

CITY OF REDONDO BEACH, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For The Year Ended
June 30, 2023**

DRAFT

**Prepared by:
Financial Services Department**

CITY OF REDONDO BEACH
ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION

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February 28, 2024

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

Typically, we deliver the Annual Comprehensive Financial Report (ACFR) by the second Council meeting in December of each year. The FY 2022-23 ACFR was delayed as a result of new requirements associated with Government Accounting Standards Board (GASB) 96 reporting for subscription-based information technology arrangements (SBITAs) but is now complete and ready for presentation on behalf of the City, for the fiscal year ended June 30, 2023. These financial statements are presented 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.

As per the City Charter, the role of the ACFR is to inform the Mayor and City Council of all financial and administrative activities of the previous fiscal year. This report also informs the residents of Redondo Beach and the larger financial community. For the residents, the report provides an opportunity to correlate City services and accomplishments with the expenditure of financial 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.

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 68,918 per the latest census 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, per HdL.

Redondo Beach has significant concentrations of employment in the northern portion of the City anchored by Northrop Grumman. It also maintains strong retail centers at the South Bay Galleria, on the east end of the City, a vibrant hospitality sector near the Harbor/Pier area, and an eclectic mix of specialty shops, restaurants and services in the Riviera Village, at the south 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, City of Redondo Beach, United States Postal Service, Prime Now LLC, Target Stores, Macy's, Frontier, and Silverado Beach Cities.

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.

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.

Significant Events, Accomplishments and Economic Development Activities

Over time, Redondo Beach has remained fiscally sound through proactive management, disciplined oversight of expenditures, development of a diversified revenue base, and optimizing public/private partnerships that reduce City costs, creating new public amenities and increasing revenues. These financial practices have enabled the City to maintain healthy capital and operating funding reserves and achieve an Aa1 credit rating. During FY 2020-21, the COVID-19 pandemic created an unprecedented fiscal management challenge as two of the City's primary sources of revenue – sales taxes and transient occupancy taxes - were severely threatened by limited business operations. Both sales tax and transit occupancy tax continued to recover significantly in FY 2022-23.

For most of FY 2022-23, 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. In addition, as part of a long-term planning effort within King Harbor, the City has completed the process of preparing a Public Amenities Plan that identifies more than 40 projects to improve upon the public amenities offered to waterfront visitors. Key projects include constructing a new public boat launch, renovating Seaside Lagoon, improving pedestrian and bicycle connections, and many improvements to accommodate for Sea Level Rise among others. The plan represents a financial commitment from the City to improve the existing building/infrastructure inventory for the commercial businesses located in the harbor.

The City has been making significant progress in making the Waterfront a welcoming destination. The City successfully hosts two Beach Life concert festivals each year which bring tens of thousands of people to the area. The Waterfront also saw the removal of the closed sport fishing pier as well as the initial development of the California Surf Club in the former Ruby's and On The Rocks lease areas. The project unites local luminaries, and creates fully revamped spaces connected by outdoor additions to make a 21,000 square feet facility, with a bar and restaurant, private conference rooms, private dining rooms, fireside ocean lounges, a great room, private listening and art rooms, a games den and more.

The City continues to work on revitalization efforts within the Artesia and Aviation commercial corridors. Specifically, City staff prepared municipal code text amendments to adjust development standards with the intent to reduce vacancies, encourage preferred uses such as restaurants and office space to locate within the area, and allow for larger buildings on each property. Relaxing minimum parking requirements and increasing the maximum allowed floor area ratio development is expected to encourage future development. As an example of the City's revitalization efforts along Artesia Boulevard, the GrubHaus, located on Artesia Blvd & Mackay Lane has been approved for development, and will include an 8,000 square-foot property that will house outdoor multi-unit micro-kitchens and other food options for the Redondo Beach community to enjoy.

The City Council approved the redevelopment of the South Bay Galleria Mall (South Bay Social District) on the Artesia Corridor as a mixed-use project, which proposes for a mix of retail expansion (including retail stores, dining, and entertainment), a 150-room hotel, 300 residential apartments of which 20% will be “affordable units,” and a skate park. Of the retail square footage, a minimum of at least 75,000 square feet will be commercial office space. The project has been separated into phases. Phase 1A includes the interior and exterior mall renovation, a great lawn/plaza that includes a skate park. Phase 1B includes 350 residential units with ground floor commercial development. Phase 1C includes the development of a new hotel. Permitting for Phases 1A and 1B are pending final Engineering approval with submission for Phase 1C expected in the near future. A plan for an additional 300 residential units, Phase 2, was recently submitted for a planning entitlement process that is expected to go before the Planning Commission in the Spring of 2024.

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.

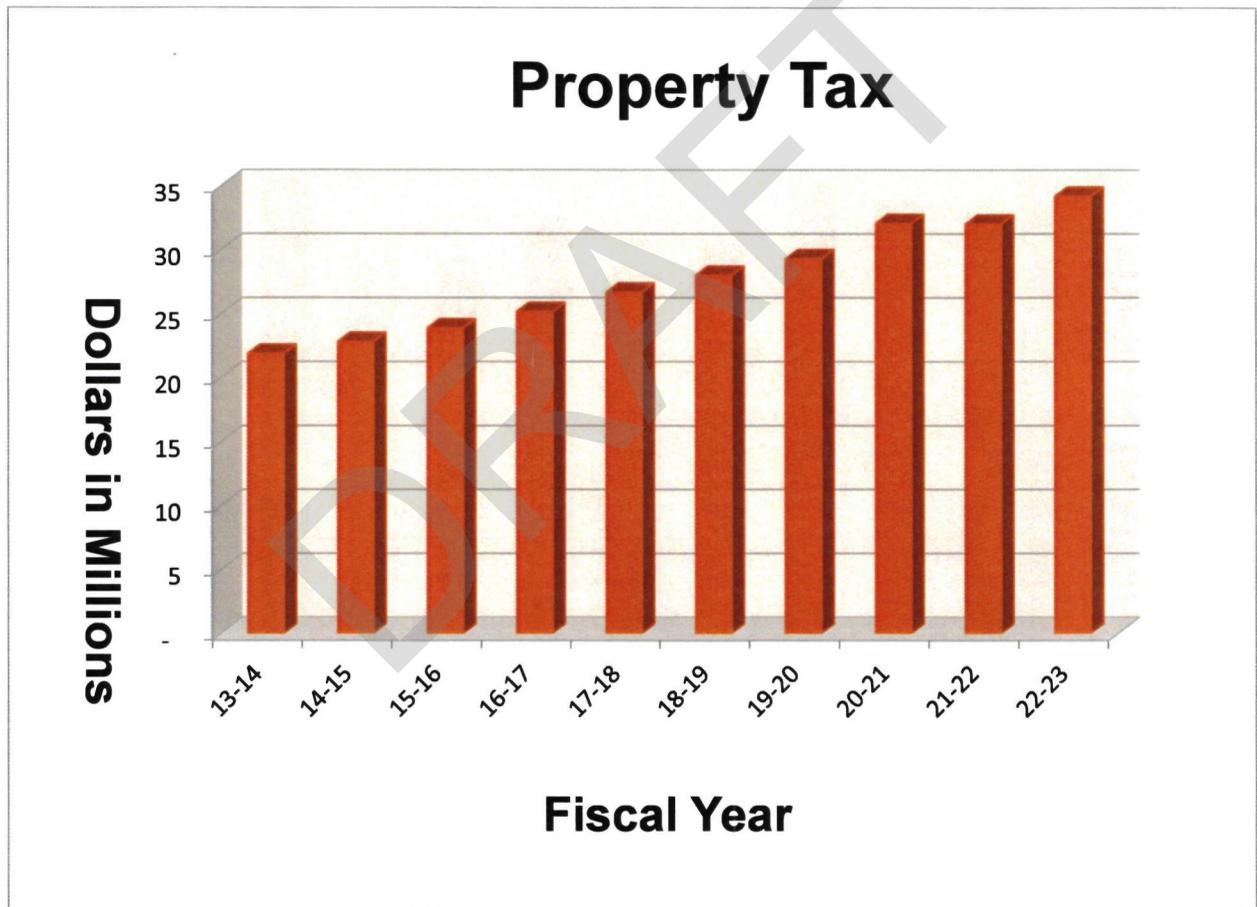
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Property Tax

Property tax is the City's largest revenue source, which 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 2022-23, property tax revenue was based on calendar year 2021 property values. Actual revenues were higher than budgeted. The City's FY 2022-23 citywide assessed valuation is above the prior year by \$1.2 billion, or 6.5%, increasing to \$20.5 billion. The City's assessed valuation amount is derived 82.4% from residential properties, 7.9% from commercial properties, 3.4% from industrial properties, and the remaining 6.3% from vacant, institutional, and other properties.

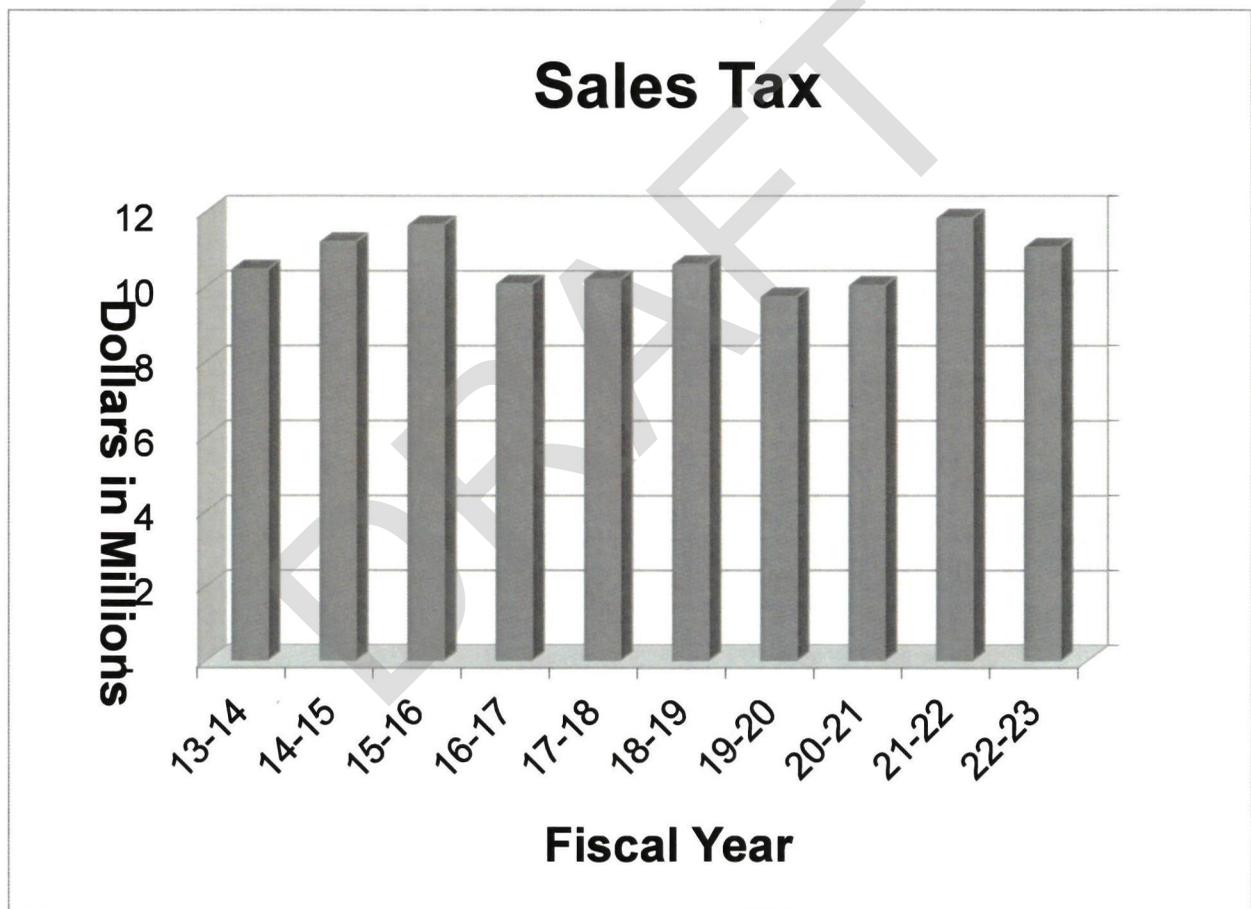
During FY 2022-23, property tax revenue (including homeowners' exemptions) increased by \$2.17 million, or 6.8%, to \$34.2 million, consistent with the strong assessed valuation increase over the prior year.



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 2022-23. 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 2022-23 sales tax revenue decreased by \$0.7 million or 6.6% from 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 structure, including restaurants and hotels, experienced its first revenue slowdown since pandemic related losses, and the fuel sector showed large losses related to dramatic shifts in pricing. These declines are consistent with state and nation-wide trends.

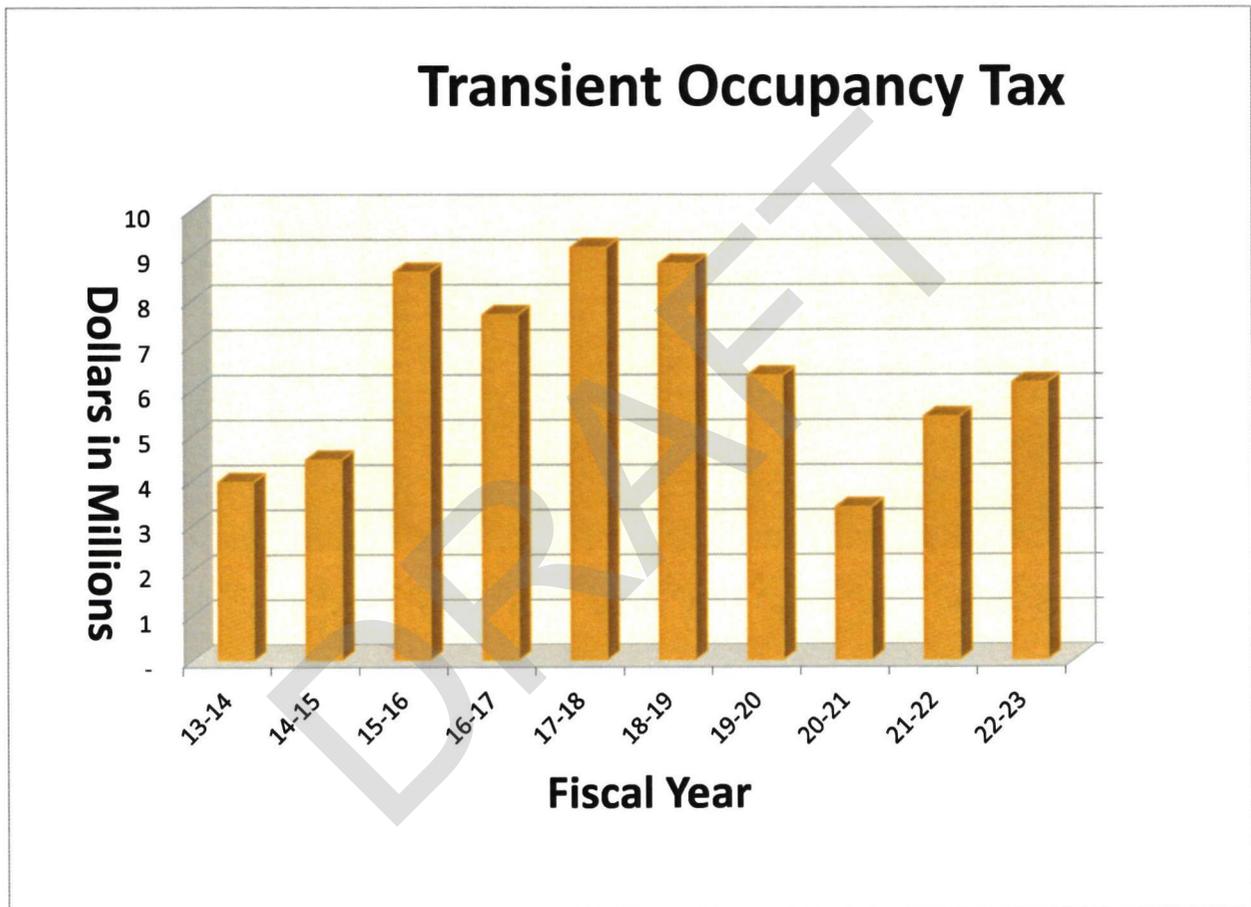


Transient Occupancy Tax (TOT)

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 of 12% is applied to the customer's lodging bill. The rate was last increased in 2005 by 2%.

Through 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. In the following fiscal years, the City retains all TOT revenue.

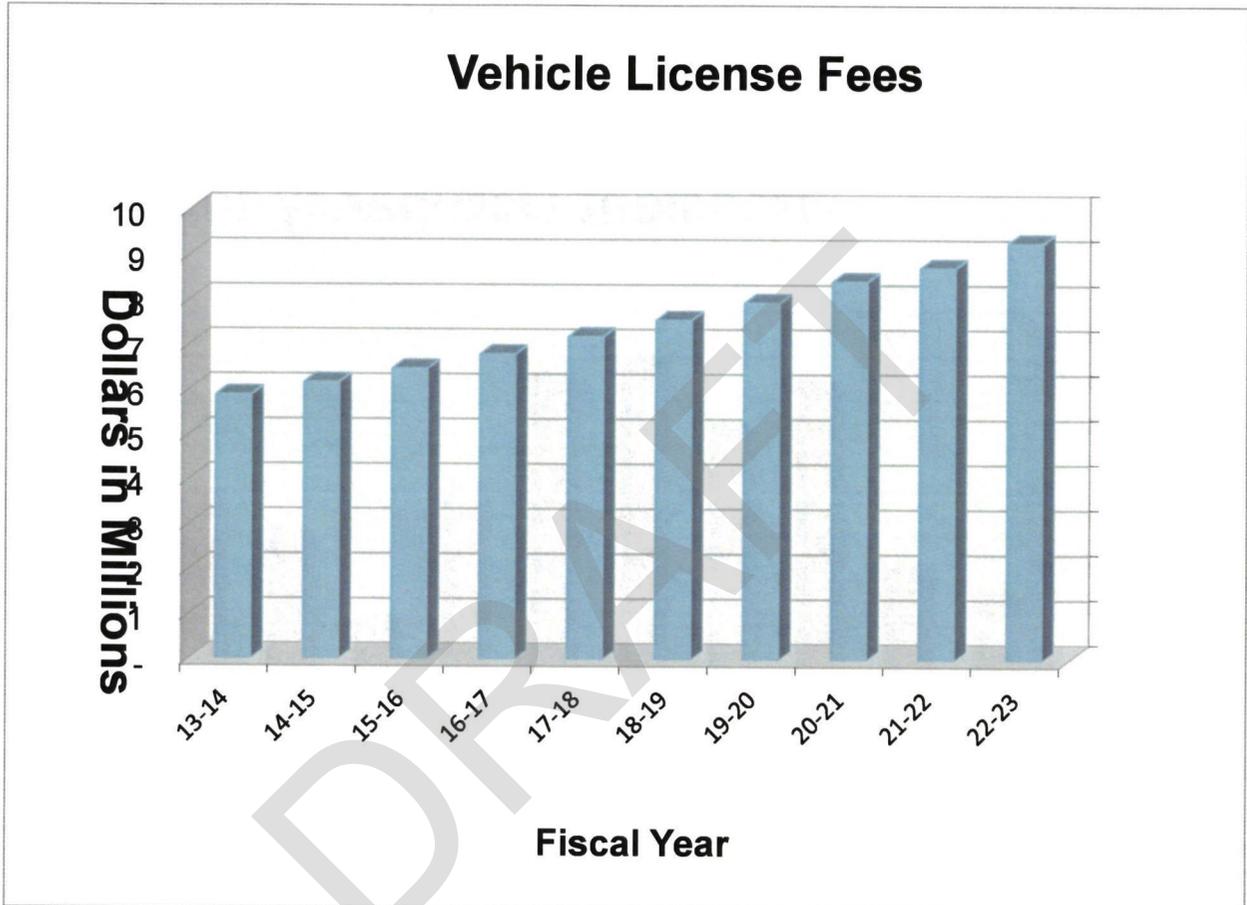
TOT revenue continues to recover following the sharp decrease related to the pandemic, with FY 2022-23 revenue \$0.8 million or 13.9% above the prior fiscal year.



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.

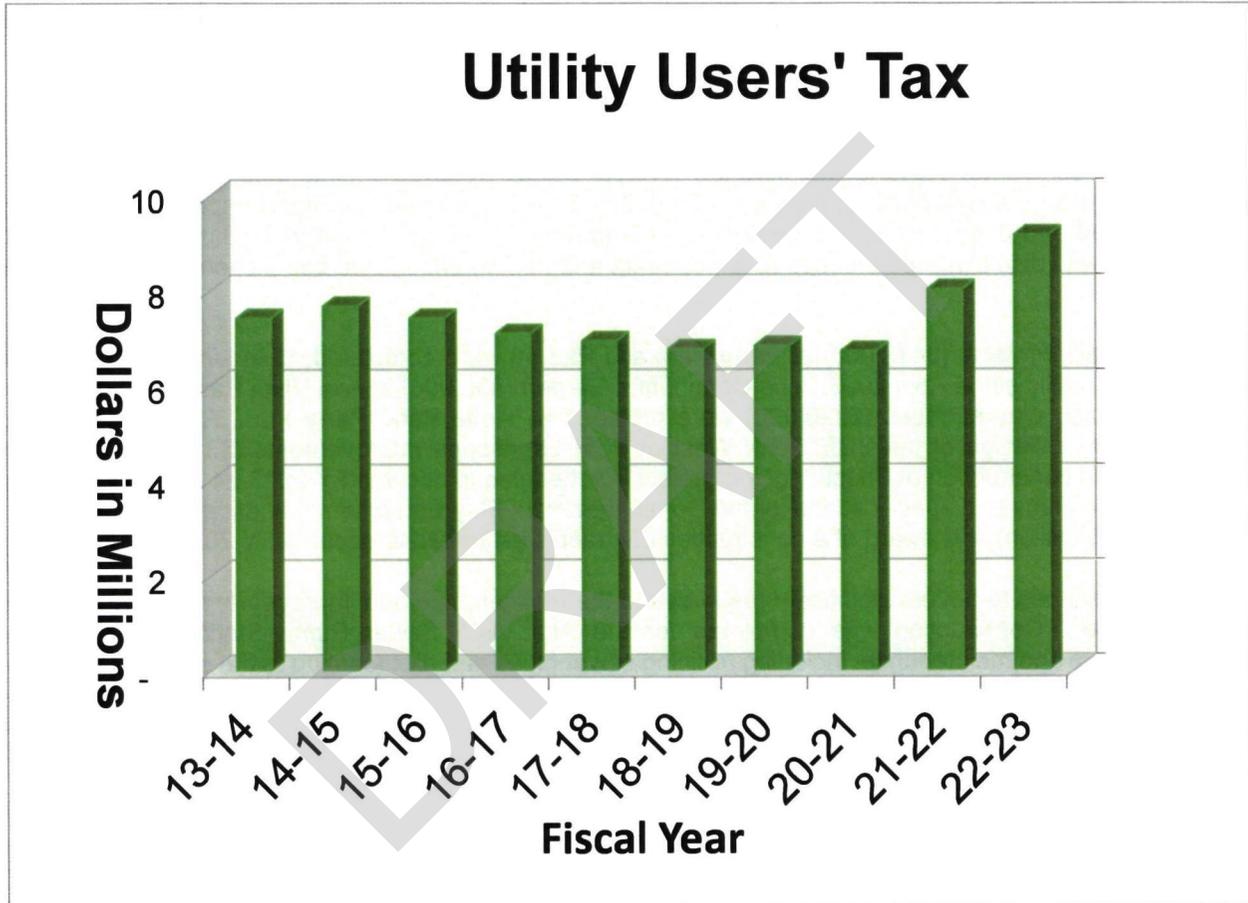
Vehicle License Fee revenue has increased consistently over the past 10 years, with an average annual increase of about 5%. Fiscal year 2022-23 revenue was \$9.3 million, a 6.4% increase over the prior year.



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 2022-23 revenue was \$9.2 million, a \$1.1 million or 14.2% increase over the prior year.



CAPITAL IMPROVEMENT PROJECT PLANNING, ACCOMPLISHMENTS AND ACTIVITIES

Over the past year, 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, several other projects were completed throughout the City as well.

The City continued with several Regional Measure R funded transportation-related capital projects. Design for the right turn lane project located on Aviation Boulevard at Artesia Boulevard (\$1.4 million) is complete. Construction for Phase 1 of the southbound right turn lane on Inglewood Avenue at Manhattan Beach Boulevard (\$4.2 million) is substantially complete, with Phase 2 work, including signalized modifications, occurring in FY 2023-24. 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 needs. The Transit center (\$13.6 million) was officially opened in January 2023 with Phase 2, Kingsdale Widening (\$1.6 million), under construction with completion anticipated in the first half of FY 2023-24.

Construction was completed on the Beryl Street – Flagler to Prospect - Drainage and Street Improvements Project (\$2.6 million). Construction of Residential Street Rehabilitation Cycle 2, Phase 3 (\$4.9 million), which includes Garnet Resurfacing, Avenue I Resurfacing, Deferred Maintenance and Green Street Improvements was substantially completed in FY 2022-23. The Grant Avenue Signal Improvements Project was awarded and construction is expected in early calendar year 2024. Citywide Slurry Seal Phase 3 (\$640,000) was also awarded a construction contract and has an anticipated completion in the first half of FY 2023-24.

The Skatepark Projects (\$413,000) at Perry Park and Pad 10 were completed. Both locations have been open to the public since April 2023. The Community Garden (\$80,000) at Alta Vista Park was completed. The rubberized play surfaces (\$220,000) were replaced at Turtle Park, Perry Park, Andrews Park and Aviation Park. Design of the SCE ROW West of PCH Landscape Improvements (\$312,000) is largely complete and construction of Phase 1 of the project is scheduled to occur in FY 2023-24. The City Council approved the plans and specifications for the Dominguez Park Play Equipment, Landscape and Walkways Project (\$1.8 million) and award of a construction contract is estimated to occur in FY 2023-24.

The City continues to devote significant resources to the maintenance and improvement of its wastewater infrastructure. Construction was completed for the Alta Vista Sewer Pump Station (\$3.7 million). Improvements and maintenance, including re-lining sewer pipes and root foaming, were continued citywide as part of the Sanitary Sewer Rehabilitation Project (\$700,000). City Council awarded a contract for reconstruction of the Yacht Club Way (\$3.95 million) and Portofino Sewer Pump Stations (\$5.12 million) and those projects will begin construction in FY 2023-24.

In the waterfront, plans and specifications for the Harbor Dredging Project were completed. Construction will occur in early 2024. City staff continued with Pier restroom improvements (\$100,000). Restroom 5 at the International Boardwalk was the most recently upgraded facility. The Harbor Railing Project (\$1.57 million), which replaced or rehabilitated most of the rails on the pier and added new rails around the Skatepark, was also completed. The Pier Light Fixture Project (\$300,000) which replaced old fixtures with modern, more energy efficient, lights was also completed. Additionally, a design contract was awarded to Nuvis to prepare plans to reconstruct the Seaside Lagoon (\$3.1 million).

The City officially completed 20 CIP projects in FY 2022-23 and designed and/or awarded contracts for construction of an additional 21 projects, for a total capital expenditure of \$29.5 million, which is approximately \$17 million dollars more than what was executed in FY 2021-22.

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.

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, 2023, the City's general portfolio was invested as follows:

Comparison of Investment Portfolio Positions F.Y. 2022-2023								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Investment Type		%						
Cash in Banks	\$10,955,229	*	9,223,658	*	\$6,359,470	*	\$ 9,742,075	*
Money Market	\$0	0.0%	\$5,149,678	4.38%	\$13,392,052	11.33%	\$ 8,931,843	7.80%
Local Agency Investment Fund	\$16,071,480	14.5%	\$27,137,556	23.1%	\$5,225,372	4.42%	\$ 1,087,813	0.95%
Federal Agency Issues	\$53,439,957	48.3%	\$47,448,367	40.4%	\$56,867,881	48.12%	\$ 56,918,780	49.70%
Commercial Paper	\$0	0.0%	\$0	0.0%	\$0	0.00%	\$0	0.00%
Corporate Medium Term Notes	\$6,981,521	6.3%	\$8,847,387	7.5%	\$8,866,737	7.50%	\$ 8,885,872	7.76%
Bank Certificates of Deposit	\$1,239,564	1.1%	\$991,622	0.8%	\$991,680	0.84%	\$ 991,738	0.87%
Treasuries	\$32,895,368	29.7%	\$27,910,842	23.8%	\$32,831,737	27.78%	\$ 37,713,483	32.93%
Total: Investment Portfolio	\$110,627,890	100%	\$117,485,452	100.0%	\$118,175,459	100.00%	\$ 114,529,529	100.00%
Weighted Average Maturity (Yrs)	1.99		1.72		1.97		1.91	
Portfolio Effective Rate of Return (YTD)	1.51%		1.71%		2.10%		2.29%	
L.A.I.F. Yield	1.60%		2.17%		2.83%		3.17%	
Yield on Benchmark	0.97%		1.38%		1.76%		2.19%	
Interest earned YTD	\$425,011.78		\$952,194.05		\$1,695,368		\$2,435,724	
General Fund Contribution (60%)	\$255,007		\$571,316.00		\$1,017,221		\$1,461,434.40	

As required by GASB 31, the City recorded the unrealized gain/loss on certain investments to account for the market value on June 30, 2023. The portfolio market value, \$110,357,578, dropped below the book value of \$114,529,529 by -\$4,171,951 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

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 2022-23, 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, 2023, the City recorded the following:

Workers' Compensation Claims

Claims payable totaled \$13.3 million representing a decrease of approximately \$3.3 million, or 20%, from the prior period. This decrease is attributable to lower estimated reserve requirements and the settlement of claims in previous years.

Liability Claims

Claims payable totaled \$7.7 million representing a decrease of approximately \$52.8 thousand, or 0.7%, from the prior period. This decrease is attributable to the settlement of \$7.3 million claims from the previous years.

Unemployment Insurance

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 2022-23, reimbursement to EDD was \$16,118

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 separate the City's employer contributions into their "normal cost" and "unfunded liability" portions in FY 2017-18. The normal cost portion continued to be paid as a percentage of payroll, while the unfunded liability portion was paid as a flat dollar amount. In FY 2022-23, the percentage-based portion of the rate decreased from 9.30% to 9.23% for the miscellaneous group and from 32.67% to 31.91% for public safety. The balance of the CalPERS annual expense is made up by the City's unfunded liability contribution for all funds, which increased from \$5,220,816 to \$5,777,050 for the miscellaneous group and from \$10,301,929 to \$11,356,847 for public safety and a total payment amount of \$17,133,897. During FY 2021-2022 the City issued lease revenue bonds to pay off over \$220M in unfunded liability thus reducing future costs and creating budget stability for the future.

In addition to the unfunded liability payoff, the contributions paid by the City for pension benefit employer and employer-paid member contributions was \$6.6 million. Approximately 83.7%, or \$5.5 million, was charged to the General Fund. The budget in all funds for these FY 2022-23 contributions was \$7.1 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 \$2.1 million, of which \$1.5 million, or 67.7%, 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' 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 2022-23, the City contributed \$2.02 million to the OPEB trust to cover current and future retiree medical benefits; however, future contributions may vary based on updated actuarial studies. As of June 30, 2023, the City was providing full benefits to 167 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, 2022. This makes 30 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 2022-23, 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. We also thank the City's independent auditors, Lance, Soll, & Lunghard, LLP, Certified Public Accountants, for their assistance and expertise, and all the 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.

Respectfully submitted,



MIKE WITZANSKY
City Manager

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

CITY OF REDONDO BEACH

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Redondo Beach (the "City") provides the Management Discussion and Analysis of the City's Annual Comprehensive Financial Report (ACFR) for readers of the City's financial statements. This narrative overview and analysis of the financial activities of the City is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements, which follow. Keep in mind that the Financial Highlights, immediately following, are strictly snapshots of information. Net position, changes in net position, and fund disclosures are discussed in more detail later in the report.

