Fiscal/Calendar Year: FY 2015-16

Grantee Name: City of Redondo Beach
Contact Person: Laurie Koike
Contact Phone: 310.318.0631, ext. 2604
Mailing Address: 415 Diamond Street
Redondo Beach, CA 90277

1. Funds
   a. Is a separate fund maintained for trust assets, liabilities, revenues and expenditures?
      YES ☑ NO ☐
      If “No”, under what fund are they accounted for? If “Yes,” please list the name(s) of the fund(s)

   b. Are separate financial statements prepared for the trust?
      YES ☐ NO ☑
      If “No,” in which financial statements are they included? (Name of the document(s) and the applicable page number(s)) If “Yes,” describe the organization of the separate financial statement.
      Comprehensive Annual Financial Report (CAFR); pages 43-44

2. Revenue
   a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year? $6,485,772 (pg.43)
   b. Please list all sources of revenue and the amount of revenue generated from each source (e.g. permits, rentals, percentage of lease)
      Sales & Service Charges: $1,2224,646; Harbor Rentals: $5,266,281; Miscellaneous: -$5,155 (pg. 43)

3. Expenses
   a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year? $5,559,813 (pg. 43)
   b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.
      Personnel Services: $2,778,093; Contractual Services: $662,281; Administrative & General Expenses: $611,650; Internal Service Charges: $1,106,772; Depreciation Expense: $401,017 (pg.43)
   c. Have there been any capital improvements over $250,000 within the current fiscal year? Are any capital improvements over $250,000 expected in the next fiscal year?
      FY15-16: $667,696 for emergency pier structure repair project (Job #70350), which was accepted as completed on 11.03.15. FY16-17: 1) Wooden Piers Structure Repairs; 2) Replacement of Harbor Patrol Docks; 3) Pier Light Replacement
   d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of another entity or under the management of another political subdivision of the grantee per an agreement, settlement, or Memorandum of Understanding.
      Transfers In: $71,034 ; Transfers Out: -$87,222; Cash Received from Notes & Loans Receivable: $38,872; Repayment of Due from Other Funds: $16,999 (pg. 44)

4. Beginning and Ending Balance
   Please list the beginning and ending balances for the tidelands trust fund(s) for this past fiscal year.
   Beginning: $16,643,022 (cash and cash equivalents); Ending: $16,771,029 (pg. 44)

For all questions, please give the page number where the information can be found in your accompanying financial document. Please use additional pages as necessary.
## CITY OF REDONDO BEACH

### Statement of Net Position

#### Proprietary Funds

**June 30, 2016**

### Business-Type Activities - Enterprise Funds

<table>
<thead>
<tr>
<th>Major Enterprise Funds</th>
<th>Non-Major Enterprise Funds</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harbor Tidelands</td>
<td>Harbor Uplands</td>
<td>Wastewater Waste Transit Total</td>
</tr>
<tr>
<td>$ 16,771,029</td>
<td>$ 4,672,595</td>
<td>$ 15,613,236</td>
</tr>
</tbody>
</table>

### ASSETS

#### Current assets:

- **Cash and cash equivalents**: $31,981,547
  - Harbor Tidelands: $16,771,029
  - Harbor Uplands: $4,672,595
  - Wastewater: $15,613,236
  - Solid Waste: $1,689,526
  - Transit: $0
  - Total: $38,746,386
- **Due from other governments**: $23,037,931
  - Harbor Tidelands: $16,771,029
  - Harbor Uplands: $4,672,595
  - Wastewater: $15,613,236
  - Solid Waste: $1,689,526
  - Transit: $0
  - Total: $38,746,386

#### Noncurrent assets:

- **Capital assets**:
  - Non-depreciable: $10,327,040
    - Harbor Tidelands: $4,066,844
    - Harbor Uplands: $7,558,488
    - Wastewater: $2,010,197
  - Depreciable, net: $27,140,555
    - Harbor Tidelands: $15,618,730
    - Harbor Uplands: $4,811,925
    - Wastewater: $9,066,417
    - Solid Waste: $46,099
  - Total capital assets: $37,468,095
  - Pension related items: $578,449
  - Loss on debt refunding: $462,739
  - Total deferred outflows of resources: $504,693

