

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one City department or agency to other departments or agencies of the City, or to other government units on a cost-reimbursement basis (including depreciation).

DENTAL REIMBURSEMENT

To account for costs of the City's self-insurance dental program. Funds are provided primarily from charges to departments.

UNEMPLOYMENT INSURANCE

To account for the unemployment insurance premiums and claims made against the City. Funds are provided primarily from charges to departments.

WORKERS' COMPENSATION INSURANCE

To account for the premium costs and self-insured claim losses made against the City for workers compensation. Funds are provided primarily from charges to departments.

LIABILITY INSURANCE

To account for the premium costs and self-insured claim losses made against the City for property-related and general liability. Funds are provided primarily from charges to departments.

CITY OF LOS ALTOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Dental Reimbursement</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Liability Insurance</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash and investments	\$57,161	\$520,473	\$4,986,621	\$2,217,550	\$7,781,805
Accounts receivable			228	11,312	11,540
Total Assets	<u>57,161</u>	<u>520,473</u>	<u>4,986,849</u>	<u>2,228,862</u>	<u>7,793,345</u>
LIABILITIES					
Current Liabilities:					
Accounts payable		3,271	3,505	3,608	10,384
Claims and judgements			653,889	177,844	831,733
Noncurrent Liabilities:					
Claims and judgements			<u>2,633,111</u>	<u>115,156</u>	<u>2,748,267</u>
Total Liabilities		<u>3,271</u>	<u>3,290,505</u>	<u>296,608</u>	<u>3,590,384</u>
NET POSITION					
Unrestricted	<u>57,161</u>	<u>517,202</u>	<u>1,696,344</u>	<u>1,932,254</u>	<u>4,202,961</u>
Total Net Position	<u>\$57,161</u>	<u>\$517,202</u>	<u>\$1,696,344</u>	<u>\$1,932,254</u>	<u>\$4,202,961</u>

CITY OF LOS ALTOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Dental Reimbursement</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Liability Insurance</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$127,800	\$65,145	\$879,015	\$644,101	\$1,716,061
Total Operating Revenues	<u>127,800</u>	<u>65,145</u>	<u>879,015</u>	<u>644,101</u>	<u>1,716,061</u>
OPERATING EXPENSES					
Outside services				37,138	37,138
Claims reimbursement	177,094	5,521	812,120	(65,849)	928,886
Insurance and adjustments			162,506	332,759	495,265
Administration			62,700		62,700
Total Operating Expenses	<u>177,094</u>	<u>5,521</u>	<u>1,037,326</u>	<u>304,048</u>	<u>1,523,989</u>
Operating Income (Loss)	<u>(49,294)</u>	<u>59,624</u>	<u>(158,311)</u>	<u>340,053</u>	<u>192,072</u>
Change in Net Position	(49,294)	59,624	(158,311)	340,053	192,072
BEGINNING NET POSITION	<u>106,455</u>	<u>457,578</u>	<u>1,854,655</u>	<u>1,592,201</u>	<u>4,010,889</u>
ENDING NET POSITION	<u>\$57,161</u>	<u>\$517,202</u>	<u>\$1,696,344</u>	<u>\$1,932,254</u>	<u>\$4,202,961</u>

CITY OF LOS ALTOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Dental Reimbursement</u>	<u>Unemployment Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Liability Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from other funds	\$127,800	\$65,145	\$1,049,869	\$642,829	\$1,885,643
Cash payments to claimants	(177,094)	(5,876)	(826,502)	68,150	(941,322)
Insurance premiums, settlements, and rebates			3,945	(452,523)	(448,578)
Cash Flows from Operating Activities	<u>(49,294)</u>	<u>59,269</u>	<u>227,312</u>	<u>258,456</u>	<u>495,743</u>
Net Cash Flows	(49,294)	59,269	227,312	258,456	495,743
Cash and investments at beginning of period	<u>106,455</u>	<u>461,204</u>	<u>4,759,309</u>	<u>1,959,094</u>	<u>7,286,062</u>
Cash and investments at end of period	<u>\$57,161</u>	<u>\$520,473</u>	<u>\$4,986,621</u>	<u>\$2,217,550</u>	<u>\$7,781,805</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	(\$49,294)	\$59,624	(\$158,311)	\$340,053	\$192,072
Adjustments to reconcile operating income to net cash flows from operating activities:					
Change in assets and liabilities:					
Accounts receivable			170,854	(1,272)	169,582
Accounts payable		(355)	(14,382)	2,301	(12,436)
Claims and judgments payable			229,151	(82,626)	146,525
Cash Flows from Operating Activities	<u>(49,294)</u>	<u>\$59,269</u>	<u>\$227,312</u>	<u>\$258,456</u>	<u>\$495,743</u>

