

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

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

**CITY OF REDONDO BEACH, CALIFORNIA
INMATE TRUST FUND PROGRAM
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the inmate trust fund program of the City of Redondo Beach as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the inmate trust fund program's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the inmate trust fund program of the City of Redondo Beach as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the inmate trust fund program are intended to present the financial position and changes in financial position of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redondo Beach that is attributable to the transactions of the inmate trust fund program. They do not purport to, and do not, present fairly the financial position of the City of Redondo Beach, as of June 30, 2024, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025, on our consideration of the inmate trust fund program of the City of Redondo Beach's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the inmate trust fund program of the City of Redondo Beach's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the inmate trust fund program of the City of Redondo Beach's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".**CliftonLarsonAllen LLP**

Irvine, California
October 31, 2025

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

ASSETS

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

FUND BALANCE

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

See accompanying Notes to Financial Statements.

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

REVENUES

Interest Income	\$ 1,809
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EXPENDITURES

Public Safety	<u>373</u>
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CHANGE IN FUND BALANCE

1,436

Fund Balance - Beginning of Year

82,980

FUND BALANCE - END OF YEAR

\$ 84,416

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

The Program activity is accounted for within the City's general fund. The purpose of the Program is to accumulate funds from revenues of pay telephones used in the jail facilities for the benefit, education, and welfare of the inmates, as well as for the maintenance of the jail facilities.

Basis of Accounting and Measurement Focus

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

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

Fund Balance

The Program's fund balance is classified as restricted. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.

NOTE 2 CASH AND INVESTMENTS

The Program's resources are maintained in the City's cash and investment pool.

The City follows the practice of pooling cash and investments of all funds/programs, except for monies 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/programs based on the period-end cash and investments balances.

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



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the inmate trust fund program of the City of Redondo Beach, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the inmate trust fund program of the City of Redondo Beach's basic financial statements, and have issued our report thereon dated October 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the inmate trust fund program of the City of Redondo Beach's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the inmate trust fund program of the City of Redondo Beach's internal control. Accordingly, we do not express an opinion on the effectiveness of the inmate trust fund program of the City of Redondo Beach's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

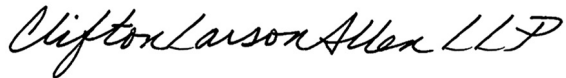
**CITY OF REDONDO BEACH, CALIFORNIA
INMATE TRUST FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the inmate trust fund program of the City of Redondo Beach's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
October 31, 2025

