



CALIFORNIA
CITY OF RANCHO PALOS VERDES

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2022





CITY OF RANCHO PALOS VERDES, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

PREPARED BY: FINANCE DEPARTMENT

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INTRODUCTORY SECTION





April 10, 2023

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

The Annual Comprehensive Financial Report (ACFR), formerly Comprehensive Annual Financial Report (CAFR), of the City of Rancho Palos Verdes for the fiscal year ended June 30, 2022, 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, 2022 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, 2022, 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 an overall \$7.8 million favorable budget variance in the General fund for the fiscal year ended June 30, 2022. Post-pandemic recovery efforts led to an economic upswing and favorable revenue variance of \$6 million higher than budgeted. Total expenditures also fared favorably and ended the year \$1.6 million below budget. Much of the positive expenditure variance is from a capital purchase that was not completed by year-end and unspent budget due to unfilled vacant positions.

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, 2022, the General Fund unrestricted fund balance of \$29,454,065 exceeds the minimum requirement of \$12,944,402 (50% of \$25,888,803 in General Fund annual operating expenditures).

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. And in September 2022, the City Council assigned the remaining allocation of \$200,000 and interest earnings to the Ladera Linda Community Park Project.

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). Previously, the financial model presented a five-year outlook and was later expanded to ten years beginning in FY 2021-22. The Model establishes the foundation for guiding policy and making financial decisions, considering any forecasted challenges and opportunities before they arise. This Model allows for the creation of baseline and alternative revenue and spending forecasts, including historic and projected annual periods for the next ten years. The Model also allows for testing the impact of assumptions and proposed initiatives on projected budget gaps and fund balances.

To ensure a more accurate forecast, the Finance Department actively updates the planning tools with the most current information available. Accordingly, any substantial changes of the assumptions will be presented to the City Council.

MAJOR INITIATIVES

The City's staff, following specific directives of the City Council and the City Manager, 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 City's first Legislative Platform outlining the policy positions of the City Council on current issues which directly or indirectly impact the City.
- Disseminated position letters for the City on various bills and legislative issues, including dozens of bills during the 2021-2022 Legislative Session, and tracking over 100 bills with potential impact on the City.
- Negotiated ground lease amendments with telecommunications providers, resulting in increased rents paid to the City.
- Took the offices of Senator Dianne Feinstein and Congressman Ted Lieu on tours of the Portuguese Bend Landslide to familiarize them with the urgency of the issue.
- Submitted requests for congressionally directed spending for the Portuguese Bend Landslide Remediation Project, with Senator Feinstein subsequently requesting \$2 million in the Homeland Security Appropriations Bill be allocated to a portion of the project.
- Represented the City at meetings with Senator Feinstein's office and the EPA regarding the recently rediscovered DDT dumping site off the coast and advocated for an assessment of contamination and possible solutions for remediation.
- RPV named 9th Safest City in California by SafeWise.

- Developed a strategy for Peninsula-wide mass evacuation plans, as well as coordinated the drafting and solicitation of an RFP for an independent third-party consultant to develop a comprehensive emergency operations evacuation "playbook"
- Implemented City's Pension Guidelines adopted by the City Council by setting aside \$640,000 to mitigate future increases to the City's Unfunded Accrued Liability (UAL).
- Implemented the required Governmental Accounting Standards Board (GASB) Statement No. 87, Leases.
- Continued to expand the Financial Model during the FY 2022-23 budget process by utilizing a sensitivity analysis to enhance and guide the 10-year financial outlook.
- Scored 91.23 out of 100 points and received a low-risk designation for FY 2019-20 from the State Auditor's report on the Fiscal Health of California Cities.
- The City continued to receive a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for FY 2020-2021, awarded by the Government Finance Officers Association (GFOA).
- Pursued cost-effective and achievable strategies by securing an \$8 million loan that is payable over 10 years to fund the Ladera Linda Community Park Project.
- Entered into a cooperative agreement with Caltrans for design and construction of a right-turn lane on Western Avenue at Delasonde Drive.
- Completed three Landslide GPS Surveys.
- Maintained the bio-filtration swales contained within the Hawthorne Blvd medians between Crest Road and Via Rivera.
- Maintained collector screens on all City-owned catch basins.
- Completed traffic studies for four school sites and recommended mitigation measures to address speeding and other concerns.
- Completed a traffic study on Hawthorne Boulevard from Crest Road to Palos Verdes Drive West and recommended mitigation measures to address speeding and other concerns.
- Completed installation of a traffic signal at Hawthorne Blvd and Via Rivera.
- Repainted stencils at 1,110 catch basins to educate the public on how catch basins contribute to keeping the Pacific Ocean clean.
- Started construction on the Ladera Linda Community Park.
- Implemented a program to divert organic waste from the trash stream (to comply with Senate Bill 1383).
- Adopted Code Amendments related to the City's Sign Code and Fence, Wall & Hedges regulations.
- Prepared the City's draft Housing Element for the 2021-2029 Housing Cycle and submitted associated documents to the Housing & Community Development Department for review.
- Timely submittals of the City's Annual General Plan Update Report as well as the Housing Element Annual Progress Report to the Governor's Office of Planning and Research and the California Department of Housing and Community Development.

- Conducted a City Tour with representatives from the California Department of Housing and Community Development.
- Initiated work on 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.
- Issued multi-family smoke-free informational materials to encourage property owners and homeowner associations to voluntarily implement smoke-free policies in multi-family housing units.
- Continued to proactively coordinate informative and educational neighborhood coyote outreach City wide including a Wildlife Watch Forum and informational bulletin.
- Monitored the City's Peafowl Trapping Program on safely capturing and relocating peafowl to a permanent environment.
- Transmitted proposals to the FAA and to Los Angeles World Airports to further reduce aircraft noise above and near RPV.
- Implemented Forrestal parking plan
- Successfully organized City special events including concerts in the parks, movies in the park, and the first annual holiday tree lighting and skating rink.
- Expanded REACH program in-person events
- Managed and coordinated Preserve and NCCP/HCP
- Assisted with the Civic Center Master Plan development

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, 2022, the City expended over \$750,000 on Federal financial assistance programs in the amount of \$1.9 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, 2021. This was the 28th 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 2021-22 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,



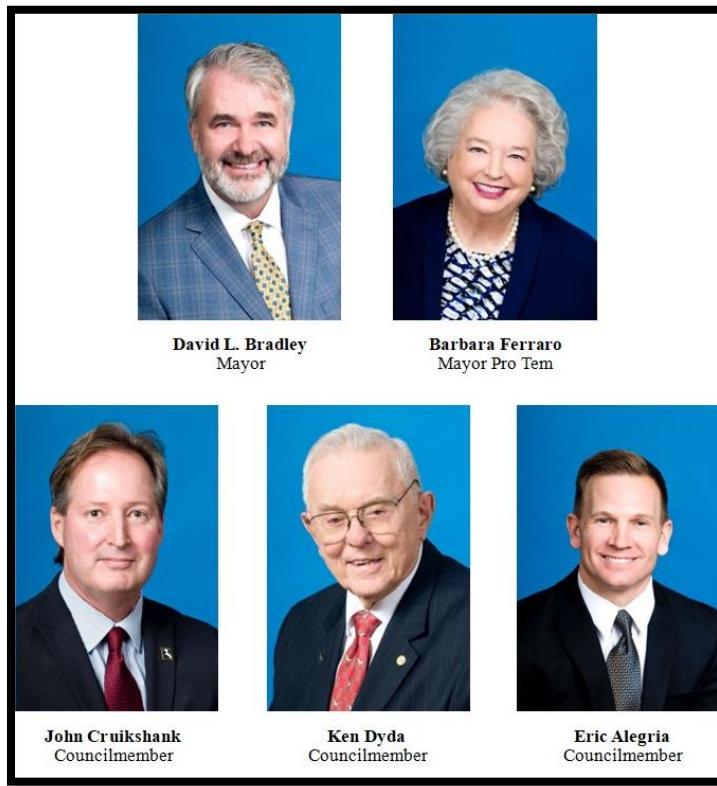
Trang Nguyen
Director of Finance



Annual Comprehensive Financial Report

Year Ended June 30, 2022

FY 2021-22 CITY OFFICIALS



David L. Bradley
Mayor

Barbara Ferraro
Mayor Pro Tem

John Cruikshank
Councilmember

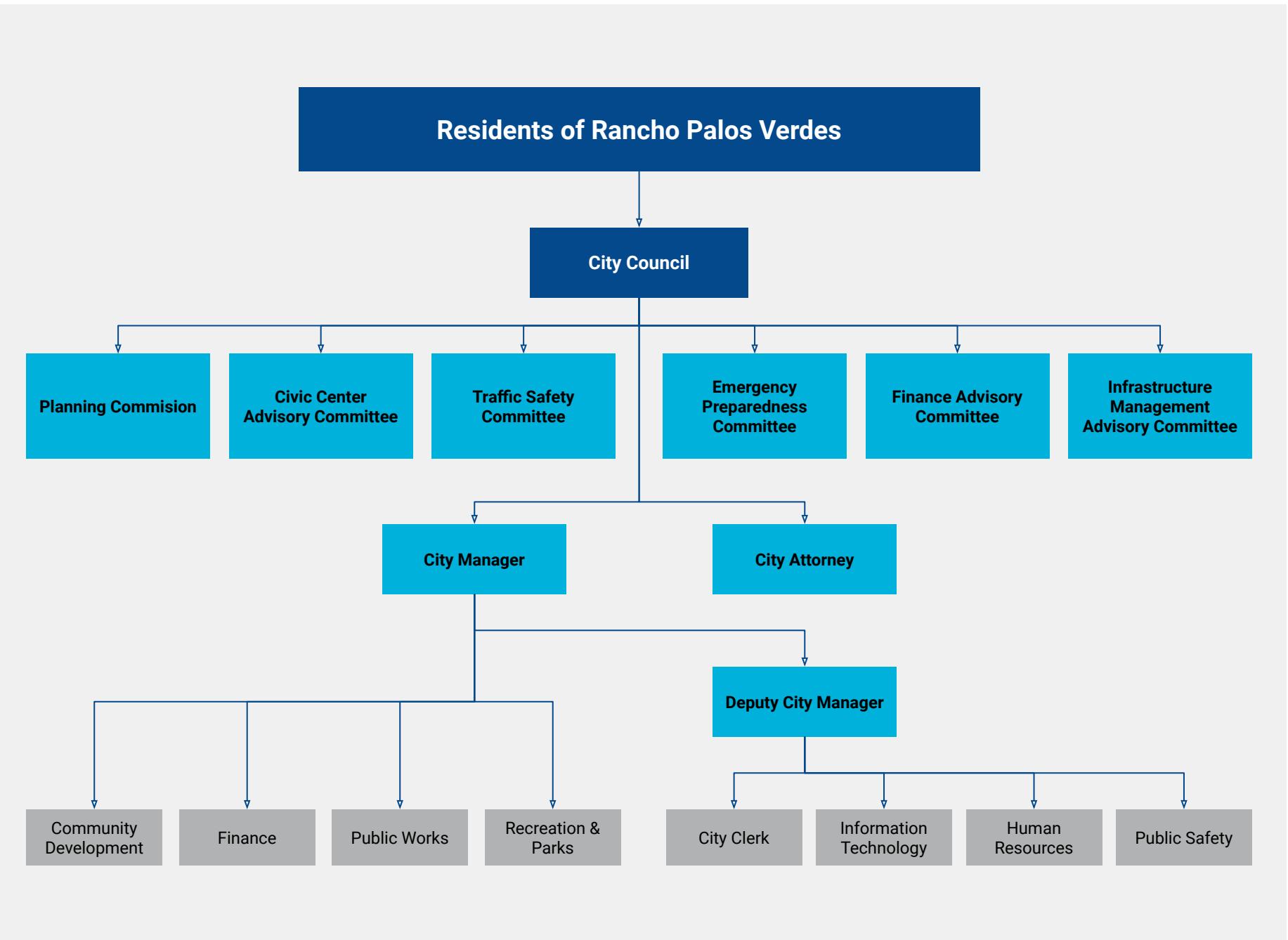
Ken Dyda
Councilmember

Eric Alegria
Councilmember

CITY STAFF

City Manager **Ara Mihranian, AICP**

Deputy City Manager.....	Karina Banales
Director of Finance.....	Trang Nguyen
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, 2021

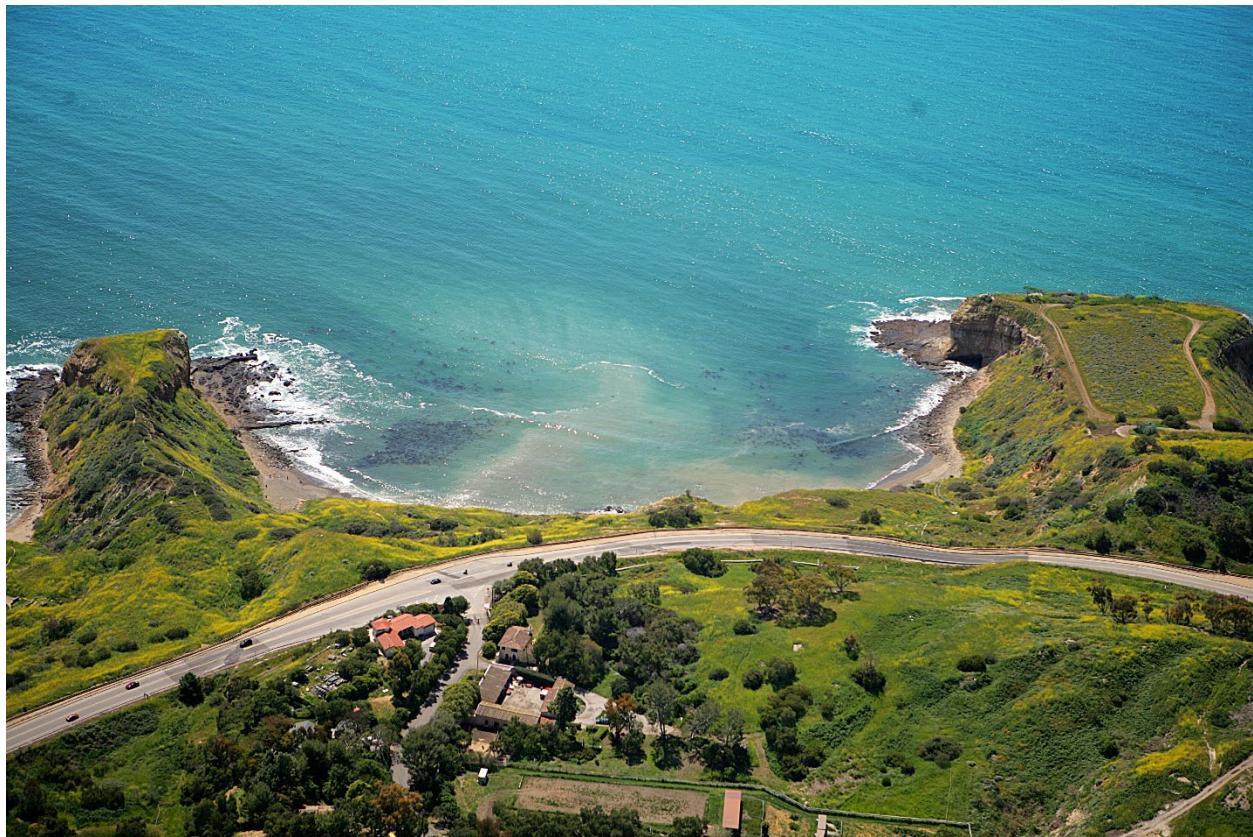
Christopher P. Monill

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, 2022, 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, and American Rescue Plan Act 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, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. 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 financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, the individual nonmajor fund financial statements and 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 April 10, 2023, 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
April 10, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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-viii 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, 2022, by \$224.3 million (Net Position). Of this amount, \$52.8 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 \$4.5 million from the prior year from the Governmental activities primarily due to the significant shift in the economy that took place during FY 2021-22 and led to a favorable return toward historical figures.
- As of June 30, 2022, the City's Governmental Funds reported combined ending Fund Balances of \$84.3 million, an increase of \$19.2 million in comparison with the prior year. This increase is a combination of higher inflow of revenues and from the debt loan proceeds for the Ladera Linda Community Park Project.
- At the end of the current fiscal year, the General Fund reported an increase in fund balance in the amount of \$5.6 million or 22%. The increase is due primarily to higher inflow of revenues over expenditures.
- As of June 30, 2022, the General Fund unrestricted fund balance of \$29,454,065 exceeds the City Council's reserve policy minimum requirement of \$12,944,402 (50% of \$25,888,803 in General Fund annual operating expenditures).



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

Both the Government-Wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development and parks and recreation. The City no longer has business-type activities.

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



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

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

Fund Financial Statements

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

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the Fiscal Year. Such information may be useful in evaluating a government's near-term financing requirements. The Governmental Fund Financial Statements can be found on pages 21-24.

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

The City of Rancho Palos Verdes maintained 29 individual Governmental Funds during the Fiscal Year ended June 30, 2022. 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, and the Capital Improvements Fund are considered to be major funds. Data from the other 26 Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of these Other Governmental Funds is provided in the form of *combining statements* elsewhere in this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

The City of Rancho Palos Verdes adopts an annual appropriated budget for each of its Governmental Funds except for the Bikeways Special Revenue Fund. 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 28-30 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. The Fiduciary Fund statements can be found on pages 31-32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes to the financial statements can be found on pages 33-65 of this report.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

Other Information

The combining statements referred to earlier in connection with Other Governmental Funds and Internal Service Funds are presented as Supplementary Information. Combining and individual fund statements and schedules can be found on pages 69 - 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 \$224.3 million on June 30, 2022. By far, the largest portion of the City's Net Position of \$147.5 million or 66% 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	
	2022	2021
Current and other assets	\$ 102,573,358	\$ 81,794,941
Capital assets	148,975,339	154,129,751
Total assets	251,548,697	235,924,692
 Deferred outflows of resources	 2,452,918	 2,483,234
Long-term liabilities outstanding	15,150,174	13,157,805
Other liabilities	9,863,780	5,282,098
Total liabilities	25,013,954	18,439,903
 Deferred inflows of resources	 7,728,187	 208,614
Net Investment in capital assets	147,500,875	153,568,014
Restricted	23,913,654	23,206,283
Unrestricted	52,844,945	42,985,112
Total net position	\$ 224,259,474	\$ 219,759,409



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2022**

A portion of the City's Net Position of \$23.9 million or 10%, represents resources subject to external restrictions. The remaining balance of Unrestricted Net Position of \$52.9 million or 24 % 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 \$20.8 million or 25%. The increase is primarily due to higher inflow of revenues, and from the unspent loan proceeds for the Ladera Linda Community Park Project.

As a result of the new loan, the long-term liabilities outstanding increased by \$2.0 million or 15% over the prior year. Additionally, other liabilities increased by \$4.6 million or 87% over prior year mainly from timing disbursements of the City's allocations from the American Rescue Plan Act.

