

Fiscal Year 2020-21 Financial Status Report



January 26, 2021



Agenda

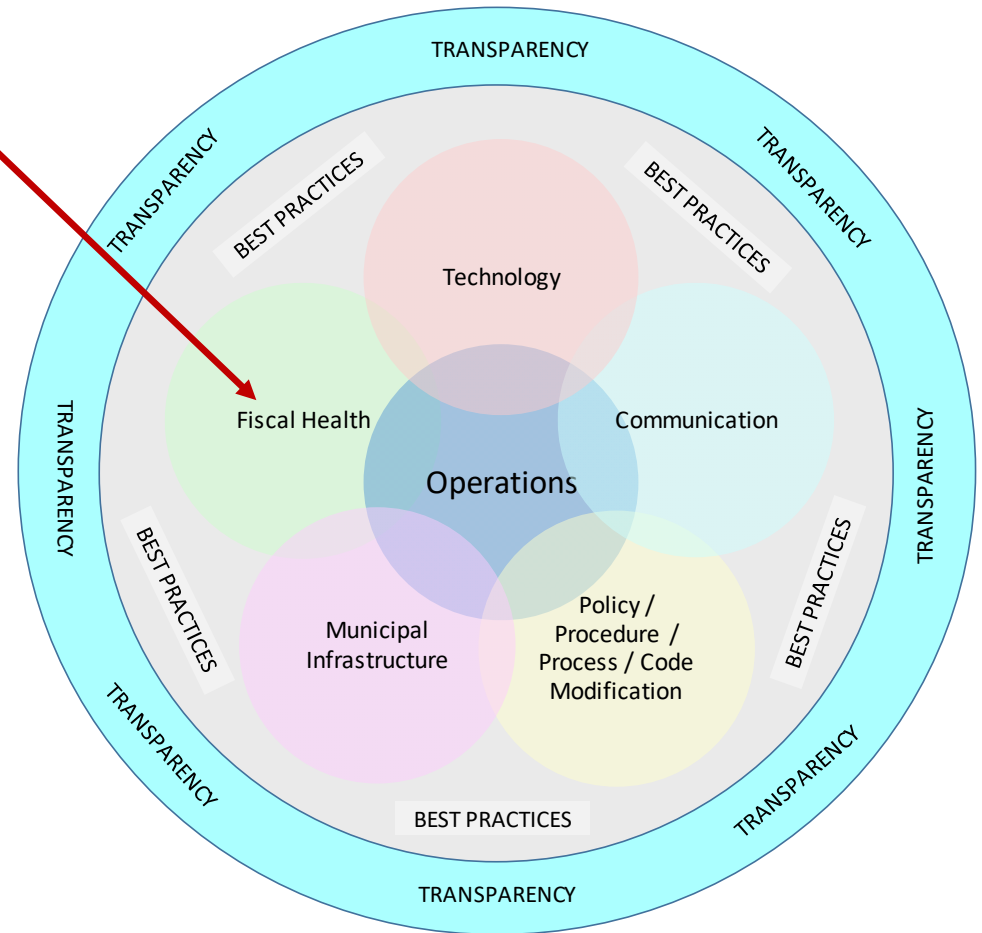
- ▶ December 31, 2020 Financial Statements
 - ▶ Balance Sheet
 - ▶ Profit and Loss Statement
 - ▶ Schedule of Other Expenses
- ▶ Budget to Actual through December 31, 2020
 - ▶ Discussion of Key variances
- ▶ First FY 2020-21 Fiscal Year End Projections
- ▶ Updated Draft Long-term Financial Plan



Fiscal Health

- 2nd Quarter Results

- Balance Sheet
- P&L
- Schedule of Other Expenses
- Budget To Actual Statement
- Variance Discussions



Questions from the public can be emailed to: pvefinance@pvestates.org



Balance Sheet

CITY OF PALOS VERDES ESTATES

BALANCE SHEET
GENERAL FUND
December 31, 2020
(unaudited)

