

**CITY OF REDONDO BEACH, CALIFORNIA  
INMATE TRUST FUND**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2024**

Draft

**CITY OF REDONDO BEACH, CALIFORNIA  
INMATE TRUST FUND  
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Draft

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

## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Inmate Trust Fund of the City of Redondo Beach as of and for the year ended June 30, 2024 and the related notes to the 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 financial position of the Inmate Trust Fund of the City of Redondo Beach as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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 of Redondo Beach, 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 opinion.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Inmate Trust Fund and do not purport to, and do not, present fairly the financial position of the City of Redondo Beach, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***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.

***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 opinion. 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 the City of Redondo Beach'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 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.

***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

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

**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 of Redondo Beach's internal control over the Inmate Trust Fund's 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 of Redondo Beach's internal control over the Inmate Trust Fund's financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Redondo Beach's internal control over the Inmate Trust Fund's financial reporting and compliance.

**CliftonLarsonAllen LLP**

Irvine, California  
REPORT DATE

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**CITY OF REDONDO BEACH, CALIFORNIA  
INMATE TRUST FUND  
BALANCE SHEET  
JUNE 30, 2024**

**ASSETS**

Cash and Investments	<u>\$ 84,416</u>
Total Assets	<u><u>\$ 84,416</u></u>

**FUND BALANCE**

Restricted	<u>\$ 84,416</u>
Total Fund Balance	<u><u>\$ 84,416</u></u>

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**CITY OF REDONDO BEACH, CALIFORNIA  
INMATE TRUST FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2024**

**REVENUES**

Interest Income	<u>\$ 1,436</u>
Total Revenues	<u>1,436</u>

**EXCESS OF REVENUES OVER EXPENDITURES**

1,436

Fund Balance - Beginning of Year

82,980

**FUND BALANCE - END OF YEAR**

\$ 84,416

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**CITY OF REDONDO BEACH, CALIFORNIA**  
**INMATE TRUST FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying balance sheet and statement of revenues, expenditures, and changes in fund balance were presented in a format required by the City of Redondo Beach (the City) Inmate Trust Fund (the Fund). The purpose of the financial statements is to present in summary form the financial position and the revenues and expenditures of the Fund.

The accompanying financial statements are not intended to present the financial position or results of operations of the City, taken as a whole.

**Financial Reporting Entity**

This Fund is a project within the City's General Fund. The purpose of the Fund is to accumulate funds from revenues of pay telephones used in the jail facilities for the benefit, education, and welfare of the inmates, as well as for the maintenance of the jail facilities.

**Basis of Accounting and Measurement Focus**

The Fund is accounted for on a spending or current financial resources measurement focus. Operating statements of the Fund present increases (revenues and other financial sources) and decrease (expenditures and other financial uses) in net current assets.

The Fund is accounted for using the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**Cash, Cash Equivalents, and Investments**

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 investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

For more information on the City's cash and investments as of June 30, 2024, please see the City of Redondo Beach's audited financial statements.

**Fund Balances**

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

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



**CITY OF REDONDO BEACH, CALIFORNIA  
INMATE TRUST FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 CASH AND INVESTMENTS**

The Fund has the following cash and investments at June 30, 2024:

Cash and Cash Equivalents	<u>\$ 84,416</u>
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The Fund does not own specifically identifiable securities and their cash is pooled with the other funds of the City.

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 investments balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

For more information on the City's cash and investments as of June 30, 2024, please see the City of Redondo Beach's audited financial statements.