

## 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. Printing and Graphic Fund was closed out at June 30, 2013 and transferred remaining balance to Information Technology Fund.

**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 Position**  
**All Internal Service Funds**  
**June 30, 2013**

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Major Facilities Repair	Total
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 5,935,189	\$ -	\$ 576,373	\$ 13,446,975	\$ -	\$ 931,384	\$ 439,620	\$ 21,329,541
Accounts receivable	13,688	-	-	1,033	-	-	-	14,721
Prepaid costs	-	-	-	-	-	86	-	86
<b>Total current assets</b>	<b>5,948,877</b>	<b>-</b>	<b>576,373</b>	<b>13,448,008</b>	<b>-</b>	<b>931,470</b>	<b>439,620</b>	<b>21,344,348</b>
Noncurrent assets:								
Capital assets - net of accumulated depreciation	2,923,207	12,803	1,476,119	-	-	366,458	-	4,778,587
<b>Total noncurrent assets</b>	<b>2,923,207</b>	<b>12,803</b>	<b>1,476,119</b>	<b>-</b>	<b>-</b>	<b>366,458</b>	<b>-</b>	<b>4,778,587</b>
<b>Total assets</b>	<b>8,872,084</b>	<b>12,803</b>	<b>2,052,492</b>	<b>13,448,008</b>	<b>-</b>	<b>1,297,928</b>	<b>439,620</b>	<b>26,122,935</b>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	219,058	210,023	385,963	486,615	-	12,366	-	1,314,025
Accrued compensated absences	1,281	3,245	6,108	920	-	6,859	-	18,413
Due to other funds	-	20,993	-	-	-	-	-	20,993
Accrued claims and judgments	-	-	-	802,585	-	-	-	802,585
Bonds, notes, and capital leases	-	-	439,198	-	-	-	-	439,198
<b>Total current liabilities</b>	<b>220,339</b>	<b>234,261</b>	<b>831,269</b>	<b>1,290,120</b>	<b>-</b>	<b>19,225</b>	<b>-</b>	<b>2,595,214</b>
Noncurrent liabilities:								
Accrued compensated absences	18,136	45,948	86,480	13,037	-	97,112	-	260,713
Accrued claims and judgments	-	-	-	15,524,709	-	-	-	15,524,709
Bonds, notes, and capital leases	-	-	444,894	-	-	-	-	444,894
<b>Total noncurrent liabilities</b>	<b>18,136</b>	<b>45,948</b>	<b>531,374</b>	<b>15,537,746</b>	<b>-</b>	<b>97,112</b>	<b>-</b>	<b>16,230,316</b>
<b>Total liabilities</b>	<b>238,475</b>	<b>280,209</b>	<b>1,362,643</b>	<b>16,827,866</b>	<b>-</b>	<b>116,337</b>	<b>-</b>	<b>18,825,530</b>
<b>NET POSITION</b>								
Net investment in capital assets	2,923,207	12,803	592,027	-	-	366,458	-	3,894,495
Unrestricted	5,710,402	(280,209)	97,822	(3,379,858)	-	815,133	439,620	3,402,910
<b>Total net position</b>	<b>\$ 8,633,609</b>	<b>\$ (267,406)</b>	<b>\$ 689,849</b>	<b>\$ (3,379,858)</b>	<b>\$ -</b>	<b>\$ 1,181,591</b>	<b>\$ 439,620</b>	<b>\$ 7,297,405</b>

# CITY OF REDONDO BEACH

## Combining Statement of Revenues, Expenditures and Change in Net Position

### All Internal Service Funds

For the year ended June 30, 2013

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Major Facilities Repair	Total
<b>OPERATING REVENUES:</b>								
Sales and service charges	\$ 2,951,629	\$ 2,226,807	\$ 2,315,349	\$ 5,093,360	\$ -	\$ 2,588,681	\$ 113,987	\$ 15,289,813
Miscellaneous	78,919	-	3,081	-	-	-	-	82,000
<b>Total operating revenues</b>	<b>3,030,548</b>	<b>2,226,807</b>	<b>2,318,430</b>	<b>5,093,360</b>	<b>-</b>	<b>2,588,681</b>	<b>113,987</b>	<b>15,371,813</b>
<b>OPERATING EXPENSES:</b>								
Administrative and general expenses	209,061	1,142,179	692,069	685,173	230	207,604	-	2,936,316
Personnel services	1,176,380	939,464	717,360	531,122	-	1,960,183	-	5,324,509
Contractual services	194,022	413,345	881,307	5,484,018	-	509,245	-	7,481,937
Depreciation	603,699	2,280	78,775	-	-	71,271	-	756,025
<b>Total operating expenses</b>	<b>2,183,162</b>	<b>2,497,268</b>	<b>2,369,511</b>	<b>6,700,313</b>	<b>230</b>	<b>2,748,303</b>	<b>-</b>	<b>16,498,787</b>
<b>OPERATING INCOME (LOSS)</b>	<b>847,386</b>	<b>(270,461)</b>	<b>(51,081)</b>	<b>(1,606,953)</b>	<b>(230)</b>	<b>(159,622)</b>	<b>113,987</b>	<b>(1,126,974)</b>
<b>NONOPERATING REVENUES AND EXPENSES:</b>								
Gain on sale of capital assets	35,811	-	-	-	-	-	-	35,811
<b>Total nonoperating revenues (expenses)</b>	<b>35,811</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,811</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>883,197</b>	<b>(270,461)</b>	<b>(51,081)</b>	<b>(1,606,953)</b>	<b>(230)</b>	<b>(159,622)</b>	<b>113,987</b>	<b>(1,091,163)</b>
Transfers in	-	-	126,313	312,607	7,926	-	-	446,846
Transfers out	-	-	(7,926)	(301,500)	(126,313)	-	-	(435,739)
<b>Change in net position</b>	<b>883,197</b>	<b>(270,461)</b>	<b>67,306</b>	<b>(1,595,846)</b>	<b>(118,617)</b>	<b>(159,622)</b>	<b>113,987</b>	<b>(1,080,056)</b>
<b>NET POSITION</b>								
Beginning of year	7,750,412	3,055	622,543	(1,784,012)	118,617	1,341,213	325,633	8,377,461
End of year	<b>\$ 8,633,609</b>	<b>\$ (267,406)</b>	<b>\$ 689,849</b>	<b>\$ (3,379,858)</b>	<b>\$ -</b>	<b>\$ 1,181,591</b>	<b>\$ 439,620</b>	<b>\$ 7,297,405</b>