ASSETS

CASH IN BANK	\$	13,802,282	
UNREALIZED INVESTMENT GAIN		386,174	
PETTY CASH		1,500	
ACCOUNTS RECEIVABLE		20,948	
INTEREST RECEIVABLE		96,391	
INVENTORY-MATERIALS/SUPP		7,129	
PREPAID EXPENSES		506,698	
TOTAL ASSETS			\$ 14,821,121

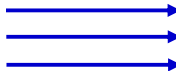
\$12,282,957 in FY 19-20

LIABILITIES

ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES		(780)	
ACCRUED SALARIES AND BENEFITS		238,685	
DUE TO OTHER FUNDS		-	
UNEARNED REVENUES		570,786	
TOTAL LIABILITIES			808,691

FUND BALANCE

NONSPENDABLE FUND BALANCE		513,827	
COMMITTED FUND BALANCE		8,000,000	
ASSIGNED FOR FUTURE USE		675,295	
ASSIGNED FOR CAPITAL PROJECTS		-	
ASSIGNED FOR SEWER CAPITAL PROJECTS		-	
UNASSIGNED FUND BALANCE	\$	6,216,602	
TOTAL FUND BALANCE			15,405,725
CURRENT YEAR OPERATIONS			5,380,849
TOTAL LIABILITIES AND FUND BALANCE	\$		21,595,265



Summary P & L

CITY OF PALOS VERDES ESTATES
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE MONTH ENDED DECEMBER 31, 2020
(Unaudited)

REVENUES

PROPERTY TAXES	\$ 3,796,390	
OTHER TAXES	409,059	
LICENSES AND PERMITS	318,259	
REVENUE FROM OTHER AGENCIES	3,772	
CHARGES FOR SERVICES	412,347	
INTEREST EARNINGS AND RENTS	221,467	
CONCESSIONS	426,901	
FINES AND FORFEITURES	43,460	
OTHER REVENUES	<u>63,818</u>	
TOTAL REVENUES		\$ 5,695,473

EXPENSES

SALARIES AND PAID COMPENSATION	2,098,511
OVERTIME	309,053
RETIREMENT	301,819
RETIREMENT UAL	1,007,327
HEALTH/DENTAL/VISION INSURANCE	276,535
WORKERS' COMPENSATION	237,336
OTHER EMPLOYEE BENEFITS AND TAXES	75,735
CONTRACTUAL SERVICES	701,924
CONTRACTUAL SERVICES - FIRE	2,927,334
CONTRACTUAL SERVICES - PUBLIC WORKS	40,365
CONTRACTUAL SERVICES - PARKLANDS MANAGEMENT	439,604
LIABILITY / PROPERTY INSURANCE	363,881
UTILITIES	148,463
TRAVEL	684
OFFICE / CLEANING / UNIFORM SUPPLIES	9,622
AUTOMOTIVE SUPPLIES	36,274
BUILDING SUPPLIES	6,990
TRAINING	13,991
PUBLIC COMMUNICATIONS / PRINTING	18,614
OTHER EXPENSES	<u>132,468</u>
TOTAL EXPENDITURES	9,146,529

OTHER FINANCING SOURCES AND USES

TRANSFERS IN	2,057,761	
TRANSFERS OUT	<u>-</u>	
TOTAL OTHER FINANCING SOURCES AND USES		<u>2,057,761</u>
CHANGE IN NET POSITION		(1,393,295)
NET POSITION BEGINNING OF THE YEAR		15,405,725
NET POSITION END OF THE YEAR		14,012,430

1st distribution of PVE
Law Enforcement
Parcel tax



Schedule of Other Expenses

City of Palos Verdes Estates
Schedule of Other Expenses
For the Month Ended December 31, 2020

<u>Account</u>	<u>Amount</u>
61105 DUES AND MEMBERSHIP	\$ 2,775
61125 SUBSCRIPTIONS	1,102
61135 RESERVE OFFICER	1,086
61140 PRISONER EXPENSE	2,308
62265 ELECTION	200
62290 GENERAL SERVICE	16,989
62291 CODE ENFORCEMENT	343
62292 PVE CARES	113
62293 VOLUNTEER PROGRAM	30
63310 SAFETY EQUIPMENT	1,855
63322 NPDES-MOU CITY CONTRIBU	62,304
63345 COMM SVC OFFICER EQPT SL	491
64444 TREE BANK EXPENSE	3,437
64460 EQUIPMENT RENT	2,324
64480 BANKING SERVICE FEE	3,867
64500 CRIMINAL JUSTICE	9,248
64640 ANIMAL CONTROL	3,736
64641 PEAFOWL MANAGEMENT	2,342
64680 EMPLOYEE RECOG. PROGRAI	1,975
65000 EMERGENCY PREPAREDNESS	2,264
65090 LEASE AGREEMENT	11,919
70770 COMPUTER EQUIPMENT	1,760
Total	<u>\$ 132,468</u>



