

## **FUND FINANCIAL STATEMENTS**

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

**General Fund** - The General Fund is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

**Other Intergovernmental Grants Fund** - To account for federal, state and other governmental agencies grant funding that supplements local funding.

**Redevelopment Agency Special Revenue Fund** - To account for the accumulation of resources for, and the payment of, interest and principal on tax allocation bonds and other debt issued to finance redevelopment activities within the project areas and to account for the general redevelopment operations of the Redevelopment Agency of the City.

**Capital Improvement Projects Fund** - To account for capital improvements of the City.

**Public Financing Authority Debt Service Fund** - To account for the payment of interest and principal on tax allocation bonds and other debt issued to finance City and redevelopment activities.

**Redevelopment Agency Debt Service Fund** - To account for the accumulation of resources for, and the payment of, interest and principal on tax allocation bonds and other debt issued to finance redevelopment activities within the projects areas.

**Total Non-Major Funds** is the aggregate of all the non-major governmental funds.

**City of Redondo Beach**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	Special Revenue Fund			Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	General	Other	Redevelopment	Projects Fund	Public	Redevelopment		
		Intergovernmental Grants	Agency	Capital Improvement Projects	Financing Authority	Agency		
<b>ASSETS</b>								
Pooled cash and investments	\$ 7,240,551	\$ -	\$ 9,842,158	\$ 12,684,288	\$ 357,945	\$ 1,257,422	\$ 9,577,691	\$ 40,960,055
Receivables:								
Accounts	860,883	37,552	-	-	13,949	-	471,939	1,384,323
Interest	377,460	1,061	56,935	-	2,639	-	57,496	495,591
Taxes	3,326,595	-	165,475	-	-	316,697	125,882	3,934,649
Notes and loans	8,391	-	3,696,568	-	-	-	492,863	4,197,822
Prepaid costs	108,936	-	-	-	-	-	171	109,107
Due from other funds	1,882,750	-	170,443	-	148,105	-	490,148	2,691,446
Due from other governments	58,381	1,339,661	134	-	-	-	1,080,111	2,478,287
Advances to other funds	-	-	-	-	8,360,345	-	-	8,360,345
Restricted assets:								
Cash and investments with fiscal agents	-	-	-	-	1,604,040	-	-	1,604,040
<b>Total assets</b>	<b>\$ 13,863,947</b>	<b>\$ 1,378,274</b>	<b>\$ 13,931,713</b>	<b>\$ 12,684,288</b>	<b>\$ 10,487,023</b>	<b>\$ 1,574,119</b>	<b>\$ 12,296,301</b>	<b>\$ 66,215,665</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 974,370	\$ 347,295	\$ 159,891	\$ 186,675	\$ 23,865	\$ -	\$ 1,112,346	\$ 2,804,442
Accrued liabilities	1,696,470	10,831	-	2,792	-	-	60,793	1,770,886
Pollution remediation liability	100,000	-	-	-	-	-	-	100,000
Unearned revenues	478,911	159,439	-	-	-	-	16,210	654,560
Deposits payable	95,090	-	-	-	-	-	-	95,090
Due to other funds	25,820	956,391	192,384	-	376,290	548,052	984,538	3,083,475
Due to other governments	-	-	-	-	-	123,008	1,666	124,674
Deferred revenue	467,964	985,584	896,724	-	-	-	594,743	2,945,015
Advances from other funds	-	-	-	-	-	16,636,807	-	16,636,807
<b>Total liabilities</b>	<b>3,838,625</b>	<b>2,459,540</b>	<b>1,248,999</b>	<b>189,467</b>	<b>400,155</b>	<b>17,307,867</b>	<b>2,770,296</b>	<b>28,214,949</b>

