

INTERNAL SERVICE FUNDS

Vehicle Replacement Fund - To account for the cost of maintaining and replacing City vehicles. Such costs are billed to City departments at a rate that provides the future acquisition and operating costs of City vehicles.

Building Occupancy Fund - To account for the cost of maintaining and improving City buildings. Such costs are billed to City departments at a rate that provides for the annual maintenance and improvement costs.

Information Technology Fund - To account for the cost of maintaining and replacing City computer and telecommunications equipment. Such costs are billed to City departments at a rate that provides for the annual maintenance and replacement costs.

Self-Insurance Program Fund - To account for the costs of providing liability, workers' compensation and unemployment insurance to all City departments. Such costs are billed to City departments at a rate that provides for the annual insurance costs.

Printing and Graphics Fund - To account for the costs of providing printing and graphics services to all City departments. Such costs are billed to City departments at a rate that provides for the annual printing costs.

Communications Equipment Replacement Fund - To account for the cost of maintaining and replacing various City communication equipment, primarily for Public Safety. Such costs are billed to the City's designated departments at a rate that provides for the annual maintenance and replacement costs.

CITY OF REDONDO BEACH
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 JUNE 30, 2007

	Governmental Activities - Internal Service Funds						Total
	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Communications Equipment Replacement	
Assets:							
Current:							
Cash and investments	\$4,010,080	\$274,246	\$ 750,887	\$18,219,460	\$ 74,431	\$ 820,604	\$24,149,708
Receivables (net of allowance for uncollectibles):							
Accounts	11,236	-	-	-	-	-	11,236
Due from other governments	-	-	-	208	-	-	208
Total Current Assets	4,021,316	274,246	750,887	18,219,668	74,431	820,604	24,161,152
Noncurrent:							
Capital assets, net of depreciation	3,272,198	29,918	321,868	-	17,774	189,268	3,831,026
Total Noncurrent Assets	3,272,198	29,918	321,868	-	17,774	189,268	3,831,026
Total Assets	\$7,293,514	\$304,164	\$1,072,755	\$18,219,668	\$ 92,205	\$1,009,872	\$27,992,178
Liabilities and Fund Equity:							
Liabilities:							
Current:							
Accounts payable	\$ 146,273	\$123,178	\$ 272,420	\$ 426,368	\$ 11,931	\$ 104,392	\$ 1,084,562
Due to other funds	-	72,390	-	-	-	-	72,390
Compensated absences payable	12,360	59,480	50,562	9,830	14,839	69,471	216,542
Claims and judgments payable	-	-	-	1,243,304	-	-	1,243,304
Total Current Liabilities	158,633	255,048	322,982	1,679,502	26,770	173,863	2,616,798
Long-Term:							
Compensated absences payable	1,013	4,876	4,145	806	1,216	5,695	17,751
Claims and judgments payable	-	-	-	15,515,469	-	-	15,515,469
Lease payable	-	-	-	-	919	-	919
Total Long-Term Liabilities:	1,013	4,876	4,145	15,516,275	2,135	5,695	15,534,139
Total Liabilities	159,646	259,924	327,127	17,195,777	28,905	179,558	18,150,937
Net Assets:							
Invested in capital assets, net of related debts	3,272,198	29,918	321,868	-	16,855	189,268	3,830,107
Unrestricted	3,861,670	14,322	423,760	1,023,891	46,445	641,046	6,011,134
Total Net Assets	7,133,868	44,240	745,628	1,023,891	63,300	830,314	9,841,241
Total Liabilities and Net Assets	\$ 7,293,514	\$ 304,164	\$ 1,072,755	\$ 18,219,668	\$ 92,205	\$ 1,009,872	\$ 27,992,178

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2007

	Governmental Activities - Internal Service Funds						Totals
	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Communications Equipment Replacement	
Operating Revenues:							
Sales and service charges	\$2,691,366	\$2,424,818	\$2,569,498	\$ 4,622,091	\$ 319,865	\$2,330,965	\$14,958,603
Miscellaneous	65,192	-	1,531	117,765	-	1,049	185,537
Total Operating Revenues	2,756,558	2,424,818	2,571,029	4,739,856	319,865	2,332,014	15,144,140
Operating Expenses:							
Personnel services	386,418	1,117,135	741,726	151,390	167,217	1,792,233	4,356,119
Contractual services	3,700	108,134	1,468,338	4,671,383	13,199	2,962	6,267,716
Administration and general	1,082,920	1,490,923	711,799	29,726	153,702	370,952	3,840,022
Depreciation	700,250	3,286	136,415	-	19,325	14,412	873,688
Total Operating Expenses	2,173,288	2,719,478	3,058,278	4,852,499	353,443	2,180,559	15,337,545
Operating Income (Loss)	583,270	(294,660)	(487,249)	(112,643)	(33,578)	151,455	(193,405)
Non-Operating Revenues (Expenses):							
Loss on disposal of capital assets	(17,153)	-	-	-	-	-	(17,153)
Interest expense	-	-	-	-	(6,955)	-	(6,955)
Total Non-Operating Revenues (Expenses)	(17,153)	-	-	-	(6,955)	-	(24,108)
Income Before Contributions and Transfers	566,117	(294,660)	(487,249)	(112,643)	(40,533)	151,455	(217,513)
Transfers in	-	274,246	-	968,100	-	-	1,242,346
Change in Net Assets	566,117	(20,414)	(487,249)	855,457	(40,533)	151,455	1,024,833
Net Assets:							
Beginning of Year	6,567,751	64,654	1,232,877	168,434	103,833	678,859	8,816,408
Change in Net Assets	566,117	(20,414)	(487,249)	855,457	(40,533)	151,455	1,024,833
End of Fiscal Year	\$7,133,868	\$ 44,240	\$ 745,628	\$ 1,023,891	\$ 63,300	\$ 830,314	\$ 9,841,241