Budget to Actual - Revenues

CITY OF PALOS VERDES ESTATES
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 GENERAL FUND
 FOR THE MONTH ENDED DECEMBER 31, 2020
 (Unaudited)

Sources	Amended Budget	Actuals Budget Basis	Year-to-date			Unrealized Variance + (-)	Prior Year to-date Total	Prior Year Variance + / (-)	Target % Basis	
			Target \$	Variance + / (-)	% RCVD					
Property Taxes	\$ 8,965,207	\$ 3,796,390	\$ 3,749,941	\$ 46,449	42%	41.83%	\$ (5,168,817)	\$3,638,107	\$ 158,283	Schedule
Other Taxes	1,251,050	409,059	335,581	73,478	33%	26.82%	(841,991)	374,280	34,779	Schedule
Licenses and Permits	523,365	318,259	261,682	56,577	61%	50.00%	(205,106)	478,019	(159,760)	12 months
Revenues from Other Agencies	1,673,057	3,772	3,764	8	0%	0.23%	(1,669,285)	650	3,123	Schedule
Charges for Services	507,733	412,347	253,867	158,480	81%	50.00%	(95,386)	438,675	(26,328)	12 months
Interest Earnings and Rents	181,160	221,467	90,580	130,887	122%	50.00%	40,307	92,863	128,605	12 months
Concessions	1,035,729	426,901	517,865	(90,964)	41%	50.00%	(608,828)	578,537	(151,636)	12 months
Fines and Forfeitures	90,000	43,460	45,000	(1,540)	48%	50.00%	(46,540)	46,415	(2,954)	12 months
Other Revenues	221,000	63,818	110,500	(46,682)	29%	50.00%	(157,182)	14,632	49,186	12 months
Transfers In	5,023,366	2,057,761	2,101,159	(43,398)	41%	41.83%	(2,965,605)	81,639	1,976,122	Schedule
Total Sources	<u>\$ 19,471,667</u>	<u>\$ 7,753,234</u>		<u>\$ 283,296</u>	40%		<u>\$ (6,549,616)</u>	<u>\$5,743,816</u>	<u>\$ 2,009,419</u>	



Variance Analysis - Revenues

- ▶ Other Taxes – 5.9% positive variance primarily due to property transfer tax.
- ▶ Licenses and Permit revenue has a 10.6% positive variance reflecting construction permit activity.
- ▶ Charges for Services reflects a 31.2% positive variance due to planning and plan check activities.
- ▶ Interest Earnings are currently overstated.
- ▶ Concessions revenues have an 8.8% negative variance. A result of COVID 19.