**City of Redondo Beach**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2009**

	Special Revenue Fund		Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds	
	Other	Redevelopment Agency	Projects Fund	Public	Redevelopment Agency			
	Intergovernmental Grants		Capital Improvement Projects	Financing Authority				
General								
<b>Fund Balances:</b>								
Reserved:								
Encumbrances	517,416	-	203,392	286,380	-	-	613,512	1,620,700
Prepaid costs	108,936	-	-	-	-	-	171	109,107
Notes and loans	8,391	-	3,696,568	-	-	-	492,863	4,197,822
Advances to other funds	-	-	-	-	8,360,345	-	-	8,360,345
Low income programs	-	-	1,898,017	-	-	-	-	1,898,017
Unreserved:								
Unreserved, reported in nonmajor:								
Special revenue funds	-	-	-	-	-	-	4,494,765	4,494,765
Capital projects funds	-	-	-	-	-	-	5,052	5,052
Debt service funds	-	-	-	-	-	-	1,222,686	1,222,686
Future years' appropriations	653,982	-	-	-	-	-	-	653,982
Contingencies	5,673,587	-	-	-	-	-	-	5,673,587
Compensated absences	1,004,104	-	-	-	-	-	-	1,004,104
Petty cash	17,450	-	-	-	-	-	-	17,450
Continuing appropriations	814,129	-	-	9,891,290	-	-	2,696,956	13,402,375
Self insurance program	1,010,000	-	-	-	-	-	-	1,010,000
Health insurance premiums	180,000	-	-	-	-	-	-	180,000
Undesignated	37,327	(1,081,266)	6,884,737	2,317,151	1,726,523	(15,733,748)	-	(5,849,276)
<b>Total fund balances</b>	<b>10,025,322</b>	<b>(1,081,266)</b>	<b>12,682,714</b>	<b>12,494,821</b>	<b>10,086,868</b>	<b>(15,733,748)</b>	<b>9,526,005</b>	<b>38,000,716</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,863,947</b>	<b>\$ 1,378,274</b>	<b>\$ 13,931,713</b>	<b>\$ 12,684,288</b>	<b>\$ 10,487,023</b>	<b>\$ 1,574,119</b>	<b>\$ 12,296,301</b>	<b>\$ 66,215,665</b>

See accompanying Notes to the Financial Statements.

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**City of Redondo Beach**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2009**

**Total Fund Balances - Total Governmental Funds** \$ 38,000,716

Amounts reported for governmental activities in the Statement of Net Assets were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds. Except for the internal service funds reported below, the capital assets were as follows:

	Government- Wide Statement of Net Assets	Internal Service Funds	
Non-depreciable	\$ 72,413,527	\$ -	72,413,527
Depreciable, net	64,255,303	(4,468,526)	59,786,777
Total capital assets	\$ 136,668,830	\$ (4,468,526)	132,200,304

Accrued interest payable on long-term debt did not require current financial resources. Therefore, accrued interest payable was not reported as a liability in governmental funds. (133,800)

Bond issuance costs from issuing debt were expenditures in the fund financial statements. However, they were deferred and subject to capitalization and amortization in the Government-Wide Financial Statements. 247,837

Revenues were recorded as deferred revenue in the governmental funds because they did not meet the revenue recognition criteria. However, they were reclassified as revenues in the Government-Wide Financial Statements. 2,945,015

Internal Service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the Internal Service funds were included in governmental activities in the Government-Wide Statement of Net Assets. 7,393,011

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds:

	Government- Wide Statement of Net Assets	Internal Service Funds	
Other long-term debt - due within one year	\$ (3,551,996)	\$ 2,703,007	(848,989)
Other long-term debt - due in more than one year	(37,277,567)	13,493,785	(23,783,782)
Compensated absences payable - due within one year	(12,130)	12,130	-
Compensated absences payable - due in more than one year	(2,388,215)	243,261	(2,144,954)
Total long-term liabilities	\$ (43,229,908)	\$ 16,452,183	(26,777,725)

**Net Assets of Governmental Activities** \$ 153,875,358

See accompanying Notes to the Financial Statements.

