



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED  
JUNE 30, 2023



**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2023**

**PREPARED BY: FINANCE DEPARTMENT**

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## INTRODUCTORY SECTION





February 29, 2024

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

The Annual Comprehensive Financial Report (ACFR), of the City of Rancho Palos Verdes for the fiscal year ended June 30, 2023, 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.

CliftonLarsonAllen 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 to the City's financial statements for the fiscal year ended June 30, 2023 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, 2023, are fairly presented in conformity with the Generally Accepted Accounting Principles (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 41,000. 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 except for the Bikeways Special Revenue Fund. 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 a favorable budget variance of \$7 million in the General fund for the fiscal year ended June 30, 2023. Sustained economic activity alongside elevated prices due to inflation led to a favorable revenue variance of \$3 million higher than budgeted. Total expenditures also fared favorably and ended the year \$4 million below budget. Much of the positive expenditure variance is attributed to the planned work that was not completed by year-end as well as budgetary savings from underspent line items such as supplies, training, and salaries and benefits.

### **Financial Policies**

The City Council has established Reserve policies that require the City to maintain a minimum General Fund fund balance of at least 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.

As of June 30, 2023, the General Fund unassigned fund balance of \$32,183,659 exceeds the minimum requirement of \$14,521,345 (50% of the \$29,042,690 in total annual operating expenditures for the General Fund).

The City also maintains a \$5 million reserve in the Capital Infrastructure Program (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 GAAP. 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**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, amending Title VI of the Social Security Act to add Section 602 which establishes the Coronavirus State Fiscal Recovery Fund (CSFR) and Section 603 which establishes the Coronavirus Local Fiscal Recovery Fund (CLFR). ARPA is a relief package that provides fiscal aid of \$350 billion in emergency funding for state, local, territorial, and tribal governments. The funding objectives defined by the Department of Treasury (DOT) are as follows:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control.
- Replace lost revenue for eligible state, local, territorial, and tribal governments to strengthen support for vital public services and help retain jobs.
- Support immediate economic stabilization for households and businesses.
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.

As defined in CLFR Section 603 (g)(5) of the Social Security Act, local governments that are serving populations of less than 50,000 are categorized as “non-entitlement units (NEUs)” of local government. For all NEUs, the DOT disburses the funds to the state governments, then the state distributes the funds to cities based on the population of the NEU. Local governments will receive funds in two batches, with 50% being distributed in June 2021 and the balance to be distributed 12 months later.

The City of Rancho Palos services a population of less than 50,000, thus the City's ARPA allocation is disbursed by the State of California. Based on DOT's formula calculation, the City's allocation is \$9.9 million. On June 10, 2021, the City submitted its request for ARPA's allocations to the State of California Department of Finance (DOF). Subsequently, on July 13, 2021, the City received the first disbursement in the amount of \$4.97 million, and the second disbursement of \$4.97 million on July 21, 2022.

In October 2021, the City Council approved 14 projects that are to be funded by the ARPA funds. The approved categories of the projects are investment in capital infrastructure, investment in information technology, and investment in protection of life and property.

Overall, since receiving the \$9.9 million allocation of ARPA funds, the City Council has committed 100% of the funds. Staff continue to monitor the interest earnings and will report the status on a quarterly basis. Based on these commitments and once completed, the utilization of ARPA funds will relieve the General Fund for needed one-time costs and deferred maintenance projects and generate available funds in the CIP that can be used for future projects and initiatives.

## **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 Financial Model (Model). This tool previously presented a five-year outlook and was expanded to 10 years beginning in FY 2021-22. The Model provides the framework for directing policy and financial choices, taking into account anticipated opportunities and challenges before they materialize. This is accomplished through the creation of baseline and alternative forecasts, which utilize historical data and current economic assumptions to project the fiscal impact of ongoing operations with proposed initiatives.

To ensure a more precise projection, the Finance Department actively refreshes the planning tools with the most recent data. As a result, any significant adjustments to the assumptions will be brought to the City Council's attention.

## **MAJOR INITIATIVES**

The City's staff, following specific directives of the City Council and the City Manager, have 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.

- Adopted the 2023 Legislative Platform outlining policy positions of the City Council on issues that impact the City.
- Submitted request for \$6 million in funding to Supervisor Janice Hahn for the Portuguese Bend Landslide Remediation Project.
- Successfully launched the Rancho Palos Verdes Leadership Academy (RPVLA) in the Spring 2023 with over 30 participants.
- Submitted three federal funding requests for the Portuguese Bend Landslide Remediation Project.
- Coordinated landslide tours for the offices of Senator Dianne Feinstein and Congressman Ted Lieu.
- Disseminated press releases and carried out social media campaigns for the reopening of PVIC, the launch of ParkMobile, the sister city's two-year anniversary, the Tongva memorial unveiling, the return of Whale of a Day, the Ladera Linda Community Park groundbreaking and the rollout of organics recycling.
- Hosted a celebration marking the one-year anniversary of the formation of the sister city partnership between Rancho Palos Verdes and Sakura City, Japan, and continued cultural exchange programming.

- Organized events to commemorate our sister city alliance between Rancho Palos Verdes and Sakura City, Japan. The festivities included a range of cultural exchange activities.
- Continued to offer the Public Safety Grant program to both Neighborhoods/HOAs and Individual residents which assisted them in acquiring security cameras and neighborhood ALPR camera systems.
- Directed 255 hours of enhanced supplemental law enforcement patrols for crime suppression and traffic by the LASD Lomita Station.
- Created a data dashboard for easier to read crime data from the Regional Contract Law Committee
- Purchased two ALPR Radar speed enforcement trailers to be used for traffic enforcement on the switchbacks, along Western Avenue, and placed as directed throughout the city.
- Prepare PSAs in collaboration with PPSC, RCLC, LASD, LACoFire, Traffic Committee, Palos Verdes Peninsula Unified School District, and RPV Interns to create public safety, emergency preparedness, and mental health awareness messaging with RPV-TV.
- Began planning a Catalytic Converter Etching event scheduled for July 29 with the RCLC and Los Angeles Sheriff's Department.
- Approved a 2-year Public Safety Division Pilot program to be housed in the Administration Department. The new division will include additional temporary city personnel including Parking Rangers and Public Safety Liaisons. The division will relocate existing Parking Rangers from Recreation and Parks to the Public Safety Division.
- Continued feasibility discussions with the Los Angeles Sheriff's Department and Los Angeles County Fire Department to locate substations at the Civic Center property pending renovation of the Civic Center.
- Received \$30,000 in Innovation Grant funding from the SBCCOG for the development of the City of Rancho Palos Verdes Homelessness Strategic Plan.
- The City Council adopted the City of Rancho Palos Verdes Homelessness Strategic Plan, prepared by Focus Strategies, a California-based consulting firm that specializes in preparing data-informed solutions to support communities as they reduce homelessness equitably.
- Continued the Alert SouthBay emergency notification system and the School Resource Officer program with the Peninsula cities and Palos Verdes Unified School District.
- Secured \$1.5 million in grant funding for wildfire cameras from Assemblymember Al Muratsuchi.
- Installed wildfire detection cameras citywide for effective monitoring, detection, and communication of wildfire ignitions.
- Developed a strategy for Peninsula-wide mass evacuation plans, and solicitation of an RFP for an independent third-party consultant to develop a comprehensive emergency operations evacuation "playbook"
- Continued Implementation of the City's Emergency Preparedness Committee's identified recommendations from its review of the Woolsey Fire After Action Review.

- Launched the ‘Know Your Zone’ evacuation readiness website PVPReady.gov during Wildfire Awareness Month, in collaboration with four Peninsula cities, and public safety partners
- Launched a Youth at Work program to offer an opportunity in local government to high school students
- Adopted by resolution a new Memorandum of Understanding with the represented employees’ labor group, RPVEA.
- Finalized more cybersecurity initiatives including implementing Multi-Factor Authentication for remote access and introducing advanced threat and endpoint management tools like Microsoft Defender and Microsoft Intune.
- Received an overall risk score of 92.88 out of 100 points and low-risk designation for FY 2020-21 from the State Auditor’s report on the Fiscal Health of California Cities.
- Awarded the Government Finance Officers Association’s Certificate of Achievement for Excellence in Financial Reporting for the City’s Annual Comprehensive Financial Report (ACFR) for Fiscal Year ended June 30, 2022.
- Attained a clean audit of the City’s financial statements for Fiscal Year ended June 30, 2022.
- Enhanced the analytical value of the City’s 10-Year Financial Model by incorporating monthly data uploads along with corresponding charts and reports.
- Utilized the Financial Model to integrate debt service to account for the Ladera Linda Loan schedule and effectively monitor the City’s long-term financial forecast.
- Upheld City Council Policy No. 41 – Reserve Policies – following City Council’s approval of a General Fund surplus transfer of \$889,500 to the CIP Fund for the Ladera Linda loan payment in FY 2022-23.
- Provided additional relief to the General Fund by adhering to the City’s Pension Guidelines and transferring \$400,000 in prior-year surplus to offset unfunded liability payments.
- Coordinated three meetings with the FAC’s ad hoc Subcommittee to evaluate recommendations for Additional Discretionary Payments (ADPs) towards the City’s Unfunded Accrued Liability (UAL).
- Managed continued construction of the Ladera Linda Community Park project
- Completed the draft Environmental Impact Report for the Portuguese Bend Landslide Remediation project and received public comments.
- Applied for the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) grant through the California Office of Emergency Services.
- Prepared concept plans for the Western Avenue Beautification Project and conducted an Open House for constituents to provide input on the project.
- Completed rehabilitation of the sections of Silver Spur Road south of Hawthorne
- Completed installation of a replacement gate to the Burma Road Trailhead and installed protective bollards to reduce the likelihood of future damage to the gate.
- Installed a decorative fence and gate at the Rattlesnake Trailhead to control unauthorized access to the Palos Verdes Nature Preserve.

- Installed 22 ADA-compliant curb ramps as part of a grant-funded program to improve pedestrian access.
- Implemented commercial business food waste recycling program to comply with the requirements of SB 1383 to divert food waste away from landfills.
- Installed traffic calming measures including high visibility signs, pavement markings, and speed feedback signs at three elementary and one intermediate school.
- Installed traffic calming measures high visibility signs, pavement markings, and a speed feedback sign on Hawthorne Boulevard approaching Vallon Drive.
- Awarded and administered neighborhood beautification grants at five locations: Roan Road, Via Capri Homeowners Association (HOA), Blackhorse Neighborhood, Mira Catalina HOA, and La Cresta HOA.
- Responded to historic winter storms including the removal of 35 downed trees, 23 downed branches, repair of one downed streetlight.
- Adopted the City's Final Housing Element for the 2021-2029 Housing Cycle and submitted associated documents to the Housing & Community Development Department for review.
- Continued the preparation of a mixed use-overlay zoning district within the City's commercial zones in support of the City's 2021-2029 Housing Element.
- Adopted the 2022 California Building Standards Code.
- Conducted over 100 foliage analysis as part of the Planning Division's development review process.
- Participated on the LAX Community Noise Roundtable to address community concerns related to aircraft flights over the Peninsula.
- Transmitted proposals to the FAA and to Los Angeles World Airports to further reduce aircraft noise above and near RPV.
- Oversaw the design, fabrication, and installation of five City-wide entrance signs and eleven park monument signs.
- Coordinated ceremony renaming Civic Center property the Ken Dyda Civic Center.
- Acquisition of 96-acre York Property and inclusion into Nature Preserve.
- Coordinated and assisted with multiple events and activities related to the City's 50th Anniversary Celebration, including the Concerts in the Park series, Movies in the Park series, and the second annual holiday tree lighting and skating rink event.
- The City worked with multiple agencies to carry out releases of the endangered Palos Verdes blue butterfly into the Palos Verdes Nature Preserve.

## OTHER INFORMATION

### Independent Audit

The City requires an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen 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, 2023, the City expended over \$750,000 on Federal financial assistance programs in the amount of \$4.1 million; and therefore, a Single Audit is 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 ACFR for the fiscal year ended June 30, 2022. This was the 29<sup>th</sup> 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 ACFR. 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 ACFR 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 not have 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 2022-23 ACFR.

In closing, I want to thank the City Council and City Manager for their continued leadership in 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 and City Manager.

Respectfully submitted,



Vina D. Ramos  
Director of Finance



## Annual Comprehensive Financial Report

### Year Ended June 30, 2023

### FY 2022-23 CITY OFFICIALS



Barbara Ferraro  
Mayor



John Cruikshank  
Mayor Pro Tem



Eric Alegria  
Councilmember



David L. Bradley  
Councilmember



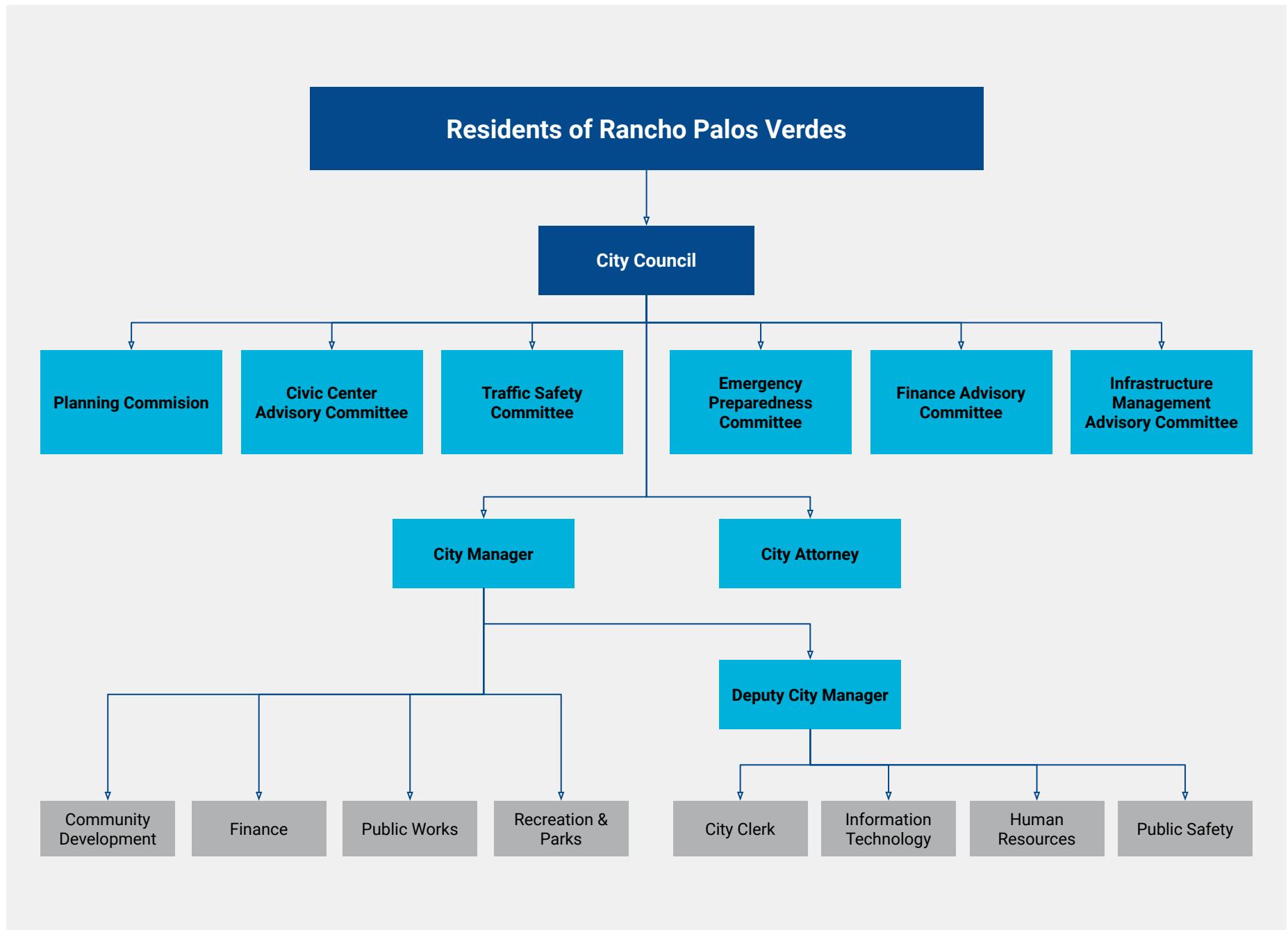
Paul Seo  
Councilmember

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### CITY STAFF

#### **City Manager** **Ara Mihranian, AICP**

Deputy City Manager.....	Karina Banales
Director of Finance.....	Vina Ramos
Director of Public Works.....	Ramzi Awwad
Director of Recreation and Parks.....	Cory Linder
Interim Director of Community Development.....	Octavio Silva





Government Finance Officers Association

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

Presented to

**City of Rancho Palos Verdes  
California**

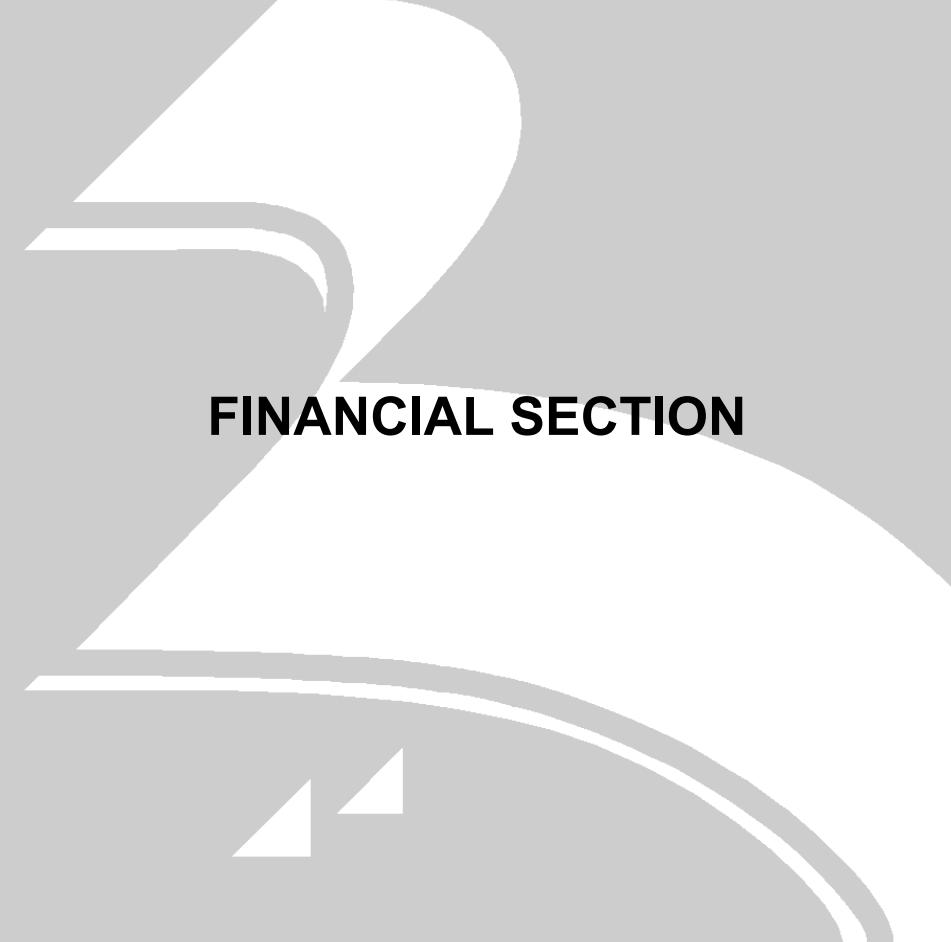
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

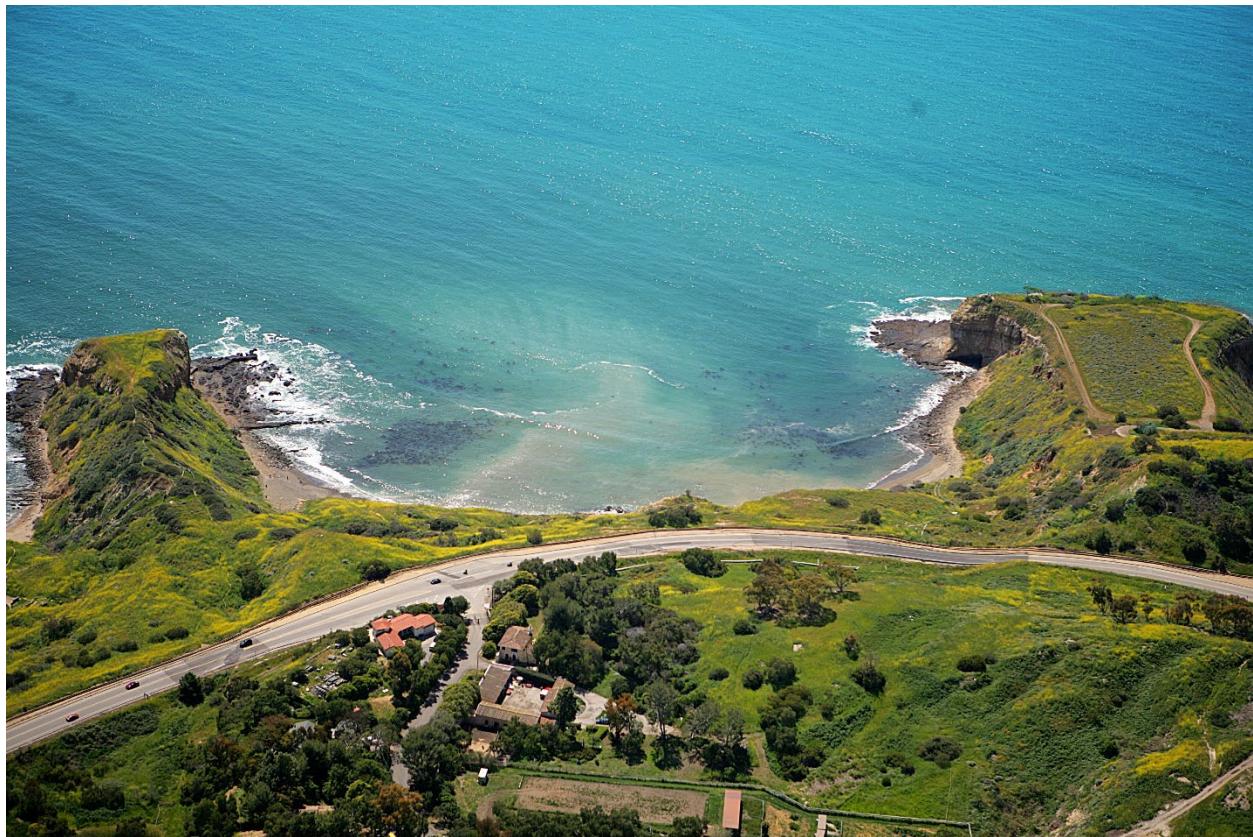
*Christopher P. Monell*

Executive Director/CEO

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**FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of Financial Statements

