

## **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 Special Revenue 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.

**Affordable Housing Special Revenue Fund** - To account for the accumulation of resources for, and payments related to, property acquisition, site development, developer selection, and construction of an affordable housing project.

**Capital Improvement Projects Capital 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, 2011**

	Special Revenue Funds				Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	General	Other Intergovernmental Grants	Redevelopment Agency	Affordable Housing	Projects Fund Capital Improvement Projects	Public Financing Authority	Redevelopment Agency		
<b>ASSETS</b>									
Pooled cash and investments	\$ 10,507,808	\$ -	\$ 9,891,113	\$ -	\$ 4,062,980	\$ 264,579	\$ 1,428,196	\$ 10,251,440	\$ 36,406,116
Receivables:									
Accounts	890,602	12,706	-	-	51,035	12,679	-	5,822	972,844
Interest	290,464	1,966	62,031	-	-	193	-	56,608	411,262
Taxes	4,052,640	-	29,758	-	-	-	93,741	279,185	4,455,324
Notes and loans	23,335	-	-	3,829,297	-	-	-	476,563	4,329,195
Prepaid costs	143,700	-	-	-	-	-	-	1,012	144,712
Due from other funds	2,162,569	-	6,244	7,500,000	1,000,000	148,105	-	19,496	10,836,414
Due from other governments	182,074	3,303,614	-	-	-	-	-	56,609	3,542,297
Advances to other funds	1,345,656	-	535,731	-	-	7,690,345	-	-	9,571,732
Restricted assets:									
Cash and investments with fiscal agents	-	-	-	-	-	1,699,785	-	-	1,699,785
<b>Total assets</b>	<b>\$ 19,598,848</b>	<b>\$ 3,318,286</b>	<b>\$ 10,524,877</b>	<b>\$ 11,329,297</b>	<b>\$ 5,114,015</b>	<b>\$ 9,815,686</b>	<b>\$ 1,521,937</b>	<b>\$ 11,146,735</b>	<b>\$ 72,369,681</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 876,343	\$ 1,049,884	\$ -	\$ -	\$ 427,392	\$ 1,012	\$ -	\$ 963,512	\$ 3,318,143
Accrued liabilities	2,209,313	-	-	-	-	-	-	-	2,209,313
Pollution remediation liability	150,000	-	-	-	-	-	-	-	150,000
Unearned revenue	249,580	-	-	-	-	-	-	17,870	267,450
Deposits payable	76,179	-	-	-	-	-	-	-	76,179
Due to other funds	1,535,821	1,706,836	7,630,419	-	-	341,895	359,961	321,806	11,896,738
Due to other governments	-	-	-	-	-	-	52,991	-	52,991
Deferred revenue	847,153	3,589,492	-	965,774	-	19,417	-	476,566	5,898,402
Advances from other funds	-	-	-	-	-	1,345,656	16,155,251	-	17,500,907
<b>Total liabilities</b>	<b>5,944,389</b>	<b>6,346,212</b>	<b>7,630,419</b>	<b>965,774</b>	<b>427,392</b>	<b>1,707,980</b>	<b>16,568,203</b>	<b>1,779,754</b>	<b>41,370,123</b>

**City of Redondo Beach**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

	Special Revenue Funds				Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	General	Other	Redevelopment Agency	Affordable Housing	Capital Improvement Projects	Public Financing Authority	Redevelopment Agency		
		Intergovernmental Grants							
<b>Fund Balances:</b>									
Nonspendable	167,035	-	-	-	-	-	-	1,012	168,047
Restricted	-	-	2,894,458	10,363,523	-	8,107,706	-	8,524,280	29,889,967
Committed	5,595,596	-	-	-	-	-	-	-	5,595,596
Assigned	7,891,828	-	-	-	1,645,977	-	-	1,019,856	10,557,661
Unassigned	-	(3,027,926)	-	-	3,040,646	-	(15,046,266)	(178,167)	(15,211,713)
<b>Total fund balances</b>	<b>13,654,459</b>	<b>(3,027,926)</b>	<b>2,894,458</b>	<b>10,363,523</b>	<b>4,686,623</b>	<b>8,107,706</b>	<b>(15,046,266)</b>	<b>9,366,981</b>	<b>30,999,558</b>
<b>Total liabilities and fund balances</b>	<b>\$ 19,598,848</b>	<b>\$ 3,318,286</b>	<b>\$ 10,524,877</b>	<b>\$ 11,329,297</b>	<b>\$ 5,114,015</b>	<b>\$ 9,815,686</b>	<b>\$ 1,521,937</b>	<b>\$ 11,146,735</b>	<b>\$ 72,369,681</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, 2011**