**City of Redondo Beach**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2009**

	Special Revenue Fund		Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds	
	Other	Redevelopment Agency	Projects Fund	Public	Redevelopment Agency			
	Intergovernmental Grants		Improvement Projects	Financing Authority				
General								
<b>REVENUES:</b>								
Taxes	\$ 49,621,621	\$ -	\$ 869,732	\$ -	\$ -	\$ 1,827,464	\$ 11,200	\$ 52,330,017
Interdepartmental	6,655,458	-	-	-	-	-	-	6,655,458
Licenses and permits	1,006,075	-	-	-	-	-	-	1,006,075
Intergovernmental	278,225	2,598,584	-	-	-	-	11,114,602	13,991,411
Charges for services	4,810,548	-	-	103,527	-	-	2,032,998	6,947,073
Use of money and property	3,127,757	-	416,223	-	1,513,911	32	622,410	5,680,333
Fines and forfeitures	1,845,838	-	-	-	-	-	-	1,845,838
Miscellaneous	252,210	-	907,319	61,500	-	-	482,955	1,703,984
<b>Total revenues</b>	<b>67,597,732</b>	<b>2,598,584</b>	<b>2,193,274</b>	<b>165,027</b>	<b>1,513,911</b>	<b>1,827,496</b>	<b>14,264,165</b>	<b>90,160,189</b>
<b>EXPENDITURES:</b>								
Current:								
General government	8,693,889	-	-	-	-	-	-	8,693,889
Public safety	42,237,762	552,589	-	-	-	-	79,447	42,869,798
Housing and community development	5,936,851	8,837	987,671	-	234,738	70,596	10,330,356	17,569,049
Public works	5,683,859	47,931	-	121,140	-	-	3,702,063	9,554,993
Cultural and leisure services	7,372,691	-	-	-	-	-	-	7,372,691
Capital outlay	218,424	1,319,530	-	2,333,894	-	-	1,811,879	5,683,727
Debt service:								
Principal retirement	-	-	-	-	2,801,824	647,005	-	3,448,829
Interest and fiscal charges	-	-	-	-	420,000	1,318,532	-	1,738,532
<b>Total expenditures</b>	<b>70,143,476</b>	<b>1,928,887</b>	<b>987,671</b>	<b>2,455,034</b>	<b>3,456,562</b>	<b>2,036,133</b>	<b>15,923,745</b>	<b>96,931,508</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>								
<b>OVER (UNDER) EXPENDITURES</b>	<b>(2,545,744)</b>	<b>669,697</b>	<b>1,205,603</b>	<b>(2,290,007)</b>	<b>(1,942,651)</b>	<b>(208,637)</b>	<b>(1,659,580)</b>	<b>(6,771,319)</b>

**City of Redondo Beach**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2009**

	Special Revenue Fund			Capital Projects Fund	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	General	Other	Redevelopment Agency	Capital	Public	Redevelopment Agency		
		Intergovernmental Grants		Improvement Projects	Financing Authority			
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	1,588,314	-	-	703,000	165,712	551,966	2,473,669	5,482,661
Transfers out	(1,599,007)	-	-	(45,320)	(17,279)	(700,399)	(2,233,663)	(4,595,668)
Refunding bonds issued	-	-	-	-	-	700,000	-	700,000
Refunding bonds redeemed	-	-	-	-	(700,000)	-	-	(700,000)
Other debt issued	-	-	-	-	-	547,789	-	547,789
<b>Total other financing sources (uses)</b>	<b>(10,693)</b>	<b>-</b>	<b>-</b>	<b>657,680</b>	<b>(551,567)</b>	<b>1,099,356</b>	<b>240,006</b>	<b>1,434,782</b>
<b>Net change in fund balances</b>	<b>(2,556,437)</b>	<b>669,697</b>	<b>1,205,603</b>	<b>(1,632,327)</b>	<b>(2,494,218)</b>	<b>890,719</b>	<b>(1,419,574)</b>	<b>(5,336,537)</b>
<b>FUND BALANCES:</b>								
Beginning of year	12,581,759	(1,750,963)	11,477,111	14,127,148	12,581,086	(16,624,467)	10,945,579	43,337,253
End of year	<u>\$ 10,025,322</u>	<u>\$ (1,081,266)</u>	<u>\$ 12,682,714</u>	<u>\$ 12,494,821</u>	<u>\$ 10,086,868</u>	<u>\$ (15,733,748)</u>	<u>\$ 9,526,005</u>	<u>\$ 38,000,716</u>

See accompanying Notes to the Financial Statements.