### Deferred Outflows of Resources

- **Pension related items**: $578,449
  - Harbor Tidelands: $345,732
  - Harbor Uplands: $125,536
  - Wastewater: $73,022
  - Solid Waste: $58,251
  - Transit: $1,180,990
  - Total: $504,693
- **Loss on debt refunding**: $462,739
  - Harbor Tidelands: $0
  - Harbor Uplands: $0
  - Wastewater: $162,739
  - Solid Waste: $0
  - Transit: $0
  - Total: $462,739

### Total assets:

- **Total assets**: $84,842,189
  - Harbor Tidelands: $37,187,874
  - Harbor Uplands: $12,370,413
  - Wastewater: $11,076,614
  - Solid Waste: $1,914,031
  - Transit: $1,643,729
  - Total: $504,693

See accompanying notes to basic financial statements.
## CITY OF REDONDO BEACH
### Statement of Net Position
#### Proprietary Funds
June 30, 2016

### LIABILITIES

#### Current liabilities:
- **Accounts payable**: $154,899, $95,809, $191,838, $49,577, $233,912, $726,035, $850,767
- **Deposits payable**: $137,924, $59,605
- **Due to other funds**: -
- **Unearned revenue**: -
- **Accrued compensated absences**: $26,824, $18,077, $15,599, $10,901, $16,187, $87,588, $94,252
- **Accrued claims and judgments**: -
- **Bonds, notes, and capital leases**: $352,957, $43,803, $281,256

**Total current liabilities**: $672,604, $217,294, $488,693, $113,282, $1,060,524, $2,552,397, $2,229,451

#### Noncurrent liabilities:
- **Accrued claims and judgments**: -
- **Accrued compensated absences**: $71,544, $48,216, $41,606, $29,072, $43,171, $233,609, $251,380
- **Bonds, notes, and capital leases**: $1,383,371, $6,951,350, $8,334,721
- **Net pension liability**: $5,688,438, $4,552,233, $1,193,610, $40,785, $572,282, $12,847,348, $5,817,441

**Total noncurrent liabilities**: $7,143,353, $4,600,449, $8,186,566, $869,857, $615,453, $21,415,678

**Total liabilities**: $7,815,957, $4,817,743, $8,675,259, $983,139, $1,675,977, $23,968,075, $21,951,824

### DEFERRED INFLOWS OF RESOURCES

- **Pension related items**: $277,926, $418,768, $44,191, $71,460, $26,262, $838,607, $495,863

**Total deferred inflows of resources**: $277,926, $418,768, $44,191, $71,460, $26,262, $838,607, $495,863

### NET POSITION

- **Net investment in capital assets**: $19,304,971, $12,326,610, $4,306,747, $46,099, $1,558,162, $37,542,589, $4,633,859
- **Unrestricted**: $10,367,469, $1,558,162

**Total net position**: $29,672,440, $12,393,805, $18,680,537, $932,454, $61,679,236, $4,074,740

See accompanying notes to basic financial statements.
CITY OF REDONDO BEACH

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2016

<table>
<thead>
<tr>
<th>Business-Type Activities - Enterprise Funds</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Enterprise Funds</td>
<td>Internal Service Funds</td>
</tr>
<tr>
<td>Harbor Tidelands</td>
<td></td>
</tr>
<tr>
<td>Harbor Uplands</td>
<td></td>
</tr>
<tr>
<td>Wastewater</td>
<td></td>
</tr>
<tr>
<td>Solid Waste</td>
<td></td>
</tr>
<tr>
<td>Transit</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

**Operational Revenues:**

- **Sales and service charges:** $1,224,646 (Harbor Tidelands), $2,365,537 (Harbor Uplands), $5,618,086 (Wastewater), $3,832,166 (Solid Waste), $367,127 (Transit), $21,408,749 (Total).
- **Harbor rentals:** $5,266,281 (Harbor Tidelands), $2,948,911 (Harbor Uplands).
- **Miscellaneous:** ($5,153, $11,634, $18, $161,939, $813, $169,269).

**Total operating revenues:** $6,185,772 (Harbor Tidelands), $5,326,082 (Harbor Uplands), $5,618,101 (Wastewater), $3,991,125 (Solid Waste), $367,127 (Transit), $21,791,210 (Total).

