CITY OF ROLLING HILLS, CALIFORNIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CITY OF ROLLING HILLS, CALIFORNIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY:

THE CITY OF ROLLING HILLS, CALIFORNIA

FINANCIAL SERVICES DEPARTMENT

CITY OF ROLLING HILLS, CALIFORNIA

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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CITY OF ROLLING HILLS, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	$ 6,690,759	$ 532,190	$ 7,222,949
Receivables:			
Accounts	240,809	42,467	283,276
Accrued interest	31,033	-	31,033
Deposits	675,295	-	675,295
Prepaid costs	6,207	-	6,207
Restricted cash and investments	382,972	-	382,972
Capital assets not being depreciated	572,040	-	572,040
Capital assets, net of depreciation	27,089	-	27,089
Net other post-employment benefits asset	209,226	-	209,226
Total Assets	**8,835,430**	**574,657**	**9,410,087**
Deferred Outflows of Resources:			
Pension deferrals	199,070	-	199,070
Other post-employment benefit deferrals	18,424	-	18,424
Total Deferred Outflows of Resources	**217,494**	**-**	**217,494**
Liabilities:			
Accounts payable	271,311	397,136	668,447
Accrued liabilities	16,568	-	16,568
Deposits payable	7,964	-	7,964
Compensated absences, due within one year	7,000	-	7,000
Noncurrent liabilities:			
Compensated absences	22,437	-	22,437
Net pension liability	622,418	-	622,418
Total Liabilities	**947,698**	**397,136**	**1,344,834**
Deferred Inflows of Resources:			
Pension deferrals	69,631	-	69,631
Other post-employment benefit deferrals	1,393	-	1,393
Total Deferred Inflows of Resources	**71,024**	**-**	**71,024**
Net Position:			
Investment in capital assets	599,129	-	599,129
Restricted:			
Public safety	68,531	-	68,531
Public works	132,092	-	132,092
Capital projects	1,463,200	-	1,463,200
Quimby Act	11,255	-	11,255
Pension stabilization trust	382,972	-	382,972
Unrestricted	5,377,023	177,521	5,554,544
Total Net Position	**$ 8,034,202**	**$ 177,521**	**$ 8,211,723**

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position — Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
General government	$ 867,059	$ 694	$ 56,250	$ (810,115)	$ -	$ (810,115)
Public safety	397,442	20,976	149,744	(226,722)	-	(226,722)
Planning and development	735,605	515,247	-	(220,358)	-	(220,358)
Recreation	2,500	-	-	(2,500)	-	(2,500)
Public works	161,743	-	121,673	(40,070)	-	(40,070)
Total Governmental Activities	2,164,349	536,917	327,667	(1,299,765)	-	(1,299,765)
Business-Type Activities:						
Refuse collection	794,196	770,401	-	-	(23,795)	(23,795)
Total Business-Type Activities	794,196	770,401	-	-	(23,795)	(23,795)
Total	**$ 2,958,545**	**$ 1,307,318**	**$ 327,667**	**(1,299,765)**	**(23,795)**	**(1,323,560)**
General Revenues:						
Taxes:						
Property taxes				1,189,613	-	1,189,613
Sales taxes				6,455	-	6,455
Franchise taxes				14,930	-	14,930
Other taxes				56,011	-	56,011
Motor vehicle in lieu - unrestricted				215,126	-	215,126
Use of money and property				277,023	-	277,023
Other				7,276	-	7,276
Transfers				24,000	(24,000)	-
Total General Revenues and Transfers				**1,790,434**	**(24,000)**	**1,766,434**
Change in Net Position				490,669	(47,795)	442,874
Net Position, Beginning of the Year				7,543,533	225,316	7,768,849
Net Position, End of the Year				**$ 8,034,202**	**$ 177,521**	**$ 8,211,723**

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Transit Fund	Capital Projects Fund: Underground Utility Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	$ 5,284,557	$ 166,411	$ 787,905	$ 191,512	$ 6,430,385
Receivables:					
Accounts	240,809	-	-	-	240,809
Accrued interest	31,033	-	-	-	31,033
Deposits	-	-	675,295	-	675,295
Prepaid costs	6,207	-	-	-	6,207
Restricted cash and investments	382,972	-	-	-	382,972
Total Assets	**$ 5,945,578**	**$ 166,411**	**$ 1,463,200**	**$ 191,512**	**$ 7,766,701**
Liabilities and Fund Balance:					
Liabilities:					
Accounts payable	$ 125,266	$ 140,000	$ -	$ 6,045	$ 271,311
Accrued liabilities	16,568	-	-	-	16,568
Deposits payable	7,964	-	-	-	7,964
Total Liabilities	149,798	140,000	-	6,045	295,843
Fund Balance:					
Nonspendable:					
Prepaid costs	6,207	-	-	-	6,207
Restricted:					
Public safety - police	-	-	-	68,531	68,531
Grants - public works	-	26,411	-	105,681	132,092
Capital projects	-	-	1,463,200	-	1,463,200
Quimby Act	-	-	-	11,255	11,255
Pension stabilization trust	382,972	-	-	-	382,972
Unassigned	5,406,601	-	-	-	5,406,601
Total Fund Balance	5,795,780	26,411	1,463,200	185,467	7,470,858
Total Liabilities and Fund Balance	**$ 5,945,578**	**$ 166,411**	**$ 1,463,200**	**$ 191,512**	**$ 7,766,701**

