



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Finance Subcommittee

FROM: Bruce Moe, Finance Director
Henry Mitzner, Controller
Eden Serina, Financial Analyst

DATE: December 11, 2013

SUBJECT: Review of Results of Fiscal Year 2012-2013 Financial Audit

RECOMMENDATION:

Staff recommends that the Finance Subcommittee discuss the FY 2012-2013 audit results, and receive and file this report.

FISCAL IMPLICATION:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

At the end of each fiscal year, independent auditors, hired by the City Council, perform an audit of the City's financial statements. A report is then prepared and presented to the City Council with the results. Prior to that report, the auditors meet with the Finance Subcommittee to discuss the outcome.

DISCUSSION:

Attached to this cover memo is a draft of the fund statements as they will appear in the final report. The remaining components of the report, including the Notes, Letter of Transmittal, the Management Discussion and Analysis, and the Statistical Section, are in production by staff, and will be presented in the final report to the full City Council on January 21, 2014.

Overall, the General Fund performance positively exceeded budget expectations:

FY 2012-2013 General Fund	Revenues	Expenditures	Rev/Expenditures
Adopted Budget	\$53,098,918	\$52,994,257	\$104,661
Final Adjusted Budget	53,306,056	54,839,412	(1,533,356)
Actual Results	\$55,962,248	\$53,192,848	\$2,769,400

The actual results above include sales of assets for \$3,286 which is listed as “Other Financing Sources (Uses) in financial statements. Additionally, the final adjusted expenditure budget reflects an appropriation of \$1.445 million to account for the payoff of the South Bay Regional Public Communications Authority certificates of participation during fiscal year 2012-2013.

When considering transfers in and out of the General Fund (in from the County Lots, out to Street Lighting and Landscaping and Capital Improvement), the net change in fund balance during FY 2012-2013 was (\$271,833).

For more detailed information on General Fund revenues and expenditures, please refer to the attachments.

Mr. Richard Kukuchi, partner with the audit firm of Lance, Soll and Lunghard will be present at the Finance Subcommittee meeting to discuss the results of the audit and answer questions.

Attachment:

A – Fund Financial Statements

FUND FINANCIAL STATEMENTS

CITY OF MANHATTAN BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General	Capital Projects Funds Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled cash and investments	\$ 19,491,970	\$ 8,501,698	\$ 9,404,557	\$ 37,398,225
Receivables:				
Accounts	915,965	-	111,134	1,027,099
Taxes	3,005,196	54,587	-	3,059,783
Notes and loans	432,000	45,052	-	477,052
Accrued interest	221,918	-	-	221,918
Prepaid costs	42,514	-	-	42,514
Due from other governments	247,328	99,808	414,385	761,521
Advances due from other funds	22,488	469,200	-	491,688
Restricted assets:				
Cash and investments with fiscal agents	1,397,993	11,812,746	390,884	13,601,623
Total Assets	25,777,372	20,983,091	10,320,960	57,081,423
Liabilities and Fund Balances:				
Liabilities:				
Current:				
Accounts payable	\$ 1,562,741	\$ 433,595	\$ 530,139	\$ 2,526,475
Accrued liabilities	1,813,951	-	-	1,813,951
Deferred revenues	970,734	99,808	136,566	1,207,108
Unearned revenues	730,138	-	-	730,138
Deposits payable	843,489	-	1,741	845,230
Due to other funds	-	-	22,488	22,488
Interest payable	267,559	391,760	-	659,319
Total Liabilities	6,188,612	925,163	690,934	7,804,709
Fund Balances:				
Nonspendable:				
Prepaid costs	32,515	-	-	32,515
Notes and loans	432,000	45,052	-	477,052
Advanced to other funds	-	-	-	-
Restricted for:				
Public safety	-	-	917,222	917,222
Parks and recreation	-	-	-	-
Public works	-	-	4,826,828	4,826,828
Capital projects	-	-	-	-
Debt service	1,130,434	11,420,986	-	12,551,420
Committed to:				
Capital projects	-	8,591,890	-	8,591,890
Unassigned	17,993,811	-	3,885,976	21,879,787
Total Fund Balances	19,588,760	20,057,928	9,630,026	49,276,714
Total Liabilities and Fund Balances	\$ 25,777,372	\$ 20,983,091	\$ 10,320,960	\$ 57,081,423

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	General	Capital Project Funds Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes and assessments	39,663,273	668,425	1,941,968	42,273,666
Licenses and permits	1,499,285	14,536	-	1,513,821
Intergovernmental	395,087	-	1,204,734	1,599,821
Charges for services	8,488,659	683,571	30,206	9,202,436
Use of money and property	2,538,827	25,418	69,847	2,634,092
Fines and forfeitures	2,466,837	122,028	-	2,588,865
Miscellaneous Revenues	906,994	845,000	16,432	1,768,426
Total Revenues	55,958,962	2,358,978	3,263,187	61,581,127
Expenditures:				
Current:				
General Government	9,184,066	-	-	9,184,066
Public Safety	30,307,589	-	247,213	30,554,802
Culture and recreation	4,795,861	-	851,071	5,646,932
Public works	5,964,197	-	933,674	6,897,871
Capital outlay	-	1,080,643	1,528,526	2,609,169
Debt service:				
Principal retirement	2,700,000	285,000	-	2,985,000
Interest	241,134	811,260	-	1,052,394
Total Expenditures	53,192,847	2,176,903	3,560,484	58,930,234
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,766,115	182,075	(297,297)	2,650,893
Other Financing Sources (Uses):				
Transfers in	200,583	3,000,000	569,986	3,770,569
Transfers out	(3,241,817)	-	(328,169)	(3,569,986)
Other financing sources	-	11,833,807	-	11,833,807
Other financing uses	-	(822,961)	-	(822,961)
Proceeds from sale of capital asset	3,286	-	-	3,286
Total Other Financing Sources (Uses)	(3,037,948)	14,010,846	241,817	11,214,715
Net Change in Fund Balance	(271,833)	14,192,921	(55,480)	13,865,608
Fund Balances, Beginning of Year	19,860,593	5,865,007	9,685,506	35,411,106
Fund Balances, End of Year	\$ 19,588,760	\$ 20,057,928	\$ 9,630,026	\$ 49,276,714