# City of Redondo Beach

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets

For the year ended June 30, 2009

**Net Change in Fund Balances - Total Governmental Funds** \$ (5,336,537)

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:

	Funds Capital Outlay	Government-Wide Expenses	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	\$ 5,683,727	\$ 336,199	5,347,528
The net effect of sales transactions involving capital assets is to decrease net assets.			(22,702)
	Government- Wide Statement of Net Assets	Internal Service Funds	
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	\$ (4,825,355)	\$ 889,622	(3,935,733)
Long-term compensated absences was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, long-term compensated absences was not reported as expenditures in the governmental funds.			(507,170)
Issuance of long-term debt (e.g. bonds, leases) provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets:	Refunding bonds issued	Other debt issued	
Refunding bonds issued	\$ (700,000)	\$ (547,789)	(1,247,789)
Other debt issued			
Repayment of principal of long-term debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets:			
Principal retirement			3,448,829
Refunding bonds redeemed			700,000

# City of Redondo Beach

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in

### Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets

For the year ended June 30, 2009

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Amortization expense was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, amortization expense was not reported as an expenditure in the governmental funds:

Amortization of bond premium	18,989
Amortization of deferred charges	(27,537)

Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, interest expense was not reported as expenditures in governmental funds. The following amount represented the change in accrued interest from the prior year.

5,935

Certain revenues were recorded as deferred revenue in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Governmental-Wide Statement of Activities and Changes in Net Assets under the full accrual basis.

(1,074,546)

Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.

1,883,030

**Change in Net Assets of Governmental Activities**

\$ (747,703)

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## PROPRIETARY FUND FINANCIAL STATEMENTS

**Harbor Tidelands Fund** - To account for the operations of small boat harbor facilities available to the general public, including related pier activities. The use of this fund is restricted under the City Tidelands Trust Agreement with the State of California.

**Harbor Uplands Fund** - To account for the operations of small boat harbor facilities available to the general public, including related pier activities. The use of this fund is subject only to the decisions of the City Council.

**Wastewater Fund** - To account for the capital facility charge, more commonly referred to as a sewer user fee. The capital facility charge is designed to reimburse the City's wastewater system for the capital costs to provide wastewater capacity to new system users. This charge is associated with the expansion of the system required over time to address increases in wastewater flow generated by new development.

**Solid Waste Fund** - To account for revenues and expenses related to the City's comprehensive solid waste program, including AB 939 funds.

**Internal Service Funds** - These funds are used to account for interdepartmental operations where it is the stated intent that costs of providing services to the departments of the City on a continuing basis be financed or recovered primarily by charges to the user departments.

**City of Redondo Beach**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Total	Activities Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 12,356,085	\$ 2,851,397	\$ 3,539,520	\$ 850,987	\$ 19,597,989	\$ 20,597,677
Receivables:						
Accounts	302,702	154,109	29,874	35,699	522,384	9,942
Interest	99,016	23,540	-	102	122,658	-
Taxes	-	-	63,461	56,261	119,722	-
Notes and loans	258,823	-	-	-	258,823	-
Due from other funds	600,969	-	-	-	600,969	-
Due from other governments	-	-	-	7,101	7,101	-
Prepaid items	1,310	1,109	109	25	2,553	3,179
Deferred charges	-	-	317,832	-	317,832	-
Restricted:						
Cash with fiscal agent	-	-	6,310,839	-	6,310,839	-
Total current assets	13,618,905	3,030,155	10,261,635	950,175	27,860,870	20,610,798
Noncurrent assets:						
Advances to other funds	6,200,547	2,075,915	-	-	8,276,462	-
Capital assets:						
Non-depreciable	3,776,802	7,546,453	-	-	11,323,255	-
Depreciable, net	14,121,420	5,745,354	7,992,735	60,347	27,919,856	4,468,526
Total capital assets	17,898,222	13,291,807	7,992,735	60,347	39,243,111	4,468,526
Total noncurrent assets	24,098,769	15,367,722	7,992,735	60,347	47,519,573	4,468,526
<b>Total assets</b>	<b>37,717,674</b>	<b>18,397,877</b>	<b>18,254,370</b>	<b>1,010,522</b>	<b>75,380,443</b>	<b>25,079,324</b>

