

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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.

Low-Mod Income Housing Asset Special Revenue Fund - To account for all transferred housing assets of the dissolved Redevelopment Agency and funds generated from those housing assets.

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, 2012

	Special Revenue Funds				Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	General	Other Intergovernmental Grants	Redevelopment Agency	Low-Mod Income Housing Asset	Public Financing Authority	Redevelopment Agency		
ASSETS								
Pooled cash and investments	\$ 13,254,196	\$ -	\$ -	\$ 9,882,639	\$ 242,288	\$ -	\$ 16,822,920	\$ 40,202,043
Receivables:								
Accounts	1,092,414	28,860	-	-	17,034	-	59,084	1,197,392
Interest	241,772	1,652	-	32,330	337	-	36,796	312,887
Taxes	4,476,779	-	-	-	-	-	283,155	4,759,934
Notes and loans	18,060	-	-	3,856,857	-	-	476,563	4,351,480
Prepaid Costs	58,481	-	-	-	-	-	57,995	116,476
Due from other funds	546,497	-	-	-	-	-	19,281	565,778
Due from other governments	51,080	1,128,604	-	535,731	7,433,885	-	528,773	9,678,073
Advances to other funds	1,272,472	-	-	-	-	-	-	1,272,472
Restricted assets:								
Cash and investments with fiscal agents	-	-	-	-	1,194,820	-	-	1,194,820
Total assets	\$ 21,011,751	\$ 1,159,116	\$ -	\$ 14,307,557	\$ 8,888,364	\$ -	\$ 18,284,567	\$ 63,651,355
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 739,070	\$ 319,993	\$ -	\$ -	\$ 13,566	\$ -	\$ 386,443	\$ 1,459,072
Accrued liabilities	5,371,065	-	-	-	-	-	-	5,371,065
Pollution remediation liability	150,000	-	-	-	-	-	-	150,000
Unearned revenue	1,195,450	-	-	-	-	-	-	1,195,450
Deposits payable	138,969	-	-	-	-	-	-	138,969
Due to other funds	19,281	327,932	-	-	239,497	-	217,654	804,364
Due to other governments	-	-	-	9,914,969	-	-	-	9,914,969
Deferred revenue	7,236	1,831,110	-	958,623	-	-	476,566	3,273,535
Advances from other funds	-	-	-	-	1,272,472	-	-	1,272,472
Total liabilities	7,621,071	2,479,035	-	10,873,592	1,525,535	-	1,080,663	23,579,896

CITY OF REDONDO BEACH

Balance Sheet
 Governmental Funds
June 30, 2012

	Special Revenue Funds				Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
	Other	Low-Mod	Public					
	Intergovernmental	Redevelopment	Income Housing	Financing	Redevelopment			
General	Grants	Agency	Asset	Authority	Agency			
Fund Balances:								
Nonspendable	76,547	-	-	2,898,234	-	-	57,995	3,032,776
Restricted	-	-	-	535,731	7,362,829	-	10,472,386	18,370,946
Committed	5,712,942	-	-	-	-	-	-	5,712,942
Assigned	7,217,745	-	-	-	-	-	3,849,630	11,067,375
Unassigned	383,446	(1,319,919)	-	-	-	-	2,823,893	1,887,420
Total fund balances (deficit)	13,390,680	(1,319,919)	-	3,433,965	7,362,829	-	17,203,904	40,071,459
Total liabilities and fund balances	\$ 21,011,751	\$ 1,159,116	\$ -	\$ 14,307,557	\$ 8,888,364	\$ -	\$ 18,284,567	\$ 63,651,355

See accompanying notes to basic financial statements.

