BLUE FOLDER ITEM

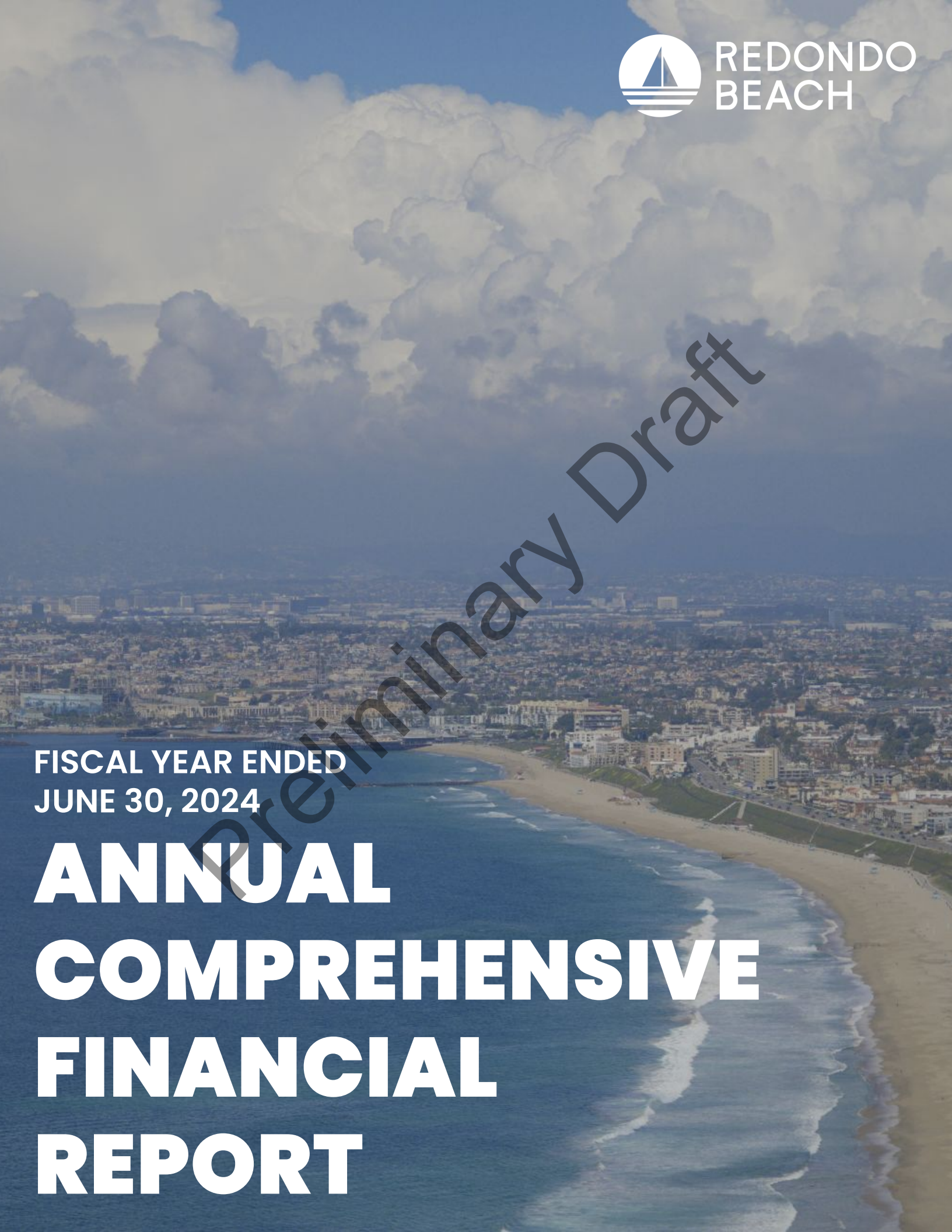
Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

BUDGET & FINANCE COMMISSION MEETING
SEPTEMBER 11, 2025

J.2 DISCUSSION AND POSSIBLE ACTION REGARDING ANNUAL FINANCIAL REPORTS FOR FISCAL YEAR ENDED JUNE 30, 2024

CONTACT: STEPHANIE MEYER, FINANCE DIRECTOR

- **FY 2023-24 Annual Comprehensive Financial Report (ACFR) Draft**



REDONDO BEACH

Preliminary Draft

FISCAL YEAR ENDED
JUNE 30, 2024

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF REDONDO BEACH, CALIFORNIA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024

Preliminary Draft

CITY OF REDONDO BEACH
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INTRODUCTORY SECTION

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REDONDO BEACH

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REPORT DATE

Honorable Mayor, City Council and Residents of the City of Redondo Beach:

We are happy to present the FY 2023-24 Annual Comprehensive Financial Report (ACFR). The report presents the City's financial statements in conformance with generally accepted accounting principles (GAAP) and audited by an independent firm of licensed certified public accountants in accordance with generally accepted auditing standards.

Typically, we deliver the Annual Comprehensive Financial Report (ACFR) by the second Council meeting in December of each year. The FY 2023-24 ACFR was delayed as a result of significant Finance Department staff turnover and the City's working with a new audit firm following seven years with the prior audit firm. The report is now complete and ready for presentation on behalf of the City for the fiscal year ended June 30, 2024.

According to the City Charter, the role of the ACFR is to inform the Mayor and City Council of the financial and administrative activities of the previous fiscal year. In addition, the report provides critical information to Redondo Beach residents and the larger financial community For the residents, the report helps to correlate City services and accomplishments with use of resources. For the financial community, this report provides information necessary to evaluate financial practices of the City, assure their soundness in accordance with GAAP, and determine the financial capacity of the City to incur and service debt for long-range capital planning.

Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including disclosures, rests with the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with GAAP.

Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. GAAP requires that management provide a narrative introduction, i.e., overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal complements the MD&A and should be read together. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

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For the first time since FY 2021-22, the audit shares findings regarding the City's financial practices. The areas that the auditors identify for strengthening and improvements – grants, capital management, deposit management, and year-end closing practices – are ones for which Finance Department staff has already identified improvements and in which processes to address cited concerns are underway. In addition, all are areas which the City's previous auditors reviewed in prior audits without identifying similar concerns. The City regards the current findings in a positive light as an opportunity to thoroughly review historic practices and strengthen internal controls. Staff looks forward to demonstrating changes implemented consistent with recommendations in future audits.

PROFILE OF THE CITY OF REDONDO BEACH

The City of Redondo Beach, incorporated in 1892, is located in the South Bay region of Los Angeles County and spans 6.3 square miles. The City of Redondo Beach has a population of approximately 71,576 per the latest census (2020) and remains a highly residential, non-industrial community. The City is highly educated and largely upscale, with a median home cost of $1,410,000 in fiscal year 2023-24, per HdL. The median income for a household in 2020 in the City was $113,499.

Redondo Beach has significant concentrations of employment in the northern portion of the City anchored by Northrop Grumman. It also has a vibrant hospitality sector near the Harbor/Pier area, an eclectic mix of specialty shops, restaurants and services in the Riviera Village, at the south end of the City, and maintains retail centers at the South Bay Galleria, on the east end of the City. Based on the number of full-time employees, the top ten employers in Redondo Beach are Northrop Grumman, Redondo Beach Unified School District, City of Redondo Beach, The Cheesecake Factory, Macy's, Target Stores, Frontier, United States Post Office, Silverado Beach Cities, and Civic Financial Services.

The City is divided into five Council Districts and operates under a Council-Manager form of government. One councilperson is elected from each district and serves a term of four years, with a limit of two full terms. The Mayor is elected by the City at-large and is also limited to serving two four-year terms. Other elected officials are the City Treasurer, City Attorney, and City Clerk. Each of these elected offices serves a term of four years, but differ from the Mayor and City Council in that individuals can be re-elected an unlimited number of times. The City Council is responsible for City policy, including passing Municipal Code Ordinances, adopting the budget, and appointing the City Manager along with various other Board, Commission, and Committee members.

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In addition to serving as the governing board of the City, the Mayor and City Council act as the Board of Directors for various component units of the City, including: the Redondo Beach Housing Authority, the Redondo Beach Public Financing Authority, the Redondo Beach Community Financing Authority, the Parking Authority of the City of Redondo Beach, and the Redevelopment/Successor Agency of the City of Redondo Beach. The City Manager is responsible for carrying out the policies and ordinances of the City Council and for selecting the non-elected heads of the City's various departments. In May 2008, the Mayor and City Council established an audit committee to enhance the City's communication with its independent accounting firm, ensuring increased involvement by the governing board in the City's accounting processes. Also, in September 2015, the City Council adopted a resolution to expand the membership of the audit committee to include the elected City Clerk and the elected City Treasurer.

The City is classified as a full-service City, providing public safety through its Police and Fire Departments, along with a host of other services, including recreation and community services, libraries, parks, maintenance and improvement of streets and infrastructure, planning and zoning, housing, economic development, transit, and general government services. The City also operates and maintains a recreational harbor under a trust agreement with the State of California.

The annual budget serves as the foundation for the City's fiscal plan and policy prioritization. The City Council is required to adopt an annual budget on or before June 30 of each year for the General Fund, Special Revenue Funds, Enterprise Funds, Capital Projects Fund, and Internal Service Funds. The City also adopts a five-year capital improvement program and a Redevelopment/Successor Agency budget.

The total adopted budget represents the level of appropriated budgetary control, which is defined as the total budget for all funds and divisions, and all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers within each fund and between line items or programs within each department, however, supplemental appropriations and transfers between funds or departments during the budget year must be approved with four affirmative votes of the City Council. Unexpended or unencumbered appropriations expire at the end of each fiscal year. Encumbered appropriations and appropriations related to grants and donations are re-appropriated in the ensuing year's budget by action of the City Council. The City utilizes an encumbrance system, whereby commitments, such as purchase orders and unperformed contracts, are recorded as assigned fund balances at year end.

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Significant Events, Accomplishments and Economic Development Activities

Redondo Beach has historically remained fiscally sound through proactive management, disciplined expenditure oversight, development of a diversified revenue base, and creating public/private partnerships that reduce City costs, creating new public amenities and increasing revenues. These financial practices have enabled the City to maintain healthy reserves and achieve an Aa1 credit rating. The City's Property Tax revenue continues to be its strongest revenue stream, increasing by approximately five percent annually over the past five years. Two other major revenue sources, sales tax and transient occupancy tax (TOT) flattened in FY 2023-24 following strong post-covid recovery in FY 2022-23. Transient Occupancy Tax continues to lag in recovery due to the City's site-specific tax pledge impacting TOT revenue from three hotel properties. As those properties continue to recover from COVID and its longer-term impacts, the City has not retained TOT generated from those sites. For Sales Tax, Redondo Beach experienced similar flattening trends to the state and region, related to online sales and slower consumer spending following the COVID recovery. Ongoing uncertainty at the South Bay Galleria site, one of the City's major retail centers, continues to be a factor impacting sales tax revenue growth.

For most of FY 2023-24, the City's economic development efforts focused on strengthening and supporting the three commercial zones within the City – the Artesia/Aviation Commercial Corridor (inclusive of the South Bay Social District (Galleria), the Riviera Village Business District, and the Redondo Beach Waterfront.

Within the Riviera Village Business District, the City worked with the Riviera Village Association to continue the success of the "parklet" program, which provided outdoor space for local business to operate under state mandated restrictions, but continues to bring additional life and commercial activity to this already vibrant area. While originally envisioned as temporary outdoor dining locations, parklets have been approved to operate until July 1 of 2026 due to the State's extension of the emergency order that allowed the creation and led to their popularity and ongoing success in the community.

Within the Waterfront, the City continued the storefront improvement program for businesses located along International Boardwalk. Grant funding, ranging from $2,500 to $50,000, is available to support improvements/upgrades to storefronts and facades. The program aims to encourage private investment in the International Boardwalk commercial corridor; enhance the appearance of the storefronts, and reduce vacancies.

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The City has been making significant progress in making the Waterfront a welcoming destination. The City successfully hosts a Beach Life concert festival each year which brings tens of thousands of people to the area. The Waterfront is also building upon the Public Amenities Plan, which was approved in 2022 and identifies more than 40 projects to improve upon the public amenities offered to waterfront visitors. In FY 23-24, staff received State Grant Funding to renovate Seaside Lagoon and staff is working with the State Division of Boating and Waterways to prepare a grant application for a new public boat launch on Mole D.

Outside of the commercial zones, construction has begun on a mixed-use project that includes 115 apartment units, a revitalized 110-room hotel (that had previously been dormant), and approximately 20,000 square feet of commercial space that was approved by the City Council on the corner of PCH and Palos Verdes Blvd. The City has conducted numerous inspections as the project advances and is working closely with the builder to ensure it is completed successfully.

The construction of 36 residential town homes located on Fisk Lane & 190th Street has also occurred, which will feature units ranging in size from 1,800-2,300 square feet. Sales of the units has taken place and the project is awaiting final inspections to issue the Certificates of Occupancy.

The number of projects under construction, or preparing for construction, reflect the City's strong property values and signal the potential for increased tax revenues in the City, driven in large part by Redondo Beach's high quality of life, the continued excellence of the Redondo Beach Unified School District and the City's close proximity to LAX airport and the Silicon Beach technology hub.

Property Tax

Property tax is the City's largest single revenue source. It is imposed on real property (land and permanently attached improvements, such as buildings) and tangible personal property (moveable property) located within the City. Property is initially assessed by the County Assessor at a tax rate of 1.0% of the assessed value and can rise no more than 2.0% each year. The City receives revenues equal to 16.5% of the tax rate from the County of Los Angeles Auditor/Controller's Office. This equals 16.5 cents out of each dollar of property tax collected by Los Angeles County for property in the City.

For FY 2023-24, property tax revenue was based on calendar year 2022 property values. Actual revenues were higher than budgeted. The City's FY 2023-24 citywide assessed valuation is $21.6 billion, $1.1 billion, or 5.4%, over the prior fiscal year. The City's assessed valuation amount is derived 82.5% from residential properties, 7.8% from commercial properties, 3.7% from industrial properties, and the remaining 6.0% from vacant, institutional, and other properties.

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Fiscal year 2023-24 property tax revenue (including homeowners' exemptions) was $38.1 million, a $1.3 million, or 4.6% increase over the prior year, consistent assessed valuation increases.

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Sales Tax

Sales tax is the City's second largest revenue source. The sales tax rate in Los Angeles County was 9.50% for FY 2023-24. Redondo Beach receives 1% of taxable sales from the California Department of Tax and Fee Administration. Until FY 2015-16, the data below includes revenue from the triple flip revenue swapping procedure, whereby 25 percent of the City's traditional sales tax base was committed to the State for deficit reduction bonds, and then reimbursed in the same amount as additional property tax revenue to the City. Starting FY 2016-17, the data reflects the City's sales tax proportion only.

Fiscal year 2023-24 sales tax revenue was $10.8 million, a $0.2 million or 1.9% increase over prior year receipts as economic challenges including high inflation and Federal Reserve rate increases drove decreases in consumer spending, combined with the ongoing trend towards online purchasing. The City's largest business structures, including restaurants and hotels, showed some declines, and the fuel sector continued to show lower receipts related to pricing. These declines are consistent with state and nation-wide trends.

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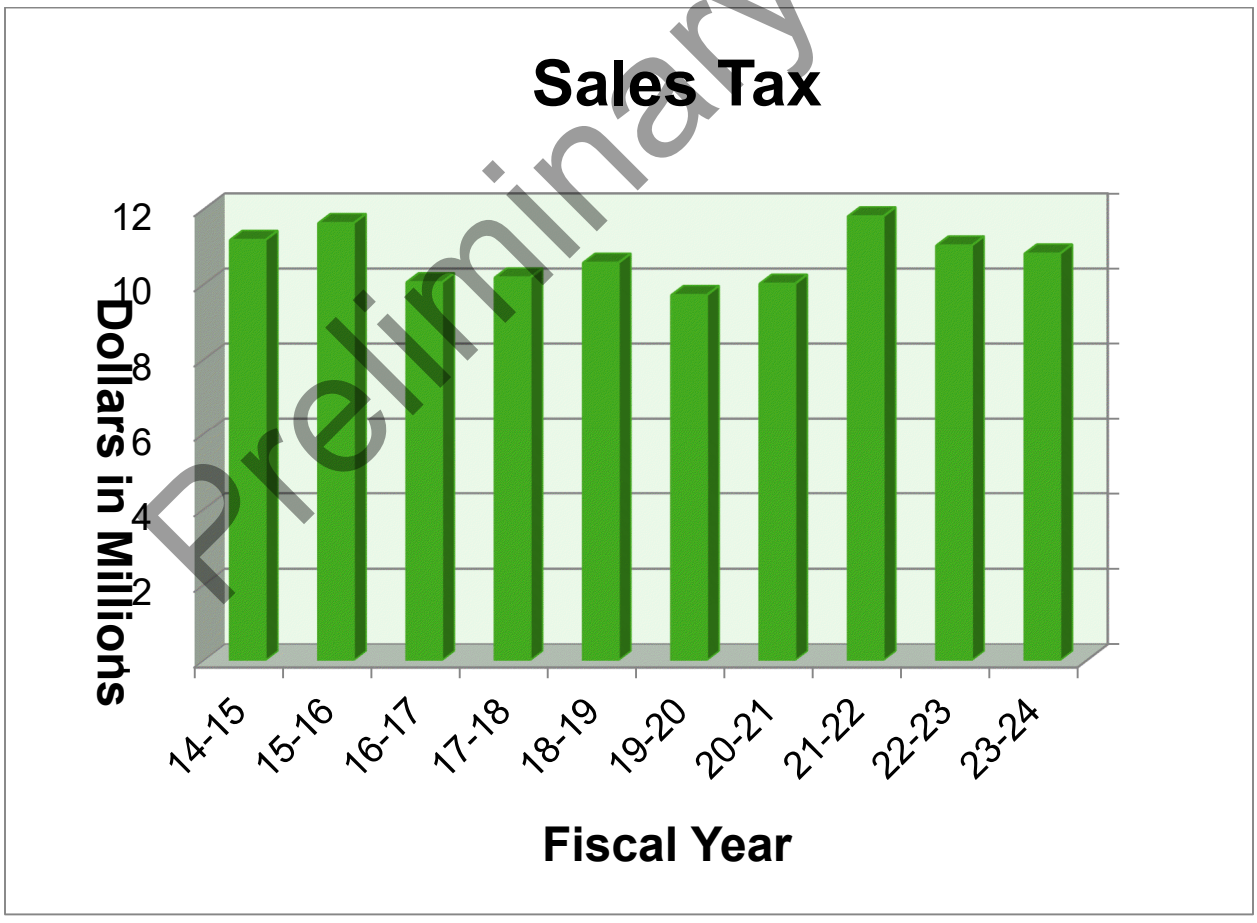

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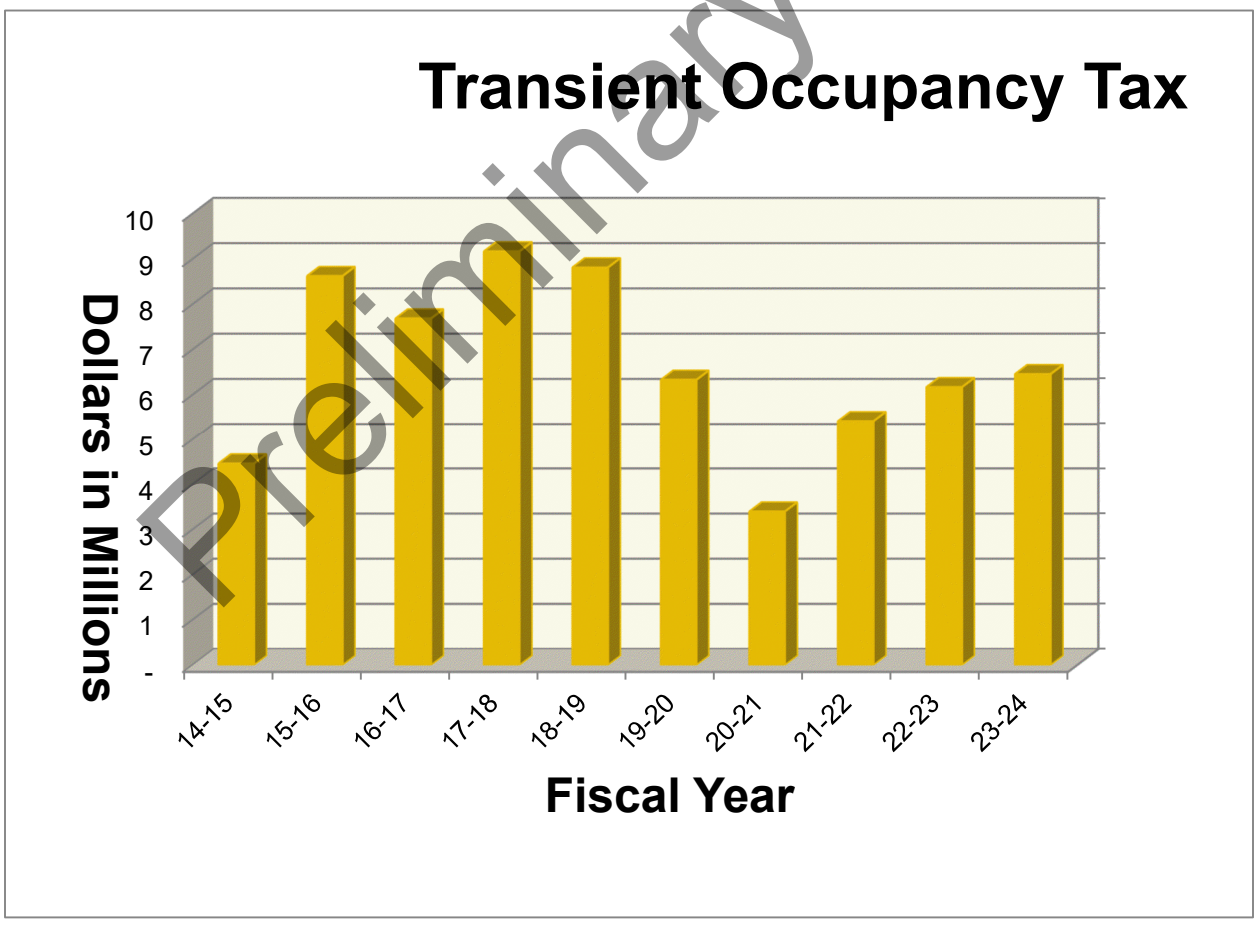
Transient Occupancy Tax (TOT)

Transient Occupancy Tax, the City's third largest single revenue source, is imposed on short-term occupants of hotels, motels, inns, tourist homes or other lodging facilities (those staying for 30 or fewer days). The current tax rate or 12% is applied to the customer's lodging bill. The rate was last increased in 2005 by 2%.

The figures below show the net revenue the City retains from Transient Occupancy Tax. Prior to FY 2016-17, the City contributed 10% of TOT revenue to the Redondo Beach Chamber of Commerce and Visitors Bureau to support marketing and tourism in the City, offsetting the revenue received. Since 2020, the City has paid TOT revenue generated from three hotel properties into a lender-held reserve account according to the terms of a site-specific tax agreement between the City and the property developer. This has effectively reduced the City's retained TOT by the amount of that revenue.

Fiscal year 2023-24 revenue, net of related payments, was $6.5 million, a $0.3 million or 5% increase over the prior fiscal year.



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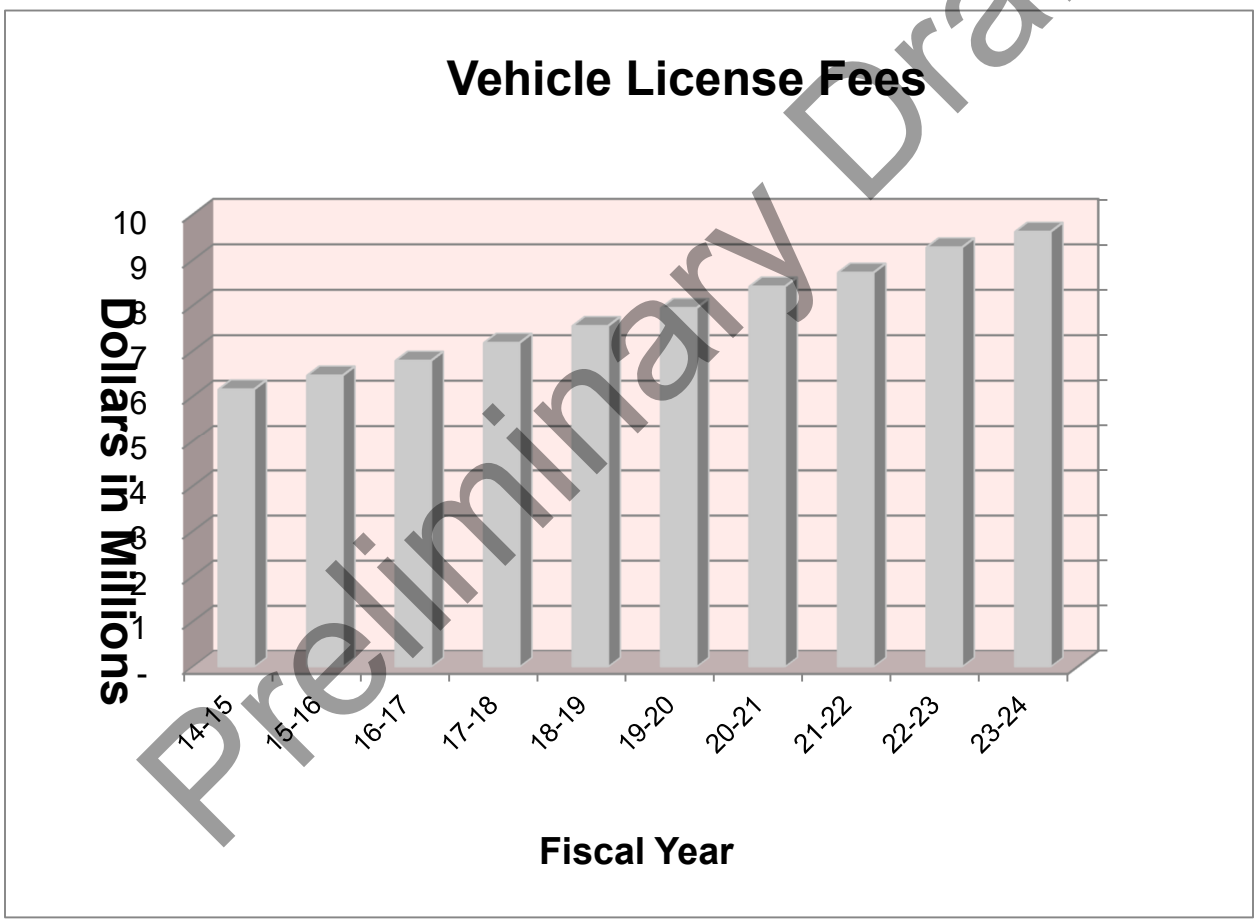
Vehicle License Fees (VLF)

Vehicle license fee revenue, the City's fourth largest revenue source, comes from a State-imposed tax on owners of registered vehicles for the privilege of operating a vehicle on public highways. The revenue reflects 2% of the market value of the motor vehicle, which the City receives as motor vehicle in-lieu tax and through Property Tax receipts as property tax in lieu of vehicle license fees.

Vehicle License Fee revenue has increased consistently over the past 10 years, with an average annual increase of about 5%. Fiscal year 2023-24 revenue was $9.6 million, a 3.7% increase over the prior year.



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Utility Users' Tax (UUT)

Utility users' tax (UUT), the City's fifth largest revenue source, is imposed on consumers of electric, gas, cable services, water and telephone services. Redondo Beach's UUT rate is set at 4.75%. In the last 10 years, the City's UUT revenue has declined or remained relatively flat as more consumers move away from cable to internet based streaming services which are not taxed. This trend has changed in the past two fiscal years, with increases in UUT driven by general rate increases, population growth, more remote workers, inflation and natural gas prices.

Fiscal year FY 2023-24 revenue was $8.5 million, a $0.7 million or 7.5% decrease from the prior year. The decrease primarily reflects a retreat from unusually high FY 2022-23 revenues, which were driven by spikes in energy costs.