Financial Highlights - Primary Government

- *Government-Wide Highlights*

Net Position - Assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at fiscal year ending June 30, 2023, by \$136.6 million. Assets and deferred outflows for governmental activities exceeded liabilities and deferred inflows by \$54.2 million and assets and deferred outflows for business-type activities exceeded liabilities and deferred inflows by \$82.4 million.

Changes in Net Position - The City's net position increased \$15.3 million in fiscal year 2022-2023. Net position of governmental activities increased \$11.7 million, and net position of business-type activities increased \$3.6 million.

- *Fund Highlights*

Governmental Funds - At the close of fiscal year 2022-2023, the City's total governmental funds reported a fund balance of \$69.1 million, an increase of \$0.1 million from the prior year. Highlighted below are this year's major funds included in this grouping.

General Fund - The fund balance of the General Fund (including Special Revenue – CalPERS Reserve Fund is zero) on June 30, 2023, was \$33.2 million, an increase of \$3.8 million from the prior year.

Special Revenue - Other Intergovernmental Grants Fund – The fund balance of the Special Revenue – Other Intergovernmental Grants Fund on June 30, 2023, was negative \$(6.1) million, a decrease to the negative fund balance by \$805 thousand from the prior year.

Special Revenue - Low-Mod Income Housing Fund - The fund balance of the Special Revenue - Low-Mod Income Housing Fund on June 30, 2023, was \$3.5 million, a decrease of \$344 thousand from the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. They are comprised of the following:

- *Statement of Net Position*

The Statement of Net Position presents summarized information of all the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. This financial statement combines and consolidates governmental funds' current financial resources with capital assets and long-term obligations.

- *Statement of Activities*

The Statement of Activities presents information showing how the government's net assets changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the city include general government, public safety, public works, cultural and leisure services and housing and community development. Business type activities include operations of the harbor, sewer (wastewater), solid waste, and transit.

The government-wide financial statements include not only the City itself (known as the primary government), but also the activities of legally separate component units: the Parking Authority of the City of Redondo Beach, the Redondo Beach Public Financing Authority (PFA), the Redondo Beach Community Financing Authority (CFA), and the Redondo Beach Housing Authority. Because the City Council acts as the governing board for each of these component units and because they function as part of the city government, their activities are blended with those of the primary government.

The government-wide financial statements can be found behind the tab section titled Government-Wide Financial Statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, proprietary funds, and fiduciary funds.

The fund financial statements provide detail information about each of the City's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are major funds, was established by GASB Statement No. 34 (GASB 34) and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, while all Non-Major Funds are summarized and presented in a single column.

- ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation of both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance with the government-wide financial statements can be found on pages behind the tab section titled Government-Wide Financial Statements.

The City has 25 governmental funds, of which three are considered major funds for presentation purposes. Each major fund is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. The City's four major funds are: the General Fund, the Other Intergovernmental Grants Special Revenue Fund, and the Low-Mod Income Housing Special Revenue Fund. Data from the non-major governmental funds (e.g., State Gas Tax Fund, Proposition A Fund, Storm Drain Fund, Disaster Recovery Fund...) are combined into a single aggregated presentation. The governmental funds financial statements can be found on pages behind the tab section titled Fund Financial Statements. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages behind the tab section titled Non-Major Governmental Funds.

- *Proprietary Funds*

The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for harbor activities, solid waste (i.e., collection, recycling and hazardous waste disposal), operations and maintenance of City sewers, and transit activities. Internal service funds are used to accumulate and account for the City's vehicles, building maintenance and repair, major facilities repair, information technology, emergency communications, and insurance. Because internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds' financial statements provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary funds' financial statements use the accrual basis of accounting. Separate financial statements are provided for Harbor Uplands, Harbor Tidelands, Solid Waste, Wastewater, and Transit. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements. Individual fund data for each internal service fund is provided in the form of combining statements in the Internal Service Funds section of this report.

The basic proprietary funds financial statements can be found behind the tab section titled Fund Financial Statements.

- *Fiduciary Funds*

Fiduciary (Custodial and Private-Purpose Trust Fund) funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found behind the tab section titled Notes to the Financial Statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information includes disclosure of the modified approach for the city pavement infrastructure and budgetary, pension plan information, and other post-employment benefit (OPEB) information. This information can be found behind the tab section titled Required Supplementary Information.

**City of Redondo Beach's Change in Net Position
Fiscal Year Ended June 30, 2023**

	Governmental Activities		Business-Type Activities		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Current and Other Assets	\$ 131,728,388	\$ 130,567,291	\$ 104,316,496	\$ 110,578,388	\$ 236,044,884	\$ 241,145,679
Capital Assets, Net Depreciation	192,378,900	173,951,544	73,756,456	65,507,733	266,135,356	239,459,277
Total Assets	324,107,288	304,518,835	178,072,952	176,086,121	502,180,240	480,604,956
Deferred Outflows of Resources	54,650,270	212,434,927	6,740,913	19,788,365	61,391,183	232,223,292
Long-Term Liabilities Outstanding	282,879,717	394,961,140	26,978,708	37,928,561	309,858,425	432,889,701
Other Liabilities	28,605,475	24,170,684	6,366,421	2,802,326	34,971,896	26,973,010
Total Liabilities	311,485,192	419,131,824	33,345,129	40,730,887	344,830,321	459,862,711
Deferred Inflows of Resources	13,080,793	55,334,762	69,019,014	76,333,391	82,099,807	131,668,153
Net Investment in Capital Assets	189,024,081	171,948,912	66,054,613	60,441,156	255,078,694	232,390,068
Restricted	29,038,880	31,374,924	-	-	29,038,880	31,374,924
Unrestricted	(163,871,388)	(160,836,660)	16,395,109	18,369,052	(147,476,279)	(142,467,608)
Total Net Position	\$ 54,191,573	\$ 42,487,176	\$ 82,449,722	\$ 78,810,208	\$ 136,641,295	\$ 121,297,384

Current and Other Assets include: Cash and investments; Accounts receivable; Receivables for interest, taxes, and notes and loans; Internal balances (due to/from and advances between business activities and governmental activities); Due from other governments; Advances to Successor Agency; Prepaid items; and Restricted cash and investments with fiscal agents.

Capital Assets include: Asset's net of depreciation as well as assets not being depreciated (e.g., Streets, Land, and Construction in progress).

Deferred Outflows of Resources include: Deferred charge on debt refunding, pension related items, and OPEB related items.

Long-Term Liabilities Outstanding include: Compensated absences payable, Claims and judgments payable, and Long-term debt payable.

Other Liabilities include: Accounts payable, Accrued liabilities; Pollution remediation liability; Accrued interest; Unearned revenue; and Deposits payable.

Deferred Inflows of Resources include: Pension related items and OPEB related items.

Net Position

The chart above reflects the City's combined net position (governmental and business-type activities) of \$136.6 million at the close of fiscal year ending June 30, 2023.

The largest portion of the City's total net position (186.7%) reflects investment in capital assets (e.g., land, streets, sewers, buildings, machinery, and equipment) net of outstanding debt used to acquire those assets. The city uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining City net position represents resources that are either subject to external restrictions (e.g., certain capital projects, debt service) or unrestricted. The unrestricted net position is negative primarily as a result of pension related reporting first implemented in Fiscal Year 2014-2015 pursuant to GASB Statement No. 68.

Changes in Net Position

Also noted in the chart above, the City's Fiscal Year 2022-2023 total net position increased by \$15.3 million, or 12.7%, from the prior year. The governmental activities net position increased \$11.7 million, or 27.6%, and business-type activities net position increased \$3.6 million, or 4.6%.

Within total assets, capital assets, net of accumulated depreciation, increased by \$26.7 million, or 11.1%. This increase in capital assets also resulted in a corresponding increase in Net Investments in Capital Assets of \$22.7 million, or 9.76%. The increase in net position is due to these capital asset increases and a decrease in deferred inflows of resources related to pensions and other post-employment benefits (OPEB) of \$49.6 million. The significant decrease in deferred inflows, outflows, and long-term liabilities reflects the impact of the City's 2021 payment related to the pension liability.

**City of Redondo Beach's Change in Net Position
Fiscal Year Ended June 30, 2023**

	Governmental Activities		Business-Type Activities		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Revenues:						
Program revenues:						
Charges for services	\$ 36,282,944	\$ 37,519,643	\$ 25,120,063	\$ 24,818,750	\$ 61,403,007	\$ 62,338,393
Operating grants and contributions	16,501,962	14,317,249	4,191,328	4,291,625	20,693,290	18,608,874
Capital grants and contributions	3,088,905	7,786,097	-	-	3,088,905	7,786,097
Total program revenues	55,873,811	59,622,989	29,311,391	29,110,375	85,185,202	88,733,364
General revenues:						
Property taxes	45,649,338	44,424,757	-	-	45,649,338	44,424,757
Transient occupancy taxes	6,174,326	5,419,197	-	-	6,174,326	5,419,197
Sales taxes	11,036,523	11,813,896	-	-	11,036,523	11,813,896
Franchise taxes	2,131,206	1,864,336	-	-	2,131,206	1,864,336
Business license taxes	1,301,224	1,193,814	-	-	1,301,224	1,193,814
Utility users' taxes	9,166,031	8,024,511	-	-	9,166,031	8,024,511
Other taxes	1,173,417	1,133,754	-	-	1,173,417	1,133,754
Motor vehicle in-lieu - unrestricted	72,000	77,111	-	-	72,000	77,111
Use of money and property	3,558,292	83,927	1,055,954	(576,550)	4,614,246	(492,623)
Other	470,103	714,946	-	-	470,103	714,946
Gain on sale of capital asset	17,785	-	1,241	-	19,026	-
Total general revenues	80,750,245	74,750,249	1,057,195	(576,550)	81,807,440	74,173,699
Total revenue	136,624,056	134,373,238	30,368,586	28,533,825	166,992,642	162,907,063
Expenses:						
General government	8,875,247	10,676,673	-	-	8,875,247	10,676,673
Public safety	77,329,726	50,336,195	-	-	77,329,726	50,336,195
Public works	11,459,350	17,327,400	-	-	11,459,350	17,327,400
Cultural and leisure services	11,227,624	11,259,954	-	-	11,227,624	11,259,954
Housing and community development	10,119,877	12,241,640	-	-	10,119,877	12,241,640
Interest on long-term debt	6,046,346	7,161,637	-	-	6,046,346	7,161,637
Harbor Tidelands	-	-	6,414,101	7,593,555	6,414,101	7,593,555
Harbor Uplands	-	-	3,877,153	5,671,184	3,877,153	5,671,184
Wastewater	-	-	4,852,027	2,766,293	4,852,027	2,766,293
Solid Waste	-	-	5,627,344	5,270,585	5,627,344	5,270,585
Transit	-	-	5,819,936	4,437,245	5,819,936	4,437,245
Total expenses	125,058,170	109,003,499	26,590,561	25,738,862	151,648,731	134,742,361
Change in net position before special item and transfers	11,565,886	25,369,739	3,778,025	2,794,963	15,343,911	28,164,702
Transfers	138,511	233,575	(138,511)	(233,575)	-	-
Change in net position	11,704,397	25,603,314	3,639,514	2,561,388	15,343,911	28,164,702
Net position, beginning of year	42,487,176	16,883,862	78,810,208	76,248,820	121,297,384	93,132,682
Net position, end of year	\$ 54,191,573	\$ 42,487,176	\$ 82,449,722	\$ 78,810,208	\$ 136,641,295	\$ 121,297,384

Levels of revenues and expenditures also impact current assets and other liabilities and, therefore, cause changes in net position. As reflected above, total revenues increased in fiscal year 2022-2023 by \$4 million, or 2.5%. Decreases in program revenues are primarily reflected in charges for services. General revenue decreased overall as a result of lower transient occupancy tax revenue.

Citywide total expenses increased \$16.9 million, or 12.5%, when compared to fiscal year 2021-2022. The increase in expenses was primarily related to increased personnel costs with higher CalPERS contributions and fiscal year 2020-2021 work on capital improvement projects.

Governmental Activities

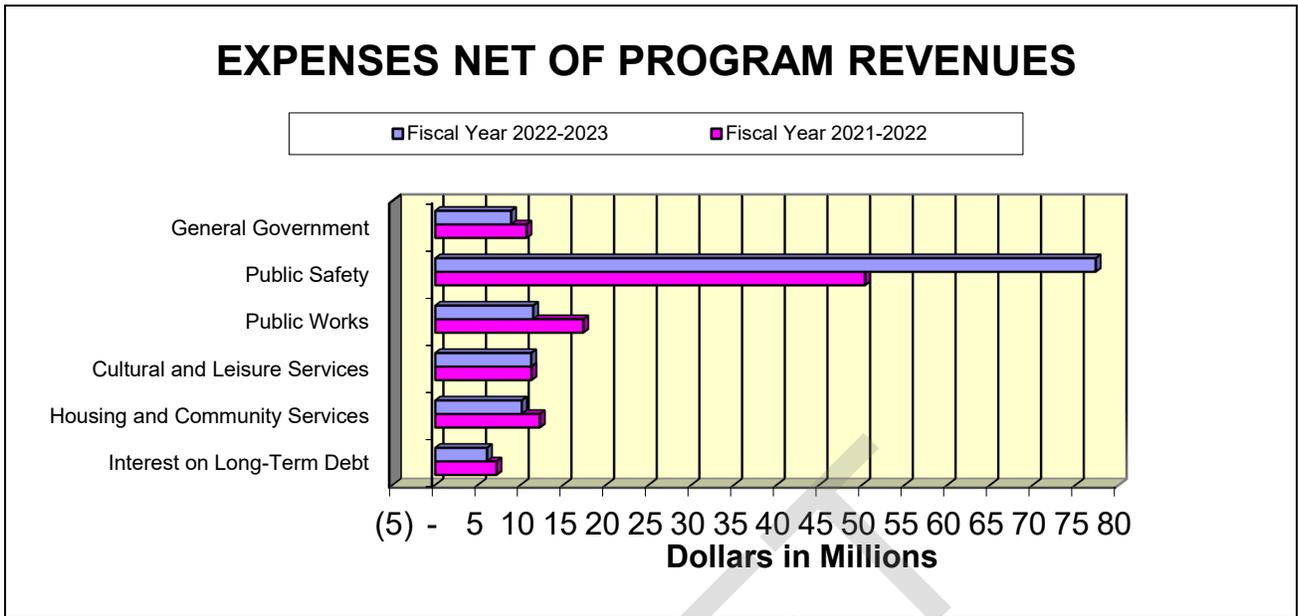
As reflected in the Changes in Net Position schedule above, the total governmental activity expenses were \$125.1 million in fiscal year 2022-2023; and total revenues from governmental activities were \$136.6 million, of which 40% were derived from program revenues primarily consisting of charges for services and grants.

As shown on the following chart, the governmental activity expenses net of program revenues, increased \$16.1 million, or 12.84%, in fiscal year 2022-2023. As with the increase in citywide total expenses, the increase reflects higher expenditures for pension-related items and capital improvement projects.

Governmental Activities	Impact to Net Assets		Percent Increase (Decrease)
	Fiscal Year 2022-2023	Fiscal Year 2021-2022	
<i>Expenses Net of Program Revenues*</i>			
General Government	\$ 8,875,247	\$ 10,676,673	(20.30) %
Public Safety	77,329,726	50,336,195	34.91 %
Public Works	11,459,350	17,327,400	(51.21) %
Cultural and leisure services	11,227,624	11,259,954	(0.29) %
Housing and community services	10,119,877	12,241,640	(20.97) %
Interest on long-term debt	6,046,346	7,161,637	(18.45) %
	<u>125,058,170</u>	<u>109,003,499</u>	12.84 %
<i>Total Governmental Activity Expenses Net of Program Revenues</i>			

*Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues.

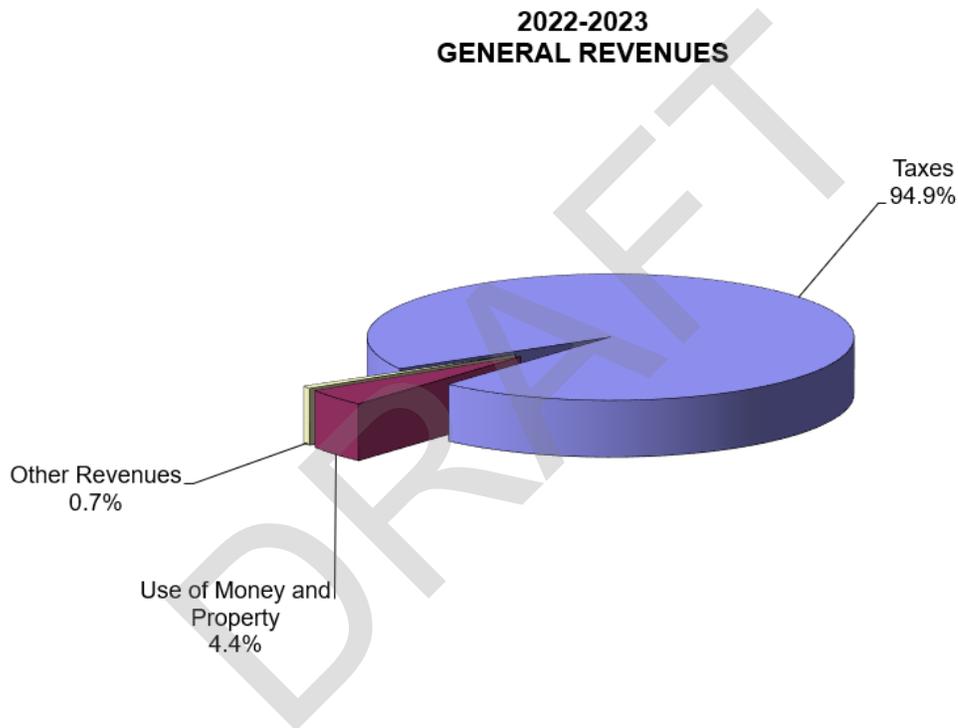
The chart below is a graphical representation of the schedule above.



General Revenues Related to Governmental Activities

General Revenues	2022-2023	2021-2022	Increase / (Decrease)
Taxes	\$ 76,632,065	\$ 73,874,265	3.7%
Use of Money and Property	3,558,292	83,927	4139.7%
Other Revenues	559,888	792,057	-29.3%
Total General Revenues	<u>80,750,245</u>	<u>74,750,249</u>	8.0%

General revenues are all other revenues not attributable to a specific program and, therefore, not categorized as program revenues. These revenues include taxes, use of money and property, and other revenues and increased 8%.



Business-Type Activities

The city has five business-type activities: Harbor Tidelands, Harbor Uplands, Solid Waste, Wastewater, and Transit. The total net position of the business-type activities increased by \$3.6 million from the prior year.

Harbor Tidelands is used for the operations of small boat harbor facilities available to the general public, including related pier activities. This fund is restricted under the City Tidelands Trust Agreement with the State of California. In fiscal year 2022-2023, the total net position of the Harbor Tidelands increased by \$1.7 million from the prior year.

Harbor Uplands is also used for the operations of small boat harbor facilities available to the general public, including related pier activities. However, the use of these funds is subject only to the decisions of the City Council. In fiscal year 2022-2023, the total net position of Harbor Uplands increases by \$577 thousand from the prior year.

Wastewater is funded by a capital facility charge, more commonly referred to as a sewer user fee. These funds are used to support the City's sewer infrastructure operations and improvements. In fiscal year 2022-2023, the total net position of Wastewater increased \$792 thousand from the prior year.

Solid Waste is the City's comprehensive solid waste program, which includes refuse collection, recycling, and hazardous waste disposal services. The solid waste program is supported through user service fees. In fiscal year FY 2022-2023, the total net position of Solid Waste increased \$542 thousand from the prior year.

Transit operations provide transportation services mainly to the cities of Redondo Beach, Hermosa Beach, and Manhattan Beach. The transit system is supported through bus passes, passenger fares, Transportation Development Act Article 4 funding, and Propositions A and C discretionary funding. In fiscal year 2022-2023, the total net position of Transit decreased \$90 from the prior year.

INTERNAL SERVICE FUNDS

The City has six internal service funds, as well as overhead. The internal service funds are: Vehicle Replacement, Building Occupancy, Information Technology, Self-Insurance Program, Emergency Communications, and Major Facilities Repair. These funds are used to account for interdepartmental operations where service providers (e.g., fleet, IT, building maintenance) recoup costs by charging user departments.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Please note that unlike the Government-Wide financial statements displayed previously, the fund financial statements which follow are not reflected on a full accrual basis. Therefore, amounts reflected in the fund financial statements versus the Government-Wide statements may differ due to this change in accounting methodology.

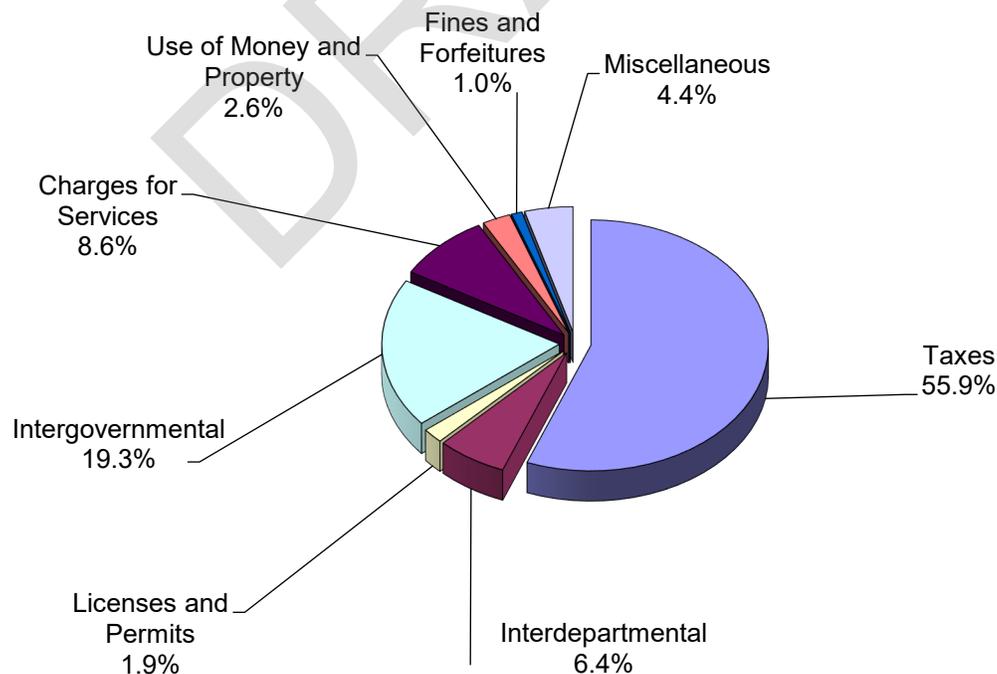
Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds - The following schedule is a summary of governmental fund revenues for fiscal year ended June 30, 2023, and includes Major and Non-Major Funds. It reflects the amount and percent of increase or decrease of each source of revenue compared to the prior year.

<u>Source of Revenue</u>	<u>FY 22-23 Amount</u>	<u>Percent of Total</u>	<u>FY 21-22 Amount</u>	<u>Increase (Decrease) Over Prior Year</u>	<u>Percent / Increase (Decrease) Percent</u>
Taxes	\$ 76,632,065	55.9%	\$ 73,874,265	\$ 2,757,800	3.73 %
Interdepartmental	8,745,517	6.4%	10,034,053	(1,288,536)	(12.84) %
Licenses and Permits	2,607,527	1.9%	1,731,396	876,131	50.60 %
Intergovernmental	26,443,713	19.3%	29,628,555	(3,184,842)	(10.75) %
Charges for Services	11,805,303	8.6%	10,895,140	910,163	8.35 %
Use of Money and Property	3,558,292	2.6%	83,927	3,474,365	4,139.75 %
Fines and Forfeitures	1,347,895	1.0%	1,247,572	100,323	8.04 %
Miscellaneous	6,049,378	4.4%	3,727,529	2,321,849	62.29 %
Total	\$ 137,189,690	100.0%	\$ 131,222,437	\$ 5,967,253	4.55 %

Governmental Funds Source of Revenue Fiscal Year 2022-2023

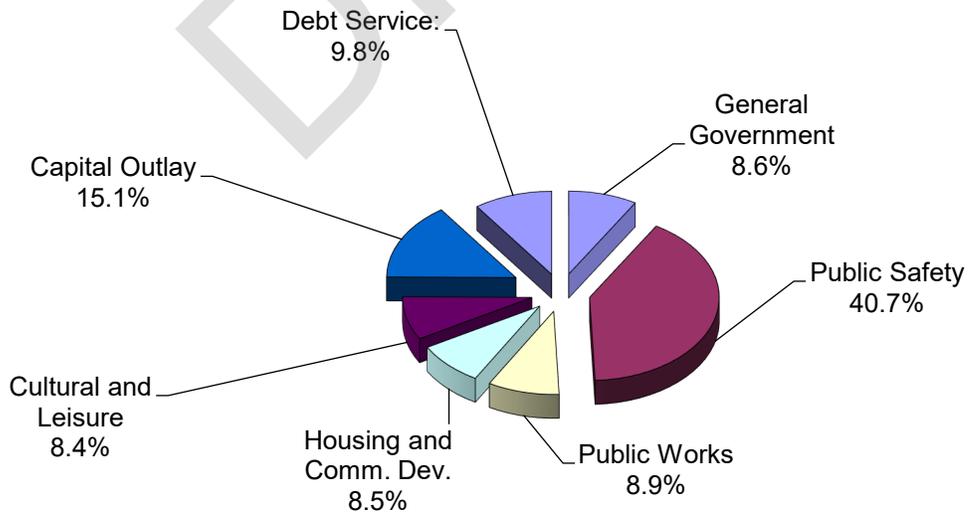


Total governmental fund revenues increased \$5.9 million, or 4.5%, from fiscal year 2021-2022. Taxes increased \$2.7 million, or 3.7%, primarily from secured and unsecured property tax consistent with expected growth projections. Interdepartmental revenue decreased \$1.3 million, or (12.8) %, with higher funding from sources recorded in the Intergovernmental Grants Fund for various capital improvement projects and bus purchases.

The following schedule is a summary of governmental fund expenditures by function for fiscal year ended June 30, 2023, and includes both Major and Non-Major Funds. It reflects the amount and percent of increase or decrease for each functional category of expenditures compared to the prior year.

Expenditures	FY 22-23 Amount	Percent of Total	FY 21-22 Amount	Increase (Decrease) From Prior Year	Percent Increase (Decrease)
Current:					
General Government	\$ 11,874,752	8.6%	\$ 24,894,820	\$ (13,020,068)	-52.3%
Public Safety	56,313,610	40.7%	209,643,074	(153,329,464)	-73.1%
Public Works	12,372,547	8.9%	23,081,641	(10,709,094)	-46.4%
Housing and Comm. Dev.	11,686,810	8.5%	16,644,042	(4,957,232)	-29.8%
Cultural and Leisure	11,603,710	8.4%	15,492,140	(3,888,430)	-25.1%
Total Current Expenditures	103,851,429	75.1%	289,755,717	(185,904,288)	-64.2%
Capital Outlay	20,838,116	15.1%	14,567,037	6,271,079	43.0%
Debt Service:	13,556,851	9.8%	6,859,846	6,697,005	97.6%
Total	\$ 138,246,396	100.0%	\$ 311,182,600	\$ (172,936,204)	-55.6%

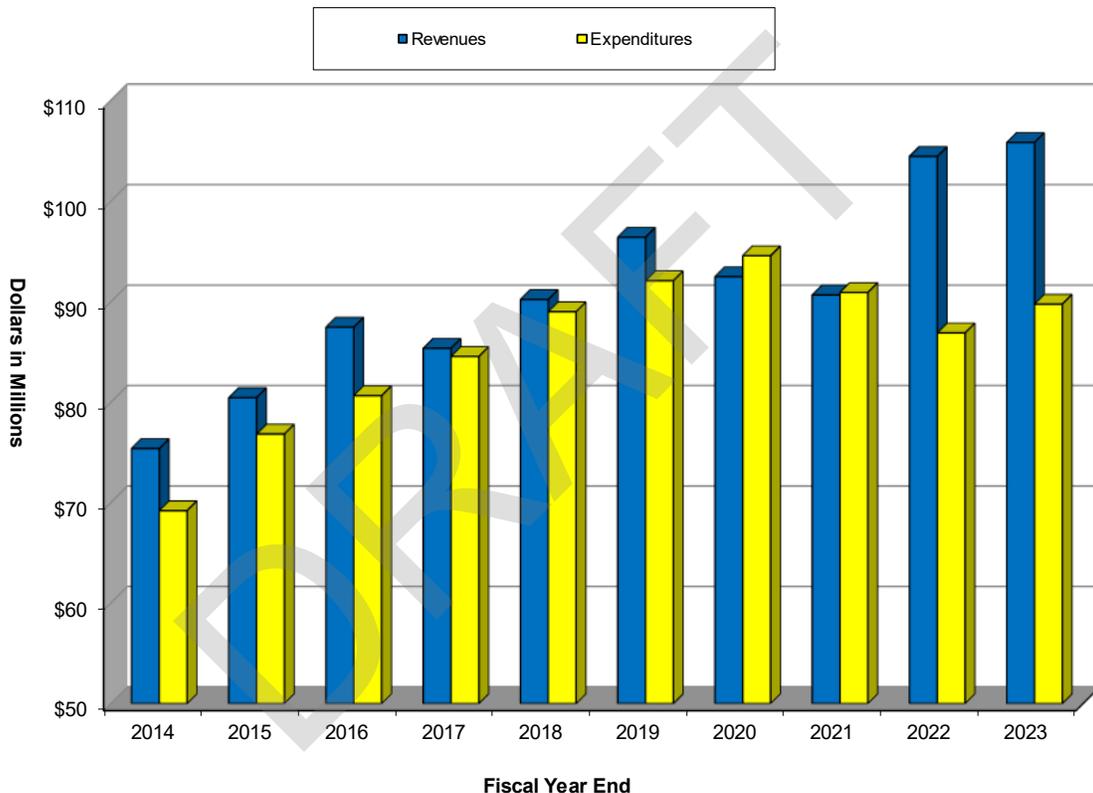
Governmental Funds Expenditures by Category Fiscal Year 2022-2023



Total governmental fund expenditures decreased \$173 million, or 56%, from fiscal year 2021-2022. As mentioned earlier, the variances are attributable to:

- Current expenditures decreased by \$186 million, or 64.2%, with lower personnel costs from lower CalPERS contributions.
- Capital outlay expenditures increased by \$6.3 million, or 43%, reflecting the fluctuating nature of capital improvement project expenses.
- Debt service expenditures increased by \$6.7 million or 97.6% in accordance with the debt payment schedules, including the first year of payments on the 2021A Lease Revenue Refunding Bonds.

Although there are three major funds in the City of Redondo Beach (the General Fund, the Other Intergovernmental Grants Fund, and the Low-Mod Income Housing Fund), the following discussions focus on the General Fund, which is the major operating fund of the City.



General Fund expenditures had exceeded revenues during fiscal years 2020-2021 and 2021-2022 which were fiscal years most impacted by the COVID-19 pandemic. When compared to the previous year, fiscal year 2023 revenues increased by \$1.4 million, or 1.3%, while expenditures decreased \$2.9 million, or 3.3%.

General Fund Balance

The fund balance of the General Fund as of June 30, 2023 was \$33.2 million, an increase of \$3.8 million or 13%, when compared to the prior year. The City Council approved the constraints of the General Fund balance reflected below.