#### *Opinions*

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, American Rescue Plan Act special revenue fund and State Grants special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matters

#### *Change in Accounting Principle*

As described in Note 10 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Rancho Palos Verdes' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Rancho Palos Verdes' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of pension contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rancho Palos Verdes' basic financial statements. The combining statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, combining statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

City Council Members  
City of Rancho Palos Verdes

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

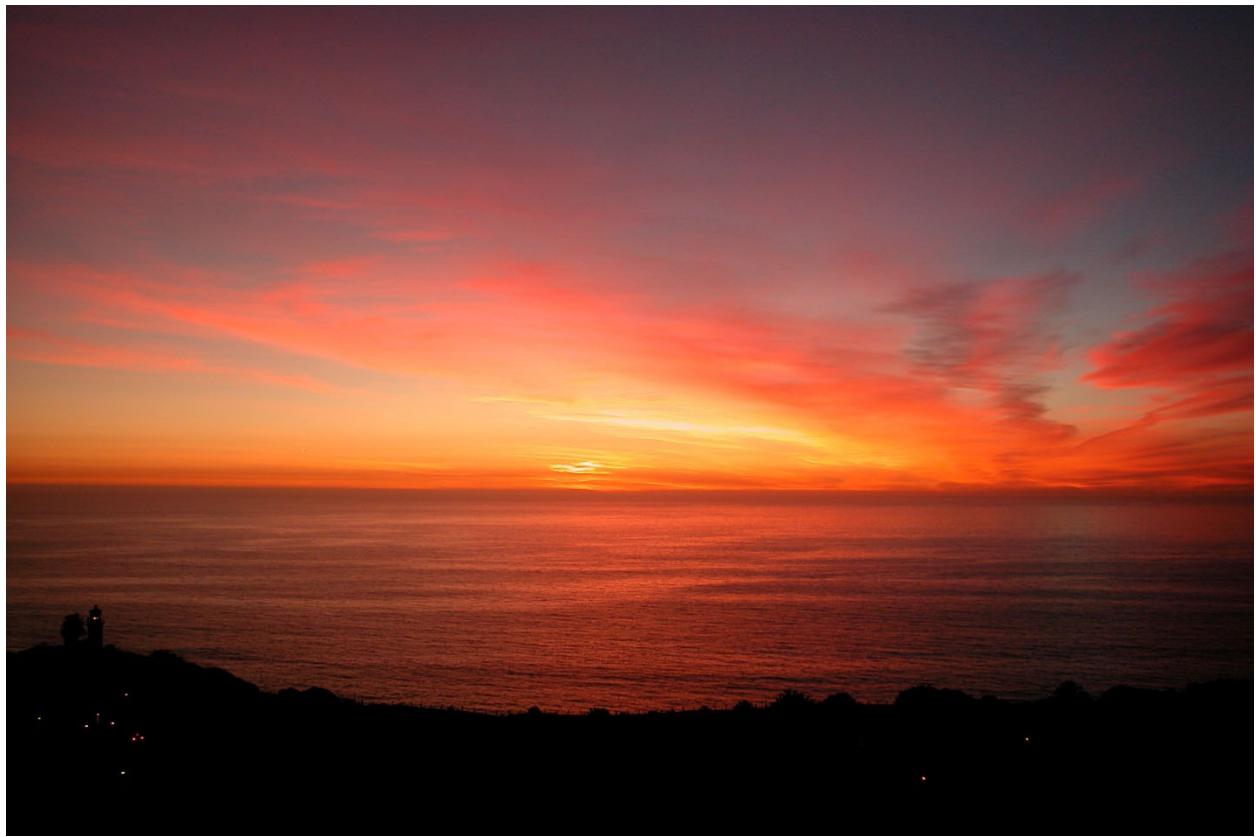
*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Irvine, California  
February 29, 2024



## **MANAGEMENT'S DISCUSSION & ANALYSIS**





## **MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. 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 i-ix 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, 2023, by \$235.7 million (Net Position). Of this amount, \$63.8 million (Unrestricted Net Position) may be used to meet the City's ongoing obligations to its citizens and creditors. The remaining amount is invested in capital assets or is otherwise restricted, and therefore not available to meet the City's obligations.
- The City's total Net Position increased by \$11.4 million from the prior year from the Governmental activities primarily due to the significant shift in the economy that took place during FY 2022-23 and led to a favorable return toward historical figures.
- As of June 30, 2023, the City's Governmental Funds reported combined ending Fund Balances of \$85.7 million, an increase of \$1.4 million in comparison with the prior year. This increase is a combination of higher inflow of program revenues and from the grant revenues.
- At the end of the current fiscal year, the General Fund reported an increase in fund balance in the amount of \$2.7 million or 9%. The increase is due primarily to the higher inflow of revenues over expenditures.
- As of June 30, 2023, the unassigned fund balance of \$32.2 million exceeds
- the minimum requirement of \$14,521,345 (50% of \$29,042,690 in General Fund annual operating expenditures).

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 \$36.3 million. The General Fund unassigned fund balance represents 89% of this amount.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023

### 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.

The Government-Wide Financial Statements can be found on pages 19-20 of this report.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023**

### **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 30 individual Governmental Funds during the Fiscal Year ended June 30, 2023. 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, American Rescue Plan Act Fund, State Grants Fund, and the Capital Improvements Fund are 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, 2023**

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 Funds 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 29-31 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 32-33 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 34-67 of this report.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023

### 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 \$235.7 million on June 30, 2023. By far, the largest portion of the City's Net Position of \$146.6 million or 62% 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	
	2023	2022
Current and other assets	\$ 112,080,752	\$ 105,573,358
Capital assets	156,395,945	148,975,339
<b>Total assets</b>	<b>268,476,697</b>	<b>254,548,697</b>
 <b>Deferred outflows of resources</b>	 6,393,397	 2,452,918
Long-term liabilities outstanding	22,516,996	15,150,174
Other liabilities	14,861,170	9,863,780
<b>Total liabilities</b>	<b>37,378,166</b>	<b>25,013,954</b>
 <b>Deferred inflows of resources</b>	 1,841,525	 7,728,187
Net Investment in capital assets	146,586,694	147,500,875
Restricted	25,255,613	23,913,654
Unrestricted	63,808,096	52,844,945
<b>Total net position</b>	<b>\$ 235,650,403</b>	<b>\$ 224,259,474</b>



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDED JUNE 30, 2023**

A portion of the City's Net Position of \$25.3 million or 11%, represents resources subject to external restrictions. The remaining balance of Unrestricted Net Position of \$63.8 million or 27% 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 \$13.9 million or 5%. The increase is primarily due to a higher inflow of revenues.

As a result of the net pension liability increase, the long-term liabilities outstanding increased by \$7.4 million or 49% over the prior year. Additionally, other liabilities increased by \$5.0 million or 52% over prior year mainly from timing disbursements of the City's allocations from the American Rescue Plan Act.

**Statement of Activities**

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Program revenues:		
Charges for services	\$ 5,865,893	\$ 5,293,680
Operating contributions and grants	9,504,738	6,738,167
Capital contributions and grants	1,779,622	1,731,518
General revenues:		
Property taxes	17,328,746	16,638,046
Other taxes	15,812,648	14,490,115
Other	1,691,236	452,143
<b>Total revenues</b>	<b><u>51,982,883</u></b>	<b><u>45,343,669</u></b>
Administration	\$ 5,031,826	\$ 9,183,326
Public safety	7,425,699	7,293,294
Public works	20,828,471	17,360,287
Community development	3,243,100	3,093,831
Parks and recreation	3,908,242	3,876,716
Interest Expense	154,616	36,150
<b>Total expenses</b>	<b><u>40,591,954</u></b>	<b><u>40,843,604</u></b>
<b>(Decrease) / Increase in net position</b>	<b><u>11,390,929</u></b>	<b><u>4,500,065</u></b>
Net position - beginning of fiscal year	224,259,474	219,759,409
<b>Net position - end of fiscal year</b>	<b><u>\$ 235,650,403</u></b>	<b><u>\$ 224,259,474</u></b>



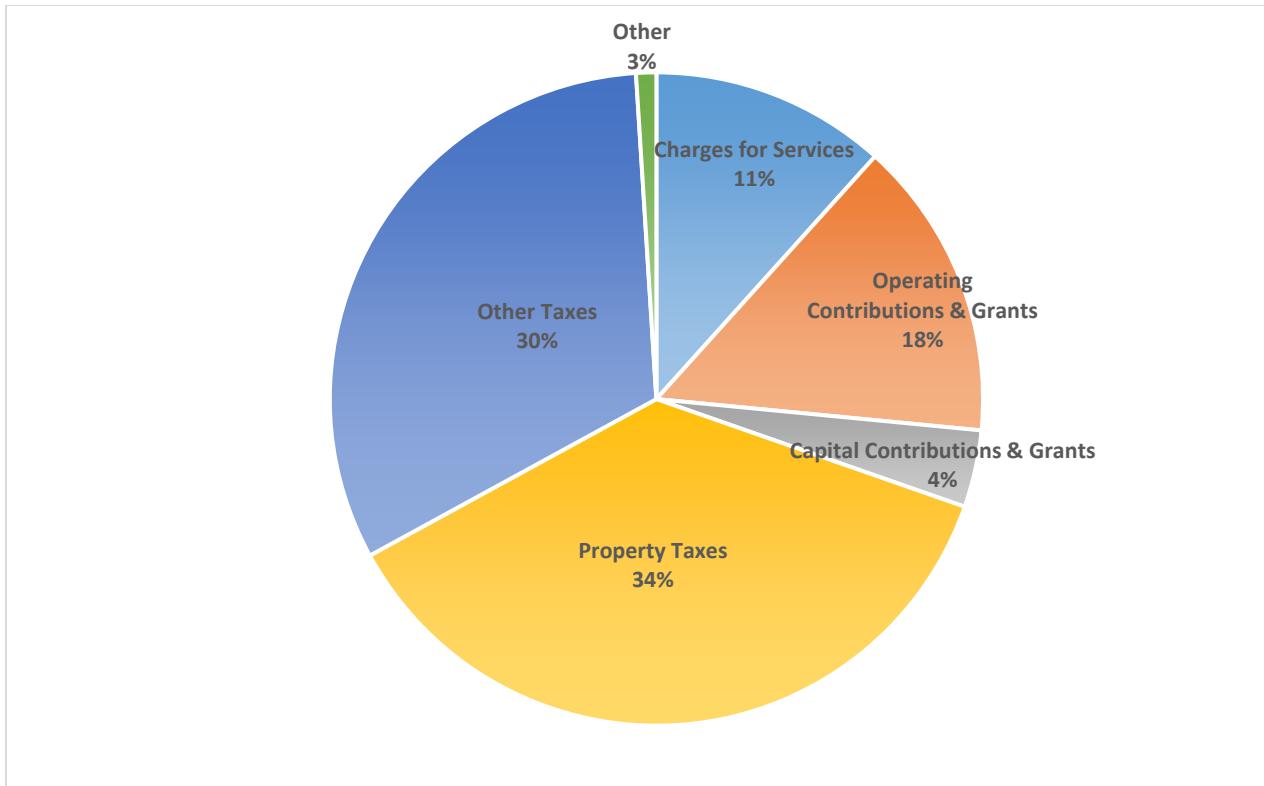
## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023

### Governmental Activities

As illustrated in the chart above, the City's Net Position in Governmental Activities increased by \$11.4 million over the prior fiscal year. The increase is mainly from the ongoing solid recovery of the City's program and general revenues since the COVID-19 pandemic. Overall, government-wide revenues for the fiscal year ended June 30, 2023, increased by \$6.6 million. Of the increased amount, \$3.4 million was from the program revenues in grants and \$3.2 million was from general revenues.

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

### Sources of Revenue - Governmental Activities

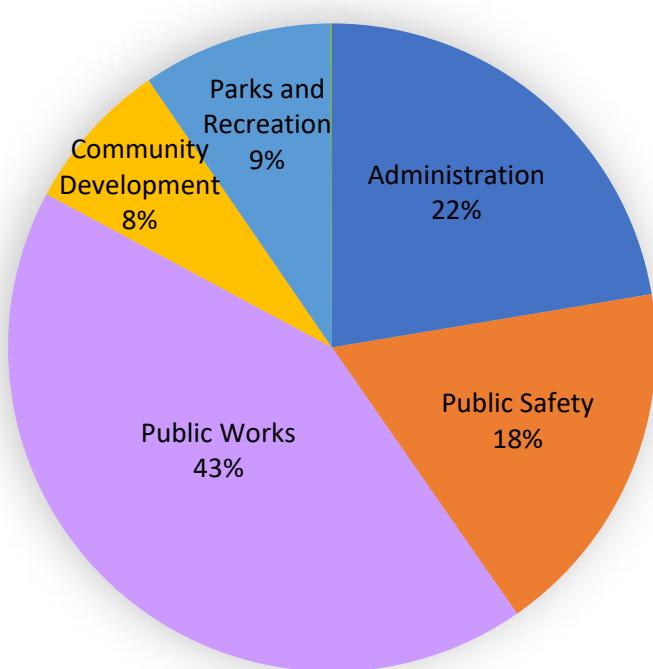




## **MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023**

The government-wide expenses for the fiscal year ended June 30, 2023 decreased by \$.3 million from the prior year. The decreased amount compared to the prior year is due to the decreased activities in administrative costs. 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, 2023**

### **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 \$85.7 million, an increase of \$1.4 million in comparison to the prior year. Approximately \$82.8 million or 97% 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 # 8 on pages 53-54 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 \$32.2 million, while total Fund Balance reached to \$34.1 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 89% of total General Fund uses, while total Fund Balance represents 98% of the same amount.

The fund balance of the City's General Fund increased by \$2.7 million from the prior year. The increase is due to the higher inflow of revenues and delayed projects that were not completed at year-end. Additional details on General Fund are provided in the General Fund Highlights.

The American Rescue Plan Act (ARPA) fund balance increased by \$65,165 as a result the fund's investment earnings.

The State Grants fund balance increased by \$.2 million from the prior year. The increase is mainly due to the lease proceeds as a result of implementing GASB statement no. 96.

The Capital Improvements Capital Projects Fund ended the year with a decrease of \$2.8 million of the fund balance from the prior year. The majority of the decrease is from the City's current improvement projects to assist with active land movement. These projects include the Portugues Bend Landslide Remediation and the de-watering of the wells in the Abalone Cove Landslide Abatement District.

### **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.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023**

The Net Position of the Internal Service Funds at the end of the fiscal year amounted to \$3.2 million, an increase to the Net Position by \$0.02 million. The increased amount is due to the increase in funding received for the replacement of computers and hardware, equipment, and vehicles.

### **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 \$38.7 million and \$29.0 million of expenditures. When including net transfers of \$(7.0) million, there is a positive variance of just almost \$2.7 million (revenues to expenditures).

The economic upswing and strong growth in General Fund revenues experienced in FY 2022-23 led to historical revenue growth.

### **Revenue Highlights**

#### **Taxes**

- Taxes include property tax, transient occupancy tax (TOT), and sales tax. Tax revenues ended the year at \$32.2 million, an increase of \$2.4 million, or 8% over the final budget of \$29.7 million. The increase in revenues was partly due to property tax revenue; the City's largest revenue source ending the year at \$17.3 million. A strong housing market and abundant sales activity led to higher-than-expected revenue growth in this category. Additionally, elevated demand for leisure activities lead to an increase in TOT revenue. As a result of lagging demand and higher prices, TOT revenues received were the highest amount on record.

#### **Licenses and Permits**

- This category ended the year at \$4.5 million, \$.8 million, or 21%, above the final budget of \$3.8 million. Revenue growth is attributed to the ongoing demand for Building & Safety, Planning & Zoning, and Geology Permits delayed by the pandemic. An increase in the master fee schedule also contributed to growth.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023**

### **Fines and Forfeitures**

- Revenues totaled \$395,896, which is \$124,704 or 24% under the final budget of \$520,600. The two primary contributors to this decrease in revenue were parking lot fees and code enforcement citations.

### **Expenditure Highlights**

#### **Salaries & Benefits**

- This category ended the year at \$1.6 million or 14% under the final budget of \$12 million. This is due to unfilled vacant positions.

#### **Professional & Technical Services**

- This category came in approximately \$708,412 or 21% under the final budget of \$3.4 million. This underrun is due to delayed services and planned services that were not completed due to staffing shortages.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

The City's investment in Capital Assets for its Governmental activities as of June 30, 2023, amounts to \$156.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, right-to-use leased equipment, furniture, other equipment, and construction in progress.

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

- Depreciation of \$7.2 million was recorded for the City's Capital Assets.
- A total of \$12.0 million of construction in progress was added primarily from the Portugues Bend Landslide Remediation project and the de-watering of the wells in the Abalone Cove Landslide Abatement District.



**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2023**

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

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Capital assets not being depreciated		
Land	\$ 44,841,416	\$ 43,543,382
Construction in progress	13,000,973	1,637,230
<b>Total capital assets not being depreciated</b>	<b><u>57,842,389</u></b>	<b><u>45,180,612</u></b>
Capital assets being depreciated, net		
Buildings	6,128,497	6,394,667
Vehicles	19,077	56,543
Computer equipment	128,129	161,314
Furniture, fixtures and equipment	72,967	106,180
* Right-to-use Assets:		
Equipment	740,012	5,544
Subscriptions	314,420	508,308
Infrastructure		
Roadway system	46,116,382	50,244,687
Sewer system	3,122,702	3,576,481
Storm drain system	8,055,184	8,342,131
Storm drain system - water quality	29,455,401	30,287,975
Park system	4,400,785	4,619,205
<b>Total capital assets being depreciated, net</b>	<b><u>98,553,556</u></b>	<b><u>104,303,035</u></b>
<b>Capital Assets, net</b>	<b><u>\$ 156,395,945</u></b>	<b><u>\$ 149,483,647</u></b>

\* - Beginning balance has been restated to add right-to-use SBITA asset in accordance with implementation of GASB Statement No. 96

Additional information on the City's Capital Assets can be found in Note #5 on pages 49-50 of this report.



## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2023

**Long-term liabilities.** At the end of the current Fiscal Year, the City of Rancho Palos Verdes had total debt outstanding of \$8,742,899. Of this amount \$481,323 is for the Employee Compensated Absences, \$667,582 is for leases, \$328,019 is for subscriptions and \$7.3 million is for the Ladera Linda Community Park Project loan.

### City of Rancho Palos Verdes Outstanding Debt

	Governmental	
	2023	2022
Employee compensated absences	481,323	507,647
Leases Liability	667,582	5,599
Subscription Liability*	328,019	508,308
Ladera Linda Community Park Project	7,265,975	8,000,000
<b>Total</b>	<b>\$ 8,742,899</b>	<b>\$ 9,021,554</b>

\*The beginning balance has been restated to add lease liabilities in accordance with the implementation of GASB Statement No. 96, *Subscription Based-Information Technology Arrangements*.

At the fiscal year ended June 30, 2023, the City's total outstanding debt decreased by \$278,655 or -3%.

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 \$2,322,445,000.

Additional information on the City's Long-term liabilities can be found in Note #7 on pages 51-53 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR BUDGETS AND RATES**

The annual budget is developed in conformity with the City's long tradition of fiscal responsibility. Along with newly established and current City Council Goals, public safety and infrastructure projects remain a top priority alongside providing the highest possible service levels to the community. The City maintains a healthy financial outlook and supports the General Fund operations with only recurring tax revenue. Roughly 43% of the General Fund revenue came from property tax during FY 2022-23. Property tax is expected to continue to account for 43% of general fund revenue during FY 2023-24. This stable revenue base provides the City with a steady and predictable revenue inflow year over year.



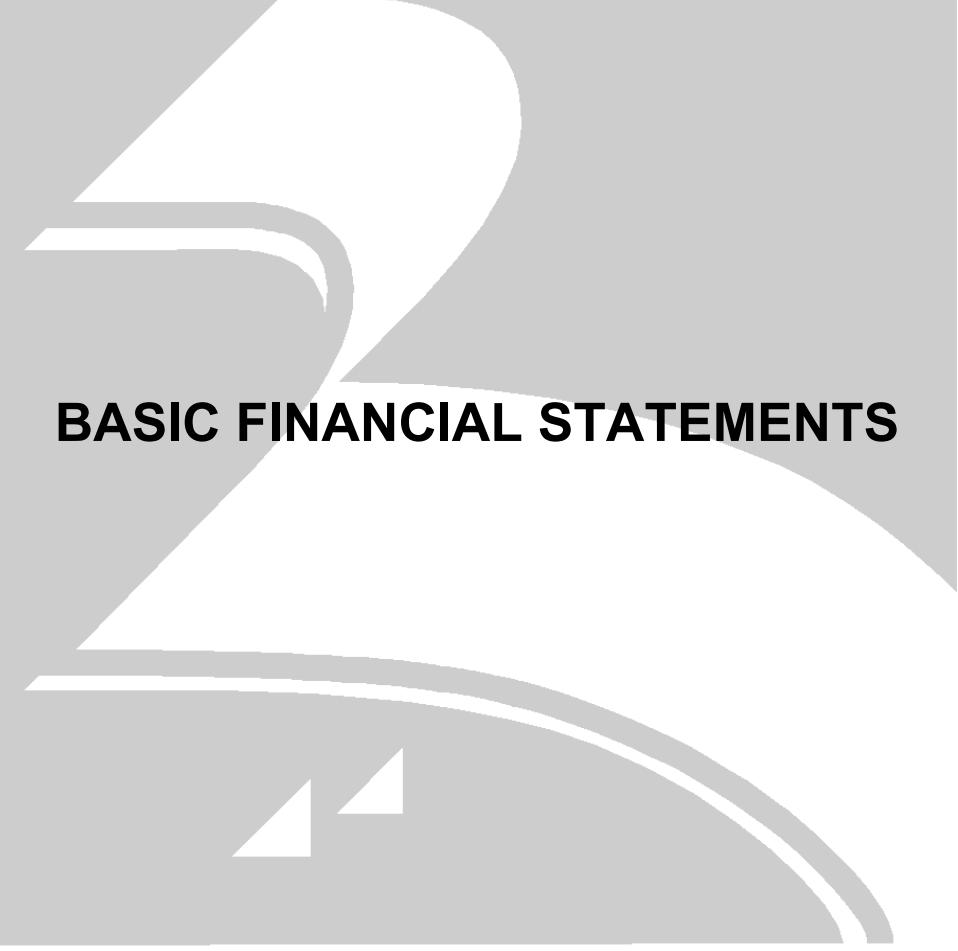
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2023**

For the upcoming fiscal year, total property values increased by \$302 million based on the maximum CPI of 2%. Moreover, properties sold between January and December 2022 provided an additional \$445 million in property value. Given these factors, and a proposition 8 recapture total of \$11 million, staff anticipates a 5% increase in overall property value. In total, property tax revenues are projected to grow to slightly over \$17.1 million, or 5%, in FY 2023-24.