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		$ 7,470,858
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		599,129
Compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.		(29,437)
Governmental funds report all pension contributions as expenditures; however, in the statement of activities, the excess/deficiency of the total pension liability over/under the plan fiduciary net position is reported as a net pension liability/asset.		(622,418)
Pension-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	$ 68,379	
Changes in assumptions	73,770	
Difference between expected and actual experiences	24,828	
Net difference between projected and actual earnings on plan investments	3,199	
Adjustments due to differences in proportions	28,894	199,070
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Changes in assumptions	(18,080)	
Difference between expected and actual experiences	(8,449)	
Difference in proportionate share	(43,102)	(69,631)
Governmental funds report all other post-employment benefits contributions as expenditures; however, in the statement of net position, the excess of the plan fiduciary net position over the total other post-employment benefits liability is reported as a net other post-employment benefits asset.		209,226
Other post-employment benefits-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date		18,424
Other post-employment benefits-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Investment Gains/Losses		(1,393)
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		260,374
Net Position of Governmental Activities		**$ 8,034,202**

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General	Transit Fund	Capital Projects Fund: Underground Utility Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 1,267,009	$ -	$ -	$ -	$ 1,267,009
Licenses and permits	482,048	-	-	-	482,048
Intergovernmental	272,373	70,592	-	199,828	542,793
Charges for services	33,893	-	-	-	33,893
Use of money and property	269,036	3,327	-	4,660	277,023
Fines and forfeitures	20,976	-	-	-	20,976
Miscellaneous	7,276	-	-	-	7,276
Total Revenues	**2,352,611**	**73,919**	**-**	**204,488**	**2,631,018**
Expenditures:					
Current:					
General government	874,197	-	-	-	874,197
Public safety	245,361	-	-	152,081	397,442
Planning and development	739,254	-	-	-	739,254
Recreation	-	-	-	2,500	2,500
Public works	-	140,000	17,500	15,755	173,255
Capital outlay	-	-	-	13,211	13,211
Total Expenditures	**1,858,812**	**140,000**	**17,500**	**183,547**	**2,199,859**
Excess (Deficiency) of Revenues Over (Under) Expenditures	493,799	(66,081)	(17,500)	20,941	431,159
Other Financing Sources (Uses):					
Transfers in	24,000	-	-	28,966	52,966
Transfers out	(28,966)	-	-	-	(28,966)
Total Other Financing Sources (Uses)	**(4,966)**	**-**	**-**	**28,966**	**24,000**
Net Change in Fund Balance	488,833	(66,081)	(17,500)	49,907	455,159
Fund Balance, Beginning of the Year	5,306,947	92,492	1,480,700	135,560	7,015,699
Fund Balance, End of the Year	**$ 5,795,780**	**$ 26,411**	**$ 1,463,200**	**$ 185,467**	**$ 7,470,858**

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		$ 455,159
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays was less than depreciation expense in the current period.		
Capital outlay	$ 24,723	
Depreciation	(2,403)	22,320
Compensated absences 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.		(5,133)
Pension obligation 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.		8,407
Other post-employment benefits obligation 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.		9,916
Change in Net Position of Governmental Activities		**$ 490,669**

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Fund	Governmental Activities- Internal Service Fund
	Refuse Collection Fund	
Assets:		
Current:		
Cash and investments	$ 532,190	$ 260,374
Accounts receivable	42,467	-
Total Current Assets	574,657	260,374
Total Assets	**574,657**	**260,374**
Liabilities:		
Current:		
Accounts payable	397,136	-
Total Current Liabilities	397,136	-
Total Liabilities	**397,136**	**-**
Net Position:		
Unrestricted	177,521	260,374
Total Net Position	**$ 177,521**	**$ 260,374**

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The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Fund: Refuse Collection Fund	Governmental Activities- Internal Service Fund
Operating Revenues:		
Sales and service charges	$ 770,401	$ -
Total Operating Revenues	**770,401**	**-**
Operating Expenses:		
Refuse collection	794,196	-
Total Operating Expenses	**794,196**	**-**
Operating Loss Before Transfers	(23,795)	-
Transfers out	(24,000)	-
Change in Net Position	(47,795)	-
Net Position, Beginning of the Year	225,316	260,374
Net Position, End of the Year	**$ 177,521**	**$ 260,374**

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALIFORNIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Fund Refuse Collection Fund	Governmental Activities- Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from customers and users	$ 766,442	$ -
Cash paid to suppliers for goods and services	(784,445)	-
Net Cash Used for Operating Activities	**(18,003)**	**-**
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	(24,000)	-
Net Cash Used for Non-Capital Financing Activities	**(24,000)**	**-**
Net Decrease in Cash and Cash Equivalents	(42,003)	-
Cash and Cash Equivalents, July 1	574,193	260,374
Cash and Cash Equivalents, June 30	**$ 532,190**	**$ 260,374**
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating loss	$ (23,795)	$ -
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Increase in accounts receivable	(3,959)	-
Increase in accounts payable	9,751	-
Total adjustments	5,792	-
Net Cash Provided by Operating Activities	**$ (18,003)**	**$ -**

Non-Cash Investing, Capital, and Financing Activities:
There were no non-cash transactions during the fiscal year

The notes to financial statements are an integral part of this statement.

CITY OF ROLLING HILLS, CALFORNIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2019

	Agency Fund
Assets:	
Cash and investments	**$ 1,303**
Total Assets	**$ 1,303**
Liabilities:	
Deposits payable	$ 1,303
Total Liabilities	**$ 1,303**

The notes to financial statements are an integral part of this statement.

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

The basic financial statements of the City of Rolling Hills, California (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Description of Entity

The accompanying basic financial statements present the financial activity of the City of Rolling Hills. The City is the level of government primarily accountable for activities relevant to the operations of the City of Rolling Hills, California.

The City of Rolling Hills (the City) was incorporated on January 25, 1957, under the provisions of the State of California. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, sanitation, animal control, culture and recreation, public improvement planning and zoning, and general administrative services.

