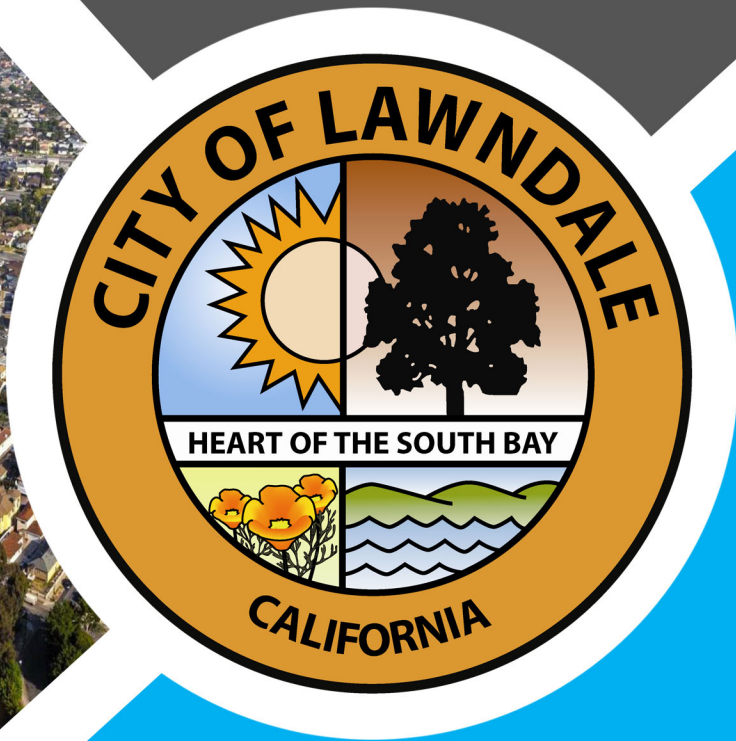


Fiscal Year Ended

JUNE 30, 2019

COMPREHENSIVE ANNUAL
FINANCIAL REPORT



City of Lawndale

California

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAWNSDALE, CALIFORNIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

Prepared by:
Finance Department

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAWNSDALE, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
Directory of Officials	vii
Organizational Chart	viii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
Government–Wide Financial Statements	
Statement of Net Position.....	16
Statement of Activities.....	17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Funds Balances – Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Fiduciary Net Position – Fiduciary Funds	25
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	26
Notes to Financial Statements.....	27
REQUIRED SUPPLEMENTARY INFORMATION	
Notes to Required Supplementary Information	66
Budgetary Comparison Schedules	
General Fund	67
Restricted Urban Development	68
Lawndale Housing Authority.....	69

CITY OF LAWNSDALE, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Pension Plan	
Schedule of Proportionate Share of Net Pension Liability - CalPERS Cost Sharing Miscellaneous Plan	70
Schedule of Plan Contributions - CalPERS Cost Sharing Miscellaneous Plan	71
Schedule of Changes in Net Pension Liability/(Asset)and Related Ratios - PARS Retirement Enhancement Plan	72
Schedule of Plan Contributions - PARS Retirement Enhancement Plan	73
Schedule of Investment Returns - PARS Retirement Enhancement Plan.....	74
Schedule of Changes in Total OPEB Liability and Related Ratios	75
 COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet – Nonmajor Governmental Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	90
Budgetary Comparison Schedules – Special Revenue Funds	
Gas Tax	98
Air Quality	99
Proposition A Local Transit Assistance.....	100
State COPS Grant	101
Used Oil Recycling Grant	102
Lawndale Cable Usage Corporation	103
Department of Conservation Grant	104
Park Development.....	105
Measure M Local Return	106
Safe Routes to School	107
SB1 RMRA	108
Budgetary Comparison Schedules – Capital Projects Funds	
Proposition C Local Transit Assistance	109
Community Development Block Grant	110
Prop C25 Grant.....	111
Appropriations Act	112
Measure R	113
Metro STPL Exchange 2017.....	114

CITY OF LAWNSDALE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION	
Financial Trends	
Net Position by Component.....	117
Changes in Net Position	118
Fund Balances of Governmental Funds.....	119
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property.....	120
Direct and Overlapping Property Tax Rates.....	124
Principal Property Taxpayers	126
Debt Capacity	
Direct and Overlapping General Bonded Debt Outstanding	128
Demographic and Economic Information	
Demographic and Economic Statistics	130
Principal Employers	131
Sales Value History	132
Top 25 Sales Tax Producers	133
Operating Information	
Full-time and Part-time City Employees by Function	136

THIS PAGE INTENTIONALLY LEFT BLANK



December 23, 2019

To the citizens of The City of Lawndale, California:

The comprehensive annual financial report (CAFR) of the City of Lawndale (the City) for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The report includes the City's government-wide financial statements and fund financial statements. The government-wide financial statements include two statements: the Statement of Net Position showing the total net equity of the City, including infrastructure, and the Statement of Activities that shows the cost of providing government services. Both of these statements have been prepared using the accrual basis of accounting, used by most businesses, as compared to the modified accrual method used in fund financial statements (the traditional governmental financial reports). A reconciliation report is provided in the CAFR Fund Financial Statements to account for the differences between the two reporting methods.

In addition, the reporting model includes an emphasis on the City's major funds as shown in the Governmental Fund Statements. The statements, combined with other information, are further analyzed in the **Management's Discussion and Analysis** (MD&A). The MD&A provides "financial highlights" and a financial interpretation of trends, fluctuations and variances in the financial data. The MD&A further discusses any events or decisions that significantly affect the financial condition of the City.

The City is required to undergo an annual single audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) when it received \$750,000 or more of federal financial assistance. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

The City provides a range of services including public safety, highways and streets, sanitation, culture and recreation, public improvements, planning and zoning, community development, and general administrative services. In addition to general government activities, the City is an integral part of the Lawndale Cable Usage Corporation, Lawndale Housing Authority and Lawndale Financing Authority and these activities are combined with the City reporting entity.

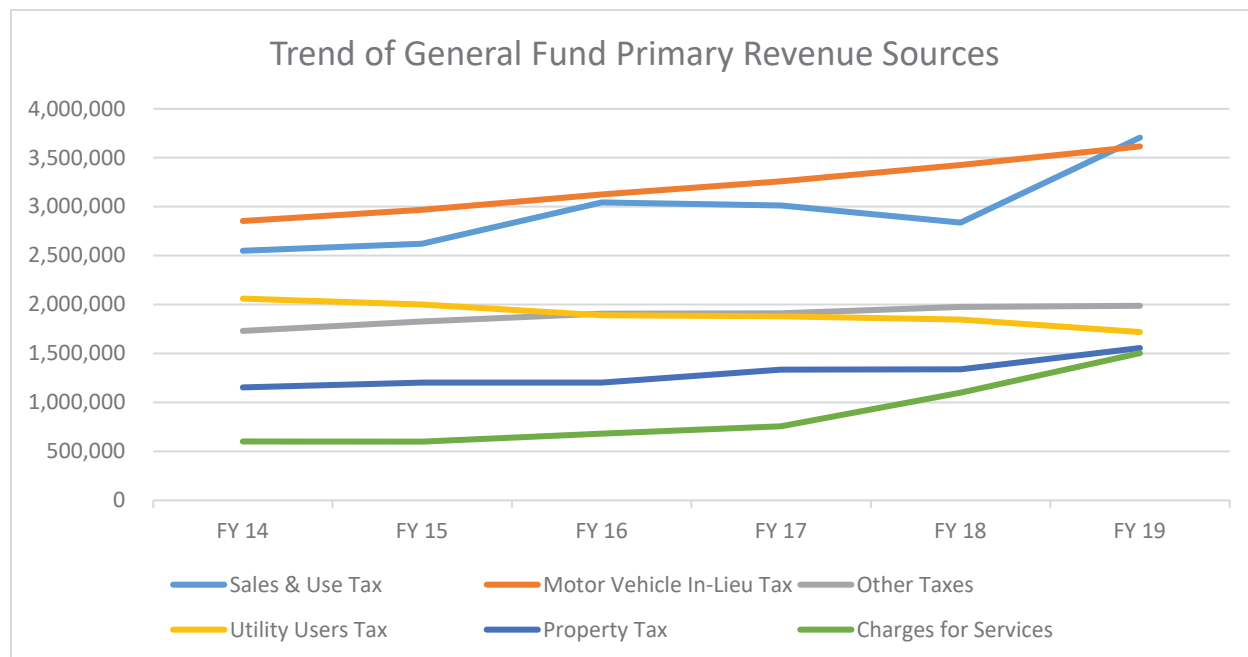
GENERAL INFORMATION

The City of Lawndale, incorporated in 1959, is located in the Centinela Valley of Los Angeles County, approximately fifteen miles southwest of downtown Los Angeles and five miles east of the Pacific Ocean. Lawndale is an urbanized area of predominately single-family homes, encompassing 1.9 square miles. The City enjoys moderate climate with a yearly average temperature of 68 degrees. The population is approximately 38,000.

The City has a council-manager form of government with an elected Mayor, four Councilmembers and a full-time appointed City Manager. The City contracts with the County of Los Angeles for police and fire services. In addition, contract services for City Attorney and Information Technology services are provided. Remaining services are provided by 60 full and part-time customer-oriented City staff.

ECONOMIC CONDITION AND OUTLOOK

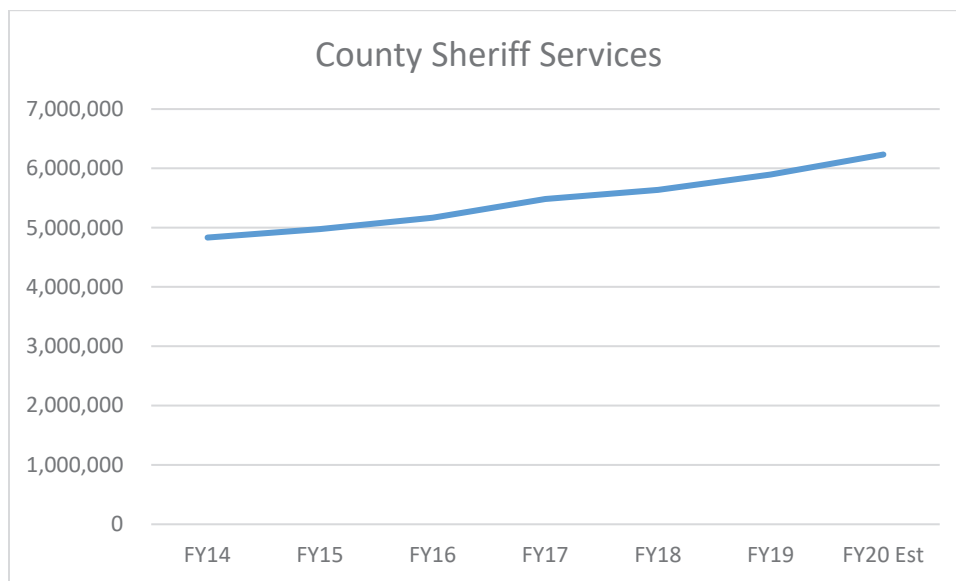
As shown in the below chart, the general fund for the City of Lawndale has had modest increases since 2014 in two of the three top revenue sources; motor vehicle in-lieu tax and other taxes. Sales and use tax, however, are directly tied to the economy and began trending downward. In April 2019, the City began receiving voter-approved Measure L, a local revenue measure increasing local sales tax by $\frac{3}{4}$ cent per dollar, to maintain key city services. Measure L is expected to generate approximately \$2.1 million per year, adding needed resources to maintain public safety services and continuity in City service levels. For the first quarter of the tax, Measure L generated \$533 thousand for city services, resulting in the sales and use tax increase in 2019.



