

PROPRIETARY FUND FINANCIAL STATEMENTS

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PROPRIETARY FUND FINANCIAL STATEMENTS

Internal Service Funds - To account for the costs associated with the City's insurance and for funding equipment replacement.

City of Hermosa Beach
Statement of Net Position
Proprietary Funds
June 30, 2015

	Governmental Activities
	Internal Service Funds
ASSETS	
Current assets:	
Cash and investments	\$ 15,826,930
Other assets	106,721
Total current assets	15,933,651
Noncurrent assets:	
Nondepreciable capital assets	163,841
Depreciable capital assets, net of accumulated depreciation	2,882,155
Total noncurrent assets	3,045,996
Total assets	18,979,647
LIABILITIES	
Current liabilities:	
Accounts payable	591,393
Accrued wages and benefits payable	11,934
Interest payable on settlement	133,867
Settlement payable (Note 14)	11,500,000
Workers' compensation claims payable - due within one year	686,562
General liability claims payable - due within one year	323,644
Compensated absences due within one year	16,875
Total current liabilities	13,264,275
Long-term liabilities:	
Workers' compensation claims payable - due in more than one year	4,134,783
General liability claims payable - due in more than one year	564,656
Total long-term liabilities	4,699,439
Total liabilities	17,963,714
NET POSITION	
Investment in capital assets	3,045,996
Unrestricted (deficit)	(2,030,063)
Total net position	\$ 1,015,933

City of Hermosa Beach
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2015

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES:	
Charges for services	\$ 4,301,712
Miscellaneous revenue	200,351
Total operating revenues	4,502,063
OPERATING EXPENSES:	
Salaries and wages	276,195
Contractor services	1,752,064
Supplies	516,373
Claims expense	262,393
Depreciation	341,180
Total operating expenses	3,148,205
OPERATING INCOME	1,353,858
NONOPERATING REVENUES (EXPENSES):	
Operating grant	3,000
Interest expenses	(133,867)
Gain on disposal of capital assets	5,727
Total nonoperating revenues (expenses)	(125,140)
LOSS BEFORE TRANSFERS AND SPECIAL ITEM	1,228,718
TRANSFERS:	
Transfers in	1,324,690
Transfers out	(3,063,903)
Total transfers	(1,739,213)
SPECIAL ITEM:	
Settlements (Note 14)	(14,000,000)
Total special item	(14,000,000)
Change in net position	(14,510,495)
NET POSITION:	
Beginning of the year	15,526,428
End of the year	\$ 1,015,933

City of Hermosa Beach
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received for services from other funds	\$ 4,301,712
Cash received from insurance recovery	200,351
Cash payments to suppliers for goods and services	(1,941,921)
Cash payments to employees for services	(285,530)
Cash payment for insurance premiums	(1,504,994)
Net cash provided by operating activities	769,618
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Contributions	3,000
Payment on settlement	(6,000,000)
Transfers in	1,324,690
Transfers out	(3,063,903)
Net cash (used in) noncapital financing activities	(7,736,213)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	(812,185)
Proceeds from sale of capital assets	25,121
Net cash (used in) capital and related financing activities	(787,064)
Net (decrease) in cash and cash equivalents	(7,753,659)
CASH AND CASH EQUIVALENTS:	
Beginning of year	23,580,589
End of year	\$ 15,826,930
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 1,353,858
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	341,180
(Increase) decrease in:	
Other assets	(27,721)
Increase (decrease) in:	
Accounts payable	354,237
Accrued wages and benefits payable	130
Workers' compensation claims payable	(744,567)
General liability claims payable	(498,034)
Compensated absences	(9,465)
Total adjustments	(584,240)
Net cash provided by operating activities	\$ 769,618

See accompanying Notes to the Basic Financial Statements.