Statement of Activities

	Governmental Activities	
	2022	2021
Program revenues:		
Charges for services	\$ 5,293,680	\$ 3,579,336
Operating contributions and grants	6,738,167	5,086,905
Capital contributions and grants	1,731,518	1,253,501
General revenues:		
Property taxes	16,638,046	15,966,164
Other taxes	14,490,115	10,116,608
Other	452,143	1,511,404
Total revenues	45,343,669	37,513,918
Administration	\$ 9,183,326	\$ 8,476,055
Public safety	7,293,294	7,250,780
Public works	17,360,287	15,885,356
Community development	3,093,831	2,623,915
Parks and recreation	3,876,716	2,978,922
Interest Expense	36,150	-
Total expenses	40,843,604	37,215,028
(Decrease) / Increase in net position	4,500,065	298,890
Net position - beginning of fiscal year	219,759,409	219,460,519
Net position - end of fiscal year	\$ 224,259,474	\$ 219,759,409



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

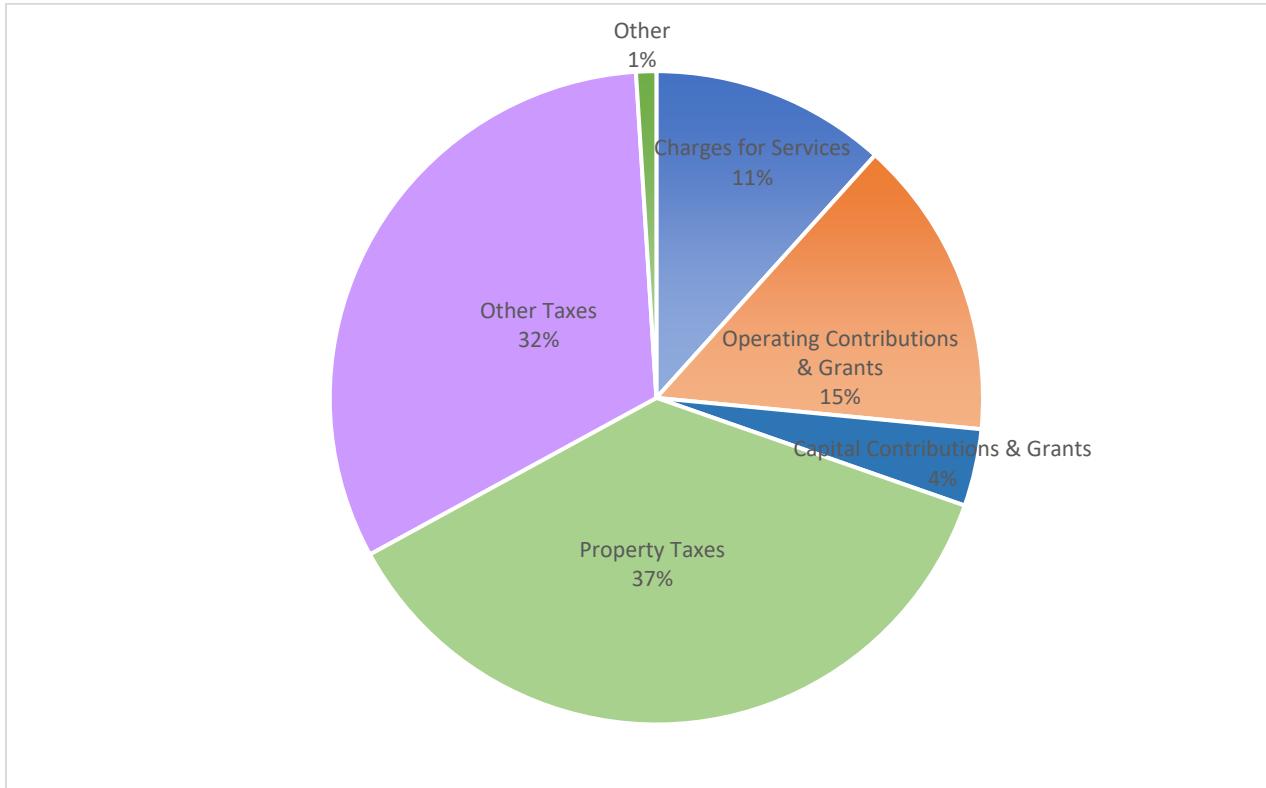
Governmental Activities

As illustrated in the chart above, the City's Net Position in Governmental Activities increased by \$4.5 million over the prior fiscal year. The increase is mainly from the ongoing solid recovery of the City's general revenues since the COVID-19 pandemic.

Overall, government-wide revenues for the fiscal year ended June 30, 2022, increased by \$7.8 million. Of the increased amount, \$0.5 million was from the program revenues in grants and \$4.0 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

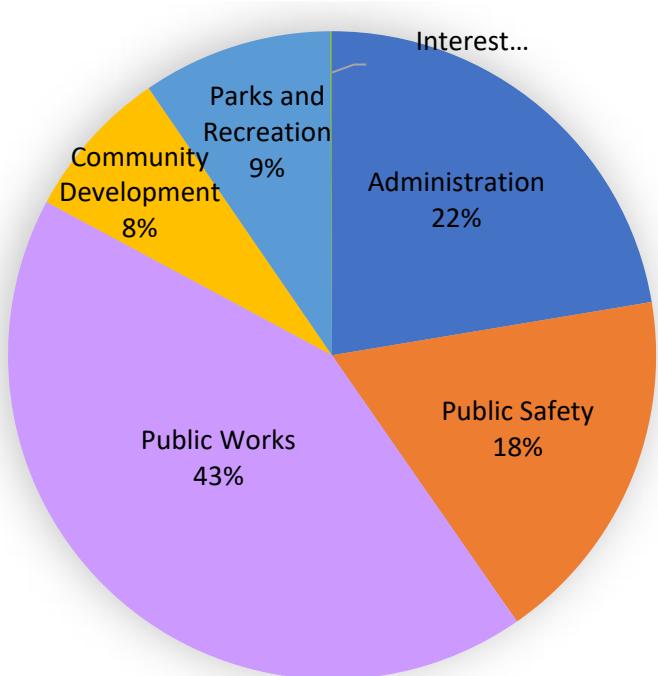




MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

The government-wide expenses for the fiscal year ended June 30, 2022 increased by \$3.6 million from the prior year. The increased amount compared to the prior year is due to the increased activities in maintenance, parks, recreation, and personnel costs in accordance with the labor contract. 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, 2022

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 \$84.3 million, an increase of \$19.2 million in comparison to the prior year. Approximately \$80.9 million or 96% of the combined ending Fund Balances constitutes spendable fund balance. The remainder of the combined ending Fund Balances are non-spendable either due to legal restrictions or non-spendable in the form of prepaid items and inventory. Additional information on the non-spendable items can be found in Note 8 on pages 51-52 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 \$29.5 million, while total Fund Balance reached to \$31.4 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 96% 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 \$5.6 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.

At the end of the fiscal year, the American Rescue Plan Act (ARPA) has a deficit fund balance of \$0.03 million mainly due to the fund's investment loss.

The Capital Improvements Capital Projects Fund ended the year with an increase of \$11.7 million of the fund balance from the prior year. The majority of the increase is largely from the loan proceeds of \$8 million for the Ladera Linda Community Park Project and from the budgeted capital outlay projects that were not completed by year-end. These projects are primarily from the residential street rehabilitation program, Civic Center Project, and Ladera Linda Community Park Project.

Financial Analysis of Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail.



MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR ENDED JUNE 30, 2022

The Net Position of the Internal Service Funds at the end of the fiscal year amounted to \$2.9 million, an increase to the Net Position by \$0.2 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 \$35.9 million and \$25.9 million of expenditures. When including net transfers out of \$4.5 million, there is a positive variance of just almost \$5.5 million (revenues to expenditures).

The economic upswing and strong rebound in General Fund revenues experienced in in FY 2021-22 led to historical revenue growth.

Revenue Highlights

Taxes

- Taxes include property tax, transient occupancy tax (TOT), sales tax, franchise tax, utility users tax, and other miscellaneous taxes. Tax revenues ended the year at \$31 million, an increase of \$4.6 million, or 17% over the final budget of \$26 million. The increase in revenues was partly due to property tax revenue; the City's largest revenue source ending the year at \$16.6 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 \$3.3 million, \$1.3 million, or 60%, above the final budget of \$2.1 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, 2022

Fines and Forfeitures

- Revenues totaled \$517,637, which is \$190,437 or 58% over the final budget of \$327,200. The two primary contributors to this increase in revenue were Parking Lot Fees and Traffic Tickets.

Expenditure Highlights

Salaries & Benefits

- This category ended the year \$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, 2022, amounts to \$149.0 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/ amortization of \$6.9 million was recorded for the City's Capital Assets.
- A total of \$1.5 million of construction in progress was added primarily from the Ladera Linda Community Park Project.



MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2022

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

	Governmental Activities	
	2022	2021
Capital assets not being depreciated		
Land	\$ 43,543,382	\$ 43,543,382
Construction in progress	1,637,230	2,742,642
Total capital assets not being depreciated	45,180,612	46,286,024
Capital assets being depreciated, net		
Buildings	6,394,667	6,660,834
Vehicles	56,543	101,128
Computer equipment	161,314	1
Equipment - water quality	-	-
Furniture, fixtures and equipment	106,180	126,933
Right-to-use Leased Assets:		
Equipment	5,544	13,576
Infrastructure		
Roadway system	50,244,687	52,709,738
Sewer system	3,576,481	4,030,329
Storm drain system	8,342,131	8,157,424
Storm drain system - water quality	30,287,975	31,120,549
Park system	4,619,205	4,936,791
Total capital assets being depreciated, net	103,794,727	107,857,303
Capital Assets, net	\$ 148,975,339	\$ 154,143,327

Additional information on the City's Capital Assets can be found in Note 5 on pages 48-49 of this report.

Long-term liabilities. At the end of the current Fiscal Year, the City of Rancho Palos Verdes had total long-term liabilities outstanding of \$8,513,246. Of this amount \$507,647 is for the Employee Compensated Absences, \$5,599 is for leases, and \$8 million is the loan for the Ladera Linda Community Park Project.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2022**

City of Rancho Palos Verdes Outstanding Long-term Liabilities

	Governmental	
	2022	2021
Employee compensated absences	507,647	523,087
Leases Liability*	5,599	13,576
Ladera Linda Community Park Project	8,000,000	-
Total	\$ 8,513,246	\$ 536,663

*The beginning balance has been restated to add lease liabilities in accordance with the implementation of GASB Statement No. 87, *Leases*.

At the fiscal year ended June 30, 2022, the City's total outstanding debt increased by \$7,976,583 or 1,486%. Additional information on the City's long-term liabilities can be found in Note 7 on pages 50-51 of this report.

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 \$2,181,192,000.

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 46% of the General Fund revenue came from property tax during FY 2021-22. Property tax is expected to continue to account for 46% of general fund revenue during FY 2022-23. This stable revenue base provides the City with a steady and predictable revenue inflow year over year.

For the upcoming fiscal year, total property values increased by \$278 million based on the maximum CPI of 2%. Moreover, properties sold between January and December 2021 provided an additional \$517 million in property value. Given these factors, and a proposition 8 recapture total of \$54 million, staff anticipates a 5.9% increase in overall property value. In total, property tax revenues are projected to grow to slightly over \$16.4 million, or 4.2%, in FY 2022-23.

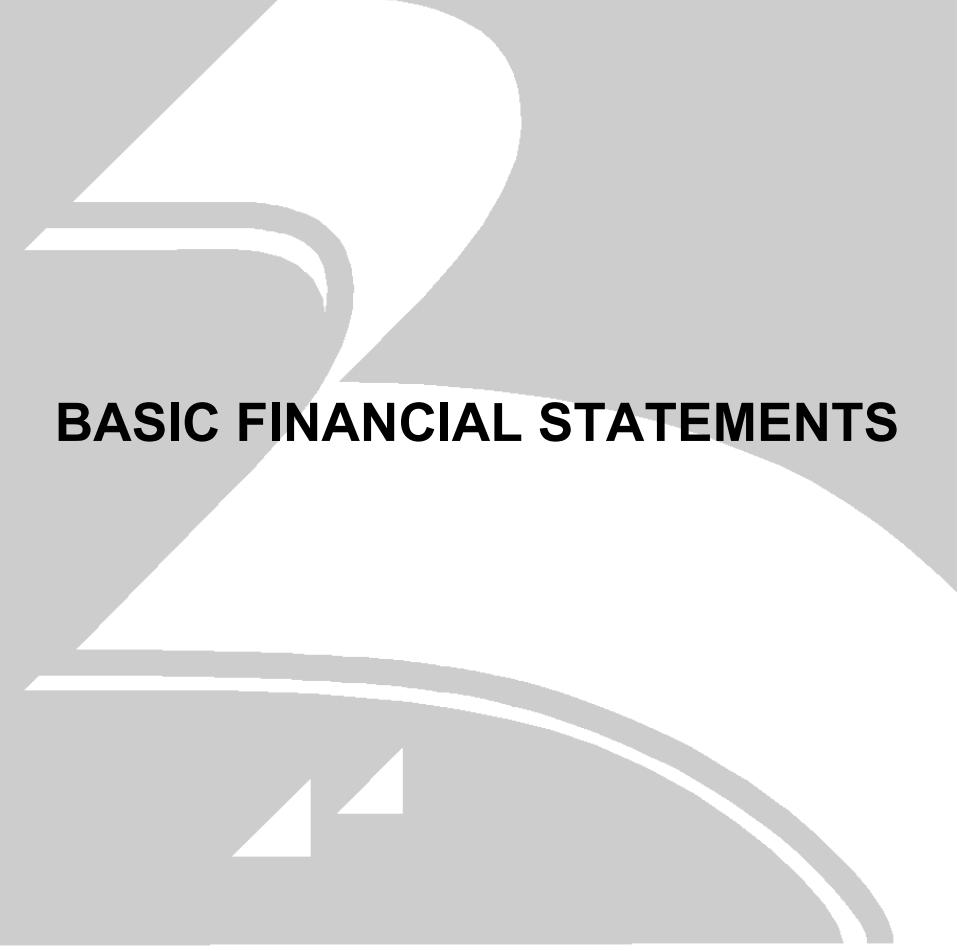


**MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2022**

A return to economic normalcy led towards historical growth in the fiscal year ended June 30, 2022. Growth is expected to remain stable throughout the FY 2022-23 fiscal, but signs of a slowing economy are likely to become more apparent. 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.



BASIC FINANCIAL STATEMENTS



CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 83,030,275
Restricted Cash	7,949,939
Receivables:	
Taxes	2,821,411
Interest	108,310
Other	706,585
Leases	70,394
Inventory	35,159
Prepaid Items	1,427,311
Total Current Assets	<u>96,149,384</u>
NONCURRENT ASSETS	
Leases Receivable	659,716
Notes Receivable	8,764,258
Receivable from Successor Agency	10,540,023
Allowance for Successor Agency Receivable	(10,540,023)
Capital Assets:	
Not Being Depreciated/Amortized	45,180,612
Being Depreciated/Amortized	103,794,727
Total Noncurrent Assets	<u>158,399,313</u>
Total Assets	<u>254,548,697</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	<u>2,452,918</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	4,067,186
Interest Payable	35,967
Retentions Payable	133,811
Unearned Revenue	3,523,683
Deposits Payable	989,051
Current Portion of Noncurrent Liabilities	1,114,082
Total Current Liabilities	<u>9,863,780</u>
NONCURRENT LIABILITIES	
Due Beyond One Year	7,399,164
Net Pension Liability	7,751,010
Total Noncurrent Liabilities	<u>15,150,174</u>
Total Liabilities	<u>25,013,954</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Leases	708,009
Deferred Inflows Related to Pensions	7,020,178
Total Deferred Inflows of Resources	<u>7,728,187</u>
NET POSITION	
Net Investment in Capital Assets	147,500,875
Restricted for:	
Housing and Community Development	9,975,095
Transportation	7,140,221
Public Works	3,272,333
Parks and Recreation	1,671,462
Public Safety	104,543
Nonexpendable Endowment Principal	1,750,000
Unrestricted	52,844,945
Total Net Position	<u>\$ 224,259,474</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:						
Administration	\$ 9,183,326	\$ 935,625	\$ 1,773,696	\$ -	\$ (6,474,005)	
Public Safety	7,293,294	231,645	160,337	-	(6,901,312)	
Public Works	17,360,287	215,745	4,804,134	1,731,518	(10,608,890)	
Parks and Recreation	3,876,716	739,233	-	-	(3,137,483)	
Community Development	3,093,831	3,171,432	-	-	77,601	
Interest Expense	36,150	-	-	-	(36,150)	
Total Governmental Activities/ Primary Government	<u>\$ 40,843,604</u>	<u>\$ 5,293,680</u>	<u>\$ 6,738,167</u>	<u>\$ 1,731,518</u>		<u>(27,080,239)</u>
General Revenues:						
Taxes:						
Property Taxes					16,638,046	
Transient Occupancy Tax					6,170,132	
Franchise Tax					2,278,003	
Utility User Tax					2,525,992	
Other Taxes					733,545	
Unrestricted Intergovernmental						
Revenue - Shared Sales Tax					2,782,443	
Investment Income (Loss)					(430,668)	
Unrestricted Grants, Contributions, and Other Revenues					882,811	
Total General Revenues					<u>31,580,304</u>	
CHANGE IN NET POSITION						4,500,065
Net Position - Beginning of Year						<u>219,759,409</u>
NET POSITION - END OF YEAR						<u>\$ 224,259,474</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Special	Capital	Other Governmental Funds	Total Governmental Funds
		Revenue	Projects		
		American Rescue Plan Act	Capital Improvements		
ASSETS					
Cash and Investments	\$ 30,547,036	\$ 4,482,873	\$ 30,247,286	\$ 14,921,213	\$ 80,198,408
Restricted Cash	-	-	7,949,939	-	7,949,939
Receivables:					
Taxes	2,498,590	-	-	322,821	2,821,411
Interest	38,239	5,378	43,259	18,119	104,995
Leases - Current	70,394	-	-	-	70,394
Other	118,773	-	-	587,812	706,585
Due from Other Funds	126,685	-	-	-	126,685
Inventory	35,159	-	-	-	35,159
Prepaid Items	1,427,311	-	-	-	1,427,311
Leases Receivable - Noncurrent	659,716	-	-	-	659,716
Receivable from Successor Agency	10,540,023	-	-	-	10,540,023
Allowance for Successor Agency					
Receivable	(10,540,023)	-	-	-	(10,540,023)
Total Assets	<u>\$ 35,521,903</u>	<u>\$ 4,488,251</u>	<u>\$ 38,240,484</u>	<u>\$ 15,849,965</u>	<u>\$ 94,100,603</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued					
Liabilities	\$ 2,081,712	\$ 1,295,801	\$ 79,595	\$ 610,078	\$ 4,067,186
Due to Other Funds	-	-	-	126,685	126,685
Retentions Payable	19,576	58,711	45,859	9,665	133,811
Unearned Revenue	359,947	3,163,736	-	-	3,523,683
Deposits Payable	989,051	-	-	-	989,051
Total Liabilities	<u>3,450,286</u>	<u>4,518,248</u>	<u>125,454</u>	<u>746,428</u>	<u>8,840,416</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	708,009	-	-	-	708,009
Unavailable Revenue	-	-	-	248,803	248,803
Total Deferred Inflows of Resources	<u>708,009</u>	<u>-</u>	<u>-</u>	<u>248,803</u>	<u>956,812</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Endowment Principal	-	-	-	1,750,000	1,750,000
Prepaid Items	1,427,311	-	-	-	1,427,311
Inventory	35,159	-	-	-	35,159
Restricted	-	-	7,949,939	13,195,901	21,145,840
Committed	447,073	-	4,455,087	-	4,902,160
Assigned	-	-	25,710,004	-	25,710,004
Unassigned	29,454,065	(29,997)	-	(91,167)	29,332,901
Total Fund Balances (Deficits)	<u>31,363,608</u>	<u>(29,997)</u>	<u>38,115,030</u>	<u>14,854,734</u>	<u>84,303,375</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 35,521,903</u>	<u>\$ 4,488,251</u>	<u>\$ 38,240,484</u>	<u>\$ 15,849,965</u>	<u>\$ 94,100,603</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balances - Total Governmental Funds	\$ 84,303,375
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.	148,890,287
Receivables not available to pay for current period expenditures are reported as unavailable revenue in the financial statements.	248,803
Long-term notes receivable are not current available resources and, therefore, do not affect the governmental fund balance.	8,764,258
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Compensated Absences	(507,647)
Loan Payable	(8,000,000)
Leases Payable	(5,599)
Accrued interest payable for certain long-term liabilities of governmental activities is not reported in the governmental funds	(35,967)
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	(7,751,010)
Deferred Outflows of Resources Related to Pensions	2,452,918
Deferred Inflows of Resources Related to Pensions	(7,020,178)
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>2,920,234</u>
Net Position of Governmental Activities	<u><u>\$ 224,259,474</u></u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Special	Capital	Other Governmental Funds	Total Governmental Funds
		Revenue	Projects		
		American Rescue Plan Act	Capital Improvements		
REVENUES					
Taxes	\$ 30,962,923	\$ -	\$ -	\$ 896,204	\$ 31,859,127
Licenses and Permits	3,338,327	-	-	-	3,338,327
Revenue from Other Agencies	-	1,803,693	-	6,869,147	8,672,840
Charges for Services	28,813	-	-	200,137	228,950
Fines and Forfeitures	517,637	-	-	-	517,637
Investment Income (Loss)	370,979	(29,997)	(300,738)	(107,664)	(67,420)
Other Revenues	709,474	-	-	148,246	857,720
Total Revenues	35,928,153	1,773,696	(300,738)	8,006,070	45,407,181
EXPENDITURES					
Current:					
Administration	5,315,792	-	-	-	5,315,792
Public Safety	7,293,294	-	-	-	7,293,294
Public Works	4,934,104	-	-	5,564,335	10,498,439
Parks and Recreation	3,149,625	-	-	11,857	3,161,482
Community Development	3,093,831	-	-	-	3,093,831
Non-Departmental	2,093,997	-	-	-	2,093,997
Capital Outlay	-	1,803,693	674,797	298,950	2,777,440
Debt Service:					
Principal	7,977	-	-	-	7,977
Interest and Fiscal Charges	183	-	-	-	183
Total Expenditures	25,888,803	1,803,693	674,797	5,875,142	34,242,435
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,039,350	(29,997)	(975,535)	2,130,928	11,164,746
OTHER FINANCING SOURCES (USES)					
Loan Proceeds	-	-	8,000,000	-	8,000,000
Transfers In	310,000	-	4,699,515	85,000	5,094,515
Transfers Out	(4,784,515)	-	-	(310,000)	(5,094,515)
Total Other Financing Sources (Uses)	(4,474,515)	-	12,699,515	(225,000)	8,000,000
NET CHANGE IN FUND BALANCES					
Fund Balances - Beginning of Year	25,798,773	-	26,391,050	12,948,806	65,138,629
FUND BALANCES - END OF YEAR	\$ 31,363,608	\$ (29,997)	\$ 38,115,030	\$ 14,854,734	\$ 84,303,375

