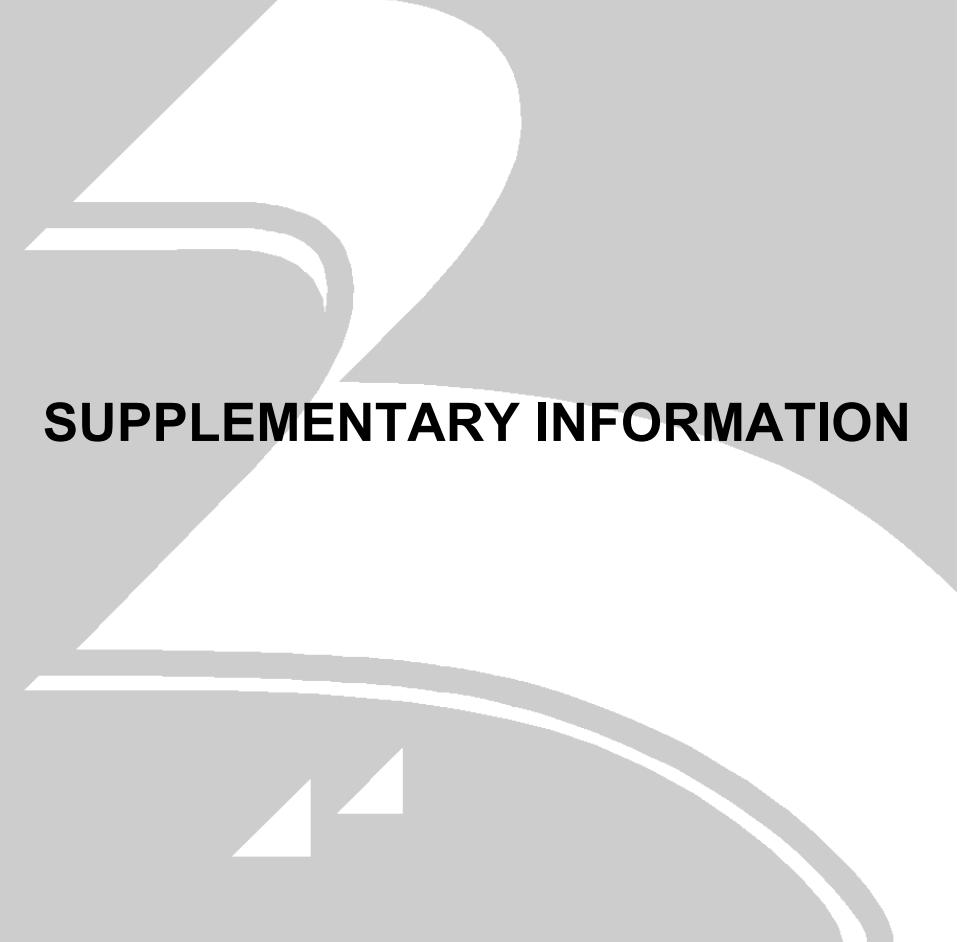
(2) Depending on age, service, and type of employment

(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 six 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.

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.

State Grants - to account for state 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, 2020

Special Revenue Funds					
	Gas Tax	1972 Act	El Prado	1911 Act	
ASSETS					
Cash and investments	\$ 1,667,169	\$ 28,833	\$ 36,122	\$ 1,263,488	
Receivables:					
Taxes	-	-	68	225,149	
Interest	2,956	52	65	2,298	
Notes	-	-	-	-	
Other	<u>119,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	
TOTAL ASSETS	<u><u>\$ 1,789,485</u></u>	<u><u>\$ 28,885</u></u>	<u><u>\$ 36,255</u></u>	<u><u>\$ 1,490,935</u></u>	
LIABILITIES					
Accounts payable and accrued liabilities	\$ 251,059	\$ -	\$ -	\$ 44,158	
Due to other funds	-	-	-	-	
Retentions payable	12,190	-	-	-	
Unearned revenue	-	-	-	-	
TOTAL LIABILITIES	<u><u>263,249</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>44,158</u></u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	
FUND BALANCES					
Non-Spendable:					
Endowment principal	-	-	-	-	
Restricted	1,526,236	28,885	36,255	1,446,777	
Unassigned	-	-	-	-	
TOTAL FUND BALANCES	<u><u>1,526,236</u></u>	<u><u>28,885</u></u>	<u><u>36,255</u></u>	<u><u>1,446,777</u></u>	
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u><u>\$ 1,789,485</u></u>	<u><u>\$ 28,885</u></u>	<u><u>\$ 36,255</u></u>	<u><u>\$ 1,490,935</u></u>	

Special Revenue Funds (Continued)

Waste Reduction	Air Quality Management	Proposition C	Proposition A	Public Safety Grants	Measure R	Measure A
\$ 457,580	\$ 139,199	\$ 923,458	\$ 2,275,179	\$ 76,230	\$ 1,290,998	\$ -
- 796	- 243	- 1,591	- 4,677	- 190	- 2,268	93,963 -
-	-	-	-	-	-	-
<u>14,065</u>	<u>13,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,632</u>
<u><u>\$ 472,441</u></u>	<u><u>\$ 152,762</u></u>	<u><u>\$ 925,049</u></u>	<u><u>\$ 2,279,856</u></u>	<u><u>\$ 76,420</u></u>	<u><u>\$ 1,293,266</u></u>	<u><u>\$ 146,595</u></u>
\$ 17,687	\$ -	\$ 343,810	\$ 241,208	\$ -	\$ 29,225	\$ -
-	-	-	-	-	-	32,679 -
-	-	1,528	21,217	-	-	-
-	-	-	-	-	-	-
<u>17,687</u>	<u>-</u>	<u>345,338</u>	<u>262,425</u>	<u>-</u>	<u>29,225</u>	<u>32,679</u>
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>52,632</u></u>
- 454,754	- 152,762	- 579,711	- 2,017,431	- 76,420	- 1,264,041	- 61,284
-	-	-	-	-	-	-
<u>454,754</u>	<u>152,762</u>	<u>579,711</u>	<u>2,017,431</u>	<u>76,420</u>	<u>1,264,041</u>	<u>61,284</u>
<u><u>\$ 472,441</u></u>	<u><u>\$ 152,762</u></u>	<u><u>\$ 925,049</u></u>	<u><u>\$ 2,279,856</u></u>	<u><u>\$ 76,420</u></u>	<u><u>\$ 1,293,266</u></u>	<u><u>\$ 146,595</u></u>

(Continued)

CITY OF RANCHO PALOS VERDES

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)**

June 30, 2020

Special Revenue Funds (Continued)					
	Measure M	Abalone Cove Sewer	Dr. Allen and Charlotte Ginsburg Cultural Arts Building	Donor Restricted Contributions	
ASSETS					
Cash and investments	\$ 101,542	\$ 298,737	\$ -	\$ 782,214	
Receivables:					
Taxes	-	-	-	-	
Interest	228	546	-	1,410	
Notes	-	-	-	-	
Other	-	1,092	-	-	
TOTAL ASSETS	<u>\$ 101,770</u>	<u>\$ 300,375</u>	<u>\$ -</u>	<u>\$ 783,624</u>	
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,761	\$ 41,376	\$ -	\$ 1,670	
Due to other funds	-	-	-	-	
Retentions payable	-	-	-	-	
Unearned revenue	-	-	-	-	
TOTAL LIABILITIES	<u>2,761</u>	<u>41,376</u>	<u>\$ -</u>	<u>1,670</u>	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	
FUND BALANCES					
Non-Spendable:					
Endowment principal	-	-	-	-	
Restricted	99,009	258,999	-	781,954	
Unassigned	-	-	-	-	
TOTAL FUND BALANCES	<u>99,009</u>	<u>258,999</u>	<u>\$ -</u>	<u>781,954</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 101,770</u>	<u>\$ 300,375</u>	<u>\$ -</u>	<u>\$ 783,624</u>	

Special Revenue Funds (Continued)

Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	Federal Grants	State Grants	Quimby	Environmental Excise Tax	Total Special Revenue Funds
\$ 83,862	\$ 12,677	\$ -	\$ -	\$ 1,176,249	\$ 362,364	\$ 10,975,901
-	-	-	-	-	-	319,180
330	-	-	-	2,121	547	20,318
-	-	-	-	-	-	-
-	32,057	-	230,427	-	-	462,953
<u>\$ 84,192</u>	<u>\$ 44,734</u>	<u>\$ -</u>	<u>\$ 230,427</u>	<u>\$ 1,178,370</u>	<u>\$ 362,911</u>	<u>\$ 11,778,352</u>
\$ 124	\$ 18,717	\$ -	\$ 8,900	\$ -	\$ 16,096	\$ 1,016,791
-	-	-	419,029	-	-	451,708
-	-	-	17,433	-	-	52,368
-	\$ -	-	-	-	-	-
<u>124</u>	<u>18,717</u>	<u>-</u>	<u>445,362</u>	<u>-</u>	<u>16,096</u>	<u>1,520,867</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,632</u>
-	-	-	-	-	-	-
84,068	26,017	-	-	1,178,370	346,815	10,419,788
-	-	-	(214,935)	-	-	(214,935)
<u>84,068</u>	<u>26,017</u>	<u>-</u>	<u>(214,935)</u>	<u>1,178,370</u>	<u>346,815</u>	<u>10,204,853</u>
<u>\$ 84,192</u>	<u>\$ 44,734</u>	<u>\$ -</u>	<u>\$ 230,427</u>	<u>\$ 1,178,370</u>	<u>\$ 362,911</u>	<u>\$ 11,778,352</u>