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,860,593	\$ 19,860,593	\$ 19,860,593	\$ -
Resources (Inflows):				
Taxes and assessments	36,894,068	36,894,068	39,663,273	2,769,205
Licenses and permits	1,492,860	1,492,860	1,499,285	6,425
Intergovernmental	211,000	398,138	395,087	(3,051)
Charges for services	8,549,488	8,569,488	8,488,659	(80,829)
Use of money and property	2,708,362	2,708,362	2,538,827	(169,535)
Fines and forfeitures	2,940,500	2,940,500	2,466,837	(473,663)
Miscellaneous	302,140	302,140	906,994	604,854
Transfers in	73,373	73,373	200,583	127,210
Other financing sources	-	-	-	-
Proceeds from sale of capital asset	500	500	3,286	2,786
Amounts Available for Appropriation	73,032,884	73,240,022	76,023,424	2,783,402
Charges to Appropriation (Outflow):				
General government	9,493,684	9,618,972	9,184,066	434,906
Public safety	30,471,345	30,680,179	30,307,589	372,590
Culture and recreation	5,398,572	5,416,124	4,795,861	620,263
Public works	5,804,831	5,911,545	5,964,197	(52,652)
Debt service:				
Principal retirement	1,304,998	2,699,998	2,700,000	(2)
Interest and fiscal charges	520,827	512,595	241,134	271,461
Transfers out	3,195,555	3,195,555	3,241,817	(46,262)
Other financing uses	-	-	-	-
Total Charges to Appropriations	56,189,812	58,034,968	56,434,664	1,600,304
Budgetary Fund Balance, June 30	\$ 16,843,072	\$ 15,205,054	\$ 19,588,760	\$ 4,383,706

CITY OF MANHATTAN BEACH

STATEMENT OF FUND NET ASSETS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			
	Water	Wastewater	Refuse	Parking
Assets:				
Current:				
Cash and investments	\$ 12,646,524	\$ 3,237,550	\$ 1,082,743	\$ 2,771,244
Receivables:				
Accounts	948,684	249,716	310,701	4,603
Prepaid costs	-	-	-	-
Inventories	211,896	-	-	-
Total Current Assets	13,807,104	3,487,266	1,393,444	2,775,847
Noncurrent:				
Prepaid other post-employment benefits	108,074	25,544	11,791	9,432
Restricted:				
Cash with fiscal agent	-	-	-	-
Capital assets - net of accumulated depreciation	18,593,188	6,874,808	-	17,569,828
Total Noncurrent Assets	18,701,262	6,900,352	11,791	17,579,260
Total Assets	\$ 32,508,366	\$ 10,387,618	\$ 1,405,235	\$ 20,355,107
Liabilities and Net Assets:				
Liabilities:				
Current:				
Accounts payable	\$ 1,298,633	\$ 313,611	\$ 335,050	\$ 85,890
Accrued interest	-	-	-	-
Deposits payable	2,435	-	-	104,015
Workers' compensation claim	-	-	-	-
Accrued compensated absences	15,794	-	-	-
Accrued claims and judgments	-	-	-	-
Bonds, notes, and capital leases	107,240	52,760	-	370,000
Lease Payable	-	-	-	-
Total Current Liabilities	1,424,102	366,371	335,050	559,905
Noncurrent:				
Advances due to other funds	-	-	-	469,200
Bonds, notes, and capital leases	1,689,028	830,972	-	9,480,000
Bond premium	121,111	59,584	-	440,752
Accrued leave long-term	47,462	-	-	-
Workers' compensation claims	-	-	-	-
Accrued claims and judgments	-	-	-	-
Lease payable	-	-	-	-
Total Noncurrent Liabilities	1,867,601	890,556	-	10,389,952
Total Liabilities	\$ 3,281,703	\$ 1,256,927	\$ 335,050	\$ 10,949,857
Net Assets:				
Invested in capital assets, net of related debt	16,675,809	5,931,492	-	6,809,876
Restricted for debt service	-	-	-	-
Restricted for business improvement district	-	-	-	520,514
Unrestricted	12,550,854	3,199,199	1,070,185	2,074,860
Total Net Assets	29,226,663	9,130,691	1,070,185	9,405,250
Total Liabilities and Net Assets	\$ 32,508,366	\$ 10,387,618	\$ 1,405,235	\$ 20,355,107

CITY OF MANHATTAN BEACH

STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Totals	
Assets:			
Current:			
Cash and investments	\$ 3,623,002	\$ 23,361,063	\$ 13,378,987
Receivables:			
Accounts	61,128	1,574,832	10,000
Prepaid cost	-	-	975
Inventories	-	211,896	-
Total Current Assets	3,684,130	25,147,791	13,389,962
Noncurrent:			
Prepaid other post-employment benefits	14,149	168,990	110,037
Restricted:			
Cash with fiscal agent	-	-	-
Capital assets - net of accumulated depreciation	4,016,324	47,054,148	4,342,773
Total Noncurrent Assets	4,030,473	47,223,138	4,452,810
Total Assets	\$ 7,714,603	\$ 72,370,929	\$ 17,842,772
Liabilities and Net Assets:			
Liabilities:			
Current:			
Accounts payable	\$ 369,867	\$ 2,403,051	\$ 477,595
Accrued interest	-	-	-
Deposits payable	-	106,450	-
Workers' compensation claim	-	-	4,995,269
Accrued compensated absences	-	15,794	-
Accrued claims and judgments	-	-	731,935
Bonds, notes, and capital leases	-	530,000	-
Lease payable	-	-	184,499
Total Current Liabilities	369,867	3,055,295	6,389,298
Noncurrent:			
Advances from other funds	-	469,200	-
Bonds, notes, and capital leases	-	12,000,000	-
Bond premium	-	621,447	-
Accrued leave long-term	-	47,462	-
Workers' compensation claims	-	-	2,792,830
Accrued claims and judgments	-	-	396,189
Lease payable	-	-	719,342
Total Noncurrent Liabilities	-	13,138,109	3,908,361
Total Liabilities	\$ 369,867	\$ 16,193,404	\$ 10,297,659
Net Assets:			
Invested in capital assets, net of related debt	4,016,324	33,433,501	4,342,773
Restricted for debt service	-	-	-
Restricted for business improvement district	-	520,514	-
Unrestricted	3,328,412	22,223,510	3,312,223
Total Net Assets	7,344,736	56,177,525	7,654,996
Total Liabilities and Net Assets	\$ 7,714,603	\$ 72,370,929	\$ 17,952,655