Budget to Actual - Expenses

Uses	Amended Budget	Actual Expenses	ENCUMB.	Actuals Budget Basis	Year-to-date			Remaining Spending Authority	Prior Year to-date Total	Prior Year Variance + / (-)	Target % Basis	
					Target \$	Variance + / (-)	% Used					
Salaries and Paid Compensation	\$ 4,760,606	\$ 2,098,511	\$ -	\$ 2,098,511	\$ 2,380,303	\$ 281,792	44%	50%	\$ 2,662,095	\$2,403,560	\$ 305,049	26 Pay Per
Overtime	372,080	309,053	-	309,053	186,040	(123,013)	83%	50%	63,027	163,704	(145,349)	26 Pay Per
Retirement	679,372	301,819	-	301,819	339,686	37,867	44%	50%	377,553	319,998	18,179	26 Pay Per
Retirement UAL	1,042,989	1,007,327	-	1,007,327	1,042,989	35,662	97%	100%	35,662	864,912	(142,415)	Annual
Health / Dental / Vision Insurance	680,510	276,535	-	276,535	340,255	63,720	41%	50%	403,976	329,412	52,878	12 months
Workers' Compensation	486,341	237,336	-	237,336	243,170	5,834	49%	50%	249,005	215,200	(22,136)	12 months
Other Employee Benefits and Taxes	151,762	75,735	-	75,735	75,881	146	50%	50%	76,027	66,288	(9,447)	26 Pay Per
Contractual Services	1,665,257	701,924	106,891	808,815	832,629	130,704	49%	50%	856,442	697,943	(3,982)	12 months
Contractual Services - Fire	5,900,648	2,927,334	-	2,927,334	2,950,324	22,990	50%	50%	2,973,314	3,199,106	271,772	12 months
Contractual Services - Public Works	141,895	40,365	49,977	90,342	70,948	30,582	64%	50%	51,553	46,090	5,725	12 months
Contractual Services - Parklands Management	857,200	439,604	322,864	762,468	428,600	(11,004)	89%	50%	94,732	354,499	(85,106)	12 months
Liability / Property Insurance	727,763	363,881	-	363,881	363,881	-	50%	50%	363,881	406,386	42,505	12 months
Utilities	290,265	148,463	-	148,463	145,133	(3,330)	51%	50%	141,802	131,845	(16,618)	12 months
Automotive / Building Supplies	166,565	43,264	-	43,264	83,283	40,019	26%	50%	123,301	102,651	59,388	12 months
Training	81,388	13,991	-	13,991	40,694	26,703	17%	50%	67,397	15,821	1,830	12 months
Public Communications / Printing	116,669	18,614	13,375	31,989	58,335	39,721	27%	50%	84,680	23,470	4,856	12 months
Travel	15,094	684	-	684	7,547	6,863	5%	50%	14,410	2,260	1,576	12 months
Office / Cleeaning / Uniform Supplies	19,155	9,622	-	9,622	9,578	(44)	50%	50%	9,533	3,656	(5,966)	12 months
Other Expenses	338,470	132,468	1,375	133,608	169,235	36,767	39%	50%	228,805	183,840	51,372	12 months
Transfers Out	0	-	-	-	0	0	0%	50%	-	-	-	12 months
Total Uses	18,494,028	\$ 9,146,529	\$ 494,482	9,640,776		\$ 621,979			\$ 8,877,196	\$9,530,641	\$ 384,111	
Change in Fund Balance	977,639	(1,393,295)		(1,887,541)								
Fund Balance, Beginning of the Year	15,405,725			15,405,725								
Fund Balance, End of the Year	\$ 16,383,364			\$ 13,518,183								