(Continued)

CITY OF RANCHO PALOS VERDES

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)**

June 30, 2020

	<u>Capital Projects Funds</u>		
	Low-Moderate Income Housing	Affordable Housing In-Lieu	Total Capital Projects Funds
ASSETS			
Cash and investments	\$ 221,873	\$ 854,587	\$ 1,076,460
Receivables:			
Taxes	-	-	-
Interest	348	1,541	1,889
Notes	-	-	-
Other	-	-	-
TOTAL ASSETS	<u>\$ 222,221</u>	<u>\$ 856,128</u>	<u>\$ 1,078,349</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Retentions payable	-	-	-
Unearned revenue	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
FUND BALANCES			
Non-Spendable:			
Endowment principal	-	-	-
Restricted	222,221	856,128	1,078,349
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>222,221</u>	<u>856,128</u>	<u>1,078,349</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 222,221</u>	<u>\$ 856,128</u>	<u>\$ 1,078,349</u>

Permanent Funds

Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds	Total Other Governmental Funds
\$ 810,537	\$ 771,379	\$ 1,124,863	\$ 2,706,779	\$ 14,759,140
3,500	-	-	3,500	322,680
1,461	1,388	4,750	7,599	29,806
-	-	-	-	-
-	-	-	-	462,953
\$ 815,498	\$ 772,767	\$ 1,129,613	\$ 2,717,878	\$ 15,574,579
\$ -	\$ 1,535	\$ 1,251	\$ 2,786	\$ 1,019,577
-	-	-	-	451,708
-	-	-	-	52,368
-	-	-	-	-
-	1,535	1,251	2,786	1,523,653
-	-	-	-	52,632
165,317	750,000	1,000,000	1,915,317	1,915,317
650,181	21,232	128,362	799,775	12,297,912
-	-	-	-	(214,935)
815,498	771,232	1,128,362	2,715,092	13,998,294
\$ 815,498	\$ 772,767	\$ 1,129,613	\$ 2,717,878	\$ 15,574,579

CITY OF RANCHO PALOS VERDES

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

For the year ended June 30, 2020

	<u>Special Revenue Funds</u>			
	Gas Tax	1972 Act	El Prado	1911 Act
REVENUES:				
Taxes	\$ -	\$ -	\$ 2,882	\$ 725,690
Revenue from other agencies	1,655,763	-	-	-
Charges for services	-	-	-	-
Use of money and property	21,854	501	598	24,347
Other revenues	<u>49,279</u>	<u>-</u>	<u>-</u>	<u>208,102</u>
TOTAL REVENUES	<u>1,726,896</u>	<u>501</u>	<u>3,480</u>	<u>958,139</u>
EXPENDITURES:				
Current:				
Public works	1,085,394	-	-	970,974
Parks and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,085,394</u>	<u>-</u>	<u>-</u>	<u>970,974</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>641,502</u>	<u>501</u>	<u>3,480</u>	<u>(12,835)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>641,502</u>	<u>501</u>	<u>3,480</u>	<u>(12,835)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>884,734</u>	<u>28,384</u>	<u>32,775</u>	<u>1,459,612</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,526,236</u>	<u>\$ 28,885</u>	<u>\$ 36,255</u>	<u>\$ 1,446,777</u>

Special Revenue Funds (Continued)

Waste Reduction	Air Quality Management	Proposition C	Proposition A	Public Safety Grants	Measure R	Measure A
\$ - 22,269	\$ - 53,834	\$ - 686,691	\$ - 827,835	\$ - 155,948	\$ - 514,282	\$ - 93,963
194,632	-	-	-	-	-	-
7,563	1,916	14,727	46,964	2,131	18,778	503
-	-	-	-	-	-	-
<u>224,464</u>	<u>55,750</u>	<u>701,418</u>	<u>874,799</u>	<u>158,079</u>	<u>533,060</u>	<u>94,466</u>
223,785	-	698,807	1,236,692	-	72,168	-
-	-	-	-	-	-	-
<u>223,785</u>	<u>-</u>	<u>698,807</u>	<u>1,236,692</u>	<u>-</u>	<u>72,168</u>	<u>-</u>
679	55,750	2,611	(361,893)	158,079	460,892	94,466
-	-	-	-	-	-	-
-	-	-	-	(175,000)	-	(100,000)
-	-	-	-	(175,000)	-	(100,000)
679	55,750	2,611	(361,893)	(16,921)	460,892	(5,534)
<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>	<u>66,818</u>
<u>\$ 454,754</u>	<u>\$ 152,762</u>	<u>\$ 579,711</u>	<u>\$ 2,017,431</u>	<u>\$ 76,420</u>	<u>\$ 1,264,041</u>	<u>\$ 61,284</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, 2020

Special Revenue Funds (Continued)					
	Measure M	Abalone Cove Sewer	Dr. Allen and Charlotte Ginsburg Cultural Arts Building	Donor Restricted Contributions	
REVENUES:					
Taxes	\$ -	\$ 52,379	\$ -	\$ -	\$ -
Revenue from other agencies	578,741	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	1,877	7,675	-	13,660	
Other revenues	-	-	-	9,900	
TOTAL REVENUES	580,618	60,054	-	23,560	
EXPENDITURES:					
Current:					
Public works	525,316	138,009	-	3,406	
Parks and recreation	-	-	1,045	13,363	
TOTAL EXPENDITURES	525,316	138,009	1,045	16,769	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	55,302	(77,955)	(1,045)	6,791	
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	55,302	(77,955)	(1,045)	6,791	
FUND BALANCE - BEGINNING OF YEAR	43,707	336,954	1,045	775,163	
FUND BALANCES - END OF YEAR	\$ 99,009	\$ 258,999	\$ -	\$ 781,954	

Special Revenue Funds (Continued)

Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	Federal Grants	State Grants	Quimby	Environmental Excise Tax	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,951
	226,364		626,179			5,441,869
	-	-	-	-	-	194,632
2,136	-	-	-	23,090	7,439	195,759
-	-	-	-	-	114,694	381,975
<u>2,136</u>	<u>226,364</u>		<u>626,179</u>	<u>23,090</u>	<u>122,133</u>	<u>6,995,186</u>
 54,043	 211,805	 15	 277,373	 545,812	 286,881	 6,330,480
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,408</u>
<u>54,043</u>	<u>211,805</u>	<u>15</u>	<u>277,373</u>	<u>545,812</u>	<u>286,881</u>	<u>6,344,888</u>
 <u>(51,907)</u>	 <u>14,559</u>	 <u>(15)</u>	 <u>348,806</u>	 <u>(522,722)</u>	 <u>(164,748)</u>	 <u>650,298</u>
 55,000	 -	 -	 -	 -	 -	 55,000
<u>-</u>	<u>-</u>	<u>(98,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(373,300)</u>
<u>55,000</u>	<u>-</u>	<u>(98,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(318,300)</u>
3,093	14,559	(98,315)	348,806	(522,722)	(164,748)	331,998
 80,975	 11,458	 98,315	 (563,741)	 1,701,092	 511,563	 9,872,855
<u>\$ 84,068</u>	<u>\$ 26,017</u>	<u>\$ -</u>	<u>\$ (214,935)</u>	<u>\$ 1,178,370</u>	<u>\$ 346,815</u>	<u>\$ 10,204,853</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, 2020

	Capital Projects Funds		
	Low-Moderate Income Housing	Affordable Housing In-Lieu	Total Capital Projects Funds
REVENUES:			
Taxes	\$ 28,624	\$ -	\$ 28,624
Revenue from other agencies	-	-	-
Charges for services	-	-	-
Use of money and property	3,237	14,846	18,083
Other revenues	-	2,445	2,445
TOTAL REVENUES	31,861	17,291	49,152
EXPENDITURES:			
Current:			
Public works	-	-	-
Parks and recreation	-	-	-
TOTAL EXPENDITURES	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	31,861	17,291	49,152
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES	31,861	17,291	49,152
FUND BALANCES - BEGINNING OF YEAR	190,360	838,837	1,029,197
FUND BALANCES - END OF YEAR	\$ 222,221	\$ 856,128	\$ 1,078,349