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			
	Water	Wastewater	Refuse	Parking
Operating Revenues:				
Sales and service charges	14,913,986	3,392,659	4,426,190	2,342,382
Miscellaneous	2,297	13,418	11,647	21,256
Total Operating Revenues	14,916,283	3,406,077	4,437,837	2,363,638
Operating Expenses:				
Salaries	731,478	221,127	61,092	52,999
Employee benefits	278,241	73,140	28,716	21,766
Contract and professional services	4,412,466	122,501	3,663,172	413,907
Materials and services	1,107,891	524,166	49,104	404,125
Utilities	364,339	26,239	371	95,008
Administrative service charges	1,349,184	808,128	359,112	174,360
Leases and rents	-	-	-	-
Claims expense	-	-	-	-
Depreciation expense	438,727	171,511	-	237,275
Leave	2,859	-	-	-
Total Operating Expenses	8,685,185	1,946,812	4,161,567	1,399,440
Operating Income (Loss)	6,231,098	1,459,265	276,270	964,198
Nonoperating Revenues (Expenses):				
Interest revenue	99,842	26,659	8,667	36,512
GASB 31 gains/losses	(10,332)	(3,858)	(1,004)	(4,564)
Investment amortization	(61,992)	(16,090)	(5,425)	(18,161)
Bond administrative fees	(670)	(330)	-	(2,000)
OPEB amortization	(22,716)	(5,369)	(2,478)	(1,982)
Interest on refunding bond	(61,237)	(30,128)	-	(342,475)
Amortization of refunding bond premium	9,689	4,767	-	23,824
Refunded (old) bond interest	(13,544)	(6,647)	-	(267,521)
Refunded (old) Bond Discount Writeoff	(46,806)	(23,021)	-	(172,995)
Cost Issuance - Refunding Bonds	(29,287)	(14,421)	-	(160,649)
Lease Interest	-	-	-	-
Lease Admin Fees	-	-	-	-
Gain (loss) on disposal of capital assets	19,521	-	-	-
Bad Debt Writeoff	(7,988)	(2,891)	(3,265)	-
Total Nonoperating Revenues (Expenses):	(125,520)	(71,329)	(3,505)	(910,011)
Income (Loss) Before Transfers	6,105,578	1,387,936	272,765	54,187
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Changes in Net Assets	6,105,578	1,387,936	272,765	54,187
Net Assets:				
Beginning of Year	23,121,085	7,742,755	797,420	9,351,063
End of Fiscal Year	\$ 29,226,663	\$ 9,130,691	\$ 1,070,185	\$ 9,405,250

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Totals	
Operating Revenues:			
Sales and service charges	1,546,782	26,621,999	9,750,481
Miscellaneous	500,000	548,618	10,038
Total Operating Revenues	2,046,782	27,170,617	9,760,519
Operating Expenses:			
Salaries	36,598	1,103,294	1,062,646
Employee benefits	17,304	419,167	389,067
Contract and professional services	388,995	9,001,041	1,015,446
Materials and services	307,315	2,392,601	1,765,479
Utilities	62,689	548,646	110,703
Administrative service charges	136,236	2,827,020	-
Leases and rents	369,531	369,531	-
Claims expense	-	-	3,770,133
Depreciation expense	143,590	991,103	519,906
Leave	-	2,859	-
Total Operating Expenses	1,462,258	17,655,262	8,633,380
Operating Income (Loss)	584,524	9,515,355	1,127,139
Nonoperating Revenues (Expenses):			
Interest revenue	30,844	202,524	-
GASB 31 gains/losses	(7,210)	(26,968)	-
Investment amortization	(17,622)	(119,290)	-
Bond administrative fees	-	(5,974)	-
OPEB amortization	(2,974)	(32,545)	(23,128)
Interest on refunding bond	-	(433,840)	-
Amortization of refunding bond premium	-	38,280	-
Refunded (old) bond interest	-	(287,712)	-
Refunded (old) Bond Discount Writeoff	-	(242,822)	-
Cost Issuance - Refunding Bonds	-	(204,357)	-
Lease Interest	-	-	(3,586)
Lease Admin Fees	-	-	(750)
Gain (loss) on disposal of capital assets	-	19,521	(7,963)
Bad Debt Writeoff	-	(14,144)	-
Total Nonoperating Revenues (Expenses):	3,038	(1,107,327)	(35,427)
Income (Loss) Before Transfers	587,562	8,408,028	1,091,712
Transfers in	-	-	-
Transfers out	(200,583)	(200,583)	-
Changes in Net Assets	386,979	8,207,445	1,091,712
Net Assets:			
Beginning of Year	6,957,757	47,970,080	6,563,284
End of Fiscal Year	\$ 7,344,736	\$ 56,177,525	\$ 7,654,996

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Wastewater</u>	<u>Refuse</u>	<u>Parking</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 14,964,100	\$ 3,389,706	\$ 4,458,058	\$ 2,516,325
Cash received from/(paid to) interfund service provided	(1,784,817)	(1,297,388)	(391,644)	(372,938)
Cash paid to suppliers for goods and services	(5,347,552)	(254,910)	(3,684,338)	(853,366)
Cash paid to employees for services	(986,077)	(291,171)	(88,632)	(73,349)
Net Cash Provided (Used) by Operating Activities	6,845,654	1,546,237	293,444	1,216,672
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from (to) other funds	-	-	-	(301,900)
Other nonoperating income	24,557	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	24,557	-	-	(301,900)
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	(3,202,185)	(1,279,090)	-	(210,210)
Principal paid on capital debt	(2,228,578)	(1,096,422)	-	(11,485,000)
Interest paid on capital debt	(116,459)	(57,284)	-	(876,076)
Refunding Bond Proceeds	1,984,038	976,112	-	10,674,576
Bond administration fee	(29,957)	(14,751)	-	(162,649)
Cash from sale of assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,593,141)	(1,471,435)	-	(2,059,359)
Cash Flows from Investing Activities:				
Interest received	27,519	6,711	2,238	13,817
Net Cash Provided (Used) by Investing Activities	27,519	6,711	2,238	13,817
Net Increase (Decrease) in Cash and Cash Equivalents	3,304,589	81,513	295,682	(1,130,770)
Cash and Cash Equivalents at the Beginning of the Year	9,341,935	3,156,037	787,061	3,902,014
Cash and Cash Equivalents at the End of the Year	\$ 12,646,524	\$ 3,237,550	\$ 1,082,743	\$ 2,771,244
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (loss)	\$ 6,231,098	\$ 1,459,265	\$ 276,270	\$ 964,198
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	438,727	171,511	-	237,275
(Increase) decrease in accounts receivable	35,013	(16,393)	18,826	(2,653)
(Increase) decrease in inventory	(97,510)	-	-	-
(Increase) decrease in accounts payable	234,717	(68,146)	(1,652)	18,672
(Increase) decrease in deposits payable	100	-	-	(820)
(Increase) decrease in compensated absences	3,509	-	-	-
Total Adjustments	614,556	86,972	17,174	252,474
Net Cash Provided (Used) by Operating Activities	\$ 6,845,654	\$ 1,546,237	\$ 293,444	\$ 1,216,672

