



Annual Comprehensive Financial Report

City of Redondo Beach, California
For the year ending June 30, 2021



CITY OF REDONDO BEACH, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2021

Prepared by:
Financial Services Department

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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December 21, 2021

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

The Financial Principles of the City of Redondo Beach require we issue the Annual Comprehensive Financial Report by the second Council meeting in December of each year. Pursuant to this requirement, we hereby submit the Annual Comprehensive Financial Report (ACFR) of the City of Redondo Beach, California (City), for the fiscal year ended June 30, 2021. These financial statements are presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants.

The primary purpose in providing this report, as defined by the City Charter, is to inform the Mayor and City Council of all financial and administrative activities of the previous fiscal year. In addition, this report is directed to two other groups: the residents of Redondo Beach, and the 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 is designed to complement the MD&A and should be read in conjunction with it. 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 part of Los Angeles County and spans 6.3 square miles. According to the State of California's Department of Finance, Redondo Beach has a population of 66,484 as of January 1, 2021. The City remains a highly residential, non-industrial community. It is highly educated, largely upscale, with a median home cost of \$1,410,000 per HDL.

Redondo Beach has significant concentrations of employment in the northern industrial complex of the City anchored by Northrop Grumman. It also maintains retail activity 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 known as 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, Macy's, Target Stores, Frontier, United States Post Office, Silverado Beach Cities, and Civic Financial Services.

The City is divided into five council member 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 full terms of four years each. Other elected officials are the City Treasurer, City Attorney and City Clerk - all serving terms of four years, but can be re-elected an unlimited number of times. The City Council is responsible for City policy, passing Municipal Code Ordinances, adopting the budget, and appointing committees/commissions and the City Manager.

In addition to sitting 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: 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 appointing 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. And, 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 provides a full range of municipal services. These include public safety (police and fire protection), recreation and community services, library, parks, maintenance and improvement of streets and infrastructure, planning and zoning, housing, economic development, transit, and general government. 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 financial planning and control. 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 level of appropriated budgetary control is the total adopted budget, 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 by 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.

FACTORS AFFECTING FINANCIAL CONDITION

Significant Events, Accomplishments and Economic Development Activities

Over the years, 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, create new public amenities and increase revenue. These financial practices have enabled the City to maintain healthy capital and operating funding reserves and achieve an Aa1 credit rating. During FY 20-21, 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.

For most of FY 20-21, the City's economic development efforts focused on strengthening and supporting the three commercial zones within the City – the Artesia/Aviation Commercial Corridor, the Riviera Village Business District, and the Redondo Beach Pier

Within the Riviera Village Business District, the City's economic development focus on finding creative ways to allow the local business community to continue to operate within the COVID regulatory framework set forth by the State of California and the Los Angeles County Department of Public Health. Within the Village, the City worked with the Riviera Village Association to secure approvals for the development of "parklets" to provide outdoor space for local business to operate. What were originally envisioned to be temporary outdoor dining locations, these areas were pressed into a longer service period as the COVID Delta Variant necessitated the use of these outdoor spaces into calendar year 2021. The City is poised to engage in a process to envision how the outdoor spaces in the Village could be reimaged to accommodate permanent outdoor dining that would bring additional life to this already vibrant commercial area.

Similarly to the Riviera Village, in response to the regulatory framework for COVID-19, the City instituted a Temporary Use Permit for businesses at the Redondo Beach Pier to allow local businesses to use portions of the public right of way to set up outdoor dining and retail areas. This program was quite successful with nearly every business at the Pier participating in some capacity and the City's Harbor Commission has since initiated discussions on ways to make the outdoor dining program a permanent feature of the Pier. In addition, as part of a long-term planning effort within King Harbor, the City has begun the process of preparing a Public Amenities Plan that will set the framework for which new commercial activity can occur within the harbor.

Outside of the commercial zones, work 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. Demolition of the existing structures and site preparation work has been completed. Construction of the foundation and parking levels is underway that will allow for construction of the full project to begin in FY 2021-22.

Further east along the Artesia Boulevard Corridor is the South Bay Galleria Mall. On January 15, 2019, the City Council approved the redevelopment of the site as a mixed-use project, which proposes a maximum of 1,593,144 square feet, generally consisting of 1,188,144 square feet for retail (including retail stores, dining, and entertainment), a new 150 room hotel totaling up to 105,000 square feet, 300 residential apartments totaling 300,000 square feet, 20% of which will be "affordable units", and an 8,000 square foot skate park. Of the retail square footage, at least 75,000 square feet will be commercial office uses. Due to the pandemic, the project was put on hold. On November 18, 2021 the approvals were extended an additional 3 years to provide the developer time to implement the plans. The Phase 1 proposal has been submitted for review and construction on the renovation of the site and is expected to begin in mid-2022."

One long-term project that continues to evolve is the redevelopment of the AES Power Plant site. Although the sale of the property has been completed - which includes the former SeaLab Building - AES and the new owner have successfully lobbied the State of California to allow the plant to continue operating for two additional years. This operating extension was opposed by the City and it has complicated the City's effort to secure a portion of the site for park and open space uses. As a result, the City will miss out on the opportunity to utilize Proposition 68 funds, that were intended to transition portions of the power plant to public park purposes. In addition, the City has suspended the establishment of an Enhanced Infrastructure Financing District for the site which would have allowed for the reinvestment of tax dollars generated by any new development on public amenities or infrastructure improvements that support the site.

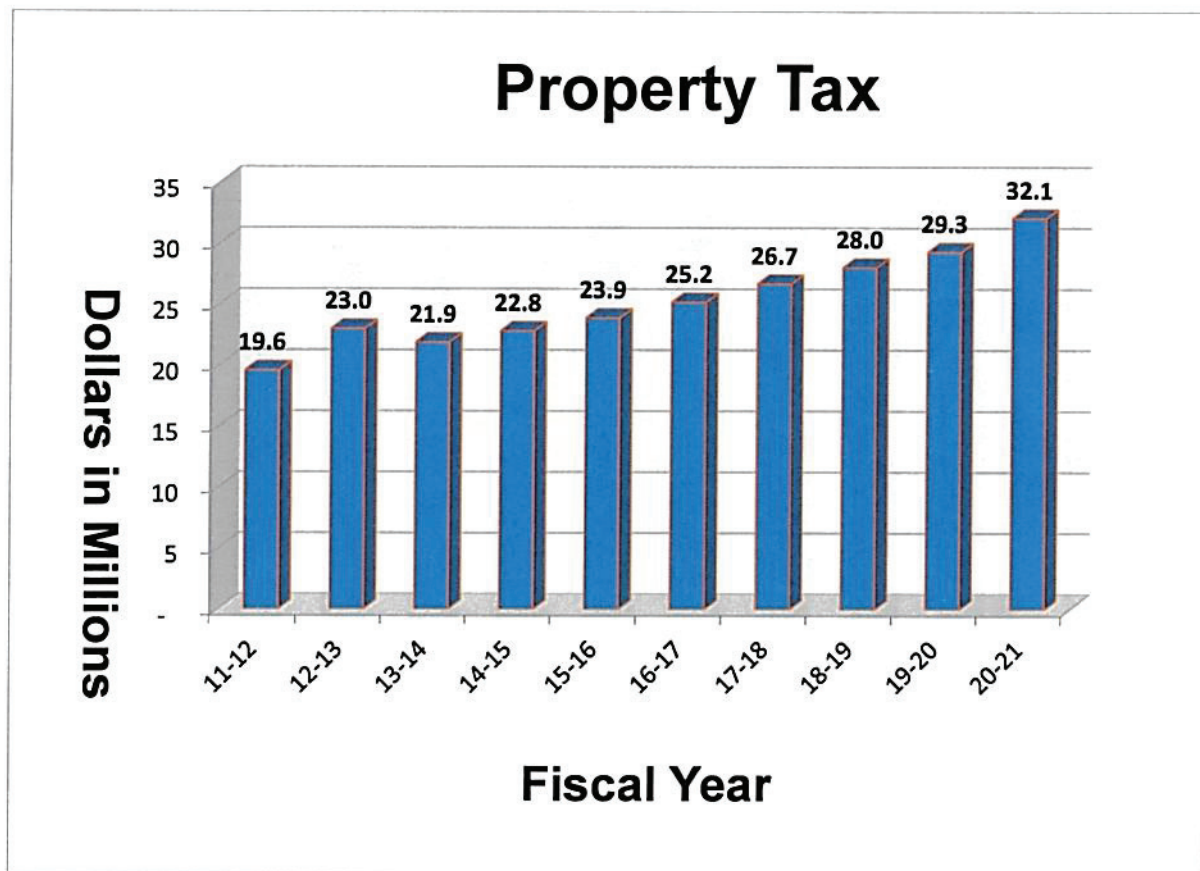
One bright note is that in spite of the COVID-19 pandemic, property values (and related tax revenue) in the City continue to grow, driven in large part by the City's close proximity to LAX, the Silicon Beach jobs center, the community's high quality of life, and the continued excellence and success of the Redondo Beach Unified School District. Additionally, and surprisingly, sales tax revenue increased in FY 2020-21 due to recovery from pandemic-related economic conditions. Transient Occupancy Tax, on the other hand, did not recover as well, and while higher than early FY projections, finished well below prior year norms.

Property Tax

The City's largest revenue source, property tax, 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 rising 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, or the equivalent of 16.5 cents out of each dollar of property tax collected through the property tax bills.

The FY 2020-21 property tax revenue was based on calendar year 2019 property values. The actual revenues were higher than budgeted, and the City's property tax valuations continue to be positive. With Redondo Beach being a desirable location, coupled with continued low mortgage interest rates, the FY 2020-21 citywide assessed valuation experienced a positive change of \$1.06 billion, or 6.1%, to \$18.6 billion. The City's assessed valuation amount is derived 82.0% from residential properties, 8.8% from commercial properties, 3.3% from industrial properties, and the remaining 6.1% from vacant, institutional, and other properties.

During FY 2020-21, property tax revenue (including homeowners' exemptions) increased \$2,766,862, or 9.4%, to \$32.1 million as seen in the median sale price of a single-family home in Redondo Beach which is at an all-time high of \$1,410,000 (a \$165,000, or 31.25%, increase).

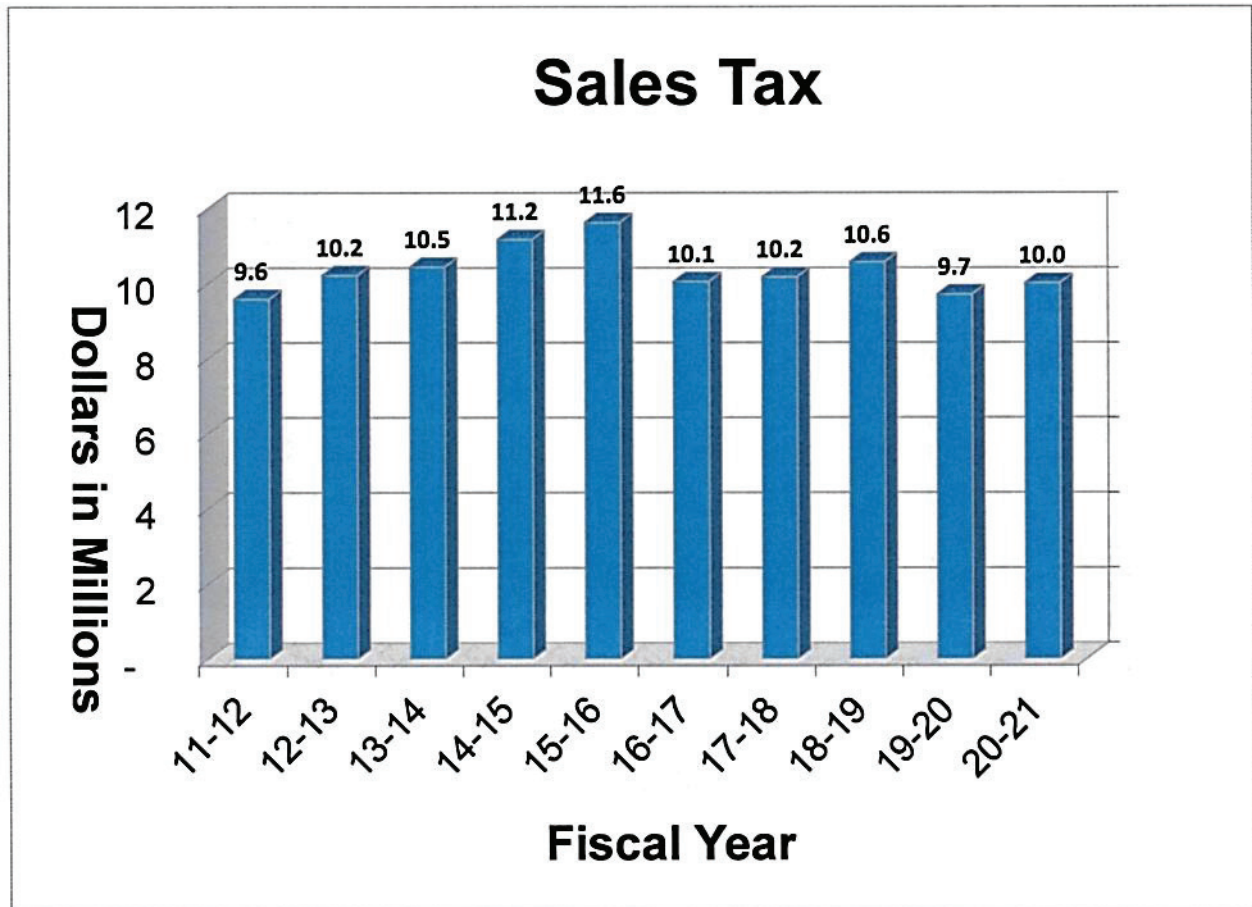


Sales Tax

The City's second largest revenue source is sales tax. The sales tax rate in Los Angeles County was 9.50% for FY 2020-21. Redondo Beach receives 1% of taxable sales from the California Department of Tax and Fee Administration. FY 2015-16 was the final year of the revenue swapping procedure commonly referred to as the "triple flip". With the triple flip, twenty-five 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.

The departure of Nordstrom from Redondo Beach to a neighboring city at the end of calendar year 2015 greatly impacted sales tax revenue growth in the City. Furthermore, in FY 2016-17 precipitated a one-time negative adjustment made by the State Board of Equalization. Another negative impact to both FY 2017-18 and FY 2018-19 sales tax revenue was the State's transition to a new software and reporting system which caused a lengthy delay in the processing of payments.

Following the COVID driven decrease in FY 2019-20, sales tax revenue increased in FY 2020-21 due to recovery from pandemic-related economic conditions. The increase in sales in the categories of autos and transportation, restaurants and hotels, fuel and service stations, business and industry, and building and construction contributed to the rise in revenue.



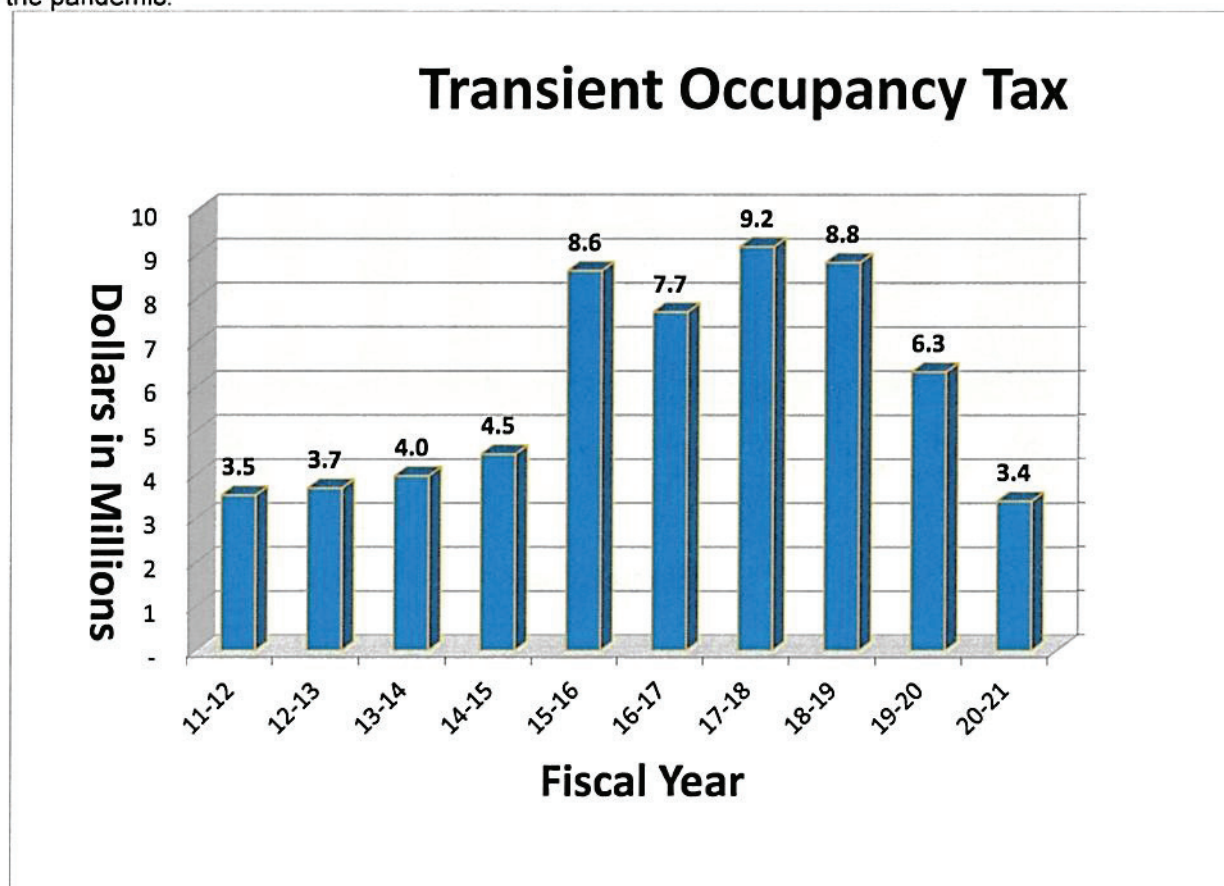
Transient Occupancy Tax (TOT)

The City's third largest revenue source, transient occupancy tax (TOT), is imposed on occupants of hotels, motels, inns, tourist homes or other lodging facilities, unless such occupancy is for 30 days or longer. The tax is applied to the customer's lodging bill at a rate of 12%, which was increased 2% in July 2005, and substantially enhanced revenues. TOT revenue in Redondo Beach has been greatly impacted by the COVID-19 pandemic. FY 2019-20 revenues were down in the final two quarters of the year and FY 2020-21 revenue was severely limited due to ongoing travel and group gathering restrictions.

Historically, through FY 2016-17, 10% of the TOT received by the City was contributed to the Redondo Beach Chamber of Commerce and Visitors Bureau to support marketing and tourism in the City. This amount was not netted against revenues, but rather reflected in the City's expenditures. For the hotels on Marine Avenue, 8.33% of the TOT received by the City was contributed to a reserve account and netted against revenues until the reserve account became fully funded in FY 2016-17.

The City's TOT revenue was experiencing positive growth prior to the onset of the coronavirus pandemic. In FY 2015-16, the Marine Avenue hotel reserve account requirement was reduced from \$8.5 million to \$3.0 million which allowed the City to begin receiving, in March 2016, the TOT revenue from the site. Additionally, in FY 2015-16, the \$3.0 million reserve account was recorded for the first time on the City's books as a one-time revenue with the fund balance impact classified as restricted. FY 2016-17 revenue included the first full year's TOT from the first two Marine Avenue hotels, and FY 2017-18 revenue included the first full year's TOT from the third Hotel on Marine Avenue, Homewood Suites, and Shade Hotel, a new property in the waterfront.

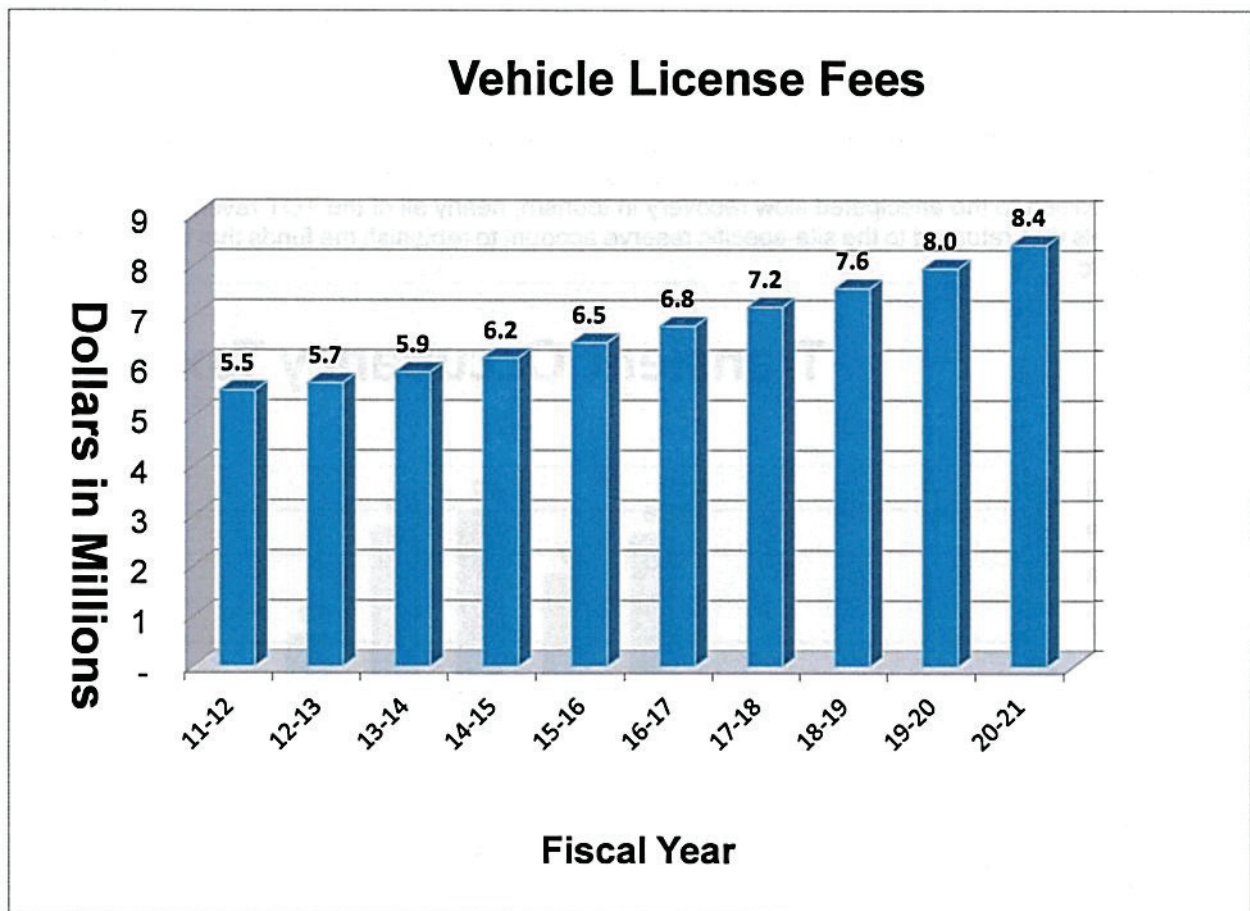
A slow recovery in FY 2020-2021 from both reduced occupancy and average daily room rates is being reported by local hoteliers and is reflected in revenues that are still less than one-half of pre-pandemic levels. In addition to the anticipated slow recovery in tourism, nearly all of the TOT revenue for the Marine Avenue hotels was returned to the site-specific reserve account to replenish the funds that were used during the pandemic.



Vehicle License Fees (VLF)

The City's fourth largest revenue source is vehicle license fees (property tax in lieu of VLF and motor vehicle in-lieu tax) and is imposed by the State on owners of registered vehicles for the privilege of operating a vehicle on public highways. A portion of the tax is disbursed to cities based on the proportion that the population of each city bears to the total population of all cities in the State (a per capita formula). The license fee paid to the State by vehicle owners is 0.65% of the market value of the motor vehicle; however, cities are due 2% of the market value of the motor vehicle. Since there is a discrepancy of 1.35% in what the State collects and what cities are due, the State backfills the additional 1.35% from its General Fund in the form of property tax revenue.

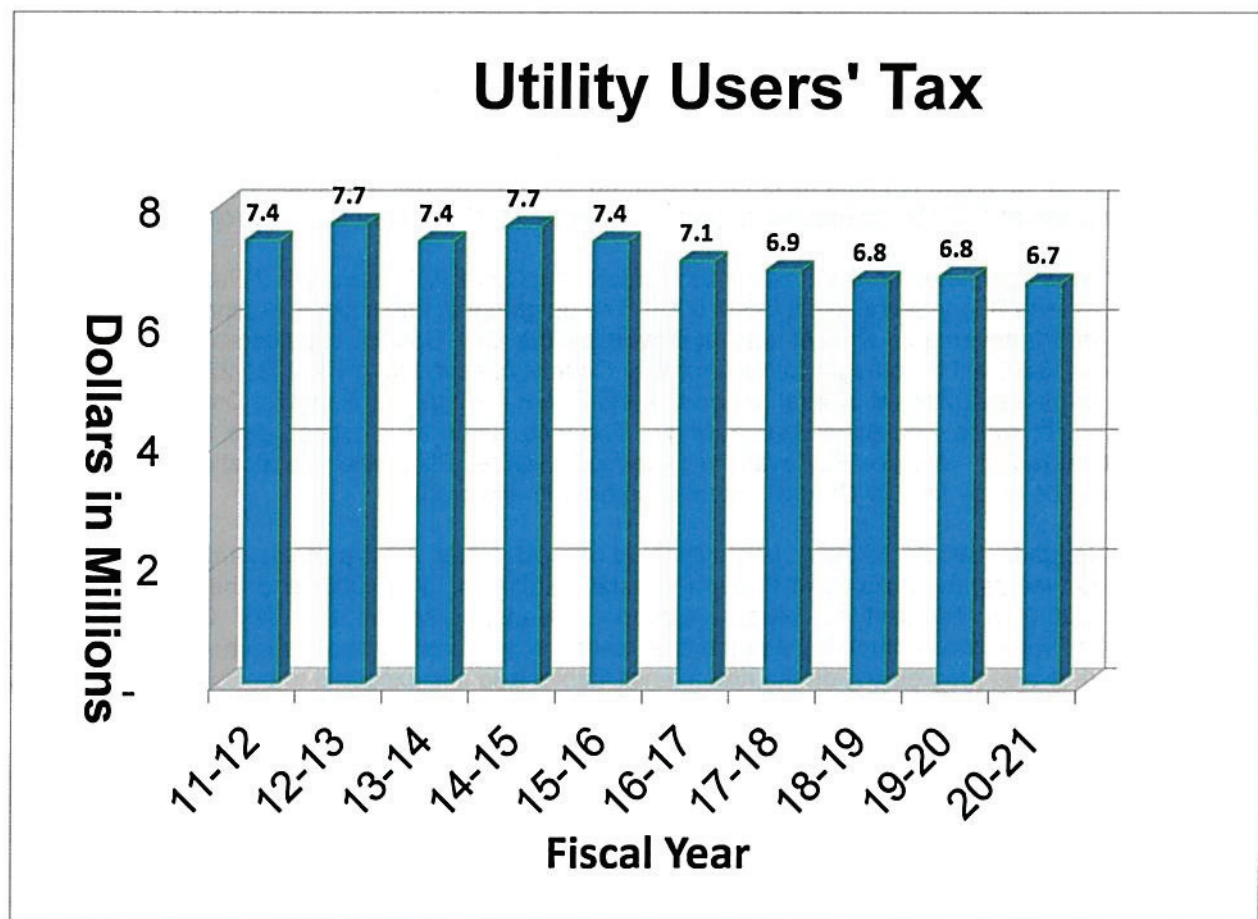
Since FY 2011-12, the City has seen increased VLF revenue due to the growth in property tax in lieu of VLF with relatively flat motor vehicle in-lieu tax. In FY 2020-21, VLF revenue totaled \$8.4 million, increasing \$473,321, or 5.95%, from the prior year. This increase comprises gains in property tax in lieu of VLF revenues of \$478,378 and decreased motor vehicle in-lieu tax revenues of \$5,057.



Utility Users' Tax (UUT)

The City's fifth largest revenue source, utility users' tax (UUT), is imposed on consumers of electric, gas, cable services, water and telephone services. Federal and state governmental agencies and pay telephone users are exempt. Each city sets its UUT rate, and Redondo Beach's is set at 4.75%. The City successfully protected this UUT rate by placing a measure on the March 2009 ballot to modernize the City's UUT ordinance. This important measure was strongly endorsed by the citizens, and passed by a 75% approval rate. While the long-term viability of telecommunications-based UUT revenue has been secured, the City's tax collections in this category have declined or remained relatively flat as more consumers convert from cable provided video content to internet based streaming services (which are not taxed). Additionally, in response to AB 1717, and as approved by the State Board of Equalization, the City began collecting UUT from the sale of prepaid wireless devices in FY 2015-16.

UUT revenue for FY2020-21 totaled \$6.7 million, reflecting a decrease from the prior year of \$111,393, or 1.6%.