**Total Fund Balances - Total Governmental Funds**

**\$ 30,999,558**

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	
\$ 76,023,018	\$ -	76,023,018
65,170,821	(4,558,481)	60,612,340
<u>\$ 141,193,839</u>	<u>\$ (4,558,481)</u>	<u>136,635,358</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.

(122,000)

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.

192,763

Revenues were recorded as deferred revenue in the governmental funds because they did not represent current financial resources at June 30, 2011. However, they were recognized as revenues in the Government-Wide Financial Statements.

5,898,402

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.

8,723,369

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	
\$ (1,778,695)	\$ 1,009,706	(768,989)
(36,228,608)	14,781,902	(21,446,706)
(18,889)	18,889	-
(2,614,442)	256,179	(2,358,263)
<u>\$ (40,640,634)</u>	<u>\$ 16,066,676</u>	<u>(24,573,958)</u>

**Net Assets of Governmental Activities**

**\$ 157,753,492**

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, 2011**

	General	Special Revenue Funds			Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
		Other Intergovernmental Grants	Redevelopment Agency	Affordable Housing	Projects Fund	Public Financing Authority	Redevelopment Agency		
					Capital Improvement Projects				
<b>REVENUES:</b>									
Taxes	\$ 49,801,850	\$ -	\$ 715,817	\$ -	\$ -	\$ -	\$ 1,251,158	\$ -	\$ 51,768,825
Interdepartmental	6,383,731	-	-	-	-	-	-	-	6,383,731
Licenses and permits	1,248,916	-	-	-	-	-	-	-	1,248,916
Intergovernmental	379,064	3,554,377	-	-	-	-	-	10,611,900	14,545,341
Charges for services	5,330,324	-	-	-	197,112	-	-	1,958,234	7,485,670
Use of money and property	1,892,907	-	279,964	-	-	979,147	-	360,601	3,512,619
Fines and forfeitures	1,785,067	-	-	-	-	-	-	-	1,785,067
Miscellaneous	299,411	-	-	-	819,041	-	-	329,228	1,447,680
<b>Total revenues</b>	<b>67,121,270</b>	<b>3,554,377</b>	<b>995,781</b>	<b>-</b>	<b>1,016,153</b>	<b>979,147</b>	<b>1,251,158</b>	<b>13,259,963</b>	<b>88,177,849</b>
<b>EXPENDITURES:</b>									
Current:									
General government	7,582,969	-	-	-	-	-	-	-	7,582,969
Public safety	40,887,642	427,785	-	-	-	-	-	134,947	41,450,374
Housing and community development	4,394,044	44,000	995,615	-	-	200,697	86,017	7,162,571	12,882,944
Public works	4,809,766	259,902	-	-	288,419	-	-	4,092,684	9,450,771
Cultural and leisure services	6,671,934	-	-	-	-	-	-	-	6,671,934
Capital outlay	3,700	3,491,022	-	-	2,818,055	-	-	2,071,923	8,384,700
Debt service:									
Principal retirement	-	-	-	-	-	725,000	52,554	-	777,554
Interest and fiscal charges	-	-	-	-	-	344,533	673,291	-	1,017,824
<b>Total expenditures</b>	<b>64,350,055</b>	<b>4,222,709</b>	<b>995,615</b>	<b>-</b>	<b>3,106,474</b>	<b>1,270,230</b>	<b>811,862</b>	<b>13,462,125</b>	<b>88,219,070</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>									
<b>OVER (UNDER) EXPENDITURES</b>	<b>2,771,215</b>	<b>(668,332)</b>	<b>166</b>	<b>-</b>	<b>(2,090,321)</b>	<b>(291,083)</b>	<b>439,296</b>	<b>(202,162)</b>	<b>(41,221)</b>