CITY OF REDONDO BEACH

Reconciliation of the Balance Sheet of Governmental Funds

to the Statement of Net Assets

June 30, 2012

Total Fund Balance - Total Governmental Funds \$ 40,071,459

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

	Government-Wide Statement of Net Assets	Internal Service Funds	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.			
Non-depreciable	\$ 78,810,809	\$ -	78,810,809
Depreciable, net	65,122,958	(4,421,528)	60,701,430
Total capital assets	<u>\$ 143,933,767</u>	<u>\$ (4,421,528)</u>	<u>139,512,239</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.			(109,700)
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.			165,226
Revenues were recorded as deferred revenue in the governmental funds because they did not represent current financial resources at June 30, 2012. However, they were recognized as revenues in the Government-Wide Financial Statements.			3,273,534
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.			8,377,461
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	\$ (1,167,367)	\$ 368,378	(798,989)
Other long-term debt - due in more than one year	(6,074,486)	515,558	(5,558,928)
Compensated absences payable - due within one year	(188,759)	19,429	(169,330)
Compensated absences payable - due in more than one year	(2,483,796)	255,594	(2,228,202)
Total long-term liabilities	<u>\$ (9,914,408)</u>	<u>\$ 1,158,959</u>	<u>(8,755,449)</u>
Net assets of Governmental Activities			<u>\$ 182,534,770</u>

See accompanying notes to basic financial statements.

CITY OF REDONDO BEACH

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2012

	General	Special Revenue Funds			Debt Service Funds		Total Non-Major Funds	Total Governmental Funds
		Other Intergovernmental Grants	Redevelopment Agency	Low-Mod Income Housing Asset	Public Financing Authority	Redevelopment Agency		
REVENUES:								
Taxes	\$ 50,702,432	\$ -	\$ 376,489	\$ -	\$ -	\$ 797,022	\$ -	\$ 51,875,943
Interdepartmental	6,249,628	-	-	-	-	-	-	6,249,628
Licenses and permits	1,343,422	-	-	-	-	-	-	1,343,422
Intergovernmental	72,450	4,874,081	-	-	-	-	11,393,333	16,339,864
Charges for services	5,119,940	-	-	-	-	-	2,366,073	7,486,013
Use of money and property	1,843,709	-	121,666	73,395	1,563,400	-	158,331	3,760,501
Fines and forfeitures	1,634,786	-	-	-	-	-	-	1,634,786
Miscellaneous	845,326	-	29,910	86,789	-	138,332	1,847,691	2,948,048
Total revenues	67,811,693	4,874,081	528,065	160,184	1,563,400	935,354	15,765,428	91,638,205
EXPENDITURES:								
Current:								
General government	8,085,175	-	-	-	-	-	-	8,085,175
Public safety	41,762,064	467,659	-	-	-	-	14,292	42,244,015
Housing and community development	4,355,277	1,475,280	568,040	-	254,802	51,474	6,844,875	13,549,748
Public works	3,473,002	70,294	-	-	-	-	3,852,570	7,395,866
Cultural and leisure services	5,282,197	-	-	-	-	-	-	5,282,197
AB 1484 Demand Payment	-	-	-	9,914,969	-	-	-	9,914,969
Capital outlay	3,225,902	1,152,996	-	-	-	-	1,112,460	5,491,358
Debt Service:								
Principal retirement	-	-	-	-	1,750,000	-	-	1,750,000
Interest and fiscal charges	-	-	-	-	303,475	337,901	-	641,376
Total expenditures	66,183,617	3,166,229	568,040	9,914,969	2,308,277	389,375	11,824,197	94,354,704
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES								
	1,628,076	1,707,852	(39,975)	(9,754,785)	(744,877)	545,979	3,941,231	(2,716,499)