Permanent Funds

Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 809,575
-	-	-	-	5,441,869
-	-	-	-	194,632
15,225	13,442	26,260	54,927	268,769
3,500	-	-	3,500	387,920
<u>18,725</u>	<u>13,442</u>	<u>26,260</u>	<u>58,427</u>	<u>7,102,765</u>
152,745	42,530	20,509	215,784	6,546,264
-	-	-	-	14,408
<u>152,745</u>	<u>42,530</u>	<u>20,509</u>	<u>215,784</u>	<u>6,560,672</u>
(134,020)	(29,088)	5,751	(157,357)	542,093
-	35,000	50,000	85,000	140,000
-	-	-	-	(373,300)
<u>-</u>	<u>35,000</u>	<u>50,000</u>	<u>85,000</u>	<u>(233,300)</u>
(134,020)	5,912	55,751	(72,357)	308,793
949,518	765,320	1,072,611	2,787,449	13,689,501
<u>\$ 815,498</u>	<u>\$ 771,232</u>	<u>\$ 1,128,362</u>	<u>\$ 2,715,092</u>	<u>\$ 13,998,294</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 1,772,400	\$ 1,772,400	\$ 1,655,763	\$ (116,637)
Use of money and property	6,800	6,800	21,854	15,054
Other revenues	<u>48,200</u>	<u>48,200</u>	<u>49,279</u>	<u>1,079</u>
TOTAL REVENUES	<u>1,827,400</u>	<u>1,827,400</u>	<u>1,726,896</u>	<u>(100,504)</u>
EXPENDITURES:				
Public works:				
Street pavement maintenance	150,000	150,000	128,230	21,770
Street landscape maintenance	2,356,800	3,071,966	919,908	2,152,058
Traffic signal maintenance	10,000	10,000	12,506	(2,506)
Portuguese Bend road maintenance	<u>70,000</u>	<u>70,000</u>	<u>24,750</u>	<u>45,250</u>
TOTAL EXPENDITURES	<u>2,586,800</u>	<u>3,301,966</u>	<u>1,085,394</u>	<u>2,216,572</u>
NET CHANGE IN FUND BALANCE	<u>(759,400)</u>	<u>(1,474,566)</u>	<u>641,502</u>	<u>2,116,068</u>
FUND BALANCE - BEGINNING OF YEAR	<u>884,734</u>	<u>884,734</u>	<u>884,734</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 125,334</u>	<u>\$ (589,832)</u>	<u>\$ 1,526,236</u>	<u>\$ 2,116,068</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, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES:					
Use of money and property	\$ 300	\$ 300	\$ 501	\$ 201	
NET CHANGE IN FUND BALANCE		300	300	501	201
FUND BALANCE - BEGINNING OF YEAR	28,384	28,384	28,384		-
FUND BALANCE - END OF YEAR	<u>\$ 28,684</u>	<u>\$ 28,684</u>	<u>\$ 28,885</u>		<u>\$ 201</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, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES:					
Taxes	\$ 2,300	\$ 2,300	\$ 2,882	\$ 582	
Use of money and property	<u>200</u>	<u>200</u>	<u>598</u>	<u>398</u>	
TOTAL REVENUES	2,500	2,500	3,480		980
EXPENDITURES:					
Public works	800	800	-	800	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,700	1,700	3,480		1,780
FUND BALANCE - BEGINNING OF YEAR	<u>32,775</u>	<u>32,775</u>	<u>32,775</u>		<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 34,475</u>	<u>\$ 34,475</u>	<u>\$ 36,255</u>	<u>\$ 1,780</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 606,800	\$ 606,800	\$ 725,690	\$ 118,890
Use of money and property	21,200	21,200	24,347	3,147
Other revenues	<u>-</u>	<u>-</u>	<u>208,102</u>	<u>208,102</u>
TOTAL REVENUES	628,000	628,000	958,139	330,139
EXPENDITURES:				
Public works	348,000	1,011,941	970,974	40,967
NET CHANGE IN FUND BALANCE	280,000	(383,941)	(12,835)	371,106
FUND BALANCE - BEGINNING OF YEAR	1,459,612	1,459,612	1,459,612	-
FUND BALANCE - END OF YEAR	<u>\$ 1,739,612</u>	<u>\$ 1,075,671</u>	<u>\$ 1,446,777</u>	<u>\$ 371,106</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 22,100	\$ 22,100	\$ 22,269	\$ 169
Charges for services	185,000	185,000	194,632	9,632
Use of money and property	<u>4,600</u>	<u>4,600</u>	<u>7,563</u>	<u>2,963</u>
TOTAL REVENUES	211,700	211,700	224,464	12,764
EXPENDITURES:				
Public works	<u>304,100</u>	<u>304,100</u>	<u>223,785</u>	<u>80,315</u>
NET CHANGE IN FUND BALANCE	(92,400)	(92,400)	679	93,079
FUND BALANCE - BEGINNING OF YEAR	454,075	454,075	454,075	-
FUND BALANCE - END OF YEAR	<u>\$ 361,675</u>	<u>\$ 361,675</u>	<u>\$ 454,754</u>	<u>\$ 93,079</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, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES:					
Revenue from other agencies	\$ 50,000	\$ 50,000	\$ 53,834	\$ 3,834	
Use of money and property	<u>900</u>	<u>900</u>	<u>1,916</u>	<u>1,016</u>	
TOTAL REVENUES	50,900	50,900	55,750		4,850
EXPENDITURES:					
Public works	<u>50,000</u>	<u>50,000</u>	<u>-</u>		<u>50,000</u>
NET CHANGE IN FUND BALANCE	900	900	55,750		54,850
FUND BALANCE - BEGINNING OF YEAR	97,012	97,012	97,012		-
FUND BALANCE - END OF YEAR	<u>\$ 97,912</u>	<u>\$ 97,912</u>	<u>\$ 152,762</u>		<u>\$ 54,850</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 696,200	\$ 696,200	\$ 686,691	\$ (9,509)
Use of money and property	<u>6,200</u>	<u>6,200</u>	<u>14,727</u>	<u>8,527</u>
TOTAL REVENUES	702,400	702,400	701,418	(982)
EXPENDITURES:				
Public works	640,000	1,111,401	698,807	412,594
NET CHANGE IN FUND BALANCE	62,400	(409,001)	2,611	411,612
FUND BALANCE - BEGINNING OF YEAR	577,100	577,100	577,100	-
FUND BALANCE - END OF YEAR	<u>\$ 639,500</u>	<u>\$ 168,099</u>	<u>\$ 579,711</u>	<u>\$ 411,612</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 839,400	\$ 839,400	\$ 827,835	\$ (11,565)
Use of money and property	<u>10,000</u>	<u>10,000</u>	<u>46,964</u>	<u>36,964</u>
TOTAL REVENUES	849,400	849,400	874,799	25,399
EXPENDITURES:				
Public works	<u>1,201,100</u>	<u>1,971,367</u>	<u>1,236,692</u>	<u>734,675</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(351,700)	(1,121,967)	(361,893)	760,074
NET CHANGE IN FUND BALANCE	(351,700)	(1,121,967)	(361,893)	760,074
FUND BALANCE - BEGINNING OF YEAR	<u>2,379,324</u>	<u>2,379,324</u>	<u>2,379,324</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,027,624</u>	<u>\$ 1,257,357</u>	<u>\$ 2,017,431</u>	<u>\$ 760,074</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 130,000	\$ 130,000	\$ 155,948	\$ 25,948
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>2,131</u>	<u>1,131</u>
TOTAL REVENUES	131,000	131,000	158,079	27,079
OTHER FINANCING USES:				
Transfers out	(175,000)	(175,000)	(175,000)	-
NET CHANGE IN FUND BALANCE	(44,000)	(44,000)	(16,921)	27,079
FUND BALANCE - BEGINNING OF YEAR	93,341	93,341	93,341	-
FUND BALANCE - END OF YEAR	\$ 49,341	\$ 49,341	\$ 76,420	\$ 27,079

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 522,200	\$ 522,200	\$ 514,282	\$ (7,918)
Use of money and property	<u>23,200</u>	<u>23,200</u>	<u>18,778</u>	<u>(4,422)</u>
TOTAL REVENUES	545,400	545,400	533,060	(12,340)
EXPENDITURES:				
Public works	700,000	1,256,006	72,168	1,183,838
NET CHANGE IN FUND BALANCE	(154,600)	(710,606)	460,892	(1,196,178)
FUND BALANCE - BEGINNING OF YEAR	803,149	803,149	803,149	-
FUND BALANCE - END OF YEAR	\$ 648,549	\$ 92,543	\$ 1,264,041	\$ (1,196,178)

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, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES:					
Revenue from other agencies	\$ 90,000	\$ 90,000	\$ 93,963	\$ 3,963	
Use of money and property	<u>1,100</u>	<u>1,100</u>	<u>503</u>	<u>(597)</u>	
TOTAL REVENUES	91,100	91,100	94,466	3,366	
OTHER FINANCING USES:					
Transfers out	(100,000)	(100,000)	(100,000)	-	
NET CHANGE IN FUND BALANCE	(8,900)	(8,900)	(5,534)	3,366	
FUND BALANCE - BEGINNING OF YEAR	66,818	66,818	66,818	-	
FUND BALANCE - END OF YEAR	\$ 57,918	\$ 57,918	\$ 61,284	\$ 3,366	