**Operating Expenses:**

- **Personnel services:** $2,778,093.
- **Contractual services:** $622,281.
- **Administrative and general expenses:** $61,500.
- **Internal service charges:** $1,106,772.
- **Depreciation expense:** $1,017.

**Total operating expenses:** $5,559,813 (Harbor Tidelands), $662,281 (Harbor Uplands), $611,650 (Wastewater), $1,106,772 (Solid Waste), $401,017 (Transit), $5,559,813 (Total).

**Operating Income (Loss):**

$925,959 (Harbor Tidelands), $859,373 (Harbor Uplands), $3,775,190 (Wastewater), $230,612 (Solid Waste), $3,689,466 (Transit), $2,621,868 (Total).

**Non-operating Revenues (Expenses):**

- **Intergovernmental:** $36,871 (Harbor Tidelands), $2,161,087 (Harbor Uplands), $2,200,958 (Total).
- **Investment income:** $183,561 (Harbor Tidelands), $57,034 (Harbor Uplands), $3,775,190 (Total).
- **Interest expense:** $397,995 (Harbor Tidelands), $5,007,331 (Harbor Uplands), $7,798,684 (Total).

**Total nonoperating revenues (expenses):** $122,796 (Harbor Tidelands), $179,587 (Harbor Uplands), $1,128,210 (Total).

**Income (Loss) before Transfers:**

$1,048,753 (Harbor Tidelands), $1,039,160 (Harbor Uplands), $3,657,312 (Wastewater), $267,163 (Solid Waste), $1,105,379 (Transit), $3,007,331 (Total).

**Transfers:**

- **Transfers in:** $71,034 (Harbor Tidelands), $26,063 (Harbor Uplands), $118,040 (Wastewater), $595,082 (Solid Waste), $87,194 (Transit), $116,991 (Total).
- **Transfers out:** $44,734 (Harbor Tidelands), $26,063 (Harbor Uplands), $595,082 (Solid Waste), $1,005,379 (Transit), $3,166,765 (Total).

**Change in net position:**

$55,887,179 (Beginning of year), $61,679,236 (End of year), $607,793 (Total).

See accompanying notes to basic financial statements.
CITY OF REDONDO BEACH
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2016

<table>
<thead>
<tr>
<th>Business-Type Activities</th>
<th>Enterprise Funds</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Enterprise Funds</td>
<td>Non-Major Enterprise Funds</td>
<td>Internal Service Funds</td>
</tr>
<tr>
<td>Harbor Tidelands</td>
<td>Harbor Uplands</td>
<td>Wastewater Solid Waste Transit Total</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM OPERATING ACTIVITIES:

- Cash received from customers and users
  - Harbor: $6,343,440
  - Uplands: $5,341,146
  - Wastewater: $5,611,778
  - Total: $21,305,467

- Cash payments to suppliers for goods and services
  - Harbor Tidelands: (3,023,218)
  - Harbor Uplands: (2,242,846)
  - Wastewater: (621,094)
  - Total: (12,508,697)

- Cash payments to employees for services
  - Harbor Tidelands: (2,914,766)
  - Harbor Uplands: (1,938,981)
  - Wastewater: (996,126)
  - Total: (6,543,677)

Net cash provided (used) by operating activities:
- Total: $1,142,717

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

- Transfers in
  - Harbor Tidelands: 71,031
  - Harbor Uplands: 26,063
  - Wastewater: 31,729
  - Total: 148,823

- Transfers out
  - Harbor Tidelands: (87,222)
  - Harbor Uplands: -
  - Wastewater: -
  - Total: (87,222)

- Repayment of notes and loans receivable
  - Harbor Tidelands: 16,999
  - Harbor Uplands: -
  - Wastewater: -
  - Total: 16,999

- Net cash provided (used) by noncapital financing activities
  - Total: 3,290,635

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

- Acquisition and construction of capital assets
  - Harbor Tidelands: (99,234)
  - Harbor Uplands: (696,531)
  - Wastewater: -
  - Total: (800,850)

- Principal paid on capital debt
  - Harbor Tidelands: (337,833)
  - Harbor Uplands: (12,144)
  - Wastewater: (271,146)
  - Total: (631,123)

- Interest paid on capital debt
  - Harbor Tidelands: (93,173)
  - Harbor Uplands: (3,381)
  - Wastewater: (275,731)
  - Total: (372,287)