**CITY OF REDONDO BEACH**  
Combining Statement of Cash Flows  
All Internal Service Funds  
For the year ended June 30, 2013

	Vehicle Replacement	Building Occupancy	Information Technology	Self-Insurance Program	Printing and Graphics	Emergency Communications	Major Facilities Repair	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Cash received from customers and users	\$ 3,033,167	\$ 2,226,807	\$ 2,320,146	\$ 5,092,329	\$ -	\$ 2,588,595	\$ 113,987	\$ 15,375,031
Cash payments to suppliers for goods and services	(389,585)	(1,486,517)	(1,240,498)	(4,636,518)	(685)	(724,837)	-	(8,478,640)
Cash payments to employees for services	(1,175,854)	(954,254)	(719,701)	(536,458)	-	(1,934,140)	-	(5,320,407)
<b>Net cash provided (used) by operating activities</b>	<b>1,467,728</b>	<b>(213,964)</b>	<b>359,947</b>	<b>(80,647)</b>	<b>(685)</b>	<b>(70,382)</b>	<b>113,987</b>	<b>1,575,984</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>								
Transfers in	-	-	126,313	312,607	7,926	-	-	446,846
Transfers out	-	-	(7,926)	(301,500)	(126,313)	-	-	(435,739)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>118,387</b>	<b>11,107</b>	<b>(118,387)</b>	<b>-</b>	<b>-</b>	<b>11,107</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>								
Acquisition and construction of capital assets	(606,380)	-	(530,466)	-	-	-	-	(1,136,846)
Proceeds from new capital leases	-	-	474,473	-	-	-	-	474,473
Principal paid on capital debt	-	-	(450,560)	-	-	-	-	(450,560)
Proceeds from sales of capital assets	35,811	-	-	-	-	-	-	35,811
<b>Net cash used by capital and related financing activities</b>	<b>(570,569)</b>	<b>-</b>	<b>(506,553)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,077,122)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>897,159</b>	<b>(213,964)</b>	<b>(28,219)</b>	<b>(69,540)</b>	<b>(119,072)</b>	<b>(70,382)</b>	<b>113,987</b>	<b>509,969</b>
<b>CASH AND CASH EQUIVALENTS:</b>								
Beginning of year	5,038,030	213,964	604,592	13,516,515	119,072	1,001,766	325,633	20,819,572
End of year	\$ 5,935,189	\$ -	\$ 576,373	\$ 13,446,975	\$ -	\$ 931,384	\$ 439,620	\$ 21,329,541
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>								
Operating income (loss)	\$ 847,386	\$ (270,461)	\$ (51,081)	\$ (1,606,953)	\$ (230)	\$ (159,622)	\$ 113,987	\$ (1,126,974)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense	603,699	2,280	78,775	-	-	71,271	-	756,025
Changes in operating assets and liabilities:								
(Increase) decrease in accounts receivable	2,619	-	-	(1,033)	-	-	-	1,586
(Increase) decrease in prepaid expenses	-	-	1,716	2	230	(86)	-	1,862
Increase (decrease) in accounts payable	13,498	69,006	332,878	34,200	(685)	(7,988)	-	440,909
Increase (decrease) in accrued liabilities	-	-	-	1,498,473	-	-	-	1,498,473
Increase (decrease) in compensated absences	526	(14,789)	(2,341)	(5,336)	-	26,043	-	4,103
<b>Total adjustments</b>	<b>620,342</b>	<b>56,497</b>	<b>411,028</b>	<b>1,526,306</b>	<b>(455)</b>	<b>89,240</b>	<b>-</b>	<b>2,702,958</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,467,728</b>	<b>\$ (213,964)</b>	<b>\$ 359,947</b>	<b>\$ (80,647)</b>	<b>\$ (685)</b>	<b>\$ (70,382)</b>	<b>\$ 113,987</b>	<b>\$ 1,575,984</b>