The Rolling Hills Community Association is not a part of the City's reporting entity because the City has no accountability for fiscal matters of the Rolling Hills Community Association.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's proprietary funds function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Transit special revenue fund is used to account for restricted financial resources received from Proposition A and Proposition C grant funding.

The Underground Utility capital projects fund is used to facilitate the expenditures necessary to construct the City's underground utility projects.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary fund:

The Refuse Collection Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the City reports the following fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- The internal service fund accounts for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. The City's internal service fund is for self-insurance.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 government's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Agency funds are used to account for assets held by the City in an agency capacity. The City reports an Agency fund for deposits.

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

<u>Cash and Investments</u>

All cash and investments, except those that are held by fiscal agents, are held in a City pool. These pooled funds are available upon demand and, therefore, are considered cash and cash equivalents for purposes of the statement of cash flows. Investments held by fiscal agents with an original maturity of three months or less are also considered cash equivalents and are shown as restricted assets for financial statement presentation purposes.

Investments for the City, as well as for its component units, are reported at fair value. The City's policy is generally to hold investments until maturity.

<u>Receivables and Payables</u>

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of allowance for uncollectibles.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the purchases method.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building improvements	7-50
Improvements other than buildings	20
Computer equipment	5-20
Equipment and vehicles	5-20
Furniture and fixtures	20

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, which will be paid to employees in the period taken or upon separation from City's service. All vacation pay is accrued when incurred in the government-wide financial statements. In governmental funds, the cost of vacations is recognized when payments are made to employees.

Accumulated sick leave benefits are not recognized as liabilities of the City. The City's policy is to record sick leave as an operational expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and governmental fund balance sheet 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 position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. They are deferred outflows relating to the net pension obligation and deferred outflows related

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

to other post-employment benefits reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, the net difference between projected and actual earnings on plan investments, changes in actuarial assumptions, differences between expected and actual experiences, and adjustments due to differences in proportions. The amounts for contributions made after the measurement period will be recognized in the subsequent fiscal year; the net difference between projected and actual earnings on plan investments will be amortized over five years; and all remaining deferrals will be amortized over the remaining expected average remaining service life.

In addition to liabilities, the statement of financial position or governmental fund 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government may report one item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, accordingly, unavailable revenue, is reported only in the governmental funds balance sheet and is related to grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item that qualifies for reporting in this category are deferred inflows relating to the net pension obligation reported in the government-wide statement of net position. These inflows are the result changes in actuarial assumptions, differences between expected and actual experiences, adjustments to proportions, and differences in the proportionate share of contributions. These amounts are deferred and amortized over the remaining service life.

Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

Non-spendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through resolution. The City has no committed fund balance as of June 30, 2019.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The assigned balance is set aside with the intent to be used for a specific purpose by the City Council through resolution.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include non-spendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications.

The City established certain a minimum fund balance policy as follows:

The General Fund, Community Facilities Fund, and Utility Fund shall maintain unrestricted fund balance (amount remaining after non-spendable and restricted fund balance) equivalent to a minimum of 100% of originally adopted annual expenditures (excluding one-time expenditures greater than $25,000) before transfers plus any City Council approved committed or assigned fund balance.

Fund Equity Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Property Tax

Property tax revenue is recognized on the basis of GASB Code Section P70, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period.

The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 AM on the first day in January prior to the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, by December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 each year and are delinquent, if unpaid, on August 31.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD): June 30, 2017

Measurement Date (MD): June 30, 2018

Measurement Period (MP): July 1, 2017 to June 30, 2018

Other Post-Employment Benefits Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by the California Public Employees' Retirement System (CalPERS), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD): June 30, 2017

Measurement Date (MD): June 30, 2018

Measurement Period (MP): July 1, 2017 to June 30, 2018

II. DETAILED NOTES ON ALL FUNDS

Note 2: Cash and Investments

As of June 30, 2019, cash and investments were reported in the accompanying financial statements as follows:

Cash and Investments:		
Governmental activities	$	6,690,759
Business-type activities		532,190
Fiduciary funds		1,303
Total cash and investments		7,224,252
Restricted cash and investments:		
Governmental activities		382,972
Total restricted cash and investments		382,972
Total	$	7,607,224

Cash and investments as of June 30, 2019, consisted of the following:

Cash on hand	$	1,500
Demand deposits		1,089,305
Restricted investments (Section 115 Trust)		382,972
Investments		6,133,447
Total Cash and Investments	$	7,607,224

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated annually to the various funds based on average daily cash balances. Interest Income from cash and investments with fiscal agents is credited directly to the related fund.

a. Deposits

As of June 30, 2019, the carrying amount of the City's deposits was $1,089,305 and the bank balance was $1,334,652. The $245,347 difference represents outstanding checks and deposits in transit.

Note 2: Cash and Investments (Continued)

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to $250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

b. Investments

Under provision of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- U.S. Treasury Bonds, Notes and Bills
- Money Market Savings Accounts
- Local Agency Investment Fund (State Pool)
- Deposit of Funds

c. Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

d. Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

e. Pension Rate Stabilization Program Section 115 Trust

In July 2018, the City Council authorized participation in the PARS Pension Rate Stabilization Program Section 115 Trust in order to mitigate rising pension costs through CalPERS. The initial funding amount was $185,000. The program has been established as a multiple employer trust so that public agencies regardless of size can join the program and receive the necessary economies of scale to keep administrative feels low and avoid any setup costs. The trust permits the City, under Federal and State law, to invest in a more diversified array of investments to maximize investment returns long term. The balance of the Trust at June 30, 2019 is $382,972 and is reported as restricted cash and investments.