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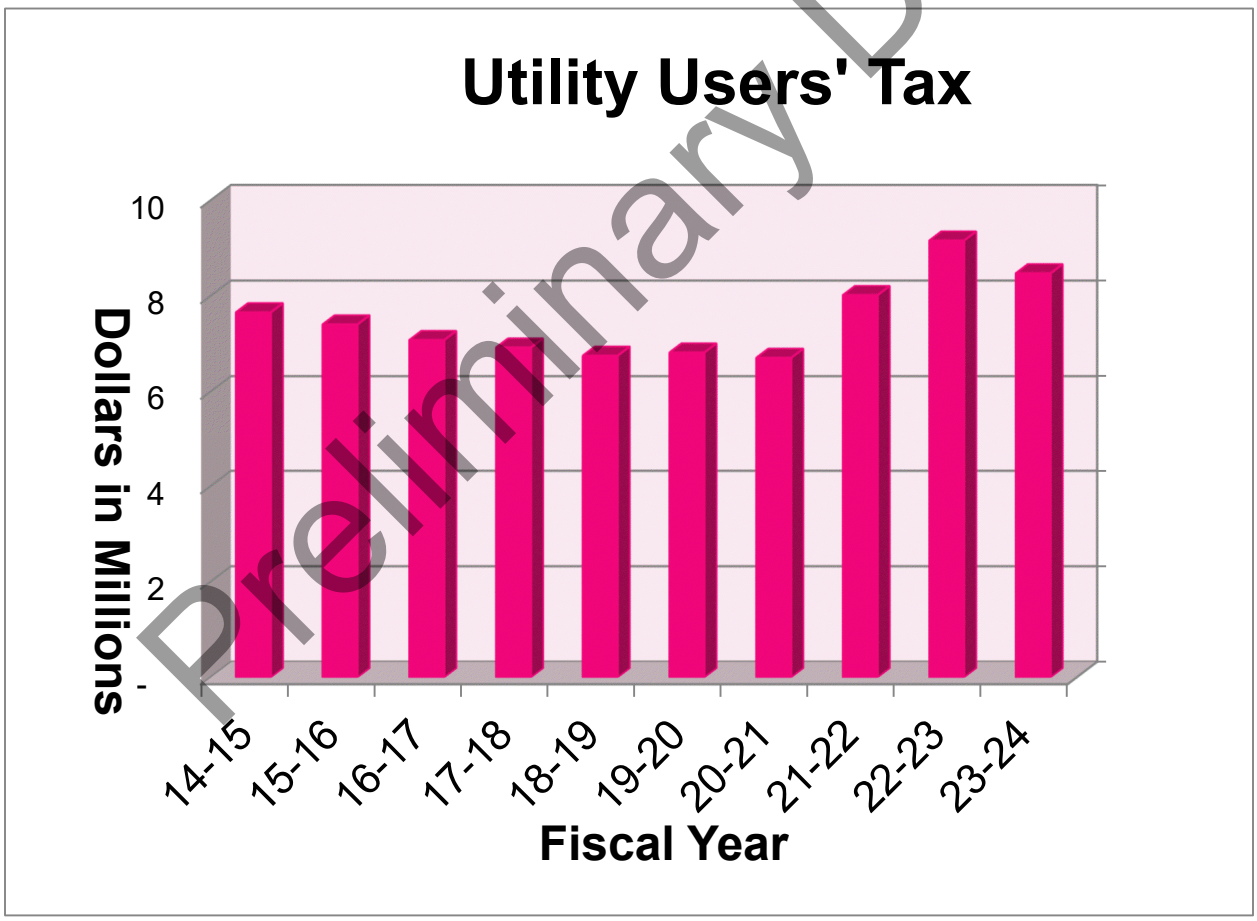

CAPITAL IMPROVEMENT PROJECT PLANNING, ACCOMPLISHMENTS AND ACTIVITIES

In FY 2023-24, the City continued to plan, design, and construct a significant number of capital improvement projects. Street improvement projects, with the greatest variety of funding sources, continued to represent a large portion of the work plan, however, projects in other categories were completed throughout the City as well.

The City officially completed the Transit Center Project (~$15M), which consisted of both the Transit Center Building and the subsequent Kingsdale Avenue Widening. This was the City's largest CIP over the last two decades and it was funded entirely with grants and restricted transportation funds.

The City continued to make progress on several Regional Measure R and Measure M funded transportation-related capital projects. Design for the right turn lane project located on Aviation Boulevard at Artesia Boulevard ($1.4 million) is complete, and the City received a favorable ruling in the eminent domain case, so is now working through the finalization of the court proceedings with the anticipated project award in late FY 2024-25. Similarly, the southbound Pacific Coast Highway at Torrance Boulevard Project ($1 million) remains with Caltrans for design review pending resolution of right-of-way acquisition issues. Construction for Phase 2 of the southbound right turn lane on Inglewood Avenue at Manhattan Beach Boulevard, including signalized modifications ($2.6 million), will occur in the first quarter of FY 2024-25. The Anita/Herondo and Pacific Coast Highway left turn modifications project ($2.5M) has been awarded and construction should be completed in the first half of FY 2024-25.

The Grant Avenue Signal Improvement Project ($3.2M) and the Torrance Boulevard Resurfacing and Signal Improvement Project ($4.3M) are substantially complete, and should be finalized in the next couple of months. Citywide Slurry Seal Phase 3 was completed in the first half of FY 23-34 ($750,000) and Phase 4 was recently awarded a construction contract ($485,000) and is set to commence construction in the first quarter of FY 2024-25.

The Franklin Park Repair and Striping Project ($250,000) is in progress with the striping of the courts completed with the shade structure to be installed and completed in the upcoming months. The Alta Vista Field Improvements ($50,000) was completed in the first half of FY 2023-24. The rubberized play surface ($163,000) was replaced at Anderson Park and is now complete. The roofs at the Alta Vista Community Center and the Wilderness Park Community Center ($200,000) were replaced in the spring of FY 2023-24. Design of the Southern California Edison (SCE) right of way (ROW) West of PCH Landscape Improvements ($786,000) is largely complete, after a lengthy back and forth with SCE, with construction for Phase 1 scheduled to occur in FY 2024-25. The Dominguez Park Play Equipment, Landscape and Walkways Project ($2 million) is currently in construction and anticipated to be complete in the fall of FY 2024-25.

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The City continues to devote significant resources to the maintenance and improvement of its wastewater infrastructure. The Basin 2 Pump Out Station ($1.95M) was completed in February 2024. Construction is underway for the Yacht Club Way ($3.95 million) and Portofino Sewer Pump Stations ($5.12 million) with anticipated completion during the first half of FY 2024-25. Improvements and maintenance, including the re-lining of sewer pipes and root foaming, were executed citywide as part of the Sanitary Sewer Rehabilitation Project ($700,000).

In the waterfront, the Harbor Patrol Docks ($1.8M) were replaced with the project being completed in February 2024. The Harbor Dredging Project ($3M) was awarded, and is underway, with completion anticipated and should be complete by the end of the this fiscal year. The Sports Fishing Pier ($1.2M) was demolished due to safety concerns during FY 2023-24. Also, several repairs were made to the Horseshoe Pier, following heavy storm activity, through the ongoing Pier Structure Repair Project ($600,000). Additionally, City staff continued with Pier restroom improvements ($50,000) and progress was made on the design plans for reconstruction of the Seaside Lagoon ($3.1 million).

The above is a snapshot of the year's highlights and is not inclusive of all of the progress made on capital projects. In summary, the City will have officially or substantially completed 25 CIP projects in FY 2023-24 and designed and/or awarded contracts for construction of an additional 20 projects, for a total capital expenditure of approximately $21.2 million.

CASH MANAGEMENT POLICIES AND PRACTICES

The City invests all idle cash in various investment instruments, as authorized within the City's Statement of Investment Policy. The City Treasurer employs a buy and hold philosophy of cash management, ensuring the full return of all investment principal. In February of 2013, the City commenced utilization of Meeder Public Funds (formerly FHN Mainstreet Advisors) in providing non-discretionary investment management services to the City Treasurer. Composition of the City's investment portfolio consists of a well-diversified mix of US Treasury securities, Federal Agency securities, FDIC insured collateralized deposits, and a blend of A-AAA rated Corporate Medium-Term Notes, all of which are structured along a five-year laddered maturity schedule. In addition, sufficient portfolio liquidity is maintained through continued maintenance of a significant portion of the investment portfolio's position in the State managed Local Agency Investment Fund, or LAIF.

The City maintains an Investment Policy certified for reporting excellence by the Government Investment Officers Association (GIOA) and has established both a written investment policy and investment procedures manual. The Investment Policy is reviewed by both the City Council and the Budget and Finance Commission on an annual basis. The investment policy's established performance benchmark is the thirty-month moving average of the ICE B of A zero to five-year Treasury index.

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The level of investments maintained with LAIF fluctuates in accordance with variations in both the City's operational and capital improvement program cash flow requirements. The LAIF balance is maintained at a level of $5 to $25 million, or a range of 5% to 25% of the general portfolio's assets on average, ensuring maintenance of sufficient investment portfolio liquidity. The yield provided by LAIF has increased over the past year as short-term market interest rates increased. Idle investment funds above the liquidity threshold have been placed primarily in Federal Agency investments within the two to five-year investment maturity range. The increase in market interest rates experienced over the past year have been both anticipated and well managed, proactively responding to both the City's operating and capital improvement cash flow requirements. The City's investment portfolio consistently meets the primary objectives set forth in the City's investment policy.

As of June 30, 2024, the City's general portfolio was invested as follows:

Comparison of Investment Portfolio Positions F.Y. 2023-2024								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Investment Type		%						
Cash in Banks	$6,469,818	*	13,256,219	*	$11,755,717	*	$ 10,560,379.31	*
Money Market	$8,733,993	8.78%	$19,612,340	19.53%	$15,881,678	15.37%	$ 18,202,927.12	16.95%
Local Agency Investment Fund	$98,106	10.00%	$100,842	0.10%	$101,853	0.10%	$ 102,941.43	0.10%
Federal Agency Issues	$49,969,031	50.24%	$48,017,978	47.81%	$48,066,986	46.52%	$ 46,615,560.54	43.42%
Commercial Paper	$0	0.00%	$0	0.00%	$0	0.00%	$ -	0.00%
Corporate Medium Term Notes	$6,905,358	6.94%	$2,921,402	2.91%	$4,468,652	4.32%	$ 8,405,345.37	7.83%
Bank Certificates of Deposit	$991,797	1.00%	$991,856	0.99%	$991,914	0.96%	$ 247,964.77	0.23%
Treasuries	$32,755,612	32.94%	$28,785,152	28.66%	$33,811,331	32.72%	$ 33,785,898.60	31.47%
Total: Investment Portfolio	$99,453,897	100%	$100,429,570	100.0%	$103,322,415	100.00%	$ 107,360,637.83	100.00%
Weighted Average Maturity (Yrs)	1.96		1.73		1.54		1.39	
Portfolio Effective Rate of Return (YTD)	2.82%		2.96%		2.71%		2.78%	
L.A.I.F. Yield	3.55%		3.93%		4.25%		4.33%	
Yield on Benchmark	2.66%		3.10%		3.53%		3.95%	
Interest earned YTD	$675,178.00		$1,260,353.00		$2,023,050		$2,773,041	
General Fund Contribution (60%)	$405,107		$756,212		$1,213,830		$1,663,824.86	

As required by GASB 31, the City recorded the unrealized gain/loss on certain investments to account for the market value on June 30, 2024. The portfolio market value, $105,058,799, dropped below the book value of $107,360,638 by $-2,301,839 of the current market value of the investments within the City's investment portfolio. This unrealized loss in the value of investments results from structural factors and interest rate movements within the financial marketplace over the past year impacting the market valuation of the City's investments in both Federal Agency issues and Corporate Medium-Term Notes

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RISK MANAGEMENT

The City maintains a self-insurance program for workers' compensation and liability claims. The program accumulates resources in the Self-Insurance Program internal service fund to meet potential losses. For FY 2023-24, the self-insurance retention (SIR) is $750,000 for workers' compensation and $500,000 for general liability. Excess coverage up to $50 million for each workers' compensation claim is provided by a third-party private insurer, and excess liability up to $30 million for each occurrence is covered by Public Risk Innovation, Solutions, and Management (PRISM), formally the California State Association of Counties – Excess Insurance Authority (CSAC-EIA).

PRISM is a joint powers authority for 95% of California counties as well as 68% of California municipalities where risks and losses are pooled together to keep annual premiums low. Both the workers' compensation and liability claim programs are managed by a third-party claims administrator under the direction of the Risk Management Division of the Human Resources Department.

The amounts included in the Self-Insurance Program internal service fund are significant, partly due to requirements of GASB 10. In complying with GASB 10, the City must record as a liability and expenditure not only actual risk/loss experienced in the areas of workers' compensation and liability, but also claims incurred but not reported (IBNR). IBNR claims include exposure for losses of which a city is not yet aware, as well as any statistically probable increase in costs for accidents that are already known to the City. The appropriate amount to include on the financial statements for IBNR claims is typically developed by an actuary.

As of June 30, 2024, the City recorded the following:

Workers' Compensation Claims

Claims payable totaled $14.7 million, increase of $1.4 million, increase of 11% from prior period. This increase is attributable to increased claims in the immediately preceding year.

Liability Claims

Claims payable totaled $9.7 million, increase of $2 million, increase of 26% from prior period. This decrease is attributable to increased claims following the prior year decrease reflecting claims settlement.

Unemployment Insurance

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The City participates in a direct-cost reimbursement method for unemployment insurance. This program is administered by the State Employment Development Department (EDD) to provide salary continuance for terminated employees. For FY 2023-24, reimbursement to EDD was $42,592.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City provides three Tier 1 defined benefit pension plans – two for safety employees (3% at 55 for Fire and 3% at 50 for Police) and one for miscellaneous employees (2% at 55). Beginning July 2012, two additional Tier 2 defined benefit pension plans were provided – one for safety employees (3% at 55 for both Fire and Police) and one for miscellaneous employees (2% at 60). Beginning January 2013, pursuant to the California Public Employee's Pension Reform Act of 2013 (PEPRA), Tier 3 defined benefit pension plans were added, 2.7% at 57 for safety employees and 2% at 62 for miscellaneous employees. These plans are part of the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. The City makes contributions to the plans based on amounts determined by CalPERS actuaries. Employees of some bargaining groups paid a portion of the employee and/or employer contribution to CalPERS.

CalPERS began to separately identify the City's employer contributions as normal cost and unfunded liability FY 2017-18. The City pays the normal cost portion – ongoing contribution reflecting the amount estimated to fully fund future benefits under investment and plan assumptions - as a percentage of payroll. The required unfunded liability portion – the amount that the City must contribute to cover the gap between the value of the City's invested assets and estimated amount required to fund future benefits – is presented as a flat dollar amount. In FY 2023-24, the normal cost increased from 9.23% to 10.34% for the miscellaneous group and from 31.91% to 33.73% for public safety. The City had no required unfunded liability payment in FY 2023-24, as a result of an FY 2021-22 unfunded liability payoff of approximately $220M.

Pension benefit payments for employer contributions and member contributions that the City pays was $7.3 million. Approximately $6.1million, or 84%, was charged to the General Fund. The budget in all funds for these FY 2023-24 contributions was $7.4 million.

Aside from contributing to CalPERS, the City also contributes to Social Security. The FY 2022-23 total cost for Social Security and Medicare coverage was $2.6 million, of which $1.5 million, or 68.8%, was from the General Fund. Safety employees do not participate in Social Security and Medicare, except for those employees hired after 1986, who are required to participate in Medicare.

The City also provides post-retirement health care benefits to its employees in accordance with agreements reached with various employee bargaining groups. The City pays for retirees'

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health care premiums in these plans up to limits established in the agreements with the bargaining units. After age 64, only the City's minimum health premium contribution under the Public Employees' Medical and Hospital Care Act (PEHMCA) is paid. These payments are paid via an Other Post-Employment Benefits (OPEB) trust, which was established by the City in FY 2009-2010 to comply with GASB 45. The OPEB trust allows the City to prefund actuarially derived OPEB costs that are expected to be incurred in future periods. In FY 2023-24, the City contributed $2.0 million to the OPEB trust to cover current and future retiree medical benefits, with $1.6 million or 80.9% in the General Fund. Future contributions will vary based on updated actuarial studies. As of June 30, 2023, the City was providing full benefits to 184 participants.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Redondo Beach for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023. This makes 31 consecutive years that the City has been awarded this achievement. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

For FY 2023-24, the City will again apply to the GFOA for the Certificate of Achievement for Excellence in Financial Reporting. We believe that our current annual comprehensive financial report continues to meet and exceed the criteria to receive this certificate, and we will be submitting it to GFOA for consideration.

ACKNOWLEDGMENTS

The preparation of this report has been accomplished with the efficient and dedicated services of the staff of the Financial Services Department, particularly Senior Accountants Grace Liang and Stephen Peloso. We also thank the City's independent auditors, CliftonLarsonAllen (CLA), Certified Public Accountants, for their assistance and expertise, and all City departments for their cooperation during the audit engagement and their participation in preparing the required data. We would like to express our appreciation to the Mayor and City Council, the City's Audit Committee, and the Budget and Finance Commission for conducting the City's financial affairs in an engaged and responsible manner.

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REDONDO BEACH

Financial Services Department
415 Diamond Street
Redondo Beach, CA 90277

Tel: 310.318.0683
Redondo.org

Respectfully submitted,

_____
MIKE WITZANSKY
City Manager

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CITY OF REDONDO BEACH

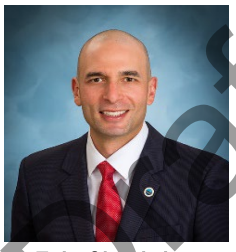
MAYOR AND CITY COUNCIL

Bill Brand
Mayor

Nils Nehrenheim
Councilmember
District 1

Todd Loewenstein
Councilmember
District 2

Paige Kaluderovic
Councilmember
District 3



Zein Obagi, Jr.
Councilmember
District 4

Scott Behrendt
Councilmember
District 5

CITY OFFICIALS

Michael Witzansky
City Manager

Michael Webb
City Attorney

Eleanor Manzano
City Clerk

Eugene Solomon
City Treasurer

Cameron Harding
Community Services Director

Brandy Forbes
Community Development Director

Patrick Butler
Interim Fire Chief

Joe Hoffman
Police Chief

Greg Kapovich
Waterfront and Economic Development Director

Dana Vinke
Library Director

Michael Cook
Information Technology Director

Ted Semaan
Public Works Director

Wendy Collazo
Finance Director

Diane Strickfaden
Human Resources Director

Elizabeth Hause
Assistant to the City Manager

Luke Smude
Assistant to the City Manager

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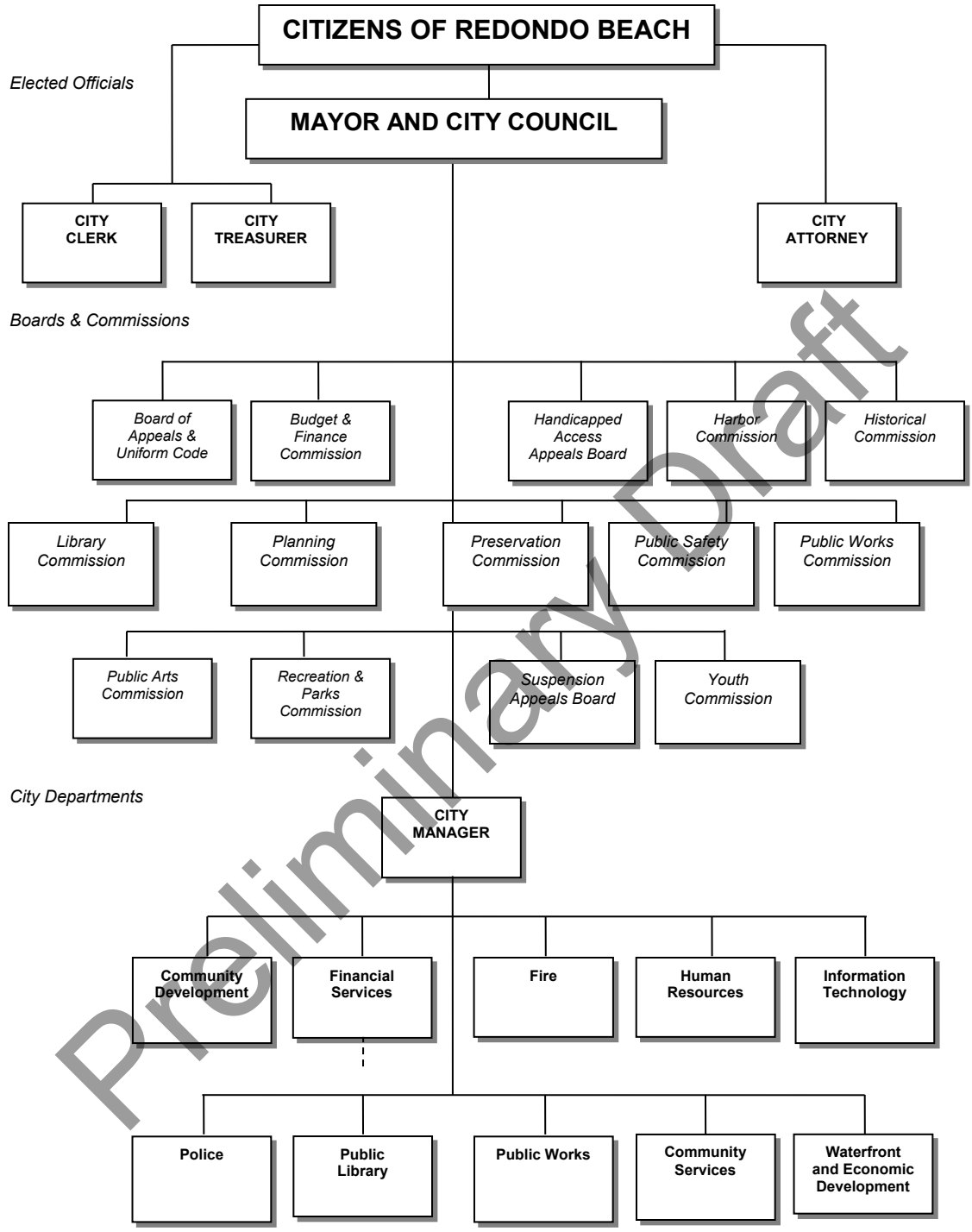

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ORGANIZATIONAL CHART
FY 2023-24

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Redondo Beach
Redondo Beach, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redondo Beach (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the City made restatements to beginning fund balance/net position resulting from corrections of errors. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule for the General Fund and major special revenue funds, the modified approach for the City's infrastructure assets, and the required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Irvine, California
REPORT DATE

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Placeholder for Management's Discussion and Analysis

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BASIC FINANCIAL STATEMENTS

Preliminary Draft

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF REDONDO BEACH
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 96,773,956	$ 28,104,520	$ 124,878,476
Receivables:			
Accounts	1,081,745	1,482,244	2,563,989
Taxes	5,395,414	178,672	5,574,086
Accrued Interest	453,922	321,953	775,875
Notes and Loans	2,405,808	-	2,405,808
Leases	5,812,597	69,830,037	75,642,634
Internal Balances	1,292,629	(1,292,629)	-
Prepaid Costs	152,736	-	152,736
Due from Other Governments	14,336,265	82,675	14,418,940
Advances to Successor Agency	535,731	-	535,731
Restricted Assets:			
Cash with Fiscal Agent	55,246	873	56,119
Deposits Receivable	1,574,054	-	1,574,054
Capital Assets, Not Being Depreciated	97,703,553	31,676,591	129,380,144
Capital Assets, Net of Depreciation	97,813,803	45,703,720	143,517,523
Total Current Assets	325,387,459	176,088,656	501,476,115
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	257,077	257,077
Deferred Pension Related Items	46,272,661	5,172,436	51,445,097
Deferred OPEB Related Items	3,931,106	461,455	4,392,561
Total Deferred Outflows of Resources	50,203,767	5,890,968	56,094,735

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See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 7,939,117	$ 3,073,608	$ 11,012,725
Accrued Liabilities	4,898,642	-	4,898,642
Accrued Interest	1,017,143	106,784	1,123,927
Unearned Revenue	1,005,960	43,243	1,049,203
Deposits Payable	4,000,601	225,634	4,226,235
Due to Other Governments	-	266,467	266,467
Pollution Remediation Liability	150,000	-	150,000
Compensated Absences Due in One Year	1,011,470	125,323	1,136,793
Claims Payable Due in One Year	1,203,177	-	1,203,177
Long-Term Obligations Due in One Year	8,645,932	986,284	9,632,216
Total Current Liabilities	29,872,042	4,827,343	34,699,385
Noncurrent Liabilities:			
Compensated Absences Due in More than One Year	3,034,406	375,954	3,410,360
Claims Payable Due in More than One Year	23,199,925	-	23,199,925
Long-Term Obligations Due in More than One Year	212,757,270	21,170,637	233,927,907
Net Pension Liability	38,421,560	3,883,837	42,305,397
Net OPEB Liability	12,231,453	1,435,795	13,667,248
Total Current Liabilities	289,644,614	26,866,223	316,510,837
Total Liabilities	319,516,656	31,693,566	351,210,222
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Items	1,649,716	248,816	1,898,532
Deferred OPEB Related Items	3,271,474	384,023	3,655,497
Deferred Leases Related Items	5,716,656	68,266,390	73,983,046
Total Deferred Inflows of Resources	10,637,846	68,899,229	79,537,075
NET POSITION			
Net Investment in Capital Assets	201,454,388	71,887,538	273,341,926
Restricted for:			
Housing and Community Development	12,519,783	-	12,519,783
Public Safety	423,133	-	423,133
Public Works	7,810,731	-	7,810,731
Debt Service	4,639,885	-	4,639,885
Low and Moderate Income Housing	4,864,048	-	4,864,048
Unrestricted	(186,275,244)	9,499,291	(176,775,953)
Total Net Position	$ 45,436,724	$ 81,386,829	$ 126,823,553

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See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	$ 14,502,522	$ 16,077,714	$ -	$ -
Public Safety	84,041,046	5,754,175	1,654,953	-
Housing and Community Development	15,740,380	4,331,471	811,366	-
Cultural and Leisure Services	13,367,162	10,169,027	8,896,026	2,462,965
Public Works	18,203,045	3,441,632	4,181,705	5,888,527
Interest on Long-Term Debt and Fiscal Charges	6,374,469	-	-	-
Total Governmental Activities	152,228,624	39,774,019	15,544,050	8,351,492
Business-Type Activities:				
Harbor Tidelands	12,302,254	8,610,420	12,627	-
Harbor Uplands	7,231,353	7,306,683	-	-
Wastewater	4,081,219	5,644,278	-	-
Solid Waste	6,632,516	6,990,772	27,206	-
Transit	5,967,261	217,107	3,343,088	-
Total Business-Type Activities	36,214,603	28,769,260	3,382,921	-
Total Primary Government	$ 188,443,227	$ 68,543,279	$ 18,926,971	$ 8,351,492

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See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2024

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position Primary Government		
	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT			
Governmental Activities:			
General Government	$ 1,575,192	$ -	$ 1,575,192
Public Safety	(76,631,918)	-	(76,631,918)
Housing and Community Development	(10,597,543)	-	(10,597,543)
Cultural and Leisure Services	8,160,856	-	8,160,856
Public Works	(4,691,181)	-	(4,691,181)
Interest on Long-Term Debt and Fiscal Charges	(6,374,469)	-	(6,374,469)
Total Governmental Activities	(88,559,063)	-	(88,559,063)
Business-Type Activities:			
Harbor Tidelands	-	(3,679,207)	(3,679,207)
Harbor Uplands	-	75,330	75,330
Wastewater	-	1,563,059	1,563,059
Solid Waste	-	385,462	385,462
Transit	-	(2,407,066)	(2,407,066)
Total Business-Type Activities	-	(4,062,422)	(4,062,422)
Total Primary Government	(88,559,063)	(4,062,422)	(92,621,485)
GENERAL REVENUES			
Taxes:			
Property Taxes, Levied for General Purposes	48,021,316	-	48,021,316
Transient Occupancy Taxes	9,114,545	-	9,114,545
Sales Taxes	10,822,480	-	10,822,480
Franchise Taxes	1,964,410	-	1,964,410
Business Licenses Taxes	1,266,051	-	1,266,051
Utility Users Tax	8,481,267	-	8,481,267
Other Taxes	1,118,398	-	1,118,398
Motor Vehicle In Lieu - Unrestricted	86,764	-	86,764
Investment Income	6,551,406	2,427,116	8,978,522
Gain on Sale of Capital Asset	115,613	-	115,613
Transfers	(487,401)	487,401	-
Total General Revenues and Transfers	87,054,849	2,914,517	89,969,366
CHANGE IN NET POSITION	(1,504,214)	(1,147,905)	(2,652,119)
Net Position - Beginning of Year, as Previously Reported	54,191,573	82,449,722	136,641,295
Error Corrections	(7,250,635)	85,012	(7,165,623)
Net Position - Beginning of Year, as Restated	46,940,938	82,534,734	129,475,672
NET POSITION - END OF YEAR	$ 45,436,724	$ 81,386,829	$ 126,823,553

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See accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