Revenue generated from utility user taxes have been declining since 2014. Property tax revenue has been stable with an increase in 2019 related to the City’s share of taxes for sale of redevelopment land held for sale. Charges for services has increased as a result of rate increases

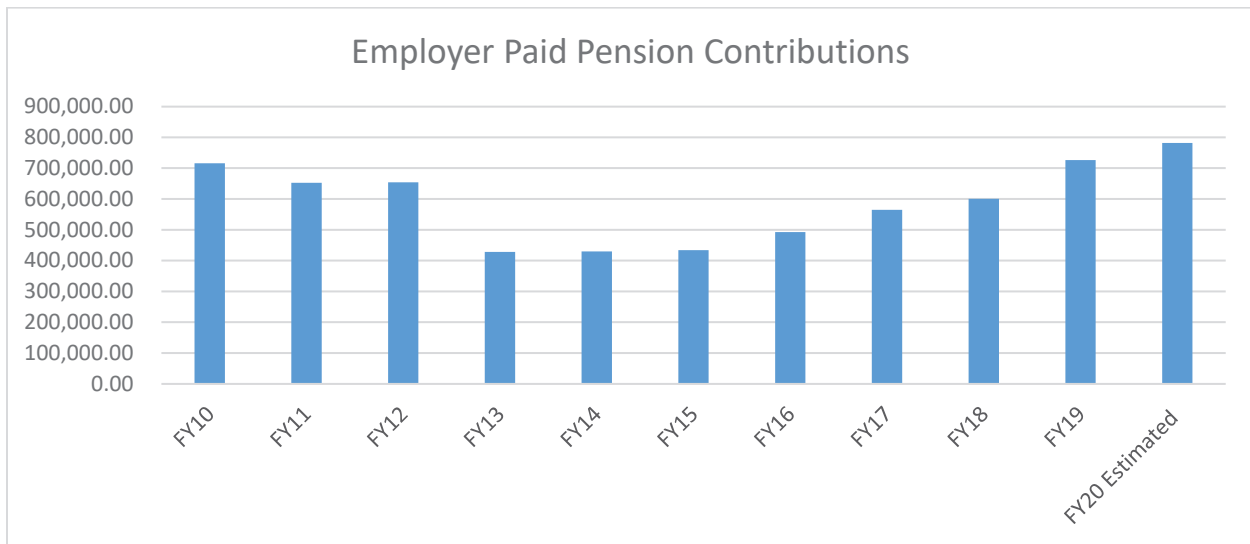
in the building permit and inspection fee area. Overall, general fund revenue is anticipated to increase in the upcoming fiscal years due to Measure L and the traditional Bradley-Burns sales tax, however, expenditures are also increasing.

Sheriff contract services increases was the significant factor related to Measure L being submitted for voter-approval. Following is a graph of costs from fiscal year 2013-14 through the 2019-20 contract amount demonstrating the increased costs to the City. We anticipate costs to continue to increase with County labor negotiations.

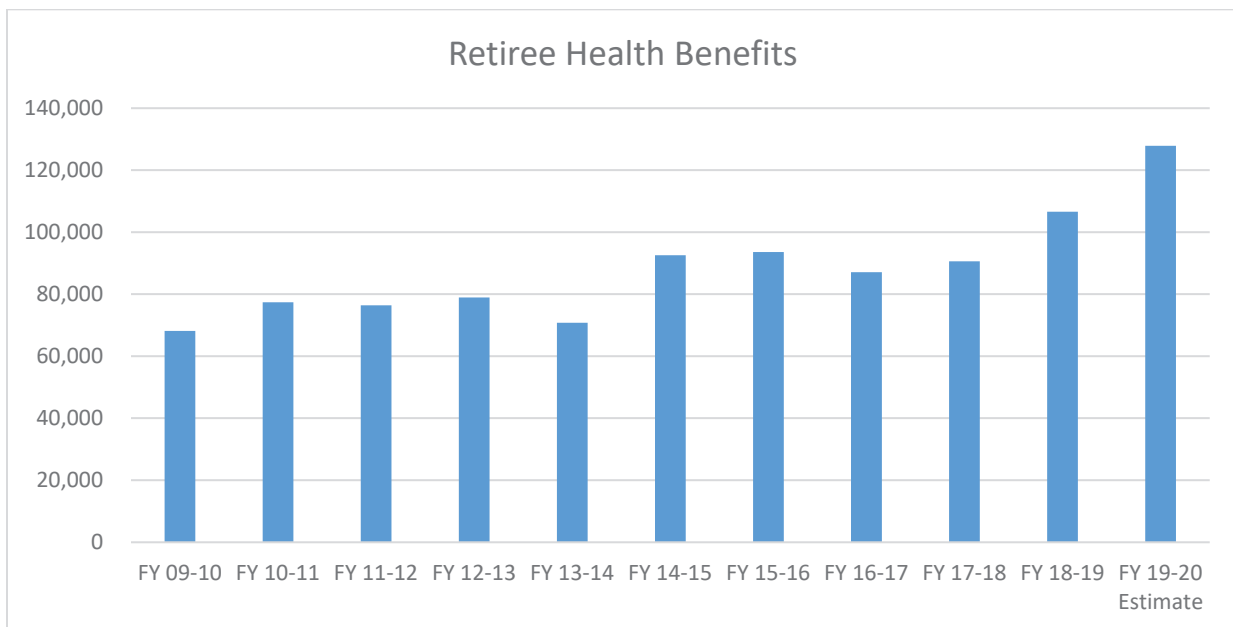


At the end of fiscal year 2018-19, both employee bargaining unit contracts expired; the Lawndale Professional and Mid-Management employee bargaining unit and the Lawndale Classified employees unit (both represented by the American Federation of State, County and Municipal Employees (AFSCME), Council 36, Local 1895). One year contracts were negotiated with a five percent salary increase included in the approved changes. Contract negotiations will begin soon for the current contracts expiring on June 30, 2020.

In addition, employer retirement contributions and retiree health benefit payments continue to increase with more than half the active workforce being eligible for retirement.



From the above chart, the impact of the California Public Employee’s Pension Reform Act of 2012, effective for employees hired after January 1, 2013, can be seen as the decrease of employer paid contributions paid by the City in fiscal year 2012-13. However, costs continue to increase with changes in the PERS funding period and requirements and the overall increase in salaries. Since 2012-13, pension costs have continued to increase and now costs exceed those prior to the 2012 act.



With the new Measure L revenue source being used to offset increasing costs, the City will be able to sustain services in the near future, but reserves to offset against future shortfalls and looking for new revenue sources from available grants is essential for the City to sustain in the long term. Sound fiscal

controls and conservative spending measures will continue to be employed at the City to ensure citizens receive desired services.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and City staff. As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's most recent single audit, for fiscal year ended June 30, 2018, provided two instances of material weaknesses in the internal control structure or signification violations of applicable laws and regulations. Material weaknesses included the areas of capital asset reconciliation and preparation of grant schedules. See the separate Single Audit report for details.

Financial and Budgetary Controls. In addition, the City maintains financial and budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would result in an overrun of a department line item account may not be processed until either a budget transfer from another account is processed, or after a budget adjustment is processed which requires City Council approval. Encumbered amounts and unspent budgeted appropriations are reviewed and carried over at year end.

Appropriation Limitation. As required by Article XIII B of the California Constitution, the City's appropriation limitation for 2018-2019 expenditures was calculated at \$33.6 million. Appropriations subject to limitation totaled \$14.0 million, or \$19.6 million below the City's legal appropriation limit.

OTHER INFORMATION

Independent Audit. State statute requires an annual audit by independent certified public accountants. The accounting firm of Lance, Soll & Lunghard was selected by the City Council with the recommendation of the Director of Finance Director after a formal Request for Proposal process. Subsequently, a contract was entered into with Lance, Soll & Lunghard, LLP to perform

audit services for the City. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The auditor's report on the general-purpose financial statements and combining, individual fund and schedules are included in the financial section of this report. The City's independent auditors, Lance, Soll & Lunghard, LLP, have issued an unmodified opinion. The auditor's reports related specifically to the single audit are included in the Single Audit Report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Marla L. Pendleton, CPA".

Marla L. Pendleton, CPA
Director of Finance and City Treasurer

■ **CITY ELECTED OFFICIALS**



**Mayor
Robert Pullen - Miles**

Elected: April 2018



**Mayor Pro Tem
Jim Osborne**

Elected: April 2016



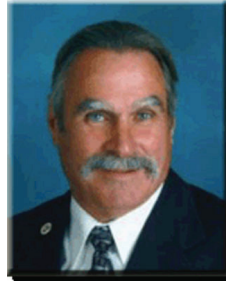
**Councilmember
Daniel Reid**

Elected: April 2016



**Councilmember
Bernadette Suarez**

Appointed: May 2018



**Councilmember
Pat Kearney**

Elected: April 2018

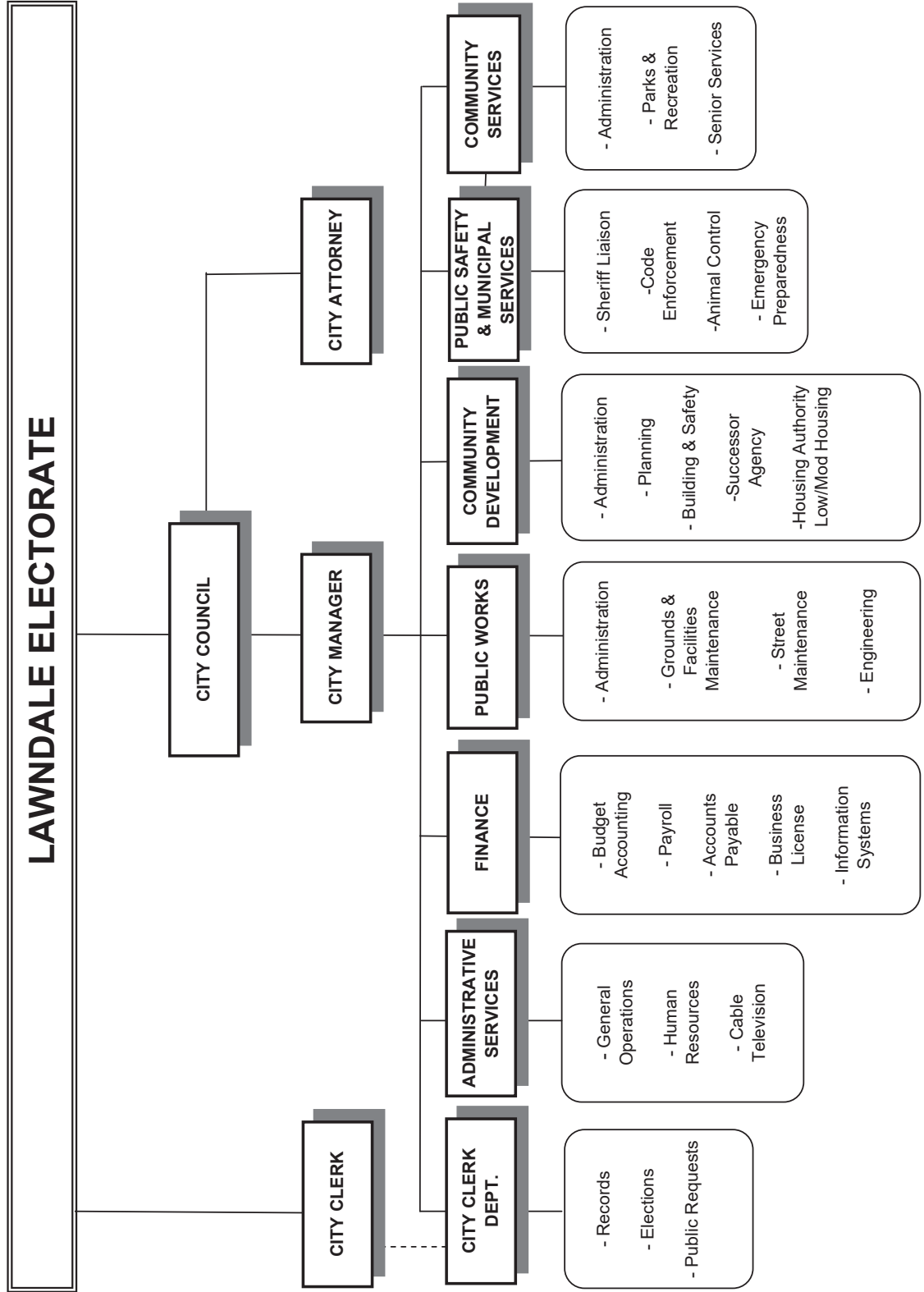
City Clerk – Rhonda Hofmann Gorman

■ **CENTRAL MANAGEMENT TEAM**

City Manager: Kevin M. Chun
Stephen N. Mandoki (retired 6/30/19)
Director of Community Development: Sean M. Moore, AICP
Director of Finance/City Treasurer: Marla Pendleton, CPA
Director of Public Works: Vacant
Assistant City Clerk: Matthew Ceballos
Asst. to the City Manager/HR Director: Raylette Felton
Director of Community Services: Mike Estes
Director of Municipal Services: Michael Reyes

CITY OF LAWNSDALE

City-Wide Organizational Chart





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Lawndale, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Lawndale, California, (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Lawndale, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lawndale, California, as of June 30, 2019, 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.

Other Matters

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 Restricted Urban Development Fund, and the Lawndale Housing Authority Fund, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, the schedule of changes in net pension liability and related ratios, the schedule of investment returns, and the schedule of changes in total OPEB liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements, schedules and statistical section 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. The 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.

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.



CPAs AND ADVISORS

To the Honorable Mayor and Members of the City Council
City of Lawndale, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019 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.