Variance Analysis - Expenses

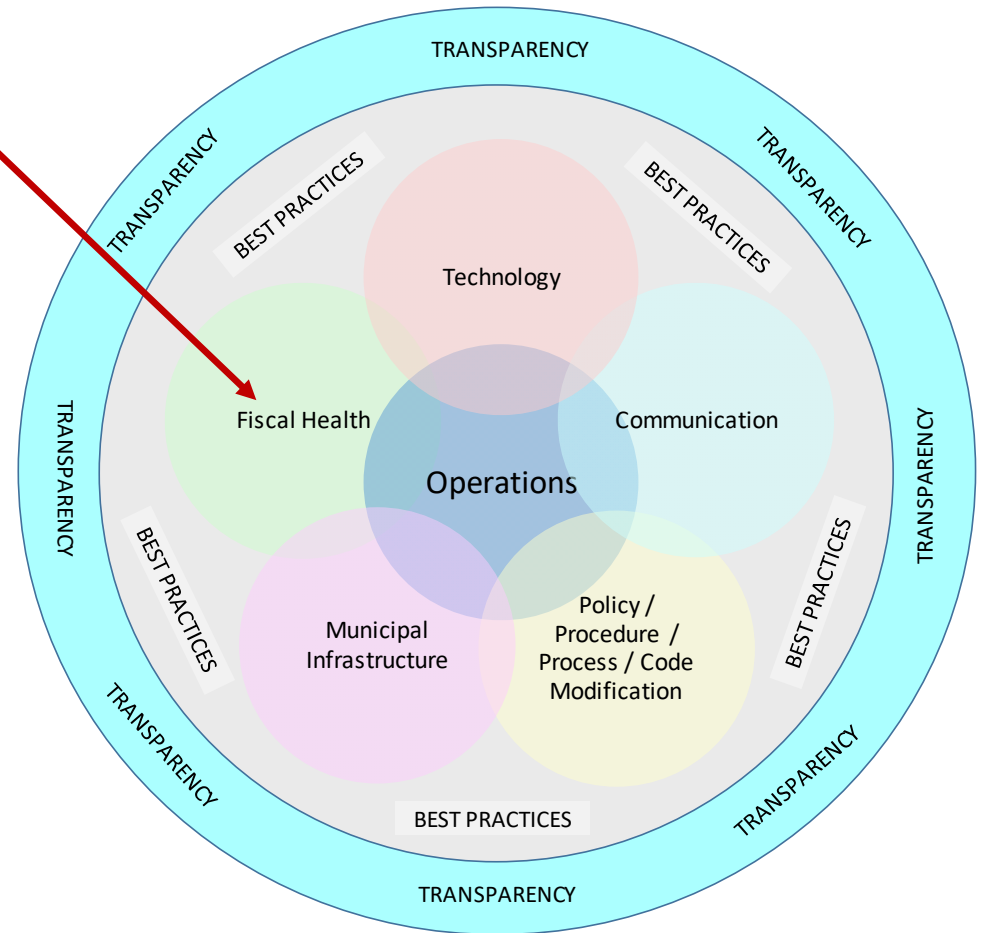
Significant current year budget to actual variances are:

- ▶ Overall, Salaries and Benefits for the General Fund have a 6.6% positive variance.
- ▶ Salaries expense has a 5.9% positive variance reflecting position vacancies.
- ▶ Overtime currently has a 33.1% negative variance primarily result of PD vacancies.
- ▶ All other expenses reflect a 6.2% positive variance, however, several contractual services lines are under reported due to delays in invoice submission and payments.



Fiscal Health

- Fiscal Year End Projections
 - Budget to Actual
- Update to the Long-term Financial Plan



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Fiscal Year End Projection

CITY OF PALOS VERDES ESTATES

PROJECTED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET TO ACTUAL

GENERAL FUND

FOR THE MONTH ENDED JUNE 30, 2021

(Unaudited)

Sources	Amended Budget	Actuals Budget Basis	Year-to-date			Target %	Unrealized Variance + (-)	Target %	Target % Basis
			Target \$	Variance + / (-)	% RCVD				
Property Taxes	\$ 8,965,207	\$ 9,076,255	\$ 8,965,207	\$ 111,048	101%	100%	\$ 111,048	Schedule	
Other Taxes	1,251,050	1,415,407	1,251,050	164,357	113%	100%	164,357	Schedule	
Licenses and Permits	523,365	523,365	523,365	-	100%	100%	-	12 months	
Revenues from Other Agencies	1,673,057	1,676,542	1,673,057	3,485	100%	100%	3,485	Schedule	
Charges for Services	507,733	697,909	507,733	190,176	137%	100%	190,176	12 months	
Interest Earnings and Rents	181,160	338,225	181,160	157,065	187%	100%	157,065	12 months	
Concessions	1,035,729	853,802	1,035,729	(181,927)	82%	100%	(181,927)	12 months	
Fines and Forfeitures	90,000	86,921	90,000	(3,079)	97%	100%	(3,079)	12 months	
Other Revenues	221,000	127,636	221,000	(93,364)	58%	100%	(93,364)	12 months	
Transfers In	5,023,366	9,221,968	5,023,366	4,198,602	184%	100%	4,198,602	Schedule	
Total Sources	\$ 19,471,667	\$ 24,018,030		\$ 4,546,363	123%		\$ 4,435,315		