A return to economic normalcy led towards historical growth in the fiscal year ended June 30, 2023. Growth is expected to remain stable throughout the FY 2023-24 fiscal. Ultimately, 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](mailto:finance@rpvca.gov).



# **BASIC FINANCIAL STATEMENTS**



**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 97,241,842
Receivables:	
Taxes	2,142,385
Interest	455,685
Other	1,339,065
Leases	89,383
Inventory	36,428
Prepaid Items	1,127,354
Total Current Assets	<u>102,432,142</u>
Noncurrent Assets:	
Leases Receivable	706,236
Notes Receivable	8,942,374
Receivable from Successor Agency	10,413,663
Allowance for Successor Agency Receivable	(10,413,663)
Capital Assets:	
Not Being Depreciated/Amortized	57,842,389
Being Depreciated/Amortized	98,553,556
Total Noncurrent Assets	<u>166,044,555</u>
Total Assets	268,476,697
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to Pensions	6,393,397
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	5,445,369
Interest Payable	32,276
Retentions Payable	806,662
Unearned Revenue	5,959,042
Deposits Payable	1,164,725
Current Portion of Noncurrent Liabilities	1,453,096
Total Current Liabilities	<u>14,861,170</u>
Noncurrent Liabilities:	
Due Beyond One Year	7,289,803
Net Pension Liability	15,227,193
Total Noncurrent Liabilities	<u>22,516,996</u>
Total Liabilities	37,378,166
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to Leases	739,077
Deferred Inflows Related to Pensions	1,102,448
Total Deferred Inflows of Resources	<u>1,841,525</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	146,586,694
Restricted for:	
Housing and Community Development	10,224,838
Transportation	8,805,209
Public Works	3,226,479
Parks and Recreation	1,226,139
Public Safety	22,948
Nonexpendable Endowment Principal	1,750,000
Unrestricted	63,808,096
Total Net Position	<u>\$ 235,650,403</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
		Governmental Activities			
<b>Governmental Activities:</b>					
Administration	\$ 5,031,826	\$ 1,237,158	\$ 3,991,687	\$ -	\$ 197,019
Public Safety	7,425,699	174,109	167,544	-	(7,084,046)
Public Works	20,828,471	251,577	5,345,507	1,779,622	(13,451,765)
Parks and Recreation	3,908,242	858,492	-	-	(3,049,750)
Community Development	3,243,100	3,344,557	-	-	101,457
Interest Expense	154,616	-	-	-	(154,616)
Total Governmental Activities/ Primary Government	<u>\$ 40,591,954</u>	<u>\$ 5,865,893</u>	<u>\$ 9,504,738</u>	<u>\$ 1,779,622</u>	<u>(23,441,701)</u>
<b>General Revenues:</b>					
Taxes:					
Property Taxes					17,328,746
Transient Occupancy Tax					6,853,001
Franchise Tax					2,359,276
Utility User Tax					2,876,956
Other Taxes					761,500
Unrestricted Intergovernmental					
Revenue - Shared Sales Tax					2,961,915
Investment Income					695,528
Unrestricted Grants, Contributions, and Other Revenues					995,708
Total General Revenues					<u>34,832,630</u>
<b>CHANGE IN NET POSITION</b>					11,390,929
Net Position - Beginning of Year					<u>224,259,474</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 235,650,403</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General	Special	Special	Capital	Other	Total
		American Rescue	Revenue	Projects		
ASSETS	American Rescue	State	Capital	Governmental	Governmental	Funds
Cash and Investments	\$ 33,898,945	\$ 5,508,083	\$ 1,399,511	\$ 37,057,694	\$ 16,268,304	\$ 94,132,537
Receivables:						
Taxes	2,098,294	-	-	-	44,091	2,142,385
Interest	163,972	26,048	6,551	166,255	78,679	441,505
Leases - Current	89,383	-	-	-	-	89,383
Other	319,050	-	250,306	-	769,709	1,339,065
Due from Other Funds	227,434	-	-	-	-	227,434
Inventory	36,428	-	-	-	-	36,428
Prepaid Items	1,127,354	-	-	-	-	1,127,354
Leases Receivable - Noncurrent	706,236	-	-	-	-	706,236
Receivable from Successor Agency	10,413,663	-	-	-	-	10,413,663
Allowance for Successor Agency Receivable	(10,413,663)	-	-	-	-	(10,413,663)
<b>Total Assets</b>	<b>\$ 38,667,096</b>	<b>\$ 5,534,131</b>	<b>\$ 1,656,368</b>	<b>\$ 37,223,949</b>	<b>\$ 17,160,783</b>	<b>\$ 100,242,327</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 2,439,236	\$ 883,179	\$ 4,109	\$ 1,370,196	\$ 748,476	\$ 5,445,196
Due to Other Funds	-	-	-	-	227,434	227,434
Retentions Payable	28,557	217,359	-	557,919	2,827	806,662
Unearned Revenue	200,617	4,398,425	1,360,000	-	-	5,959,042
Deposits Payable	1,164,725	-	-	-	-	1,164,725
<b>Total Liabilities</b>	<b>3,833,135</b>	<b>5,498,963</b>	<b>1,364,109</b>	<b>1,928,115</b>	<b>978,737</b>	<b>13,603,059</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Leases	739,077	-	-	-	-	739,077
Unavailable Revenue	-	-	161,066	-	40,950	202,016
<b>Total Deferred Inflows of Resources</b>	<b>739,077</b>	<b>-</b>	<b>161,066</b>	<b>-</b>	<b>40,950</b>	<b>941,093</b>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Endowment Principal	-	-	-	-	1,750,000	1,750,000
Prepaid Items	1,127,354	-	-	-	-	1,127,354
Inventory	36,428	-	-	-	-	36,428
Restricted	-	35,168	131,193	-	14,402,807	14,569,168
Committed	747,443	-	-	4,367,972	-	5,115,415
Assigned	-	-	-	30,927,862	-	30,927,862
Unassigned	32,183,659	-	-	-	(11,711)	32,171,948
<b>Total Fund Balances (Deficits)</b>	<b>34,094,884</b>	<b>35,168</b>	<b>131,193</b>	<b>35,295,834</b>	<b>16,141,096</b>	<b>85,698,175</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 38,667,096</b>	<b>\$ 5,534,131</b>	<b>\$ 1,656,368</b>	<b>\$ 37,223,949</b>	<b>\$ 17,160,783</b>	<b>\$ 100,242,327</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Fund Balances - Total Governmental Funds	\$ 85,698,175
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.	156,244,446
Receivables not available to pay for current period expenditures are reported as unavailable revenue in the financial statements.	202,016
Long-term notes receivable are not current available resources and, therefore, do not affect the governmental fund balance.	8,942,374
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated Absences	(481,323)
Loan Payable	(7,265,975)
Leases Payable	(562,896)
Subscriptions Payable	(328,019)
Accrued interest payable for certain long-term liabilities of governmental activities is not reported in the governmental funds	(32,276)
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	(15,227,193)
Deferred Outflows of Resources Related to Pensions	6,393,397
Deferred Inflows of Resources Related to Pensions	(1,102,448)
Internal service funds are used by management to charge the costs of certain activities, including equipment and building replacement to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Position.	<u>3,170,125</u>
Net Position of Governmental Activities	<u>\$ 235,650,403</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Special		Capital		Other	Total
	Revenue	American Rescue	Revenue	Projects		
	General	Plan Act	State Grants	Capital Improvements	Governmental	Governmental
<b>REVENUES</b>						
Taxes	\$ 32,168,324	\$ -	\$ -	\$ -	\$ 973,070	\$ 33,141,394
Licenses and Permits	4,532,228	-	-	-	-	4,532,228
Revenue from Other Agencies	-	3,732,740	458,399	-	6,828,092	11,019,231
Charges for Services	23,181	-	-	-	220,361	243,542
Fines and Forfeitures	395,896	-	-	-	-	395,896
Investment Income (Loss)	680,667	65,164	(26,461)	541,131	191,398	1,451,899
Other Revenues	930,893	-	-	-	101,066	1,031,959
Total Revenues	38,731,189	3,797,904	431,938	541,131	8,313,987	51,816,149
<b>EXPENDITURES</b>						
Current:						
Administration	5,553,000	-	-	-	-	5,553,000
Public Safety	7,425,699	-	-	-	-	7,425,699
Public Works	5,539,424	544,898	767,303	1,529,669	6,218,552	14,599,846
Parks and Recreation	3,574,453	-	-	-	15,738	3,590,191
Community Development	3,243,100	-	-	-	-	3,243,100
Non-Departmental	2,205,768	-	-	-	-	2,205,768
Capital Outlay	1,298,034	3,187,841	-	8,177,435	625,118	13,288,428
Debt Service:						
Principal	200,225	-	140,000	734,025	-	1,074,250
Interest and Fiscal Charges	2,987	-	-	155,320	-	158,307
Total Expenditures	29,042,690	3,732,739	907,303	10,596,449	6,859,408	51,138,589
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,688,499	65,165	(475,365)	(10,055,318)	1,454,579	677,560
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	300,000	-	-	7,236,122	65,000	7,601,122
Transfers Out	(7,301,122)	-	-	-	(300,000)	(7,601,122)
Lease Proceeds	43,899	-	673,341	-	-	717,240
Total Other Financing Sources (Uses)	(6,957,223)	-	673,341	7,236,122	(235,000)	717,240
<b>NET CHANGE IN FUND BALANCES</b>						
Fund Balances (Deficit) - Beginning of Year	31,363,608	(29,997)	(66,783)	38,115,030	14,921,517	84,303,375
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 34,094,884</b>	<b>\$ 35,168</b>	<b>\$ 131,193</b>	<b>\$ 35,295,834</b>	<b>\$ 16,141,096</b>	<b>\$ 85,698,175</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

Fund Balances - Total Governmental Funds \$ 1,394,800

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	13,613,017
Depreciation/Amortization Expense	(7,183,562)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(46,787)
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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.

178,116

The issuance of long-term liabilities provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of debt increases long-term liabilities and the repayment of principal reduces long-term liabilities in the Statement of Net Position:

Principal Payments	734,025
Leases	52,987
Subscriptions	(13,599)

Certain 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. Such expenses relate to:

Net change in compensated absences	26,324
Net change in accrued interest payable	3,691

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.

2,382,026

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.

249,891

Change in Net Position of Governmental Activities \$ 11,390,929

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 29,735,300	\$ 29,735,300	\$ 32,168,324	\$ 2,433,024
Licenses and Permits	3,757,600	3,757,600	4,532,228	774,628
Charges for Services	47,000	47,000	23,181	(23,819)
Fines and Forfeitures	520,600	520,600	395,896	(124,704)
Investment Income (Loss)	706,100	706,100	680,667	(25,433)
Other Revenues	960,400	970,400	930,893	(39,507)
Total Revenues	35,727,000	35,737,000	38,731,189	2,994,189
<b>EXPENDITURES</b>				
Administration:				
City Council	110,700	112,700	109,570	3,130
City Manager	827,400	850,800	806,045	44,755
Legal Services	950,000	950,000	935,777	14,223
Community Outreach	73,400	73,400	72,341	1,059
City Clerk	667,400	635,200	538,937	96,263
RPV TV	220,100	220,100	201,874	18,226
Personnel	479,400	436,500	396,002	40,498
Finance	1,506,200	1,433,200	1,372,347	60,853
Information Technology - Data	1,059,800	1,099,541	792,658	306,883
Information Technology - Voice	131,000	131,000	103,162	27,838
Emergency Preparedness	210,800	151,210	85,529	65,681
Emergency Operations	-	-	138,758	(138,758)
Total Administration	6,236,200	6,093,651	5,553,000	540,651
Public Safety:				
Sheriff	7,254,000	7,254,000	7,060,240	193,760
Special Programs	376,100	504,660	365,459	139,201
Total Public Safety	7,630,100	7,758,660	7,425,699	332,961
Public Works:				
Public Works Administration	2,939,700	2,296,779	2,221,722	75,057
Traffic Management	1,077,900	1,248,611	896,909	351,702
Storm Water Quality	1,000	205,577	170,794	34,783
Building Maintenance	528,250	673,680	528,514	145,166
Park/Trail/Open Space Maintenance	1,226,350	1,250,530	1,168,753	81,777
Street Landscape Maintenance	663,000	553,628	530,695	22,933
Sewer Maintenance	35,000	57,500	22,037	35,463
Total Public Works	6,471,200	6,286,305	5,539,424	746,881

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>EXPENDITURES (CONTINUED)</b>					
Parks and Recreation:					
Recreation Administration	\$ 1,281,700	\$ 1,282,468	\$ 1,216,334	\$ 66,134	
Recreation Facilities	1,383,600	1,313,836	1,245,168	68,668	
Special Events	435,800	411,300	403,677	7,623	
PVIC	470,500	472,300	536,720	(64,420)	
REACH	72,000	73,000	82,085	(9,085)	
Parking Enforcement	108,300	81,300	66,214	15,086	
Support Services	28,300	28,300	24,255	4,045	
Total Parks and Recreation	3,780,200	3,662,504	3,574,453	88,051	
Community Development:					
Planning Services	2,177,900	1,885,990	1,463,989	422,001	
Building and Safety	875,700	937,200	814,773	122,427	
Code Enforcement	274,600	279,600	255,049	24,551	
View Restoration/Preservation	393,400	395,300	370,720	24,580	
Geology	150,000	150,000	163,200	(13,200)	
Animal Control	288,000	288,000	175,369	112,631	
Total Community Development	4,159,600	3,936,090	3,243,100	692,990	
Non-Departmental	2,450,300	3,870,750	2,205,768	1,664,982	
Capital Outlay	25,000	1,325,000	1,298,034	26,966	
Debt Service:					
Principal	-	-	200,225	(200,225)	
Interest	-	-	2,987	(2,987)	
Total Debt Service	-	-	203,212	(203,212)	
Total Expenditures	30,752,600	32,932,960	29,042,690	3,890,270	
Excess of Revenues Over Expenditures	4,974,400	2,804,040	9,688,499	6,884,459	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	700,000	700,000	300,000	(400,000)	
Transfers Out	(6,830,900)	(7,758,800)	(7,301,122)	457,678	
Lease Proceeds	-	-	43,899	43,899	
Total Other Financing Sources (Uses)	(6,130,900)	(7,058,800)	(6,957,223)	101,577	
<b>NET CHANGE IN FUND BALANCE</b>	(1,156,500)	(4,254,760)	2,731,276	6,986,036	
Fund Balance - Beginning of Year	31,363,608	31,363,608	31,363,608	-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 30,207,108</b>	<b>\$ 27,108,848</b>	<b>\$ 34,094,884</b>	<b>\$ 6,986,036</b>	

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Revenue from Other Agencies	\$ 4,932,600	\$ 4,932,600	\$ 3,732,740	\$ (1,199,860)
Investment Income	20,000	20,000	65,164	45,164
<b>Total Revenues</b>	<b>4,952,600</b>	<b>4,952,600</b>	<b>3,797,904</b>	<b>(1,154,696)</b>
<b>EXPENDITURES</b>				
Public Works	3,697,000	1,795,722	544,898	1,250,824
Capital Outlay	-	5,605,115	3,187,841	2,417,274
<b>Total Expenditures</b>	<b>3,697,000</b>	<b>7,400,837</b>	<b>3,732,739</b>	<b>3,668,098</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,255,600</b>	<b>(2,448,237)</b>	<b>65,165</b>	<b>2,513,402</b>
Fund Balance - Beginning of Year	(29,997)	(29,997)	(29,997)	-
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,225,603</b>	<b>\$ (2,478,234)</b>	<b>\$ 35,168</b>	<b>\$ 2,513,402</b>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**STATE GRANTS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Revenue from Other Agencies	\$ -	\$ 1,500,000	\$ 458,399	\$ (1,041,601)	
Investment Income (Loss)	100	100	(26,461)	(26,561)	
Total Revenues	100	1,500,100	431,938	(1,068,162)	
<b>EXPENDITURES</b>					
Public Works	210,000	570,938	767,303	(196,365)	
Debt Service:					
Principal	-	-	140,000	(140,000)	
Total Expenditures	210,000	570,938	907,303	(336,365)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(209,900)	929,162	(475,365)	(1,404,527)	
<b>OTHER FINANCING SOURCES</b>					
Lease Proceeds	-	-	673,341	673,341	
<b>NET CHANGE IN FUND BALANCE</b>	(209,900)	929,162	197,976	(731,186)	
Fund Deficit - Beginning of Year	(66,783)	(66,783)	(66,783)	-	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (276,683)</u>	<u>\$ 862,379</u>	<u>\$ 131,193</u>	<u>\$ (731,186)</u>	

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**

	Equipment Replacement Internal Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 3,109,305
Receivables:	
Interest	14,180
Total Current Assets	<u>3,123,485</u>
Noncurrent Assets:	
Capital Assets, Being Depreciated:	
Property and Equipment	2,655,008
Accumulated Depreciation	<u>(2,503,509)</u>
Total Noncurrent Assets	<u>151,499</u>
Total Assets	3,274,984
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	173
Lease Payable	<u>25,400</u>
Total Current Liabilities	<u>25,573</u>
Noncurrent Liabilities:	
Lease Payable	<u>79,286</u>
Total Liabilities	104,859
<b>NET POSITION</b>	
Investment in Capital Assets	151,499
Unrestricted	<u>3,018,626</u>
Total Net Position	<u>\$ 3,170,125</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Equipment Replacement Internal Service Fund
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 292,200
Total Operating Revenues	<u>292,200</u>
<b>OPERATING EXPENSES</b>	
Materials and Supplies	12,298
Depreciation and Amortization Expense	<u>63,281</u>
Total Operating Expenses	<u>75,579</u>
<b>OPERATING INCOME</b>	216,621
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Income	35,570
Interest Expense	<u>(2,300)</u>
Total Nonoperating Revenues (Expenses)	<u>33,270</u>
<b>CHANGE IN NET POSITION</b>	249,891
Net Position - Beginning of Year	<u>2,920,234</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,170,125</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Equipment Replacement Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Interfund Services Provided	\$ 292,200
Payments to Suppliers	<u>(12,298)</u>
Net Cash Provided by Operating Activities	<u>279,902</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on lease liability	(25,042)
Interest paid on lease liability	<u>(2,127)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(27,169)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received on Investments	54,653
Fair Value Adjustment on Investments	<u>(29,948)</u>
Net Cash Provided by Investing Activity	<u>24,705</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>277,438</b>
Cash and Cash Equivalents - Beginning of Year	<u>2,831,867</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 3,109,305</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 216,621
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization Expense	63,281
Net Cash Provided By Operating Activities	<u>\$ 279,902</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2023**

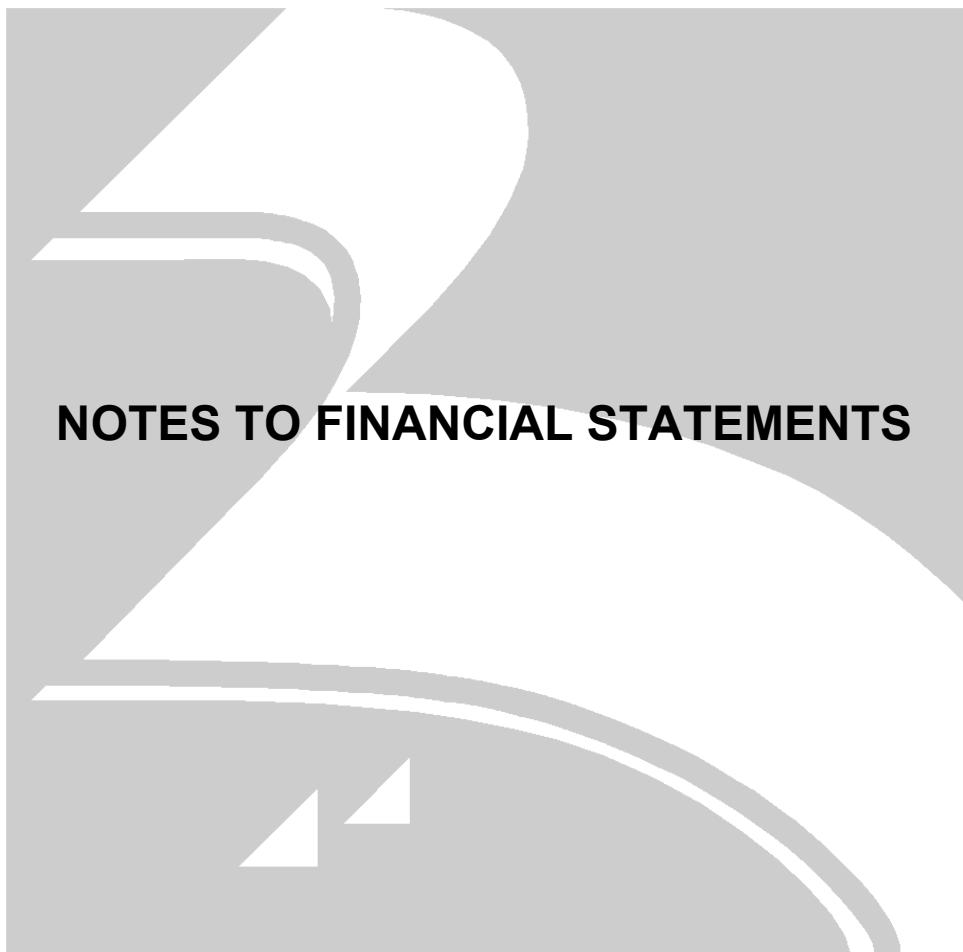
	Successor Agency Private-Purpose Trust Fund
<b>ASSETS</b>	
Cash and Investments	\$ 279,893
Receivables:	
Interest Receivable	478
Total Assets	<u>280,371</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Current Portion of Noncurrent Liabilities	<u>572,440</u>
Total Current Liabilities	<u>572,440</u>
Noncurrent Liabilities:	
Due Beyond One Year	<u>12,316,223</u>
Total Noncurrent Liabilities	<u>12,316,223</u>
Total Liabilities	<u>12,888,663</u>
Net Position (Deficit) Held in Trust	<u>\$ (12,608,292)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Successor Agency Private-Purpose Trust Fund
<b>ADDITIONS</b>	
Taxes	\$ 777,937
Investment Income	5,809
Total Additions	<u>783,746</u>
<b>DEDUCTIONS</b>	
Administration	336
Debt Interest and Fiscal Charges	290,690
Total Deductions	<u>291,026</u>
<b>CHANGE IN NET POSITION</b>	492,720
Net Position (Deficit) - Beginning of Year	<u>(13,101,012)</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ (12,608,292)</u>

See accompanying Notes to Basic Financial Statements.