Lance, Soll & Lughard, LLP

Brea, California
December 16, 2019

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

This section of the City of Lawndale's (the City) Comprehensive Annual Report (CAFR) provides a narrative overview of the City's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal and the City's basic financial statements identified in the accompanying table of contents.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements which are comprised on the following three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

In addition to the basic financial statements, Required Supplementary Information is included to provide additional detail to support the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or declining.

The *statement of activities* provides information about the City's net position demonstrating how it changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes (motor vehicle in-lieu, sales, utility users and property tax - 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, municipal services, planning and community development, recreation and community services and public works. Governmental activities include three major funds; General Fund, Restricted Urban Development, and Lawndale Housing Authority, and 28 non-major funds. There were no funds reporting business-type activities of the City.

The government-wide financial statements also provide information regarding the City's component units, entities for which the City (the primary government) is considered to be financially accountable. Although the City's three blended component units (the Lawndale Cable Usage Corporation, the Lawndale Housing Authority and the Lawndale Financing Authority) are legally separate entities, they are, in substance, part of the City's operations. Accordingly, the financial information from these units is combined with financial information of the primary government.

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

Fund Financial Statements provide information about the City's two category of funds – governmental and fiduciary, rather than the City as a whole. Some funds are required to be established by State law or by bond covenant. However, City Council established many other funds to segregate money related to government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds, which focus on the sources, uses, and balances of current financial resources, are used to account for City services. 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 unlike government-wide financial statements.

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 City's near-term financing decisions. The governmental funds' balance sheet and statement of revenue, expenditures, and changes in fund balances provided are accompanied by reconciliations to the government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds organized according to their type (general, special revenue and capital projects). The governmental fund financial statements present the financial information for each major fund (the General Fund, Restricted Urban Development, and Lawndale Housing Authority) in separate columns. Financial information for the remaining 28 governmental funds (nonmajor funds) is combined into a single, aggregated presentation. Financial information for each of these nonmajor governmental funds is presented in the supplementary information section.

Budgetary comparison statements are also included in the fund financial statements. The statements present the City's annual estimated revenue and appropriation budgets for all governmental funds. The budgetary comparison statements have been provided to demonstrate compliance with their respective budgets.

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support City programs nor be reflected in the government-wide financial statements. The City maintains one fiduciary fund, the Lawndale Successor Agency Fund, which assumed the former Lawndale Redevelopment Agency's assets and obligations and is responsible for winding down the activities related to the dissolution. The fund accounts for revenue received to pay estimated annual installment payments on enforceable obligations approved by the Successor Agency Oversight Board and the California Department of Finance. The city is responsible for ensuring that assets reported in this fund are used for their intended purposes.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for fair presentation of the financial information in the government-wide and fund financial statements.

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

Required Supplemental Information provides changes in net pension liability and related ratios, employer schedule of pension plan contributions, budgetary comparison schedules for the General Fund, Restricted Urban Development, and Lawndale Housing Authority.

Combining and individual fund statements and budgetary schedules provide information for nonmajor governmental funds and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. The below table (Table 1) focuses on the net position and changes in net position in the City's governmental activities. It presents an analysis of the City's net position as of June 30, 2019, compared to June 30, 2018. At the end of the current fiscal year, the City reported positive net position in all three categories; net investment in capital assets, restricted net position and unrestricted net position. Total assets and deferred outflows of resources, exceeded total liabilities and deferred inflows of resources by \$72.5 million as of June 30, 2019, representing an overall increase of \$2.4 million, 3.5%, from June 30, 2018.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide statement of net position follows:

Table 1
Statement of Net Position (in thousands)

	<u>Government Activities</u>		<u>Percentage</u>	
	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Change</u>
Current and other assets	\$ 43,608	\$ 39,216	\$ 4,392	11.2%
Capital assets	43,517	44,870	(1,353)	-3.0%
Total assets	87,125	84,086	3,039	3.6%
Deferred Outflows	2,189	2,223	(34)	-1.5%
Long-term debt/ pension liability	12,654	12,476	178	1.4%
Other liabilities	3,423	2,946	477	16.2%
Total liabilities	16,077	15,422	655	4.2%
Deferred Inflows	696	782	(86)	-11.0%
Net position:				
Investment in capital assets (net of debt)	42,994	44,308	(1,314)	-3.0%
Restricted	14,945	13,516	1,429	10.6%
Unrestricted	14,602	12,281	2,321	18.9%
Total net position	<u>\$ 72,541</u>	<u>\$ 70,105</u>	<u>\$ 2,436</u>	<u>3.5%</u>

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

Analysis of Net Position

Below are the three components of net position and their respective balances as of June 30, 2019:

The largest portion of the City's net position reflects its investment in capital assets of \$43.0 million, a decrease of \$1.3 million, or 3% from the prior fiscal year. This component consists of capital assets such as land, construction in progress, building and structures, improvements, vehicles, machinery and equipment and infrastructure, net of accumulated depreciation. The amount is further reduced by any debt attributed to the acquisition, construction, or improvement of the 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 net investment in 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 liquidated for these liabilities. The \$1.3 decrease is attributed to capital asset additions \$0.7 million less current year depreciation of \$2.0 million.

The restricted net position is \$14.9 million, an increase of \$1.4 million, or 10.6% from the prior fiscal year, and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The most significant increases are in the areas of public works and capital projects which increased \$1 million and \$0.3 million, respectively from the prior fiscal year.

The unrestricted net position is \$14.6 million, an increase of \$2.3 million, or 18.9% from the prior fiscal year. This amount is available for future spending. The increase is primarily attributed to the 19% increase in general revenue, which includes \$0.5 million related to the new district transaction tax (Measure L), which became effective April 1, 2019.

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide statement of activities follows:

Table 2
Changes in Net Position (in thousands)

	<u>Government Activities</u>		<u>Dollar Change</u>	<u>Percentage Change</u>
	<u>2019</u>	<u>2018</u>		
Revenues				
Program revenues:				
Charges for services	\$ 2,863	\$ 2,387	\$ 476	19.9%
Operating contributions & grants	728	192	536	279.2%
Capital contributions & grants	3,411	3,549	(138)	-3.9%
General revenues:				
Property taxes	1,625	1,416	209	14.8%
Sales taxes	3,705	2,836	869	30.6%
Motor vehicle in lieu	3,616	3,426	190	5.5%
Other taxes	3,187	3,290	(103)	-3.1%
Gain on sale of capital assets	1,414	0	1,414	0.0%
Other general revenues	531	619	(88)	-14.2%
Total revenue	<u>21,080</u>	<u>17,715</u>	<u>3,365</u>	<u>19.0%</u>
Program expenses				
General government	4,075	4,051	24	0.6%
Public safety	5,533	5,637	(104)	-1.8%
Municipal services	1,079	1,027	52	5.1%
Planning & community development	1,479	1,345	134	10.0%
Recreation & community services	1,943	1,891	52	2.7%
Public works	4,401	5,648	(1,247)	-22.1%
Interest on long-term debt	19	20	(1)	-5.0%
Total expenses	<u>18,529</u>	<u>19,619</u>	<u>(1,090)</u>	<u>-5.6%</u>
Increase (decrease) in net position	2,551	(1,904)	4,455	-234.0%
Beginning net position	70,105	73,847	(3,742)	-5.1%
Restatement of net position	(115)	(1,838)	1,723	-93.7%
Ending net position	<u>\$ 72,541</u>	<u>\$ 70,105</u>	<u>\$ 2,436</u>	<u>3.5%</u>

Analysis of Changes in Net Position

The following are major factors attributing to the net position changes in governmental activities between fiscal years 2018-19 and 2017-18, as shown in the previous table (Table 2).

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

Revenues for governmental activities

Total revenue for governmental activities were \$21.0 million, an increase of \$3.4 million, or 19 %, from fiscal year 2017-18. The increase consisted of net increases in program revenues of \$0.9 million and general revenues of \$2.5 million.

The increase in program revenues was primarily attributed to:

- Operating contributions and grants increased \$536 thousand, or 278%, primarily attributed to expending the amount available through Proposition A (Los Angeles County Parks Maintenance Grant) and obtaining full reimbursement of multi-year costs in fiscal year 2018-19.
- Charges for services increased \$476 thousand, or 19.9%, attributed to building permit and plan check services and fee increases.

The increase in general revenues was primarily attributed to:

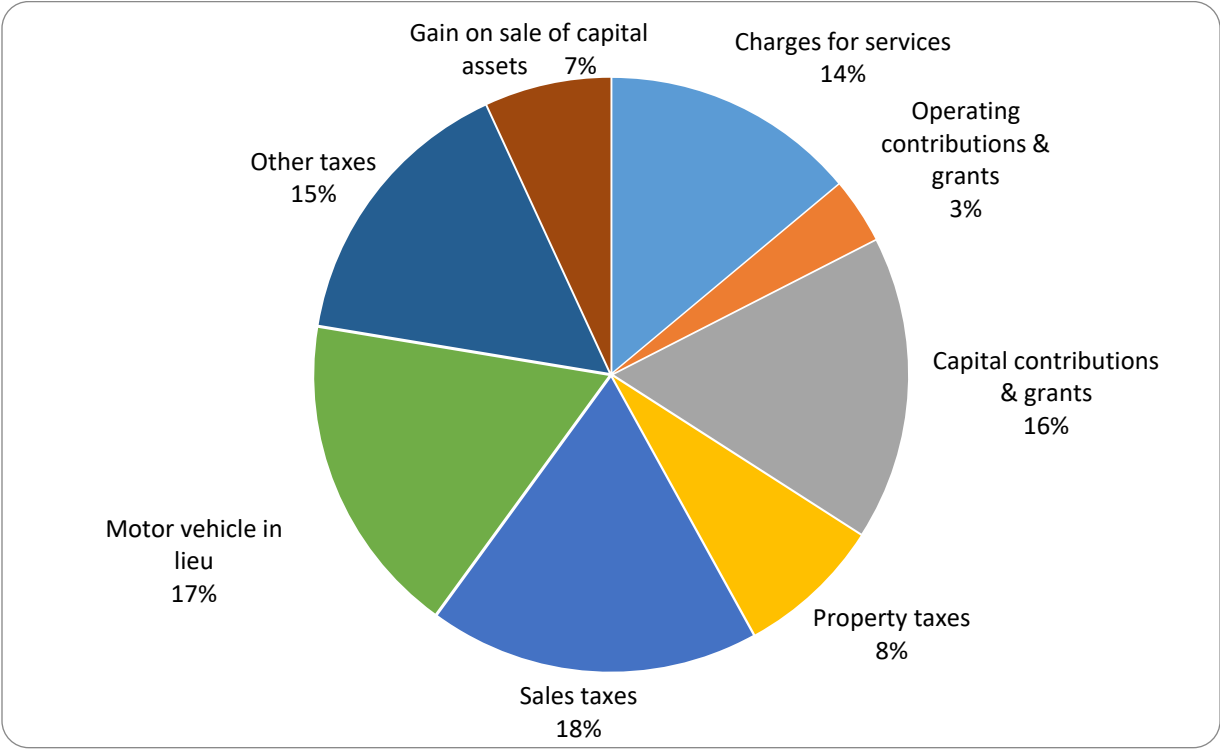
- Gain on sale of capital assets of \$1.4 million. During the fiscal year, the City acquired land from the Successor Agency to the Former Lawndale Redevelopment Agency for the appraised value. The City later sold the land for development recognizing a gain on the sale during the fiscal year.
- Sales taxes increased \$869 thousand, or 30.6% of which \$544 thousand was related to new revenue generated from the passage of Measure L, a ¾ cent district transaction tax, which became effective April 1, 2019. In addition, 1% local sales tax increased \$335 thousand partially attributed to system changes at the California Department of Tax and Fee Administration which caused a delay of processing and distributing sales tax. Therefore, some of the 2017-18 taxes were receipted and distributed in 2018-19 causing an increase. Sales increases in the auto and transportation industry and increased gasoline prices also attributed to the overall sales tax increase during the year.