Fiscal Year End Projection

Uses	Amended Budget	Actuals Budget Basis	Year-to-date				Remaining Spending Authority	Target % Basis
			Target \$	Variance + / (-)	% Used	Target %		
Salaries and Paid Compensation	\$ 4,760,606	\$ 4,497,022	\$ 4,760,606	\$ 263,584	94%	100%	\$ 263,584	26 Pay Per
Overtime	372,080	473,070	372,080	(100,990)	127%	100%	(100,990)	26 Pay Per
Retirement	679,372	630,514	679,372	48,858	93%	100%	48,858	26 Pay Per
Retirement UAL	1,042,989	1,042,989	1,042,989	-	100%	100%	-	Annual
Health / Dental / Vision Insurance	680,510	598,294	680,510	82,216	88%	100%	82,216	12 months
Workers' Compensation	486,341	478,813	486,341	7,528	98%	100%	7,528	12 months
Other Employee Benefits and Taxes	151,762	151,574	151,762	188	100%	100%	188	26 Pay Per
Contractual Services	1,665,257	1,403,849	1,665,257	261,409	84%	100%	261,409	12 months
Contractual Services - Fire	5,900,648	5,900,648	5,900,648	-	100%	100%	-	12 months
Contractual Services - Public Works	141,895	141,895	141,895	-	100%	100%	-	12 months
Contractual Services - Parklands Management	857,200	879,209	857,200	(22,009)	103%	100%	(22,009)	12 months
Liability / Property Insurance	727,763	727,763	727,763	-	100%	100%	-	12 months
Utilities	290,265	296,925	290,265	(6,660)	102%	100%	(6,660)	12 months
Automotive / Building Supplies	166,565	166,565	166,565	-	100%	100%	-	12 months
Training	81,388	81,388	81,388	-	100%	100%	-	12 months
Public Communications / Printing	116,669	116,670	116,669	-	100%	100%	-	12 months
Travel	15,094	15,094	15,094	-	100%	100%	-	12 months
Office / Cleaning / Uniform Supplies	19,155	19,155	19,155	-	100%	100%	-	12 months
Other Expenses	338,470	338,470	338,470	-	100%	100%	-	12 months
Transfers Out	0	-	0	0	0%	100%	-	12 months
Total Uses	18,494,028	17,959,906		\$ 534,124			\$ 534,124	
Change in Fund Balance	977,639	6,058,124						
Fund Balance, Beginning of the Year	15,405,725	15,405,725						
Fund Balance, End of the Year	\$ 16,383,364	\$ 21,463,849						



Update to the Long-term Financial Plan

	Actual		Projected Revenues									
	Fiscal Year											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year Total	
REVENUES (RECEIPTS)												
Property Tax	\$ 8,760,576	\$ 9,076,255	\$ 9,439,305	\$ 9,816,877	\$ 10,209,553	\$ 10,566,887	\$ 10,936,728	\$ 11,264,830	\$ 11,602,775	\$ 11,950,858	\$ 103,624,643	
Parcel Tax	4,926,290	4,979,968	5,004,868	5,029,892	5,055,042	5,080,317	5,080,317	5,080,317	5,080,317	5,080,317	50,397,644	
Other Taxes	1,348,254	1,415,407	1,251,050	1,263,561	1,276,196	1,288,958	1,301,848	1,314,866	1,328,015	1,341,295	13,129,449	
Licenses and Permits	828,925	523,365	539,066	555,238	571,895	583,333	595,000	606,900	619,038	631,418	6,054,177	
Revenue from Other Agencies	1,605,327	1,676,542	1,726,838	1,778,643	1,832,003	1,868,643	1,906,016	1,944,136	1,983,019	2,022,679	18,343,846	
Charges for Services	782,090	697,909	718,846	740,412	762,624	777,876	793,434	809,303	825,489	841,999	7,749,981	
Interest and Rents	692,256	338,225	341,607	345,023	348,474	351,958	355,478	359,033	362,623	366,249	3,860,926	
Concessions	1,224,604	853,802	862,340	870,963	879,673	888,470	897,354	906,328	915,391	924,545	9,223,471	
Fines and Forfeitures	85,001	86,921	90,000	90,900	93,627	95,500	97,410	99,358	101,345	103,372	943,432	
Other Revenues	29,335	127,636	128,912	130,201	131,503	132,819	134,147	135,488	136,843	138,211	1,225,096	
Transfers In	-	4,243,000	-	-	-	-	-	-	-	-	4,243,000	
Total Revenues	\$ 20,282,658	\$ 24,019,030	\$ 20,102,833	\$ 20,621,711	\$ 21,160,589	\$ 21,634,760	\$ 22,097,730	\$ 22,520,558	\$ 22,954,853	\$ 23,400,943	\$ 218,795,666	
		<p>Note: FY 2020 are actual values and FY 2021 are year-end projections</p> <p>Note: Value escalators, that is the percentages used to calculate projected revenues and expenses, were developed from a six year review of actual results. In creating these percentages, the high and low year-over-year percentage changes for each line item category were removed. All revenue percentages were rounded down and all expenses were rounded up. In some cases additional adjustments were made to ensure a more conservative approach. These values will continue to be monitored and adjusted as each additional year of data becomes available.</p> <p>Note: This model only includes actions already approved by the City Council.</p> <p>Note: The presentation is still a DRAFT. Additional sections which will present the required and intended use of fund balance classifications as well as the funding of key priorities of the City are still under development. It will continue to be developed until it is determined to be presented as an operating working model</p>										



