

## **FUND FINANCIAL STATEMENTS**

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

*This page intentionally left blank.*

## 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, 2010

	Special Revenue Fund		Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds	
	General	Other	Projects Fund	Public	Redevelopment			
		Intergovernmental Grants	Redevelopment Agency	Capital Improvement Projects	Financing Authority			Agency
<b>ASSETS</b>								
Pooled cash and investments	\$ 3,959,951	\$ -	\$ 9,904,901	\$ 7,790,795	\$ 305,705	\$ 1,355,011	\$ 10,209,915	\$ 33,526,278
Receivables:								
Accounts	597,575	278,399	-	46,925	8,036	-	349,341	1,280,276
Interest	323,056	1,094	56,896	-	327	-	59,159	440,532
Taxes	3,070,220	-	18,304	-	-	42,239	172,926	3,303,689
Notes and loans	19,974	-	3,809,806	-	-	-	485,263	4,315,043
Prepaid costs	58,487	-	-	-	-	-	488	58,975
Due from other funds	3,742,870	-	78,825	750,000	148,105	-	25,018	4,744,818
Due from other governments	1,159,879	2,731,702	-	-	-	-	976,433	4,868,014
Advances to other funds	1,415,237	-	505,014	-	8,040,345	-	-	9,960,596
Restricted assets:								
Cash and investments with fiscal agents	-	-	-	-	1,676,495	-	-	1,676,495
<b>Total assets</b>	<b>\$ 14,347,249</b>	<b>\$ 3,011,195</b>	<b>\$ 14,373,746</b>	<b>\$ 8,587,720</b>	<b>\$ 10,179,013</b>	<b>\$ 1,397,250</b>	<b>\$ 12,278,543</b>	<b>\$ 64,174,716</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 757,750	\$ 913,463	\$ -	\$ 1,340,752	\$ 6,120	\$ -	\$ 1,496,464	\$ 4,514,549
Accrued liabilities	1,374,422	13,714	-	3,097	-	-	70,261	1,461,494
Pollution remediation liability	150,000	-	-	-	-	-	-	150,000
Unearned revenue	393,415	275,659	-	-	-	-	17,870	686,944
Deposits payable	108,487	-	-	-	-	-	-	108,487
Due to other funds	853,924	2,011,929	130,657	933,167	358,867	370,311	656,860	5,315,715
Due to other governments	-	-	-	-	-	164,505	-	164,505
Deferred revenue	815,174	2,141,024	985,274	-	-	-	597,601	4,539,073
Advances from other funds	-	-	-	-	1,415,237	16,649,193	-	18,064,430
<b>Total liabilities</b>	<b>4,453,172</b>	<b>5,355,789</b>	<b>1,115,931</b>	<b>2,277,016</b>	<b>1,780,224</b>	<b>17,184,009</b>	<b>2,839,056</b>	<b>35,005,197</b>

**City of Redondo Beach**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	Special Revenue Fund		Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	Other	Redevelopment Agency	Capital	Public	Redevelopment Agency		
	Intergovernmental Grants		Improvement Projects	Financing Authority			
General							
<b>Fund Balances:</b>							
Reserved:							
Encumbrances	431,762	-	1,128,268	-	-	474,594	2,034,624
Prepaid costs	58,487	-	-	-	-	488	58,975
Notes and loans	19,974	-	-	-	-	485,263	3,329,769
Advances to other funds	-	-	-	8,040,345	-	-	8,040,345
Low income programs	-	-	-	-	-	-	1,948,260
Unreserved:							
Unreserved, reported in nonmajor:							
Special revenue funds	-	-	-	-	-	5,067,696	5,067,696
Capital projects funds	-	-	-	-	-	5,054	5,054
Debt service funds	-	-	-	-	-	1,165,476	1,165,476
BBR Legal Fees	313,000	-	-	-	-	-	313,000
Contingencies	5,570,473	-	2,756,163	-	-	-	8,326,636
Compensated absences	972,424	-	-	-	-	-	972,424
Petty cash	17,400	-	-	-	-	-	17,400
Continuing appropriations	990,746	-	-	-	-	2,240,916	3,231,662
AB1805 Booking	5,000	-	-	-	-	-	5,000
PERS	1,333,167	-	-	-	-	-	1,333,167
Health insurance premiums	160,000	-	-	-	-	-	160,000
Undesignated	21,644	(2,344,594)	8,485,023	2,426,273	358,444	(15,786,759)	(6,839,969)
<b>Total fund balances</b>	<b>9,894,077</b>	<b>(2,344,594)</b>	<b>13,257,815</b>	<b>6,310,704</b>	<b>8,398,789</b>	<b>(15,786,759)</b>	<b>29,169,519</b>
<b>Total liabilities and fund balances</b>	<b>\$ 14,347,249</b>	<b>\$ 3,011,195</b>	<b>\$ 14,373,746</b>	<b>\$ 8,587,720</b>	<b>\$ 10,179,013</b>	<b>\$ 1,397,250</b>	<b>\$ 64,174,716</b>

See accompanying Notes to the Financial Statements.