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds		
	Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,001,615	\$ 27,329,804	\$ 122,898
Cash received from/(paid to) interfund service provided	(195,943)	(4,042,730)	8,481,380
Cash paid to suppliers for goods and services	(1,220,861)	(11,361,027)	(6,072,397)
Cash paid to employees for services	(52,101)	(1,491,330)	(1,399,633)
Net Cash Provided (Used) by Operating Activities	532,710	10,434,717	1,132,248
Cash Flows from Non-Capital Financing Activities:			
Cash transfers from (to) other funds	(200,583)	(502,483)	-
Other nonoperating income	-	24,557	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(200,583)	(477,926)	-
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(660,134)	(5,351,619)	(1,862,715)
Principal paid on capital debt	-	(14,810,000)	(45,672)
Interest paid on capital debt	-	(1,049,819)	(3,586)
Refunding Bond Proceeds	-	13,634,726	-
Bond administration fee	-	(207,357)	-
Cash from sale of assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(660,134)	(7,784,069)	(1,911,973)
Cash Flows from Investing Activities:			
Interest received	6,014	56,299	-
Net Cash Provided (Used) by Investing Activities	6,014	56,299	-
Net Increase (Decrease) in Cash and Cash Equivalents	(321,993)	2,229,021	(779,726)
Cash and Cash Equivalents at the Beginning of the Year	3,944,995	21,132,042	14,158,712
Cash and Cash Equivalents at the End of the Year	\$ 3,623,002	\$ 23,361,063	\$ 13,378,987
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (loss)	\$ 584,524	\$ 9,515,355	\$ 1,127,139
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	143,590	991,103	519,906
(Increase) decrease in accounts receivable	(45,168)	(10,375)	(10,000)
(Increase) decrease in prepaid expense	-	-	30,580
(Increase) decrease in inventory	-	(97,510)	247
(Increase) decrease in accounts payable	(150,236)	33,355	252,841
(Increase) decrease in deposits payable	-	(720)	-
(Increase) decrease in compensated absences	-	3,509	-
(Increase) decrease in claims payable	-	-	(788,465)
Total Adjustments	(51,814)	919,362	5,109
Net Cash Provided (Used) by Operating Activities	\$ 532,710	\$ 10,434,717	\$ 1,132,248

CITY OF MANHATTAN BEACH

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2013

	Agency Funds	Pension Trust Fund
Assets:		
Pooled cash and investments	\$ 1,280,777	\$ 298,191
Receivables:		
Accounts	18,916	135,963
Restricted assets		-
Cash and investments with fiscal agent	3,221,476	-
Total Assets	\$ 4,521,169	\$ 434,154
Liabilities and Net Assets:		
Liabilities:		
Accounts payable	\$ 13,657	\$ -
401(a) plan deposits	2,249,203	-
Deposits payable	463,342	-
Due Bond Holders	1,794,967	-
Total Liabilities	\$ 4,521,169	
Net Assets:		
Held in trust for pension benefits		434,154
Total Net Assets		\$ 434,154

CITY OF MANHATTAN BEACH

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013**

	Pension Trust Fund
Additions	
Refund of contributions	\$ 135,963
Investment earnings	<u>15,537</u>
Total additions	<u>151,500</u>
Deductions	
Benefits	<u>204,339</u>
Total deductions	<u>204,339</u>
Change in net assets	(52,839)
Net Assets - Beginning of Year	<u>486,993</u>
Net Assets - End of Year	<u>\$ 434,154</u>

COMBINING FINANCIAL STATEMENTS

NONMAJOR FUNDS

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
Assets:				
Pooled cash and investments	\$ 34,725	\$ 3,074,973	\$ 928,040	\$ 156,567
Receivables:				
Accounts	6,153	104,981	-	-
Due from other governments	-	73,809	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 40,878	\$ 3,253,763	\$ 928,040	\$ 156,567
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 40,878	\$ 35,267	\$ 10,818	\$ -
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	40,878	35,267	10,818	-
Fund Balances:				
Restricted for:				
Public safety	-	-	917,222	-
Culture and recreation	-	-	-	-
Public works	-	3,218,496	-	-
Capital projects	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	156,567
Total Fund Balances	-	3,218,496	917,222	156,567
Total Liabilities and Fund Balances	\$ 40,878	\$ 3,253,763	\$ 928,040	\$ 156,567

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(Continued)

	Special Revenue Funds			
	Federal and State Grants	Prop A	Prop C	AB 2766
Assets:				
Pooled cash and investments	\$ -	\$ 194,121	\$ 3,522,073	\$ 420,672
Receivables:				
Accounts	-	-	-	-
Due from other governments	22,488	-	306,957	11,131
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 22,488	\$ 194,121	\$ 3,829,030	\$ 431,803
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 14,458	\$ 142,718	\$ 286,000
Deferred revenues	22,488	-	114,078	-
Deposits payable	-	-	-	-
Due to other funds	22,488	-	-	-
Total Liabilities	44,976	14,458	256,796	286,000
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	145,803
Capital projects	-	-	-	-
Committed to:				
Capital projects	-	-	-	-
Unassigned	(22,488)	179,663	3,572,234	-
Total Fund Balances	(22,488)	179,663	3,572,234	145,803
Total Liabilities and Fund Balances	\$ 22,488	\$ 194,121	\$ 3,829,030	\$ 431,803

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

(Continued)

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	Measure R	Underground Assessment District	
Assets:			
Pooled cash and investments	\$ 875,937	\$ 197,449	\$ 9,404,557
Receivables:			
Accounts	-	-	111,134
Due from other governments	-	-	414,385
Restricted assets:			
Cash and investments with fiscal agents	-	390,884	390,884
Total Assets	\$ 875,937	\$ 588,333	\$ 10,320,960
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 530,139
Deferred revenues	-	-	136,566
Deposits payable	-	1,741	1,741
Due to other funds	-	-	22,488
Total Liabilities	-	1,741	690,934
Fund Balances:			
Restricted for:			
Public safety	-	-	917,222
Culture and recreation	-	-	-
Public works	875,937	586,592	4,826,828
Capital projects	-	-	-
Committed to:			
Capital projects	-	-	-
Unassigned	-	-	3,885,976
Total Fund Balances	875,937	586,592	9,630,026
Total Liabilities and Fund Balances	\$ 875,937	\$ 588,333	\$ 10,320,960