Note 2: Cash and Investments (Continued)

f. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City mitigates its credit risk generally by following its three primary investment objectives, in order, of safety, liquidity and yield. The California Government Code generally limits allowable investments to those classes of investments with lower risk (and therefore lower yields). The City's investment policy further restricts these investments to the highest quality within a category and excludes certain otherwise allowable investments as not meeting the City's liquidity requirement.

Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2019, all securities were investment grade and were legal under State and City law. Investments in U.S. government securities are not considered to have a credit risk and, therefore, their credit quality is not disclosed As of June 30, 2019, the City's investments in external investment pools and money market mutual funds are unrated.

g. Custodial Credit Risk – need amount from client

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2019, $_____ of the City's deposits or investments were exposed to custodial credit risk, although deposits are classified as local agency collateralized deposit account.

h. Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. As of June 30, 2019, in accordance with GASB Statement No. 40, if the City has invested more than 5% of its total investments in any one issuer then it is exposed to credit risk. The Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this.

As of June 30, 2019, none of the City's deposits or investment were exposed to concentration of credit risk.

Note 2: Cash and Investments (Continued)

i. Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy establishes a maximum maturity of three years for all individual investments.

As of June 30, 2019, the City had the following investments and original maturities:

	Investment Maturities (in Years)			
	1 year or less	1 - 3 years	3 - 5 years	Fair Value
Investments:				
Local Agency Investment Fund	$ 2,680,900	$ -	$ -	$ 2,680,900
Money Market Saving Accounts	254,847	-	-	254,847
Certificates of Deposits	2,704,353	493,347	-	3,197,700
Restricted investments:				
Money Market Funds	382,972	-	-	382,972
	$ 6,023,072	$ 493,347	$ -	$ 6,516,419

j. Fair Value Hierarchy

The City categorizes 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 significant other observable inputs; Level 3 inputs are significant unobservable inputs. At June 30, 2019, all of the City's investments are valued using Level 1 inputs, with the exception of the Local Agency Investment Fund, which is considered to be uncategorized.

Note 3: Receivables

Receivables at June 30, 2019, for the City's individual major funds, and non-major and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are detailed below. All receivables are expected to be collected within one year, except for delinquent property taxes.

Accounts Receivable	General Fund	Refuse Collection Fund	Total
Accounts	$ 240,809	$ -	$ 240,809
Taxes assessed for rubbish collection	-	42,467	42,467
Total Receivables	$ 240,809	$ 42,467	$ 283,276

Note 4: Interfund Transfers

Individual fund operating transfers for the fiscal year ended June 30, 2019, are as follows:

	Transfers Out		
Funds	General Fund	Refuse Collection Fund	Total
Transfers In:			
General Fund	$ -	$ 24,000	$ 24,000
Non-Major Funds	28,966	-	28,966
Total	$ 28,966	$ 24,000	$ 52,966

The General Fund transferred out $28,966 to the non-major governmental funds for covering costs incurred for Road Striping Project and to cover project expenditures. The Refuse Collection Fund transferred out $24,000 to the General Fund to cover administrative expenditures in the current fiscal year.

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 564,040	$ -	$ -	$ 564,040
Construction-in-progress	475	7,525	-	8,000
Total Capital Assets, Not Being Depreciated	564,515	7,525	-	572,040
Capital assets, being depreciated:				
Land Improvements	176,139	-	-	176,139
Equipment	-	11,987	-	11,987
Fixtures	13,660	5,211	-	18,871
Total Capital Assets, Being Depreciated	189,799	17,198	-	206,997
Less accumulated depreciation:				
Land Improvements	176,139	-	-	176,139
Equipment	-	1,199	-	1,199
Fixtures	1,366	1,204	-	2,570
Total Accumulated Depreciation	177,505	2,403	-	179,908
Total capital assets being depreciated, net	12,294	14,795	-	27,089
Governmental Activities Capital Assets, net	$ 576,809	$ 22,320	$ -	$ 599,129

During the fiscal year ended June 30, 2019, depreciation expense was $2,403 and allocated to general government functional expense.

Note 6: Compensated Absences

The following is a summary of changes in compensated absences of the City for the fiscal year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Compensated Absences	$ 24,304	$ 30,863	$ 25,730	$ 29,437	7,000
Total	$ 24,304	$ 30,863	$ 25,730	$ 29,437	$ 7,000

Liabilities for compensated absences are typically liquidated by the General Fund.

Note 7: Liability, Insured Programs and Workers' Compensation Protection

a. Description of Self-Insured Pool Pursuant to Joint Powers Agreement

The City of Rolling Hills is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 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.

b. Primary Self-Insurance Programs of the Authority

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 $30,000 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 $30,000 to $750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $750,000 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 have a sub-limit of $40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: https://cjpia.org/protection/coverage-programs.

Note 7: Liability, Insured Programs and Workers' Compensation Protection (Continued)

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $50,000 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 $50,000 to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2018-19 the Authority's pooled retention is $2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $2 million. Coverage from $2 million to $5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from $5 million to $10 million are pooled among members.

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Rolling Hills 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 Rolling Hills. Coverage is on a claims-made basis. There is a $50,000 deductible. The Authority has an aggregate limit of $50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a $10 million sublimit during the 3-year policy term.

Property Insurance

The City of Rolling Hills participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Rolling Hills property is currently insured according to a schedule of covered property submitted by the City of Rolling Hills to the Authority. City of Rolling Hills property currently has all-risk property insurance protection in the amount of $996,407. There is a $10,000 deductible per occurrence except for nonemergency vehicle insurance which has a $2,500 deductible.

Crime Insurance

The City of Rolling Hills purchases crime insurance coverage in the amount of $1,000,000 with a $2,500 deductible. The fidelity coverage is provided through the Authority.

d. 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 2018-19.