CAPITAL IMPROVEMENT PROJECT PLANNING, ACCOMPLISHMENTS AND ACTIVITIES

Over the past year, the City focused on maintaining and improving its core infrastructure and completing or advancing the design of critical street improvement projects. Notable projects included the Citywide Slurry Seal Project, Phase 1 and the Residential Street Rehabilitation, Cycle 2, Phase 1 & 2 resurfacing projects, the North Redondo Beach Bikeway Improvements Project, the Redondo Beach Transit Center Project, the Morrell House Roof Replacement Project, and the improvements to the City Council Chambers. The City's established process for evaluating, reviewing, and prioritizing future capital efforts concentrates on enhancing the quality of existing public facilities, streets, sewers, and open spaces. The FY 2021-22 capital budget continues the reinvestment in current infrastructure and includes significant funding for street rehabilitation, transit center reconstruction, park play equipment enhancements, harbor dredging, and stormwater drainage and treatment projects.

In FY 2020-21, 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 much of the work plan. However, several other projects were completed throughout the City as well.

The City made progress on several Regional Measure R funded transportation-related capital projects. The right turn lane project located on Aviation Boulevard at Artesia Boulevard has been substantially designed and the City has begun the eminent domain process to acquire the right of way necessary for construction. The City Council approved plans and specifications for the southbound right turn lane on Inglewood Avenue at Manhattan Beach Boulevard and the City awarded a public works contract for the project in June. A similar project on southbound Pacific Coast Highway at Torrance Boulevard is with Caltrans for design review. Regional Measure R funds have been secured to complete the Kingsdale Widening Project that has been awarded and will be completed as part of phase two of the Transit Center Project.

Construction was completed on the Residential Resurfacing Cycle 2, Phases 1 & 2 Project (\$4,700,000) and on the Citywide Slurry Seal Project (\$500,000). The purchase of traffic signal equipment for the Grant Avenue Signal Improvements Project was approved by the City Council consideration in May and a construction contract will be brought forward for City Council review during FY 2021-22. Design work is progressing on three significant arterial projects: Beryl Street – Flagler to Prospect Drainage and Street Improvements, Torrance Boulevard Resurfacing – Torrance Circle to Prospect, and Manhattan Beach Boulevard Resurfacing – Aviation Boulevard to Inglewood Avenue. Plans and specifications for all of these projects should be ready for City Council approval before the end of 2021.

The North Redondo Beach Bikeway Improvements Project along Artesia Boulevard (\$875,000) was completed, as well as, the Julia Field Power Pedestal Installation (\$175,000) and the Outdoor Shower Installation (\$26,000) adjacent to Seaside Lagoon. Construction on the City Council Chamber Improvements Project was completed and the final testing of new audio/visual equipment was completed in June. Work is also progressing on the new Transit Center and it is expected to be operating in the new fiscal year.

The City continues to devote significant resources to the maintenance and improvement of its wastewater infrastructure. Construction is currently underway on Sanitary Sewer Facilities in south Redondo Beach (\$675,000) and plans and specifications for the new Alta Vista Sewer Pump Station were presented to the City Council for approval in November. Design of the Yacht Club Way and Portofino Sewer Pump Stations is nearly complete and those projects will begin construction in FY 2021-22.

In the waterfront, work on the Pier Parking Structure Repairs Project was completed. The project continues to repair joints, leaks, damaged floors, and other structural members of the structure, as well as the railing around the top of the North Pier Parking Structure for a total construction cost of \$2,000,000. Additionally, ongoing repairs and improvements occurred as part of the Pier Deck and Piling Structure Repair Project (\$200,000) to address winter storm damage. Plans for replacement of the Harbor Patrol Docks are in plan check and the Harbor Dredging Project has obtained important regulatory approvals. Both of these projects are expected to commence in FY 2021-22.

In summary, the City completed 13 CIP projects in FY 2020-21 and designed and/or awarded an additional 18 projects for execution in FY 2021-22 for a total capital expenditure of approximately \$15.5 million. The FY 2021-22 capital budget contains \$37.1 million of carryover funding for 77 previously approved projects and \$27.3 million of appropriations for 62 new and existing projects for a total FY 2021-22 capital budget of approximately \$64.4 million and 110 projects. The combined effect of the City's continuing capital project planning and execution efforts will impact the community for generations to come.

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 FHN Financial Main Street 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 BofA 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 decreased over the past years in line with the overall decrease in short-term market interest rates. 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 reduction 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, 2021, the City's general portfolio was invested as follows:

Market Value Comparison of Investment Portfolio Positions F.Y. 2020-2021							
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter
Investment Type		%		%			
Cash in Banks & Money Markets	\$10,855,843	*	\$10,000,681	*	\$5,180,168	*	\$10,538,424
Local Agency Investment Fund	\$7,004,742	9.6%	\$15,028,642	19.7%	\$15,039,065	18.30%	\$23,055,498
Federal Agency Issues	\$34,598,183	47.2%	\$34,593,480	45.3%	\$34,588,776	42.00%	\$30,054,073
Commercial Paper	\$0	0.0%	\$0	0.0%	\$0	0.00%	\$0
Corporate Medium Term Notes	\$20,903,182	28.5%	\$20,915,171	27.4%	\$21,927,159	26.70%	\$18,937,844
Bank Certificates of Deposit	\$2,726,898	3.7%	\$1,734,986	2.3%	\$1,735,073	2.10%	\$ 1,735,161
Treasuries	\$8,053,427	11.0%	\$4,041,832	5.3%	\$8,985,108	10.90%	\$13,890,876
Total: Investment Portfolio	\$73,286,432	100.0%	\$76,314,111	100.0%	\$82,275,181	100.00%	\$88,203,451
Weighted Average Maturity (Yrs)	1.97		1.68		1.69		1.63
Portfolio Effective Rate of Return (YTD)	2.10%		2.12%		2.07%		2.00%
L.A.I.F. Yield	0.68%		0.54%		0.36%		0.26%
Yield on Benchmark	1.67%		1.45%		1.21%		0.97%
Interest earned YTD	\$430,578.83		\$815,051		\$1,198,761		\$1,574,081
General Fund Contribution (49%)	\$210,984		\$399,375		\$587,393		\$771,300

As required by GASB 31, the City recorded the unrealized gain/loss on certain investments to account for the market value on June 30, 2021. The portfolio market value, \$90,032,517, rose above the book value of \$88,032,517 by \$1,829,066 of the current market value of the investments within the City's investment portfolio. This unrealized gain 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 2020-21, 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).

The Public Risk Innovation, Solutions, and Management (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 claims 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 Government Accounting Standards Board (GASB) Statement No.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, 2021, the City recorded the following:

Workers' Compensation Claims

Claims payable totaled \$16.9 million representing a decrease of approximately \$0.5 million, or 2.6%, 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 \$6.6 million representing a decrease of approximately \$0.8 million, or 10.3%, from the prior period. This decrease is attributable to lower estimated reserve requirements and the settlement of claims in 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 2020-21, reimbursement to EDD was \$187,592.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

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 2020-21, the percentage-based portion of the rate increased from 9.152% to 9.342% for the miscellaneous group and from 22.230% to 23.353% 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 \$3,989,379 to \$4,511,145 for the miscellaneous group and from \$7,751,682 to \$8,730,646 for public safety and a total payment amount of \$13,241,791.

The total contribution paid by the City toward pension benefits was \$19.6 million, which includes the employer and employer-paid member contributions. Approximately 82.0%, or \$16.1 million, was charged to the General Fund. The budgeted total City contribution for FY 2020-21 was approximately \$20.5 million.

Aside from contributing to CalPERS, the City also contributes to Social Security. The FY 2020-21 total cost for Social Security and Medicare coverage was \$2.0 million, of which \$1.4 million, or 66.9%, 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 2020-21, the City contributed \$2.0 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, 2021, the City was providing full benefits to 104 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, 2020. This makes 28 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 2020-21, 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 timely 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 City departments for their cooperation during the audit engagement and their participation in preparing this report. 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 their interest and support in planning and conducting the City's financial affairs in a responsible and contemporary manner.

Respectfully submitted,


JENNIFER PAUL
Finance Director
MIKE WITZANSKY
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Redondo Beach
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

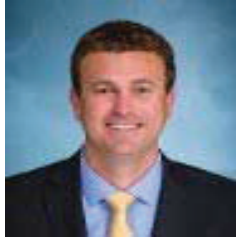
Executive Director/CEO

CITY OF REDONDO BEACH

MAYOR AND CITY COUNCIL



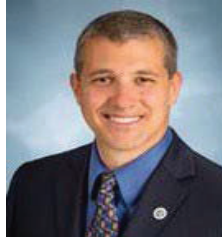
Bill Brand
Mayor



Nils Nehrenheim
Councilmember
District 1



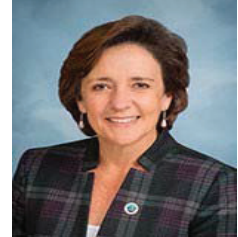
Todd Loewenstein
Councilmember
District 2



Christian Horvath
Councilmember
District 3



Zein Obagi, Jr.
Councilmember
District 4



Laura Emdee
Councilmember
District 5

CITY OFFICIALS

Joseph Hoefgen
City Manager

Michael Witzansky
Assistant City Manager



Michael Webb
City Attorney



Eleanor Manzano
City Clerk



Steven Diels
City Treasurer

Cameron Harding
Community Services Director

Keith Kauffman
Interim Fire Chief

Stephen Proud
Waterfront and Economic Development Director

Chris Benson
Information Technology Director

Jennifer Paul
Finance Director

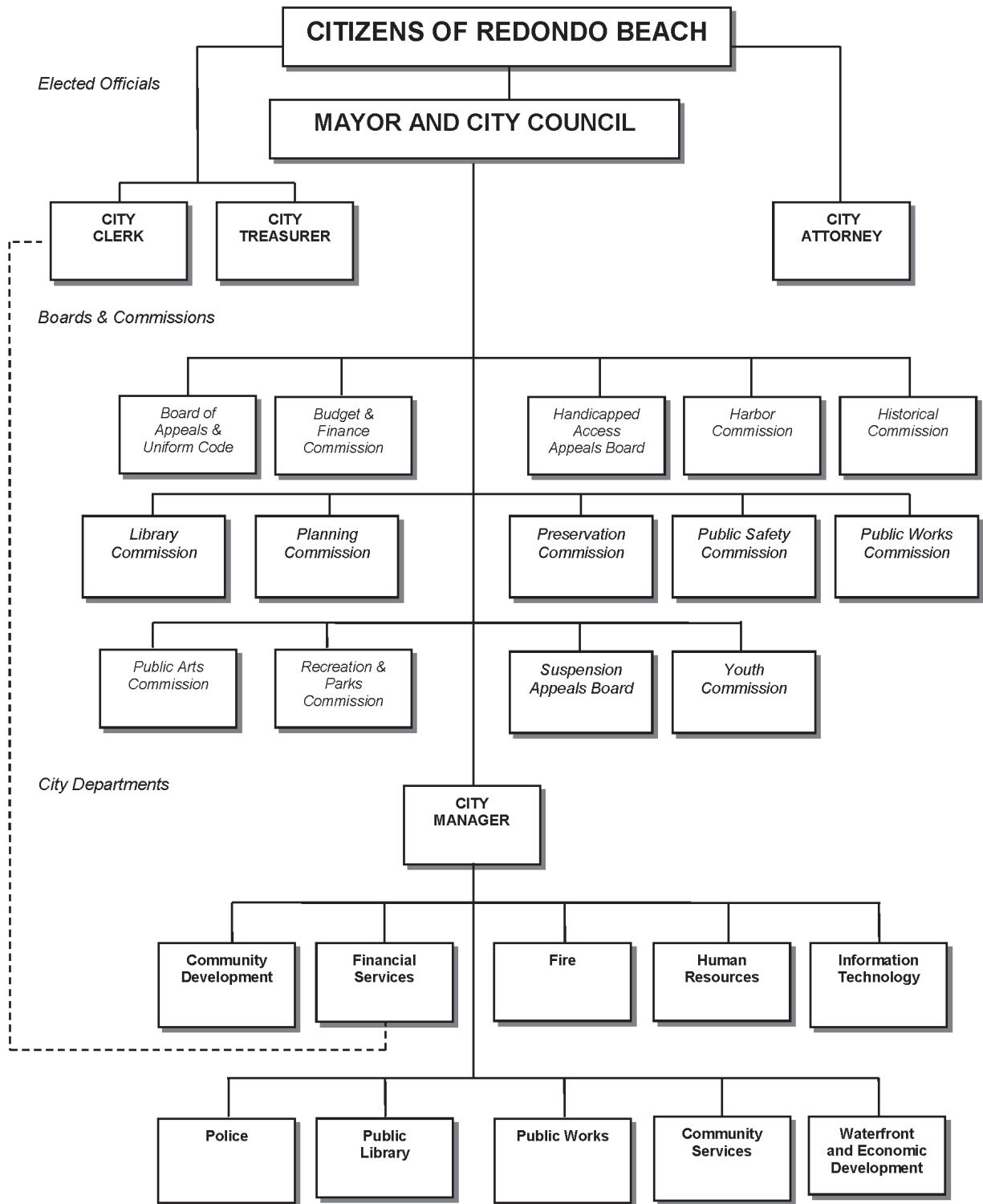
Brandy Forbes
Community Development Director

Keith Kauffman
Chief of Police

Susan Anderson
Library Director

Ted Semaan
Public Works Director

Diane Strickfaden
Human Resources Director



**ORGANIZATIONAL CHART
FY 2020-21**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Redondo Beach, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the City of Redondo Beach, California, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



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

Auditor's 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 auditor's 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 the GAAS 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Responsibilities

Required Supplementary Information

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 17, 2021

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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 Financial Comprehensive 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, 2021. 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, 2021 by \$93.1 million - assets and deferred outflows for governmental activities exceeded liabilities and deferred inflows by \$16.9 million and assets and deferred outflows for business-type activities exceeded liabilities and deferred inflows by \$76.2 million.

Changes in Net Position - The City's net position increased \$0.5 million in fiscal year 2020-2021. Net position of governmental activities increased \$1.2 million, and net position of business-type activities decreased \$0.7 million.

- *Fund Highlights*

Governmental Funds - At the close of fiscal year 2020-2021, the City's total governmental funds reported a fund balance of \$49.4 million, a decrease of \$3.7 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, 2021 was \$18.3 million, an increase of \$0.7 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, 2021 was negative \$4.0 million, an increase to the negative fund balance by \$1.3 million 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, 2021 was \$4.1 million, a decrease of \$6 thousand from the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is 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 three major funds are: General Fund, Other Intergovernmental Grants Special Revenue Fund, and 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 these 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. Custodial 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 Statement of Net Position
Fiscal Year Ended June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	<u>2020-2021</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2019-2020</u>
Current and Other Assets	\$ 98,165,767	\$ 92,118,096	\$ 37,189,847	\$ 38,359,191	\$ 135,355,614	\$ 130,477,287
Capital Assets, Net Depreciation	165,089,706	155,856,897	64,712,037	64,028,945	229,801,743	219,885,842
Total Assets	263,255,473	247,974,993	101,901,884	102,388,136	365,157,357	350,363,129
Deferred Outflows of Resources	28,936,314	30,308,482	3,107,210	3,469,846	32,043,524	33,778,328
Long-Term Liabilities Outstanding	256,311,238	247,738,322	25,410,825	26,431,862	281,722,063	274,170,184
Other Liabilities	15,335,074	8,604,299	2,860,306	1,780,410	18,195,380	10,384,709
Total Liabilities	271,646,312	256,342,621	28,271,131	28,212,272	299,917,443	284,554,893
Deferred Inflows of Resources	3,661,613	6,213,739	489,143	710,380	4,150,756	6,924,119
Net Investment in Capital Assets	164,993,054	155,670,310	59,334,911	58,077,077	224,327,965	213,747,387
Restricted	27,392,685	29,323,216	-	-	27,392,685	29,323,216
Unrestricted	(175,501,877)	(169,266,411)	16,913,909	18,858,253	(158,587,968)	(150,408,158)
Total Net Position	\$ 16,883,862	\$ 15,727,115	\$ 76,248,820	\$ 76,935,330	\$ 93,132,682	\$ 92,662,445

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: Assets 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 \$93.1 million at the close of fiscal year ending June 30, 2021.

The largest portion of the City's total net position (240.9%) 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 2020-2021 total net position increased by \$0.5 million, or 0.5%, from the prior year. The governmental activities net position increased \$1.2 million, or 7.4%, and business-type activities net position decreased \$0.7 million, or 0.9%.

Within total assets, capital assets, net of accumulated depreciation, increased by \$9.9 million, or 4.5%. This increase in capital assets also resulted in a corresponding increase in Net Investments in Capital Assets of \$10.6 million, or 5.0%. The increase in net position is due these capital asset increases and a decrease in deferred inflows of resources related to pensions and other post-employment benefits (OPEB) of \$2.8 million.

City of Redondo Beach's Change in Net Position
Fiscal Year Ended June 30, 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020-2021</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2019-2020</u>
Revenues:						
Program Revenues:						
Charges for services	\$30,079,265	\$ 27,718,619	\$ 20,030,397	\$ 20,719,658	\$ 50,109,662	\$48,438,277
Operating grants and contributions	14,547,505	10,326,680	2,853,567	2,958,743	17,401,072	13,285,423
Capital grants and contributions	2,285,961	2,882,105	-	-	2,285,961	2,882,105
Total program revenues	46,912,731	40,927,404	22,883,964	23,678,401	69,796,695	64,605,805
General revenues:						
Property taxes	43,705,194	39,774,170	-	-	43,705,194	39,774,170
Transient occupancy taxes	3,400,322	6,335,445	-	-	3,400,322	6,335,445
Sales taxes	10,018,217	9,716,883	-	-	10,018,217	9,716,883
Franchise taxes	1,731,846	1,706,355	-	-	1,731,846	1,706,355
Business license taxes	1,211,539	1,251,673	-	-	1,211,539	1,251,673
Utility users' taxes	6,713,480	6,824,873	-	-	6,713,480	6,824,873
Other taxes	1,019,041	969,721	-	-	1,019,041	969,721
Motor vehicle in-lieu - unrestricted	49,136	54,193	-	-	49,136	54,193
Use of money and property	1,408,878	5,219,501	(72,233)	1,563,880	1,336,645	6,783,381
Other	1,642,581	1,640,662	186,831	712,172	1,829,412	2,352,834
Total general revenues	70,900,234	73,493,476	114,598	2,276,052	71,014,832	75,769,528
Total revenue	117,812,965	114,420,880	22,998,562	25,954,453	140,811,527	140,375,333
Expenses:						
General government	11,692,177	13,574,385	-	-	11,692,177	13,574,385
Public safety	68,527,338	71,807,026	-	-	68,527,338	71,807,026
Public works	11,119,995	15,373,701	-	-	11,119,995	15,373,701
Cultural and leisure services	10,033,842	11,810,514	-	-	10,033,842	11,810,514
Housing and community development	14,439,178	11,456,603	-	-	14,439,178	11,456,603
Interest on long-term debt	1,117,677	1,272,259	-	-	1,117,677	1,272,259
Harbor Tidelands	-	-	4,636,895	9,067,251	4,636,895	9,067,251
Harbor Uplands	-	-	5,898,608	4,707,797	5,898,608	4,707,797
Wastewater	-	-	3,319,536	3,809,885	3,319,536	3,809,885
Solid Waste	-	-	5,115,305	4,894,581	5,115,305	4,894,581
Transit	-	-	4,440,739	3,975,884	4,440,739	3,975,884
Total expenses	116,930,207	125,294,488	23,411,083	26,455,398	140,341,290	151,749,886
Change in net position before special item and transfers	882,758	(10,873,608)	(412,521)	(500,945)	470,237	(11,374,553)
Special item	-	(1,595,860)	-	1,595,860	-	-
Transfers	273,989	(7,492,597)	(273,989)	7,492,597	-	-
Change in net position	1,156,747	(19,962,065)	(686,510)	8,587,512	470,237	(11,374,553)
Net position, beginning of year, as restated	15,727,115	35,689,180	76,935,330	68,347,818	92,662,445	104,036,998
Net position, end of year	\$16,883,862	\$ 15,727,115	\$ 76,248,820	\$ 76,935,330	\$ 93,132,682	\$92,662,445

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 2020-2021 by \$436 thousand, or 0.3%. Increases in program revenues are primarily reflected in charges for services and operating grants and contributions. General revenue decreased overall as a result of lower transient occupancy tax revenue and use of money and property.

Citywide total expenses decreased \$11.4 million, or 7.5%, when compared to fiscal year 2019-2020. The decrease in expenses was primarily related to a decrease in Public Works projects, cultural and leisure services, and general governmental expenses.

Governmental Activities

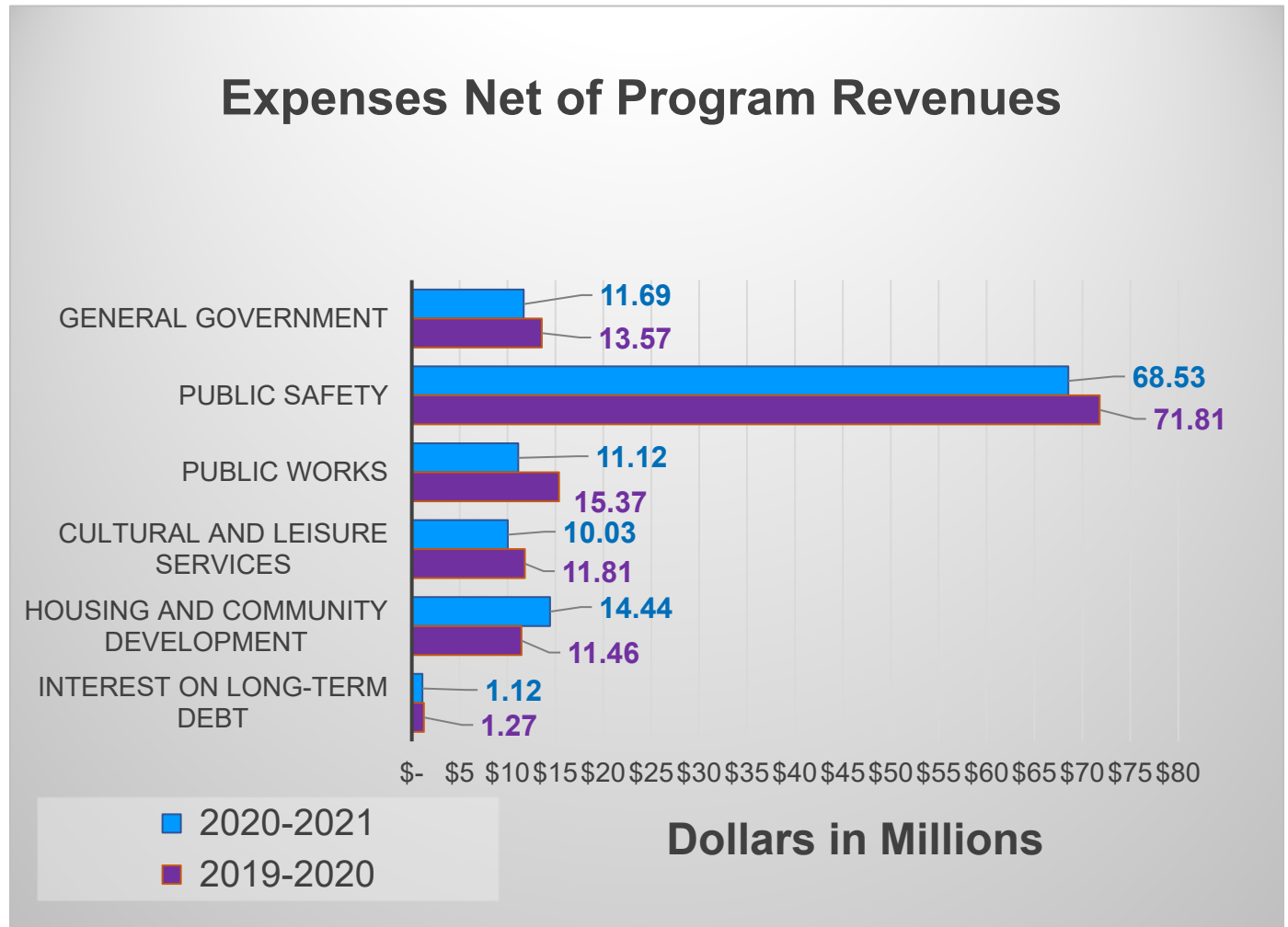
As reflected in the Changes in Net Position schedule above, the total governmental activity expenses were \$116.9 million in fiscal year 2020-2021; and total revenues from governmental activities were \$117.8 million, of which of which 39.8% were derived from program revenues primarily consisting of charges for services and grants.

As shown on the following chart, the governmental activity expenses net of program revenues, decreased \$14.3 million, or 17.0%, in fiscal year 2020-2021. As with the decrease in citywide total expenses, the decrease reflects lower expenditures for Public Works projects, cultural and leisure services, and general governmental expenses.

<u>Governmental Activities</u>	<u>Impact to Net Position</u>		<u>Percent Increase / (Decrease)</u>
	<u>2020-2021</u>	<u>2019-2020</u>	
Expenses Net of Program Revenues*			
General government	\$11,692,177	\$ 13,574,385	(13.9%)
Public safety	68,527,338	71,807,026	(4.6%)
Public works	11,119,995	15,373,701	(27.7%)
Cultural and leisure services	10,033,842	11,810,514	(15.0%)
Housing and community development	14,439,178	11,456,603	26.0%
Interest on long-term debt	1,117,677	1,272,259	(12.2%)
Total Expenses	116,930,207	125,294,488	(6.7%)
Program Revenues	46,912,731	40,927,404	14.6%
Total Governmental Activity Expenses Net of Program Revenues	<u>\$70,017,476</u>	<u>\$ 84,367,084</u>	(17.0%)

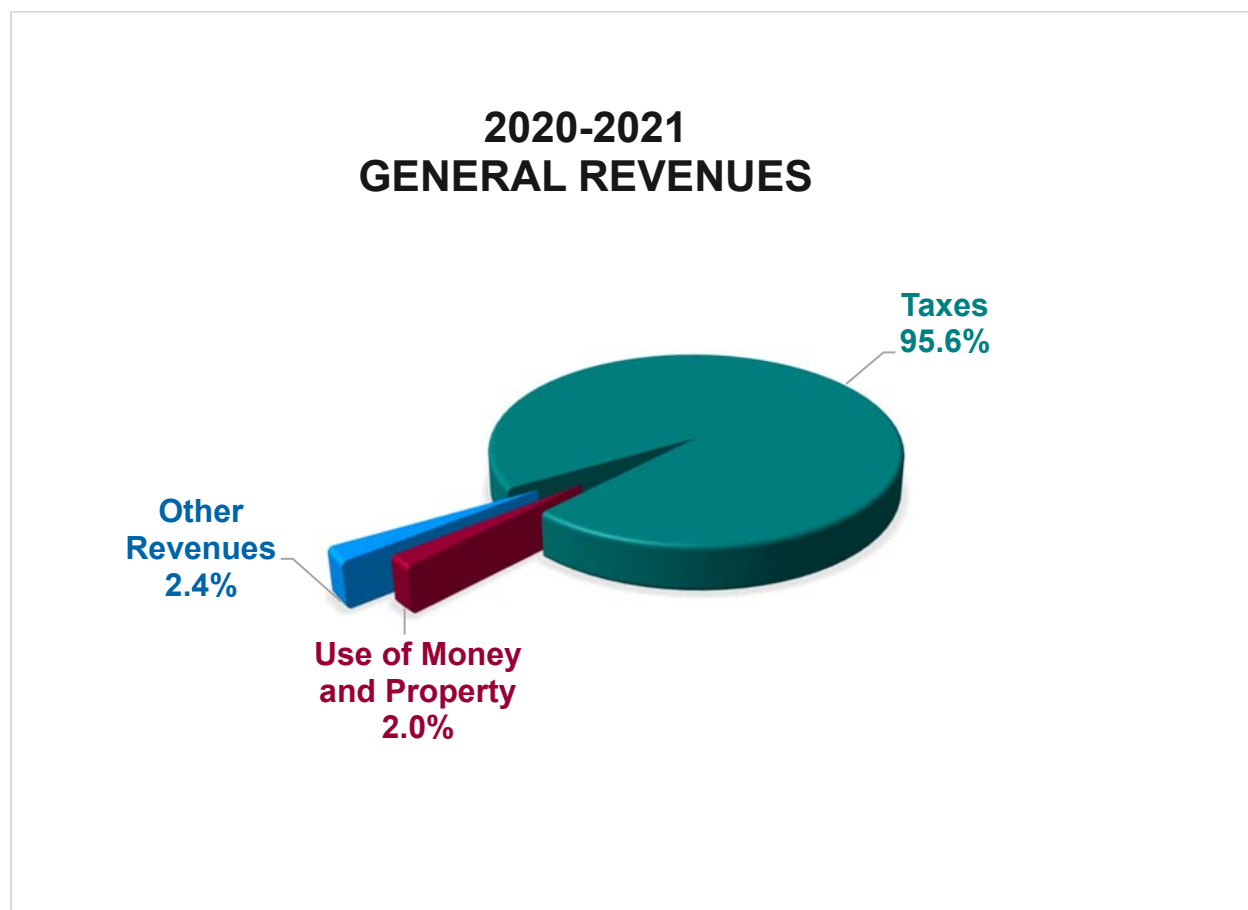
**Program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. They reduce the net cost of the function to be financed from the government's general revenues.*

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



General Revenues Related to Governmental Activities

General Revenues	2020-2021	2019-2020	Percent Increase / (Decrease)
Taxes	\$67,799,639	\$ 66,579,120	1.8%
Use of Money and Property	1,408,878	5,219,501	(73.0%)
Other Revenues	1,691,717	1,694,855	(0.2%)
Total General Revenues	<u>\$70,900,234</u>	<u>\$ 73,493,476</u>	(3.5%)



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 decreased 3.5%.