CITY OF REDONDO BEACH

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2012

	Special Revenue Funds			Debt Service Funds		Total Non-Major Funds	Total Governmental Funds	
	General	Other Intergovernmental Grants	Redevelopment Agency	Low-Mod Income Housing Asset	Public Financing Authority			Redevelopment Agency
OTHER FINANCING SOURCES (USES):								
Transfers in	80,580	155	10,363,523	-	-	-	1,052,997	11,497,255
Transfers out	(1,972,435)	-	(29,256)	-	-	-	(11,476,487)	(13,478,178)
Other debt issued	-	-	-	-	-	246,200	-	246,200
Total other financing sources (uses)	(1,891,855)	155	10,334,267	-	-	246,200	(10,423,490)	(1,734,723)
EXTRAORDINARY ITEM:								
Gain (loss) on Redevelopment Agency dissolution	-	-	(13,188,750)	13,188,750	-	14,254,087	(730,964)	13,523,123
Net change in fund balances	(263,779)	1,708,007	(2,894,458)	3,433,965	(744,877)	15,046,266	(7,213,223)	9,071,901
FUND BALANCES:								
Beginning of year	13,654,459	(3,027,926)	2,894,458	-	8,107,706	(15,046,266)	24,417,127	30,999,558
End of year	<u>\$ 13,390,680</u>	<u>\$ (1,319,919)</u>	<u>\$ -</u>	<u>\$ 3,433,965</u>	<u>\$ 7,362,829</u>	<u>\$ -</u>	<u>\$ 17,203,904</u>	<u>\$ 40,071,459</u>

See accompanying notes to basic financial statements.

CITY OF REDONDO BEACH

Reconciliation of the Statement of Revenues, Expenditures, and Changes in

Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2012

Net change in fund balances (deficit) - total governmental funds \$ 9,071,901

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

	<u>Funds</u> <u>Capital Outlay</u>	<u>Government-Wide</u> <u>Expenses</u>	
Governmental funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the costs 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.	\$ 5,491,358	\$ 1,176,708	6,668,066
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.	\$ (4,930,784)	\$ 1,139,594	(3,791,190)
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.			(39,269)
Issuance of long-term debt (e.g. bonds, leases) provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in Government-Wide Statement of Net Assets: Other Debt Issued			(246,200)
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			1,750,000
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 Amortization of deferred charges			18,989 (27,537)

CITY OF REDONDO BEACH

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended June 30, 2012

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.

12,300

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 Government-Wide Statement of Activities and Changes in Net Assets under the full accrual basis.

(2,624,863)

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.

(345,908)

Gain on RDA Dissolution

14,334,989

Change in net assets of Governmental Activities

\$ 24,781,278

See accompanying notes to basic financial statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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

Transit Enterprise 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, 2012

	Business-Type Activities - Enterprise Funds						Governmental
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit	Total	Activities Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 12,240,566	\$ 2,332,448	\$ 4,353,959	\$ 1,137,365	\$ 332,530	\$ 20,396,868	\$ 20,819,572
Receivables:							
Accounts	283,205	213,636	42,360	42,057	43,739	624,997	16,307
Interest	61,464	11,331	-	-	2,351	75,146	-
Taxes	-	-	122,023	96,021	-	218,044	-
Notes and loans	188,926	-	-	-	-	188,926	-
Due from other funds	238,587	-	-	-	-	238,587	-
Due from other governments	-	-	-	989	80,295	81,284	-
Prepaid items	1,853	197	-	94	-	2,144	1,948
Deferred charges	-	-	279,693	-	-	279,693	-
Restricted:							
Cash with fiscal agent	-	-	4,062,207	-	-	4,062,207	-
Total current assets	<u>13,014,601</u>	<u>2,557,612</u>	<u>8,860,242</u>	<u>1,276,526</u>	<u>458,915</u>	<u>26,167,896</u>	<u>20,837,827</u>
Noncurrent assets:							
Due from other governments	5,772,577	2,105,949	-	-	-	7,878,526	-
Capital assets:							
Non-depreciable	3,776,802	7,546,453	-	-	-	11,323,255	-
Depreciable, net	<u>13,393,237</u>	<u>5,257,276</u>	<u>8,634,152</u>	<u>109,516</u>	<u>1,442,008</u>	<u>28,836,189</u>	<u>4,421,528</u>
Total capital assets	<u>17,170,039</u>	<u>12,803,729</u>	<u>8,634,152</u>	<u>109,516</u>	<u>1,442,008</u>	<u>40,159,444</u>	<u>4,421,528</u>
Total noncurrent assets	<u>22,942,616</u>	<u>14,909,678</u>	<u>8,634,152</u>	<u>109,516</u>	<u>1,442,008</u>	<u>48,037,970</u>	<u>4,421,528</u>
Total assets	<u>35,957,217</u>	<u>17,467,290</u>	<u>17,494,394</u>	<u>1,386,042</u>	<u>1,900,923</u>	<u>74,205,866</u>	<u>25,259,355</u>

