



Fund Financial Statements

CITY OF MANHATTAN BEACH

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>General</u>	<u>Capital Projects Fund Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Pooled cash and investments	\$ 16,574,852	\$ 5,407,104	\$ 5,509,426	\$ 27,491,382
Receivables:				
Accounts	440,824	48,067	13,189	502,080
Taxes	2,931,580	50,859	-	2,982,439
Notes receivable	-	-	-	-
Accrued interest	620,323	-	-	620,323
Prepaid costs	35,941	-	-	35,941
Due from other governments	130,274	-	246,902	377,176
Due from other funds	130,395	-	-	130,395
Restricted assets:				
Cash and investments	1,508,240	1,099,170	648,342	3,255,752
Total Assets	<u>\$ 22,372,429</u>	<u>\$ 6,605,200</u>	<u>\$ 6,417,859</u>	<u>\$ 35,395,488</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 571,938	\$ 60,922	\$ 413,958	\$ 1,046,818
Accrued liabilities	1,034,633	-	-	1,034,633
Due to other funds	-	-	130,395	130,395
Deferred revenues	645,665	-	-	645,665
Unearned revenue	851,878	-	-	851,878
Interest payable	152,710	282,094	-	434,804
Deposits payable	678,447	-	8,069	686,516
Total Liabilities	<u>3,935,271</u>	<u>343,016</u>	<u>552,422</u>	<u>4,830,709</u>
Fund Balances:				
Reserved for:				
Encumbrances	459,705	-	40,925	500,630
Continuing projects	-	1,814,830	2,827,475	4,642,305
Prepaid costs	35,941	-	-	35,941
Debt service	1,355,530	817,076	-	2,172,606
Long-term receivables	-	-	-	-
Unreserved:				
Unreserved, reported in:				
General Fund	16,585,982	-	-	16,585,982
Special revenue funds	-	-	2,748,609	2,748,609
Capital projects funds	-	3,630,278	248,428	3,878,706
Total Fund Balances	<u>18,437,158</u>	<u>6,262,184</u>	<u>5,865,437</u>	<u>30,564,779</u>
Total Liabilities and Fund Balances	<u>\$ 22,372,429</u>	<u>\$ 6,605,200</u>	<u>\$ 6,417,859</u>	<u>\$ 35,395,488</u>

See Notes to Financial Statements

CITY OF MANHATTAN BEACH

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Fund balances of governmental funds \$ 30,564,779

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets net of depreciation have not been included as financial resources in governmental fund activity. 114,553,521

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund. (30,847,502)

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. 645,665

Prepaid pension benefit obligation is not reported in the governmental funds; however, it is reported in the government-wide statements. 6,679,599

Prepaid other post-retirement benefit obligation is not reported in the governmental funds; however, it is reported in the government-wide statements. 4,778,386

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 assets. 4,685,617

Net assets of governmental activities \$ 131,060,065

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	General	Capital Projects Fund Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes and assessments	\$ 34,845,649	\$ 644,111	\$ 1,443,687	\$ 36,933,447
Licenses and permits	1,408,697	54,510	-	1,463,207
Intergovernmental	571,403	91,614	1,484,800	2,147,817
Charges for services	7,467,979	536,140	9,036	8,013,155
Use of money and property	3,897,286	39,725	352,574	4,289,585
Fines and forfeitures	2,047,186	122,216	-	2,169,402
Miscellaneous	1,672,905	-	34,830	1,707,735
Total Revenues	51,911,105	1,488,316	3,324,927	56,724,348
Expenditures:				
Current:				
General government	9,611,908	196,632	-	9,808,540
Public safety	32,294,088	814,574	206,432	33,315,094
Culture and recreation	5,785,612	970,240	694,792	7,450,644
Public works	6,578,447	741,580	2,615,610	9,935,637
Total Expenditures	54,270,055	2,723,026	3,516,834	60,509,915
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,358,950)	(1,234,710)	(191,907)	(3,785,567)
Other Financing Sources (Uses):				
Transfers in	25,079	-	189,967	215,046
Transfers out	(207,984)	(55,850)	-	(263,834)
Total Other Financing Sources (Uses)	(182,905)	(55,850)	189,967	(48,788)
Net Change in Fund Balances	(2,541,855)	(1,290,560)	(1,940)	(3,834,355)
Fund Balances, Beginning of Year	20,979,013	7,552,744	5,867,377	34,399,134
Fund Balances, End of Year	\$ 18,437,158	\$ 6,262,184	\$ 5,865,437	\$ 30,564,779