See accompanying Notes to 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, 2022

Fund Balances - Total Governmental Funds	\$ 19,164,746
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	1,673,463
Depreciation/Amortization Expense	(6,776,113)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
	(218,513)
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.	
	175,116
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:	
Loan Proceeds	(8,000,000)
Principal Payments on Leases Liability	7,977
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	15,440
Net change in accrued interest payable	(35,967)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows relate to pensions.	
This amount represents the net change in pension related amounts.	(1,667,246)
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.	
	161,162
Change in Net Position of Governmental Activities	<u>\$ 4,500,065</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 26,391,100	\$ 26,391,100	\$ 30,962,923	\$ 4,571,823
Licenses and Permits	2,083,100	2,083,100	3,338,327	1,255,227
Revenue from Other Agencies	-	-	-	-
Charges for Services	11,900	11,900	28,813	16,913
Fines and Forfeitures	327,200	327,200	517,637	190,437
Investment Income (Loss)	531,700	531,700	370,979	(160,721)
Other Revenues	610,700	630,700	709,474	78,774
Total Revenues	29,955,700	29,975,700	35,928,153	5,952,453
EXPENDITURES				
Administration:				
City Council	110,700	110,700	96,177	14,523
City Manager	709,000	720,000	733,899	(13,899)
Legal Services	955,000	934,100	915,444	18,656
Community Outreach	69,800	69,800	75,827	(6,027)
City Clerk	529,800	432,300	417,867	14,433
RPV TV	123,100	185,100	183,236	1,864
Personnel	335,200	385,200	371,026	14,174
Finance	1,571,600	1,346,000	1,280,029	65,971
Information Technology - Data	1,055,424	981,784	920,619	61,165
Information Technology - Voice	126,000	103,500	101,672	1,828
Emergency Preparedness	202,400	85,400	47,069	38,331
Emergency Operations	-	-	172,927	(172,927)
Total Administration	5,788,024	5,353,884	5,315,792	38,092
Public Safety:				
Sheriff	7,150,200	6,994,685	6,985,320	9,365
Special Programs	337,600	402,115	307,974	94,141
Total Public Safety	7,487,800	7,396,800	7,293,294	103,506
Public Works:				
Public Works Administration	2,725,900	2,200,735	2,075,027	125,708
Traffic Management	935,500	839,590	747,373	92,217
Storm Water Quality	1,000	40,881	15,942	24,939
Building Maintenance	306,000	477,154	502,449	(25,295)
Park/Trail/Open Space Maintenance	1,005,500	1,132,924	1,233,318	(100,394)
Street Landscape Maintenance	188,000	213,000	346,595	(133,595)
Sewer Maintenance	35,000	11,343	13,400	(2,057)
Total Public Works	5,196,900	4,915,627	4,934,104	(18,477)

See accompanying Notes to 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, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES (CONTINUED)				
Parks and Recreation:				
Recreation Administration	\$ 1,262,700	\$ 1,117,113	\$ 1,077,321	\$ 39,792
Recreation Facilities	1,171,900	1,134,186	1,118,862	15,324
Special Events	318,800	309,173	302,843	6,330
PVIC	402,900	452,905	464,773	(11,868)
REACH	64,200	69,958	75,283	(5,325)
Parking Enforcement	117,500	95,369	87,773	7,596
Support Services	23,400	23,400	22,770	630
Total Parks and Recreation	3,361,400	3,202,104	3,149,625	52,479
Community Development:				
Planning Services	1,773,800	1,562,986	1,485,459	77,527
Building and Safety	889,500	669,695	656,332	13,363
Code Enforcement	271,500	267,500	268,139	(639)
View Restoration/Preservation	380,900	369,635	369,954	(319)
NCCP	-	-	-	-
Geology	150,000	150,000	163,336	(13,336)
Animal Control	191,000	151,000	150,611	389
Total Community Development	3,656,700	3,170,816	3,093,831	76,985
Non-Departmental	1,919,416	3,401,620	2,093,997	1,307,623
Debt Service				
Principal	7,977	7,977	7,977	-
Interest	183	183	183	-
Total Debt Service	8,160	8,160	8,160	-
Total Expenditures	27,418,400	27,449,011	25,888,803	1,560,208
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,537,300	2,526,689	10,039,350	7,512,661
OTHER FINANCING SOURCES (USES)				
Transfers In	657,000	657,000	310,000	(347,000)
Transfers Out	(2,945,000)	(5,424,515)	(4,784,515)	640,000
Total Other Financing Sources (Uses)	(2,288,000)	(4,767,515)	(4,474,515)	293,000
NET CHANGE IN FUND BALANCE				
Fund Balance - Beginning of Year	249,300	(2,240,826)	5,564,835	7,805,661
FUND BALANCE - END OF YEAR	\$ 26,048,073	\$ 23,557,947	\$ 31,363,608	\$ 7,805,661

See accompanying Notes to 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, 2022**

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ -	\$ -	\$ 1,803,693	\$ 1,803,693	
Investment Income (Loss)	-	-	(29,997)	(29,997)	
Total Revenues	-	-	1,773,696	1,773,696	
EXPENDITURES					
Capital Outlay	-	5,213,760	1,803,693	3,410,067	
NET CHANGE IN FUND BALANCE	-	(5,213,760)	(29,997)	5,183,763	
Fund Balance - Beginning of Year	-	-	-	-	
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (5,213,760)</u>	<u>\$ (29,997)</u>	<u>\$ 5,183,763</u>	

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Equipment Replacement Internal Service Fund
ASSETS	
CURRENT ASSETS	
Cash and Investments	\$ 2,831,867
Receivables:	
Interest	<u>3,315</u>
Total Current Assets	2,835,182
NONCURRENT ASSETS	
Capital Assets, Being Depreciated:	
Property and Equipment	2,525,280
Accumulated Depreciation	<u>(2,440,228)</u>
Total Noncurrent Assets	<u>85,052</u>
Total Assets	<u>2,920,234</u>
NET POSITION	
Investment In Capital Assets	85,052
Unrestricted	<u>2,835,182</u>
Total Net Position	<u>\$ 2,920,234</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

	Equipment Replacement Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 308,400
Miscellaneous	-
Total Operating Revenues	<u>308,400</u>
OPERATING EXPENSES	
Materials and Supplies	51,708
Depreciation	75,415
Total Operating Expenses	<u>127,123</u>
OPERATING INCOME	181,277
NONOPERATING REVENUES	
Investment Income (Loss)	<u>(20,115)</u>
CHANGE IN NET POSITION	161,162
Net Position - Beginning of Year	<u>2,759,072</u>
NET POSITION - END OF YEAR	<u>\$ 2,920,234</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

	Equipment Replacement Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Interfund Services Provided	\$ 308,400
Payments to Suppliers	<u>(51,708)</u>
Net Cash Provided by Operating Activities	<u>256,692</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(10,077)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received on Investments	35,103
Fair Value Adjustment on Investments	<u>(57,370)</u>
Net Cash Used by Investing Activity	<u>(22,267)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	224,348
Cash and Cash Equivalents - Beginning of Year	<u>2,607,519</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,831,867</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 181,277
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities:	
Depreciation	<u>75,415</u>
Changes in Operating Assets and Liabilities:	
Net Cash Provided By Operating Activities	<u>\$ 256,692</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2022

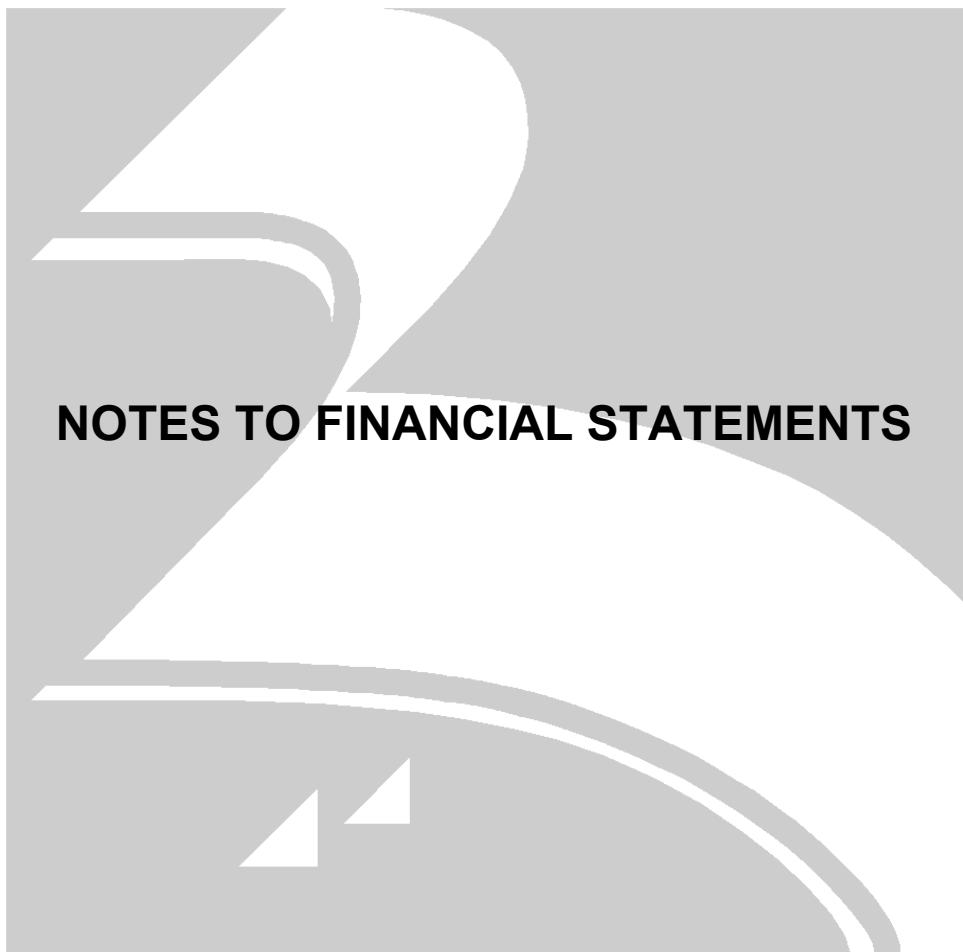
	Successor Agency Private-Purpose Trust Fund
ASSETS	
Cash and Investments	\$ 293,704
Receivables:	
Interest Receivable	307
Total Assets	<u>294,011</u>
LIABILITIES	
CURRENT LIABILITIES	
Current Portion of Noncurrent Liabilities	<u>545,955</u>
Total Current Liabilities	<u>545,955</u>
NONCURRENT LIABILITIES	
Due Beyond One Year	<u>12,849,068</u>
Total Noncurrent Liabilities	<u>12,849,068</u>
Total Liabilities	<u>13,395,023</u>
Net Position (Deficit) Held in Trust	<u>\$ (13,101,012)</u>

See accompanying Notes to Financial Statements.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2022

	Successor Agency Private-Purpose Trust Fund
ADDITIONS	
Taxes	\$ 780,175
Investment Income (Loss)	(1,915)
Total Additions	<u>778,260</u>
DEDUCTIONS	
Administration	275
Debt Interest and Fiscal Charges	317,329
Total Deductions	<u>317,604</u>
CHANGE IN NET POSITION	460,656
Net Position (Deficit) - Beginning of Year	<u>(13,561,668)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ (13,101,012)</u></u>

See accompanying Notes to Financial Statements.



NOTES TO FINANCIAL STATEMENTS



**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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 or mailing a request to P.O. Box 2656, Palos Verdes Peninsula, CA 90274.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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

Proprietary Fund Financial Statements

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

Proprietary funds distinguish *operating* revenues and expenses from *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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, based on calculations by City Management, the proceeds of taxes in the amount of \$24.3 million did not exceed appropriation limit of \$32.8 million.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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
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

F. Employee Compensated Absences

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

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

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

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 9. The CJPIA is a public entity risk pool. The City records amounts deposited with CJPIA as insurance expenditures in the General Fund.

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. In governmental funds, the prepaid assets recorded do not reflect current appropriable resources and thus, an equivalent portion of fund balance is reported as 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 FINANCIAL STATEMENTS
JUNE 30, 2022

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 FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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.
- Deferred inflows related to pensions for the net differences between projected and actual earnings on plan investments. These amounts are amortized over five years.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Pensions

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

O. New Accounting Pronouncements

GASB 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Entity adopted the requirements of the guidance effective July 1, 2021, 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, 2022, 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	\$ 83,030,275	\$ 293,704	\$ 83,323,979
Restricted Cash	7,949,939	-	7,949,939
Total Cash and Investments	\$ 90,980,214	\$ 293,704	\$ 91,273,918

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2022 consist of the following:

Petty Cash	\$ 5,000
Deposits with Financial Institutions	3,293,691
Certificates of Deposit	21,873,641
Money Market Mutual Funds	272,604
U.S. Treasury Obligations	3,802,500
Government Sponsored Agency Bonds	2,315,762
Local Agency Investment Fund (LAIF)	<u>59,710,720</u>
Total	<u><u>\$ 91,273,918</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 FINANCIAL STATEMENTS
JUNE 30, 2022

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	\$ 7,572,086	\$ 1,249,342	\$ 5,327,286	\$ 7,724,927		\$ 21,873,641
Money Market Mutual Funds	272,604	-	-	-		272,604
U.S. Treasury Obligations	-	985,000	993,125	1,824,375		3,802,500
Government Sponsored Agency Bonds	-	-	502,200	1,813,562		2,315,762
Local Agency Investment Fund (LAIF)	59,710,720	-	-	-		59,710,720
Total	<u>\$ 67,555,410</u>	<u>\$ 2,234,342</u>	<u>\$ 6,822,611</u>	<u>\$ 11,362,864</u>		<u>\$ 87,975,227</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 FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$126,685 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, 2022, consisted of the following:

Transfer To	Transfer From		
	General Fund	Other Governmental Funds	Totals
General Fund	\$ -	\$ 310,000	\$ 310,000
Capital Improvement Projects	4,699,515	-	4,699,515
Other Governmental Funds	85,000	-	85,000
Total	<u>\$ 4,784,515</u>	<u>\$ 310,000</u>	<u>\$ 5,094,515</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 \$4,784,515 to other funds. Of this amount, \$4,699,515 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 \$85,000 was transferred to the following Other Governmental Funds: \$55,000 to the Improvement Authority Portuguese Bend to subsidize annual maintenance of landslide mitigation facilities; and, \$30,000 to the Subregion 1 Fund to subsidize landscape maintenance. The General Fund received \$310,000 from the following Other Governmental Funds: \$160,000 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 \$150,000 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, noncancellable 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%. Rent payments ranging from \$283 to \$3,925, are received monthly. During the year ended June 30, 2022, the District recognized \$87,735 and \$15,029 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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022.