Note 8: Pension Plan Obligations

a. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City of Rolling Hills' cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. The City of Rolling Hills has a Miscellaneous cost-sharing plan including the Classic Tier and PEPRA Tier.

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 non-duty 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.

Note 8: Pension Plan Obligations (Continued)

Below is a summary of the plans' provisions and benefits in effect at June 30, 2019, for which the City of Rolling Hills has contracted:

Major Benefit Options	Miscellaneous	Miscellaneous PEPRA
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Provision		
Benefit Formula	2.0% @ 60	2.0% @ 62
Social Security	yes	no
Full/Modified	modified	modified
Benefit vesting schedule	5 yrs service	5 yrs service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50	
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employer contribution rates	16.269%	8.297%
Required employee contribution rates	6.910%	6.500%

New entrants are not allowed in the Miscellaneous Classic Tier.

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 the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as a reduction to the net pension liability for all Plans was $54,671.

Note 8: Pension Plan Obligations (Continued)

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the City of Rolling Hills reported net pension liability for its proportionate shares of the net pension liability of the Plan was $622,418.

The City of Rolling Hills' net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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 Plan as of June 30, 2017 and 2018, was as follows:

	Miscellaneous Classic
Proportion - June 30, 2017	0.00633%
Proportion - June 30, 2018	0.00679%
Change - Increase (Decrease)	7.26698%

For the year ended June 30, 2019, the City of Rolling Hills recognized pension expense of $59,971. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 68,379	$ -
Change in assumptions	73,770	18,080
Difference between expected and actual experiences	24,828	8,449
Net difference between projected and actual earnings on plan investments	3,199	-
Adjustment due to differences in proportions	28,894	-
Difference in proportionate share of contributions	-	43,102
Total	$ 199,070	$ 69,631

Note 8: Pension Plan Obligations (Continued)

The $68,379 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2020	$ 56,471
2021	30,418
2022	(20,009)
2023	(5,820)

Actuarial Assumptions

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017, total pension liability. The June 30, 2017 and the June 30, 2018, total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00%
Mortality Rate Table [(1)]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

[(1)] The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Note 8: Pension Plan Obligations (Continued)

Change in Assumptions

For the measurement date June 30, 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Note 8: Pension Plan Obligations (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.0	(0.92)

(1) An expected inflation of 2.0% used for this period.
(2) An expected inflation of 2.92% used for this period.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</u>

The following presents the City's proportionate share of the net pension liability/ (asset) of the Plan, calculated using the discount rate for the 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% point lower (6.15 percent) or 1% point higher (8.15 percent) than the current rate:

Plan's Net Pension Liability/(Assets)	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	$ 1,014,733	$ 622,418	$ 298,568

<u>Pension Plan Fiduciary Net Position</u>

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

c. Pension Rate Stabilization Program Section 115 Trust

The City holds investments in a Section 115 Trust for pension stabilization. The current market value of the trust is $382,972. This trust fund is not included in the calculation of the net pension liability, as the assets are not in the custody of the plan administrator, CalPERS. Refer to Note 2 for additional information.

Note 9: Other Post-Employment Health Care Benefits

a. Plan Description

The City provides retiree medical benefits through an agent multiple-employer defined benefit healthcare plan, administered by the California Public Employees' Retirement System (CalPERS) which provides medical insurance benefits to eligible retirees. A separate financial report is not available for the plan. Employees are eligible for retiree health benefits if they retire from the City on or after age 60 with at least 5 years of service with the City and are eligible for a PERS pension.

b. Employees Covered

Membership of the plan consisted of 5 eligible active employees and 4 enrolled eligible retirees at June 30, 2019. These amounts do not reflect current retirees not enrolled in the CalPERS health plan who are eligible to enroll in the plan at a later date.

c. Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage. The actual contribution is based on projected pay-as-you-go financing requirements. For the measurement dated ended June 30, 2018, the City's contributions were $18,424 in total payments, which were recognized as a reduction to the OPEB liability.

d. Net OPEB Asset

The City's net OPEB asset was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Inflation:	2.75% per year
Investment Return / Discount Rate:	6.50% per year
Healthcare Trend:	4.00% per year
Payroll Increase:	2.75% per year
Mortality:	2009 CalPERS Mortality for Active Miscellaneous Employees
Retirement Rates:	2009 CalPERS 2.0% @ 60 Rates for Miscellaneous Employees (adjusted to reflect a minimum retirement age of 52 for those hired after 2012)

Note 9: Other Post-Employment Health Care Benefits (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Assumed Gross Return
US Large Cap	40.00%	7.795%
US Small Cap	10.00%	7.795%
Long-Term Corporate Bonds	18.00%	5.295%
Long-Term Government Bonds	6.00%	4.500%
Treasury Inflation Protected Securities (TIPS)	15.00%	7.795%
US Real Estate	8.00%	7.795%
All Commodities	3.00%	7.795%
Total	100.00%	

The City's actuary has taken the position that the concept of Implicit Rate Subsidy in determining the Total OPEB Liability is not applicable for the CalPERS-administered benefits plan, and as such has utilized an exception to Actuarial Standard of Practice No. 6.

e. Discount Rate

The discount rate used to measure the total OPEB liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

f. Changes in the OPEB Liability (Asset)

	Total OPEB Liability	Fiduciary Net Position	Total OPEB Liability (Asset)
Roll back balance at June 30, 2017	$ 351,015	$ 549,934	$ (198,919)
Service Cost	18,785	-	18,785
Interest on TOL	22,828	-	22,828
Employer Contributions	-	18,424	(18,424)
Actual Investment Income	-	35,713	(35,713)
Investment Gains/Losses	-	(1,742)	1,742
Administrative Expense	-	(1,017)	1,017
Benefit Payments	(18,424)	(18,424)	-
Other	-	542	(542)
Net Change during 2017-18	23,189	33,496	(10,307)
Balance at June 30, 2018 *	$ 374,204	$ 583,430	$ (209,226)