Expenses for governmental activities

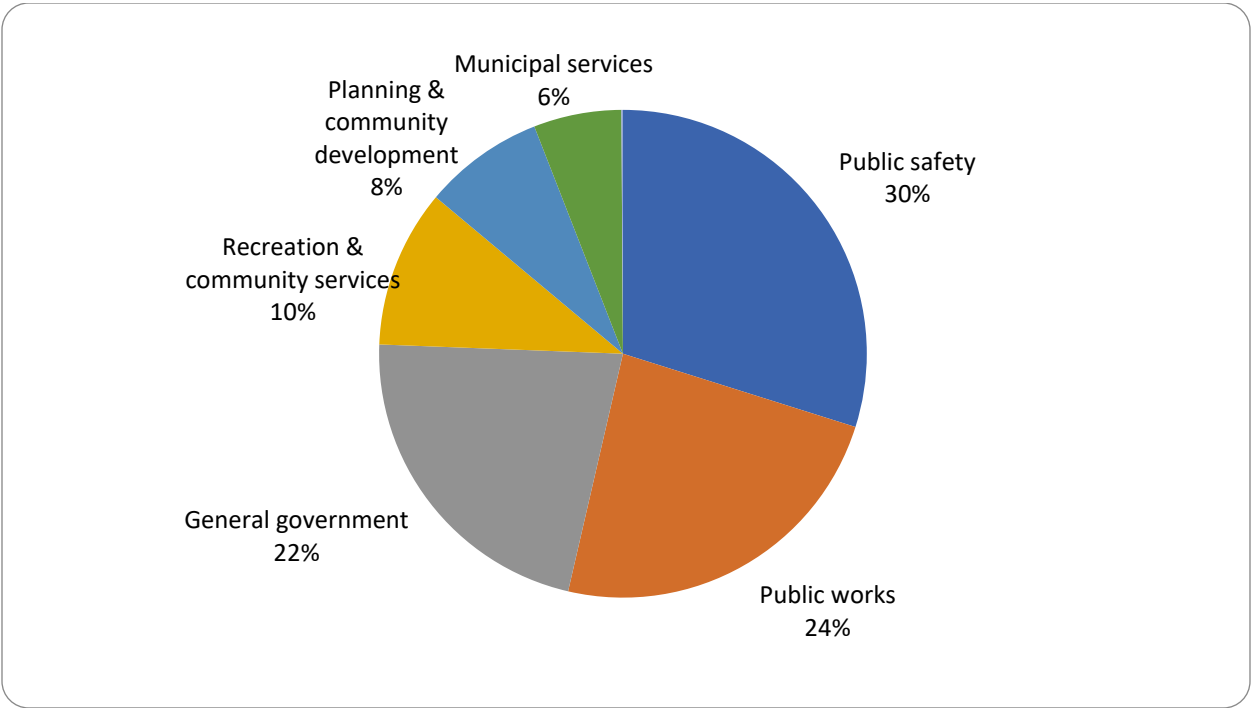
Total expenses for governmental activities were \$18.5 million for the current fiscal year, a decrease of \$1.1 million, or 5.6%, as compared to the prior fiscal year. The primary cause for the decrease was attributed to vacancies in public works. In fiscal year 2017-18 an additional \$1.1 million was expended on street maintenance, compared to the total public works \$3.1 million fiscal year 2018-19 expenditures. The street maintenance costs were funded with Proposition C Local Transit Assistance and Metro STP-L funding.

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

Revenue by Source – Governmental Activities



Expense by Function – Governmental Activities



CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

FINANCIAL ANALYSIS OF FUND STATEMENTS

As noted earlier, the City uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing the City's short-term financial requirements. In particular, the total fund balance less the nonspendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the general fund, special revenue funds and capital project funds. As of June 30, 2019, the City's governmental funds reported combined fund balances of \$31.3 million, an increase of \$4.2 million, or 15.6% in comparison with the prior year. The components of total fund balance are as follows:

- Nonspendable fund balance - \$7.7 million, amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance - \$15.0 million, amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance - \$1.4 million, amounts are committed for a specific purpose. These funds require action by the City Council to remove or change the specific use.
- Unassigned fund balance - \$7.2 million, amounts that are not reported in any other category and are available for any purpose within the general fund.

Total governmental fund revenue increased by \$2.4 million, or 13.7%, from the prior fiscal year with \$19.6 million being recognized for the fiscal year ended June 30, 2019. Expenditures decreased \$1.3 million, or 7.3%, from the prior fiscal year with \$16.8 million being expended for governmental functions during the fiscal year. Overall, governmental fund balance increased \$4.2 million, or 15.6% compared to a decrease of \$0.9 million, or 3.2% in fiscal year 2017-18 compared to 2016-17.

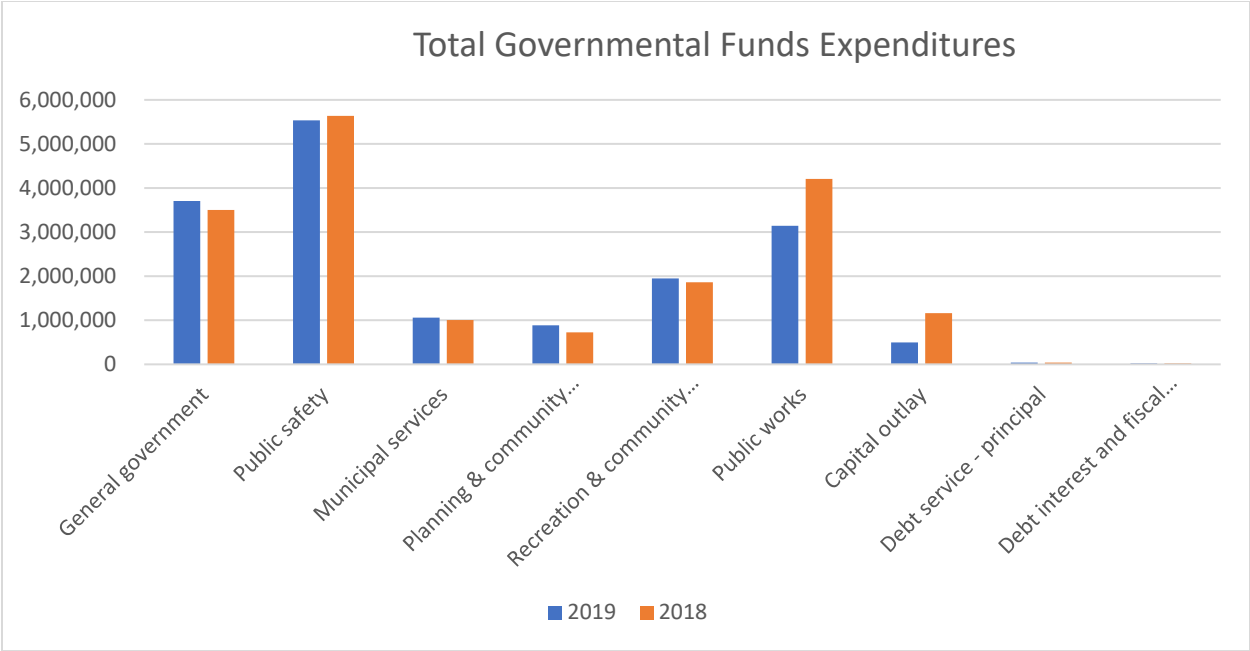
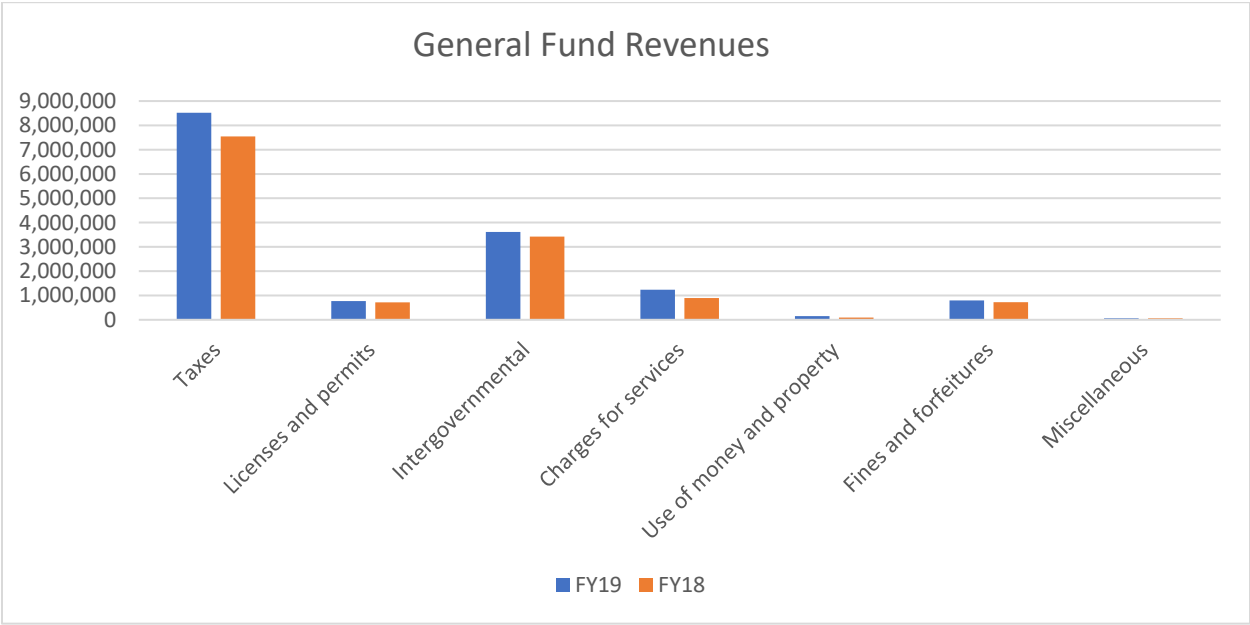
Major Governmental Funds

General Fund

The general fund is the primary operating fund of the City. At the end of the current fiscal year, the general fund's total fund balance was \$16.6 million, compared to \$14.8 million in fiscal year 2017-18, an increase of \$2.4 million, or 15.1%. As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The nonspendable portion of fund balance was \$7.7 million, and the spendable portion was \$8.9 million, which was 54.3% and 62.3%, respectively, of the total general fund expenditures of \$14.2 million, as compared to 63.3% and 45.3%, respectively, of the prior year general fund expenditures of \$13.6 million.

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

Total general fund revenue increased \$1.7 million, 12.5%, from \$13.4 to \$15.1 million. As noted above under governmental activities, the increase was attributed to sales tax, the new district transaction tax (Measure L) and increases in building permit and plan check services. Total general fund expenditures increased \$0.6 million, 4.4%, from \$13.6 to \$14.2 million. The increase was attributed to public works absorbing costs that were previously paid by other funding sources. Specifically, capital project delays resulted in less administrative overhead being paid by granting sources and grant funds for park maintenance costs were exhausted in fiscal year 2017-18 leaving the general fund to pay these costs in 2018-19.



CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

The other Major Governmental Funds include Restricted Urban Development and Lawndale Housing Authority Special Revenue Funds. Revenue and expenditures were consistent in the current year compared to fiscal year 2017-18 in both funds with the exception of expenditures in the Restricted Urban Development fund which decreased \$91 thousand, 58.5%, from \$156 to \$65 thousand in fiscal year 2018-19. The main difference in expenditures is the capital expenditures for two vehicles acquired in fiscal year 2017-18. There were no capital acquisitions in fiscal year 2018-19.

Nonmajor Governmental Funds

The \$2.1 million, or 49%, increase in nonmajor governmental funds fund balance is primarily due to receiving multi-year reimbursements in the current year, a reduction in expenditures and a restatement of fund balance of \$0.7, \$1.8 and <\$0.2> million, respectively.

- Revenue increased \$0.7 million, 17.8%, to \$4.5 million in the nonmajor governmental funds. The most significant increase in revenue was in the LA County Maintenance Grant where the full grant reimbursement of \$0.5 million was received in fiscal year 2018-19; no reimbursement in prior years.
- Expenditures were \$1.8 million lower in the current fiscal year. The most significant factors attributing to the decrease was the expiration/ exhaustion of available funding in the Hawthorne Boulevard Maintenance and Metro STP-L funds, \$180 and \$488 thousand decrease, respectively. Community Development Block Grant funding was available for the 145th street improvement project where \$547 thousand project costs were incurred and the project completed in fiscal year 2017-18. Other cost savings related to the delay of projects being performed during the year resulting in less expenditures being incurred with proposition C, measure R and gas tax funding in the amounts of \$380, \$211 and \$119 thousand, respectively.
- The \$185 thousand restatement to fund balance was the result of clearing prior year balances to close inactive funds.

GENERAL FUND BUDGET

The original budget compared to the final general fund budget, as presented in the *Budgetary Comparison Schedule* included in the *Required Supplemental Information Section*, increased \$1.8 million, 12.8%. The net increase was the result of \$2.7 million increase in budgeted revenue offset by a \$.9 million increase in appropriation authority during the year.

General fund revenue was originally budgeted at \$13.9 million, of which \$14.5 million of budgetary fund balance was available resulting in \$28.3 million available for appropriations during the year. The budget was monitored throughout the year and adjustments were made resulting in the final revenue budget of \$16.6 million, an increase of \$2.7 million, or 19.5%. The most significant budget increase was the result of proceeds received from the sale of land, \$1.4 million. The budget for taxes was increased \$780 thousand, of which \$500 thousand was attributed to new Measure L revenue, effective April 1, the ¾ cent district transaction tax became effective for sales in the City of Lawndale. The budget for charges for services was also increased \$405 thousand due to increase encroachment and building permits.