**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

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 is a fiduciary component unit. The balances and transactions of the Successor Agency are reported as a separate Fiduciary Fund private purpose trust fund.

**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](mailto:pvtransit@palosverdes.com) or mailing a request to P.O. Box 2656, Palos Verdes Peninsula, CA 90274.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 American Rescue Plan Act Special Revenue Fund is used to account for American Rescue Plan Act assistance.

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

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting/Measurement Focus**

**Governmental Fund Financial Statements (Continued)**

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

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

**Proprietary Fund Financial Statements**

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 nonoperating revenues and expenses.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting/Measurement Focus (Continued)**

**Proprietary Fund Financial Statements (Continued)**

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.).

**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, except for the Bikeways Special Revenue Fund. 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, 2023, based on calculations by City Management, the proceeds of taxes in the amount of \$24.3 million did not exceed appropriation limit of \$36.3 million.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, equipment, and right-to-use assets with an initial individual cost of more than \$5,000 and; and improvements and infrastructure assets with construction costs of more than \$100,000, that have an estimated useful life of more than one year. 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.

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
Right-to-Use Assets:	
Equipment	1 to 3 Years
Subscriptions	1 to 6 Years
Infrastructure Assets:	
Roadway System	10 to 100 Years
Sewer System	25 to 50 Years
Storm Drain System	30 to 100 Years
Parks System	25 Years

Subscription-Based Information Technology Arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalized implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Employee Compensated Absences (Continued)**

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.

**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 10. 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 nonspendable.

**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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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.

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

Nonspendable – 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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

- Deferred inflows from unavailable 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 from lease receivable is initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
- Deferred inflows related to pensions 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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Deferred Inflows and Outflows (Continued)**

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

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.

**N. New Accounting Pronouncements**

**GASB 96**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription -Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays and other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirement of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

	<u>Government- Wide Statement of Net Position</u>	<u>Fiduciary Fund Statement of Fiduciary Net Position</u>	<u>Total</u>
Cash and Investments	<u>\$ 97,241,842</u>	<u>\$ 279,893</u>	<u>\$ 97,521,735</u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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

Petty Cash	\$ 5,000
Deposits with Financial Institutions	3,701,375
Certificates of Deposit	28,087,103
Money Market Mutual Funds	185,106
U.S. Treasury Obligations	3,762,031
Government Sponsored Agency Bonds	4,220,371
Local Agency Investment Fund (LAIF)	<u>57,560,749</u>
Total	<u><u>\$ 97,521,735</u></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
Government Sponsored Agency Bonds	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

**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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Relating to Interest Rate Risk (Continued)**

Investment Type	Remaining Maturity					Total
	0-6 Months	6-12 Months	12-36 Months	36-60 Months		
Certificates of Deposit	\$ 5,150,343	\$ 1,212,440	\$ 13,351,925	\$ 8,372,395	\$ 28,087,103	
Money Market Mutual Funds	185,106	-	-	-		185,106
U.S. Treasury Obligations	-	-	3,762,031	-		3,762,031
Government Sponsored Agency Bonds	-	489,810	2,861,895	868,666		4,220,371
Local Agency Investment Fund (LAIF)	57,560,749	-	-	-		57,560,749
Total	<u>\$ 62,896,198</u>	<u>\$ 1,702,250</u>	<u>\$ 19,975,851</u>	<u>\$ 9,241,061</u>		<u>\$ 93,815,360</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 U.S. Treasury Obligations are not required to be rated. The certificates of deposit, and LAIF are not rated. The money market funds and Government Sponsored Agency Bonds are rated AAA and AA, respectively.

**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 fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**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 and Government Sponsored Agency Bonds are 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.

**NOTE 3 INTERFUND TRANSACTIONS**

**Interfund Receivable/Payable**

The \$227,434 due to the General Fund from Other Governmental Funds is the result of loans to cover temporary deficit cash balances.

**Interfund Transfers**

Interfund transfers for the year ended June 30, 2023, consisted of the following:

Transfer To	Transfer From		
	General Fund	Other Governmental Funds	Totals
General Fund	\$ -	\$ 300,000	\$ 300,000
Capital Improvement Projects	7,236,122	-	7,236,122
Other Governmental Funds	65,000	-	65,000
Total	<u>\$ 7,301,122</u>	<u>\$ 300,000</u>	<u>\$ 7,601,122</u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 INTERFUND TRANSACTIONS (CONTINUED)**

**Interfund Transfers (Continued)**

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 \$7,301,122 to other funds. Of this amount, \$7,236,122 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 \$65,000 was transferred to the following Other Governmental Funds: \$15,000 to the Improvement Authority Portuguese Bend to subsidize annual maintenance of landslide mitigation facilities; and, \$50,000 to the Subregion 1 Fund to subsidize landscape maintenance. The General Fund received \$300,000 from the following Other Governmental Funds: \$250,000 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 \$50,000 from the Measure A Special Revenue Fund to cover park and trail maintenance costs.

**NOTE 4 LEASES RECEIVABLE**

The City, acting as lessor, leases equipment under three long-term, noncancelable lease agreements. The leases expire at various dates through June 30, 2041. The net present values of the leases receivable were determined using a discount rate of 1.98% and 2.93%. Rent payments ranging from \$283 to \$3,925, are received monthly. During the year ended June 30, 2023, the City recognized \$101,746 and \$17,684 in lease revenue and interest revenue respectively, pursuant to these lease agreements.

One of the leases provides for increases in future minimum monthly rent payments, subject to certain stated increases.

Principal and interest requirements to maturity under lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 89,383	\$ 19,892	\$ 109,275
2025	94,696	14,312	109,008
2026	89,094	12,276	101,370
2027	70,548	10,615	81,163
2028	75,136	9,033	84,169
Thereafter	376,762	20,873	397,635
<b>Total</b>	<b>\$ 795,619</b>	<b>\$ 87,001</b>	<b>\$ 882,620</b>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 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, 2023.

	Beginning Balance As Restated (1)	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets not Being Depreciated/Amortized:				
Land	\$ 43,543,382	\$ 1,298,034	\$ -	\$ 44,841,416
Construction in Progress	1,637,230	11,990,394	(626,651)	13,000,973
Total Capital Assets not Being Depreciated/Amortized	45,180,612	13,288,428	(626,651)	57,842,389
Capital Assets Being Depreciated/Amortized:				
Building and Improvements	14,281,198	-	-	14,281,198
Vehicles	592,099	-	-	592,099
Computer Equipment	1,150,464	-	-	1,150,464
Furniture, Fixtures, and Equipment	1,046,243	-	-	1,046,243
Right-to-Use Assets:				
Leases	13,576	846,968	-	860,544
Subscription	508,308	-	-	508,308
Infrastructure:				
Roadway System	129,045,319	527,020	-	129,572,339
Sewer System	25,965,995	-	-	25,965,995
Storm Drain System	14,142,879	-	-	14,142,879
Storm Drain System - Water Quality	36,851,640	-	-	36,851,640
Parks System	8,003,562	99,631	-	8,103,193
Total Capital Assets Being Depreciated/ Amortized	231,601,283	1,473,619	-	233,074,902
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(7,886,531)	(266,170)	-	(8,152,701)
Vehicles	(535,556)	(37,466)	-	(573,022)
Computer Equipment	(989,150)	(33,185)	-	(1,022,335)
Furniture, Fixtures, and Equipment	(940,063)	(33,213)	-	(973,276)
Right-to-Use Assets:				
Leases	(8,032)	(112,500)	-	(120,532)
Subscription	-	(193,888)	-	(193,888)
Infrastructure:				
Roadway System	(78,800,632)	(4,655,325)	-	(83,455,957)
Sewer System	(22,389,514)	(453,779)	-	(22,843,293)
Storm Drain System	(5,800,748)	(286,947)	-	(6,087,695)
Storm Drain System - Water Quality	(6,563,665)	(832,574)	-	(7,396,239)
Parks System	(3,384,357)	(318,051)	-	(3,702,408)
Total Accumulated Depreciation/Amortization	(127,298,248)	(7,223,098)	-	(134,521,346)
Total Capital Assets Being Depreciated/Amortized, Net	104,303,035	(5,749,479)	-	98,553,556
Governmental Activities				
Capital Assets, Net	\$ 149,483,647	\$ 7,538,949	\$ (626,651)	\$ 156,395,945

(1) The beginning balance has been restated to add right-to-use SBITA asset in accordance with the implementation of GASB Statement No. 96, *Subscription Based-Information Technology Arrangements*.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 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 and Amortization of Right-to-Use Assets)	\$ 613,141
Public Works (Depreciation of Roadways, Sewers, and Storm Drains)	6,228,625
Parks and Recreation (Depreciation of Parks System)	318,051
Capital Assets Held by the City's Internal Service Funds are Charged to Various Functions Based on Their Usage of the Assets	<u>63,281</u>
Total Depreciation/Amortization Expense - Governmental Activities	<u><u>\$ 7,223,098</u></u>

**NOTE 6 NOTES RECEIVABLE**

	Notes Receivable
Affordable Housing	\$ 8,705,583
Community Development Block Grant	236,791
Subtotal	<u>8,942,374</u>
Receivable from Successor Agency	10,413,663
Allowance from Successor Agency Receivable	(10,413,663)
Total Notes Receivable	<u><u>\$ 8,942,374</u></u>

The receivable from the Successor Agency is discussed further in Note 15.

**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 \$2,435,039 at June 30, 2023 was \$8,705,583.

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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 NOTES RECEIVABLE (CONTINUED)**

**Affordable Housing (Continued)**

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

**Community Development Block Grant (CDBG)**

As part of the City's CDBG program, the City extends loans to property owners meeting low and moderate income requirements to make repairs and improvements to their homes. These notes receivable bear no interest, and repayment is required when the title to the property is transferred or the property is re-financed. The maximum loan amount per property is \$13,000. Amounts repaid are returned to the CDBG program. The total of these loans outstanding at June 30, 2023 is \$236,791.

**NOTE 7 LONG-TERM LIABILITIES**

	Balance July 1, 2022, as Restated (1)	Additions	Deletions	Balance June 30, 2023	Amount Due in One Year
Employee Compensated Absences	\$ 507,647	\$ 355,702	\$ (382,026)	\$ 481,323	\$ 362,216
Leases Payable	5,599	846,968	(184,985)	667,582	169,471
Subscriptions Payable	508,308	-	(180,289)	328,019	175,931
Loan Payable	8,000,000	-	(734,025)	7,265,975	745,478
<b>Total</b>	<b>\$ 9,021,554</b>	<b>\$ 1,202,670</b>	<b>\$ (1,481,325)</b>	<b>\$ 8,742,899</b>	<b>\$ 1,453,096</b>

(1) The beginning balance has been restated to add subscription liabilities in accordance with the implementation of GASB Statement No. 96, SBITA.

The internal service fund predominantly serves the governmental funds. Accordingly, the lease liability for this fund is included as part of the above totals for governmental activities.

**Employee Compensated Absences**

There is no fixed payment schedule for employee compensated absences. Based on historical trends, \$362,216 is estimated to be the amount that will be used and/or paid out during the fiscal year ended June 30, 2024.

**Leases Payable**

The City leases a building and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027. The net present values of the leases payable were determined using a discount rate ranging between 0.476% to 2.536%. Monthly lease payments total \$15,658.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Leases Payable (Continued)**

Total future minimum lease payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 169,471	\$ 12,856	\$ 182,327
2025	172,834	9,493	182,327
2026	161,042	6,202	167,244
2027	164,235	3,008	167,243
<b>Total</b>	<b><u>\$ 667,582</u></b>	<b><u>\$ 31,559</u></b>	<b><u>\$ 699,141</u></b>

Right-to-use assets acquired through outstanding leases are shown below:

Equipment	\$ 860,544
Less: Accumulated Amortization	(120,532)
<b>Total</b>	<b><u>\$ 740,012</u></b>

**Subscriptions Payable**

The City has entered into subscription based-information technology arrangements (SBITAs) for various software applications. The SBITA arrangements expire at various dates through 2027 and provide renewal options.

As of June 30, 2023, SBITA assets and related accumulated amortization totaled \$508,308 and \$193,888, respectively.

The future subscription payments under SBITA arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 175,931	\$ 7,793	\$ 183,724
2025	69,348	3,821	73,169
2026	71,076	2,092	73,168
2027	11,664	320	11,984
<b>Total</b>	<b><u>\$ 328,019</u></b>	<b><u>\$ 14,026</u></b>	<b><u>\$ 342,045</u></b>

**Loan Payable**

On April 8, 2022, the City obtained a \$8,000,000 term loan bearing an interest rate of 1.98% for the purpose of funding a portion of the costs of construction of a new City-owned community park. Principal is payable annually on April 1, commencing April 1, 2023. Interest is payable semi-annually each April 1 and October 1. In the event of default, the lender is allowed to charge a default interest rate of 3.0% above the base rate on outstanding principal.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Loan Payable (Continued)**

Future debt service payments on the loan are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 745,478	\$ 143,866	\$ 889,344
2025	760,239	129,106	889,345
2026	775,292	114,053	889,345
2027	790,642	98,702	889,344
2028	806,297	83,048	889,345
2029 - 2032	3,388,027	169,351	3,557,378
<b>Total</b>	<b>\$ 7,265,975</b>	<b>\$ 738,126</b>	<b>\$ 8,004,101</b>

**NOTE 8 CLASSIFICATIONS OF NET POSITION AND FUND BALANCE**

The City's governmental fund balances were classified as follows at June 30, 2023:

	<u>General Fund</u>	<u>American Rescue Plan Act Special Revenue Fund</u>	<u>State Grants Special Revenue Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>
Nonspendable:					
In Form (Inventory and Prepaid Items)	\$ 1,163,782	\$ -	\$ -	\$ -	\$ -
Legally (Endowment Principal)	-	-	-	-	1,750,000
Restricted:					
Public Works	-	35,168	131,193	-	3,238,190
Housing and Community Development	-	-	-	-	1,262,180
Transportation	-	-	-	-	8,674,016
Parks and Recreation	-	-	-	-	1,205,473
Public Safety	-	-	-	-	22,948
Committed:					
City Administration	63,498	-	-	-	-
Public Safety	20,493	-	-	-	-
Public Works	438,523	-	-	4,399,781	-
Recreation and Parks	10,856	-	-	-	-
Housing and Community Development	214,073	-	-	-	-
Assigned:					
Public Works	-	-	-	30,896,053	-
Unassigned:					
Unrestricted Fund Balance	32,183,659	-	-	-	(11,711)
Governmental Fund Balance					
Totals	<b>\$ 34,094,884</b>	<b>\$ 35,168</b>	<b>\$ 131,193</b>	<b>\$ 35,295,834</b>	<b>\$ 16,141,096</b>

**Nonspendable Fund Balance**

General Fund assets include \$36,428 of inventory held for resale at the Point Vicente Interpretive Center gift shop, and \$1,127,354 of prepaid costs related to future years.

The fund balance of the Improvement Authority's Abalone Cove Permanent Fund includes a \$1,000,000 nonspendable endowment, as required by a Reimbursement and Settlement Agreement dated October 27, 1987 in connection with the Horan Lawsuit (discussed further in Note 15).

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 CLASSIFICATIONS OF NET POSITION AND FUND BALANCE (CONTINUED)**

**Nonspendable Fund Balance (Continued)**

The fund balance of the Subregion One Maintenance Permanent Fund includes a \$750,000 nonspendable 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 (NCCP) required a nonspendable endowment in the Habitat Restoration Permanent 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. On October 29, 2021, pursuant to the NCCP adopted on November 19, 2019, by Resolution 2019-61, the City transferred the nonspendable endowment balance of \$200,795 to the Palos Verdes Peninsula Land Conservancy. See Note 11 for the City's continuing commitment pursuant to the NCCP.

**Restricted Fund Balance**

The restricted balances of the City's American Rescue Plan Act Special Revenue Fund, State Grants Special Revenue Fund, and Other Governmental Funds are constrained to use for specific purposes by other governmental agencies, property owners, and grantors.

**Committed Fund Balance**

The \$747,443 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. The \$4,399,781 balance of the Capital Improvement Fund is committed for ongoing improvements for streets, building, parks, trails and open space, and Portuguese Bend's dewatering wells project.

**Assigned Fund Balance**

The \$30,896,053 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 fund balance of at least fifty percent of annual operating expenditures. As of June 30, 2023, the unrestricted fund balance of \$32,183,659 exceeds the minimum requirement of \$14,521,345 (50% of \$29,042,690 in General Fund annual operating expenditures).

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 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 nonduty 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 for the year ended June 30, 2023, 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%	6.75%
Required Employer Contributions Rates:			
Normal Cost Rate	12.210%	8.630%	7.470%
Payment of Unfunded Liability	\$ 1,068,998	\$ 19,390	\$ 15,314

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 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. For the year ended June 30, 2023, the City made contributions totaling of \$ 1,738,045.

**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, 2023, in the amount of \$15,227,193.

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2021 and 2022 measurement dates was as follows:

Proportion - June 30, 2021	0.40821%
Proportion - June 30, 2022	<u>0.32542%</u>
Change - Increase (Decrease)	<u>-0.08279%</u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 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, 2023, the City recognized pension income of \$643,981. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to the Measurement Date	\$ 1,738,045	\$ -
Differences Between Expected and Actual Experience	305,791	(204,806)
Change of Assumptions	1,560,344	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(897,642)
Net Differences Between Projected and Actual Earnings on Plan Investments	2,789,217	-
<b>Total</b>	<b>\$ 6,393,397</b>	<b>\$ (1,102,448)</b>

The amount of \$1,738,045 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows or resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ 792,271
2025	680,890
2026	373,764
2027	1,705,979
2028	-
Thereafter	-
	<b><u>Total</u></b>
	<b><u>\$ 3,552,904</u></b>

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)**

**Actuarial Assumptions (Continued)**

The total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	(1)
Mortality Rate Table	(2)
Postretirement 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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

**Subsequent Events**

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)**

**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.

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

Leverage	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00%	4.45%
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.9%. 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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)**

**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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
\$ 22,684,290	\$ 15,227,193	\$ 9,091,852

**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, 2023, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

**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 nontaxable 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, 2023, the City employees contributed \$56,398 and the City contributed \$97,046 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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 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 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the board of directors. The Board operates through a nine-member Executive Committee.

**Primary 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 \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

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

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE  
(CONTINUED)**

**Primary Workers' Compensation Program**

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

For 2022-2023, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**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 \$250,000 deductible. The Authority has a limit of \$20 million.

**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 \$21,965,054. There is a \$10,000 deductible per occurrence except for nonemergency 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 \$20,786,336. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 LIABILITY, WORKERS' COMPENSATION, AND PURCHASED INSURANCE  
(CONTINUED)**

**Purchased Insurance (Continued)**

**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 2022-2023.

**NOTE 11 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 10) 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.

**Commitments**

Pursuant to the City's Natural Communities Conservation Plan (NCCP) adopted on November 19, 2019 by Resolution 2019-61, the City transferred the endowment principal maintained in the City's Habitat Restoration Permanent Fund of \$200.795 to the Palos Verdes Peninsula Land Conservancy on October 29, 2021. Based on the adopted NCCP, Section 8.2.1.1 City's Funding Commitments, a minimum of \$10,000 will be provided by the City every year, and continuing for the Permit Term November 19, 2059, adjusted annually using CPI-U.

**NOTE 12 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

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 13 UNAVAILABLE REVENUES**

The unavailable revenues in the fund financial statements of the City of Rancho Palos Verdes as of June 30, 2023 are presented in the following table.

Revenue Measurable but Not Available (beyond 60 days):

State Grants Special Revenue Fund	\$ 161,066
Other Governmental Funds	40,950
Total Unavailable Revenues	<u><u>\$ 202,016</u></u>

**NOTE 14 OTHER REQUIRED FUND DISCLOSURES**

The following department's budget had expenditures in excess of the budget for the year ended June 30, 2023, as follows:

Program	Budget	Expenditures	Excess
State Grants Special Revenue Fund:			
Public Works	\$ 570,938	\$ 767,303	\$ 196,365
Other Governmental Funds:			
Donor Restricted Contributions Special			
Revenue Fund:			
Public Works	-	20,485	20,485
Parks and Recreation	14,600	15,738	1,138
Subregion One Permanent Fund			
Public Works	43,600	47,440	3,840

The Successor Agency Private-Purpose Trust Fund has a deficit fiduciary net position at June 30, 2023 of \$12,608,292 which will be reduced by collection of future tax revenues.

**NOTE 15 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.

**Debt Summary**

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due in One Year
Due to City:					
Portuguese Bend	\$ 7,086,947	\$ 100,500	\$ (184,470)	\$ 7,002,977	\$ 100,500
Abalone Cove	3,453,076	56,940	(99,330)	3,410,686	56,940
Due to County:					
Tax Increment Bond	2,855,000	-	(380,000)	2,475,000	415,000
Totals	<u><u>\$ 13,395,023</u></u>	<u><u>\$ 157,440</u></u>	<u><u>\$ (663,800)</u></u>	<u><u>\$ 12,888,663</u></u>	<u><u>\$ 572,440</u></u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 SUCCESSOR AGENCY (CONTINUED)**

**Consolidated Loan from City**

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

On September 22, 2015, Governor Brown signed legislation that became effective immediately. The legislation requires accrued interest on city loans to be recalculated using a simple interest rate of 3%. Previously, accrued interest on the City's loan was calculated using historical Local Agency Investment Fund (LAIF) rates. At June 30, 2023, using the simple interest rate of 3%, the loan balance is \$10,413,663.