**City of Redondo Beach**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2011**

	Special Revenue Funds				Capital	Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	General	Other		Affordable Housing	Projects Fund Capital Improvement Projects	Public Financing Authority	Redevelopment Agency		
		Intergovernmental Grants	Redevelopment Agency						
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers in	4,120,630	-	-	10,363,523	1,952,990	-	-	904,271	17,341,414
Transfers out	(3,131,463)	(15,000)	(10,363,523)	-	(1,486,750)	-	-	(837,345)	(15,834,081)
Other debt issued	-	-	-	-	-	-	301,197	-	301,197
<b>Total other financing sources (uses)</b>	<b>989,167</b>	<b>(15,000)</b>	<b>(10,363,523)</b>	<b>10,363,523</b>	<b>466,240</b>	<b>-</b>	<b>301,197</b>	<b>66,926</b>	<b>1,808,530</b>
<b>Net change in fund balances</b>	<b>3,760,382</b>	<b>(683,332)</b>	<b>(10,363,357)</b>	<b>10,363,523</b>	<b>(1,624,081)</b>	<b>(291,083)</b>	<b>740,493</b>	<b>(135,236)</b>	<b>1,767,309</b>
<b>FUND BALANCES:</b>									
Beginning of year	9,894,077	(2,344,594)	13,257,815	-	6,310,704	8,398,789	(15,786,759)	9,502,217	29,232,249
End of year	<u>\$ 13,654,459</u>	<u>\$ (3,027,926)</u>	<u>\$ 2,894,458</u>	<u>\$ 10,363,523</u>	<u>\$ 4,686,623</u>	<u>\$ 8,107,706</u>	<u>\$ (15,046,266)</u>	<u>\$ 9,366,981</u>	<u>\$ 30,999,558</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, 2011

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,767,309

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.	\$ 8,384,700	\$ (14,223)	8,398,923
The net effect of sales transactions involving capital assets is to decrease net assets.			-
	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.	\$ (4,640,453)	\$ 1,211,184	(3,429,269)
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.			(64,566)
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			(301,197)
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			777,554

# 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, 2011

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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.

11,800

Certain revenues were recorded as deferred revenue in the governmental funds because they were not available as current financial resources. However, they were included as revenue in the Governmental-Wide Statement of Activities and Changes in Net Assets under the full accrual basis.

1,359,329

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.

(2,884,525)

### Change in Net Assets of Governmental Activities

\$ 5,626,810

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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 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.

**Transit Fund** - To account for transportation activities of the City.

**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, 2011**

	Business-Type Activities - Enterprise Funds						Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit	Total	Activities Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 13,736,120	\$ 2,406,435	\$ 5,009,026	\$ 910,955	\$ 56,935	\$ 22,119,471	\$ 20,071,834
Receivables:							
Accounts	222,287	132,600	34,989	54,196	87,767	531,839	29,260
Interest	93,238	16,762	-	100	983	111,083	-
Taxes	-	-	68,411	77,023	-	145,434	-
Notes and loans	212,733	-	-	-	-	212,733	-
Due from other funds	550,324	-	-	-	-	550,324	510,000
Due from other governments	-	-	-	4,613	226,167	230,780	-
Prepaid items	8,761	504	133	489	2,909	12,796	163,114
Deferred charges	-	-	292,406	-	-	292,406	-
Restricted:							
Cash with fiscal agent	-	-	4,067,003	-	-	4,067,003	-
Total current assets	<u>14,823,463</u>	<u>2,556,301</u>	<u>9,471,968</u>	<u>1,047,376</u>	<u>374,761</u>	<u>28,273,869</u>	<u>20,774,208</u>
Noncurrent assets:							
Advances to other funds	5,831,198	2,097,977	-	-	-	7,929,175	-
Capital assets:							
Non-depreciable	3,776,802	7,546,453	-	-	-	11,323,255	-
Depreciable, net	<u>13,474,223</u>	<u>5,112,149</u>	<u>8,838,433</u>	<u>87,705</u>	<u>1,436,432</u>	<u>28,948,942</u>	<u>4,558,481</u>
Total capital assets	<u>17,251,025</u>	<u>12,658,602</u>	<u>8,838,433</u>	<u>87,705</u>	<u>1,436,432</u>	<u>40,272,197</u>	<u>4,558,481</u>
Total noncurrent assets	<u>23,082,223</u>	<u>14,756,579</u>	<u>8,838,433</u>	<u>87,705</u>	<u>1,436,432</u>	<u>48,201,372</u>	<u>4,558,481</u>
<b>Total assets</b>	<u>37,905,686</u>	<u>17,312,880</u>	<u>18,310,401</u>	<u>1,135,081</u>	<u>1,811,193</u>	<u>76,475,241</u>	<u>25,332,689</u>