	Beginning Balance, as Restated (1)	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated/Amortized:				
Land	\$ 43,543,382	-	-	\$ 43,543,382
Construction in Progress	2,742,642	1,512,150	(2,617,562)	1,637,230
Total Capital Assets not Being Depreciated/Amortized	46,286,024	1,512,150	(2,617,562)	45,180,612
Capital Assets Being Depreciated/Amortized:				
Building and Improvements	14,281,198	-	-	14,281,198
Vehicles	592,099	-	-	592,099
Computer Equipment	989,151	161,313	-	1,150,464
Equipment - Water Quality	11,813	-	-	11,813
Furniture, Fixtures, and Equipment	1,024,353	10,077	-	1,034,430
Right-to-use Leased Assets:				
Equipment	13,576	-	-	13,576
Infrastructure:				
Roadway System	126,887,814	2,157,505	-	129,045,319
Sewer System	25,965,995	-	-	25,965,995
Storm Drain System	13,682,822	460,057	-	14,142,879
Storm Drain System - Water Quality	36,851,640	-	-	36,851,640
Parks System	8,003,562	-	-	8,003,562
Total Capital Assets Being Depreciated/ Amortized	228,304,023	2,788,952	-	231,092,975
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(7,620,364)	(266,167)	-	(7,886,531)
Vehicles	(490,971)	(44,585)	-	(535,556)
Computer Equipment	(989,150)	-	-	(989,150)
Equipment - Water Quality	(11,813)	-	-	(11,813)
Furniture, Fixtures, and Equipment	(897,420)	(30,830)	-	(928,250)
Right-to-use Leased Assets:				
Equipment	-	(8,032)	-	(8,032)
Infrastructure:				
Roadway System	(74,178,076)	(4,622,556)	-	(78,800,632)
Sewer System	(21,935,666)	(453,848)	-	(22,389,514)
Storm Drain System	(5,525,398)	(275,350)	-	(5,800,748)
Storm Drain System - Water Quality	(5,731,091)	(832,574)	-	(6,563,665)
Parks System	(3,066,771)	(317,586)	-	(3,384,357)
Total Accumulated Depreciation/Amortization	(120,446,720)	(6,851,528)	-	(127,298,248)
Total Capital Assets Being Depreciated/Amortized, Net	107,857,303	(4,062,576)	-	103,794,727
Governmental Activities				
Capital Assets, Net	\$ 154,143,327	\$ (2,550,426)	\$ (2,617,562)	\$ 148,975,339

(1) The beginning balance has been restated to add right-to-use leased equipment in accordance with the implementation of GASB Statement No. 87, *Leases*.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 Equipment)	\$ 274,199
Public Works (Depreciation of Roadways, Sewers, and Storm Drains)	6,184,328
Parks and Recreation (Depreciation of Parks System)	317,586
Capital Assets Held by the City's Internal Service	
Funds are Charged to Various Functions Based on their Usage of the Assets	<u>75,415</u>
Total Depreciation/Amortization Expense	
- Governmental Activities	<u><u>\$ 6,851,528</u></u>

NOTE 6 NOTES RECEIVABLE

	<u>Notes Receivable</u>
Affordable Housing	\$ 8,517,467
Community Development Block Grant	<u>246,791</u>
Subtotal	8,764,258
Receivable from Successor Agency	10,540,023
Allowance from Successor Agency receivable	<u>(10,540,023)</u>
Total Notes Receivable	<u><u>\$ 8,764,258</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 \$2,058,807 at June 30, 2022 was \$8,517,467.

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 FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022 is \$246,791.

NOTE 7 LONG-TERM LIABILITIES

	Balance July 1, 2021, as Restated (1)	Additions	Deletions	Balance June 30, 2022	Amount Due in One Year
Employee Compensated Absences	\$ 523,087	\$ 370,407	\$ (385,847)	\$ 507,647	\$ 374,458
Leases Payable	13,576	-	(7,977)	5,599	5,599
Loan Payable	-	8,000,000	-	8,000,000	734,025
Total	\$ 536,663	\$ 8,370,407	\$ (393,824)	\$ 8,513,246	\$ 1,114,082

(1) The beginning balance has been restated to add lease liabilities in accordance with the implementation of GASB Statement No. 87, *Leases*.

Employee Compensated Absences

There is no fixed payment schedule for employee compensated absences. Based on historical trends, \$374,458 is estimated to be the amount that will be used and/or paid out during the fiscal year ended June 30, 2022.

Leases Payable

The City leases land and improvements for various terms under two long-term, noncancelable lease agreements. The leases expire at various dates through June 12, 2023. The net present values of the leases payable were determined using a discount rate of 1.98%. Monthly lease payments total \$680.

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 FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM LIABILITIES (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>
2023	\$ 734,025	\$ 155,320	\$ 889,345
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 - 2032	4,194,324	252,399	4,446,723
Total	\$ 8,000,000	\$ 893,446	\$ 8,893,446

NOTE 8 CLASSIFICATIONS OF NET POSITION AND FUND BALANCE

The City's governmental fund balances were classified as follows at June 30, 2022:

	<u>General Fund</u>	<u>Plan Act Special Revenue Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>
Nonspendable:				
In Form (Inventory and Prepaid Items)	\$ 1,462,470	\$ -	\$ -	\$ -
Legally (Endowment Principal)	-	-	-	1,750,000
Restricted:				
Public Works	-	-	-	3,250,858
Housing and Community Development	-	-	-	1,205,161
Transportation	-	-	-	7,037,539
Parks and Recreation	-	-	7,949,939	1,597,800
Public Safety	-	-	-	104,543
Committed:				
City Administration	71,434	-	-	-
Public Safety	95,515	-	-	-
Public Works	218,280	-	4,455,087	-
Recreation and Parks	15,604	-	-	-
Housing and Community Development	46,240	-	-	-
Assigned:				
Public Works	-	-	25,710,004	-
Unassigned:				
Unrestricted Fund Balance	29,454,065	(29,997)	-	(91,167)
Continued Appropriations	-	-	-	-
Governmental Fund Balance				
Totals	\$ 31,363,608	\$ (29,997)	\$ 38,115,030	\$ 14,854,734

Nonspendable Fund Balance

General Fund assets include \$35,159 of inventory held for resale at the Point Vicente Interpretive Center gift shop, and \$1,427,311 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).

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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Nonspendable Fund Balance (Continued)

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 \$188,055 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 Other Governmental Funds are constrained to use for specific purposes by other governmental agencies, property owners, and grantors. The \$7,949,939 balance of the Capital Improvement Fund is unspent loan proceeds restricted for the Ladera Linda Community Park.

Committed Fund Balance

The \$447,073 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 \$4,455,087 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 \$25,710,004 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, 2022, the unrestricted fund balance of \$29,454,065 exceeds the minimum requirement of \$12,944,402 (50% of \$25,888,803 in General Fund annual operating expenditures). In addition, City Council approved to carry forward \$1,272,000 of FY 2021-2022 General Fund appropriations to FY 2022-2023.

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.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

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, 2022, 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 Benefit Vesting Schedule	2.5% at 55 5 Years of Service	2.0% at 60 5 Years of Service	2.0% at 62 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	12.200%	8.650%	7.590%
Payment of Unfunded Liability	\$ 939,262	\$ 16,726	\$ 13,407

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, 2022, the City made contributions totaling of \$ 1,583,725.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

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, 2022, in the amount of \$7,751,010.

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, 2021, 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, 2020, rolled forward to June 30, 2021, 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, 2020 and 2021 measurement dates was as follows:

Proportion - June 30, 2020	0.30643%
Proportion - June 30, 2021	<u>0.40821%</u>
Change - Increase (Decrease)	<u>0.10178%</u>

For the year ended June 30, 2022, the City recognized pension expense of \$3,250,969. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 1,583,725	\$ -
Differences Between Expected and Actual Experience	869,193	-
Change of Assumptions	-	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(253,956)
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(6,766,222)
Total	\$ 2,452,918	\$ (7,020,178)

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

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

The amount of \$1,583,725 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, 2023. 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>	
2022	\$ (1,320,331)
2023	(1,406,447)
2024	(1,554,373)
2025	(1,869,834)
2026	-
Thereafter	-
Total	<u>\$ (6,150,985)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021.

The total pension liability was based on the following assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.
- (3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

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.

Long-Term Expected Rate of Return

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

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

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

Long-Term Expected Rate of Return (Continued)

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

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

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period
- (c) An expected inflation of 2.92% used for this period

Discount Rate

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

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

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

Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
\$ 14,563,606	\$ 7,751,010	\$ 2,119,135

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 PENSION AND RETIREMENT HEALTH SAVINGS PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

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, 2022, the City employees contributed \$55,604 and the City contributed \$90,170 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.

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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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/>.

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 2021-2022, 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.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Purchased Insurance

Pollution Legal Liability Insurance

The City of Rancho Palos Verdes participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Rancho Palos Verdes. Coverage is on a claims-made basis. There is a \$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.

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 2021-2022.

**CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 \$188,055 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

NOTE 13 UNAVAILABLE REVENUES

The unavailable revenues in the fund financial statements of the City of Rancho Palos Verdes as of June 30, 2022 are presented in the following table.

Revenue Measurable but Not Available (beyond 60 days):	
Other Governmental Funds	\$ 248,803
Total Unavailable Revenues	<u>\$ 248,803</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 OTHER REQUIRED FUND DISCLOSURES

The following department's budget had expenditures in excess of the budget for the year ended June 30, 2022, as follows:

Program	Budget	Expenditures	Excess
General Fund:			
Public Works	\$ 4,915,627	\$ 4,934,104	\$ 18,477
Other Governmental Funds:			
Habitat Restoration Permanent Fund			
Public Works	205,600	305,793	100,193
Subregion One Permanent Fund:			
Public Works	41,600	44,704	3,104

The American Rescue Plan Act Special Revenue Fund and State Grants Special Revenue Fund has deficit fund balances of \$29,997 and \$66,783, respectively, at June 30, 2022. These deficits will be eliminated by recognition of revenue not available as of year-end and through transfers from other funds. The Subregion One Maintenance Permanent Fund has a deficit fund balance of \$24,384 which will be eliminated through transfers from the General Fund. The Successor Agency Private-Purpose Trust Fund has a deficit fiduciary net position at June 30, 2022 of \$13,101,012 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, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due in One Year
Due to City:					
Portuguese Bend	\$ 7,081,272	\$ 106,035	\$ (100,360)	\$ 7,086,947	\$ 106,035
Abalone Cove	3,447,196	59,920	(54,040)	3,453,076	59,920
Due to County:					
Tax Increment Bond	3,200,000	-	(345,000)	2,855,000	380,000
Totals	<u>\$ 13,728,468</u>	<u>\$ 165,955</u>	<u>\$ (499,400)</u>	<u>\$ 13,395,023</u>	<u>\$ 545,955</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, using the simple interest rate of 3%, the loan balance is \$10,540,023.

	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
Portuguese Bend	\$ 3,534,480	\$ 3,552,467	\$ 7,086,947
Abalone Cove	1,997,337	1,455,739	3,453,076
Allowance from Successor Agency Receivable	(5,531,817)	(5,008,206)	(10,540,023)
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Due to the uncertainty of Redevelopment Property Tax Trust Fund revenue available for future loan repayments, the City's loan receivable of \$10,540,023 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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

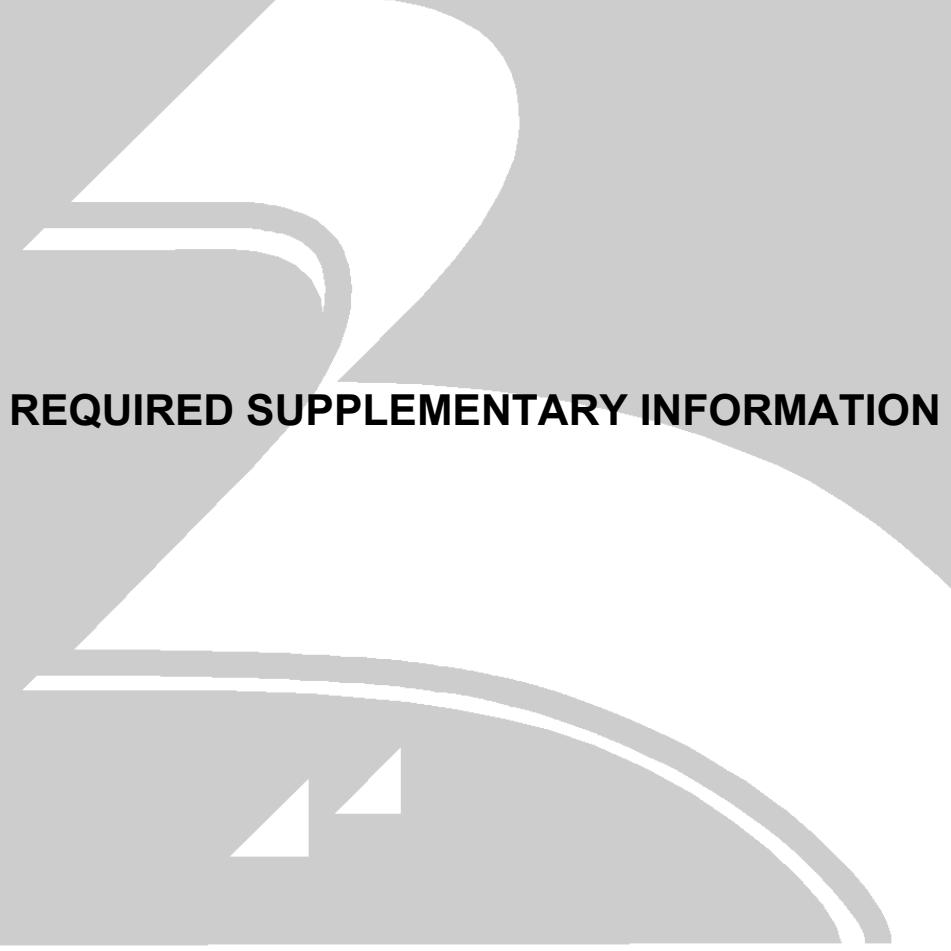
The debt service schedule below summarizes all fixed principal and interest payments for the term of the bond. Because the payback period for the deferred interest amount will fluctuate depending on the availability of excess property tax revenue, no amounts have been included in the following schedule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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 380,000	\$ 133,250	\$ 513,250
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 - 2028	580,000	14,500	594,500
Totals	\$ 2,855,000	\$ 463,375	\$ 3,318,375

NOTE 16 SUBSEQUENT EVENT

On July 26, 2022, the City and the Palos Verdes Peninsula Land Conservancy, a California nonprofit corporation (the Conservancy), as co-owners, acquired two properties for the purpose of providing a live-in wildlife corridor habitat which was first contemplated as part of the City's Natural Communities Conservation Plan/Habitat Conservation Plan. The acquisition price was funded by \$18.4 million in federal, state and county grants, \$1.3 million of City funds, \$1.05 million of Conservancy funds and a \$250,000 contribution from a private foundation.

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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, 2022

	Miscellaneous							
Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	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	0.40821%	0.30643%	0.29762%	0.28980%	0.28221%	0.27708%	0.28237%	0.09183%
Plan's Proportionate Share of the Net Pension Liability	\$ 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	\$ 6,513,032	\$ 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	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	84.98%	73.77%	75.26%	75.26%	73.31%	74.06%	78.40%	76.48%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 1,724,590	\$ 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.

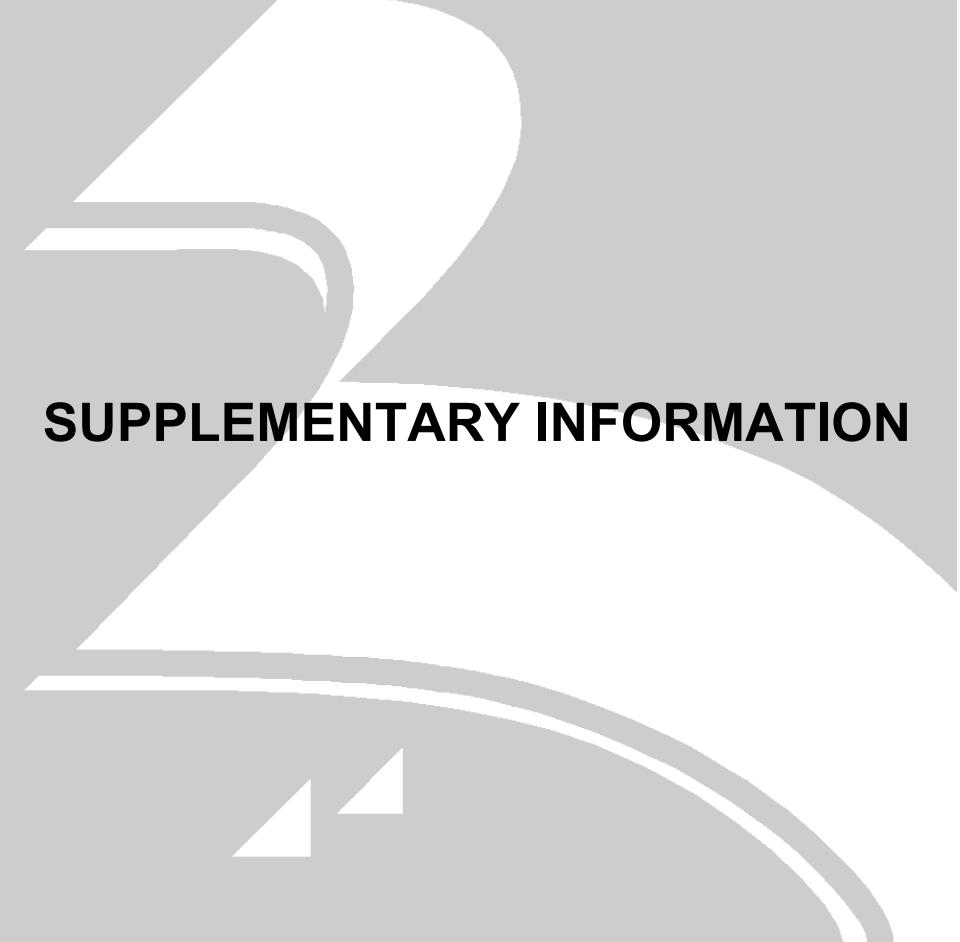
* Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.

CITY OF RANCHO PALOS VERDES, CALIFORNIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS *
YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually Required Contribution (Actuarially Determined)	\$ 1,583,725	\$ 1,433,161	\$ 1,265,361	\$ 1,153,245	\$ 990,670	\$ 910,177	\$ 830,645
Contributions in Relation to the Actuarially Determined Contributions	(1,583,725)	(1,433,161)	(1,265,361)	(1,153,245)	(990,670)	(910,177)	(830,645)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,868,403	\$ 6,513,032	\$ 6,454,856	\$ 6,697,322	\$ 6,360,881	\$ 6,124,374	\$ 5,997,450
Contributions as a Percentage of Covered Payroll	23.06%	22.00%	19.60%	17.22%	15.57%	14.86%	13.85%
Notes to Schedule:							
Valuation Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Methods and Assumptions Used to Determine Contribution Rates:							
Actuarial Cost Method	Entry Age (1)						
Amortization Method	Fair Value						
Asset Valuation Method							
Inflation	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(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 eight years are shown.