*Measurement Date

Note 9: Other Post-Employment Health Care Benefits (Continued)

g. Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB Asset	$ (168,578)	$ (209,226)	$ (243,622)

h. Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current Healthcare Cost Trent Rates	1% Increase
Net OPEB Asset	$ (247,357)	$ (209,226)	$ (165,240)

i. OPEB Plan Fiduciary Net Position

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from CalPERS' website at www.calpers.ca.gov.

j. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of $7,266. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 18,424	$ -
Investment gains/losses	-	1,393
Deferred Balances	$ 18,424	$ 1,393

Note 9: Other Post-Employment Health Care Benefits (Continued)

The $18,424 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. All other deferred items will be amortized and recognized in pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2020	$ (349)
2021	(349)
2022	(349)
2023	(346)

Note 10: Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Pursuant to the IRC 457 subsection (g); all amounts of compensation deferred under the deferred compensation plan, all property, or rights are solely the property and rights of the employee and beneficiaries of the plan. Deferred compensation funds are not subject to the claims of the City's general creditors; consequently, the assets and related liabilities of the plan are not included within the City's financial statements. The ending investment balance of the plan as of June 30, 2019, was $1,108,654.

Note 11: Commitments and Contingencies

a. Litigation

In the opinion of the California Joint Powers Insurance Authority, there are no known claims which would exceed the City's applicable coverage. The City's management is not aware of any lawsuits or claims that would have a material adverse effects on the financial position of the City.

b. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by prior year's audits of the financial statements or by a prior year single audit of a Federal grant program; grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

Stewardship, Compliance and Accountability

General Budget Policies

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year. Annual budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The City Council reviews a tentative budget and adopts a final budget after a public hearing is conducted to receive comments prior to adoption. The City's governing board satisfied these requirements.

Expenditures may not exceed the total annual budgeted amount in any category without the approval of the City Council. Throughout the fiscal year, monthly financial reports comparing actual figures with budgeted figures are prepared and distributed to the City Manager and members of the City Council. As these reports are reviewed, attention is drawn to variations between budgeted amounts and actual amounts and if necessary the City Council considers the need for increases in expenditure categories. The original adopted budgets are revised by the City Council during the year to give consideration to these modified expenditure categories and to unanticipated income. It is this final revised budget including all revisions and amendments approved by the City Council subsequent to the initial budget adoption that is presented in the financial statements.

The level of appropriated budgetary control is the total adopted budget which is defined as the total budget for all funds and divisions. The City Manager may authorize transfers of appropriations within the sub-categories of the major expenditure categories of the adopted budget. Supplemental appropriations during the year must be approved by the City Council.

Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the subsequent year's budget by action of the City Council.

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 5,306,947	$ 5,306,947	$ 5,306,947	$ -
Resources (Inflows):				
Taxes	1,132,000	1,132,000	1,267,009	135,009
Licenses and permits	560,000	560,000	482,048	(77,952)
Intergovernmental	272,250	272,250	272,373	123
Charges for services	41,300	41,300	33,893	(7,407)
Use of money and property	141,000	141,000	269,036	128,036
Fines and forfeitures	14,900	14,900	20,976	6,076
Miscellaneous	7,500	7,500	7,276	(224)
Transfers in	24,000	24,000	24,000	-
Amounts Available for Appropriations	**7,499,897**	**7,499,897**	**7,683,558**	**183,661**
Charges to Appropriations (Outflows):				
General government	1,139,450	1,156,325	874,197	282,128
Public safety	297,600	297,600	245,361	52,239
Planning and Development	841,100	866,100	739,254	126,846
Capital outlay	-	32,000	-	32,000
Transfers out	286,800	286,800	28,966	257,834
Total Charges to Appropriations	**2,564,950**	**2,638,825**	**1,887,778**	**751,047**
Budgetary Fund Balance, June 30	**$ 4,934,947**	**$ 4,861,072**	**$ 5,795,780**	**$ 934,708**

The notes to required supplementary information are an integral part of this schedule.

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 92,492	$ 92,492	$ 92,492	$ -
Resources (Inflows):				
Intergovernmental	68,900	68,900	70,592	1,692
Use of money and property	300	300	3,327	3,027
Amounts Available for Appropriations	**161,692**	**161,692**	**166,411**	**4,719**
Charges to Appropriations (Outflows):				
Public works	140,000	140,000	140,000	-
Total Charges to Appropriations	**140,000**	**140,000**	**140,000**	**-**
Budgetary Fund Balance, June 30	**$ 21,692**	**$ 21,692**	**$ 26,411**	**$ 4,719**

The notes to required supplementary information are an integral part of this schedule.

CITY OF ROLLING HILLS, CALIFORNIA

COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS [1]

	2019	2018	2017	2016	2015
Measurement Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the Net Pension Liability	0.00679%	0.00633%	0.00611%	0.00539%	0.00678%
Proportionate Share of the Net Pension Liability	$ 622,418	$ 627,859	$ 528,827	$ 369,954	$ 421,924
Covered Payroll	$ 408,643	$ 492,817	$ 465,123	$ 453,661	$ 410,896
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	152.31%	127.40%	113.70%	81.55%	102.68%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.69%	75.39%	75.87%	79.82%	78.40%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency

Changes of Assumptions: In 2018, demographic and inflation rate were changes in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

[1] Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2014-15 was the first year of implementation, therefore only five years are shown.