**City of Redondo Beach**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	Business-Type Activities - Enterprise Funds						Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit	Total	Activities Internal Service Funds
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	204,180	408,003	162,219	88,640	366,457	1,229,499	542,644
Accrued liabilities	-	-	-	-	-	-	-
Deposits payable	122,994	39,795	-	-	-	162,789	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	24,788	21,808	343,473	390,069	-
Accrued compensated absences	9,333	5,030	4,389	1,535	932	21,219	18,889
Accrued claims and judgments	-	-	-	-	-	-	742,843
Bonds, notes, and capital leases	271,513	-	222,626	-	-	494,139	266,863
<b>Total current liabilities</b>	<b>608,020</b>	<b>452,828</b>	<b>414,022</b>	<b>111,983</b>	<b>710,862</b>	<b>2,297,715</b>	<b>1,571,239</b>
Noncurrent liabilities:							
Accrued claims and judgments	-	-	-	-	-	-	14,161,561
Accrued compensated absences	126,618	68,244	59,530	20,819	12,632	287,843	256,179
Bonds, notes, and capital leases	2,935,586	-	8,682,769	-	-	11,618,355	620,341
<b>Total noncurrent liabilities</b>	<b>3,062,204</b>	<b>68,244</b>	<b>8,742,299</b>	<b>20,819</b>	<b>12,632</b>	<b>11,906,198</b>	<b>15,038,081</b>
<b>Total liabilities</b>	<b>3,670,224</b>	<b>521,072</b>	<b>9,156,321</b>	<b>132,802</b>	<b>723,494</b>	<b>14,203,913</b>	<b>16,609,320</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	16,607,545	12,658,602	4,000,041	87,705	1,436,432	34,790,325	3,671,277
Unrestricted	17,627,917	4,133,206	5,154,039	914,574	(348,733)	27,481,003	5,052,092
<b>Total net assets</b>	<b>\$ 34,235,462</b>	<b>\$ 16,791,808</b>	<b>\$ 9,154,080</b>	<b>\$ 1,002,279</b>	<b>\$ 1,087,699</b>	<b>\$ 62,271,328</b>	<b>\$ 8,723,369</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, 2011

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit		Activities Internal Service Funds
<b>OPERATING REVENUES:</b>							
Sales and service charges	\$ -	\$ -	\$ 2,444,086	\$ 3,454,839	\$ 519,082	\$ 6,418,007	\$ 14,484,493
Harbor rentals	4,570,792	2,034,674	-	-	-	6,605,466	-
Use of property	904,293	1,638,095	-	-	-	2,542,388	-
Miscellaneous	28,443	8,075	18,795	251,736	866	307,915	153,653
<b>Total operating revenues</b>	<b>5,503,528</b>	<b>3,680,844</b>	<b>2,462,881</b>	<b>3,706,575</b>	<b>519,948</b>	<b>15,873,776</b>	<b>14,638,146</b>
<b>OPERATING EXPENSES:</b>							
Personnel services	2,654,955	1,667,312	698,092	716,558	326,083	6,063,000	4,391,678
Contractual services	445,374	512,045	108,014	2,561,533	1,984,278	5,611,244	6,582,655
Administrative and general expenses	1,713,079	2,113,898	1,006,480	291,753	562,304	5,687,514	3,125,552
Depreciation expense	446,391	278,144	204,736	4,672	229,668	1,163,611	1,211,184
<b>Total operating expenses</b>	<b>5,259,799</b>	<b>4,571,399</b>	<b>2,017,322</b>	<b>3,574,516</b>	<b>3,102,333</b>	<b>18,525,369</b>	<b>15,311,069</b>
<b>OPERATING INCOME (LOSS)</b>	<b>243,729</b>	<b>(890,555)</b>	<b>445,559</b>	<b>132,059</b>	<b>(2,582,385)</b>	<b>(2,651,593)</b>	<b>(672,923)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Intergovernmental	-	-	-	1,742	1,221,884	1,223,626	-
Investment income	280,913	54,718	73,284	-	-	408,915	-
Interest expense	(156,011)	-	(459,650)	-	-	(615,661)	-
Gain (loss) on sale of fixed assets	-	-	-	-	7,485	7,485	54,076
<b>Total nonoperating revenues (expenses)</b>	<b>124,902</b>	<b>54,718</b>	<b>(386,366)</b>	<b>1,742</b>	<b>1,229,369</b>	<b>1,024,365</b>	<b>54,076</b>