CITY OF LAWNSDALE
Management's Discussion and Analysis
June 30, 2019

The general fund appropriation budget increased \$863 thousand from the original budget of \$13.9 million to the final \$14.7 million. The most significant increase was \$544 thousand in public works due to appropriations being continued from the previous fiscal year for ongoing projects. The budget for transfers out increased \$146 thousand for the 20% Housing Authority set-aside from amounts received from the Successor Agency to the Lawndale Redevelopment Agency for loan repayments.

CAPITAL ASSETS

Capital assets, net of depreciation, decreased \$1.4 million, from \$44.9 at July 1, 2018 to \$43.5 million at June 30, 2019. The decrease was attributed to depreciation expense of \$2.1 million offset by \$671 thousand of additions. The additions were in construction in progress and included the Inglewood Avenue Corridor widening project, traffic signal projects at Marine/Osage and Manhattan Beach/Hawthorn Blvd, the Burin house demolition and parking lot/wall construction and resurfacing project at Grevillea Avenue. In addition, three projects totaling \$996 thousand dollars were completed and moved from construction in progress and capitalized as infrastructure and improvements. The projects included the Burin house/wall/parking lot, 145th stress and the HVAC system. For more information, see Capital Assets Note 7 in the *Notes to Financial Statements*.

LONG-TERM LIABILITIES

Total long-term liabilities citywide equal \$40.9 million, a decrease of \$1.1 from fiscal year 2017-18 due to payments made to decrease outstanding liabilities. Additional information is presented in Note 15.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lawndale, Finance Department, 14717 Burin Avenue, Lawndale, California 90260 Phone (310) 973-3246; Fax: (310) 970-2183; website: www.lawndalecity.org.

CITY OF LAWDALE

STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and investments	\$ 18,436,901
Receivables:	
Accounts	1,786,696
Grants	393,513
Accrued interest	19,264
Notes and loans	359,164
Agreements with Successor Agency	21,451,870
Prepaid costs	526,845
Land held for development	634,983
Capital assets not being depreciated	6,644,454
Capital assets, net of depreciation	<u>36,872,171</u>
Total Assets	<u>87,125,861</u>
Deferred Outflows of Resources	
Deferred pension related outflows	2,003,632
Deferred OPEB related outflow	<u>185,250</u>
Total Deferred Outflows of Resources	<u>2,188,882</u>
Liabilities	
Accounts payable	2,020,459
Accrued liabilities	151,555
Accrued interest	7,210
Deposits payable	1,243,786
Noncurrent liabilities:	
Due within one year	
Long term debt	40,099
Compensated absences	245,063
Due in more than one year	
Long term debt	482,819
Compensated absences	264,119
Total OPEB obligation	4,497,319
Net pension liability	<u>7,124,768</u>
Total Liabilities	<u>16,077,197</u>
Deferred Inflows of Resources	
Deferred pension related inflows	<u>696,111</u>
Total Deferred Inflows of Resources	<u>696,111</u>
Net Position	
Net investment in capital assets	42,993,707
Restricted for:	
Community development projects	244,451
Public safety	135,432
Parks and recreation	7,782,789
Public works	2,084,821
Capital projects	2,718,563
Air quality	135,878
Municipal services	61,757
Housing	1,782,320
Unrestricted	<u>14,601,717</u>
Total Net Position	<u>\$ 72,541,435</u>

CITY OF LAWNSDALE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Governmental Activities
Primary Government					
Governmental Activities:					
General government	\$ 4,074,964	\$ 1,696,097	\$ -	\$ -	\$ (2,378,867)
Public safety	5,533,190	-	175,542	-	(5,357,648)
Municipal services	1,078,957	-	-	-	(1,078,957)
Planning and community development	1,478,685	205,715	-	465,993	(806,977)
Recreation and community services	1,943,391	-	8,636	-	(1,934,755)
Public works	4,400,419	961,062	543,521	2,944,981	49,145
Interest on long-term debt	19,318	-	-	-	(19,318)
Total Governmental Activities	\$ 18,528,924	\$ 2,862,874	\$ 727,699	\$ 3,410,974	(11,527,377)
General Revenues					
Taxes:					
Property taxes, levied for general purpose					1,625,047
Transient occupancy taxes					704,869
Sales taxes					3,705,062
Franchise taxes					762,816
Utility users tax					1,719,735
Motor vehicle in lieu - unrestricted					3,615,968
Use of money and property					466,292
Miscellaneous					64,600
Gain on sale of capital asset					1,414,559
Total General Revenues					14,078,948
Change in Net Position					2,551,571
Net Position, Beginning of Year, as originally reported					70,104,966
Restatement					(115,102)
Net Position, Beginning of Year, as Restated					69,989,864
Net Position, End of Year					\$ 72,541,435

CITY OF LAWDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Restricted Urban Development</u>	<u>Lawndale Housing Authority</u>	<u>Nonmajor Governmental Funds</u>
Assets				
Cash and investments	\$ 9,832,342	\$ 552,474	\$ 1,190,577	\$ 6,861,508
Receivables:				
Accounts	1,707,580	-	-	79,116
Grants	-	-	-	393,513
Accrued interest	10,378	600	1,306	6,980
Notes and loans	-	-	112,626	246,538
Agreements with Successor Agency	11,771,128	9,680,742	-	-
Prepaid costs	526,845	-	-	-
Due from other funds	363,485	-	-	-
Land held for development	147,900	-	487,083	-
Total Assets	\$ 24,359,658	\$ 10,233,816	\$ 1,791,592	\$ 7,587,655
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 1,607,958	\$ 16,720	\$ 3,062	\$ 392,719
Accrued liabilities	130,926	-	3,415	17,214
Deposits payable	1,243,786	-	-	-
Due to other funds	-	-	-	363,485
Total Liabilities	2,982,670	16,720	6,477	773,418
Deferred Inflows of Resources				
Unavailable revenues	4,743,808	3,810,599	2,795	371,475
Total Deferred Inflows of Resources	4,743,808	3,810,599	2,795	371,475
Fund Balances				
Nonspendable:				
Prepaid costs	526,845	-	-	-
Land held for development	147,900	-	-	-
Agreements with Successor Agency	7,027,320	-	-	-
Restricted for:				
Community development projects	-	-	-	244,451
Public safety	-	-	-	135,432
Recreation and community services	10,613	6,406,497	-	1,365,679
Public works	-	-	-	2,084,821
Capital projects	-	-	-	2,718,563
Air quality	-	-	-	135,878
Municipal services	-	-	-	61,757
Housing	-	-	1,782,320	-
Committed to:				
Committed to City General Plan Update	1,400,000	-	-	-
Unassigned	7,520,502	-	-	(303,819)
Total Fund Balances	16,633,180	6,406,497	1,782,320	6,442,762
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 24,359,658	\$ 10,233,816	\$ 1,791,592	\$ 7,587,655

CITY OF LAWNSDALE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Total Governmental Funds
Assets	
Cash and investments	\$ 18,436,901
Receivables:	
Accounts	1,786,696
Grants	393,513
Accrued interest	19,264
Notes and loans	359,164
Agreements with Successor Agency	21,451,870
Prepaid costs	526,845
Due from other funds	363,485
Land held for development	634,983
	<hr/>
Total Assets	\$ 43,972,721
	<hr/>
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities	
Accounts payable	\$ 2,020,459
Accrued liabilities	151,555
Deposits payable	1,243,786
Due to other funds	363,485
	<hr/>
Total Liabilities	3,779,285
	<hr/>
Deferred Inflows of Resources	
Unavailable revenues	8,928,677
	<hr/>
Total Deferred Inflows of Resources	8,928,677
	<hr/>
Fund Balances	
Nonspendable:	
Prepaid costs	526,845
Land held for development	147,900
Agreements with Successor Agency	7,027,320
Restricted for:	
Community development projects	244,451
Public safety	135,432
Recreation and community services	7,782,789
Public works	2,084,821
Capital projects	2,718,563
Air quality	135,878
Municipal services	61,757
Housing	1,782,320
Committed to:	
Committed to City General Plan Update	1,400,000
Unassigned	7,216,683
	<hr/>
Total Fund Balances	31,264,759
	<hr/>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 43,972,721
	<hr/>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAWNSDALE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Total Fund Balances - Governmental Funds		\$ 31,264,759
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		43,516,625
Long-term debt, compensated absences, total OPEB liability and total net pension liability are not included in the governmental fund activity:		
Facility and site lease note	\$ (522,918)	
Total OPEB liability	(4,497,319)	
Net pension liability	(7,124,768)	
Compensated Absences	<u>(509,182)</u>	(12,654,187)
Deferred outflows of resources related to pension that are required to be recognized over a defined closed period:		
Employer contributions subsequent to the measurement date	726,239	
Changes in assumptions	784,101	
Differences between expected and actual experiences	263,893	
Net difference between projected and actual earnings	37,752	
Adjustment due to differences in proportions	<u>191,647</u>	2,003,632
Deferred outflows of resources related to other post employment benefits that are required to be recognized over a defined closed period:		
Employer contributions subsequent to the measurement date		185,250
Accrued interest payable for the current portion of interest due on Bonds that has not been reported in the governmental funds.		(7,210)
Deferred inflows of resources related to pension that are required to be recognized over a defined closed period:		
Changes in assumptions	(192,168)	
Differences between expected and actual experiences	(89,801)	
Differences between the employer's contributions and the employer's proportionate share of contributions	<u>(414,142)</u>	(696,111)
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.		<u>8,928,677</u>
Net Position of Governmental Activities		<u>\$ 72,541,435</u>

CITY OF LAWDALE

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	General	Restricted Urban Development	Lawndale Housing Authority	Nonmajor Governmental Funds
Revenues				
Taxes	\$ 8,517,529	\$ -	\$ -	\$ -
Licenses and permits	767,713	-	-	-
Intergovernmental	3,615,968	-	-	4,202,535
Charges for services	1,240,401	-	-	60,406
Use of money and property	151,360	2,113	4,810	23,804
Fines and forfeitures	794,354	-	-	-
Contributions	-	-	-	174,087
Miscellaneous	58,005	-	-	6,595
Total Revenues	15,145,330	2,113	4,810	4,467,427
Expenditures				
Current:				
General government	3,706,071	-	-	670
Public safety	5,387,055	-	-	146,135
Municipal services	1,059,883	-	-	-
Planning and community development	614,151	-	192,968	76,090
Recreation and community services	1,317,597	-	-	628,978
Public works	2,040,532	64,835	-	1,036,661
Capital outlay	8,557	-	-	486,014
Debt service:				
Principal retirement	38,799	-	-	-
Interest and fiscal charges	19,853	-	-	-
Total Expenditures	14,192,498	64,835	192,968	2,374,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	952,832	(62,722)	(188,158)	2,092,879
Other Financing Sources (Uses)				
Transfers in	-	-	221,885	78,542
Transfers out	(188,000)	(60,000)	-	(52,427)
Proceeds from sale of capital asset	1,414,559	-	-	-
Total Other Financing Sources (Uses)	1,226,559	(60,000)	221,885	26,115
Net Change in Fund Balances	2,179,391	(122,722)	33,727	2,118,994
Fund Balances				
Beginning of year, as originally reported	14,754,483	6,529,219	1,748,593	4,138,176
Restatements	(300,694)	-	-	185,592
Beginning of year, as Restated	14,453,789	6,529,219	1,748,593	4,323,768
Fund Balances, End of Year	\$ 16,633,180	\$ 6,406,497	\$ 1,782,320	\$ 6,442,762

CITY OF LAWDALE

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Total Governmental Funds
Revenues	
Taxes	\$ 8,517,529
Licenses and permits	767,713
Intergovernmental	7,818,503
Charges for services	1,300,807
Use of money and property	182,087
Fines and forfeitures	794,354
Contributions	174,087
Miscellaneous	64,600
	<hr/>
Total Revenues	19,619,680
	<hr/>
Expenditures	
Current:	
General government	3,706,741
Public safety	5,533,190
Municipal services	1,059,883
Planning and community development	883,209
Recreation and community services	1,946,575
Public works	3,142,028
Capital outlay	494,571
Debt service:	
Principal retirement	38,799
Interest and fiscal charges	19,853
	<hr/>
Total Expenditures	16,824,849
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,794,831
	<hr/>
Other Financing Sources (Uses)	
Transfers in	300,427
Transfers out	(300,427)
Proceeds from sale of capital asset	1,414,559
	<hr/>
Total Other Financing Sources (Uses)	1,414,559
	<hr/>
Net Change in Fund Balances	4,209,390
	<hr/>
Fund Balances	
Beginning of year, as originally reported	27,170,471
Restatements	(115,102)
	<hr/>
Beginning of year, as Restated	27,055,369
	<hr/>
Fund Balances, End of Year	\$ 31,264,759
	<hr/>

CITY OF LAWNSDALE

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ 4,209,390

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

Governmental funds report capital outlay as expenditures. However, in the government-wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 494,571	
Depreciation	(2,072,198)	
Contributed capital assets	224,384	(1,353,243)

Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position.

