

City of Palos Verdes Estates

FY2017-2018 CAFR at a Glance

2016-2017

Highlights

- Unmodified (Clean) Opinion
- Second year of engagement with new external auditor
- Compliant with all previous and appropriate GASB pronouncements
- No Single Audit (Federal Grants) Required
- Received the 2016 - GFOA Excellence in Reporting Award

2017-2018

Highlights

- Unmodified (Clean) Opinion
- Third year of engagement with existing external auditor
- Compliant with all previous and appropriate GASB pronouncements
- No Single Audit (Federal Grants) Required
- Received the 2017 - GFOA Excellence in Reporting Award
- Resolved all audit comments from prior year

2017-2018 CAFR at a Glance (cont.)

Financial

General Fund

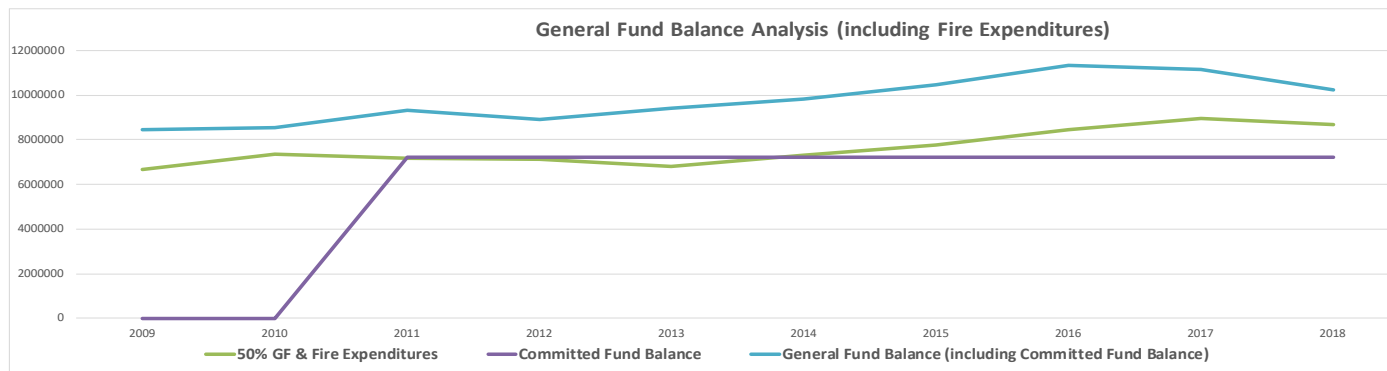
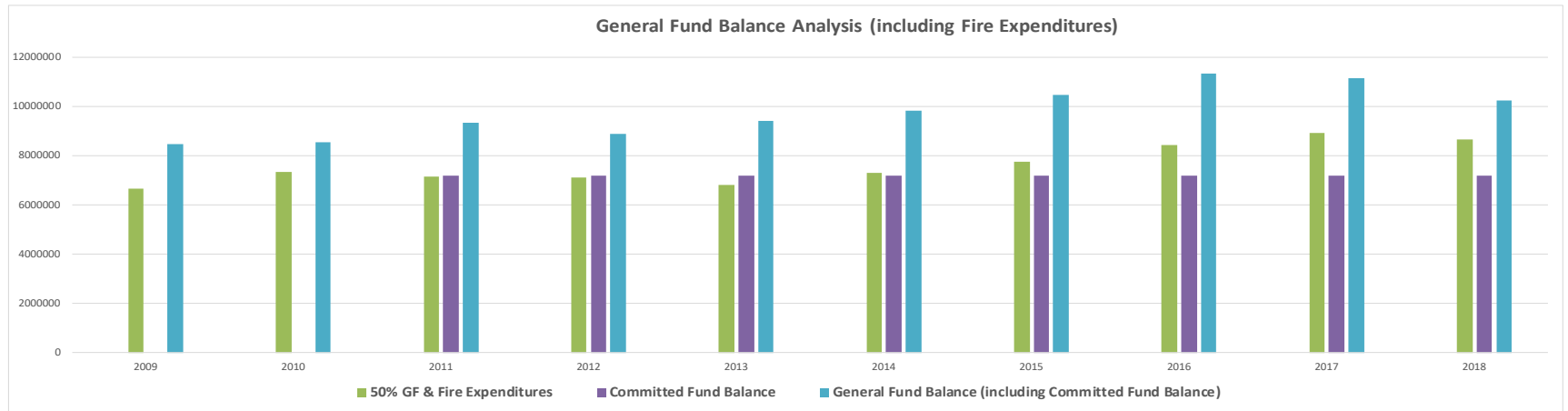
- Revenues exceeded expenditures by \$1,835,483 before transfers in or out
- \$4.3 million was transferred to the Special Fire Parcel Tax Fund
- Policy Reserves maintained - \$7.2 million
- Year ended with unreserved Fund Balance of \$2.6 million
- Revenues exceed adjusted budget by \$780,000
- Expenses below adjusted budget by \$426,000