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 decreased by \$687 thousand 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 2020-2021, the total net position of the Harbor Tidelands increased \$9 thousand from 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 2020-2021, the total net position of Harbor Uplands decreased by \$2.6 million from 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 2020-2021, the total net position of Wastewater increased \$2.1 million 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 2020-2021, the total net position of Solid Waste decreased \$125 thousand from 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 2020-2021, the total net position of Transit stayed the same as 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

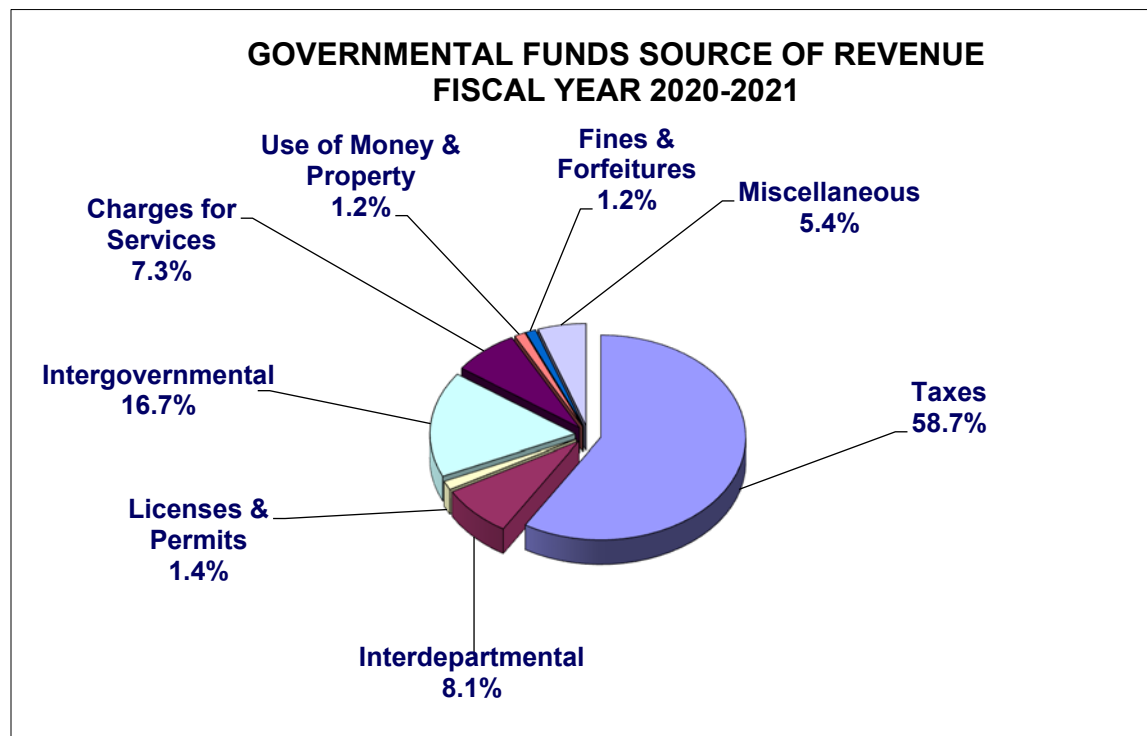
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Please note that unlike the Government-Wide financial statements displayed previously, the fund financial statements which follow are not reflected on a full accrual basis. Therefore, 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, 2021, 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.

Source of Revenue	FY2020-2021 Amount	Percent of Total	FY2019-2020 Amount	Increase / (Decrease) From Prior Year	Increase / (Decrease) Percent
Taxes	\$ 67,799,639	58.7%	\$ 66,579,120	\$ 1,220,519	1.8%
Interdepartmental	9,379,851	8.1%	9,417,289	(37,438)	(0.4%)
Licenses & Permits	1,641,684	1.4%	1,503,909	137,775	9.2%
Intergovernmental	19,252,605	16.7%	18,215,129	1,037,476	5.7%
Charges for Services	8,482,823	7.3%	8,851,688	(368,865)	(4.2%)
Use of Money & Property	1,408,878	1.2%	5,219,501	(3,810,623)	(73.0%)
Fines & Forfeitures	1,331,574	1.2%	1,163,678	167,896	14.4%
Miscellaneous	6,194,701	5.4%	3,835,968	2,358,733	61.5%
Total	<u>\$ 115,491,755</u>	<u>100.0%</u>	<u>\$ 114,786,282</u>	<u>\$ 705,473</u>	<u>0.6%</u>

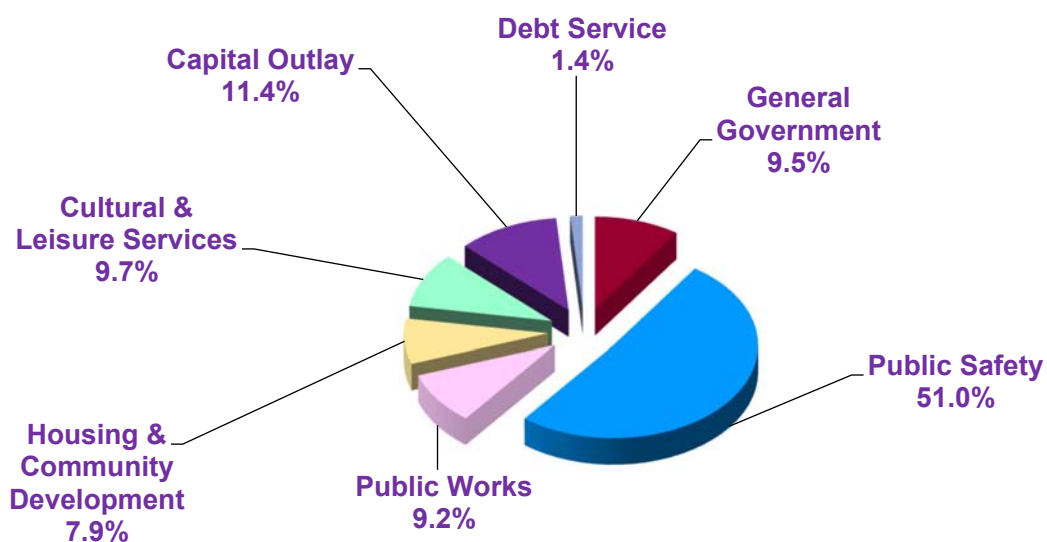


Total governmental fund revenues increased \$0.7 million, or 0.6% from fiscal year 2019-20. Taxes increased \$1.2 million, or 58.7% primarily from property tax revenue. Intergovernmental revenue increased \$1.0 million, or 5.7%, with higher funding from sources recorded in the Intergovernmental Grants Fund for various capital improvement projects.

The following schedule is a summary of governmental fund expenditures by function for fiscal year ended June 30, 2021, 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	FY2020-2021 Amount	Percent of Total	FY2019-2020 Amount	Increase / (Decrease) From Prior Year	Increase / (Decrease) Percent
Current:					
General Government	\$ 11,365,610	9.5%	\$ 12,701,080	\$ (1,335,470)	(10.5%)
Public Safety	60,812,252	51.0%	61,281,401	(469,149)	(0.8%)
Public Works	10,936,532	9.2%	11,075,922	(139,390)	(1.3%)
Housing & Community Development	9,364,095	7.9%	10,466,375	(1,102,280)	(10.5%)
Cultural & Leisure Services	11,522,810	9.7%	11,543,612	(20,802)	(0.2%)
Total Current Expenditures	104,001,299	87.2%	107,068,390	(3,067,091)	(2.9%)
Capital Outlay	13,563,804	11.4%	19,525,792	(5,961,988)	(30.5%)
Debt Service	1,650,981	1.4%	2,117,680	(466,699)	(22.0%)
Total	<u>\$ 119,216,084</u>	<u>100.0%</u>	<u>\$ 128,711,862</u>	<u>\$ (9,495,778)</u>	<u>(7.4%)</u>

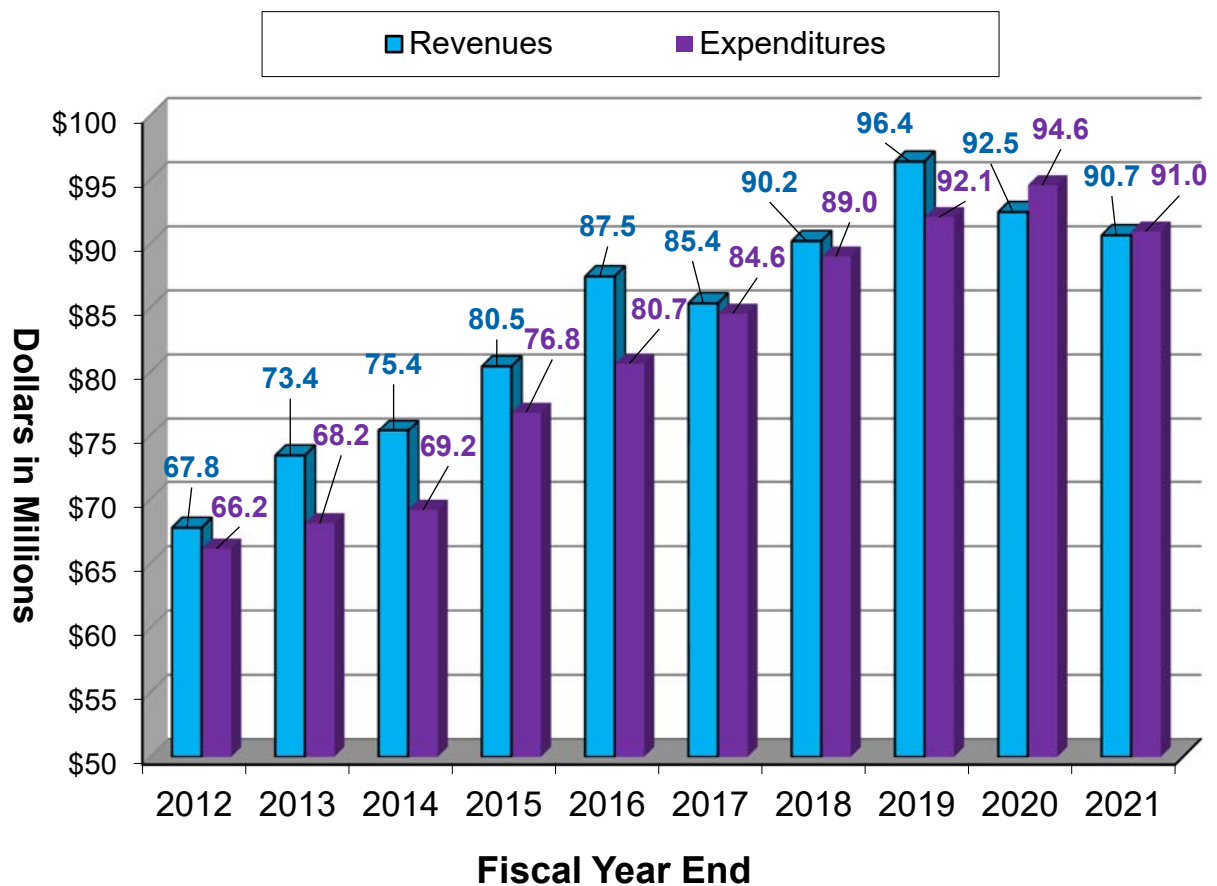
**GOVERNMENTAL FUNDS
EXPENDITURES BY CATEGORIES
FISCAL YEAR 2020-2021**



Total governmental fund expenditures decreased \$9.5 million, or 7.4%, from fiscal year 2019-2020. As mentioned earlier, the variances are attributable to:

- Current expenditures decreased by \$3.1 million, or 3.0%, with the most significant decreases in general government and housing & community development.
- Capital outlay expenditures substantially increased by \$6.0 million, or 30.5%, reflecting the fluctuating nature of capital improvement project expenses.
- Debt service expenditures decreased by \$2.1 million, or 7.4%, in accordance with the debt payment schedules.

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.



Only in these last two fiscal years of the COVID-19 pandemic (fiscal years 2019-2020 and 2020-2021) have expenditures exceeded revenues in the General Fund. When compared to fiscal year 2019-2020, revenues decreased \$1.8 million, or 2.0%, although expenditures also decreased \$3.6 million, or 3.8%, so expenditures were only \$288 thousand higher than revenues, or 0.3%.

General Fund Balance

The fund balance of the General Fund as of June 30, 2021 was \$18.2 million, an increase of \$692 thousand, or 3.9% when compared to the prior year. The City Council approved the constraints of the General Fund balance reflected below.

	FY 2018- 2019	FY 2019- 2020	FY 2020- 2021
General Fund Contingency	\$7,989,184	\$7,585,231	\$7,241,252
Compensated Absences	731,829	770,942	756,422
Carryover Assignments	470,680	502,930	289,290
Capital Projects	-	-	1,000,000
Encumbrances	1,270,741	1,292,166	981,809
Petty Cash	12,800	10,800	12,800
CalPERS	7,723,782	6,572,307	5,105,721
Future Year's Appropriations	789,985	-	762,577
Unassigned Balance	753,238	704,067	2,039,523

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, 2021 was negative \$4.0 million, an increase to the negative fund balance of \$1.3 million, 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, 2021 was \$4.1 million, a decrease of \$6 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 2020-2021 budget totaled \$95.7 million, excluding transfers out and including net amendments of \$3.8 million to the originally adopted budget. 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 \$1,269,380.
- Funding of carry-over appropriations of \$502,930.
- Increased mid-year appropriations by \$1,252,378.
- Appropriations of \$839,093 for employee wage and benefit payments.

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 \$2.2 million less than budgetary estimates, primarily due to contractual services that were not completed by year-end.

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, 2021, net capital assets of the governmental and business-type activities totaled \$165.0 million and \$64.7 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, 2021, the City's street system was rated at a PCI of 70.

The City's budget for street maintenance for the fiscal year ended June 30, 2021 was \$25.9 million. Actual expenditures were \$5.0 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, 2021 through June 30, 2022 is a minimum of \$4.3 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	18,498,741	-	18,498,741
Building and Improvements	54,813,679	(26,824,785)	27,988,894
Furniture and Equipment	11,447,055	(8,377,490)	3,069,565
Automotive Equipment	18,677,720	(13,574,495)	5,103,225
Leased Equipment	1,544,327	(948,217)	596,110
Infrastructure	152,538,224	(59,228,000)	93,310,224
Total	\$ 274,042,693	\$ (108,952,987)	\$ 165,089,706
Capital Assets - Business-Type Activities			
Land	\$ 20,323,255	\$ -	\$ 20,323,255
Construction in Progress	6,320,109	-	6,320,109
Building and Improvements	39,016,662	(20,838,974)	18,177,688
Furniture and Equipment	1,082,431	(964,297)	118,134
Automotive Equipment	3,601,229	(2,207,679)	1,393,550
Infrastructure	32,098,685	(13,719,384)	18,379,301
Total	\$ 102,442,371	\$ (37,730,334)	\$ 64,712,037

For more information on the City's capital assets, refer to Note 6 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 2020-2021 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	\$ 32,480,000	0.17%	\$ 488.54

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 8 of the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In considering Fiscal Year 2021-2022, the local economy continues to be impacted by the coronavirus pandemic.

- Property Tax revenue for fiscal year 2020-2021 is projected to increase by \$1.98 million to \$31.3 million. Redondo Beach's housing market has remained fairly stable due to its coastal location. Property tax revenue is the City's number one source of operating revenue.
- Sales and Use Tax revenue is projected to increase \$800,000 to \$10.2 million, reflecting the gradual reopening of the City's retail establishments.
- Utility Users' Tax (UUT) revenue is projected to increase by \$250,000 to \$6.75 million. This estimate is based on 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. The increase is primarily from increased usage of electricity and natural gas.
- Transient Occupancy Tax (TOT) revenue is projected to decrease \$485,000 to \$5.8 million with an anticipation of a slow recovery from the closed and nearly empty hotels seen in FY 2019-20.

General Fund appropriations for fiscal year 2020-2021 are projected at \$91.1 million. Personnel costs are projected to increase primarily with CalPERS employer contribution rate increases. Reductions were required of all departments to arrive at a balanced budget.

During fiscal year 2020-2021, Redondo Beach experienced a 6.1% change in real property assessed valuations, compared to last year's 5.0%. However, the pandemic impacted all other economic factors negatively. Transient occupancy tax saw a 46.3% revenue decrease, and sales tax saw an 3.1% increase while falling from ranking 38 out of 88 cities in Los Angeles County in total taxable retail sales to 42 out of 88. The unemployment rate for Redondo Beach in 2021 also decreased to 7.6% from its 2020 rate of 15.2%, which generally reflected the rates of Los Angeles County's and the State of California's 2021 unemployment rates of 7.6% and 10.3%, 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 California 90277, phone 310-318-0683, 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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 71,372,797	\$ 36,539,891	\$ 107,912,688
Receivables:			
Accounts	4,170,570	628,985	4,799,555
Taxes	6,104,291	199,023	6,303,314
Notes and loans	3,156,431	-	3,156,431
Accrued interest	238,966	118,420	357,386
Internal balances	438,150	(438,150)	-
Prepaid costs	78,790	30,000	108,790
Due from other governments	11,917,066	111,673	12,028,739
Advances to Successor Agency	535,731	-	535,731
Restricted assets:			
Cash with fiscal agent	152,975	5	152,980
Capital assets not being depreciated	89,075,724	26,643,364	115,719,088
Capital assets, net of depreciation	76,013,982	38,068,673	114,082,655
Total Assets	263,255,473	101,901,884	365,157,357
Deferred Outflows of Resources:			
Deferred charge on refunding	-	334,200	334,200
Deferred pension related items	25,813,855	2,372,046	28,185,901
Deferred OPEB related items	3,122,459	400,964	3,523,423
Total Deferred Outflows of Resources	28,936,314	3,107,210	32,043,524
Liabilities:			
Accounts payable	5,324,042	2,087,594	7,411,636
Accrued liabilities	3,106,340	-	3,106,340
Accrued interest	176,324	-	176,324
Unearned revenue	326,226	63,089	389,315
Deposits payable	2,575,064	227,989	2,803,053
Pollution remediation liability	150,000	-	150,000
Compensated absences due in one year	948,611	171,634	1,120,245
Claims payable due in one year	2,068,532	-	2,068,532
Long-term obligations due in one year	659,935	310,000	969,935
Noncurrent liabilities:			
Net pension liability due in more than one year	191,786,161	17,641,520	209,427,681
Net OPEB liability due in more than one year	14,430,603	1,853,083	16,283,686
Compensated absences due in more than one year	2,845,829	514,896	3,360,725
Claims payable due in more than one year	21,400,010	-	21,400,010
Long-term obligations due in more than one year	25,848,635	5,401,326	31,249,961
Total Liabilities	271,646,312	28,271,131	299,917,443
Deferred Inflows of Resources:			
Deferred pension related items	759,801	116,511	876,312
Deferred OPEB related items	2,901,812	372,632	3,274,444
Total Deferred Inflows of Resources	3,661,613	489,143	4,150,756
Net Position:			
Net investment in capital assets	164,993,054	59,334,911	224,327,965
Restricted for:			
Housing and community development	12,115,924	-	12,115,924
Public safety	551,930	-	551,930
Public works	4,646,306	-	4,646,306
Debt service	4,699,643	-	4,699,643
Low and moderate income housing	5,378,882	-	5,378,882
Unrestricted	(175,501,877)	16,913,909	(158,587,968)
Total Net Position	\$ 16,883,862	\$ 76,248,820	\$ 93,132,682

CITY OF REDONDO BEACH

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 11,692,177	\$ 10,760,125	\$ 1,092,095	\$ -
Public safety	68,527,338	6,414,431	531,294	-
Housing and community development	11,119,995	3,274,369	-	241,146
Cultural and leisure services	10,033,842	6,182,448	6,604,093	438,895
Public works	14,439,178	3,447,892	6,320,023	1,605,920
Interest on long-term debt	1,117,677	-	-	-
Total Governmental Activities	116,930,207	30,079,265	14,547,505	2,285,961
Business-Type Activities:				
Harbor Tidelands	4,636,895	4,816,599	-	-
Harbor Uplands	5,898,608	4,945,241	-	-
Wastewater	3,319,536	5,487,873	-	-
Solid Waste	5,115,305	4,780,684	24,717	-
Transit	4,440,739	-	2,828,850	-
Total Business-Type Activities	23,411,083	20,030,397	2,853,567	-
Total Primary Government	\$ 140,341,290	\$ 50,109,662	\$ 17,401,072	\$ 2,285,961
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				
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
\$ 160,043	\$ -	\$ 160,043
(61,581,613)	-	(61,581,613)
(7,604,480)	-	(7,604,480)
3,191,594	-	3,191,594
(3,065,343)	-	(3,065,343)
(1,117,677)	-	(1,117,677)
(70,017,476)	-	(70,017,476)
-	179,704	179,704
-	(953,367)	(953,367)
-	2,168,337	2,168,337
-	(309,904)	(309,904)
-	(1,611,889)	(1,611,889)
-	(527,119)	(527,119)
(70,017,476)	(527,119)	(70,544,595)
43,705,194	-	43,705,194
3,400,322	-	3,400,322
10,018,217	-	10,018,217
1,731,846	-	1,731,846
1,211,539	-	1,211,539
6,713,480	-	6,713,480
1,019,041	-	1,019,041
49,136	-	49,136
1,408,878	(72,233)	1,336,645
1,642,581	186,831	1,829,412
273,989	(273,989)	-
71,174,223	(159,391)	71,014,832
1,156,747	(686,510)	470,237
15,727,115	76,935,330	92,662,445
\$ 16,883,862	\$ 76,248,820	\$ 93,132,682

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

CITY OF REDONDO BEACH

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Revenue Funds	
		Other Intergovernmental Grants	Low-Mod Income Housing
Assets:			
Pooled cash and investments	\$ 7,845,179	\$ -	\$ 1,245,854
Receivables:			
Accounts	3,323,627	438,953	-
Taxes	5,844,897	-	-
Notes and loans	18,667	-	2,780,935
Accrued interest	192,076	-	-
Prepaid costs	71,104	-	-
Due from other governments	1,744,076	5,285,262	-
Due from other funds	5,838,647	-	-
Advances to Successor Agency	-	-	535,731
Restricted assets:			
Cash and investments with fiscal agents	152,963	-	-
Total Assets	\$ 25,031,236	\$ 5,724,215	\$ 4,562,520
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 896,748	\$ 529,322	\$ 11,164
Accrued liabilities	3,106,340	-	-
Unearned revenues	21,291	304,935	-
Deposits payable	2,575,064	-	-
Due to other funds	-	5,115,737	24,213
Pollution remediation liability	150,000	-	-
Total Liabilities	6,749,443	5,949,994	35,377
Deferred Inflows of Resources:			
Unavailable revenues	2,628	3,782,368	389,992
Total Deferred Inflows of Resources	2,628	3,782,368	389,992
Fund Balances:			
Nonspendable:			
Prepaid costs	71,104	-	-
Notes and loans	18,667	-	-
Restricted for:			
Housing and community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
Debt service	-	-	-
Low and moderate income housing	-	-	4,137,151
Committed to:			
Contingency	7,241,252	-	-
Assigned to:			
General government	173,138	-	-
Housing and community development	187,218	-	-
Public safety	461,315	-	-
Public works	160,138	-	-
Capital projects	1,000,000	-	-
Carryover assignments	289,290	-	-
Compensated absences	756,422	-	-
Petty cash	12,800	-	-
Future year's appropriations	762,577	-	-
CalPERS	5,105,721	-	-
Unassigned	2,039,523	(4,008,147)	-
Total Fund Balances	18,279,165	(4,008,147)	4,137,151
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,031,236	\$ 5,724,215	\$ 4,562,520

See Notes to Financial Statements.

CITY OF REDONDO BEACH

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 27,689,581	\$ 36,780,614
Receivables:		
Accounts	393,371	4,155,951
Taxes	259,394	6,104,291
Notes and loans	356,829	3,156,431
Accrued interest	46,890	238,966
Prepaid costs	-	71,104
Due from other governments	4,887,728	11,917,066
Due from other funds	2,784,986	8,623,633
Advances to Successor Agency	-	535,731
Restricted assets:		
Cash and investments with fiscal agents	12	152,975
Total Assets	\$ 36,418,791	\$ 71,736,762
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,845,733	\$ 3,282,967
Accrued liabilities	-	3,106,340
Unearned revenues	-	326,226
Deposits payable	-	2,575,064
Due to other funds	3,045,533	8,185,483
Pollution remediation liability	-	150,000
Total Liabilities	4,891,266	17,626,080
Deferred Inflows of Resources:		
Unavailable revenues	569,029	4,744,017
Total Deferred Inflows of Resources	569,029	4,744,017
Fund Balances:		
Nonspendable:		
Prepaid costs	-	71,104
Notes and loans	-	18,667
Restricted for:		
Housing and community development	12,115,924	12,115,924
Public safety	551,930	551,930
Public works	4,646,306	4,646,306
Debt service	4,699,643	4,699,643
Low and moderate income housing	1,241,731	5,378,882
Committed to:		
Contingency	-	7,241,252
Assigned to:		
General government	-	173,138
Housing and community development	-	187,218
Public safety	-	461,315
Public works	-	160,138
Capital projects	8,013,238	9,013,238
Carryover assignments	-	289,290
Compensated absences	-	756,422
Petty cash	-	12,800
Future year's appropriations	-	762,577
CalPERS	-	5,105,721
Unassigned	(310,276)	(2,278,900)
Total Fund Balances	30,958,496	49,366,665
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 36,418,791	\$ 71,736,762

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CITY OF REDONDO BEACH

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Fund balances of governmental funds		\$ 49,366,665
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.		155,173,435
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (26,411,918)	
Net OPEB liability	(13,468,238)	
Net pension liability	(181,882,582)	
Compensated absences	<u>(3,383,014)</u>	(225,145,752)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(176,324)
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.		4,744,017
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		24,484,115
Deferred inflows of resources - pension related items		(658,677)
Deferred outflows of resources - OPEB related items		2,914,224
Deferred inflows of resources - OPEB related items		<u>(2,708,293)</u>
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>8,890,452</u>
Net Position of Governmental Activities		<u>\$ 16,883,862</u>

CITY OF REDONDO BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Special Revenue Funds	
		Other Intergovernmental Grants	Low-Mod Income Housing
Revenues:			
Taxes	\$ 67,619,669	\$ -	\$ -
Interdepartmental	9,379,851	-	-
Licenses and permits	1,641,684	-	-
Intergovernmental	275,476	3,242,579	-
Charges for services	6,622,881	-	-
Use of money and property	880,216	-	(3,805)
Fines and forfeitures	1,317,110	-	-
Miscellaneous	2,941,472	-	112,000
Total Revenues	90,678,359	3,242,579	108,195
Expenditures:			
Current:			
General government	11,164,958	43,699	-
Public safety	59,932,018	314,382	-
Housing and community development	3,722,514	62,088	114,255
Cultural and leisure services	9,046,250	121,184	-
Public works	6,866,827	86,566	-
Capital outlay	192,777	3,944,577	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	90,925,344	4,572,496	114,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	(246,985)	(1,329,917)	(6,060)
Other Financing Sources (Uses):			
Transfers in	4,604,726	1,200	-
Transfers out	(3,624,716)	-	-
Total Other Financing Sources (Uses):	980,010	1,200	-
Net Change in Fund Balances	733,025	(1,328,717)	(6,060)
Fund Balances, Beginning of Year	17,546,140	(2,679,430)	4,143,211
Fund Balances, End of Year	\$ 18,279,165	\$ (4,008,147)	\$ 4,137,151

CITY OF REDONDO BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 179,970	\$ 67,799,639
Interdepartmental	-	9,379,851
Licenses and permits	-	1,641,684
Intergovernmental	15,734,550	19,252,605
Charges for services	1,859,942	8,482,823
Use of money and property	532,467	1,408,878
Fines and forfeitures	14,464	1,331,574
Miscellaneous	3,141,229	6,194,701
Total Revenues	21,462,622	115,491,755
Expenditures:		
Current:		
General government	156,953	11,365,610
Public safety	565,852	60,812,252
Housing and community development	7,037,675	10,936,532
Cultural and leisure services	196,661	9,364,095
Public works	4,569,417	11,522,810
Capital outlay	9,426,450	13,563,804
Debt service:		
Principal retirement	555,000	555,000
Interest and fiscal charges	1,095,981	1,095,981
Total Expenditures	23,603,989	119,216,084
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,141,367)	(3,724,329)
Other Financing Sources (Uses):		
Transfers in	5,801,180	10,407,106
Transfers out	(6,710,778)	(10,335,494)
Total Other Financing Sources (Uses):	(909,598)	71,612
Net Change in Fund Balances	(3,050,965)	(3,652,717)
Fund Balances, Beginning of Year	34,009,461	53,019,382
Fund Balances, End of Year	\$ 30,958,496	\$ 49,366,665

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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, 2021**

Net change in fund balances - total governmental funds \$ (3,652,717)

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	\$ 13,753,900	
Depreciation	(4,427,238)	
Loss on disposal	<u>(10,799)</u>	9,315,863

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	555,000	
Amortization of bond premiums/discounts	<u>(24,072)</u>	530,928

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

2,376

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.