FIDUCIARY FUNDS

AGENCY FUNDS**NORTH COUNTY LIBRARY AUTHORITY**

This fund accounts for the operating activities and the special assessment collection pertaining to the North County Library Authority.

RAYMUNDO CURB AND GUTTER

This fund accounts for the accumulation of resources for payment of the debt service related to the construction and installation of curbs and gutters. The revenue is derived from the special assessment levied to property owners within that improvement district.

BLUE OAK LANE SEWER

This fund accounts for the accumulation of resources for payment of the debt service, construction and installation of sanitary sewer systems on Blue Oak Lane funded via November 2009 limited obligation assessment district bonds. The revenue is derived from the special assessment levied to property owners within that improvement district.

CITY OF LOS ALTOS
 AGENCY FUNDS
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018
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<u>North County Library Authority</u>				
<u>Assets</u>				
Cash and investments	\$3,860,083	\$620,330	\$287,601	\$4,192,812
Accounts receivable		16,105		16,105
Interest receivable	1,343	2,362	1,343	2,362
Total assets	\$3,861,426	\$638,797	\$288,944	\$4,211,279
<u>Liabilities</u>				
Accounts payable	\$287,601	\$295,204	\$287,601	\$295,204
Due to others	3,573,825	343,593	1,343	3,916,075
Total liabilities	\$3,861,426	\$638,797	\$288,944	\$4,211,279
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<u>Raymundo Curb and Gutter</u>				
<u>Assets</u>				
Cash and investments	\$38,267	\$34,984	\$38,352	\$34,899
Interest receivable	85	47	85	47
Total assets	\$38,352	\$35,031	\$38,437	\$34,946
<u>Liabilities</u>				
Due to others	\$38,352	\$35,031	38,437	\$34,946
Total liabilities	\$38,352	\$35,031	\$38,437	\$34,946

	Balance 6/30/2017	Additions	Deductions	Balance 6/30/2018
<u>Blue Oak Lane Sewer</u>				
<u>Assets</u>				
Cash and investments	\$27,848	\$2,475		\$30,323
Restricted cash and investments	39,794			39,794
Accounts receivable	495	164	\$495	164
Total assets	<u>\$68,137</u>	<u>\$2,639</u>	<u>\$495</u>	<u>\$70,281</u>
<u>Liabilities</u>				
Due to others	<u>\$68,137</u>	<u>\$2,639</u>	<u>\$495</u>	<u>\$70,281</u>
Total liabilities	<u>\$68,137</u>	<u>\$2,639</u>	<u>\$495</u>	<u>\$70,281</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$3,926,198	\$657,789	\$325,953	\$4,258,034
Restricted cash and investments	39,794			39,794
Accounts receivable	495	16,269	495	16,269
Interest receivable	1,428	2,409	1,428	2,409
Total assets	<u>\$3,967,915</u>	<u>\$676,467</u>	<u>\$327,876</u>	<u>\$4,316,506</u>
<u>Liabilities</u>				
Accounts payable	\$287,601	\$295,204	\$287,601	\$295,204
Due to others	3,680,314	381,263	40,275	4,021,302
Total liabilities	<u>\$3,967,915</u>	<u>\$676,467</u>	<u>\$327,876</u>	<u>\$4,316,506</u>



STATISTICAL SECTION



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STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Tax Revenues by Source, Governmental Funds
2. Assessed Value of Taxable Property
3. Property Tax Dollar by Break Down
4. Property Tax Dollars by Recipient Group
5. Direct and Overlapping Tax Rates
6. Principal Property Taxpayers
7. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratios of Outstanding Debt by Type
2. Schedule of Direct and Overlapping Bonded Debt
3. Legal Debt Margin

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Employees by Function/Program
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program
4. Trust and Agency Debt Administration

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