*This page intentionally left blank.*

**City of Redondo Beach**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2010**

**Total Fund Balances - Total Governmental Funds**

**\$ 29,169,519**

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:

Non-depreciable  
 Depreciable, net  
 Total capital assets

Government- Wide Statement of Net Assets	Internal Service Funds	
\$ 75,234,597	\$ -	75,234,597
62,529,456	(4,432,249)	58,097,207
<u>\$ 137,764,053</u>	<u>\$ (4,432,249)</u>	<u>133,331,804</u>

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.

220,300

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.

4,539,073

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.

11,607,894

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

Other long-term debt - due within one year  
 Other long-term debt - due in more than one year  
 Compensated absences payable - due within one year  
 Compensated absences payable - due in more than one year  
 Total long-term liabilities

Government- Wide Statement of Net Assets	Internal Service Funds	
\$ (3,752,703)	\$ 3,008,714	(743,989)
(32,433,338)	10,466,286	(21,967,052)
(39,153)	39,153	-
(2,540,174)	246,477	(2,293,697)
<u>\$ (38,765,368)</u>	<u>\$ 13,760,630</u>	<u>(25,004,738)</u>

**Net Assets of Governmental Activities**

**\$ 153,730,052**

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, 2010**

	Special Revenue Fund			Capital Projects Fund	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	General	Other	Redevelopment	Capital	Public	Redevelopment		
		Intergovernmental Grants	Agency	Improvement Projects	Financing Authority	Agency		
<b>REVENUES:</b>								
Taxes	\$ 48,542,165	\$ -	\$ 905,418	\$ -	\$ -	\$ 487,716	\$ 11,200	\$ 49,946,499
Interdepartmental	6,681,277	-	-	-	-	-	-	6,681,277
Licenses and permits	930,523	-	-	-	-	-	-	930,523
Intergovernmental	267,303	2,805,803	-	283,400	-	-	12,263,484	15,619,990
Charges for services	4,940,243	-	-	173,887	-	-	2,165,034	7,279,164
Use of money and property	2,821,282	-	389,337	-	1,044,360	-	674,866	4,929,845
Fines and forfeitures	1,875,287	-	-	-	-	-	-	1,875,287
Miscellaneous	497,596	-	177,732	1,000	-	-	323,588	999,916
<b>Total revenues</b>	<b>66,555,676</b>	<b>2,805,803</b>	<b>1,472,487</b>	<b>458,287</b>	<b>1,044,360</b>	<b>487,716</b>	<b>15,438,172</b>	<b>88,262,501</b>
<b>EXPENDITURES:</b>								
Current:								
General government	7,901,358	-	-	-	-	-	-	7,901,358
Public safety	41,527,591	410,872	-	-	-	-	26,171	41,964,634
Housing and community development	5,017,769	186,000	897,386	-	216,182	85,203	9,989,901	16,392,441
Public works	4,757,314	79,105	-	209,904	-	-	3,791,377	8,837,700
Cultural and leisure services	7,411,574	15,849	-	-	-	-	-	7,427,423
Capital outlay	323,973	3,377,305	-	5,204,020	-	-	2,657,317	11,562,615
Debt service:								
Principal retirement	-	-	-	-	2,160,285	331,770	-	2,492,055
Interest and fiscal charges	-	-	-	-	355,972	713,068	-	1,069,040
<b>Total expenditures</b>	<b>66,939,579</b>	<b>4,069,131</b>	<b>897,386</b>	<b>5,413,924</b>	<b>2,732,439</b>	<b>1,130,041</b>	<b>16,464,766</b>	<b>97,647,266</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>								
<b>OVER (UNDER) EXPENDITURES</b>	<b>(383,903)</b>	<b>(1,263,328)</b>	<b>575,101</b>	<b>(4,955,637)</b>	<b>(1,688,079)</b>	<b>(642,325)</b>	<b>(1,026,594)</b>	<b>(9,384,765)</b>