(305,190)

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.

(9,524,722)

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.

442,364

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.

1,999,503

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.

2,348,342

Change in Net Position of Governmental Activities

\$ 1,156,747

CITY OF REDONDO BEACH

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste
Assets:				
Current:				
Cash and investments	\$ 11,759,780	\$ 1,683,803	\$ 21,095,810	\$ 1,760,192
Receivables:				
Accounts	345,698	129,820	25,497	127,970
Taxes	-	-	107,651	91,372
Accrued interest	40,195	4,136	74,089	-
Prepaid costs	30,000	-	-	-
Due from other governments	-	-	-	-
Due from other funds	106,836	-	-	-
Cash with fiscal agent	-	-	5	-
Total Current Assets	12,282,509	1,817,759	21,303,052	1,979,534
Noncurrent:				
Capital assets - net of accumulated depreciation	20,401,031	23,970,210	18,936,442	23,888
Total Noncurrent Assets	20,401,031	23,970,210	18,936,442	23,888
Total Assets	32,683,540	25,787,969	40,239,494	2,003,422
Deferred Outflows of Resources:				
Deferred charge on refunding	-	-	334,200	-
Deferred pension related items	1,225,331	413,575	427,003	163,214
Deferred OPEB related items	186,036	90,200	67,297	31,358
Total Deferred Outflows of Resources	1,411,367	503,775	828,500	194,572
Liabilities:				
Current:				
Accounts payable	204,972	90,597	639,843	599,003
Unearned revenues	-	-	-	42,218
Deposits payable	144,634	83,355	-	-
Due to other funds	544,986	-	-	-
Accrued compensated absences	54,734	22,655	51,618	15,954
Accrued claims and judgments	-	-	-	-
Long-term debt - due within one year	-	-	310,000	-
Total Current Liabilities	949,326	196,607	1,001,461	657,175
Noncurrent:				
Accrued compensated absences	164,203	67,966	154,852	47,859
Accrued claims and judgments	-	-	-	-
Net pension liability	9,103,889	3,076,447	3,180,762	1,215,787
Net OPEB liability	859,779	416,862	311,018	144,925
Long-term debt - due in more than one year	-	-	5,401,326	-
Total Noncurrent Liabilities	10,127,871	3,561,275	9,047,958	1,408,571
Total Liabilities	11,077,197	3,757,882	10,049,419	2,065,746
Deferred Inflows of Resources:				
Deferred pension related items	36,564	21,794	33,870	12,946
Deferred OPEB related items	172,891	83,825	62,542	29,143
Total Deferred Inflows of Resources	209,455	105,619	96,412	42,089
Net Position:				
Net investment in capital assets	20,401,031	23,970,210	13,559,316	23,888
Unrestricted	2,407,224	(1,541,967)	17,362,847	66,271
Total Net Position	\$ 22,808,255	\$ 22,428,243	\$ 30,922,163	\$ 90,159

See Notes to Financial Statements.

CITY OF REDONDO BEACH

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Transit	Totals	
Assets:			
Current:			
Cash and investments	\$ 240,306	\$ 36,539,891	\$ 34,592,183
Receivables:			
Accounts	-	628,985	14,619
Taxes	-	199,023	-
Accrued interest	-	118,420	-
Prepaid costs	-	30,000	7,686
Due from other governments	111,673	111,673	-
Due from other funds	-	106,836	-
Cash with fiscal agent	-	5	-
Total Current Assets	351,979	37,734,833	34,614,488
Noncurrent:			
Capital assets - net of accumulated depreciation	1,380,466	64,712,037	9,916,271
Total Noncurrent Assets	1,380,466	64,712,037	9,916,271
Total Assets	1,732,445	102,446,870	44,530,759
Deferred Outflows of Resources:			
Deferred charge on refunding	-	334,200	-
Deferred pension related items	142,923	2,372,046	1,329,740
Deferred OPEB related items	26,073	400,964	208,235
Total Deferred Outflows of Resources	168,996	3,107,210	1,537,975
Liabilities:			
Current:			
Accounts payable	553,179	2,087,594	2,041,075
Unearned revenues	20,871	63,089	-
Deposits payable	-	227,989	-
Due to other funds	-	544,986	-
Accrued compensated absences	26,673	171,634	102,857
Accrued claims and judgments	-	-	2,068,532
Long-term debt - due within one year	-	310,000	89,935
Total Current Liabilities	600,723	3,405,292	4,302,399
Noncurrent:			
Accrued compensated absences	80,016	514,896	308,569
Accrued claims and judgments	-	-	21,400,010
Net pension liability	1,064,635	17,641,520	9,903,579
Net OPEB liability	120,499	1,853,083	962,365
Long-term debt - due in more than one year	-	5,401,326	6,717
Total Noncurrent Liabilities	1,265,150	25,410,825	32,581,240
Total Liabilities	1,865,873	28,816,117	36,883,639
Deferred Inflows of Resources:			
Deferred pension related items	11,337	116,511	101,124
Deferred OPEB related items	24,231	372,632	193,519
Total Deferred Inflows of Resources	35,568	489,143	294,643
Net Position:			
Net investment in capital assets	1,380,466	59,334,911	9,819,619
Unrestricted	(1,380,466)	16,913,909	(929,167)
Total Net Position	\$ -	\$ 76,248,820	\$ 8,890,452

See Notes to Financial Statements.

CITY OF REDONDO BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste
Operating Revenues:				
Sales and service charges	\$ 627,973	\$ 2,173,918	\$ 5,487,873	\$ 4,780,684
Harbor rentals	4,188,626	2,771,323	-	-
Miscellaneous	4,040	810	3,803	178,149
Total Operating Revenues	4,820,639	4,946,051	5,491,676	4,958,833
Operating Expenses:				
Administration and general	553,906	467,238	95,565	44,456
Personnel services	1,872,084	2,969,778	1,744,167	782,189
Contractual services	357,950	431,672	364,469	3,712,025
Internal service charges	1,429,535	1,572,211	452,772	569,880
Depreciation expense	420,419	457,709	416,974	6,755
Total Operating Expenses	4,633,894	5,898,608	3,073,947	5,115,305
Operating Income (Loss)	186,745	(952,557)	2,417,729	(156,472)
Nonoperating Revenues (Expenses):				
Intergovernmental	-	-	-	24,717
Interest revenue	(89,478)	(47,861)	65,106	-
Interest expense	(3,001)	-	(245,589)	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total Nonoperating Revenues (Expenses)	(92,479)	(47,861)	(180,483)	24,717
Income (Loss) Before Transfers	94,266	(1,000,418)	2,237,246	(131,755)
Transfers in	11,110	9,537	7,184	7,157
Transfers out	(96,299)	(1,650,837)	(173,701)	-
Changes in Net Position	9,077	(2,641,718)	2,070,729	(124,598)
Net Position:				
Beginning of Year	22,799,178	25,069,961	28,851,434	214,757
End of Fiscal Year	\$ 22,808,255	\$ 22,428,243	\$ 30,922,163	\$ 90,159

CITY OF REDONDO BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Transit	Totals	
Operating Revenues:			
Sales and service charges	\$ -	\$ 13,070,448	\$ 22,458,499
Harbor rentals	-	6,959,949	-
Miscellaneous	29	186,831	76,359
Total Operating Revenues	29	20,217,228	22,534,858
Operating Expenses:			
Administration and general	302,262	1,463,427	8,471,760
Personnel services	761,597	8,129,815	6,568,197
Contractual services	2,993,106	7,859,222	1,951,598
Internal service charges	230,205	4,254,603	2,159,078
Depreciation expense	153,569	1,455,426	1,559,967
Total Operating Expenses	4,440,739	23,162,493	20,710,600
Operating Income (Loss)	(4,440,710)	(2,945,265)	1,824,258
Nonoperating Revenues (Expenses):			
Intergovernmental	2,828,850	2,853,567	275,000
Interest revenue	-	(72,233)	-
Interest expense	-	(248,590)	-
Gain (loss) on disposal of capital assets	-	-	46,707
Total Nonoperating Revenues (Expenses)	2,828,850	2,532,744	321,707
Income (Loss) Before Transfers	(1,611,860)	(412,521)	2,145,965
Transfers in	1,612,296	1,647,284	202,681
Transfers out	(436)	(1,921,273)	(304)
Changes in Net Position	-	(686,510)	2,348,342
Net Position:			
Beginning of Year	-	76,935,330	6,542,110
End of Fiscal Year	\$ -	\$ 76,248,820	\$ 8,890,452

CITY OF REDONDO BEACH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 4,524,092	\$ 4,976,239	\$ 5,448,851	\$ 4,907,449
Cash paid to suppliers for goods and services	(2,309,598)	(2,591,105)	(391,449)	(3,750,976)
Cash paid to employees for services	(3,842,616)	(1,931,468)	(1,541,532)	(756,545)
Net Cash Provided (Used) by Operating Activities	(1,628,122)	453,666	3,515,870	399,928
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	(96,299)	(1,650,837)	(173,701)	-
Cash transfers in	11,110	-	7,184	7,157
Repayment received from other funds	(106,836)	-	-	-
Payment made to other funds	108,999	-	-	-
Cash received from other governments	-	-	-	24,717
Net Cash Provided (Used) by Non-Capital Financing Activities	(83,026)	(1,650,837)	(166,517)	31,874
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(837,403)	(91,231)	(1,161,932)	-
Principal paid on capital debt	(274,194)	-	(300,000)	-
Interest paid on capital debt	(3,001)	-	(246,137)	-
Proceeds from sale of capital assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,114,598)	(91,231)	(1,708,069)	-
Cash Flows from Investing Activities:				
Interest received	(62,989)	(37,891)	75,102	-
Net Cash Provided (Used) by Investing Activities	(62,989)	(37,891)	75,102	-
Net Increase (Decrease) in Cash and Cash Equivalents	(2,888,735)	(1,326,293)	1,716,386	431,802
Cash and Cash Equivalents at Beginning of Year	14,648,515	3,010,096	19,379,429	1,328,390
Cash and Cash Equivalents at End of Year	\$ 11,759,780	\$ 1,683,803	\$ 21,095,815	\$ 1,760,192

CITY OF REDONDO BEACH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			
	Harbor Tidelands	Harbor Uplands	Wastewater	Solid Waste
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 186,745	\$ (952,557)	\$ 2,417,729	\$ (156,472)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	420,419	457,709	416,974	6,755
(Increase) decrease in accounts receivable	(296,547)	32,438	5,621	(47,718)
(Increase) decrease in taxes receivable	-	-	(48,446)	-
(Increase) decrease in deferred outflow pension related item	479,968	(143,031)	(15,849)	(825)
(Increase) decrease in deferred outflow OPEB related items	25,208	(8,454)	5,141	7,491
(Increase) decrease in prepaid expense	(30,000)	-	-	-
Increase (decrease) in accounts payable	73,914	(199,444)	509,324	590,809
Increase (decrease) in deposits payable	-	(2,250)	-	-
Increase (decrease) in unearned revenue	-	-	-	(3,666)
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in net pension liability	(2,342,185)	1,163,431	184,140	32,247
Increase (decrease) in OPEB liability	(12,121)	79,460	12,033	(15,424)
Increase (decrease) in deferred inflow pension related items	(141,077)	(11,902)	(22,411)	(9,283)
Increase (decrease) in deferred inflow OPEB related items	(24,537)	7,426	(5,159)	(7,165)
Increase (decrease) in compensated absences	32,091	30,840	56,773	3,179
Total Adjustments	(1,814,867)	1,406,223	1,098,141	556,400
Net Cash Provided (Used) by Operating Activities	\$ (1,628,122)	\$ 453,666	\$ 3,515,870	\$ 399,928
Non-Cash Investing, Capital, and Financing Activities:				
Net Amortization of Premium and Deferred Loss	\$ -	\$ -	\$ (548)	\$ -

CITY OF REDONDO BEACH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Transit	Totals	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 345	\$ 19,856,976	\$ 22,563,373
Cash paid to suppliers for goods and services	(3,227,147)	(12,270,275)	(11,990,502)
Cash paid to employees for services	(614,031)	(8,686,192)	(5,721,913)
Net Cash Provided (Used) by Operating Activities	(3,840,833)	(1,099,491)	4,850,958
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	(436)	(1,921,273)	(304)
Cash transfers in	1,612,296	1,637,747	202,681
Repayment received from other funds	-	(106,836)	-
Payment made to other funds	(537,226)	(428,227)	-
Cash received from other governments	3,044,920	3,069,637	275,000
Net Cash Provided (Used) by Non-Capital Financing Activities	4,119,554	2,251,048	477,377
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(38,415)	(2,128,981)	(1,479,034)
Principal paid on capital debt	-	(574,194)	(89,935)
Interest paid on capital debt	-	(249,138)	-
Proceeds from sale of capital assets	-	-	48,828
Net Cash Provided (Used) by Capital and Related Financing Activities	(38,415)	(2,952,313)	(1,520,141)
Cash Flows from Investing Activities:			
Interest received	-	(25,778)	-
Net Cash Provided (Used) by Investing Activities	-	(25,778)	-
Net Increase (Decrease) in Cash and Cash Equivalents	240,306	(1,826,534)	3,808,194
Cash and Cash Equivalents at Beginning of Year	-	38,366,430	30,783,989
Cash and Cash Equivalents at End of Year	\$ 240,306	\$ 36,539,896	\$ 34,592,183

CITY OF REDONDO BEACH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Transit	Totals	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (4,440,710)	\$ (2,945,265)	\$ 1,824,258
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	153,569	1,455,426	1,559,967
(Increase) decrease in accounts receivable	-	(306,206)	26,901
(Increase) decrease in taxes receivable	-	(48,446)	1,614
(Increase) decrease in deferred outflow pension related item	(13,357)	306,906	(128,234)
(Increase) decrease in deferred outflow OPEB related items	636	30,022	33,765
(Increase) decrease in prepaid expense	-	(30,000)	597,279
Increase (decrease) in accounts payable	288,167	1,262,770	1,079,004
Increase (decrease) in deposits payable	-	(2,250)	-
Increase (decrease) in unearned revenue	316	(3,350)	-
Increase (decrease) in claims and judgments	-	-	(1,212,590)
Increase (decrease) in net pension liability	120,321	(842,046)	1,146,645
Increase (decrease) in OPEB liability	10,259	74,207	(36,477)
Increase (decrease) in deferred inflow pension related items	(6,398)	(191,071)	(63,340)
Increase (decrease) in deferred inflow OPEB related items	(731)	(30,166)	(32,653)
Increase (decrease) in compensated absences	47,095	169,978	54,819
Total Adjustments	599,877	1,845,774	3,026,700
Net Cash Provided (Used) by Operating Activities	\$ (3,840,833)	\$ (1,099,491)	\$ 4,850,958
Non-Cash Investing, Capital, and Financing Activities:			
Net Amortization of Premium and Deferred Loss	\$ -	\$ (548)	\$ -

CITY OF REDONDO BEACH

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

		Private-Purpose Trust Fund
	Custodial Funds	Redevelopment Obligation Retirement Fund
Assets:		
Pooled cash and investments	\$ 178,012	\$ 1,851,097
Receivables:		
Accounts	37,758	-
Accrued interest	-	1,516
Total Assets	215,770	1,852,613
Liabilities:		
Accrued interest	-	168,260
Due to other governments	-	817,095
Long-term liabilities:		
Due in one year	-	500,000
Due in more than one year	-	17,348,786
Advances from City	-	535,731
Total Liabilities	-	19,369,872
Net Position:		
Held in trust for other purposes	215,770	(17,517,259)
Total Net Position	\$ 215,770	\$ (17,517,259)

CITY OF REDONDO BEACH

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2021

		Private-Purpose Trust Fund
	Custodial Funds	Redevelopment Obligation Retirement Fund
Additions:		
Charges for services	\$ -	\$ 252,197
RPTTF distributions	-	729,292
Investment earnings	-	5,403
Total Additions	-	986,892
Deductions:		
Interest expense	-	336,520
Contributions to other governments	-	817,095
Total Deductions	-	1,153,615
Changes in Net Position	-	(166,723)
Net Position - Beginning of the Year	-	(17,350,536)
Restatements	215,770	-
Net Position - Beginning of the Year, as restated	215,770	(17,350,536)
Net Position - End of the Year	\$ 215,770	\$ (17,517,259)

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Financial information relating to the component units can be obtained from the City Clerk's Office or Financial Services Department located at City Hall.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

- 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 - accounts 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 - accounts for the operations of small boat harbor facilities available to the general public, including related pier activities. The use of this fund is subject only to the decisions of the City Council.
- Wastewater Fund - accounts for the capital facility charge and a sewer use 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

- Solid Waste Fund – accounts for the revenues and expenses related to the City's comprehensive solid waste program, which includes refuse collection, recycling and hazardous waste disposal.
- Transit Fund – accounts for public transportation programs and projects of the City.

Fiduciary Fund Financial Statements

The City maintains two fiduciary fund types. The first is a private-purpose trust fund which uses the economic resources measurement focus and the accrual basis of accounting. Private-purpose trust funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The second is a custodial fund.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

d. Restricted Cash and Investments

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

e. Prepaid Items

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

f. Interfund Transactions

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

g. Capital Assets

In the Government-Wide Financial Statements, capital assets, which include land, buildings, improvements, equipment, furniture, 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 2019, 2020 and 2021, the City's street system was rated at a PCI of 66, 72 and 70 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.

Interest accrued during capital assets construction, if any, is capitalized for the governmental and proprietary funds as part of the asset cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

In the 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 fund types and proprietary fund types.

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

i. Unearned/Unavailable Revenue

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

j. Compensated Absences Payable

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

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

k. Claims and Judgments Payable

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

I. 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 are 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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

n. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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."

o. Fund Balances

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

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

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

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

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

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

p. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

q. 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

r. 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.

s. 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 position 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 refunding debt. Secondly, the City also has deferred outflows related to pensions, which arises only under a full accrual basis of accounting. Accordingly, this item (pension related items), is reported only in the government-wide statement of net position.

This includes pension contributions subsequent to the measurement date of the net pension liability and other amounts (see Note 11), which are amortized by an actuarial determined period. Thirdly, the City has deferred outflows related to Other 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 position 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 two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Firstly, the City also has deferred inflows of resources 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. These amounts

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

(see Note 11) are amortized by an actuarial determined period. Secondly, the City also has deferred inflows of resources related to OPEB, which arise only under a full accrual basis of accounting.

t. 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.

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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

u. Recognition of Deferred Outflows and Deferred Inflows of Resources

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) (8.1 years at July 1, 2019)

Note 2: Stewardship, Compliance, and Accountability**Deficit Fund Balance**

The following funds had a deficit balance as of June 30, 2021:

Major Funds:	
Other Intergovernmental Grants	\$ (4,008,147)
Non-Major Funds:	
Community Development Block Grant	(167,575)
Measure W	(142,701)
Internal Service Funds:	
Self-Insurance Program	(8,990,999)

The deficit fund balances are expected to be recovered through grant and other reimbursement revenues.

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Cash and Investments

Cash and investments are presented on the Statement of Net Position as follows at June 30, 2021:

	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	\$ 71,372,797	\$ 36,539,891	\$ 107,912,688	\$ 2,029,109	\$ 109,941,797
Restricted cash and investments with fiscal agents	152,975	5	152,980	-	152,980
Total	<u>\$ 71,525,772</u>	<u>\$ 36,539,896</u>	<u>\$ 108,065,668</u>	<u>\$ 2,029,109</u>	<u>\$ 110,094,777</u>

Cash, cash equivalents, and investments consisted of the following at June 30, 2021:

Cash and cash equivalents:

Petty cash	\$ 12,800
Demand deposits - City	16,615,277
Demand deposits - Successor Agency	<u>1,239,922</u>
Total cash and cash equivalents	<u>17,867,999</u>

Investments:

Local Agency Investment Fund (LAIF) - City	23,239,750
Local Agency Investment Fund (LAIF) - Successor Agency	1,857,029
Negotiable certificates of deposit	1,819,799
Corporate Bonds	19,571,340
US Government Securities	13,855,210
Federal Agency Securities	<u>31,730,670</u>
Total investments	<u>92,073,798</u>
Total cash and investments	<u>109,941,797</u>

Cash and investments with fiscal agents	<u>152,980</u>
Total	<u>\$ 110,094,777</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Cash and Investments (Continued)

b. Investments

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

- United States Treasury Bills, Notes and Bonds
- Obligations issued by the Federal Government
- Bankers' Acceptances with a maturity of 180 days or less
- Time Certificates of Deposits
- Negotiable Certificates of Deposit
- Commercial Paper with a maturity of 270 days or less
- Local Agency Investment Fund (LAIF) limited to \$75,000,000 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, 2021, 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, 2021, the City and the Successor Agency had \$25,096,779 invested in LAIF, which had invested 1.10% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.00008297 was used to calculate the fair value of the investments in LAIF.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Cash and Investments (Continued)

c. Deposit and Investment Risk

Credit Risk

The City's investment policy limits investments in medium-term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or "A2" or higher by Moody's. As of June 30, 2021, all MTN's were rated "A2" or higher by Moody's. As of June 30, 2021, the City's Federal Agency investments were rated "AA+" by Moody's and "Aaa" by S&P. All securities were investment grade and were in accordance with State and City law. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2021, 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 \$17,855,199 at June 30, 2021. Bank balances at June 30, 2021, were \$18,376,019 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, 2021, 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.

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Cash and Investments (Continued)

The City has invested more than 5% of the total investment value with the following issuers:

		% of Total Investments
Federal Home Loan Bank	\$ 6,277,260	7%
Federal Farm Credit Bank	16,222,860	18%
Fannie Mae	5,177,490	6%
	<u>\$ 27,677,610</u>	<u>31%</u>

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, 2021, 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 -	\$ 25,096,779	\$ -	\$ -	\$ -	\$ 25,096,779
Local Agency Investment Fund					
Negotiable certificate of deposits	507,150	256,105	795,398	261,146	1,819,799
US Treasury Notes	4,044,300	-	-	9,810,910	13,855,210
Federal Agencies					
Federal Farm Credit Bank	-	2,042,160	11,070,880	3,109,820	16,222,860
Federal Home Loan Bank	-	4,129,880	-	2,147,380	6,277,260
Fannie Mae	-	-	-	5,177,490	5,177,490
Federal National Mortgage Association	2,007,020	2,046,040	-	-	4,053,060
Corporate Bonds	6,094,790	6,142,920	7,333,630	-	19,571,340
Total Investments	<u>\$ 37,750,039</u>	<u>\$ 14,617,105</u>	<u>\$ 19,199,908</u>	<u>\$ 20,506,746</u>	<u>\$ 92,073,798</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.

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Cash and Investments (Continued)

Fair Value Hierarchy

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

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2021.

Investments by Fair Value Level	Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3
US Treasury Notes	\$ 13,855,210	\$ 13,855,210	\$ -	\$ -
Federal Farm Credit Bank	16,222,860	-	16,222,860	-
Federal Home Loan Bank	6,277,260	-	6,277,260	-
Federal Home Loan Mortgage Corporation	-	-	-	-
Federal National Mortgage Association	4,053,060	-	4,053,060	-
Fannie Mae	5,177,490	-	5,177,490	-
Corporate Bonds	19,571,340	-	19,571,340	-
Negotiable Certificates of Deposit	1,819,799	-	1,819,799	-
Total Investments by Fair Value Level	66,977,019	\$ 13,855,210	\$ 53,121,809	\$ -
Investments measured at Net Asset Value				
Local Agency Investment Fund (LAIF)	25,096,779			
Total Investments	\$ 92,073,798			

Deposits and securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Local Agency Investment Funds classified in Level 2 of the fair value hierarchy are valued using specified fair market 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, 2021:

	Government-Wide Statement of Net Position		Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities		
Accounts receivable	\$ 4,170,570	\$ 628,985	\$ -	\$ 4,799,555
Accrued interest receivable	238,966	118,420	1,516	358,902
Taxes receivable	6,104,291	199,023	-	6,303,314
Notes and loans receivable	3,156,431	-	-	3,156,431
Total	\$ 13,670,258	\$ 946,428	\$ 1,516	\$ 14,618,202

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 4: Receivables (Continued)

At June 30, 2021, 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, 2021, was as follows:

Governmental Funds:	
General Fund	\$ 3,323,627
Other Intergovernmental Grants	438,953
Remaining Governmental Funds	393,371
Total Governmental Funds	<u>4,155,951</u>
Proprietary Funds:	
Harbor Tidelands	345,698
Harbor Uplands	129,820
Wastewater	25,497
Solid Waste	127,970
Internal Service Funds	14,619
Total proprietary funds	<u>643,604</u>
Total	<u>\$ 4,799,555</u>

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, 2021, was as follows:

Governmental Funds:	
General Fund	\$ 192,076
Non-Major Funds	46,890
Total Governmental Funds	<u>238,966</u>
Proprietary Funds:	
Harbor Tidelands - Enterprise Fund	40,195
Harbor Uplands - Enterprise Fund	4,136
Wastewater - Enterprise Fund	74,089
Total Proprietary Funds	<u>118,420</u>
Fiduciary Funds:	
Redevelopment Obligation Retirement Fund	1,516
Total Fiduciary Funds	<u>1,516</u>
Total	<u>\$ 358,902</u>

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 4: Receivables (Continued)

b. Taxes Receivable

At June 30, 2021, 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	\$ 1,792,239	\$ 259,394	\$ 107,651	\$ 91,372	\$ 2,250,656
Sales Taxes	2,193,647	-	-	-	2,193,647
Transient Occupancy Taxes	809,739	-	-	-	809,739
Utility Users Taxes	533,655	-	-	-	533,655
Franchise Taxes	254,507	-	-	-	254,507
Transfer Taxes	261,110	-	-	-	261,110
Total Taxes	<u>\$ 5,844,897</u>	<u>\$ 259,394</u>	<u>\$ 107,651</u>	<u>\$ 91,372</u>	<u>\$ 6,303,314</u>

c. Loans Receivable

At June 30, 2021, the City had the following 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	-	-	356,829	356,829
Senior Housing Program	-	2,390,943	-	2,390,943
Computer Loan Program	18,667	-	-	18,667
Total	<u>\$ 18,667</u>	<u>\$ 2,780,935</u>	<u>\$ 356,829</u>	<u>\$ 3,156,431</u>

Home Rehabilitation Loans

At June 30, 2021, 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 inflow of resources in the governmental funds. Revenue is recognized in the year of repayment. All loans are secured by trust deeds.

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 4: Receivables (Continued)

Housing Assistance Loans

At June 30, 2021, the City was owed, in its Community Development Block Grant Special Revenue Fund, \$356,829 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 inflow of resources related to these loans. Revenue is recognized in the year of repayment. All loans are secured by trust deeds.

Senior Housing Program

On June 21, 1995, the Agency loaned \$2,200,000 to the Corporate Fund for Housing (a California non-profit public benefit corporation), 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 shall 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, 2021, the loan receivable included accrued interest of \$190,943.

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, 2021, the loan receivable balance was \$18,667.

Note 5: Interfund Transactions

a. Government-Wide Financial Statements

Internal Balances: At June 30, 2021, the City had the following internal receivables and payables for covering cash shortfalls:

	Internal Balances Receivable Governmental Activities
Internal Balances Payable Business-Type Activities	<u>\$ 438,150</u>

Transfers: The City had the following transfers as of June 30, 2021:

	Transfers In Business-Type Activities
Transfers Out Governmental Activities	<u>\$ 273,989</u>

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 5: Interfund Transactions (Continued)

b. Fund Financial Statements

Due to/from Other Funds

The City had the following due to/from other funds as of June 30, 2021:

Due to Other Funds	Due from Other Funds			Total
	General Fund	Non-Major Governmental Funds	Harbor Tidelands Enterprise Fund	
Other Intergovernmental Grants Fund	\$ 5,115,737	\$ -	\$ -	\$ 5,115,737
Low-Mod Income Housing	24,213	-	-	24,213
Non-Major Governmental Funds	698,697	2,240,000	106,836	3,045,533
Harbor Tidelands Enterprise Fund	-	544,986	-	544,986
Total	<u>\$ 5,838,647</u>	<u>\$ 2,784,986</u>	<u>\$ 106,836</u>	<u>\$ 8,730,469</u>

The \$5,115,737 due to other funds in the Other Intergovernmental Grants Fund is to cover negative cash balances.

The \$24,213 due to other funds in the Low-Mod Income Housing Fund is to reimburse the General Fund for housing compliance services.

Of the \$3,045,533 due to other funds in the non-major governmental funds, \$246,282 was to cover negative cash balances and \$341,078 due to other funds in the Housing Authority Special Revenue Fund was to reimburse expenditures made on the Housing Authority's behalf, \$2,240,000 was to fund capital improvement projects, \$111,337 was for the reimbursement of expenditures made on behalf of the Public Financing Authority (PFA) and \$106,836 was for Kincaids rental income passed through to the Harbor Tidelands Fund.