Preliminary Draft

CITY OF REDONDO BEACH
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Special Revenue Funds: Other Intergovernmental Grants	Special Revenue Funds: Low-Mod Income Housing	Other Governmental Funds	Total Governmental Funds
ASSETS					
Pooled Cash and Investments	$ 28,233,374	$ -	$ 1,898,524	$ 35,840,443	$ 65,972,341
Receivables:					
Accounts	399,354	502,174	-	125,763	1,027,291
Taxes	5,205,519	-	-	189,895	5,395,414
Accrued Interest	369,305	-	-	84,617	453,922
Notes and Loans	15,616	-	2,078,965	311,227	2,405,808
Leases	4,785,455	-	-	1,027,142	5,812,597
Prepaid Costs	152,736	-	-	-	152,736
Due from Other Governments	1,649,840	6,949,747	-	5,736,678	14,336,265
Due from Other Funds	9,586,431	-	-	5,222,879	14,809,310
Advances to Successor Agency	-	-	535,731	-	535,731
Restricted Assets:					
Cash and Investments with Fiscal Agents	-	-	-	55,246	55,246
Deposits Receivable	1,574,054	-	-	-	1,574,054
Total Assets	$ 51,971,684	$ 7,451,921	$ 4,513,220	$ 48,593,890	$ 112,530,715
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 1,686,301	$ 1,597,925	$ 28,563	$ 2,190,159	$ 5,502,948
Accrued Liabilities	4,814,108	84,534	-	-	4,898,642
Unearned Revenue	340,529	665,431	-	-	1,005,960
Deposits Payable	4,000,601	-	-	-	4,000,601
Due to Other Funds	-	5,868,098	861,213	6,787,370	13,516,681
Pollution Remediation Liability	150,000	-	-	-	150,000
Total Liabilities	10,991,539	8,215,988	889,776	8,977,529	29,074,832
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	5,969,180	389,992	311,230	6,670,402
Deferred Leases Related Items	4,713,253	-	-	1,003,403	5,716,656
Total Deferred Inflows of Resources	4,713,253	5,969,180	389,992	1,314,633	12,387,058
FUND BALANCES					
Nonspendable:					
Prepaid Costs	152,736	-	-	-	152,736
Notes and Loans	15,616	-	-	-	15,616
Restricted for:					
Housing and Community Development	-	-	-	12,195,736	12,195,736
Public Safety	-	-	-	423,133	423,133
Public Works	-	-	-	7,810,731	7,810,731
Debt Service	-	-	-	5,608,337	5,608,337
Low and Moderate Income Housing	-	-	3,233,452	1,240,604	4,474,056
Committed to:					
Contingency	8,599,208	-	-	-	8,599,208
Assigned to:	-				
Capital Projects	-	-	-	11,118,944	11,118,944
Compensated Absences	785,832	-	-	-	785,832
Future Pension Payments	7,975,721	-	-	-	7,975,721
Continuing Operations	17,206,519	-	-	-	17,206,519
Unassigned	1,531,260	(6,733,247)	-	(95,757)	(5,297,744)
Total Fund Balances	36,266,892	(6,733,247)	3,233,452	38,301,728	71,068,825
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 51,971,684	$ 7,451,921	$ 4,513,220	$ 48,593,890	$ 112,530,715

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Fund Balances of Governmental Funds	$ 71,068,825
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of depreciation have not been included as financial resources in governmental fund activity.	184,580,801
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Bonds Payable	(208,713,498)
Leases and Subscriptions	(2,456,226)
Net OPEB Liability	(11,466,108)
Net Pension Liability	(36,533,607)
Compensated Absences	(3,722,950)
Accrued interest payable for the current portion of interest due on bonds are not reported in the governmental funds.	(968,452)
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	6,670,402
Deferred outflows and inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	
Deferred Outflows of Resources - Pension Related Items	43,748,421
Deferred Inflows of Resources - Pension Related Items	(1,527,125)
Deferred Outflows of Resources - OPEB Related Items	3,685,130
Deferred Inflows of Resources - OPEB Related Items	(3,066,773)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.	4,137,884
Net Position of Governmental Activities	$ 45,436,724

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Special Revenue Funds: Other Intergovernmental Grants	Special Revenue Funds: Low-Mod Income Housing	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 80,645,193	$ -	$ -	$ 143,274	$ 80,788,467
Interdepartmental	13,821,750	-	-	-	13,821,750
Licenses and Permits	2,386,229	-	-	-	2,386,229
Intergovernmental	186,830	10,292,835	-	20,259,672	30,739,337
Charges for Services	10,078,596	-	-	1,924,566	12,003,162
Use of Money and Property	5,265,301	-	54,897	1,183,824	6,504,022
Fines and Forfeitures	1,230,559	-	-	72,107	1,302,666
Miscellaneous	3,189,908	-	-	897,087	4,086,995
Total Revenues	116,804,366	10,292,835	54,897	24,480,530	151,632,628
EXPENDITURES					
Current:					
General Government	14,492,509	754,748	-	3,937	15,251,194
Public Safety	62,610,870	391,521	-	154,515	63,156,906
Housing and Community Development	3,453,461	-	40,159	9,465,472	12,959,092
Cultural and Leisure Services	12,019,487	-	279,000	-	12,298,487
Public Works	7,608,906	330,126	-	4,369,383	12,308,415
Capital Outlay	235,704	9,177,283	-	9,391,848	18,804,835
Debt Service:					
Principal Retirement	593,041	58,989	-	7,227,940	7,879,970
Interest and Fiscal Charges	15,322	8,754	-	5,883,179	5,907,255
Total Expenditures	101,029,300	10,721,421	319,159	36,496,274	148,566,154
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,775,066	(428,586)	(264,262)	(12,015,744)	3,066,474
OTHER FINANCING SOURCES (USES)					
Transfers In	1,653,179	-	-	14,785,204	16,438,383
Transfers Out	(13,973,838)	-	-	(2,951,946)	(16,925,784)
Subscription Financing	619,252	-	-	10,500	629,752
Total Other Financing Sources (Uses)	(11,701,407)	-	-	11,843,758	142,351
NET CHANGE IN FUND BALANCES	4,073,659	(428,586)	(264,262)	(171,986)	3,208,825
Fund Balances (Deficits) - Beginning of Year as Previously Presented	33,188,418	(6,053,354)	3,497,714	38,473,714	69,106,492
Error Corrections	(995,185)	(251,307)	-	-	(1,246,492)
Fund Balances (Deficits) - Beginning of Year as Restated	32,193,233	(6,304,661)	3,497,714	38,473,714	67,860,000
FUND BALANCES (DEFICITS) - END OF YEAR	$ 36,266,892	$ (6,733,247)	$ 3,233,452	$ 38,301,728	$ 71,068,825

Preliminary Draft

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, 2024

Net Change in Fund Balances - Total Governmental Funds	$	3,208,825
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.		
Capital Outlay		14,010,487
Depreciation		(6,098,819)
Loss on Disposal of Capital Assets		(447,226)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal Repayments		7,194,296
Leases and Subscriptions Principal Repayments		685,674
Subscriptions Financing		(629,752)
Amortization of Bond Premium / Discounts		(24,902)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		(180,987)
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(236,250)
Governmental funds report all contributions in relation to the annual required contribution for pensions as expenditures, however, in the Statement of Activities, pension expense is actually determined and certain pension related adjustments are deferred to future periods.		(12,917,021)
Governmental funds report all contributions in relation to the annual required contribution for OPEB as expenditures, however, in the Statement of Activities, OPEB expense is actually determined and certain pension related adjustments are deferred to future periods.		787,610
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.		(583,815)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service fund is reported with governmental activities.		(6,272,334)
Change in Net Position of Governmental Activities	$	(1,504,214)

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
ASSETS			
Current Assets:			
Cash and Investments	$ 6,435,936	$ 954,289	$ 17,328,654
Receivables:			
Accounts	754,193	350,950	27,199
Taxes	-	-	77,922
Accrued Interest	154,763	77,384	89,806
Leases	1,835,890	2,280,027	-
Due from Other Governments	-	-	-
Due from Other Funds	175,000	-	-
Restricted:			
Cash with Fiscal Agent	-	-	810
Total Current Assets	9,355,782	3,662,650	17,524,391
Noncurrent Assets:			
Leases Receivable	41,618,323	24,095,797	-
Capital Assets - Net of Accumulated Depreciation/Amortization	24,793,149	23,310,687	27,472,177
Total Noncurrent Assets	66,411,472	47,406,484	27,472,177
Total Assets	75,767,254	51,069,134	44,996,568
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	-	257,077
Deferred Pension Related Items	2,451,096	1,313,039	747,421
Deferred OPEB Related Items	205,980	111,557	79,708
Total Deferred Outflows of Resources	2,657,076	1,424,596	1,084,206
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,495,696	88,566	744,147
Accrued Interest	39,603	13,140	44,460
Unearned Revenues	-	-	-
Deposits Payable	142,879	82,755	-
Due to Other Funds	544,986	-	-
Due to Other Governments	-	-	-
Accrued Compensated Absences	43,910	15,664	34,641
Accrued Claims and Judgments	-	-	-
Long-Term Debt - Due within One Year	330,491	109,656	466,179
Total Current Liabilities	2,597,565	309,781	1,289,427
Noncurrent Liabilities:			
Accrued Compensates Absences	131,729	46,992	103,921
Accrued Claims and Judgments	-	-	-
Long-Term Debt - Due in More than One Year	8,830,815	2,930,040	7,273,294
Net Pension Liability	1,973,255	1,009,957	477,985
Net OPEB Liability	640,895	347,104	248,008
Total Noncurrent Liabilities	11,576,694	4,334,093	8,103,208
Total Liabilities	14,174,259	4,643,874	9,392,635
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Items	97,097	59,396	48,998
Deferred OPEB Related Items	171,416	92,838	66,333
Deferred Leases Related Items	42,539,439	25,726,951	-
Total Deferred Inflows of Resources	42,807,952	25,879,185	115,331
NET POSITION			
Net Investment in Capital Assets	24,651,273	23,310,687	22,132,980
Unassigned	(3,209,154)	(1,340,016)	14,439,828
Total Net Position	$ 21,442,119	$ 21,970,671	$ 36,572,808

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Nonmajor Enterprise Funds	Totals	
ASSETS			
Current Assets:			
Cash and Investments	$ 3,385,641	$ 28,104,520	$ 30,801,615
Receivables:			
Accounts	349,902	1,482,244	54,454
Taxes	100,750	178,672	-
Accrued Interest	-	321,953	-
Leases	-	4,115,917	-
Due from Other Governments	82,675	82,675	-
Due from Other Funds	-	175,000	-
Restricted:			
Cash with Fiscal Agent	63	873	-
Total Current Assets	3,919,031	34,461,854	30,856,069
Noncurrent Assets:			
Leases Receivable	-	65,714,120	-
Capital Assets - Net of Accumulated Depreciation/Amortization	1,804,298	77,380,311	10,936,555
Total Noncurrent Assets	1,804,298	143,094,431	10,936,555
Total Assets	5,723,329	177,556,285	41,792,624
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	-	257,077	-
Deferred Pension Related Items	660,880	5,172,436	2,524,240
Deferred OPEB Related Items	64,210	461,455	245,976
Total Deferred Outflows of Resources	725,090	5,890,968	2,770,216
LIABILITIES			
Current Liabilities:			
Accounts Payable	745,199	3,073,608	2,436,169
Accrued Interest	9,581	106,784	48,691
Unearned Revenues	43,243	43,243	-
Deposits Payable	-	225,634	-
Due to Other Funds	922,643	1,467,629	-
Due to Other Governments	266,467	266,467	-
Accrued Compensated Absences	31,108	125,323	80,732
Accrued Claims and Judgments	-	-	1,203,177
Long-Term Debt - Due within One Year	79,958	986,284	573,852
Total Current Liabilities	2,098,199	6,294,972	4,342,621
Noncurrent Liabilities:			
Accrued Compensates Absences	93,312	375,954	242,194
Accrued Claims and Judgments	-	-	23,199,925
Long-Term Debt - Due in More than One Year	2,136,488	21,170,637	9,659,626
Net Pension Liability	422,640	3,883,837	1,887,953
Net OPEB Liability	199,788	1,435,795	765,345
Total Noncurrent Liabilities	2,852,228	26,866,223	35,755,043
Total Liabilities	4,950,427	33,161,195	40,097,664
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Items	43,325	248,816	122,591
Deferred OPEB Related Items	53,436	384,023	204,701
Deferred Leases Related Items	-	68,266,390	-
Total Deferred Inflows of Resources	96,761	68,899,229	327,292
NET POSITION			
Net Investment in Capital Assets	1,792,598	71,887,538	10,202,312
Unassigned	(391,367)	9,499,291	(6,064,428)
Total Net Position	$ 1,401,231	$ 81,386,829	$ 4,137,884

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
OPERATING REVENUES			
Sales and Service Charges	$ 976,667	$ 1,871,509	$ 5,642,079
Harbor Rentals	7,612,688	5,435,174	-
Miscellaneous	21,065	-	2,199
Total Operating Revenues	8,610,420	7,306,683	5,644,278
OPERATING EXPENSES			
Administrative and General	5,350,529	2,346,792	164,666
Personnel Services	4,431,588	2,420,697	1,788,490
Contractual Services	500,772	281,048	559,421
Internal Service Charges	1,214,436	1,720,316	523,564
Depreciation and Amortization Expense	565,103	382,990	728,479
Total Operating Expenses	12,062,428	7,151,843	3,764,620
OPERATING INCOME (LOSS)	(3,452,008)	154,840	1,879,658
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	12,627	-	-
Interest Revenue	1,200,278	492,302	734,536
Interest Expense	(239,826)	(79,510)	(316,599)
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	973,079	412,792	417,937
INCOME (LOSS) BEFORE TRANSFERS	(2,478,929)	567,632	2,297,595
Transfers In	567,515	188,208	190,822
Transfers Out	(567,515)	(1,841,387)	(190,822)
CHANGES IN NET POSITION	(2,478,929)	(1,085,547)	2,297,595
Net Position - Beginning of year, as Previously Reported	24,411,236	23,056,218	33,700,013
Error Corrections	(490,188)	-	575,200
Fund Balances (Deficits) - Beginning of Year, as Restated	23,921,048	23,056,218	34,275,213
NET POSITION - END OF YEAR	$ 21,442,119	$ 21,970,671	$ 36,572,808

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Nonmajor Enterprise Funds	Totals	
OPERATING REVENUES			
Sales and Service Charges	$ 7,041,104	$ 15,531,359	$ 16,910,807
Harbor Rentals	-	13,047,862	-
Miscellaneous	166,775	190,039	5,296,111
Total Operating Revenues	7,207,879	28,769,260	22,206,918
OPERATING EXPENSES			
Administrative and General	578,447	8,440,434	14,868,615
Personnel Services	1,643,399	10,284,174	6,327,360
Contractual Services	9,320,936	10,662,177	2,896,111
Internal Service Charges	738,505	4,196,821	2,497,069
Depreciation and Amortization Expense	260,624	1,937,196	1,791,770
Total Operating Expenses	12,541,911	35,520,802	28,380,925
OPERATING INCOME (LOSS)	(5,334,032)	(6,751,542)	(6,174,007)
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	3,370,294	3,382,921	-
Interest Revenue	-	2,427,116	47,385
Interest Expense	(57,866)	(693,801)	(261,325)
Gain (loss) on disposal of capital assets	-	-	115,613
Total Nonoperating Revenues (Expenses)	3,312,428	5,116,236	(98,327)
INCOME (LOSS) BEFORE TRANSFERS	(2,021,604)	(1,635,306)	(6,272,334)
Transfers In	2,277,815	3,224,360	594,409
Transfers Out	(137,235)	(2,736,959)	(594,409)
CHANGES IN NET POSITION	118,976	(1,147,905)	(6,272,334)
Net Position - Beginning of year, as Previously Reported	1,282,255	82,449,722	10,410,218
Error Corrections	-	85,012	-
Fund Balances (Deficits) - Beginning of Year, as Restated	1,282,255	82,534,734	10,410,218
NET POSITION - END OF YEAR	$ 1,401,231	$ 81,386,829	$ 4,137,884

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	$ 8,178,061	$ 7,132,652	$ 5,642,768
Cash Paid to Suppliers for Goods and Services	(6,945,059)	(4,126,923)	(1,904,813)
Cash Paid to Employees for Services	(4,468,717)	(2,406,589)	(1,791,874)
Net Cash Provided (Used) by Operating Activities	(3,235,715)	599,140	1,946,081
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Transfers Out	(567,515)	(1,841,387)	(190,822)
Cash Transfers In	567,515	188,208	190,822
Repayments Received from Other Funds	117,173	-	-
Payments Made to Other Funds	-	-	-
Proceeds from Noncapital Debt	-	-	-
Principal Paid on Noncapital Debt Issues	(328,104)	(108,864)	(110,376)
Payment for Cost of Issuance	-	-	-
Interest Paid on Noncapital Debt	(239,650)	(79,452)	(80,462)
GASB Lease Incentive		(25,000)	-
Cash Received from Other Governments	32,627	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	(417,954)	(1,866,495)	(190,838)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(1,114,811)	(55,464)	(3,666,455)
Principal Paid on Capital Debt	-	-	(340,000)
Interest Paid on Capital Debt	-	-	(205,488)
Proceeds from Sale of Capital Assets	-	-	-
Net Cash Used by Capital and Related Financing Activities	(1,114,811)	(55,464)	(4,211,943)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	1,161,095	456,566	741,795
Net Cash Provided (Used) by Investing Activities	1,161,095	456,566	741,795
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,607,385)	(866,253)	(1,714,905)
Cash and Cash Equivalents - Beginning of Year	10,043,321	1,820,542	19,044,369
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 6,435,936	$ 954,289	$ 17,329,464

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	$ 7,181,836	$ 28,135,317	$ 25,697,446
Cash Paid to Suppliers for Goods and Services	(10,853,421)	(23,830,216)	(20,882,982)
Cash Paid to Employees for Services	(1,664,641)	(10,331,821)	(6,307,261)
Net Cash Provided (Used) by Operating Activities	(5,336,226)	(6,026,720)	(1,492,797)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Transfers Out	(137,235)	(2,736,959)	(594,409)
Cash Transfers In	2,277,815	3,224,360	594,409
Repayments Received from Other Funds	-	117,173	-
Payments Made to Other Funds	-	-	-
Proceeds from Noncapital Debt	-	-	646,240
Principal Paid on Noncapital Debt Issues	(79,380)	(626,724)	(488,387)
Payment for Cost of Issuance	-	-	-
Interest Paid on Noncapital Debt	(57,822)	(457,386)	(167,258)
GASB Lease Incentive	-	(25,000)	-
Cash Received from Other Governments	5,032,535	5,065,162	-
Net Cash Provided (Used) by Noncapital Financing Activities	7,035,913	4,560,626	(9,405)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(639,309)	(5,476,039)	(3,493,845)
Principal Paid on Capital Debt	-	(340,000)	(123,139)
Interest Paid on Capital Debt	-	(205,488)	(90,200)
Proceeds from Sale of Capital Assets	-	-	115,613
Net Cash Used by Capital and Related Financing Activities	(639,309)	(6,021,527)	(3,591,571)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	-	2,359,456	47,385
Net Cash Provided (Used) by Investing Activities	-	2,359,456	47,385
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,060,378	(5,128,165)	(5,046,388)
Cash and Cash Equivalents - Beginning of Year	2,325,326	33,233,558	35,848,003
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,385,704	$ 28,105,393	$ 30,801,615

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (3,452,008)	$ 154,840	$ 1,879,658
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	565,103	382,990	728,479
Loss on CIP write-off	-	-	-
(Increase) Decrease In:			
Accounts Receivable	(129,169)	3,100	(6,151)
Taxes Receivable	-	-	4,641
Leases Receivable	1,742,779	(2,549,458)	-
Deferred Outflow Pension Related Items	430,999	34,561	209,706
Deferred Outflow OPEB Related Items	(10,220)	(19,118)	(7,512)
Prepaid Expense	-	-	-
Increase (Decrease) In:			
Accounts Payable	(541,971)	(62,855)	(848,482)
Deposits Payable	-	(15,483)	-
Unearned Revenue	-	-	-
Claims and Judgments	-	-	-
Net Pension Liability	436,837	317,051	74,268
OPEB Liability	(5,338)	41,951	9,677
Deferred Pension Related Items	(123,600)	(55,590)	(73,582)
Deferred OPEB Related Items	(66,029)	(19,284)	(21,237)
Deferred Inflow Lease Related Items	(2,045,969)	2,372,327	-
Compensated Absences	(37,129)	14,108	(3,384)
Net Cash Provided (Used) by Operating Activities	$ (3,235,715)	$ 599,140	$ 1,946,081

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Nonmajor Enterprise Funds	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (5,334,032)	$ (6,751,542)	$ (6,174,007)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	260,624	1,937,196	1,791,770
Loss on CIP write-off	-	-	45,362
(Increase) Decrease In:			
Accounts Receivable	(24,927)	(157,147)	8,812
Taxes Receivable	(1,116)	3,525	-
Leases Receivable	-	(806,679)	-
Deferred Outflow Pension Related Items	188,343	863,609	(54,210)
Deferred Outflow OPEB Related Items	(2,522)	(39,372)	(44,430)
Prepaid Expense	-	-	11,910
Increase (Decrease) In:			
Accounts Payable	(374,652)	(1,827,960)	(1,243,798)
Deposits Payable	-	(15,483)	-
Unearned Revenue	(469)	(469)	-
Claims and Judgments	-	-	3,481,716
Net Pension Liability	64,437	892,593	755,597
OPEB Liability	(3,849)	42,441	100,016
Deferred Pension Related Items	(65,436)	(318,208)	(151,874)
Deferred OPEB Related Items	(21,385)	(127,935)	(39,760)
Deferred Inflow Lease Related Items	-	326,358	-
Compensated Absences	(21,242)	(47,647)	20,099
Net Cash Provided (Used) by Operating Activities	$ (5,336,226)	$ (6,026,720)	$ (1,492,797)

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Custodial Funds	Private-Purpose Trust Fund: Redevelopment Obligation Retirement Fund
ASSETS		
Pooled Cash and Investments	$ 178,012	$ 1,717,335
Receivables:		
Accounts	37,758	67,571
Accrued Interest	-	22,189
Total Assets	215,770	1,807,095
LIABILITIES		
Accrued Interest	-	94,870
Due to Other Governments	-	3,254,988
Long-Term Liabilities:		
Due in One Year	-	1,790,275
Due in More than One Year	-	9,238,750
Advances from City	-	535,731
Total Liabilities	-	14,914,614
NET POSITION		
Restricted for Other Purposes	215,770	(13,107,519)
Total Net Position	$ 215,770	$ (13,107,519)

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

CITY OF REDONDO BEACH
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	Custodial Funds	Private-Purpose Trust Fund Redevelopment Obligation Retirement Fund
ADDITIONS		
Charges for Services	$ -	$ 267,634
RRTTF Distributions	-	2,142,756
Investment Earnings	-	122,024
Total Additions	-	2,532,414
DEDUCTIONS		
Interest Expense	-	189,742
Contributions to Other Governments	-	811,366
Total Deductions	-	1,001,108
CHANGES IN NET POSITION	-	1,531,306
Net Position - Beginning of year	215,770	(14,638,825)
NET POSITION - END OF YEAR	$ 215,770	$ (13,107,519)

Preliminary Draft

See accompanying Notes to Basic Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Redondo Beach, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City was incorporated on April 29, 1892, under the laws of the State of California and enjoys all the rights and privileges applicable to a Charter City. It is governed by an elected Mayor and a five-member council.

As required by GAAP, the financial statements present the City and its component units, entities for which the City is substantively the same governing body of the component unit's governing body and there is either a financial benefit or burden relationship between the City and the component units. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units:

The Parking Authority of the City of Redondo Beach (Parking Authority) was established on March 3, 1969, pursuant to the provisions of the Streets and Highway Code of the State of California. The principal purpose of the Parking Authority is to provide public off-street parking within the City. The Parking Authority serves all the citizens of the government and is governed by a board comprised of the government's elected council. The Parking Authority is considered a blended component unit due to the financial benefit or burden relationship the Parking Authority shares with the City as its financial transactions are reported in a Debt Service Fund. Separate financial statements are not prepared for this blended component unit.

The Redondo Beach Housing Authority (Housing Authority) was formed on June 2, 1975, for the purpose of providing affordable, decent housing for lower income residents of the City. The Housing Authority operates the Fair Housing and Section 8 housing programs. The Housing Authority serves all the citizens of the government and is governed by a board comprised of the government's elected council. The Housing Authority is considered a blended component unit due to the financial benefit or burden relationship the Housing Authority shares with the City as its financial transactions are reported in a Special Revenue Fund. Separate financial statements are not prepared for this blended component unit.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

The Redondo Beach Public Financing Authority (Public Financing Authority), a joint powers authority, was formed on June 25, 1996, to provide financing for capital improvement projects. The Redevelopment Agency joined with the City to form the Public Financing Authority to operate rental property and issue bonds to provide funds for public capital improvements. The Public Financing Authority has the same governing board as the City, which also performs all accounting and administrative functions for the Public Financing Authority. The Public Financing Authority is considered a blended component unit due to the financial benefit or burden relationship the Public Financing Authority shares with the City as its financial transactions are reported in a Debt Service Fund. Separate financial statements are not prepared for this blended component unit.

The Redondo Beach Community Financing Authority (Community Financing Authority), a joint powers authority, was formed on January 31, 2012, to provide financing for capital improvement projects as the State's elimination of the Redevelopment Agency, which was a member of the Public Financing Authority, created the need for a new financing authority. The Parking Authority joined with the City to form the Community Financing Authority. The Community Financing Authority has the same governing board as the City, which also performs all accounting and administrative functions for the Community Financing Authority. The Community Financing Authority is considered a blended component unit due to the financial benefit or burden relationship the Community Financing Authority shares with the City as its financial transactions are combined with the Public Financing Authority and reported in a Debt Service Fund. The Community Financing Authority does not issue separate financial statements.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements

The City's government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, including capital assets (as well as infrastructure assets) and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses reported for specific functions.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regard to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated. The City has presented all major funds that have met the applicable criteria.

All governmental funds are accounted for on a spending, or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. the statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for revenues subject to accrual (generally 60 days after year-end), which are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, franchise taxes, special assessments, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unavailable revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable or unearned revenue is removed, and revenue is recognized.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- General Fund – The City's primary operating fund that accounts for all financial resources of the general government except those 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.
- 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.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows for each proprietary fund. A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

The City reports the following enterprise funds as major proprietary funds:

- 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 and a sewer user fee. The charges are designed to reimburse the City's wastewater system for the capital and maintenance and operations costs necessary for providing wastewater capacity to system users. These charges are associated with the expansion of the system required over time to address increases in wastewater flow generated by new development.

Fiduciary Fund Financial Statements

Fiduciary Funds are using the "economic resources" measurement focus and the accrual basis of accounting. The City reports a private-purpose trust and a custodial fund. Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. Custodial funds account for assets held by the city for other governments or individuals in a custodial capacity.

C. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash, Cash Equivalents, and Investments (Continued)

The City participates in an investment pool managed by the state of California, titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the state of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk
- Foreign Currency Risk

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, for acquisition and construction of capital projects, or to serve as collateral for debt. Cash and investments are also restricted for deposits held for others within the enterprise funds.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans)." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

In the Government-Wide Financial Statements, capital assets, which include land, buildings, right-to-use buildings, improvements, equipment, furniture, subscriptions and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets and capital assets received in a service concession are valued at their acquisition value rather than fair value. City policy has set the capitalization threshold for reporting capital assets at the following:

General Capital Assets	$ 5,000
Infrastructure Capital Assets	25,000
Buildings, Paring Structures, and Parking Lots	100,000

The City has chosen the Modified Approach for reporting of the Street Pavement Subsystem infrastructure assets, and as a result no depreciation is recorded for that system; instead, all expenditures made for these assets, except for additions and improvements, are expensed in the year incurred. For all other assets, depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings and Improvements	5 to 45 Years
Equipment	5 to 20 Years
Vehicles	4 to 20 Years
Infrastructure	5 to 60 Years

The City defines infrastructure as the physical assets that allow the City to function. These assets include:

- Streets system
- Site amenities such as parking and landscaped areas used by the City in the conduct of its business
- Underground utilities

Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, etc. Subsystem detail is not presented in these financial statements; however, the City maintains detailed information on these subsystems.

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

In May 2020, a physical assessment of all pavement segments was conducted to assess the existing surface condition of each of the individual pavement segments. Upon completion of the study, a Pavement Condition Index (PCI) was calculated for each segment in the City's pavement network to reflect the overall pavement condition. Ratings ranged from 0 to 100. A PCI of 0 would correspond to badly deteriorated pavement with virtually no remaining life; a PCI of 100 would correspond to pavement with proper engineering design and construction at the beginning of its life cycle. During the year, the comprehensive survey is updated to reflect the pavement's current condition.