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			
	Street Lighting and Landscape	Gas Tax	Asset Forfeiture	Public Safety Grants
Revenues:				
Taxes and assessments	376,587	171,535	-	-
Intergovernmental	-	831,559	25,798	100,000
Charges for services	20,163	-	-	-
Use of money and property	-	22,866	6,745	897
Miscellaneous Revenues	-	-	-	-
Total Revenues	396,750	1,025,960	32,543	100,897
Expenditures:				
Current:				
Public Safety	-	-	109,957	137,256
Culture and recreation	-	-	-	-
Public works	638,567	-	-	-
Capital outlay	-	1,127,643	-	-
Total Expenditures	638,567	1,127,643	109,957	137,256
Excess (Deficiency) of Revenues Over (Under) Expenditures	(241,817)	(101,683)	(77,414)	(36,359)
Other Financing Sources (Uses):				
Transfers in	241,817	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	241,817	-	-	-
Net Change in Fund Balance	-	(101,683)	(77,414)	(36,359)
Fund Balances, Beginning of Year	-	3,320,179	994,636	192,926
Fund Balances, End of Year	\$ -	\$ 3,218,496	\$ 917,222	\$ 156,567

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(Continued)

	Special Revenue Funds			
	Federal and State Grants	Prop A	Prop C	AB 2766
Revenues:				
Taxes and assessments	-	568,233	472,536	-
Intergovernmental	-	-	204,867	42,510
Charges for services	-	10,043	-	-
Use of money and property	-	429	26,183	3,013
Miscellaneous Revenues	-	16,432	-	-
Total Revenues	-	595,137	703,586	45,523
Expenditures:				
Current:				
Public Safety	-	-	-	-
Culture and recreation	-	851,071	-	-
Public works	-	-	-	295,107
Capital outlay	-	-	400,883	-
Total Expenditures	-	851,071	400,883	295,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(255,934)	302,703	(249,584)
Other Financing Sources (Uses):				
Transfers in	-	328,169	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	328,169	-	-
Net Change in Fund Balance	-	72,235	302,703	(249,584)
Fund Balances, Beginning of Year	(22,488)	107,428	3,269,531	395,387
Fund Balances, End of Year	\$ (22,488)	\$ 179,663	\$ 3,572,234	\$ 145,803

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

(Continued)

	Special Revenue Funds	Capital Projects Funds Underground Assessment District	Total Nonmajor Governmental Funds
	Measure R		
Revenues:			
Taxes and assessments	353,077	-	1,941,968
Intergovernmental	-	-	1,204,734
Charges for services	-	-	30,206
Use of money and property	8,161	1,553	69,847
Miscellaneous Revenues	-	-	16,432
Total Revenues	361,238	1,553	3,263,187
Expenditures:			
Current:			
Public Safety	-	-	247,213
Culture and recreation	-	-	851,071
Public works	-	-	933,674
Capital outlay	-	-	1,528,526
Total Expenditures	-	-	3,560,484
Excess (Deficiency) of Revenues Over (Under) Expenditures	361,238	1,553	(297,297)
Other Financing Sources (Uses):			
Transfers in	-	-	569,986
Transfers out	(328,169)	-	(328,169)
Total Other Financing Sources (Uses)	(328,169)	-	241,817
Net Change in Fund Balance	33,069	1,553	(55,480)
Fund Balances, Beginning of Year	842,868	585,039	9,685,506
Fund Balances, End of Year	\$ 875,937	\$ 586,592	\$ 9,630,026

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
STREET LIGHTING AND LANDSCAPE
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes and assessments	378,681	378,681	376,587	(2,095)
Charges for services	20,163	20,163	20,163	-
Transfers in	195,555	195,555	241,817	46,262
Amounts Available for Appropriation	594,399	594,399	638,567	44,168
Charges to Appropriation (Outflow):				
Public works	594,399	597,899	638,567	(40,668)
Total Charges to Appropriations	594,399	597,899	638,567	(40,668)
Budgetary Fund Balance, June 30	\$ -	\$ (3,500)	\$ -	\$ 3,500

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON STATEMENT

GAS TAX

YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,320,179	\$ 3,320,179	\$ 3,320,179	\$ -
Resources (Inflows):				
Taxes and assessments	155,000	155,000	171,535	16,535
Use of money and property	23,000	23,000	22,866	(134)
Intergovernmental	1,309,617	1,309,617	831,559	(478,058)
Amounts Available for Appropriation	4,807,796	4,807,796	4,346,139	(461,657)
Charges to Appropriation (Outflow):				
Capital outlay	870,000	4,152,075	1,127,643	3,024,432
Total Charges to Appropriations	870,000	4,152,075	1,127,643	3,024,432
Budgetary Fund Balance, June 30	\$ 3,937,796	\$ 655,721	\$ 3,218,496	\$ 2,562,775

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 994,636	\$ 994,636	\$ 994,636	\$ -
Resources (Inflows):				
Use of money and property	8,862	8,862	6,745	(2,117)
Intergovernmental	-	10,000	25,798	15,798
Amounts Available for Appropriation	1,003,498	1,013,498	1,027,179	13,681
Charges to Appropriation (Outflow):				
Public safety	216,833	275,698	109,957	165,741
Total Charges to Appropriations	216,833	275,698	109,957	165,741
Budgetary Fund Balance, June 30	\$ 786,665	\$ 737,800	\$ 917,222	\$ 179,422

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
PUBLIC SAFETY GRANTS
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 192,926	\$ 192,926	\$ 192,926	\$ -
Resources (Inflows):				
Use of money and property	1,502	1,502	897	(605)
Intergovernmental	-	50,000	100,000	50,000
Amounts Available for Appropriation	194,428	244,428	293,823	49,395
Charges to Appropriation (Outflow):				
Public safety	-	218,957	137,256	81,701
Total Charges to Appropriations	-	218,957	137,256	81,701
Budgetary Fund Balance, June 30	\$ 194,428	\$ 25,471	\$ 156,567	\$ 131,096

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
FEDERAL AND STATE GRANTS
YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (22,488)	\$ (22,488)	\$ (22,488)	\$ -
Amounts Available for Appropriation	(22,488)	(22,488)	(22,488)	-
Budgetary Fund Balance, June 30	\$ (22,488)	\$ (22,488)	\$ (22,488)	\$ -

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
PROPOSITION A
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 107,428	\$ 107,428	\$ 107,428	\$ -
Resources (Inflows):				
Taxes and assessments	526,390	526,390	568,233	41,843
Use of money and property	431	431	429	(2)
Charges for services	11,000	11,000	10,043	(957)
Miscellaneous	14,380	14,380	16,432	2,052
Transfers in	70,092	70,092	328,169	258,077
Amounts Available for Appropriation	729,721	729,721	1,030,734	301,013
Charges to Appropriation (Outflow):				
Culture and recreation	734,141	1,079,043	851,071	227,972
Total Charges to Appropriations	734,141	1,079,043	851,071	227,972
Budgetary Fund Balance, June 30	\$ (4,420)	\$ (349,322)	\$ 179,663	\$ 528,985