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

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 5: Interfund Transactions (Continued)

Transfers

The City had the following transfers as of June 30, 2021:

Transfers Out	Transfers In									Total
	General Fund	Other Intergovernmental Grants	Non-Major Governmental Funds	Harbor Tidelands	Harbor Uplands	Enterprise Funds Wastewater	Enterprise Funds Solid Waste	Enterprise Funds Transit	Internal Service Funds	
General Fund	\$ -	\$ 1,200	\$ 3,554,988	\$ 11,110	\$ 9,537	\$ 7,184	\$ 7,157	\$ 4,560	\$ 28,980	\$ 3,624,716
Non-Major Governmental Funds	2,857,286	-	2,245,756	-	-	-	-	1,607,736	-	6,710,778
Enterprise Funds:										
Harbor Tidelands	96,299	-	-	-	-	-	-	-	-	96,299
Harbor Uplands	1,650,837	-	-	-	-	-	-	-	-	1,650,837
Wastewater	-	-	-	-	-	-	-	-	173,701	173,701
Transit	-	-	436	-	-	-	-	-	-	436
Internal Service Funds	304	-	-	-	-	-	-	-	-	304
Total	\$ 4,604,726	\$ 1,200	\$ 5,801,180	\$ 11,110	\$ 9,537	\$ 7,184	\$ 7,157	\$ 1,612,296	\$ 202,681	\$ 12,257,071

Of the \$3,624,716 transfer from the General Fund, \$894,299 was a street landscaping and lighting district subsidy, \$1,650,837 was for the 2019 Lease Revenue Refunding bond debt service payments, \$1,000,000 was for capital projects and the remaining \$79,580 transfer was to account for new MOUs.

Of the \$6,710,778 transfer from the non-major governmental funds, \$1,613,492 was transferred to the Transit Enterprise Fund for a transit subsidy, \$2,857,286 was transferred to the General Fund as a return of prior funding.

The \$2,240,000 transfer from the non-major Public Financing Authority (PFA) governmental fund to the Capital Improvement project non-major governmental fund was to fund capital projects.

The \$96,299 transfer from the Harbor Tidelands Enterprise Fund to the General Fund was for the property tax in lieu fee.

The \$304 transfer from the Information Technology Internal Service fund to the General Fund was for new MOUs.

The \$1,650,837 transfer from the Harbor Uplands Enterprise Fund to the General Fund was for the 2019 Lease Revenue Refunding bond debt service payments.

The \$173,701 transfer from the Wastewater Enterprise Fund to internal service funds was to account for new MOUs.

Note 6: 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 (CONTINUED)
YEAR ENDED JUNE 30, 2021**Note 6: Capital Assets (Continued)**

At June 30, 2021, 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	18,498,741	6,320,109	24,818,850
Infrastructure-streets	54,054,036	-	54,054,036
Total non-depreciable assets	89,075,724	26,643,364	115,719,088
Depreciable assets:			
Buildings and improvements	54,813,679	39,016,662	93,830,341
Furniture and equipment	11,447,055	1,082,431	12,529,486
Automotive equipment	18,677,720	3,601,229	22,278,949
Leased equipment	1,544,327	-	1,544,327
Infrastructure	98,484,188	32,098,685	130,582,873
Total depreciable assets	184,966,969	75,799,007	260,765,976
Less accumulated depreciation for:			
Buildings and improvements	26,824,785	20,838,974	47,663,759
Furniture and equipment	8,377,490	964,297	9,341,787
Automotive equipment	13,574,495	2,207,679	15,782,174
Leased equipment	948,217	-	948,217
Infrastructure	59,228,000	13,719,384	72,947,384
Total accumulated depreciation	108,952,987	37,730,334	146,683,321
Total depreciable assets, net	76,013,982	38,068,673	114,082,655
Total capital assets, net	\$ 165,089,706	\$ 64,712,037	\$ 229,801,743

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

	Balance at June 30, 2020	Additions	Deletions	Transfers	Balance at June 30, 2021
Non-depreciable assets:					
Land	\$ 16,522,947	\$ -	\$ -	\$ -	\$ 16,522,947
Construction in progress	11,750,941	10,081,592	-	(3,333,792)	18,498,741
Infrastructure-streets	54,054,036	-	-	-	54,054,036
Total non-depreciable assets	82,327,924	10,081,592	-	(3,333,792)	89,075,724
Depreciable assets:					
Buildings and improvements	54,245,677	208,419	-	359,583	54,813,679
Furniture and equipment	11,008,826	438,229	-	-	11,447,055
Automotive equipment	17,947,692	1,322,980	(592,952)	-	18,677,720
Leased equipment	1,544,327	-	-	-	1,544,327
Infrastructure	92,328,265	3,181,714	-	2,974,209	98,484,188
Total depreciable assets	177,074,787	5,151,342	(592,952)	3,333,792	184,966,969
Less accumulated depreciation for:					
Buildings and improvements	25,326,285	1,498,500	-	-	26,824,785
Furniture and equipment	7,955,226	422,264	-	-	8,377,490
Automotive equipment	12,286,135	1,868,392	(580,032)	-	13,574,495
Leased equipment	948,217	-	-	-	948,217
Infrastructure	57,029,951	2,198,049	-	-	59,228,000
Total accumulated depreciation	103,545,814	5,987,205	(580,032)	-	108,952,987
Total depreciable assets, net	73,528,973	(835,863)	(12,920)	3,333,792	76,013,982
Governmental activities capital assets, net	\$ 155,856,897	\$ 9,245,729	\$ (12,920)	\$ -	\$ 165,089,706

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 6: Capital Assets (Continued)

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2021, as follows:

General Government:

General Government	\$ 42,436
Public Safety	227,837
Public Works	3,095,180
Cultural and leisure services	1,061,785

Internal Service Funds:

Vehicle Replacement	1,253,962
Building Occupancy	11,751
Information Technology	62,905
Communications Equipment Replace	229,458
Major Facilities Repair	1,891

Total Depreciation Expense	<u>\$ 5,987,205</u>
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The following is a summary of changes in the capital assets for business-type activities for the year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Deletions	Transfers	Balance at June 30, 2021
Non-depreciable assets:					
Land	\$ 20,323,255	\$ -	\$ -	\$ -	\$ 20,323,255
Construction in progress	6,526,231	1,961,595	-	(2,167,717)	6,320,109
Total non-depreciable assets	<u>26,849,486</u>	<u>1,961,595</u>	<u>-</u>	<u>(2,167,717)</u>	<u>26,643,364</u>
Depreciable assets:					
Buildings and improvements	36,726,007	122,938	-	2,167,717	39,016,662
Furniture and equipment	1,066,861	15,570	-	-	1,082,431
Automotive equipment	3,562,814	38,415	-	-	3,601,229
Leased equipment	-	-	-	-	-
Infrastructure	32,098,685	-	-	-	32,098,685
Total depreciable assets	<u>73,454,367</u>	<u>176,923</u>	<u>-</u>	<u>2,167,717</u>	<u>75,799,007</u>
Less accumulated depreciation for:					
Buildings and improvements	19,981,426	857,548	-	-	20,838,974
Furniture and equipment	953,452	10,845	-	-	964,297
Automotive equipment	2,052,948	154,731	-	-	2,207,679
Leased equipment	-	-	-	-	-
Infrastructure	13,287,082	432,302	-	-	13,719,384
Total accumulated depreciation	<u>36,274,908</u>	<u>1,455,426</u>	<u>-</u>	<u>-</u>	<u>37,730,334</u>
Total depreciable assets, net	<u>37,179,459</u>	<u>(1,278,503)</u>	<u>-</u>	<u>2,167,717</u>	<u>38,068,673</u>
Business-type activities capital assets, net	<u>\$ 64,028,945</u>	<u>\$ 683,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,712,037</u>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2021, was charged as follows:

Harbor Tidelands	\$ 420,419
Harbor Uplands	457,709
Wastewater	416,974
Solid Waste	6,755
Transit	153,569
Total depreciation expense	<u>\$ 1,455,426</u>

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**Note 6: Capital Assets (Continued)**

In the governmental fund financial statements, capital assets are not presented. Consequently, capital assets are a reconciling item and are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Note 7: Compensated Absences Payable

The following is a summary of compensated absences payable transactions for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 3,434,431	\$ 2,738,736	\$ (2,378,727)	\$ 3,794,440	\$ 948,611
Business-Type Activities:					
Compensated absences payable	516,552	511,798	(341,820)	686,530	171,634
Total	<u>\$ 3,950,983</u>	<u>\$ 3,250,534</u>	<u>\$ (2,720,547)</u>	<u>\$ 4,480,970</u>	<u>\$ 1,120,245</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 8: Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
CFA 2019 Lease Rev Refunding Bonds	\$ 27,665,000	\$ -	\$ (555,000)	\$ 27,110,000	\$ 570,000
Unamortized bond discount	(722,154)	-	24,072	(698,082)	-
Capital Leases	186,587	-	(89,935)	96,652	89,935
Total governmental activities	<u>\$ 27,129,433</u>	<u>\$ -</u>	<u>\$ (620,863)</u>	<u>\$ 26,508,570</u>	<u>\$ 659,935</u>
Business-type Activities:					
Wastewater Revenue Refunding 2014, Series A Unamortized bond premium	\$ 5,670,000	\$ -	\$ (300,000)	\$ 5,370,000	\$ 310,000
Boating and Waterways Construction Loan 89-21-147	367,582	-	(26,256)	341,326	-
	274,194	-	(274,194)	-	-
Total business-type activities	<u>\$ 6,311,776</u>	<u>\$ -</u>	<u>\$ (600,450)</u>	<u>\$ 5,711,326</u>	<u>\$ 310,000</u>

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**Note 8: Long-Term Debt (Continued)**

The following amount was reported as deferred outflows of resources at the end of June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Deferred outflows of resources				
Deferred loss on refunding	\$ 359,908	\$ -	\$ (25,708)	\$ 334,200

Community Financing Authority 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 shall 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, 2021, the balance outstanding was \$27,110,000, with an unamortized discount of \$698,082.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 570,000	\$ 1,081,413	\$ 1,651,413
2023	585,000	1,065,738	1,650,738
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
2027-2031	3,550,000	4,713,825	8,263,825
2032-2036	4,285,000	3,972,113	8,257,113
2037-2041	5,240,000	3,018,150	8,258,150
2042-2046	6,445,000	1,814,538	8,259,538
2047-2049	4,565,000	393,338	4,958,338
Total	<u>\$ 27,110,000</u>	<u>\$ 19,147,847</u>	<u>\$ 46,257,847</u>

The following is a summary of the 2019A Lease Revenue Refunding unamortized discount outstanding at June 30, 2021:

Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
\$ (722,154)	\$ -	\$ 24,072	\$ (698,082)

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 8: Long-Term Debt (Continued)

Capital Leases

The City has entered into various lease purchase agreements for equipment. These leases have been classified as capital leases. The related assets have been capitalized in the government-wide financial statements at the initial present value of the lease payments. The balance outstanding at June 30, 2021, was \$96,652 in governmental activities.

The total leased assets by major asset class consisted of the following:

	<u>June 30, 2021</u>
Equipment under capitalized lease, at cost	\$ 1,541,019
Accumulated depreciation	<u>(948,217)</u>
Equipment under capitalized lease, net	<u>\$ 592,802</u>

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, 2021, the balance outstanding was \$5,370,000, with an unamortized bond premium of \$341,326.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 310,000	\$ 234,138	\$ 544,138
2023	325,000	221,738	546,738
2024	340,000	205,488	545,488
2025	355,000	188,488	543,488
2026	375,000	170,738	545,738
2027-2031	2,150,000	586,838	2,736,838
2032-2034	<u>1,515,000</u>	<u>122,800</u>	<u>1,637,800</u>
Total	<u>\$ 5,370,000</u>	<u>\$ 1,730,228</u>	<u>\$ 7,100,228</u>

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**Note 8: Long-Term Debt (Continued)**

The following is a summary of the 2014 Revenue Bond Series A unamortized premium outstanding at June 30, 2021:

Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
\$ 367,582	\$ -	\$ (26,256)	\$ 341,326

Boating and Waterways Construction Loan 89-21-147

In 1989, the City entered into a \$4,500,000 construction loan agreement with the California Department of Boating and Waterways (Contract No. 89-21-147) at an interest rate of 4.5%. Proceeds of the loan were used to finance the City's cost-sharing obligations in connection with the Federal breakwater improvement program, storm repairs and hazard-mitigation projects. As of June 30, 2021, the balance outstanding was zero.

Note 9: Operating Lease Income**Harbor Tidelands and Uplands Enterprise Operating Leases**

The Harbor Tidelands and Harbor Uplands Enterprise Funds were created to provide small boat harbor facilities to the general public. The Harbor Tidelands and Harbor Uplands Enterprise Funds operate as landlords, assigning or leasing facilities and land area. Principal sources of income are from rental of land and facilities.

A major portion of the operating revenue of the Harbor Tidelands and Uplands Enterprise Funds arise from long-term leases of land, pier space, waterways and other facilities which require the lessees to make substantial investments in leasehold improvements. These leases are accounted for as operating leases.

The total cost of the assets leased was \$10,406,895, less accumulated depreciation of \$1,241,527. The balance as of June 30, 2021 was \$9,165,367.

The following is a schedule, by year, of minimum future lease rentals on non-cancellable operating leases as of June 30, 2021:

Year Ending June 30	Minimum Future Lease Rentals
2022	\$ 7,163,957
2023	7,208,932
2024	7,161,395
2025	7,102,006
2026	7,105,450
2027-2031	34,085,189
2032-2036	11,862,746
2037-2041	9,603,005
2042-2046	9,603,005
2047-2051	9,603,005
2052-2056	9,603,005
2057-2061	9,603,005
2062-2066	3,577,235
2067-2069	1,101,720
Totals	\$ 134,383,655

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 9: Operating Lease Income (Continued)

The above accounts do not include lease rental income based on a percentage of lessee's gross revenues that may be received under the leases.

Note 10: 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, 2021, the estimated claims payable for workers' compensation was \$16,858,982, which included claims incurred but not reported (IBNR). The current year's portion of the claims was \$710,192.

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, 2021, the estimated claims payable for general liability was \$6,609,560, which included IBNR. The current year's portion was \$1,358,340. Governmental activities claims and judgments are generally liquidated by the General Fund.

	Liability on June 30, 2021
General Liability	\$ 6,609,560
Workers' Compensation	16,858,982
Total Claims Payable	<u>\$ 23,468,542</u>
Due within on year	\$ 2,068,532
Due in more than one year	21,400,010
	<u>\$ 23,468,542</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.

Changes in the reported liability resulted from the following:

Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
\$ 24,681,132	\$ 4,488,781	\$ (5,701,371)	\$ 23,468,542	\$ 2,068,532

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: 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, 2018 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for 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
		On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Hire date	Prior to May 1, 2012	On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.092%-2.418%	1.0%-2.5%
Required employee contribution rates	7.00%	7.00%	7.25%
Required employer contribution rates.	29.852%	29.852%	29.852%

	Safety		
	Tier 1	Tier 2	Tier 3
		On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Hire date	Prior to May 1, 2012	On or after May 1, 2012 and before January 1, 2013	On or after January 1, 2013
Benefit formula	Police - 3% @ 50 Fire - 3% @ 55	Police & 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	70.762%	70.762%	70.762%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021
Note 11: Employee Retirement Plans (Continued)

As of the valuation date of June 30, 2019, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	498	299
Inactive employees entitled to but not yet receiving benefits	372	52
Active employees	335	143
Total	1,205	494

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, 2021, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$17,755,884.

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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Changes of Assumptions

None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes to the discount rate. In 2017, the discount rate was reduced from 7.65 to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Employee Retirement Plans (Continued)***Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
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		

(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 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.capers.ca.gov.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021
Note 11: Employee Retirement Plans (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

Asset Class*	Assumed Asset Allocation	Real Return Years 1-10**	Real Return Years 11+***
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

* In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

** An expected inflation of 2.00% used for this period.

***An expected inflation of 2.92% used for this period.

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: 6/30/2019 - Measurement Date	\$ 220,668,380	\$ 157,714,145	\$ 62,954,235
Changes Recognized for the Measurement Period:			
Service Cost	3,426,450	-	3,426,450
Interest on the Total Pension Liability	15,398,568	-	15,398,568
Differences between Expected and Actual Experience	(1,088,566)	-	(1,088,566)
Contributions from the Employer	-	5,895,816	(5,895,816)
Contributions from the Employees	-	1,487,258	(1,487,258)
Net Investment Income	-	7,811,724	(7,811,724)
Benefit Payments, including Refunds of Employee Contributions	(11,856,917)	(11,856,917)	-
Administrative Expense	-	(222,338)	222,338
Net Changes during 2019-20	5,879,535	3,115,543	2,763,992
Balance at: 6/30/2020 - Measurement Date (1)	\$ 226,547,915	\$ 160,829,688	\$ 65,718,227

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Employee Retirement Plans (Continued)

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 (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2019 - Measurement Date	<u>\$ 381,877,303</u>	<u>\$ 246,237,412</u>	<u>\$ 135,639,891</u>
Changes Recognized for the Measurement Period:			
Service Cost	5,883,763	-	5,883,763
Interest on the Total Pension Liability	26,796,647	-	26,796,647
Differences between Expected and Actual Experience	968,299	-	968,299
Contributions from the Employer	-	11,860,288	(11,860,288)
Contributions from the Employees	-	1,816,584	(1,816,584)
Net Investment Income	-	12,249,408	(12,249,408)
Benefit Payments, including Refunds of Employee Contributions	(22,018,409)	(22,018,409)	-
Administrative Expense	-	(347,134)	347,134
Net Changes during 2019-20	<u>11,630,300</u>	<u>3,560,737</u>	<u>8,069,563</u>
Balance at: 6/30/2020 - Measurement Date (1)	<u>\$ 393,507,603</u>	<u>\$ 249,798,149</u>	<u>\$ 143,709,454</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.

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Net Pension Liability	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	\$ 93,767,534	\$ 65,718,227	\$ 42,376,910
Safety Plan	192,853,466	143,709,454	102,950,644
	<u>\$ 286,621,000</u>	<u>\$ 209,427,681</u>	<u>\$ 145,327,554</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.

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Employee Retirement Plans (Continued)

For the measurement period ending June 30, 2020 (the measurement date) and fiscal year ending June 30, 2021, the City incurred a pension expense of \$8,411,302 and 20,572,361 the miscellaneous and safety plans, respectively.

As of June 30, 2020 (the measurement date), the following were the reported deferred outflows of resources and deferred inflows of resources related to all pension plans:

	<i>Miscellaneous</i>		<i>Safety</i>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2020	\$ 6,314,575	\$ -	\$ 12,915,506	\$ -
Change of Assumption	-	-	-	(176,520)
Difference between Expected and Actual Experience	1,298,931	(699,792)	4,759,873	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,208,883	-	1,688,133	-
	<u>\$ 8,822,389</u>	<u>\$ (699,792)</u>	<u>\$ 19,363,512</u>	<u>\$ (176,520)</u>

Contributions subsequent to the measurement date in the amount of \$19,230,081 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, 2022. 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:	<i>Miscellaneous</i>	<i>Safety</i>
	Deferred Outflows/(Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2021	\$ 234,276	\$ 1,900,692
2022	102,560	2,001,032
2023	816,546	1,363,149
2024	654,640	1,006,613

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Employee Retirement Plans (Continued)

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, 2020 (the measurement date).

	Number of Employees
Active Employees	415
Inactives currently receiving benefits	149
Inactives entitled to but not yet receiving benefits	323
Total	<u>887</u>

Contributions. The required contribution of the City is based on a percentage of PERSable payroll. For the measurement date ended June 30, 2020 the City's cash contributions were \$2,214,831.

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Employee Retirement Plans (Continued)

Net OPEB Liability. The City's net OPEB Liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2020 based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Contribution Policy	City contributes full ADC
Discount Rate	6.75%
Long-Term Expected Rate of Return on Assets	Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	2.75%
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019
Salary Increases	Aggregate - 3% annually Merit - CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
PEMHCA Minimum Increases	Currently covered - 3.3% for 2020, increasing to ultimate rate of 50% in 2033 Not currently covered - 90% of above rates
Life Insurance Participation	Future retirees: 10%
Change of assumptions	ACA excise tax removed
Changes of benefit terms	None

Expected Long Term Rate of Return.

Asset Class Component	Target Allocation CERBT - Strategy 1	Expected Real Rate of Return
Global Equity	59%	4.82%
Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
(1) Assumed Long-Term Rate of Inflation		2.75%
(2) Expected Long-Term Net Rate of Return, rounded to the nearest quarter percent		6.75%

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021
Note 11: Employee Retirement Plans (Continued)

Discount Rate. The discount rate used to measure the total OPEB liability was 6.75 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, 2020 (valuation date June 30, 2019)	\$ 23,544,279	\$ 6,841,221	\$ 16,703,058
Changes recognized for the measurement period:			
Service cost	854,481	-	854,481
Interest	1,592,234	-	1,592,234
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	(359,831)	-	(359,831)
Contributions - employer	-	2,214,831	(2,214,831)
Net investment income	-	300,557	(300,557)
Benefit payments	(1,620,198)	(1,620,198)	-
Administrative expenses	-	(9,132)	9,132
Net changes	466,686	886,058	(419,372)
Balance at June 30, 2021 (measurement date June 30, 2020)	<u>\$ 24,010,965</u>	<u>\$ 7,727,279</u>	<u>\$ 16,283,686</u>

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, 2020

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 18,679,698	\$ 16,283,686	\$ 14,223,036

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, 2020.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 15,688,441	\$ 16,283,686	\$ 17,053,843

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.

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Employee Retirement Plans (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$1,572,062. As of fiscal year ended June 30, 2021 (June 30, 2020 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	\$ 1,975,728	\$ -
Differences between expected and actual experience	-	1,892,786
Changes of assumptions	1,476,000	1,381,658
Net difference between projected and actual earnings on OPEB plan investments	71,695	-
Total	<u>\$ 3,523,423</u>	<u>\$ 3,274,444</u>

The \$1,975,728 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, 2022. 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
2022	\$ (347,879)
2023	(287,878)
2024	(273,560)
2025	(264,512)
2026	(247,381)
Thereafter	(305,539)
	<u>\$ (1,726,749)</u>

Note 12: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Commitments and Contingencies (Continued)**c. Commitments**

The following material construction commitments existed at June 30, 2021:

Project Name	Contract Amount	Expenditures to date as of June 30, 2021	Remaining Commitments
RB Transit Center Construction	\$ 12,202,326	\$ 5,832,228	\$ 6,370,098
Traffic Signal Equipment	1,144,032	76,897	1,067,135

Note 13: Pollution Remediation Obligations

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

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

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 14: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021
Note 14: Successor Agency (Continued)

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.

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, 2021 is as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
Successor Agency:					
County Deferral Loan-1983 Tax Increment	\$ 6,934,419	\$ -	\$ -	\$ 6,934,419	\$ -
County Deferral Loan-1984 Tax Increment	7,154,367	-	-	7,154,367	-
City Loan-South Bay Center	4,220,000	-	460,000	3,760,000	500,000
Total	<u>\$ 18,308,786</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$ 17,848,786</u>	<u>\$ 500,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 14: Successor Agency (Continued)

1983 Tax Increment Deferral - On November 15, 1983, the Agency and the County of Los Angeles (County) entered into an agreement for reimbursement of tax increment funds. It was recognized that the South Bay Center Project Area needed to utilize a substantial portion of the annual tax increment in the early years to finance its redevelopment activities. Therefore, the County taxing entities agreed to defer receipt of tax increment reimbursement from the Agency. This deferral is debt of the Agency to be repaid only from the Agency's share of future pledged tax increment. There is no fixed payment schedule to repay this loan and is non-interest bearing. The balance outstanding at June 30, 2021, was \$6,934,419.

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 is non-interest bearing. The balance outstanding at June 30, 2021, was \$7,154,367.

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, 2021, the balance outstanding was \$3,760,000.

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, 2021, the outstanding balance was \$535,731.

Note 15: Risks and Uncertainties

a. Grants

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

b. Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2021 (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

CITY OF REDONDO BEACH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 15: Risks and Uncertainties (Continued)

could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

Note 16: Subsequent Events

a. Issuance of Debt

In July 2021, the Redondo Beach Community Financing Authority issued the Series 2021A Lease Revenue Bonds for \$226,180,000. The 2021A bonds were issued to fund the City's obligation to California Public Employees' Retirement System (CalPERS).

Note 17: Restatement

Restatement at June 30, 2021, the City reported a restatement in the amount of \$215,770 in the custodial funds in the Statement of Changes in Fiduciary Net Position. The restatement was due to the implementation of GASB Statement No. 84, Fiduciary Activities, for accounting and financial reporting purposes. The adjustment will convert former agency funds, which previously only reported assets and liabilities, to a full accrual custodial fund with an economic resources measurement focus to include the reporting of the custodial funds net position

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REQUIRED SUPPLEMENTARY INFORMATION

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

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.

As of June 30, 2021, there were no major funds with an excess of expenditures over appropriations.

CITY OF REDONDO BEACH

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 17,546,140	\$ 17,546,140	\$ 17,546,140	\$ -
Resources (Inflows):				
Taxes	62,340,000	63,270,000	67,619,669	4,349,669
Interdepartmental	9,417,289	9,379,851	9,379,851	-
Licenses and permits	1,868,309	1,851,404	1,641,684	(209,720)
Intergovernmental	310,000	204,987	275,476	70,489
Charges for services	8,181,705	6,748,285	6,622,881	(125,404)
Use of money and property	3,049,050	1,241,700	880,216	(361,484)
Fines and forfeitures	1,227,500	1,194,480	1,317,110	122,630
Miscellaneous	3,056,710	2,986,955	2,941,472	(45,483)
Transfers in	3,442,365	4,854,567	4,604,726	(249,841)
Amounts Available for Appropriations	110,439,068	109,278,369	112,829,225	3,550,856
Charges to Appropriation (Outflow):				
General government				
Mayor and city council	616,140	647,366	621,169	26,197
City clerk	1,281,740	1,322,384	1,135,585	186,799
City treasurer	385,706	399,045	330,659	68,386
City attorney	3,338,603	3,371,141	3,347,359	23,782
City manager	1,111,911	1,288,681	1,062,987	225,694
Human resources	2,107,236	2,428,307	2,180,238	248,069
Financial services	2,312,471	2,486,962	2,486,961	1
Public safety				
Police	40,491,201	41,527,302	40,561,982	965,320
Fire	19,456,463	19,646,158	19,370,036	276,122
Housing and community development				
Community development	3,393,520	3,720,175	3,429,696	290,479
Waterfront and economic development	479,352	387,768	292,818	94,950
Cultural and leisure services				
Community services	5,908,207	5,390,621	5,113,796	276,825
Library	4,140,094	3,932,456	3,932,454	2
Public works				
Public works	6,775,137	7,027,952	6,866,827	161,125
Capital outlay	-	211,978	192,777	19,201
Transfers out	1,095,147	2,734,178	3,624,716	(890,538)
Total Charges to Appropriations	92,892,928	96,522,474	94,550,060	1,972,414
Budgetary Fund Balance, June 30	\$ 17,546,140	\$ 12,755,895	\$ 18,279,165	\$ 5,523,270

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
 OTHER INTERGOVERNMENTAL GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (2,679,430)	\$ (2,679,430)	\$ (2,679,430)	\$ -
Resources (Inflows):				
Intergovernmental	3,079,946	14,570,098	3,242,579	(11,327,519)
Transfers in	-	1,200	1,200	-
Amounts Available for Appropriations	400,516	11,891,868	564,349	(11,327,519)
Charges to Appropriation (Outflow):				
General government	154,287	154,287	43,699	110,588
Public safety	182,380	750,784	314,382	436,402
Community development	310,000	610,000	62,088	547,912
Cultural and leisure services	-	661,867	121,184	540,683
Public works	83,821	87,021	86,566	455
Capital outlay	2,349,458	21,792,480	3,944,577	17,847,903
Total Charges to Appropriations	3,079,946	24,056,439	4,572,496	19,483,943
Budgetary Fund Balance, June 30	\$ (2,679,430)	\$ (12,164,571)	\$ (4,008,147)	\$ 8,156,424

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CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
 LOW-MOD INCOME HOUSING
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 4,143,211	\$ 4,143,211	\$ 4,143,211	\$ -
Resources (Inflows):				
Use of money and property	-	-	(3,805)	(3,805)
Miscellaneous	359,650	359,650	112,000	(247,650)
Amounts Available for Appropriations	4,502,861	4,502,861	4,251,406	(251,455)
Charges to Appropriation (Outflow):				
Housing and community development	280,500	340,500	114,255	226,245
Total Charges to Appropriations	280,500	340,500	114,255	226,245
Budgetary Fund Balance, June 30	\$ 4,222,361	\$ 4,162,361	\$ 4,137,151	\$ (25,210)

CITY OF REDONDO BEACH

**MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018
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 seven years are shown.