The following conditions were defined:

Condition	Rating
Very Good	70-100
Good	50-69
Poor	25-49
Very Poor	0-24

In line with the Capital Improvement Program and as presented to the City Council on January 16, 2018, City policy is to achieve an average PCI rating of 75 for all streets beginning in fiscal year 2028. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speeds. For 2022, 2023, and 2024, the City's street system was rated at a PCI of ____, 70, and 69 on the average, respectively.

For a detailed description of the Modified Approach, see the Required Supplementary Information section of this report.

For all other infrastructure systems, the City elected to use the Basic Approach for infrastructure reporting. As such, the City records the assets at historical cost and depreciates them over their useful lives, and regularly evaluates them for impairment. Expenditures that extend the life of the asset are capitalized.

In the governmental fund financial statements, capital assets are not presented. Consequently, capital assets are a reconciling item and are shown in the reconciliation of the balance sheet of governmental funds to the statement of net position.

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities.

In the fund financial statements, governmental fund types do not recognize interest payable, while proprietary fund and fiduciary fund types recognize the interest payable when the liability is incurred.

I. Unearned/Unavailable Revenue

In the financial statements, unearned revenue is recognized for transactions in which revenue has not yet been earned, and unavailable revenue is recognized for transactions in which revenue is measurable but not available. Typical transactions recorded as unearned revenues in the financial statements are prepaid charges for services, and grants received but not yet earned. Typical transactions recorded as unavailable revenues in the financial statements are long term loans receivable, and reimbursable grants that are not collected in the City's availability period.

J. Compensated Absences Payable

Only the short-term liability for compensated absences (the amount due to employees for future absences, such as vacation and compensatory time, which are attributable to services already rendered) is reported as a current liability in the governmental funds and only if they have matured, for example, as a result of employee resignations and retirements; the long-term liability is reported in the government-wide financial statements. The short-term liability is the amount that will be liquidated with current financial resources and is expected to be paid during the next fiscal year. All of the liability for compensated absences applicable to proprietary funds is reported in those funds.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Employees may accrue from two to three times their annual accrual rate. Upon termination an employee will be paid for any unused accrued vacation pay. Sick leave is payable when an employee is unable to work because of illness. Unused sick leave is forfeited upon termination.

K. Claims and Judgments Payable

The short-term and long-term claims are reported as liabilities in the Self-Insurance Program Internal Service Fund. The short-term liability which will be liquidated with current financial resources is the amount of the settlement reached, but unpaid, related to claims and judgments entered.

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount.

Fund Financial Statements

The fund financial statements do not present long-term debt. Consequently, long-term debt is a reconciling item and is shown in the reconciliation of the balance sheet of governmental funds to the statement of net position.

Bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount.

M. Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 Years
All other amounts	Expected average remaining service lifetime (EARL) (8.5 years at July 1, 2021)

O. Net Position

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Nonspendable fund balances are items that are not expected to be converted to cash, such as prepaid items and inventories, or items that are required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resources providers, such as grant providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.

Committed – Committed fund balances include amounts that can be used only for the specific purposes when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the resolution at any time through passage of an additional resolution.

Assigned – Assigned fund balances comprise amounts intended to be used by the government for specific purposes, but are neither restricted nor committed. Intent is expressed when the City Council approves which resources should be assigned to expenditures of particular purposes during the adoption of the annual budget. The City Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's fund financial statements.

Unassigned – Unassigned fund balance is a residual (surplus) classification used for the General Fund only and includes amounts not contained in the other classifications. Unassigned amounts in the General Fund are technically available for any purpose. If a governmental fund, other than the General Fund, has a fund balance deficit, it will be reported as a negative amount in the unassigned classification in that fund.

Q. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

Preliminary Draft

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Spending Policy (Continued)

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the source:

- Restricted
- Committed
- Assigned
- Unassigned

R. Property Taxes

Under California law, property taxes are assessed and collected by the counties on up to 1% of assessed property value, plus other increases approved by the voters. Property taxes collected are pooled and then allocated to the cities based on complex formulas.

January 1	Lien Date
June 30	Levy Date
November 1 and February 1	Due Dates
December 10 and April 10	Collection Date

S. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt. Secondly, the City also has deferred outflows related to pensions, which arises only under a full accrual basis of accounting. Accordingly, this item (pension related items), is reported only in the government-wide statement of net position. This includes pension contributions subsequent to the measurement date of the net pension liability and other amounts (see Note 11), which are amortized by an actuarial determined period. Thirdly, the City has deferred outflows related to Other Postemployment Benefits (OPEB), which include contributions subsequent to the measurement date of the total OPEB liability and other amounts:

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in this category:

1. Unavailable revenue reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grant revenues. These amounts are deferred and recognized as an inflow of resources in the period when they become available.

2. Pension and OPEB related deferred inflows are reported only on the statement of net position. The government reports deferred inflows of resources related to items arising from certain changes in the net pension liability, net pension asset, net OPEB asset or net OPEB liability. Deferred inflows and outflows of resources related to changes in the net pension liability, net pension asset, net OPEB asset or net OPEB liability are recognized systematically over time. Amounts are first recognized in the year the change occurs. The remaining amounts are to be recognized in future periods. The recognition period differs depending on the source of the change, and the changes are currently amortized over 5 years or the average remaining service life time.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Deferred Outflows/Inflows of Resources (Continued)

3. A deferred inflow of resources related to leases is reported for the value of lease receivable payments to be recognized as an inflow of resources in a systematic and rational manner over the term of the lease agreements.

U. New GASB Pronouncements Effective during Fiscal Year

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

GASB Statement No. 100, *Accounting Changes and Error Corrections.*

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections*. This standard enhances accounting and financial reporting requirements for accounting changes and error corrections. Included in the category of accounting changes is changes to or within the financial reporting entity, which results from a change in the fund's presentation as major or nonmajor. The City adopted the requirements of the guidance effective July 1, 2023 and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance

The following funds had a deficit balance as of June 30, 2024:

Major Funds:	
Other Intergovernmental Grants	$ (6,733,249)
Nonmajor Funds:	
Local Transportation Article 3	(73,332)
Community Development Block Grant	(22,425)
Internal Service Funds:	
Building Occupancy	(318,327)
Self-Insurance Program	(16,227,925)
Private-Purpose Trust Fund	(13,107,519)

The deficit fund balances are expected to be recovered through grant and other reimbursement revenues. For the Private-Purpose Trust Fund, deficit will be recovered from future payments from the County Redevelopment Property Tax Trust Fund.

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NOTE 3 CASH AND INVESTMENTS

Cash and investments are presented on the statement of net position as follows at June 30, 2024:

	Government-Wide Statement of Net Position				
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statement of Net Position	Total
Cash and Investments	$ 96,773,489	$ 28,104,520	$ 124,878,009	$ 1,895,347	$ 126,773,356
Restricted Cash and Investments with Fiscal Agents	55,246	873	56,119	-	56,119
Total	$ 96,828,735	$ 28,105,393	$ 124,934,128	$ 1,895,347	$ 126,829,475

Cash, cash equivalents, and investments consisted of the following at June 30, 2024:

Cash and Cash Equivalents:	
Petty Cash	$ 13,450
Demand Deposits - City	17,899,293
Demand Deposits - Successor Agency	1,656,515
Total Cash and Investments	19,569,258
Investments:	
Local Agency Investment Fund (LAIF) - City	289,521
Local Agency Investment Fund (LAIF) - Successor Agency	1,959,343
Negotiable Certificates of Deposit	245,520
Money Market Mutual Funds	18,202,927
Corporate Bonds	8,363,570
U.S. Government Securities	32,608,610
Federal Agency Securities	45,535,230
Total Investments	107,204,721
Total Cash and Investments	126,773,979
Cash and Investments with Fiscal Agents	55,496
Total	$ 126,829,475

A. Cash Deposits

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

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NOTE 3 CASH AND INVESTMENTS (CONTINUED)

B. Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

- United States Treasury Bills, Notes and Bonds
- Obligations issued by the Federal Government
- Bankers' Acceptances with a maturity of 180 days or less
- Time Certificates of Deposits
- Negotiable Certificates of Deposit
- Commercial Paper with a maturity of 270 days or less
- Local Agency Investment Fund (LAIF) limited to $65,000,000 by LAIF
- Medium-Term Notes (5 year maximum) of Domestic Corporations or Depository Institutions
- Mutual Funds
- Guaranteed Investment Contracts not to exceed $5 million annually
- Certificate of Deposit Placement Services
- Collateralized Bank Deposits
- Supranationals

The City investment policy applies to all financial assets, investment activities and debt issues of the City (including funds which are invested by trustees appointed under debt trust indentures, with direction from the City Treasurer).

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2024, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

Structured Notes – Debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/ or that have embedded forwards or options.

Asset-Backed Securities – Generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2024, the City and the Successor Agency had $2,248,865 invested in LAIF, which had invested 0.201% of the pool investment funds in Structured Notes and Mortgage-Backed Securities. The LAIF fair value factor of 0.996316042 was used to calculate the fair value of the investments in LAIF.

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NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Deposit and Investment Risk

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or "A2" or higher by Moody's. As of June 30, 2024, all MTN's were rated "A2" or higher by Moody's. As of June 30, 2024, the City's Federal Agency investments were rated "AA+" by Moody's and "Aaa" by S&P. All securities were investment grade and were in accordance with State and City law. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2024, the City's investments in external investment pools are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The carrying amounts of the City's cash deposits were $16,165,228 at June 30, 2024. Bank balances at June 30, 2024, were $19,913,905 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

Concentration of Credit Risk

The City's investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment. Investments in Federal Agencies have the implied guarantee of the United States government. While all the City's investments are in compliance with the City's investment policy as of June 30, 2024, in accordance with GASB Statement No. 40, if a City has invested more than 5% of its total investments in any one issuer, they are exposed to concentration of credit risk. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

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NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Deposit and Investment Risk (Continued)

Concentration of Credit Risk (Continued)

As of June 30, 2024, the City has invested more than 5% of its total investment value with the following issuers:

		% of Total Investments
Federal Home Loan Bank	$ 18,233,620	16%
Federal Farm Credit Bank	7,884,260	16%
Federal National Mortgage Association	4,923,400	4%
Federal Home Loan Mortgage Corporation	14,493,950	13%
Total	$ 45,535,230	49%

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 50% of the City's portfolio shall mature in three years or less; and at least 25% in one year or less. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2024, the City had the following investments and remaining maturities:

	Investment Maturities				
Investment Types	Up to 1 Year	1 to 2 Years	2 to 3 Years	3 to 5 Years	Fair Value
External Investment Pools - Local Agency Investment Fund	$ 2,248,864	$ -	$ -	$ -	$ 2,248,864
Negotiable Certificate of Deposits	245,520	-	-	-	245,520
U.S. Treasury Notes	6,912,140	21,097,560	4,598,910	-	32,608,610
Federal Agencies:					
Federal Farm Credit Bank	2,987,460	-	-	4,896,800	7,884,260
Federal Home Loan Bank	6,946,820	-	11,286,800	-	18,233,620
Federal Home Loan Mortgage Corporation	-	-	9,515,900	4,978,050	14,493,950
Federal National Mortgage Association	4,923,400	-	-	-	4,923,400
Money Market	18,202,927	-	-	-	18,202,927
Corporate Bonds	1,938,880	4,424,830	1,999,860	-	8,363,570
Total Investments	$ 44,406,011	$ 25,522,390	$ 27,401,470	$ 9,874,850	$ 107,204,721

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NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Deposit and Investment Risk (Continued)

Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability.

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2024.

	Fair Value Measurement Using			
	Level 1	Level 2	Level 3	Total
Investments by Fair Value Level:				
U.S. Treasury Notes	$ 32,608,610	$ -	$ -	$ 32,608,610
Federal Farm Credit Bank	-	7,884,260	-	7,884,260
Federal Home Loan Bank	-	18,233,620	-	18,233,620
Federal Home Loan Mortgage Corporation	-	14,493,950	-	14,493,950
Federal National Mortgage Association	-	4,923,400	-	4,923,400
Money Market	18,202,927	-	-	18,202,927
Corporate Bonds	-	8,363,570	-	8,363,570
Negotiable Certificates of Deposit	-	245,520	-	245,520
Total Investments by Fair Value Level	$ 50,811,537	$ 54,144,320	$ -	104,955,857
Investments Measured at Net Asset Value:				
Local Agency Investment Fund (LAIF)				2,248,864
Total Investments				$ 107,204,721

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using specified fair value factors. Federal Agency Securities classified in Level 2 of the fair value hierarchy are valued using institutional bond quotes.

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NOTE 4 RECEIVABLES

The following is a summary of receivables net of allowances for uncollectible amounts at June 30, 2024:

	Government-Wide Statement of Net Position		Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities		
Accounts Receivable	$ 2,835,686	$ 1,482,244	$ 105,329	$ 4,423,259
Taxes Receivable	4,966,429	178,672	-	5,145,101
Accrued Interest Receivable	453,922	321,953	22,189	798,064
Notes and Loans Receivable	2,405,808	-	-	2,405,808
Leases Receivable	5,812,597	69,830,037	-	75,642,634
Total	$ 16,474,442	$ 71,812,906	$ 127,518	$ 88,414,866

At June 30, 2024, the Fund Financial Statements show the following receivables:

A. Accounts Receivable

Accounts receivable consisted of amounts accrued in separate funds in the ordinary course of operations. The total amount of accounts receivable for each major fund and nonmajor fund in the aggregate as of June 30, 2024, was as follows:

Governmental Funds:	
General Fund	$ 2,153,295
Other Intergovernmental Grants	502,174
Remaining Governmental Funds	125,763
Total Governmental Funds	2,781,232
Proprietary Funds:	
Harbor Tidelands	754,193
Harbor Uplands	350,950
Wastewater	27,199
Other Nonmajor Enterprise Funds	349,902
Internal Service Funds	54,454
Total Proprietary Funds	1,536,698
Total	$ 4,317,930

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NOTE 4 RECEIVABLES (CONTINUED)

B. Accrued Interest Receivable

Interest receivable consists of interest from investments pooled by the City and is distributed among the funds according to their ending cash balances. The interest receivable as of June 30, 2024, was as follows:

Governmental Funds:	
General Fund	$ 369,305
Remaining Governmental Funds	84,617
Total Governmental Funds	453,922
Proprietary Funds:	
Harbor Tidelands	154,763
Harbor Uplands	77,384
Wastewater	89,806
Total Proprietary Funds	321,953
Total	$ 775,875

C. Taxes Receivable

At June 30, 2024, the City had the following taxes receivable:

	Government Funds		Proprietary Funds		
	General Fund	Nonmajor Governmental Funds	Wastewater Fund	Solid Waste Fund	Total
Types of Taxes:					
Property Taxes	$ 1,024,707	$ 189,895	$ 77,922	$ 100,750	$ 1,393,274
Sales Taxes	2,023,464	-	-	-	2,023,464
Transient Occupancy Taxes	679,167	-	-	-	679,167
Utility Users Taxes	679,791	-	-	-	679,791
Franchise Taxes	196,552	-	-	-	196,552
Transfer Taxes	172,854	-	-	-	172,854
Total Taxes	$ 4,776,535	$ 189,895	$ 77,922	$ 100,750	$ 5,145,102

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NOTE 4 RECEIVABLES (CONTINUED)

D. Notes and Loans Receivable

At June 30, 2024, the City had the following notes and loans receivable:

	Government Funds			
	General Fund	Low-Mod Income Housing	Nonmajor Governmental Funds	Total
Home Rehabilitation Loans	$ -	389,992	$ -	$ 389,992
Housing Assistance Loans	-	-	311,227	311,227
Senior Housing Program	-	1,688,973	-	1,688,973
Computer Loan Program	15,616	-	-	15,616
Total	$ 15,616	$ 2,078,965	$ 311,227	$ 2,405,808

Home Rehabilitation Loans

At June 30, 2024, the City was owed, in its Low and Moderate Income Housing Asset Special Revenue Fund, $389,992 for various home rehabilitation loans made by the City. The terms of repayment vary. Because the notes do not meet the City's availability criteria for revenue recognition, the City has classified the revenue related to these loans as deferred inflows of resources in the governmental funds. Revenue is recognized in the year of repayment. All loans are secured by trust deeds.

Housing Assistance Loans

At June 30, 2024, the City was owed, in its Community Development Block Grant Special Revenue Fund, $311,227 for various housing assistance loans made by the City. The terms of repayment vary. Because the notes do not meet the City's availability criteria for revenue recognition, the City has classified the revenue related to these loans as deferred inflows of resources. Revenue is recognized in the year of repayment. All loans are secured by trust deeds.

Senior Housing Program

On June 21, 1995, the Agency loaned $2,200,000 to the Corporate Fund for Housing (a California nonprofit public benefit corporation) for the McCandless senior housing complex. The loan term is for 45 years and bears interest at 2% per annum. Any portion of the Agency loan remaining unpaid upon the 45th anniversary of completion will be forgiven. Repayments will be made from residual receipts of the housing complex. The loan is secured by the Agency Deed of Trust. At June 30, 2024, the loan receivable included accrued interest of $1,688,973.

Computer Loan Program

The City has a computer loan program for employees to purchase computers. The maximum loan amount per employee is $1,500 with a repayment term maximum of two years. Repayments from the employees are made through payroll deductions. At June 30, 2024, the loan receivable balance was $15,616.

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NOTE 5 LEASES

Leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

A. Leases Receivable and Deferred Inflows of Resources

The City entered into 40 leases as a Lessor for the use of various pieces of land and building. The terms range from 2 to 90 year beginning on the contract commencement date. As of June 30, 2024, the City reported a lease receivable of $75,642,634, $5,812,597 for governmental funds and $69,830,037 for proprietary funds, respectively. The lessees were required to make monthly payments in fiscal year 2024 ranging from $788 to $105,400. The leases have interest rates ranging from 0.3150% to 3.5290%. The value of the deferred inflow of resources as of June 30, 2024, was $73,983,046, $5,716,656 for governmental funds and $68,266,390 for proprietary funds respectively, and the City recognized lease revenue of $5,724,920, $266,194 for governmental funds and $5,229,868 for proprietary funds, respectively. The lessees have various extension options, ranging from one 12-month option to two 60-month options. Variable and other miscellaneous payments are not included in the amount receivable.

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NOTE 5 LEASES (CONTINUED)

A. Leases Receivable and Deferred Inflows of Resources (Continued)

The following is a schedule, by year, of minimum future lease rentals on noncancellable operating leases as of June 30, 2024:

	Governmental Activities		
Year Ending June 30,	Lease	Interest	Minimum Future Rental Revenue
2025	$ 453,757	97,693	$ 551,450
2026	462,856	91,032	553,888
2027	472,187	84,187	556,374
2028	429,571	77,176	506,747
2029	137,236	72,288	209,524
2030 - 2034	597,445	308,173	905,618
2035 - 2039	111,739	273,261	385,000
2040 - 2044	121,675	263,325	385,000
2045 - 2049	132,495	252,505	385,000
2050 - 2054	144,277	240,723	385,000
2055 - 2059	157,107	227,893	385,000
2050 - 2064	171,077	213,923	385,000
2065 - 2069	186,290	198,710	385,000
2070 - 2074	202,855	182,145	385,000
2075 - 2079	220,894	164,106	385,000
2080 - 2084	240,537	144,463	385,000
2085 - 2089	261,926	123,074	385,000
2090 - 2094	285,217	99,782	384,999
2095 - 2099	310,580	74,420	385,000
2100 - 2104	338,198	46,802	385,000
2105 - 2109	368,271	16,729	385,000
2110	6,407	9	6,416
Total	$ 5,812,597	$ 3,252,419	$ 9,065,016

	Business-Type Activities		
Year Ending June 30,	Lease	Interest	Minimum Future Rental Revenue
2025	$ 4,115,917	$ 1,163,374	$ 5,279,291
2026	4,165,906	1,105,325	5,271,231
2027	3,528,663	1,047,024	4,575,687
2028	2,182,206	997,210	3,179,416
2029	1,999,430	957,594	2,957,024
2030 - 2034	10,066,399	4,206,028	14,272,427
2035 - 2039	6,124,511	3,478,140	9,602,651
2040 - 2044	6,669,058	2,933,593	9,602,651
2045 - 2049	7,262,023	2,340,628	9,602,651
2050 - 2054	7,907,710	1,694,941	9,602,651
2055 - 2059	8,610,806	991,845	9,602,651
2050 - 2064	5,381,002	320,651	5,701,653
2065 - 2069	1,816,406	67,457	1,883,863
2070 - 2074	-	-	-
Total	$ 69,830,037	$ 21,303,810	$ 91,133,847

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NOTE 5 LEASES (CONTINUED)

B. Lease Payable and Right to Use Lease Assets

On July 1, 2021, City of Redondo Beach, California, entered into a 102-month lease as Lessee for the use of 1922 Artesia Boulevard – Community Services Dept Building – Chuka. An initial lease liability was recorded in the amount of $2,245,558. As of June 30, 2024, the value of the lease liability is $1,501,429. The City of Redondo Beach, California, is required to make monthly fixed payments of $20,798. The City is using an implicit interest rate of 0.4570% for this lease. The City has one extension option of 60 months should it choose to exercise it. The buildings estimated useful life was 102 months as of the contract commencement.

On February 1, 2024, City of Redondo Beach, CA entered into a 54 month lease as Lessee for the use of workstation equipment. An initial lease liability was recorded in the amount of $550,897. As of June 30, 2024, the value of the lease liability is $410,147. The City is required to make annual fixed payments of $140,750. The City is using an implicit interest rate of 1.5132% for this lease. The workstation equipment useful life is 54 months as of the contract commencement. The City has the option to purchase the Equipment for $385 should it choose to exercise it.

The right to use leased assets at June 30, 2024, include the following:

Lease Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Community Service Department Building	$ 2,245,558	$ 792,550
Workstation Equipment	550,897	57,385
	$ 2,796,455	$ 849,935

Future principal and interest requirements to maturity for the lease liabilities are as follows:

	Governmental Activities		
Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	$ 393,892	$ 12,528	$ 406,420
2026	401,907	9,294	411,201
2027	410,068	6,002	416,070
2028	278,010	2,651	280,661
2029	283,958	1,363	285,321
2030	143,741	192	143,933
Total	$ 1,911,576	$ 32,030	$ 1,943,606

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NOTE 6 SUBSCRIPTIONS

As of June 30, 2024, the City has 17 subscription-based information technology arrangements (SBITA) for the use of various software. The City is required to make principal and interest payments through fiscal year 2030. An initial lease liability was recorded in the amount of $1,298,779. As of June 30, 2024, the value of the subscription liability was $1,173,532. The subscriptions have interest rates ranging from 1.7103% to 3.6310%. The value of the subscription asset at June 30, 2024 is $2,101,699 with accumulated amortization of $662,306.

The subscription assets at June 30, 2024, include the following:

Asset Class	Subscription Asset Value	Accumulated Amortization
Software	$ 2,101,699	$ 662,306

Future principal and interest requirements to maturity for the subscription liability are as follows:

	Governmental Activities		
Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2025	$ 383,974	$ 31,679	$ 415,653
2026	345,408	21,357	366,765
2027	213,940	11,374	225,314
2028	151,001	5,572	156,573
2029	79,210	1,830	81,040
2030	-	-	-
Total	$ 1,173,533	$ 71,812	$ 1,245,345

NOTE 7 INTERFUND TRANSACTIONS

A. Government-Wide Financial Statements

Internal Balances

At June 30, 2024, the City had the following internal receivables and payables for covering cash shortfalls:

	Internal Balances Receivable Governmental Activities
Internal Balances Payable:	
Business-Type Activities	$ 1,292,629

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NOTE 7 INTERFUND TRANSACTIONS (CONTINUED)

A. Government-Wide Financial Statements (Continued)

Transfers

The City had the following transfers as of June 30, 2024:

	Transfers In
	Business-Type Activities
Transfers Out:	
Governmental Activities	$ 487,401

B. Fund Financial Statements

Due to/from Other Funds

The City had the following due to/from other funds as of June 30, 2024:

	Due from Other Funds			
	Government Funds		Enterprise Funds	
Due to Other Funds	General Fund	Other Governmental Funds	Harbor Tidelands	Total
Governmental Funds:				
Other Intergovernmental Grants	$ 5,868,098	$ -	$ -	$ 5,868,098
Low-Mod Income Housing	861,213	-	-	861,213
Other Governmental Funds	1,934,477	4,677,893	175,000	6,787,370
Enterprise Funds:				
Harbor Tidelands	-	544,986	-	544,986
Transit	922,643	-	-	922,643
Total	$ 9,586,431	$ 5,222,879	$ 175,000	$ 14,984,310

The $5,868,098 due to other funds in the Other Intergovernmental Grants Fund is to cover negative cash balances.

The $861,213 due to other funds in the Low-Mod Income Housing Fund is due to the General Fund for housing compliance services.

Of the $6,787,370 due to other funds in Other Governmental Funds, $4,677,893 is due to the Capital Improvement Projects fund to cover project expenditures, $109,478 is due to the General Fund for expenditures made on behalf of the Public Financing Authority, $175,000 is for Kincaids rental income passed through to the Harbor Tidelands Fund, $1,726,139 is due to the General for expenditure made on behalf of the Housing Authority, and $25,528 and $73,332 are due to the General Fund to cover negative cash balance in the Community Development Block Grant fund and Local Transportation Article 3 fund, respectively.

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NOTE 7 INTERFUND TRANSACTIONS (CONTINUED)

B. Fund Financial Statements (Continued)

Due to/from Other Funds (Continued)

The $544,986 due to other funds in the Harbor Tidelands Fund is to cover the obligations of the Public Financing Authority (PFA) including a loan payoff and any excess of the Kincaid's Restaurant rental income.

Transfers

The City had the following transfers as of June 30, 2024:

	Transfers In			
	Governmental Funds			
Transfers Out	General Fund	Other Governmental Funds	Other Enterprise Funds	Total
Governmental Funds:				
General Fund	$ -	$ 13,973,838	$ -	$ 13,973,838
Other Governmental Funds	-	811,366	2,140,580	2,951,946
Enterprise Funds:				
Harbor Uplands	1,653,179	-	-	1,653,179
Total	$ 1,653,179	$ 14,785,204	$ 2,140,580	$ 18,578,963

Of the $13,973,838 transfer from the General Fund, $13,973,833 was to fund debt service payments.

The $2,140,580 transfer from the nonmajor governmental funds to the Other Enterprise Fund for a transit subsidy.

The $1,653,179 transfer from the Harbor Tidelands Enterprise Fund to the General Fund to reimburse rental payments.

NOTE 8 CAPITAL ASSETS

The City elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its street pavement system. As a result, no accumulated depreciation or depreciation expense has been recorded for this system. A more detailed discussion of the "Modified Approach" is presented in the Required Supplementary Information section of this report. All other capital assets including other infrastructure systems were reported using the Basic Approach whereby accumulated depreciation and depreciation expense have been recorded.

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NOTE 8 CAPITAL ASSETS (CONTINUED)

At June 30, 2024, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Nondepreciable Assets:			
Land	$ 18,681,425	$ 20,773,255	$ 39,454,680
Construction in Progress	24,968,092	10,903,137	35,871,229
Infrastructure - Streets	54,054,036	-	54,054,036
Total Nondepreciable Assets	97,703,553	31,676,392	129,379,945
Depreciable Assets:			
Buildings and Improvements	78,556,190	49,010,136	127,566,326
Right-to-Use Buildings	2,796,455	-	2,796,455
Right-to-Use Subscriptions	2,101,699	-	2,101,699
Furniture and Equipment	13,883,875	1,121,730	15,005,605
Automotive Equipment	21,145,210	4,077,406	25,222,616
Infrastructure	102,696,119	33,634,671	136,330,790
Total Depreciable Assets	221,179,548	87,843,943	309,023,491
Less Accumulated Depreciation for:			
Buildings and Improvements	32,298,051	23,793,297	56,091,348
Right-to-Use Buildings	849,936	-	849,936
Right-to-Use Subscriptions	662,306	-	662,306
Furniture and Equipment	10,788,260	1,002,891	11,791,151
Automotive Equipment	14,233,405	2,276,422	16,509,827
Infrastructure	64,533,787	15,067,614	79,601,401
Total Accumulated Depreciation	123,365,745	42,140,224	165,505,969
Total Depreciable Assets, Net	97,813,803	45,703,719	143,517,522
Total Capital Assets, Net	$ 195,517,356	$ 77,380,111	$ 272,897,467

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NOTE 8 CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

	Balance at June 30, 2023 As Restated*	Additions	Deletions	Transfers	Balance at June 30, 2024
Nondepreciable Assets:					
Land	$ 16,522,947	$ 1,486,478	$ -	$ 672,000	$ 18,681,425
Construction in Progress	36,310,370	9,630,901	(490,789)	(20,482,390)	24,968,092
Infrastructure - Streets	54,054,036	-	-	-	54,054,036
Total Nondepreciable Assets	106,887,353	11,117,379	(490,789)	(19,810,390)	97,703,553
Depreciable Assets:					
Buildings and Improvements	58,523,343	240,060	-	19,792,787	78,556,190
Right-to-Use Buildings	2,245,558	-	-	-	2,245,558
Right-to-Use Subscriptions	1,422,465	788,039	(108,805)	-	2,101,699
Furniture and Equipment	13,730,204	174,497	(38,429)	17,603	13,883,875
Right-to-Use Furniture and Equipment	-	550,897	-	-	550,897
Automotive Equipment	19,603,617	4,653,109	(3,111,516)	-	21,145,210
Infrastructure	102,696,119	-	-	-	102,696,119
Total Depreciable Assets	198,221,306	6,406,602	(3,258,750)	19,810,390	221,179,548
Less Accumulated Depreciation for:					
Buildings and Improvements	29,849,247	2,448,804	-	-	32,298,051
Right-to-Use Buildings	528,367	264,184	-	-	792,551
Right-to-Use Subscriptions	245,987	525,124	(108,805)	-	662,306
Furniture and Equipment	10,230,226	596,463	(38,429)	-	10,788,260
Right-to-Use Furniture and Equipment	-	57,385	-	-	57,385
Automotive Equipment	15,170,169	2,174,752	(3,111,516)	-	14,233,405
Infrastructure	62,709,906	1,823,881	-	-	64,533,787
Total Accumulated Depreciation	118,733,902	7,890,593	(3,258,750)	-	123,365,745
Total Depreciable Assets, Net	79,487,404	(1,483,991)	-	19,810,390	97,813,803

*The beginning balance has been restated to reflect adjustments to construction in progress from a prior year. See Note 17 for more information.

