

## 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 which 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 which 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 which 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 which 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 which provides for the annual printing costs.

**Emergency Communications 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**  
**All Internal Service Funds**  
**June 30, 2009**

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Total
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 4,871,757	\$ -	\$ 150,205	\$ 15,184,482	\$ -	\$ 391,233	\$ 20,597,677
Accounts receivable	9,942	-	-	-	-	-	9,942
Prepaid costs	-	652	556	-	1,971	-	3,179
Total current assets	4,881,699	652	150,761	15,184,482	1,971	391,233	20,610,798
Noncurrent assets:							
Capital assets - net of accumulated depreciation	3,383,929	23,641	363,020	-	60,752	637,184	4,468,526
Total noncurrent assets	3,383,929	23,641	363,020	-	60,752	637,184	4,468,526
<b>Total assets</b>	<b>8,265,628</b>	<b>24,293</b>	<b>513,781</b>	<b>15,184,482</b>	<b>62,723</b>	<b>1,028,417</b>	<b>25,079,324</b>
<b>LIABILITIES</b>							
<b>Liabilities:</b>							
Current liabilities:							
Accounts payable	220,490	188,260	131,518	307,095	16,737	23,089	887,189
Accrued liabilities	12,527	30,820	27,474	4,372	4,552	58,256	138,001
Due to other funds	-	193,627	-	-	15,313	-	208,940
Accrued compensated absences	833	2,602	3,199	743	1,009	3,744	12,130
Accrued claims and judgments	-	-	-	2,690,237	-	-	2,690,237
Bonds, notes, and capital leases	-	-	-	-	12,770	-	12,770
Total current liabilities	233,850	415,309	162,191	3,002,447	50,381	85,089	3,949,267
Noncurrent liabilities:							
Accrued compensated absences	16,704	52,182	64,180	14,852	20,232	75,111	243,261
Accrued claims and judgments	-	-	-	13,473,386	-	-	13,473,386
Bonds, notes, and capital leases	-	-	-	-	20,399	-	20,399
Total noncurrent liabilities	16,704	52,182	64,180	13,488,238	40,631	75,111	13,737,046
<b>Total liabilities</b>	<b>250,554</b>	<b>467,491</b>	<b>226,371</b>	<b>16,490,685</b>	<b>91,012</b>	<b>160,200</b>	<b>17,686,313</b>
<b>NET ASSETS</b>							
Invested in capital assets	3,383,929	23,641	363,020	-	27,583	637,184	4,435,357
Unrestricted	4,631,145	(466,839)	(75,610)	(1,306,203)	(55,872)	231,033	2,957,654
<b>Total net assets</b>	<b>\$ 8,015,074</b>	<b>\$ (443,198)</b>	<b>\$ 287,410</b>	<b>\$ (1,306,203)</b>	<b>\$ (28,289)</b>	<b>\$ 868,217</b>	<b>\$ 7,393,011</b>

**City of Redondo Beach**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**All Internal Service Funds**  
**For the year ended June 30, 2009**

	Vehicle Replacement	Building Occupancy	Information Technology	Self- Insurance Program	Printing and Graphics	Emergency Communications	Total
<b>OPERATING REVENUES:</b>							
Sales and service charges	\$ 2,783,767	\$ 2,683,393	\$ 2,564,268	\$ 5,072,527	\$ 316,472	\$ 2,514,303	\$ 15,934,730
Miscellaneous	84,766	-	2,910	5,625	-	-	93,301
<b>Total operating revenues</b>	<b>2,868,533</b>	<b>2,683,393</b>	<b>2,567,178</b>	<b>5,078,152</b>	<b>316,472</b>	<b>2,514,303</b>	<b>16,028,031</b>
<b>OPERATING EXPENSES:</b>							
Administrative and general expenses	1,071,292	1,094,069	1,158,745	-	54,073	158,828	3,537,007
Personnel services	481,152	1,191,745	911,607	177,770	211,798	1,873,250	4,847,322
Contractual services	204,483	538,129	862,360	3,008,534	102,188	432,682	5,148,376
Depreciation	766,752	3,139	63,083	-	6,036	50,612	889,622
<b>Total operating expenses</b>	<b>2,523,679</b>	<b>2,827,082</b>	<b>2,995,795</b>	<b>3,186,304</b>	<b>374,095</b>	<b>2,515,372</b>	<b>14,422,327</b>
<b>OPERATING INCOME (LOSS)</b>	<b>344,854</b>	<b>(143,689)</b>	<b>(428,617)</b>	<b>1,891,848</b>	<b>(57,623)</b>	<b>(1,069)</b>	<b>1,605,704</b>
<b>NONOPERATING REVENUES EXPENSES:</b>							
Interest expenses	-	-	-	-	(6,282)	-	(6,282)
Gain (loss) on sale of capital assets	28,288	-	-	-	-	-	28,288
<b>Total nonoperating revenues (expenses)</b>	<b>28,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,282)</b>	<b>-</b>	<b>22,006</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>373,142</b>	<b>(143,689)</b>	<b>(428,617)</b>	<b>1,891,848</b>	<b>(63,905)</b>	<b>(1,069)</b>	<b>1,627,710</b>
Transfers in	185,000	70,320	-	-	-	-	255,320
<b>Change in net assets</b>	<b>558,142</b>	<b>(73,369)</b>	<b>(428,617)</b>	<b>1,891,848</b>	<b>(63,905)</b>	<b>(1,069)</b>	<b>1,883,030</b>
<b>NET ASSETS:</b>							
Beginning of year	7,456,932	(369,829)	716,027	(3,198,051)	35,616	869,286	5,509,981
End of year	\$ 8,015,074	\$ (443,198)	\$ 287,410	\$ (1,306,203)	\$ (28,289)	\$ 868,217	\$ 7,393,011