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
PROPOSITION C
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,269,531	\$ 3,269,531	\$ 3,269,531	\$ -
Resources (Inflows):				
Taxes and assessments	436,627	436,627	472,536	35,909
Use of money and property	23,789	23,789	26,183	2,394
Intergovernmental	8,094,000	8,094,000	204,867	(7,889,133)
Amounts Available for Appropriation	11,823,947	11,823,947	3,973,117	(7,850,830)
Charges to Appropriation (Outflow):				
Capital outlay	8,715,937	10,517,694	400,883	10,116,811
Total Charges to Appropriations	8,715,937	10,517,694	400,883	10,116,811
Budgetary Fund Balance, June 30	\$ 3,108,010	\$ 1,306,253	\$ 3,572,234	\$ 2,265,981

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON STATEMENT

AB 2766

YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 395,387	\$ 395,387	\$ 395,387	\$ -
Resources (Inflows):				
Use of money and property	2,915	2,915	3,013	98
Intergovernmental	42,000	42,000	42,510	510
Amounts Available for Appropriation	440,302	440,302	440,910	608
Charges to Appropriation (Outflow):				
Public works	358,068	373,806	295,107	78,699
Total Charges to Appropriations	358,068	373,806	295,107	78,699
Budgetary Fund Balance, June 30	\$ 82,234	\$ 66,496	\$ 145,803	\$ 79,307

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Totals
	Stormwater	County Parking Lot	State Pier and Parking Lot	
Assets:				
Current:				
Cash and investments	\$ 1,253,279	\$ 274,913	\$ 2,094,810	\$ 3,623,002
Receivables:				
Accounts	61,128	-	-	61,128
Total Current Assets	1,314,407	274,913	2,094,810	3,684,130
Noncurrent:				
Prepaid other post-employment benefits	7,861	3,144	3,144	14,149
Capital assets - net of accumulated depreciation	4,016,324	-	-	4,016,324
Total Noncurrent Assets	4,024,185	3,144	3,144	4,030,473
Total Assets	\$ 5,338,592	\$ 278,057	\$ 2,097,954	\$ 7,714,603
Liabilities and Net Assets:				
Liabilities:				
Current:				
Accounts payable	\$ 46,031	\$ 274,913	\$ 48,923	\$ 369,867
Total Current Liabilities	46,031	274,913	48,923	369,867
Total Liabilities	\$ 46,031	\$ 274,913	\$ 48,923	\$ 369,867
Net Assets:				
Invested in capital assets, net of related debt	4,016,324	-	-	4,016,324
Unrestricted	1,276,237	3,144	2,049,031	3,328,412
Total Net Assets	5,292,561	3,144	2,049,031	7,344,736
Total Liabilities and Net Assets	\$ 5,338,592	\$ 278,057	\$ 2,097,954	\$ 7,714,603

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
 UNDERGROUND ASSESSMENT DISTRICT
 YEAR ENDED JUNE 30, 2013**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 585,039	\$ 585,039	\$ 585,039	\$ -
Resources (Inflows):				
Use of money and property	219	219	1,553	1,334
Amounts Available for Appropriation	<u>585,258</u>	<u>585,258</u>	<u>586,592</u>	<u>1,334</u>
Budgetary Fund Balance, June 30	<u>\$ 585,258</u>	<u>\$ 585,258</u>	<u>\$ 586,592</u>	<u>\$ 1,334</u>

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
CAPITAL IMPROVEMENT
YEAR ENDED JUNE 30, 2013**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,865,007	\$ 5,865,007	\$ 5,865,007	\$ -
Resources (Inflows):				
Taxes and assessments	489,662	489,662	668,425	178,763
Licenses and permits	7,000	7,000	14,536	7,536
Intergovernmental	629,497	1,142,197	-	(1,142,197)
Charges for services	658,120	658,120	683,571	25,451
Use of money and property	43,177	43,177	25,418	(17,759)
Fines and forfeitures	119,689	119,689	122,028	2,339
Miscellaneous	-	845,000	845,000	-
Transfers in	3,000,000	3,000,000	3,000,000	-
Other financing sources	-	11,833,807	11,833,807	()
Amounts Available for Appropriation	10,812,152	24,003,659	23,057,792	(945,867)
Charges to Appropriation (Outflow):				
General government				-
Public safety				-
Culture and recreation				-
Public works				-
Capital outlay	4,959,441	7,933,017	1,080,643	6,852,374
Debt service:				
Principal retirement	285,000	285,000	285,000	-
Interest and fiscal charges	536,050	822,716	811,260	11,456
Other financing uses	-	822,961	822,961	-
Total Charges to Appropriations	5,780,491	9,863,694	2,999,864	6,863,830
Budgetary Fund Balance, June 30	\$ 5,031,661	\$ 14,139,965	\$ 20,057,928	\$ 5,917,963

CITY OF MANHATTAN BEACH

BUDGETARY COMPARISON STATEMENT
 MEASURE R
 YEAR ENDED JUNE 30, 2013

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 842,868	\$ 842,868	\$ 842,868	\$ -
Resources (Inflows):				
Taxes and assessments	292,240	292,240	353,077	60,837
Use of money and property	2,891	2,891	8,161	5,270
Amounts Available for Appropriation	1,137,999	1,137,999	1,204,106	66,107
Charges to Appropriation (Outflow):				
Transfers out	300,092	300,092	328,169	(28,077)
Total Charges to Appropriations	300,092	300,092	328,169	(28,077)
Budgetary Fund Balance, June 30	\$ 837,907	\$ 837,907	\$ 875,937	\$ 38,030