# City of Redondo Beach

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

### Proprietary Funds

For the year ended June 30, 2011

	Business-Type Activities - Enterprise Funds						Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit	Total	Activities Internal Service Funds
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	368,631	(835,837)	59,193	133,801	(1,353,016)	(1,627,228)	(618,847)
Transfers in	-	-	-	-	837,345	837,345	865,716
Transfers out	(79,000)	-	-	-	-	(79,000)	(3,131,394)
<b>Total transfers</b>	<b>(79,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>837,345</b>	<b>758,345</b>	<b>(2,265,678)</b>
<b>Change in net assets</b>	<b>289,631</b>	<b>(835,837)</b>	<b>59,193</b>	<b>133,801</b>	<b>(515,671)</b>	<b>(868,883)</b>	<b>(2,884,525)</b>
<b>NET ASSETS:</b>							
Beginning of year, as restated (Note 17)	33,945,831	17,627,645	9,094,887	868,478	1,603,370	63,140,211	11,607,894
End of year	<u>\$ 34,235,462</u>	<u>\$ 16,791,808</u>	<u>\$ 9,154,080</u>	<u>\$ 1,002,279</u>	<u>\$ 1,087,699</u>	<u>\$ 62,271,328</u>	<u>\$ 8,723,369</u>

See accompanying Notes to the Financial Statements.

**City of Redondo Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2011**

	Business-Type Activities - Enterprise Funds						Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit	Total	Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash received from customers and users	\$ 5,541,762	\$ 3,662,729	\$ 2,466,400	\$ 3,747,911	\$ 1,048,278	\$ 16,467,080	\$ 14,618,987
Cash payments to suppliers for goods and services	(2,219,859)	(2,376,452)	(1,080,590)	(3,039,169)	(2,732,671)	(11,448,741)	(8,854,105)
Cash payments to employees for services	(2,754,438)	(1,760,372)	(712,360)	(734,537)	(322,714)	(6,284,421)	(4,560,156)
<b>Net cash provided (used) by operating activities</b>	<b>567,465</b>	<b>(474,095)</b>	<b>673,450</b>	<b>(25,795)</b>	<b>(2,007,107)</b>	<b>(1,266,082)</b>	<b>1,204,726</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfers in	-	-	-	-	837,345	837,345	(2,265,678)
Transfers out	(79,000)	-	-	-	-	(79,000)	-
Repayment received from other funds	20,573	-	-	-	-	20,573	(510,000)
Repayment made to other funds	-	-	-	-	(295,548)	(295,548)	-
Advance to other funds	184,266	(9,607)	-	-	-	174,659	-
Subsidy from grants	-	-	-	6,015	1,515,743	1,521,758	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>125,839</b>	<b>(9,607)</b>	<b>-</b>	<b>6,015</b>	<b>2,057,540</b>	<b>2,179,787</b>	<b>(2,775,678)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Acquisition and construction of capital assets	(89,644)	-	-	(36,701)	-	(126,345)	(1,337,416)
Principal paid on capital debt	(259,821)	-	(199,912)	-	-	(459,733)	866,518
Interest paid on capital debt	(156,011)	-	(459,650)	-	-	(615,661)	-
Proceeds from sales of capital assets	-	-	-	-	7,485	7,485	54,076
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(505,476)</b>	<b>-</b>	<b>(659,562)</b>	<b>(36,701)</b>	<b>7,485</b>	<b>(1,194,254)</b>	<b>(416,822)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Loan collections	23,294	-	-	-	-	23,294	-
Interest received	295,873	58,838	73,284	(100)	(983)	426,912	-
<b>Net cash provided (used) by investing activities</b>	<b>319,167</b>	<b>58,838</b>	<b>73,284</b>	<b>(100)</b>	<b>(983)</b>	<b>450,206</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>506,995</b>	<b>(424,864)</b>	<b>87,172</b>	<b>(56,581)</b>	<b>56,935</b>	<b>169,657</b>	<b>(1,987,774)</b>