Notes to Schedule:Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 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:

None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

2019	2020	2021
\$ 3,370,814	\$ 3,397,192	\$ 3,426,450
14,225,068	14,990,021	15,398,568
(291,950)	4,185,447	(1,088,566)
(1,050,285)	-	-
(10,849,928)	(11,341,781)	(11,856,917)
5,403,719	11,230,879	5,879,535
204,033,782	209,437,501	220,668,380
\$ 209,437,501	\$ 220,668,380	\$ 226,547,915
\$ 4,408,505	\$ 5,141,337	\$ 5,895,816
1,456,828	1,461,551	1,487,258
(355)	-	-
12,226,183	9,905,031	7,811,724
(10,849,928)	(11,341,781)	(11,856,917)
(227,625)	(108,939)	(222,338)
(432,265)	355	-
6,581,343	5,057,554	3,115,543
146,075,248	152,656,591	157,714,145
\$ 152,656,591	\$ 157,714,145	\$ 160,829,688
\$ 56,780,910	\$ 62,954,235	\$ 65,718,227
72.89%	71.47%	70.99%
\$ 20,156,748	\$ 21,343,149	\$ 20,914,206
281.70%	294.96%	314.23%

CITY OF REDONDO BEACH

**MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 2,783,258	\$ 3,517,053	\$ 4,018,056	\$ 4,399,141
Contribution in Relation to the Actuarially Determined Contribution	(2,783,258)	(3,517,053)	(4,018,056)	(4,399,141)
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 seven years are shown.

Note to Schedule:

Valuation Date:

June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method
Assets valuation method
Discount rate
Projected Salary Increases
Inflation
Payroll growth

Entry Age Normal Cost Method
Level percentage of payroll, closed
Fair Value of Assets.
7.00% (net of investment and administrative expenses)
Varies by Entry Age and Service
2.50%
2.75%

2019	2020	2021
\$ 5,140,690	\$ 5,895,512	\$ 6,314,575
(5,140,690)	(5,895,512)	(6,314,575)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,343,149	\$ 20,914,206	\$ 19,503,029
24.09%	28.19%	32.38%

CITY OF REDONDO BEACH

**SAFETY PLAN - AGENT MULTIPLE-EMPLOYER
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018
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 seven years are shown.

Notes to Schedule:Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 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:

None in 2019 or 2020. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

2019	2020	2021
\$ 5,468,356	\$ 5,753,947	\$ 5,883,763
24,611,566	25,990,861	26,796,647
817,752	9,616,039	968,299
(1,235,646)	-	-
(20,097,705)	(20,998,140)	(22,018,409)
9,564,323	20,362,707	11,630,300
351,950,273	361,514,596	381,877,303
\$ 361,514,596	\$ 381,877,303	\$ 393,507,603
\$ 9,310,708	\$ 10,499,397	\$ 11,860,288
1,887,216	1,753,382	1,816,584
(559)	-	-
19,399,983	15,582,752	12,249,408
(20,097,705)	(20,998,140)	(22,018,409)
(358,575)	(170,963)	(347,134)
(680,940)	559	-
9,460,128	6,666,987	3,560,737
230,110,297	239,570,425	246,237,412
\$ 239,570,425	\$ 246,237,412	\$ 249,798,149
\$ 121,944,171	\$ 135,639,891	\$ 143,709,454
66.27%	64.48%	63.48%
\$ 17,552,942	\$ 18,388,027	\$ 18,508,977
694.72%	737.65%	776.43%

CITY OF REDONDO BEACH

**SAFETY PLAN - AGENT MULTIPLE-EMPLOYER
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 6,493,477	\$ 7,448,335	\$ 8,431,955	\$ 9,310,585
Contribution in Relation to the Actuarially Determined Contribution	(6,493,477)	(7,448,335)	(8,431,955)	(9,310,585)
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 seven years are shown.

Note to Schedule:

Valuation Date:

June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method
Assets valuation method
Discount rate
Projected Salary Increases
Inflation
Payroll growth

Entry Age Normal Cost Method
Level percentage of payroll, closed
Fair Value of Assets.
7.00% (net of investment and administrative expenses)
Varies by Entry Age and Service
2.50%
2.75%

2019	2020	2021
\$ 10,498,710	\$ 11,860,372	\$ 12,915,506
(10,498,710)	(11,860,372)	(12,915,506)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 18,388,027	\$ 18,508,977	\$ 18,079,966
57.10%	64.08%	71.44%

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)

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 560,000	\$ 885,210	\$ 911,766	\$ 854,481
Interest on the total OPEB liability	1,521,000	1,581,920	1,635,748	1,592,234
Actual and expected experience difference	(3,502,000)	-	(147,110)	-
Changes in assumptions	2,900,000	-	(1,415,841)	(359,831)
Changes in benefit terms	2,593,000	-	-	-
Benefit payments	(2,002,000)	(1,868,747)	(1,523,667)	(1,620,198)
Net change in total OPEB liability	2,070,000	598,383	(539,104)	466,686
Total OPEB liability - beginning	21,415,000	23,485,000	24,083,383	23,544,279
Total OPEB liability - ending (a)	23,485,000	24,083,383	23,544,279	24,010,965
Plan Fiduciary Net Position				
Contribution - employer	1,428,000	2,191,008	2,217,998	2,214,831
Net investment income	632,000	469,710	497,289	300,557
Benefit payments	(2,002,000)	(1,868,747)	(1,523,667)	(1,620,198)
Administrative expense	(3,000)	(9,679)	(5,691)	(9,132)
Net change in plan fiduciary net position	55,000	782,292	1,185,929	886,058
Plan fiduciary net position - beginning	4,818,000	4,873,000	5,655,292	6,841,221
Plan fiduciary net position - ending (b)	4,873,000	5,655,292	6,841,221	7,727,279
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 18,612,000	\$ 18,428,091	\$ 16,703,058	\$ 16,283,686
Plan fiduciary net position as a percentage of the total OPEB liability	20.75%	23.48%	29.06%	32.18%
Covered-employee payroll	\$ 35,816,000	\$ 36,708,000	\$ 38,823,317	\$ 38,202,693
Net OPEB liability as a percentage of covered-employee payroll	51.97%	50.20%	43.02%	42.62%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: ACA excise tax was removed as of measurement date June 30, 2020. The discount rate was changed from 7.25 percent to 6.75 percent for the measurement period ended June 30, 2017.

CITY OF REDONDO BEACH

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

	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 1,802,000	\$ 2,217,998	\$ 2,214,831	\$ 1,975,728
Contribution in Relation to the Actuarially Determined Contributions	(705,000)	(2,217,998)	(2,214,831)	(1,975,728)
Contribution Deficiency (Excess)	<u>\$ 1,097,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 36,708,000	\$ 38,823,317	\$ 38,202,693	\$ 37,142,464
Contributions as a percentage of covered-employee payroll	4.91%	5.71%	5.80%	5.32%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2019 actuarial

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method	Level percent of payroll
Amortization Valuation Period	19-year average remaining fixed period for 2020/21
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75%
Inflation	2.75%
Mortality	Mortality projected fully generational with Scale MP-2019

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

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2021

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>
2019	66 PCI	Very Good	49%
		Good	30%
		Poor	18%
		Very Poor	3%
2020	72 PCI	Very Good	55%
		Good	32%
		Poor	12%
		Very Poor	1%
2021	70 PCI	Very Good	52%
		Good	34%
		Poor	13%
		Very Poor	1%

The City expended \$5,010,631 on street improvement projects for the fiscal year ended June 30, 2021. 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, 2021 through June 30, 2022 is a minimum of \$12,528,279.

A schedule of budget versus actual for the most recent years since implementation, which preserved City streets at the current 72 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

CITY OF REDONDO BEACH

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2021

MODIFIED APPROACH FOR CITY STREETS INFRASTRUCTURE CAPITAL ASSETS

As of June 30, 2021, 50% of City streets were rated below the targeted average condition level of 75 PCI. However, as noted above, the City is investing in these infrastructure assets as part of the five-year Capital Improvement Program and will continue to rehabilitate and maintain its streets in order to achieve this goal.

Project	Project #	Budget	General Fund Expenditures	Other Fund Expenditures	Total Expenditures
Bus Shelters & Benches	40120	\$ 100,516	\$ -	\$ -	\$ -
Pavement & Sidewalk Repairs	40140	77,435	80,028	-	80,028
Residential Street Rehabilitation	40190	5,235,255	631,477	2,423,132	3,054,609
Citywide Curb Ramp Improvements	40399	193,544	-	37,603	37,603
Traffic Calming Project	40470	670,790	130,548	-	130,548
Bicycle Trans Plan Implementation	40510	187,168	-	166,949	166,949
PCH/Torrance Blvd Right Hand Turn Lane	40650	528	-	-	-
Artesia/Aviation NB Rt Turn Lane	40780	550,837	-	87,231	87,231
PCH Study Recommendations	40800	1,113,065	-	49,847	49,847
PCH/Torrance Blvd NB Rt Turn Lane	40810	95,298	-	7,679	7,679
Bike Plan Grant - Beryl St. Bike Lanes	40940	136,829	-	-	-
Bike Plan Grant - N Catalina Bikelane	40941	414,370	-	-	-
Bike Plan Grant - S Catalina/I Bikelane	40942	44,640	-	-	-
Bike Plan Grant - Lilienthal Bikelane	40943	282,525	-	-	-
Bike Plan Grant - Torrance Blvd Bike Lane	40944	215,790	-	-	-
Bike Plan Grant - Citywide Bike Facilities	40945	853,340	-	-	-
Inglewood at MBB Rt Turn Lane Feasibility	40960	4,770,953	-	465,322	465,322
Riviera Village Parking Meter Replacement	41000	49,955	49,955	-	49,955
Flagler Resurfacing - 190th to Beryl St.	41060	2,320	-	-	-
Torrance Blvd & Francisca Traffic Signal Mod	41070	260,895	-	33	33
Artesia Blvd Improvements - Phase 1	41080	228,782	50,781	-	50,781
Grant Ave Signal Improvements	41090	1,461,703	-	28,588	28,588
Median Reno - PV Blvd/Prospect/MBB	41110	82,182	-	689	689
Beryl Resurfacing & Drainage - Prospect to Flag	41130	1,598,546	-	148,488	148,488
Citywide Slurry Seal Program	41140	965,201	19,617	12,587	32,204
Kingsdale Avenue Widening	41150	982,451	-	1,298	1,298
Manhattan Beach Boulevard Resurfacing	41160	1,717,443	2,385	57,666	60,051
Citywide Striping	41180	134,883	-	26,213	26,213
Artesia Blvd Resurfacing - Harper to Hawthorne	41190	100,000	-	-	-
Citywide Traffic Signal Upgrades	41200	247,331	-	52,261	52,261
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	1,048,546	-	141,414	141,414
Anita/Herondo & PCH WB RT Turn Lane	41240	400,000	-	-	-
NRB Bikeway Ext- Felton to Inglewood	41250	500,000	-	-	-
NRB Bikeway Ext- Inglewood Design	41260	60,000	-	-	-
Sidewalk Improvements & Repairs	41270	700,000	338,840	-	338,840
Traffic Signal Comm & Network System	41280	200,000	-	-	-
		<u>\$ 25,883,121</u>	<u>\$ 1,303,631</u>	<u>\$ 3,707,000</u>	<u>\$ 5,010,631</u>

SUPPLEMENTARY INFORMATION

CITY OF REDONDO BEACH

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	State Gas Tax	Parks and Recreation Facilities	Narcotic Seizure / Forfeiture	Proposition A
Assets:				
Pooled cash and investments	\$ 1,511,707	\$ 56,843	\$ 363,617	\$ 2,260,849
Receivables:				
Accounts	6,623	-	-	-
Taxes	226,323	-	-	-
Notes and loans	-	-	-	-
Accrued interest	4,882	-	1,171	6,781
Due from other governments	-	-	14,464	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,749,535	\$ 56,843	\$ 379,252	\$ 2,267,630
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 54,648	\$ -	\$ 168	\$ -
Due to other funds	-	-	-	-
Total Liabilities	54,648	-	168	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Housing and community development	-	56,843	-	2,267,630
Public safety	-	-	379,084	-
Public works	1,694,887	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,694,887	56,843	379,084	2,267,630
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,749,535	\$ 56,843	\$ 379,252	\$ 2,267,630

CITY OF REDONDO BEACH

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Proposition C	Measure R	Local Transportation Article 3	Air Quality Improvement
Assets:				
Pooled cash and investments	\$ 6,553,565	\$ 1,703,447	\$ -	\$ 250,557
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	24,116	-	-	970
Due from other governments	-	-	38,168	22,244
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 6,577,681	\$ 1,703,447	\$ 38,168	\$ 273,771
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ 660,548	\$ 83,061	\$ -	\$ 231
Due to other funds	-	-	1,016	-
Total Liabilities	660,548	83,061	1,016	231
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Housing and community development	5,917,133	1,620,386	37,152	273,540
Public safety	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	5,917,133	1,620,386	37,152	273,540
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,577,681	\$ 1,703,447	\$ 38,168	\$ 273,771

CITY OF REDONDO BEACH

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	Storm Drain Improvement	Street Landscaping and Lighting District	Community Development Block Grant	Disaster Recovery
Assets:				
Pooled cash and investments	\$ 406,100	\$ 242,826	\$ 6,559	\$ 363,152
Receivables:				
Accounts	-	-	-	-
Taxes	-	33,071	-	-
Notes and loans	-	-	356,829	-
Accrued interest	-	-	-	-
Due from other governments	-	-	235,757	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 406,100	\$ 275,897	\$ 599,145	\$ 363,152
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 275,897	\$ 96,134	\$ 190,306
Due to other funds	-	-	101,557	-
Total Liabilities	-	275,897	197,691	190,306
Deferred Inflows of Resources:				
Unavailable revenues	-	-	569,029	-
Total Deferred Inflows of Resources	-	-	569,029	-
Fund Balances:				
Restricted for:				
Housing and community development	-	-	-	-
Public safety	-	-	-	172,846
Public works	406,100	-	-	-
Debt service	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	(167,575)	-
Total Fund Balances	406,100	-	(167,575)	172,846
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 406,100	\$ 275,897	\$ 599,145	\$ 363,152

CITY OF REDONDO BEACH

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Housing Authority	Subdivision Park Trust	Measure M	Measure W
Assets:				
Pooled cash and investments	\$ 1,582,809	\$ 1,952,542	\$ 2,558,833	\$ 1,008
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	8,821	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,582,809	\$ 1,952,542	\$ 2,567,654	\$ 1,008
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 9,302	\$ 22,335	\$ -
Due to other funds	341,078	-	-	143,709
Total Liabilities	341,078	9,302	22,335	143,709
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Housing and community development	-	1,943,240	-	-
Public safety	-	-	-	-
Public works	-	-	2,545,319	-
Debt service	-	-	-	-
Low and moderate income housing	1,241,731	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	(142,701)
Total Fund Balances	1,241,731	1,943,240	2,545,319	(142,701)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,582,809	\$ 1,952,542	\$ 2,567,654	\$ 1,008

CITY OF REDONDO BEACH

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Capital Projects Funds			
	Capital Improvement Projects	Pier Parking Structure Rehabilitation	Major Facilities Reconstruction	Open Space Acquisition
Assets:				
Pooled cash and investments	\$ 3,821,724	\$ 831	\$ 660,714	\$ 1,345,089
Receivables:				
Accounts	385,742	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	2,240,000	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 6,447,466	\$ 831	\$ 660,714	\$ 1,345,089
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Accounts payable	\$ 399,468	\$ -	\$ -	\$ 41,394
Due to other funds	-	-	-	-
Total Liabilities	399,468	-	-	41,394
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
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	6,047,998	831	660,714	1,303,695
Unassigned	-	-	-	-
Total Fund Balances	6,047,998	831	660,714	1,303,695
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,447,466	\$ 831	\$ 660,714	\$ 1,345,089

CITY OF REDONDO BEACH

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Debt Service Funds		
	Public Financing Authority	Parking Authority	Total Other Governmental Funds
Assets:			
Pooled cash and investments	\$ 2,040,707	\$ 6,102	\$ 27,689,581
Receivables:			
Accounts	1,006	-	393,371
Taxes	-	-	259,394
Notes and loans	-	-	356,829
Accrued interest	145	4	46,890
Due from other governments	4,577,095	-	4,887,728
Due from other funds	544,986	-	2,784,986
Restricted assets:			
Cash and investments with fiscal agents	12	-	12
Total Assets	\$ 7,163,951	\$ 6,106	\$ 36,418,791
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts payable	\$ 12,241	\$ -	\$ 1,845,733
Due to other funds	2,458,173	-	3,045,533
Total Liabilities	2,470,414	-	4,891,266
Deferred Inflows of Resources:			
Unavailable revenues	-	-	569,029
Total Deferred Inflows of Resources	-	-	569,029
Fund Balances:			
Restricted for:			
Housing and community development	-	-	12,115,924
Public safety	-	-	551,930
Public works	-	-	4,646,306
Debt service	4,693,537	6,106	4,699,643
Low and moderate income housing	-	-	1,241,731
Assigned to:			
Capital projects	-	-	8,013,238
Unassigned	-	-	(310,276)
Total Fund Balances	4,693,537	6,106	30,958,496
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,163,951	\$ 6,106	\$ 36,418,791

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	State Gas Tax	Parks and Recreation Facilities	Narcotic Seizure / Forfeiture	Proposition A
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,695,727	-	-	1,377,684
Charges for services	-	19,600	-	-
Use of money and property	(25,159)	-	(6,568)	5,361
Fines and forfeitures	-	-	14,464	-
Miscellaneous	16,308	-	-	-
Total Revenues	2,686,876	19,600	7,896	1,383,045
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	45,398	-
Housing and community development	-	-	-	-
Culture and leisure services	-	-	-	-
Public works	1,368,395	-	-	-
Capital outlay	1,048,947	-	100,773	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,417,342	-	146,171	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	269,534	19,600	(138,275)	1,383,045
Other Financing Sources (Uses):				
Transfers in	7,620	-	-	-
Transfers out	-	-	-	(1,607,736)
Total Other Financing Sources (Uses):	7,620	-	-	(1,607,736)
Net Change in Fund Balances	277,154	19,600	(138,275)	(224,691)
Fund Balances, Beginning of Year	1,417,733	37,243	517,359	2,492,321
Fund Balances, End of Year	\$ 1,694,887	\$ 56,843	\$ 379,084	\$ 2,267,630

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

Special Revenue Funds

	Proposition C	Measure R	Local Transportation Article 3	Air Quality Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,142,740	858,243	38,170	108,909
Charges for services	-	-	-	-
Use of money and property	(8,257)	1,151	-	(867)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,134,483	859,394	38,170	108,042
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Housing and community development	-	-	-	41,004
Culture and leisure services	507	-	-	-
Public works	12,849	22,724	-	-
Capital outlay	2,438,815	1,126,626	1,051	91,662
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,452,171	1,149,350	1,051	132,666
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,317,688)	(289,956)	37,119	(24,624)
Other Financing Sources (Uses):				
Transfers in	-	5,756	-	240
Transfers out	(5,756)	-	-	-
Total Other Financing Sources (Uses):	(5,756)	5,756	-	240
Net Change in Fund Balances	(1,323,444)	(284,200)	37,119	(24,384)
Fund Balances, Beginning of Year	7,240,577	1,904,586	33	297,924
Fund Balances, End of Year	\$ 5,917,133	\$ 1,620,386	\$ 37,152	\$ 273,540

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Storm Drain Improvement	Street Landscaping and Lighting District	Community Development Block Grant	Disaster Recovery
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	420,000
Charges for services	33,318	1,509,648	-	80
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	6,150	-	1,210,457
Total Revenues	33,318	1,515,798	-	1,630,537
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	520,454
Housing and community development	-	-	175,192	-
Culture and leisure services	-	-	-	196,154
Public works	-	2,410,097	-	416,073
Capital outlay	-	-	30,446	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	2,410,097	205,638	1,132,681
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,318	(894,299)	(205,638)	497,856
Other Financing Sources (Uses):				
Transfers in	-	894,299	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses):	-	894,299	-	-
Net Change in Fund Balances	33,318	-	(205,638)	497,856
Fund Balances, Beginning of Year	372,782	-	38,063	(325,010)
Fund Balances, End of Year	\$ 406,100	\$ -	\$ (167,575)	\$ 172,846

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Housing Authority	Subdivision Park Trust	Measure M	Measure W
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,597,384	-	972,420	706,178
Charges for services	-	-	-	-
Use of money and property	370	-	2,672	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	750,000	-	-
Total Revenues	6,597,754	750,000	975,092	706,178
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Housing and community development	6,619,467	-	-	-
Culture and leisure services	-	-	-	-
Public works	-	-	-	157,343
Capital outlay	-	72,466	1,001,503	138,969
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	6,619,467	72,466	1,001,503	296,312
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,713)	677,534	(26,411)	409,866
Other Financing Sources (Uses):				
Transfers in	-	-	436	1,008
Transfers out	-	-	-	-
Total Other Financing Sources (Uses):	-	-	436	1,008
Net Change in Fund Balances	(21,713)	677,534	(25,975)	410,874
Fund Balances, Beginning of Year	1,263,444	1,265,706	2,571,294	(553,575)
Fund Balances, End of Year	\$ 1,241,731	\$ 1,943,240	\$ 2,545,319	\$ (142,701)

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Capital Project Funds			
	Capital Improvement Projects	Pier Parking Structure Rehabilitation	Major Facilities Reconstruction	Open Space Acquisition
Revenues:				
Taxes	\$ 179,970	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	297,296	-	-	-
Use of money and property	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	899,182	-	-	259,132
Total Revenues	1,376,448	-	-	259,132
Expenditures:				
Current:				
General government	-	-	-	156,953
Public safety	-	-	-	-
Housing and community development	-	-	-	-
Culture and leisure services	-	-	-	-
Public works	181,936	-	-	-
Capital outlay	3,375,192	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	3,557,128	-	-	156,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,180,680)	-	-	102,179
Other Financing Sources (Uses):				
Transfers in	3,240,984	-	-	-
Transfers out	(2,368,000)	-	(489,286)	-
Total Other Financing Sources (Uses):	872,984	-	(489,286)	-
Net Change in Fund Balances	(1,307,696)	-	(489,286)	102,179
Fund Balances, Beginning of Year	7,355,694	831	1,150,000	1,201,516
Fund Balances, End of Year	\$ 6,047,998	\$ 831	\$ 660,714	\$ 1,303,695

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Debt Service Funds		
	Public Financing Authority	Parking Authority	Total Other Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 179,970
Intergovernmental	817,095	-	15,734,550
Charges for services	-	-	1,859,942
Use of money and property	563,759	5	532,467
Fines and forfeitures	-	-	14,464
Miscellaneous	-	-	3,141,229
Total Revenues	1,380,854	5	21,462,622
Expenditures:			
Current:			
General government	-	-	156,953
Public safety	-	-	565,852
Housing and community development	202,012	-	7,037,675
Culture and leisure services	-	-	196,661
Public works	-	-	4,569,417
Capital outlay	-	-	9,426,450
Debt service:			
Principal retirement	555,000	-	555,000
Interest and fiscal charges	1,095,981	-	1,095,981
Total Expenditures	1,852,993	-	23,603,989
Excess (Deficiency) of Revenues Over (Under) Expenditures	(472,139)	5	(2,141,367)
Other Financing Sources (Uses):			
Transfers in	1,650,837	-	5,801,180
Transfers out	(2,240,000)	-	(6,710,778)
Total Other Financing Sources (Uses):	(589,163)	-	(909,598)
Net Change in Fund Balances	(1,061,302)	5	(3,050,965)
Fund Balances, Beginning of Year	5,754,839	6,101	34,009,461
Fund Balances, End of Year	\$ 4,693,537	\$ 6,106	\$ 30,958,496

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,417,733	\$ 1,417,733	\$ 1,417,733	\$ -
Resources (Inflows):				
Intergovernmental	2,996,851	2,768,666	2,695,727	(72,939)
Use of money and property	20,000	20,000	(25,159)	(45,159)
Miscellaneous	6,000	3,000	16,308	13,308
Transfers in	-	7,620	7,620	-
Amounts Available for Appropriations	4,440,584	4,217,019	4,112,229	(104,790)
Charges to Appropriation (Outflow):				
Public works	1,385,701	1,410,736	1,368,395	42,341
Capital outlay	800,000	2,095,921	1,048,947	1,046,974
Total Charges to Appropriations	2,185,701	3,506,657	2,417,342	1,089,315
Budgetary Fund Balance, June 30	\$ 2,254,883	\$ 710,362	\$ 1,694,887	\$ 984,525

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FACILITIES
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 37,243	\$ 37,243	\$ 37,243	\$ -
Resources (Inflows):				
Charges for services	31,500	31,500	19,600	(11,900)
Amounts Available for Appropriations	68,743	68,743	56,843	(11,900)
Charges to Appropriation (Outflow):				
Capital outlay	50,000	50,000	-	50,000
Total Charges to Appropriations	50,000	50,000	-	50,000
Budgetary Fund Balance, June 30	\$ 18,743	\$ 18,743	\$ 56,843	\$ 38,100

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
NARCOTIC SEIZURE / FORFEITURE
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 517,359	\$ 517,359	\$ 517,359	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	(6,568)	(16,568)
Fines and forfeitures	20,000	10,000	14,464	4,464
Amounts Available for Appropriations	547,359	537,359	525,255	(12,104)
Charges to Appropriation (Outflow):				
Public safety	52,957	156,923	45,398	111,525
Capital outlay	-	211,671	100,773	110,898
Total Charges to Appropriations	52,957	368,594	146,171	222,423
Budgetary Fund Balance, June 30	\$ 494,402	\$ 168,765	\$ 379,084	\$ 210,319

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,492,321	\$ 2,492,321	\$ 2,492,321	\$ -
Resources (Inflows):				
Intergovernmental	1,383,383	1,383,383	1,377,684	(5,699)
Use of money and property	30,000	30,000	5,361	(24,639)
Amounts Available for Appropriations	3,905,704	3,905,704	3,875,366	(30,338)
Charges to Appropriation (Outflow):				
Capital outlay	-	75,000	-	75,000
Transfers out	2,792,272	2,783,963	1,607,736	1,176,227
Total Charges to Appropriations	2,792,272	2,858,963	1,607,736	1,251,227
Budgetary Fund Balance, June 30	\$ 1,113,432	\$ 1,046,741	\$ 2,267,630	\$ 1,220,889

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 7,240,577	\$ 7,240,577	\$ 7,240,577	\$ -
Resources (Inflows):				
Intergovernmental	1,147,477	1,147,477	1,142,740	(4,737)
Use of money and property	120,000	120,000	(8,257)	(128,257)
Amounts Available for Appropriations	8,508,054	8,508,054	8,375,060	(132,994)
Charges to Appropriation (Outflow):				
Cultural and leisure services	483	507	507	-
Public works	1,579	13,924	12,849	1,075
Capital outlay	1,620,000	7,851,047	2,438,815	5,412,232
Transfers out	-	-	5,756	(5,756)
Total Charges to Appropriations	1,622,062	7,865,478	2,457,927	5,407,551
Budgetary Fund Balance, June 30	\$ 6,885,992	\$ 642,576	\$ 5,917,133	\$ 5,274,557

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,904,586	\$ 1,904,586	\$ 1,904,586	\$ -
Resources (Inflows):				
Intergovernmental	860,855	860,855	858,243	(2,612)
Use of money and property	15,000	15,000	1,151	(13,849)
Transfers in	-	-	5,756	5,756
Amounts Available for Appropriations	2,780,441	2,780,441	2,769,736	(10,705)
Charges to Appropriation (Outflow):				
Public works	-	28,653	22,724	5,929
Capital outlay	675,000	2,416,843	1,126,626	1,290,217
Total Charges to Appropriations	675,000	2,445,496	1,149,350	1,296,146
Budgetary Fund Balance, June 30	\$ 2,105,441	\$ 334,945	\$ 1,620,386	\$ 1,285,441

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
 LOCAL TRANSPORTATION ARTICLE 3
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 33	\$ 33	\$ 33	\$ -
Resources (Inflows):				
Intergovernmental	46,714	46,714	38,170	(8,544)
Amounts Available for Appropriations	46,747	46,747	38,203	(8,544)
Charges to Appropriation (Outflow):				
Capital outlay	-	-	1,051	(1,051)
Total Charges to Appropriations	-	-	1,051	(1,051)
Budgetary Fund Balance, June 30	\$ 46,747	\$ 46,747	\$ 37,152	\$ (9,595)

CITY OF REDONDO BEACH

**BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY IMPROVEMENT
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 297,924	\$ 297,924	\$ 297,924	\$ -
Resources (Inflows):				
Intergovernmental	65,984	65,984	108,909	42,925
Use of money and property	2,000	2,000	(867)	(2,867)
Transfers in	-	240	240	-
Amounts Available for Appropriations	365,908	366,148	406,206	40,058
Charges to Appropriation (Outflow):				
Cultural and leisure services	75,165	87,901	41,004	46,897
Capital outlay	-	232,150	91,662	140,488
Total Charges to Appropriations	75,165	320,051	132,666	187,385
Budgetary Fund Balance, June 30	\$ 290,743	\$ 46,097	\$ 273,540	\$ 227,443

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
STORM DRAIN IMPROVEMENT
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 372,782	\$ 372,782	\$ 372,782	\$ -
Resources (Inflows):				
Charges for services	50,000	2,000	33,318	31,318
Amounts Available for Appropriations	422,782	374,782	406,100	31,318
Charges to Appropriation (Outflow):				
Capital outlay	-	288,730	-	288,730
Total Charges to Appropriations	-	288,730	-	288,730
Budgetary Fund Balance, June 30	\$ 422,782	\$ 86,052	\$ 406,100	\$ 320,048