Update to the Long-term Financial Plan

Actual

Projected Expenses By Department

Department	Fiscal Year											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	10-Year Total	
City Council	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
City Manager	608,879	861,791	899,929	932,681	973,354	1,007,960	1,044,800	1,076,421	1,109,373	1,143,738	9,658,926	
City Attorney	272,679	218,000	225,387	229,955	237,650	244,903	252,864	258,782	265,009	271,571	2,476,801	
City Support Services	722,770	750,501	778,731	799,782	829,422	856,679	886,073	908,738	932,432	957,231	8,422,359	
Public Safety	7,194,870	6,745,198	7,109,252	7,407,966	7,798,607	8,172,307	8,574,388	8,916,958	9,277,609	9,657,508	80,854,662	
Fire Contract	5,481,255	5,900,648	6,150,133	6,435,599	7,050,631	7,379,703	7,732,172	8,041,149	8,365,822	8,707,155	71,244,267	
Community Planning and Development	1,063,443	722,237	750,612	768,023	797,657	823,362	851,774	869,837	888,951	909,216	8,445,112	
Public Works	2,569,368	2,761,530	2,919,455	3,055,785	3,226,778	3,393,660	3,572,723	3,732,693	3,901,401	4,079,388	33,212,781	
Total by Department	17,913,264	17,959,905	\$18,833,499	\$19,629,791	\$20,914,099	\$21,878,574	\$22,914,794	\$23,804,579	\$24,740,597	\$25,725,807	\$214,314,908	
Net Revenues over Expenditures	2,369,394	6,059,125	1,269,335	991,920	246,490	(243,813)	(817,064)	(1,284,022)	(1,785,743)	(2,324,864)	\$ (214,314,908)	
Ending Fund Balance	\$ 15,405,724	\$ 21,464,849	\$ 22,734,184	\$ 23,726,104	\$ 23,972,595	\$ 23,728,781	\$ 22,911,717	\$ 21,627,696	\$ 19,841,952	\$ 17,517,089		
		<p>Note: FY 2020 are actual values and FY 2021 are year-end projections</p> <p>Note: Value escalators, that is the percentages used to calculate projected revenues and expenses, were developed from a six year review of actual results. In creating these percentages, the high and low year-over-year percentage changes for each line item category were removed. All revenue percentages were rounded down and all expenses were rounded up. In some cases additional adjustments were made to ensure a more conservative approach. These values will continue to be monitored and adjusted as each additional year of data becomes available.</p> <p>Note: This model only includes actions already approved by the City Council.</p> <p>Note: The presentation is still a DRAFT. Additional sections which will present the required and intended use of fund balance classifications as well as the funding of key priorities of the City are still under development. It will continue to be developed until it is determined to be presented as an operating working model</p>										



Update to the Long-term Financial Plan

Items that could effect this presentation:

- Pension Costs and Discount Rates
- Police ADHOC Committee
- Significant capital program expenses
- Priority Planning Model



Questions



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