**City of Redondo Beach**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2011**

	Business-Type Activities - Enterprise Funds					Governmental	
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit	Total	Activities Internal Service Funds
<b>CASH AND CASH EQUIVALENTS:</b>							
Beginning of year	13,229,125	2,831,299	8,988,857	967,536	-	26,016,817	22,059,608
End of year	<u>\$ 13,736,120</u>	<u>\$ 2,406,435</u>	<u>\$ 9,076,029</u>	<u>\$ 910,955</u>	<u>\$ 56,935</u>	<u>\$ 26,186,474</u>	<u>\$ 20,071,834</u>
<b>FINANCIAL STATEMENT PRESENTATION:</b>							
Cash and cash equivalents	\$ 13,736,120	\$ 2,406,435	\$ 5,009,026	\$ 910,955	\$ 56,935	\$ 22,119,471	\$ 20,071,834
Cash with fiscal agent	-	-	4,067,003	-	-	4,067,003	-
<b>Total cash and cash equivalents and cash with fiscal agent</b>	<u>\$ 13,736,120</u>	<u>\$ 2,406,435</u>	<u>\$ 9,076,029</u>	<u>\$ 910,955</u>	<u>\$ 56,935</u>	<u>\$ 26,186,474</u>	<u>\$ 20,071,834</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ 243,729	\$ (890,555)	\$ 445,559	\$ 132,059	\$ (2,582,385)	\$ (2,651,593)	\$ (672,923)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	446,391	278,144	204,736	4,672	229,668	1,163,611	1,211,184
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	36,815	(18,115)	47	10,254	233,565	262,566	(19,159)
(Increase) decrease in taxes receivable	-	-	(1,559)	9,274	-	7,715	-
(Increase) decrease in prepaid expense	(8,636)	1,871	(133)	11	(2,659)	(9,546)	(162,001)
Increase (decrease) in accounts payable	(52,770)	247,620	34,037	(185,894)	(183,430)	(140,437)	(433,987)
Increase (decrease) in deposits payable	1,419	-	-	-	-	1,419	-
Increase (decrease) in accrued liabilities	(97,098)	(72,534)	(22,060)	(22,798)	(10,195)	(224,685)	(157,916)
Increase (decrease) in claims and judgments	-	-	-	-	-	-	1,450,090
Increase (decrease) in compensated absences	(2,385)	(20,526)	7,792	4,819	13,564	3,264	(10,562)
Increase (decrease) in unearned revenue	-	-	5,031	21,808	294,765	321,604	-
<b>Total adjustments</b>	<u>323,736</u>	<u>416,460</u>	<u>227,891</u>	<u>(157,854)</u>	<u>575,278</u>	<u>1,385,511</u>	<u>1,877,649</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 567,465</u>	<u>\$ (474,095)</u>	<u>\$ 673,450</u>	<u>\$ (25,795)</u>	<u>\$ (2,007,107)</u>	<u>\$ (1,266,082)</u>	<u>\$ 1,204,726</u>

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, 2011**

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	Agency Funds
	<u>                    </u>
<b>ASSETS</b>	
Pooled cash and investments	\$ 179,257
Receivables:	
Accounts	52,412
Interest	808
	<u>                    </u>
<b>Total assets</b>	<b>\$ 232,477</b>
	<u><u>                    </u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 71,941
Accrued liabilities	(683,050)
Deposits payable	828,187
Deferred revenue	15,399
	<u>                    </u>
<b>Total liabilities</b>	<b>\$ 232,477</b>
	<u><u>                    </u></u>

See accompanying Notes to the Financial Statements.