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NOTE 8 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2024, as follows:

General Government:	
General Government	$ 2,547,347
Public Safety	336,407
Public Works	2,712,176
Cultural and Leisure Services	502,893
Internal Service Funds:	
Vehicle Replacement	1,189,704
Building Occupancy	19,903
Information Technology	312,854
Self-Insurance Program	5,491
Emergency Communications	233,011
Major Facilities Repair	30,807
Total Depreciation and Amortization Expense	$ 7,890,593

NOTE 8 CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in the capital assets for business-type activities for the year ended June 30, 2024:

	Balance at June 30, 2023 As Restated*	Additions	Deletions	Transfers	Balance at June 30, 2024
Nondepreciable Assets:					
Land	$ 20,323,255	$ -	$ -	$ 450,000	$ 20,773,255
Construction in Progress	10,374,372	4,500,802	(114,443)	(3,857,594)	10,903,137
Total Nondepreciable Assets	30,697,627	4,500,802	(114,443)	(3,407,594)	31,676,392
Depreciable Assets:					
Buildings and Improvements	45,184,647	-	-	3,825,489	49,010,136
Furniture and Equipment	1,094,505	27,225	-	-	1,121,730
Automotive Equipment	3,698,852	644,560	(266,006)	-	4,077,406
Infrastructure	33,634,671	-	-	-	33,634,671
Total Depreciable Assets	83,612,675	671,785	(266,006)	3,825,489	87,843,943
Less Accumulated Depreciation for:					
Buildings and Improvements	22,589,621	1,203,676	-	-	23,793,297
Furniture and Equipment	989,771	13,120	-	-	1,002,891
Automotive Equipment	2,277,921	264,507	(266,006)	-	2,276,422
Infrastructure	14,611,721	455,893	-	-	15,067,614
Total Accumulated Depreciation	40,469,034	1,937,196	(266,006)	-	42,140,224
Total Depreciable Assets, Net	43,143,641	(1,265,411)	-	3,825,489	45,703,719
Business-Type Activities Capital Assets, Net	$ 73,841,268	$ 3,235,391	$ (114,443)	$ 417,895	$ 77,380,111

*The beginning balance has been restated to reflect the transfer of assets from a prior year. See Note 17 for more information.

NOTE 8 CAPITAL ASSETS (CONTINUED)

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Depreciation expense for business-type activities for the fiscal year ended June 30, 2024, was charged as follows:

Harbor Tidelands	$ 565,103
Harbor Uplands	382,990
Wastewater	728,479
Other Nonmajor Enterprise Funds	260,624
Total Depreciation and Amortization Expense	$ 1,937,196

In the governmental fund financial statements, capital assets are not presented. Consequently, capital assets are a reconciling item and are shown in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

NOTE 9 COMPENSATED ABSENCES PAYABLE

The following is a summary of compensated absences payable transactions for the year ended June 30, 2024:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences Payable	$ 3,789,527	$ 3,138,414	$ (2,882,066)	$ 4,045,875	$ 1,011,469
Business-Type Activities:					
Compensated Absences Payable	548,924	350,557	(398,204)	501,277	125,319
Total	$ 4,338,451	$ 3,488,971	$ (3,280,270)	$ 4,547,152	$ 1,136,788

The long-term portion of compensated absences payable has been accrued for the governmental activities on the government-wide financial statement. Also, compensated absences are generally liquidated by the General Fund. There is no fixed payment schedule to pay these liabilities.

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NOTE 10 LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2024:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
CFA 2019A Lease Revenue Refunding Bonds	$ 25,955,000	$ -	$ (605,000)	$ 25,350,000	$ 625,000
Unamortized Bond Discount	(647,448)	-	24,902	(622,546)	-
CFA Lease Revenue Bonds Series 2021A	200,523,915	-	(6,933,276)	193,590,639	6,983,716
Leases (See Note 5.B.)	1,754,910	550,897	(394,231)	1,911,576	-
Subscriptions (See Note 6)	985,983	746,539	(558,990)	1,173,532	383,975
Total Governmental Activities	$ 228,572,360	$ 1,297,436	$ (8,466,595)	$ 221,403,201	$ 7,992,691
Business-Type Activities:					
Wastewater Revenue Refunding 2014 Series A	$ 4,735,000	$ -	$ (340,000)	$ 4,395,000	$ 355,000
Unamortized Bond Premium	288,815	-	(26,255)	262,560	-
CFA Lease Revenue Bonds Series 2021A	18,126,085	-	(626,724)	17,499,361	631,284
Total Business-Type Activities	$ 23,149,900	$ -	$ (992,979)	$ 22,156,921	$ 986,284

Community Financing Authority (CFA) 2019A Lease Revenue Refunding Bonds

The Community Financing Authority issued refunding revenue bonds dated February 2019, totaling $28,015,000. The proceeds of the bonds were used to refund the various leaseback contingencies and finance the purchase of a sublease between the City and Redondo Fisherman's Cove Company. The bonds bear interest at rates between 4.00% and 5.00% and interest is payable on each May 1 and November 1, commencing November 1, 2019. The bonds are payable from base rental payments. Principal is due annually beginning on May 1, 2020, in amounts ranging from $350,000 to $1,585,000. The bonds mature on May 1, 2049. The bonds are subject to optional and mandatory early redemption provisions. As of June 30, 2024, the balance outstanding was $25,350,000, with an unamortized discount of $622,546.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Year Ending June, 30,	Principal	Interest	Total
2025	$ 625,000	$ 1,030,038	$ 1,655,038
2026	640,000	1,010,506	1,650,506
2027	665,000	989,706	1,654,706
2028	685,000	968,094	1,653,094
2029	710,000	944,975	1,654,975
2030 - 2034	3,960,000	4,296,425	8,256,425
2035 - 2039	4,830,000	3,426,237	8,256,237
2040 - 2044	5,930,000	2,329,212	8,259,212
2045 - 2049	7,305,000	957,314	8,262,314
Total	$ 25,350,000	$ 15,952,507	$ 41,302,507

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The following is a summary of the 2019A Lease Revenue Refunding unamortized discount outstanding at June 30, 2024:

Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
$ (647,448)	$ -	$ 24,902	$ (622,546)

Wastewater Revenue Bonds 2014, Series A

On March 25, 2014, the City issued $7,230,000 of Wastewater Revenue Refunding Bonds for the purpose of refunding $7,230,000 of then-outstanding 2004 Wastewater Revenue Refunding Bonds. The purpose of the bonds was to finance certain improvements and related facilities that constitute part of the Wastewater Enterprise Fund. The serial bonds in the amount of $4,795,000 mature through May 1, 2029 and bear a variable interest rate ranging from 3% to 5% per annum. Term bonds in the amount of $2,435,000 mature through May 1, 2034, and bear interest at the rate of 4%. The serial bonds maturing on or after May 1, 2015, are subject to optional redemption provisions. The term bonds are subject to optional and mandatory redemption provisions. The bonds are payable solely from and secured by a pledge of and lien upon the net revenues of the Wastewater Enterprise Fund.

As of June 30, 2024, the balance outstanding was $4,395,000, with an unamortized bond premium of $262,560.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2024, including interest, are as follows:

Year Ending June, 30,	Principal	Interest	Total
2025	$ 355,000	$ 188,488	$ 543,488
2026	375,000	170,738	545,738
2027	395,000	151,988	546,988
2028	405,000	139,150	544,150
2029	430,000	118,900	548,900
2030 - 2034	2,435,000	299,600	2,734,600
Total	$ 4,395,000	$ 1,068,864	$ 5,463,864

The following is a summary of the 2014 Revenue Bond Series A unamortized premium outstanding at June 30, 2024:

Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
$ 288,815	$ -	$ (26,255)	$ 262,560

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NOTE 10 LONG-TERM LIABILITIES (CONTINUED)

Community Financing Authority (CFA) Lease revenue Bonds Series 2021A

In July 2021, the Redondo Beach Community Financing Authority (CFA) issued $226,180,000 Lease Revenue Bonds Series 2021A (federally taxable) to fund a portion of the City's obligation to the California Public Employees' Retirement System. The bond will be payable from base rental payment made by the City to the Authority as rental for portion of certain street located in the City. The bonds include $115,865,000 serial bonds with principal due on May 1 of each year starting in 2023 until 2026 and ranging in amount of $7,530,000 to $9,485,000. The bonds also include term bonds in the amount of $51,785,000 and 58,530,000 due May 1, 2041 and 2049 respectively. Interest payable on the bonds range from 0.415% to 3.068% payable semiannually.

Year Ending June, 30,	Principal	Interest	Total
2025	$ 7,615,000	$ 5,485,044	$ 13,100,044
2026	7,695,000	5,408,056	13,103,056
2027	7,795,000	5,306,406	13,101,406
2028	7,920,000	5,181,998	13,101,998
2029	8,060,000	5,039,754	13,099,754
2030 - 2034	42,970,000	22,540,718	65,510,718
2035 - 2039	48,870,000	16,644,262	65,514,262
2040 - 2044	49,920,000	9,039,890	58,959,890
2045 - 2049	30,245,000	2,510,238	32,755,238
Total	$ 211,090,000	$ 77,156,366	$ 288,246,366

In the event of default, there is no remedy of acceleration of any Base Rental Payments which have not come due, and no right for the Authority to terminate the Lease and re-let the Leased Property. The sole remedy provided for in the Lease is to exercise any action at law or in equity necessary or desirable to collect the amounts due under the Lease.

In addition, the City is reporting a deferred charge on refunding as a deferred outflows of resources. The following is a summary of the amortization of the deferred charge for the fiscal year ending June 30, 2024:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Deferred Outflows of Resources:				
Deferred Loss on Refunding	$ 282,785	$ -	$ (25,708)	$ 257,077

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NOTE 11 RISK MANAGEMENT

The City is exposed to risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters; and currently reports all of its risk management activities in its Self-Insurance Program Internal Service Fund.

The City has adopted a self-insurance workers' compensation program, which is administered by a third-party agent, AdminSure. The self-insurance coverage for each claim is limited to $750,000. Excess coverage of up to $50,000,000 for each claim is provided by the Public Risk Innovations, Solutions, and Management (PRISM), an insurance pool, in which a consortium of counties and cities has agreed to share risks and losses. As of June 30, 2024, the estimated claims payable for workers' compensation was $14,669,120, which included claims incurred but not reported (IBNR). The current year's portion of the claims was $611,066.

For general liability claims, the City is also self-insured up to $500,000 for each occurrence. The self-insurance program is administered by a third-party agent, AdminSure. Each claim in excess of the self-insured retention of up to $30,000,000 is covered by the CSAC-EIA. As of June 30, 2024, the estimated claims payable for general liability was $9,733,982, which included IBNR. The current year's portion was $592,111. Governmental activities claims and judgments are generally liquidated by the General Fund.

	Liability on June 30, 2024
General Liability	$ 9,733,982
Workers' Compensation	14,669,120
Total Claims Payable	$ 24,403,102
Due Within on Year	$ 1,203,177
Due in More than One Year	23,199,925
Total Claims Payable	$ 24,403,102

The following is a summary of the changes in the claim liability over the past two fiscal years. Changes in the reported liability resulted from the following:

Fiscal Year	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
2022 - 2023					
Workers' Compensation	$ 16,533,937	$ 1,331,205	$ (4,595,226)	$ 13,269,916	$ 456,300
General Liabilities	7,704,242	7,423,908	(7,476,680)	7,651,470	292,264
Total	$ 24,238,179	$ 8,755,113	$ (12,071,906)	$ 20,921,386	$ 748,564
2023 - 2024					
Workers' Compensation	$ 13,269,916	$ 1,964,702	$ (565,498)	$ 14,669,120	$ 611,066
General Liabilities	7,651,470	9,334,231	(7,251,719)	9,733,982	592,111
Total	$ 20,921,386	$ 11,298,933	$ (7,817,217)	$ 24,403,102	$ 1,203,177

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NOTE 11 RISK MANAGEMENT (CONTINUED)

Settled claims have not exceeded any of the City's coverage amounts in any of the last three fiscal years and there were no reductions in the City's coverage during the year. The estimated claims payable for workers' compensation and general liability is based on estimates provided by the third-party administrator, the City Attorney, the Risk Management staff, and the City's actuary.

NOTE 12 EMPLOYEE RETIREMENT PLANS

A. Pension Plans

Plan Description

The Plans are agent, multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2022, Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Miscellaneous		
	Tier 1 *	Tier 2 *	Tier 3
Hire Date	Prior to May 1, 2012	On or After May 1, 2012 and Before January 1, 2013	On or After January 1, 2013
Benefit Formula	2% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50-63	50-63	52-67
Monthly Benefits, as a % of Eligible Compensation	1.426% - 2.418%	1.092% - 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	7.00%	7.00%	7.75%
Required Employer Contribution Rates	10.34%	10.34%	10.34%
Required Employer UAL Contribution	$ -	$ -	$ -

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Pension Plans (Continued)

Benefits Provided (Continued)

	Safety		
	Tier 1 *	Tier 2 *	Tier 3
Hire Date	Prior to May 1, 2012	On or After May 1, 2012 and Before January 1, 2013	On or After January 1, 2013
Benefit Formula	Police - 3% @ 50 Fire - 3% @ 55	Police and Fire 3% @ 55	Police and Fire 2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50-55	50-55	50-57
Monthly Benefits, as a % of Eligible Compensation	2.4% - 3%	2.4% - 3%	2% - 2.7%
Required Employee Contribution Rates	9.00%	9.00%	13.00%
Required Employer Contribution Rates	23.340%	23.340%	23.340%
Required Employer UAL Contribution	$ -	$ -	$ -

As of the valuation date of June 30, 2022, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous	Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	542	325
Inactive Employees Entitled to but Not Yet Receiving Benefits	433	62
Active Employees	281	143
Total	1,256	530

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to finance the costs and benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2024, the City made $7,326,864 of employer contributions to the pension plans ($2,347,150 miscellaneous plan and $4,979,714 safety plan).

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Pension Plans (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases (1)	3.30% to 14.20%	3.30% to 10.90%
Mortality Rate Table (2)	Derived using CalPERS membership data for all funds	
Postretirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter	

(1) Annual increases vary by category, entry age, and duration of service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the *2021 CalPERS Experience Study and Review of Actuarial Assumptions*. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website at www.calpers.ca.gov.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Pension Plans (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as followed:

Asset Class (1)	Assumed Asset Allocation	Real Return (1, 2)
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Noncap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

(1) An expected price inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Pension Plans (Continued)

Changes in the Net Pension Liability

The following tables show the changes in net pension liability recognized over the measurement period for the Miscellaneous and Safety Plans:

Miscellaneous Plan	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance - June 30, 2022 - Measurement Date	$ 240,496,017	$ 232,288,394	$ 8,207,623
Changes Recognized for the Measurement Period:			
Service Cost	3,441,839	-	3,441,839
Interest on the Total Pension Liability	16,219,473	-	16,219,473
Changes of Benefit Terms (2)	339,225	-	339,225
Differences between Expected and Actual Experience	(707,830)	-	(707,830)
Net Plan to Plan Resource Movement	-	(14,324)	14,324
Contributions from the Employer	-	2,014,388	(2,014,388)
Contributions from the Employees	-	1,571,290	(1,571,290)
Net Investment Income	-	13,829,787	(13,829,787)
Benefit Payments, Including Refunds of Employee Contributions	(13,567,007)	(13,567,007)	-
Administrative Expense	-	(170,814)	170,814
Net Changes during 2022-23	5,725,700	3,663,320	2,062,380
Balance - June 30, 2023 - Measurement Date (1)	$ 246,221,717	$ 235,951,714	$ 10,270,003

Safety Plan	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance - June 30, 2022 - Measurement Date	$ 421,286,399	$ 398,696,709	$ 22,589,690
Changes Recognized for the Measurement Period:			
Service Cost	6,407,011	-	6,407,011
Interest on the Total Pension Liability	28,719,706	-	28,719,706
Changes of Benefit Terms (2)	168,350	-	168,350
Differences between Expected and Actual Experience	4,346,921	-	4,346,921
Net Plan to Plan Resource Movement	-	14,324	(14,324)
Contributions from the Employer	-	4,682,522	(4,682,522)
Contributions from the Employees	-	2,209,903	(2,209,903)
Net Investment Income	-	23,582,718	(23,582,718)
Benefit Payments, Including Refunds of Employee Contributions	(25,555,133)	(25,555,133)	-
Administrative Expense	-	(293,183)	293,183
Net Changes during 2022-23	14,086,855	4,641,151	9,445,704
Balance - June 30, 2023 - Measurement Date (1)	$ 435,373,254	$ 403,337,860	$ 32,035,394

(1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. As described in the previous section of this note, this may differ from the plan assets reported in the funding actuarial valuation report.

(2) In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact is included in the changes of benefit terms.

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for the Plans as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Net Pension Liability (Asset)		
	Discount Rate - 1% (5.90%)	Current Discount (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	$ 40,900,979	$ 10,270,003	$ (15,131,406)
Safety Plan	86,227,678	32,035,394	(12,824,173)
Total	$ 127,128,657	$ 42,305,397	$ (27,955,579)

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

For the measurement period ended June 30, 2023 (the measurement date) and for the reporting period ended June 30, 2024 (the reporting date), the City incurred a pension expense of $6,388,554 and $15,861,738 the miscellaneous and safety plans, respectively.

As of June 30, 2024, the following were the reported deferred outflows of resources and deferred inflows of resources related to all pension plans:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
City Pension Contribution Subsequent to Measurement Date	$ 2,347,150	$ -	$ 4,979,714	$ -
Difference Between Expected and Actual Experience	-	(1,052,782)	3,029,672	(845,753)
Change in Assumptions	1,009,614	-	4,752,553	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,702,364	-	22,624,028	-
Total	$ 16,059,128	$ (1,052,782)	$ 35,385,967	$ (845,753)

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

A. Pension Plans (Continued)

Pension Plan Fiduciary Net Position (Continued)

Contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Miscellaneous Deferred Outflows (Inflows) of Resources	Safety Deferred Outflows (Inflows) of Resources
2025	$ 2,995,291	$ 10,698,759
2026	2,100,685	6,028,656
2027	7,196,867	12,179,561
2028	366,353	653,524
Total	$ 12,659,196	$ 29,560,500

B. Other Postemployment Benefits

Plan Description and Eligibility

In addition to the pension benefits described above, the City provides certain health insurance benefits, in accordance with memorandums of understanding, to retired employees through the California Employers' Retiree Benefit Trust (CERBT) Fund, which is an agent multiple-employer plan administered by CalPERS. The City provides medical insurance for employees in accordance with agreements reached with various bargaining groups. The City shall pay the single retiree medical premium rate, for qualified retirees, for a medical insurance plan in which the retiree is enrolled from among those medical plans provided by the City. These contributions of the City for such medical premiums shall cease on the date the retiree becomes eligible to enroll in the Federal Medicare program and/or any Medicare supplemental plans. Membership of the plan consisted of the following at June 30, 2023 (the measurement date).

	Number of Employees
Active Employees	400
Inactives Currently Receiving Benefits	184
Inactives Entitled to But Not Yet Receiving Benefits	330
Total	914

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Other Postemployment Benefits (Continued)

Contributions

The required contribution of the City is based on a percentage of PERSable payroll. For the fiscal year ended June 30, 2024 the City's contributions were $1,970,280 ($1,560,280 of premiums and a $410,000 implicit subsidy).

Actuarial Methods and Assumptions Used to Determine Net OPEB Liability

The City's net OPEB Liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Contribution Policy	City contributes full actuarially determined contribution as a percentage of covered payroll
Discount Rate and Long-Term Expected Rate of Return on Assets	6.25% at June 30, 2023 6.25% at June 30, 2022 Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.5%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate – 2.75% annually Merit – CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare – 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare – N/A
PEMHCA Minimum Increases	3.5% annually
Medical Participation for Additional Benefit	Currently covered – 100%, 90%, 60%, 50% for employees receiving 100%, 75%, 50%, 25% City paid premium respectively Not currently covered – 90% of above rates
PEMHCA Medical Participation	Currently covered – 10% for 2021, increasing to ultimate rate of 50% in 2033 Not currently covered – 90% of above rates
Life Insurances Participation	Future retirees: 10%
Change of Assumptions	Update to medical trend assumptions
Changes of Benefit Items	None

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Other Postemployment Benefits (Continued)

Long-Term Expected Rate of Return

The expected real rates of return by asset class are as followed:

Asset Class Component	Target Allocation CERBT - Strategy 1	Expected Real Rate of Return
Global Equity	49%	4.56%
Fixed Income	23%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	20%	4.06%
(1) Assumed Long-Term Rate of Inflation		2.50%
(2) Expected Long-Term Net Rate of Return, Rounded to the Nearest Quarter Percent		6.25%

The long-term expected real rates of return are presented as geometric means.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Other Postemployment Benefits (Continued)

Changes in the OPEB Liability

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2023 (Measurement Date June 30, 2022)	$ 22,122,970	$ 9,133,983	$ 12,988,987
Changes Recognized for the Measurement Period:			
Service Cost	752,978	-	752,978
Interest	1,382,435	-	1,382,435
Benefit Changes	-	-	-
Actual Versus Expected Experience	545,675	-	545,675
Assumption Changes	575,958	-	575,958
Contributions - Employer	-	1,822,393	(1,822,393)
Net Investment Income	-	765,828	(765,828)
Benefit Payments	(1,513,984)	(1,513,984)	-
Administrative Expense	-	(9,436)	9,436
Net Changes	1,743,062	1,064,801	678,261
Balance at June 30, 2024 (Measurement Date June 30, 2023)	$ 23,866,032	$ 10,198,784	$ 13,667,248

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City if it were calculated using discount rate that is one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2023.

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	$ 15,823,845	$ 13,667,248	$ 11,777,238

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost-trend rates that are one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2023.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	$ 11,000,220	$ 13,667,248	$ 17,210,599

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NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

B. Other Postemployment Benefits (Continued)

OPEB Plan Fiduciary Net Position

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of $1,073,630. As of fiscal year ended June 30, 2024 (June 30, 2023 measurement date), the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	$ 1,970,280	$ -
Differences Between Expected and Actual Experience	481,478	(2,931,496)
Changes of Assumptions	1,363,594	(724,001)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	577,209	-
Total	$ 4,392,561	$ (3,655,497)

The $1,970,280, reported as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction to net OPEB liability in the year ended June 30, 20245. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30,	Deferred Outflow (Inflows) of Resources
2025	$ (436,912)
2026	(419,782)
2027	(33,988)
2028	(325,119)
2029	(237,726)
Thereafter	220,311
Total	$ (1,233,216)

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NOTE 13 COMMITMENTS AND CONTINGENCIES

A. Lawsuits

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

B. Federal and State Grant Programs

The City participates in Federal and State grant programs. These programs are subject to audit. No cost disallowance is expected as a result of any audits. Expenditures which may be disallowed, if any, by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

C. Commitments

The following material construction commitments existed at June 30, 2024:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2024	Remaining Commitments
Portofino Way Sewer Pump Station	$ 7,526,868	$ 2,497,100	$ 5,029,768
Manhattan Beach Blvd Resurfacing Project	3,968,958	1,341,394	2,627,564
Seaside Lagoon Revitalization	3,112,534	564,877	2,547,657
Bicycle Transportation Plan	2,352,630	-	2,352,630
International Boardwalk Repair	1,249,100	-	1,249,100
Fire Pump Communication Equipment	1,143,254	-	1,143,254
Dominguez Park Playground	1,519,619	707,561	812,058

NOTE 14 POLLUTION REMEDIATION OBLIGATIONS

The Department of Toxic Substances Control (DTSC) filed a regulatory Notice of Violation against the City regarding the Redondo Beach Police Department's gun range concerning issues with contamination from lead bullet fragments. Cleanup, fines, assessments, and settlements incurred by the City for this DTSC action were approximately $282,000. This liability has been accrued in the General Fund, and the City does not anticipate any recoveries reducing the liability, nor any further liability from this DTSC investigation as the DTSC has closed the matter.

Neighboring property owners adjacent to the gun range also filed civil claims for bodily injury and property damage due to alleged lead exposure. This matter is currently in mediation and in preparation for arbitration. Defense costs are being covered by several of the City's historical insurance policies and the related insurance carriers defending under a reservation of rights.

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NOTE 14 POLLUTION REMEDIATION OBLIGATIONS (CONTINUED)

Cleanup and settlements currently are estimated to be $150,000, using assumptions based on similar cleanup and settlements previously paid in the DTSC matter. Plaintiffs' demands are significantly higher. The pollution remediation obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, changes in evidence, or changes in applicable laws or regulations. Similarly, bodily injury claims are estimated based on current evidence (or lack thereof) presented by the various plaintiffs and are subject to revision if additional admissible evidence is presented during preparation for arbitration.

NOTE 15 SUCCESSOR AGENCY

Dissolution of California Redevelopment Agencies

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Most cities in California had established a redevelopment agency that was included in the reporting entity of the City as a blended component unit (since the City Council, in many cases, also served as the governing board for those agencies).

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. If the City declines to accept the role of successor agency, other local agencies may elect to perform this role. If no local agency accepts the role of successor agency, the Governor is empowered by the Bill to establish a local "designated local authority" to perform this role. On January 10, 2012 the City Council met and created a Successor Agency in accordance with the Bill as part of the City's resolution number 12-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

A. Long-Term Debt

In future fiscal years, successor agencies will only be allocated tax revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

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NOTE 15 SUCCESSOR AGENCY (CONTINUED)

Dissolution of California Redevelopment Agencies (Continued)

A. Long-Term Debt (Continued)

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final seven months of the activity of the redevelopment agency is reported in the governmental funds of the City. After the date of dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary trust fund (private purpose trust fund) in the fiduciary statements of the City.

In accordance with the provisions of Assembly Bill X1 26 (Bill) and the California Supreme Court's decision to uphold the Bill, the obligations of the former redevelopment agency became vested with the funds established for the successor agency upon the date of dissolution, February 1, 2012. Former tax increment revenues pledged to fund the debts of the former redevelopment agency will be distributed to the Successor Agency subject to the reapportionment of such revenues as provided by the Bill.

The debt of the Successor Agency as of June 30, 2024 is as follows:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Amounts Due Within One Year
Successor Agency:					
County Deferral Loan - 1983 Tax Increment	$ 4,683,632	$ -	$ 867,944	$ 3,815,688	$ 430,832
County Deferral Loan - 1984 Tax Increment	5,602,499	-	509,162	5,093,337	714,443
City Loan - South Bay Center	2,715,000	-	595,000	2,120,000	645,000
Total	$ 13,001,131	$ -	$ 1,972,106	$ 11,029,025	$ 1,790,275

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NOTE 15 SUCCESSOR AGENCY (CONTINUED)

Dissolution of California Redevelopment Agencies (Continued)

A. Long-Term Debt (Continued)

1983 Tax Increment Deferral – On November 15, 1983, the Agency and the County of Los Angeles (County) entered into an agreement for reimbursement of tax increment funds. It was recognized that the South Bay Center Project Area needed to utilize a substantial portion of the annual tax increment in the early years to finance its redevelopment activities. Therefore, the County taxing entities agreed to defer receipt of tax increment reimbursement from the Agency. This deferral is debt of the Agency to be repaid only from the Agency's share of future pledged tax increment. There is no fixed payment schedule to repay this loan and the loan is noninterest bearing. The balance outstanding at June 30, 2024, was $3,815,688.

