

City of Hermosa Beach
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION (UNAUDITED)</u>	
Letter of Transmittal	v
Organizational Chart.....	xiii
Principal Officials of the City of Hermosa Beach.....	xiv
<u>FINANCIAL SECTION</u>	
Independent Auditors’ Report on Financial Statements.....	1
Management’s Discussion and Analysis (Required Supplementary Information) (Unaudited)	4
Basic Financial Statements:	
Government – Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	21
Fund Financial Statements:	
<i>Governmental Fund Financial Statements:</i>	
Balance Sheet	25
Reconciliation of the Governmental Funds Balance Sheet to the Government–Wide Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	28
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government–Wide Statement of Activities.....	30
<i>Proprietary Fund Financial Statements:</i>	
Statement of Net Position	33
Statement of Revenues, Expenses, and Changes in Net Position	34
Statement of Cash Flows	35
<i>Fiduciary Fund Financial Statements:</i>	
Statement of Fiduciary Net Position	38
Statement of Changes in Fiduciary Net Position.....	39
Index to the Notes to the Basic Financial Statements.....	42
Notes to the Basic Financial Statements.....	44

City of Hermosa Beach
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Unaudited):	
Budgetary Comparison Schedule – General Fund.....	80
Budgetary Comparison Schedule – Grants Special Revenue Fund	81
Budgetary Comparison Schedule – Tyco Special Revenue Fund	82
Budgetary Comparison Schedule – RTI Undersea Cable Special Revenue Fund	83
Notes to the Budgetary Comparison Schedule.....	84
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios - Miscellaneous.....	85
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios - Safety	86
Schedule of City’s Contributions – Pension - Miscellaneous.....	87
Schedule of City’s Contributions – Pension - Safety	88
Schedule of Changes in Net OPEB Liability and Related Ratios	89
Schedule of the City's Contributions - OPEB	91
Supplementary Information:	
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet.....	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	102
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
<i>Nonmajor Special Revenue Funds:</i>	
Lighting and Landscaping District.....	108
State Gas Tax	109
AB 939	110
Prop A Open Space	111
Tyco Tidelands.....	112
Parks/Recreation Facilities Tax	113
Bayview Drive Administrative Expense	114
Myrtle District Administrative Expense.....	115
Beach Drive Assessment District Administrative Expense.....	116
Proposition “C”	117
Measure “R”	118
Air Quality Management District.....	119
Supplemental Law Enforcement Services.....	120
Asset Seizure and Forfeiture	121
Fire Protection.....	122
Community Development Block Grant.....	123
Measure “M”	124
FEMA.....	125
RTI Undersea Cable Tidelands.....	126
Proposition “A” Transit	127
American Rescue Plan Act (ARPA)	128
Measure “W”	129
Sewer	130
Storm Drain	131
<i>Nonmajor Debt Service Fund:</i>	
2015 Lease Revenue Bond.....	132

City of Hermosa Beach
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

Table of Contents (Continued)

	<u>Page</u>
Supplementary Information (Continued):	
<i>Major Capital Project Fund:</i>	
Capital Improvements	133
Internal Service Funds:	
Combining Schedule of Net Position	135
Combining Schedule of Revenues, Expenses, and Changes in Net Position	136
Combining Schedule of Cash Flows	137
Fiduciary Fund Financial Statements:	
Combining Schedule of Fiduciary Net Position	139
Combining Schedule of Changes in Fiduciary Net Position	141
 <u>STATISTICAL SECTION (Unaudited)</u>	
Net Assets by Component.....	147
Changes in Net Assets	149
Governmental Activities Tax Revenues By Source	153
Fund Balances of Governmental Funds	155
Changes in Fund Balances of Governmental Funds	157
General Government Tax Revenues By Source	159
Assessed Value and Estimated Actual Value of Taxable Property	160
Direct and Overlapping Property Tax Rates	161
Principal Property Taxpayers	162
Property Tax Levies and Collections	163
Construction Value and Property Value	164
Direct and Overlapping Debt.....	165
Legal Debt Margin Information.....	167
Ratios of Outstanding Debt by Type.....	169
Ratios of General Bonded Debt Outstanding.....	170
Demographic and Economic Statistics.....	172
Principal Employers.....	173
Full-Time and Part-Time City Employees by Function	174
Operating Indicators by Function	175
Capital Asset Statistics by Function	176
 <u>OTHER REPORT</u>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	179