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			
	Stormwater	County Parking Lot	State Pier and Parking Lot	Totals
Operating Revenues:				
Sales and service charges	345,821	671,876	529,085	1,546,782
Grants	500,000	-	-	500,000
Total Operating Revenues	845,821	671,876	529,085	2,046,782
Operating Expenses:				
Salaries	13,064	11,767	11,767	36,598
Employee benefits	6,090	5,607	5,607	17,304
Contract and professional services	97,659	26,832	264,504	388,995
Materials and services	128,237	14,995	164,083	307,315
Utilities	12,622	4,761	45,306	62,689
Administrative service charges	-	37,800	98,436	136,236
Leases and rents	-	369,531	-	369,531
Claims expense	-	-	-	-
Depreciation expense	143,590	-	-	143,590
Inventory adjustment	-	-	-	-
Leave	-	-	-	-
Total Operating Expenses	401,262	471,293	589,703	1,462,258
Operating Income (Loss)	444,559	200,583	(60,618)	584,524
Nonoperating Revenues (Expenses):				
Intergovernmental	-	-	-	-
Interest revenue	11,312	-	19,532	30,844
GASB 31 gains/losses	(2,801)	-	(4,409)	(7,210)
Investment amortization	(6,333)	-	(11,289)	(17,622)
OPEB amortization	(1,652)	(661)	(661)	(2,974)
Total Nonoperating Revenues (Expenses):	526	(661)	3,173	3,038
Income (Loss) Before Transfers	445,085	199,922	(57,445)	587,562
Transfers in	-	-	-	-
Transfers out	-	(200,583)	-	(200,583)
Changes in Net Assets	445,085	(661)	(57,445)	386,979
Net Assets:				
Beginning of Year	4,847,476	3,805	2,106,476	6,957,757
End of Fiscal Year	\$ 5,292,561	\$ 3,144	\$ 2,049,031	\$ 7,344,736

CITY OF MANHATTAN BEACH

**COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2013**

	Business-Type Activities - Enterprise Funds			
	Stormwater	County Parking Lot	State Pier and Parking Lot	Totals
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 800,654	\$ 671,877	\$ 529,084	\$ 2,001,615
Cash received from/(paid to) interfund service provided	(26,387)	(40,016)	(129,540)	(195,943)
Cash paid to suppliers for goods and services	(200,953)	(360,011)	(659,897)	(1,220,861)
Cash paid to employees for services	(18,122)	(16,989)	(16,990)	(52,101)
Net Cash Provided (Used) by Operating Activities	555,192	254,861	(277,343)	532,710
Cash Flows from Non-Capital Financing Activities:				
Cash transfers from (to) other funds	-	(200,583)	-	(200,583)
Other nonoperating income	-	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	-	(200,583)	-	(200,583)
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	(660,134)	-	-	(660,134)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Refunding Bond Proceeds	-	-	-	-
Bond administration fee	-	-	-	-
Cash from sale of assets	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(660,134)	-	-	(660,134)
Cash Flows from Investing Activities:				
Interest received	2,179	-	3,835	6,014
Net Cash Provided (Used) by Investing Activities	2,179	-	3,835	6,014
Net Increase (Decrease) in Cash and Cash Equivalents	(102,763)	54,278	(273,508)	(321,993)
Cash and Cash Equivalents at the Beginning of the Year	1,356,042	220,635	2,368,318	3,944,995
Cash and Cash Equivalents at the End of the Year	\$ 1,253,279	\$ 274,913	\$ 2,094,810	\$ 3,623,002
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (loss)	\$ 444,559	\$ 200,583	\$ (60,618)	\$ 584,524
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	143,590	-	-	143,590
(Increase) decrease in accounts receivable	(45,168)	-	-	(45,168)
(Increase) decrease in inventory	-	-	-	-
(Increase) decrease in accounts payable	12,211	54,278	(216,725)	(150,236)
(Increase) decrease in deposits payable	-	-	-	-
(Increase) decrease in compensated absences	-	-	-	-
Total Adjustments	110,633	54,278	(216,725)	(51,814)
Net Cash Provided (Used) by Operating Activities	\$ 555,192	\$ 254,861	\$ (277,343)	\$ 532,710

INTERNAL SERVICE FUNDS

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	Governmental Activities - Internal Service Funds				Totals
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	
Assets:					
Current:					
Cash and investments	\$ 9,896,808	\$ 390,058	\$ 3,053,423	\$ 38,698	\$ 13,378,987
Receivables:					
Accounts	-	-	10,000	-	10,000
Prepaid cost	-	-	975	-	975
Inventories	-	-	-	109,883	109,883
Total Current Assets	9,896,808	390,058	3,064,398	148,581	13,499,845
Noncurrent:					
Prepaid other post-employment benefits	15,720	31,439	31,439	31,439	110,037
Capital assets - net of accumulated depreciation	-	-	4,342,773	-	4,342,773
Total Noncurrent Assets	15,720	31,439	4,374,212	31,439	4,452,810
Total Assets	\$ 9,912,528	\$ 421,497	\$ 7,438,610	\$ 180,020	\$ 17,952,655
Liabilities and Net Assets:					
Liabilities:					
Current:					
Accounts payable	\$ 9,725	\$ 39,843	\$ 345,851	\$ 82,176	\$ 477,595
Lease Payable	-	-	184,499	-	184,499
Worker's compensation claims	4,995,269	-	-	-	4,995,269
Accrued claims and judgments	731,935	-	-	-	731,935
Total Current Liabilities	5,736,929	39,843	530,350	82,176	6,389,298
Noncurrent:					
Workers' compensation claims	2,792,830	-	-	-	2,792,830
Accrued claims and judgments	396,189	-	-	-	396,189
Lease Payable	-	-	719,342	-	719,342
Total Noncurrent Liabilities	3,189,019	-	719,342	-	3,908,361
Total Liabilities	\$ 8,925,948	\$ 39,843	\$ 1,249,692	\$ 82,176	\$ 10,297,659
Net Assets:					
Invested in capital assets, net of related debt	-	-	4,342,773	-	4,342,773
Unrestricted	986,580	381,654	1,846,145	97,844	3,312,223
Total Net Assets	986,580	381,654	6,188,918	97,844	7,654,996
Total Liabilities and Net Assets	\$ 9,912,528	\$ 421,497	\$ 7,438,610	\$ 180,020	\$ 17,952,655