SUPPLEMENTARY INFORMATION



**CITY OF RANCHO PALOS VERDES, CALIFORNIA
DESCRIPTION OF SPECIAL REVENUE FUNDS
JUNE 30, 2022**

Special Revenue Fund Descriptions

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

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

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

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

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

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

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

Proposition C – To account for sales taxes received from the County 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, 2022**

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.

State Grants Fund – To account for state financial assistance programs.

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

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

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, 2022

Special Revenue Funds						
	Gas Tax	1972 Act	El Prado	1911 Act	Waste Reduction	
ASSETS						
Cash and Investments	\$ 1,423,339	\$ 28,888	\$ 42,144	\$ 1,881,912	\$ 403,220	
Receivables:						
Taxes	-	-	170	43,521	-	
Interest	1,444	34	50	2,239	421	
Other	<u>323,751</u>	<u>-</u>	<u>-</u>	<u>6,221</u>	<u>17,035</u>	
Total Assets	<u>\$ 1,748,534</u>	<u>\$ 28,922</u>	<u>\$ 42,364</u>	<u>\$ 1,933,893</u>	<u>\$ 420,676</u>	
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 225,256	\$ -	\$ -	\$ 30,658	\$ 28,500	
Due to Other Funds	-	-	-	-	-	
Retentions Payable	1,299	-	-	-	-	
Total Liabilities	<u>226,555</u>	<u>-</u>	<u>-</u>	<u>30,658</u>	<u>28,500</u>	
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	
FUND BALANCES						
Nonspendable:						
Endowment Principal	-	-	-	-	-	
Restricted	1,521,979	28,922	42,364	1,903,235	392,176	
Unassigned	-	-	-	-	-	
Total Fund Balances	<u>1,521,979</u>	<u>28,922</u>	<u>42,364</u>	<u>1,903,235</u>	<u>392,176</u>	
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,748,534</u>	<u>\$ 28,922</u>	<u>\$ 42,364</u>	<u>\$ 1,933,893</u>	<u>\$ 420,676</u>	

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

Special Revenue Funds (Continued)

	Air Quality Management	Proposition C	Proposition A	Public Safety Grants	Measure R
ASSETS					
Cash and Investments	\$ 146,227	\$ 733,750	\$ 1,811,398	\$ 104,387	\$ 1,843,715
Receivables:					
Taxes	-	-	-	-	-
Interest	165	804	2,041	156	2,191
Other	-	-	-	-	-
Total Assets	\$ 146,392	\$ 734,554	\$ 1,813,439	\$ 104,543	\$ 1,845,906
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 9,000	\$ 30,380	\$ 534	\$ -	\$ 32,555
Due to Other Funds	-	-	-	-	-
Retentions Payable	-	8,366	-	-	-
Total Liabilities	9,000	38,746	534	-	32,555
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Endowment Principal	-	-	-	-	-
Restricted	137,392	695,808	1,812,905	104,543	1,813,351
Unassigned	-	-	-	-	-
Total Fund Balances	137,392	695,808	1,812,905	104,543	1,813,351
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 146,392	\$ 734,554	\$ 1,813,439	\$ 104,543	\$ 1,845,906

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

Special Revenue Funds (Continued)

	Measure A	Measure M	Measure W	Abalone Cove Sewer Assessment	Donor Restricted Contributions
ASSETS					
Cash and Investments	\$ -	\$ 573,482	\$ 752,060	\$ 152,342	\$ 794,323
Receivables:					
Taxes	259,130	-	-	-	-
Interest	-	619	942	189	940
Other	52,632	-	-	4,081	-
Total Assets	\$ 311,762	\$ 574,101	\$ 753,002	\$ 156,612	\$ 795,263
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ -	\$ 81,865	\$ 51,742	\$ 2,410	\$ 1,778
Due to Other Funds	88,522	-	-	-	-
Retentions Payable	-	-	-	-	-
Total Liabilities	88,522	81,865	51,742	2,410	1,778
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	73,662	-	-	-	-
FUND BALANCES					
Nonspendable:					
Endowment Principal	-	-	-	-	-
Restricted	149,578	492,236	701,260	154,202	793,485
Unassigned	-	-	-	-	-
Total Fund Balances	149,578	492,236	701,260	154,202	793,485
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 311,762	\$ 574,101	\$ 753,002	\$ 156,612	\$ 795,263

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

Special Revenue Funds (Continued)									
ASSETS	Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	State Grants	Quimby	Environmental Excise Tax				
	-	-	-	-	-	-	-	-	-
Cash and Investments									
Cash and Investments	\$ 77,921	\$ 17,554	\$ -	\$ 690,512	\$ 124,646	\$ -	\$ -	\$ -	\$ -
Receivables:									
Taxes	-	-	-	-	-	-	-	-	-
Interest	133	-	-	-	857	-	-	-	152
Other	-	14,627	169,465	-	-	-	-	-	-
Total Assets	\$ 78,054	\$ 32,181	\$ 169,465	\$ 691,369	\$ 124,798	\$ -	\$ -	\$ -	\$ -
LIABILITIES									
Accounts Payable and Accrued Liabilities	\$ 10,355	\$ 3,725	\$ 28,620	\$ 36,632	\$ 20,556	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	38,163	-	-	-	-	-	-
Retentions Payable	-	-	-	-	-	-	-	-	-
Total Liabilities	10,355	3,725	66,783	36,632	20,556	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenue	-	5,676	169,465	-	-	-	-	-	-
FUND BALANCES									
Nonspendable:									
Endowment Principal	-	-	-	-	-	-	-	-	-
Restricted	67,699	22,780	-	654,737	104,242	-	-	-	-
Unassigned	-	-	(66,783)	-	-	-	-	-	-
Total Fund Balances	67,699	22,780	(66,783)	654,737	104,242	\$ -	\$ -	\$ -	\$ -
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 78,054	\$ 32,181	\$ 169,465	\$ 691,369	\$ 124,798	\$ -	\$ -	\$ -	\$ -

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds (Continued)			Capital Projects Funds			
	Bikeways	Total	Low-Moderate	Affordable	Total		
		Special	Income	Housing	Capital		
ASSETS							
Cash and Investments	\$ -	\$ 11,601,820	\$ 312,343	\$ 848,681	\$ 1,161,024		
Receivables:							
Taxes	-	302,821	-	20,000	20,000		
Interest	-	13,377	334	1,023	1,357		
Other	-	587,812	-	-	-		
Total Assets	<u>\$ -</u>	<u>\$ 12,505,830</u>	<u>\$ 312,677</u>	<u>\$ 869,704</u>	<u>\$ 1,182,381</u>		
LIABILITIES							
Accounts Payable and Accrued Liabilities	\$ -	\$ 594,566	\$ -	\$ -	\$ -		
Due to Other Funds	-	126,685	-	-	-		
Retentions Payable		9,665	-	-	-		
Total Liabilities	<u>-</u>	<u>730,916</u>	<u>-</u>	<u>-</u>	<u>-</u>		
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	<u>-</u>	<u>248,803</u>	<u>-</u>	<u>-</u>	<u>-</u>		
FUND BALANCES							
Nonspendable:							
Endowment Principal	-	-	-	-	-		
Restricted	-	11,592,894	312,677	869,704	1,182,381		
Unassigned	-	(66,783)	-	-	-		
Total Fund Balances	<u>-</u>	<u>11,526,111</u>	<u>312,677</u>	<u>869,704</u>	<u>1,182,381</u>		
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ -</u>	<u>\$ 12,505,830</u>	<u>\$ 312,677</u>	<u>\$ 869,704</u>	<u>\$ 1,182,381</u>		

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022

	Permanent Funds					Total Other Governmental Funds
	Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds		
ASSETS						
Cash and Investments	\$ 359,811	\$ 734,022	\$ 1,064,536	\$ 2,158,369	\$ 14,921,213	
Receivables:						
Taxes	-	-	-	-	-	322,821
Interest	458	868	2,059	3,385	18,119	
Other	-	-	-	-	-	587,812
Total Assets	\$ 360,269	\$ 734,890	\$ 1,066,595	\$ 2,161,754	\$ 15,849,965	
LIABILITIES						
Accounts Payable and Accrued Liabilities	\$ 131	\$ 9,274	\$ 6,107	\$ 15,512	\$ 610,078	
Due to Other Funds	-	-	-	-	-	126,685
Retentions Payable	-	-	-	-	-	9,665
Total Liabilities	131	9,274	6,107	15,512	746,428	
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	-	-	-	248,803
FUND BALANCES						
Nonspendable:						
Endowment Principal	-	750,000	1,000,000	1,750,000	1,750,000	
Restricted	360,138	-	60,488	420,626	13,195,901	
Unassigned	-	(24,384)	-	(24,384)	(91,167)	
Total Fund Balances	360,138	725,616	1,060,488	2,146,242	14,854,734	
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 360,269	\$ 734,890	\$ 1,066,595	\$ 2,161,754	\$ 15,849,965	

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

Special Revenue Funds					
	Gas Tax	1972 Act	El Prado	1911 Act	Waste Reduction
REVENUES					
Taxes	\$ -	\$ -	\$ 3,132	\$ 806,016	\$ -
Revenue from Other Agencies	1,920,613	-	-	-	76,287
Charges for Services	-	-	-	-	200,137
Investment Income (Loss)	(9,754)	(203)	(305)	(14,967)	(2,349)
Other Revenues	-	-	-	98,313	-
Total Revenues	<u>1,910,859</u>	<u>(203)</u>	<u>2,827</u>	<u>889,362</u>	<u>274,075</u>
EXPENDITURES					
Current:					
Public Works	969,665	-	-	371,038	318,983
Parks and Recreation	-	-	-	-	-
Capital Outlay	33,976	-	-	15,752	-
Total Expenditures	<u>1,003,641</u>	<u>-</u>	<u>-</u>	<u>386,790</u>	<u>318,983</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	907,218	(203)	2,827	502,572	(44,908)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	907,218	(203)	2,827	502,572	(44,908)
Fund Balances - Beginning of Year	614,761	29,125	39,537	1,400,663	437,084
FUND BALANCES - END OF YEAR	<u>\$ 1,521,979</u>	<u>\$ 28,922</u>	<u>\$ 42,364</u>	<u>\$ 1,903,235</u>	<u>\$ 392,176</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

Special Revenue Funds (Continued)					
	Air Quality Management	Proposition C	Proposition A	Public Safety Grants	Measure R
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Agencies	39,723	874,133	1,053,834	161,285	655,494
Charges for Services	-	-	-	-	-
Investment Income (Loss)	(954)	(3,474)	(13,069)	(947)	(14,079)
Other Revenues	-	-	-	-	-
Total Revenues	<u>38,769</u>	<u>870,659</u>	<u>1,040,765</u>	<u>160,338</u>	<u>641,415</u>
EXPENDITURES					
Current:					
Public Works	54,000	603,204	777,198	-	209,324
Parks and Recreation	-	-	-	-	-
Capital Outlay	-	136,746	-	-	-
Total Expenditures	<u>54,000</u>	<u>739,950</u>	<u>777,198</u>	<u>-</u>	<u>209,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,231)</u>	<u>130,709</u>	<u>263,567</u>	<u>160,338</u>	<u>432,091</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(160,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(160,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(15,231)</u>	<u>130,709</u>	<u>263,567</u>	<u>338</u>	<u>432,091</u>
Fund Balances - Beginning of Year	<u>152,623</u>	<u>565,099</u>	<u>1,549,338</u>	<u>104,205</u>	<u>1,381,260</u>
FUND BALANCES - END OF YEAR	<u>\$ 137,392</u>	<u>\$ 695,808</u>	<u>\$ 1,812,905</u>	<u>\$ 104,543</u>	<u>\$ 1,813,351</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

Special Revenue Funds (Continued)					
	Measure A	Measure M	Measure W	Abalone Cove Sewer Assessment	Donor Restricted Contributions
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 56,176	\$ -
Revenue from Other Agencies	238,099	741,767	681,800	-	-
Charges for Services	-	-	-	-	-
Investment Income (Loss)	43	(4,088)	(6,755)	(952)	(5,612)
Other Revenues	-	-	-	-	34,325
Total Revenues	<u>238,142</u>	<u>737,679</u>	<u>675,045</u>	<u>55,224</u>	<u>28,713</u>
EXPENDITURES					
Current:					
Public Works	-	536,921	465,212	119,143	1,912
Parks and Recreation	-	-	-	-	11,857
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>536,921</u>	<u>465,212</u>	<u>119,143</u>	<u>13,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>238,142</u>	<u>200,758</u>	<u>209,833</u>	<u>(63,919)</u>	<u>14,944</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>88,142</u>	<u>200,758</u>	<u>209,833</u>	<u>(63,919)</u>	<u>14,944</u>
Fund Balances - Beginning of Year	<u>61,436</u>	<u>291,478</u>	<u>491,427</u>	<u>218,121</u>	<u>778,541</u>
FUND BALANCES - END OF YEAR	<u>\$ 149,578</u>	<u>\$ 492,236</u>	<u>\$ 701,260</u>	<u>\$ 154,202</u>	<u>\$ 793,485</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

Special Revenue Funds (Continued)					
	Joint Powers Improvement Authority Portuguese Bend	Community Development Block Grant (CDBG)	State Grants	Quimby	Environmental Excise Tax
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Agencies	- -	156,633	241,441	- -	- -
Charges for Services	- -	- -	- -	- -	- -
Investment Income (Loss)	(648) -	- -	121	(4,108)	(634)
Other Revenues	- -	- -	- -	- -	15,608
Total Revenues	<u>(648)</u>	<u>156,633</u>	<u>241,562</u>	<u>(4,108)</u>	<u>14,974</u>
EXPENDITURES					
Current:					
Public Works	46,095	46,052	89,052	422,175	120,090
Parks and Recreation	- -	- -	- -	- -	- -
Capital Outlay	- -	112,476	- -	- -	- -
Total Expenditures	<u>46,095</u>	<u>158,528</u>	<u>89,052</u>	<u>422,175</u>	<u>120,090</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(46,743)</u>	<u>(1,895)</u>	<u>152,510</u>	<u>(426,283)</u>	<u>(105,116)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	55,000	- -	- -	- -	- -
Transfers Out	- -	- -	- -	- -	- -
Total Other Financing Sources (Uses)	<u>55,000</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>
NET CHANGE IN FUND BALANCES					
Fund Balances - Beginning of Year	8,257	(1,895)	152,510	(426,283)	(105,116)
FUND BALANCES - END OF YEAR	<u>59,442</u>	<u>24,675</u>	<u>(219,293)</u>	<u>1,081,020</u>	<u>209,358</u>
	<u><u>\$ 67,699</u></u>	<u><u>\$ 22,780</u></u>	<u><u>\$ (66,783)</u></u>	<u><u>\$ 654,737</u></u>	<u><u>\$ 104,242</u></u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds (Continued)			Capital Projects Funds			
	Bikeways	Total Special Revenue Funds	Low-Moderate Income Housing	Affordable Housing In-lieu	Total Capital Projects Funds		
REVENUES							
Taxes	\$ -	\$ 865,324	\$ 30,880	\$ -	\$ 30,880		
Revenue from Other Agencies	28,038	6,869,147	-	-	-		
Charges for Services	-	200,137	-	-	-		
Investment Income (Loss)	-	(82,734)	(2,034)	(6,007)	(8,041)		
Other Revenues	-	148,246	-	-	-		
Total Revenues	28,038	8,000,120	28,846	(6,007)	22,839		
EXPENDITURES							
Current:							
Public Works	28,038	5,178,102	-	-	-		
Parks and Recreation	-	11,857	-	-	-		
Capital Outlay	-	298,950	-	-	-		
Total Expenditures	28,038	5,488,909	-	-	-		
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	2,511,211	28,846	(6,007)	22,839		
OTHER FINANCING SOURCES (USES)							
Transfers In	-	55,000	-	-	-		
Transfers Out	-	(310,000)	-	-	-		
Total Other Financing Sources (Uses)	-	(255,000)	-	-	-		
NET CHANGE IN FUND BALANCES	-	2,256,211	28,846	(6,007)	22,839		
Fund Balances - Beginning of Year	-	9,269,900	283,831	875,711	1,159,542		
FUND BALANCES - END OF YEAR	\$ -	\$ 11,526,111	\$ 312,677	\$ 869,704	\$ 1,182,381		

CITY OF RANCHO PALOS VERDES, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

Permanent Funds					
	Habitat Restoration	Subregion One Maintenance	Joint Powers Improvement Authority Abalone Cove	Total Permanent Funds	Total Other Governmental Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 896,204
Revenue from Other Agencies	-	-	-	-	6,869,147
Charges for Services	-	-	-	-	200,137
Investment Income (Loss)	(2,041)	(5,095)	(9,753)	(16,889)	(107,664)
Other Revenues	-	-	-	-	148,246
Total Revenues	(2,041)	(5,095)	(9,753)	(16,889)	8,006,070
EXPENDITURES					
Current:					
Public Works	305,793	44,704	35,736	386,233	5,564,335
Parks and Recreation	-	-	-	-	11,857
Capital Outlay	-	-	-	-	298,950
Total Expenditures	305,793	44,704	35,736	386,233	5,875,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	(307,834)	(49,799)	(45,489)	(403,122)	2,130,928
OTHER FINANCING SOURCES (USES)					
Transfers In	-	30,000	-	30,000	85,000
Transfers Out	-	-	-	-	(310,000)
Total Other Financing Sources (Uses)	-	30,000	-	30,000	(225,000)
NET CHANGE IN FUND BALANCES	(307,834)	(19,799)	(45,489)	(373,122)	1,905,928
Fund Balances - Beginning of Year	667,972	745,415	1,105,977	2,519,364	12,948,806
FUND BALANCES - END OF YEAR	\$ 360,138	\$ 725,616	\$ 1,060,488	\$ 2,146,242	\$ 14,854,734

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 1,911,600	\$ 1,911,600	\$ 1,920,613	\$ 9,013	
Use of Money and Property	5,400	5,400	(9,754)	(15,154)	
Other Revenues	38,500	38,500	-	(38,500)	
Total Revenues	1,955,500	1,955,500	1,910,859	(44,641)	
EXPENDITURES					
Public Works:					
Street Pavement Maintenance	245,000	282,323	203,129	79,194	
Street Landscape Maintenance	670,000	705,355	757,398	(52,043)	
Traffic Signal Maintenance	-	-	9,138	(9,138)	
Capital Outlay	-	33,976	33,976	-	
Total Expenditures	915,000	1,021,654	1,003,641	18,013	
NET CHANGE IN FUND BALANCE	1,040,500	933,846	907,218	(26,628)	
Fund Balance - Beginning of Year	614,761	614,761	614,761	-	
FUND BALANCE - END OF YEAR	<u>\$ 1,655,261</u>	<u>\$ 1,548,607</u>	<u>\$ 1,521,979</u>	<u>\$ (26,628)</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Use of Money and Property	\$ 200	\$ 200	\$ (203)	\$ (403)	
NET CHANGE IN FUND BALANCE	200	200	(203)	(403)	
Fund Balance - Beginning of Year	<u>29,125</u>	<u>29,125</u>	<u>29,125</u>		-
FUND BALANCE - END OF YEAR	<u>\$ 29,325</u>	<u>\$ 29,325</u>	<u>\$ 28,922</u>	<u>\$ (403)</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, 2022