- Proceeds from sales of capital assets
  - Harbor Tidelands: 5,931
  - Harbor Uplands: 3,934
  - Wastewater: -
  - Total: 9,865

- Net cash used by capital and related financing activities
  - Total: (1,812,302)

CASH FLOWS FROM INVESTING ACTIVITIES:

- Interest received
  - Harbor Tidelands: 207,176
  - Harbor Uplands: 35,541
  - Wastewater: 175,609
  - Total: 436,326

- Net cash provided by investing activities
  - Total: 436,326

- Net increase (decrease) in cash and cash equivalents
  - Total: 4,193,012

CASH AND CASH EQUIVALENTS:

- Beginning of year
  - Harbor Tidelands: $16,643,022
  - Harbor Uplands: 3,498,348
  - Wastewater: 12,658,158
  - Total: $32,799,528

- End of year
  - Harbor Tidelands: $18,771,029
  - Harbor Uplands: $4,672,595
  - Wastewater: $15,613,236
  - Total: $39,057,860

See accompanying notes to basic financial statements.
CITY OF REDONDO BEACH
Statement of Cash Flows, Continued
Proprietary Funds
For the year ended June 30, 2016

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>Operating income (loss)</th>
<th>$ 925,959</th>
<th>$ 859,373</th>
<th>$ 3,773,190</th>
<th>$ 230,612</th>
<th>$ (3,169,466)</th>
<th>$ 2,621,868</th>
<th>$ 3,206,950</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>401,017</td>
<td>399,283</td>
<td>197,556</td>
<td>11,744</td>
<td>76,667</td>
<td>1,089,267</td>
<td>1,201,410</td>
</tr>
<tr>
<td>Miscellaneous nonoperating revenue</td>
<td>-</td>
<td>120,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>120,000</td>
<td>77,964</td>
</tr>
<tr>
<td>Actuarial pension expense</td>
<td>390,775</td>
<td>231,091</td>
<td>34,290</td>
<td>31,578</td>
<td>25,191</td>
<td>732,925</td>
<td>218,262</td>
</tr>
<tr>
<td>Pension contributions subsequent to measurement date</td>
<td>(347,089)</td>
<td>(327,641)</td>
<td>(126,775)</td>
<td>(73,742)</td>
<td>(58,825)</td>
<td>(1,134,072)</td>
<td>(509,674)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>(36,299)</td>
<td>(55,769)</td>
<td>(3,067)</td>
<td>(2,451)</td>
<td>3,265</td>
<td>(94,321)</td>
<td>(8,083)</td>
</tr>
<tr>
<td>(Increase) decrease in taxes receivable</td>
<td>-</td>
<td>-</td>
<td>(51,819)</td>
<td>(36,632)</td>
<td>-</td>
<td>(88,451)</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in due from other governments</td>
<td>-</td>
<td>-</td>
<td>48,560</td>
<td>-</td>
<td>-</td>
<td>48,560</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid items</td>
<td>5,145</td>
<td>141</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,579</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>(647,660)</td>
<td>(29,183)</td>
<td>119,821</td>
<td>(219,105)</td>
<td>(20,499)</td>
<td>(980,926)</td>
<td>(364,198)</td>
</tr>
<tr>
<td>Increase (decrease) in unearned revenue</td>
<td>(106,033)</td>
<td>(19,167)</td>
<td>-</td>
<td>(316,331)</td>
<td>(171,531)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in claims and judgments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(241,670)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in compensated absences</td>
<td>19,641</td>
<td>(9,302)</td>
<td>(22,498)</td>
<td>1,869</td>
<td>1,109</td>
<td>(6,181)</td>
<td>6,676</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>(320,503)</td>
<td>279,716</td>
<td>216,068</td>
<td>(281,039)</td>
<td>(170,423)</td>
<td>(779,151)</td>
<td>83,685</td>
</tr>
</tbody>
</table>

Net cash provided (used) by operating activities | $ 405,456 | $ 1,139,319 | $ 3,991,258 | $ (3,427) | $ (3,639,889) | $ 1,812,717 | $ 3,290,633 |

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES
Capital lease additions

S | - | S | - | S | - | S | - | S | - | S | $ 113,054 |

See accompanying notes to basic financial statements.