(25,551)

Long-term debt activities are not considered revenues or expenses in the government-wide Statement of Activities, but are considered revenues, expenditures, and sources and uses in governmental funds. These include:

Principal payments on long-term debt		38,799
--------------------------------------	--	--------

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

535

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.

112,747

Total OPEB liability expenses is an expenditure in the governmental funds, but reduce the Total OPEB Liability in the statement of net position.

(252,978)

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.

(178,128)

Change in Net Position of Governmental Activities

\$ 2,551,571

CITY OF LAWDALE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019

	<u>Private-Purpose Trust Funds Lawdale Successor Agency</u>
Assets	
Cash and investments	\$ 1,406,417
Receivables:	
Accrued interest	741
Notes and loans	164,184
Restricted assets:	
Cash and investments held with fiscal agents	<u>3,646,578</u>
Total Assets	<u>5,217,920</u>
Liabilities	
Accounts payable	40,832
Accrued liabilities	5,389
Accrued interest	433,011
Long-term liabilities:	
Due in one year	
Tax allocation bonds	310,000
Direct borrowings	1,241,418
Due in more than one year	
Tax allocation bonds	18,018,773
Direct borrowings	<u>21,386,502</u>
Total Liabilities	<u>41,435,925</u>
Net Position	
Held in trust for other purposes	<u>(36,218,005)</u>
Total Net Position	<u>\$ (36,218,005)</u>

CITY OF LAWDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2019

	<u>Private-Purpose Trust Funds Lawdale Successor Agency</u>
Additions	
Taxes	\$ 2,823,441
Interest income	98,054
Total Additions	<u>2,921,495</u>
Deductions	
Administrative expenses	249,950
Contractual services	1,058,043
Interest and fiscal charges	1,451,705
Payment to County of Los Angeles	1,998,000
Total Deductions	<u>4,757,698</u>
Changes in Net Position	(1,836,203)
Net Position, Beginning of Year	<u>(34,381,802)</u>
Net Position, End of Year	<u>\$ (36,218,005)</u>

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: **Organization and Summary of Significant Accounting Policies**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the City of Lawndale's significant accounting policies applied in the preparation of these financial statements follows.

a. **Description of the Reporting Entity**

The City of Lawndale, California (the City), is a municipal corporation, incorporated on December 28, 1959. The City operates under a Council-Manager form of government and the City Council is comprised of five members, with the Mayor elected by the council itself. Services provided by the City include public safety, public works (streets and facilities maintenance, and engineering), municipal services (animal control, parking and code enforcement, and emergency preparedness), planning and community development, recreation and community services, local access cable television, and other general operations and administrative services.

As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the activities of the City, as the primary government, and its component units.

The inclusion of an organization within the scope of the reporting entity of the City of Lawndale is based on the provisions of GASB Statement No. 14 (as amended by GASB Statements No. 39, 61 and 80). The blended component units discussed below, although legally separate entities, are in substance part of the government operation and so data from these component units has been combined herein. The following criteria were used in the determination of the blended component units:

1. The members of the City Council also act as the governing body of the Lawndale Cable Usage Corporation, the Lawndale Housing Authority and the Lawndale Public Financing Authority.
2. The Cable Usage Corporation, the Housing Authority and the Public Financing Authority are managed by employees of the City. A portion of the City's personnel costs is allocated to these component units each year.
3. The City, the Cable Usage Corporation, the Housing Authority and the Public Financing Authority are financially interdependent. They provide financial benefit/burden to the City.

Blended Component Units

The Lawndale Cable Usage Corporation (the Corporation) was established on September 30, 1986. The Corporation was created for the purpose of supporting community television for the citizens of Lawndale. The City Council acts as the Corporation's governing board and exerts significant influence over its operations. The activities of the Corporation have been reported as a special revenue fund of the City and are included in the governmental activities of the accompanying financial statements. Separate financial statements for the Corporation are not prepared.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

The Lawndale Housing Authority (the Authority) was established on October 15, 1984. The Authority was created for the purpose of providing housing assistance for low income families, elderly and disabled persons. The City Council acts as the Authority's governing board and exerts significant influence over its operations. The activities of the Housing Authority are related to Section 8 Rental Assistance Program and as of March 2011, the Housing Authority has also assisted in providing Low/Mod Housing to eligible residents. The activities of the Authority have been reported as a special revenue fund of the City and are included in the governmental activities of the accompanying financial statements. Separate financial statements for the Corporation are not prepared.

The **Lawndale Financing Authority (the Financing Authority)** was established on August 3, 2009. The Financing Authority is a body that serves to expedite transactions between multiple entities under the City's umbrella and therefore does not specifically have its own fund or assets. The City Council acts as the Financing Authority's governing board and exerts significant influence over its operations. Separate financial statements for the Corporation are not prepared.

Fiduciary Component Unit

The **Successor Agency of the Former Redevelopment Agency (the Successor Agency)** was created January 17, 2012, as outlined in Assembly Bill 1X 26 (the Bill) which provides the requirements for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City which had previously reported the activities of the former redevelopment agency within the reporting entity of the City as a blended component unit. The Successor Agency is a separate legal entity from the City, but City Council serves in separate sessions as their governing body. The responsibilities of the City as Successor Agency of the Former Redevelopment Agency are limited to acting in a fiduciary capacity, until all enforceable obligations of the Successor Agency have been paid. Because of the nature and significance of the relationship between the City and the Successor Agency, it would be misleading to exclude the Successor Agency from the City's financial statements. The financial activities of the Successor Agency are reported in the City's fiduciary fund statements as a private-purpose trust fund. Separate financial statements for the Successor Agency are not prepared.

b. Measurement Focus, Basis of Accounting, and Basis of Presentation

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-wide Financial Statements

Government-wide financial statements, which include the Statement of Net Position and Statement of Activities, report information about the primary government and its component units, excluding its fiduciary activities. The statements include separate columns for the governmental activities and business-type activities, as well as discretely presented component units. The City does not have any reportable business-type activities or discretely presented component units. Eliminations have been made to minimize the double-counting of internal activities. General government expenses have not been allocated as indirect expenses to the various functions of the City.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the City are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows or resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Statement of Net Position reports the difference between the combined assets and deferred outflows of resources, and the combined liabilities and deferred inflows of resources, as net position.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry, if that money is restricted to a particular program. Program revenues are reported net of direct expenses in the Statement of Activities to present the net cost of each program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, 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.

Fund financial statements for the primary government's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major governmental funds individually and nonmajor governmental funds in the aggregate. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

Sales taxes, property taxes, utility user taxes, motor vehicle in-lieu, licenses and permits, fines and forfeitures, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurability and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenue represented by non-current receivables is deferred until they become current receivables. Non-current portions of other long-term receivables are reported as non-spendable fund balance in the general fund, and fund balance restricted, committed, or assigned in all other governmental funds, based on the intended use of the proceeds from liquidation of these long-term receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Note 1: Summary of Significant Accounting Policies (Continued)

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets, the proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Fiduciary Funds

In the fund financial statements, fiduciary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when the related goods or services are delivered. In the fund financial statements, fiduciary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Fiduciary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Private-purpose trust funds account for the assets and liabilities of other agencies and report additions such as taxes and deductions such as administrative and contract services.

c. Fund Classification

Governmental funds with assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures equal to at least 10% of their fund-type total, and at least 5% of the combined total of governmental funds and enterprise funds, as applicable, are required to be reported as a major fund. A governmental fund may also be presented as a major fund in the basic financial statements, even if it does not meet the size criteria just described, if the City's officials believe that the fund is particularly important to the financial statement users (because of public interest, reporting consistency, or otherwise). The General Fund is always reported as a major fund.

Governmental Funds

The City reports the following major governmental funds in the accompanying financial statements:

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the City, except those required to be accounted for in another fund.

The **Restricted Urban Development Fund** is used to account for funds derived from the Urban Development Action Grant.

The **Lawndale Housing Authority Fund** is used to retain the housing assets and low and moderate income housing functions of the dissolved Lawndale Redevelopment Agency.

Additionally, the City reports the following governmental fund types in the accompanying financial statements:

Special Revenue Funds account for taxes and other revenues, which are set aside for a specific purpose in accordance with law or administrative regulation.

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities.

Fiduciary Funds

The City reports the following fiduciary funds which are excluded from the government-wide financial statements:

Private Purpose Trust Funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments.

d. Cash and Investments

The City pools cash and investments of all funds for the benefit of obtaining the highest yield with the greatest safety and least risk, with the exception of restricted funds required to be held separately. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income, earned by the pooled investments, is allocated to the various funds based on each fund's average monthly cash and investment balance.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, deposits with financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are included in the amounts reported as cash and investments.

Investments are reported at fair value, the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Changes in fair value that occur during a fiscal year are recognized as investment income reported for the fiscal year. Investment income includes, interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity or sale of investments.

Investments

City investments are recorded at fair value, which is primarily determined on the basis of quoted market prices at the end of the year. The City invests in certificates of deposit in various financial institutions through a custodial agent and participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF). The custodial agent makes decisions on behalf of the City into which financial institutions to invest and LAIF invests the City's 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. Earnings from these investments along with LAIF are allocated to all funds on a quarterly basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

e. Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

f. Land Held for Development

The former Lawndale Redevelopment Agency had purchased properties for the purpose of making them available for sale to developers who have the ability to complete various projects consistent with the mission and activities of the City. Land held for development is valued at the lower of cost or estimated net realizable value determined upon the execution of a disposition and development agreement. If resale of land is not anticipated in the near future, a corresponding portion of the fund balance, which is not available for current expenditure, is reported as non-spendable in the general fund, and restricted, committed, or assigned in all other governmental funds, based on the intended use of the proceeds from disposition of the land held for development.

g. Capital Assets and Depreciation

Capital assets, which include buildings, machinery and equipment, and infrastructure are reported in the applicable governmental activities column in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial, individual cost that exceeds \$5,000 to \$10,000, depending on the class of asset, and an estimated useful life in excess of one year. Such capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated over their estimated useful lives using the straight-line method. The purpose of depreciation is to spread the cost of capital assets over the useful life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Depreciation of all exhaustible capital assets is charged as an expense against operations.

The estimated useful lives and capitalization thresholds are as follows:

Capital Asset Type	Useful Lives	Capitalization Threshold
Buildings and Structures	30 years	\$ 10,000
Improvements Other than Buildings	20 years	10,000
Vehicles, Machine and Equipment	5-30 years	5,000
Infrastructure	30 years	10,000

Infrastructure assets include roads, bridges, sidewalks, curbs and gutters, park improvements and traffic signals.

Note 1: Summary of Significant Accounting Policies (Continued)

h. Interfund Receivables and Payables

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 inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans).

i. Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position and governmental fund Balance Sheet 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 of fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. Deferred pension related outflows from changes in net pension and net OPEB liability arise only under a full accrual basis of accounting and are reported in the government-wide Statement of Net Position.

Deferred Inflows of Resources

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 thus will not be recognized as an inflow of resources (revenue) until that time. The City has two items which qualify for reporting in this category. Deferred pension related inflows from changes in net pension liability arise only under a full accrual basis of accounting and are reported in the government-wide Statement of Net Position. Additionally, unavailable revenues arise only under a modified accrual basis of accounting and are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: grants, and accrued interest on long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

j. Long-Term Debt

Long-term debt and other financed obligations are reported as liabilities in the government-wide financial statements and the fiduciary fund financial statements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

Note 1: Summary of Significant Accounting Policies (Continued)

k. Compensated Absences

The City accrues a liability for compensated absences which meets the following criteria:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

A liability is recorded only if it has matured for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City.

l. Pension

PERS Pension Plans

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 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, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

PARS 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 Public Agency Retirement Services (PARS) 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. PARS audited financial statements are publicly available reports that can be obtained at PARS' website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

GASB Statement No. 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, 2018
Measurement Date (MD)	June 30, 2019
Measurement Period (MP)	July 1, 2018 to June 30, 2019

m. Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City's OPEB plan 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.

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:	June 30, 2018
Measurement Date:	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

n. Net Position and Fund Balance

Government-Wide Financial Statements

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets consists of capital assets net of accumulated depreciation and reduced by outstanding debt and related deferred outflows and inflows of resources that are attributed to the acquisition, construction, or improvement of the assets.