**City of Redondo Beach**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2010**

	Special Revenue Fund		Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds	
	Other		Projects Fund	Public				
	General	Intergovernmental Grants	Redevelopment Agency	Capital Improvement Projects	Financing Authority			Redevelopment Agency
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	2,057,480	-	-	750,000	-	-	1,583,366	4,390,846
Transfers out	(1,804,822)	-	-	(1,978,480)	-	-	(643,290)	(4,426,592)
Refunding bonds issued	-	-	-	-	-	-	-	-
Refunding bonds redeemed	-	-	-	-	-	-	-	-
Other debt issued	-	-	-	-	-	589,314	-	589,314
<b>Total other financing sources (uses)</b>	<b>252,658</b>	<b>-</b>	<b>-</b>	<b>(1,228,480)</b>	<b>-</b>	<b>589,314</b>	<b>940,076</b>	<b>553,568</b>
<b>Net change in fund balances</b>	<b>(131,245)</b>	<b>(1,263,328)</b>	<b>575,101</b>	<b>(6,184,117)</b>	<b>(1,688,079)</b>	<b>(53,011)</b>	<b>(86,518)</b>	<b>(8,831,197)</b>
<b>FUND BALANCES:</b>								
Beginning of year	10,025,322	(1,081,266)	12,682,714	12,494,821	10,086,868	(15,733,748)	9,526,005	38,000,716
End of year	<u>\$ 9,894,077</u>	<u>\$ (2,344,594)</u>	<u>\$ 13,257,815</u>	<u>\$ 6,310,704</u>	<u>\$ 8,398,789</u>	<u>\$ (15,786,759)</u>	<u>\$ 9,439,487</u>	<u>\$ 29,169,519</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, 2010

Net Change in Fund Balances - Total Governmental Funds \$ (8,831,197)

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.	\$ 11,562,615	\$ 6,806,170	4,756,445
The net effect of sales transactions involving capital assets is to decrease net assets.			(1,937)
	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.	\$ (4,637,596)	\$ 1,014,588	(3,623,008)
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.			(148,743)
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:			
Other debt issued			(589,314)
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			2,492,055

# 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, 2010

---

---

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.

-

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.

1,594,058

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.

4,214,883

### Change in Net Assets of Governmental Activities

\$ (145,306)

*This page intentionally left blank.*

## 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 Tideland 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, 2010**

	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 cash equivalents	\$ 13,229,125	\$ 2,831,299	\$ 2,768,299	\$ 967,536	\$ 19,796,259	\$ 22,059,608
Receivables:						
Accounts	259,102	114,485	35,036	64,450	473,073	10,101
Interest	108,198	20,882	-	-	129,080	-
Taxes	-	-	66,852	86,297	153,149	-
Notes and loans	236,027	-	-	-	236,027	-
Due from other funds	570,897	-	-	-	570,897	-
Due from other governments	-	-	-	8,886	8,886	-
Prepaid items	125	2,375	-	500	3,000	1,113
Deferred charges	-	-	305,119	-	305,119	-
Restricted:						
Cash with fiscal agent	-	-	6,220,558	-	6,220,558	-
Total current assets	<u>14,403,474</u>	<u>2,969,041</u>	<u>9,395,864</u>	<u>1,127,669</u>	<u>27,896,048</u>	<u>22,070,822</u>
Noncurrent assets:						
Advances to other funds	6,015,464	2,088,370	-	-	8,103,834	-
Capital assets:						
Non-depreciable	3,776,802	7,546,453	-	-	11,323,255	-
Depreciable, net	13,830,970	5,390,293	9,043,169	55,676	28,320,108	4,432,249
Total capital assets	<u>17,607,772</u>	<u>12,936,746</u>	<u>9,043,169</u>	<u>55,676</u>	<u>39,643,363</u>	<u>4,432,249</u>
Total noncurrent assets	<u>23,623,236</u>	<u>15,025,116</u>	<u>9,043,169</u>	<u>55,676</u>	<u>47,747,197</u>	<u>4,432,249</u>
<b>Total assets</b>	<u>38,026,710</u>	<u>17,994,157</u>	<u>18,439,033</u>	<u>1,183,345</u>	<u>75,643,245</u>	<u>26,503,071</u>