	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023
General Fund Contingency	\$ 7,585,231	\$ 7,241,252	\$ 8,599,208	\$ 8,599,208
Compensated Absences	770,942	756,422	785,832	785,832
Carryover Assignments	502,930	289,290	1,845,807	4,732,775
Capital Projects	-	1,000,000	-	-
Encumbrances	1,292,166	981,809	1,270,389	2,029,853
Petty Cash	10,800	12,800	12,800	12,800
CalPERS	6,572,307	5,105,721	7,975,721	7,975,721
Future Year's Appropriations	-	762,577	8,531,279	8,691,279
Unassigned Balance	704,067	2,039,523	276,536	190,951

As part of year-end activities, the City Council reviews the General Fund balance and determines how the City should commit/assign the unrestricted portion. As illustrated above, Council constraints of General Fund balance over the past several years reflect the City's Strategic Plan. Aside from policy-designated amounts (i.e., General Fund Contingency and Compensated Absences), much of the money is committed or assigned to accomplish strategic goals.

Other Intergovernmental Grants Fund Balance

The fund balance of the Other Intergovernmental Grants Fund as of June 30, 2023 was \$(6.1) million, a decrease to the negative fund balance of \$805 thousand, when compared to the prior year. Revenues and expenditures of the fund, where monies from Federal, State and other governmental agencies are used primarily for capital improvement projects, tend to fluctuate from year to year depending on resources received from other governmental agencies.

Low-Mod Income Housing Fund Balance

The fund balance of the Low-Mod Income Housing Fund as of June 30, 2023 was \$3.4 million, a decrease of \$344 thousand, when compared to the prior year. Housing assets transferred from the dissolved Redevelopment Agency and funds generated from those assets are used to assist with housing needs for low- and moderate- income individuals.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended fiscal year 2022-2023 budget totaled \$108.6 million, including net amendments to the originally adopted budget and excluding transfers out of \$4.1 million. The City Council adopts budget adjustments during the year to reflect both changed priorities and consideration of events that took place subsequent to the budget adoption. The amendments can be briefly summarized as follows:

- Funding of prior-year encumbrances of \$1,270,389
- Funding of carry-over appropriations of \$1,845,807.
- Increased mid-year appropriations by \$861,121.

Budget amendments were funded from/credited to available fund balance. During the year, however, revenues exceeded budgetary estimates by approximately \$3.6 million and expenditures were \$8.6 million less than budgetary estimates, primarily due to contractual services that were not completed by year-end and 2021A bond principal and interest payments budgeted in Department operating budgets, but charged to transfers out.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets of the city, including infrastructure assets are those assets used in the performance of the City's functions. At June 30, 2023, net capital assets of the governmental and business-type activities totaled \$191.2 million and \$73.8 million, respectively. Depreciation on capital assets is recognized in the Government-Wide financial statements.

The city has elected to use the "Modified Approach" as defined by GASB 34 for infrastructure reporting for its paving system (streets). Under GASB 34, eligible infrastructure capital assets are not required to be depreciated as long as:

- 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 the results using a measurement scale, and 3) estimated annual amounts budgeted to maintain and preserve an established condition assessment level.
- The City documents the eligible infrastructure capital assets being preserved approximately at the established and disclosed condition assessment level.

Prior to fiscal year 2008-2009, the City's PQI rating, an amalgam of the PCR and the International Roughness Index (IRI) established by the World Bank, was based on a 10.0 scale. In fiscal year 2008-2009, the PQI rating was converted to a 100-point scale to make it comparable to alternative pavement rating methods. In fiscal year 2017-2018, the city moved to the PCI rating, an alternate paving rating method, which is most frequently used by adjacent cities for an easier comparison. 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. As of June 30, 2023, the City's Street system was rated at a PCI of 68.

The City's budget for street maintenance for the fiscal year ended June 30, 2023 was \$40.3 million. Actual expenditures were \$14.5 million, with the remaining budget carried forward as continuing appropriations. The city is judiciously investing in this infrastructure asset as part of the five-year Capital Improvement Program and will continue to rehabilitate and maintain its streets in order to achieve this goal. The estimated

expenditures required to maintain and improve the overall condition of the streets from July 1, 2022 through June 30, 2023 is a minimum of \$4.6 million.

More information on the modified approach for City streets infrastructure capital assets is behind the tab section titled Required Supplementary Information.

	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Activities			
Land	\$ 16,522,947	\$ -	\$ 16,522,947
Construction in Progress	42,314,513	-	42,314,513
Infrastructure - Street	54,054,036	-	54,054,036
Building and Improvements	58,523,343	(29,849,247)	28,674,096
Furniture and Equipment	13,730,204	(10,230,226)	3,499,978
Automotive Equipment	19,603,617	(15,170,169)	4,433,448
Right-to-use buildings	2,245,558	(528,367)	1,717,191
Right-to-use subscriptions	1,422,465	(245,987)	1,176,478
Infrastructure - other than Street	102,696,119	(62,709,906)	39,986,213
Total	\$ 311,112,802	\$ (118,733,902)	\$ 192,378,900
Capital Assets - Business-Type Activities			
Land	\$ 20,323,255	-	\$ 20,323,255
Construction in Progress	10,289,560	-	10,289,560
Building and Improvements	45,184,647	(22,589,622)	22,595,025
Furniture and Equipment	1,094,505	(989,771)	104,734
Automotive Equipment	3,698,852	(2,277,921)	1,420,931
Infrastructure	33,634,671	(14,611,720)	19,022,951
Total	\$ 114,225,490	\$ (40,469,034)	\$ 73,756,456

For more information on the City's capital assets, refer to Note 8 of the Notes to Financial Statements.

DEBT ADMINISTRATION

Debt service funds are used to account for the accumulation of resources for payment of interest and principal on bonds issued by the City. The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita for the fiscal year 2022-2023 are provided below. These indicators provide important information for management and concerned citizens, as well as potential investors.

	Amount	Ratio of Debt to Assessed Value of Property	Debt per Capita
Net Direct Bonded Debt	\$20,512,490,095	1.19%	\$ 3,575.73

Bonds issued by the Community Financing Authority (CFA), a component unit of the City, were issued to finance various improvements to, and to remedy a variety of deficiencies in the facilities of the Wastewater Enterprise. In FY 2018-2019, the CFA issued bonds to refund various leaseback contingencies and finance the purchase of a sublease between the City and Redondo Fisherman's Cove Company. The city has no general obligation bond indebtedness.

For a complete listing of the City's long-term debt obligations, refer to Note 10 of the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In considering Fiscal Year 2023-2024, the local economy will be impacted by high interest rates and economic uncertainty, with key revenue sources showing slower revenues following exceptionally strong returns in FY 2022-23.

- Only impacted by possible payment delinquencies, property tax revenue for fiscal year 2023-2024 is projected at \$33.4 million, reflecting an incremental improvement in property values as assessed in calendar year 2022. Redondo Beach's housing market has remained fairly stable due to its coastal location. Property tax revenue is the City's primary source of operating revenue.
- Sales and Use Tax revenue is projected to increase by about \$115,000, or 1.0%, to \$11.5 million, reflecting a small increase over a revised FY 2022-23 projection that reflected data from midyear FY 2022-23 indicating a projected sales tax recovery that was slower than projected following the pandemic. Even at the moderated pace, revenue is well ahead of the City's pre-pandemic (FY 2018-19) revenue of approximately \$10.6 million.
- Utility Users' Tax (UUT) revenue is projected to decrease by about \$140,000 or 2% to \$8.5 million. This slight decrease reflects more moderate estimates following exceptionally strong FY 2022-23 receipts. The estimate is based upon analysis of the projected performance from each of the categorical components of the City's UUT tax base, including electricity, natural gas, telecommunications, water, and cable television. UUT revenue provides support for essential City operational services.

- Transient Occupancy Tax (TOT) revenue is projected to increase by \$0.6 million, or 12.5% over prior year receipts to \$6.8 million which is still below pre-pandemic levels of approximately \$9,000,000. In addition to the anticipated slow recovery in tourism, nearly all of the TOT revenue for the Marine Avenue hotels will be returned to replenish the reserve account that has been used during the pandemic.

General Fund appropriations for fiscal year 2023-2024 are projected at \$106.8 million, excluding transfers; or \$110.6 million, including \$3.8 million in transfers out. Personnel costs in the General Fund decreased by \$1.8 million, or 3.3%, reflecting adjustments to budgeting methodology. The FY 2023-24 proposed personnel amounts also reflect restoration of previously deauthorized positions.

During fiscal year 2022-2023, Redondo Beach experienced a 6.5% change in real property assessed valuations, compared to the 2021-2022 increase of 3.3%. Additionally, for the 2022-23 fiscal year, the actual value increase was due to the transfers of ownership which continues to be expected. Finally, The California Consumer Price Index (the "CCPI") for 2022-23 that has been approved by the State is 2.0% which will have impact to the annual adjustment and are directly correlated to economic recovery.

Transient occupancy tax FY 2022-23 actual receipts saw a 13.9% revenue increase over FY 2021-22, and actual sales tax receipts saw an 6.6% decrease while falling from ranking 42 out of 62 in total taxable retail sales out of 88 cities in Los Angeles County. The unemployment rate for Redondo Beach in 2023 fell to 3.3% from 6.5% in 2022 and a pandemic-high peak of 9.4% in 2020. This is below the Los Angeles County and the State of California 2022 unemployment rates of 4.2% and 4.1%, respectively.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Financial Services Department at 415 Diamond Street, Redondo Beach CA 90277, phone 310-697-3138, or e-mail FinanceMail@redondo.org.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF REDONDO BEACH
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 96,832,814	\$ 33,208,159	\$ 130,040,973
Receivables:			
Accounts	2,879,572	1,325,097	4,204,669
Taxes	5,834,434	182,197	6,016,631
Accrued interest	473,279	254,293	727,572
Notes and loans	2,842,962	-	2,842,962
Leases	5,221,162	69,023,358	74,244,520
Internal balances	1,175,456	(1,175,456)	-
Prepaid costs	160,070	-	160,070
Due from other governments	14,469,092	1,498,449	15,967,541
Advances to Successor Agency	535,731	-	535,731
Cash with fiscal agent	1,303,816	399	1,304,215
Capital assets not being depreciated	112,891,496	30,612,815	143,504,311
Capital assets, net of depreciation	79,487,404	43,143,641	122,631,045
Total Assets	324,107,288	178,072,952	502,180,240
Deferred Outflows of Resources:			
Deferred charge on refunding	-	282,785	282,785
Deferred pension related items	51,137,663	6,036,045	57,173,708
Deferred OPEB related items	3,512,607	422,083	3,934,690
Total Deferred Outflows of Resources	54,650,270	6,740,913	61,391,183
Liabilities:			
Accounts payable	8,788,877	4,901,568	13,690,445
Accrued liabilities	3,439,472	-	3,439,472
Accrued interest	832,289	75,310	907,599
Unearned revenue	486,201	43,712	529,913
Deposits payable	5,103,378	241,117	5,344,495
Pollution remediation liability	150,000	-	150,000
Compensated absences due in one year	947,382	137,234	1,084,616
Claims payable due in one year	748,564	-	748,564
Long-term obligations due in one year	8,109,312	967,480	9,076,792
Noncurrent liabilities:			
Compensated absences due in more than one year	2,842,145	411,690	3,253,835
Claims payable due in more than one year	20,172,822	-	20,172,822
Long-term obligations due in more than one year	220,463,048	22,182,420	242,645,468
Net pension liability	27,806,069	2,991,244	30,797,313
Net OPEB liability	11,595,633	1,393,354	12,988,987
Total Liabilities	311,485,192	33,345,129	344,830,321
Deferred Inflows of Resources:			
Deferred pension related items	3,663,675	567,024	4,230,699
Deferred OPEB related items	4,260,579	511,958	4,772,537
Deferred leases related items	5,156,539	67,940,032	73,096,571
Total Deferred Inflows of Resources	13,080,793	69,019,014	82,099,807
Net Position:			
Net investment in capital assets	189,024,081	66,054,613	255,078,694
Restricted for:			
Housing and community development	12,406,540	-	12,406,540
Public safety	495,635	-	495,635
Public works	5,906,803	-	5,906,803
Debt service	5,375,387	-	5,375,387
Low and moderate income housing	4,854,515	-	4,854,515
Unrestricted	(163,871,388)	16,395,109	(147,476,279)
Total Net Position	\$ 54,191,573	\$ 82,449,722	\$ 136,641,295

CITY OF REDONDO BEACH
Statement of Activities
Year Ended June 30, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 8,875,247	\$ 11,449,964	\$ 7,563	\$ -
Public safety	77,329,726	5,214,506	3,897,642	-
Housing and community development	10,119,877	5,923,067	812,381	-
Cultural and leisure services	11,227,624	10,742,331	7,913,452	1,277,561
Public works	11,459,350	2,953,076	3,870,924	1,811,344
Interest on long-term debt and fiscal charges	6,046,346	-	-	-
Total Governmental Activities	125,058,170	36,282,944	16,501,962	3,088,905
Business-Type Activities:				
Harbor Tidelands	6,414,101	7,624,821	20,000	-
Harbor Uplands	3,877,153	5,754,907	-	-
Wastewater	4,852,027	5,433,482	-	-
Solid Waste	5,627,344	6,141,657	28,234	-
Transit	5,819,936	165,196	4,143,094	-
Total Business-Type Activities	26,590,561	25,120,063	4,191,328	-
Total Primary Government	\$ 151,648,731	\$ 61,403,007	\$ 20,693,290	\$ 3,088,905

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other
- Gain on sale of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

**Net (Expenses) Revenues
and Changes in Net Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ 2,582,280	\$ -	\$ 2,582,280
(68,217,578)	-	(68,217,578)
(3,384,429)	-	(3,384,429)
8,705,720	-	8,705,720
(2,824,006)	-	(2,824,006)
(6,046,346)	-	(6,046,346)
(69,184,359)	-	(69,184,359)
-	1,230,720	1,230,720
-	1,877,754	1,877,754
-	581,455	581,455
-	542,547	542,547
-	(1,511,646)	(1,511,646)
-	2,720,830	2,720,830
(69,184,359)	2,720,830	(66,463,529)
45,649,338	-	45,649,338
6,174,326	-	6,174,326
11,036,523	-	11,036,523
2,131,206	-	2,131,206
1,301,224	-	1,301,224
9,166,031	-	9,166,031
1,173,417	-	1,173,417
72,000	-	72,000
3,558,292	1,055,954	4,614,246
470,103	-	470,103
17,785	1,241	19,026
138,511	(138,511)	-
80,888,756	918,684	81,807,440
11,704,397	3,639,514	15,343,911
42,487,176	78,810,208	121,297,384
\$ 54,191,573	\$ 82,449,722	\$ 136,641,295

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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CITY OF REDONDO BEACH

Balance Sheet

Governmental Funds

June 30, 2023

	General	Special Revenue Funds	
		Other Intergovernmental Grants	Low-Mod Income Housing
Assets:			
Pooled cash and investments	\$ 24,931,434	\$ 16,911	\$ 1,491,790
Receivables:			
Accounts	2,257,139	429,000	-
Taxes	5,378,629	-	-
Accrued interest	415,855	-	-
Notes and loans	21,839	-	2,494,896
Leases	3,933,367	-	-
Prepaid costs	148,160	-	-
Due from other governments	1,622,672	7,429,039	-
Due from other funds	8,103,574	-	-
Advances to Successor Agency	-	-	535,731
Restricted assets:			
Cash and investments with fiscal agents	1,246,492	-	-
Total Assets	\$ 48,059,161	\$ 7,874,950	\$ 4,522,417
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 2,077,857	\$ 1,590,188	\$ 52,498
Accrued liabilities	3,439,472	-	-
Unearned revenues	153,601	332,600	-
Deposits payable	5,103,378	-	-
Due to other funds	-	5,739,212	582,213
Pollution remediation liability	150,000	-	-
Total Liabilities	10,924,308	7,662,000	634,711
Deferred Inflows of Resources:			
Unavailable revenues	59,493	6,266,304	389,992
Deferred leases related items	3,886,942	-	-
Total Deferred Inflows of Resources	3,946,435	6,266,304	389,992
Fund Balances:			
Nonspendable:			
Prepaid costs	148,160	-	-
Notes and loans	21,839	-	-
Restricted for:			
Housing and community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
Debt service	-	-	-
Low and moderate income housing	-	-	3,497,714
Committed to:			
Contingency	8,599,208	-	-
Assigned to:			
Capital projects	-	-	-
Compensated absences	785,832	-	-
Future pension payments	7,975,721	-	-
Continuing operations	15,466,707	-	-
Unassigned	190,951	(6,053,354)	-
Total Fund Balances	33,188,418	(6,053,354)	3,497,714
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 48,059,161	\$ 7,874,950	\$ 4,522,417

CITY OF REDONDO BEACH

Balance Sheet

Governmental Funds

June 30, 2023

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 34,544,676	\$ 60,984,811
Receivables:		
Accounts	130,167	2,816,306
Taxes	455,805	5,834,434
Accrued interest	57,424	473,279
Notes and loans	326,227	2,842,962
Leases	1,287,795	5,221,162
Prepaid costs	-	148,160
Due from other governments	5,417,381	14,469,092
Due from other funds	4,411,513	12,515,087
Advances to Successor Agency	-	535,731
Restricted assets:		
Cash and investments with fiscal agents	57,324	1,303,816
Total Assets	\$ 46,688,312	\$ 107,144,840
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,388,367	\$ 5,108,910
Accrued liabilities	-	3,439,472
Unearned revenues	-	486,201
Deposits payable	-	5,103,378
Due to other funds	5,018,206	11,339,631
Pollution remediation liability	-	150,000
Total Liabilities	6,406,573	25,627,592
Deferred Inflows of Resources:		
Unavailable revenues	538,428	7,254,217
Deferred leases related items	1,269,597	5,156,539
Total Deferred Inflows of Resources	1,808,025	12,410,756
Fund Balances:		
Nonspendable:		
Prepaid costs	-	148,160
Notes and loans	-	21,839
Restricted for:		
Housing and community development	12,406,540	12,406,540
Public safety	495,635	495,635
Public works	5,906,803	5,906,803
Debt service	5,375,387	5,375,387
Low and moderate income housing	1,356,801	4,854,515
Committed to:		
Contingency	-	8,599,208
Assigned to:		
Capital projects	12,960,508	12,960,508
Compensated absences	-	785,832
Future pension payments	-	7,975,721
Continuing operations	-	15,466,707
Unassigned	(27,960)	(5,890,363)
Total Fund Balances	38,473,714	69,106,492
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,688,312	\$ 107,144,840

CITY OF REDONDO BEACH
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

Fund balances of governmental funds		\$ 69,106,492
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.		183,120,502
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (215,882,891)	
Leases and subscriptions	(2,512,149)	
Net OPEB liability	(10,930,304)	
Net pension liability	(26,673,713)	
Compensated absences	<u>(3,486,700)</u>	(259,485,757)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(787,465)
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.		7,254,217
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		48,667,633
Deferred inflows of resources - pension related items		(3,389,210)
Deferred outflows of resources - OPEB related items		3,311,061
Deferred inflows of resources - OPEB related items		(4,016,118)
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.		<u>10,410,218</u>
Net Position of Governmental Activities		<u><u>\$ 54,191,573</u></u>

CITY OF REDONDO BEACH
Statement of Revenues,
Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds		
	General	Other Intergovernmental Grants	Low-Mod Income Housing
Revenues:			
Taxes	\$ 76,446,608	\$ -	\$ -
Interdepartmental	8,745,517	-	-
Licenses and permits	2,607,527	-	-
Intergovernmental	331,107	8,149,118	-
Charges for services	9,924,671	-	-
Use of money and property	2,535,421	-	41,781
Fines and forfeitures	1,341,895	-	-
Miscellaneous	3,917,756	-	-
Total Revenues	105,850,502	8,149,118	41,781
Expenditures:			
Current:			
General government	11,433,726	437,769	-
Public safety	55,465,035	672,852	-
Housing and community development	3,425,042	67,402	106,722
Cultural and leisure services	11,054,870	268,712	279,000
Public works	7,515,994	86,759	-
Capital outlay	469,495	6,178,217	-
Debt service:			
Principal retirement	379,343	67,743	-
Interest and fiscal charges	10,452	10,968	-
Total Expenditures	89,753,957	7,790,422	385,722
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,096,545	358,696	(343,941)
Other Financing Sources (Uses):			
Transfers in	1,650,733	-	-
Transfers out	(14,343,215)	-	-
Subscription financing	415,357	446,705	-
Total Other Financing Sources (Uses):	(12,277,125)	446,705	-
Net Change in Fund Balances	3,819,420	805,401	(343,941)
Fund Balances, Beginning of Year	29,368,998	(6,858,755)	3,841,655
Fund Balances, End of Year	\$ 33,188,418	\$ (6,053,354)	\$ 3,497,714

CITY OF REDONDO BEACH
Statement of Revenues,
Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 185,457	\$ 76,632,065
Interdepartmental	-	8,745,517
Licenses and permits	-	2,607,527
Intergovernmental	17,963,488	26,443,713
Charges for services	1,880,632	11,805,303
Use of money and property	981,090	3,558,292
Fines and forfeitures	6,000	1,347,895
Miscellaneous	2,131,622	6,049,378
Total Revenues	23,148,289	137,189,690
Expenditures:		
Current:		
General government	3,257	11,874,752
Public safety	175,723	56,313,610
Housing and community development	8,087,644	11,686,810
Cultural and leisure services	1,128	11,603,710
Public works	4,769,794	12,372,547
Capital outlay	14,190,404	20,838,116
Debt service:		
Principal retirement	7,172,018	7,619,104
Interest and fiscal charges	5,916,327	5,937,747
Total Expenditures	40,316,295	138,246,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,168,006)	(1,056,706)
Other Financing Sources (Uses):		
Transfers in	14,361,809	16,012,542
Transfers out	(1,510,726)	(15,853,941)
Subscription financing	118,410	980,472
Total Other Financing Sources (Uses):	12,969,493	1,139,073
Net Change in Fund Balances	(4,198,513)	82,367
Fund Balances, Beginning of Year	42,672,227	69,024,125
Fund Balances, End of Year	\$ 38,473,714	\$ 69,106,492

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, 2023

Net change in fund balances - total governmental funds \$ 82,367

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 costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 22,231,590	
Depreciation	<u>(4,421,043)</u>	17,810,547

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	7,148,148	
Leases and subscriptions principal repayments	470,956	
Subscriptions financing	(980,472)	
Amortization of bond premiums/discounts	<u>(25,732)</u>	6,612,901

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

178,863

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 governmental funds.

19,007

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.

(13,507,188)

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.

891,428

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.

(583,419)

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 funds is reported with governmental activities.

199,891

Change in Net Position of Governmental Activities

\$ 11,704,397

CITY OF REDONDO BEACH
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
Assets:			
Current:			
Cash and investments	\$ 10,043,321	\$ 1,795,542	\$ 19,043,970
Receivables:			
Accounts	625,024	354,050	21,048
Taxes	-	-	82,563
Accrued interest	115,580	41,648	97,065
Leases	45,196,992	23,826,366	-
Prepaid costs	-	-	-
Due from other governments	20,000	-	-
Due from other funds	292,173	-	-
Restricted:			
Cash with fiscal agent	-	-	399
Total Current Assets	56,293,090	26,017,606	19,245,045
Noncurrent:			
Capital assets - net of accumulated depreciation	24,733,629	23,638,213	23,959,001
Total Noncurrent Assets	24,733,629	23,638,213	23,959,001
Total Assets	81,026,719	49,655,819	43,204,046
Deferred Outflows of Resources:			
Deferred charge on refunding	-	-	282,785
Deferred pension related items	2,882,095	1,347,600	957,127
Deferred OPEB related items	195,760	92,439	72,196
Total Deferred Outflows of Resources	3,077,855	1,440,039	1,312,108
Liabilities:			
Current:			
Accounts payable	2,037,667	151,421	1,592,629
Accrued interest	39,427	13,082	13,263
Unearned revenues	-	-	-
Deposits payable	142,879	98,238	-
Due to other funds	544,986	-	-
Accrued compensated absences	53,192	12,137	35,487
Accrued claims and judgments	-	-	-
Subscriptions - due within one year	-	-	-
Long-term debt - due within one year	328,860	108,864	450,376
Total Current Liabilities	3,147,011	383,742	2,091,755
Noncurrent:			
Accrued compensated absences	159,576	36,411	106,459
Accrued claims and judgments	-	-	-
Subscriptions - due in more than one year	-	-	-
Long-term debt - due in more than one year	9,160,550	3,039,696	7,765,729
Net pension liability	1,536,418	692,906	403,717
Net OPEB liability	646,233	305,153	238,331
Total Noncurrent Liabilities	11,502,777	4,074,166	8,514,236
Total Liabilities	14,649,788	4,457,908	10,605,991
Deferred Inflows of Resources:			
Deferred pension related items	220,697	114,986	122,580
Deferred OPEB related items	237,445	112,122	87,570
Deferred lease related items	44,585,408	23,354,624	-
Total Deferred Inflows of Resources	45,043,550	23,581,732	210,150
Net Position:			
Net investment in capital assets	23,087,779	23,605,366	17,935,855
Unrestricted	1,323,457	(549,148)	15,764,158
Total Net Position	\$ 24,411,236	\$ 23,056,218	\$ 33,700,013

See Notes to Financial Statements.

CITY OF REDONDO BEACH
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Non-major Enterprise Funds	Totals	
Assets:			
Current:			
Cash and investments	\$ 2,325,326	\$ 33,208,159	\$ 35,848,003
Receivables:			
Accounts	324,975	1,325,097	63,266
Taxes	99,634	182,197	-
Accrued interest	-	254,293	-
Leases	-	69,023,358	-
Prepaid costs	-	-	11,910
Due from other governments	1,478,449	1,498,449	-
Due from other funds	-	292,173	-
Restricted:			
Cash with fiscal agent	-	399	-
Total Current Assets	4,228,384	105,784,125	35,923,179
Noncurrent:			
Capital assets - net of accumulated depreciation	1,425,613	73,756,456	9,258,398
Total Noncurrent Assets	1,425,613	73,756,456	9,258,398
Total Assets	5,653,997	179,540,581	45,181,577
Deferred Outflows of Resources:			
Deferred charge on refunding	-	282,785	-
Deferred pension related items	849,223	6,036,045	2,470,030
Deferred OPEB related items	61,688	422,083	201,546
Total Deferred Outflows of Resources	910,911	6,740,913	2,671,576
Liabilities:			
Current:			
Accounts payable	1,119,851	4,901,568	3,679,967
Accrued interest	9,538	75,310	44,824
Unearned revenues	43,712	43,712	-
Deposits payable	-	241,117	-
Due to other funds	922,643	1,467,629	-
Accrued compensated absences	36,418	137,234	75,707
Accrued claims and judgments	-	-	748,564
Subscriptions - due within one year	-	-	-
Long-term debt - due within one year	79,380	967,480	438,112
Total Current Liabilities	2,211,542	7,834,050	4,987,174
Noncurrent:			
Accrued compensated absences	109,244	411,690	227,120
Accrued claims and judgments	-	-	20,172,822
Subscriptions - due in more than one year	-	-	-
Long-term debt - due in more than one year	2,216,445	22,182,420	9,739,208
Net pension liability	358,203	2,991,244	1,132,356
Net OPEB liability	203,637	1,393,354	665,329
Total Noncurrent Liabilities	2,887,529	26,978,708	31,936,835
Total Liabilities	5,099,071	34,812,758	36,924,009
Deferred Inflows of Resources:			
Deferred pension related items	108,761	567,024	274,465
Deferred OPEB related items	74,821	511,958	244,461
Deferred lease related items	-	67,940,032	-
Total Deferred Inflows of Resources	183,582	69,019,014	518,926
Net Position:			
Net investment in capital assets	1,425,613	66,054,613	8,740,054
Unrestricted	(143,358)	16,395,109	1,670,164
Total Net Position	1,282,255	\$ 82,449,722	\$ 10,410,218

CITY OF REDONDO BEACH
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
Operating Revenues:			
Sales and service charges	\$ 888,641	\$ 1,908,261	\$ 5,433,482
Harbor rentals	6,725,680	3,846,646	-
Miscellaneous	10,500	-	-
Total Operating Revenues	7,624,821	5,754,907	5,433,482
Operating Expenses:			
Administration and general	711,609	555,909	333,834
Personnel services	2,792,260	231,799	2,614,048
Contractual services	1,033,339	623,243	588,302
Internal service charges	1,197,114	1,960,748	554,855
Depreciation expense	435,229	424,344	458,235
Total Operating Expenses	6,169,551	3,796,043	4,549,274
Operating Income (Loss)	1,455,270	1,958,864	884,208
Nonoperating Revenues (Expenses):			
Intergovernmental	20,000	-	-
Interest revenue	493,719	350,503	211,732
Interest expense	(244,550)	(81,110)	(302,753)
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	269,169	269,393	(91,021)
Income (Loss) Before Transfers	1,724,439	2,228,257	793,187
Transfers in	1,787	417	-
Transfers out	-	(1,650,733)	(389)
Changes in Net Position	1,726,226	577,941	792,798
Net Position:			
Beginning of Year	22,685,010	22,478,277	32,907,215
End of Fiscal Year	\$ 24,411,236	\$ 23,056,218	\$ 33,700,013

CITY OF REDONDO BEACH
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Non-major Enterprise Funds	Totals	
Operating Revenues:			
Sales and service charges	\$ 6,116,024	\$ 14,346,408	\$ 23,392,322
Harbor rentals	-	10,572,326	-
Miscellaneous	190,829	201,329	224,311
Total Operating Revenues	6,306,853	25,120,063	23,616,633
Operating Expenses:			
Administration and general	740,442	2,341,794	10,604,906
Personnel services	1,585,689	7,223,796	6,387,910
Contractual services	8,264,664	10,509,548	2,505,954
Internal service charges	643,526	4,356,243	2,181,442
Depreciation expense	154,263	1,472,071	1,472,494
Total Operating Expenses	11,388,584	25,903,452	23,152,706
Operating Income (Loss)	(5,081,731)	(783,389)	463,927
Nonoperating Revenues (Expenses):			
Intergovernmental	4,171,328	4,191,328	-
Interest revenue	-	1,055,954	-
Interest expense	(58,696)	(687,109)	(261,731)
Gain (loss) on disposal of capital assets	1,241	1,241	17,785
Total Nonoperating Revenues (Expenses)	4,113,873	4,561,414	(243,946)
Income (Loss) Before Transfers	(967,858)	3,778,025	219,981
Transfers in	1,510,824	1,513,028	2,396
Transfers out	(417)	(1,651,539)	(22,486)
Changes in Net Position	542,549	3,639,514	199,891
Net Position:			
Beginning of Year	739,706	78,810,208	10,210,327
End of Fiscal Year	\$ 1,282,255	\$ 82,449,722	\$ 10,410,218

CITY OF REDONDO BEACH
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 7,024,049	\$ 5,458,503	\$ 5,486,967
Cash paid to suppliers for goods and services	(1,158,656)	(2,991,036)	(101,839)
Cash paid to employees for services	(3,735,875)	(1,764,767)	(2,133,435)
Net Cash Provided (Used) by Operating Activities	2,129,518	702,700	3,251,693
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(1,650,733)	(389)
Cash transfers in	1,787	417	-
Repayment received from other funds	(57,876)	-	-
Payment made to other funds	-	-	-
Principal paid on non-capital debt issued	(326,802)	(108,432)	(109,937)
Payment for cost of issuance	-	-	-
Interest paid on non-capital debt	(244,550)	(81,110)	(94,871)
Cash received from other governments	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(627,441)	(1,839,858)	(205,197)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(4,450,097)	(516,147)	(4,435,155)
Principal paid on capital debt	-	-	(325,000)
Interest paid on capital debt	-	-	(208,430)
Proceeds from sale of capital assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,450,097)	(516,147)	(4,968,585)
Cash Flows from Investing Activities:			
Interest received	475,067	345,704	174,692
Net Cash Provided (Used) by Investing Activities	475,067	345,704	174,692
Net Increase (Decrease) in Cash and Cash Equivalents	(2,472,953)	(1,307,601)	(1,747,397)
Cash and Cash Equivalents at Beginning of Year	12,516,274	3,103,143	20,791,766
Cash and Cash Equivalents at End of Year	\$ 10,043,321	\$ 1,795,542	\$ 19,044,369