Restricted net position includes amounts restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

In the fund financial statements, government funds report the following fund balance classification:

Non-spendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution of the City Council.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The Finance Director and/or Treasurer is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that should report this category of fund balance, unless a negative fund balance exists.

An individual governmental fund could include non-spendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, and lastly the unassigned fund balance.

o. Property Taxes

With the passage of Proposition 13 in 1978 (Article XIII A, California State Constitution), property taxes are limited to one percent of market value, plus additional taxes for repayment of existing or subsequent voter-approved indebtedness. Under Article XIII A, the market value of taxable property is subject to a maximum annual increase of two percent. Market value may be appraised at significantly more than two percent depending on other factors such as improvements, sale or change of ownership. The City

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

receives a portion of the one percent general tax levy which is shared by several other local governments including the county and the school district. The City's share is based on a formula prescribed in Section 26912(b) of the Government Code. The county apportions property taxes to the City on a scheduled basis which generally adheres to the actual tax collection periods. The tax lien date is January 1 of each year and covers the ensuing fiscal year's tax returns. The tax levy date is from July 1 to June 30 of each year. The first installment becomes due on November 1 with penalties and interest accruing after December 10. The second installment is due no later than April 10.

p. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the reporting date and revenue and expenses during the reporting period. Actual results could differ from those estimates.

q. Effect of New Accounting Standards

During the fiscal year ended June 30, 2019, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that previously had not been consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will now be disclosed. As a result, users will have better information to understand the effects of debt on the City's future resource flows.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 2: Stewardship, Compliance and Accountability

Deficit Fund Balance

The following nonmajor governmental funds reported a deficit fund balance at June 30, 2019:

	<u>Deficit Fund Balance</u>
Governmental Funds:	
Nonmajor Governmental Funds:	
Prop C25 Grant	\$ (303,819)
Fiduciary Fund	
Private Purpose Trust Fund	
Lawndale Successor Agency	(36,218,005)

Deficit in the Prop C25 Grant fund will be resolved with future grant revenue and deficit in the Lawndale Successor Agency will be resolve with future tax revenue from the County of Los Angeles.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Summary of Cash and Investments

Cash and investments as of June 30, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 18,436,901
Fiduciary Funds:	
Cash and investments	1,406,417
Cash and investments held with fiscal agents	3,646,578
Total	<u>\$ 23,489,896</u>

Cash and investments as of June 30, 2019, consist of the following:

Cash on hand	\$ 1,150
Deposits with financial institutions	15,351,146
Restricted cash held with fiscal agents	3,646,578
Investments	4,491,022
Total	<u>\$ 23,489,896</u>

Deposits

At June 30, 2019, the carrying amount of the City's deposits was \$15,351,146 and the bank balance was \$15,285,037. The \$66,109 difference represents outstanding checks, deposits in transit and other reconciling items.

California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure a City's deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

As of June 30, 2019, deposits were not subject to custodial credit risk as they were entirely insured or collateralized with securities held by the City or the City's agent in the City's name.

CITY OF LAWSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 3: Cash and Investments (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments in vehicles which if not specifically mentioned in the City's investment policy, are not authorized unless the policy is amended by the City Council or are approved as part of the provisions of bond indentures, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage or Amount of Portfolio*	Maximum Investment in One Issuer
U.S. Treasury Bills	1 year	None	None
U.S. Treasury Notes	10 years	None	None
Federal Agency Issues	N/A	None	None
Certificates of Deposit	5 years	None	\$250,000
Bankers' Acceptances	180 days	40%	None
County Pool Investment Funds	N/A	5% of County Pool	None
Local Agency Investment Fund (LAIF)	N/A	None	None
U.S. Treasury Bonds	30 years	None	None
Mutual Funds	N/A	5%	None
Passbook Savings	N/A	None	\$250,000
Negotiable Certificates of Deposit	N/A	None	None

*Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

No investment shall be made that will cause the total investment pool to have greater than 30% of investments to have a maturity date greater than two years. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

Investments as of June 30, 2019, consist of the following:

	Fair Value
Investments Authorized by CA Government Code/City Investment Policy	
Local Agency Investment Fund (LAIF)	\$ 1,013,799
Certificates of deposit	2,200,000
Federal agency issues	1,001,178
Money market	276,045
Total Investments	\$ 4,491,022

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 3: Cash and Investments (Continued)

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is established prioritizing the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly such as quoted prices for similar assets or liabilities in active markets or inactive markets, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 - Inputs are unobservable. Valuations for assets and liabilities are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The City uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the City measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying investments.

The City reported the following recurring fair value measurements as of June 30, 2019:

Investment Type	Fair Value	Fair Value Measurement			Uncategorized
		Level 1	Level 2	Level 3	
Investments					
Local Agency Investment Fund (LAIF)	\$ 1,013,799	\$ -	\$ -	\$ -	\$ 1,013,799
Certificates of deposit	2,200,000	-	2,200,000	-	-
Federal agency issues	1,001,178	-	1,001,178	-	-
Money market	276,045	276,045	-	-	-
Total Investments	\$ 4,491,022	\$ 276,045	\$ 3,201,178	\$ -	\$ 1,013,799

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 3: Cash and Investments (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fair Value	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
Investments				
Local Agency Investment Fund (LAIF)	\$ 1,013,799	\$ 1,013,799	\$ -	\$ -
Certificates of deposit	2,200,000	1,208,000	248,000	744,000
Federal agency issues	1,001,178	1,001,178	-	-
Money market	276,045	276,045	-	-
Total Investments	<u>\$ 4,491,022</u>	<u>\$ 3,499,022</u>	<u>\$ 248,000</u>	<u>\$ 744,000</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in LAIF and certificates of deposit are not rated by a nationally recognized statistical rating organization.

Investment Type	Minimum Credit Rating	Fair Value	Credit Ratings		
			AAA	AA+	Not Rated
Local Agency Investment Fund (LAIF)	Not Rated	\$ 1,013,799	\$ -	\$ -	\$ 1,013,799
Certificates of deposit	Not Rated	2,200,000	-	-	2,200,000
Federal agency issues	Not Rated	1,001,178	-	1,001,178	-
Mutual funds	AAA	276,045	276,045	-	-
Total Investments		<u>\$ 4,491,022</u>	<u>\$ 276,045</u>	<u>\$ 1,001,178</u>	<u>\$ 3,213,799</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

Issuer	Investment Type	Fair Value	% of City Investment Portfolio
Federal Farm Credit Bank	Federal agency issues	\$ 1,001,178	22.29%

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 3: Cash and Investments (Continued)

Custodial Credit Risk

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires that all securities owned by the City be held in third-party safekeeping by the trust department of the City's bank or another designated third-party trust, in the City's name and control, under the terms of a custody agreement executed by the trust institution and the City. Investments held by the City were not subject to custodial credit risk at June 30, 2019.

As of June 30, 2019, no City investments were held by the same broker-dealer (counterparty) that was used by the City to buy the securities.

Note 4: Notes and Loans Receivable

The City's outstanding loans receivable as of June 30, 2019, are as follows:

Lawndale Housing Authority:		
Housing rehabilitation loan program	\$	112,626
Nonmajor Governmental Funds:		
Housing rehabilitation loan program		<u>246,538</u>
Total	\$	<u>359,164</u>

Housing Rehabilitation Loan Program

The Lawndale Housing Authority and Community Development Block Grant Special Revenue Funds operate a housing rehabilitation loan program, which provides loans to borrowers who meet certain qualifications for the purpose of rehabilitating their homes. Loans that are not forgivable are secured by a deed of trust and are normally repaid when the relating home changes ownership. The City did not fund any new loans during the fiscal year. As of June 30, 2019, the outstanding receivable balance for the housing rehabilitation loan program was \$359,164.

The balance of the forgivable loans receivable was \$87,000 at June 30, 2019 and have been fully allowed for.

Note 5: Agreements with Successor Agency Receivable

The City previously loaned the former Lawndale Redevelopment Agency (RDA) funds prior to dissolution of various redevelopment activities. The repayment of these amounts has been approved by the California Department of Finance. Additionally, the former RDA agreed to reimburse the City for the debt service on the lease, under the terms of a Public Works Agreement between the City and former RDA. This reimbursement has also been approved by the California Department of Finance. With the dissolution of the City's former RDA pursuant to ABx1 26, repayment of the loans and reimbursement of the debt service on the lease is now being made by the Successor Agency to the former RDA, Lawndale Successor Agency (the Successor Agency).

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 5: Agreements with Successor Agency Receivable (Continued)

During the 2015-16 fiscal year, the State of California passed Senate Bill 107 (SB 107) which amended the Health and Safety Code to require interest on loans between the City and the Successor Agency to be calculated quarterly using a 3% simple interest rate, from the previously required historical LAIF compounding interest rate. SB 107 also requires that any amount received relating to these outstanding balances must be applied towards the outstanding principal balance before it may be applied towards accrued interest. Because governmental funds are accounted for under the modified accrual basis of accounting, the amounts representing accrued interest have been deferred and reported as unavailable revenue on the governmental fund financial statements balance sheet. The City experienced an extraordinary loss as a result of the revaluation of the receivables and deferral of interest income earned on the receivables. See Note 14 to the financial statements for additional information.

As of June 30, 2019, agreements with the Successor Agency receivable were reported in the accompanying financial statements as follows:

	Principal	Accrued Interest	Balance at June 30, 2019
General Fund			
Public Works Agreement	\$ 632,453	\$ 223,652	\$ 856,105
2000 Cooperation Agreement	3,235,828	2,274,964	5,510,792
2001 Cooperation Agreement	3,129,251	2,087,608	5,216,859
2009 Purchase Agreement	29,788	157,584	187,372
Subtotal General Fund	7,027,320	4,743,808	11,771,128
Restricted Urban Development			
2000 Financing Agreement	5,870,143	3,810,599	9,680,742
Total	<u>\$ 12,897,463</u>	<u>\$ 8,554,407</u>	<u>\$ 21,451,870</u>

Note 6: Interfund Receivables, Payables and Transfers

a. Due To/From Other Funds:

As of June 30, 2019, the City had the following due to/from other funds:

Due to Other Funds	Due from Other Funds
	General Fund
Nonmajor Governmental Funds	<u>\$ 363,485</u>

Due to/from other funds are short-term loans to cover temporary cash shortages. The General Fund loaned various nonmajor governmental funds \$363,485 at June 30, 2019.

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Interfund Receivables, Payables and Transfers (Continued)

b. Transfers In/Out:

Transfers in and out for the year ended June 30, 2019, were as follows:

Transfers In	Transfers Out			Total
	General Fund	Restricted Urban Development	Non-Major Governmental Fund	
Lawndale Housing Authority	\$ 161,885	\$ 60,000	\$ -	\$ 221,885
Non-Major Governmental Funds	26,115	-	52,427	78,542
	<u>\$ 188,000</u>	<u>\$ 60,000</u>	<u>\$ 52,427</u>	<u>\$ 300,427</u>

The General Fund transferred \$26,115 to various non-major governmental funds to support operations in those funds and to close out funds.

The General Fund and the Restricted Urban Development transferred \$161,885 and \$60,000 respectively to the Lawndale Housing Authority to provide the 20% housing set aside funds required by the Successor Agency loans.

The various non-major governmental funds transferred \$52,427 to other non-major governmental funds to close out funds.