CITY OF MANHATTAN 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, 2008**

Net change in fund balances - total governmental funds \$ (3,834,355)

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 or are allocated to the appropriate functional expense when the cost is below capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	3,211,240
Depreciation expense	(2,886,607)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,235,000

Bond Issuance costs is an expenditure in the governmental funds, but the deferred charges in the statement of net assets:
Amortization for current fiscal year (49,421)

Unamortized premium or discounts on bonds issued are revenue or expenditures in the governmental funds, but these are spread to future periods over the life of the new bonds:
Amortization for current fiscal year 7,106

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. (126,902)

The payment of the prepaid post-employment benefit obligation in excess of the annually required contributions is reported only at the government-wide level. 4,778,389

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. (11,195)

Amortization of long-term assets is reported only at the government-wide level:
Prepaid PERS (110,206)
Prepaid police/fire side fund payoff (569,197)

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. (1,132,073)

Change in net assets of governmental activities \$ 511,779

CITY OF MANHATTAN BEACH

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2008**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,979,013	\$ 20,979,013	\$ 20,979,013	\$ -
Resources (Inflows):				
Estimated Revenues:				
Taxes and assessments	33,770,000	33,770,000	34,845,649	1,075,649
Licenses and permits	1,577,000	1,577,000	1,408,697	(168,303)
Intergovernmental	499,010	579,239	571,403	(7,836)
Charges for services	6,847,895	6,847,895	7,467,979	620,084
Use of money and property	3,389,900	3,389,900	3,897,286	507,386
Fines and forfeitures	2,159,300	2,159,300	2,047,186	(112,114)
Miscellaneous	342,000	342,000	1,672,905	1,330,905
Total Estimated Revenues	48,585,105	48,665,334	51,911,105	3,245,771
Transfers from other funds	75,000	75,000	25,079	(49,921)
Amounts Available for Appropriation	69,639,118	69,719,347	72,915,197	3,195,850
Charges to Appropriations (Outflow):				
Departmental Appropriations:				
General government	9,278,448	10,620,556	9,611,908	1,008,648
Public safety	28,231,270	32,183,054	32,294,088	(111,034)
Culture and recreation	5,434,510	5,773,541	5,785,612	(12,071)
Public works	5,640,865	6,876,856	6,578,447	298,409
Total Departmental Appropriations	48,585,093	55,454,007	54,270,055	1,183,952
Transfers to other funds	1,695,627	285,627	207,984	77,643
Total Charges to Appropriations	50,280,720	55,739,634	54,478,039	1,261,595
Budgetary Fund Balance, June 30	\$ 19,358,398	\$ 13,979,713	\$ 18,437,158	\$ 4,457,445