CITY OF REDONDO BEACH
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Harbor Tidelands	Harbor Uplands	Wastewater
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,455,270	\$ 1,958,864	\$ 884,208
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	435,229	424,344	458,235
(Increase) decrease in accounts receivable	(273,558)	(20,108)	(1,735)
(Increase) decrease in taxes receivable	-	-	55,220
(Increase) decrease in leases receivable	1,777,991	224,146	-
(Increase) decrease in deferred outflow pension related items	7,128,453	2,068,004	2,336,287
(Increase) decrease in deferred outflow OPEB related items	(11,979)	(8,557)	(9,601)
(Increase) decrease in prepaid expense	30,000	-	-
Increase (decrease) in accounts payable	1,659,901	95,988	1,325,076
Increase (decrease) in deposits payable	-	15,483	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liability	(5,691,020)	(2,486,868)	(1,224,667)
Increase (decrease) in OPEB liability	93,505	52,876	50,076
Increase (decrease) in deferred pension related items	(2,238,534)	(1,093,705)	(654,148)
Increase (decrease) in deferred OPEB related items	(118,574)	(50,372)	(33,688)
Increase (decrease) in deferred inflow lease related items	(2,105,205)	(515,925)	-
Increase (decrease) in compensated absences	(11,961)	38,530	66,430
Total Adjustments	674,248	(1,256,164)	2,367,485
Net Cash Provided (Used) by Operating Activities	\$ 2,129,518	\$ 702,700	\$ 3,251,693
Non-Cash Investing, Capital, and Financing Activities:			
Net Amortization of Premium and Deferred Loss	\$ -	\$ -	\$ 547
Subscription financing	-	-	-
Subscription assets acquired	-	-	-

CITY OF REDONDO BEACH
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 6,142,271	\$ 24,111,790	\$ 23,604,897
Cash paid to suppliers for goods and services	(9,187,342)	(13,438,873)	(16,628,796)
Cash paid to employees for services	(1,423,596)	(9,057,673)	(5,062,987)
Net Cash Provided (Used) by Operating Activities	(4,468,667)	1,615,244	1,913,114
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(417)	(1,651,539)	(22,486)
Cash transfers in	1,510,824	1,513,028	2,396
Repayment received from other funds	-	(57,876)	-
Payment made to other funds	884,888	884,888	-
Principal paid on non-capital debt issued	(79,065)	(624,236)	-
Payment for cost of issuance	-	-	(342,615)
Interest paid on non-capital debt	(58,696)	(479,227)	(256,055)
Cash received from other governments	3,273,935	3,273,935	-
Net Cash Provided (Used) by Non-Capital Financing Activities	5,531,469	2,858,973	(618,760)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(319,393)	(9,720,792)	(1,771,239)
Principal paid on capital debt	-	(325,000)	(89,562)
Interest paid on capital debt	-	(208,430)	(2,186)
Proceeds from sale of capital assets	1,240	1,240	18,029
Net Cash Provided (Used) by Capital and Related Financing Activities	(318,153)	(10,252,982)	(1,844,958)
Cash Flows from Investing Activities:			
Interest received	-	995,463	-
Net Cash Provided (Used) by Investing Activities	-	995,463	-
Net Increase (Decrease) in Cash and Cash Equivalents	744,649	(4,783,302)	(550,604)
Cash and Cash Equivalents at Beginning of Year	1,580,677	37,991,860	36,398,607
Cash and Cash Equivalents at End of Year	\$ 2,325,326	\$ 33,208,558	\$ 35,848,003

CITY OF REDONDO BEACH
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Other Enterprise Funds	Totals	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (5,081,731)	\$ (783,389)	\$ 463,927
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	154,263	1,472,071	1,472,495
(Increase) decrease in accounts receivable	(162,495)	(457,896)	(11,736)
(Increase) decrease in taxes receivable	-	55,220	-
(Increase) decrease in leases receivable	-	2,002,137	-
(Increase) decrease in deferred outflow pension related items	1,524,179	13,056,923	7,780,456
(Increase) decrease in deferred outflow OPEB related items	(5,042)	(35,179)	(3,658)
(Increase) decrease in prepaid expense	-	30,000	(4,915)
Increase (decrease) in accounts payable	428,016	3,508,981	1,723,783
Increase (decrease) in deposits payable	-	15,483	-
Increase (decrease) in unearned revenue	(2,087)	(2,087)	-
Increase (decrease) in claims and judgments	-	-	(3,316,793)
Increase (decrease) in net pension liability	(853,711)	(10,256,266)	(4,161,862)
Increase (decrease) in OPEB liability	33,274	229,731	70,175
Increase (decrease) in deferred pension related items	(469,314)	(4,455,701)	(1,967,402)
Increase (decrease) in deferred OPEB related items	(34,912)	(237,546)	(138,887)
Increase (decrease) in deferred inflow lease related items	-	(2,621,130)	-
Increase (decrease) in compensated absences	893	93,892	7,531
Total Adjustments	613,064	2,398,633	1,449,187
Net Cash Provided (Used) by Operating Activities	\$ (4,468,667)	\$ 1,615,244	\$ 1,913,114
Non-Cash Investing, Capital, and Financing Activities:			
Net Amortization of Premium and Deferred Loss	\$ -	\$ 547	\$ -
Subscription financing	-	-	(318,307)
Subscription assets acquired	-	-	318,307

CITY OF REDONDO BEACH
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds	Private-Purpose Trust Fund
		Redevelopment Obligation Retirement Fund
Assets:		
Pooled cash and investments	\$ 178,012	\$ 1,426,199
Receivables:		
Accounts	37,758	22,082
Accrued interest	-	14,873
Total Assets	215,770	1,463,154
Liabilities:		
Accrued interest	-	121,496
Due to other governments	-	2,443,621
Long-term liabilities:		
Due in one year	-	595,000
Due in more than one year	-	12,406,131
Advances from City	-	535,731
Total Liabilities	-	16,101,979
Net Position:		
Restricted for other purposes	215,770	(14,638,825)
Total Net Position	\$ 215,770	\$ (14,638,825)

DRAFT

CITY OF REDONDO BEACH
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023

	<u>Custodial Funds</u>	<u>Private-Purpose Trust Fund</u>
		<u>Redevelopment Obligation Retirement Fund</u>
Additions:		
Charges for services	\$ -	\$ 262,386
RPTTF distributions	-	2,698,872
Investment earnings	-	42,039
Total Additions	<u>-</u>	<u>3,003,297</u>
Deductions:		
Interest expense	-	242,993
Contributions to other governments	-	812,381
Total Deductions	<u>-</u>	<u>1,055,374</u>
Changes in Net Position	-	1,947,923
Net Position:		
Beginning of the year	215,770	(16,586,748)
End of the Year	<u>\$ 215,770</u>	<u>\$ (14,638,825)</u>

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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 non-major 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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."

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:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements	5-45
Equipment	5-20
Vehicles	4-20
Infrastructure	5-60

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.

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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following conditions were defined:

<u>Condition</u>	<u>Rating</u>
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 2021, 2022 and 2023, the City's street system was rated at a PCI of 70, 69 and 68 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

N. Other Post-Employment 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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

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."

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Post-Employment 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.
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.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance

The following funds had a deficit balance as of June 30, 2023:

Major Funds	
Other Intergovernmental Grants	\$ (6,053,354)
Non-Major Funds	
Local Transportation Article 3	(907)
Community Development Block Grant	(27,053)
Internal Service Funds	
Self-Insurance Program	(10,337,391)
Private-Purpose Trust Fund	(14,638,825)

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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS

Cash and investments are presented on the Statement of Net Position as follows at June 30, 2023:

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	
	Governmental Activities	Business-type Activities	Total	Statement of Net Position	Total
Cash and investments	\$ 96,832,814	\$ 33,208,159	\$ 130,040,973	\$ 1,604,211	\$ 131,645,184
Restricted cash and investments with fiscal agents	1,303,816	399	1,304,215	-	1,304,215
	<u>\$ 98,136,630</u>	<u>\$ 33,208,558</u>	<u>\$ 131,345,188</u>	<u>\$ 1,604,211</u>	<u>\$ 132,949,399</u>

Cash, cash equivalents, and investments consisted of the following at June 30, 2023:

Cash and cash equivalents:

Petty cash	\$ 12,800
Demand deposits - City	18,190,112
Demand deposits - Successor Agency	1,052,374
Total cash and cash equivalents	<u>19,255,286</u>

Investments:

Local Agency Investment Fund (LAIF) - City	1,254,519
Local Agency Investment Fund (LAIF) - Successor Agency	1,865,614
Negotiable certificates of deposit	963,862
Money market mutual funds	8,931,843
Corporate Bonds	8,770,250
US Government Securities	35,806,770
Federal Agency Securities	54,797,040

Total investments 112,389,898

Total cash and investments 131,645,184

Cash and investments with fiscal agents 1,304,215

Total \$ 132,949,399

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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.

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, 2023, 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, 2023, the City and the Successor Agency had \$1,865,614 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 0.984828499 was used to calculate the fair value of the investments in LAIF.

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, 2023, all MTN's were rated "A2" or higher by Moody's. As of June 30, 2023, the City's Federal Agency investments were rated "AA+" by Moody's

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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, 2023, 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 \$19,242,486 at June 30, 2023. Bank balances at June 30, 2023, were \$19,887,674 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, 2023, 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.

As of June 30, 2023, the City has invested more than 5% of its total investment value with the following issuers:

		<u>% of Total Investments</u>
Federal Home Loan Bank	\$ 17,681,110	16%
Federal Farm Credit Bank	18,229,400	16%
Federal National Mortgage Association	4,752,730	4%
Federal Home Loan Mortgage Corporation	<u>14,133,800</u>	13%
	<u>\$ 54,797,040</u>	49%

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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, 2023, the City had the following investments and remaining maturities:

Investment Types	Investment Maturities				Fair Value
	Up to 1 year	1 to 2 years	2 to 3 years	3 to 5 years	
External Investment Pools -	\$ 3,120,133	\$ -	\$ -	\$ -	\$ 3,120,133
Local Agency Investment Fund					
Negotiable certificate of deposits	726,442	237,420	-	-	963,862
US Treasury Notes	8,915,950	1,898,900	20,534,480	4,457,440	35,806,770
Federal Agencies					
Federal Farm Credit Bank	10,414,450	2,883,100	-	4,931,850	18,229,400
Federal Home Loan Bank	-	6,733,010	-	10,948,100	17,681,110
Federal Home Loan Mortgage Corporation	-	-	-	14,133,800	14,133,800
Federal National Mortgage Association	-	4,752,730	-	-	4,752,730
Money Market	8,931,843	-	-	-	8,931,843
Corporate Bonds	6,910,590	1,859,660	-	-	8,770,250
Total Investments	<u>\$ 39,019,408</u>	<u>\$ 18,364,820</u>	<u>\$ 20,534,480</u>	<u>\$ 34,471,190</u>	<u>\$ 112,389,898</u>

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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2023.

Investments by Fair Value Level	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
US Treasury Notes	\$ 35,806,770	\$ 35,806,770	\$ -	\$ -
Federal Farm Credit Bank	18,229,400	-	18,229,400	-
Federal Home Loan Bank	17,681,110	-	17,681,110	-
Federal Home Loan Mortgage Corporation	14,133,800	-	14,133,800	-
Federal National Mortgage Association	4,752,730	-	4,752,730	-
Corporate Bonds	8,770,250	-	8,770,250	-
Money Market	8,931,843	8,931,843	-	-
Negotiable Certificates of Deposit	963,862	-	963,862	-
Total Investments by Fair Value Level	109,269,765	\$ 44,738,613	\$ 64,531,152	\$ -
Investments measured at Net Asset Value				
Local Agency Investment Fund (LAIF)	3,120,133			
Total Investments	\$ 112,389,898			

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.

NOTE 4: RECEIVABLES

The following is a summary of receivables net of allowances for uncollectible amounts at June 30, 2023:

	Government-wide Statement of Net Position		Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities		
Accounts Receivable	\$ 2,879,572	\$ 1,325,097	\$ 59,840	\$ 4,264,509
Taxes receivable	5,834,434	182,197	-	6,016,631
Accrued interest receivable	473,279	254,293	14,873	742,445
Notes and loans receivable	2,842,962	-	-	2,842,962
Leases receivable	5,221,162	69,023,358	-	74,244,520
	\$ 17,251,409	\$ 70,784,945	\$ 74,713	\$ 88,111,067

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4: RECEIVABLES (CONTINUED)

At June 30, 2023, 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 non-major fund in the aggregate as of June 30, 2023, was as follows:

Governmental Funds:	
General Fund	\$ 2,257,139
Other Intergovernmental Grants	429,000
Remaining Governmental Funds	130,167
Total Governmental Funds	<u>2,816,306</u>
Proprietary Funds:	
Harbor Tidelands	625,024
Harbor Uplands	354,050
Wastewater	21,048
Other Non-major Enterprise Funds	324,975
Internal Service Funds	63,266
Total proprietary funds	<u>1,388,363</u>
Total	<u>\$ 4,204,669</u>

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, 2023, was as follows:

Governmental Funds:	
General Fund	\$ 415,855
Remaining Governmental Funds	57,424
Total Governmental Funds	<u>473,279</u>
Proprietary Funds:	
Harbor Tidelands	115,580
Harbor Uplands	41,648
Wastewater	97,065
Total proprietary funds	<u>254,293</u>
Total	<u>\$ 727,572</u>

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4: RECEIVABLES (CONTINUED)

C. Taxes Receivable

At June 30, 2023, the City had the following taxes receivable:

Type of Taxes	Governmental Funds		Proprietary Funds		Total
	General Fund	Non-Major Governmental Funds	Wastewater Fund	Solid Waste Fund	
Property Taxes	\$ 1,137,855	\$ 455,805	\$ 82,563	\$ 99,634	\$ 1,775,857
Sales Taxes	2,020,322	-	-	-	2,020,322
Transient Occupancy Taxes	1,058,232	-	-	-	1,058,232
Utility Users Taxes	692,023	-	-	-	692,023
Franchise Taxes	267,157	-	-	-	267,157
Transfer Taxes	203,040	-	-	-	203,040
Total Taxes	\$ 5,378,629	\$ 455,805	\$ 82,563	\$ 99,634	\$ 6,016,631

D. Notes and Loans Receivable

At June 30, 2023, the City had the following notes and loans receivable:

	Governmental Funds			Total
	General Fund	Low-Mod Income Housing	Non-Major Governmental Funds	
Home Rehabilitation Loans	\$ -	\$ 389,992	\$ -	\$ 389,992
Housing Assistance Loans	-	-	326,227	326,227
Senior Housing Program	-	2,104,904	-	2,104,904
Computer Loan Program	21,839	-	-	21,839
Total	\$ 21,839	\$ 2,494,896	\$ 326,227	\$ 2,842,962

Home Rehabilitation Loans

At June 30, 2023, 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, 2023, the City was owed, in its Community Development Block Grant Special Revenue Fund, \$326,227 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.

NOTE 4: RECEIVABLES (CONTINUED)

Senior Housing Program

On June 21, 1995, the Agency loaned \$2,200,000 to the Corporate Fund for Housing (a California non-profit 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, 2023, the loan receivable included accrued interest of \$55,000.

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, 2023, the loan receivable balance was \$21,839.

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, 2023, the City reported a lease receivable of \$74,244,520, \$5,221,162 for governmental funds and \$69,023,358 for proprietary funds, respectively. The lessees were required to make monthly payments in fiscal year 2023 ranging from \$788 to \$105,400. The leases have interest rates ranging from 0.218% to 2.217%. The value of the deferred inflow of resources as of June 30, 2023, was \$73,096,571, \$5,156,539 for governmental funds and \$67,940,032 for proprietary funds respectively, and the City recognized lease revenue of \$4,577,398, \$266,196 for governmental funds and \$4,311,204 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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 5: LEASES (CONTINUED)

The following is a schedule, by year, of minimum future lease rentals on non-cancellable operating leases as of June 30, 2023:

Fiscal Year	Governmental Activities		
	Lease Receivable	Interest Income	Minimum Future Rental Revenue
2024	\$ 437,852	\$ 75,753	\$ 513,605
2025	357,334	71,636	428,971
2026	361,387	67,584	428,971
2027	365,485	63,485	428,971
2028	317,448	59,361	376,808
2029 - 2033	100,881	284,119	385,000
2034 - 2038	109,851	275,148	385,000
2039 - 2043	119,620	265,380	385,000
2044 - 2048	130,257	254,743	385,000
2049 - 2053	141,840	243,160	385,000
2054 - 2058	154,453	230,547	385,000
2059 - 2063	168,187	216,813	385,000
2064 - 2068	183,143	201,857	385,000
2069 - 2073	199,428	185,571	385,000
2074 - 2078	217,162	167,837	385,000
2079 - 2083	236,473	148,526	385,000
2084 - 2088	257,501	127,498	385,000
2089 - 2093	280,399	104,601	385,000
2094 - 2098	305,333	79,667	385,000
2099 - 2103	332,484	52,515	385,000
2104 - 2108	362,050	22,950	385,000
2109 - 2110	82,593	824	83,417
Total	\$ 5,221,162	\$ 3,199,574	\$ 8,420,735

Fiscal Year	Business-Type Activities		
	Lease Receivable	Interest Income	Minimum Future Rental Revenue
2024	\$ 3,842,702	\$ 1,081,463	\$ 4,924,165
2025	3,748,520	1,035,324	4,783,844
2026	3,795,048	988,751	4,783,799
2027	3,133,237	942,346	4,075,583
2028	1,779,170	904,716	2,683,886
2029 - 2033	7,654,483	4,149,028	11,803,512
2034 - 2038	6,156,199	3,582,148	9,738,346
2039 - 2043	6,556,406	3,046,244	9,602,651
2044 - 2048	7,139,355	2,463,296	9,602,651
2049 - 2053	7,774,135	1,828,516	9,602,651
2054 - 2058	8,465,356	1,137,295	9,602,651
2059 - 2063	6,748,275	425,048	7,173,323
2064 - 2068	2,108,649	101,651	2,210,300
2069 - 2073	121,823	607	122,430
Total	\$ 69,023,358	\$ 21,686,433	\$ 90,709,791

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 5: LEASES (CONTINUED)

B. Lease Payable and Right to Use Lease Assets

On 07/01/2021, City of Redondo Beach, CA 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 06/30/2023, the value of the lease liability is \$1,754,910. The City of Redondo Beach, CA is required to make monthly fixed payments of \$20,798. The lease has an interest rate of 0.4570%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$2,245,558 with accumulated amortization of \$528,367 is included with Buildings on the Lease Class activities table found below. City of Redondo Beach, CA has 1 extension option(s), each for 60 months.

The right to use leased assets at June 30, 2023, include the following:

Lease Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Community Service Department Building	\$ 2,245,558	\$ 528,367

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 253,481	\$ 7,492	\$ 260,973
2025	259,349	6,321	265,670
2026	265,328	5,124	270,452
2027	271,422	3,899	275,320
2028	277,631	2,645	280,276
2029 - 2030	427,699	1,555	429,254
Total	<u>\$ 1,754,910</u>	<u>\$ 27,036</u>	<u>\$ 1,781,945</u>

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 6: SUBSCRIPTIONS

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As of June 30, 2023, 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, 2023, the value of the subscription liability was \$985,983. The subscriptions have interest rates ranging from 1.7103% to 3.3050%. The value of the subscription asset at June 30, 2023 is \$1,422,465 with accumulated amortization of \$245,987.

The subscription assets at June 30, 2023, include the following:

Asset class	Subscription Asset Value	Accumulated Amortization
Software	\$ 1,422,465	\$ 245,987

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 318,312	\$ 24,347	\$ 342,659
2025	224,344	17,259	241,602
2026	180,668	11,312	191,981
2027	106,027	6,392	112,419
2028	77,422	3,618	81,040
2029 - 2030	79,210	1,830	81,040
Total	\$ 985,983	\$ 64,757	\$ 1,050,740

NOTE 7: INTERFUND TRANSACTIONS

A. Government-Wide Financial Statements

Internal Balances: At June 30, 2023, the City had the following internal receivables and payables for covering cash shortfalls:

	Internal Balances Receivable Governmental Activities
Internal Balances Payable Business-Type Activities	\$ 1,175,456

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 7: INTERFUND TRANSACTIONS (CONTINUED)

Transfers:

The City had the following transfers as of June 30, 2023:

	Transfers In Business-Type Activities
Transfers Out Governmental Activities	\$ 295,271

B. Fund Financial Statements

Due to/from Other Funds

The City had the following due to/from other funds as of June 30, 2023:

Due to Other Funds	Due from Other Funds			
	Governmental Funds		Enterprise Funds	
	General Fund	Other Governmental Funds	Harbor Tidelands	Total
Governmental funds:				
Other Intergovernmental Grants	\$ 5,739,212	\$ -	\$ -	\$ 5,739,212
Low-Mod Income Housing	582,213	-	-	582,213
Other Governmental Funds	859,506	3,866,527	292,173	5,018,206
Enterprise Funds:				
Harbor Tidelands	-	544,986	-	544,986
Transit	922,643	-	-	922,643
Total	\$ 8,103,574	\$ 4,411,513	\$ 292,173	\$ 12,807,260

The \$5,739,212 due to other funds in the Other Intergovernmental Grants Fund is to cover negative cash balances.

The \$582,213 due to other funds in the Low-Mod Income Housing Fund is due to the General Fund for housing compliance services.

Of the \$5,018,206 due to other funds in Other Governmental Funds, \$3,866,527 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, \$292,173 is for Kincaids rental income passed through to the Harbor Tidelands Fund, \$723,593 is due to the General for expenditure made on behalf of the Housing Authority, and \$25,528 and \$907 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.

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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 7: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

The City had the following transfers as of June 30, 2023:

Transfers Out	Governmental Funds		Transfers In Enterprise Funds				Total
	General Fund	Other Governmental Funds	Harbor Tidelands	Harbor Uplands	Other Enterprise Funds	Internal Service Funds	
Governmental funds:							
General Fund	\$ -	\$ 14,338,934	\$ 1,787	\$ -	\$ 98	\$ 2,396	\$ 14,343,215
Other Governmental Funds	-	-	-	-	1,510,726	-	1,510,726
Enterprise Funds:							
Harbor Uplands	1,650,733	-	-	-	-	-	1,650,733
Wastewater	-	389	-	-	-	-	389
Other Enterprise Funds	-	-	-	417	-	-	417
Internal Service Funds	-	22,486	-	-	-	-	22,486
Total	<u>\$ 1,650,733</u>	<u>\$ 14,361,809</u>	<u>\$ 1,787</u>	<u>\$ 417</u>	<u>\$ 1,510,824</u>	<u>\$ 2,396</u>	<u>\$ 17,527,966</u>

Of the \$14,343,215 transfer from the General Fund, \$14,338,934 was to fund debt service payments.

The \$1,510,726 transfer from the non-major governmental funds to the Other Enterprise Fund for a transit subsidy.

The \$1,650,733 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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8: CAPITAL ASSETS (CONTINUED)

At June 30, 2023, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 16,522,947	\$ 20,323,255	\$ 36,846,202
Construction in progress	42,314,513	10,289,560	52,604,073
Infrastructure-streets	54,054,036	-	54,054,036
Total non-depreciable assets	<u>112,891,496</u>	<u>30,612,815</u>	<u>143,504,311</u>
Depreciable assets:			
Buildings and improvements	58,523,343	45,184,647	103,707,990
Right-to-use buildings	2,245,558	-	2,245,558
Right-to-use subscriptions	1,422,465	-	1,422,465
Furniture and equipment	13,730,204	1,094,505	14,824,709
Automotive equipment	19,603,617	3,698,852	23,302,469
Infrastructure	102,696,119	33,634,671	136,330,790
Total depreciable assets	<u>198,221,306</u>	<u>83,612,675</u>	<u>281,833,981</u>
Less accumulated depreciation for:			
Buildings and improvements	29,849,247	22,589,621	52,438,868
Right-to-use buildings	528,367	-	528,367
Right-to-use subscriptions	245,987	-	245,987
Furniture and equipment	10,230,226	989,771	11,219,997
Automotive equipment	15,170,169	2,277,921	17,448,090
Infrastructure	62,709,906	14,611,721	77,321,627
Total accumulated depreciation	<u>118,733,902</u>	<u>40,469,034</u>	<u>159,202,936</u>
Total depreciable assets, net	<u>79,487,404</u>	<u>43,143,641</u>	<u>122,631,045</u>
Total capital assets, net	<u>\$ 192,378,900</u>	<u>\$ 73,756,456</u>	<u>\$ 266,135,356</u>

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

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, 2022	Additions	Deletions	Transfers	Balance at June 30, 2023
Non-depreciable assets:					
Land	\$ 16,522,947	\$ -	\$ -	\$ -	\$ 16,522,947
Construction in progress	25,823,514	16,903,385	-	(412,386)	42,314,513
Infrastructure - streets	54,054,036	-	-	-	54,054,036
Total non-depreciable assets	<u>96,400,497</u>	<u>16,903,385</u>	<u>-</u>	<u>(412,386)</u>	<u>112,891,496</u>
Depreciable assets:					
Buildings and improvements	58,117,371	218,838	-	187,134	58,523,343
Right-to-use buildings	2,245,558	-	-	-	2,245,558
Right-to-use subscriptions	-	1,422,465	-	-	1,422,465
Furniture and equipment	13,326,744	414,689	(11,229)	-	13,730,204
Automotive equipment	18,247,872	2,561,130	(1,205,385)	-	19,603,617
Infrastructure	99,670,237	2,800,630	-	225,252	102,696,119
Total depreciable assets	<u>191,607,782</u>	<u>7,417,752</u>	<u>(1,216,614)</u>	<u>412,386</u>	<u>198,221,306</u>
Less accumulated depreciation for:					
Buildings and improvements	28,216,727	1,632,520	-	-	29,849,247
Right-to-use buildings	264,926	263,441	-	-	528,367
Right-to-use subscriptions	-	245,987	-	-	245,987
Furniture and equipment	9,761,089	480,366	(11,229)	-	10,230,226
Automotive equipment	14,739,373	1,635,937	(1,205,141)	-	15,170,169
Infrastructure	61,074,620	1,635,286	-	-	62,709,906
Total accumulated depreciation	<u>114,056,735</u>	<u>5,893,537</u>	<u>(1,216,370)</u>	<u>-</u>	<u>118,733,902</u>
Total depreciable assets, net	<u>77,551,047</u>	<u>1,524,215</u>	<u>(244)</u>	<u>412,386</u>	<u>79,487,404</u>
Governmental activities capital assets, net	<u>\$ 173,951,544</u>	<u>\$ 18,427,600</u>	<u>\$ (244)</u>	<u>\$ -</u>	<u>\$ 192,378,900</u>

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2023, as follows:

General Government	
General Government	\$ 469,202
Public Safety	250,768
Public Works	2,692,697
Cultural and Leisure Services	1,008,376
Internal Services Funds	
Vehicle Replacement	1,066,247
Building Occupancy	11,750
Information Technology	141,476
Emergency Communications	230,330
Major Facilities Repair	22,691
Total Depreciation and Amortization Expense	<u>\$ 5,893,537</u>

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

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, 2023:

	Balance at June 30, 2022	Additions	Deletions	Transfers	Balance at June 30, 2023
Non-depreciable assets:					
Land	\$ 20,323,255	\$ -	\$ -	\$ -	\$ 20,323,255
Construction in progress	7,068,218	4,882,769	-	(1,661,427)	10,289,560
Total non-depreciable assets	<u>27,391,473</u>	<u>4,882,769</u>	<u>-</u>	<u>(1,661,427)</u>	<u>30,612,815</u>
Depreciable assets:					
Buildings and improvements	39,016,662	4,506,558	-	1,661,427	45,184,647
Furniture and equipment	1,082,431	12,074	-	-	1,094,505
Automotive equipment	3,601,229	319,393	(221,770)	-	3,698,852
Infrastructure	33,634,671	-	-	-	33,634,671
Total depreciable assets	<u>77,334,993</u>	<u>4,838,025</u>	<u>(221,770)</u>	<u>1,661,427</u>	<u>83,612,675</u>
Less accumulated depreciation for:					
Buildings and improvements	21,743,313	846,308	-	-	22,589,621
Furniture and equipment	975,251	14,520	-	-	989,771
Automotive equipment	2,346,350	153,341	(221,770)	-	2,277,921
Infrastructure	14,153,819	457,902	-	-	14,611,721
Total accumulated depreciation	<u>39,218,733</u>	<u>1,472,071</u>	<u>(221,770)</u>	<u>-</u>	<u>40,469,034</u>
Total depreciable assets, net	<u>38,116,260</u>	<u>3,365,954</u>	<u>-</u>	<u>1,661,427</u>	<u>43,143,641</u>
Business-type activities capital assets, net	<u>\$ 65,507,733</u>	<u>\$ 8,248,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,756,456</u>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2023, was charged as follows:

Harbor Tidelands	\$ 435,229
Harbor Uplands	424,344
Wastewater	458,235
Other Non-major Enterprise Funds	154,263
	<u>\$ 1,472,071</u>

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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 9: COMPENSATED ABSENCES PAYABLE

The following is a summary of compensated absences payable transactions for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 3,801,003	\$ 3,288,702	\$ (3,300,178)	\$ 3,789,527	\$ 947,382
Business-Type Activities:					
Compensated absences payable	455,032	502,303	(408,411)	548,924	137,234
Total	<u>\$ 4,256,035</u>	<u>\$ 3,791,005</u>	<u>\$ (3,708,589)</u>	<u>\$ 4,338,451</u>	<u>\$ 1,084,616</u>

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.