	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
Portuguese Bend	\$ 3,350,010	\$ 3,652,967	\$ 7,002,977
Abalone Cove	1,898,007	1,512,679	3,410,686
Allowance from Successor Agency Receivable	(5,248,017)	(5,165,646)	(10,413,663)
<b>Totals</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Due to the uncertainty of Redevelopment Property Tax Trust Fund revenue available for future loan repayments, the City's loan receivable of \$10,413,663 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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 SUCCESSOR AGENCY (CONTINUED)**

**Tax Increment Bond and Deferred Interest Payable (Continued)**

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 were 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% of tax increment revenue to the Consolidated Fire Protection District of the County and 50.9% 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% over a 30-year period that began in 1992. However, these debt payments were to be deferred 10 years until the fiscal year ended June 30, 2002.

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

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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 SUCCESSOR AGENCY (CONTINUED)**

**Tax Increment Bond and Deferred Interest Payable (Continued)**

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% 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% compared to 7.7654% 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.

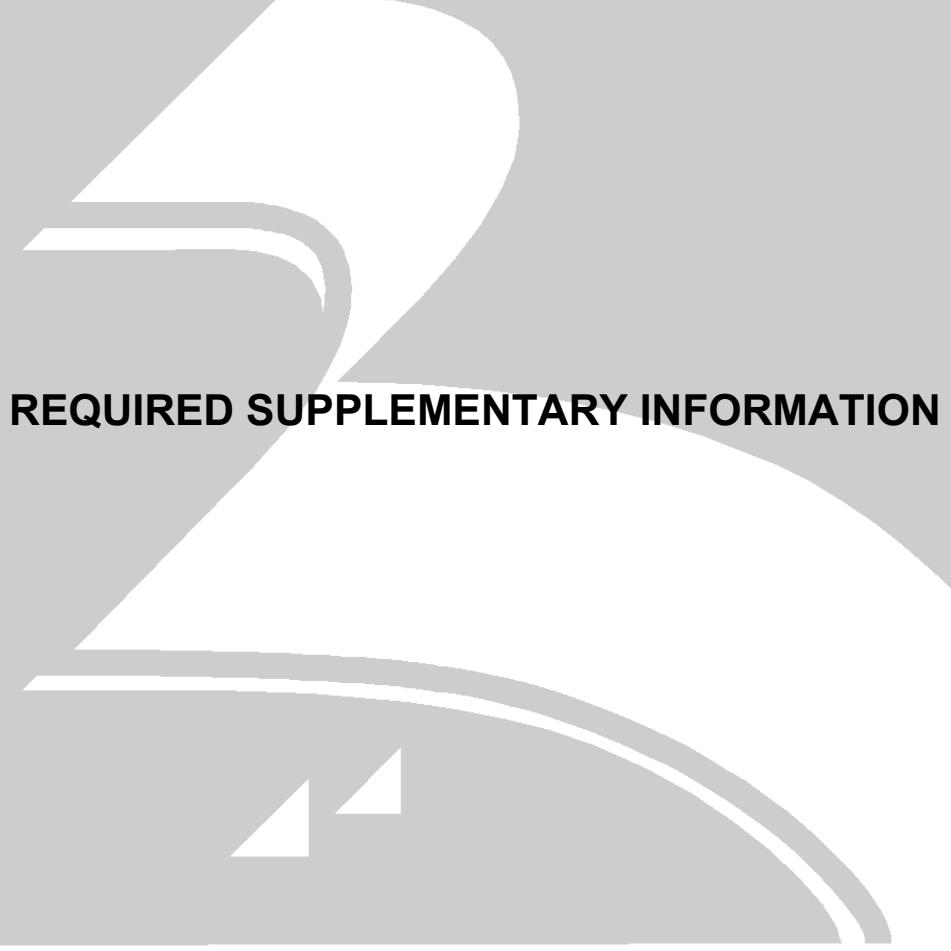
The California Department of Finance has approved the Tax Increment Bond and Deferred Interest Payable as obligations of the Successor Agency.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 415,000	\$ 113,375	\$ 528,375
2024	450,000	91,750	541,750
2025	495,000	68,125	563,125
2026	535,000	42,375	577,375
2027	580,000	14,500	594,500
<b>Totals</b>	<b><u>\$ 2,475,000</u></b>	<b><u>\$ 330,125</u></b>	<b><u>\$ 2,805,125</u></b>

**NOTE 16 SUBSEQUENT EVENT**

On August 28, 2023, the City was named a recipient of FEMA's Building Resilient Infrastructure and Communities (BRIC) grant totaling \$23.33 million. The purpose of the grant is to help communities across the country build resilience against extreme weather events and proactively reduce natural hazard risks. This funding is for the proposed Portuguese Bend Landslide Remediation Project.



**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST TEN FISCAL YEARS \***  
**YEAR ENDED JUNE 30, 2023**

	Miscellaneous									
Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	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	0.32542%	0.40821%	0.30643%	0.29762%	0.28980%	0.28221%	0.27708%	0.28237%	0.09183%	
Plan's Proportionate Share of the Net Pension Liability	\$ 15,227,193	\$ 7,751,010	\$ 12,925,644	\$ 11,918,073	\$ 10,921,840	\$ 11,124,689	\$ 9,625,397	\$ 7,637,567	\$ 5,714,320	
Plan's Covered Payroll	\$ 6,868,403	\$ 6,513,032	\$ 6,454,856	\$ 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	221.70%	119.01%	200.25%	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	72.16%	84.98%	73.77%	75.26%	75.26%	73.31%	74.06%	78.40%	76.48%	
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,738,045	\$ 1,724,590	\$ 1,624,308	\$ 1,440,684	\$ 1,235,073	\$ 1,096,042	\$ 998,812	\$ 919,858	NA	

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.

From Fiscal Year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From Fiscal Year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From Fiscal Year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

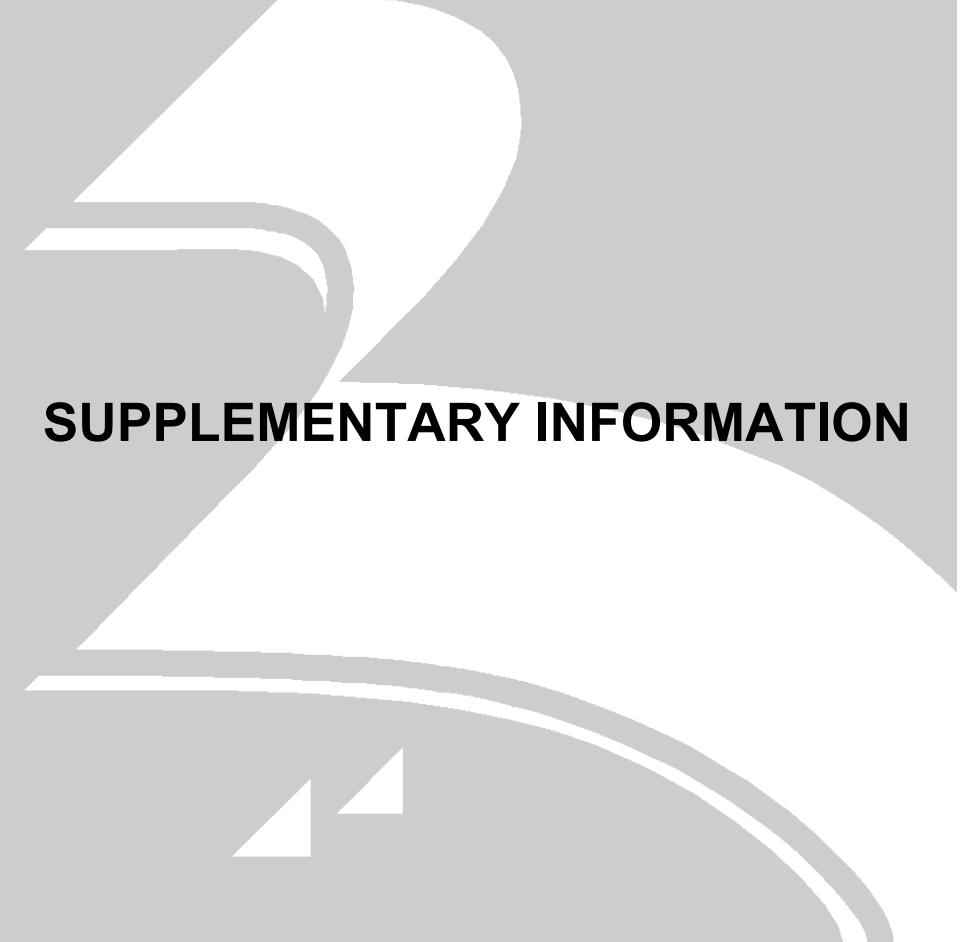
\* Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS \***  
**YEAR ENDED JUNE 30, 2023**

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 1,738,045	\$ 1,583,725	\$ 1,433,161	\$ 1,265,361	\$ 1,153,245	\$ 990,670	\$ 910,177	\$ 830,645	\$ 725,496
Contributions in Relation to the Actuarially Determined Contributions	(1,738,045)	(1,583,725)	(1,433,161)	(1,265,361)	(1,153,245)	(990,670)	(910,177)	(830,645)	(725,496)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 7,124,549	\$ 6,868,403	\$ 6,513,032	\$ 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	24.40%	23.06%	22.00%	19.60%	17.22%	15.57%	14.86%	13.85%	12.79%
Notes to Schedule:									
Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions									
Used to Determine Contribution Rates:									
Actuarial Cost Method	Entry Age								
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	15 Year Smoothed Market Method							
Inflation	2.300%	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	7.00% (3)	7.00% (3)	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)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

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

\* Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.



## **SUPPLEMENTARY INFORMATION**



**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**DESCRIPTION OF SPECIAL REVENUE FUNDS**  
**JUNE 30, 2023**

**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.

SB1 – To account for transportation taxes allocated to cities and counties through the Road Maintenance and Rehabilitation Account (RMRA) established by the Road Repair and Accountability Act of 2017 (SB1) for use on eligible local streets and roads projects.

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 of Los Angeles 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.

Measure W – To account for the City's share of the California parcel tax increase of \$0.025 per square foot of impermeable property for funding projects in accordance with the expenditure plan pursuant to the Los Angeles Region, Safe, Clean Water Program Projects.

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

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

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**DESCRIPTION OF SPECIAL REVENUE FUNDS**  
**JUNE 30, 2023**

**Special Revenue Fund Descriptions (Continued)**

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.

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.

Bikeways – To account for state funds that are used for the construction of bikeways and pedestrian facilities.

**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 nonexpendable 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 nonexpendable deposit. The interest earnings are used to pay for maintenance and repair of Abalone Cove landslide abatement improvements.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

Special Revenue Funds						
	Gas Tax	SB1	1972 Act	El Prado	1911 Act	
<b>ASSETS</b>						
Cash and Investments	\$ 830,821	\$ 1,270,625	\$ 29,187	\$ 45,957	\$ 2,345,933	
Receivables:						
Taxes	-	-	-	94	23,997	
Interest	4,837	4,284	135	212	10,887	
Other	<u>193,925</u>	<u>165,532</u>	<u>-</u>	<u>-</u>	<u>6,221</u>	
<b>Total Assets</b>	<b><u>\$ 1,029,583</u></b>	<b><u>\$ 1,440,441</u></b>	<b><u>\$ 29,322</u></b>	<b><u>\$ 46,263</u></b>	<b><u>\$ 2,387,038</u></b>	
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 190,564	\$ -	\$ -	\$ -	\$ 50,761	
Due to Other Funds	-	-	-	-	-	
Retentions Payable	1,299	-	-	-	-	
<b>Total Liabilities</b>	<b><u>191,863</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>50,761</u></b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	
<b>FUND BALANCES</b>						
Nonspendable:						
Endowment Principal	-	-	-	-	-	
Restricted	837,720	1,440,441	29,322	46,263	2,336,277	
Unassigned	-	-	-	-	-	
<b>Total Fund Balances</b>	<b><u>837,720</u></b>	<b><u>1,440,441</u></b>	<b><u>29,322</u></b>	<b><u>46,263</u></b>	<b><u>2,336,277</u></b>	
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b><u>\$ 1,029,583</u></b>	<b><u>\$ 1,440,441</u></b>	<b><u>\$ 29,322</u></b>	<b><u>\$ 46,263</u></b>	<b><u>\$ 2,387,038</u></b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

Special Revenue Funds (Continued)

	Waste Reduction	Air Quality Management	Proposition C	Proposition A	Public Safety Grants
<b>ASSETS</b>					
Cash and Investments	\$ 358,196	\$ 50,268	\$ 528,781	\$ 2,137,534	\$ 22,651
Receivables:					
Taxes	-	-	-	-	-
Interest	1,622	206	2,557	9,493	297
Other	<u>22,642</u>	<u>13,830</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 382,460</u></b>	<b><u>\$ 64,304</u></b>	<b><u>\$ 531,338</u></b>	<b><u>\$ 2,147,027</u></b>	<b><u>\$ 22,948</u></b>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	\$ 23,561	\$ 26,989	\$ 84,830	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Retentions Payable	-	-	1,528	-	-
<b>Total Liabilities</b>	<b><u>23,561</u></b>	<b><u>26,989</u></b>	<b><u>86,358</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable:					
Endowment Principal	-	-	-	-	-
Restricted	358,899	37,315	444,980	2,147,027	22,948
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>358,899</u></b>	<b><u>37,315</u></b>	<b><u>444,980</u></b>	<b><u>2,147,027</u></b>	<b><u>22,948</u></b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b><u>\$ 382,460</u></b>	<b><u>\$ 64,304</u></b>	<b><u>\$ 531,338</u></b>	<b><u>\$ 2,147,027</u></b>	<b><u>\$ 22,948</u></b>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

Special Revenue Funds (Continued)

						Abalone Cove Sewer Assessment
	Measure R	Measure A	Measure M	Measure W		
<b>ASSETS</b>						
Cash and Investments	\$ 2,404,342	\$ 119,413	\$ 636,323	\$ 913,878	\$ 70,424	
Receivables:						
Taxes	-	-	-	-	-	
Interest	11,111	591	2,734	4,368	358	
Other	-	20,666	-	-	2,626	
<b>Total Assets</b>	<b>\$ 2,415,453</b>	<b>\$ 140,670</b>	<b>\$ 639,057</b>	<b>\$ 918,246</b>	<b>\$ 73,408</b>	
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 57,680	\$ -	\$ 68,095	\$ 43,134	\$ 13,865	
Due to Other Funds	-	-	-	-	-	
Retentions Payable	-	-	-	-	-	
<b>Total Liabilities</b>	<b>57,680</b>	<b>-</b>	<b>68,095</b>	<b>43,134</b>	<b>13,865</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	20,666	-	-	-	
<b>FUND BALANCES</b>						
Nonspendable:						
Endowment Principal	-	-	-	-	-	
Restricted	2,357,773	120,004	570,962	875,112	59,543	
Unassigned	-	-	-	-	-	
<b>Total Fund Balances</b>	<b>2,357,773</b>	<b>120,004</b>	<b>570,962</b>	<b>875,112</b>	<b>59,543</b>	
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 2,415,453</b>	<b>\$ 140,670</b>	<b>\$ 639,057</b>	<b>\$ 918,246</b>	<b>\$ 73,408</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	Special Revenue Funds (Continued)					
	Donor Restricted Contributions	Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	Quimby	Environmental Excise Tax	
		(CDBG)	Quimby			
<b>ASSETS</b>						
Cash and Investments	\$ 835,007	\$ 77,821	\$ -	\$ 283,662	\$ 88,758	
Receivables:						
Taxes	-	-	-	-	-	-
Interest	3,835	610	-	1,494	406	
Other	-	-	344,267	-	-	-
<b>Total Assets</b>	<b><u>\$ 838,842</u></b>	<b><u>\$ 78,431</u></b>	<b><u>\$ 344,267</u></b>	<b><u>\$ 285,156</u></b>	<b><u>\$ 89,164</u></b>	
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 1,102	\$ 666	\$ 88,375	\$ 37,427	\$ 14,081	
Due to Other Funds	-	-	227,434	-	-	-
Retentions Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>1,102</u></b>	<b><u>666</u></b>	<b><u>315,809</u></b>	<b><u>37,427</u></b>	<b><u>14,081</u></b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	20,284	-	-	-
<b>FUND BALANCES</b>						
Nonspendable:						
Endowment Principal	-	-	-	-	-	-
Restricted	837,740	77,765	8,174	247,729	75,083	
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b><u>837,740</u></b>	<b><u>77,765</u></b>	<b><u>8,174</u></b>	<b><u>247,729</u></b>	<b><u>75,083</u></b>	
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b><u>\$ 838,842</u></b>	<b><u>\$ 78,431</u></b>	<b><u>\$ 344,267</u></b>	<b><u>\$ 285,156</u></b>	<b><u>\$ 89,164</u></b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	Special Revenue Funds (Continued)			Capital Projects Funds		
	Bikeways	Total Special Revenue Funds	Low-Moderate Income Housing	Affordable Housing In-lieu	Total Capital Projects Funds	
<b>ASSETS</b>						
Cash and Investments		\$ 13,049,581	\$ 370,565	\$ 857,760	\$ 1,228,325	
Receivables:						
Taxes	-	24,091	-	20,000	20,000	
Interest	-	60,037	1,714	3,967	5,681	
Other	-	769,709	-	-	-	
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 13,903,418</b>	<b>\$ 372,279</b>	<b>\$ 881,727</b>	<b>\$ 1,254,006</b>	
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities		\$ 701,130	\$ -	\$ -	\$ -	
Due to Other Funds	-	227,434	-	-	-	
Retentions Payable	-	2,827	-	-	-	
<b>Total Liabilities</b>	<b>-</b>	<b>931,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue		-	40,950	-	-	
<b>FUND BALANCES</b>						
Nonspendable:						
Endowment Principal	-	-	-	-	-	
Restricted	-	12,931,077	372,279	881,727	1,254,006	
Unassigned	-	-	-	-	-	
<b>Total Fund Balances</b>	<b>-</b>	<b>12,931,077</b>	<b>372,279</b>	<b>881,727</b>	<b>1,254,006</b>	
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ -</b>	<b>\$ 13,903,418</b>	<b>\$ 372,279</b>	<b>\$ 881,727</b>	<b>\$ 1,254,006</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	Permanent Funds					Total Other Governmental Funds
	Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds		
<b>ASSETS</b>						
Cash and Investments	\$ 189,968	\$ 739,805	\$ 1,060,625	\$ 1,990,398	\$ 16,268,304	
Receivables:						
Taxes	-	-	-	-	44,091	
Interest	1,007	3,398	8,556	12,961	78,679	
Other	-	-	-	-	769,709	
<b>Total Assets</b>	<b>\$ 190,975</b>	<b>\$ 743,203</b>	<b>\$ 1,069,181</b>	<b>\$ 2,003,359</b>	<b>\$ 17,160,783</b>	
<b>LIABILITIES</b>						
Accounts Payable and Accrued Liabilities	\$ 41,659	\$ 4,914	\$ 773	\$ 47,346	\$ 748,476	
Due to Other Funds	-	-	-	-	227,434	
Retentions Payable	-	-	-	-	2,827	
<b>Total Liabilities</b>	<b>41,659</b>	<b>4,914</b>	<b>773</b>	<b>47,346</b>	<b>978,737</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	-	-	-	-	-	40,950
<b>FUND BALANCES</b>						
Nonspendable:						
Endowment Principal	-	750,000	1,000,000	1,750,000	1,750,000	
Restricted	149,316	-	68,408	217,724	14,402,807	
Unassigned	-	(11,711)	-	(11,711)	(11,711)	
<b>Total Fund Balances</b>	<b>149,316</b>	<b>738,289</b>	<b>1,068,408</b>	<b>1,956,013</b>	<b>16,141,096</b>	
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 190,975</b>	<b>\$ 743,203</b>	<b>\$ 1,069,181</b>	<b>\$ 2,003,359</b>	<b>\$ 17,160,783</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

Special Revenue Funds						
	Gas Tax	SB1	1972 Act	El Prado	1911 Act	
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 3,369	\$ 854,943	-
Revenue from Other Agencies	1,066,467	944,656	-	-	-	-
Charges for Services	-	-	-	-	-	-
Investment Income (Loss)	14,923	(8,944)	400	530	18,287	
Other Revenues	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,081,390</b>	<b>935,712</b>	<b>400</b>	<b>3,899</b>	<b>873,230</b>	
<b>EXPENDITURES</b>						
Current:						
Public Works	916,681	29,239	-	-	440,188	
Parks and Recreation	-	-	-	-	-	-
Capital Outlay	315,000	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,231,681</b>	<b>29,239</b>	<b>-</b>	<b>-</b>	<b>440,188</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,291)	906,473	400	3,899	433,042	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>(150,291)</b>	<b>906,473</b>	<b>400</b>	<b>3,899</b>	<b>433,042</b>	
Fund Balances - Beginning of Year (Restated)	988,011	533,968	28,922	42,364	1,903,235	
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 837,720</b>	<b>\$ 1,440,441</b>	<b>\$ 29,322</b>	<b>\$ 46,263</b>	<b>\$ 2,336,277</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

Special Revenue Funds (Continued)					
	Waste Reduction	Air Quality Management	Proposition C	Proposition A	Public Safety Grants
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Agencies	17,320	68,403	905,694	1,091,892	165,271
Charges for Services	220,361	-	-	-	-
Investment Income (Loss)	5,295	3,513	12,069	18,893	3,134
Other Revenues	-	-	-	-	-
<b>Total Revenues</b>	<b>242,976</b>	<b>71,916</b>	<b>917,763</b>	<b>1,110,785</b>	<b>168,405</b>
<b>EXPENDITURES</b>					
Current:					
Public Works	276,253	171,993	1,100,561	776,663	-
Parks and Recreation	-	-	-	-	-
Capital Outlay	-	-	68,030	-	-
<b>Total Expenditures</b>	<b>276,253</b>	<b>171,993</b>	<b>1,168,591</b>	<b>776,663</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,277)	(100,077)	(250,828)	334,122	168,405
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(250,000)
Total Other Financing Sources (Uses)	-	-	-	-	(250,000)
<b>NET CHANGE IN FUND BALANCES</b>	<b>(33,277)</b>	<b>(100,077)</b>	<b>(250,828)</b>	<b>334,122</b>	<b>(81,595)</b>
Fund Balances - Beginning of Year (Restated)	392,176	137,392	695,808	1,812,905	104,543
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 358,899</b>	<b>\$ 37,315</b>	<b>\$ 444,980</b>	<b>\$ 2,147,027</b>	<b>\$ 22,948</b>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