**City of Redondo Beach**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Total	Activities Internal Service Funds
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	164,554	173,780	79,672	208,544	626,550	887,189
Accrued liabilities	89,918	82,384	21,862	16,129	210,293	138,001
Deposits payable	63,837	3,641	-	-	67,478	-
Due to other funds	-	-	-	-	-	208,940
Unearned revenue	133,516	26,718	16,039	7,611	183,884	-
Accrued compensated absences	5,963	3,955	2,364	639	12,921	12,130
Accrued claims and judgments	-	-	-	-	-	2,690,237
Bonds, notes, and capital leases	248,633	-	207,626	-	456,259	12,770
<b>Total current liabilities</b>	<b>706,421</b>	<b>290,478</b>	<b>327,563</b>	<b>232,923</b>	<b>1,557,385</b>	<b>3,949,267</b>
Noncurrent liabilities:						
Accrued claims and judgments	-	-	-	-	-	13,473,386
Accrued compensated absences	119,634	79,358	47,422	12,819	259,233	243,261
Bonds, notes, and capital leases	3,466,920	-	9,118,020	-	12,584,940	20,399
<b>Total noncurrent liabilities</b>	<b>3,586,554</b>	<b>79,358</b>	<b>9,165,442</b>	<b>12,819</b>	<b>12,844,173</b>	<b>13,737,046</b>
<b>Total liabilities</b>	<b>4,292,975</b>	<b>369,836</b>	<b>9,493,005</b>	<b>245,742</b>	<b>14,401,558</b>	<b>17,686,313</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	17,083,953	13,291,807	4,977,928	60,347	35,414,035	4,435,357
Unrestricted	16,340,746	4,736,234	3,783,437	704,433	25,564,850	2,957,654
<b>Total net assets</b>	<b>\$ 33,424,699</b>	<b>\$ 18,028,041</b>	<b>\$ 8,761,365</b>	<b>\$ 764,780</b>	<b>\$ 60,978,885</b>	<b>\$ 7,393,011</b>

See accompanying Notes to the Financial Statements.

# City of Redondo Beach

## Statement of Revenues, Expenses and Changes in Net Assets

### Proprietary Funds

For the year ended June 30, 2009

	Business-Type Activities - Enterprise Funds				Total	Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste		Internal Service Funds
<b>OPERATING REVENUES:</b>						
Sales and service charges	\$ -	\$ -	\$ 2,293,090	\$ 2,992,476	\$ 5,285,566	\$ 15,934,730
Harbor rentals	4,586,217	2,279,011	-	-	6,865,228	-
Use of property	683,873	1,759,215	-	-	2,443,088	-
Miscellaneous	33,215	39,990	15,000	106,875	195,080	93,301
<b>Total operating revenues</b>	<b>5,303,305</b>	<b>4,078,216</b>	<b>2,308,090</b>	<b>3,099,351</b>	<b>14,788,962</b>	<b>16,028,031</b>
<b>OPERATING EXPENSES:</b>						
Personnel services	2,838,193	3,020,883	654,343	572,380	7,085,799	4,847,322
Contractual services	664,187	734,153	376,954	2,399,772	4,175,066	5,148,376
Administrative and general expenses	1,214,039	1,158,903	265,634	251,674	2,890,250	3,537,007
Depreciation expense	466,197	374,406	268,901	4,672	1,114,176	889,622
<b>Total operating expenses</b>	<b>5,182,616</b>	<b>5,288,345</b>	<b>1,565,832</b>	<b>3,228,498</b>	<b>15,265,291</b>	<b>14,422,327</b>
<b>OPERATING INCOME (LOSS)</b>	<b>120,689</b>	<b>(1,210,129)</b>	<b>742,258</b>	<b>(129,147)</b>	<b>(476,329)</b>	<b>1,605,704</b>
<b>NONOPERATING REVENUES EXPENSES:</b>						
Intergovernmental	99,181	-	-	63,331	162,512	-
Investment income	575,014	161,544	207,922	-	944,480	-
Interest expense	(177,907)	-	(526,413)	-	(704,320)	(6,282)
Gain (loss) on sale of fixed assets	-	-	-	-	-	28,288
<b>Total nonoperating revenues (expenses)</b>	<b>496,288</b>	<b>161,544</b>	<b>(318,491)</b>	<b>63,331</b>	<b>402,672</b>	<b>22,006</b>