NOTE 10: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
CFA 2019A Lease Revenue Refunding Bonds	\$ 26,540,000	\$ -	\$ (585,000)	\$ 25,955,000	\$ 605,000
Unamortized bond discount	(673,180)	-	25,732	(647,448)	-
CFA Lease Revenue Bonds Series 2021A	207,429,678	-	(6,905,763)	200,523,915	6,932,520
Leases (See Note 5 b.)	2,002,632	-	(247,722)	1,754,910	253,481
Subscriptions (See Note 6)	-	1,298,779	(312,796)	985,983	318,312
Total governmental activities	<u>\$ 235,299,130</u>	<u>\$ 1,298,779</u>	<u>\$ (8,025,549)</u>	<u>\$ 228,572,360</u>	<u>\$ 8,109,312</u>
Business-type Activities:					
Wastewater Revenue Refunding 2014 Series A	\$ 5,060,000	\$ -	\$ (325,000)	\$ 4,735,000	\$ 340,000
Unarmortized bond premium	315,070	-	(26,255)	288,815	-
CFA Lease Revenue Bonds Series 2021A	18,750,322	-	(624,237)	18,126,085	627,480
Total business-type activities	<u>\$ 24,125,392</u>	<u>\$ -</u>	<u>\$ (975,492)</u>	<u>\$ 23,149,900</u>	<u>\$ 967,480</u>

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 10: LONG-TERM LIABILITIES (CONTINUED)

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, 2023, the balance outstanding was \$25,955,000, with an unamortized discount of \$647,448.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 605,000	\$ 1,048,188	\$ 1,653,188
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
2029-2033	3,815,000	4,445,475	8,260,475
2034-2038	4,640,000	3,616,569	8,256,569
2039-2043	5,690,000	2,569,731	8,259,731
2044-2048	7,005,000	1,255,025	8,260,025
2049	1,585,000	67,363	1,652,363
Total	\$ 25,955,000	\$ 17,000,695	\$ 42,955,695

The following is a summary of the 2019A Lease Revenue Refunding unamortized discount outstanding at June 30, 2023:

Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
\$ (673,180)	\$ -	\$ 25,732	\$ (647,448)

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 10: LONG-TERM LIABILITIES (CONTINUED)

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, 2023, the balance outstanding was \$4,735,000, with an unamortized bond premium of \$288,815.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2023, including interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 340,000	\$ 205,488	\$ 545,488
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
2029-2033	2,340,000	397,500	2,737,500
2034	525,000	21,000	546,000
Total	\$ 4,735,000	\$ 1,274,352	\$ 6,009,352

The following is a summary of the 2014 Revenue Bond Series A unamortized premium outstanding at June 30, 2023:

Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
\$ 315,070	\$ -	\$ (26,255)	\$ 288,815

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 ranges from 0.415% to 3.068% payable semiannually.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 10: LONG-TERM LIABILITIES (CONTINUED)

As of June 30, 2023, \$200,523,915 of the liability is reported in governmental activities and \$18,126,085 is reported in business-type activities. The annual requirements to amortize the outstanding bond indebtedness including interest are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 7,560,000	\$ 5,540,302	\$ 13,100,302
2025	7,615,000	5,484,283	13,099,283
2026	7,695,000	5,408,057	13,103,057
2027	7,795,000	5,306,406	13,101,406
2028	7,920,000	5,306,406	13,226,406
2029-2033	42,035,000	23,474,871	65,509,871
2034-2038	47,515,000	17,995,254	65,510,254
2039-2043	51,635,000	10,601,664	62,236,664
2044-2048	34,640,000	3,572,993	38,212,993
2049	4,240,000	130,083	4,370,083
Total	<u>\$ 218,650,000</u>	<u>\$ 82,820,319</u>	<u>\$ 301,470,319</u>

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, 2023:

Deferred outflows of resources	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Deferred loss on refunding	<u>\$ 308,493</u>	<u>\$ -</u>	<u>\$ (25,708)</u>	<u>\$ 282,785</u>

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, 2023, the estimated claims payable for workers' compensation was \$13,269,916, which included claims incurred but not reported (IBNR). The current year's portion of the claims was \$456,300.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 11: RISK MANAGEMENT (CONTINUED)

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, 2023, the estimated claims payable for general liability was \$7,651,470, which included IBNR. The current year's portion was \$292,264. Governmental activities claims and judgments are generally liquidated by the General Fund.

	Liability on June 30, 2023
General Liability	\$ 7,651,470
Workers' Compensation	13,269,916
Total Claims Payable	<u>\$ 20,921,386</u>
Due within on year	\$ 748,564
Due in more than one year	20,172,822
	<u>\$ 20,921,386</u>

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
2021-2022					
Workers'comp	\$ 16,858,982	\$ 1,326,703	\$ (1,651,748)	\$ 16,533,937	\$ 623,656
General liabilities	6,609,560	6,977,768	(5,883,086)	7,704,242	296,313
Total	<u>\$ 23,468,542</u>	<u>\$ 8,304,471</u>	<u>\$ (7,534,834)</u>	<u>\$ 24,238,179</u>	<u>\$ 919,969</u>
2022-2023					
Workers'comp	\$ 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	<u>\$ 24,238,179</u>	<u>\$ 8,755,113</u>	<u>\$ (12,071,906)</u>	<u>\$ 20,921,386</u>	<u>\$ 748,564</u>

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, 2021 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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

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 non-duty 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
	Prior to May 1, 2012	On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Hire date			
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%	7.25%
Required employer contribution rates.	35.490%	35.490%	35.490%

* Closed to new entrants

	Safety		
	Tier 1 *	Tier 2 *	Tier 3
	Prior to May 1, 2012	On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	Police - 3% @ 50 Fire - 3% @ 55	Police & Fire 3% @ 55	Police & 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%	12.00%
Required employer contribution rates	82.670%	82.670%	82.670%

* Closed to new entrants

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

As of the valuation date of June 30, 2021, the following employees were covered by the benefit terms of the Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	527	320
Inactive employees entitled to but not yet receiving benefits	430	57
Active employees	<u>276</u>	<u>145</u>
Total	<u>1,233</u>	<u>522</u>

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, 2023, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$22,877,497.

Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Changes of Assumptions

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.

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
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	2.50%	2.50%
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 the lesser of contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter	
Post Retirement Benefit Increase	power protection allowance floor on purchasing power applies, 2.50% 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 for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and Review of Actuarial Assumptions 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 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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (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 Non-Cap-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 2021-22 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

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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 CalPERS.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the City Miscellaneous Plan.

Miscellaneous Plan	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2021 - Measurement Date	<u>\$ 232,076,841</u>	<u>\$ 192,185,019</u>	<u>\$ 39,891,822</u>
Changes Recognized for the Measurement Period:			
Service Cost	3,349,243	-	3,349,243
Interest on the Total Pension Liability	15,836,385	-	15,836,385
Changes of Assumptions	6,057,682	-	6,057,682
Differences between Expected and Actual Experience	(3,768,503)	-	(3,768,503)
Contributions from the Employer	-	70,759,414	(70,759,414)
Contributions from the Employees	-	1,393,334	(1,393,334)
Net Investment Income	-	(18,874,022)	18,874,022
Benefit Payments, including Refunds of Employee Contributions	(13,055,631)	(13,055,631)	-
Administrative Expense	-	(119,720)	119,720
Net Changes during 2021-22	<u>8,419,176</u>	<u>40,103,375</u>	<u>(31,684,199)</u>
Balance at: 6/30/2022 - Measurement Date (1)	<u>\$ 240,496,017</u>	<u>\$ 232,288,394</u>	<u>\$ 8,207,623</u>

The following table shows the changes in net pension liability recognized over the measurement period for the City Safety Plan.

Safety Plan	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2021 - Measurement Date	<u>\$ 401,931,335</u>	<u>\$ 297,489,934</u>	<u>\$ 104,441,401</u>
Changes Recognized for the Measurement Period:			
Service Cost	6,249,142	-	6,249,142
Interest on the Total Pension Liability	27,763,771	-	27,763,771
Changes of Assumptions	11,089,291	-	11,089,291
Differences between Expected and Actual Experience	(1,796,249)	-	(1,796,249)
Contributions from the Employer	-	155,865,005	(155,865,005)
Contributions from the Employees	-	1,976,975	(1,976,975)
Net Investment Income	-	(32,498,996)	32,498,996
Benefit Payments, including Refunds of Employee Contributions	(23,950,891)	(23,950,891)	-
Administrative Expense	-	(185,318)	185,318
Net Changes during 2021-22	<u>19,355,064</u>	<u>101,206,775</u>	<u>(81,851,711)</u>
Balance at: 6/30/2022 - Measurement Date (1)	<u>\$ 421,286,399</u>	<u>\$ 398,696,709</u>	<u>\$ 22,589,690</u>

(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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

The following presents the net pension liability for the Plan 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		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	\$ 38,519,477	\$ 8,207,623	\$ (16,904,420)
Safety Plan	75,612,650	22,589,690	(21,248,588)
	<u>\$ 114,132,127</u>	<u>\$ 30,797,313</u>	<u>\$ (38,153,008)</u>

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 ending June 30, 2022 (the measurement date) and fiscal year ending June 30, 2023, the City incurred a pension expense of \$5,076,109 and \$15,105,242 the miscellaneous and safety plans, respectively.

As of June 30, 2023, 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	\$ 1,995,492	\$ -	\$ 4,682,522	\$ -
Difference between expected and actual experience	-	(2,492,071)	113,917	(1,738,628)
Change in Assumptions	3,533,648	-	7,920,922	-
Net difference between projected and actual earnings on pension plan investments	13,929,406	-	24,997,801	-
Total	\$ 19,458,546	\$ (2,492,071)	\$ 37,715,162	\$ (1,738,628)

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

Contributions subsequent to the measurement date in the amount of \$1,995,492 and \$4,682,522 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, 2024. 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:	<u>Miscellaneous</u>	<u>Safety</u>
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2023	\$ 3,352,494	\$ 7,377,283
2024	2,912,073	7,324,476
2025	1,875,900	5,066,217
2026	6,830,516	11,526,036
	<u>\$ 14,970,983</u>	<u>\$ 31,294,012</u>

B. Other Post-Employment 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, 2022 (the measurement date).

	<u>Number of Employees</u>
Active Employees	390
Inactives currently receiving benefits	167
Inactives entitled to but not yet receiving benefits	325
Total	<u>882</u>

Contributions

The required contribution of the City is based on a percentage of PERSable payroll. For the measurement date ended June 30, 2022 the City's cash contributions were \$2,024,400.

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Net OPEB Liability

The City's net OPEB Liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Contribution Policy	City contributes full actuarially determined contribution
Discount Rate and Long-Term Expected Rate of Return on Assets	6.25% at June 30, 2022 6.25% at June 30, 2021 Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.5%
Mortality, Retirement, Disability, Termination Mortality Improvement	CalPERS 2000-2019 Experience Study Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate - 2.75% annually Merit - CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare - n/a
PEMHCA Minimum Increases	4% 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	None
Changes of benefit items	None

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

Long-term Expected Rate of Return

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

<u>Asset Class Component</u>	<u>Target Allocation CERBT - Strategy 1</u>	<u>Expected Real Rate of Return</u>
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.

Changes in the OPEB Liability

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2022 (measurement date June 30, 2021)	\$ 21,727,995	\$ 10,418,552	\$ 11,309,443
Changes recognized for the measurement period:			
Service cost	732,825	-	732,825
Interest	1,351,025	-	1,351,025
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	2,024,400	(2,024,400)
Net investment income	-	(1,612,311)	1,612,311
Benefit payments	(1,688,875)	(1,688,875)	-
Administrative expenses	-	(7,783)	7,783
Net changes	394,975	(1,284,569)	1,679,544
Balance at June 30, 2023 (measurement date June 30, 2022)	\$ 22,122,970	\$ 9,133,983	\$ 12,988,987

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

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, 2022.

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 15,130,994	\$ 12,988,987	\$ 11,128,826

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, 2022.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 10,670,810	\$ 12,988,987	\$ 15,749,470

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, 2023, the City recognized OPEB expense of \$815,857. As of fiscal year ended June 30, 2023 (June 30, 2022 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	\$ 1,822,393	\$ -
Differences between expected and actual experience	-	3,829,317
Changes of assumptions	1,295,811	943,220
Net difference between projected and actual earnings on OPEB plan investments	816,486	-
Total	<u>\$ 3,934,690</u>	<u>\$ 4,772,537</u>

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12: EMPLOYEE RETIREMENT PLANS (CONTINUED)

The \$1,822,393 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, 2023. 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
2024	\$ (549,803)
2025	(540,755)
2026	(523,625)
2027	(137,831)
2028	(428,963)
Thereafter	(479,263)
	<u>\$ (2,660,240)</u>

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, 2023:

Project Name	Contract Amount	Expenditures to date as of June 30, 2023	Remaining Commitments
Portofino Way Sewer Pump Station	\$ 7,514,000	\$ -	\$ 7,514,000
Torr Blvd Resurf-PCH to Prospect	4,008,633	2,474,879	1,533,754
Seaside Lagoon	3,112,534	286,168	2,826,366
Sanitary Sewers Facilities Rehab	1,290,000	301,283	988,717
Portofino Way Sewer Pump Station	694,302	14,842	679,460

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.

NOTE 14: POLLUTION REMEDIATION OBLIGATIONS (CONTINUED)

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.

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.

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.

CITY OF REDONDO BEACH
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 15: SUCCESSOR AGENCY (CONTINUED)

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, 2023 is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
Successor Agency:					
County Deferral Loan-1983 Tax Increment	\$ 6,019,095	\$ -	\$ 1,335,463	\$ 4,683,632	\$ -
County Deferral Loan-1984 Tax Increment	6,286,162	-	683,663	5,602,499	-
City Loan-South Bay Center	3,260,000	-	545,000	2,715,000	595,000
Total	\$ 15,565,257	\$ -	\$ 2,564,126	\$ 13,001,131	\$ 595,000

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 non-interest bearing. The balance outstanding at June 30, 2023, was \$4,683,632.

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 non-interest bearing. The balance outstanding at June 30, 2023, was \$5,602,499.

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, 2023, the balance outstanding was \$2,715,000.

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, 2023, the outstanding balance was \$535,731.

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.

NOTE 16: RISKS AND UNCERTAINTIES (CONTINUED)

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.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF REDONDO BEACH
Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

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.

For the fiscal year ended June 30, 2023, the following departments have excess expenditures over appropriations:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess on Expenditure over Appropriations</u>
General Fund			
Community services	\$ 6,688,048	\$ 6,525,001	\$ 163,047
Other Intergovernmental Grants			
Public works	86,759	85,821	938
Narcotic Seizure / Forfeiture			
Capital outlay	26,048	563	25,485
Proposition C			
Public works	3,900	2,825	1,075
Housing Authority			
Housing and community development	7,564,464	6,737,666	826,798

CITY OF REDONDO BEACH
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 29,368,998	\$ 29,368,998	\$ 29,368,998	\$ -
Resources (Inflows):				
Taxes	73,531,428	76,488,843	76,446,608	(42,235)
Interdepartmental	10,036,226	8,747,688	8,745,517	(2,171)
Licenses and permits	2,267,859	2,267,859	2,607,527	339,668
Intergovernmental	240,000	249,496	331,107	81,611
Charges for services	7,694,515	7,694,515	9,924,671	2,230,156
Use of money and property	2,510,396	2,510,396	2,535,421	25,025
Fines and forfeitures	1,446,200	1,446,200	1,341,895	(104,305)
Miscellaneous	3,153,922	3,153,922	3,917,756	763,834
Transfers in	1,750,927	1,750,927	1,650,733	(100,194)
Subscription financing	-	-	415,357	415,357
Amounts Available for Appropriations	132,000,471	133,678,844	137,285,590	3,606,746
Charges to Appropriation (Outflow):				
General government				
Mayor and city council	916,670	935,204	691,918	243,286
City clerk	1,471,931	1,717,386	1,584,077	133,309
City treasurer	405,921	403,580	312,872	90,708
City attorney	3,678,341	3,722,490	3,279,374	443,116
City manager	1,142,831	1,159,598	1,045,122	114,476
Human resources	2,645,842	2,591,849	2,129,597	462,252
Financial services	2,796,337	2,771,038	2,390,766	380,272
Public safety				
Police	39,239,497	38,945,359	37,939,105	1,006,254
Fire	18,760,495	18,412,075	17,525,930	886,145
Housing and community development				
Community development	3,688,732	3,613,563	3,123,262	490,301
Waterfront and economic development	358,707	456,269	301,780	154,489
Cultural and leisure services				
Community services	6,109,718	6,524,001	6,688,048	(164,047)
Library	4,315,967	4,608,023	4,366,822	241,201
Public works				
Public works	7,223,525	8,011,317	7,515,994	495,323
Capital outlay	3,101,130	3,508,669	469,495	3,039,174
Debt service:				
Principal retirement	6,458,866	6,458,866	379,343	6,079,523
Interest and fiscal charges	4,779,660	4,779,660	10,452	4,769,208
Transfers out	4,068,582	4,068,582	14,343,215	(10,274,633)
Total Charges to Appropriations	111,162,752	112,687,529	104,097,172	8,590,357
Budgetary Fund Balance, June 30	\$ 20,837,719	\$ 20,991,315	\$ 33,188,418	\$ 12,197,103

CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Other Intergovernmental Grants
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (6,858,755)	\$ (6,858,755)	\$ (6,858,755)	\$ -
Resources (Inflows):				
Intergovernmental	11,690,794	15,069,918	8,149,118	(6,920,800)
Amounts Available for Appropriations	4,832,039	8,211,163	1,737,068	(6,474,095)
Charges to Appropriation (Outflow):				
General government	616,128	1,221,221	437,769	783,452
Public safety	182,380	769,843	672,852	96,991
Community development	310,000	849,336	67,402	781,934
Cultural and leisure services	-	362,979	268,712	94,267
Public works	83,821	85,821	86,759	(938)
Capital outlay	10,498,465	28,642,725	6,178,217	22,464,508
Debt service:				
Principal retirement	-	-	67,743	(67,743)
Interest and fiscal charges	-	-	10,968	(10,968)
Total Charges to Appropriations	11,690,794	31,931,925	7,790,422	24,141,503
Budgetary Fund Balance, June 30	\$ (6,858,755)	\$ (23,720,762)	\$ (6,053,354)	\$ 17,667,408

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Low-Mod Income Housing
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$3,841,655	\$ 3,841,655	\$ 3,841,655	\$ -
Resources (Inflows):				
Use of money and property	-	-	41,781	41,781
Miscellaneous	217,891	217,891	-	(217,891)
Amounts Available for Appropriations	4,059,546	4,059,546	3,883,436	(176,110)
Charges to Appropriation (Outflow):				
Housing and community development	150,000	150,000	106,722	43,278
Cultural and leisure services	279,000	279,000	279,000	-
Total Charges to Appropriations	429,000	429,000	385,722	43,278
Budgetary Fund Balance, June 30	\$3,630,546	\$ 3,630,546	\$ 3,497,714	\$ (132,832)

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CITY OF REDONDO BEACH
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan - Agent Multiple-Employer
As of June 30, For the Last Ten Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 2,874,216	\$ 2,537,587	\$ 2,658,781	\$ 3,296,064
Interest	12,419,054	12,947,817	13,391,115	13,844,417
Difference between Expected and Actual Experience	-	(58,913)	(717,631)	808,043
Changes in Assumptions	-	(3,072,251)	-	11,132,579
Benefit Payments, Including				
Refunds of Employee Contributions	(7,872,679)	(8,784,656)	(9,282,593)	(10,173,782)
Net Change in Total Pension Liability	7,420,591	3,569,584	6,049,672	18,907,321
Total Pension Liability - Beginning	168,086,614	175,507,205	179,076,789	185,126,461
Total Pension Liability - Ending (a)	\$ 175,507,205	\$ 179,076,789	\$ 185,126,461	\$ 204,033,782
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 2,678,754	\$ 2,783,258	\$ 3,517,596	\$ 4,018,170
Contributions - Employee	1,301,991	1,282,878	1,361,650	1,404,270
Plan to Plan Resource Movement	-	2,745	(2,463)	-
Net Investment Income	21,314,935	3,161,165	777,656	14,967,632
Benefit Payments, Including				
Refunds of Employee Contributions	(7,872,679)	(8,784,656)	(9,282,593)	(10,173,782)
Administrative Expense	-	(158,175)	(85,184)	(200,883)
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	17,423,001	(1,712,785)	(3,713,338)	10,015,407
Plan Fiduciary Net Position - Beginning	124,062,963	141,485,964	139,773,179	136,059,841
Plan Fiduciary Net Position - Ending (b)	\$ 141,485,964	\$ 139,773,179	\$ 136,059,841	\$ 146,075,248
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 34,021,241	\$ 39,303,610	\$ 49,066,620	\$ 57,958,534
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.62%	78.05%	73.50%	71.59%
Covered Payroll	\$ 17,538,911	\$ 17,124,613	\$ 19,222,807	\$ 19,613,902
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	193.98%	229.52%	255.25%	295.50%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

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.

Changes of Assumptions:

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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 3,370,814	\$ 3,397,192	\$ 3,426,450	\$ 3,267,559	\$ 3,349,243
14,225,068	14,990,021	15,398,568	15,785,975	15,836,385
(291,950)	4,185,447	(1,088,566)	(1,273,036)	(3,768,503)
(1,050,285)	-	-	-	6,057,682
(10,849,928)	(11,341,781)	(11,856,917)	(12,251,572)	(13,055,631)
5,403,719	11,230,879	5,879,535	5,528,926	8,419,176
204,033,782	209,437,501	220,668,380	226,547,915	232,076,841
\$ 209,437,501	\$ 220,668,380	\$ 226,547,915	\$ 232,076,841	\$ 240,496,017
\$ 4,408,505	\$ 5,141,337	\$ 5,895,816	\$ 6,313,617	\$ 70,759,414
1,456,828	1,461,551	1,487,258	1,370,930	1,393,334
(355)	-	-	-	-
12,226,183	9,905,031	7,811,724	36,083,015	(18,874,022)
(10,849,928)	(11,341,781)	(11,856,917)	(12,251,572)	(13,055,631)
(227,625)	(108,939)	(222,338)	(160,659)	(119,720)
(432,265)	355	-	-	-
6,581,343	5,057,554	3,115,543	31,355,331	40,103,375
146,075,248	152,656,591	157,714,145	160,829,688	192,185,019
\$ 152,656,591	\$ 157,714,145	\$ 160,829,688	\$ 192,185,019	\$ 232,288,394
\$ 56,780,910	\$ 62,954,235	\$ 65,718,227	\$ 39,891,822	\$ 8,207,623
72.89%	71.47%	70.99%	82.81%	96.59%
\$ 20,156,748	\$ 21,343,149	\$ 20,914,206	\$ 19,503,029	\$ 18,792,136
281.70%	294.96%	314.23%	204.54%	43.68%

CITY OF REDONDO BEACH
Schedule of Plan Contributions
Miscellaneous Plan - Agent Multiple-Employer
As of June 30, For the Last Ten Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 2,783,258	\$ 3,517,053	\$ 4,018,056	\$ 4,399,141
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,783,258)</u>	<u>(3,517,053)</u>	<u>(4,018,056)</u>	<u>(4,399,141)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 17,124,613	\$ 19,222,807	\$ 19,613,902	\$ 20,156,748
Contributions as a Percentage of Covered Payroll	16.25%	18.30%	20.49%	21.82%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

Note to Schedule:

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 investment and administrative expenses)
Projected Salary Increases	Varies by Entry Age and Service
Inflation	2.50%
Payroll growth	2.75%

2019	2020	2021	2022	2023
\$ 5,140,690	\$ 5,895,512	\$ 6,314,575	\$ 4,739,046	\$ 1,995,492
(5,140,690)	(5,895,512)	(6,314,575)	(70,741,465)	(1,995,492)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (66,002,419)</u>	<u>\$ -</u>
\$ 21,343,149	\$ 20,914,206	\$ 19,503,029	\$ 18,792,136	\$ 20,726,906
24.09%	28.19%	32.38%	376.44%	9.63%

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CITY OF REDONDO BEACH
Safety Plan- Agent Multiple-Employer
Safety Plan- Agent Multiple-Employer
As of June 30, For the Last Ten Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 4,500,890	\$ 4,369,526	\$ 4,352,710	\$ 5,065,945
Interest	21,930,219	22,764,197	23,438,824	23,940,703
Difference between Expected and Actual Experience	-	854,509	(769,075)	(493,558)
Changes in Assumptions	-	(5,276,514)	-	19,087,843
Benefit Payments, Including				
Refunds of Employee Contributions	(16,352,903)	(17,197,393)	(17,877,775)	(18,716,805)
Net Change in Total Pension Liability	10,078,206	5,514,325	9,144,684	28,884,128
Total Pension Liability - Beginning	298,328,930	308,407,136	313,921,461	323,066,145
Total Pension Liability - Ending (a)	\$ 308,407,136	\$ 313,921,461	\$ 323,066,145	\$ 351,950,273
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 5,790,913	\$ 6,493,477	\$ 7,448,334	\$ 8,431,955
Contributions - Employee	2,003,854	1,397,695	1,457,236	1,592,490
Plan to Plan Resource Movement	-	(2,745)	2,463	-
Net Investment Income	34,672,500	5,030,896	1,150,020	23,744,382
Benefit Payments, Including				
Refunds of Employee Contributions	(16,352,903)	(17,197,393)	(17,877,775)	(18,716,805)
Administrative Expense	-	(251,346)	(136,109)	(317,989)
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	26,114,364	(4,529,416)	(7,955,831)	14,734,033
Plan Fiduciary Net Position - Beginning	201,747,147	227,861,511	223,332,095	215,376,264
Plan Fiduciary Net Position - Ending (b)	\$ 227,861,511	\$ 223,332,095	\$ 215,376,264	\$ 230,110,297
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 80,545,625	\$ 90,589,366	\$ 107,689,881	\$ 121,839,976
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.88%	71.14%	66.67%	65.38%
Covered Payroll	\$ 14,418,451	\$ 15,122,058	\$ 15,770,385	\$ 16,424,748
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	558.63%	599.05%	682.86%	741.81%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

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.

Changes of Assumptions:

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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 5,468,356	\$ 5,753,947	\$ 5,883,763	\$ 5,458,828	\$ 6,249,142
24,611,566	25,990,861	26,796,647	27,413,478	27,763,771
817,752	9,616,039	968,299	(1,214,915)	(1,796,249)
(1,235,646)	-	-	-	11,089,291
(20,097,705)	(20,998,140)	(22,018,409)	(23,233,659)	(23,950,891)
9,564,323	20,362,707	11,630,300	8,423,732	19,355,064
351,950,273	361,514,596	381,877,303	393,507,603	401,931,335
\$ 361,514,596	\$ 381,877,303	\$ 393,507,603	\$ 401,931,335	\$ 421,286,399
\$ 9,310,708	\$ 10,499,397	\$ 11,860,288	\$ 12,912,307	\$ 155,865,005
1,887,216	1,753,382	1,816,584	1,789,951	1,976,975
(559)	-	-	-	-
19,399,983	15,582,752	12,249,408	56,472,719	(32,498,996)
(20,097,705)	(20,998,140)	(22,018,409)	(23,233,659)	(23,950,891)
(358,575)	(170,963)	(347,134)	(249,533)	(185,318)
(680,940)	559	-	-	-
9,460,128	6,666,987	3,560,737	47,691,785	101,206,775
230,110,297	239,570,425	246,237,412	249,798,149	297,489,934
\$ 239,570,425	\$ 246,237,412	\$ 249,798,149	\$ 297,489,934	\$ 398,696,709
\$ 121,944,171	\$ 135,639,891	\$ 143,709,454	\$ 104,441,401	\$ 22,589,690
66.27%	64.48%	63.48%	74.02%	94.64%
\$ 17,552,942	\$ 18,388,027	\$ 18,508,977	\$ 18,079,966	\$ 15,212,797
694.72%	737.65%	776.43%	577.66%	148.49%

CITY OF REDONDO BEACH
Schedule of Plan Contributions
Safety Plan- Agent Multiple-Employer
As of June 30, For the Last Ten Fiscal Years (1)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 6,493,477	\$ 7,448,335	\$ 8,431,955	\$ 9,310,585
Contribution in Relation to the Actuarially Determined Contribution	<u>(6,493,477)</u>	<u>(7,448,335)</u>	<u>(8,431,955)</u>	<u>(9,310,585)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,122,058	\$ 15,770,385	\$ 16,424,748	\$ 17,552,942
Contributions as a Percentage of Covered Payroll	42.94%	47.23%	51.34%	53.04%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only nine years are shown.

Note to Schedule:

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 investment and administrative expenses)
Projected Salary Increases	Varies by Entry Age and Service
Inflation	2.50%
Payroll growth	2.75%

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2019	2020	2021	2022	2023
\$ 10,498,710	\$ 11,860,372	\$ 12,915,506	\$ 9,558,876	\$ 4,682,522
(10,498,710)	(11,860,372)	(12,915,506)	(155,882,954)	(4,682,522)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (146,324,078)</u>	<u>\$ -</u>
\$ 18,388,027	\$ 18,508,977	\$ 18,079,966	\$ 15,212,797	\$ 16,696,199
57.10%	64.08%	71.44%	1024.68%	28.05%

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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)

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability			
Service cost	\$ 560,000	\$ 885,210	\$ 911,766
Interest on the total OPEB liability	1,521,000	1,581,920	1,635,748
Actual and expected experience difference	(3,502,000)	-	(147,110)
Changes in assumptions	2,900,000	-	(1,415,841)
Changes in benefit terms	2,593,000	-	-
Benefit payments	(2,002,000)	(1,868,747)	(1,523,667)
Net change in total OPEB liability	2,070,000	598,383	(539,104)
Total OPEB liability - beginning	21,415,000	23,485,000	24,083,383
Total OPEB liability - ending (a)	23,485,000	24,083,383	23,544,279
Plan Fiduciary Net Position			
Contribution - employer	1,428,000	2,191,008	2,217,998
Net investment income	632,000	469,710	497,289
Benefit payments	(2,002,000)	(1,868,747)	(1,523,667)
Administrative expense	(3,000)	(9,679)	(5,691)
Net change in plan fiduciary net position	55,000	782,292	1,185,929
Plan fiduciary net position - beginning	4,818,000	4,873,000	5,655,292
Plan fiduciary net position - ending (b)	4,873,000	5,655,292	6,841,221
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 18,612,000	\$ 18,428,091	\$ 16,703,058
Plan fiduciary net position as a percentage of the total OPEB liability	20.75%	23.48%	29.06%
Covered-employee payroll	\$ 35,816,000	\$ 36,708,000	\$ 38,823,317
Net OPEB liability as a percentage of covered-employee payroll	51.97%	50.20%	43.02%

(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 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: 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.

2021	2022	2023
\$ 854,481	\$ 869,592	\$ 732,825
1,592,234	1,620,655	1,351,025
-	(3,732,173)	-
(359,831)	700,641	-
-	-	-
(1,620,198)	(1,741,685)	-
466,686	(2,282,970)	2,083,850
23,544,279	24,010,965	21,727,995
24,010,965	21,727,995	23,811,845

2,214,831	1,975,728	2,024,400
300,557	2,465,620	(1,612,311)
(1,620,198)	(1,741,685)	-
(9,132)	(8,390)	(7,783)
886,058	2,691,273	404,306
6,841,221	7,727,279	10,418,552
7,727,279	10,418,552	10,822,858

\$ 16,283,686	\$ 11,309,443	\$ 12,988,987
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32.18%	47.95%	45.45%
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\$ 38,202,693	\$ 37,142,464	\$ 37,783,818
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42.62%	30.45%	34.38%
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CITY OF REDONDO BEACH
Schedule of Contributions
As of June 30, For the Last Ten Fiscal Years (1)

	2018	2019	2020
Actuarially Determined Contribution	\$ 1,802,000	\$ 2,217,998	\$ 2,214,831
Contribution in Relation to the Actuarially Determined Contributions	(705,000)	(2,217,998)	(2,214,831)
Contribution Deficiency (Excess)	<u>\$ 1,097,000</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 36,708,000	\$ 38,823,317	\$ 38,202,693
Contributions as a percentage of covered-employee payroll	4.91%	5.71%	5.80%

(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 10 years as information becomes available.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method	Level percent of payroll
Amortization Valuation Period	16-year average remaining fixed period for 2022/23
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25%
Inflation	2.50%
Mortality	Mortality projected fully generational with Scale MP-2021

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	2021	2022	2023
	\$ 1,975,728	\$ 2,024,144	\$ 1,822,393
	(1,975,728)	(2,024,144)	(1,822,393)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	\$ 37,142,464	\$ 37,783,818	\$ 40,375,037
	5.32%	5.36%	4.51%

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SUPPLEMENTARY INFORMATION

MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

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 ASTM 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 45mph. 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.

CITY OF REDONDO BEACH
Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

The following conditions were defined:

<u>Condition</u>	<u>Rating</u>
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 2027/28. 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:

<u>Year</u>	<u>PQI Rate</u>	<u>Condition</u>	<u>% of Streets</u>
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%

The City expended \$14,536,314 on street improvement projects for the fiscal year ended June 30, 2023. 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, 2023 through June 30, 2024 is a minimum of \$4,620,000.

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:

<u>Fiscal Year</u>	<u>Final Budget</u>	<u>Funded By Capital Improvement Project Fund</u>	<u>Funded By Other Funds</u>	<u>Total Expenditures</u>
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

CITY OF REDONDO BEACH
Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

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.