CITY OF REDONDO BEACH

Statement of Net Assets

Proprietary Funds

June 30, 2012

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit	Total	
Liabilities							
Current liabilities:							
Accounts payable	811,517	433,558	146,052	217,712	389,333	1,998,172	894,114
Accrued liabilities	-	-	-	-	-	-	-
Deposits payable	122,995	39,795	-	-	-	162,790	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	30,116	41,427	427,681	499,224	-
Accrued compensated absences	8,877	6,901	4,603	2,367	2,210	24,958	19,429
Accrued claims and judgments	-	-	-	-	-	-	820,938
Bonds, notes, and capital leases	283,731	-	237,374	-	-	521,105	368,378
Total current liabilities	1,227,120	480,254	418,145	261,506	819,224	3,206,249	2,102,859
Noncurrent liabilities:							
Accrued claims and judgments	-	-	-	-	-	-	14,007,883
Accrued compensated absences	116,823	90,825	60,546	31,141	29,056	328,391	255,594
Bonds, notes, and capital leases	2,651,855	-	8,445,395	-	-	11,097,250	515,558
Total noncurrent liabilities	2,768,678	90,825	8,505,941	31,141	29,056	11,425,641	14,779,035
Total liabilities	3,995,798	571,079	8,924,086	292,647	848,280	14,631,890	16,881,894
Net Assets							
Invested in capital assets, net of related debt	16,588,752	12,803,729	4,013,590	109,516	1,442,008	34,957,595	3,537,592
Unrestricted	15,372,667	4,092,482	4,556,718	983,879	(389,365)	24,616,381	4,839,869
Total net assets	\$ 31,961,419	\$ 16,896,211	\$ 8,570,308	\$ 1,093,395	\$ 1,052,643	\$ 59,573,976	\$ 8,377,461

See accompanying notes to basic financial statements.

CITY OF REDONDO BEACH

Statement of Revenues, Expenses and Changes in Net Assets

Proprietary Funds

For the year ended June 30, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds	
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit		Total
OPERATING REVENUES:							
Sales and service charges	\$ -	\$ -	\$ 2,575,279	\$ 3,312,471	\$ 676,020	\$ 6,563,770	\$ 14,506,611
Harbor rentals	4,432,602	2,229,534	-	-	-	6,662,136	-
Use of property	858,104	1,780,420	-	-	-	2,638,524	-
Miscellaneous	8,955	1,033	17,618	152,978	948	181,532	164,792
Total operating revenues	5,299,661	4,010,987	2,592,897	3,465,449	676,968	16,045,962	14,671,403
OPERATING EXPENSES							
Personnel services	2,757,012	1,505,438	886,220	738,398	350,393	6,237,461	5,348,833
Contractual services	413,298	712,787	128,895	2,378,023	1,931,222	5,564,225	7,604,218
Administrative and general expenses	3,920,420	1,459,865	1,525,995	303,500	615,268	7,825,048	1,961,558
Depreciation expense	454,022	273,971	204,282	11,096	216,193	1,159,564	1,139,594
Total operating expenses	7,544,752	3,952,061	2,745,392	3,431,017	3,113,076	20,786,298	16,054,203
OPERATING INCOME (LOSS)	(2,245,091)	58,926	(152,495)	34,432	(2,436,108)	(4,740,336)	(1,382,800)
NONOPERATING REVENUES (EXPENSES)							
Intergovernmental	-	-	-	53,407	1,322,052	1,375,459	-
Investment income	187,152	38,619	16,187	-	-	241,958	-
Interest expense	(144,319)	-	(451,050)	-	-	(595,369)	-
Gain (loss) on sale of capital assets	-	-	-	-	19,904	19,904	73,574
Total nonoperating revenues (expenses)	42,833	38,619	(434,863)	53,407	1,341,956	1,041,952	73,574
INCOME (LOSS) BEFORE TRANSFERS	(2,202,258)	97,545	(587,358)	87,839	(1,094,152)	(3,698,384)	(1,309,226)
Transfers in	8,795	6,858	3,586	3,277	1,075,669	1,098,185	969,755
Transfers out	(80,580)	-	-	-	-	(80,580)	(6,437)
Total transfers	(71,785)	6,858	3,586	3,277	1,075,669	1,017,605	963,318
Change in net assets	(2,274,043)	104,403	(583,772)	91,116	(18,483)	(2,680,779)	(345,908)
NET ASSETS:							
Beginning of year, as restated (Note 17)	34,235,462	16,791,808	9,154,080	1,002,279	1,071,126	62,254,755	8,723,369
End of year	<u>\$ 31,961,419</u>	<u>\$ 16,896,211</u>	<u>\$ 8,570,308</u>	<u>\$ 1,093,395</u>	<u>\$ 1,052,643</u>	<u>\$ 59,573,976</u>	<u>\$ 8,377,461</u>