# City of Redondo Beach

## Statement of Revenues, Expenses and Changes in Net Assets

### Proprietary Funds

For the year ended June 30, 2009

	Business-Type Activities - Enterprise Funds					Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Total	Activities Internal Service Funds
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	616,977	(1,048,585)	423,767	(65,816)	(73,657)	1,627,710
Transfers in	120,000	-	-	-	120,000	255,320
Transfers out	-	-	(385,313)	(877,000)	(1,262,313)	-
<b>Total transfers</b>	<u>120,000</u>	<u>-</u>	<u>(385,313)</u>	<u>(877,000)</u>	<u>(1,142,313)</u>	<u>255,320</u>
<b>Change in net assets</b>	736,977	(1,048,585)	38,454	(942,816)	(1,215,970)	1,883,030
<b>NET ASSETS:</b>						
Beginning of year	32,687,722	19,076,626	8,722,911	1,707,596	62,194,855	5,509,981
End of year	<u>\$ 33,424,699</u>	<u>\$ 18,028,041</u>	<u>\$ 8,761,365</u>	<u>\$ 764,780</u>	<u>\$ 60,978,885</u>	<u>\$ 7,393,011</u>

See accompanying Notes to the Financial Statements.

**City of Redondo Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers and users	\$ 5,379,772	\$ 4,050,897	\$ 2,323,825	\$ 3,099,429	\$ 14,853,923	\$ 16,020,116
Cash payments to suppliers for goods and services	(2,059,937)	(2,035,092)	(636,017)	(2,456,186)	(7,187,232)	(9,542,344)
Cash payments to employees for services	(2,749,855)	(2,969,116)	(620,085)	(564,014)	(6,903,070)	(4,742,481)
<b>Net cash provided (used) by operating activities</b>	<b>569,980</b>	<b>(953,311)</b>	<b>1,067,723</b>	<b>79,229</b>	<b>763,621</b>	<b>1,735,291</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in	120,000	-	-	-	120,000	255,320
Transfers out	-	-	(385,313)	(877,000)	(1,262,313)	-
Repayment received from other funds	(187,792)	-	-	-	(187,792)	68,586
Repayment made to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Advance to other funds	76,394	(51,422)	-	-	24,972	-
Subsidy from grants	99,181	-	-	66,936	166,117	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>107,783</b>	<b>(51,422)</b>	<b>(385,313)</b>	<b>(810,064)</b>	<b>(1,139,016)</b>	<b>323,906</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition and construction of capital assets	(61,957)	(60,770)	(22,086)	-	(144,813)	(1,580,377)
Principal paid on capital debt	(237,927)	-	(184,913)	-	(422,840)	(12,049)
Interest paid on capital debt	(177,907)	-	(526,413)	-	(704,320)	(6,282)
Proceeds from sales of capital assets	-	-	-	-	-	28,288
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(477,791)</b>	<b>(60,770)</b>	<b>(733,412)</b>	<b>-</b>	<b>(1,271,973)</b>	<b>(1,570,420)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Loan collections	22,311	-	-	-	22,311	-
Interest received	582,878	173,689	207,922	219	964,708	-
<b>Net cash provided (used) by investing activities</b>	<b>605,189</b>	<b>173,689</b>	<b>207,922</b>	<b>219</b>	<b>987,019</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 805,161</b>	<b>\$ (891,814)</b>	<b>\$ 156,920</b>	<b>\$ (730,616)</b>	<b>\$ (660,349)</b>	<b>\$ 488,777</b>