CITY OF MANHATTAN BEACH

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2008

	Business-Type Activities Enterprise Funds			
	Water	Wastewater	Refuse	Parking
Assets:				
Current:				
Cash and investments	\$ 7,172,423	\$ 1,433,161	\$ 932,182	\$ 587,464
Receivables:				
Accounts	395,433	83,035	317,743	3,038
Due from other governments	-	-	-	444,677
Inventories	55,375	-	-	-
Prepaid OPEB - short-term	16,668	3,940	1,818	1,455
Total Current Assets	7,639,899	1,520,136	1,251,743	1,036,634
Noncurrent:				
Prepaid other post-employment benefits	189,320	44,747	20,654	16,522
Restricted assets:				
Cash and investments	227,100	111,495	-	1,158,593
Unamortized debt issuance costs	65,562	32,251	-	218,645
Capital assets - net of accumulated depreciation	13,308,091	5,399,460	-	17,936,937
Total Noncurrent Assets	13,790,073	5,587,953	20,654	19,330,697
Total Assets	\$ 21,429,972	\$ 7,108,089	\$ 1,272,397	\$ 20,367,331
Liabilities and Net Assets:				
Liabilities:				
Current:				
Accounts payable	\$ 644,612	\$ 3,023	\$ 247,912	\$ 13,789
Accrued leave payable	17,340	-	-	-
Interest payable	47,420	23,335	-	287,092
Workers' compensation claims	-	-	-	-
General liability claims	-	-	-	-
Deposits payable	915	-	-	52,450
Lease payable - current portion	-	-	-	-
Current portion of bonds payable	73,735	36,265	-	280,000
Total Current Liabilities	784,022	62,623	247,912	633,331
Noncurrent:				
Accrued leave long-term	86,826	-	-	-
Workers' compensation claims	-	-	-	-
General liability claims	-	-	-	-
Lease payable	-	-	-	-
Bonds, notes and loans payable	2,416,239	1,188,761	-	12,020,000
Total Noncurrent Liabilities	2,503,065	1,188,761	-	12,020,000
Total Liabilities	3,287,087	1,251,384	247,912	12,653,331
Net Assets:				
Invested in capital assets, net of related debt	10,818,117	4,174,434	-	5,636,937
Restricted for debt service	227,075	111,485	-	871,501
Restricted for business improvement district	-	-	-	555,569
Unrestricted	7,097,693	1,570,786	1,024,485	649,993
Total Net Assets	18,142,885	5,856,705	1,024,485	7,714,000
Total Liabilities and Net Assets	\$ 21,429,972	\$ 7,108,089	\$ 1,272,397	\$ 20,367,331

See Notes to Financial Statements

CITY OF MANHATTAN BEACH

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2008

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Nonmajor Enterprise Funds	Totals	
Assets:			
Current:			
Cash and investments	\$ 3,344,630	\$ 13,469,860	\$ 9,643,599
Receivables:			
Accounts	14,225	813,474	-
Due from other governments	-	444,677	-
Inventories	-	55,375	122,492
Prepaid OPEB - short-term	2,182	26,063	16,972
Total Current Assets	3,361,037	14,809,449	9,783,063
Noncurrent:			
Prepaid other post-employment benefits	24,783	296,026	192,759
Restricted assets:			
Cash and investments	-	1,497,188	-
Unamortized debt issuance costs	-	316,458	-
Capital assets - net of accumulated depreciation	4,107,082	40,751,570	2,920,571
Total Noncurrent Assets	4,131,865	42,861,242	3,113,330
Total Assets	\$ 7,492,902	\$ 57,670,691	\$ 12,896,393
Liabilities and Net Assets:			
Liabilities:			
Current:			
Accounts payable	\$ 157,119	\$ 1,066,455	\$ 76,574
Accrued leave payable	-	17,340	-
Interest payable	-	357,847	-
Workers' compensation claims	-	-	4,446,141
General liability claims	-	-	859,176
Deposits payable	15,156	68,521	-
Lease payable - current portion	-	-	174,059
Current portion of bonds payable	-	390,000	-
Total Current Liabilities	172,275	1,900,163	5,555,950
Noncurrent:			
Accrued leave long-term	-	86,826	-
Workers' compensation claims	-	-	1,811,925
General liability claims	-	-	626,951
Lease payable	-	-	215,950
Bonds, notes and loans payable	-	15,625,000	-
Total Noncurrent Liabilities	-	15,711,826	2,654,826
Total Liabilities	172,275	17,611,989	8,210,776
Net Assets:			
Invested in capital assets, net of related debt	4,107,082	24,736,570	2,530,562
Restricted for debt service	-	1,210,061	-
Restricted for business improvement district	-	555,569	-
Unrestricted	3,213,545	13,556,502	2,155,055
Total Net Assets	7,320,627	40,058,702	4,685,617
Total Liabilities and Net Assets	\$ 7,492,902	\$ 57,670,691	\$ 12,896,393