<u>Project</u>	<u>Project #</u>	<u>Budget</u>	<u>General Fund Expenditures</u>	<u>Other Fund Expenditures</u>	<u>Total Expenditures</u>
Residential Street Rehabilitation	40190	4,052,098	444,538	3,294,689	3,739,227
Citywide Curb Ramp Improvements	40399	408,510	-	37,804	37,804
Traffic Calming Project	40470	1,243,425	84,514	153,721	238,235
Bicycle Trans Plan Implementation	40510	219,427	-	81,958	81,958
Artesia/Aviation NB Rt Turn Lane	40780	1,413,728	-	68,554	68,554
PCH Study Recommendations	40800	1,046,648	-	9,537	9,537
Kingsdale Resurfacing- 182nd/Grant Ave	40880	456,118	-	35,072	35,072
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 - Lillienthal 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	4,205,807	-	1,389,044	1,389,044
Torrance Blvd & Francisca Traffic Signal Mod	41070	256,061	-	251,788	251,788
Artesia Blvd Improvements - Phase 1	41080	169,943	-	-	-
Grant Ave Signal Improvements	41090	998,418	-	28,342	28,342
Median Reno - PV Blvd/Prospect/MBB	41110	101,543	13,723	-	13,723
Beryl Resurfacing & Drainage - Prospect to Flag	41130	2,756,636	927,785	1,872,845	2,800,630
Citywide Slurry Seal Program	41140	894,571	10,000	8,030	18,030
Kingsdale Avenue Widening	41150	977,153	-	1,528,324	1,528,324
Manhattan Beach Boulevard Resurfacing	41160	2,694,955	-	109,477	109,477
Citywide Striping	41180	508,670	97,145	248,670	345,815
Artesia Blvd Resurfacing - Harper to Hawthorne	41190	1,496,790	-	-	-
Citywide Traffic Signal Upgrades	41200	112,609	16,370	-	16,370
Inglewood Ave Resurfacing - Marine to MBB	41210	130,000	-	-	-
RB Blvd Resurfacing - Artesia to Hawthorne	41220	70,000	-	-	-
Torrance Blvd Resurfacing - PCH to Prospect	41230	4,241,209	-	1,962,247	1,962,247
Anita/Herondo & PCH WB RT Turn Lane	41240	2,500,000	-	-	-
NRB Bikeway Ext - Felton to Inglewood	41250	1,000,000	-	-	-
NRB Bikeway Ext - Inglewood Design	41260	200,000	-	1,936	1,936
Sidewalk Improvements & Repairs	41270	461,160	117,561	-	117,561
Traffic Signal Comm & Network System	41280	2,000,000	-	371,360	371,360
Dow/Vail/Johnston Bicycle Implementaiton Plan	41290	150,000	-	6,500	6,500
Residential Street Reconstruction-Deferred Maintenance	41300	1,500,000	-	750,000	750,000
Riviera Village Sidewalk Pavers	41310	300,000	14,320	-	14,320
Garnet Resurfacing- Broadway to Francisca	41320	250,000	250,000	-	250,000
Artesia Intesection Safety Implementation	41330	389,490	-	8,665	8,665
Grant Ave Bulb-outs	41340	375,000	-	-	-
Grant Ave Flash Crosswalks	41350	75,000	-	-	-
Alleyway Resurfacing with PCI<25	41370	320,000	-	-	-
Avenue I Resurfacing	41380	400,000	131,794	210,000	341,794
		40,322,463	2,107,750	12,428,564	14,536,314

CITY OF REDONDO BEACH
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds			
	State Gas Tax	Parks and Recreation Facilities	Narcotic Seizure / Forfeiture	Proposition A
Assets:				
Pooled cash and investments	\$ 2,501,555	\$ 99,643	\$ 192,764	\$ 2,631,849
Receivables:				
Accounts	3,372	-	-	-
Taxes	428,746	-	-	-
Notes and loans	-	-	-	-
Accrued interest	10,847	-	2,518	9,688
Leases	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,944,520	\$ 99,643	\$ 195,282	\$ 2,641,537
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 217,386	\$ -	\$ 11,965	\$ -
Due to other funds	-	-	-	-
Total Liabilities	217,386	-	11,965	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred leases related items	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Housing and community development	-	99,643	-	2,641,537
Public safety	-	-	183,317	-
Public works	2,727,134	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,727,134	99,643	183,317	2,641,537
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,944,520	\$ 99,643	\$ 195,282	\$ 2,641,537

CITY OF REDONDO BEACH
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Proposition C	Measure R	Local Transportation Article 3	Air Quality Improvement
Assets:				
Pooled cash and investments	\$ 4,075,024	\$ 1,830,354	\$ -	\$ 257,858
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	21,115	-	-	1,214
Leases	-	-	-	-
Due from other governments	-	-	-	23,003
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 4,096,139	\$ 1,830,354	\$ -	\$ 282,075
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 367,668	\$ 35,834	\$ -	\$ 588
Due to other funds	-	-	907	-
Total Liabilities	367,668	35,834	907	588
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred leases related items	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Housing and community development	3,728,471	1,794,520	-	281,487
Public safety	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	(907)	-
Total Fund Balances	3,728,471	1,794,520	(907)	281,487
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,096,139	\$ 1,830,354	\$ -	\$ 282,075

CITY OF REDONDO BEACH
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Storm Drain Improvement	Street Landscaping and Lighting District	Community Development Block Grant	Disaster Recovery
Assets:				
Pooled cash and investments	\$ 245,955	\$ 226,168	\$ -	\$ 321,736
Receivables:				
Accounts	-	600	-	-
Taxes	-	27,059	-	-
Notes and loans	-	-	326,227	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	235,757	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 245,955	\$ 253,827	\$ 561,984	\$ 321,736
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 11,540	\$ 140,507	\$ 25,081	\$ 9,418
Due to other funds	-	-	25,528	-
Total Liabilities	11,540	140,507	50,609	9,418
Deferred Inflows of Resources:				
Unavailable revenues	-	-	538,428	-
Deferred leases related items	-	-	-	-
Total Deferred Inflows of Resources	-	-	538,428	-
Fund Balances:				
Restricted for:				
Housing and community development	-	113,320	-	-
Public safety	-	-	-	312,318
Public works	234,415	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	(27,053)	-
Total Fund Balances	234,415	113,320	(27,053)	312,318
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 245,955	\$ 253,827	\$ 561,984	\$ 321,736

CITY OF REDONDO BEACH
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Housing Authority	Subdivision Park Trust	Measure M	Measure W
Assets:				
Pooled cash and investments	\$ 2,080,394	\$ 3,765,883	\$ 2,271,817	\$ 851,963
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	10,582	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,080,394	\$ 3,765,883	\$ 2,282,399	\$ 851,963
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 18,321	\$ 172,748	\$ 16,360
Due to other funds	723,593	-	-	-
Total Liabilities	723,593	18,321	172,748	16,360
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Deferred leases related items	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Housing and community development	-	3,747,562	-	-
Public safety	-	-	-	-
Public works	-	-	2,109,651	835,603
Debt service	-	-	-	-
Low and moderate income housing	1,356,801	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,356,801	3,747,562	2,109,651	835,603
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,080,394	\$ 3,765,883	\$ 2,282,399	\$ 851,963

CITY OF REDONDO BEACH
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Capital Projects Funds			
	Capital Improvement Projects	Pier Parking Structure Rehabilitation	Major Facilities Reconstruction	Open Space Acquisition
Assets:				
Pooled cash and investments	\$ 7,443,909	\$ 831	\$ 633,994	\$ 1,217,121
Receivables:				
Accounts	122,452	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Leases	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	3,866,527	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 11,432,888	\$ 831	\$ 633,994	\$ 1,217,121
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 324,326	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	324,326	-	-	-
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	11,108,562	831	633,994	1,217,121
Unassigned	-	-	-	-
Total Fund Balances	11,108,562	831	633,994	1,217,121
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,432,888	\$ 831	\$ 633,994	\$ 1,217,121

CITY OF REDONDO BEACH
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	<u>Debt Service Funds</u>	<u>Debt Service Funds</u>	
	<u>Public Financing Authority</u>	<u>Parking Authority</u>	<u>Total Other Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ 3,889,712	\$ 6,146	\$ 34,544,676
Receivables:			
Accounts	3,743	-	130,167
Taxes	-	-	455,805
Notes and loans	-	-	326,227
Accrued interest	1,419	41	57,424
Leases	1,287,795	-	1,287,795
Due from other governments	5,158,621	-	5,417,381
Due from other funds	544,986	-	4,411,513
Restricted assets:			
Cash and investments with fiscal agents	57,324	-	57,324
Total Assets	<u>\$ 10,943,600</u>	<u>\$ 6,187</u>	<u>\$ 46,688,312</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 36,625	\$ -	\$ 1,388,367
Due to other funds	4,268,178	-	5,018,206
Total Liabilities	<u>4,304,803</u>	<u>-</u>	<u>6,406,573</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	538,428
Deferred leases related items	1,269,597	-	1,269,597
Total Deferred Inflows of Resources	<u>1,269,597</u>	<u>-</u>	<u>1,808,025</u>
Fund Balances:			
Restricted for:			
Housing and community development	-	-	12,406,540
Public safety	-	-	495,635
Public works	-	-	5,906,803
Debt service	5,369,200	6,187	5,375,387
Low and moderate income housing	-	-	1,356,801
Assigned to:			
Capital projects	-	-	12,960,508
Unassigned	<u>-</u>	<u>-</u>	<u>(27,960)</u>
Total Fund Balances	<u>5,369,200</u>	<u>6,187</u>	<u>38,473,714</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,943,600</u>	<u>\$ 6,187</u>	<u>\$ 46,688,312</u>

CITY OF REDONDO BEACH
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

	Special Revenue Funds			
	State Gas Tax	Parks and Recreation Facilities	Narcotic Seizure / Forfeiture	Proposition A
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,326,711	-	-	1,747,512
Charges for services	-	20,000	-	-
Use of money and property	36,699	-	164	28,275
Fines and forfeitures	-	-	6,000	-
Miscellaneous	13,578	-	-	-
Total Revenues	3,376,988	20,000	6,164	1,775,787
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	158,869	-
Housing and community development	-	-	-	-
Culture and leisure services	-	-	-	-
Public works	1,714,699	-	-	-
Capital outlay	1,970,359	-	26,048	-
Debt service:				
Principal retirement	-	-	23,870	-
Interest and fiscal charges	-	-	1,479	-
Total Expenditures	3,685,058	-	210,266	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(308,070)	20,000	(204,102)	1,775,787
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,510,726)
Subscription financing	-	-	118,410	-
Total Other Financing Sources (Uses):	-	-	118,410	(1,510,726)
Net Change in Fund Balances	(308,070)	20,000	(85,692)	265,061
Fund Balances, Beginning of Year	3,035,204	79,643	269,009	2,376,476
Fund Balances, End of Year	\$ 2,727,134	\$ 99,643	\$ 183,317	\$ 2,641,537

CITY OF REDONDO BEACH
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Proposition C	Measure R	Local Transportation Article 3	Air Quality Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,449,511	1,086,820	-	91,027
Charges for services	-	-	-	-
Use of money and property	98,215	46,168	-	749
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,547,726	1,132,988	-	91,776
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Housing and community development	-	-	-	32,964
Culture and leisure services	566	562	-	-
Public works	3,900	2,144	-	-
Capital outlay	4,103,976	1,387,955	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,108,442	1,390,661	-	32,964
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,560,716)	(257,673)	-	58,812
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Change in Fund Balances	(2,560,716)	(257,673)	-	58,812
Fund Balances, Beginning of Year	6,289,187	2,052,193	(907)	222,675
Fund Balances, End of Year	\$ 3,728,471	\$ 1,794,520	\$ (907)	\$ 281,487

CITY OF REDONDO BEACH
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

Special Revenue Funds

	Storm Drain Improvement	Street Landscaping and Lighting District	Community Development Block Grant	Disaster Recovery
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	163,840	-
Charges for services	33,660	1,512,590	-	339
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	4,914	-	17,630
Total Revenues	33,660	1,517,504	163,840	17,969
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	16,854
Housing and community development	-	-	84,235	-
Culture and leisure services	-	-	-	-
Public works	-	2,676,692	-	500
Capital outlay	258,592	-	37,804	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	258,592	2,676,692	122,039	17,354
Excess (Deficiency) of Revenues Over (Under) Expenditures	(224,932)	(1,159,188)	41,801	615
Other Financing Sources (Uses):				
Transfers in	-	1,272,508	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
Total Other Financing Sources (Uses):	-	1,272,508	-	-
Net Change in Fund Balances	(224,932)	113,320	41,801	615
Fund Balances, Beginning of Year	459,347	-	(68,854)	311,703
Fund Balances, End of Year	\$ 234,415	\$ 113,320	\$ (27,053)	\$ 312,318

CITY OF REDONDO BEACH
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

(CONTINUED)

Special Revenue Funds

	Housing Authority	Subdivision Park Trust	Measure M	Measure W
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,338,128	-	1,229,425	718,133
Charges for services	-	-	-	-
Use of money and property	2,073	-	54,697	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	2,087,500	-	-
Total Revenues	7,340,201	2,087,500	1,284,122	718,133
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Housing and community development	7,564,464	-	-	-
Culture and leisure services	-	-	-	-
Public works	-	-	-	213,364
Capital outlay	-	415,372	2,569,079	14,879
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	7,564,464	415,372	2,569,079	228,243
Excess (Deficiency) of Revenues Over (Under) Expenditures	(224,263)	1,672,128	(1,284,957)	489,890
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Change in Fund Balances	(224,263)	1,672,128	(1,284,957)	489,890
Fund Balances, Beginning of Year	1,581,064	2,075,434	3,394,608	345,713
Fund Balances, End of Year	\$ 1,356,801	\$ 3,747,562	\$ 2,109,651	\$ 835,603

CITY OF REDONDO BEACH
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

Capital Project Funds

	Capital Improvement Projects	Pier Parking Structure Rehabilitation	Major Facilities Reconstruction	Open Space Acquisition
Revenues:				
Taxes	\$ 185,457	\$ -	\$ -	\$ -
Intergovernmental	812,381	-	-	-
Charges for services	314,043	-	-	-
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	8,000	-	-	-
Total Revenues	1,319,881	-	-	-
Expenditures:				
Current:				
General government	-	-	-	3,257
Public safety	-	-	-	-
Housing and community development	-	-	-	-
Culture and leisure services	-	-	-	-
Public works	158,495	-	-	-
Capital outlay	3,304,922	-	19,220	82,198
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	3,463,417	-	19,220	85,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,143,536)	-	(19,220)	(85,455)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Subscription financing	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-
Net Change in Fund Balances	(2,143,536)	-	(19,220)	(85,455)
Fund Balances, Beginning of Year	13,252,098	831	653,214	1,302,576
Fund Balances, End of Year	\$ 11,108,562	\$ 831	\$ 633,994	\$ 1,217,121

CITY OF REDONDO BEACH
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

	<u>Debt Service Funds</u>		
	<u>Public Financing Authority</u>	<u>Parking Authority</u>	<u>Total Other Governmental Funds</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 185,457
Intergovernmental	-	-	17,963,488
Charges for services	-	-	1,880,632
Use of money and property	713,924	126	981,090
Fines and forfeitures	-	-	6,000
Miscellaneous	-	-	2,131,622
Total Revenues	713,924	126	23,148,289
Expenditures:			
Current:			
General government	-	-	3,257
Public safety	-	-	175,723
Housing and community development	405,981	-	8,087,644
Culture and leisure services	-	-	1,128
Public works	-	-	4,769,794
Capital outlay	-	-	14,190,404
Debt service:			
Principal retirement	7,148,148	-	7,172,018
Interest and fiscal charges	5,914,848	-	5,916,327
Total Expenditures	13,468,977	-	40,316,295
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,755,053)	126	(17,168,006)
Other Financing Sources (Uses):			
Transfers in	13,089,301	-	14,361,809
Transfers out	-	-	(1,510,726)
Subscription financing	-	-	118,410
Total Other Financing Sources (Uses):	13,089,301	-	12,969,493
Net Change in Fund Balances	334,248	126	(4,198,513)
Fund Balances, Beginning of Year	5,034,952	6,061	42,672,227
Fund Balances, End of Year	\$ 5,369,200	\$ 6,187	\$ 38,473,714

CITY OF REDONDO BEACH
Budgetary Comparison Schedule
State Gas Tax
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$3,035,204	\$ 3,035,204	\$ 3,035,204	\$ -
Resources (Inflows):				
Intergovernmental	3,449,852	3,449,852	3,326,711	(123,141)
Use of money and property	20,000	20,000	36,699	16,699
Miscellaneous	6,000	6,000	13,578	7,578
Transfers in	147	147	-	(147)
Amounts Available for Appropriations	6,511,203	6,511,203	6,412,192	(99,011)
Charges to Appropriation (Outflow):				
Public works	1,936,218	1,885,155	1,714,699	170,456
Capital outlay	1,340,000	3,020,591	1,970,359	1,050,232
Debt service:				
Principal retirement	44,351	44,351	-	44,351
Interest and fiscal charges	32,821	32,821	-	32,821
Total Charges to Appropriations	3,353,390	4,982,918	3,685,058	1,297,860
Budgetary Fund Balance, June 30	\$3,157,813	\$ 1,528,285	\$ 2,727,134	\$ 1,198,849

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CITY OF REDONDO BEACH
 Budgetary Comparison Schedule
 Parks and Recreation Facilities
 Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 79,643	\$ 79,643	\$ 79,643	\$ -
Resources (Inflows):				
Charges for services	31,500	31,500	20,000	(11,500)
Amounts Available for Appropriations	111,143	111,143	99,643	(11,500)
Charges to Appropriation (Outflow):				
Capital outlay	-	100,000	-	100,000
Total Charges to Appropriations	-	100,000	-	100,000
Budgetary Fund Balance, June 30	\$ 111,143	\$ 11,143	\$ 99,643	\$ 88,500

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Narcotic Seizure / Forfeiture
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 269,009	\$ 269,009	\$ 269,009	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	164	(9,836)
Fines and forfeitures	20,000	20,000	6,000	(14,000)
Transfers in	5,742	5,742	-	(5,742)
Amounts Available for Appropriations	304,751	304,751	393,583	88,832
Charges to Appropriation (Outflow):				
Public safety	66,872	169,505	158,869	10,636
Capital outlay	-	563	26,048	(25,485)
Debt service:				
Principal retirement	-	-	23,870	(23,870)
Interest and fiscal charges	-	-	1,479	(1,479)
Total Charges to Appropriations	66,872	170,068	210,266	(40,198)
Budgetary Fund Balance, June 30	\$ 237,879	\$ 134,683	\$ 183,317	\$ 48,634

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Proposition A
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$2,376,476	\$ 2,376,476	\$ 2,376,476	\$ -
Resources (Inflows):				
Intergovernmental	1,621,996	1,621,996	1,747,512	125,516
Use of money and property	30,000	30,000	28,275	(1,725)
Amounts Available for Appropriations	4,028,472	4,028,472	4,152,263	123,791
Charges to Appropriation (Outflow):				
Capital outlay	-	75,000	-	75,000
Transfers out	993,724	993,724	1,510,726	(517,002)
Total Charges to Appropriations	993,724	1,068,724	1,510,726	(442,002)
Budgetary Fund Balance, June 30	\$3,034,748	\$ 2,959,748	\$ 2,641,537	\$ (318,211)

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Proposition C
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$6,289,187	\$ 6,289,187	\$ 6,289,187	\$ -
Resources (Inflows):				
Intergovernmental	1,345,403	1,345,403	1,449,511	104,108
Use of money and property	120,000	120,000	98,215	(21,785)
Amounts Available for Appropriations	7,754,590	7,754,590	7,836,913	82,323
Charges to Appropriation (Outflow):				
Cultural and leisure services	343	566	566	-
Public works	1,262	3,900	3,900	-
Capital outlay	1,500,000	5,446,287	4,103,976	1,342,311
Total Charges to Appropriations	1,501,605	5,450,753	4,108,442	1,342,311
Budgetary Fund Balance, June 30	\$6,252,985	\$ 2,303,837	\$ 3,728,471	\$ 1,424,634

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Measure R
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$2,052,193	\$ 2,052,193	\$ 2,052,193	\$ -
Resources (Inflows):				
Intergovernmental	1,009,052	1,009,052	1,086,820	77,768
Use of money and property	15,000	15,000	46,168	31,168
Amounts Available for Appropriations	3,076,245	3,076,245	3,185,181	108,936
Charges to Appropriation (Outflow):				
Parks and recreation	-	562	562	-
Public works	-	2,144	2,144	-
Capital outlay	1,135,000	2,850,046	1,387,955	1,462,091
Total Charges to Appropriations	1,135,000	2,852,752	1,390,661	1,462,091
Budgetary Fund Balance, June 30	\$1,941,245	\$ 223,493	\$ 1,794,520	\$ 1,571,027

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CITY OF REDONDO BEACH
 Budgetary Comparison Schedule
 Local Transportation Article 3
 Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (907)	\$ (907)	\$ (907)	\$ -
Resources (Inflows):				
Intergovernmental	62,594	62,594	-	(62,594)
Amounts Available for Appropriations	61,687	61,687	(907)	(62,594)
Charges to Appropriation (Outflow):				
Capital outlay	62,594	64,843	-	64,843
Total Charges to Appropriations	62,594	64,843	-	64,843
Budgetary Fund Balance, June 30	\$ (907)	\$ (3,156)	\$ (907)	\$ 2,249

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Air Quality Improvement
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 222,675	\$ 222,675	\$ 222,675	\$ -
Resources (Inflows):				
Intergovernmental	88,000	88,000	91,027	3,027
Use of money and property	2,000	2,000	749	(1,251)
Transfers in	45	45	-	(45)
Amounts Available for Appropriations	312,720	312,720	314,451	1,731
Charges to Appropriation (Outflow):				
Cultural and leisure services	69,499	66,022	32,964	33,058
Capital outlay	-	41,400	-	41,400
Debt service:				
Principal retirement	1,919	1,919	-	1,919
Interest and fiscal charges	1,420	1,420	-	1,420
Total Charges to Appropriations	72,838	110,761	32,964	77,797
Budgetary Fund Balance, June 30	\$ 239,882	\$ 201,959	\$ 281,487	\$ 79,528

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Storm Drain Improvement
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 459,347	\$ 459,347	\$ 459,347	\$ -
Resources (Inflows):				
Charges for services	30,000	30,000	33,660	3,660
Amounts Available for Appropriations	489,347	489,347	493,007	3,660
Charges to Appropriation (Outflow):				
Capital outlay	-	287,017	258,592	28,425
Total Charges to Appropriations	-	287,017	258,592	28,425
Budgetary Fund Balance, June 30	\$ 489,347	\$ 202,330	\$ 234,415	\$ 32,085

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Street Landscaping and Lighting District
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Charges for services	1,523,600	1,523,600	1,512,590	(11,010)
Miscellaneous	7,000	7,000	4,914	(2,086)
Transfers in	1,382,194	1,382,194	1,272,508	(109,686)
Amounts Available for Appropriations	2,912,794	2,912,794	2,790,012	(122,782)
Charges to Appropriation (Outflow):				
Public works	2,815,344	2,787,031	2,676,692	110,339
Debt service:				
Principal retirement	56,005	56,005	-	56,005
Interest and fiscal charges	41,445	41,445	-	41,445
Total Charges to Appropriations	2,912,794	2,884,481	2,676,692	207,789
Budgetary Fund Balance, June 30	\$ -	\$ 28,313	\$ 113,320	\$ 85,007

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CITY OF REDONDO BEACH
 Budgetary Comparison Schedule
 Community Development Block Grant
 Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (68,854)	\$ (68,854)	\$ (68,854)	\$ -
Resources (Inflows):				
Intergovernmental	285,916	285,916	163,840	(122,076)
Amounts Available for Appropriations	217,062	217,062	94,986	(122,076)
Charges to Appropriation (Outflow):				
Housing and community development	140,071	140,071	84,235	55,836
Capital outlay	145,845	265,743	37,804	227,939
Total Charges to Appropriations	285,916	405,814	122,039	283,775
Budgetary Fund Balance, June 30	\$ (68,854)	\$ (188,752)	\$ (27,053)	\$ 161,699

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Disaster Recovery
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 311,703	\$ 311,703	\$ 311,703	\$ -
Resources (Inflows):				
Charges for services	1,000	1,000	339	(661)
Miscellaneous	50,000	50,000	17,630	(32,370)
Amounts Available for Appropriations	362,703	362,703	329,672	(33,031)
Charges to Appropriation (Outflow):				
Public safety	17,060	24,439	16,854	7,585
Public works	-	-	500	(500)
Total Charges to Appropriations	17,060	24,439	17,354	7,085
Budgetary Fund Balance, June 30	\$ 345,643	\$ 338,264	\$ 312,318	\$ (25,946)

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Housing Authority
Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$1,581,064	\$ 1,581,064	\$ 1,581,064	\$ -
Resources (Inflows):				
Intergovernmental	6,627,168	6,627,168	7,338,128	710,960
Use of money and property	-	-	2,073	2,073
Transfers in	298	298	-	(298)
Amounts Available for Appropriations	8,208,530	8,208,530	8,921,265	712,735
Charges to Appropriation (Outflow):				
Housing and community development	6,728,170	6,737,666	7,564,464	(826,798)
Total Charges to Appropriations	6,728,170	6,737,666	7,564,464	(826,798)
Budgetary Fund Balance, June 30	\$1,480,360	\$ 1,470,864	\$ 1,356,801	\$ (114,063)

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CITY OF REDONDO BEACH
 Budgetary Comparison Schedule
 Subdivision Park Trust
 Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$2,075,434	\$ 2,075,434	\$ 2,075,434	\$ -
Resources (Inflows):				
Miscellaneous	1,162,500	1,162,500	2,087,500	925,000
Amounts Available for Appropriations	3,237,934	3,237,934	4,162,934	925,000
Charges to Appropriation (Outflow):				
Capital outlay	741,025	2,449,657	415,372	2,034,285
Total Charges to Appropriations	741,025	2,449,657	415,372	2,034,285
Budgetary Fund Balance, June 30	\$2,496,909	\$ 788,277	\$ 3,747,562	\$ 2,959,285

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CITY OF REDONDO BEACH
 Budgetary Comparison Schedule
 Measure M
 Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$3,394,608	\$ 3,394,608	\$ 3,394,608	\$ -
Resources (Inflows):				
Intergovernmental	1,143,593	1,143,593	1,229,425	85,832
Use of money and property	30,000	30,000	54,697	24,697
Amounts Available for Appropriations	4,568,201	4,568,201	4,678,730	110,529
Charges to Appropriation (Outflow):				
Capital outlay	1,300,342	3,451,163	2,569,079	882,084
Total Charges to Appropriations	1,300,342	3,451,163	2,569,079	882,084
Budgetary Fund Balance, June 30	\$3,267,859	\$ 1,117,038	\$ 2,109,651	\$ 992,613

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CITY OF REDONDO BEACH
 Budgetary Comparison Schedule
 Measure W
 Year ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 345,713	\$ 345,713	\$ 345,713	\$ -
Resources (Inflows):				
Intergovernmental	720,000	720,000	718,133	(1,867)
Amounts Available for Appropriations	1,065,713	1,065,713	1,063,846	(1,867)
Charges to Appropriation (Outflow):				
Public works	230,578	252,947	213,364	39,583
Capital outlay	500,000	1,371,527	14,879	1,356,648
Debt service:				
Principal retirement	6,618	6,618	-	6,618
Interest and fiscal charges	4,897	4,897	-	4,897
Total Charges to Appropriations	742,093	1,635,989	228,243	1,407,746
Budgetary Fund Balance, June 30	\$ 323,620	\$ (570,276)	\$ 835,603	\$ 1,405,879

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Capital Improvement Projects
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 13,252,098	\$ 13,252,098	\$ 13,252,098	\$ -
Resources (Inflows):				
Taxes	180,000	180,000	185,457	5,457
Intergovernmental	812,381	812,381	812,381	-
Charges for services	311,370	311,370	314,043	2,673
Miscellaneous	-	-	8,000	8,000
Amounts Available for Appropriations	14,555,849	14,555,849	14,571,979	16,130
Charges to Appropriation (Outflow):				
Public works	151,851	180,109	158,495	21,614
Capital outlay	3,214,021	11,607,229	3,304,922	8,302,307
Debt service:				
Principal retirement	13,085	13,085	-	13,085
Interest and fiscal charges	9,683	9,683	-	9,683
Total Charges to Appropriations	3,388,640	11,810,106	3,463,417	8,346,689
Budgetary Fund Balance, June 30	\$ 11,167,209	\$ 2,745,743	\$ 11,108,562	\$ 8,362,819

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Major Facilities Reconstruction
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 653,214	\$ 653,214	\$ 653,214	\$ -
Resources (Inflows):				
Transfers in	500,000	500,000	-	(500,000)
Amounts Available for Appropriation	1,153,214	1,153,214	653,214	(500,000)
Charges to Appropriation (Outflow):				
Capital outlay	-	608,750	19,220	589,530
Total Charges to Appropriations	-	608,750	19,220	589,530
Budgetary Fund Balance, June 30	\$1,153,214	\$ 544,464	\$ 633,994	\$ 89,530

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Open Space Acquisition
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,302,576	\$ 1,302,576	\$ 1,302,576	\$ -
Resources (Inflows):				
Transfers in	500,000	500,000	-	(500,000)
Amounts Available for Appropriations	1,802,576	1,802,576	1,302,576	(500,000)
Charges to Appropriation (Outflow):				
General government	-	18,047	3,257	14,790
Capital outlay	476,000	661,380	82,198	579,182
Total Charges to Appropriations	476,000	679,427	85,455	593,972
Budgetary Fund Balance, June 30	\$ 1,326,576	\$ 1,123,149	\$ 1,217,121	\$ 93,972

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CITY OF REDONDO BEACH
Budgetary Comparison Schedule
Public Financing Authority
Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,034,952	\$ 5,034,952	\$ 5,034,952	\$ -
Resources (Inflows):				
Use of money and property	273,975	273,975	713,924	439,949
Miscellaneous	13,102,314	13,102,314	-	(13,102,314)
Transfers in	1,650,738	1,650,738	13,089,301	11,438,563
Amounts Available for Appropriations	20,061,979	20,061,979	18,838,177	(1,223,802)
Charges to Appropriation (Outflow):				
Housing and community development	273,975	273,975	405,981	(132,006)
Debt service:				
Principal retirement	8,115,000	8,115,000	7,148,148	966,852
Interest and fiscal charges	6,638,052	6,638,052	5,914,848	723,204
Total Charges to Appropriations	15,027,027	15,027,027	13,468,977	1,558,050
Budgetary Fund Balance, June 30	\$ 5,034,952	\$ 5,034,952	\$ 5,369,200	\$ 334,248

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CITY OF REDONDO BEACH
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Solid Waste	Transit	Totals
Assets:			
Current:			
Cash and investments	\$ 2,168,566	\$ 156,760	\$ 2,325,326
Receivables:			
Accounts	323,594	1,381	324,975
Taxes	99,634	-	99,634
Due from other governments	-	1,478,449	1,478,449
Total Current Assets	2,591,794	1,636,590	4,228,384
Noncurrent:			
Capital assets - net of accumulated depreciation	15,439	1,410,174	1,425,613
Total Noncurrent Assets	15,439	1,410,174	1,425,613
Total Assets	2,607,233	3,046,764	5,653,997
Deferred Outflows of Resources:			
Deferred pension related items	470,433	378,790	849,223
Deferred OPEB related items	33,115	28,573	61,688
Total Deferred Outflows of Resources	503,548	407,363	910,911
Liabilities:			
Current:			
Accounts payable	446,748	673,103	1,119,851
Accrued interest	5,087	4,451	9,538
Unearned revenues	42,218	1,494	43,712
Due to other funds	-	922,643	922,643
Accrued compensated absences	10,606	25,812	36,418
Long-term debt - due within one year	42,336	37,044	79,380
Total Current Liabilities	546,995	1,664,547	2,211,542
Noncurrent:			
Accrued compensated absences	31,817	77,427	109,244
Accrued claims and judgments	-	-	-
Long-term debt - due in more than one year	1,182,104	1,034,341	2,216,445
Net pension liability	198,429	159,774	358,203
Net OPEB liability	109,315	94,322	203,637
Total Noncurrent Liabilities	1,521,665	1,365,864	2,887,529
Total Liabilities	2,068,660	3,030,411	5,099,071
Deferred Inflows of Resources:			
Deferred pension related items	60,249	48,512	108,761
Deferred OPEB related items	40,165	34,656	74,821
Total Deferred Inflows of Resources	100,414	83,168	183,582
Net Position:			
Net investment in capital assets	15,439	1,410,174	1,425,613
Unrestricted	926,268	(1,069,626)	(143,358)
Total Net Position	\$ 941,707	\$ 340,548	1,282,255