**City of Redondo Beach**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	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	256,950	160,383	128,182	274,534	820,049	976,631
Accrued liabilities	97,098	72,534	22,060	22,798	214,490	157,916
Deposits payable	121,575	39,795	-	-	161,370	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	19,757	-	19,757	-
Accrued compensated absences	18,959	12,855	7,693	2,404	41,911	39,153
Accrued claims and judgments	-	-	-	-	-	2,988,028
Bonds, notes, and capital leases	259,822	-	212,626	-	472,448	20,686
<b>Total current liabilities</b>	<b>754,404</b>	<b>285,567</b>	<b>390,318</b>	<b>299,736</b>	<b>1,730,025</b>	<b>4,182,414</b>
Noncurrent liabilities:						
Accrued claims and judgments	-	-	-	-	-	10,466,286
Accrued compensated absences	119,377	80,945	48,434	15,131	263,887	246,477
Bonds, notes, and capital leases	3,207,098	-	8,905,394	-	12,112,492	-
<b>Total noncurrent liabilities</b>	<b>3,326,475</b>	<b>80,945</b>	<b>8,953,828</b>	<b>15,131</b>	<b>12,376,379</b>	<b>10,712,763</b>
<b>Total liabilities</b>	<b>4,080,879</b>	<b>366,512</b>	<b>9,344,146</b>	<b>314,867</b>	<b>14,106,404</b>	<b>14,895,177</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	16,847,823	12,936,746	6,145,707	55,676	35,985,952	4,411,563
Unrestricted	17,098,008	4,690,899	2,949,180	812,802	25,550,889	7,196,331
<b>Total net assets</b>	<b>\$ 33,945,831</b>	<b>\$ 17,627,645</b>	<b>\$ 9,094,887</b>	<b>\$ 868,478</b>	<b>\$ 61,536,841</b>	<b>\$ 11,607,894</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, 2010

	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	\$ -	\$ -	\$ 2,437,816	\$ 3,356,843	\$ 5,794,659	\$ 16,377,776
Harbor rentals	4,471,903	2,284,183	-	-	6,756,086	-
Use of property	936,446	1,650,865	-	-	2,587,311	-
Miscellaneous	42,133	18,530	21,754	93,635	176,052	78,511
<b>Total operating revenues</b>	<b>5,450,482</b>	<b>3,953,578</b>	<b>2,459,570</b>	<b>3,450,478</b>	<b>15,314,108</b>	<b>16,456,287</b>
<b>OPERATING EXPENSES:</b>						
Personnel services	2,732,289	2,085,208	768,143	587,347	6,172,987	4,646,643
Contractual services	273,449	541,550	94,809	2,510,705	3,420,513	3,164,155
Administrative and general expenses	1,573,080	1,450,985	773,545	261,825	4,059,435	3,559,097
Depreciation expense	626,703	363,484	102,772	4,672	1,097,631	1,014,588
<b>Total operating expenses</b>	<b>5,205,521</b>	<b>4,441,227</b>	<b>1,739,269</b>	<b>3,364,549</b>	<b>14,750,566</b>	<b>12,384,483</b>
<b>OPERATING INCOME (LOSS)</b>	<b>244,961</b>	<b>(487,649)</b>	<b>720,301</b>	<b>85,929</b>	<b>563,542</b>	<b>4,071,804</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Intergovernmental	-	-	-	17,769	17,769	-
Investment income	580,109	123,406	97,669	-	801,184	-
Interest expense	(167,200)	-	(468,050)	-	(635,250)	-
Gain (loss) on sale of fixed assets	-	-	(16,398)	-	(16,398)	28,333
<b>Total nonoperating revenues (expenses)</b>	<b>412,909</b>	<b>123,406</b>	<b>(386,779)</b>	<b>17,769</b>	<b>167,305</b>	<b>28,333</b>

# City of Redondo Beach

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

### Proprietary Funds

For the year ended June 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds	
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste		Total
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	657,870	(364,243)	333,522	103,698	730,847	4,100,137
Transfers in	-	-	-	-	-	114,746
Transfers out	(79,000)	-	-	-	(79,000)	-
<b>Total transfers</b>	<b>(79,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(79,000)</b>	<b>114,746</b>
<b>Change in net assets</b>	<b>578,870</b>	<b>(364,243)</b>	<b>333,522</b>	<b>103,698</b>	<b>651,847</b>	<b>4,214,883</b>
<b>NET ASSETS:</b>						
Beginning of year, as restated	33,366,961	17,991,888	8,761,365	764,780	60,884,994	7,393,011
End of year	<u>\$ 33,945,831</u>	<u>\$ 17,627,645</u>	<u>\$ 9,094,887</u>	<u>\$ 868,478</u>	<u>\$ 61,536,841</u>	<u>\$ 11,607,894</u>

See accompanying Notes to the Financial Statements.

