

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.

Major Facilities Repair Fund - To account for monies received from user departments within the City for major facilities repair costs.

CITY OF REDONDO BEACH
Combining Statement of Net Assets
All Internal Service Funds
June 30, 2012

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Major Facilities Repair	Total
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 5,038,030	\$ 213,964	\$ 604,592	\$ 13,516,515	\$ 119,072	\$ 1,001,766	\$ 325,633	\$ 20,819,572
Accounts receivable	16,307	-	-	-	-	-	-	16,307
Prepaid costs	-	-	1,716	2	230	-	-	1,948
Total current assets	5,054,337	213,964	606,308	13,516,517	119,302	1,001,766	325,633	20,837,827
Noncurrent assets:								
Capital assets - net of accumulated depreciation	2,920,526	15,083	1,024,428	-	23,762	437,729	-	4,421,528
Total noncurrent assets	2,920,526	15,083	1,024,428	-	23,762	437,729	-	4,421,528
Total assets	7,974,863	229,047	1,630,736	13,516,517	143,064	1,439,495	325,633	25,259,355
Liabilities								
Current liabilities:								
Accounts payable	205,560	162,010	53,085	452,415	690	20,354	-	894,114
Accrued compensated absences	1,334	4,519	6,705	1,367	-	5,504	-	19,429
Accrued claims and judgments	-	-	-	820,938	-	-	-	820,938
Bonds, notes, and capital leases	-	-	360,452	-	7,926	-	-	368,378
Total current liabilities	206,894	166,529	420,242	1,274,720	8,616	25,858	-	2,102,859
Noncurrent liabilities:								
Accrued compensated absences	17,557	59,463	88,224	17,926	-	72,424	-	255,594
Accrued claims and judgments	-	-	-	14,007,883	-	-	-	14,007,883
Bonds, notes, and capital leases	-	-	499,727	-	15,831	-	-	515,558
Total noncurrent liabilities	17,557	59,463	587,951	14,025,809	15,831	72,424	-	14,779,035
Total liabilities	224,451	225,992	1,008,193	15,300,529	24,447	98,282	-	16,881,894
Net Assets								
Invested in capital assets, net of related debt	2,920,526	15,083	164,249	-	5	437,729	-	3,537,592
Unrestricted	4,829,886	(12,028)	458,294	(1,784,012)	118,612	903,484	325,633	4,839,869
Total net assets	\$ 7,750,412	\$ 3,055	\$ 622,543	\$ (1,784,012)	\$ 118,617	\$ 1,341,213	\$ 325,633	\$ 8,377,461

CITY OF REDONDO BEACH

Combining Statement of Net Assets

All Internal Service Funds

June 30, 2012

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Major Facilities Repair	Total
OPERATING REVENUES:								
Sales and service charges	\$ 2,823,824	\$ 2,289,652	\$ 2,379,441	\$ 4,056,208	\$ 242,004	\$ 2,600,465	\$ 115,017	\$ 14,506,611
Miscellaneous	134,535	-	30,257	-	-	-	-	164,792
Total operating revenues	2,958,359	2,289,652	2,409,698	4,056,208	242,004	2,600,465	115,017	14,671,403
OPERATING EXPENSES:								
Administrative and general expenses	201,164	943,525	658,054	-	22,624	136,191	-	1,961,558
Personnel services	1,319,429	969,839	768,834	354,786	75,992	1,859,953	-	5,348,833
Contractual services	183,149	399,292	670,035	5,835,926	46,676	469,140	-	7,604,218
Depreciation	604,690	2,280	443,838	-	18,931	69,855	-	1,139,594
Total operating expenses	2,308,432	2,314,936	2,540,761	6,190,712	164,223	2,535,139	-	16,054,203
OPERATING INCOME (LOSS)	649,927	(25,284)	(131,063)	(2,134,504)	77,781	65,326	115,017	(1,382,800)
NONOPERATING REVENUES AND EXPENSES:								
Gain (loss) on sale of capital assets	73,574	-	-	-	-	-	-	73,574
Total nonoperating revenues (expenses)	73,574	-	-	-	-	-	-	73,574
INCOME (LOSS) BEFORE TRANSFERS								
Transfers in	2,240	4,790	2,934	947,711	6,437	5,643	-	969,755
Transfers out	-	-	(6,437)	-	-	-	-	(6,437)
Change in net assets	725,741	(20,494)	(134,566)	(1,186,793)	84,218	70,969	115,017	(345,908)
NET ASSETS								
Beginning of year	7,024,671	23,549	757,109	(597,219)	34,399	1,270,244	210,616	8,723,369
End of year	<u>\$ 7,750,412</u>	<u>\$ 3,055</u>	<u>\$ 622,543</u>	<u>\$ (1,784,012)</u>	<u>\$ 118,617</u>	<u>\$ 1,341,213</u>	<u>\$ 325,633</u>	<u>\$ 8,377,461</u>