CITY OF REDONDO BEACH
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Non-Major Enterprise Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Solid Waste	Transit	Totals
Operating Revenues:			
Sales and service charges	\$ 5,950,872	\$ 165,152	\$ 6,116,024
Miscellaneous	190,785	44	190,829
Total Operating Revenues	6,141,657	165,196	6,306,853
Operating Expenses:			
Administration and general	33,032	707,410	740,442
Personnel services	566,040	1,019,649	1,585,689
Contractual services	4,663,220	3,601,444	8,264,664
Internal service charges	331,478	312,048	643,526
Depreciation expense	2,084	152,179	154,263
Total Operating Expenses	5,595,854	5,792,730	11,388,584
Operating Income (Loss)	545,803	(5,627,534)	(5,081,731)
Nonoperating Revenues (Expenses):			
Intergovernmental	28,234	4,143,094	4,171,328
Interest expense	(31,490)	(27,206)	(58,696)
Gain (loss) on disposal of capital assets	-	1,241	1,241
Total Nonoperating Revenues (Expenses)	(3,256)	4,117,129	4,113,873
Income (Loss) Before Transfers	542,547	(1,510,405)	(967,858)
Transfers in	98	1,510,726	1,510,824
Transfers out	(6)	(411)	(417)
Changes in Net Position	542,639	(90)	542,549
Net Position:			
Beginning of Year	399,068	340,638	739,706
End of Fiscal Year	\$ 941,707	\$ 340,548	\$ 1,282,255

CITY OF REDONDO BEACH
Statement of Cash Flows
Non-Major Enterprise Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Solid Waste	Transit	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 5,980,543	\$ 161,728	\$ 6,142,271
Cash paid to suppliers for goods and services	(4,631,167)	(4,556,175)	(9,187,342)
Cash paid to employees for services	(715,843)	(707,753)	(1,423,596)
Net Cash Provided (Used) by Operating Activities	633,533	(5,102,200)	(4,468,667)
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(6)	(411)	(417)
Cash transfers in	98	1,510,726	1,510,824
Repayment received from other funds	-	884,888	884,888
Principal paid on non-capital debt issued	(42,168)	(36,897)	(79,065)
Interest paid on non-capital debt	(31,490)	(27,206)	(58,696)
Grant subsidies	28,234	3,245,701	3,273,935
Net Cash Provided (Used) by Non-Capital Financing Activities	(45,332)	5,576,801	5,531,469
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(319,393)	(319,393)
Proceeds from sales of capital assets	-	1,240	1,240
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(318,153)	(318,153)
Net Increase (Decrease) in Cash and Cash Equivalents	588,201	156,448	744,649
Cash and Cash Equivalents at Beginning of Year	1,580,365	312	1,580,677
Cash and Cash Equivalents at End of Year	\$ 2,168,566	\$ 156,760	\$ 2,325,326
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 545,803	\$ (5,627,534)	\$ (5,081,731)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	2,084	152,179	154,263
(Increase) decrease in accounts receivable	(161,114)	(1,381)	(162,495)
Increase (decrease) in accounts payable	379,307	48,709	428,016
Increase (decrease) in unearned revenue	-	(2,087)	(2,087)
Increase (decrease) in net pension liability	(613,370)	(240,341)	(853,711)
Increase (decrease) in OPEB liability	17,256	16,018	33,274
Increase (decrease) in deferred pension related items	488,062	566,803	1,054,865
Increase (decrease) in deferred OPEB related items	(21,636)	(18,318)	(39,954)
Increase (decrease) in compensated absences	(2,859)	3,752	893
Total Adjustments	87,730	525,334	613,064
Net Cash Provided (Used) by Operating Activities	\$ 633,533	\$ (5,102,200)	\$ (4,468,667)
Non-Cash Investing, Capital, and Financing Activities:			
None			

CITY OF REDONDO BEACH
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
Assets:			
Current:			
Cash and investments	\$ 10,683,224	\$ 2,881,350	\$ 2,089,732
Receivables:			
Accounts	63,266	-	-
Prepaid costs	-	-	11,910
Total Current Assets	10,746,490	2,881,350	2,101,642
Noncurrent:			
Capital assets - net of accumulated depreciation	5,819,495	135,086	1,356,568
Total Noncurrent Assets	5,819,495	135,086	1,356,568
Total Assets	16,565,985	3,016,436	3,458,210
Deferred Outflows of Resources:			
Deferred pension related items	349,633	764,291	736,861
Deferred OPEB related items	27,461	56,528	52,576
Total Deferred Outflows of Resources	377,094	820,819	789,437
Liabilities:			
Current:			
Accounts payable	227,941	230,534	114,412
Accrued interest	7,796	10,538	11,228
Accrued compensated absences	8,195	22,384	18,287
Accrued claims and judgments	-	-	-
Long-term debt - due within one year	82,653	87,696	141,511
Total Current Liabilities	326,585	351,152	285,438
Noncurrent:			
Accrued compensated absences	24,585	67,152	54,863
Accrued claims and judgments	-	-	-
Long-term debt - due in more than one year	1,273,340	2,448,644	2,470,156
Net pension liability	147,476	322,379	310,808
Net OPEB liability	90,652	186,608	173,560
Total Noncurrent Liabilities	1,536,053	3,024,783	3,009,387
Total Liabilities	1,862,638	3,375,935	3,294,825
Deferred Inflows of Resources:			
Deferred pension related items	44,778	97,883	94,370
Deferred OPEB related items	33,308	68,565	63,771
Total Deferred Inflows of Resources	78,086	166,448	158,141
Net Position:			
Net investment in capital assets	5,582,887	135,086	1,259,376
Unrestricted	9,419,468	159,786	(464,695)
Total Net Position	\$ 15,002,355	\$ 294,872	\$ 794,681

CITY OF REDONDO BEACH
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Governmental Activities - Internal Service Funds			Totals
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	
Assets:				
Current:				
Cash and investments	\$ 13,412,557	\$ 5,737,377	\$ 1,043,763	\$ 35,848,003
Receivables:				
Accounts	-	-	-	63,266
Prepaid costs	-	-	-	11,910
Total Current Assets	13,412,557	5,737,377	1,043,763	35,923,179
Noncurrent:				
Capital assets - net of accumulated depreciation	146,731	1,162,893	637,625	9,258,398
Total Noncurrent Assets	146,731	1,162,893	637,625	9,258,398
Total Assets	13,559,288	6,900,270	1,681,388	45,181,577
Deferred Outflows of Resources:				
Deferred pension related items	108,415	510,830	-	2,470,030
Deferred OPEB related items	5,741	59,240	-	201,546
Total Deferred Outflows of Resources	114,156	570,070	-	2,671,576
Liabilities:				
Current:				
Accounts payable	2,828,275	94,261	184,544	3,679,967
Accrued interest	727	14,535	-	44,824
Accrued compensated absences	-	26,841	-	75,707
Accrued claims and judgments	748,564	-	-	748,564
Long-term debt - due within one year	6,048	120,204	-	438,112
Total Current Liabilities	3,583,614	255,841	184,544	4,987,174
Noncurrent:				
Accrued compensated absences	-	80,520	-	227,120
Accrued claims and judgments	20,172,822	-	-	20,172,822
Long-term debt - due in more than one year	168,872	3,378,196	-	9,739,208
Net pension liability	45,729	305,964	-	1,132,356
Net OPEB liability	18,950	195,559	-	665,329
Total Noncurrent Liabilities	20,406,373	3,960,239	-	31,936,835
Total Liabilities	23,989,987	4,216,080	184,544	36,924,009
Deferred Inflows of Resources:				
Deferred pension related items	13,885	23,549	-	274,465
Deferred OPEB related items	6,963	71,854	-	244,461
Total Deferred Inflows of Resources	20,848	95,403	-	518,926
Net Position:				
Net investment in capital assets	146,731	1,162,893	453,081	8,740,054
Unrestricted	(10,484,122)	1,995,964	1,043,763	1,670,164
Total Net Position	\$ (10,337,391)	\$ 3,158,857	\$ 1,496,844	\$ 10,410,218

CITY OF REDONDO BEACH
Combining Statement of Revenues, Expenses
and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
Operating Revenues:			
Sales and service charges	\$ 3,977,986	\$ 3,684,113	\$ 3,695,264
Miscellaneous	224,301	-	10
Total Operating Revenues	4,202,287	3,684,113	3,695,274
Operating Expenses:			
Administration and general	1,426,076	1,346,414	625,460
Personnel services	697,532	1,152,405	1,178,104
Contractual services	65,243	292,543	1,540,413
Internal service charges	347,398	421,424	696,966
Depreciation and amortization expense	1,066,247	11,750	141,476
Total Operating Expenses	3,602,496	3,224,536	4,182,419
Operating Income (Loss)	599,791	459,577	(487,145)
Nonoperating Revenues (Expenses):			
Interest expense	(34,263)	(65,164)	(66,935)
Gain (loss) on disposal of capital assets	17,785	-	-
Total Nonoperating Revenues (Expenses)	(16,478)	(65,164)	(66,935)
Income (Loss) Before Transfers	583,313	394,413	(554,080)
Transfers in	133	135	902
Transfers out	(6)	(77)	-
Changes in Net Position	583,440	394,471	(553,178)
Net Position:			
Beginning of Year	14,418,915	(99,599)	1,347,859
End of Fiscal Year	\$ 15,002,355	\$ 294,872	\$ 794,681

CITY OF REDONDO BEACH
Combining Statement of Revenues, Expenses
and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds			Totals
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	
Operating Revenues:				
Sales and service charges	\$ 8,602,706	\$ 3,321,707	\$ 110,546	\$ 23,392,322
Miscellaneous	-	-	-	224,311
Total Operating Revenues	8,602,706	3,321,707	110,546	23,616,633
Operating Expenses:				
Administration and general	7,148,937	58,019	-	10,604,906
Personnel services	8,004	3,351,865	-	6,387,910
Contractual services	191,255	416,500	-	2,505,954
Internal service charges	332,973	382,681	-	2,181,442
Depreciation and amortization expense	-	230,330	22,691	1,472,494
Total Operating Expenses	7,681,169	4,439,395	22,691	23,152,706
Operating Income (Loss)	921,537	(1,117,688)	87,855	463,927
Nonoperating Revenues (Expenses):				
Interest expense	(4,622)	(90,747)	-	(261,731)
Gain (loss) on disposal of capital assets	-	-	-	17,785
Total Nonoperating Revenues (Expenses)	(4,622)	(90,747)	-	(243,946)
Income (Loss) Before Transfers	916,915	(1,208,435)	87,855	219,981
Transfers in	177	1,049	-	2,396
Transfers out	-	(22,403)	-	(22,486)
Changes in Net Position	917,092	(1,229,789)	87,855	199,891
Net Position:				
Beginning of Year	(11,254,483)	4,388,646	1,408,989	10,210,327
End of Fiscal Year	\$ (10,337,391)	\$ 3,158,857	\$ 1,496,844	\$ 10,410,218

CITY OF REDONDO BEACH
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2023

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 4,190,551	\$ 3,684,113	\$ 3,695,274
Cash paid to suppliers for goods and services	(1,737,617)	(2,290,548)	(2,873,772)
Cash paid to employees for services	(565,717)	(1,165,259)	(1,135,031)
Net Cash Provided (Used) by Operating Activities	1,887,217	228,306	(313,529)
Cash Flows from Non-Capital Financing Activities:			
Principal paid on non-capital debt	(42,168)	(87,348)	(86,595)
Interest paid on non-capital debt	(31,256)	(65,164)	(64,266)
Net Cash Provided (Used) by Non-Capital Financing Activities	(73,297)	(152,454)	(149,959)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(996,817)	-	(443,080)
Principal paid on capital debt	(40,200)	-	(49,362)
Interest paid on capital debt	(298)	-	(1,888)
Proceeds from sale of capital assets	18,029	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,019,286)	-	(494,330)
Net Increase (Decrease) in Cash and Cash Equivalents	794,634	75,852	(957,818)
Cash and Cash Equivalents at Beginning of Year	9,888,590	2,805,498	3,047,550
Cash and Cash Equivalents at End of Year	\$ 10,683,224	\$ 2,881,350	\$ 2,089,732
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 599,791	\$ 459,577	\$ (487,145)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation and amortization	1,066,247	11,750	141,476
(Increase) decrease in accounts receivable	(11,736)	-	-
(Increase) decrease in deferred outflow pension related items	917,068	1,887,026	1,875,737
(Increase) decrease in deferred outflow OPEB related items	(2,002)	(3,117)	2,369
(Increase) decrease in prepaid expense	-	-	(4,915)
Increase (decrease) in accounts payable	87,018	(256,141)	(14,329)
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liability	(506,351)	(1,262,922)	(1,127,292)
Increase (decrease) in net OPEB liability	14,082	25,974	8,311
Increase (decrease) in deferred inflow pension related items	(267,093)	(658,294)	(591,594)
Increase (decrease) in deferred inflow OPEB related items	(16,012)	(34,902)	(42,668)
Increase (decrease) in compensated absences	6,205	59,355	(73,479)
Total Adjustments	1,287,426	(231,271)	173,616
Net Cash Provided (Used) by Operating Activities	\$ 1,887,217	\$ 228,306	\$ (313,529)
Non-Cash Investing, Capital, and Financing Activities:			
Subscription financing	(171,753)	-	(146,554)
Subscription assets acquired	171,753	-	146,554

CITY OF REDONDO BEACH
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2023

	Governmental Activities - Internal Service Funds			Totals
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 8,602,706	\$ 3,321,708	\$ 110,545	\$ 23,604,897
Cash paid to suppliers for goods and services	(9,126,400)	(780,821)	180,362	(16,628,796)
Cash paid to employees for services	(324,410)	(1,872,570)	-	(5,062,987)
Net Cash Provided (Used) by Operating Activities	(848,104)	668,317	290,907	1,913,114
Cash Flows from Non-Capital Financing Activities:				
Principal paid on non-capital debt	(6,024)	(120,480)	-	(342,615)
Interest paid on non-capital debt	(4,622)	(90,747)	-	(256,055)
Net Cash Provided (Used) by Non-Capital Financing Activities	(10,469)	(232,581)	-	(618,760)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(101,370)	-	(229,972)	(1,771,239)
Principal paid on capital debt	-	-	-	(89,562)
Interest paid on capital debt	-	-	-	(2,186)
Proceeds from sale of capital assets	-	-	-	18,029
Net Cash Provided (Used) by Capital and Related Financing Activities	(101,370)	-	(229,972)	(1,844,958)
Net Increase (Decrease) in Cash and Cash Equivalents	(959,943)	435,736	60,935	(550,604)
Cash and Cash Equivalents at Beginning of Year	14,372,500	5,301,641	982,828	36,398,607
Cash and Cash Equivalents at End of Year	\$ 13,412,557	\$ 5,737,377	\$ 1,043,763	\$ 35,848,003
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 921,537	\$ (1,117,688)	\$ 87,855	\$ 463,927
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation and amortization	-	230,331	22,691	1,472,495
(Increase) decrease in accounts receivable	-	-	-	(11,736)
(Increase) decrease in deferred outflow pension related items	82,630	3,017,995	-	7,780,456
(Increase) decrease in deferred outflow OPEB related items	(1,741)	833	-	(3,658)
(Increase) decrease in prepaid expense	-	-	-	(4,915)
Increase (decrease) in accounts payable	1,665,384	61,490	180,361	1,723,783
Increase (decrease) in claims and judgments	(3,316,793)	-	-	(3,316,793)
Increase (decrease) in net pension liability	(132,587)	(1,132,710)	-	(4,161,862)
Increase (decrease) in net OPEB liability	6,919	14,889	-	70,175
Increase (decrease) in deferred inflow pension related items	(71,170)	(379,251)	-	(1,967,402)
Increase (decrease) in deferred inflow OPEB related items	(787)	(44,518)	-	(138,887)
Increase (decrease) in compensated absences	(1,496)	16,946	-	7,531
Total Adjustments	(1,769,641)	1,786,005	203,052	1,449,187
Net Cash Provided (Used) by Operating Activities	\$ (848,104)	\$ 668,317	\$ 290,907	\$ 1,913,114
Non-Cash Investing, Capital, and Financing Activities:				
Subscription financing	-	-	-	(318,307)
Subscription assets acquired	-	-	-	318,307

City of Redondo Beach
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015 *	2016	2017	2018
Governmental Activities:					
Net investment in capital assets	\$ 138,614,141	\$ 139,555,634	\$ 135,628,091	\$ 139,053,697	\$ 147,515,377
Restricted	19,059,951	16,503,649	26,346,341	22,833,987	24,348,682
Unrestricted	28,918,308	(85,699,247)	(81,186,849)	(83,567,317)	(118,477,214)
Total governmental activities net position	<u>186,592,400</u>	<u>70,360,036</u>	<u>80,787,583</u>	<u>78,320,367</u>	<u>53,386,845</u>
Business-type activities:					
Net investment in capital assets	36,646,484	37,629,261	37,542,589	37,169,598	43,285,102
Restricted	-	-	-	-	-
Unrestricted	27,250,666	18,257,918	24,136,647	28,549,056	24,562,294
Total business-type activities net position	<u>63,897,150</u>	<u>55,887,179</u>	<u>61,679,236</u>	<u>65,718,654</u>	<u>67,847,396</u>
Primary government:					
Net investment in capital assets	175,260,625	177,184,895	173,170,680	176,223,295	190,800,479
Restricted	19,059,951	16,503,649	26,346,341	22,833,987	24,348,682
Unrestricted	56,168,974	(67,441,329)	(57,050,202)	(55,018,261)	(93,914,920)
Total primary government net position	<u>\$ 250,489,550</u>	<u>\$ 126,247,215</u>	<u>\$ 142,466,819</u>	<u>\$ 144,039,021</u>	<u>\$ 121,234,241</u>

NOTE: * In FY 2014-2015, GASB Statement 68 was implemented and contributed to the decrease in net

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial

City of Redondo Beach
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Governmental Activities:					
Net investment in capital assets	\$ 149,571,518	\$ 155,670,310	\$ 164,993,054	\$ 146,082,092	\$ 189,024,081
Restricted	36,179,269	29,323,216	27,392,685	31,365,112	29,038,880
Unrestricted	(150,061,607)	(169,266,411)	(175,501,877)	(134,974,819)	(163,871,388)
Total governmental activities net position	<u>35,689,180</u>	<u>15,727,115</u>	<u>16,883,862</u>	<u>42,472,385</u>	<u>54,191,573</u>
Business-type activities:					
Net investment in capital assets	44,986,964	58,077,077	59,334,911	60,441,156	66,054,613
Restricted	-	-	-	-	-
Unrestricted	23,360,854	18,858,253	16,913,909	18,369,052	16,395,109
Total business-type activities net position	<u>68,347,818</u>	<u>76,935,330</u>	<u>76,248,820</u>	<u>78,810,208</u>	<u>82,449,722</u>
Primary government:					
Net investment in capital assets	194,558,482	213,747,387	224,327,965	206,523,248	255,078,694
Restricted	36,179,269	29,323,216	27,392,685	31,365,112	29,038,880
Unrestricted	(126,700,753)	(150,408,158)	(158,587,968)	(116,605,767)	(147,476,279)
Total primary government net position	<u>\$ 104,036,998</u>	<u>\$ 92,662,445</u>	<u>\$ 93,132,682</u>	<u>\$ 121,282,593</u>	<u>\$ 136,641,295</u>

City of Redondo Beach
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Government activities:					
General government	\$ 10,177,409	\$ 10,293,394	\$ 10,946,935	\$ 10,846,646	\$ 14,142,348
Public Safety	44,022,014	47,331,250	46,362,851	55,489,827	60,845,022
Housing and community development	10,115,114	9,229,689	8,936,256	9,769,288	11,797,299
Cultural and leisure services	10,042,640	10,990,481	11,556,891	12,496,716	14,539,255
Public works	11,817,281	15,500,144	12,616,719	14,135,326	16,496,964
Interest on long-term debt	194,200	152,348	124,522	80,782	51,658
Total governmental activities expenses	<u>86,368,658</u>	<u>93,497,306</u>	<u>90,544,174</u>	<u>102,818,585</u>	<u>117,872,546</u>
Business-type activities:					
Harbor Tidelands	5,040,308	5,279,836	5,652,988	6,395,134	7,035,921
Harbor Uplands	4,051,432	4,230,371	4,469,890	4,479,269	3,224,093
Wastewater	2,557,592	2,022,271	2,144,353	2,917,527	3,667,593
Solid Waste	3,580,040	3,506,271	3,763,513	3,973,666	3,968,186
Transit	3,346,989	3,366,535	3,536,593	3,626,075	3,844,008
Total business-type activities expenses	<u>18,576,361</u>	<u>18,405,284</u>	<u>19,567,337</u>	<u>21,391,671</u>	<u>21,739,801</u>
Total primary government expenses	<u>104,945,019</u>	<u>111,902,590</u>	<u>110,111,511</u>	<u>124,210,256</u>	<u>139,612,347</u>
Component Units:					
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	7,539,299	9,083,395	8,689,834	8,570,506	8,305,869
Public Safety	4,942,725	4,611,279	4,503,948	4,764,211	5,310,033
Housing and community development	2,858,612	2,681,729	2,160,284	3,577,756	3,458,586
Cultural and leisure services	5,942,540	6,733,424	6,606,802	5,837,816	6,709,262
Public works	2,386,890	2,154,679	2,334,537	2,579,475	2,459,268
Operating grants and contributions	8,052,877	8,170,736	8,135,187	8,563,072	8,090,195
Capital grants and contributions	294,342	2,310,026	912,045	492,146	1,872,910
Total governmental activities program revenues	<u>32,017,285</u>	<u>35,745,268</u>	<u>33,342,637</u>	<u>34,384,982</u>	<u>36,206,123</u>

City of Redondo Beach
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Business-type activities:					
Charges for services:					
Harbor Tidelands	\$ 5,870,760	\$ 6,526,625	\$ 6,483,927	\$ 6,694,914	\$ 6,565,619
Harbor Uplands	4,311,358	4,585,998	5,314,448	5,378,886	5,267,564
Wastewater	4,568,330	5,433,185	5,618,086	5,546,090	5,575,855
Solid Waste	3,369,217	3,569,336	3,832,166	3,792,964	3,836,976
Transit	352,756	360,519	366,314	344,071	336,962
Operating grants and contributions	1,754,397	1,848,671	2,200,958	1,888,902	2,247,490
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>20,226,818</u>	<u>22,324,334</u>	<u>23,815,899</u>	<u>23,645,827</u>	<u>23,830,466</u>
Total primary government program revenues	<u>52,244,103</u>	<u>58,069,602</u>	<u>57,158,536</u>	<u>58,030,809</u>	<u>60,036,589</u>
Net (expense)/revenue					
Governmental activities	(54,351,373)	(57,752,038)	(57,201,537)	(68,433,603)	(81,666,423)
Business-type activities	1,650,457	3,919,050	4,248,562	2,254,156	2,090,665
Total primary government net expense	<u>(52,700,916)</u>	<u>(53,832,988)</u>	<u>(52,952,975)</u>	<u>(66,179,447)</u>	<u>(79,575,758)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes, levied for general purpose	30,175,663	31,424,789	32,766,493	34,375,818	36,847,562
Transient occupancy taxes	3,970,786	4,464,811	8,627,801	7,689,889	9,172,934
Sales taxes	10,450,402	11,889,190	12,347,884	10,059,087	10,185,208
Franchise taxes	1,973,182	1,981,936	1,963,752	1,706,371	1,896,809
Business licenses taxes	1,296,531	1,178,016	1,186,567	1,201,068	1,322,333
Utility users taxes	7,412,250	7,664,385	7,411,930	7,085,063	6,928,129
Other taxes	1,840	5,149	-	731,571	632,084
Motor vehicle in lieu	28,894	27,910	27,475	31,132	36,272
Investment earnings	1,251,129	1,069,970	1,184,588	3,038,633	3,134,966
Other revenues	1,885,242	2,271,960	2,826,066	1,521,902	1,407,243
Gain (loss) on sale of capital assets	12,657	27,676	71,254	-	-
Special item	-	-	-	-	-
Transfers	(1,350,534)	(1,462,139)	(784,726)	(1,474,147)	(1,106,621)
Gain (loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	<u>57,108,042</u>	<u>60,543,653</u>	<u>67,629,084</u>	<u>65,966,387</u>	<u>70,456,919</u>
Business-type activities:					
Investment earnings	331,919	237,235	450,632	99,085	237,280
Gain (loss) on sale of capital assets	(79,277)	-	11,868	5,606	-
Other revenues	400,396	375,982	296,269	206,424	282,370
Special item	-	-	-	-	-
Transfers	1,350,534	1,462,139	784,726	1,474,147	1,106,621
Total business-type activities	<u>2,003,572</u>	<u>2,075,356</u>	<u>1,543,495</u>	<u>1,785,262</u>	<u>1,626,271</u>
Total primary government	<u>59,111,614</u>	<u>62,619,009</u>	<u>69,172,579</u>	<u>67,751,649</u>	<u>72,083,190</u>
Change in Net Position					
Governmental activities	2,756,669	2,791,615	10,427,547	(2,467,216)	(11,209,504)
Business-type activities	3,654,029	5,994,406	5,792,057	4,039,418	3,716,936
Totally primary government	<u>\$ 6,410,698</u>	<u>\$ 8,786,021</u>	<u>\$ 16,219,604</u>	<u>\$ 1,572,202</u>	<u>\$ (7,492,568)</u>

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements

City of Redondo Beach
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Expenses					
Government activities:					
General government	\$ 12,380,308	\$ 13,574,385	\$ 11,692,177	\$ 10,676,673	\$ 8,875,247
Public Safety	62,740,166	71,807,026	68,527,338	50,336,195	77,329,726
Housing and community development	11,460,619	11,456,603	11,119,995	12,241,640	10,119,877
Cultural and leisure services	12,296,505	11,810,514	10,033,842	11,259,954	11,227,624
Public works	14,655,265	15,373,701	14,439,178	17,327,400	11,459,350
Interest on long-term debt	641,587	1,272,259	1,117,677	7,161,637	6,046,346
Total governmental activities expenses	<u>114,174,450</u>	<u>125,294,488</u>	<u>116,930,207</u>	<u>109,003,499</u>	<u>125,058,170</u>
Business-type activities:					
Harbor Tidelands	9,433,807	9,067,251	4,636,895	7,593,555	6,414,101
Harbor Uplands	5,016,104	4,707,797	5,898,608	5,671,184	3,877,153
Wastewater	3,406,302	3,809,885	3,319,536	2,766,293	4,852,027
Solid Waste	4,690,425	4,894,581	5,115,305	5,270,585	5,627,344
Transit	4,004,654	3,975,884	4,440,739	4,437,245	5,819,936
Total business-type activities expenses	<u>26,551,292</u>	<u>26,455,398</u>	<u>23,411,083</u>	<u>25,738,862</u>	<u>26,590,561</u>
Total primary government expenses	<u>140,725,742</u>	<u>151,749,886</u>	<u>140,341,290</u>	<u>134,742,361</u>	<u>151,648,731</u>
Component Units:					
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	9,769,717	10,699,014	10,760,125	17,442,962	11,449,964
Public Safety	5,766,102	4,922,828	6,414,431	6,389,408	5,214,506
Housing and community development	3,491,863	3,189,541	3,274,369	3,426,571	5,923,067
Cultural and leisure services	7,283,873	6,609,840	6,182,448	7,840,440	10,742,331
Public works	2,737,458	2,297,396	3,447,892	2,420,262	2,953,076
Operating grants and contributions	10,151,972	10,326,680	14,547,505	14,317,249	16,501,962
Capital grants and contributions	485,693	2,882,105	2,285,961	7,786,097	3,088,905
Total governmental activities program revenues	<u>39,686,678</u>	<u>40,927,404</u>	<u>46,912,731</u>	<u>59,622,989</u>	<u>55,873,811</u>

City of Redondo Beach
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Business-type activities:					
Charges for services:					
Harbor Tidelands	\$ 6,714,763	\$ 5,729,264	\$ 4,816,599	\$ 7,611,643	\$ 7,624,821
Harbor Uplands	6,129,658	4,886,188	4,945,241	6,239,484	5,754,907
Wastewater	5,419,215	5,523,009	5,487,873	5,417,916	5,433,482
Solid Waste	3,965,662	4,330,439	4,780,684	5,549,427	6,141,657
Transit	338,835	250,758	-	280	165,196
Operating grants and contributions	2,362,021	2,958,743	2,853,567	4,291,625	4,191,328
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>24,930,154</u>	<u>23,678,401</u>	<u>22,883,964</u>	<u>29,110,375</u>	<u>29,311,391</u>
Total primary government program revenues	<u>64,616,832</u>	<u>64,605,805</u>	<u>69,796,695</u>	<u>88,733,364</u>	<u>85,185,202</u>
Net (expense)/revenue					
Governmental activities	(74,487,772)	(84,367,084)	(70,017,476)	(49,380,510)	(69,184,359)
Business-type activities	(1,621,138)	(2,776,997)	(527,119)	3,371,513	2,720,830
Total primary government net expense	<u>(76,108,910)</u>	<u>(87,144,081)</u>	<u>(70,544,595)</u>	<u>(46,008,997)</u>	<u>(66,463,529)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes, levied for general purpose	38,249,535	39,774,170	43,705,194	44,424,757	45,649,338
Transient occupancy taxes	8,816,739	6,335,445	3,400,322	5,419,197	6,174,326
Sales taxes	10,578,527	9,716,883	10,018,217	11,813,896	11,036,523
Franchise taxes	1,647,287	1,706,355	1,731,846	1,864,336	2,131,206
Business licenses taxes	1,295,050	1,251,673	1,211,539	1,193,814	1,301,224
Utility users taxes	6,757,622	6,824,873	6,713,480	8,024,511	9,166,031
Other taxes	917,102	969,721	1,019,041	1,133,754	1,173,417
Motor vehicle in lieu	32,965	54,193	49,136	77,111	72,000
Investment earnings	5,483,218	5,219,501	1,408,878	69,136	3,558,292
Other revenues	2,314,681	1,640,662	1,642,581	714,946	470,103
Gain (loss) on sale of capital assets	19,352	-	-	-	17,785
Special item	(18,823,249)	(1,595,860)	-	-	-
Transfers	(498,722)	(7,492,597)	273,989	233,575	138,511
Gain (loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	<u>56,790,107</u>	<u>64,405,019</u>	<u>71,174,223</u>	<u>74,969,033</u>	<u>80,888,756</u>
Business-type activities:					
Investment earnings	1,442,556	1,563,880	(72,233)	(576,550)	1,055,954
Gain (loss) on sale of capital assets	244	-	-	-	1,241
Other revenues	180,038	712,172	186,831	-	-
Special item	-	1,595,860	-	-	-
Transfers	498,722	7,492,597	(273,989)	(233,575)	(138,511)
Total business-type activities	<u>2,121,560</u>	<u>11,364,509</u>	<u>(159,391)</u>	<u>(810,125)</u>	<u>918,684</u>
Total primary government	<u>58,911,667</u>	<u>75,769,528</u>	<u>71,014,832</u>	<u>74,158,908</u>	<u>81,807,440</u>
Change in Net Position					
Governmental activities	(17,697,665)	(19,962,065)	1,156,747	25,588,523	11,704,397
Business-type activities	500,422	8,587,512	(686,510)	2,561,388	3,639,514
Totally primary government	<u>\$ (17,197,243)</u>	<u>\$ (11,374,553)</u>	<u>\$ 470,237</u>	<u>\$ 28,149,911</u>	<u>\$ 15,343,911</u>