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 591,800	\$ 591,800	\$ 578,741	\$ (13,059)
Use of money and property	<u>300</u>	<u>300</u>	<u>1,877</u>	<u>1,577</u>
TOTAL REVENUES	592,100	592,100	580,618	(11,482)
EXPENDITURES:				
Public works	536,000	536,000	525,316	10,684
NET CHANGE IN FUND BALANCE	56,100	56,100	55,302	(798)
FUND BALANCE - BEGINNING OF YEAR	43,707	43,707	43,707	-
FUND BALANCE - END OF YEAR	\$ 99,807	\$ 99,807	\$ 99,009	\$ (798)

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 55,100	\$ 55,100	\$ 52,379	\$ (2,721)
Use of money and property	<u>1,900</u>	<u>1,900</u>	<u>7,675</u>	<u>5,775</u>
TOTAL REVENUES	57,000	57,000	60,054	3,054
EXPENDITURES:				
Public works	648,100	648,100	138,009	510,091
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(591,100)	(591,100)	(77,955)	513,145
OTHER FINANCING SOURCES:				
Transfers in	455,000	455,000	-	(455,000)
NET CHANGE IN FUND BALANCE	(136,100)	(136,100)	(77,955)	58,145
FUND BALANCE - BEGINNING OF YEAR	336,954	336,954	336,954	-
FUND BALANCE - END OF YEAR	\$ 200,854	\$ 200,854	\$ 258,999	\$ 58,145

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
Use of money and property	\$ 900	\$ 900	\$ -	\$ (900)	
EXPENDITURES:					
Parks and recreation	- -	- -	1,045	(1,045)	
NET CHANGE IN FUND BALANCE	900	900	(1,045)	145	
FUND BALANCE - BEGINNING OF YEAR	<u>1,045</u>	<u>1,045</u>	<u>1,045</u>	<u>-</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,945</u>	<u>\$ 1,945</u>	<u>\$ -</u>	<u>\$ 145</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$ 9,500	\$ 9,500	\$ 13,660	\$ 4,160
Other revenue	-	-	9,900	9,900
TOTAL REVENUES	<u>9,500</u>	<u>9,500</u>	<u>23,560</u>	<u>14,060</u>
EXPENDITURES:				
Public works	25,000	18,000	3,406	14,594
Parks and recreation	-	<u>25,000</u>	<u>13,363</u>	<u>11,637</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>43,000</u>	<u>16,769</u>	<u>26,231</u>
NET CHANGE IN FUND BALANCE	<u>(15,500)</u>	<u>(33,500)</u>	<u>6,791</u>	<u>(12,171)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>775,163</u>	<u>775,163</u>	<u>775,163</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 759,663</u>	<u>\$ 741,663</u>	<u>\$ 781,954</u>	<u>\$ (12,171)</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$ 1,100	\$ 1,100	\$ 2,136	\$ 1,036
EXPENDITURES:				
Public works	<u>90,000</u>	<u>90,000</u>	<u>54,043</u>	<u>35,957</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(88,900)	(88,900)	(51,907)	36,993
OTHER FINANCING SOURCES:				
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(33,900)	(33,900)	3,093	36,993
FUND BALANCE - BEGINNING OF YEAR	<u>80,975</u>	<u>80,975</u>	<u>80,975</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 47,075</u>	<u>\$ 47,075</u>	<u>\$ 84,068</u>	<u>\$ 36,993</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 139,300	\$ 139,300	\$ 226,364	\$ 87,064
EXPENDITURES:				
Public works	<u>150,600</u>	<u>346,095</u>	<u>211,805</u>	<u>134,290</u>
NET CHANGE IN FUND BALANCE	(11,300)	(206,795)	14,559	221,354
FUND BALANCE - BEGINNING OF YEAR	<u>11,458</u>	<u>11,458</u>	<u>11,458</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 158</u>	<u>\$ (195,337)</u>	<u>\$ 26,017</u>	<u>\$ 221,354</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenue from other agencies	\$ 452,800	\$ 452,800	\$ -	\$ (452,800)
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
TOTAL REVENUES	453,800	453,800	-	(453,800)
EXPENDITURES:				
Public works	- -	- -	15	(15)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	453,800	453,800	(15)	(453,815)
OTHER FINANCING SOURCES:				
Transfers out	- -	(98,300)	(98,300)	- -
NET CHANGE IN FUND BALANCE	453,800	355,500	(98,315)	(453,815)
FUND BALANCE - BEGINNING OF YEAR	98,315	98,315	98,315	-
FUND BALANCE - END OF YEAR	\$ 552,115	\$ 453,815	\$ -	\$ (453,815)

CITY OF RANCHO PALOS VERDES

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

STATE GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Revenue from other agencies	\$ 600,000	\$ 600,000	\$ 626,179	\$ 26,179
EXPENDITURES:				
Public works	-	<u>557,206</u>	<u>277,373</u>	<u>279,833</u>
NET CHANGE IN FUND BALANCE	600,000	42,794	348,806	306,012
FUND DEFICIT - BEGINNING OF YEAR	<u>(563,741)</u>	<u>(563,741)</u>	<u>(563,741)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 36,259</u>	<u>\$ (520,947)</u>	<u>\$ (214,935)</u>	<u>\$ 306,012</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$ 22,000	\$ 22,000	\$ 23,090	\$ 1,090
TOTAL REVENUES	22,000	22,000	23,090	1,090
EXPENDITURES:				
Public works	-	846,624	545,812	300,812
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,000	(824,624)	(522,722)	301,902
FUND BALANCE - BEGINNING OF YEAR	<u>1,701,092</u>	<u>1,701,092</u>	<u>1,701,092</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,723,092</u>	<u>\$ 876,468</u>	<u>\$ 1,178,370</u>	<u>\$ 301,902</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$ 3,800	\$ 3,800	\$ 7,439	\$ 3,639
Other revenues	<u>-</u>	<u>-</u>	114,694	114,694
TOTAL REVENUES	3,800	3,800	122,133	118,333
EXPENDITURES:				
Public works	310,000	310,000	286,881	23,119
NET CHANGE IN FUND BALANCE	(306,200)	(306,200)	(164,748)	95,214
FUND BALANCE - BEGINNING OF YEAR	<u>511,563</u>	<u>511,563</u>	<u>511,563</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 205,363</u>	<u>\$ 205,363</u>	<u>\$ 346,815</u>	<u>\$ 95,214</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 43,200	\$ 43,200	\$ 28,624	\$ (14,576)
Use of money and property	<u>1,500</u>	<u>1,500</u>	<u>3,237</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	44,700	44,700	31,861	(14,576)
FUND BALANCE - BEGINNING OF YEAR	190,360	190,360	190,360	-
FUND BALANCE - END OF YEAR	<u>\$ 235,060</u>	<u>\$ 235,060</u>	<u>\$ 222,221</u>	<u>\$ (14,576)</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, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES:					
Use of money and property	\$ 6,200	\$ 6,200	\$ 14,846	\$ 8,646	
Other revenues	-	-	2,445	2,445	
 NET CHANGE IN FUND BALANCE	 6,200	 6,200	 17,291	 11,091	
 FUND BALANCE - BEGINNING OF YEAR	 838,837	 838,837	 838,837	 -	
 FUND BALANCE - END OF YEAR	 <u>\$ 845,037</u>	 <u>\$ 845,037</u>	 <u>\$ 856,128</u>	 <u>\$ 11,091</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, 2020

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES:					
Use of money and property	\$ 12,400	\$ 12,400	\$ 15,225	\$ 2,825	
Other revenues	-	-	3,500	3,500	
TOTAL REVENUES	12,400	12,400	18,725		6,325
EXPENDITURES:					
Public works	179,500	179,500	152,745	26,755	
NET CHANGE IN FUND BALANCE	(167,100)	(167,100)	(134,020)		33,080
FUND BALANCE - BEGINNING OF YEAR	949,518	949,518	949,518		-
FUND BALANCE - END OF YEAR	\$ 782,418	\$ 782,418	\$ 815,498		\$ 33,080

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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
Use of money and property	\$ 8,100	\$ 8,100	\$ 13,442	\$ 5,342	
EXPENDITURES:					
Public works	<u>46,800</u>	<u>46,800</u>	<u>42,530</u>	<u>4,270</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(38,700)	(38,700)	(29,088)	1,072	
OTHER FINANCING SOURCES:					
Transfers in	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	
NET CHANGE IN FUND BALANCE	(3,700)	(3,700)	5,912	1,072	
FUND BALANCE - BEGINNING OF YEAR	<u>765,320</u>	<u>765,320</u>	<u>765,320</u>	<u>-</u>	
FUND BALANCE - END OF YEAR	<u>\$ 761,620</u>	<u>\$ 761,620</u>	<u>\$ 771,232</u>	<u>\$ 1,072</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, 2020