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds			
	Water	Wastewater	Refuse	Parking
Operating Revenues:				
Sales and service charges	\$ 6,829,347	\$ 1,272,606	\$ 3,815,687	\$ 1,230,262
Miscellaneous	31,216	2,947	1,012	125,251
Total Operating Revenues	6,860,563	1,275,553	3,816,699	1,355,513
Operating Expenses:				
Salaries and wages	778,411	178,587	-	57,128
Employee benefits	351,238	61,207	4,698	22,558
Contract and professional services	3,484,988	18,749	3,293,486	212,878
Materials and services	772,673	114,031	210,517	170,838
Utilities	305,981	22,616	294	89,078
Administrative service charges	1,297,740	667,740	379,620	91,745
Leases and rents	-	-	-	-
Claims expense	-	-	-	-
Depreciation	359,405	142,508	-	506,175
Total Operating Expenses	7,350,436	1,205,438	3,888,615	1,150,400
Operating Income (Loss)	(489,873)	70,115	(71,916)	205,113
Nonoperating Revenues (Expenses):				
Intergovernmental	-	-	90,853	900,000
Interest revenue	449,705	85,298	54,251	114,282
Interest expense	(150,179)	(73,887)	-	(591,942)
Gain (loss) on disposal of fixed assets	-	-	-	-
Total Nonoperating Revenues (Expenses)	299,526	11,411	145,104	422,340
Income (Loss) Before Transfers	(190,347)	81,526	73,188	627,453
Transfers in	-	-	-	55,850
Transfers out	-	-	-	-
Changes in Net Assets	(190,347)	81,526	73,188	683,303
Net Assets:				
Beginning of Year, as previously reported	18,333,232	5,775,179	951,297	7,250,961
Restatements	-	-	-	(220,264)
Beginning of Fiscal Year, as Restated	18,333,232	5,775,179	951,297	7,030,697
End of Fiscal Year	\$ 18,142,885	\$ 5,856,705	\$ 1,024,485	\$ 7,714,000

See Notes to Financial Statements

CITY OF MANHATTAN BEACH

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Other Enterprise Funds	Totals	
Operating Revenues:			
Sales and service charges	\$ 1,049,312	\$ 14,197,214	\$ 7,484,509
Miscellaneous	-	160,426	160,342
Total Operating Revenues	1,049,312	14,357,640	7,644,851
Operating Expenses:			
Salaries and wages	91,409	1,105,535	916,495
Employee benefits	36,721	476,422	434,640
Contract and professional services	407,060	7,417,161	718,872
Materials and services	82,578	1,350,637	2,307,063
Utilities	49,645	467,614	132,641
Administrative service charges	27,260	2,464,105	160,604
Leases and rents	223,101	223,101	9,389
Claims expense	-	-	3,494,985
Depreciation	150,774	1,158,862	588,035
Total Operating Expenses	1,068,548	14,663,437	8,762,724
Operating Income (Loss)	(19,236)	(305,797)	(1,117,873)
Nonoperating Revenues (Expenses):			
Intergovernmental	-	990,853	-
Interest revenue	170,467	874,003	-
Interest expense	-	(816,008)	(16,567)
Gain (loss) on disposal of fixed assets	-	-	(15,650)
Total Nonoperating Revenues (Expenses)	170,467	1,048,848	(32,217)
Income (Loss) Before Transfers	151,231	743,051	(1,150,090)
Transfers in	-	55,850	18,017
Transfers out	(25,079)	(25,079)	-
Changes in Net Assets	126,152	773,822	(1,132,073)
Net Assets:			
Beginning of Year, as previously reported	7,194,475	39,505,144	5,817,690
Restatements	-	(220,264)	-
Beginning of Fiscal Year, as Restated	7,194,475	39,284,880	5,817,690
End of Fiscal Year	\$ 7,320,627	\$ 40,058,702	\$ 4,685,617