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	Governmental Activities - Internal Service Funds				Totals
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	
Operating Revenues:					
Sales and service charges	4,600,819	1,218,174	2,512,740	1,418,748	9,750,481
Miscellaneous	38	-	10,000	-	10,038
Total Operating Revenues	4,600,857	1,218,174	2,522,740	1,418,748	9,760,519
Operating Expenses:					
Salaries	103,509	530,902	215,161	213,074	1,062,646
Employee benefits	46,716	146,491	118,614	77,246	389,067
Contract and professional services	46,566	218,895	63,307	686,678	1,015,446
Materials and services	403,229	364,869	611,744	385,637	1,765,479
Utilities	8,253	2,612	-	99,838	110,703
Administrative service charges	-	-	-	-	-
Leases and rents	-	-	-	-	-
Claims expense	3,770,133	-	-	-	3,770,133
Depreciation expense	-	-	519,906	-	519,906
Inventory adjustment	-	-	-	-	-
Leave	-	-	-	-	-
Total Operating Expenses	4,378,406	1,263,769	1,528,732	1,482,473	8,633,380
Operating Income (Loss)	222,451	(45,595)	994,008	(43,725)	1,127,139
Nonoperating Revenues (Expenses):					
OPEB amortization	(3,304)	(6,608)	(6,608)	(6,608)	(23,128)
Gain (loss) on disposal of capital assets	-	-	(7,963)	-	(7,963)
Lease Interest	-	-	(3,586)	-	(3,586)
Lease Admin Fees	-	-	(750)	-	(750)
Total Nonoperating Revenues (Expenses):	(3,304)	(6,608)	(18,907)	(6,608)	(35,427)
Income (Loss) Before Transfers	219,147	(52,203)	975,101	(50,333)	1,091,712
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Changes in Net Assets	219,147	(52,203)	975,101	(50,333)	1,091,712
Net Assets:					
Beginning of Year	767,433	433,857	5,213,817	148,177	6,563,284
End of Fiscal Year	\$ 986,580	\$ 381,654	\$ 6,188,918	\$ 97,844	\$ 7,654,996

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	Governmental Activities - Internal Service Funds				
	Insurance Reserve	Information Systems	Fleet Management	Building Maintenance and Operations	Totals
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 64,908	\$ -	\$ 57,990	\$ -	\$ 122,898
Cash received from/(paid to) interfund service provided	3,777,440	1,151,912	2,310,536	1,241,492	8,481,380
Cash paid to suppliers for goods and services	(4,260,960)	(515,035)	(274,367)	(1,022,035)	(6,072,397)
Cash paid to employees for services	(148,209)	(673,637)	(292,351)	(285,436)	(1,399,633)
Net Cash Provided (Used) by Operating Activities	(566,821)	(36,760)	1,801,808	(65,979)	1,132,248
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	-	-	(1,862,715)	-	(1,862,715)
Principal paid on capital debt	-	-	(45,672)	-	(45,672)
Interest paid on capital debt	-	-	(3,586)	-	(3,586)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(1,911,973)	-	(1,911,973)
Net Increase (Decrease) in Cash and Cash Equivalents	(566,821)	(36,760)	(110,165)	(65,979)	(779,726)
Cash and Cash Equivalents at the Beginning of the Year	10,463,629	426,818	3,163,588	104,677	14,158,712
Cash and Cash Equivalents at the End of the Year	\$ 9,896,808	\$ 390,058	\$ 3,053,423	\$ 38,698	\$ 13,378,987
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (loss)	\$ 222,451	\$ (45,595)	\$ 994,008	\$ (43,725)	\$ 1,127,139
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:					
Depreciation	-	-	519,906	-	519,906
(Increase) decrease in accounts receivable	-	-	(10,000)	-	(10,000)
(Increase) decrease in prepaid expense	-	2,300	28,280	-	30,580
(Increase) decrease in inventory	-	-	-	247	247
(Increase) decrease in accounts payable	(807)	6,535	269,614	(22,501)	252,841
(Increase) decrease in claims payable	(788,465)	-	-	-	(788,465)
Total Adjustments	(789,272)	8,835	807,800	(22,254)	5,109
Net Cash Provided (Used) by Operating Activities	\$ (566,821)	\$ (36,760)	\$ 1,801,808	\$ (65,979)	\$ 1,132,248

AGENCY FUNDS

CITY OF MANHATTAN BEACH

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2013

	<u>Special Assessment Redemption</u>	<u>Special Deposits</u>	<u>Agency Funds</u>
Assets:			
Pooled cash and investments	\$ 807,288	\$ 473,489	\$ 1,280,777
Receivables:			
Accounts	18,916	-	18,916
Restricted assets		-	
Cash and investments with fiscal agent	<u>968,763</u>	<u>2,252,713</u>	<u>3,221,476</u>
Total Assets	<u>\$ 1,794,967</u>	<u>\$ 2,726,202</u>	<u>\$ 4,521,169</u>
Liabilities and Net Assets:			
Liabilities:			
Accounts payable		\$ 13,657	13,657
401(a) plan deposits		2,249,203	2,249,203
Other Deposits		49,185	49,185
Art development fees		414,157	414,157
Due Bond Holders	1,794,967	-	1,794,967
Total Liabilities	<u>\$ 1,794,967</u>	<u>\$ 2,726,202</u>	<u>\$ 4,521,169</u>

CITY OF MANHATTAN BEACH

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2013

	Balance 7/1/2012	Additions	Deductions	Balance 7/1/2013
<u>Special Assessment Redemption</u>				
Assets:				
Pooled cash and investments	\$ 732,171	\$ 1,037,149	\$ 962,032	\$ 807,288
Receivables				
Accounts	50,892	18,916	50,892	18,916
Restricted assets				
Cash and investments with fiscal agents	968,763	954,113	954,113	968,763
Total Assets	\$ 1,751,826	\$ 2,010,178	\$ 1,967,037	\$ 1,794,967
Liabilities:				
Due to Bondholders	1,751,826	2,010,178	1,967,037	1,794,967
Total Liabilities	\$ 1,751,826	\$ 2,010,178	\$ 1,967,037	\$ 1,794,967
<u>Special Deposits</u>				
Assets:				
Pooled cash and investments	468,798	256,734	252,043	473,489
Restricted assets				
Cash and investments with fiscal agents	2,049,911	203,480	678	2,252,713
Total Assets	\$ 2,518,709	\$ 460,214	\$ 252,721	\$ 2,726,202
Liabilities:				
Accounts payable	\$ 11,637	\$ 35,157	\$ 33,137	\$ 13,657
401(a) plan deposits	2,045,723	203,480		2,249,203
Other deposits	66,552	202,217	219,584	49,185
Art Development Fees	394,797	54,517	35,157	414,157
Total Liabilities	\$ 2,518,709	\$ 495,371	\$ 287,878	\$ 2,726,202
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	1,200,969	1,293,883	1,214,075	1,280,777
Receivables				
Accounts	50,892	18,916	50,892	18,916
Restricted assets				
Cash and investments with fiscal agents	3,018,674	1,157,593	954,791	3,221,476
Total Assets	4,270,535	2,470,392	2,219,758	4,521,169
Liabilities:				
Accounts payable	11,637	35,157	33,137	13,657
401(a) plan deposits	2,045,723	203,480	-	2,249,203
Other deposits	66,552	202,217	219,584	49,185
Art Development Fees	394,797	54,517	35,157	414,157
Due to Bondholders	1,751,826	2,010,178	1,967,037	1,794,967
Total Liabilities	\$ 4,270,535	\$ 2,505,549	\$ 2,254,915	\$ 4,521,169