	Budgeted Amounts			Variance with Final Budget	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)	
REVENUES:					
Use of money and property	\$ 3,400	\$ 3,400	\$ 26,260	\$ 22,860	
EXPENDITURES:					
Public works	<u>56,000</u>	<u>56,000</u>	<u>20,509</u>	<u>35,491</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(52,600)	(52,600)	5,751	(12,631)	
OTHER FINANCING SOURCES:					
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	
NET CHANGE IN FUND BALANCE	(2,600)	(2,600)	55,751	(12,631)	
FUND BALANCE - BEGINNING OF YEAR	<u>1,072,611</u>	<u>1,072,611</u>	<u>1,072,611</u>	<u>-</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,070,011</u>	<u>\$ 1,070,011</u>	<u>\$ 1,128,362</u>	<u>\$ (12,631)</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$ 285,500	\$ 285,500	\$ 471,473	\$ 185,973
EXPENDITURES:				
Capital outlay:				
Street improvements	4,060,000	5,469,694	3,664,069	1,805,625
Parks/Trails/Open Space improvements	1,075,000	1,026,309	60,486	965,823
Sewer improvements	-	53,286	34,639	18,647
Building improvements	150,000	385,101	36,748	348,353
Storm water quality improvements	3,632,000	4,105,429	460,225	3,645,204
Landslide improvements	1,000,000	1,972,949	396,741	1,576,208
TOTAL EXPENDITURES	<u>9,917,000</u>	<u>13,012,768</u>	<u>4,652,908</u>	<u>8,359,860</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,631,500)</u>	<u>(12,727,268)</u>	<u>(4,181,435)</u>	<u>8,545,833</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,976,900	2,617,300	2,509,052	(108,248)
Transfers out	(455,000)	(455,000)	-	455,000
TOTAL FINANCING SOURCES (USES)	<u>3,521,900</u>	<u>2,162,300</u>	<u>2,509,052</u>	<u>346,752</u>
NET CHANGE IN FUND BALANCE	<u>(6,109,600)</u>	<u>(10,564,968)</u>	<u>(1,672,383)</u>	<u>8,892,585</u>
FUND BALANCE - BEGINNING OF YEAR	<u>27,017,191</u>	<u>27,017,191</u>	<u>27,017,191</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 20,907,591</u></u>	<u><u>\$ 16,452,223</u></u>	<u><u>\$ 25,344,808</u></u>	<u><u>\$ 8,892,585</u></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>	110
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	120
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>	127
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>	130
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>	135

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)

	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	\$ 115,145	\$ 114,488	\$ 113,284	\$ 114,427	\$ 119,450
Restricted	1,750	1,750	1,835	11,792	11,647
Unrestricted	39,066	67,112	46,687	46,679	42,208
Total governmental activities net position	<u>\$ 155,961</u>	<u>\$ 183,351</u>	<u>\$ 161,806</u>	<u>\$ 172,898</u>	<u>\$ 173,305</u>
Business-type activities					
Net investment in capital assets	\$ 12,753	\$ 13,356	\$ 18,319	\$ 29,557	\$ 31,168
Restricted	-	-	-	-	-
Unrestricted	3,365	3,532	9,727	5,317	5,334
Total business-type activities net position	<u>\$ 16,118</u>	<u>\$ 16,888</u>	<u>\$ 28,046</u>	<u>\$ 34,874</u>	<u>\$ 36,502</u>
Primary government					
Net investment in capital assets	\$ 127,898	\$ 127,845	\$ 131,603	\$ 143,984	\$ 150,618
Restricted	1,750	1,750	1,835	11,792	11,647
Unrestricted	42,431	70,644	56,414	51,996	47,542
Total primary government net position	<u>\$ 172,079</u>	<u>\$ 200,238</u>	<u>\$ 189,852</u>	<u>\$ 207,772</u>	<u>\$ 209,807</u>

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

	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 118,399	\$ 123,437	\$ 125,420	\$ 159,557	\$ 156,763
Restricted	21,120	19,387	17,300	16,170	24,129
Unrestricted	42,210	43,618	44,168	47,739	38,568
Total governmental activities net position	<u><u>\$ 181,729</u></u>	<u><u>\$ 186,442</u></u>	<u><u>\$ 186,888</u></u>	<u><u>\$ 223,466</u></u>	<u><u>\$ 219,460</u></u>
Business-type activities					
Net investment in capital assets	\$ 31,663	\$ 31,311	\$ 34,996	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	5,598	4,600	(128)	-	-
Total business-type activities net position	<u><u>\$ 37,261</u></u>	<u><u>\$ 35,911</u></u>	<u><u>\$ 34,868</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Primary government					
Net investment in capital assets	\$ 150,062	\$ 154,748	\$ 160,416	\$ 159,557	\$ 156,763
Restricted	21,120	19,387	17,300	16,170	24,129
Unrestricted	47,808	48,218	44,040	47,739	38,568
Total primary government net position	<u><u>\$ 218,990</u></u>	<u><u>\$ 222,353</u></u>	<u><u>\$ 221,756</u></u>	<u><u>\$ 223,466</u></u>	<u><u>\$ 219,460</u></u>

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

	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
Administration	\$ 5,997	\$ 5,906	\$ 5,534	\$ 7,530	\$ 7,048
Public safety	4,335	4,178	4,348	4,429	4,670
Public works	10,389	11,202	10,874	9,377	10,771
Community development	2,622	2,432	2,526	1,927	2,072
Parks and recreation	1,391	1,490	1,696	1,369	1,669
Non-departmental	-	-	-	35	191
Interest on long-term debt	260	109	-	-	-
Total governmental activities expenses	<u>24,994</u>	<u>25,318</u>	<u>24,978</u>	<u>24,667</u>	<u>26,421</u>
Business-type activities:					
Water Quality Flood Protection	489	560	594	659	1,422
Total primary government expenses	<u>\$ 25,483</u>	<u>\$ 25,878</u>	<u>\$ 25,572</u>	<u>\$ 25,326</u>	<u>\$ 27,843</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Administration	\$ 654	\$ 747	\$ 779	\$ 120	\$ 108
Public safety	261	194	150	42	43
Public works	622	684	543	169	432
Community development	1,714	1,644	1,854	1,772	2,058
Parks and recreation	457	503	476	18	144
Non-departmental	-	-	-	-	-
Operating grants and contributions	3,689	3,628	4,133	2,506	2,274
Capital grants and contributions	5	139	139	2,912	1,230
Total governmental activities program revenues	<u>7,402</u>	<u>7,538</u>	<u>8,074</u>	<u>7,539</u>	<u>6,289</u>
Business-type activities:					
Charges for services:					
Water Quality Flood Protection	1,312	1,319	1,313	1,361	1,369
Operating grants and contributions	-	-	2,137	-	-
Capital grants and contributions	-	-	-	6,115	1,213
Total business-type activities program revenues	<u>1,312</u>	<u>1,319</u>	<u>3,450</u>	<u>7,476</u>	<u>2,582</u>
Total primary government program revenues	<u>\$ 8,714</u>	<u>\$ 8,857</u>	<u>\$ 11,524</u>	<u>\$ 15,015</u>	<u>\$ 8,871</u>
Net (expense)/revenue					
Governmental activities	\$ (17,592)	\$ (17,780)	\$ (16,904)	\$ (17,128)	\$ (20,132)
Business-type activities	823	759	2,856	6,817	1,159
Total primary government net expense	<u>\$ (16,769)</u>	<u>\$ (17,022)</u>	<u>\$ (14,048)</u>	<u>\$ (10,311)</u>	<u>\$ (18,973)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 11,854	\$ 11,480	\$ 11,284	\$ 11,991	\$ 12,452
Transient occupancy tax	2,640	3,349	3,790	4,250	4,812
Sales taxes	1,548	1,449	1,588	1,642	1,758
Franchise taxes	1,825	1,881	1,907	1,998	2,045
Utility user taxes	2,407	2,333	2,481	2,510	1,973
Other taxes	814	674	778	1,589	1,564
Investment income	318	604	184	94	122
Other	271	52	929	4,146	3,231
Transfers	-	-	(8,293)	-	(458)
Extraordinary item	-	23,348	(19,289)	-	-
Total governmental activities	<u>21,677</u>	<u>45,170</u>	<u>(4,641)</u>	<u>28,220</u>	<u>27,499</u>
Business-type activities:					
Investment income	13	11	10	11	10
Other	-	-	-	-	-
Transfers	-	-	8,293	-	458
Total business-type activities	<u>13</u>	<u>11</u>	<u>8,303</u>	<u>11</u>	<u>468</u>
Total primary government	<u>\$ 21,690</u>	<u>\$ 45,181</u>	<u>\$ 3,662</u>	<u>\$ 28,231</u>	<u>\$ 27,967</u>
Change in Net Position					
Governmental activities	\$ 4,085	\$ 27,390	\$ (21,545)	\$ 11,092	\$ 7,367
Business-type activities	836	770	11,159	6,828	1,627
Total primary government net expense	<u>\$ 4,921</u>	<u>\$ 28,159</u>	<u>\$ (10,386)</u>	<u>\$ 17,920</u>	<u>\$ 8,994</u>