See Notes to Financial Statements

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds			
	<u>Water</u>	<u>Wastewater</u>	<u>Refuse</u>	<u>Parking</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 7,032,525	\$ 1,274,396	\$ 3,813,811	\$ 1,943,174
Cash received from/(paid to) interfund service provided	-	-	-	-
Cash paid to suppliers for goods and services	(4,103,348)	(90,991)	(3,475,159)	(697,904)
Cash paid to employees for services	(967,312)	(219,020)	-	(72,088)
Cash paid for interfund services used	(2,036,378)	(817,778)	(489,437)	(563,074)
Net Cash Provided (Used) by Operating Activities	(74,513)	146,607	(150,785)	610,108
Cash Flows from Non-Capital Financing Activities:				
Grant revenue	-	-	90,853	455,322
Cash transfers out	-	-	-	-
Cash transfers in	-	-	-	55,850
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	90,853	511,172
Cash Flows from Capital and Related Financing Activities:				
Purchases of capital assets	(1,136,687)	-	-	(1,142,445)
Principal paid on capital debt	(70,376)	(34,624)	-	(270,000)
Interest paid on capital debt	(144,161)	(70,925)	-	(581,609)
Proceeds from sales of capital assets	-	-	-	-
Bond administration fee	(2,622)	(1,291)	-	(2,800)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,353,846)	(106,840)	-	(1,996,854)
Cash Flows from Investing Activities:				
Interest received	449,705	85,298	54,251	114,282
Net Cash Provided (Used) by Investing Activities	449,705	85,298	54,251	114,282
Net Increase (Decrease) in Cash and Cash Equivalents	(978,654)	125,065	(5,681)	(761,292)
Cash and Cash Equivalents at Beginning of Year	8,378,177	1,419,591	937,863	2,507,349
Cash and Cash Equivalents at End of Year	\$ 7,399,523	\$ 1,544,656	\$ 932,182	\$ 1,746,057

See Notes to Financial Statements

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2008

(Continued)

	Business-Type Activities Enterprise Funds			
	Water	Wastewater	Refuse	Parking
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (489,873)	\$ 70,115	\$ (71,916)	\$ 205,113
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	359,405	142,508	-	506,175
Capital assets adjustment	-	-	-	(15,907)
(Increase) decrease in accounts receivable	155,357	(1,403)	(3,048)	134,456
(Increase) decrease in due from other governments	-	-	-	-
(Increase) decrease in inventory	11,079	-	-	-
(Increase) decrease in prepaid OPEB	(205,988)	(48,166)	(22,472)	(17,977)
Increase (decrease) in accounts payable	72,840	(16,447)	(53,349)	(219,742)
Increase (decrease) in accrued liabilities	22,587	-	-	-
Increase (decrease) in deposits payable	80	-	-	17,990
Increase (decrease) in claims and judgments	-	-	-	-
Total Adjustments	415,360	76,492	(78,869)	404,995
Net Cash Provided (Used) by Operating Activities	\$ (74,513)	\$ 146,607	\$ (150,785)	\$ 610,108

Non-Cash Investing, Capital, and Financing Activities:

During fiscal year 2007-2008, there were no noncash investing, capital and financing activities.

