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
### General Fund Balance Analysis (including Fire Expenditures)

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<tbody>
<tr>
<td>General Fund Expenditures</td>
<td>9,490,201</td>
<td>10,784,784</td>
<td>10,406,520</td>
<td>10,242,790</td>
<td>9,475,942</td>
<td>10,338,658</td>
<td>11,111,228</td>
<td>12,359,660</td>
<td>13,184,898</td>
<td>12,370,900</td>
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<td>Fire Expenditures</td>
<td>3,855,061</td>
<td>3,924,741</td>
<td>3,926,672</td>
<td>3,974,238</td>
<td>4,122,393</td>
<td>4,260,342</td>
<td>4,421,786</td>
<td>4,625,695</td>
<td>4,688,664</td>
<td>4,960,171</td>
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<tr>
<td>Total Genl Fund &amp; Fire Expend</td>
<td>13,345,262</td>
<td>14,709,525</td>
<td>14,333,192</td>
<td>14,217,028</td>
<td>13,598,335</td>
<td>14,599,000</td>
<td>15,533,014</td>
<td>16,885,355</td>
<td>17,873,562</td>
<td>17,331,071</td>
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<td>50% GF &amp; Fire Expenditures</td>
<td>6,672,631</td>
<td>7,354,763</td>
<td>7,166,596</td>
<td>7,108,514</td>
<td>6,799,168</td>
<td>7,299,500</td>
<td>7,666,507</td>
<td>8,442,678</td>
<td>8,936,781</td>
<td>8,665,536</td>
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<td>Committed Fund Balance</td>
<td>-</td>
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<td>7,200,000</td>
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<tr>
<td>General Fund Balance (including Committed Fund Balance)</td>
<td>8,475,703</td>
<td>8,528,709</td>
<td>9,332,667</td>
<td>8,891,466</td>
<td>9,395,053</td>
<td>9,822,486</td>
<td>10,450,339</td>
<td>11,328,384</td>
<td>11,138,731</td>
<td>10,255,152</td>
</tr>
</tbody>
</table>

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 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