See accompanying notes to basic financial statements.

CITY OF REDONDO BEACH

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds	
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit		Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from customers and users	\$ 5,238,744	\$ 3,929,951	\$ 2,590,854	\$ 3,478,604	\$ 827,654	\$ 16,065,807	\$ 15,358,873
Cash payments to suppliers for goods and services	(3,306,174)	(2,146,789)	(1,658,211)	(2,552,451)	(2,543,155)	(12,206,780)	(9,294,953)
Cash payments to employees for services	(3,180,561)	(1,480,986)	(884,990)	(727,244)	(332,691)	(6,606,472)	(5,348,847)
Net cash provided (used) by operating activities	(1,247,991)	302,176	47,653	198,909	(2,048,192)	(2,747,445)	715,073
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers in	8,795	6,858	3,586	3,277	1,075,669	1,098,185	970,461
Transfers out	(80,580)	-	-	-	-	(80,580)	(6,437)
Repayment received from other funds	335,543	-	(53,612)	-	-	281,931	-
Repayment received from other governments	-	-	-	57,031	-	57,031	-
Advance to other funds	58,621	(7,972)	-	-	-	50,649	-
Subsidy from grants	-	-	-	-	1,451,351	1,451,351	-
Net cash provided (used) by noncapital financing activities	322,379	(1,114)	(50,026)	60,308	2,527,020	2,858,567	964,024
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Acquisition and construction of capital assets	(373,036)	(419,099)	-	(32,907)	(221,769)	(1,046,811)	(1,001,666)
Principal paid on capital debt	(271,513)	-	(222,627)	-	-	(494,140)	(18,935)
Interest paid on capital debt	(144,319)	-	(451,050)	-	-	(595,369)	-
Proceeds from sales of capital assets	-	-	-	-	19,904	19,904	89,242
Net cash provided (used) by capital and related financing activities	(788,868)	(419,099)	(673,677)	(32,907)	(201,865)	(2,116,416)	(931,359)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest received	218,926	44,050	16,187	100	(1,368)	277,895	-
Net cash provided (used) by investing activities	218,926	44,050	16,187	100	(1,368)	277,895	-
Net increase (decrease) in cash and cash equivalents	(1,495,554)	(73,987)	(659,863)	226,410	275,595	(1,727,399)	747,738
CASH AND CASH EQUIVALENTS:							
Beginning of year	13,736,120	2,406,435	9,076,029	910,955	56,935	26,186,474	20,071,834
End of year	<u>\$ 12,240,566</u>	<u>\$ 2,332,448</u>	<u>\$ 8,416,166</u>	<u>\$ 1,137,365</u>	<u>\$ 332,530</u>	<u>\$ 24,459,075</u>	<u>\$ 20,819,572</u>

CITY OF REDONDO BEACH
Statement of Cash Flows, Continued
Proprietary Funds
For the year ended June 30, 2012