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

	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
Administration	\$ 8,062	\$ 6,746	\$ 7,258	\$ 6,563	\$ 8,013
Public safety	5,215	6,534	7,339	7,214	7,360
Public works	9,610	10,638	16,073	16,064	18,182
Community development	1,971	2,664	2,726	3,052	2,857
Parks and recreation	2,052	2,434	2,736	3,064	2,857
Non-departmental	134	2,400	1,166	1,134	1,192
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>27,044</u>	<u>31,416</u>	<u>37,298</u>	<u>37,091</u>	<u>40,461</u>
Business-type activities:					
Water Quality Flood Protection	646	1,400	1,071	811	-
Total primary government expenses	<u>\$ 27,690</u>	<u>\$ 32,816</u>	<u>\$ 38,369</u>	<u>\$ 37,902</u>	<u>\$ 40,461</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Administration	\$ 318	\$ 1,081	\$ 1,032	\$ 1,065	\$ 1,064
Public safety	179	140	124	104	111
Public works	159	274	659	227	309
Community development	958	2,066	729	2,130	1,793
Parks and recreation	781	708	2,083	766	579
Non-departmental	96	-	-	-	-
Operating grants and contributions	2,332	4,196	4,481	4,608	4,605
Capital grants and contributions	1,111	818	769	1,137	625
Total governmental activities program revenues	<u>5,934</u>	<u>9,283</u>	<u>9,877</u>	<u>10,037</u>	<u>9,086</u>
Business-type activities:					
Charges for services:					
Water Quality Flood Protection	1,385	11	-	-	-
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>1,385</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ 7,319</u>	<u>\$ 9,294</u>	<u>\$ 9,877</u>	<u>\$ 10,037</u>	<u>\$ 9,086</u>
Net (expense)/revenue					
Governmental activities	\$ (21,110)	\$ (22,133)	\$ (27,421)	\$ (27,054)	\$ (31,375)
Business-type activities	738	(1,389)	(1,071)	(811)	-
Total primary government net expense	<u>\$ (20,372)</u>	<u>\$ (23,522)</u>	<u>\$ (28,492)</u>	<u>\$ (27,865)</u>	<u>\$ (31,375)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 13,764	\$ 13,302	\$ 13,762	\$ 14,350	\$ 14,994
Transient occupancy tax	5,197	5,601	5,615	5,645	3,910
Sales taxes	2,104	2,463	2,129	2,661	2,163
Franchise taxes	2,045	1,985	1,838	2,150	2,146
Utility user taxes	1,866	1,775	403	1,917	1,912
Other taxes	1,179	365	2,520	429	395
Investment income	214	434	838	1,313	1,225
Other	2,608	920	763	909	626
Transfers	-	-	-	34,258	-
Extraordinary item	-	-	-	-	-
Total governmental activities	<u>28,977</u>	<u>26,845</u>	<u>27,868</u>	<u>63,632</u>	<u>27,371</u>
Business-type activities:					
Investment income	21	35	29	-	-
Other	-	-	-	200	-
Transfers	-	3	-	(34,258)	-
Total business-type activities	<u>21</u>	<u>38</u>	<u>29</u>	<u>(34,058)</u>	<u>-</u>
Total primary government	<u>\$ 28,998</u>	<u>\$ 26,883</u>	<u>\$ 27,897</u>	<u>\$ 29,574</u>	<u>\$ 27,371</u>
Change in Net Position					
Governmental activities	\$ 7,868	\$ 4,713	\$ 447	\$ 36,578	\$ (4,004)
Business-type activities	759	(1,351)	(1,042)	(34,869)	-
Total primary government net expense	<u>\$ 8,627</u>	<u>\$ 3,362</u>	<u>\$ (595)</u>	<u>\$ 1,709</u>	<u>\$ (4,004)</u>

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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
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
2020	14,184	3,910	2,163	2,146	1,912	1,291	25,606

Source

City General Ledger

City of Rancho Palos Verdes
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015
General Fund					
Non-Spendable	\$ 7,515	\$ 7,493	\$ 138	\$ 144	\$ 598
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	11,385	12,464	14,370	15,474	16,055
Total General Fund	<u><u>\$ 18,900</u></u>	<u><u>\$ 19,957</u></u>	<u><u>\$ 14,508</u></u>	<u><u>\$ 15,618</u></u>	<u><u>\$ 16,653</u></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
Restricted					
Special Revenue Funds	7,952	8,187	7,849	8,445	8,362
Capital Projects Funds	313		-	-	-
Permanent Fund	319	226	280	1,502	1,492
Committed					
Special Revenue Funds			36	58	55
Capital Projects Funds			-	-	-
Permanent Fund			-	-	-
Assigned					
Special Revenue Funds			-	794	572
Capital Projects Funds	11,650	15,407	13,084	18,535	21,078
Permanent Fund			-	-	-
Unassigned					
Special Revenue Funds	(126)	(108)	(198)	(116)	(59)
Debt Service Fund	(19,687)		-	-	-
Capital Projects Funds			-	-	-
Permanent Fund			-	-	-
Total all other Governmental Funds	<u><u>\$ 7,562</u></u>	<u><u>\$ 28,528</u></u>	<u><u>\$ 22,885</u></u>	<u><u>\$ 31,063</u></u>	<u><u>\$ 33,355</u></u>

City of Rancho Palos Verdes
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020
General Fund					
Non-Spendable	\$ 564	\$ 190	\$ 913	\$ 1,016	\$ 249
Restricted	-	-	-	-	-
Committed	802	964	715	341	167
Assigned	-	-	-	-	-
Unassigned	13,702	15,671	16,450	19,431	21,333
Total General Fund	<u><u>\$ 15,068</u></u>	<u><u>\$ 16,825</u></u>	<u><u>\$ 18,078</u></u>	<u><u>\$ 20,788</u></u>	<u><u>\$ 21,749</u></u>
All other Governmental Funds					
Non-Spendable					
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Permanent Fund	1,866	1,877	1,889	1,902	1,915
Restricted					
Special Revenue Funds	9,757	11,702	12,825	10,437	10,420
Capital Projects Funds	3,000	4,660	1,438	2,946	2,458
Permanent Fund	1,312	1,148	1,148	885	800
Committed					
Special Revenue Funds	353	-	-	-	-
Capital Projects Funds	3,467	-	-	-	-
Permanent Fund	-	-	-	-	-
Assigned					
Special Revenue Funds	476	479	-	-	-
Capital Projects Funds	23,902	23,149	23,942	25,100	23,965
Permanent Fund	-	-	-	-	-
Unassigned					
Special Revenue Funds	-	-	-	(564)	(215)
Debt Service Fund	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Permanent Fund	-	-	-	-	-
Total all other Governmental Funds	<u><u>\$ 44,133</u></u>	<u><u>\$ 43,015</u></u>	<u><u>\$ 41,242</u></u>	<u><u>\$ 40,706</u></u>	<u><u>\$ 39,343</u></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)

	2011	2012	2013	2014	2015
Revenues					
Taxes	\$ 21,419	\$ 21,867	\$ 22,543	\$ 23,981	\$ 24,603
Licenses and permits	1,933	1,806	2,027	1,951	2,515
Fines and forfeitures	210	159	117	128	135
Use of money and property	1,560	1,350	1,383	846	653
Charges for services	73	149	141	323	427
Donation	-	-	445	-	-
Revenues from other agencies	3,162	3,421	3,395	5,301	3,794
Other Revenues	229	259	741	3,068	2,377
Total Revenues	<u>28,586</u>	<u>29,011</u>	<u>30,791</u>	<u>35,598</u>	<u>34,504</u>
Expenditures					
Administration	5,503	5,726	5,401	5,792	5,135
Public Safety	4,335	4,178	4,348	4,492	4,761
Public Works	7,875	7,616	7,240	7,611	8,042
Parks and Recreation	1,257	1,479	1,557	1,573	1,819
Community Development	2,784	2,484	2,591	2,640	2,870
Non-Departmental	-	-	-	35	190
Pass Through to other agencies	-	-	-	-	-
Capital Outlay	2,557	3,155	2,721	4,113	8,697
Debt Service					
Principal	423	464	-	-	-
Interest	887	498	-	-	-
Total Expenditures	<u>25,621</u>	<u>25,599</u>	<u>23,857</u>	<u>26,256</u>	<u>31,514</u>
Excess of Revenues over (under) Expenditures	2,965	3,412	6,934	9,342	2,990
Other Financing Sources (uses)					
Sales of capital assets	350	-	-	-	-
Transfers in	8,944	8,226	7,954	10,424	13,525
Transfers out	(8,944)	(7,856)	(16,247)	(10,479)	(13,188)
Bond Proceeds	-	-	-	-	-
Advances to the Redevelopment Agency	-	-	-	-	-
Total Other Financing Sources (uses)	<u>350</u>	<u>371</u>	<u>(8,293)</u>	<u>(55)</u>	<u>337</u>
Extraordinary Gain (Loss)	-	18,240	(6,743)	-	-
Net change in Fund Balances	<u>\$ 3,315</u>	<u>\$ 22,023</u>	<u>\$ (8,102)</u>	<u>\$ 9,287</u>	<u>\$ 3,327</u>
Cost of Assets Capitalized	3,180	2,865	2,022	4,820	8,490
Debt Services as a percentage of Non-Capital Expenditures	5.8%	4.2%	0.0%	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)