	Budgeted Amounts					Variance with Final Budget Positive (Negative)
	Original		Final	Actual		
	Taxes	\$ 2,300	\$ 2,300	\$ 3,132	\$ 832	
REVENUES	Use of Money and Property	200	200	(305)	(505)	
	Total Revenues	2,500	2,500	2,827	327	
EXPENDITURES	Public Works	800	800	-	800	
NET CHANGE IN FUND BALANCE		1,700	1,700	2,827	1,127	
Fund Balance - Beginning of Year		39,537	39,537	39,537	-	
FUND BALANCE - END OF YEAR		<u>\$ 41,237</u>	<u>\$ 41,237</u>	<u>\$ 42,364</u>	<u>\$ 1,127</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Taxes	\$ 615,200	\$ 615,200	\$ 806,016	\$ 190,816	
Use of Money and Property	13,000	13,000	(14,967)	(27,967)	
Total Revenues	628,200	628,200	889,362	261,162	
EXPENDITURES					
Public Works	725,100	740,852	371,038	369,814	
Capital Outlay	155,000	170,752	15,752	155,000	
Total Expenditures	880,100	911,605	386,790	524,815	
NET CHANGE IN FUND BALANCE	(251,900)	(283,405)	502,572	785,977	
Fund Balance - Beginning of Year	1,400,663	1,400,663	1,400,663	-	
FUND BALANCE - END OF YEAR	<u>\$ 1,148,763</u>	<u>\$ 1,117,258</u>	<u>\$ 1,903,235</u>	<u>\$ 785,977</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 10,000	\$ 10,000	\$ 76,287	\$ 66,287	
Charges for Services	116,400	116,400	200,137	83,737	
Investment Income (Loss)	4,600	4,600	(2,349)	(6,949)	
Total Revenues	<u>131,000</u>	<u>131,000</u>	<u>274,075</u>	<u>143,075</u>	
EXPENDITURES					
Public Works	<u>340,700</u>	<u>386,500</u>	<u>318,983</u>	<u>67,517</u>	
NET CHANGE IN FUND BALANCE					
	(209,700)	(255,500)	(44,908)	210,592	
Fund Balance - Beginning of Year	<u>437,084</u>	<u>437,084</u>	<u>437,084</u>	<u>-</u>	
FUND BALANCE - END OF YEAR					
	<u>\$ 227,384</u>	<u>\$ 181,584</u>	<u>\$ 392,176</u>	<u>\$ 210,592</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 57,400	\$ 57,400	\$ 39,723	\$ (17,677)	
Investment Income (Loss)	1,500	1,500	(954)	(2,454)	
Total Revenues	58,900	58,900	38,769	(20,131)	
EXPENDITURES					
Public Works	57,000	57,000	54,000	3,000	
NET CHANGE IN FUND BALANCE	1,900	1,900	(15,231)	(17,131)	
Fund Balance - Beginning of Year	152,623	152,623	152,623	-	
FUND BALANCE - END OF YEAR	<u>\$ 154,523</u>	<u>\$ 154,523</u>	<u>\$ 137,392</u>	<u>\$ (17,131)</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 699,000	\$ 699,000	\$ 874,133	\$ 175,133	
Investment Income (Loss)	6,200	6,200	(3,474)	(9,674)	
Other Revenues	-	-	-	-	
Total Revenues	705,200	705,200	870,659	165,459	
EXPENDITURES					
Public Works	995,000	1,155,629	603,204	552,425	
Capital Outlay	-	136,746	136,746	-	
Total Expenditures	995,000	1,292,375	739,950	552,425	
NET CHANGE IN FUND BALANCE	(289,800)	(587,175)	130,709	717,884	
Fund Balance - Beginning of Year	565,099	565,099	565,099	-	
FUND BALANCE - END OF YEAR	\$ 275,299	\$ (22,076)	\$ 695,808	\$ 717,884	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 842,200	\$ 842,200	\$ 1,053,834	\$ 211,634	
Investment Income (Loss)	10,500	10,500	(13,069)	(23,569)	
Total Revenues	852,700	852,700	1,040,765	188,065	
EXPENDITURES					
Public Works	793,000	793,000	777,198	15,802	
Total Expenditures	793,000	793,000	777,198	15,802	
NET CHANGE IN FUND BALANCE	59,700	59,700	263,567	203,867	
Fund Balance - Beginning of Year	1,549,338	1,549,338	1,549,338	-	
FUND BALANCE - END OF YEAR	<u>\$ 1,609,038</u>	<u>\$ 1,609,038</u>	<u>\$ 1,812,905</u>	<u>\$ 203,867</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 156,500	\$ 156,500	\$ 161,285	\$ 4,785	
Investment Income (Loss)	1,200	1,200	(947)	(2,147)	
Total Revenues	157,700	157,700	160,338	2,638	
OTHER FINANCING USES					
Transfers Out	(200,000)	(200,000)	(160,000)	40,000	
NET CHANGE IN FUND BALANCE	(42,300)	(42,300)	338	42,638	
Fund Balance - Beginning of Year	104,205	104,205	104,205	-	
FUND BALANCE - END OF YEAR	<u>\$ 61,905</u>	<u>\$ 61,905</u>	<u>\$ 104,543</u>	<u>\$ 42,638</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 537,500	\$ 537,500	\$ 655,494	\$ 117,994	
Investment Income (Loss)	10,000	10,000	(14,079)	(24,079)	
Total Revenues	547,500	547,500	641,415	93,915	
EXPENDITURES					
Public Works	1,285,000	1,537,994	209,324	1,328,670	
NET CHANGE IN FUND BALANCE	(737,500)	(990,494)	432,091	1,422,585	
Fund Balance - Beginning of Year	1,381,260	1,381,260	1,381,260	-	
FUND BALANCE - END OF YEAR	<u>\$ 643,760</u>	<u>\$ 390,766</u>	<u>\$ 1,813,351</u>	<u>\$ 1,422,585</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 97,800	\$ 97,800	\$ 238,099	\$ 140,299	
Investment Income (Loss)	200	200	43	(157)	
Total Revenues	98,000	98,000	238,142	140,142	
OTHER FINANCING USES					
Transfers Out	(150,000)	(150,000)	(150,000)		-
NET CHANGE IN FUND BALANCE					
	(52,000)	(52,000)	88,142	140,142	
Fund Balance - Beginning of Year	61,436	61,436	61,436		-
FUND BALANCE - END OF YEAR	<u>\$ 9,436</u>	<u>\$ 9,436</u>	<u>\$ 149,578</u>	<u>\$ 140,142</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, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Revenue from Other Agencies	\$ 1,192,400	\$ 1,192,400	\$ 741,767	\$ (450,633)
Investment Income (Loss)	1,800	1,800	(4,088)	(5,888)
Total Revenues	1,194,200	1,194,200	737,679	(456,521)
EXPENDITURES				
Public Works	562,000	562,000	536,921	25,079
NET CHANGE IN FUND BALANCE	632,200	632,200	200,758	(431,442)
Fund Balance - Beginning of Year	291,478	291,478	291,478	-
FUND BALANCE - END OF YEAR	<u>\$ 923,678</u>	<u>\$ 923,678</u>	<u>\$ 492,236</u>	<u>\$ (431,442)</u>

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 632,000	\$ 632,000	\$ 681,800	\$ 49,800	
Investment Income (Loss)	-	-	(6,755)	(6,755)	
Total Revenues	632,000	632,000	675,045	43,045	
EXPENDITURES					
Public Works	588,400	612,239	465,212	147,027	
NET CHANGE IN FUND BALANCE	43,600	19,761	209,833	190,072	
Fund Balance - Beginning of Year	491,427	491,427	491,427	-	
FUND BALANCE - END OF YEAR	<u>\$ 535,027</u>	<u>\$ 511,188</u>	<u>\$ 701,260</u>	<u>\$ 190,072</u>	

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, 2022

	Budgeted Amounts			Variance with	
			Actual	Final Budget	
	Original	Final		Positive	(Negative)
REVENUES					
Taxes	\$ 50,000	\$ 50,000	\$ 56,176	\$ 6,176	
Investment Income (Loss)	2,000	2,000	(952)	(2,952)	
Total Revenues	52,000	52,000	55,224	3,224	
EXPENDITURES					
Public Works	157,500	184,355	119,143	65,212	
NET CHANGE IN FUND BALANCE					
	(105,500)	(132,355)	(63,919)	68,436	
Fund Balance - Beginning of Year	218,121	218,121	218,121	-	
FUND BALANCE - END OF YEAR					
	<u>\$ 112,621</u>	<u>\$ 85,766</u>	<u>\$ 154,202</u>	<u>\$ 68,436</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment Income (Loss)	\$ 25,000	\$ 25,000	\$ (5,612)	\$ (30,612)	
Other Revenue	-	-	34,325	34,325	
Total Revenues	25,000	25,000	28,713	3,713	
EXPENDITURES					
Public Works	35,000	35,000	1,912	33,088	
Parks and Recreation	16,000	16,000	11,857	4,143	
Total Expenditures	51,000	51,000	13,769	37,231	
NET CHANGE IN FUND BALANCE	(26,000)	(26,000)	14,944	40,944	
Fund Balance - Beginning of Year	778,541	778,541	778,541	-	
FUND BALANCE - END OF YEAR	<u>\$ 752,541</u>	<u>\$ 752,541</u>	<u>\$ 793,485</u>	<u>\$ 40,944</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment Income (Loss)	\$ 500	\$ 500	\$ (648)	\$ (1,148)	
EXPENDITURES					
Public Works	<u>80,000</u>	<u>80,000</u>	<u>46,095</u>	<u>33,905</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(79,500)	(79,500)	(46,743)	32,757	
OTHER FINANCING SOURCES					
Transfers In	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	
NET CHANGE IN FUND BALANCE	(24,500)	(24,500)	8,257	32,757	
Fund Balance - Beginning of Year	<u>59,442</u>	<u>59,442</u>	<u>59,442</u>	<u>-</u>	
FUND BALANCE - END OF YEAR	<u>\$ 34,942</u>	<u>\$ 34,942</u>	<u>\$ 67,699</u>	<u>\$ 32,757</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Revenue from Other Agencies	\$ 365,600	\$ 365,600	\$ 156,633	\$ (208,967)
EXPENDITURES				
Public Works	-	33,755	46,052	(12,297)
Capital Outlay	150,000	252,476	112,476	140,000
Total Expenditures	150,000	286,231	158,528	127,703
NET CHANGE IN FUND BALANCE	215,600	79,369	(1,895)	81,264
Fund Balance - Beginning of Year	24,675	24,675	24,675	-
FUND BALANCE - END OF YEAR	<u>\$ 240,275</u>	<u>\$ 104,044</u>	<u>\$ 22,780</u>	<u>\$ 81,264</u>

CITY OF RANCHO PALOS VERDES, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Revenue from Other Agencies	\$ 310,000	\$ 310,000	\$ 241,441	\$ (68,559)	
Investment Income (Loss)	-	-	121	121	
Total Revenues	310,000	310,000	241,562	(68,438)	
EXPENDITURES					
Public Works	310,000	310,000	89,052	220,948	
NET CHANGE IN FUND BALANCE	-	-	152,510	152,510	
Fund Deficit - Beginning of Year	(219,293)	(219,293)	(219,293)	-	
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (219,293)</u>	<u>\$ (219,293)</u>	<u>\$ (66,783)</u>	<u>\$ 152,510</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment Income (Loss)	\$ 10,000	\$ 10,000	\$ (4,108)	\$ (14,108)	
Other Revenues	15,000	15,000	-	(15,000)	
Total Revenues	25,000	25,000	(4,108)	(29,108)	
EXPENDITURES					
Public Works	-	1,168,148	422,175	745,973	
NET CHANGE IN FUND BALANCE	25,000	(1,143,148)	(426,283)	716,865	
Fund Balance - Beginning of Year	1,081,020	1,081,020	1,081,020	-	
FUND BALANCE - END OF YEAR	<u>\$ 1,106,020</u>	<u>\$ (62,128)</u>	<u>\$ 654,737</u>	<u>\$ 716,865</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment Income (Loss)	\$ 2,400	\$ 2,400	\$ (634)	\$ (3,034)	
Other Revenues	7,600	7,600	15,608	8,008	
Total Revenues	10,000	10,000	14,974	4,974	
EXPENDITURES					
Public Works	210,000	210,000	120,090	89,910	
NET CHANGE IN FUND BALANCE	(200,000)	(200,000)	(105,116)	94,884	
Fund Balance - Beginning of Year	209,358	209,358	209,358	-	
FUND BALANCE - END OF YEAR	<u>\$ 9,358</u>	<u>\$ 9,358</u>	<u>\$ 104,242</u>	<u>\$ 94,884</u>	

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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Taxes	\$ 30,300	\$ 30,300	\$ 30,880	\$ 580	
Investment Income (Loss)	1,600	1,600	(2,034)	(3,634)	
Total Revenues	<u>31,900</u>	<u>31,900</u>	<u>28,846</u>	<u>(3,054)</u>	
NET CHANGE IN FUND BALANCE	31,900	31,900	28,846	(3,054)	
Fund Balance - Beginning of Year	<u>283,831</u>	<u>283,831</u>	<u>283,831</u>	<u>-</u>	
FUND BALANCE - END OF YEAR	<u>\$ 315,731</u>	<u>\$ 315,731</u>	<u>\$ 312,677</u>	<u>\$ (3,054)</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment Income (Loss)	\$ 4,300	\$ 4,300	\$ (6,007)	\$ (10,307)	
Other Revenues	13,000	13,000	-	(13,000)	
Total Revenues	<u>17,300</u>	<u>17,300</u>	<u>(6,007)</u>	<u>(23,307)</u>	
NET CHANGE IN FUND BALANCE	17,300	17,300	(6,007)	(23,307)	
Fund Balance - Beginning of Year	<u>875,711</u>	<u>875,711</u>	<u>875,711</u>	<u>-</u>	
FUND BALANCE - END OF YEAR	<u>\$ 893,011</u>	<u>\$ 893,011</u>	<u>\$ 869,704</u>	<u>\$ (23,307)</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment Income (Loss)	\$ 12,400	\$ 12,400	\$ (2,041)	\$ (14,441)	
Other Revenues	-	-	-	-	
Total Revenues	12,400	12,400	(2,041)	(14,441)	
EXPENDITURES					
Public Works	205,600	205,600	305,793	(100,193)	
NET CHANGE IN FUND BALANCE	(193,200)	(193,200)	(307,834)	(114,634)	
Fund Balance - Beginning of Year	667,972	667,972	667,972	-	
FUND BALANCE - END OF YEAR	<u>\$ 474,772</u>	<u>\$ 474,772</u>	<u>\$ 360,138</u>	<u>\$ (114,634)</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, 2022

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
REVENUES					
Investment Income (Loss)	\$ 14,000	\$ 14,000	\$ (5,095)	\$ (19,095)	
EXPENDITURES					
Public Works	41,600	41,600	44,704	(3,104)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,600)	(27,600)	(49,799)	(22,199)	
OTHER FINANCING SOURCES					
Transfers In	30,000	30,000	30,000	-	
NET CHANGE IN FUND BALANCE	2,400	2,400	(19,799)	(22,199)	
Fund Balance - Beginning of Year	745,415	745,415	745,415	-	
FUND BALANCE - END OF YEAR	<u>\$ 747,815</u>	<u>\$ 747,815</u>	<u>\$ 725,616</u>	<u>\$ (22,199)</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income (Loss)	\$ -	\$ -	\$ (9,753)	\$ (9,753)
EXPENDITURES				
Public Works	45,000	45,000	35,736	9,264
NET CHANGE IN FUND BALANCE	(45,000)	(45,000)	(45,489)	(489)
Fund Balance - Beginning of Year	1,105,977	1,105,977	1,105,977	-
FUND BALANCE - END OF YEAR	<u>\$ 1,060,977</u>	<u>\$ 1,060,977</u>	<u>\$ 1,060,488</u>	<u>(489)</u>

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment Income (Loss)	\$ 200,000	\$ 200,000	\$ (300,738)	\$ (500,738)
Other Revenues	-	-	-	-
Total Revenues	200,000	200,000	(300,738)	(500,738)
EXPENDITURES				
Capital Outlay:				
Infrastructure Administration	-	-	-	-
Street Improvements	1,905,000	1,673,438	30,101	1,643,337
Parks/Trails/Open Space				
Improvements	365,000	13,224,175	50,061	13,174,114
Sewer Improvements	-	284,576	204,279	80,297
Building Improvements	500,000	529,268	205,155	324,113
Storm Water Quality Improvements	175,000	183,506	1,475	182,031
Landslide Improvements	-	405,103	183,726	221,377
Total Expenditures	2,945,000	16,300,066	674,797	15,625,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,745,000)	(16,100,066)	(975,535)	15,124,531
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	-	8,000,000	8,000,000
Transfers In	2,553,000	4,699,515	4,699,515	-
Total Financing Sources (Uses)	2,553,000	4,699,515	12,699,515	8,000,000
NET CHANGE IN FUND BALANCE	(192,000)	(11,400,551)	11,723,980	23,124,531
Fund Balance - Beginning of Year	26,391,050	26,391,050	26,391,050	-
FUND BALANCE - END OF YEAR	<u>\$ 26,199,050</u>	<u>\$ 14,990,499</u>	<u>\$ 38,115,030</u>	<u>\$ 23,124,531</u>



STATISTICAL SECTION



CITY OF RANCHO PALOS VERDES, CALIFORNIA
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2022

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	111
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	121
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future. The City does not have general bond indebtedness or debt issued with pledged revenue.	128
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	131
Operating Information 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.	136

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)

	2013	2014	2015	2016	2017
Governmental Activities:					
Net Investment In Capital Assets	\$ 113,284	\$ 114,427	\$ 119,450	\$ 118,399	\$ 123,437
Restricted	1,835	11,792	11,647	21,120	19,387
Unrestricted	<u>46,687</u>	<u>46,679</u>	<u>42,208</u>	<u>42,210</u>	<u>43,618</u>
Total Governmental Activities					
Net Position	<u><u>\$ 161,806</u></u>	<u><u>\$ 172,898</u></u>	<u><u>\$ 173,305</u></u>	<u><u>\$ 181,729</u></u>	<u><u>\$ 186,442</u></u>
Business-Type Activities:					
Net Investment In Capital Assets	\$ 18,319	\$ 29,557	\$ 31,168	\$ 31,663	\$ 31,311
Restricted	-	-	-	-	-
Unrestricted	9,727	5,317	5,334	5,598	4,600
Total Business-Type Activities					
Net Position	<u><u>\$ 28,046</u></u>	<u><u>\$ 34,874</u></u>	<u><u>\$ 36,502</u></u>	<u><u>\$ 37,261</u></u>	<u><u>\$ 35,911</u></u>
Primary Government:					
Net Investment In Capital Assets	\$ 131,603	\$ 143,984	\$ 150,618	\$ 150,062	\$ 154,748
Restricted	1,835	11,792	11,647	21,120	19,387
Unrestricted	<u>56,414</u>	<u>51,996</u>	<u>47,542</u>	<u>47,808</u>	<u>48,218</u>
Total Primary Government					
Net Position	<u><u>\$ 189,852</u></u>	<u><u>\$ 207,772</u></u>	<u><u>\$ 209,807</u></u>	<u><u>\$ 218,990</u></u>	<u><u>\$ 222,353</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)