Special Revenue Funds (Continued)					
	Measure R	Measure A	Measure M	Measure W	Abalone Cove Sewer Assessment
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 57,998
Revenue from Other Agencies	679,075	21,031	768,179	685,417	-
Charges for Services	-	-	-	-	-
Investment Income (Loss)	18,340	(605)	7,546	9,580	3,325
Other Revenues	-	-	-	-	-
<b>Total Revenues</b>	<b>697,415</b>	<b>20,426</b>	<b>775,725</b>	<b>694,997</b>	<b>61,323</b>
<b>EXPENDITURES</b>					
Current:					
Public Works	152,993	-	696,999	521,145	155,982
Parks and Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>152,993</b>	<b>-</b>	<b>696,999</b>	<b>521,145</b>	<b>155,982</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	544,422	20,426	78,726	173,852	(94,659)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	(50,000)	-	-	-
Total Other Financing Sources (Uses)	-	(50,000)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>544,422</b>	<b>(29,574)</b>	<b>78,726</b>	<b>173,852</b>	<b>(94,659)</b>
Fund Balances - Beginning of Year (Restated)	1,813,351	149,578	492,236	701,260	154,202
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 2,357,773</b>	<b>\$ 120,004</b>	<b>\$ 570,962</b>	<b>\$ 875,112</b>	<b>\$ 59,543</b>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

Special Revenue Funds (Continued)					
	Donor Restricted Contributions	Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	Quimby	Environmental Excise Tax
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Agencies	- -	- -	385,581	- -	- -
Charges for Services	- -	- -	- -	- -	- -
Investment Income (Loss)	10,628	1,481	- -	15,514	2,221
Other Revenues	69,850	- -	- -	- -	31,216
Total Revenues	<u>80,478</u>	<u>1,481</u>	<u>385,581</u>	<u>15,514</u>	<u>33,437</u>
<b>EXPENDITURES</b>					
Current:					
Public Works	20,485	6,415	158,099	422,522	62,596
Parks and Recreation	15,738	- -	- -	- -	- -
Capital Outlay	- -	- -	242,088	- -	- -
Total Expenditures	<u>36,223</u>	<u>6,415</u>	<u>400,187</u>	<u>422,522</u>	<u>62,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	44,255	(4,934)	(14,606)	(407,008)	(29,159)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	- -	15,000	- -	- -	- -
Transfers Out	- -	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	15,000	- -	- -	- -
<b>NET CHANGE IN FUND BALANCES</b>	44,255	10,066	(14,606)	(407,008)	(29,159)
Fund Balances - Beginning of Year (Restated)	<u>793,485</u>	<u>67,699</u>	<u>22,780</u>	<u>654,737</u>	<u>104,242</u>
<b>FUND BALANCES - END OF YEAR</b>	<b><u>\$ 837,740</u></b>	<b><u>\$ 77,765</u></b>	<b><u>\$ 8,174</u></b>	<b><u>\$ 247,729</u></b>	<b><u>\$ 75,083</u></b>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds (Continued)			Capital Projects Funds		
	Bikeways	Total	Low-Moderate	Affordable	Total	Capital
		Special				Projects
<b>REVENUES</b>						
Taxes	\$ -	\$ 916,310	\$ 56,760	\$ -	\$ 56,760	
Revenue from Other Agencies	29,106	6,828,092	-	-	-	-
Charges for Services	-	220,361	-	-	-	-
Investment Income (Loss)	-	136,130	2,842	12,023	14,865	
Other Revenues	-	101,066	-	-	-	-
Total Revenues	29,106	8,201,959	59,602	12,023	71,625	
<b>EXPENDITURES</b>						
Current:						
Public Works	29,106	5,937,920	-	-	-	-
Parks and Recreation	-	15,738	-	-	-	-
Capital Outlay	-	625,118	-	-	-	-
Total Expenditures	29,106	6,578,776	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,623,183	59,602	12,023	71,625	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	15,000	-	-	-	-
Transfers Out	-	(300,000)	-	-	-	-
Total Other Financing Sources (Uses)	-	(285,000)	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	1,338,183	59,602	12,023	71,625	
Fund Balances - Beginning of Year (Restated)	-	11,592,894	312,677	869,704	1,182,381	
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 12,931,077</b>	<b>\$ 372,279</b>	<b>\$ 881,727</b>	<b>\$ 1,254,006</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (CONTINUED)**  
**OTHER GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Permanent Funds					Total Other Governmental Funds
	Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds		
	\$	\$	\$	\$		
<b>REVENUES</b>						
Taxes	-	-	-	-	-	\$ 973,070
Revenue from Other Agencies	-	-	-	-	-	6,828,092
Charges for Services	-	-	-	-	-	220,361
Investment Income (Loss)	7,344	10,113	22,946	40,403	40,403	191,398
Other Revenues	-	-	-	-	-	101,066
<b>Total Revenues</b>	<b>7,344</b>	<b>10,113</b>	<b>22,946</b>	<b>40,403</b>	<b>40,403</b>	<b>8,313,987</b>
<b>EXPENDITURES</b>						
Current:						
Public Works	218,166	47,440	15,026	280,632	280,632	6,218,552
Parks and Recreation	-	-	-	-	-	15,738
Capital Outlay	-	-	-	-	-	625,118
<b>Total Expenditures</b>	<b>218,166</b>	<b>47,440</b>	<b>15,026</b>	<b>280,632</b>	<b>280,632</b>	<b>6,859,408</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,822)	(37,327)	7,920	(240,229)	(240,229)	1,454,579
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	50,000	-	50,000	50,000	65,000
Transfers Out	-	-	-	-	-	(300,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>(235,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(210,822)</b>	<b>12,673</b>	<b>7,920</b>	<b>(190,229)</b>	<b>(190,229)</b>	<b>1,219,579</b>
Fund Balances - Beginning of Year (Restated)	360,138	725,616	1,060,488	2,146,242	2,146,242	14,921,517
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 149,316</b>	<b>\$ 738,289</b>	<b>\$ 1,068,408</b>	<b>\$ 1,956,013</b>	<b>\$ 1,956,013</b>	<b>\$ 16,141,096</b>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GAS TAX SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Revenue from Other Agencies	\$ 2,155,300	\$ 1,206,100	\$ 1,066,467	\$ (139,633)	
Investment Income	5,400	5,400	14,923	9,523	
<b>Total Revenues</b>	<b>2,160,700</b>	<b>1,211,500</b>	<b>1,081,390</b>	<b>(130,110)</b>	
<b>EXPENDITURES</b>					
Public Works:					
Street Pavement Maintenance	265,000	265,000	246,655	18,345	
Street Landscape Maintenance	715,100	715,100	670,026	45,074	
Capital Outlay	-	315,000	315,000	-	
<b>Total Expenditures</b>	<b>980,100</b>	<b>1,295,100</b>	<b>1,231,681</b>	<b>63,419</b>	
<b>NET CHANGE IN FUND BALANCE</b>					
	1,180,600	(83,600)	(150,291)	(66,691)	
Fund Balance - Beginning of Year	<u>988,011</u>	<u>988,011</u>	<u>988,011</u>	<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>	<b><u>\$ 2,168,611</u></b>	<b><u>\$ 904,411</u></b>	<b><u>\$ 837,720</u></b>	<b><u>\$ (66,691)</u></b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**1972 ACT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Investment Income	\$ 200	\$ 200		\$ 400	\$ 200
<b>NET CHANGE IN FUND BALANCE</b>	200	200		400	200
Fund Balance - Beginning of Year	<u>28,922</u>	<u>28,922</u>		<u>28,922</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 29,122</u>	<u>\$ 29,122</u>		<u>\$ 29,322</u>	<u>\$ 200</u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**EL PRADO SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance with Final Budget	
	Original		Final		Positive (Negative)	
	\$	-	\$		\$	\$
<b>REVENUES</b>						
Taxes	\$	-	\$	\$ 3,369	\$ 3,369	
Investment Income		200	200	530		330
Total Revenues		200	200	3,899		3,699
<b>EXPENDITURES</b>						
Public Works		500	500	-		500
<b>NET CHANGE IN FUND BALANCE</b>		(300)	(300)	3,899		4,199
Fund Balance - Beginning of Year		42,364	42,364	42,364		-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 42,064</u>	<u>\$ 42,064</u>	<u>\$ 46,263</u>	<u>\$ 4,199</u>		

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**1911 ACT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 795,000	\$ 795,000	\$ 854,943	\$ 59,943	
Investment Income	13,000	13,000	18,287	5,287	
Total Revenues	<u>808,000</u>	<u>808,000</u>	<u>873,230</u>	<u>65,230</u>	
<b>EXPENDITURES</b>					
Public Works	476,100	476,100	440,188	35,912	
Total Expenditures	<u>476,100</u>	<u>476,100</u>	<u>440,188</u>	<u>35,912</u>	
<b>NET CHANGE IN FUND BALANCE</b>	331,900	331,900	433,042	101,142	
Fund Balance - Beginning of Year	<u>1,903,235</u>	<u>1,903,235</u>	<u>1,903,235</u>	<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,235,135</u>	<u>\$ 2,235,135</u>	<u>\$ 2,336,277</u>	<u>\$ 101,142</u>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WASTE REDUCTION SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Revenue from Other Agencies	\$ -	\$ 59,573	\$ 17,320	\$ (42,253)	
Charges for Services	190,000	190,000	220,361	30,361	
Investment Income	4,600	4,600	5,295	695	
<b>Total Revenues</b>	<b>194,600</b>	<b>254,173</b>	<b>242,976</b>	<b>(11,197)</b>	
<b>EXPENDITURES</b>					
Public Works	254,300	307,120	276,253	30,867	
<b>NET CHANGE IN FUND BALANCE</b>					
	(59,700)	(52,947)	(33,277)	19,670	
Fund Balance - Beginning of Year	392,176	392,176	392,176	-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 332,476</b>	<b>\$ 339,229</b>	<b>\$ 358,899</b>	<b>\$ 19,670</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AIR QUALITY MANAGEMENT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts					Variance with Final Budget Positive (Negative)	
	Original	Final	Actual				
<b>REVENUES</b>							
Revenue from Other Agencies	\$ 54,000	\$ 54,000	\$ 68,403	\$ 14,403			
Investment Income	1,500	1,500	3,513	2,013			
<b>Total Revenues</b>	<b>55,500</b>	<b>55,500</b>	<b>71,916</b>	<b>16,416</b>			
<b>EXPENDITURES</b>							
Public Works	140,000	190,000	171,993	18,007			
<b>NET CHANGE IN FUND BALANCE</b>	<b>(84,500)</b>	<b>(134,500)</b>	<b>(100,077)</b>	<b>34,423</b>			
Fund Balance - Beginning of Year	137,392	137,392	137,392	-			
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 52,892</b>	<b>\$ 2,892</b>	<b>\$ 37,315</b>	<b>\$ 34,423</b>			

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PROPOSITION C SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Revenue from Other Agencies	\$ 840,600	\$ 840,600	\$ 905,694	\$ 65,094	
Investment Income	6,200	6,200	12,069	5,869	
Total Revenues	<u>846,800</u>	<u>846,800</u>	<u>917,763</u>	<u>70,963</u>	
<b>EXPENDITURES</b>					
Public Works	900,000	1,463,644	1,100,561	363,083	
Capital Outlay	-	68,030	68,030	-	
Total Expenditures	<u>900,000</u>	<u>1,531,674</u>	<u>1,168,591</u>	<u>363,083</u>	
<b>NET CHANGE IN FUND BALANCE</b>					
	(53,200)	(684,874)	(250,828)	434,046	
Fund Balance - Beginning of Year	<u>695,808</u>	<u>695,808</u>	<u>695,808</u>	<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 642,608</u>	<u>\$ 10,934</u>	<u>\$ 444,980</u>	<u>\$ 434,046</u>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PROPOSITION A SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Revenue from Other Agencies	\$ 1,013,400	\$ 1,013,400	\$ 1,091,892	\$ 78,492	
Investment Income	10,500	10,500	18,893	8,393	
<b>Total Revenues</b>	<b>1,023,900</b>	<b>1,023,900</b>	<b>1,110,785</b>	<b>86,885</b>	
<b>EXPENDITURES</b>					
Public Works	777,200	777,200	776,663	537	
<b>Total Expenditures</b>	<b>777,200</b>	<b>777,200</b>	<b>776,663</b>	<b>537</b>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>246,700</b>	<b>246,700</b>	<b>334,122</b>	<b>87,422</b>	
Fund Balance - Beginning of Year	1,812,905	1,812,905	1,812,905	-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,059,605</b>	<b>\$ 2,059,605</b>	<b>\$ 2,147,027</b>	<b>\$ 87,422</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC SAFETY GRANTS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts					Variance with Final Budget Positive (Negative)	
	Original	Final	Actual				
<b>REVENUES</b>							
Revenue from Other Agencies	\$ 150,000	\$ 150,000	\$ 165,271	\$ 15,271			
Investment Income	1,200	1,200	3,134	1,934			
<b>Total Revenues</b>	<b>151,200</b>	<b>151,200</b>	<b>168,405</b>	<b>17,205</b>			
<b>OTHER FINANCING USES</b>							
Transfers Out	(250,000)	(250,000)	(250,000)			-	
<b>NET CHANGE IN FUND BALANCE</b>							
	(98,800)	(98,800)	(81,595)	17,205			
Fund Balance - Beginning of Year	104,543	104,543	104,543			-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 5,743</b>	<b>\$ 5,743</b>	<b>\$ 22,948</b>	<b>\$ 17,205</b>			

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MEASURE R SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Revenue from Other Agencies	\$ 630,400	\$ 630,400	\$ 679,075	\$ 48,675	
Investment Income	10,000	10,000	18,340	8,340	
Total Revenues	<u>640,400</u>	<u>640,400</u>	<u>697,415</u>	<u>57,015</u>	
<b>EXPENDITURES</b>					
Public Works	<u>1,400,000</u>	<u>1,732,275</u>	<u>152,993</u>	<u>1,579,282</u>	
<b>NET CHANGE IN FUND BALANCE</b>	(759,600)	(1,091,875)	544,422	1,636,297	
Fund Balance - Beginning of Year	<u>1,813,351</u>	<u>1,813,351</u>	<u>1,813,351</u>	<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,053,751</u>	<u>\$ 721,476</u>	<u>\$ 2,357,773</u>	<u>\$ 1,636,297</u>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MEASURE A SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Revenue from Other Agencies	\$ 90,000	\$ 90,000	\$ 21,031	\$ (68,969)	
Investment Income (Loss)	200	200	(605)	(805)	
Total Revenues	<u>90,200</u>	<u>90,200</u>	<u>20,426</u>	<u>(69,774)</u>	
<b>OTHER FINANCING USES</b>					
Transfers Out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	
<b>NET CHANGE IN FUND BALANCE</b>	40,200	40,200	(29,574)	(69,774)	
Fund Balance - Beginning of Year	<u>149,578</u>	<u>149,578</u>	<u>149,578</u>	<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 189,778</u>	<u>\$ 189,778</u>	<u>\$ 120,004</u>	<u>\$ (69,774)</u>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MEASURE M SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Revenue from Other Agencies	\$ 1,314,500	\$ 1,314,500	\$ 768,179	\$ (546,321)	
Investment Income	1,800	1,800	7,546	5,746	
<b>Total Revenues</b>	<b>1,316,300</b>	<b>1,316,300</b>	<b>775,725</b>	<b>(540,575)</b>	
<b>EXPENDITURES</b>					
Public Works	1,066,000	1,266,000	696,999	569,001	
<b>NET CHANGE IN FUND BALANCE</b>	<b>250,300</b>	<b>50,300</b>	<b>78,726</b>	<b>28,426</b>	
Fund Balance - Beginning of Year	492,236	492,236	492,236	-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 742,536</b>	<b>\$ 542,536</b>	<b>\$ 570,962</b>	<b>\$ 28,426</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MEASURE W SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Revenue from Other Agencies	\$ 680,000	\$ 680,000	\$ 685,417	\$ 5,417	
Investment Income	2,000	2,000	9,580	7,580	
<b>Total Revenues</b>	<b>682,000</b>	<b>682,000</b>	<b>694,997</b>	<b>12,997</b>	
<b>EXPENDITURES</b>					
Public Works	596,000	627,199	521,145	106,054	
<b>NET CHANGE IN FUND BALANCE</b>	<b>86,000</b>	<b>54,801</b>	<b>173,852</b>	<b>119,051</b>	
Fund Balance - Beginning of Year	701,260	701,260	701,260	-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 787,260</b>	<b>\$ 756,061</b>	<b>\$ 875,112</b>	<b>\$ 119,051</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ABALONE COVE SEWER ASSESSMENT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with	
	Original		Final	Final Budget	
				Positive	(Negative)
<b>REVENUES</b>					
Taxes	\$ 50,000	\$ 50,000	\$ 57,998	\$ 7,998	
Investment Income	2,000	2,000	3,325	1,325	
<b>Total Revenues</b>	<b>52,000</b>	<b>52,000</b>	<b>61,323</b>	<b>9,323</b>	
<b>EXPENDITURES</b>					
Public Works	208,800	209,891	155,982	53,909	
<b>NET CHANGE IN FUND BALANCE</b>					
	(156,800)	(157,891)	(94,659)	63,232	
Fund Balance - Beginning of Year	154,202	154,202	154,202	-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ (2,598)</b>	<b>\$ (3,689)</b>	<b>\$ 59,543</b>	<b>\$ 63,232</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DONOR-RESTRICTED CONTRIBUTIONS SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts					Variance with Final Budget Positive (Negative)	
	Original	Final	Actual				
<b>REVENUES</b>							
Investment Income	\$ 25,000	\$ 25,000	\$ 10,628	\$	(14,372)		
Other Revenue	18,300	18,300	69,850		51,550		
Total Revenues	<u>43,300</u>	<u>43,300</u>	<u>80,478</u>		<u>37,178</u>		
<b>EXPENDITURES</b>							
Public Works	-	-	20,485		(20,485)		
Parks and Recreation	14,600	14,600	15,738		(1,138)		
Total Expenditures	<u>14,600</u>	<u>14,600</u>	<u>36,223</u>		<u>(21,623)</u>		
<b>NET CHANGE IN FUND BALANCE</b>	28,700	28,700	44,255		15,555		
Fund Balance - Beginning of Year	<u>793,485</u>	<u>793,485</u>	<u>793,485</u>		<u>-</u>		
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 822,185</u>	<u>\$ 822,185</u>	<u>\$ 837,740</u>		<u>\$ 15,555</u>		