CITY OF ROLLING HILLS, CALIFORNIA

COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS [1]

	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 68,379	$ 54,671	$ 53,328	$ 45,578	$ 34,611
Contribution in Relation to the Actuarially Determined Contribution	(68,379)	(54,671)	(53,328)	(45,578)	(34,611)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ -	$ 408,643	$ 492,817	$ 465,123	$ 453,661
Contributions as a Percentage of Covered Payroll	#DIV/0!	13.38%	10.82%	9.80%	7.63%

Notes to Schedule of Plan Contributions:

Valuation Date:	June 30, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Assets valuation method	Market Value
Inflation	2.75% compounded annually
Salary Increases	3.00% compounded annually
Investment rate of return	7.375% compounded annually (net of investment and
Retirement age	50 and 57 years
Mortality	Scale BB published by the Society of Actuaries

[1] Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

SCHEDULE OF CHANGES IN THE NET OPEB ASSET AND RELATED RATIOS AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS [1]

	2019	2018
Measurement Date	6/30/2018	6/30/2017
Total OPEB Liability:		
Service cost	$ 18,785	$ 18,282
Interest on the total OPEB liability	22,828	20,310
Benefit payments	(18,424)	(17,715)
Net change in total OPEB liability	23,189	20,877
Total OPEB liability - beginning	351,015	330,138
Total OPEB liability - ending (a)	**374,204**	**351,015**
Plan Fiduciary Net Position:		
Contribution - employer	18,424	17,715
Net investment income	35,713	37,288
Benefit payments	(18,424)	(17,715)
Administrative expense	(1,017)	(449)
Investment Gains/Losses	(1,742)	-
Other	542	-
Net change in plan fiduciary net position	33,496	36,839
Plan fiduciary net position - beginning	549,934	513,095
Plan fiduciary net position - ending (b)	**583,430**	**549,934**
Net OPEB Liability/(Asset) - ending (a) - (b)	**$ (209,226)**	**$ (198,919)**
Plan fiduciary net position as a percentage of the total OPEB liability	155.91%	156.67%
Covered-employee payroll	$ 408,643	$ 492,817
Net OPEB asset as a percentage of covered-employee payroll	51.20%	40.36%

Notes to Schedule of Changes in Net OPEB Asset and Related Ratios:

Changes in assumptions: None

[1] Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF ROLLING HILLS, CALIFORNIA

SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS [1]

	2019	2018
Actuarially Determined Contribution	$ 18,424	$ 17,422
Contribution in Relation to the Actuarially Determined Contributions	(18,424)	(17,422)
Contribution Deficiency (Excess)	$ -	$ -
Covered-employee payroll	$ -	$ 408,643
Contributions as a percentage of covered-employee payroll	#DIV/0!	4.26%

Notes to Schedule:

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation	2.75%
Payroll Growth	2.75%
Investment Rate of Return	6.50% per annum
Healthcare cost-trend rates	4.00%
Retirement Age	2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees
Mortality	2009 CalPERS Mortality for Active Miscellaneous Employees

[1] Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF ROLLING HILLS, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			
	Community Facilities Fund	Traffic Safety Fund	Measure R	COPS
Assets:				
Cash and investments	$ 11,255	$ -	$ 57,294	$ 62,143
Total Assets	**$ 11,255**	**$ -**	**$ 57,294**	**$ 62,143**
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 6,045
Total Liabilities	-	-	-	6,045
Fund Balances:				
Restricted:				
Public safety -police	-	-	-	56,098
Grants - public works	-	-	57,294	-
Quimby Act	11,255	-	-	-
Total Fund Balances	11,255	-	57,294	56,098
Total Liabilities and Fund Balance	**$ 11,255**	**$ -**	**$ 57,294**	**$ 62,143**

CITY OF ROLLING HILLS, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds		Capital Projects Fund	
	CLEEP	**Measure M Local Return**	**Capital Projects Fund**	**Total Nonmajor Governmental Funds**
Assets:				
Cash and investments	$ 12,433	$ 48,387	$ -	$ 191,512
Total Assets	**$ 12,433**	**$ 48,387**	**$ -**	**$ 191,512**
Liabilities and Fund Balance:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 6,045
Total Liabilities	-	-	-	6,045
Fund Balances:				
Restricted:				
Public safety -police	12,433	-	-	68,531
Grants - public works	-	48,387	-	105,681
Quimby Act	-	-	-	11,255
Total Fund Balances	12,433	48,387	-	185,467
Total Liabilities and Fund Balance	**$ 12,433**	**$ 48,387**	**$ -**	**$ 191,512**

CITY OF ROLLING HILLS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Community Facilities Fund	Traffic Safety Fund	Measure R	COPS
Revenues:				
Intergovernmental	$ -	$ -	$ 24,012	$ 148,747
Use of money and property	313	-	1,149	2,056
Total Revenues	**313**	**-**	**25,161**	**150,803**
Expenditures:				
Current:				
Public safety	-	-	-	152,081
Recreation	2,500	-	-	-
Public works	-	15,755	-	-
Capital outlay	-	-	-	-
Total Expenditures	**2,500**	**15,755**	**-**	**152,081**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,187)	(15,755)	25,161	(1,278)
Other Financing Sources:				
Transfers in	-	15,755	-	-
Total Other Financing Sources	**-**	**15,755**	**-**	**-**
Net Change in Fund Balance	(2,187)	-	25,161	(1,278)
Fund Balance, Beginning of the Year	13,442	-	32,133	57,376
Fund Balance, End of the Year	**$ 11,255**	**$ -**	**$ 57,294**	**$ 56,098**