	2018	2019	2020	2021	2022
Governmental Activities:					
Net Investment In Capital Assets	\$ 125,420	\$ 159,557	\$ 156,763	\$ 153,568	\$ 147,501
Restricted	17,300	16,170	24,129	23,217	23,913
Unrestricted	44,168	47,739	38,568	42,974	52,845
Total Governmental Activities					
Net Position	<u>\$ 186,888</u>	<u>\$ 223,466</u>	<u>\$ 219,460</u>	<u>\$ 219,759</u>	<u>\$ 224,259</u>
Business-Type Activities:					
Net Investment In Capital Assets	\$ 34,996	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	(128)	-	-	-	-
Total Business-Type Activities					
Net Position	<u>\$ 34,868</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government:					
Net Investment In Capital Assets	\$ 160,416	\$ 159,557	\$ 156,763	\$ 153,568	\$ 147,501
Restricted	17,300	16,170	24,129	23,217	23,913
Unrestricted	44,040	47,739	38,568	42,974	52,845
Total Primary Government					
Net Position	<u>\$ 221,756</u>	<u>\$ 223,466</u>	<u>\$ 219,460</u>	<u>\$ 219,759</u>	<u>\$ 224,259</u>

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

	2013	2014	2015	2016	2017
EXPENSES					
Governmental Activities:					
Administration	\$ 5,534	\$ 7,530	\$ 7,048	\$ 8,062	\$ 6,746
Public Safety	4,348	4,429	4,670	5,215	6,534
Public Works	10,874	9,377	10,771	9,610	10,638
Parks and Recreation	1,696	1,369	1,669	2,052	2,434
Community Development	2,526	1,927	2,072	1,971	2,664
Non-Departmental	-	35	191	134	2,400
Interest on Long-Term Debt	-	-	-	-	-
Total Governmental Activities Expenses	24,978	24,667	26,421	27,044	31,416
Business-Type Activities:					
Water Quality Flood Protection	594	659	1,422	646	1,400
Total Primary Government Expenses	\$ 25,572	\$ 25,326	\$ 27,843	\$ 27,690	\$ 32,816
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
Administration	\$ 779	\$ 120	\$ 108	\$ 318	\$ 1,081
Public Safety	150	42	43	179	140
Public Works	543	169	432	159	274
Parks and Recreation	476	18	144	781	708
Community Development	1,854	1,772	2,058	958	2,066
Non-Departmental	-	-	-	96	-
Operating Grants and Contributions	4,133	2,506	2,274	2,332	4,196
Capital Grants and Contributions	139	2,912	1,230	1,111	818
Total Governmental Activities Program Revenues	8,074	7,539	6,289	5,934	9,283
Business-Type Activities:					
Charges for Services:					
Water Quality Flood Protection	1,313	1,361	1,369	1,385	11
Operating Grants and Contributions	2,137	-	-	-	-
Capital Grants and Contributions	-	6,115	1,213	-	-
Total Business-Type Activities Program Revenues	3,450	7,476	2,582	1,385	11
Total Primary Government Program Revenues	\$ 11,524	\$ 15,015	\$ 8,871	\$ 7,319	\$ 9,294
Net (Expense) Revenue:					
Governmental Activities	\$ (16,904)	\$ (17,128)	\$ (20,132)	\$ (21,110)	\$ (22,133)
Business-Type Activities	2,856	6,817	1,159	738	(1,389)
Total Primary Government Net Expense	\$ (14,048)	\$ (10,311)	\$ (18,973)	\$ (20,372)	\$ (23,522)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 11,284	\$ 11,991	\$ 12,452	\$ 13,764	\$ 13,302
Transient Occupancy Tax	3,790	4,250	4,812	5,197	5,601
Franchise Taxes	1,907	1,998	2,045	2,045	1,985
Utility User Taxes	2,481	2,510	1,973	1,866	1,775
Other Taxes	778	1,589	1,564	1,179	365
Intergovernmental Revenue - Shared Sales Tax	1,588	1,642	1,758	2,104	2,463
Investment Income	184	94	122	214	434
Other	929	4,146	3,231	2,608	920
Transfers	(8,293)	-	(458)	-	-
Extraordinary Item	(19,289)	-	-	-	-
Total Governmental Activities	(4,641)	28,220	27,499	28,977	26,845
Business-Type Activities:					
Investment Income	10	11	10	21	35
Other	-	-	-	-	-
Transfers	8,293	-	458	-	3
Total Business-Type Activities	8,303	11	468	21	38
Total Primary Government	\$ 3,662	\$ 28,231	\$ 27,967	\$ 28,998	\$ 26,883
CHANGE IN NET POSITION					
Governmental Activities	\$ (21,545)	\$ 11,092	\$ 7,367	\$ 7,868	\$ 4,713
Business-Type Activities	11,159	6,828	1,627	759	(1,351)
Total Primary Government Net Expense	\$ (10,386)	\$ 17,920	\$ 8,994	\$ 8,627	\$ 3,362

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

	2018	2019	2020	2021	2022
EXPENSES					
Governmental Activities:					
Administration	\$ 7,258	\$ 6,563	\$ 8,013	\$ 8,476	\$ 9,183
Public Safety	7,339	7,214	7,360	7,251	7,293
Public Works	16,073	16,064	18,182	15,885	17,360
Parks and Recreation	2,736	3,064	2,857	2,979	3,877
Community Development	2,726	3,052	2,857	2,624	3,094
Non-Departmental	1,166	1,134	1,192	-	-
Interest on Long-Term Debt	-	-	-	-	36
Total Governmental Activities Expenses	<u>37,298</u>	<u>37,091</u>	<u>40,461</u>	<u>37,215</u>	<u>40,843</u>
Business-Type Activities:					
Water Quality Flood Protection	1,071	811	-	-	-
Total Primary Government Expenses	<u>\$ 38,369</u>	<u>\$ 37,902</u>	<u>\$ 40,461</u>	<u>\$ 37,215</u>	<u>\$ 40,843</u>
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
Administration	\$ 1,032	\$ 1,065	\$ 1,064	\$ 776	\$ 936
Public Safety	124	104	111	245	232
Public Works	659	227	309	215	216
Parks and Recreation	2,083	766	579	412	739
Community Development	729	2,130	1,793	1,931	3,171
Non-Departmental	-	-	-	-	-
Operating Grants and Contributions	4,481	4,608	4,605	5,087	6,738
Capital Grants and Contributions	769	1,137	625	1,254	1,731
Total Governmental Activities Program Revenues	<u>9,877</u>	<u>10,037</u>	<u>9,086</u>	<u>9,920</u>	<u>13,763</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	-	-	-	-	-
Total Primary Government Program Revenues	<u>\$ 9,877</u>	<u>\$ 10,037</u>	<u>\$ 9,086</u>	<u>\$ 9,920</u>	<u>\$ 13,763</u>
Net (Expense) Revenue:					
Governmental Activities	\$ (27,421)	\$ (27,054)	\$ (31,375)	\$ (27,295)	\$ (27,080)
Business-Type Activities	(1,071)	(811)	-	-	-
Total Primary Government Net Expense	<u>\$ (28,492)</u>	<u>\$ (27,865)</u>	<u>\$ (31,375)</u>	<u>\$ (27,295)</u>	<u>\$ (27,080)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 13,762	\$ 14,350	\$ 14,994	\$ 15,966	\$ 16,638
Transient Occupancy Tax	5,615	5,645	3,910	3,116	6,170
Franchise Taxes	1,838	2,150	2,146	2,203	2,278
Utility User Taxes	403	1,917	1,912	2,246	2,526
Other Taxes	2,520	429	395	633	733
Intergovernmental Revenue - Shared Sales Tax	2,129	2,661	2,163	1,919	2,782
Investment Income	838	1,313	1,225	676	(430)
Other	763	909	626	835	883
Transfers	-	34,258	-	-	-
Extraordinary Item	-	-	-	-	-
Total Governmental Activities	<u>27,868</u>	<u>63,632</u>	<u>27,371</u>	<u>27,594</u>	<u>31,580</u>
Business-Type Activities:					
Investment Income	29	-	-	-	-
Other	-	200	-	-	-
Transfers	-	(34,258)	-	-	-
Total Business-Type Activities	<u>29</u>	<u>(34,058)</u>	-	-	-
Total Primary Government	<u>\$ 27,897</u>	<u>\$ 29,574</u>	<u>\$ 27,371</u>	<u>\$ 27,594</u>	<u>\$ 31,580</u>
CHANGE IN NET POSITION					
Governmental Activities	\$ 447	\$ 36,578	\$ (4,004)	\$ 299	\$ 4,500
Business-Type Activities	(1,042)	(34,869)	-	-	-
Total Primary Government Net Expense	<u>\$ (595)</u>	<u>\$ 1,709</u>	<u>\$ (4,004)</u>	<u>\$ 299</u>	<u>\$ 4,500</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
2013	\$ 11,284	\$ 3,790	\$ 1,589	\$ 1,907	\$ 2,481	\$ 1,492	\$ 22,543
2014	11,991	4,250	1,642	1,998	2,510	1,590	23,981
2015	12,452	4,812	1,758	2,044	1,973	1,564	24,603
2016	13,764	5,197	2,104	2,045	1,866	1,179	26,155
2017	13,302	5,601	2,463	1,985	1,775	365	25,491
2018	13,028	5,615	2,520	2,129	1,838	1,290	26,420
2019	13,567	5,645	2,661	2,150	1,917	1,376	27,316
2020	14,184	3,910	2,163	2,146	1,912	1,291	25,606
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

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)

	2013	2014	2015	2016	2017
GENERAL FUND					
Non-Spendable	\$ 138	\$ 144	\$ 598	\$ 564	\$ 190
Restricted	-	-	-	-	-
Committed	-	-	-	802	964
Assigned	-	-	-	-	-
Unassigned	14,370	15,474	16,055	13,702	15,671
Total General Fund	<u><u>\$ 14,508</u></u>	<u><u>\$ 15,618</u></u>	<u><u>\$ 16,653</u></u>	<u><u>\$ 15,068</u></u>	<u><u>\$ 16,825</u></u>
ALL OTHER GOVERNMENTAL FUNDS					
Non-Spendable:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Fund	\$ 1,835	\$ 1,845	\$ 1,855	\$ 1,866	\$ 1,877
Restricted:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ 7,849	\$ 8,445	\$ 8,362	\$ 9,757	\$ 11,702
Capital Projects Funds	\$ -	\$ -	\$ -	\$ 3,000	\$ 4,660
Permanent Fund	\$ 280	\$ 1,502	\$ 1,492	\$ 1,312	\$ 1,148
Committed:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ 36	\$ 58	\$ 55	\$ 353	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ 3,467	\$ -
Assigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ 794	\$ 572	\$ 476	\$ 479
Capital Projects Funds	\$ 13,084	\$ 18,535	\$ 21,078	\$ 23,902	\$ 23,149
Unassigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ (198)	\$ (116)	\$ (59)	\$ -	\$ -
Total All Other Governmental Funds	<u><u>\$ 22,885</u></u>	<u><u>\$ 31,063</u></u>	<u><u>\$ 33,355</u></u>	<u><u>\$ 44,133</u></u>	<u><u>\$ 43,015</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)

	2018	2019	2020	2021	2022
GENERAL FUND					
Non-Spendable	\$ 913	\$ 1,016	\$ 249	\$ 1,142	\$ 1,462
Restricted	-	-	-	-	-
Committed	715	341	167	2,785	447
Assigned	-	-	-	-	-
Unassigned	16,450	19,431	21,333	21,872	29,454
Total General Fund	<u><u>\$ 18,078</u></u>	<u><u>\$ 20,788</u></u>	<u><u>\$ 21,749</u></u>	<u><u>\$ 25,799</u></u>	<u><u>\$ 31,363</u></u>
ALL OTHER GOVERNMENTAL FUNDS					
Non-Spendable:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Fund	\$ 1,889	\$ 1,902	\$ 1,915	\$ 1,926	\$ 1,750
Restricted:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ 12,825	\$ 10,437	\$ 10,420	\$ 9,489	\$ 11,593
Capital Projects Funds	\$ 1,438	\$ 2,946	\$ 2,458	\$ 1,799	\$ 9,132
Permanent Fund	\$ 1,148	\$ 885	\$ 800	\$ 593	\$ 421
Committed:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ -	\$ -	\$ -	\$ -	\$ 4,455
Assigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Funds	\$ 23,942	\$ 25,100	\$ 23,965	\$ 25,752	\$ 25,710
Unassigned:	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	\$ -	\$ (564)	\$ (215)	\$ (219)	\$ (121)
Total All Other Governmental Funds	<u><u>\$ 41,242</u></u>	<u><u>\$ 40,706</u></u>	<u><u>\$ 39,343</u></u>	<u><u>\$ 39,340</u></u>	<u><u>\$ 52,940</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)

	2013	2014	2015	2016	2017
REVENUES					
Taxes	\$ 22,543	\$ 23,981	\$ 24,603	\$ 25,725	\$ 25,491
Licenses and Permits	2,027	1,951	2,515	2,383	3,044
Revenues from Other Agencies	3,395	5,301	3,794	3,443	5,117
Charges for Services	141	323	427	558	1,072
Fines and Forfeitures	117	128	135	180	153
Use of Money and Property	1,383	846	653	750	415
Donation	445	-	-	-	-
Other Revenues	741	3,068	2,377	1,668	732
Total Revenues	<u>30,791</u>	<u>35,598</u>	<u>34,504</u>	<u>34,707</u>	<u>36,024</u>
EXPENDITURES					
Administration	5,401	5,792	5,135	6,183	5,445
Public Safety	4,348	4,492	4,761	5,215	6,534
Public Works	7,240	7,611	8,042	7,961	9,084
Parks and Recreation	1,557	1,573	1,819	2,042	2,175
Community Development	2,591	2,640	2,870	2,619	2,664
Non-Departmental	-	35	190	238	2,400
Capital Outlay	2,721	4,113	8,697	1,344	7,106
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>23,857</u>	<u>26,256</u>	<u>31,514</u>	<u>25,602</u>	<u>35,408</u>
Excess of Revenues Over (Under) Expenditures	6,934	9,342	2,990	9,105	616
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	-	-	-
Transfers In	7,954	10,424	13,525	11,784	4,577
Transfers Out	<u>(16,247)</u>	<u>(10,479)</u>	<u>(13,188)</u>	<u>(11,784)</u>	<u>(4,577)</u>
Total Other Financing Sources (Uses)	<u>(8,293)</u>	<u>(55)</u>	<u>337</u>	<u>-</u>	<u>-</u>
EXTRAORDINARY GAIN (LOSS)					
	<u>(6,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES					
	<u>\$ (8,102)</u>	<u>\$ 9,287</u>	<u>\$ 3,327</u>	<u>\$ 9,105</u>	<u>\$ 616</u>
Cost of Assets Capitalized	2,022	4,820	8,490	2,398	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)

	2018	2019	2020	2021	2022
REVENUES					
Taxes	\$ 26,266	\$ 28,098	\$ 26,416	\$ 26,758	\$ 31,859
Licenses and Permits	3,095	2,205	1,917	2,007	3,338
Revenues from Other Agencies	5,345	5,158	5,442	5,883	8,672
Charges for Services	1,113	215	203	193	229
Fines and Forfeitures	144	331	365	675	518
Use of Money and Property	714	1,656	1,446	828	(67)
Donation	-	-	-	-	-
Other Revenues	1,038	1,026	1,009	615	858
Total Revenues	<u>37,715</u>	<u>38,689</u>	<u>36,798</u>	<u>36,959</u>	<u>45,407</u>
EXPENDITURES					
Administration	5,867	5,581	6,319	5,456	5,316
Public Safety	7,399	7,214	7,360	7,251	7,293
Public Works	11,068	13,546	12,260	9,681	10,498
Parks and Recreation	2,493	2,769	2,548	2,662	3,162
Community Development	2,736	3,052	2,857	2,624	3,094
Non-Departmental	1,167	1,134	1,204	1,814	2,094
Capital Outlay	7,504	3,291	4,653	3,424	2,777
Debt Service:					
Principal	-	-	-	-	8
Interest	-	-	-	-	-
Total Expenditures	<u>38,234</u>	<u>36,587</u>	<u>37,201</u>	<u>32,912</u>	<u>34,242</u>
Excess of Revenues Over (Under) Expenditures	(519)	2,102	(403)	4,047	11,165
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	-	-	8,000
Transfers In	5,044	6,027	2,924	1,881	5,094
Transfers Out	(5,044)	(5,954)	(2,924)	(1,881)	(5,094)
Total Other Financing Sources (Uses)	<u>-</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
EXTRAORDINARY GAIN (LOSS)					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES					
	<u>\$ (519)</u>	<u>\$ 2,175</u>	<u>\$ (403)</u>	<u>\$ 4,047</u>	<u>\$ 19,165</u>
Cost of Assets Capitalized	8,228	5,496	4,058	3,202	1,673
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
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
2013	\$ 8,843,139	\$ 402,533	\$ 3,425	\$ 581,160	\$ 48,147
2014	9,190,789	475,510	3,493	660,569	46,962
2015	9,492,704	486,378	3,509	679,241	45,906
2016	10,094,704	501,636	3,580	695,738	44,300
2017	10,770,321	531,536	3,634	506,899	24,986
2018	11,302,341	541,829	3,707	521,883	26,829
2019	11,924,464	580,286	3,781	551,820	25,824
2020	12,466,277	597,016	3,857	556,186	26,416
2021	12,995,604	612,892	3,934	615,222	26,419
2022	13,521,184	619,529	3,974	558,780	25,134

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
2013	\$ 174,167	\$ 9,704,237	0.063728	\$ 11,390,239	1.17374	85.20%
2014	153,434	10,223,889	0.063728	13,967,877	1.36620	73.20%
2015	151,709	10,556,029	0.063728	13,571,675	1.28568	77.78%
2016	155,138	11,184,820	0.063728	15,366,477	1.37387	72.79%
2017	174,779	11,662,598	0.063728	17,011,415	1.45863	68.56%
2018	180,953	12,215,635	0.063728	15,669,728	1.28276	77.96%
2019	184,447	12,901,730	0.063728	17,984,167	1.39393	71.74%
2020	171,367	13,478,385	0.063728	17,927,678	1.33011	75.18%
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%