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
STREET LANDSCAPING AND LIGHTING DISTRICT
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Charges for services	1,543,600	1,543,000	1,509,648	(33,352)
Miscellaneous	15,000	5,000	6,150	1,150
Transfers in	856,367	1,003,920	894,299	(109,621)
Amounts Available for Appropriations	2,414,967	2,551,920	2,410,097	(141,823)
Charges to Appropriation (Outflow):				
Public works	2,414,967	2,651,559	2,410,097	241,462
Total Charges to Appropriations	2,414,967	2,651,559	2,410,097	241,462
Budgetary Fund Balance, June 30	\$ -	\$ (99,639)	\$ -	\$ 99,639

CITY OF REDONDO BEACH

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 38,063	\$ 38,063	\$ 38,063	\$ -
Resources (Inflows):				
Intergovernmental	472,566	501,816	-	(501,816)
Amounts Available for Appropriations	510,629	539,879	38,063	(501,816)
Charges to Appropriation (Outflow):				
Housing and community development	175,188	207,187	175,192	31,995
Capital outlay	186,314	193,544	30,446	163,098
Total Charges to Appropriations	361,502	400,731	205,638	195,093
Budgetary Fund Balance, June 30	\$ 149,127	\$ 139,148	\$ (167,575)	\$ (306,723)

CITY OF REDONDO BEACH

**BUDGETARY COMPARISON SCHEDULE
DISASTER RECOVERY
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (325,010)	\$ (325,010)	\$ (325,010)	\$ -
Resources (Inflows):				
Intergovernmental	-	829,000	420,000	(409,000)
Charges for services	500	500	80	(420)
Miscellaneous	50,000	350,159	1,210,457	860,298
Amounts Available for Appropriations	(274,510)	854,649	1,305,527	450,878
Charges to Appropriation (Outflow):				
Public safety	17,060	520,453	520,454	(1)
Cultural and leisure services	-	409,000	196,154	212,846
Public works	-	420,000	416,073	3,927
Total Charges to Appropriations	17,060	1,349,453	1,132,681	216,772
Budgetary Fund Balance, June 30	\$ (291,570)	\$ (494,804)	\$ 172,846	\$ 667,650

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,263,444	\$ 1,263,444	\$ 1,263,444	\$ -
Resources (Inflows):				
Intergovernmental	7,166,683	6,768,300	6,597,384	(170,916)
Use of money and property	-	-	370	370
Amounts Available for Appropriations	8,430,127	8,031,744	7,861,198	(170,546)
Charges to Appropriation (Outflow):				
Housing and community development	6,719,212	6,719,212	6,619,467	99,745
Total Charges to Appropriations	6,719,212	6,719,212	6,619,467	99,745
Budgetary Fund Balance, June 30	\$ 1,710,915	\$ 1,312,532	\$ 1,241,731	\$ (70,801)

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
 SUBDIVISION PARK TRUST
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,265,706	\$ 1,265,706	\$ 1,265,706	\$ -
Resources (Inflows):				
Miscellaneous	500,000	500,000	750,000	250,000
Amounts Available for Appropriations	1,765,706	1,765,706	2,015,706	250,000
Charges to Appropriation (Outflow):				
Capital outlay	60,000	1,698,629	72,466	1,626,163
Total Charges to Appropriations	60,000	1,698,629	72,466	1,626,163
Budgetary Fund Balance, June 30	\$ 1,705,706	\$ 67,077	\$ 1,943,240	\$ 1,876,163

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
 MEASURE M
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,571,294	\$ 2,571,294	\$ 2,571,294	\$ -
Resources (Inflows):				
Intergovernmental	970,261	970,261	972,420	2,159
Use of money and property	30,000	30,000	2,672	(27,328)
Transfers in	-	-	436	436
Amounts Available for Appropriations	3,571,555	3,571,555	3,546,822	(24,733)
Charges to Appropriation (Outflow):				
Capital outlay	700,374	3,058,081	1,001,503	2,056,578
Total Charges to Appropriations	700,374	3,058,081	1,001,503	2,056,578
Budgetary Fund Balance, June 30	\$ 2,871,181	\$ 513,474	\$ 2,545,319	\$ 2,031,845

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
MEASURE W
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (553,575)	\$ (553,575)	\$ (553,575)	\$ -
Resources (Inflows):				
Intergovernmental	720,000	720,000	706,178	(13,822)
Transfers in	-	1,008	1,008	-
Amounts Available for Appropriations	166,425	167,433	153,611	(13,822)
Charges to Appropriation (Outflow):				
Public works	193,059	200,318	157,343	42,975
Capital outlay	500,000	610,496	138,969	471,527
Total Charges to Appropriations	693,059	810,814	296,312	514,502
Budgetary Fund Balance, June 30	\$ (526,634)	\$ (643,381)	\$ (142,701)	\$ 500,680

CITY OF REDONDO BEACH

**BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT PROJECTS
 YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,355,694	\$ 7,355,694	\$ 7,355,694	\$ -
Resources (Inflows):				
Taxes	180,000	180,000	179,970	(30)
Charges for services	297,262	297,262	297,296	34
Miscellaneous	-	467,567	899,182	431,615
Transfers in	2,240,000	2,240,984	3,240,984	1,000,000
Amounts Available for Appropriations	10,072,956	10,541,507	11,973,126	1,431,619
Charges to Appropriation (Outflow):				
Public works	180,953	181,937	181,936	1
Capital outlay	2,713,000	8,398,704	3,375,192	5,023,512
Transfers out	2,368,000	2,368,000	2,368,000	-
Total Charges to Appropriations	5,261,953	10,948,641	5,925,128	5,023,513
Budgetary Fund Balance, June 30	\$ 4,811,003	\$ (407,134)	\$ 6,047,998	\$ 6,455,132

CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
OPEN SPACE ACQUISITION
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,201,516	\$ 1,201,516	\$ 1,201,516	\$ -
Resources (Inflows):				
Miscellaneous	-	72,632	259,132	186,500
Amounts Available for Appropriations	1,201,516	1,274,148	1,460,648	186,500
Charges to Appropriation (Outflow):				
General government	175,000	175,000	156,953	18,047
Total Charges to Appropriations	175,000	175,000	156,953	18,047
Budgetary Fund Balance, June 30	\$ 1,026,516	\$ 1,099,148	\$ 1,303,695	\$ 204,547

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CITY OF REDONDO BEACH

BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 5,754,839	\$ 5,754,839	\$ 5,754,839	\$ -
Resources (Inflows):				
Intergovernmental	817,240	817,240	817,095	(145)
Use of money and property	273,975	273,975	563,759	289,784
Transfers in	1,650,837	1,650,837	1,650,837	-
Amounts Available for Appropriations	8,496,891	8,496,891	8,786,530	289,639
Charges to Appropriation (Outflow):				
Housing and community development	273,975	273,975	202,012	71,963
Debt service:				
Principal retirement	555,000	555,000	555,000	-
Interest and fiscal charges	1,095,981	1,095,981	1,095,981	-
Transfers out	2,240,000	2,240,000	2,240,000	-
Total Charges to Appropriations	4,164,956	4,164,956	4,092,993	71,963
Budgetary Fund Balance, June 30	\$ 4,331,935	\$ 4,331,935	\$ 4,693,537	\$ 361,602

CITY OF REDONDO BEACH

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
Assets:			
Current:			
Cash and investments	\$ 9,157,547	\$ 2,943,570	\$ 2,158,203
Receivables:			
Accounts	14,619	-	-
Prepaid costs	-	-	7,686
Total Current Assets	9,172,166	2,943,570	2,165,889
Noncurrent:			
Capital assets - net of accumulated depreciation	6,711,662	158,586	926,958
Total Noncurrent Assets	6,711,662	158,586	926,958
Total Assets	15,883,828	3,102,156	3,092,847
Deferred Outflows of Resources:			
Deferred pension related items	164,096	339,662	337,897
Deferred OPEB related items	26,426	52,851	53,909
Total Deferred Outflows of Resources	190,522	392,513	391,806
Liabilities:			
Current:			
Accounts payable	462,013	368,509	244,485
Accrued compensated absences	7,288	17,775	38,972
Accrued claims and judgments	-	-	-
Bonds, notes, and capital leases	-	-	89,935
Total Current Liabilities	469,301	386,284	373,392
Noncurrent:			
Accrued compensated absences	21,864	53,323	116,917
Accrued claims and judgments	-	-	-
Net pension liability	1,222,359	2,530,152	2,517,008
Net OPEB liability	122,128	244,255	249,140
Bonds, notes, and capital leases	-	-	6,717
Total Noncurrent Liabilities	1,366,351	2,827,730	2,889,782
Total Liabilities	1,835,652	3,214,014	3,263,174
Deferred Inflows of Resources:			
Deferred pension related items	13,016	26,942	26,802
Deferred OPEB related items	24,558	49,117	50,099
Total Deferred Inflows of Resources	37,574	76,059	76,901
Net Position:			
Net investment in capital assets	6,711,662	158,586	830,306
Unrestricted	7,489,462	46,010	(685,728)
Total Net Position	\$ 14,201,124	\$ 204,596	\$ 144,578

CITY OF REDONDO BEACH

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	Totals
Assets:				
Current:				
Cash and investments	\$ 15,527,476	\$ 3,929,632	\$ 875,755	\$ 34,592,183
Receivables:				
Accounts	-	-	-	14,619
Prepaid costs	-	-	-	7,686
Total Current Assets	15,527,476	3,929,632	875,755	34,614,488
Noncurrent:				
Capital assets - net of accumulated depreciation	45,361	1,624,852	448,852	9,916,271
Total Noncurrent Assets	45,361	1,624,852	448,852	9,916,271
Total Assets	15,572,837	5,554,484	1,324,607	44,530,759
Deferred Outflows of Resources:				
Deferred pension related items	23,820	464,265	-	1,329,740
Deferred OPEB related items	3,876	71,173	-	208,235
Total Deferred Outflows of Resources	27,696	535,438	-	1,537,975
Liabilities:				
Current:				
Accounts payable	916,856	49,212	-	2,041,075
Accrued compensated absences	1,323	37,499	-	102,857
Accrued claims and judgments	2,068,532	-	-	2,068,532
Bonds, notes, and capital leases	-	-	-	89,935
Total Current Liabilities	2,986,711	86,711	-	4,302,399
Noncurrent:				
Accrued compensated absences	3,970	112,495	-	308,569
Accrued claims and judgments	21,400,010	-	-	21,400,010
Net pension liability	177,439	3,456,621	-	9,903,579
Net OPEB liability	17,912	328,930	-	962,365
Bonds, notes, and capital leases	-	-	-	6,717
Total Noncurrent Liabilities	21,599,331	3,898,046	-	32,581,240
Total Liabilities	24,586,042	3,984,757	-	36,883,639
Deferred Inflows of Resources:				
Deferred pension related items	1,888	32,476	-	101,124
Deferred OPEB related items	3,602	66,143	-	193,519
Total Deferred Inflows of Resources	5,490	98,619	-	294,643
Net Position:				
Net investment in capital assets	45,361	1,624,852	448,852	9,819,619
Unrestricted	(9,036,360)	381,694	875,755	(929,167)
Total Net Position	\$ (8,990,999)	\$ 2,006,546	\$ 1,324,607	\$ 8,890,452

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
Operating Revenues:			
Sales and service charges	\$ 2,964,119	\$ 3,507,842	\$ 3,484,682
Miscellaneous	72,721	-	1,879
Total Operating Revenues	3,036,840	3,507,842	3,486,561
Operating Expenses:			
Administration and general	970,037	1,078,004	520,735
Personnel services	772,697	1,332,468	1,568,848
Contractual services	34,319	219,759	1,385,848
Internal service charges	289,904	468,819	457,977
Depreciation expense	1,253,962	11,751	62,905
Total Operating Expenses	3,320,919	3,110,801	3,996,313
Operating Income (Loss)	(284,079)	397,041	(509,752)
Nonoperating Revenues (Expenses):			
Intergovernmental	275,000	-	-
Gain (loss) on disposal of capital assets	46,707	-	-
Total Nonoperating Revenues (Expenses)	321,707	-	-
Income (Loss) Before Transfers	37,628	397,041	(509,752)
Transfers in	179,941	12,900	-
Transfers out	-	-	(304)
Changes in Net Position	217,569	409,941	(510,056)
Net Position:			
Beginning of Year	13,983,555	(205,345)	654,634
End of Fiscal Year	\$ 14,201,124	\$ 204,596	\$ 144,578

CITY OF REDONDO BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	Totals
Operating Revenues:				
Sales and service charges	\$ 8,185,687	\$ 4,207,747	\$ 108,422	\$ 22,458,499
Miscellaneous	-	1,759	-	76,359
Total Operating Revenues	8,185,687	4,209,506	108,422	22,534,858
Operating Expenses:				
Administration and general	5,854,953	48,031	-	8,471,760
Personnel services	63,237	2,830,322	625	6,568,197
Contractual services	164,718	146,954	-	1,951,598
Internal service charges	295,644	646,734	-	2,159,078
Depreciation expense	-	229,458	1,891	1,559,967
Total Operating Expenses	6,378,552	3,901,499	2,516	20,710,600
Operating Income (Loss)	1,807,135	308,007	105,906	1,824,258
Nonoperating Revenues (Expenses):				
Intergovernmental	-	-	-	275,000
Gain (loss) on disposal of capital assets	-	-	-	46,707
Total Nonoperating Revenues (Expenses)	-	-	-	321,707
Income (Loss) Before Transfers	1,807,135	308,007	105,906	2,145,965
Transfers in	840	9,000	-	202,681
Transfers out	-	-	-	(304)
Changes in Net Position	1,807,975	317,007	105,906	2,348,342
Net Position:				
Beginning of Year	(10,798,974)	1,689,539	1,218,701	6,542,110
End of Fiscal Year	\$ (8,990,999)	\$ 2,006,546	\$ 1,324,607	\$ 8,890,452

CITY OF REDONDO BEACH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Vehicle Replacement	Building Occupancy	Information Technology
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 3,063,741	\$ 3,507,842	\$ 3,486,561
Cash paid to suppliers for goods and services	(935,345)	(1,532,781)	(2,168,258)
Cash paid to employees for services	(631,685)	(1,303,813)	(1,257,773)
Net Cash Provided (Used) by Operating Activities	1,496,711	671,248	60,530
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	-	(304)
Cash transfers in	179,941	12,900	-
Cash received from other governments	275,000	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	454,941	12,900	(304)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(1,072,334)	-	(151,431)
Principal paid on capital debt	-	-	(89,935)
Proceeds from sale of capital assets	48,828	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,023,506)	-	(241,366)
Net Increase (Decrease) in Cash and Cash Equivalents	928,146	684,148	(181,140)
Cash and Cash Equivalents at Beginning of Year	8,229,401	2,259,422	2,339,343
Cash and Cash Equivalents at End of Year	\$ 9,157,547	\$ 2,943,570	\$ 2,158,203
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (284,079)	\$ 397,041	\$ (509,752)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	1,253,962	11,751	62,905
(Increase) decrease in accounts receivable	26,901	-	-
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in deferred outflow pension related items	(18,982)	1,527	(39,032)
(Increase) decrease in deferred outflow OPEB related items	1,902	6,233	4,770
(Increase) decrease in prepaid expense	-	-	12,906
Increase (decrease) in accounts payable	353,708	233,411	176,450
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liability	164,728	43,460	338,791
Increase (decrease) in net OPEB liability	5,207	390	6,946
Increase (decrease) in deferred inflow pension related items	(6,847)	(19,762)	(14,108)
Increase (decrease) in deferred inflow OPEB related items	(1,917)	(6,102)	(4,742)
Increase (decrease) in compensated absences	2,128	3,299	25,396
Total Adjustments	1,780,790	274,207	570,282
Net Cash Provided (Used) by Operating Activities	\$ 1,496,711	\$ 671,248	\$ 60,530

CITY OF REDONDO BEACH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Self-Insurance Program	Emergency Communications	Major Facilities Repair	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 8,187,301	\$ 4,209,506	\$ 108,422	\$ 22,563,373
Cash paid to suppliers for goods and services	(6,509,854)	(843,536)	(728)	(11,990,502)
Cash paid to employees for services	(352,544)	(2,175,473)	(625)	(5,721,913)
Net Cash Provided (Used) by Operating Activities	1,324,903	1,190,497	107,069	4,850,958
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	-	-	(304)
Cash transfers in	840	9,000	-	202,681
Cash received from other governments	-	-	-	275,000
Net Cash Provided (Used) by Non-Capital Financing Activities	840	9,000	-	477,377
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(29,977)	(225,292)	(1,479,034)
Principal paid on capital debt	-	-	-	(89,935)
Proceeds from sale of capital assets	-	-	-	48,828
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(29,977)	(225,292)	(1,520,141)
Net Increase (Decrease) in Cash and Cash Equivalents	1,325,743	1,169,520	(118,223)	3,808,194
Cash and Cash Equivalents at Beginning of Year	14,201,733	2,760,112	993,978	30,783,989
Cash and Cash Equivalents at End of Year	\$ 15,527,476	\$ 3,929,632	\$ 875,755	\$ 34,592,183
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 1,807,135	\$ 308,007	\$ 105,906	\$ 1,824,258
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	229,458	1,891	1,559,967
(Increase) decrease in accounts receivable	-	-	-	26,901
(Increase) decrease in due from other governments	1,614	-	-	1,614
(Increase) decrease in deferred outflow pension related items	19,369	(91,116)	-	(128,234)
(Increase) decrease in deferred outflow OPEB related items	7,050	13,810	-	33,765
(Increase) decrease in prepaid expense	584,373	-	-	597,279
Increase (decrease) in accounts payable	296,146	20,017	(728)	1,079,004
Increase (decrease) in claims and judgments	(1,212,590)	-	-	(1,212,590)
Increase (decrease) in net pension liability	(137,332)	736,998	-	1,146,645
Increase (decrease) in net OPEB liability	(27,186)	(21,834)	-	(36,477)
Increase (decrease) in deferred inflow pension related items	(4,022)	(18,601)	-	(63,340)
Increase (decrease) in deferred inflow OPEB related items	(6,610)	(13,282)	-	(32,653)
Increase (decrease) in compensated absences	(3,044)	27,040	-	54,819
Total Adjustments	(482,232)	882,490	1,163	3,026,700
Net Cash Provided (Used) by Operating Activities	\$ 1,324,903	\$ 1,190,497	\$ 107,069	\$ 4,850,958

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Overview of the Five Categories Presented in the City's Statistical Section

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	156
Presented are schedules containing trend information to assist in the reader's understanding of how the City's financial performance has changed over time.	
<i>Revenue Capacity</i>	166
Presented are schedules to assist the reader's assessment of the factors affecting the City's ability to generate revenue through property taxes.	
<i>Debt Capacity</i>	171
Presented are schedules to assist the reader's understanding of the City's current level of outstanding debt and its ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	177
Presented are schedules to assist the reader's understanding of the socioeconomic environment within which the City operates and to help make comparisons over time and with other governments.	
<i>Operating & Other Information</i>	180
Presented are schedules to assist the reader's understanding of how the City's financial information relates to the services provided by the City and the activities it performs.	

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

	Fiscal Year				
	2012	2013	2014	2015 *	2016
Governmental Activities:					
Net investment in capital assets	\$ 143,049,830	\$ 142,096,684	\$ 138,614,141	\$ 139,555,634	\$ 135,628,091
Restricted	17,861,803	17,703,725	19,059,951	16,503,649	26,346,341
Unrestricted	21,623,137	24,173,154	28,918,308	(85,699,247)	(81,186,849)
Total governmental activities net position	<u>182,534,770</u>	<u>183,973,563</u>	<u>186,592,400</u>	<u>70,360,036</u>	<u>80,787,583</u>
Business-type activities:					
Net investment in capital assets	34,957,595	38,936,171	36,646,484	37,629,261	37,542,589
Restricted	-	-	-	-	-
Unrestricted	24,616,381	28,210,687	27,250,666	18,257,918	24,136,647
Total business-type activities net position	<u>59,573,976</u>	<u>67,146,858</u>	<u>63,897,150</u>	<u>55,887,179</u>	<u>61,679,236</u>
Primary government:					
Net investment in capital assets	178,007,425	181,032,855	175,260,625	177,184,895	173,170,680
Restricted	17,861,803	17,703,725	19,059,951	16,503,649	26,346,341
Unrestricted	46,239,518	52,383,841	56,168,974	(67,441,329)	(57,050,202)
Total primary government net position	<u>\$ 242,108,746</u>	<u>\$ 251,120,421</u>	<u>\$ 250,489,550</u>	<u>\$ 126,247,215</u>	<u>\$ 142,466,819</u>

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

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

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

(CONTINUED)

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental Activities:					
Net investment in capital assets	\$ 139,053,697	\$ 147,515,377	\$ 149,571,518	\$ 155,670,310	\$ 164,993,054
Restricted	22,833,987	24,348,682	36,179,269	29,323,216	27,392,685
Unrestricted	(83,567,317)	(118,477,214)	(150,061,607)	(169,266,411)	(175,501,877)
Total governmental activities net position	<u>78,320,367</u>	<u>53,386,845</u>	<u>35,689,180</u>	<u>15,727,115</u>	<u>16,883,862</u>
Business-type activities:					
Net investment in capital assets	37,169,598	43,285,102	44,986,964	58,077,077	59,334,911
Restricted	-	-	-	-	-
Unrestricted	28,549,056	24,562,294	23,360,854	18,858,253	16,913,909
Total business-type activities net position	<u>65,718,654</u>	<u>67,847,396</u>	<u>68,347,818</u>	<u>76,935,330</u>	<u>76,248,820</u>
Primary government:					
Net investment in capital assets	176,223,295	190,800,479	194,558,482	213,747,387	224,327,965
Restricted	22,833,987	24,348,682	36,179,269	29,323,216	27,392,685
Unrestricted	(55,018,261)	(93,914,920)	(126,700,753)	(150,408,158)	(158,587,968)
Total primary government net position	<u>\$ 144,039,021</u>	<u>\$ 121,234,241</u>	<u>\$ 104,036,998</u>	<u>\$ 92,662,445</u>	<u>\$ 93,132,682</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Government activities:					
General government	\$ 8,560,957	\$ 11,974,780	\$ 10,177,409	\$ 10,293,394	\$ 10,946,935
Public Safety	43,020,839	43,141,036	44,022,014	47,331,250	46,362,851
Housing and community development	13,822,831	10,085,882	10,115,114	9,229,689	8,936,256
Cultural and leisure services	7,389,274	10,933,176	10,042,640	10,990,481	11,556,891
Public works	10,589,076	11,588,895	11,817,281	15,500,144	12,616,719
Interest on long-term debt	637,624	266,651	194,200	152,348	124,522
AB 1484 demand payment	9,914,969	-	-	-	-
Total governmental activities expenses	93,935,570	87,990,420	86,368,658	93,497,306	90,544,174
Business-type activities:					
Harbor Tidelands	7,689,071	4,998,098	5,040,308	5,279,836	5,652,988
Harbor Uplands	3,952,061	3,657,127	4,051,432	4,230,371	4,469,890
Solid Waste	3,431,017	3,610,925	3,580,040	3,506,271	3,763,513
Transit	3,113,076	3,288,696	3,346,989	3,366,535	3,536,593
Wastewater	3,196,442	1,880,835	2,557,592	2,022,271	2,144,353
Total business-type activities expenses	21,381,667	17,435,681	18,576,361	18,405,284	19,567,337
Total primary government expenses	\$ 115,317,237	\$ 105,426,101	\$ 104,945,019	\$ 111,902,590	\$ 110,111,511
Component Units:					
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	\$ 10,416,465	\$ 11,315,431	\$ 7,539,299	\$ 9,083,395	\$ 8,689,834
Public Safety	4,448,833	4,466,605	4,942,725	4,611,279	4,503,948
Housing and community development	1,743,286	2,246,976	2,858,612	2,681,729	2,160,284
Cultural and leisure services	1,615,347	1,770,757	5,942,540	6,733,424	6,606,802
Public works	2,127,381	2,170,823	2,386,890	2,154,679	2,334,537
Operating grants and contributions	8,590,969	9,925,853	8,052,877	8,170,736	8,135,187
Capital grants and contributions	4,582,744	705,357	294,342	2,310,026	912,045
Total governmental activities program revenues	33,525,025	32,601,802	32,017,285	35,745,268	33,342,637

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

(CONTINUED)

	Fiscal Year				
	2017	2018	2019	2020	2021
Expenses					
Government activities:					
General government	\$ 10,846,646	\$ 14,142,348	\$ 12,380,308	\$ 13,574,385	\$ 11,692,177
Public Safety	55,489,827	60,845,022	62,740,166	71,807,026	68,527,338
Housing and community development	9,769,288	11,797,299	11,460,619	11,456,603	11,119,995
Cultural and leisure services	12,496,716	14,539,255	12,296,505	11,810,514	10,033,842
Public works	14,135,326	16,496,964	14,655,265	15,373,701	14,439,178
Interest on long-term debt	80,782	51,658	641,587	1,272,259	1,117,677
AB 1484 demand payment	-	-	-	-	-
Total governmental activities expenses	102,818,585	117,872,546	114,174,450	125,294,488	116,930,207
Business-type activities:					
Harbor Tidelands	6,395,134	7,035,921	9,433,807	9,067,251	4,636,895
Harbor Uplands	4,479,269	3,224,093	5,016,104	4,707,797	5,898,608
Solid Waste	3,973,666	3,968,186	4,690,425	4,894,581	5,115,305
Transit	3,626,075	3,844,008	4,004,654	3,975,884	4,440,739
Wastewater	2,917,527	3,667,593	3,406,302	3,809,885	3,319,536
Total business-type activities expenses	21,391,671	21,739,801	26,551,292	26,455,398	23,411,083
Total primary government expenses	\$ 124,210,256	\$ 139,612,347	\$ 140,725,742	\$ 151,749,886	\$ 140,341,290
Component Units:					
Program Revenues					
Governmental activities:					
Charges for Services:					
General government	\$ 8,570,506	\$ 8,305,869	\$ 9,769,717	\$ 10,699,014	\$ 10,760,125
Public Safety	4,764,211	5,310,033	5,766,102	4,922,828	6,414,431
Housing and community development	3,577,756	3,458,586	3,491,863	3,189,541	3,274,369
Cultural and leisure services	5,837,816	6,709,262	7,283,873	6,609,840	6,182,448
Public works	2,579,475	2,459,268	2,737,458	2,297,396	3,447,892
Operating grants and contributions	8,563,072	8,090,195	10,151,972	10,326,680	14,547,505
Capital grants and contributions	492,146	1,872,910	485,693	2,882,105	2,285,961
Total governmental activities program revenues	34,384,982	36,206,123	39,686,678	40,927,404	46,912,731

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Business-type activities:					
Charges for services:					
Harbor Tidelands	5,290,706	5,572,625	5,870,760	6,526,625	6,483,927
Harbor Uplands	4,009,954	3,760,715	4,311,358	4,585,998	5,314,448
Solid Waste	3,312,471	3,396,353	3,369,217	3,569,336	3,832,166
Transit	676,020	349,454	352,756	360,519	366,314
Wastewater	2,575,279	3,764,711	4,568,330	5,433,185	5,618,086
Operating grants and contributions	1,395,363	1,672,668	1,754,397	1,848,671	2,200,958
Capital grants and contributions	-	2,545,504	-	-	-
Total business-type activities program revenues	17,259,793	21,062,030	20,226,818	22,324,334	23,815,899
Total primary government program revenues	\$ 50,784,818	\$ 53,663,832	\$ 52,244,103	\$ 58,069,602	\$ 57,158,536
Net (expense)/revenue					
Governmental activities	\$ (60,410,545)	\$ (55,388,618)	\$ (54,351,373)	\$ (57,752,038)	\$ (57,201,537)
Business-type activities	(4,121,874)	3,626,349	1,650,457	3,919,050	4,248,562
Total primary government net expense	\$ (64,532,419)	\$ (51,762,269)	\$ (52,700,916)	\$ (53,832,988)	\$ (52,952,975)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes, levied for general purpose	\$ 28,335,561	\$ 30,728,698	\$ 30,175,663	\$ 31,424,789	\$ 32,766,493
Transient occupancy taxes	3,533,501	3,693,144	3,970,786	4,464,811	8,627,801
Sales taxes	9,594,901	10,228,355	10,450,402	11,889,190	12,347,884
Franchise taxes	1,950,934	1,796,606	1,973,182	1,981,936	1,963,752
Business licenses taxes	1,203,591	1,018,677	1,296,531	1,178,016	1,186,567
Utility users taxes	7,422,089	7,711,580	7,412,250	7,664,385	7,411,930
Other taxes	-	8,703	1,840	5,149	-
Motor vehicle in lieu	33,693	34,912	28,894	27,910	27,475
Investment earnings	3,371,724	1,212,032	1,251,129	1,069,970	1,184,588
Other revenues	2,831,748	1,499,306	1,885,242	2,271,960	2,826,066
Gain (loss) on sale of capital assets	73,574	35,578	12,657	27,676	71,254
Special item	-	-	-	-	-
Transfers	(1,017,605)	(1,202,508)	(1,350,534)	(1,462,139)	(784,726)
Gain (loss) on dissolution of Redevelopment Agency	27,858,112	-	-	-	-
Total governmental activities	85,191,823	56,765,083	57,108,042	60,543,653	67,629,084
Business-type activities:					
Investment earnings	241,958	69,851	331,919	237,235	450,632
Gain (loss) on sale of capital assets	-	-	(79,277)	-	11,868
Other revenues	181,532	2,674,174	400,396	375,982	296,269
Special item	-	-	-	-	-
Transfers	1,017,605	1,202,508	1,350,534	1,462,139	784,726
Total business-type activities	1,441,095	3,946,533	2,003,572	2,075,356	1,543,495
Total primary government	\$ 86,632,918	\$ 60,711,616	\$ 59,111,614	\$ 62,619,009	\$ 69,172,579
Change in Net Position					
Governmental activities	\$ 24,781,278	\$ 1,376,465	\$ 2,756,669	\$ 2,791,615	\$ 10,427,547
Business-type activities	(2,680,779)	7,572,882	3,654,029	5,994,406	5,792,057
Totally primary government	\$ 22,100,499	\$ 8,949,347	\$ 6,410,698	\$ 8,786,021	\$ 16,219,604