	2016	2017	2018	2019	2020
Revenues					
Taxes	\$ 25,725	\$ 25,491	\$ 26,266	\$ 28,098	\$ 26,416
Licenses and permits	2,383	3,044	3,095	2,205	1,917
Fines and forfeitures	180	153	144	331	365
Use of money and property	750	415	714	1,656	1,446
Charges for services	558	1,072	1,113	215	203
Revenues from other agencies	3,443	5,117	5,345	5,158	5,442
Other revenues	1,668	732	1,038	1,026	1,009
Total Revenues	<u>34,707</u>	<u>36,024</u>	<u>37,715</u>	<u>38,689</u>	<u>36,798</u>
Expenditures					
Administration	6,183	5,445	5,867	5,581	6,319
Public Safety	5,215	6,534	7,399	7,214	7,360
Public Works	7,961	9,084	11,068	13,546	12,260
Parks and Recreation	2,042	2,175	2,493	2,769	2,548
Community Development	2,619	2,664	2,736	3,052	2,857
Non-Departmental	238	2,400	1,167	1,134	1,204
Pass Through to other agencies	-	-	-	-	-
Capital Outlay	1,344	7,106	7,504	3,291	4,653
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>25,602</u>	<u>35,408</u>	<u>38,234</u>	<u>36,587</u>	<u>37,201</u>
Excess of Revenues over (under) Expenditures	9,105	616	(519)	2,102	(403)
Other Financing Sources (uses)					
Sales of capital assets	-	-	-	-	-
Transfers in	11,784	4,577	5,044	6,027	2,924
Transfers out	(11,784)	(4,577)	(5,044)	(5,954)	(2,924)
Bond Proceeds	-	-	-	-	-
Advances to the Redevelopment Agency	-	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>73</u>	<u>-</u>
Extraordinary Gain (Loss)	-	-	-	-	-
Net change in Fund Balances	<u>\$ 9,105</u>	<u>\$ 616</u>	<u>\$ (519)</u>	<u>\$ 2,175</u>	<u>\$ (403)</u>
Cost of Assets Capitalized	2,398	8,228	8,228	5,496	4,058
Debt Services as a percentage of Non-Capital Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%

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
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
2020	12,466,277	597,016	3,857	556,186	26,416

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.

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
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%
2020	171,367	13,478,385	0.063728	\$ 17,927,678	1.33011	75.18%

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

	2010-11	2011-12	2012-13	2013-14	2014-15
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	1.000000	1.000000	1.000000	1.000000	1.000000
Debt Service Rates					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.022493	0.022511	0.024102	0.023109	0.023289
COMMNTY COLLEGE	0.040310	0.035296	0.048750	0.044541	0.040174
PALOS VERDES LIB	0.006719	0.006359	0.006441	0.006118	0.005854
FLOOD CONTROL	0.000000	0.000000	0.000000	0.000000	0.000000
METRO WATER DIST	0.003700	0.003700	0.003500	0.003500	0.003500
TOTAL	0.073222	0.067866	0.082793	0.077268	0.072817
TOTAL TAX RATE	1.073222	1.067866	1.082793	1.077268	1.072817

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

	2015-16	2016-17	2017-18	2018-19	2019-20
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	1.000000	1.000000	1.000000	1.000000	1.000000
Debt Service Rates					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.023433	0.023197	0.023093	0.023709	0.023589
COMMNTY COLLEGE	0.035755	0.035956	0.045990	0.046213	0.027175
PALOS VERDES LIB	0.005630	0.000000	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	0.068318	0.062653	0.072583	0.073422	0.054264
TOTAL TAX RATE	1.068318	1.062653	1.072583	1.073422	1.054264

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	2019-20		2010-11		Percentage of Total City Taxable Value (%)
	Taxable Value (\$)	Rank	Taxable Value (\$)	Rank	
Long Point Development Llc	473,436,375	1	329,854,761	1	3.58%
Gs Palos Verdes Llc	112,578,123	2			0.84%
Roic California Llc	69,124,176	3			0.51%
P V Victoria Apartments Llc	54,179,298	4	46,703,821	3	0.51%
6507 6510 Vista Catalina Apts	42,601,443	5			0.32%
Western Riviera Investors Et Al	33,507,168	6	28,468,344	6	0.31%
Golden Cove Center Llc	31,404,002	7	25,948,345	8	0.28%
Ocean View Drive Inc	28,066,682	8			0.21%
California Water Service Co	26,679,365	9	8,116,888	16	0.09%
Belmont Village Rpv Lp	26,493,757	10	22,232,551	10	0.24%
Johnson Eric C Co Tr	18,307,846	11	18,233,759	12	0.20%
Wlp Westmont Plaza Llc	16,263,979	12			0.12%
Vh Property Corp	14,621,777	13	45,259,624	4	0.49%
American Golf, Inc	13,530,578	14			0.10%
Vhps Llc	12,306,527	15	21,036,463	11	0.23%
Chang Jacqueline	9,775,681	16			0.07%
Victoria Apartments	8,980,589	17	7,763,471	17	0.08%
Thornecrest Llc	8,969,237	18			0.07%
Palos Verdes Terrace Ltd	8,798,777	19	7,605,139	18	0.08%
Wei Lai Development Llc	8,628,320	20			0.06%
Xcx Bear Llc	8,387,488	21			0.06%
Bruning Fred W Co Tr	8,360,433	22			0.06%
Aa Homes Llc	8,113,636	23			0.06%
Maleenont Voravat	8,090,130	24			0.06%
Wang Lisa	8,050,785	25			0.06%
Ppc Villas Rpv Llc			63,710,973	2	0.69%
Terraces Rancho Palos Verdes L			35,148,602	5	0.38%
Ppc Palos Verdes Llc			25,972,775	7	0.28%
Cox Com Inc. Orange			23,912,452	9	0.26%
Tridiamond Llc			13,311,514	13	0.14%
York Point View Properties Llc			9,577,246	14	0.10%
Kariger Brian P			8,330,210	15	0.09%
Ruffin Phillip G			7,575,000	19	0.08%
Saitta Christopher L			6,557,865	20	0.07%
Amdan Investment Llc Lessee			6,550,000	21	0.07%
Gerts Igor Anna			6,458,000	22	0.07%
Labarba James G			6,087,262	23	0.07%
Imbach Scott A Diane Y			5,977,923	24	0.06%
Clow Leland E Ilene F			5,836,697	25	0.06%
Total Top 25 Taxpayers	<u>\$ 1,059,256,172</u>		<u>7.86%</u>	<u>\$ 786,229,685</u>	<u>8.53%</u>
Total Taxable Value	<u>\$ 13,478,384,971</u>		100.00%	<u>\$ 9,219,000,927</u>	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
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%
2020	8,290	8,017	96.71%	0	8,017	96.71%

Source

County Assessor General Ledger, MuniServices, LLC / 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: \$13,547,204,627

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2020	% Applicable (1)	City's Share of Debt 6/30/20
Metropolitan Water District	\$37,300,000	0.438%	\$163,374
Los Angeles Community College District	4,234,460,000	1.495%	63,305,177
Los Angeles Unified School District	10,624,010,000	0.177%	18,804,498
Palos Verdes Unified School District	54,613,827	47.105%	25,725,843
City of Rancho Palos Verdes	0	100%	0
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$107,998,892
Less: Los Angeles Unified School District General Obligation Bonds,			
Election of 2005, Series J (2010) Qualified School Construction Bonds:			
Amount accumulated in Interest and Sinking Fund and Set Asides for Repayment			48,374
TOTAL NET OVERLAPPING TAN AND ASSESSMENT DEBT			\$107,950,518
 <u>OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,317,550,679	0.840%	\$19,467,426
Los Angeles County Superintendent of Schools Certificates of Participation	5,182,434	0.840%	43,532
Los Angeles County Sanitation District No. 5 Authority	9,233,499	10.101%	932,676
Los Angeles County South Bay Cities Sanitation District Authority	1,573,880	4.068%	64,025
Los Angeles Unified School District Certificates of Participation	164,430,000	0.177%	291,041
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			\$20,798,700
Less: Los Angeles Unified School District QZABs supported by investment fund			17,033
TOTAL NET OVERLAPPING GENERAL FUND DEBT			\$20,781,667
 TOTAL DIRECT DEBT			\$0
TOTAL GROSS OVERLAPPING DEBT			\$128,797,592
TOTAL NET OVERLAPPING DEBT			\$128,732,185
 GROSS COMBINED TOTAL DEBT			\$128,797,592 (2)
NET COMBINED TOTAL DEBT			\$128,732,185