1984 Tax Increment Deferral – On February 14, 1984, the Agency and the County entered into an agreement for reimbursement of tax increment funds. It was recognized that the Aviation High School Project Area needed to utilize a substantial portion of the annual tax increment in the early years to finance its redevelopment activities. Therefore, the County taxing entities agreed to defer receipt of tax increment reimbursement from the Agency. This deferral is debt of the Agency to be repaid only from the Agency's share of future pledged tax increment. There is no fixed payment schedule to repay this loan and the loan is noninterest bearing. The balance outstanding at June 30, 2024, was $5,093,337.

South Bay Center City Loan – On July 1, 1996, the Public Financing Authority advanced $8,660,000 to the former Redevelopment Agency for improvements within the South Bay Center Redevelopment Project Area. This advance was made through the Authority's purchase of the Agency's 1996 tax allocation bonds and bears interest at 8.95% per annum. As of June 30, 2024, the balance outstanding was $2,120,000.

B. Advances from City

During the 2014-2015 fiscal year, the Successor Agency Oversight Board adopted resolutions approving the repayment of loans from the Low and Moderate Income Housing fund of the former Redevelopment Agency for legally required payments to the Supplemental Educational Revenue Augmentation Fund (SERAF) for Fiscal Years 2009-2010 and 2010-2011. As of June 30, 2024, the outstanding balance was $535,731.

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NOTE 16 RISKS AND UNCERTAINTIES

A. Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

B. Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2023 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

NOTE 17 RESTATEMENT

Net Position and Fund Balances as of July 1, 2023 were restated as follows:

	Governmental Activities	Business-Type Activities	Harbor Tidelands Enterprise Fund	Harbor Uplands Enterprise Fund	Wastewater Enterprise Fund	General Fund	Other Intergovernmental Grants
Net Position/Fund Balance - Beginning of Year, as Previously Reported, July 1, 2023	$ 54,191,573	$ 82,449,722	$ 24,411,236	$ 23,056,218	$ 33,700,013	$ 33,188,418	$ (6,053,354)
Increase(Decrease) in Net Position/Fund Balance for Correction of an Error:							
Capitalized Habor Dreading Expenditures	-	(490,188)	(490,188)				
Construction in Progress Reported In Incorrect Opinion Unit	(575,200)	575,200			575,200		
Modified Approach for Infrastucture Reporting	(5,428,943)						
Reimbursement of old grant expenditures						251,307	(251,307)
Write-off of uncollectible developer receivable - Marine Ave.	(1,246,492)					(1,246,492)	
Proper accounting treatment for 3rd party managed leases							
Net Position/Fund Balance - Beginning of Year, as As Restated, July 1, 2023	$ 46,940,938	$ 82,534,734	$ 23,921,048	$ 23,056,218	$ 34,275,213	$ 32,193,233	$ (6,304,661)

A. Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the City determined that certain harbor dreading expenditures incurred as maintenance to restore navigation depth rather than improvement or enhancements were erroneously capitalized in prior periods. Therefore, the business-type activities and Harbor Tidelands Enterprise Fund's capital assets were overstated by approximately $490,000 for the fiscal year ended June 30, 2023 and is presented as a correction of an error in the Habor Tidelands Statement of Revenues, Expenses and Changes in Net Position and in the Statement of Activities

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NOTE 17 RESTATEMENT (CONTINUED)

During the fiscal year ended June 30, 2024, the City identified a classification error in the financial statement presentation of capital improvement expenditures. Although $575,200 in expenditures were properly expensed in the correct fund, they were erroneously reported under the wrong opinion unit in the financial statements. As a result, Business-Type Activities and the Wastewater Enterprise Fund were understated, while Governmental Activities were overstated by the same amount as of June 30, 2023.

During the fiscal year ended June 30, 2024, the City of Redondo Beach conducted a comprehensive review of its capital asset reporting under the modified approach for infrastructure assets, specifically its Streets Pavement System. As part of this review, the City identified several infrastructure projects previously capitalized as construction in progress (CIP) that were determined to be preservation and maintenance activities under the criteria of the modified approach. In accordance with GASB Statement No. 34, infrastructure assets reported under the modified approach are not depreciated, and expenditures that preserve or maintain these assets should be expensed in the period incurred rather than capitalized. As a result, a prior period adjustment was recorded to remove capitalized costs from beginning balances of governmental activities. The cumulative effect of this adjustment resulted in a decrease to beginning net position of governmental activities as of July 1, 2023 by approximately $5.4 million. The adjustment did not impact total fund balances but corrected the classification of infrastructure-related expenditures to align with the City's modified approach policy.

The City recorded a prior period adjustment to correct the classification of certain grant expenditures. The City conducted a comprehensive review of their other intergovernmental grants fund during the fiscal year ended 2024. The City identified approximately $251,000 in historical expenditures that had been recorded in the Grants fund but were not submitted for reimbursement during the active grant periods. As the associated grants have been closed out and no further reimbursement is expected, the City has reclassified these expenditures to the General Fund to reflect their proper financial reporting. The reclassification did not affect the total governmental fund balances but corrected the presentation of expenditures between the Grants Fund and General Fund.

During the fiscal year ended June 30, 2024, the City of Redondo Beach reviewed the financial activity associated with the Marine Avenue Hotel project, including the developer-funded reserve account held at Western Alliance Bank. As part of this review, the City identified a receivable balance of approximately $1.25 million recorded in prior years as a developer receivable. Upon further evaluation, it was determined that the developer drawdowns from the reserve account are unlikely to be repaid, and no formal repayment obligation exists under the terms of the agreement. Accordingly, the City recorded a prior period adjustment to eliminate the receivable and restate the beginning fund balance of the affected governmental fund. This adjustment reflects the City's reassessment of the nature of the arrangement, which is now considered a non-recoverable guarantee payment rather than a reimbursable advance. The adjustment did not impact current year revenues or expenditures, but corrected the presentation of assets and fund balances to more accurately reflect the City's financial position

Preliminary Draft

NOTE 17 RESTATEMENT (CONTINUED)

During fiscal year 2024, the City conducted a comprehensive review of its lease management practices related to the Concord lease arrangement. This review revealed that certain transactions, including cash deposits, receivable balances and tenant deposits that had not been properly recorded in prior periods.

Specifically, the City had not:

- Recognized a deposit receivable and deposit liability associated with Concord lease cash deposits.
- Reflected expenditures incurred by the third-party on behalf of the City and its financial records, resulting in an understatement of both expenditures and liabilities.

As a result, the City recorded a prior period adjustment to correct beginning fund balances and properly reflect the financial position of both the Tidelands and Uplands Enterprise funds. These corrections ensure compliance with applicable lease accounting standards and improve the accuracy of the City's financial reporting.

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REQUIRED SUPPLEMENTARY INFORMATION

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NOTE 1 BUDGETARY INFORMATION

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The Annual Budget serves from July 1 to June 30, and is a vehicle that openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resource planning performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The City Council approves each year's budget submitted by the City Manager prior to the beginning of the new fiscal year.
2. The City Council's policy is to adopt an annual line-item budget for the general, special revenue, debt service, and capital projects funds.
3. Public hearings are conducted prior to its adoption by the Council.
4. Supplemental appropriations, when required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager.
5. Expenditures may not exceed appropriations at the departmental level, which is the legal level of control.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, special revenue, debt service, and capital projects funds. Unexpended and unencumbered appropriations of these governmental funds automatically lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported with restricted, committed, assigned, and/or unassigned fund balances. They do not constitute expenditures or estimated liabilities. Budgets were legally adopted for all governmental funds with the exception of the Parking Authority Debt Service Fund, the Pier Parking Structure Rehabilitation Capital Projects Fund, and Major Facilities Reconstruction Capital Projects Fund.

The following are the budget comparison schedules for General Fund, Other Intergovernmental Grants Special Revenue Fund and Low-Mod Income Housing Special Revenue Fund.

Preliminary Draft

NOTE 1 BUDGETARY INFORMATION (CONTINUED)

For the fiscal year ended June 30, 2024, the following departments have excess expenditures over appropriations:

	Expenditures	Appropriations	Excess on Expenditure Over Appropriations
General Fund:			
Police	$ 43,713,755	$ 42,922,143	$ 791,612
Financial Services	5,049,343	3,108,313	1,941,030
Low-Mod Income Housing:			
Cultural and Leisure Services	279,000	-	279,000
Gas Tax:			
Public Works	1,462,195	1,437,396	24,799
Street Landscaping and Lighting District			
Public Works	2,548,429	2,527,908	20,521
Housing Authority:			
Housing and Community Development	9,015,825	7,702,744	1,313,081
Capital Improvement Projects			
Public Works	149,654	145,556	4,098
Open Space Acquisition			
General Government	3,937	-	3,937
Public Financing Authority			
Housing and Community Development	295,562	273,975	21,587

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year, As Restated	$ 32,193,233	$ 32,193,233	$ 32,193,233	$ -
Resources (Inflows):				
Taxes	76,464,074	77,079,429	80,645,193	3,565,764
Interdepartmental	8,747,688	13,809,642	13,821,750	12,108
Licenses and Permits	2,372,809	2,412,453	2,386,229	(26,224)
Intergovernmental	160,000	160,000	186,830	26,830
Charges for Services	9,362,827	8,705,866	10,078,596	1,372,730
Use of Money and Property	3,155,630	3,243,743	5,265,301	2,021,558
Fines and Forfeitures	1,446,200	1,312,392	1,230,559	(81,833)
Miscellaneous	3,141,822	3,033,578	3,189,908	156,330
Transfers In	-	1,770,345	1,653,179	(117,166)
Subscription Financing	-	-	619,252	619,252
Amounts Available for Appropriations	137,044,283	143,720,681	151,270,030	7,549,349
Charges to Appropriation (Outflow):				
General Government:				
Mayor and City Council	820,932	853,179	729,054	124,125
City Clerk	1,468,677	1,507,462	1,078,182	429,280
City Treasurer	385,677	413,782	320,400	93,382
City Attorney	4,509,030	4,388,105	3,962,674	425,431
City Manager	1,187,739	1,225,122	1,097,458	127,664
Human Resources	4,330,307	3,616,791	2,255,398	1,361,393
Financial Services	3,215,849	3,108,313	5,049,343	(1,941,030)
Public Safety:				
Police	45,680,915	42,922,143	43,713,755	(791,612)
Fire	19,787,553	19,416,662	18,897,115	519,547
Housing and Community Development:				
Community Development	3,852,048	3,713,844	3,174,082	539,762
Waterfront and Economic Development	329,109	295,089	279,379	15,710
Cultural and Leisure Services:				
Community Services	7,593,004	7,862,393	7,630,688	231,705
Library	4,676,050	4,493,998	4,388,799	105,199
Public Works	9,085,823	8,489,532	7,608,906	880,626
Capital Outlay	1,147,000	4,465,330	235,704	4,229,626
Debt Service:				
Principal Retirement	773,014	-	593,041	(593,041)
Interest and Fiscal Charges	-	-	15,322	(15,322)
Transfers Out	-	14,857,972	13,973,838	884,134
Total Charges to Appropriations	108,842,727	121,629,717	115,003,138	6,626,579
Budgetary Fund Balance - End of Year	$ 28,201,556	$ 22,090,964	$ 36,266,892	$ 14,175,928

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
OTHER INTERGOVERNMENTAL GRANTS
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year, As Restated	$ (6,304,661)	$ (6,304,661)	$ (6,304,661)	$ -
Resources (Inflows):				
Intergovernmental	12,823,248	15,953,758	10,292,835	(5,660,923)
Amounts Available for Appropriations	6,518,587	9,649,097	3,988,174	(5,660,923)
Charges to Appropriation (Outflow):				
General Government	40,588	1,547,701	754,748	792,953
Public Safety	278,380	913,650	391,521	522,129
Public Works	78,410	358,346	330,126	28,220
Capital Outlay	11,506,458	39,319,695	9,177,283	30,142,412
Debt Service:				
Principal Retirement	-	-	58,989	(58,989)
Interest and Fiscal Charges	-	-	8,754	(8,754)
Total Charges to Appropriations	11,903,836	42,139,392	10,721,421	31,417,971
Budgetary Fund Balance - End of Year	$ (5,385,249)	$ (32,490,295)	$ (6,733,247)	$ (37,078,894)

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
LOW-MOD INCOME HOUSING
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 3,497,714	$ 3,497,714	$ 3,497,714	$ -
Resources (Inflows):				
Use of Money and Property	-	-	54,897	54,897
Charges to Appropriation (Outflow):				
Housing and Community Development	150,000	261,826	40,159	221,667
Cultural and Leisure Services	-	-	279,000	(279,000)
Total Charges to Appropriations	150,000	261,826	319,159	(57,333)
Budgetary Fund Balance - End of Year	$ 3,347,714	$ 3,235,888	$ 3,233,452	$ 112,230

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CITY OF REDONDO BEACH
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2024	2023	2022	2021	2020
Total Pension Liability:					
Service Cost	$ 3,441,839	$ 3,349,243	$ 3,267,559	$ 3,426,450	$ 3,397,192
Interest	16,219,473	15,836,385	15,785,975	15,398,568	14,990,021
Difference Between Expected and Actual Experience	(707,830)	(3,768,503)	(1,273,036)	(1,088,566)	4,185,447
Changes of Benefit Terms	339,225	-	-	-	-
Changes of Assumptions	-	6,057,682	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(13,567,007)	(13,055,631)	(12,251,572)	(11,856,917)	(11,341,781)
Net Change in Total Pension Liability	5,725,700	8,419,176	5,528,926	5,879,535	11,230,879
Total Pension Liability - Beginning	240,496,017	232,076,841	226,547,915	220,668,380	209,437,501
Total Pension Liability - Ending (a)	246,221,717	240,496,017	232,076,841	226,547,915	220,668,380
Plan Fiduciary Net Position:					
Contributions - Employer	2,014,388	70,759,414	6,313,617	5,895,816	5,141,337
Contributions - Employee	1,571,290	1,393,334	1,370,930	1,487,258	1,461,551
Plan to Plan Resource Movement	(14,324)	-	-	-	-
Net Investment Income	13,829,787	(18,874,022)	36,083,015	7,811,724	9,905,031
Benefit Payments, Including Refunds of Employee Contributions	(13,567,007)	(13,055,631)	(12,251,572)	(11,856,917)	(11,341,781)
Administrative Expense	(170,814)	(119,720)	(160,659)	(222,338)	(108,939)
Other Miscellaneous Income (Expense)	-	-	-	-	355
Net Change in Fiduciary Net Position	3,663,320	40,103,375	31,355,331	3,115,543	5,057,554
Plan Fiduciary Net Position - Beginning	232,288,394	192,185,019	160,829,688	157,714,145	152,656,591
Plan Fiduciary Net Position - Ending (b)	235,951,714	232,288,394	192,185,019	160,829,688	157,714,145
Plan Net Pension Liability (Assets) - Ending (a) - (b)	$ 10,270,003	$ 8,207,623	$ 39,891,822	$ 65,718,227	$ 62,954,235
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.83%	96.59%	82.81%	70.99%	71.47%
Covered Payroll	$ 20,726,906	$ 18,792,136	$ 19,503,029	$ 20,914,206	$ 21,343,149
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	49.55%	43.68%	204.54%	314.23%	294.96%

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Notes to Schedule:

Benefit Changes:
The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions:
There were no assumption changes for measurement date 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

CITY OF REDONDO BEACH
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
MISCELLANEOUS PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2019	2018	2017	2016	2015
Total Pension Liability:					
Service Cost	$ 3,370,814	$ 3,296,064	$ 2,658,781	$ 2,537,587	$ 2,874,216
Interest	14,225,068	13,844,417	13,391,115	12,947,817	12,419,054
Difference Between Expected and Actual Experience	(291,950)	808,043	(717,631)	(58,913)	-
Changes of Benefit Terms	-	-	-	-	-
Changes of Assumptions	(1,050,285)	11,132,579	-	(3,072,251)	-
Benefit Payments, Including Refunds of Employee Contributions	(10,849,928)	(10,173,782)	(9,282,593)	(8,784,656)	(7,872,679)
Net Change in Total Pension Liability	5,403,719	18,907,321	6,049,672	3,569,584	7,420,591
Total Pension Liability - Beginning	204,033,782	185,126,461	179,076,789	175,507,205	168,086,614
Total Pension Liability - Ending (a)	209,437,501	204,033,782	185,126,461	179,076,789	175,507,205
Plan Fiduciary Net Position:					
Contributions - Employer	4,408,505	4,018,170	3,517,596	2,783,258	2,678,754
Contributions - Employee	1,456,828	1,404,270	1,361,650	1,282,878	1,301,991
Plan to Plan Resource Movement	(355)	-	(2,463)	2,745	-
Net Investment Income	12,226,183	14,967,632	777,656	3,161,165	21,314,935
Benefit Payments, Including Refunds of Employee Contributions	(10,849,928)	(10,173,782)	(9,282,593)	(8,784,656)	(7,872,679)
Administrative Expense	(227,625)	(200,883)	(85,184)	(158,175)	-
Other Miscellaneous Income (Expense)	(432,265)	-	-	-	-
Net Change in Fiduciary Net Position	6,581,343	10,015,407	(3,713,338)	(1,712,785)	17,423,001
Plan Fiduciary Net Position - Beginning	146,075,248	136,059,841	139,773,179	141,485,964	124,062,963
Plan Fiduciary Net Position - Ending (b)	152,656,591	146,075,248	136,059,841	139,773,179	141,485,964
Plan Net Pension Liability (Assets) - Ending (a) - (b)	$ 56,780,910	$ 57,958,534	$ 49,066,620	$ 39,303,610	$ 34,021,241
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.89%	71.59%	73.50%	78.05%	80.62%
Covered Payroll	$ 20,156,748	$ 19,613,902	$ 19,222,807	$ 17,124,613	$ 17,538,911
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	281.70%	295.50%	255.25%	229.52%	193.98%

Notes to Schedule:

Benefit Changes:
The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions:
There were no assumption changes for measurement date 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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CITY OF REDONDO BEACH
SCHEDULE OF PLAN CONTRIBUTIONS
MISCELLANEOUS PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2024	2023	2022	2021	2020
Actuarially Determined Contribution	$ 2,347,150	$ 1,995,492	$ 6,865,116	$ 6,314,575	$ 5,895,512
Contribution in Relation to the Actuarially Determined Contributions	(2,347,150)	(1,995,492)	(70,759,414)	(6,314,575)	(5,895,512)
Contribution Deficiency (Excess)	$ -	$ -	$ (63,894,298)	$ -	$ -
Covered Payroll	$ 21,519,482	$ 20,726,906	$ 18,792,136	$ 19,503,029	$ 20,914,206
Contributions as a Percentage of Covered Payroll	10.91%	9.63%	376.54%	32.38%	28.19%

Notes to Schedule - 2024:

Valuation Date:	June 30, 2021
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level percentage of payroll, closed
Assets Valuation Method	Fair Value of Assets
Discount Rate	6.90% (net of investments and administrative expenses, includes inflation)
Projected Salary Increases	Varies by Entry Age and Service
Inflation	2.50%
Payroll Growth	2.75%

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CITY OF REDONDO BEACH
SCHEDULE OF PLAN CONTRIBUTIONS (CONTINUED)
MISCELLANEOUS PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 5,140,690	$ 4,399,141	$ 4,018,056	$ 3,517,053	$ 2,783,258
Contribution in Relation to the Actuarially Determined Contributions	(5,140,690)	(4,399,141)	(4,018,056)	(3,517,053)	(2,783,258)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 21,343,149	$ 20,156,748	$ 19,613,902	$ 19,222,807	$ 17,124,613
Contributions as a Percentage of Covered Payroll	24.09%	21.82%	20.49%	18.30%	16.25%

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2024	2023	2022	2021	2020
Total Pension Liability:					
Service Cost	$ 6,407,011	$ 6,249,142	$ 5,458,828	$ 5,883,763	$ 5,753,947
Interest	28,719,706	27,763,771	27,413,478	26,796,647	25,990,861
Difference Between Expected and Actual Experience	4,346,921	(1,796,249)	(1,214,915)	968,299	9,616,039
Changes of Benefit Terms	168,350	-	-	-	-
Changes of Assumptions	-	11,089,291	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(25,555,133)	(23,950,891)	(23,233,659)	(22,018,409)	(20,998,140)
Net Change in Total Pension Liability	14,086,855	19,355,064	8,423,732	11,630,300	20,362,707
Total Pension Liability - Beginning	421,286,399	401,931,335	393,507,603	381,877,303	361,514,596
Total Pension Liability - Ending (a)	435,373,254	421,286,399	401,931,335	393,507,603	381,877,303
Plan Fiduciary Net Position:					
Contributions - Employer	4,682,522	155,865,005	12,912,307	11,860,288	10,499,397
Contributions - Employee	2,209,903	1,976,975	1,789,951	1,816,584	1,753,382
Plan to Plan Resource Movement	14,324	-	-	-	-
Net Investment Income	23,582,718	(32,498,996)	56,472,719	12,249,408	15,582,752
Benefit Payments, Including Refunds of Employee Contributions	(25,555,133)	(23,950,891)	(23,233,659)	(22,018,409)	(20,998,140)
Administrative Expense	(293,183)	(185,318)	(249,533)	(347,134)	(170,963)
Other Miscellaneous Income (Expense)	-	-	-	-	559
Net Change in Fiduciary Net Position	4,641,151	101,206,775	47,691,785	3,560,737	6,666,987
Plan Fiduciary Net Position - Beginning	398,696,709	297,489,934	249,798,149	246,237,412	239,570,425
Plan Fiduciary Net Position - Ending (b)	403,337,860	398,696,709	297,489,934	249,798,149	246,237,412
Plan Net Pension Liability (Assets) - Ending (a) - (b)	$ 32,035,394	$ 22,589,690	$ 104,441,401	$ 143,709,454	$ 135,639,891
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.64%	94.64%	74.02%	63.48%	64.48%
Covered Payroll	$ 16,696,199	$ 15,212,797	18,079,966	$ 18,508,977	$ 18,388,027
Plan Net Pension Liability (Asset) as a Percentage					

Notes to Schedule:

Benefit Changes:
The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions:
There were no assumption changes for measurement date 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
SAFETY PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2019	2018	2017	2016	2015
Total Pension Liability:					
Service Cost	$ 5,468,356	$ 5,065,945	$ 4,352,710	$ 4,369,526	$ 4,500,890
Interest	24,611,566	23,940,703	23,438,824	22,764,197	21,930,219
Difference Between Expected and Actual Experience	817,752	(493,558)	(769,075)	854,509	-
Changes of Benefit Terms	-	-	-	-	-
Changes of Assumptions	(1,235,646)	19,087,843	-	(5,276,514)	-
Benefit Payments, Including Refunds of Employee Contributions	(20,097,705)	(18,716,805)	(17,877,775)	(17,197,393)	(16,352,903)
Net Change in Total Pension Liability	9,564,323	28,884,128	9,144,684	5,514,325	10,078,206
Total Pension Liability - Beginning	351,950,273	323,066,145	313,921,461	308,407,136	298,328,930
Total Pension Liability - Ending (a)	361,514,596	351,950,273	323,066,145	313,921,461	308,407,136
Plan Fiduciary Net Position:					
Contributions - Employer	9,310,708	8,431,955	7,448,334	6,493,477	5,790,913
Contributions - Employee	1,887,216	1,592,490	1,457,236	1,397,695	2,003,854
Plan to Plan Resource Movement	(559)	-	2,463	(2,745)	-
Net Investment Income	19,399,983	23,744,382	1,150,020	5,030,896	34,672,500
Benefit Payments, Including Refunds of Employee Contributions	(20,097,705)	(18,716,805)	(17,877,775)	(17,197,393)	(16,352,903)
Administrative Expense	(358,575)	(317,989)	(136,109)	(251,346)	-
Other Miscellaneous Income (Expense)	(680,940)	-	-	-	-
Net Change in Fiduciary Net Position	9,460,128	14,734,033	(7,955,831)	(4,529,416)	26,114,364
Plan Fiduciary Net Position - Beginning	230,110,297	215,376,264	223,332,095	227,861,511	201,747,147
Plan Fiduciary Net Position - Ending (b)	239,570,425	230,110,297	215,376,264	223,332,095	227,861,511
Plan Net Pension Liability (Assets) - Ending (a) - (b)	$ 121,944,171	$ 121,839,976	$ 107,689,881	$ 90,589,366	$ 80,545,625
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.27%	65.38%	66.67%	71.14%	73.88%
Covered Payroll	$ 17,552,942	$ 16,424,748	$ 15,770,385	$ 15,122,058	$ 14,418,451
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	694.72%	741.81%	682.86%	599.05%	558.63%

Notes to Schedule:

Benefit Changes:

The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions:

There were no assumption changes for measurement date 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF PLAN CONTRIBUTIONS
SAFETY PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2024	2023	2022	2021	2020
Actuarially Determined Contribution	$ 4,979,714	$ 4,682,522	$ 14,283,371	$ 12,915,506	$ 11,860,372
Contribution in Relation to the Actuarially Determined Contributions	(4,979,714)	(4,682,522)	(155,865,005)	(12,915,506)	(11,860,372)
Contribution Deficiency (Excess)	$ -	$ -	$ (141,581,634)	$ -	$ -
Covered Payroll	$ 18,160,046	$ 16,696,199	$ 15,212,797	18,079,966	$ 18,508,977
Contributions as a Percentage of Covered Payroll	27.42%	28.05%	1024.57%	71.44%	64.08%

Notes to Schedule- 2024:

Valuation Date: June 30, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level percentage of payroll, closed
Assets Valuation Method	Fair Value of Assets
Discount Rate	6.90% (net of investments and administrative expenses)
Projected Salary Increases	Varies by Entry Age and Service
Inflation	2.50%
Payroll Growth	2.75%

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF PLAN CONTRIBUTIONS (CONTINUED)
SAFETY PLAN – AGENT MULTIPLE-EMPLOYER PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS

Fiscal Year	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 10,498,710	$ 9,310,585	$ 8,431,955	$ 7,448,335	$ 6,493,477
Contribution in Relation to the Actuarially Determined Contributions	(10,498,710)	(9,310,585)	(8,431,955)	(7,448,335)	(6,493,477)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 18,388,027	$ 17,552,942	$ 16,424,748	$ 15,770,385	$ 15,122,058
Contributions as a Percentage of Covered Payroll	57.10%	53.04%	51.34%	47.23%	42.94%

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Fiscal Year	2024	2023	2022	2021
Total OPEB Liability:				
Service Cost	$ 752,978	$ 732,825	$ 869,592	$ 854,481
Interest on the Total OPEB Liability	1,382,435	1,351,025	1,620,655	1,592,234
Difference Between Expected and Actual Experience	545,675	-	(3,732,173)	-
Changes in Assumptions	575,958	-	700,641	(359,831)
Changes in Benefit Terms		-	-	-
Benefit Payments	(1,513,984)	(1,688,875)	(1,741,685)	(1,620,198)
Net Change in Total OPEB Liability	1,743,062	394,975	(2,282,970)	466,686
Total OPEB Liability - Beginning	22,122,970	21,727,995	24,010,965	23,544,279
Total OPEB Liability - Ending (a)	23,866,032	22,122,970	21,727,995	24,010,965
Plan Fiduciary Net Position:				
Contributions - Employer	1,822,393	2,024,400	1,975,728	2,214,831
Net Investment Income	765,828	(1,612,311)	2,465,620	300,557
Benefit Payments	(1,513,984)	(1,688,875)	(1,741,685)	(1,620,198)
Administrative Expense	(9,436)	(7,783)	(8,390)	(9,132)
Net Change in Plan Fiduciary Net Position	1,064,801	(1,284,569)	2,691,273	886,058
Plan Fiduciary Net Position - Beginning	9,133,983	10,418,552	7,727,279	6,841,221
Plan Fiduciary Net Position - Ending (b)	10,198,784	9,133,983	10,418,552	7,727,279
Plan OPEB Liability (Assets) - Ending (a) - (b)	$ 13,667,248	$ 12,988,987	$ 11,309,443	$ 16,283,686
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	42.73%	41.29%	47.95%	32.18%
Covered Payroll	$ 40,375,037	$ 37,783,818	$ 37,142,464	$ 38,202,693
Plan OPEB Liability (Asset) as a Percentage of Covered Payroll	33.85%	34.38%	30.45%	42.62%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to ten years as information becomes available.

Notes to Schedule: None

Changes of Assumptions:
Updated medical trend assumptions were made for measurement date June 30, 2023. The discount rate was updated based on newer capital market assumptions as of measurement date June 30, 2022. ACA excise tax was removed as of measurement date June 30, 2020. The discount rate was changed from 6.75 percent to 6.25 percent for the measurement period ended June 30, 2022.