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)

(CONTINUED)

	Fiscal Year				
	2017	2018	2019	2020	2021
Business-type activities:					
Charges for services:					
Harbor Tidelands	6,694,914	6,565,619	6,714,763	5,729,264	4,816,599
Harbor Uplands	5,378,886	5,267,564	6,129,658	4,886,188	4,945,241
Solid Waste	3,792,964	3,836,976	3,965,662	4,330,439	4,780,684
Transit	344,071	336,962	338,835	250,758	-
Wastewater	5,546,090	5,575,855	5,419,215	5,523,009	5,487,873
Operating grants and contributions	1,888,902	2,247,490	2,362,021	2,958,743	2,853,567
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	23,645,827	23,830,466	24,930,154	23,678,401	22,883,964
Total primary government program revenues	\$ 58,030,809	\$ 60,036,589	\$ 64,616,832	\$ 64,605,805	\$ 69,796,695
Net (expense)/revenue					
Governmental activities	\$ (68,433,603)	\$ (81,666,423)	\$ (74,487,772)	\$ (84,367,084)	\$ (70,017,476)
Business-type activities	2,254,156	2,090,665	(1,621,138)	(2,776,997)	(527,119)
Total primary government net expense	\$ (66,179,447)	\$ (79,575,758)	\$ (76,108,910)	\$ (87,144,081)	\$ (70,544,595)
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes, levied for general purpose	\$ 34,375,818	\$ 36,847,562	\$ 38,249,535	\$ 39,774,170	\$ 43,705,194
Transient occupancy taxes	7,689,889	9,172,934	8,816,739	6,335,445	3,400,322
Sales taxes	10,059,087	10,185,208	10,578,527	9,716,883	10,018,217
Franchise taxes	1,706,371	1,896,809	1,647,287	1,706,355	1,731,846
Business licenses taxes	1,201,068	1,322,333	1,295,050	1,251,673	1,211,539
Utility users taxes	7,085,063	6,928,129	6,757,622	6,824,873	6,713,480
Other taxes	731,571	632,084	917,102	969,721	1,019,041
Motor vehicle in lieu	31,132	36,272	32,965	54,193	49,136
Investment earnings	3,038,633	3,134,966	5,483,218	5,219,501	1,408,878
Other revenues	1,521,902	1,407,243	2,314,681	1,640,662	1,642,581
Gain (loss) on sale of capital assets	-	-	19,352	-	-
Special item	-	-	(18,823,249)	(1,595,860)	-
Transfers	(1,474,147)	(1,106,621)	(498,722)	(7,492,597)	273,989
Gain (loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Total governmental activities	65,966,387	70,456,919	56,790,107	64,405,019	71,174,223
Business-type activities:					
Investment earnings	99,085	237,280	1,442,556	1,563,880	(72,233)
Gain (loss) on sale of capital assets	5,606	-	244	-	-
Other revenues	206,424	282,370	180,038	712,172	186,831
Special item	-	-	-	1,595,860	-
Transfers	1,474,147	1,106,621	498,722	7,492,597	(273,989)
Total business-type activities	1,785,262	1,626,271	2,121,560	11,364,509	(159,391)
Total primary government	\$ 67,751,649	\$ 72,083,190	\$ 58,911,667	\$ 75,769,528	\$ 71,014,832
Change in Net Position					
Governmental activities	\$ (2,467,216)	\$ (11,209,504)	\$ (17,697,665)	\$ (19,962,065)	\$ 1,156,747
Business-type activities	4,039,418	3,716,936	500,422	8,587,512	(686,510)
Totally primary government	\$ 1,572,202	\$ (7,492,568)	\$ (17,197,243)	\$ (11,374,553)	\$ 470,237

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

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General fund					
Nonspendable	\$ 76,547	\$ 120,831	\$ 82,255	\$ 90,836	\$ 87,345
Restricted	-	-	-	-	3,000,000
Committed	5,712,942	5,889,783	6,188,191	6,738,848	7,154,237
Assigned	7,601,191	11,275,445	12,025,746	10,500,675	9,303,536
Unassigned	-	272,083	2,674,597	5,786,193	1,694,671
Total general fund	<u>\$ 13,390,680</u>	<u>\$ 17,558,142</u>	<u>\$ 20,970,789</u>	<u>\$ 23,116,552</u>	<u>\$ 21,239,789</u>
All other governmental funds					
Nonspendable	\$ 57,995	\$ -	\$ 2,952,500	\$ 2,749,394	\$ -
Nonspendable, reported in:					
Special revenue funds	2,898,234	-	-	-	-
Restricted	10,472,386	16,010,908	13,408,799	12,107,627	22,309,801
Restricted, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	7,362,829	6,818,696	6,450,252	6,310,008	-
Committed	-	-	-	-	-
Assigned	3,503,086	3,113,179	6,956,943	6,466,871	2,150,834
Assigned, reported in:					
Capital projects funds	-	-	-	-	11,112,946
Special revenue funds	535,731	-	-	-	-
Unassigned	3,170,437	-	(99,891)	(64,425)	(106,954)
Unassigned, reported in:					
Special revenue funds	(1,319,919)	(1,044,377)	(1,551,713)	(1,852,352)	(1,335,382)
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 26,680,779</u>	<u>\$ 24,898,406</u>	<u>\$ 28,116,890</u>	<u>\$ 25,717,123</u>	<u>\$ 34,131,245</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)

(CONTINUED)

	Fiscal Year				
	2017	2018	2019	2020	2021
General fund					
Nonspendable	\$ 1,013,152	\$ 93,705	\$ 980,737	\$ 107,697	\$ 89,771
Restricted	-	-	-	-	-
Committed	7,409,689	7,605,573	7,989,184	7,585,231	7,241,252
Assigned	9,134,516	9,431,007	10,999,817	9,149,145	8,908,619
Unassigned	945,992	653,649	753,238	704,067	2,039,523
Total general fund	<u>\$ 18,503,349</u>	<u>\$ 17,783,934</u>	<u>\$ 20,722,976</u>	<u>\$ 17,546,140</u>	<u>\$ 18,279,165</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable, reported in:					
Special revenue funds	-	-	-	-	-
Restricted	18,625,842	20,061,786	17,751,026	25,180,005	23,255,534
Restricted, reported in:					
Special revenue funds	4,208,145	4,286,896	4,296,752	4,143,211	4,137,151
Debt service funds	-	-	14,131,491	-	-
Committed	-	-	-	-	-
Assigned	2,152,347	2,152,347	2,352,347	9,708,041	8,013,238
Assigned, reported in:					
Capital projects funds	12,372,901	10,057,599	9,158,315	-	-
Special revenue funds	-	-	-	-	-
Unassigned	(66,919)	(5,146)	(403)	(878,585)	(310,276)
Unassigned, reported in:					
Special revenue funds	(1,453,532)	(3,031,772)	(2,974,945)	(2,679,430)	(4,008,147)
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 35,838,784</u>	<u>\$ 33,521,710</u>	<u>\$ 44,714,583</u>	<u>\$ 35,473,242</u>	<u>\$ 31,087,500</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues:					
Taxes	\$ 51,875,943	\$ 55,882,844	\$ 55,958,439	\$ 58,603,127	\$ 64,304,427
Interdepartmental	6,249,628	6,656,858	7,143,371	7,588,928	8,176,790
Licenses and permits	1,343,422	1,259,505	1,504,502	1,333,512	1,701,786
Intergovernmental	16,339,864	13,380,088	11,096,634	14,091,278	12,259,088
Charges for services	7,486,013	7,461,642	8,401,697	8,511,455	9,618,003
Use of money and property	3,760,501	3,146,954	2,499,563	2,795,350	3,113,269
Fines and forfeitures	1,634,786	1,663,966	1,836,166	1,960,083	1,645,777
Other revenues	2,948,048	1,062,143	1,816,196	2,147,500	2,678,261
Total Revenues	91,638,205	90,514,000	90,256,568	97,031,233	103,497,401
Expenditures:					
Current:					
General government	8,085,175	9,285,279	9,157,309	9,757,869	10,189,258
Public safety	42,244,015	42,480,962	43,653,885	48,274,212	50,019,597
Housing and community development	13,549,748	9,360,093	9,116,267	8,883,086	9,546,763
Cultural and leisure services	5,282,197	8,567,569	8,789,002	10,023,420	11,001,375
Public works	7,395,866	9,212,829	9,362,140	10,325,935	11,198,389
AB 1484 demand payment	9,914,969	-	-	-	-
Capital outlay	5,491,358	6,357,661	1,248,965	7,382,451	3,235,047
Debt service:					
Principal	1,750,000	1,380,000	665,000	695,000	715,000
Interest	641,376	270,903	240,736	187,296	152,896
Debt issuance costs	-	-	-	-	-
Total Expenditures	94,354,704	86,915,296	82,233,304	95,529,269	96,058,325
Excess of Revenues Over (Under) Expenditures	(2,716,499)	3,598,704	8,023,264	1,501,964	7,439,076
Other Financing Sources (Uses):					
Transfers in	11,497,255	3,223,702	2,768,840	1,394,604	8,464,353
Transfers out	(13,478,178)	(4,437,317)	(4,160,973)	(3,150,572)	(9,366,070)
Refunding bonds issued	-	-	-	-	-
Other debts issued	246,200	-	-	-	-
Bond premium	-	-	-	-	-
Refunding bonds redeemed	-	-	-	-	-
Gain (loss) on Redevelopment Agency dissolution	13,523,123	-	-	-	-
Total Other Financing Sources (Uses)	11,788,400	(1,213,615)	(1,392,133)	(1,755,968)	(901,717)
Special item	-	-	-	-	-
Net Change in Fund Balances	\$ 9,071,901	\$ 2,385,089	\$ 6,631,131	\$ (254,004)	\$ 6,537,359
Debt service as a percentage of noncapital expenditures	2.77%	2.09%	1.13%	1.01%	0.94%

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)

(CONTINUED)

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues:					
Taxes	\$ 62,848,867	\$ 67,323,695	\$ 68,325,779	\$ 66,579,120	\$ 67,799,639
Interdepartmental	8,292,178	8,170,297	8,503,283	9,417,289	9,379,851
Licenses and permits	1,755,119	1,801,502	1,555,407	1,503,909	1,641,684
Intergovernmental	12,359,047	12,574,428	15,303,534	18,215,129	19,252,605
Charges for services	9,128,589	9,732,500	10,211,917	8,851,688	8,482,823
Use of money and property	3,038,633	3,134,966	5,483,218	5,219,501	1,408,878
Fines and forfeitures	1,523,928	1,368,615	1,489,424	1,163,678	1,331,574
Other revenues	2,540,369	2,498,976	5,049,393	3,835,968	6,194,701
Total Revenues	101,486,730	106,604,979	115,921,955	114,786,282	115,491,755
Expenditures:					
Current:					
General government	10,535,983	9,920,879	11,546,126	12,701,080	11,365,610
Public safety	52,875,881	57,451,797	58,235,693	61,281,401	60,812,252
Housing and community development	9,759,833	10,156,777	11,185,303	11,075,922	10,936,532
Cultural and leisure services	11,265,379	11,598,804	11,997,745	10,466,375	9,364,095
Public works	11,235,682	11,016,488	11,004,195	11,543,612	11,522,810
AB 1484 demand payment	-	-	-	-	-
Capital outlay	4,682,977	7,442,754	5,142,247	19,525,792	13,563,804
Debt service:					
Principal	745,000	775,000	805,000	795,000	555,000
Interest	121,999	89,856	412,427	1,322,680	1,095,981
Debt issuance costs	-	-	-	-	-
Total Expenditures	101,222,734	108,452,355	110,328,736	128,711,862	119,216,084
Excess of Revenues Over (Under) Expenditures	263,996	(1,847,376)	5,593,219	(13,925,580)	(3,724,329)
Other Financing Sources (Uses):					
Transfers in	4,031,647	2,326,416	3,701,950	4,918,105	10,407,106
Transfers out	(5,324,544)	(3,372,317)	(3,607,949)	(3,410,702)	(10,335,494)
Refunding bonds issued	-	-	-	-	-
Other debts issued	-	-	28,015,000	-	-
Bond premium	-	-	(747,056)	-	-
Refunding bonds redeemed	-	-	-	-	-
Gain (loss) on Redevelopment Agency dissolution	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,292,897)	(1,045,901)	27,361,945	1,507,403	71,612
Special item	-	-	(18,823,249)	-	-
Net Change in Fund Balances	\$ (1,028,901)	\$ (2,893,277)	\$ 14,131,915	\$ (12,418,177)	\$ (3,652,717)
Debt service as a percentage of noncapital expenditures	0.91%	0.86%	1.17%	1.98%	1.59%

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

Fiscal Year Ended June 30	City			Taxable
	Secured	Unsecured	Less: Exemptions	Assessed Value
2012	\$ 11,385,441,715	\$ 432,094,319	\$ (56,430,405)	\$ 11,761,105,629
2013	11,606,153,109	503,602,130	(59,615,627)	12,050,139,612
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

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 2020-21 Combined Tax Rolls

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

(CONTINUED)

Fiscal Year Ended June 30	Redevelopment			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Exemptions		
2012	\$ 389,564,455	\$ 54,640,221	\$ (658,821)	\$ 443,545,855	0.18575
2013	441,667,976	37,592,938	(671,996)	478,588,918	0.18746
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

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City basic rate	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539	0.16539
Redevelopment agency	1.00370	-	-	-	-	-	-	-	-	-
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	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Community College	0.01688	0.01849	0.01750	0.01742	0.01745	0.02294	0.02120	0.02223	0.02155	0.02362
Unified School District	0.08610	0.08162	0.09242	0.09689	0.09174	0.09079	0.08630	0.08086	0.08428	0.08430
Total Direct Rate	0.18575	0.18746	0.15783	0.15797	0.15808	0.15834	0.15871	0.15883	0.16317	0.16331

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 2020/2021 Tax Rate Table

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

Taxpayer	2021		2012	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Northrop Gruman Systems Corporation	\$ 533,495,194	2.86%	\$ 507,416,658	4.16%
South Bay Center SPE LLC	400,132,097	2.15%	191,236,138	1.57%
The Kobe Group Inc	79,468,269	0.43%	-	-
Noble House Recp Hotel Venture LLC	73,343,336	0.39%	59,335,845	0.49%
Redondo Distribution Center LLC	55,961,741	0.30%	-	-
Redondo Owner LLC	54,566,568	0.29%	-	-
HPT IHG 2 Properties Trust	53,578,459	0.29%	42,801,846	0.35%
AES Redondo Beach LLC	52,098,844	0.28%	179,025,156	1.47%
LPF Redondo Beach Inc	51,294,682	0.28%	-	-
MPG Doolittle 1 LLC ET AL	49,500,000	0.27%	-	-
Redondo Industrial Park LLC	63,252,666	0.34%	-	-
MKEG P LLC	-	-	36,991,935	0.30%
AMB AMS Spinnaker LLC	-	-	33,276,929	0.27%
Harbor Cove The Bascom Group	-	-	33,058,582	0.27%
Target Corporation	-	-	31,622,106	0.26%
616 Esplanade Street LLC	-	-	26,907,587	0.22%
	<u>\$ 1,466,691,856</u>	<u>7.87%</u>	<u>\$ 1,141,672,782</u>	<u>9.35%</u>

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

Source: HdL Coren & Cone, Los Angeles County Assessor 2020/2021 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
2012	\$ 26,025,500	\$ 25,493,811	97.96%	\$ 586,821	\$ 26,080,632	100.21%
2013	27,652,911	27,193,269	98.34%	567,962	27,761,231	100.39%
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%

Source: County of Los Angeles Auditor-Controller

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	Loans	Capital	County	Wastewater	Construction	Capital			
	Revenue Bonds		Leases	AB 1484	Revenue Bonds	Loans	Leases			
2012	\$ 6,357,917	\$ -	\$ 883,933	\$ 7,700,000	\$ 8,682,769	\$ 2,935,586	\$ -	\$ 26,560,205	6.00%	396
2013	4,958,928	-	884,094	-	8,450,143	2,651,854	-	16,945,019	3.64%	251
2014	4,271,142	-	444,896	-	7,755,117	2,355,354	-	14,826,509	2.97%	219
2015	3,553,356	-	750,436	-	7,503,861	2,045,512	114,597	13,967,762	2.57%	205
2016	2,815,570	-	565,029	-	7,232,606	1,721,727	58,404	12,393,336	1.63%	180
2017	2,047,784	-	253,265	-	6,951,350	1,383,372	-	10,635,771	1.33%	154
2018	1,250,000	-	28,902	-	6,660,094	1,029,790	-	8,968,786	1.06%	131
2019	27,712,944	-	-	-	6,353,838	660,298	-	34,727,080	3.94%	507
2020	26,942,846	-	186,587	-	6,037,582	274,194	-	33,441,209	3.65%	499
2021	26,411,918	-	96,652	-	5,711,326	-	-	32,219,896	-	485

NOTES: * Personal income data was not available from the U.S. Department of Bureau Analysis subsequent to fiscal year 2019/2020. Percentages reflected are calculated using personal income based on the metropolitan area Los Angeles-Long Beach-Anaheim.

Source: Note 8 of the Notes to Financial Statements

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City of Redondo Beach
Direct and Overlapping Governmental Activities Debt
June 30, 2021

City Assessed Valuation		\$	18,646,142,129	
Incremental Valuation			671,492,679	
Total Assessed Valuation		\$	<u>17,974,649,450</u>	
	Percentage Applicable	Outstanding Debt 6/30/21		Estimated Share of Overlapping Debt
Direct Debt:				
Community Financing Authority Lease Revenue Refunding Bonds 2019A	100%	\$ 27,110,000	\$	27,110,000
Community Financing Authority 2019A Unamortized Bond Premium	100%	(698,082)		(698,082)
Total direct debt		<u>26,411,918</u>		<u>26,411,918</u>
Overlapping Debt:				
* Metropolitan Water District	1.171%	13,101,783		153,382
El Camino CCD DS 2002 Series 2012C	14.682%	142,035,305		20,853,384
El Camino CCD DS 2012 Ref Bonds	14.682%	12,650,000		1,857,252
El Camino CCD DS 2012 Series 2016 A	14.682%	88,475,000		12,989,750
El Camino CCD DS 2016 Ref Bonds	14.682%	62,850,000		9,227,531
El Camino CCD DS 2012 Series 2018B	14.682%	45,610,000		6,696,383
El Camino CCD DS 2012 Series 2020C	14.682%	90,465,000		13,281,919
Redondo Beach Unified School District DS 2008 Ser B	100%	11,994,394		11,994,394
Redondo Beach Unified School District DS 2008 Series E	100%	269,172		269,172
Redondo Beach Unified School District DS 2008 Series F QSCB	100%	12,150,000		12,150,000
Redondo Beach Unified School District DS 2012 Ref	100%	6,603,454		6,603,454
Redondo Beach Unified School District DS 2012 Series A	100%	1,065,000		1,065,000
Redondo Beach Unified School District DS 2013 Ref Series 2000E	100%	16,120,000		16,120,000
Redondo Beach Unified School District DS 2012 Series B	100%	7,750,000		7,750,000
Redondo Beach Unified School District DS 2014 Ref Series 2008A	100%	6,305,000		6,305,000
Redondo Beach Unified School District DS 2012 Series C	100%	9,470,000		9,470,000
Redondo Beach Unified School District DS 2016 Ref Series A	100%	36,260,000		36,260,000
Redondo Beach Unified School District DS 2017 Ref 2008D	100%	23,640,000		23,640,000
Redondo Beach Unified School District DS 2012 Series D	100%	3,855,000		3,855,000
Redondo Beach Unified School District DS 2020 REF	100%	76,455,000		76,455,000
Total overlapping debt		<u>\$ 667,124,108</u>		<u>276,996,621</u>
Total direct and overlapping debt			\$	<u>303,408,539</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 2020/2021 Lien Date Tax Rolls

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 1,830,697,723	\$ 1,879,309,280	\$ 1,950,708,105	\$ 2,042,646,734	\$ 2,143,539,979
Legal debt margin	\$ 1,830,697,723	\$ 1,879,309,280	\$ 1,950,708,105	\$ 2,042,646,734	\$ 2,143,539,979
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Source: County of Los Angeles Auditor-Controller

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

(CONTINUED)

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 18,646,142,129
Debt Limit (15% of assessed value)	<u>2,796,921,319</u>
Legal debt margin	<u><u>\$ 2,796,921,319</u></u>

Fiscal Year				
2017	2018	2019	2020	2021
<u>\$ 2,258,235,466</u>	<u>\$ 2,387,747,521</u>	<u>\$ 2,512,486,019</u>	<u>\$ 2,637,184,289</u>	<u>\$ 2,796,921,319</u>
<u><u>\$ 2,258,235,466</u></u>	<u><u>\$ 2,387,747,521</u></u>	<u><u>\$ 2,512,486,019</u></u>	<u><u>\$ 2,637,184,289</u></u>	<u><u>\$ 2,796,921,319</u></u>
<u><u>0%</u></u>	<u><u>0%</u></u>	<u><u>0%</u></u>	<u><u>0%</u></u>	<u><u>0%</u></u>

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

Fiscal Year Ended June 30,	Wastewater Revenue Bonds						
	Wastewater Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2012	\$ 2,469,073	\$ 1,241,772	\$ 1,227,301	\$ 225,000	\$ 451,050	1.82	
2013	3,469,675	1,201,797	2,267,878	235,000	442,050	3.35	
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	

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, 2021

Calendar Year	Population	Personal Income * (in millions)	Per Capita Personal Income *	Unemployment Rate **
2012	67,007	\$ 443,006	\$ 44,474	10.8%
2013	67,396	466,098	46,530	9.2%
2014	67,717	499,768	49,400	7.7%
2015	68,095	544,168	53,521	6.9%
2016	68,844	760,829	57,160	5.0%
2017	68,907	802,394	60,087	4.7%
2018	68,677	849,493	63,913	4.1%
2019	68,473	881,215	66,684	4.0%
2020	66,994	915,133	69,805	13.6%
2021	66,484	-	-	7.4%

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.

Source: California Department of Finance, Demographic Research Unit
U.S. Bureau of Economic Analysis
U.S. Department of Labor

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

Employer	2021		2012	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Northrup Grumman Corporation	7,199	34.43%	5,645	16.33%
Redondo Beach Unified School District	986	4.71%	995	2.88%
City of Redondo Beach	423	2.02%	432	1.25%
The Cheesecake Factory	261	1.25%	261	0.76%
Macy's	242	1.16%	206	0.60%
Target Stores	241	1.15%	217	0.63%
Frontier	164	0.78%	-	-
United States Postal Service	152	0.73%	260	0.75%
Silverado Beach Cities	140	0.67%	-	-
Civic Financial Services	133	0.64%	-	-
DHL Global Forwarding	-	-	207	0.60%
Crowne Plaza Redondo Beach	-	-	339	0.98%
Nordstrom, Inc.	-	-	254	0.73%

Source: City of Redondo Beach

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	50	49	49	51	51	53	54	54	51	48
Public Safety										
Police										
Officers	96	96	96	93	96	96	96	96	95	92
Civilians	59	59	59	59	58	58	58	58	58	53
Fire										
Firefighters and Officers	60	60	60	62	62	62	62	62	62	56
Civilians	3	3	3	3	3	3	5	5	5	4
Public Works	95	96	111	111	111	112	112	110	109	104
Cultural and Leisure Services	37	35	33	34	34	33	33	32	31	26
Housing & Community Development	30	30	15	17	17	17	18	18	18	16
Harbor, Business, & Transit	3	3	3	3	4	4	4	4	3	3
TOTAL	433	431	429	433	436	438	442	439	432	402

Source: City of Redondo Beach

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Physical arrests	2,200	2,095	2,141	2,146	2,325	2,490	2,184	2,108	1,497	- *
Traffic citations issued	4,490	4,764	4,966	4,516	3,898	4,699	4,220	4,015	2,651	- *
Fire										
Number of runs - rescues	4,313	4,265	4,338	4,604	4,702	5,025	4,665	4,791	4,472	- *
Number of runs - structures & other	1,743	1,685	1,822	1,989	2,115	2,107	2,605	2,602	2,833	- *
Public Works										
Street rehabilitation (miles)	-	1.5	3.1	1.1	2.4	-	4.1	0.7	1.4	4.1
Culture and Leisure Services										
Library										
Number of items borrowed	933,939	806,890	621,139	584,643	545,316	476,837	479,575	447,966	402,964	242,530
Number of visitors	455,030	370,357	333,869	350,958	343,395	332,181	308,542	314,093	210,999	18,821
Recreation and Community Services										
Admissions - Seaside Lagoon	80,381	70,935	82,414	81,328	87,422	79,833	79,856	60,419	- **	- **
Number of facility rentals - Seaside Lagoon	352	376	387	381	388	378	382	422	- **	- **
Housing & Community Development										
Number of permits issued	3,088	2,651	2,955	3,295	6,899	3,435	3,522	3,172	2,655	5,651
Number of plan checks issued	1,036	615	1,471	1,559	4,200	2,492	2,436	2,060	2,038	3,997
Number of inspections	8,514	5,048	4,411	10,326	12,827	12,276	11,748	17,007	9,723	19,130
Number of real estate reports	737	904	922	973	1,925	861	814	807	672	1,559
Number of bus boardings - Transit	403,041	401,827	410,585	415,259	407,272	383,112	375,545	367,087	288,912	166,176
Revenue miles - Transit	475,754	474,140	475,564	459,468	458,198	448,682	448,541	448,016	414,401	365,731

NOTE: * Data is for calendar year and not available until the year is complete.

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

Source: City of Redondo Beach - Financial Services Department

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-station	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	127	127	127	127	127	127	127	127	127	127
Streetlights *	1892	1892	1892	1892	1892	1892	1892	1892	1892	1892
Street Traffic Controllers	84	84	84	84	84	84	84	84	84	84
Sanitary sewers (miles)	112	112	112	112	112	112	112	112	112	112
Culture and Leisure Services										
Parks	15	15	15	15	15	15	15	15	15	15
Parquettes	13	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	143.26
Boat Slips	1509	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	107
Total land area	52.5	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	2
Community Centers	5	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, 2021

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 unscheduled bond calls;
 - i. Defeasances;
 - j. Resale, substitution, or sale of property securing repayment of the securities; or
 - k. Rating changes

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Use Classification										
Each single family dwelling unit	\$ 7.25	\$ 10.25	\$ 13.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25	\$ 16.25
Each unit in a 2-3 unit condo structure	7.25	10.25	13.25	16.25	16.25	16.25	16.25	16.25	16.25	16.25
Each unit in a 2-3 unit apartment structure	5.65	7.97	10.31	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Each unit in a 4 or more unit condo structure	5.65	7.97	10.31	12.64	12.64	12.64	12.64	12.64	12.64	12.64
Each unit in a 4 or more unit apartment structure	3.88	5.49	7.09	8.70	8.70	8.70	8.70	8.70	8.70	8.70
Commercial/Industrial/Institutional parcels	0.62	0.88	1.13 *	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

City of Redondo Beach
Top Ten Customers - Sewage Usage
June 30, 2021

<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	105,997	\$147,336	2.7%
Northrop Grumman Systems	Aerospace	49,435	\$68,714	1.3%
Redondo Beach Unified - South Bay Union High	Education	25,742	\$35,781	0.7%
Beach Cities Health District	Hospital	15,121	\$21,018	0.4%
Marina Way Mole B	Harbor Facilities	14,747	\$20,498	0.4%
City of Redondo Beach Leased Properties	Harbor Facilities	14,654	\$20,369	0.4%
Hilton Garden Inn	Hotel	13,267	\$18,441	0.3%
Crown Plaza Holiday Inn	Hotel	12,589	\$17,499	0.3%
Haagen Redondo LLC	Shopping Mall	10,326	\$14,353	0.3%
Redondo Beach City School District	Education	9,563	\$13,293	0.2%
				<hr/> 6.9%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Type of Customer										
Residential	13,105	13,106	13,104	13,105	13,105	13,111	13,113	13,114	13,116	13,117
Industrial	61	61	61	61	59	59	59	58	57	57
Commercial	457	463	463	461	462	464	463	465	465	464
Institutional	61	59	59	59	59	58	58	57	56	56
Mixed use	43	43	43	43	43	43	43	43	43	43
Total	13,727	13,732	13,730	13,729	13,728	13,735	13,736	13,737	13,737	13,737

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, 2021

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.



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*

To the Honorable Mayor and Members of the City Council
City of 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 governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the City of Redondo Beach, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 17, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.



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

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Loughard, LLP

Brea, California
December 17, 2021