2017-2018 CAFR at a Glance (cont.)

CITY OF PALOS VERDES ESTATES Governmental Fund Financials General Fund Balance Analysis (including Fire Expenditures)

<i>Fiscal Years Ending June 30,</i>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund Expenditures	9,490,201	10,784,784	10,406,520	10,242,790	9,475,942	10,338,658	11,111,228	12,359,660	13,184,898	12,370,900
Fire Expenditures	3,855,061	3,924,741	3,926,672	3,974,238	4,122,393	4,260,342	4,421,786	4,525,695	4,688,664	4,960,171
Total Genl Fund & Fire Expend	13,345,262	14,709,525	14,333,192	14,217,028	13,598,335	14,599,000	15,533,014	16,885,355	17,873,562	17,331,071
50% GF & Fire Expenditures	6,672,631	7,354,763	7,166,596	7,108,514	6,799,168	7,299,500	7,766,507	8,442,678	8,936,781	8,665,536
Committed Fund Balance	-	-	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
General Fund Balance (including Committed Fund Balance)	8,475,703	8,528,709	9,332,667	8,891,466	9,395,053	9,822,486	10,450,339	11,328,384	11,138,731	10,255,152

Please Note: Beginning in FY10-11 \$7,200,000 was designated as "Committed" fund balance for emergency contingencies in Balance Sheet presentation. The Fire Parcel Tax expired in 2017 and FY 2017-2018 was the first year without parcel tax revenue to offset Fire Expenditures. A one time transfer from the General Fund of \$4,345,858 to the Special Fire Parcel Tax Special Revenue fund was recorded in FY 2017-2018 to pay for the fire contract expenditures. The Fire Expenditures are included in this analysis as part of total operating expenditures.



2017-2018 CAFR at a Glance (cont.)

Financial

Other Funds & Performance Indicators

- Total Capital Improvement Fund Balance - \$5.1 million for future capital improvement projects and comprehensive maintenance improvements
- Capital project progress - \$420,000 in City improvements and included a one-time Council approved transfer of \$1,000,000 to the General fund to due to the loss of Measure D.
- Total Sewer Fund Balance - \$3.7 million for future capital improvement projects and maintenance improvements
- Long-term pension liability of \$15 million
- No City debt
- Total Cash and Investments total \$24 million
- Capital Assets net of depreciation total \$41 million.
- The City did not experience settlements nor judgements that exceed pooled or insured coverage for all insured programs under the California Joint Powers Insurance Authority (CJPIA)

2017-2018 CAFR at a Glance (cont.)

Continuing and Future Challenges

- CalPERS rate increases
- Unfunded liabilities (compensated absences and CalPERS)
- Historical and current funding for Capital Improvement Fund projects
- Unfunded mandates
- General cost increases - operations, infrastructure, and maintenance
- Rising workers compensation, health insurance, and insurance
- Uncertainty with State legislation and economy
- Sustaining and vitality of the organization
- Educating and communicating with the public about the actual and accurate fiscal condition of the City