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Fiscal Year	2020	2019	2018
Total OPEB Liability:			
Service Cost	$ 911,766	$ 885,210	$ 560,000
Interest on the Total OPEB Liability	1,635,748	1,581,920	1,521,000
Difference Between Expected and Actual Experience	(147,110)	-	(3,502,000)
Changes in Assumptions	(1,415,841)	-	2,900,000
Changes in Benefit Terms	-	-	2,593,000
Benefit Payments	(1,523,667)	(1,868,747)	(2,002,000)
Net Change in Total OPEB Liability	(539,104)	598,383	2,070,000
Total OPEB Liability - Beginning	24,083,383	23,485,000	21,415,000
Total OPEB Liability - Ending (a)	23,544,279	24,083,383	23,485,000
Plan Fiduciary Net Position:			
Contributions - Employer	2,217,998	2,191,008	1,428,000
Net Investment Income	497,289	469,710	632,000
Benefit Payments	(1,523,667)	(1,868,747)	(2,002,000)
Administrative Expense	(5,691)	(9,679)	(3,000)
Net Change in Plan Fiduciary Net Position	1,185,929	782,292	55,000
Plan Fiduciary Net Position - Beginning	5,655,292	4,873,000	4,818,000
Plan Fiduciary Net Position - Ending (b)	6,841,221	5,655,292	4,873,000
Plan OPEB Liability (Assets) - Ending (a) - (b)	$ 16,703,058	$ 18,428,091	$ 18,612,000
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.06%	23.48%	20.75%
Covered Payroll	$ 38,823,317	$ 36,708,000	$ 35,816,000
Plan OPEB Liability (Asset) as a Percentage of Covered Payroll	43.02%	50.20%	51.97%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to ten years as information becomes available.

Notes to Schedule: None

Changes of Assumptions:
Updated medical trend assumptions were made for measurement date June 30, 2023. The discount rate was updated based on newer capital market assumptions as of measurement date June 30, 2022. ACA excise tax was removed as of measurement date June 30, 2020. The discount rate was changed from 6.75 percent to 6.25 percent for the measurement period ended June 30, 2022.

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Fiscal Year	2024	2023	2022	2021
Actuarially Determined Contribution	$ 1,970,280	$ 1,822,393	$ 2,024,144	$ 1,975,728
Contribution in Relation to the Actuarially Determined Contributions	(1,970,280)	(1,822,393)	(2,024,144)	(1,975,728)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 43,856,027	$ 40,375,037	$ 37,783,818	$ 37,142,464
Contributions as a Percentage of Covered Payroll	4.49%	4.51%	5.36%	5.32%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to ten years as information becomes available.

Methods and Assumptions Used to Determine 2024 Contribution Rates:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method	Level percent of payroll
Amortization Valuation Period	15-year average remaining fixed period for 2023/24
Assets Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25%
Inflation	2.50%
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

Preliminary Draft

CITY OF REDONDO BEACH
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

Fiscal Year	2020	2019	2018
Actuarially Determined Contribution	$ 2,214,831	$ 2,217,998	$ 1,802,000
Contribution in Relation to the Actuarially Determined Contributions	(2,214,831)	(2,217,998)	(705,000)
Contribution Deficiency (Excess)	$ -	$ -	$ 1,097,000
Covered Payroll	$ 32,202,693	$ 38,823,317	$ 36,708,000
Contributions as a Percentage of Covered Payroll	6.88%	5.71%	1.92%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to ten years as information becomes available.

Preliminary Draft

CITY OF REDONDO BEACH
MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
YEAR ENDED JUNE 30, 2024

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. GASB Statement No. 34 defines infrastructure assets as "long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets..." Major infrastructure systems include the street system, storm water system, sewer system, and traffic control system. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, etc. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its Streets Pavement System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) condition assessments which summarize results using a measurement scale; and (3) estimated annual amounts budgeted to maintain and preserve an established condition assessment level.

- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City commissioned a physical assessment of the street conditions as of June 30, 2020. The study assisted the City by providing inspection data used to evaluate pavement condition. This helped to establish a City-defined target level of pavement performance, while optimizing the expenditure of limited fiscal resources. The entire pavement network within the City is composed of approximately 125 centerline miles of paved surfaces. The City's street system can be grouped by function class as follows: 22 centerline miles of arterial, 5 centerline miles of collector, and 98 centerline miles of residential.

In May 2020, a physical assessment of all pavement segments was conducted to assess the existing surface condition of each of the individual pavement segments based on the ASTEM D6433-11 standards for Pavement Condition Index (PCI). The PCI method only looks at distresses in the pavement since all of the City streets are structurally adequate and have speed limits less than 45 mph. Evaluating the pavement based on PCI is a widely used standard in the United States, internationally, and commonly used by adjacent cities. This change allows the City to easily compare street conditions with comparable adjacent cities.

Upon completion of the study, the PCI was calculated for each segment in the City's pavement network to reflect the overall pavement condition. Ratings range from 0 to 100. A newly constructed street will have a PCI of 100, while a failed street will have a PCI of 25 or less. The pavement condition is primarily affected by the climate, traffic loads and volumes, construction materials and age. During the year, the comprehensive survey is updated to reflect the pavement's current condition.

Preliminary Draft

CITY OF REDONDO BEACH
MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
YEAR ENDED JUNE 30, 2024

The following conditions were defined:

Condition	Rating
Very Good	70-100
Good	50-69
Poor	25-49
Very Poor	0-24

In line with the Capital Improvement Program and as presented to City Council on January 16, 2018, City policy is to achieve a citywide average rating of 75 PCI, by fiscal year 2027/2028. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at posted speeds.

The condition assessments for the most recent years since implementation are as follows:

Year	PQI Rate	Condition	% of Streets
2021	70 PCI	Very Good	52%
		Good	34%
		Poor	13%
		Very Poor	1%
2022	69 PCI	Very Good	49%
		Good	34%
		Poor	16%
		Very Poor	1%
2023	68 PCI	Very Good	49%
		Good	35%
		Poor	16%
		Very Poor	0%
2024	68 PCI	Very Good	49%
		Good	35%
		Poor	16%
		Very Poor	0%

The City expended $10,751,702 on street improvement projects for the fiscal year ended June 30, 2024. These capital improvements expenditures enhanced the condition of many streets and delayed deterioration on others. The estimated expenditures required to maintain and improve the overall condition of the streets from July 1, 2024 through June 30, 2025 is a minimum of $X,XXX,000.

Preliminary Draft

CITY OF REDONDO BEACH
MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
YEAR ENDED JUNE 30, 2024

A schedule of budget versus actual for the most recent years since implementation, which preserved City streets at the current 68 PCI rating, is presented in the following:

Fiscal Year	Final Budget	Funded by Capital Improvement Project Fund	Funded by Other Funds	Total Expenditures
2015-2016	$ 18,316,725	$ 349,942	$ 2,225,322	$ 2,575,264
2016-2017	18,181,254	426,308	2,176,521	2,602,829
2017-2018	25,410,860	2,277,323	3,029,105	5,306,428
2018-2019	28,101,756	858,836	1,567,341	2,426,177
2019-2020	25,722,992	983,290	5,101,794	6,085,084
2020-2021	25,883,121	1,303,631	3,707,000	5,010,631
2021-2022	35,923,606	1,329,143	2,556,402	3,885,545
2022-2023	40,322,463	2,107,750	12,428,564	14,536,314
2023-2024	41,159,539	1,720,311	9,031,391	10,751,702

Preliminary Draft

CITY OF REDONDO BEACH
MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS
YEAR ENDED JUNE 30, 2024

As of June 30, 2023, 50% of City streets were rated below the targeted average condition level of 75 PCI. However, as noted above, the City is investing in these infrastructure assets as part of the five-year Capital Improvement Program and will continue to rehabilitate and maintain its streets in order to achieve this goal.

Project	Project #	Budget	General Fund Expenditures	Other Fund Expenditures	Total Expenditures
Residential Street Rehabilitation	40190	$ 2,999,885	$ 141,530	$ 223,378	$ 364,908
Citywide Curb Ramp Improvements	40399	385,504	-	148,283	148,283
Traffic Calming Project	40470	1,145,190	81,079	62,425	143,504
Bicycle Trans Plan Implementation	40510	772,469	-	36,619	36,619
Artesia/Aviation NB Rt Turn Lane	40780	1,795,175	-	261,989	261,989
PCH Study Recommendations	40800	2,037,111	-	-	-
Kingsdale Resurfacing- 182nd/Grant Ave	40880	1,921,047	-	60,747	60,747
Bike Plan Grant - Beryl St. Bike Lanes	40940	136,829	-	-	-
Bike Plan Grant - N Catalina Bikelane	40941	414,370	-	-	-
Bike Plan Grant - S Catalina/I Bikelane	40942	44,640	-	-	-
Bike Plan Grant - Lilienthal Bikelane	40943	282,525	-	-	-
Bike Plan Grant - Torrance Blvd Bike Lane	40944	215,790	-	-	-
Bike Plan Grant - Citywide Bike Facilities	40945	853,340	-	-	-
Inglewood at MBB Rt Turn Lane Feasibility	40960	2,736,911	-	153,945	153,945
Torrance Blvd & Francisca Traffic Signal Mod	41070	4,272	-	1,797	1,797
Artesia Blvd Improvements - Phase 1	41080	169,943	10,085	-	10,085
Grant Ave Signal Improvements	41090	970,076	262,471	216,441	478,912
Median Reno - PV Blvd/Prospect/MBB	41110	209,825	-	-	-
Beryl Resurfacing & Drainage - Prospect to Flag	41130	1,685	-	214	214
Citywide Slurry Seal Program	41140	1,608,962	385,601	339,520	725,121
Kingsdale Avenue Widening	41150	1,010,560	-	214,063	214,063
Manhattan Beach Boulevard Resurfacing	41160	4,333,451	-	970,363	970,363
Citywide Striping	41180	662,855	-	159,561	159,561
Artesia Blvd Resurfacing - Harper to Hawthorne	41190	360,000	-	-	-
Citywide Traffic Signal Upgrades	41200	296,239	-	87,224	87,224
Torrance Blvd Resurfacing - PCH to Prospect	41230	2,278,962	-	1,933,288	1,933,288
Anita/Herondo & PCH WB RT Turn Lane	41240	2,500,000	-	176,328	176,328
NRB Bikeway Ext - Felton to Inglewood	41250	1,000,000	-	723	723
NRB Bikeway Ext - Inglewood Design	41260	1,735,000	-	1,492,155	1,492,155
Sidewalk Improvements & Repairs	41270	443,599	346,441	-	346,441
Traffic Signal Comm & Network System	41280	4,628,641	-	2,408,911	2,408,911
Dow/Vail/Johnston Bicylce Implementaiton Plan	41290	143,500	-	-	-
Residential Street Reconstruction-Deferred Maintenance	41300	750,000	-	-	-
Riviera Village Sidewalk Pavers	41310	535,680	26,592	-	26,592
Artesia Intesection Safety Implementation	41330	380,825	-	83,417	83,417
Grant Ave Bulb-outs	41340	375,000	375,000	-	375,000
Grant Ave Flash Crosswalks	41350	75,000	75,000	-	75,000
Alleyway Resurfacing with PCI<25	41370	565,000	-	-	-
Avenue I Resurfacing	41380	68,206	16,512	-	16,512
Pave Emerald Between Juanita to Lucia	41410	311,472	-	-	-
Total		$ 41,159,539	$ 1,720,311	$ 9,031,391	$ 10,751,702

Preliminary Draft

SUPPLEMENTARY INFORMATION

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds			
	State Gas Tax	Parks and Recreation Facilities	Narcotic Seizure / Forfeiture	Proposition A
ASSETS				
Pooled Cash and Investments	$ 4,339,967	$ 126,843	$ 88,889	$ 2,395,331
Receivables:				
Accounts	2,608	-	-	-
Taxes	163,847	-	-	-
Accrued Interest	20,289	-	646	18,082
Notes and Loans	-	-	-	-
Leases	-	-	-	-
Due from Other Governments	315,909	-	22,222	-
Due from Other Funds	-	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	$ 4,842,620	$ 126,843	$ 111,757	$ 2,413,413
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 499,548	$ -	$ 13,229	$ -
Due to Other Funds	-	-	-	-
Total Liabilities	499,548	-	13,229	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Deferred Leases Related Items	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Housing and Community Development	-	126,843	-	2,413,413
Public Safety	-	-	98,528	-
Public Works	4,343,072	-	-	-
Debt Service	-	-	-	-
Low and Moderate Income Housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	4,343,072	126,843	98,528	2,413,413
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,842,620	$ 126,843	$ 111,757	$ 2,413,413

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds			
	Proposition C	Measure R	Local Transportation Article 3	Air Quality Improvement
ASSETS				
Pooled Cash and Investments	$ 4,109,221	$ 2,346,190	$ -	$ 316,587
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Accrued Interest	22,219	2,704	-	1,495
Notes and Loans	-	-	-	-
Leases	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	$ 4,131,440	$ 2,348,894	$ -	$ 318,082
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 360,703	$ 89,149	$ -	$ 912
Due to Other Funds	-	-	73,332	-
Total Liabilities	360,703	89,149	73,332	912
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Deferred Leases Related Items	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Housing and Community Development	3,770,737	2,259,745	-	317,170
Public Safety	-	-	-	-
Public Works	-	-	-	-
Debt Service	-	-	-	-
Low and Moderate Income Housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	(73,332)	-
Total Fund Balances	3,770,737	2,259,745	(73,332)	317,170
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,131,440	$ 2,348,894	$ -	$ 318,082

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds			
	Storm Drain Improvement	Street Landscaping and Lighting District	Community Development Block Grant	Disaster Recovery
ASSETS				
Pooled Cash and Investments	$ 269,070	$ 206,250	$ 16,848	$ 324,605
Receivables:				
Accounts	-	-	-	-
Taxes	-	26,048	-	-
Accrued Interest	-	-	-	-
Notes and Loans	-	-	311,227	-
Leases	-	-	-	-
Due from Other Governments	-	-	23,559	-
Due from Other Funds	-	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	$ 269,070	$ 232,298	$ 351,634	$ 324,605
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ 232,298	$ 37,301	$ -
Due to Other Funds	-	-	25,528	-
Total Liabilities	-	232,298	62,829	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	311,230	-
Deferred Leases Related Items	-	-	-	-
Total Deferred Inflows of Resources	-	-	311,230	-
FUND BALANCES				
Restricted for:				
Housing and Community Development	-	-	-	-
Public Safety	-	-	-	324,605
Public Works	269,070	-	-	-
Debt Service	-	-	-	-
Low and Moderate Income Housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	(22,425)	-
Total Fund Balances	269,070	-	(22,425)	324,605
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 269,070	$ 232,298	$ 351,634	$ 324,605

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds			
	Housing Authority	Subdivision Park Trust	Measure M	Measure W
ASSETS				
Pooled Cash and Investments	$ 2,966,743	$ 3,695,241	$ 2,818,424	$ 731,754
Receivables:				
Accounts	-	150	-	-
Taxes	-	-	-	-
Accrued Interest	-	-	13,379	3,625
Notes and Loans	-	-	-	-
Leases	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	-	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	$ 2,966,743	$ 3,695,391	$ 2,831,803	$ 735,379
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ 387,563	$ 251,630	$ 116,963
Due to Other Funds	1,726,139	-	-	-
Total Liabilities	1,726,139	387,563	251,630	116,963
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Deferred Leases Related Items	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Housing and Community Development	-	3,307,828	-	-
Public Safety	-	-	-	-
Public Works	-	-	2,580,173	618,416
Debt Service	-	-	-	-
Low and Moderate Income Housing	1,240,604	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,240,604	3,307,828	2,580,173	618,416
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,966,743	$ 3,695,391	$ 2,831,803	$ 735,379

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Capital Projects Funds			
	Capital Improvement Projects	Pier Parking Structure Rehabilitation	Major Facilities Reconstruction	Open Space Acquisition
ASSETS				
Pooled Cash and Investments	$ 4,909,739	$ 831	$ 365,565	$ 1,225,751
Receivables:				
Accounts	117,643	-	-	-
Taxes	-	-	-	-
Accrued Interest	-	-	-	-
Notes and Loans	-	-	-	-
Leases	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Other Funds	4,677,893	-	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	-
Total Assets	$ 9,705,275	$ 831	$ 365,565	$ 1,225,751
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 161,890	$ -	$ 16,588	$ -
Due to Other Funds	-	-	-	-
Total Liabilities	161,890	-	16,588	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Deferred Leases Related Items	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Restricted for:				
Housing and Community Development	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Debt Service	-	-	-	-
Low and Moderate Income Housing	-	-	-	-
Assigned to:				
Capital Projects	9,543,385	831	348,977	1,225,751
Unassigned	-	-	-	-
Total Fund Balances	9,543,385	831	348,977	1,225,751
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 9,705,275	$ 831	$ 365,565	$ 1,225,751

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Debt Service Funds		
	Public Financing Authority	Parking Authority	Total Other Governmental Funds
ASSETS			
Pooled Cash and Investments	$ 4,580,152	$ 6,442	$ 35,840,443
Receivables:			
Accounts	5,362	-	125,763
Taxes	-	-	189,895
Accrued Interest	2,117	61	84,617
Notes and Loans	-	-	311,227
Leases	1,027,142	-	1,027,142
Due from Other Governments	5,374,988	-	5,736,678
Due from Other Funds	544,986	-	5,222,879
Restricted Assets:			
Cash and Investments with Fiscal Agents	55,246	-	55,246
Total Assets	$ 11,589,993	$ 6,503	$ 48,593,890
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ 22,385	$ -	$ 2,190,159
Due to Other Funds	4,962,371	-	6,787,370
Total Liabilities	4,984,756	-	8,977,529
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	-	311,230
Deferred Leases Related Items	1,003,403	-	1,003,403
Total Deferred Inflows of Resources	1,003,403	-	1,314,633
FUND BALANCES			
Restricted for:			
Housing and Community Development	-	-	12,195,736
Public Safety	-	-	423,133
Public Works	-	-	7,810,731
Debt Service	5,601,834	6,503	5,608,337
Low and Moderate Income Housing	-	-	1,240,604
Assigned to:			
Capital Projects	-	-	11,118,944
Unassigned	-	-	(95,757)
Total Fund Balances	5,601,834	6,503	38,301,728
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,589,993	$ 6,503	$ 48,593,890

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	State Gas Tax	Parks and Recreation Facilities	Narcotic Seizure / Forfeiture	Proposition A
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	3,709,045	-	-	1,828,888
Charges for Services	-	27,200	-	-
Use of Money and Property	95,619	-	15,463	83,568
Fines and Forfeitures	-	-	72,107	-
Miscellaneous	17,825	-	-	-
Total Revenues	3,822,489	27,200	87,570	1,912,456
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	147,004	-
Housing and Community Development	-	-	-	-
Cultural and Leisure Services	-	-	-	-
Public Works	1,462,195	-	-	-
Capital Outlay	744,356	-	-	-
Debt Service:				
Principal Retirement	-	-	23,144	-
Interest and Fiscal Charges	-	-	2,211	-
Total Expenditures	2,206,551	-	172,359	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,615,938	27,200	(84,789)	1,912,456
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(2,140,580)
Subscription Financing	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(2,140,580)
NET CHANGE IN FUND BALANCES	1,615,938	27,200	(84,789)	(228,124)
Fund Balances (Deficit) - Beginning of Year	2,727,134	99,643	183,317	2,641,537
FUND BALANCES (Deficit) - END OF YEAR	$ 4,343,072	$ 126,843	$ 98,528	$ 2,413,413

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Proposition C	Measure R	Local Transportation Article 3	Air Quality Improvement
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	1,517,020	1,137,409	-	74,129
Charges for Services	-	-	-	-
Use of Money and Property	159,870	64,920	-	9,625
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,676,890	1,202,329	-	83,754
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Housing and Community Development	-	-	-	48,071
Cultural and Leisure Services	-	-	-	-
Public Works	-	-	-	-
Capital Outlay	1,634,624	737,104	72,425	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	1,634,624	737,104	72,425	48,071
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	42,266	465,225	(72,425)	35,683
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Subscription Financing	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	42,266	465,225	(72,425)	35,683
Fund Balances (Deficit) - Beginning of Year	3,728,471	1,794,520	(907)	281,487
FUND BALANCES (Deficit) - END OF YEAR	$ 3,770,737	$ 2,259,745	$ (73,332)	$ 317,170

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Storm Drain Improvement	Street Landscaping and Lighting District	Community Development Block Grant	Disaster Recovery
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	358,820	-
Charges for Services	34,655	1,503,280	27,000	10
Use of Money and Property	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	3,000	-	19,788
Total Revenues	34,655	1,506,280	385,820	19,798
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	7,511
Housing and Community Development	-	-	106,014	-
Cultural and Leisure Services	-	-	-	-
Public Works	-	2,548,429	-	-
Capital Outlay	-	-	275,178	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	2,548,429	381,192	7,511
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	34,655	(1,042,149)	4,628	12,287
OTHER FINANCING SOURCES (USES)				
Transfers In	-	928,829	-	-
Transfers Out	-	-	-	-
Subscription Financing	-	-	-	-
Total Other Financing Sources (Uses)	-	928,829	-	-
NET CHANGE IN FUND BALANCES	34,655	(113,320)	4,628	12,287
Fund Balances (Deficit) - Beginning of Year	234,415	113,320	(27,053)	312,318
FUND BALANCES (Deficit) - END OF YEAR	$ 269,070	$ -	$ (22,425)	$ 324,605

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Housing Authority	Subdivision Park Trust	Measure M	Measure W
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	8,822,762	-	1,284,377	715,856
Charges for Services	-	-	-	-
Use of Money and Property	76,866	-	92,047	27,079
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	700,150	-	-
Total Revenues	8,899,628	700,150	1,376,424	742,935
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Housing and Community Development	9,015,825	-	-	-
Cultural and Leisure Services	-	-	-	-
Public Works	-	-	-	209,105
Capital Outlay	-	1,139,884	905,902	751,017
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	9,015,825	1,139,884	905,902	960,122
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(116,197)	(439,734)	470,522	(217,187)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Subscription Financing	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	(116,197)	(439,734)	470,522	(217,187)
Fund Balances (Deficit) - Beginning of Year	1,356,801	3,747,562	2,109,651	835,603
FUND BALANCES (Deficit) - END OF YEAR	$ 1,240,604	$ 3,307,828	$ 2,580,173	$ 618,416

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CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Capital Projects Funds			
	Capital Improvement Projects	Pier Parking Structure Rehabilitation	Major Facilities Reconstruction	Open Space Acquisition
REVENUES				
Taxes	$ 143,274	$ -	$ -	$ -
Intergovernmental	811,366	-	-	-
Charges for Services	332,421	-	-	-
Use of Money and Property	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	156,324
Total Revenues	1,287,061	-	-	156,324
EXPENDITURES				
Current:				
General Government	-	-	-	3,937
Public Safety	-	-	-	-
Housing and Community Development	-	-	-	-
Cultural and Leisure Services	-	-	-	-
Public Works	149,654	-	-	-
Capital Outlay	2,702,584	-	285,017	143,757
Debt Service:				
Principal Retirement	10,500	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	2,862,738	-	285,017	147,694
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,575,677)	-	(285,017)	8,630
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Subscription Financing	10,500	-	-	-
Total Other Financing Sources (Uses)	10,500	-	-	-
NET CHANGE IN FUND BALANCES	(1,565,177)	-	(285,017)	8,630
Fund Balances (Deficit) - Beginning of Year	11,108,562	831	633,994	1,217,121
FUND BALANCES (Deficit) - END OF YEAR	$ 9,543,385	$ 831	$ 348,977	$ 1,225,751

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Debt Service Funds		
	Public Financing Authority	Parking Authority	Total Other Governmental Funds
REVENUES			
Taxes	$ -	$ -	$ 143,274
Intergovernmental	-	-	20,259,672
Charges for Services	-	-	1,924,566
Use of Money and Property	558,451	316	1,183,824
Fines and Forfeitures	-	-	72,107
Miscellaneous	-	-	897,087
Total Revenues	558,451	316	24,480,530
EXPENDITURES			
Current:			
General Government	-	-	3,937
Public Safety	-	-	154,515
Housing and Community Development	295,562	-	9,465,472
Cultural and Leisure Services	-	-	-
Public Works	-	-	4,369,383
Capital Outlay	-	-	9,391,848
Debt Service:			
Principal Retirement	7,194,296	-	7,227,940
Interest and Fiscal Charges	5,880,968	-	5,883,179
Total Expenditures	13,370,826	-	36,496,274
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,812,375)	316	(12,015,744)
OTHER FINANCING SOURCES (USES)			
Transfers In	13,856,375	-	14,785,204
Transfers Out	(811,366)	-	(2,951,946)
Subscription Financing	-	-	10,500
Total Other Financing Sources (Uses)	13,045,009	-	11,843,758
NET CHANGE IN FUND BALANCES	232,634	316	(171,986)
Fund Balances (Deficit) - Beginning of Year	5,369,200	6,187	38,473,714
FUND BALANCES (Deficit) - END OF YEAR	$ 5,601,834	$ 6,503	$ 38,301,728

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 2,727,134	$ 2,727,134	$ 2,727,134	$ -
Resources (Inflows):				
Intergovernmental	3,720,671	3,720,671	3,709,045	(11,626)
Use of Money and Property	20,000	20,000	95,619	75,619
Miscellaneous	6,000	6,000	17,825	11,825
Transfers In	-	-	-	-
Amounts Available for Appropriations	6,473,805	6,473,805	6,549,623	75,818
Charges to Appropriation (Outflow):				
Public Works	1,437,396	1,437,396	1,462,195	(24,799)
Capital Outlay	1,650,000	1,650,000	744,356	905,644
Total Charges to Appropriations	3,087,396	3,087,396	2,206,551	880,845
Budgetary Fund Balance - End of Year	$ 3,386,409	$ 3,386,409	$ 4,343,072	$ 956,663

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FACILITIES
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 99,643	$ 99,643	$ 99,643	$ -
Resources (Inflows):				
Charges for Services	31,500	31,500	27,200	(4,300)
Amounts Available for Appropriations	131,143	131,143	126,843	(4,300)
Charges to Appropriation (Outflow):				
Capital Outlay	23,000	123,000	-	123,000
Total Charges to Appropriations	23,000	123,000	-	123,000
Budgetary Fund Balance - End of Year	$ 108,143	$ 8,143	$ 126,843	$ 118,700

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
NARCOTIC SEIZURE / FORFEITURE
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 183,317	$ 183,317	$ 183,317	$ -
Resources (Inflows):				
Use of Money and Property	10,000	10,000	15,463	5,463
Fines and Forfeitures	20,000	20,000	72,107	52,107
Transfers In	-	5,742	-	(5,742)
Amounts Available for Appropriations	213,317	219,059	270,887	51,828
Charges to Appropriation (Outflow):				
Public Safety	158,699	234,182	147,004	87,178
Capital Outlay	-	563	-	563
Debt Service:				
Principal Retirement	-	-	23,144	(23,144)
Interest and Fiscal Charges	-	-	2,211	(2,211)
Total Charges to Appropriations	158,699	234,745	172,359	62,386
Budgetary Fund Balance - End of Year	$ 54,618	$ (15,686)	$ 98,528	$ 114,214

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 2,641,537	$ 2,641,537	$ 2,641,537	$ -
Resources (Inflows):				
Intergovernmental	1,993,365	1,993,365	1,828,888	(164,477)
Use of Money and Property	30,000	30,000	83,568	53,568
Amounts Available for Appropriations	4,664,902	4,664,902	4,553,993	(110,909)
Charges to Appropriation (Outflow):				
Capital Outlay	-	75,000	-	75,000
Transfers Out	-	1,331,582	2,140,580	(808,998)
Total Charges to Appropriations	-	1,406,582	2,140,580	(733,998)
Budgetary Fund Balance - End of Year	$ 4,664,902	$ 3,258,320	$ 2,413,413	$ (844,907)

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 3,728,471	$ 3,728,471	$ 3,728,471	$ -
Resources (Inflows):				
Intergovernmental	1,653,444	1,653,444	1,517,020	(136,424)
Use of Money and Property	120,000	120,000	159,870	39,870
Amounts Available for Appropriations	5,501,915	5,501,915	5,405,361	(96,554)
Charges to Appropriation (Outflow):				
Cultural and Leisure Services	566	-	-	-
Public Works	2,825	-	-	-
Capital Outlay	1,680,000	5,404,996	1,634,624	3,770,372
Total Charges to Appropriations	1,683,391	5,404,996	1,634,624	3,770,372
Budgetary Fund Balance - End of Year	$ 3,818,524	$ 96,919	$ 3,770,737	$ 3,673,818