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2008

	Business-Type Activities Enterprise Funds		Governmental Activities Internal Service Funds
	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 1,052,825	\$ 15,116,731	\$ 143,825
Cash received from/(paid to) interfund service provided	-	-	7,450,731
Cash paid to suppliers for goods and services	(615,788)	(8,983,190)	(4,572,911)
Cash paid to employees for services	(116,915)	(1,375,335)	(1,142,427)
Cash paid for interfund services used	(200,487)	(4,107,154)	(878,699)
Net Cash Provided (Used) by Operating Activities	119,635	651,052	1,000,519
Cash Flows from Non-Capital Financing Activities:			
Grant revenue	-	546,175	-
Cash transfers out	(25,079)	(25,079)	-
Cash transfers in	-	55,850	18,017
Net Cash Provided (Used) by Non-Capital Financing Activities	(25,079)	576,946	18,017
Cash Flows from Capital and Related Financing Activities:			
Purchases of capital assets	(13,872)	(2,293,004)	(415,975)
Principal paid on capital debt	-	(375,000)	(168,182)
Interest paid on capital debt	-	(796,695)	(16,567)
Proceeds from sales of capital assets	-	-	15,429
Bond administration fee	-	(6,713)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(13,872)	(3,471,412)	(585,295)
Cash Flows from Investing Activities:			
Interest received	170,467	874,003	-
Net Cash Provided (Used) by Investing Activities	170,467	874,003	-
Net Increase (Decrease) in Cash and Cash Equivalents	251,151	(1,369,411)	433,241
Cash and Cash Equivalents at Beginning of Year	3,093,479	16,336,459	9,210,358
Cash and Cash Equivalents at End of Year	\$ 3,344,630	\$ 14,967,048	\$ 9,643,599

CITY OF MANHATTAN BEACH

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities Enterprise Funds</u>		<u>Governmental Activities Internal Service Funds</u>
	<u>Other Enterprise Funds</u>	<u>Totals</u>	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (19,236)	\$ (305,797)	\$ (1,117,873)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	150,774	1,158,862	588,035
Capital assets adjustment	15,907	-	-
(Increase) decrease in accounts receivable	(1,487)	283,875	8,187
(Increase) decrease in due from other governments	-	-	-
(Increase) decrease in inventory	-	11,079	4,053
(Increase) decrease in prepaid OPEB	(26,965)	(321,568)	(209,731)
Increase (decrease) in accounts payable	642	(216,056)	(53,275)
Increase (decrease) in accrued liabilities	-	22,587	-
Increase (decrease) in deposits payable	-	18,070	-
Increase (decrease) in claims and judgments	-	-	1,781,123
Total Adjustments	138,871	956,849	2,118,392
Net Cash Provided (Used) by Operating Activities	\$ 119,635	\$ 651,052	\$ 1,000,519

Non-Cash Investing, Capital, and Financing Activities:

During fiscal year 2007-2008, there were no noncash investing, capital and financing activities.

CITY OF MANHATTAN BEACH

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<u>Agency Funds</u>	<u>Pension Trust Fund</u>
Assets:		
Cash and cash equivalents	\$ 1,113,359	\$ 654,657
Receivables:		
Accounts	14,205	-
Restricted assets:		
Cash with fiscal agent	<u>2,521,750</u>	<u>-</u>
Total Assets	<u>\$ 3,649,314</u>	<u>\$ 654,657</u>
Liabilities:		
Accounts payable	\$ 10,000	\$ -
Deposits	1,870,307	-
Due to bondholders	<u>1,769,007</u>	<u>-</u>
Total Liabilities	<u>\$ 3,649,314</u>	<u>-</u>
Net Assets:		
Held in trust for pension benefits and other purposes		<u>\$ 654,657</u>

CITY OF MANHATTAN BEACH

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Pension Trust Fund
Additions:	
City contributions	\$ 27,903
Investment earnings	<u>123,648</u>
Total Additions	<u>151,551</u>
Deductions:	
Benefits	<u>1,218,951</u>
Total Deductions	<u>1,218,951</u>
Change in Net Assets	(1,067,400)
Net Assets - Beginning of the Year	<u>1,722,057</u>
Net Assets - End of the Year	<u>\$ 654,657</u>



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