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

	2012-13 0.063728	2013-14 0.063728	2014-15 0.063728	2015-16 0.063728	2016-17 0.063728
City Direct Rate					
All Other Direct Rates:					
LA COUNTY GENERAL	0.441223	0.441223	0.441223	0.441223	0.441223
LA COUNTY ACCUM CAP OUTLAY	0.000110	0.000110	0.000110	0.000110	0.000110
CONSOL. FIRE PRO.DIST OF LA CO.	0.169715	0.169715	0.169715	0.169715	0.169715
LA CO. FIRE-FFW	0.006910	0.006910	0.006910	0.006910	0.006910
LA CO.FL.CON.DR.IMP.DIST.MAINT.	0.002597	0.002597	0.002597	0.002597	0.002597
LA CO FLOOD CONTROL MAINT	0.014699	0.014699	0.014699	0.014699	0.014699
PALOS VERDES LIBRARY DIST MAINT	0.043470	0.043470	0.043470	0.043470	0.043470
LA CO WEST VECTOR CONTROL DIST.	0.000319	0.000319	0.000319	0.000319	0.000319
CO SANITATION DIST NO 5 OPERAT	0.017499	0.017499	0.017499	0.017499	0.017499
WTR REPLENISHMENT DIST OF SO CAL	0.000181	0.000181	0.000181	0.000181	0.000181
ERAF	0.000000	0.000000	0.000000	0.000000	0.000000
EDUCATIONAL AUG FD IMPOUND	0.000000	0.000000	0.000000	0.000000	0.000000
COUNTY SCHOOL SERVICES	0.001369	0.001369	0.001369	0.001369	0.001369
CHILDREN'S INSTIL TUITION FUND	0.002717	0.002717	0.002717	0.002717	0.002717
LA CITY COMM COLLEGE DIST	0.029214	0.029214	0.029214	0.029214	0.029214
LA COMM COLL CHILDREN'S CTR FD	0.000302	0.000302	0.000302	0.000302	0.000302
PALOS VERDES PENINSULA USD	0.196986	0.196986	0.196986	0.196986	0.196986
CO.SCH.SERV.FD-LOS ANGELES	0.008085	0.008085	0.008085	0.008085	0.008085
DEV.CTR.HDCPD MINOR-LA UNIF.	0.000876	0.000876	0.000876	0.000876	0.000876
Total	1.000000	1.000000	1.000000	1.000000	1.000000
Debt Service Rates:					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.024102	0.023109	0.023289	0.023433	0.023197
COMMNTY COLLEGE	0.048750	0.044541	0.040174	0.035755	0.035956
PALOS VERDES LIB	0.006441	0.006118	0.005854	0.005630	0.000000
FLOOD CONTROL	0.000000	0.000000	0.000000	0.000000	0.000000
METRO WATER DIST	0.003500	0.003500	0.003500	0.003500	0.003500
Total	0.082793	0.077268	0.072817	0.068318	0.062653
Total Tax Rate	1.082793	1.077268	1.072817	1.068318	1.062653

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

	2017-18	2018-19	2019-20	2020-21	2021-22
City Direct Rate	0.063728	0.063728	0.063728	0.056804	0.056804
All Other Direct Rates:					
LA COUNTY GENERAL	0.441223	0.441223	0.441223	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	0.002597	0.001649	0.001649
LA CO FLOOD CONTROL MAINT	0.014699	0.014699	0.014699	0.009331	0.009331
PALOS VERDES LIBRARY DIST MAINT	0.043470	0.043470	0.043470	0.032481	0.032481
LA CO WEST VECTOR CONTROL DIST.	0.000319	0.000319	0.000319	0.000190	0.000190
CO SANITATION DIST NO 5 OPERAT	0.017499	0.017499	0.017499	0.011678	0.011678
WTR REPLENISHMENT DIST OF SO CAL	0.000181	0.000181	0.000181	0.000178	0.000178
ERAF	0.000000	0.000000	0.000000	0.072466	0.072466
EDUCATIONAL AUG FD IMPOUND	0.000000	0.000000	0.000000	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
Total	1.000000	1.000000	1.000000	1.000000	1.000000
Debt Service Rates:					
COUNTY	0.000000	0.000000	0.000000	0.000000	0.000000
PALOS VERDES PEN USD	0.023093	0.023709	0.023589	0.023782	0.023978
COMMNTY COLLEGE	0.045990	0.046213	0.027175	0.040162	0.043759
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
Total	0.072583	0.073422	0.054264	0.067444	0.071237
Total Tax Rate	1.072583	1.073422	1.054264	1.067444	1.071237

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)

Taxpayer	2021-22		2012-13			
	Taxable Value (\$)	Rank	Percentage of Total City Taxable Value (%)	Taxable Value (\$)	Rank	Percentage of Total City Taxable Value (%)
Long Point Development LLC	483,081	1	3.32%	332,529	1	3.43%
GS Palos Verdes LLC	115,996	2	0.80%			
ROIIC California LLC	71,237	3	0.49%			
P V Victoria Apartments LLC	55,922	4	0.38%	55,973	3	0.58%
6507 6510 Vista Catalina Apts	43,903	5	0.30%			
Western Riviera Investors Et Al	34,517	6	0.24%	29,917	6	0.31%
Golden Cove Center LLC	32,364	7	0.22%	27,890	7	0.29%
Ocean View Drive Inc	28,925	8	0.20%			
Belmont Village RPV LP	27,304	9	0.19%	22,848	10	0.24%
Johnson Cory C Et Al Trs	20,079	10	0.14%			
California Water Service Co	18,198	11	0.13%	9,111	16	0.09%
VH Property Corp	17,476	12	0.12%			
WLP Westmont Plaza LLC	16,761	13	0.12%			
Wang Lisa	11,797	14	0.08%	7,150	22	0.07%
Peacock Flats LLC	10,500	15	0.07%			
Chang Jacqueline	10,101	16	0.07%			
VHPS LLC	9,918	17	0.07%	48,586	4	0.50%
American Golf, Inc	9,640	18	0.07%			
Victoria Apartments	9,255	19	0.06%			
Thornecrest LLC	9,243	20	0.06%			
Green Sticks Lp	9,068	21	0.06%			
WEI LAI Development LLC	8,892	22	0.06%			
Parks John	8,800	23	0.06%			
XCX Bear LLC	8,644	24	0.06%			
Brunning Fred W Co Tr	8,616	25	0.06%	7,425	20	0.08%
PPC Villas Rpv LLC				65,374	2	0.67%
Terraces Rancho Palos Verdes				36,122	5	0.37%
BVF II Madison LLC				23,531	8	0.24%
Terranea Resort Spa				23,175	9	0.24%
Johnson Eric C				16,266	11	0.17%
Tridiamond LLC				13,680	12	0.14%
American Golf, Inc				10,977	13	0.11%
Sadeghi Fatolah Flora				10,823	14	0.11%
Vanderlip Investment Co				10,406	15	0.11%
First Citizens Bank Trust Co				8,670	17	0.09%
Palos Verde Terrace Ltd.				7,815	18	0.08%
Briles Richard Keanna				7,546	19	0.08%
Kariger Brian P				7,189	21	0.07%
Amdan Investment LLC Lessee				6,550	23	0.07%
Labarba James G				6,256	24	0.06%
Gerts Igor Anna				6,090	25	0.06%
Total Top 25 Taxpayers	\$ 1,080,236		7.43%	\$ 801,899		8.26%
Total Taxable Value	\$ 14,541,282		100.00%	\$ 9,704,237		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
2012-13	5,951	5,844	98.20%	0	5,844	98.20%
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%

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

2021-22 Assessed Valuation: \$14,606,755,203

OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/22
Metropolitan Water District	\$20,175,000	0.431%	\$86,954
Los Angeles Community College District	4,146,515,000	1.460%	60,539,119
Los Angeles Unified School District	10,770,060,000	0.173%	18,632,204
Palos Verdes Unified School District	45,869,791	46.876%	21,501,923
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$100,760,200
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			267,921
TOTAL NET OVERLAPPING TAN AND ASSESSMENT DEBT			\$100,492,279
 DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Los Angeles County General Fund Obligations	\$2,698,357,105	0.824%	\$22,234,463
Los Angeles County Superintendent of Schools Certificates of Participation	3,972,227	0.824%	32,731
Los Angeles County Sanitation District No. 5 Authority	2,481,534	9.901%	245,697
Los Angeles County South Bay Cities Sanitation District Authority	422,802	4.047%	17,111
Los Angeles Unified School District Certificates of Participation	120,710,000	0.173%	208,828
City of Rancho Palos Verdes General Fund Obligations	8,000,000	100.0%	8,000,000
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			\$30,738,830
 TOTAL DIRECT DEBT			\$8,000,000
TOTAL GROSS OVERLAPPING DEBT			\$123,499,030
TOTAL NET OVERLAPPING DEBT			\$123,231,109
 GROSS COMBINED TOTAL DEBT			\$131,499,030
NET COMBINED TOTAL DEBT			\$131,231,109

(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 2021-22 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt	0.69%
Total Net Overlapping Tax and Assessment Debt	0.69%
Direct Direct Debt (\$8,000,000)	0.05%
Gross Combined Total Debt	0.90%
Net Combined Total Debt	0.90%

Source

Avenu Insights & Analytics

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 1,382,850	\$ 1,533,583	\$ 1,583,404	\$ 1,677,723	\$ 1,749,390
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,382,850</u>	<u>\$ 1,533,583</u>	<u>\$ 1,583,404</u>	<u>\$ 1,677,723</u>	<u>\$ 1,749,390</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.

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

	2018	2019	2020	2021	2022
Debt Limit	\$ 1,832,345	\$ 1,935,260	\$ 2,021,758	\$ 2,116,007	\$ 2,181,192
Total Net Debt Applicable to Limit	-	-	-	-	-
Legal Debt Margin	<u>\$ 1,832,345</u>	<u>\$ 1,935,260</u>	<u>\$ 2,021,758</u>	<u>\$ 2,116,007</u>	<u>\$ 2,181,192</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	0%	0%	0%	0%
			Total Taxable Value	\$ 14,541,282	
			Debt Limit (15% of Total Taxable Value)	2,181,192	
			Debt Applicable to Limit	-	
			Legal Debt Margin	<u>\$ 2,181,192</u>	

Cities have a maximum G.O. debt limit of 15% of

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
2012-13	42,114	2,618,143,152	62,168	47.8	11,873
2013-14	42,358	2,564,205,491	60,537	47.6	11,700
2014-15	42,564	2,593,892,724	60,941	48.9	11,632
2015-16	43,041	2,461,988,241	57,201	49.6	11,499
2016-17	42,884	2,569,293,654	59,913	49.5	11,428
2017-18	42,723	2,722,513,349	63,725	49.3	11,346
2018-19	42,560	2,860,710,832	67,216	49.4	11,217
2019-20	41,731	2,917,361,629	69,909	49.7	11,009
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

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)
2012-13	11.0%	3.7%	9,958,091	0.42%
2013-14	7.6%	2.5%	10,041,797	0.42%
2014-15	7.1%	3.4%	10,136,559	0.42%
2015-16	6.7%	3.2%	10,241,335	0.42%
2016-17	5.2%	2.5%	10,241,278	0.42%
2017-18	4.1%	3.4%	10,283,729	0.42%
2018-19	3.9%	3.3%	10,253,716	0.42%
2019-20	20.6%	13.2%	10,172,951	0.41%
2020-21	12.8%	8.2%	10,044,458	0.41%
2021-22	4.5%	3.0%	9,861,224	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.

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

2021-22		2012-13	
Taxpayer	Business Type	Taxpayer	Business Type
7-Eleven Food Stores & Service Stations	Service Stations	7-Eleven Food Stores	Service Stations
7-Eleven Food Stores	Food Markets	Admiral Risty Restaurant	Restaurants
American Golf Corporation	Miscellaneous Retail	America's Tire	Auto Parts/Repair
Audio Visual Services Group	Light Industry	Asaka Japanese Cuisine	Restaurants
Avenue Italy	Restaurants	Carl's Jr. Restaurants	Restaurants
Blue Crab Steak & Seafood Restaurant	Restaurants	Centinela Feed & Pet Supplies	Florist/Nursery
California Chemical	Chemical Products	Chevron Service Stations	Service Stations
Centinela Feed & Pet Supplies	Florist/Nursery	Coco's Bakery Restaurant	Restaurants
Custom Container Storage & Rental	Light Industry	Denny's Restaurant	Restaurants
G & M Service Stations	Service Stations	El Pollo Loco	Restaurants
Good Night Mattress & Bedroom	Furniture/Appliance	Good Night Mattress & Bedroom	Furniture/Appliance
Granvia Tomatillo Service Center	Service Stations	Green Hills Memorial Park	Miscellaneous Other
Green Hills Memorial Park	Miscellaneous Other	Hughe's Market	Food Markets
Highbridge Car Wash	Auto Parts/Repair	Jack In The Box Restaurants	Restaurants
Marshall's Stores	Apparel Stores	Los Verdes County Club	Restaurants
O'Reilly Auto Parts	Auto Parts/Repair	Marie Callender's Restaurant	Restaurants
Smart & Final	Food Markets	Marshall's Stores	Apparel Stores
Southern California Discount Tire	Auto Parts/Repair	Mobil Service Stations	Service Stations
Swan Thai RPV	Restaurants	O'Reilly Auto Parts	Auto Parts/Repair
Terranea Resort	Restaurants	Smart & Final	Food Markets
The Mortuary at Green Hills	Miscellaneous Other	Swank Audio Visuals	Electronic Equipment
Trader Joe's	Food Markets	Terranea Resort	Restaurants
Trump National Golf Club	Miscellaneous Retail	The Mortuary at Green Hills	Miscellaneous Other
Western Tobacco	Miscellaneous Retail	Trader Joe's	Food Markets
Whole 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	2021-22			2012-13		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Palos Verdes Peninsula Unified School District	1,370	1	7.21%	1,970	1	9.47%
Terranea Resort Hotel*	605	2	3.18%	730	2	3.51%
The Salvation Army College/Western Territorial HQ- USA*	251	3	1.32%			
The Canterbury Retirement Community	165	4	0.87%	115	6	0.55%
Belmont Corp LTD (Belmont Village of Rancho)	162	5	0.85%	111	7	0.53%
Ralphs Store #720	110	6	0.58%	83	9	0.40%
Trump National Golf Club*	95	7	0.50%	260	3	1.25%
City of Rancho Palos Verdes*	89	8	0.47%			
Green Hills Memorial Park	84	9	0.44%	80	10	0.38%
American Golf Corp (Los Verdes Golf Course)	65	10	0.34%			
Marymount College				220	4	1.06%
Keller Williams Realty				163	5	0.78%
Trader Joe's				88	8	0.42%
Subtotal of Principal Employers	2,996		15.77%	3,820		18.37%
Total City Employment (1)	19,000			20,800		

Source

MuniServices, LLC / an Avenu Insights & Analytics Company
 Results based on direct correspondence with city's local businesses.
 (1) Total City Labor Force is provided by EDD Labor Force Data

* Count includes both full and part time employees

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	53	54	60	62	62	64	60	61	62	63
Part-Time Staff (1)	16	22	25	29	29	30	29	26	27	25
Total	69	76	85	91	91	94	89	87	89	88

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	2013	2014	2015	2016	2017
Administration:					
Employee Resignations (5)	7	14	10	6	6
Workers Compensation Claims	3	1	3	2	8
Liability Claims (6)	14	9	11	28	6
Budget Adjustments	24	15	15	18	48
Business Licenses Issued	1,868	1,997	2,134	2,012	1,939
Web Site Page Views (1)	3.1mil	3.3mil	426,772 *	403,704	536,568
Public Safety:					
Part I Crime Rates (per 10,000 population)	149	107	134	106	97
Public Works:					
Solid Waste Diversion Rates (2)	2.87lbs/person/day	2.84lbs/person/day	3.15lbs/person/day	3.08lbs/person/day	2.46lbs/person/day
Pavement Rating	84	82	82	84	84
Parks and Recreation:					
Park Events	765	631	639	810	829
Class Meetings at Parks	1,202	1,233	1,400	1,025	1,030
Docent Led Nature Hikes	121	109	103	94	108
Volunteer Events (3)	DNA	DNA	DNA	DNA	35
Volunteers (3)	DNA	DNA	DNA	DNA	764
Volunteer Hours (3)	DNA	DNA	DNA	DNA	2,486
Open Space Mgmt. Public Contacts (3)	DNA	DNA	DNA	DNA	23,101
Open Space Mgmt. Rules Enforced (3)	DNA	DNA	DNA	DNA	1,367
Open Space Mgmt. Maintenance / Projects (3)(4)	DNA	DNA	DNA	DNA	782
Community Development:					
Building Permits Processed	1,403	1,492	1,558	1,758	1,665
Plan Checks	268	264	255	289	289
Municipal Code Violations Closed	312	392	358	505	432

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.

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

Function	2018	2019	2020	2021	2022
Administration:					
Employee Resignations (5)	27	23	30	34	44
Workers Compensation Claims	2	1	1	1	7
Liability Claims	3	0	1	18	20
Budget Adjustments	80	91	98	113	79
Business Licenses Issued	1,902	1,971	1,776	1,898	1,950
Web Site Page Views (1)	445,633	450,206	657,040	808,722	609,862
Public Safety:					
Part I Crime Rates (per 10,000 population)	113	99	109	100	114
Public Works:					
Solid Waste Diversion Rates (2)	2.46lbs/person/day	5.6lbs/person/day	5.7lbs/person/day	5.7lbs/person/day	5.7lbs/person/day
Pavement Rating	84	89	89	89	87
Parks and Recreation:					
Park Events	1,281	1,122	807	243	573
Class Meetings at Parks	922	852	520	375	566
Docent Led Nature Hikes	113	104	37	0	0
Volunteer Events (3)	61	46	37	3	31
Volunteers (3)	1,806	1,095	974	100	661
Volunteer Hours (3)	5,919	3,569	2,724	252	1,729
Open Space Mgmt. Public Contacts (3)	33,306	29,973	29,786	38,476	31,352
Open Space Mgmt. Rules Enforced (3)	1,925	1,262	1,876	2,113	4,687
Open Space Mgmt. Maintenance / Projects (3)(4)	1,219	546	0	0	0
Community Development:					
Building Permits Processed	1,985	2,186	1,933	2,048	2,256
Plan Checks	292	288	256	268	358
Municipal Code Violations Closed	457	338	275	171	448

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.

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration:										
Computer Workstations	93	98	114	138	140	144	144	155	155	160
Public Safety (1)										
Public Works:										
Street Miles	141	141	149	149	149	149	150.1	150.1	151.1	151.1
Traffic Signals	15	15	15	15	15	15	15	15	16	17
Parks and Recreation:										
Parks	15	16	16	16	16	17	17	17	17	17
Community Development:										
Vehicles Used for Inspections	5	4	4	4	2	2	4	4	4	4

Source

City Capital Asset Records

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