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 1,794,520	$ 1,794,520	$ 1,794,520	$ -
Resources (Inflows):				
Intergovernmental	1,240,083	1,240,083	1,137,409	(102,674)
Use of Money and Property	15,000	54,814	64,920	10,106
Amounts Available for Appropriations	3,049,603	3,089,417	2,996,849	(92,568)
Charges to Appropriation (Outflow):				
Cultural and Leisure Services	562	-	-	-
Public Works	2,144	-	-	-
Capital Outlay	1,285,000	2,877,848	737,104	2,140,744
Total Charges to Appropriations	1,287,706	2,877,848	737,104	2,140,744
Budgetary Fund Balance - End of Year	$ 1,761,897	$ 211,569	$ 2,259,745	$ 2,048,176

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
LOCAL TRANSPORTATION ARTICLE 3
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Deficit - Beginning of Year	$ (907)	$ (907)	$ (907)	$ -
Resources (Inflows):				
Intergovernmental	80,698	-	-	-
Amounts Available for Appropriations	79,791	(907)	(907)	-
Charges to Appropriation (Outflow):				
Capital Outlay	80,698	145,541	72,425	73,116
Total Charges to Appropriations	80,698	145,541	72,425	73,116
Budgetary Fund Deficit - End of Year	$ (907)	$ (146,448)	$ (73,332)	$ 73,116

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 281,487	$ 281,487	$ 281,487	$ -
Resources (Inflows):				
Intergovernmental	88,000	88,000	74,129	(13,871)
Use of Money and Property	2,000	2,000	9,625	7,625
Transfers In	-	45	-	(45)
Amounts Available for Appropriations	371,487	371,532	365,241	(6,291)
Charges to Appropriation (Outflow):				
Housing and Community Development	117,510	120,692	48,071	72,621
Capital Outlay	150,000	194,355	-	194,355
Debt Service:				
Principal Retirement	1,919	1,919	-	1,919
Interest and Fiscal Charges	1,420	1,420	-	1,420
Total Charges to Appropriations	270,849	318,386	48,071	270,315
Budgetary Fund Balance - End of Year	$ 100,638	$ 53,146	$ 317,170	$ 264,024

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
STORM DRAIN IMPROVEMENT
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 234,415	$ 234,415	$ 234,415	$ -
Resources (Inflows):				
Charges for Services	30,000	36,000	34,655	(1,345)
Amounts Available for Appropriations	264,415	270,415	269,070	(1,345)
Charges to Appropriation (Outflow):				
Capital Outlay	200,000	228,425	-	228,425
Total Charges to Appropriations	200,000	228,425	-	228,425
Budgetary Fund Balance - End of Year	$ 64,415	$ 41,990	$ 269,070	$ 227,080

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
STREET LANDSCAPING AND LIGHTING DISTRICT
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 113,320	$ 113,320	$ 113,320	$ -
Resources (Inflows):				
Charges for Services	1,523,600	1,523,600	1,503,280	(20,320)
Miscellaneous	7,000	7,000	3,000	(4,000)
Transfers In	-	950,759	928,829	(21,930)
Amounts Available for Appropriations	1,643,920	2,594,679	2,548,429	(46,250)
Charges to Appropriation (Outflow):				
Public Works	2,351,660	2,527,908	2,548,429	(20,521)
Debt Service:				
Principal Retirement	56,005	56,005	-	56,005
Interest and Fiscal Charges	41,445	41,445	-	41,445
Total Charges to Appropriations	2,449,110	2,625,358	2,548,429	76,929
Budgetary Fund Balance - End of Year	$ (805,190)	$ (30,679)	$ -	$ 30,679

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Deficit - Beginning of Year	$ (27,053)	$ (27,053)	$ (27,053)	$ -
Resources (Inflows):				
Intergovernmental	285,916	338,096	358,820	20,724
Charges for Services	-	-	27,000	27,000
Amounts Available for Appropriations	258,863	311,043	358,767	47,724
Charges to Appropriation (Outflow):				
Housing and Community Development	140,071	183,282	106,014	77,268
Capital Outlay	131,920	472,227	275,178	197,049
Total Charges to Appropriations	271,991	655,509	381,192	274,317
Budgetary Fund Deficit - End of Year	$ (13,128)	$ (344,466)	$ (22,425)	$ 322,041

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
DISASTER RECOVERY
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 312,318	$ 312,318	$ 312,318	$ -
Resources (Inflows):				
Charges for Services	1,000	-	10	10
Miscellaneous	50,000	19,788	19,788	-
Amounts Available for Appropriations	363,318	332,106	332,116	10
Charges to Appropriation (Outflow):				
Public Safety	24,439	17,060	7,511	9,549
Total Charges to Appropriations	24,439	17,060	7,511	9,549
Budgetary Fund Balance - End of Year	$ 338,879	$ 315,046	$ 324,605	$ 9,559

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 1,356,801	$ 1,356,801	$ 1,356,801	$ -
Resources (Inflows):				
Intergovernmental	7,845,801	7,845,801	8,822,762	976,961
Use of Money and Property	-	-	76,866	76,866
Transfers In	-	298	-	(298)
Amounts Available for Appropriations	9,202,602	9,202,900	10,256,429	1,053,529
Charges to Appropriation (Outflow):				
Housing and Community Development	7,702,744	7,702,744	9,015,825	(1,313,081)
Total Charges to Appropriations	7,702,744	7,702,744	9,015,825	(1,313,081)
Budgetary Fund Balance - End of Year	$ 1,499,858	$ 1,500,156	$ 1,240,604	$ (259,552)

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
SUBDIVISION PARK TRUST
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 3,747,562	$ 3,747,562	$ 3,747,562	$ -
Resources (Inflows):				
Miscellaneous	350,000	750,000	700,150	(49,850)
Amounts Available for Appropriations	4,097,562	4,497,562	4,447,712	(49,850)
Charges to Appropriation (Outflow):				
Capital Outlay	1,963,101	3,324,367	1,139,884	2,184,483
Total Charges to Appropriations	1,963,101	3,324,367	1,139,884	2,184,483
Budgetary Fund Balance - End of Year	$ 2,134,461	$ 1,173,195	$ 3,307,828	$ 2,134,633

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
MEASURE M
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 2,109,651	$ 2,109,651	$ 2,109,651	$ -
Resources (Inflows):				
Intergovernmental	1,405,427	1,405,427	1,284,377	(121,050)
Use of Money and Property	30,000	30,000	92,047	62,047
Amounts Available for Appropriations	3,545,078	3,545,078	3,486,075	(59,003)
Charges to Appropriation (Outflow):				
Capital Outlay	1,450,000	3,361,336	905,902	2,455,434
Total Charges to Appropriations	1,450,000	3,361,336	905,902	2,455,434
Budgetary Fund Balance - End of Year	$ 2,095,078	$ 183,742	$ 2,580,173	$ 2,396,431

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
MEASURE W
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 835,603	$ 835,603	$ 835,603	$ -
Resources (Inflows):				
Intergovernmental	720,000	720,000	715,856	(4,144)
Use of Money and Property	-	-	27,079	27,079
Transfers In	-	5,284	-	(5,284)
Amounts Available for Appropriations	1,555,603	1,555,603	1,578,538	(4,144)
Charges to Appropriation (Outflow):				
Public Works	203,272	247,296	209,105	38,191
Capital Outlay	520,000	1,911,543	751,017	1,160,526
Debt Service:				
Principal Retirement	6,618	6,618	-	6,618
Interest and Fiscal Charges	4,897	4,897	-	4,897
Total Charges to Appropriations	734,787	2,170,354	960,122	1,210,232
Budgetary Fund Balance - End of Year	$ 820,816	$ (614,751)	$ 618,416	$ 1,206,088

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT PROJECTS
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 11,108,562	$ 11,108,562	$ 11,108,562	$ -
Resources (Inflows):				
Taxes	180,000	180,000	143,274	(36,726)
Intergovernmental	-	1,697,937	811,366	(886,571)
Charges for Services	332,421	332,421	332,421	-
Miscellaneous	-	-	-	-
Subscription Financing	-	-	10,500	(10,500)
Amounts Available for Appropriations	11,620,983	13,318,920	12,406,123	(933,797)
Charges to Appropriation (Outflow):				
Public Works	170,930	145,556	149,654	(4,098)
Capital Outlay	2,203,334	11,380,091	2,702,584	8,677,507
Debt Service:				
Principal Retirement	13,085	13,085	10,500	2,585
Interest and Fiscal Charges	9,683	9,683	-	9,683
Total Charges to Appropriations	2,397,032	11,548,415	2,862,738	8,685,677
Budgetary Fund Balance - End of Year	$ 9,223,951	$ 1,770,505	$ 9,543,385	$ 7,751,880

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
MAJOR FACILITIES RECONSTRUCTION
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 633,994	$ 633,994	$ 633,994	$ -
Resources (Inflows):				
Transfers In	-	156,324	-	(156,324)
Amounts Available for Appropriations	633,994	790,318	633,994	(156,324)
Charges to Appropriation (Outflow):				
Capital Outlay	500,000	1,113,280	285,017	828,263
Total Charges to Appropriations	500,000	1,113,280	285,017	828,263
Budgetary Fund Balance - End of Year	$ 133,994	$ (322,962)	$ 348,977	$ 671,939

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
OPEN SPACE ACQUISITION
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 1,217,121	$ 1,217,121	$ 1,217,121	$ -
Resources (Inflows):				
Miscellaneous	-	-	156,324	156,324
Amounts Available for Appropriations	1,217,121	1,217,121	1,373,445	156,324
Charges to Appropriation (Outflow):				
General Government	-	-	3,937	(3,937)
Capital Outlay	-	593,972	143,757	450,215
Total Charges to Appropriations	-	593,972	147,694	446,278
Budgetary Fund Balance - End of Year	$ 1,217,121	$ 623,149	$ 1,225,751	$ 602,602

Preliminary Draft

CITY OF REDONDO BEACH
BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance - Beginning of Year	$ 5,369,200	$ 5,369,200	$ 5,369,200	$ -
Resources (Inflows):				
Use of Money and Property	13,376,289	13,376,289	558,451	(12,817,838)
Transfers In	-	2,463,119	13,856,375	11,393,256
Amounts Available for Appropriations	18,745,489	21,208,608	19,784,026	(1,424,582)
Charges to Appropriation (Outflow):				
Housing and Community Development	273,975	273,975	295,562	(21,587)
Debt Service:				
Principal Retirement	8,115,000	8,115,000	7,194,296	920,704
Interest and Fiscal Charges	6,638,052	6,638,052	5,880,968	757,084
Transfers Out	-	812,381	811,366	(1,015)
Total Charges to Appropriations	15,027,027	15,027,027	14,182,192	1,656,201
Budgetary Fund Balance - End of Year	$ 3,718,462	$ 6,181,581	$ 5,601,834	$ 231,619

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Solid Waste	Transit	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 2,223,530	$ 1,162,111	$ 3,385,641
Receivables:			
Accounts	317,918	31,984	349,902
Taxes	100,750	-	100,750
Due from Other Governments	-	82,675	82,675
Due from Other Funds	-	-	-
Restricted Assets:			
Cash with Fiscal Agents	-	63	63
Total Current Assets	2,642,198	1,276,833	3,919,031
Noncurrent:			
Capital Assets - Net of Accumulated Depreciation/Amortizatio	36,924	1,767,374	1,804,298
Total Noncurrent Assets	36,924	1,767,374	1,804,298
Total Assets	2,679,122	3,044,207	5,723,329
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Items	390,316	270,564	660,880
Deferred OPEB Related Items	35,856	28,354	64,210
Total Deferred Outflows of Resources	426,172	298,918	725,090
LIABILITIES			
Current Liabilities:			
Accounts Payable	81,125	664,074	745,199
Accrued Interest	5,110	4,471	9,581
Unearned Revenues	42,218	1,025	43,243
Due to Other Funds	-	922,643	922,643
Due to Other Governments	-	266,467	266,467
Accrued Compensated Absences	12,742	18,366	31,108
Long-Term Obligations - Due in One Year	42,644	37,314	79,958
Total Current Liabilities	183,839	1,914,360	2,098,199
Noncurrent Liabilities:			
Accrued Compensated Absences	38,222	55,090	93,312
Long-Term Debt - Due in More than One Year	1,139,460	997,028	2,136,488
Net Pension Liability	249,611	173,029	422,640
Net OPEB Liability	111,565	88,223	199,788
Total Noncurrent Liabilities	1,538,858	1,313,370	2,852,228
Total Liabilities	1,722,697	3,227,730	4,950,427
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Items	25,588	17,737	43,325
Deferred OPEB Related Items	29,840	23,596	53,436
Total Deferred Inflows of Resources	55,428	41,333	96,761
NET POSITION			
Net Investment in Capital Assets	25,224	1,767,374	1,792,598
Unrestricted	1,301,945	(1,693,312)	(391,367)
Total Net Position	$ 1,327,169	$ 74,062	$ 1,401,231

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Solid Waste	Transit	Totals
OPERATING REVENUES			
Sales and Service Charges	$ 6,824,240	$ 216,864	$ 7,041,104
Miscellaneous	166,532	243	166,775
Total Operating Revenues	6,990,772	217,107	7,207,879
OPERATING EXPENSES			
Administrative and General	41,246	537,201	578,447
Personnel Services	818,083	825,316	1,643,399
Contractual Services	5,416,740	3,904,196	9,320,936
Internal Service Charges	323,454	415,051	738,505
Depreciation Expense	2,084	258,540	260,624
Total Operating Expenses	6,601,607	5,940,304	12,541,911
OPERATING INCOME (LOSS)	389,165	(5,723,197)	(5,334,032)
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	27,206	3,343,088	3,370,294
Interest Expense	(30,909)	(26,957)	(57,866)
Total Nonperating Revenues (Expenses)	(3,703)	3,316,131	3,312,428
INCOME (LOSS) BEFORE TRANSFERS	385,462	(2,407,066)	(2,021,604)
Transfers In	73,192	2,204,623	2,277,815
Transfers Out	(73,192)	(64,043)	(137,235)
CHANGES IN NET POSITION	385,462	(266,486)	118,976
Net Position - Beginning of year	941,707	340,548	1,282,255
NET POSITION - END OF YEAR	1,327,169	74,062	1,401,231

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Solid Waste	Transit	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	$ 6,995,332	$ 186,504	$ 7,181,836
Cash Paid to Suppliers for Goods and Services	(6,061,241)	(4,792,180)	(10,853,421)
Cash Paid to Employees for Services	(809,542)	(855,099)	(1,664,641)
Net Cash Provided (Used) by Operating Activities	124,549	(5,460,775)	(5,336,226)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Transfers Out	(73,192)	(64,043)	(137,235)
Cash Transfers In	73,192	2,204,623	2,277,815
Payments Made to Other Funds	-	-	-
Principal Paid on Noncapital Debt Issues	(42,336)	(37,044)	(79,380)
Interest Paid on Noncapital Debt	(30,886)	(26,936)	(57,822)
Grant Subsidies	27,206	5,005,329	5,032,535
Net Cash Provided (Used) by Noncapital Financing Activities	(46,016)	7,081,929	7,035,913
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(23,569)	(615,740)	(639,309)
Net Cash Used by Capital and Related Financing Activities	(23,569)	(615,740)	(639,309)
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,964	1,005,414	1,060,378
Cash and Cash Equivalents - Beginning of Year	2,168,566	156,760	2,325,326
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,223,530	$ 1,162,174	$ 3,385,704
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 389,165	$ (5,723,197)	$ (5,334,032)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	2,084	258,540	260,624
(Increase) Decrease In:			
Accounts Receivable	5,676	(30,603)	(24,927)
Taxes Receivable	(1,116)	-	(1,116)
Deferred Outflow Pension Related Items	80,117	108,226	188,343
Deferred Outflow OPEB Related Items	(2,741)	219	(2,522)
Increase (Decrease) In:			
Accounts Payable	(365,623)	(9,029)	(374,652)
Unearned Revenue	-	(469)	(469)
Net Pension Liability	51,182	13,255	64,437
Net OPEB Liability	2,250	(6,099)	(3,849)
Deferred Inflow Pension Related Items	(34,661)	(30,775)	(65,436)
Deferred Inflow OPEB Related Items	(10,325)	(11,060)	(21,385)
Compensated Absences	8,541	(29,783)	(21,242)
Net Cash Provided (Used) by Operating Activities	$ 124,549	$ (5,460,775)	$ (5,336,226)

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 10,884,641	$ 2,568,660	$ 2,050,911
Receivables:			
Accounts	54,454	-	-
Due from Other Funds	-	-	-
Total Current Assets	10,939,095	2,568,660	2,050,911
Noncurrent:			
Capital Assets - Net of Accumulated Depreciation/Amortization	6,881,730	115,183	1,827,061
Total Noncurrent Assets	6,881,730	115,183	1,827,061
Total Assets	17,820,825	2,683,843	3,877,972
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Related Items	245,707	596,345	563,441
Deferred OPEB Related Items	26,715	61,286	47,150
Total Deferred Outflows of Resources	272,422	657,631	610,591
LIABILITIES			
Current Liabilities:			
Accounts Payable	174,661	433,511	301,311
Accrued Interest	7,089	10,585	15,505
Accrued Compensated Absences	10,027	26,227	16,431
Accrued Claims and Judgments	-	-	-
Long-Term Obligations - Due in One Year	77,537	88,334	275,018
Total Current Liabilities	269,314	558,657	608,265
Noncurrent Liabilities:			
Accrued Compensated Absences	30,080	78,680	49,297
Accrued Claims and Judgments	-	-	-
Long-Term Debt - Due in More than One Year	1,199,920	2,360,310	2,670,597
Net Pension Liability	157,133	381,370	360,327
Net OPEB Liability	83,123	190,688	146,704
Total Noncurrent Liabilities	1,470,256	3,011,048	3,226,925
Total Liabilities	1,739,570	3,569,705	3,835,190
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Related Items	16,108	39,094	36,937
Deferred OPEB Related Items	22,232	51,002	39,238
Total Deferred Inflows of Resources	38,340	90,096	76,175
NET POSITION			
Net Investment in Capital Assets	6,786,377	115,183	1,308,982
Unrestricted	9,528,960	(433,510)	(731,784)
Total Net Position	$ 16,315,337	$ (318,327)	$ 577,198

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Governmental Activities - Internal Service Funds			
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	Totals
ASSETS				
Current Assets:	$ 9,743,683	$ 4,891,668	$ 662,052	$ 30,801,615
Cash and Cash Equivalents				
Receivables:	-	-	-	54,454
Accounts	-	-	-	-
Due from Other Funds	9,743,683	4,891,668	662,052	30,856,069
Total Current Assets				
Noncurrent:	95,878	996,225	1,020,478	10,936,555
Capital Assets - Net of Accumulated Depreciation/Amortization	95,878	996,225	1,020,478	10,936,555
Total Noncurrent Assets				
	9,839,561	5,887,893	1,682,530	41,792,624
Total Assets				
DEFERRED OUTFLOWS OF RESOURCES	584,418	534,329	-	2,524,240
Deferred Pension Related Items	45,797	65,028	-	245,976
Deferred OPEB Related Items	630,215	599,357	-	2,770,216
Total Deferred Outflows of Resources				
LIABILITIES				
Current Liabilities:	1,421,318	7	105,361	2,436,169
Accounts Payable	730	14,782	-	48,691
Accrued Interest	-	28,047	-	80,732
Accrued Compensated Absences	1,203,177	-	-	1,203,177
Accrued Claims and Judgments	6,092	126,871	-	573,852
Long-Term Obligations - Due in One Year	2,631,317	169,707	105,361	4,342,621
Total Current Liabilities				
Noncurrent Liabilities:	-	84,137	-	242,194
Accrued Compensated Absences	23,199,925	-	-	23,199,925
Accrued Claims and Judgments	162,780	3,266,019	-	9,659,626
Long-Term Debt - Due in More than One Year	505,388	483,735	-	1,887,953
Net Pension Liability	142,497	202,333	-	765,345
Net OPEB Liability	24,010,590	4,036,224	-	35,755,043
Total Noncurrent Liabilities				
	26,641,907	4,205,931	105,361	40,097,664
Total Liabilities				
DEFERRED INFLOWS OF RESOURCES	17,681	12,771	-	122,591
Deferred Pension Related Items	38,113	54,116	-	204,701
Deferred OPEB Related Items	55,794	66,887	-	327,292
Total Deferred Inflows of Resources				
NET POSITION	95,878	980,775	915,117	10,202,312
Net Investment in Capital Assets	(16,323,803)	1,233,657	662,052	(6,064,428)
Unrestricted				
	$ (16,227,925)	$ 2,214,432	$ 1,577,169	$ 4,137,884
Total Net Position				

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
OPERATING REVENUES			
Sales and Service Charges	$ 4,862,726	$ 3,316,655	$ 4,243,192
Miscellaneous	216,228	695	140,750
Total Operating Revenues	5,078,954	3,317,350	4,383,942
OPERATING EXPENSES			
Administrative and General	1,581,921	1,583,562	545,299
Personnel Services	654,914	1,453,604	1,047,201
Contractual Services	17,291	343,514	2,068,335
Internal Service Charges	403,277	465,981	557,676
Depreciation and Amortization Expense	1,189,704	19,903	312,854
Total Operating Expenses	3,847,107	3,866,564	4,531,365
OPERATING INCOME (LOSS)	1,231,847	(549,214)	(147,423)
NONOPERATING REVENUES (EXPENSES)			
Interest Revenue	-	-	-
Interest Expense	(34,478)	(63,985)	(70,060)
Gain (Loss) on Disposal of Capital Assets	115,613	-	-
Total Nonperating Revenues (Expenses)	81,135	(63,985)	(70,060)
INCOME (LOSS) BEFORE TRANSFERS	1,312,982	(613,199)	(217,483)
Transfers In	73,192	151,612	150,305
Transfers Out	(73,192)	(151,612)	(150,305)
CHANGES IN NET POSITION	1,312,982	(613,199)	(217,483)
Net Position (Deficit) - Beginning of year	15,002,355	294,872	794,681
NET POSITION (DEFICIT) - END OF YEAR	$ 16,315,337	$ (318,327)	$ 577,198

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds			
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	Totals
OPERATING REVENUES				
Sales and Service Charges	$ 1,822,687	$ 2,554,415	$ 111,132	$ 16,910,807
Miscellaneous	4,938,438	-	-	5,296,111
Total Operating Revenues	6,761,125	2,554,415	111,132	22,206,918
OPERATING EXPENSES				
Administrative and General	11,016,266	141,567	-	14,868,615
Personnel Services	1,140,252	2,031,389	-	6,327,360
Contractual Services	182,926	284,045	-	2,896,111
Internal Service Charges	349,668	720,467	-	2,497,069
Depreciation and Amortization Expense	5,491	233,011	30,807	1,791,770
Total Operating Expenses	12,694,603	3,410,479	30,807	28,380,925
OPERATING INCOME (LOSS)	(5,933,478)	(856,064)	80,325	(6,174,007)
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	47,385	-	-	47,385
Interest Expense	(4,441)	(88,361)	-	(261,325)
Gain (Loss) on Disposal of Capital Assets	-	-	-	115,613
Total Nonoperating Revenues (Expenses)	42,944	(88,361)	-	(98,327)
INCOME (LOSS) BEFORE TRANSFERS	(5,890,534)	(944,425)	80,325	(6,272,334)
Transfers In	10,456	208,844	-	594,409
Transfers Out	(10,456)	(208,844)	-	(594,409)
CHANGES IN NET POSITION	(5,890,534)	(944,425)	80,325	(6,272,334)
Net Position (Deficit) - Beginning of year	(10,337,391)	3,158,857	1,496,844	10,410,218
NET POSITION (DEFICIT) - END OF YEAR	$ (16,227,925)	$ 2,214,432	$ 1,577,169	$ 4,137,884

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	$ 5,087,766	$ 3,317,350	$ 4,383,942
Cash Paid to Suppliers for Goods and Services	(1,988,715)	(2,040,173)	(2,852,958)
Cash Paid to Employees for Services	(647,587)	(1,438,233)	(1,054,623)
Net Cash Provided (Used) by Operating Activities	2,451,464	(161,056)	476,361
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash Transfers Out	(73,192)	(151,612)	(150,305)
Cash Transfers In	73,192	151,612	150,305
Payments Made to Other Funds	-	-	-
Proceeds from Noncapital Debt	-	-	646,240
Principal Paid on Noncapital Debt	(42,336)	(87,696)	(225,353)
Interest Paid on Noncapital Debt	(4,276)	(63,938)	(6,492)
Net Cash Provided (Used) by Noncapital Financing Activities	(46,612)	(151,634)	414,395
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(2,251,939)	-	(783,347)
Principal Paid on Capital Debt	(36,200)	-	(86,939)
Interest Paid on Capital Debt	(30,909)	-	(59,291)
Proceeds from Sale of Capital Assets	115,613	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,203,435)	-	(929,577)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	201,417	(312,690)	(38,821)
Cash and Cash Equivalents - Beginning of Year	10,683,224	2,881,350	2,089,732
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 10,884,641	$ 2,568,660	$ 2,050,911
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 1,231,847	$ (549,214)	$ (147,423)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	1,189,704	19,903	312,854
Loss on CIP write-off	-	-	-
(Increase) Decrease In:			
Accounts Receivable	8,812	-	-
Deferred Outflow Pension Related Items	103,926	167,946	173,420
Deferred Outflow OPEB Related Items	746	(4,758)	5,426
Prepaid Expenses	-	-	11,910
Increase (Decrease) In:			
Accounts Payable	(53,280)	202,977	186,899
Claims and Judgments	-	-	-
Net Pension Liability	9,657	58,991	49,519
Net OPEB Liability	(7,529)	4,080	(26,856)
Deferred Inflow Pension Related Items	(28,670)	(58,789)	(57,433)
Deferred Inflow OPEB Related Items	(11,076)	(17,563)	(24,533)
Compensated Absences	7,327	15,371	(7,422)
Net Cash Provided (Used) by Operating Activities	$ 2,451,464	$ (161,056)	$ 476,361

Preliminary Draft

CITY OF REDONDO BEACH
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Funds			
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	$ 10,242,841	$ 2,554,415	$ 111,132	$ 25,697,446
Cash Paid to Suppliers for Goods and Services	(12,808,362)	(1,113,591)	(79,183)	(20,882,982)
Cash Paid to Employees for Services	(1,140,252)	(2,026,566)	-	(6,307,261)
Net Cash Provided (Used) by Operating Activities	(3,705,773)	(585,742)	31,949	(1,492,797)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Transfers Out	(10,456)	(208,844)	-	(594,409)
Cash Transfers In	10,456	208,844	-	594,409
Payments Made to Other Funds	-	-	-	-
Proceeds from Noncapital Debt	-	-	-	646,240
Principal Paid on Noncapital Debt	(6,048)	(126,954)	-	(488,387)
Interest Paid on Noncapital Debt	(4,438)	(88,114)	-	(167,258)
Net Cash Provided (Used) by Noncapital Financing Activities	(10,486)	(215,068)	-	(9,405)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	(44,899)	(413,660)	(3,493,845)
Principal Paid on Capital Debt	-	-	-	(123,139)
Interest Paid on Capital Debt	-	-	-	(90,200)
Proceeds from Sale of Capital Assets	-	-	-	115,613
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(44,899)	(413,660)	(3,591,571)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	47,385			47,385
Net Cash Provided (Used) by Investing Activities	47,385	-	-	47,385
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,668,874)	(845,709)	(381,711)	(5,093,773)
Cash and Cash Equivalents - Beginning of Year	13,412,557	5,737,377	1,043,763	35,848,003
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 9,743,683	$ 4,891,668	$ 662,052	$ 30,754,230
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (5,933,478)	$ (856,064)	$ 80,325	$ (6,174,007)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	5,491	233,011	30,807	1,791,770
Loss on CIP write-off	45,362	-	-	45,362
(Increase) Decrease In:				
Accounts Receivable	-	-	-	8,812
Deferred Outflow Pension Related Items	(476,003)	(23,499)	-	(54,210)
Deferred Outflow OPEB Related Items	(40,056)	(5,788)	-	(44,430)
Prepaid Expenses	-	-	-	11,910
Increase (Decrease) In:				
Accounts Payable	(1,406,957)	(94,254)	(79,183)	(1,243,798)
Claims and Judgments	3,481,716	-	-	3,481,716
Net Pension Liability	459,659	177,771	-	755,597
Net OPEB Liability	123,547	6,774	-	100,016
Deferred Inflow Pension Related Items	3,796	(10,778)	-	(151,874)
Deferred Inflow OPEB Related Items	31,150	(17,738)	-	(39,760)
Compensated Absences	-	4,823	-	20,099
Net Cash Provided (Used) by Operating Activities	$ (3,705,773)	$ (585,742)	$ 31,949	$ (1,492,797)

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