**City of Redondo Beach**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2009**

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash received from customers and users	\$ 2,860,570	\$ 2,683,393	\$ 2,567,178	\$ 5,078,200	\$ 316,472	\$ 2,514,303	\$ 16,020,116
Cash payments to suppliers for goods and services	(1,160,673)	(1,615,985)	(1,906,403)	(4,141,565)	(148,102)	(569,616)	(9,542,344)
Cash payments to employees for services	(468,949)	(1,191,001)	(876,149)	(175,637)	(198,192)	(1,832,553)	(4,742,481)
<b>Net cash provided (used) by operating activities</b>	<b>1,230,948</b>	<b>(123,593)</b>	<b>(215,374)</b>	<b>760,998</b>	<b>(29,822)</b>	<b>112,134</b>	<b>1,735,291</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfers in	185,000	70,320	-	-	-	-	255,320
Repayment received from other funds	-	53,273	-	-	15,313	-	68,586
<b>Net cash provided (used) by noncapital financing activities</b>	<b>185,000</b>	<b>123,593</b>	<b>-</b>	<b>-</b>	<b>15,313</b>	<b>-</b>	<b>323,906</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Acquisition and construction of capital assets	(1,117,949)	-	(201,124)	-	-	(261,304)	(1,580,377)
Principal paid of capital debt	-	-	-	-	(12,049)	-	(12,049)
Interest paid on capital debt	-	-	-	-	(6,282)	-	(6,282)
Proceeds from sales of capital assets	28,288	-	-	-	-	-	28,288
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(1,089,661)</b>	<b>-</b>	<b>(201,124)</b>	<b>-</b>	<b>(18,331)</b>	<b>(261,304)</b>	<b>(1,570,420)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>326,287</b>	<b>-</b>	<b>(416,498)</b>	<b>760,998</b>	<b>(32,840)</b>	<b>(149,170)</b>	<b>488,777</b>
<b>CASH AND CASH EQUIVALENTS:</b>							
Beginning of year	4,545,470	-	566,703	14,423,484	32,840	540,403	20,108,900
End of year	\$ 4,871,757	\$ -	\$ 150,205	\$ 15,184,482	\$ -	\$ 391,233	\$ 20,597,677

**City of Redondo Beach**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2009**

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ 344,854	\$ (143,689)	\$ (428,617)	\$ 1,891,848	\$ (57,623)	\$ (1,069)	\$ 1,605,704
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	766,752	3,139	63,083	-	6,036	50,612	889,622
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(7,963)	-	-	-	-	-	(7,963)
(Increase) decrease in due from other governments	-	-	-	48	-	-	48
(Increase) decrease in prepaid expense	-	(652)	(556)	113	(1,971)	-	(3,066)
Increase (decrease) in accounts payable	115,102	16,865	115,286	144,954	10,130	21,894	424,231
Increase (decrease) in due to other governments	-	-	(28)	-	-	-	(28)
Increase (decrease) in accrued liabilities	(1,379)	(4,372)	1,488	75	(1,068)	6,836	1,580
Increase (decrease) in claims and judgments	-	-	-	(1,278,098)	-	-	(1,278,098)
Increase (decrease) in compensated absences	13,582	5,116	33,970	2,058	14,674	33,861	103,261
Total adjustments	886,094	20,096	213,243	(1,130,850)	27,801	113,203	129,587
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,230,948</b>	<b>\$ (123,593)</b>	<b>\$ (215,374)</b>	<b>\$ 760,998</b>	<b>\$ (29,822)</b>	<b>\$ 112,134</b>	<b>\$ 1,735,291</b>

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