CITY OF REDONDO BEACH
Combining Statement of Cash Flows
Internal Service Funds
All Internal Service Funds
For the year ended June 30, 2012

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Major Facilities Repair	Total
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received from customers and users	\$ 2,975,855	\$ 2,289,652	\$ 2,565,947	\$ 4,566,260	\$ 245,383	\$ 2,600,759	\$ 115,017	\$ 15,358,873
Cash payments to suppliers for goods and services	(255,104)	(1,322,343)	(1,330,377)	(5,715,677)	(75,548)	(595,904)	-	(9,294,953)
Cash payments to employees for services	(1,320,391)	(964,480)	(761,707)	(354,655)	(96,336)	(1,851,278)	-	(5,348,847)
Net cash provided (used) by operating activities	1,400,360	2,829	473,863	(1,504,072)	73,499	153,577	115,017	715,073
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Transfers in	2,240	5,496	2,934	947,711	6,437	5,643	-	970,461
Transfers out	-	-	(6,437)	-	-	-	-	(6,437)
Net cash provided (used) by noncapital financing activities	2,240	5,496	(3,503)	947,711	6,437	5,643	-	964,024
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Acquisition and construction of capital assets	(603,709)	-	(383,920)	-	-	(14,037)	-	(1,001,666)
Principal paid on capital debt	-	-	-	-	(18,935)	-	-	(18,935)
Proceeds from sales of capital assets	73,574	-	15,668	-	-	-	-	89,242
Net cash provided (used) by capital and related financing activities	(530,135)	-	(368,252)	-	(18,935)	(14,037)	-	(931,359)
Net increase (decrease) in cash and cash equivalents	872,465	8,325	102,108	(556,361)	61,001	145,183	115,017	747,738
CASH AND CASH EQUIVALENTS:								
Beginning of year	4,165,565	205,639	502,484	14,072,876	58,071	856,583	210,616	20,071,834
End of year	\$ 5,038,030	\$ 213,964	\$ 604,592	\$ 13,516,515	\$ 119,072	\$ 1,001,766	\$ 325,633	\$ 20,819,572
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
Operating income (loss)	\$ 649,927	\$ (25,284)	\$ (131,063)	\$ (2,134,504)	\$ 77,781	\$ 65,326	\$ 115,017	\$ (1,382,800)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	604,690	2,280	443,838	-	18,931	69,855	-	1,139,594
Changes in operating assets and liabilities:								
(Increase) decrease in accounts receivable	12,465	-	487	-	-	-	-	12,952
(Increase) decrease in intergovernmental receivable	-	-	-	510,000	-	294	-	510,294
(Increase) decrease in prepaid expenses	-	-	156,736	52	3,379	-	-	160,167
Increase (decrease) in accounts payable	134,240	20,474	(3,263)	195,832	(6,248)	9,428	-	350,463
Increase (decrease) in accrued liabilities	-	-	-	(75,583)	-	-	-	(75,583)
Increase (decrease) in compensated absences	(962)	5,359	7,128	131	(20,344)	8,674	-	(14)
Total adjustments	750,433	28,113	604,926	630,432	(4,282)	88,251	-	2,097,873
Net cash provided (used) by operating activities	\$ 1,400,360	\$ 2,829	\$ 473,863	\$ (1,504,072)	\$ 73,499	\$ 153,577	\$ 115,017	\$ 715,073