**City of Redondo Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2009**

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Total	
<b>CASH AND CASH EQUIVALENTS:</b>						
Beginning of year	\$ 11,550,924	\$ 3,743,211	\$ 9,693,439	\$ 1,581,603	\$ 26,569,177	\$ 20,108,900
End of year	\$ 12,356,085	\$ 2,851,397	\$ 9,850,359	\$ 850,987	\$ 25,908,828	\$ 20,597,677
<b>FINANCIAL STATEMENT PRESENTATION:</b>						
Cash and investments	\$ 12,356,085	\$ 2,851,397	\$ 3,539,520	\$ 850,987	\$ 19,597,989	\$ 20,597,677
Cash with fiscal agent	-	-	6,310,839	-	6,310,839	-
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 12,356,085</b>	<b>\$ 2,851,397</b>	<b>\$ 9,850,359</b>	<b>\$ 850,987</b>	<b>\$ 25,908,828</b>	<b>\$ 20,597,677</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 120,689	\$ (1,210,129)	\$ 742,258	\$ (129,147)	\$ (476,329)	\$ 1,605,704
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	466,197	374,406	268,901	4,672	1,114,176	889,622
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	83,723	(57,513)	35,445	26,172	87,827	(7,963)
(Increase) decrease in taxes receivable	-	-	(26,549)	(6,055)	(32,604)	-
(Increase) decrease in due from other governments	-	-	-	-	-	48
(Increase) decrease in prepaid expense	(1,060)	(1,109)	(109)	(25)	(2,303)	(3,066)
Increase (decrease) in accounts payable	(180,651)	(140,927)	6,680	195,285	(119,613)	424,231
Increase (decrease) in due to other governments	-	-	-	-	-	(28)
Increase (decrease) in deposits payable	34,789	3,641	-	-	38,430	-
Increase (decrease) in accrued liabilities	12,496	1,165	4,041	(1,287)	16,415	1,580
Increase (decrease) in claims and judgments	-	-	-	-	-	(1,278,098)
Increase (decrease) in compensated absences	75,842	50,602	30,217	9,653	166,314	103,261
Increase (decrease) in unearned revenue	(42,045)	26,553	6,839	(20,039)	(28,692)	-
<b>Total adjustments</b>	<b>449,291</b>	<b>256,818</b>	<b>325,465</b>	<b>208,376</b>	<b>1,239,950</b>	<b>129,587</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 569,980</b>	<b>\$ (953,311)</b>	<b>\$ 1,067,723</b>	<b>\$ 79,229</b>	<b>\$ 763,621</b>	<b>\$ 1,735,291</b>

See accompanying Notes to the Financial Statements.

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## FIDUCIARY FUND FINANCIAL STATEMENTS

**Agency Funds** are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held in an agency capacity for others and therefore cannot be used to support the City's programs.

**City of Redondo Beach**  
**Statement of Fiduciary Net Assets**  
**Agency Funds**  
**June 30, 2009**

	Agency Funds
<b>ASSETS</b>	
Pooled cash and investments	\$ 431,602
Receivables:	
Accounts	32,262
Interest	1,129
Due from other governments	540,237
<b>Total assets</b>	<b>\$ 1,005,230</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 151,679
Accrued liabilities	46,930
Deposits payable	799,811
Deferred revenue	6,810
<b>Total liabilities</b>	<b>\$ 1,005,230</b>

See accompanying Notes to the Financial Statements.