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wid

City of Redondo Beach
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
General fund					
Nonspendable	\$ 82,255	\$ 90,836	\$ 87,345	\$ 1,013,152	\$ 93,705
Restricted	-	-	3,000,000	-	-
Committed	6,188,191	6,738,848	7,154,237	7,409,689	7,605,573
Assigned	12,025,746	10,500,675	9,303,536	9,134,516	9,431,007
Unassigned	2,674,597	5,786,193	1,694,671	945,992	653,649
Total general fund	<u>20,970,789</u>	<u>23,116,552</u>	<u>21,239,789</u>	<u>18,503,349</u>	<u>17,783,934</u>
All other governmental funds					
Nonspendable	2,952,500	2,749,394	-	-	-
Nonspendable, reported in:					
Special revenue funds	-	-	-	-	-
Restricted	13,408,799	12,107,627	22,309,801	18,625,842	20,061,786
Restricted, reported in:					
Special revenue funds	-	-	-	4,208,145	4,286,896
Debt service funds	6,450,252	6,310,008	-	-	-
Committed	-	-	-	-	-
Assigned	6,956,943	6,466,871	2,150,834	2,152,347	2,152,347
Assigned, reported in:					
Capital projects funds	-	-	11,112,946	12,372,901	10,057,599
Special revenue funds	-	-	-	-	-
Unassigned	(99,891)	(64,425)	(106,954)	(66,919)	(5,146)
Unassigned, reported in:					
Special revenue funds	(1,551,713)	(1,852,352)	(1,335,382)	(1,453,532)	(3,031,772)
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 28,116,890</u>	<u>\$ 25,717,123</u>	<u>\$ 34,131,245</u>	<u>\$ 35,838,784</u>	<u>\$ 33,521,710</u>

Source: City of Redondo Beach Comprehensive Annual Financial Report, Governmental Fund Financial Statements

City of Redondo Beach
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
General fund					
Nonspendable	\$ 980,737	\$ 107,697	\$ 89,771	\$ 71,426	\$ 169,999
Restricted	-	-	-	-	-
Committed	7,989,184	7,585,231	7,241,252	8,599,208	8,599,208
Assigned	10,999,817	9,149,145	8,908,619	20,421,828	24,228,260
Unassigned	753,238	704,067	2,039,523	271,557	190,951
Total general fund	20,722,976	17,546,140	18,279,165	29,364,019	33,188,418
All other governmental funds					
Nonspendable	-	-	-	-	-
Nonspendable, reported in:					
Special revenue funds	-	-	-	-	-
Restricted	17,751,026	25,180,005	23,255,534	22,498,317	25,541,166
Restricted, reported in:					
Special revenue funds	4,296,752	4,143,211	4,137,151	3,841,655	3,497,714
Debt service funds	14,131,491	-	-	5,025,140	-
Committed	-	-	-	-	-
Assigned	2,352,347	9,708,041	8,013,238	15,208,719	12,960,508
Assigned, reported in:					
Capital projects funds	9,158,315	-	-	-	-
Special revenue funds	-	-	-	-	-
Unassigned	(403)	(878,585)	(310,276)	(69,761)	(27,960)
Unassigned, reported in:					
Special revenue funds	(2,974,945)	(2,679,430)	(4,008,147)	(6,858,755)	(6,053,354)
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	\$ 44,714,583	\$ 35,473,242	\$ 31,087,500	\$ 39,645,315	\$ 35,918,074

City of Redondo Beach
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 55,958,439	\$ 58,603,127	\$ 64,304,427	\$ 62,848,867	\$ 67,323,695
Interdepartmental	7,143,371	7,588,928	8,176,790	8,292,178	8,170,297
Licenses and permits	1,504,502	1,333,512	1,701,786	1,755,119	1,801,502
Intergovernmental	11,096,634	14,091,278	12,259,088	12,359,047	12,574,428
Charges for services	8,401,697	8,511,455	9,618,003	9,128,589	9,732,500
Use of money and property	2,499,563	2,795,350	3,113,269	3,038,633	3,134,966
Fines and forfeitures	1,836,166	1,960,083	1,645,777	1,523,928	1,368,615
Other revenues	1,816,196	2,147,500	2,678,261	2,540,369	2,498,976
Total Revenues	90,256,568	97,031,233	103,497,401	101,486,730	106,604,979
Expenditures:					
Current:					
General government	9,157,309	9,757,869	10,189,258	10,535,983	9,920,879
Public safety	43,653,885	48,274,212	50,019,597	52,875,881	57,451,797
Housing and community development	9,116,267	8,883,086	9,546,763	9,759,833	10,156,777
Cultural and leisure services	8,789,002	10,023,420	11,001,375	11,265,379	11,598,804
Public works	9,362,140	10,325,935	11,198,389	11,235,682	11,016,488
Capital outlay	1,248,965	7,382,451	3,235,047	4,682,977	7,442,754
Debt service:					
Principal	665,000	695,000	715,000	745,000	775,000
Interest	240,736	187,296	152,896	121,999	89,856
Debt issuance costs	-	-	-	-	-
Total Expenditures	82,233,304	95,529,269	96,058,325	101,222,734	108,452,355
Excess of Revenues Over (Under) Expenditures	8,023,264	1,501,964	7,439,076	263,996	(1,847,376)
Other Financing Sources (Uses):					
Transfers in	2,768,840	1,394,604	8,464,353	4,031,647	2,326,416
Transfers out	(4,160,973)	(3,150,572)	(9,366,070)	(5,324,544)	(3,372,317)
Leases	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Other debts issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Refunding bonds redeemed	-	-	-	-	-
Gain (loss) on Redevelopment Agency dissolution	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,392,133)	(1,755,968)	(901,717)	(1,292,897)	(1,045,901)
Special item	-	-	-	-	-
Net Change in Fund Balances	\$ 6,631,131	\$ (254,004)	\$ 6,537,359	\$ (1,028,901)	\$ (2,893,277)
Debt service as a percentage of noncapital expenditures	1.13%	1.01%	0.94%	0.91%	0.86%

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements

City of Redondo Beach
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Revenues:					
Taxes	\$ 68,325,779	\$ 66,579,120	\$ 67,799,639	\$ 73,874,265	\$ 76,632,065
Interdepartmental	8,503,283	9,417,289	9,379,851	10,034,053	8,745,517
Licenses and permits	1,555,407	1,503,909	1,641,684	1,731,398	2,607,527
Intergovernmental	15,303,534	18,215,129	19,252,605	29,628,555	26,443,713
Charges for services	10,211,917	8,851,688	8,482,823	10,895,140	11,805,303
Use of money and property	5,483,218	5,219,501	1,408,878	69,136	3,558,292
Fines and forfeitures	1,489,424	1,163,678	1,331,574	1,247,572	1,347,895
Other revenues	5,049,393	3,835,968	6,194,701	3,727,529	6,049,378
Total Revenues	115,921,955	114,786,282	115,491,755	131,207,648	137,189,690
Expenditures:					
Current:					
General government	11,546,126	12,701,080	11,365,610	24,894,820	11,874,752
Public safety	58,235,693	61,281,401	60,812,252	209,643,074	56,313,610
Housing and community development	11,185,303	11,075,922	10,936,532	16,644,042	11,686,810
Cultural and leisure services	11,997,745	10,466,375	9,364,095	15,492,140	11,603,710
Public works	11,004,195	11,543,612	11,522,810	23,081,641	12,372,547
Capital outlay	5,142,247	19,525,792	13,563,804	14,567,037	20,838,116
Debt service:	-	-	-	-	-
Principal	805,000	795,000	555,000	812,926	7,619,104
Interest	412,427	1,322,680	1,095,981	6,046,920	5,937,747
Debt issuance costs	-	-	-	-	-
Total Expenditures	110,328,736	128,711,862	119,216,084	311,182,600	138,246,396
Excess of Revenues Over (Under) Expenditures	5,593,219	(13,925,580)	(3,724,329)	(179,974,952)	(1,056,706)
Other Financing Sources (Uses):					
Transfers in	3,701,950	4,918,105	10,407,106	10,782,356	16,012,542
Transfers out	(3,607,949)	(3,410,702)	(10,335,494)	(10,548,781)	(15,853,941)
Leases	-	-	-	2,245,558	980,472
Refunding bonds issued	-	-	-	-	-
Other debts issued	28,015,000	-	-	197,138,488	-
Bond premium	(747,056)	-	-	-	-
Refunding bonds redeemed	-	-	-	-	-
Gain (loss) on Redevelopment Agency dissolution	-	-	-	-	-
Total Other Financing Sources (Uses)	27,361,945	1,507,403	71,612	199,617,621	1,139,073
Special item	(18,823,249)	-	-	-	-
Net Change in Fund Balances	\$ 14,131,915	\$ (12,418,177)	\$ (3,652,717)	\$ 19,642,669	\$ 82,367
Debt service as a percentage of noncapital expenditures	1.17%	1.98%	1.59%	2.37%	13.05%

City of Redondo Beach
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions	
2014	\$ 12,119,561,792	\$ 479,888,191	\$ (86,536,840)	\$ 12,512,913,143
2015	12,740,467,541	424,217,169	(73,103,981)	13,091,580,729
2016	13,389,390,286	445,897,750	(74,129,707)	13,761,158,329
2017	14,185,826,554	422,121,124	(72,679,071)	14,535,268,607
2018	14,985,005,088	475,749,665	(72,464,646)	15,388,290,107
2019	15,796,994,740	475,845,459	(72,083,515)	16,200,756,684
2020	16,570,567,490	495,949,088	(43,871,304)	17,022,645,274
2021	17,457,397,477	537,895,062	(55,071,992)	17,940,220,547
2022	18,203,914,759	581,594,262	(79,188,547)	18,706,320,474
2023	19,357,977,502	637,683,663	(101,991,595)	19,893,669,570

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL Coren & Cone, Los Angeles County Auditor-Controller/Tax Division 2022/2023 Combined Tax Rolls

City of Redondo Beach
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Redevelopment			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Exemptions		
2014	\$ 453,832,698	\$ 38,326,859	\$ (352,000)	\$ 491,807,557	0.15783
2015	470,317,505	55,967,662	(221,000)	526,064,167	0.15797
2016	481,010,582	48,097,617	-	529,108,199	0.15808
2017	492,828,395	26,806,104	-	519,634,499	0.15834
2018	502,042,344	27,984,358	-	530,026,702	0.15871
2019	522,861,449	26,288,663	-	549,150,112	0.15883
2020	533,318,662	25,264,657	-	558,583,319	0.16317
2021	683,183,671	22,737,911	-	705,921,582	0.16331
2022	537,056,295	19,303,263	-	556,359,558	0.16340
2023	599,090,312	19,730,213	-	618,820,525	0.16353

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City of Redondo Beach
Direct and Overlapping Property Tax Rates
(Rate per \$100 of taxable value)
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City basic rate	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539
Overlapping Rates:										
Los Angeles County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Community College	0.01750	0.01742	0.01745	0.02294	0.02120	0.02223	0.02155	0.02362	0.02264	0.02299
Unified School District	0.09242	0.09689	0.09174	0.09079	0.08630	0.08086	0.08428	0.08430	0.07201	0.07711
Total Direct Rate	0.15783	0.15797	0.15808	0.15834	0.15871	0.15883	0.16317	0.16331	0.16340	0.16353

Notes: General fund tax rates are representative and based upon the direct and overlapping rates for the largest general fund tax rate area (TRA) by net taxable value.

Total Direct Rate is the weighted average of all individual direct rates applied by the City of Redondo Beach.

RDA rate is based on the largest RDA tax rate area(TRA) and includes only rate(s) from indebtedness adopted prior to 1969 per California State statute.

RDA direct and overlapping rates are applied only to the incremental property values.

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage to assessed property values for the payment of any voter approved bonds.

Source: HdL Coren & Cone, Los Angeles County Assessor 2022/2023 Tax Rate Table

**City of Redondo Beach
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2023		2014	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Northrop Grumman Systems Corporation	\$ 610,145,755	2.97%	\$ 511,257,190	3.93%
South Bay Center SPE LLC *	269,342,550	1.31%	197,906,507	1.52%
Rexford Industrial 2410 Santa Fe LLC	99,639,264	0.49%	-	0.00%
The Kobe Group Inc	81,897,237	0.40%	75,794,844	0.58%
Noble House Recp Hotel Venture LLC	75,593,468	0.37%	63,330,777	0.49%
AES Redondo Beach LLC	72,214,092	0.35%	159,452,370	1.23%
Ray Pellegrino Trust *	71,333,399	0.35%	-	0.00%
9300 Willshire LLC ET AL *	68,051,442	0.33%	-	0.00%
Redondo Beach Distribution Center LLC	57,672,330	0.28%	-	0.00%
HPT IHG 2 Properties Trust *	53,083,872	0.26%	44,531,038	0.34%
LPF Redondo Beach Inc *	-	-	45,669,852	0.35%
MKEG P LLC	-	-	38,486,407	0.30%
Lightning PropCo I LLC	-	-	35,196,909	0.27%
Target Corporation	-	-	33,923,544	0.26%
	<u>\$ 1,458,973,409</u>	<u>7.11%</u>	<u>\$ 1,205,549,438</u>	<u>9.27%</u>

NOTE: The amounts shown above include assessed value date for both the City and the Successor Agency (former Redevelopment Agency).

* (Pending appeals on parcels)

Source: HdL Coren & Cone, Los Angeles County Assessor 2022/2023 Combined Tax Rolls

City of Redondo Beach
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 29,413,514	\$ 28,953,089	98.43%	\$ 487,130	\$ 29,440,219	100.09%
2015	31,503,828	31,035,789	98.51%	451,369	31,487,158	99.95%
2016	32,883,797	32,440,070	98.65%	405,762	32,845,833	99.88%
2017	34,125,966	33,690,049	98.72%	388,499	34,078,548	99.86%
2018	35,718,202	35,230,091	98.63%	383,301	35,613,392	99.71%
2019	37,267,914	36,719,102	98.53%	364,627	37,083,729	99.51%
2020	39,182,819	38,271,140	97.67%	404,113	38,675,253	98.70%
2021	40,917,175	40,165,051	98.16%	602,163	40,767,215	99.63%
2022	42,386,631	41,678,608	98.33%	594,526	42,273,134	99.73%
2023	45,094,012	44,393,742	98.45%	574,364	44,968,106	99.72%

Source: County of Los Angeles Auditor-Controller

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City of Redondo Beach
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Refunding Revenue		Capital		Wastewater Revenue		Construction				
	Bonds	Loans	Leases	Subscriptions	Bonds	Bonds	Loans	Leases			
2014	\$ 4,271,142	\$ -	\$ 444,896	\$ -	\$ 7,755,117	\$ -	\$ 2,355,354	\$ -	\$ 14,826,509	0.41%	219
2015	3,553,356	-	750,436	-	7,503,861	-	2,045,512	114,597	13,967,762	0.39%	205
2016	2,815,570	-	565,029	-	7,232,606	-	1,721,727	58,404	12,393,336	0.35%	180
2017	2,047,784	-	253,265	-	6,951,350	-	1,383,372	-	10,635,771	0.30%	154
2018	1,250,000	-	28,902	-	6,660,094	-	1,029,790	-	8,968,786	0.24%	131
2019	27,712,944	-	-	-	6,353,838	-	660,298	-	34,727,080	0.91%	507
2020	26,942,846	-	186,587	-	6,037,582	-	274,194	-	33,441,209	0.84%	499
2021	26,411,918	-	96,652	-	5,711,326	-	-	-	32,219,896	0.76%	485
2022	233,296,498	-	2,002,632	-	5,375,070	18,750,322	-	-	259,424,522	6.02%	3,761
2023	225,831,468	-	1,754,910	985,983	5,023,814	18,126,085	-	-	251,722,260	5.26%	3,680

Source: Note 10 of the Notes to Financial Statements

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City of Redondo Beach
Direct and Overlapping Governmental Activities Debt
June 30, 2023

City Assessed Valuation		\$ 20,512,490,095	
	Percentage Applicable	Outstanding Debt 6/30/23	Estimated Share of Overlapping Debt
Direct Debt:			
Community Financing Authority Lease Revenue Bonds 2021A	100%	\$ 218,650,000	\$ 218,650,000
Community Financing Authority Lease Revenue Refunding Bonds 2019A	100%	25,955,000	25,955,000
Community Financing Authority 2019A Unamortized Bond Premium	100%	(647,448)	(647,448)
Total direct debt		<u>\$ 243,957,552</u>	<u>\$ 243,957,552</u>
Overlapping Debt:			
* Metropolitan Water District	0.564%	\$ 19,215,000	\$ 108,373
Los Angeles County General Fund Obligations	1.083%	2,601,551,282	28,174,800
Los Angeles County Superintendent of Schools Certificates of Participation	1.083%	3,403,487	36,860
Los Angeles County Sanitation District No.5 Authority	8.200%	1,269,835	104,126
El Camino Community College District	14.718%	463,537,057	68,223,384
Los Angeles County Sanitation District South Bay Cities Authority	17.243%	216,354	37,306
Redondo Beach Unified School District	100%	204,951,837	204,951,837
Total overlapping debt		<u>\$ 3,294,144,852</u>	<u>301,636,686</u>
Total direct and overlapping debt			<u><u>\$ 545,594,238</u></u>

NOTE: * This fund is a portion of a larger agency and is responsible for debt in areas outside the City.

Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2022/2023 Lien Date Tax Rolls

City of Redondo Beach
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 20,512,490,095
Debt Limit (15% of assessed value)	3,076,873,514
Debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 3,076,873,514</u>

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 1,950,708,105	\$ 2,042,646,734	\$ 2,143,539,979	\$ 2,258,235,466	\$ 2,387,747,521	\$ 2,512,486,019	\$ 2,637,184,289	\$ 2,796,921,319	\$ 2,889,402,005	\$ 3,076,873,514
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	1,950,708,105	2,042,646,734	2,143,539,979	2,258,235,466	2,387,747,521	2,512,486,019	2,637,184,289	2,796,921,319	2,889,402,005	3,076,873,514
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: County of Los Angeles Auditor-Controller

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City of Redondo Beach
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Wastewater Revenue Bonds						Coverage
	Wastewater Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2014*	\$ 4,311,350	\$ 1,214,545	\$ 3,096,805	\$ -	\$ 208,634	14.84	
2015	5,290,338	1,432,699	3,857,640	225,000	322,459	7.05	
2016	5,320,916	1,575,501	3,745,415	245,000	301,988	6.85	
2017	5,475,892	2,283,864	3,192,028	255,000	289,738	5.86	
2018	5,521,455	2,597,120	2,924,335	265,000	279,538	5.37	
2019	5,364,859	2,751,925	2,612,934	280,000	268,938	4.76	
2020	5,455,997	3,148,875	2,307,122	290,000	257,189	4.22	
2021	5,368,274	2,768,598	2,599,676	300,000	246,138	4.76	
2022	5,332,000	2,257,488	3,074,512	310,000	234,138	5.65	
2023	5,344,095	3,607,690	1,736,405	325,000	221,738	3.18	

NOTE: *The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004. It was replaced in fiscal year 2013-14 with the issue of the 2014 Wastewater Refunding Revenue Bonds.

City of Redondo Beach
Demographic and Economic Statistics
June 30, 2023

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income * (in thousands)</u>	<u>Per Capita Personal Income *</u>	<u>Unemployment Rate **</u>
2014	67,717	\$ 3,593,809	\$ 53,071	7.7%
2015	68,095	3,602,147	53,169	6.9%
2016	68,844	3,562,911	51,269	5.0%
2017	68,907	3,587,933	52,069	4.7%
2018	68,677	3,707,238	53,980	4.1%
2019	68,473	3,835,542	56,015	4.0%
2020	66,994	3,961,378	59,130	13.6%
2021	66,484	4,215,803	63,410	7.4%
2022	68,972	4,311,229	62,506	6.5%
2023	68,407	4,789,934	70,021	3.9%

NOTES: * Personal income data was not available from the California Department of Finance subsequent to fiscal year 2019/2020. Per Capita Personal Income is based on the metropolitan area of Los Angeles-Long Beach-Anaheim, CA. Statistics not available subsequent to fiscal year 2019/2020. ** Unemployment rate is based on the metropolitan area of Los Angeles-Long Beach-Anaheim, CA.

Sources: HdL Coren & Cone, Los Angeles
California State Department of Finance
US Census Bureau

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City of Redondo Beach
Principal Employers
Current Year and Nine Years Ago

Employer	2023		2014	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Northrup Grumman Corporation	11,064	29.35%	4,591	14.14%
Redondo Beach Unified School District	1,027	2.72%	995	3.06%
The Cheesecake Factory	261	0.69%	261	0.80%
City of Redondo Beach	425	1.13%	430	1.32%
United States Postal Service	350	0.93%	260	0.80%
Prime Now LLC	233	0.62%	-	-
Target Stores	217	0.58%	217	0.67%
Macy's	206	0.55%	203	0.63%
Frontier	164	0.43%	-	-
Silverado Beach Cities	140	0.37%	-	-
Crowne Plaza Redondo Beach	-	-	339	1.04%
Nordstrom, Inc.	-	-	251	0.77%
DHL Global Forwarding	-	-	209	0.64%

Source: City of Redondo Beach

City of Redondo Beach
Full-Time City Government Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	49	51	51	53	54	54	51	48	54
Public Safety									
Police									
Officers	96	93	96	96	96	96	95	92	95
Civilians	59	59	58	58	58	58	58	53	58
Fire									
Firefighters and Officers	60	62	62	62	62	62	62	56	59
Civilians	3	3	3	3	5	5	5	4	5
Public Works	111	111	111	112	112	110	109	104	108
Cultural and Leisure Services	33	34	34	33	33	32	31	26	29
Housing & Community Development	15	17	17	17	18	18	18	16	14
Harbor, Business, & Transit	3	3	4	4	4	4	3	3	3
TOTAL	429	433	436	438	442	439	432	402	425

Source: City of Redondo Beach

City of Redondo Beach
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety									
Police									
Physical arrests	2,141	2,146	2,325	2,490	2,184	2,108	1,497	2,022	1,693
Traffic citations issued	4,966	4,516	3,898	4,699	4,220	4,015	2,651	3,386	2,932
Fire									
Number of runs - rescues	4,338	4,604	4,702	5,025	4,665	4,791	4,472	4,561	5,503
Number of runs - structures & other	1,822	1,989	2,115	2,107	2,605	2,602	2,833	2,890	2,530
Public Works									
Street rehabilitation (miles)	3.1	1.1	2.4	-	4.1	0.7	1.4	4.1	-
Culture and Leisure Services									
Library									
Number of items borrowed	621,139	584,643	545,316	476,837	479,575	447,966	402,964	242,530	411,909
Number of visitors	333,869	350,958	343,395	332,181	308,542	314,093	210,999	18,821	134,103
Recreation and Community Services									
Admissions - Seaside Lagoon	82,414	81,328	87,422	79,833	79,856	60,419	- *	- *	35,367
Number of facility rentals - Seaside Lagoon	387	381	388	378	382	422	- *	- *	765
Housing & Community Development									
Number of permits issued	2,955	3,295	6,899	3,435	3,522	3,172	2,655	5,651	3,023
Number of plan checks issued	1,471	1,559	4,200	2,492	2,436	2,060	2,038	3,997	1,294
Number of inspections	4,411	10,326	12,827	12,276	11,748	17,007	9,723	19,130	10,372
Number of real estate reports	922	973	1,925	861	814	807	672	1,559	800
Number of bus boardings - Transit	410,585	415,259	407,272	383,112	375,545	367,087	288,912	166,176	295,365
Revenue miles - Transit	475,564	459,468	458,198	448,682	448,541	448,016	414,401	365,731	437,141

NOTE: * Seaside Lagoon did not operate for the 2019-2020 fiscal year and reopened June 18, 2021 due to the COVID-19 closure.

** Information no longer being made available as of Fiscal year 2022-2023.

Source: City of Redondo Beach - Financial Services Department

City of Redondo Beach
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety									
Police:									
Stations	1	1	1	1	1	1	1	1	1
Sub-station	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3
Public Works									
Streets (miles)	127	127	127	127	127	127	127	127	127
Streetlights *	1892	1892	1892	1892	1892	1892	1892	1892	1899
Street Traffic Controllers	84	84	84	84	84	84	84	84	84
Sanitary sewers (miles)	112	112	112	112	112	112	112	112	112
Culture and Leisure Services									
Parks	15	15	15	15	15	15	15	15	15
Parkettes	13	13	13	13	13	13	13	13	13
Total Park Acreage	143.26	143.26	143.26	143.26	143.26	143.26	143.26	143.26	143.26
Boat Slips	1509	1509	1509	1509	1509	1509	1509	1509	1509
Harbor acreage:									
Total water area (exclusive of the pier)	107	107	107	107	107	107	107	107	107
Total land area	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
Libraries	2	2	2	2	2	2	2	2	2
Community Centers	5	5	5	5	5	5	5	5	5

NOTE: * Methodology modification made in fiscal year 2004/2005 to reflect city-owned street lights only.

Source: City of Redondo Beach

City of Redondo Beach
Certification of Continuing Disclosure
Redondo Beach Community Financing Authority 2014 Wastewater Refunding Revenue Bonds
(Wastewater System Financing Project)
June 30, 2023

This Certification of Continuing Disclosure is provided by the City of Redondo Beach (“the City”) and the Redondo Beach Community Financing Authority through US Bank, as Dissemination Agent pursuant to a Continuing Disclosure Certificate dated March 25, 2014 executed and delivered by the City of Redondo Beach and the Community Financing Authority and the Dissemination Agent in connection with the issuance of \$7,230,000 Refunding Revenue Bonds, City of Redondo Beach Wastewater System Financing Project Bonds (“the Bonds”). The Bonds were issued pursuant to an Indenture of Trust dated as of March 25, 2014 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to provide funds to (a) finance the Improvements and related facilities which constitute part of the Wastewater Enterprise of the City, (b) fund capitalized interest on the Bonds through November 1, 2014, (c) fund a reserve fund for the Bonds, and (d) pay the cost of issuance for the Bonds.

This Certification is made pursuant to the requirements of Section 3(a) of the Continuing Disclosure Certificate with respect to the 2020-21 fiscal year.

The City and the Community Financing Authority hereby report the following:

1. The audited financial statements of the City, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, for the fiscal year ended June 30, 2021 comprise the book in which this report is included.
2. During the fiscal year ended June 30, 2021, neither the City nor the Community Financing Authority has given or caused to be given notice of the occurrence of any of the following events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;
 - f. Adverse tax opinions or events affecting the tax-exempt status of the security;
 - g. Modifications to rights of security holders;
 - h. Contingent or uncheduled bond calls;
 - i. Defeasances;
 - j. Resale, substitution, or sale of property securing repayment of the securities; or
 - k. Rating changes

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City of Redondo Beach
Sewer Rates Per Month
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Use Classification									
Each single family dwelling unit	\$ 13.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25
Each unit in a 2-3 unit condo structure	13.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25
Each unit in a 2-3 unit apartment structure	10.31	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Each unit in a 4 or more unit condo structure	10.31	12.64	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Each unit in a 4 or more unit apartment structure	7.09	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70
Commercial/Industrial/Institutional parcels	1.13 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *	1.39 *

NOTE: The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004. A reissue of the Bonds was done in fiscal year 2013/2014 by the Community Financing Authority.

* Per 100 cubic feet of average monthly water usage. 100 cubic feet of water is equal to 748 gallons, average monthly water usage is established based on the latest actual annual water usage record available to the City. On an annual basis, the city will recalculate the monthly charge by using the latest available annual water usage record of each non-residential user at the same \$1.13 per 100 cubic feet rate to set a new monthly rate. Any water proven to be used for boilers, cooling towers or similar devices that will not be discharged into the sewer system may be deducted from the annual water usage record for rate calculation purposes.

Source: City of Redondo Beach

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City of Redondo Beach
Top Ten Customers - Sewage Usage
June 30, 2023

<u>Account Name</u>	<u>Type of Use</u>	<u>Usage (ccf)</u>	<u>Billed Amount</u>	<u>% of Revenue</u>
AES Redondo Beach LLC	Power Plant	150,127	\$208,677	3.8%
Northrop Grumman Systems	Aerospace	45,419	\$63,132	1.2%
Redondo Beach Unified - South Bay Union High	Education	26,163	\$36,367	0.7%
Hilton Garden Inn	Hotel	16,464	\$22,885	0.4%
Marina Way Mole B	Harbor Facilities	16,181	\$22,492	0.4%
City of Redondo Beach Leased Properties	Harbor Facilities	16,151	\$22,450	0.4%
Beach Cities Health District	Hospital	15,970	\$22,198	0.4%
Sonesta Redondo Beach & Marina	Hotel	14,276	\$19,844	0.4%
South Bay Center SPE LLC	Shopping Mall	12,357	\$17,176	0.3%
Village at Redondo LLC - 160 Unit	Apartment	12,017	\$16,704	0.3%
				<u>8.3%</u>

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City of Redondo Beach
Sewer Connections by Type of Customer
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Customer									
Residential	13,104	13,105	13,105	13,111	13,113	13,114	13,116	13,117	13,121
Industrial	61	61	59	59	59	58	57	57	57
Commercial	463	461	462	464	463	465	465	464	458
Institutional	59	59	59	58	58	57	56	56	56
Mixed use	43	43	43	43	43	43	43	43	44
Total	13,730	13,729	13,728	13,735	13,736	13,737	13,737	13,737	13,736

NOTE: The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004.
 A reissue of the Bonds was done in fiscal year 2013/2014 by the Community Financing Authority.

Source: City of Redondo Beach

City of Redondo Beach
Certification of Continuing Disclosure
Redondo Beach Community Financing Authority Lease Revenue Refunding Bonds Series 2019A
(Leaseback Agreement)
June 30, 2023

This Certification of Continuing Disclosure is provided by the City of Redondo Beach ("the City") and the Redondo Beach Community Financing Authority through US Bank, as Dissemination Agent pursuant to a Continuing Disclosure Certificate dated February 1, 2019 executed and delivered by the City of Redondo Beach and the Community Financing Authority and the Dissemination Agent in connection with the issuance of \$28,015,000 Lease Revenue Refunding Bonds ("the Bonds"). The Bonds were issued pursuant to an Indenture of Trust dated as of February 1, 2019 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to provide funds to (a) refund the City of Redondo Beach's (the "City") \$8,300,000 Leaseback Agreement (Redondo Beach Pier Plaza), dated as of March 1, 2012, by and between Compass Bank and the City, currently outstanding in the principal amount of \$6,314,012.91; (b) refund the City's \$2,700,000 Leaseback Agreement (Redondo Beach International Boardwalk Project), dated as of May 1, 2012 by and between Compass Bank and the City, currently outstanding in the principal amount of \$2,021,296.58; (c) refund the City's \$12,500,000 Leaseback Agreement (Redondo Beach Marina Project), dated as of May 1, 2014, by and between Compass Bank and the City, currently outstanding in the principal amount of \$10,076,474.18; (d) finance the purchase of a Sublease between the City and Redondo Fisherman's Cove Company; and (e) pay costs of issuance of the Bonds.

This Certification is made pursuant to the requirements of Section 3 and 4 of the Continuing Disclosure Certificate with respect to the 2020-21 fiscal year.

The City and the Community Financing Authority hereby report the following:

1. The audited financial statements of the City, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, for the fiscal year ended June 30, 2021 comprise the book in which this report is included.
2. During the fiscal year ended June 30, 2021, neither the City nor the Community Financing Authority has given or caused to be given notice of the occurrence of any of the following events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;
 - f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - g. Modifications to rights of security holders;
 - h. Contingent or unscheduled bond calls;
 - i. Defeasances;
 - j. Resale, substitution, or sale of property securing repayment of the securities;
 - k. Rating changes
 - l. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
 - m. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
 - n. Appointment of a successor or additional trustee or the change of name of a trustee.