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds	
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste	Transit		Total
FINANCIAL STATEMENT PRESENTATION:							
Cash and cash equivalents	\$ 12,240,566	\$ 2,332,448	\$ 4,353,959	\$ 1,137,365	\$ 332,530	\$ 20,396,868	\$ 20,819,572
Cash with fiscal agent	-	-	4,062,207	-	-	4,062,207	-
Total cash and cash equivalents and cash with fiscal agent	\$ 12,240,566	\$ 2,332,448	\$ 8,416,166	\$ 1,137,365	\$ 332,530	\$ 24,459,075	\$ 20,819,572
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Operating income (loss)	\$ (2,245,091)	\$ 58,926	\$ (152,495)	\$ 34,432	\$ (2,436,108)	\$ (4,740,336)	\$ (1,382,800)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	454,022	273,971	204,282	11,096	216,193	1,159,564	1,139,594
Changes in operating assets and liabilities:							
(Increase) decrease in accounts receivable	(60,917)	(81,036)	(7,371)	12,139	44,028	(93,157)	12,952
(Increase) decrease in taxes receivable	-	-	-	(18,998)	-	(18,998)	-
(Increase) decrease in intergovernmental receivable	-	-	-	-	-	-	510,294
(Increase) decrease in prepaid expenses	6,908	307	133	395	2,909	10,652	160,167
(Increase) decrease in deferred charges	-	-	12,713	-	-	12,713	350,463
Increase (decrease) in accounts payable	607,338	25,556	(16,167)	129,072	22,450	768,249	-
Increase (decrease) in deposits payable	-	-	-	-	-	-	(75,583)
Increase (decrease) in accrued liabilities	-	-	-	-	426	426	-
Increase (decrease) in claims and judgments	-	-	-	-	-	-	(14)
Increase (decrease) in compensated absences	(10,251)	24,452	1,230	11,154	17,702	44,287	-
Increase (decrease) in unearned revenue	-	-	5,328	19,619	84,208	109,155	-
Total adjustments	997,100	243,250	200,148	164,477	387,916	1,992,891	2,097,873
Net cash provided (used) by operating activities	\$ (1,247,991)	\$ 302,176	\$ 47,653	\$ 198,909	\$ (2,048,192)	\$ (2,747,445)	\$ 715,073

See accompanying notes to basic financial statements.

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.

Redevelopment Obligation Retirement Fund - This fund accounts for the activities of the Successor Agency to the City of Redondo Beach Redevelopment Agency. The fund's primary purpose is to expedite the dissolution of the former Agency's net assets (except for the low and moderate income housing fund's net assets) in accordance with AB x1 26 and AB 1484.

CITY OF REDONDO BEACH

Statement of Net Assets

Fiduciary Agency Funds

June 30, 2012

	Agency Funds	Redevelopment Obligation Retirement Fund
ASSETS		
Pooled cash and investments	\$ 310,048	\$ 2,019,670
Receivables:		
Accounts	19,213	34,632
Interest	579	4,501
Prepaid Expense	825,390	-
Total assets	<u>\$ 1,155,230</u>	<u>2,058,803</u>
LIABILITIES		
Accounts payable	\$ 77,373	-
Deposits payable	1,077,857	-
Advances from other governments	-	535,731
Long-term liabilities		
Due with one year	-	390,000
Due in more than one year	-	29,257,401
Total liabilities	<u>\$ 1,155,230</u>	<u>30,183,132</u>
NET ASSETS		
Net assets held for dissolution of redevelopment agency		<u>\$ (28,124,329)</u>

See accompanying notes to basic financial statements.

CITY OF REDONDO BEACH
Statement of Changes in Net Assets
Fiduciary Funds
From inception (February 1, 2012) to June 30, 2012

	<u>Redevelopment Obligation Retirement Fund</u>
ADDITIONS:	
Charges for services	\$ 47,788
Investment earnings	13,721
RPTTF distributions	538,374
Total additions	<u>599,883</u>
DEDUCTIONS	
Administrative payments	14,515
Debt service:	
Interest expense	18,042
Total deductions	<u>32,557</u>
EXTRAORDINARY ITEM:	
Loss on Redevelopment Agency dissolution	<u>(28,691,655)</u>
Change in net assets	(28,124,329)
Net assets, beginning of the year	-
Net assets, end of the year	<u>\$ (28,124,329)</u>

See accompanying notes to basic financial statements.