(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 2019-20 Assessed Valuation:

Direct Debt	0.00%
Total Gross Direct and Overlapping Tax and Assessment Debt	0.80%
Total Net Direct and Overlapping Tax and Assessment Debt	0.80%
Gross Combined Total Debt	0.95%
Net Combined Total Debt	0.95%

Source

2019-20 Avenu Insights & Analytics

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

	2011	2012	2013	2014	2015
Debt Limit	\$ 1,382,850	\$ 1,420,256	\$ 1,382,850	\$ 1,533,583	\$ 1,583,404
Total Net Debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,382,850</u>	<u>\$ 1,420,256</u>	<u>\$ 1,382,850</u>	<u>\$ 1,533,583</u>	<u>\$ 1,583,404</u>
Total Net Debt applicable to the limit as a percentage of Debt Limit	0%	0%	0%	0%	0%

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

	2016	2017	2018	2019	2020
Debt Limit	\$ 1,677,723	\$ 1,749,390	\$ 1,832,345	\$ 1,935,260	\$ 2,021,758
Total Net Debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u><u>\$ 1,677,723</u></u>	<u><u>\$ 1,749,390</u></u>	<u><u>\$ 1,832,345</u></u>	<u><u>\$ 1,935,260</u></u>	<u><u>\$ 2,021,758</u></u>
Total Net Debt applicable to the limit as a percentage of Debt Limit	0%	0%	0%	0%	0%
			Total Taxable Value	\$ 13,478,385	
			Debt Limit (15% of total taxable value)	2,021,758	
			Debt applicable to limit	<u>-</u>	
			Legal Debt Margin	<u><u>\$ 2,021,758</u></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
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
2019-20	41,731	2,917,361,629	69,909	49.7	11,009

Source

MuniServices, LLC / 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)
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%
2019-20	20.6%	13.2%	10,172,951	0.41%

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.

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

2019-20

Taxpayer	Business Type
7-Eleven Food Stores	Food Markets
Amsler Testing	Office Equipment
Audio Visual Services Group	Office Equipment
Avenue Italy	Restaurants
Blue Crab Steak & Seafood Restaurant	Restaurants
California Chemical	Chemical Products
Centinela Feed & Pet Supplies	Florist/Nursery
El Pollo Loco	Restaurants
G & M Service Stations	Service Stations
Granvia Tomatillo Service Center	Service Stations
Green Hills Memorial Park	Miscellaneous Other
Highbridge Car Wash	Service Stations
Los Verdes Country Club	Miscellaneous Retail
Marshall's Stores	Apparel Stores
O'Reilly Auto Parts	Auto Parts/Repair
PGA Tournament Corporation	Restaurants
Ralph's Grocery Company	Food Markets
Smart & Final	Food Markets
Southern California Discount Tire	Auto Parts/Repair
Terranea Resort	Restaurants
The Admiral Risty	Restaurants
Trader Joe's	Food Markets
Trump National Golf Club	Miscellaneous Retail
Western Tobacco	Miscellaneous Retail
Whose Investment	Restaurants

2010-11

Taxpayer	Business Type
7-Eleven Food Stores	Food Markets
Admiral Risty Restaurant	Restaurants
America's Tire	Auto Parts/Repair
Asaka Japanese Cuisine	Restaurants
Audio Visual Services Group	Office Equipment
Carl's Jr. Restaurants	Restaurants
Centinela Feed & Pet Supplies	Miscellaneous Retail
Chevron Service Stations	Service Stations
Coco's Restaurants	Restaurants
Daniel J Jeldum	Miscellaneous Retail
Denny's Restaurant	Restaurants
El Pollo Loco	Restaurants
Good Night Mattress	Furniture/Appliance
Green Hills Memorial Park	Miscellaneous Other
Hughes Markets	Food Markets
IHOP Restaurants	Restaurants
Kragen Auto Parts	Auto Parts/Repair
Los Verdes Country Club	Restaurants
Marshall's Stores	Apparel Stores
Mobil Service Stations	Service Stations
Rolling Hills Plastics	Light Industry
Smart & Final	Food Markets
Terranea Resort	Restaurants
Trader Joe's	Food Markets
VH Property	Miscellaneous Retail

Source

MuniServices, LLC / Avenu Insights & Analytics

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

Employer	2019-20			2016-17		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Palos Verdes Peninsula Unified School District	1,071	1	6.41%	1,444	1	7.48%
Terranea Resort Hotel*	534	2	3.20%	1,226	2	6.35%
Belmont Corp Ltd (Belmont Village of Rancho)	168	3	1.01%	165	5	0.85%
Canterbury	169	4	1.01%	141	6	0.73%
Marymount College	139	5	0.83%	203	3	1.05%
Trump National Golf Club*	138	6	0.83%	186	4	0.96%
City of Rancho Palos Verdes*	122	7	0.73%	116	7	0.60%
Ralphs Store #720	117	8	0.70%	104	8	0.54%
Green Hills Memorial Park	72	9	0.43%	71	10	0.37%
American Golf Corp (Los Verdes Golf Course)	56	10	0.34%	72	9	0.37%
Subtotal of Principal Employers	2,586		15.49%	3,728		19.32%
Total City Employment (1)	16,700			19,300		

Source

MuniServices, LLC / an Avenu Insights & Analytics Company
 Results based on direct correspondence with city's local businesses.

(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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	54	52	53	54	60	62	62	64	60	61
Part-Time Staff (1)	18	16.5	16	22	25	29	29	30	29	26
Total	72	68.5	69	76	85	91	91	94	89	87

Source

City Budget documents and Payroll records

(1) Full-Time Equivalent

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

Function	2011	2012	2013	2014	2015
Administration					
Employee Resignations	5	8	7	14	10
Workers Compensation Claims	3	3	3	1	3
Liability Claims	14	11	14	9	11
Budget Adjustments	17	11	24	15	15
Business Licenses Issued	1,891	1,294	1,868	1,997	2,134
Web Site Page Views (1)	2.8mil	3.0mil	3.1mil	3.3mil	426,772 *
Public Safety					
Part I Crime Rates (per 10,000 population)	143	131	149	107	134
Public Works					
Solid Waste Diversion Rates (2)	4.2lbs/person/day	4.2lbs/person/day	2.87lbs/person/day	2.84lbs/person/day	3.15lbs/person/day
Pavement Rating	85	85	84	82	82
Parks and Recreation					
Park Events	580	582	765	631	639
Class Meetings at Parks	2,313	1,587	1,202	1,233	1,400
Docent Led Nature Hikes	105	104	121	109	103
Community Development					
Building Permits Processed	1,432	1,221	1,403	1,492	1,558
Plan Checks	161	161	268	264	255
Municipal Code Violations Closed	371	321	312	392	358

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	2016	2017	2018	2019	2020
Administration					
Employee Resignations	6	6	27	23	30
Workers Compensation Claims	2	8	2	1	1
Liability Claims	28	6	3		1
Budget Adjustments	18	48	80		98
Business Licenses Issued	2,012	1,939	1,902	1,971	1,776
Web Site Page Views (1)	403,704	536,568	445,633	450,206	657,040
Public Safety					
Part I Crime Rates (per 10,000 population)	106	Not available at this time	113	99	109
Public Works					
Solid Waste Diversion Rates (2) (4)	3.08lbs/person/day	2.46lbs/person/day	2.46lbs/person/day	5.6lbs/person/day	5.7lbs/person/day
Pavement Rating	84	84	84	89	89
Parks and Recreation					
Park Events	810	829	1,281	1,122	807
Class Meetings at Parks	1,025	1,030	922	852	520
Docent Led Nature Hikes	94	108	113	104	37
Volunteer Events (3)		35	61	46	37
Volunteers (3)		764	1,806	1,095	974
Volunteer Hours (3)		2,486	5,919	3,569	2,724
Open Space Mgmt. Public Contacts (3)		23,101	33,306	29,973	29,786
Open Space Mgmt. Rules Enforced (3)		1,367	1,925	1,262	1,876
Open Space Mgmt. Maintenance / Projects (3)		782	1,219	546	-
Community Development					
Building Permits Processed	1,758	1,665	1,985	2,186	1,933
Plan Checks	289	289	292	288	256
Municipal Code Violations Closed	505	432	457	338	275

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration										
Computer Workstations	92	88	93	98	114	138	140	144	144	155
Public Works										
Street Miles	143	144	141	141	149	149	149	149	150.1	150.1
Traffic Signals	16	18	15	15	15	15	15	15	15	15
Parks and Recreation										
Parks	15	15	15	16	16	16	16	17	17	17
Community Development										
Vehicles Used for Inspections	5	5	5	4	4	4	2	2	4	4

Source

City Capital Asset Records

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