**City of Redondo Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Business-Type Activities - Enterprise Funds					Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Total	Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers and users	\$ 5,360,566	\$ 3,966,485	\$ 2,454,735	\$ 3,384,080	\$ 15,165,866	\$ 16,456,128
Cash payments to suppliers for goods and services	(1,752,948)	(2,007,198)	(819,735)	(2,707,015)	(7,286,896)	(9,341,053)
Cash payments to employees for services	(2,712,370)	(2,084,571)	(761,604)	(576,601)	(6,135,146)	(4,596,489)
<b>Net cash provided (used) by operating activities</b>	<b>895,248</b>	<b>(125,284)</b>	<b>873,396</b>	<b>100,464</b>	<b>1,743,824</b>	<b>2,518,586</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in	-	-	-	-	-	114,746
Transfers out	(79,000)	-	-	-	(79,000)	-
Repayment received from other funds	30,072	-	-	-	30,072	(208,940)
Repayment made to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Advance to other funds	185,083	(12,455)	-	-	172,628	-
Subsidy from grants	-	-	-	15,984	15,984	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>136,155</b>	<b>(12,455)</b>	<b>-</b>	<b>15,984</b>	<b>139,684</b>	<b>(94,194)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition and construction of capital assets	(336,253)	(8,423)	(1,169,604)	(1)	(1,514,281)	(978,311)
Principal paid on capital debt	(248,633)	-	(194,913)	-	(443,546)	(12,483)
Interest paid on capital debt	(167,200)	-	(468,050)	-	(635,250)	-
Proceeds from sales of capital assets	-	-	(16,398)	-	(16,398)	28,333
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(752,086)</b>	<b>(8,423)</b>	<b>(1,848,965)</b>	<b>(1)</b>	<b>(2,609,475)</b>	<b>(962,461)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Loan collections	22,796	-	-	-	22,796	-
Interest received	570,927	126,064	97,669	102	794,762	-
<b>Net cash provided (used) by investing activities</b>	<b>593,723</b>	<b>126,064</b>	<b>97,669</b>	<b>102</b>	<b>817,558</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>873,040</b>	<b>(20,098)</b>	<b>(877,900)</b>	<b>116,549</b>	<b>91,591</b>	<b>1,461,931</b>

**City of Redondo Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Business-Type Activities - Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste		
<b>CASH AND CASH EQUIVALENTS:</b>						
Beginning of year	12,356,085	2,851,397	9,850,359	850,987	25,908,828	20,597,677
End of year	<u>\$ 13,229,125</u>	<u>\$ 2,831,299</u>	<u>\$ 8,988,857</u>	<u>\$ 967,536</u>	<u>\$ 26,000,419</u>	<u>\$ 22,059,608</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 244,961	\$ (487,649)	\$ 720,301	\$ 85,929	\$ 563,542	\$ 4,071,804
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	626,703	363,484	102,772	4,672	1,097,631	1,014,588
Prior period adjustments	(57,738)	(36,153)	-	-	(93,891)	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	43,600	39,624	(5,162)	(28,751)	49,311	(159)
(Increase) decrease in taxes receivable	-	-	(3,391)	(30,036)	(33,427)	-
(Increase) decrease in due from other governments	-	-	-	-	-	-
(Increase) decrease in prepaid expense	1,185	(1,266)	109	(475)	(447)	2,066
Increase (decrease) in accounts payable	92,396	(13,397)	48,510	65,990	193,499	89,442
Increase (decrease) in due to other governments	-	-	-	-	-	-
Increase (decrease) in deposits payable	57,738	36,154	-	-	93,892	-
Increase (decrease) in accrued liabilities	7,180	(9,850)	198	6,669	4,197	19,915
Increase (decrease) in claims and judgments	-	-	-	-	-	(2,709,309)
Increase (decrease) in compensated absences	12,739	10,487	6,341	4,077	33,644	30,239
Increase (decrease) in unearned revenue	(133,516)	(26,718)	3,718	(7,611)	(164,127)	-
<b>Total adjustments</b>	<u>650,287</u>	<u>362,365</u>	<u>153,095</u>	<u>14,535</u>	<u>1,180,282</u>	<u>(1,553,218)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 895,248</u>	<u>\$ (125,284)</u>	<u>\$ 873,396</u>	<u>\$ 100,464</u>	<u>\$ 1,743,824</u>	<u>\$ 2,518,586</u>

See accompanying Notes to the Financial Statements.

*This page intentionally left blank.*

## 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, 2010**

---

---

	<u>Agency Funds</u>
<b>ASSETS</b>	
Pooled cash and investments	\$ 570,651
Receivables:	
Accounts	43,457
Interest	1,047
<b>Total assets</b>	<u>\$ 615,155</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 45,002
Accrued liabilities	(142,956)
Deposits payable	713,109
<b>Total liabilities</b>	<u>\$ 615,155</u>

See accompanying Notes to the Financial Statements.