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**JOINT POWERS IMPROVEMENT AUTHORITY PORTUGUESE BEND**  
**SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts					Variance with Final Budget Positive (Negative)
	Original	Final	Actual			
<b>REVENUES</b>						
Investment Income	\$ 300	\$ 300	\$ 1,481		\$ 1,181	
<b>EXPENDITURES</b>						
Public Works	49,000	49,000	6,415		42,585	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,700)	(48,700)	(4,934)		43,766	
<b>OTHER FINANCING SOURCES</b>						
Transfers In	15,000	15,000	15,000		-	
<b>NET CHANGE IN FUND BALANCE</b>	(33,700)	(33,700)	10,066		43,766	
Fund Balance - Beginning of Year	67,699	67,699	67,699		-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 33,999</b>	<b>\$ 33,999</b>	<b>\$ 77,765</b>		<b>\$ 43,766</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts					Variance with Final Budget Positive (Negative)
	Original	Final	Actual			
<b>REVENUES</b>						
Revenue from Other Agencies	\$ 60,000	\$ 60,000	\$ 385,581			\$ 325,581
<b>EXPENDITURES</b>						
Public Works	150,000	273,899	158,099			115,800
Capital Outlay	-	315,529	242,088			73,441
Total Expenditures	<u>150,000</u>	<u>589,428</u>	<u>400,187</u>			<u>189,241</u>
<b>NET CHANGE IN FUND BALANCE</b>	(90,000)	(529,428)	(14,606)			(514,822)
Fund Balance - Beginning of Year	<u>22,780</u>	<u>22,780</u>	<u>22,780</u>			-
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ (67,220)</u></u>	<u><u>\$ (506,648)</u></u>	<u><u>\$ 8,174</u></u>			<u><u>\$ (514,822)</u></u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**QUIMBY SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Investment Income	\$ 10,000	\$ 10,000		\$ 15,514	\$ 5,514
<b>EXPENDITURES</b>					
Public Works	\$ -	\$ 745,973		\$ 422,522	\$ 323,451
<b>NET CHANGE IN FUND BALANCE</b>	\$ 10,000	\$ (735,973)		\$ (407,008)	\$ 328,965
Fund Balance - Beginning of Year	\$ 654,737	\$ 654,737		\$ 654,737	\$ -
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 664,737</b>	<b>\$ (81,236)</b>		<b>\$ 247,729</b>	<b>\$ 328,965</b>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ENVIRONMENTAL EXCISE TAX SERVICE REVENUE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original		Final	Actual	Positive (Negative)
<b>REVENUES</b>					
Investment Income	\$ 2,400	\$ 2,400	\$ 2,221	\$ (179)	
Other Revenues	20,000	20,000	31,216	11,216	
<b>Total Revenues</b>	<b>22,400</b>	<b>22,400</b>	<b>33,437</b>	<b>11,037</b>	
<b>EXPENDITURES</b>					
Public Works	64,000	64,000	62,596	1,404	
<b>NET CHANGE IN FUND BALANCE</b>					
	(41,600)	(41,600)	(29,159)	12,441	
Fund Balance - Beginning of Year	104,242	104,242	104,242	-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 62,642</b>	<b>\$ 62,642</b>	<b>\$ 75,083</b>	<b>\$ 12,441</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOW-MODERATE INCOME CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts					Variance with Final Budget Positive (Negative)
	Original		Final	Actual		
	Taxes	\$ 30,000	\$ 30,000	\$ 56,760	\$ 26,760	
REVENUES	Investment Income	\$ 1,600	\$ 1,600	\$ 2,842	\$ 1,242	
	Total Revenues	<u>\$ 31,600</u>	<u>\$ 31,600</u>	<u>\$ 59,602</u>	<u>\$ 28,002</u>	
<b>NET CHANGE IN FUND BALANCE</b>		31,600	31,600	59,602	28,002	
Fund Balance - Beginning of Year		<u>312,677</u>	<u>312,677</u>	<u>312,677</u>	<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 344,277</u>	<u>\$ 344,277</u>	<u>\$ 372,279</u>	<u>\$ 28,002</u>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AFFORDABLE HOUSING IN-LIEU CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Investment Income	\$ 4,300	\$ 4,300		\$ 12,023	\$ 7,723
<b>NET CHANGE IN FUND BALANCE</b>	4,300	4,300		12,023	7,723
Fund Balance - Beginning of Year	869,704	869,704		869,704	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 874,004</u>	<u>\$ 874,004</u>		<u>\$ 881,727</u>	<u>\$ 7,723</u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HABITAT RESTORATION PERMANENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Actual	Variance with Final Budget Positive (Negative)
	Original	Final			
<b>REVENUES</b>					
Investment Income	\$ 12,400	\$ 12,400		\$ 7,344	\$ (5,056)
<b>EXPENDITURES</b>					
Public Works	222,000	222,000		218,166	3,834
<b>NET CHANGE IN FUND BALANCE</b>	(209,600)	(209,600)		(210,822)	(1,222)
Fund Balance - Beginning of Year	360,138	360,138		360,138	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 150,538</u>	<u>\$ 150,538</u>		<u>\$ 149,316</u>	<u>\$ (1,222)</u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SUBREGION ONE PERMANENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with	
			Actual	Final Budget	
	Original	Final		Positive	(Negative)
<b>REVENUES</b>					
Investment Income	\$ 14,000	\$ 14,000	\$ 10,113	\$ (3,887)	
<b>EXPENDITURES</b>					
Public Works	43,600	43,600	47,440	(3,840)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,600)	(29,600)	(37,327)	(7,727)	
<b>OTHER FINANCING SOURCES</b>					
Transfers In	50,000	50,000	50,000	-	
<b>NET CHANGE IN FUND BALANCE</b>	20,400	20,400	12,673	(7,727)	
Fund Balance - Beginning of Year	725,616	725,616	725,616	-	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 746,016</u>	<u>\$ 746,016</u>	<u>\$ 738,289</u>	<u>\$ (7,727)</u>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**JOINT POWERS IMPROVEMENT AUTHORITY ABALONE COVE PERMANENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts					Variance with Final Budget Positive (Negative)
	Original	Final	Actual			
<b>REVENUES</b>						
Investment Income	\$ 3,300	\$ 3,300	\$ 22,946		\$ 19,646	
<b>EXPENDITURES</b>						
Public Works	28,000	28,000	15,026		12,974	
<b>NET CHANGE IN FUND BALANCE</b>	(24,700)	(24,700)	7,920		32,620	
Fund Balance - Beginning of Year	1,060,488	1,060,488	1,060,488		-	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,035,788</b>	<b>\$ 1,035,788</b>	<b>\$ 1,068,408</b>		<b>\$ 32,620</b>	

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
<b>REVENUES</b>					
Investment Income	\$ 200,000	\$ 200,000	\$ 541,131	\$ 341,131	
<b>EXPENDITURES</b>					
Capital Outlay:					
Street Improvements	6,858,000	7,822,705	739,682	7,083,023	
Parks/Trails/Open Space					
Improvements	450,000	12,226,271	7,854,431	4,371,840	
Sewer Improvements	900,000	920,204	12,784	907,420	
Building Improvements	350,000	499,726	178,876	320,850	
Storm Water Quality Improvements	160,000	565,000	366,396	198,604	
Landslide Improvements	565,000	1,351,216	554,935	796,281	
Debt Service:					
Principal	-	734,100	734,025	75	
Interest	-	159,900	155,320	4,580	
Total Expenditures	<u>9,283,000</u>	<u>24,279,122</u>	<u>10,596,449</u>	<u>13,682,673</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,083,000)	(24,079,122)	(10,055,318)	14,023,804	
<b>OTHER FINANCING SOURCES</b>					
Transfers In	<u>6,123,900</u>	<u>7,293,800</u>	<u>7,236,122</u>	<u>(57,678)</u>	
<b>NET CHANGE IN FUND BALANCE</b>					
	(2,959,100)	(16,785,322)	(2,819,196)	13,966,126	
Fund Balance - Beginning of Year	<u>38,115,030</u>	<u>38,115,030</u>	<u>38,115,030</u>	<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u><b>\$ 35,155,930</b></u>	<u><b>\$ 21,329,708</b></u>	<u><b>\$ 35,295,834</b></u>	<u><b>\$ 13,966,126</b></u>	



**STATISTICAL SECTION**



**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**DESCRIPTION OF STATISTICAL SECTION CONTENTS**  
**JUNE 30, 2023**

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

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	110
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	120
<b>Debt Capacity</b> 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.	127
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	130
<b>Operating Information</b> 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.	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, CALIFORNIA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2014	2015	2016	2017	2018
Governmental Activities:					
Net Investment In Capital Assets	\$ 114,427	\$ 119,450	\$ 118,399	\$ 123,437	\$ 125,420
Restricted	11,792	11,647	21,120	19,387	17,300
Unrestricted	<u>46,679</u>	<u>42,208</u>	<u>42,210</u>	<u>43,618</u>	<u>44,168</u>
Total Governmental Activities					
Net Position	<u><u>\$ 172,898</u></u>	<u><u>\$ 173,305</u></u>	<u><u>\$ 181,729</u></u>	<u><u>\$ 186,442</u></u>	<u><u>\$ 186,888</u></u>
Business-Type Activities:					
Net Investment In Capital Assets	\$ 29,557	\$ 31,168	\$ 31,663	\$ 31,311	\$ 34,996
Restricted	-	-	-	-	-
Unrestricted	<u>5,317</u>	<u>5,334</u>	<u>5,598</u>	<u>4,600</u>	<u>(128)</u>
Total Business-Type Activities					
Net Position	<u><u>\$ 34,874</u></u>	<u><u>\$ 36,502</u></u>	<u><u>\$ 37,261</u></u>	<u><u>\$ 35,911</u></u>	<u><u>\$ 34,868</u></u>
Primary Government:					
Net Investment In Capital Assets	\$ 143,984	\$ 150,618	\$ 150,062	\$ 154,748	\$ 160,416
Restricted	11,792	11,647	21,120	19,387	17,300
Unrestricted	<u>51,996</u>	<u>47,542</u>	<u>47,808</u>	<u>48,218</u>	<u>44,040</u>
Total Primary Government					
Net Position	<u><u>\$ 207,772</u></u>	<u><u>\$ 209,807</u></u>	<u><u>\$ 218,990</u></u>	<u><u>\$ 222,353</u></u>	<u><u>\$ 221,756</u></u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**NET POSITION BY COMPONENT (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2019	2020	2021	2022	2023
Governmental Activities:					
Net Investment In Capital Assets	\$ 159,557	\$ 156,763	\$ 153,568	\$ 147,501	\$ 146,587
Restricted	16,170	24,129	23,217	23,913	25,255
Unrestricted	47,739	38,568	42,974	52,845	63,808
Total Governmental Activities					
Net Position	<u><u>\$ 223,466</u></u>	<u><u>\$ 219,460</u></u>	<u><u>\$ 219,759</u></u>	<u><u>\$ 224,259</u></u>	<u><u>\$ 235,650</u></u>
Business-Type Activities:					
Net Investment In Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total Business-Type Activities					
Net Position	<u><u>\$ -</u></u>				
Primary Government:					
Net Investment In Capital Assets	\$ 159,557	\$ 156,763	\$ 153,568	\$ 147,501	\$ 146,587
Restricted	16,170	24,129	23,217	23,913	25,255
Unrestricted	47,739	38,568	42,974	52,845	63,808
Total Primary Government					
Net Position	<u><u>\$ 223,466</u></u>	<u><u>\$ 219,460</u></u>	<u><u>\$ 219,759</u></u>	<u><u>\$ 224,259</u></u>	<u><u>\$ 235,650</u></u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2014	2015	2016	2017	2018
<b>EXPENSES</b>					
Governmental Activities:					
Administration	\$ 7,530	\$ 7,048	\$ 8,062	\$ 6,746	\$ 7,258
Public Safety	4,429	4,670	5,215	6,534	7,339
Public Works	9,377	10,771	9,610	10,638	16,073
Parks and Recreation	1,369	1,669	2,052	2,434	2,736
Community Development	1,927	2,072	1,971	2,664	2,726
Non-Departmental	35	191	134	2,400	1,166
Interest on Long-Term Debt	-	-	-	-	-
Total Governmental Activities Expenses	<u>24,667</u>	<u>26,421</u>	<u>27,044</u>	<u>31,416</u>	<u>37,298</u>
Business-Type Activities:					
Water Quality Flood Protection	659	1,422	646	1,400	1,071
Total Primary Government Expenses	<u>\$ 25,326</u>	<u>\$ 27,843</u>	<u>\$ 27,690</u>	<u>\$ 32,816</u>	<u>\$ 38,369</u>
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
Administration	\$ 120	\$ 108	\$ 318	\$ 1,081	\$ 1,032
Public Safety	42	43	179	140	124
Public Works	169	432	159	274	659
Parks and Recreation	18	144	781	708	2,083
Community Development	1,772	2,058	958	2,066	729
Non-Departmental	-	-	96	-	-
Operating Grants and Contributions	2,506	2,274	2,332	4,196	4,481
Capital Grants and Contributions	2,912	1,230	1,111	818	769
Total Governmental Activities Program Revenues	<u>7,539</u>	<u>6,289</u>	<u>5,934</u>	<u>9,283</u>	<u>9,877</u>
Business-Type Activities:					
Charges for Services:					
Water Quality Flood Protection	1,361	1,369	1,385	11	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	6,115	1,213	-	-	-
Total Business-Type Activities Program Revenues	<u>7,476</u>	<u>2,582</u>	<u>1,385</u>	<u>11</u>	<u>-</u>
Total Primary Government Program Revenues	<u>\$ 15,015</u>	<u>\$ 8,871</u>	<u>\$ 7,319</u>	<u>\$ 9,294</u>	<u>\$ 9,877</u>
Net (Expense) Revenue:					
Governmental Activities	\$ (17,128)	\$ (20,132)	\$ (21,110)	\$ (22,133)	\$ (27,421)
Business-Type Activities	6,817	1,159	738	(1,389)	(1,071)
Total Primary Government Net Expense	<u>\$ (10,311)</u>	<u>\$ (18,973)</u>	<u>\$ (20,372)</u>	<u>\$ (23,522)</u>	<u>\$ (28,492)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 11,991	\$ 12,452	\$ 13,764	\$ 13,302	\$ 13,762
Transient Occupancy Tax	4,250	4,812	5,197	5,601	5,615
Franchise Taxes	1,998	2,045	2,045	1,985	1,838
Utility User Taxes	2,510	1,973	1,866	1,775	403
Other Taxes	1,589	1,564	1,179	365	2,520
Intergovernmental Revenue - Shared Sales Tax	1,642	1,758	2,104	2,463	2,129
Investment Income	94	122	214	434	838
Other	4,146	3,231	2,608	920	763
Transfers	-	(458)	-	-	-
Extraordinary Item	-	-	-	-	-
Total Governmental Activities	<u>28,220</u>	<u>27,499</u>	<u>28,977</u>	<u>26,845</u>	<u>27,868</u>
Business-Type Activities:					
Investment Income	11	10	21	35	29
Other	-	-	-	-	-
Transfers	-	458	-	3	-
Total Business-Type Activities	<u>11</u>	<u>468</u>	<u>21</u>	<u>38</u>	<u>29</u>
Total Primary Government	<u>\$ 28,231</u>	<u>\$ 27,967</u>	<u>\$ 28,998</u>	<u>\$ 26,883</u>	<u>\$ 27,897</u>
<b>CHANGE IN NET POSITION</b>					
Governmental Activities	\$ 11,092	\$ 7,367	\$ 7,868	\$ 4,713	\$ 447
Business-Type Activities	6,828	1,627	759	(1,351)	(1,042)
Total Primary Government Net Expense	<u>\$ 17,920</u>	<u>\$ 8,994</u>	<u>\$ 8,627</u>	<u>\$ 3,362</u>	<u>\$ (595)</u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**CHANGES IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2019	2020	2021	2022	2023
<b>EXPENSES</b>					
Governmental Activities:					
Administration	\$ 6,563	\$ 8,013	\$ 8,476	\$ 9,183	\$ 5,032
Public Safety	7,214	7,360	7,251	7,293	7,426
Public Works	16,064	18,182	15,885	17,360	20,828
Parks and Recreation	3,064	2,857	2,979	3,877	3,908
Community Development	3,052	2,857	2,624	3,094	3,243
Non-Departmental	1,134	1,192	-	-	-
Interest on Long-Term Debt	-	-	36	155	-
Total Governmental Activities Expenses	<u>37,091</u>	<u>40,461</u>	<u>37,215</u>	<u>40,843</u>	<u>40,592</u>
Business-Type Activities:					
Water Quality Flood Protection	811	-	-	-	-
Total Primary Government Expenses	<u>\$ 37,902</u>	<u>\$ 40,461</u>	<u>\$ 37,215</u>	<u>\$ 40,843</u>	<u>\$ 40,592</u>
<b>PROGRAM REVENUES</b>					
Governmental Activities:					
Charges for Services:					
Administration	\$ 1,065	\$ 1,064	\$ 776	\$ 936	\$ 1,237
Public Safety	104	111	245	232	174
Public Works	227	309	215	216	252
Parks and Recreation	766	579	412	739	858
Community Development	2,130	1,793	1,931	3,171	3,344
Non-Departmental	-	-	-	-	-
Operating Grants and Contributions	4,608	4,605	5,087	6,738	9,505
Capital Grants and Contributions	1,137	625	1,254	1,731	1,780
Total Governmental Activities Program Revenues	<u>10,037</u>	<u>9,086</u>	<u>9,920</u>	<u>13,763</u>	<u>17,150</u>
Business-Type Activities:					
Charges for Services:					
Water Quality Flood Protection	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Business-Type Activities Program Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Program Revenues	<u>\$ 10,037</u>	<u>\$ 9,086</u>	<u>\$ 9,920</u>	<u>\$ 13,763</u>	<u>\$ 17,150</u>
Net (Expense) Revenue:					
Governmental Activities	\$ (27,054)	\$ (31,375)	\$ (27,295)	\$ (27,080)	\$ (23,442)
Business-Type Activities	(811)	-	-	-	-
Total Primary Government Net Expense	<u>\$ (27,865)</u>	<u>\$ (31,375)</u>	<u>\$ (27,295)</u>	<u>\$ (27,080)</u>	<u>\$ (23,442)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 14,350	\$ 14,994	\$ 15,966	\$ 16,638	\$ 17,329
Transient Occupancy Tax	5,645	3,910	3,116	6,170	6,853
Franchise Taxes	2,150	2,146	2,203	2,278	2,359
Utility User Taxes	1,917	1,912	2,246	2,526	2,877
Other Taxes	429	395	633	733	761
Intergovernmental Revenue - Shared Sales Tax	2,661	2,163	1,919	2,782	2,962
Investment Income	1,313	1,225	676	(430)	696
Other	909	626	835	883	996
Transfers	34,258	-	-	-	-
Extraordinary Item	-	-	-	-	-
Total Governmental Activities	<u>63,632</u>	<u>27,371</u>	<u>27,594</u>	<u>31,580</u>	<u>34,833</u>
Business-Type Activities:					
Investment Income	-	-	-	-	-
Other	200	-	-	-	-
Transfers	(34,258)	-	-	-	-
Total Business-Type Activities	<u>(34,058)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 29,574</u>	<u>\$ 27,371</u>	<u>\$ 27,594</u>	<u>\$ 31,580</u>	<u>\$ 34,833</u>
<b>CHANGE IN NET POSITION</b>					
Governmental Activities	\$ 36,578	\$ (4,004)	\$ 299	\$ 4,500	\$ 11,391
Business-Type Activities	(34,869)	-	-	-	-
Total Primary Government Net Expense	<u>\$ 1,709</u>	<u>\$ (4,004)</u>	<u>\$ 299</u>	<u>\$ 4,500</u>	<u>\$ 11,391</u>

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**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**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
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
2021	15,082	3,116	1,919	2,203	2,246	1,308	25,874
2022	15,742	6,170	2,782	2,278	2,526	1,465	30,963
2023	16,356	6,853	2,962	2,359	2,877	761	32,168

**Source**

City General Ledger

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2014	2015	2016	2017	2018
<b>GENERAL FUND</b>					
Non-Spendable	\$ 144	\$ 598	\$ 564	\$ 190	\$ 913
Restricted	-	-	-	-	-
Committed	-	-	802	964	715
Assigned	-	-	-	-	-
Unassigned	15,474	16,055	13,702	15,671	16,450
Total General Fund	<u><u>\$ 15,618</u></u>	<u><u>\$ 16,653</u></u>	<u><u>\$ 15,068</u></u>	<u><u>\$ 16,825</u></u>	<u><u>\$ 18,078</u></u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Non-Spendable:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Fund	\$ 1,845	\$ 1,855	\$ 1,866	\$ 1,877	\$ 1,889
Restricted:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ 8,445	\$ 8,362	\$ 9,757	\$ 11,702	\$ 12,825
Capital Projects Funds	\$ -	\$ -	\$ 3,000	\$ 4,660	\$ 1,438
Permanent Fund	\$ 1,502	\$ 1,492	\$ 1,312	\$ 1,148	\$ 1,148
Committed:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ 58	\$ 55	\$ 353	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ 3,467	\$ -	\$ -
Assigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ 794	\$ 572	\$ 476	\$ 479	\$ -
Capital Projects Funds	\$ 18,535	\$ 21,078	\$ 23,902	\$ 23,149	\$ 23,942
Unassigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ (116)	\$ (59)	\$ -	\$ -	\$ -
Total All Other Governmental Funds	<u><u>\$ 31,063</u></u>	<u><u>\$ 33,355</u></u>	<u><u>\$ 44,133</u></u>	<u><u>\$ 43,015</u></u>	<u><u>\$ 41,242</u></u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2019	2020	2021	2022	2023
<b>GENERAL FUND</b>					
Non-Spendable	\$ 1,016	\$ 249	\$ 1,142	\$ 1,462	\$ 1,164
Restricted	-	-	-	-	-
Committed	341	167	2,785	447	747
Assigned	-	-	-	-	-
Unassigned	19,431	21,333	21,872	29,454	32,184
Total General Fund	<u><u>\$ 20,788</u></u>	<u><u>\$ 21,749</u></u>	<u><u>\$ 25,799</u></u>	<u><u>\$ 31,363</u></u>	<u><u>\$ 34,095</u></u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Non-Spendable:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Fund	1,902	1,915	1,926	1,750	1,750
Restricted:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	10,437	10,420	9,489	11,593	13,097
Capital Projects Funds	2,946	2,458	1,799	9,132	1,254
Permanent Fund	885	800	593	421	218
Committed:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ 4,455	\$ 4,368
Assigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ 25,100	\$ 23,965	\$ 25,752	\$ 25,710	\$ 30,928
Unassigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ (564)	\$ (215)	\$ (219)	\$ (121)	\$ (12)
Total All Other Governmental Funds	<u><u>\$ 40,706</u></u>	<u><u>\$ 39,343</u></u>	<u><u>\$ 39,340</u></u>	<u><u>\$ 52,940</u></u>	<u><u>\$ 51,603</u></u>

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Taxes	\$ 23,981	\$ 24,603	\$ 25,725	\$ 25,491	\$ 26,266
Licenses and Permits	1,951	2,515	2,383	3,044	3,095
Revenues from Other Agencies	5,301	3,794	3,443	5,117	5,345
Charges for Services	323	427	558	1,072	1,113
Fines and Forfeitures	128	135	180	153	144
Use of Money and Property	846	653	750	415	714
Donation	-	-	-	-	-
Other Revenues	3,068	2,377	1,668	732	1,038
Total Revenues	<u>35,598</u>	<u>34,504</u>	<u>34,707</u>	<u>36,024</u>	<u>37,715</u>
<b>EXPENDITURES</b>					
Administration	5,792	5,135	6,183	5,445	5,867
Public Safety	4,492	4,761	5,215	6,534	7,399
Public Works	7,611	8,042	7,961	9,084	11,068
Parks and Recreation	1,573	1,819	2,042	2,175	2,493
Community Development	2,640	2,870	2,619	2,664	2,736
Non-Departmental	35	190	238	2,400	1,167
Capital Outlay	4,113	8,697	1,344	7,106	7,504
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>26,256</u>	<u>31,514</u>	<u>25,602</u>	<u>35,408</u>	<u>38,234</u>
Excess of Revenues Over (Under) Expenditures	9,342	2,990	9,105	616	(519)
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Proceeds	-	-	-	-	-
Transfers In	10,424	13,525	11,784	4,577	5,044
Transfers Out	<u>(10,479)</u>	<u>(13,188)</u>	<u>(11,784)</u>	<u>(4,577)</u>	<u>(5,044)</u>
Total Other Financing Sources (Uses)	<u>(55)</u>	<u>337</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXTRAORDINARY GAIN (LOSS)</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	<u>\$ 9,287</u>	<u>\$ 3,327</u>	<u>\$ 9,105</u>	<u>\$ 616</u>	<u>\$ (519)</u>
Cost of Assets Capitalized	4,820	8,490	2,398	8,228	8,228
Debt Services as a percentage of Non-Capital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2019	2020	2021	2022	2023
<b>REVENUES</b>					
Taxes	\$ 28,098	\$ 26,416	\$ 26,758	\$ 31,859	\$ 33,141
Licenses and Permits	2,205	1,917	2,007	3,338	4,532
Revenues from Other Agencies	5,158	5,442	5,883	8,672	11,019
Charges for Services	215	203	193	229	244
Fines and Forfeitures	331	365	675	518	396
Use of Money and Property	1,656	1,446	828	(67)	1,452
Donation	-	-	-	-	-
Other Revenues	1,026	1,009	615	858	1,032
Total Revenues	<u>38,689</u>	<u>36,798</u>	<u>36,959</u>	<u>45,407</u>	<u>51,816</u>
<b>EXPENDITURES</b>					
Administration	5,581	6,319	5,456	5,316	5,553
Public Safety	7,214	7,360	7,251	7,293	7,426
Public Works	13,546	12,260	9,681	10,498	14,600
Parks and Recreation	2,769	2,548	2,662	3,162	3,590
Community Development	3,052	2,857	2,624	3,094	3,243
Non-Departmental	1,134	1,204	1,814	2,094	2,206
Capital Outlay	3,291	4,653	3,424	2,777	13,288
Debt Service:					
Principal	-	-	-	8	1,074
Interest	-	-	-	-	158
Total Expenditures	<u>36,587</u>	<u>37,201</u>	<u>32,912</u>	<u>34,242</u>	<u>51,138</u>
Excess of Revenues Over (Under) Expenditures	2,102	(403)	4,047	11,165	678
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Proceeds	-	-	-	8,000	717
Transfers In	6,027	2,924	1,881	5,094	7,601
Transfers Out	(5,954)	(2,924)	(1,881)	(5,094)	(7,601)
Total Other Financing Sources (Uses)	<u>73</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>717</u>
<b>EXTRAORDINARY GAIN (LOSS)</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>					
	<u>\$ 2,175</u>	<u>\$ (403)</u>	<u>\$ 4,047</u>	<u>\$ 19,165</u>	<u>\$ 1,395</u>
Cost of Assets Capitalized	5,496	4,058	3,202	1,673	13,613
Debt Services as a percentage of Non-Capital Expenditures	0.0%	0.0%	0.0%	0.0%	3.3%