CITY OF ROLLING HILLS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds		Capital Projects Fund	
	CLEEP	Measure M Local Return	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	$ -	$ 27,069	$ -	$ 199,828
Use of money and property	345	797	-	4,660
Total Revenues	**345**	**27,866**	**-**	**204,488**
Expenditures:				
Current:				
Public safety	-	-	-	152,081
Recreation	-	-	-	2,500
Public works	-	-	-	15,755
Capital outlay	-	-	13,211	13,211
Total Expenditures	**-**	**-**	**13,211**	**183,547**
Excess (Deficiency) of Revenues Over (Under) Expenditures	345	27,866	(13,211)	20,941
Other Financing Sources:				
Transfers in	-	-	13,211	28,966
Total Other Financing Sources	**-**	**-**	**13,211**	**28,966**
Net Change in Fund Balance	345	27,866	-	49,907
Fund Balance, Beginning of the Year	12,088	20,521	-	135,560
Fund Balance, End of the Year	**$ 12,433**	**$ 48,387**	**$ -**	**$ 185,467**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
COMMUNITY FACILITIES FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 13,442	$ 13,442	$ 13,442	$ -
Resources (Inflows):				
Use of money and property	100	100	313	213
Transfers in	6,300	6,300	-	(6,300)
Amounts Available for Appropriations	**19,842**	**19,842**	**13,755**	**(6,087)**
Charges to Appropriations (Outflows):				
Recreation	7,500	7,500	2,500	5,000
Total Charges to Appropriations	**7,500**	**7,500**	**2,500**	**5,000**
Budgetary Fund Balance, June 30	**$ 12,342**	**$ 12,342**	**$ 11,255**	**$ (1,087)**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Fines and forfeitures	50	50	-	(50)
Transfers in	46,500	46,500	15,755	(30,745)
Amounts Available for Appropriations	**46,550**	**46,550**	**15,755**	**(30,795)**
Charges to Appropriations (Outflows):				
Public works	46,550	46,550	15,755	30,795
Total Charges to Appropriations	**46,550**	**46,550**	**15,755**	**30,795**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MEASURE R FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 32,133	$ 32,133	$ 32,133	$ -
Resources (Inflows):				
Intergovernmental	23,400	23,400	24,012	612
Use of money and property	150	150	1,149	999
Amounts Available for Appropriations	**55,683**	**55,683**	**57,294**	**1,611**
Charges to Appropriations (Outflows):				
Public works	50,000	50,000	-	50,000
Total Charges to Appropriations	**50,000**	**50,000**	**-**	**50,000**
Budgetary Fund Balance, June 30	**$ 5,683**	**$ 5,683**	**$ 57,294**	**$ 51,611**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
COPS FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 57,376	$ 57,376	$ 57,376	$ -
Resources (Inflows):				
Intergovernmental	140,000	140,000	148,747	8,747
Use of money and property	50	50	2,056	2,006
Amounts Available for Appropriations	**197,426**	**197,426**	**208,179**	**10,753**
Charges to Appropriations (Outflows):				
Public safety	140,000	140,000	152,081	(12,081)
Total Charges to Appropriations	**140,000**	**140,000**	**152,081**	**(12,081)**
Budgetary Fund Balance, June 30	**$ 57,426**	**$ 57,426**	**$ 56,098**	**$ (1,328)**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CLEEP FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 12,088	$ 12,088	$ 12,088	$ -
Resources (Inflows):				
Use of money and property	75	75	345	270
Amounts Available for Appropriations	**12,163**	**12,163**	**12,433**	**270**
Charges to Appropriations (Outflows):				
Public safety	2,700	2,700	-	2,700
Total Charges to Appropriations	**2,700**	**2,700**	**-**	**2,700**
Budgetary Fund Balance, June 30	**$ 9,463**	**$ 9,463**	**$ 12,433**	**$ 2,970**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MEASURE M LOCAL RETURN FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 20,521	$ 20,521	$ 20,521	$ -
Resources (Inflows):				
Intergovernmental	-	-	27,069	27,069
Use of money and property	150	150	797	647
Amounts Available for Appropriations	**20,671**	**20,671**	**48,387**	**27,716**
Budgetary Fund Balance, June 30	**$ 20,671**	**$ 20,671**	**$ 48,387**	**$ 27,716**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
UNDERGROUND UTILITY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,480,700	$ 1,480,700	$ 1,480,700	$ -
Resources (Inflows):				
Transfers in	150,000	150,000	-	(150,000)
Amounts Available for Appropriations	**1,630,700**	**1,630,700**	**1,480,700**	**(150,000)**
Charges to Appropriations (Outflows):				
Public works	150,000	150,000	17,500	132,500
Total Charges to Appropriations	**150,000**	**150,000**	**17,500**	**132,500**
Budgetary Fund Balance, June 30	**$ 1,480,700**	**$ 1,480,700**	**$ 1,463,200**	**$ (17,500)**

CITY OF ROLLING HILLS, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Transfers in	234,000	234,000	13,211	(220,789)
Amounts Available for Appropriations	**234,000**	**234,000**	**13,211**	**(220,789)**
Charges to Appropriations (Outflows):				
Capital outlay	229,000	229,000	13,211	215,789
Total Charges to Appropriations	**229,000**	**229,000**	**13,211**	**215,789**
Budgetary Fund Balance, June 30	**$ 5,000**	**$ 5,000**	**$ -**	**$ (5,000)**

CITY OF ROLLING HILLS, CALFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Deposits Fund				
Assets:				
Cash and investments	$ 1,771	$ -	$ 468	$ 1,303
Total Assets	**$ 1,771**	**$ -**	**$ 468**	**$ 1,303**
Liabilities:				
Deposits payable	$ 1,771	$ -	$ 468	$ 1,303
Total Liabilities	**$ 1,771**	**$ -**	**$ 468**	**$ 1,303**