CITY OF REDONDO BEACH

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2007

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Communications Equipment Replacement	Totals
Cash Flows from Operating Activities:							
Cash received from customers and users	\$ 2,787,264	\$2,424,818	\$ 2,571,029	\$ 4,739,648	\$ 319,865	\$ 2,332,014	\$ 15,174,638
Cash paid to suppliers for good and services	(1,027,441)	(1,577,519)	(2,088,636)	(3,829,765)	(166,635)	(269,522)	(8,959,518)
Cash paid to employees for services	(383,345)	(1,111,968)	(736,163)	(157,821)	(167,612)	(1,717,067)	(4,273,976)
Net Cash Provided (Used) by Operating Activities	1,376,478	(264,669)	(253,770)	752,062	(14,382)	345,425	1,941,144
Cash Flows from Non-Capital Financing Activities:							
Cash transfers in	-	274,246	-	968,100	-	-	1,242,346
Cash received due to/from other funds	-	72,390	-	144,502	-	-	216,892
Net Cash Provided (Used) by Non-Capital Financing Activities	-	346,636	-	1,112,602	-	-	1,459,238
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	(1,165,759)	-	(177,015)	-	-	(93,469)	(1,436,243)
Principal paid on capital debt	-	-	-	-	(12,042)	-	(12,042)
Interest paid on debt	-	-	-	-	(6,955)	-	(6,955)
Sales of capital assets	41,063	-	-	-	-	-	41,063
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,124,696)	-	(177,015)	-	(18,997)	(93,469)	(1,414,177)
Net Increase (Decrease) in Cash and Cash Equivalents	251,782	81,967	(430,785)	1,864,664	(33,379)	251,956	1,986,205
Cash and Cash Equivalents at Beginning of Year	3,758,298	192,279	1,181,672	16,354,796	107,810	568,648	22,163,503
Cash and Cash Equivalents at End of Year	\$ 4,010,080	\$ 274,246	\$ 750,887	\$ 18,219,460	\$ 74,431	\$ 820,604	\$ 24,149,708

CITY OF REDONDO BEACH

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2007

	<u>Vehicle Replacement</u>	<u>Building Occupancy</u>	<u>Information Technology</u>	<u>Self-Insurance Program</u>	<u>Printing and Graphics</u>	<u>Communications Equipment Replacement</u>	<u>Totals</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 583,270	\$ (294,660)	\$ (487,249)	\$ (112,643)	\$ (33,578)	\$ 151,455	\$ (193,405)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:							
Depreciation	700,250	3,286	136,415	-	19,325	14,412	873,688
(Increase) decrease in accounts receivable	30,706	-	-	-	-	-	30,706
(Increase) decrease in deposits receivable	-	-	-	-	-	-	-
(Increase) decrease in due from other governments	-	-	-	(208)	-	-	(208)
(Increase) decrease in prepaid expense	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	59,184	21,538	91,501	276,131	266	104,392	553,012
Increase (decrease) in due to other governments	(5)	-	-	-	-	-	(5)
Increase (decrease) in deposits payable	-	-	-	-	-	-	-
Increase (decrease) in deferred revenue	-	-	-	-	-	-	-
Increase (decrease) in claims and judgments	-	-	-	595,213	-	-	595,213
Increase (decrease) in compensated absences	3,073	5,167	5,563	(6,431)	(395)	75,166	82,143
Total Adjustments	793,208	29,991	233,479	864,705	19,196	193,970	2,134,549
Net Cash Provided (Used) by Operating Activities	\$ 1,376,478	\$ (264,669)	\$ (253,770)	\$ 752,062	\$ (14,382)	\$ 345,425	\$ 1,941,144
Non-Cash Investing, Capital, and Financing Activities:							
Gain/(Loss) on disposition of capital assets	\$ (17,153)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,153)

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