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year End	Residential Property	Commercial Property	Industrial Property	Other Property	Unsecured Property
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
2021	12,995,604	612,892	3,934	615,222	26,419
2022	13,521,184	619,529	3,974	558,780	25,134
2023	14,387,208	632,817	4,054	548,070	26,982

**Source**

2010-2013 & 2006-2007 County Assessor data, Avenu Insights & Analytics  
 Unitary value of \$980,000 is excluded.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

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
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%
2021	147,361	14,106,710	0.063728	18,817,832	1.33396	74.96%
2022	187,319	14,541,282	0.063728	20,946,674	1.44050	69.42%
2023	116,163	15,482,968	0.063728	28,045,089	1.81135	55.21%

**Source**

2010-2013 & 2006-2007 County Assessor data, Avenu Insights & Analytics  
 Unitary value of \$980,000 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.  
 Based on these calculations a factor was extrapolated and applied to current assessed values.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>City Direct Rate</b>	<b>0.063728</b>	<b>0.063728</b>	<b>0.063728</b>	<b>0.063728</b>	<b>0.063728</b>
<b>All Other Direct Rates:</b>					
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
<b>Total</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>
<b>Debt Service Rates:</b>					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.023109	0.023289	0.023433	0.023197	0.023093
COMMNTY COLLEGE	0.044541	0.040174	0.035755	0.035956	0.045990
PALOS VERDES LIB	0.006118	0.005854	0.005630	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
<b>Total</b>	<b>0.077268</b>	<b>0.072817</b>	<b>0.068318</b>	<b>0.062653</b>	<b>0.072583</b>
<b>Total Tax Rate</b>	<b>1.077268</b>	<b>1.072817</b>	<b>1.068318</b>	<b>1.062653</b>	<b>1.072583</b>

**Source**

2010-2015 County Assessor data, Avenu Insights & Analytics  
 City has no separate debt service rate, direct rate is 100% operating.  
 TRA 149 is represented for this report.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**PROPERTY TAX RATES (CONTINUED)**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

	2018-19	2019-20	2020-21	2021-22	2022-23
<b>City Direct Rate</b>	<b>0.063728</b>	<b>0.063728</b>	<b>0.056804</b>	<b>0.056804</b>	<b>0.056804</b>
<b>All Other Direct Rates:</b>					
LA COUNTY GENERAL	0.441223	0.441223	0.257974	0.257974	0.257974
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	0.001649	0.001649	0.001649
LA CO FLOOD CONTROL MAINT	0.014699	0.014699	0.009331	0.009331	0.009331
PALOS VERDES LIBRARY DIST MAINT	0.043470	0.043470	0.032481	0.032481	0.032481
LA CO WEST VECTOR CONTROL DIST.	0.000319	0.000319	0.000190	0.000190	0.000190
CO SANITATION DIST NO 5 OPERAT	0.017499	0.017499	0.011678	0.011678	0.011678
WTR REPLENISHMENT DIST OF SO CAL	0.000181	0.000181	0.000178	0.000178	0.000178
ERAF	0.000000	0.000000	0.072466	0.072466	0.072466
EDUCATIONAL AUG FD IMPOUND	0.000000	0.000000	0.140966	0.140966	0.140966
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
<b>Total</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>	<b>1.000000</b>
<b>Debt Service Rates:</b>					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.023709	0.023589	0.023782	0.023978	0.022771
COMMNTY COLLEGE	0.046213	0.027175	0.040162	0.043759	0.024882
PALOS VERDES LIB	0.000000	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
<b>Total</b>	<b>0.073422</b>	<b>0.054264</b>	<b>0.067444</b>	<b>0.071237</b>	<b>0.051153</b>
<b>Total Tax Rate</b>	<b>1.073422</b>	<b>1.054264</b>	<b>1.067444</b>	<b>1.071237</b>	<b>1.051153</b>

**Source**

2010-2015 County Assessor data, Avenu Insights & Analytics  
 City has no separate debt service rate, direct rate is 100% operating.  
 TRA 149 is represented for this report.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**LAST FISCAL YEAR AND NINE YEARS AGO**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

<b>Taxpayer</b>	<b>2022-23</b>		<b>2013-14</b>			
	<b>Taxable Value (\$)</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Value (%)</b>	<b>Taxable Value (\$)</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Value (%)</b>
Long Point Development LLC	\$ 492,708	1	3.18%	\$ 455,290	1	4.45%
GSIC II Palos Verdes Owner LP	131,602	2	0.85%			
ROIIC California LLC	72,662	3	0.47%			
P V Victoria Apartments LLC	57,035	4	0.37%	57,091	3	0.56%
6507 6510 Vista Catalina Apts	44,780	5	0.29%			
Western Riviera Investors Et Al	35,172	6	0.23%	30,637	6	0.30%
Golden Cove Center LLC	33,011	7	0.21%	28,448	8	0.28%
Salvation Army	30,195	8	0.20%			
Ocean View Drive Inc	29,503	9	0.19%			
Belmont Village RPV LP	27,850	10	0.18%	24,142	9	0.24%
California Water Service Co	24,372	11	0.16%	10,303	17	0.10%
VH Property Corp	23,893	12	0.15%			
Johnson Cory C Et Al Trs	22,172	13	0.14%			
WLP Westmont Plaza LLC	17,096	14	0.11%			
Trout Patricia C	13,085	15	0.08%			
American Golf, Inc	12,869	16	0.08%	12,257	14	0.12%
AA Homes LLC	11,015	17	0.07%	7,572	21	0.07%
Peacock Flats LLC	10,710	18	0.07%			
Chang Jacqueline	10,303	19	0.07%			
Cox Cable Communications	10,182	20	0.07%			
VHPS LLC	10,117	21	0.07%	42,158	4	0.41%
RPVC LLC	9,575	22	0.06%			
Victoria Apartments	9,439	23	0.06%			
Green Sticks LP	9,249	24	0.06%			
WEI LAI Development LLC	9,077	25	0.06%			
PPC Villas RPV LLC				66,679	2	0.65%
Terraces Rancho Palos Verdes				36,844	5	0.36%
Episcopal Communities Services				28,528	7	0.28%
BVF II Madison LLC				24,001	10	0.23%
Terranea Resort Spa				22,148	11	0.22%
Johnson Eric C				17,069	12	0.17%
Tridiiamond LLC				13,954	13	0.14%
Briles Richard Keanna				11,157	15	0.11%
Vanderlip Investment Co				10,614	16	0.10%
First Citizens Bank Trust Co				8,843	18	0.09%
Palos Verdes Terrace Ltd.				7,972	19	0.08%
Bruning Fred W				7,574	20	0.07%
Amdan Investment LLC Lessee				7,467	22	0.07%
Wang Lisa				7,293	23	0.07%
Raleigh Group One LLC				6,398	24	0.06%
Labarba James G				6,381	25	0.06%
Total Top 25 Taxpayers	\$ 1,157,671		7.48%	\$ 950,819		9.30%
Total Taxable Value	\$ 15,482,968		100.00%	\$ 10,223,889		100.00%

**Source**

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**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
2013-14	6,287	6,193	98.50%	0	6,193	98.50%
2014-15	6,487	6,396	98.60%	0	6,396	98.60%
2015-16	6,813	6,716	98.58%	0	6,716	98.58%
2016-17	7,093	7,009	98.82%	0	7,009	98.82%
2017-18	7,481	7,389	98.77%	0	7,389	98.77%
2018-19	7,888	7,782	98.66%	0	7,782	98.66%
2019-20	8,290	8,017	96.71%	0	8,017	96.71%
2020-21	8,674	8,526	98.29%	0	8,526	98.29%
2021-22	8,931	8,790	98.42%	0	8,790	98.42%
2022-23	9,522	9,378	98.49%	0	9,378	98.49%

**Source**

County Assessor General Ledger, MuniServices, LLC / Avenu Insights & Analytics

\* Includes 1% secured apportionment only

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**CITY OF RANCHO PALOS VERDES, CALIFORNIA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
CURRENT YEAR**

**2022-23 Assessed Valuation: \$15,603,612,987**

<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>Total Debt 6/30/2023</b>	<b>% Applicable (1)</b>	<b>City's Share of Debt 6/30/23</b>
Metropolitan Water District	\$ 19,215,000	0.429%	\$82,432
Los Angeles Community College District	4,500,730,000	1.456%	65,530,629
Los Angeles Unified School District	10,704,725,000	0.171%	18,305,080
Palos Verdes Unified School District	41,215,076	46.994%	19,368,613
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$103,286,754</b>
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			<b>385,194</b>
<b>TOTAL NET OVERLAPPING TAN AND ASSESSMENT DEBT</b>			<b>\$102,901,560</b>
 <b>DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			
Los Angeles County General Fund Obligations	\$ 2,601,551,282	0.824%	\$21,436,783
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.824%	28,045
Los Angeles County Sanitation District No. 5 Authority	1,269,835	9.905%	125,777
Los Angeles County South Bay Cities Sanitation District Authority	216,354	4.044%	8,749
Los Angeles Unified School District Certificates of Participation	97,870,000	0.171%	167,358
<b>City of Rancho Palos Verdes General Fund Obligations</b>	<b>7,265,975</b>	<b>100.0%</b>	<b>7,265,975</b>
<b>City of Rancho Palos Verdes Leases Payable</b>	<b>667,582</b>	<b>100.0%</b>	<b>667,582</b>
<b>City of Rancho Palos Verdes Subscriptions Payable</b>	<b>328,019</b>	<b>100.0%</b>	<b>328,019</b>
<b>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</b>			<b>\$30,028,288</b>
 <b>TOTAL DIRECT DEBT</b>			<b>\$8,261,576</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$125,053,465</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$124,668,271</b>
 <b>GROSS COMBINED TOTAL DEBT</b>			<b>\$133,315,041 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$132,929,847</b>

(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 2022-23 Assessed Valuation:**

Total Gross Overlapping Tax and Assessment Debt	0.66%
Total Net Overlapping Tax and Assessment Debt	0.66%
<b>Direct Debt (\$7,265,975)</b>	<b>0.05%</b>
Gross Combined Total Debt	0.86%
Net Combined Total Debt	0.86%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$264,449,784):**

Total Overlapping Tax Increment Debt	0.94%
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**Source**

Avenu Insights & Analytics  
California Municipal Statistics, Inc.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**FISCAL YEAR**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 1,533,583	\$ 1,583,404	\$ 1,677,723	\$ 1,749,390	\$ 1,832,345
Total Net Debt Applicable to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,533,583</u>	<u>\$ 1,583,404</u>	<u>\$ 1,677,723</u>	<u>\$ 1,749,390</u>	<u>\$ 1,832,345</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	0%	0%	0%	0%

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, CALIFORNIA**  
**LEGAL DEBT MARGIN INFORMATION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**  
**FISCAL YEAR**

	2019	2020	2021	2022	2023
Debt Limit	\$ 1,935,260	\$ 2,021,758	\$ 2,116,007	\$ 2,181,192	\$ 2,322,445
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,935,260</u>	<u>\$ 2,021,758</u>	<u>\$ 2,116,007</u>	<u>\$ 2,181,192</u>	<u>\$ 2,322,445</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	0%	0%	0%	0%
			Total Taxable Value	\$ 15,482,968	
			Debt Limit (15% of Total Taxable Value)	2,322,445	
			Debt Applicable to Limit	-	
			Legal Debt Margin	<u>\$ 2,322,445</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, CALIFORNIA  
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
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
2020-21	41,541	3,134,652,289	75,459	50.0	10,503
2021-22	41,468	3,594,201,164	86,674	49.8	10,432
2022-23	41,030	4,147,992,677	101,097	49.8	10,457

**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.

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

\*\* 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, CALIFORNIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS (CONTINUED)  
LAST TEN FISCAL YEARS**

Fiscal Year	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (3)	County Population (1)	City Population (% of County)
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%
2020-21	12.8%	8.2%	10,044,458	0.41%
2021-22	4.5%	3.0%	9,861,224	0.42%
2022-23	4.8%	3.9%	9,761,210	0.42%

**Source**

Avenu Insights & Analytics

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

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

(2) Income Data is provided by the U.S. Census Bureau.

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

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

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**PRINCIPAL SALES TAX PRODUCERS**  
**LAST FISCAL YEAR AND NINE YEARS AGO**

2022-23		2013-14	
<b>Taxpayer</b>	<b>Business Type</b>	<b>Taxpayer</b>	<b>Business Type</b>
7-Eleven Food Store & Service Stations	Service Stations	7-Eleven Food Store & Service Stations	Service Stations
American Golf Corporation	Miscellaneous Retail	American Golf Corporation	Miscellaneous Retail
Audio Visual Services Group	Light Industry	America's Tire	Auto Parts/Repair
Avenue Italy	Restaurants	Asaka Japanese Cuisine	Restaurants
Blue Crab Steak & Seafood Restaurant	Restaurants	Blue Crab Steak & Seafood Restaurant	Restaurants
Centinela Feed & Pet Supplies	Florist/Nursery	Carl's Jr. Restaurants	Restaurants
Custom Container Storage & Rental	Bldg.Mats-Whsle	Centinela Feed & Pet Supplies	Florist/Nursery
Discount Tire	Auto Parts/Repair	Chevron Service Stations	Service Stations
G & M Service Stations	Service Stations	Coco's Bakery Restaurant	Restaurants
Granvia Tomatillo Service Center	Service Stations	Discount Tire	Auto Parts/Repair
Greek Grub	Restaurants	El Pollo Loco	Restaurants
Green Hills Memorial Park	Miscellaneous Other	Good Night Mattress & Bedroom	Furniture/Appliance
Highbridge Car Wash	Auto Parts/Repair	Granvia Tomatillo Service Center	Service Stations
Marshall's Stores	Apparel Stores	Green Hills Memorial Park	Miscellaneous Other
O'Reilly Auto Parts	Auto Parts/Repair	Highbridge Car Wash	Auto Parts/Repair
PPI America	Heavy Industry	Jack In The Box Restaurants	Restaurants
Ralph's Grocery Company	Food Markets	Marie Callender's Restaurants	Restaurants
Smart & Final	Food Markets	Marshall's Stores	Apparel Stores
Swan Thai RPV	Restaurants	Ralph's Grocery Company	Food Markets
Terranea Resort	Restaurants	Smart & Final	Food Markets
The Mortuary at Green Hills	Miscellaneous Other	Swank Audio Visuals	Office Equipment
Trader Joe's	Food Markets	Terranea Resort	Restaurants
Trump National Golf Club	Miscellaneous Retail	The Admiral Risty	Restaurants
Western Tobacco	Miscellaneous Retail	Trader Joe's	Food Markets
Whose Investment	Restaurants	Trump National Golf Club	Miscellaneous Retail

**Source**

MuniServices, LLC / Avenu Insights & Analytics

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**PRINCIPAL EMPLOYERS**  
**LAST FISCAL YEAR AND NINE YEARS AGO**

Employer	2022-23			2013-14			Percentage of Total City Employment
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
Palos Verdes Peninsula Unified School District	1,416	1	7.49%	1,970	1	9.04%	
Terranea Resort Hotel*	654	2	3.46%	730	2	3.35%	
The Salvation Army College/Western Territorial HQ- USA*	257	3	1.36%				
Belmont Corp LTD (Belmont Village of Rancho)	162	4	0.86%	111	7	0.51%	
Ralphs Store #720	95	5	0.50%	83	9	0.38%	
The Canterbury Retirement Community	94	6	0.50%	115	6	0.53%	
Trump National Golf Club*	94	7	0.50%	260	3	1.19%	
Green Hills Memorial Park	86	8	0.46%	80	10		
City of Rancho Palos Verdes*	85	9	0.45%				0.00%
American Golf Corp (Los Verdes Golf Course)	32	10	0.17%				
Marymount College				220	4	1.01%	
Keller Williams Realty				163	5	0.75%	
Trader Joe's				88	8	0.40%	
Subtotal of Principal Employers	2,975		15.74%	3,820			17.52%
Total City Employment (1)	18,900			21,800			

**Source**

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2013-14, previously published ACFR

Results based on direct correspondence with city's local businesses.

\*Count includes both full and part time employees

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

\* Count includes both full and part time employees

Note: Marymount College permanently closed August 2022.

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**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	54	60	62	62	64	60	61	62	63	61
Part-Time Staff (1)	22	25	29	29	30	29	26	27	25	24
Total	76	85	91	91	94	89	87	89	88	85

**Source**

City Budget documents and Payroll records

(1) Full-Time Equivalent

**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	2014	2015	2016	2017	2018
<b>Administration:</b>					
Employee Resignations (5)	14	10	6	6	27
Workers Compensation Claims	1	3	2	8	2
Liability Claims (6)	9	11	28	6	3
Budget Adjustments	15	15	18	48	80
Business Licenses Issued	1,997	2,134	2,012	1,939	1,902
Web Site Page Views (1)	3.3mil	426,772 *	403,704	536,568	445,633
<b>Public Safety:</b>					
Part I Crime Rates (per 10,000 population)	107	134	106	97	113
<b>Public Works:</b>					
Solid Waste Diversion Rates (2)	2.84lbs/person/day	3.15lbs/person/day	3.08lbs/person/day	2.46lbs/person/day	2.46lbs/person/day
Pavement Rating	82	82	84	84	84
<b>Parks and Recreation:</b>					
Park Events	631	639	810	829	1,281
Class Meetings at Parks	1,233	1,400	1,025	1,030	922
Docent Led Nature Hikes	109	103	94	108	113
Volunteer Events (3)	DNA	DNA	DNA	35	61
Volunteers (3)	DNA	DNA	DNA	764	1,806
Volunteer Hours (3)	DNA	DNA	DNA	2,486	5,919
Open Space Mgmt. Public Contacts (3)	DNA	DNA	DNA	23,101	33,306
Open Space Mgmt. Rules Enforced (3)	DNA	DNA	DNA	1,367	1,925
Open Space Mgmt. Maintenance / Projects (3)(4)	DNA	DNA	DNA	782	1,219
<b>Community Development:</b>					
Building Permits Processed	1,492	1,558	1,758	1,665	1,985
Plan Checks	264	255	289	289	292
Municipal Code Violations Closed	392	358	505	432	457

**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% of generation in 2003 through 2006, expressed in terms of per capital disposal.
- (3) Began tracking this indicator in 2017
- (4) No longer tracked beginning 2020
- (5) Includes both Part-Time and Full-Time employees
- (6) No data available for 2019

**CITY OF RANCHO PALOS VERDES, CALIFORNIA  
OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

Function	2019	2020	2021	2022	2023
<b>Administration:</b>					
Employee Resignations (5)	23	30	34	44	27
Workers Compensation Claims	1	1	1	7	16
Liability Claims	0	1	18	20	19
Budget Adjustments	91	98	113	79	82
Business Licenses Issued	1,971	1,776	1,898	1,950	2,140
Web Site Page Views (1)	450,206	657,040	808,722	609,862	624,000
<b>Public Safety:</b>					
Part I Crime Rates (per 10,000 population)	99	109	100	114	101
<b>Public Works:</b>					
Solid Waste Diversion Rates (2)	5.6lbs/person/day	5.7lbs/person/day	5.7lbs/person/day	5.7lbs/person/day	6.2lbs/person/day
Pavement Rating	89	89	89	87	86
<b>Parks and Recreation:</b>					
Park Events	1,122	807	243	573	1,088
Class Meetings at Parks	852	520	375	566	1,678
Docent Led Nature Hikes	104	37	0	0	49
Volunteer Events (3)	46	37	3	31	32
Volunteers (3)	1,095	974	100	661	661
Volunteer Hours (3)	3,569	2,724	252	1,729	3,767
Open Space Mgmt. Public Contacts (3)	29,973	29,786	38,476	31,352	27,371
Open Space Mgmt. Rules Enforced (3)	1,262	1,876	2,113	4,687	887
Open Space Mgmt. Maintenance / Projects (3)(4)	546	0	0	0	0
<b>Community Development:</b>					
Building Permits Processed	2,186	1,933	2,048	2,256	2,407
Plan Checks	288	256	268	358	373
Municipal Code Violations Closed	338	275	171	448	366

**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.
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**CITY OF RANCHO PALOS VERDES, CALIFORNIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration:										
Computer Workstations	98	114	138	140	144	144	155	155	160	165
Public Safety (1)										
Public Works:										
Street Miles	141	149	149	149	149	150.1	150.1	151.1	151.1	151.1
Traffic Signals	15	15	15	15	15	15	15	16	17	17
Parks and Recreation:										
Parks	16	16	16	16	17	17	17	17	17	17
Community Development:										
Vehicles Used for Inspections	4	4	4	2	2	4	4	4	4	5

**Source**

City Capital Asset Records

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