Note 7: Capital Assets

A summary of changes in capital assets activity for the year ended June 30, 2019, is as follows:

	Balance at June 30, 2018	Additions	Construction Placed in Service	Disposals	Balance at June 30, 2019
Capital assets not depreciated:					
Land	\$ 5,215,937	\$ -	\$ -	\$ -	\$ 5,215,937
Construction in progress	1,753,351	670,793	(995,627)	-	1,428,517
Total capital assets not being depreciated	<u>6,969,288</u>	<u>670,793</u>	<u>(995,627)</u>	<u>-</u>	<u>6,644,454</u>
Capital assets being depreciated:					
Building and structures	18,437,776	-	-	245,732	18,192,044
Improvements other than buildings	479,040	-	492,310	-	971,350
Vehicles, machinery and equipment	2,965,188	48,162	-	145,224	2,868,126
Infrastructure	36,342,402	-	503,317	-	36,845,719
Total capital assets being depreciated	<u>58,224,406</u>	<u>48,162</u>	<u>995,627</u>	<u>390,956</u>	<u>58,877,239</u>
Accumulated depreciation:					
Building and structures	6,559,685	621,066	-	245,732	6,935,019
Improvements other than buildings	320,052	18,534	-	-	338,586
Vehicles, machinery and equipment	1,882,031	175,205	-	145,224	1,912,012
Infrastructure	11,562,058	1,257,393	-	-	12,819,451
Total accumulated depreciation	<u>20,323,826</u>	<u>2,072,198</u>	<u>-</u>	<u>390,956</u>	<u>22,005,068</u>
Total capital assets being depreciated, net	<u>37,900,580</u>	<u>(2,024,036)</u>	<u>995,627</u>	<u>-</u>	<u>36,872,171</u>
Total capital assets, net	<u>\$ 44,869,868</u>	<u>\$ (1,353,243)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,516,625</u>

CITY OF LAWNSDALE

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Note 7: Capital Assets (Continued)

Depreciation expense was charged to functions/programs based on their usage of the related assets. The allocation of depreciation expense for the year ended June 30, 2019, is as follows:

General government	\$	125,718
Municipal services		64,012
Planning and community development		608,759
Public works		1,257,395
Recreation and community services		16,314
Total	\$	<u>2,072,198</u>

Note 8: Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
Direct borrowings:					
Facility and site lease note	\$ 561,717	\$ -	\$ 38,799	\$ 522,918	\$ 40,099
Total	<u>\$ 561,717</u>	<u>\$ -</u>	<u>\$ 38,799</u>	<u>\$ 522,918</u>	<u>\$ 40,099</u>

Facility and Site Lease Note

In 2005, the City and the former RDA entered into a Public Works Agreement, as authorized by the Community Development Law, in which the former RDA agreed to provide funding for certain public works projects, and the City agreed to construct them. In 2009, the former RDA funded most of the construction and land acquisition for Hopper Park. The former RDA wanted to finance a portion of the construction with California Infrastructure and Economic Development Bank (CIEDB), but in order to obtain the loan it was necessary to pledge a public facility. Since the former RDA did not own any public facilities, the City pledged a maintenance office building and a portion of the land located at 4722 Manhattan Beach Blvd., Lawndale, California, and on February 1, 2010, the City entered into a Facility and Site Lease Agreement with CIEDB. This agreement required that the City pay CIEDB "lease" payments on the pledged property, with the City retaining the title to the pledged property at the end of the lease term. CIEDB agreed to loan the City \$830,100, to be used for the construction of Hopper Park. Under the terms of the Public Works Agreement, the former RDA was to reimburse the City for the debt service on the lease.

With the dissolution of the City's former RDA pursuant to ABx1 26, reimbursement of the debt service on the lease is now being made by the Successor Agency to the former RDA, Lawndale Successor Agency (the Successor Agency).

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 8: Long-Term Debt (Continued)

Principal payments are due annually on August 1, with interest due semi-annually on February 1 and August 1. The annual interest rate on the facility and site lease is 3.35%, and the lease matures on August 1, 2029. Principal and interest payments remaining at June 30, 2019, are as follows:

Year Ended June 30,	Facility and Site Lease Note		
	Principal	Interest	Total
2020	\$ 40,099	\$ 16,846	\$ 56,945
2021	41,442	15,480	56,922
2022	42,831	14,069	56,900
2023	44,266	12,610	56,876
2024	45,748	11,102	56,850
2025-2029	252,783	31,066	283,849
2030	55,749	934	56,683
Total	<u>\$ 522,918</u>	<u>\$ 102,107</u>	<u>\$ 625,025</u>

Note 9: Compensated Absences

Vacation time may be accumulated up to two years' entitlement plus the current year's leave allowance. Cash compensation for accrued vacations is generally not payable until the employee terminates employment with the City. Cash compensation for unused sick leave is payable to an employee only upon termination of employment with the City and the employee is compensated at the rate of 50 percent of their sick leave daily rate, as long as it does not exceed the threshold of 391 hours of combined vacation and sick leave.

Cash compensation for vacation, sick leave, and compensatory time will be paid in future years from the general fund. The following is a summary of changes in compensated absences liabilities for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due in One Year
Governmental Activities:					
Compensated Absences	\$ 621,929	\$ 186,580	\$ 299,327	\$ 509,182	\$ 245,063

Note 10: Liability, Workers' Compensation, and Purchased Insurance

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Lawndale is a member of the California Joint Powers Insurance Authority (CJPIA). CJPIA is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of CJPIA is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Note 10: Liability, Workers' Compensation, and Purchased Insurance (Continued)

b. Primary Self-Insurance Programs of CJPIA

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the CJPIA website.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2018-19 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Note 10: Liability, Workers' Compensation, and Purchased Insurance (Continued)

c. Purchased Insurance

Pollution Legal Liability Insurance

The City of Lawndale participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Lawndale. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The City of Lawndale participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Lawndale property is currently insured according to a schedule of covered property submitted by the City of Lawndale to the Authority. The City of Lawndale property currently has all-risk property insurance protection in the amount of \$29,666,271. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

The City of Lawndale purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

d. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2018-19.

Note 11: Defined Benefit Pension Plan

a. California Public Employees' Retirement System (CalPERS)

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous Employee Pension Plans (Miscellaneous Plans), a cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

	Miscellaneous	
	Tier 1*	PEPRA
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	Minimum 50 years	Minimum 52 years
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 yrs - 63+ yrs	1.000% - 2.500%, 52 yrs - 67+ yrs
Required employee contribution rates	6.902%	6.250%
Required employer contribution rates	9.409%	6.842%

*This plan is closed to new entrants.

Contribution

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 pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, contributions recognized as a reduction to the City's net pension liability was \$600,369.

Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plans of \$6,933,016.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)

The City's net pension liability for the Miscellaneous Plans is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2018, and the total pension liability for the Miscellaneous Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2017 and 2018, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.178809%
Proportion - June 30, 2019	<u>0.183962%</u>
Change - Increase (Decrease)	<u><u>0.005153%</u></u>

For the year ended June 30, 2019, the City recognized pension expense relating to the Miscellaneous Plans of \$736,366. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to the measurement date	\$ 726,239	\$ -
Changes of assumptions	784,101	192,168
Differences between expected and actual experiences	263,893	89,801
Net difference between projected and actual earnings on pension plan investments	34,003	-
Adjustment due to differences in proportions	191,647	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	414,142
Total	<u>\$ 1,999,883</u>	<u>\$ 696,111</u>

\$726,239 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ 560,913
2020	305,759
2021	(227,276)
2022	(61,863)
Total	<u>\$ 577,533</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 and the June 30, 2019 net pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Mortality rate table (1)	Derived using CalPERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP-2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2017, valuation use the results of CalPERS Experience Study and Review of Actuarial Assumptions - December 2017, including updates to salary increases, mortality, and retirement rates, as a basis. The experience study report is available on the CalPERS website under Forms and Publications.

Change of Assumptions

In 2018, CalPERS changed the demographic assumptions and the inflation rate accordance with the CalPERS Experience Study and Review of Actuarial Assumptions - December 2017. There were no changes to the discount rate.

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 expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of 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 by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then 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:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10*</u>	<u>Real Return Years 11+**</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.63%
Inflation Assets	0.00%	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

* An expected inflation of 2.0% used for this period.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)

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

The following presents the net pension liability of the Miscellaneous Plans 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:

Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate +1% 8.15%
\$ 11,102,933	\$ 6,933,016	\$ 3,490,817

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports that can be obtained at CalPERS’ website under the GASB 68 section.

b. Public Agency Retirement System - Retirement Enhancement Plan (PARS-REP)

Plan Description

The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS-REP) for its Central Management Team (CMT) effective July 1, 2007. PARS-REP is a defined benefit 401 (a) tax-qualified multiple agency trust and meets the requirements of a pension trust under California Government code.

Benefits Provided

The plan provides supplemental retirement benefits in addition to CalPERS. Created in 1991 and amended in 1999, the PARS-REP plan has a master agreement between Phase II Systems – the Plan Administrator, Union Bank of California – the Custodian of funds and various participating agencies. The plan provides supplemental retirement benefits in addition to CalPERS. The Director of Finance/ City Treasurer is the internal plan administrator and bears the responsibility of completing and executing all plan documents, logistical payroll set-up, providing information on new participants and continuing disclosure in future years. Upon meeting the eligibility requirements, the plan provides a supplemental retirement benefit equal to the “3.0% at 55” plan factor (formula is a static 3.0% at age 55 and older), less the CalPERS “2% at 55” plan factors for years of City services as a CMT member. Employees will be eligible for the benefit upon attaining age 50 with two years of City service as a CMT member and concurrent CalPERS retirement. The plan was designed to reduce the high-level of turnover in top management and support the City’s goal of retaining quality employees to ensure good public service. The City later added the City Manager to the PARS-REP plan under a different tier in 2008. The latter individual received a “1% at 65” plan through PARS-REP. The City has full discretionary authority to control, amend, modify or terminate this plan at any time. Effective, January 1, 2013, the City entered into Amendment to the PARS-REP plan under which the City Manager will no longer be covered under the plan.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)

Employees Covered

At June 30, 2019, the following employees were covered by the benefit terms of the Plan:

Description	Number of members
Actives	2
Terminated vested and other inactive	2
Retirees and beneficiaries	2
Total	6

Funding Policy

The City contributed 7.00% of eligible employees' gross wages to fund the benefits available under this plan. No employee contributions are required.

PARS-REP issues a separate comprehensive annual financial report. Copies of PARS-REP annual financial report may be obtained from the PARS-REP Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, California 92660.

c. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 and June 30, 2019 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	6.50%
Inflation	2.75%
Salary Increases	Consistent with the rates used to value the Miscellaneous Agency CalPERS Pension Plans (Entry Age 30)
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.00%
Mortality	Pre-retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Agency CalPERS Pension Plans. Post-retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with an assumed base year of 2008 and full generational projections using Scale AA.
Retirement	Retirement rates of 20% per year for ages 55 to 69 and 100% at ages 70 and up
Maximum Benefits and Salary	Salary used in the calculation of final average compensation is subject to the limitations of IRC 401(a)(17). The limit is assumed to increase 2.75% per annum.
Beneficiaries	85% of participants are assumed to have an eligible spouse or domestic partner. Beneficiaries are assumed to be the same age as participant.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)Discount Rate

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per actuarial investment consulting practice as of January 1, 2019.

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Cash	BofA Merrill Lynch 90-Day T-Bills	5.81%	71.00%	0.71%
Core Fixed Income	Barclays Aggregate	44.64%	1.83%	1.73%
Equity Market	Russell 3000	37.48%	4.71%	3.52%
Foreign Developed Equity	MSCI EAFE NP	5.62%	6.06%	4.55%
Emerging Market Equity	MSCI Emerging Markets NR	4.17%	8.23%	5.43%
Real Estate Investment Trust	FTSE NAREIT Equity REIT	2.28%	5.05%	3.42%
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.42%	3.09%
Portfolio Nominal Mean Return			5.64%	5.35%
Portfolio Standard Deviation				7.87%
Long-Term Expected Rate of Return				6.50%

A blended discount rate is generally required to be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate will often require that the actuary perform complex projects of future benefit payments and asset values. Alternative evaluations of projected solvency are allowed, if such evaluation can reliably be made.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance as of June 30, 2018	\$ 870,383	\$ 685,915	\$ 184,468
Changes for the year:			
Service Cost	24,739	-	24,739
Interest on the Total Pension Liability	56,830	-	56,830
Benefit Payments	(42,305)	(42,305)	-
Employer Contributions	-	35,683	(35,683)
Net Investment Income	-	42,049	(42,049)
Administrative Expenses	-	(3,447)	3,447
Balance as of June 30, 2019	\$ 909,647	\$ 717,895	\$ 191,752

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

The following presents the net pension liability of the City of Lawndale, calculated using the discount rate of 6.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.50%) or 1% point higher (7.50%) than the current rate.

	Discount Rate - 1% 5.50%	Current Discount Rate 6.50%	Discount Rate + 1% 7.50%
Total Pension Liability	\$ 1,007,318	\$ 909,647	\$ 820,862
Fiduciary Net Position	717,895	717,895	717,895
Net Pension Liability	\$ 289,423	\$ 191,752	\$ 102,967

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

As of the start of the measurement period, July 1, 2018, the net pension liability was \$184,468. For the measurement period ending June 30, 2019, the City incurred a pension expense of \$15,424 for the PARS Plan. As of the measurement date, June 30, 2019, the net pension liability is \$191,752.

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the City.

As of June 30, 2019, the City reported deferred outflows of resources related to pensions for net difference between projected and actual earnings on pension plan investment for PARS of \$3,749. This amount reflects the net difference between the projected and actual earnings of the pension plan investment.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11: Defined Benefit Pension Plan (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2020	\$ 5,404
2021	(2,991)
2022	895
2023	441
	\$ 3,749

Note 12: Other Post-Employment Benefits Plan

Plan Description

The City provides retiree medical benefits under the CalPERS health plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Employees Covered

As of the June 30, 2019, actuarial valuation, membership of the plan consisted of the following:

Participating active employees	41
Inactive employees receiving benefits	17
Inactive employees entitled to, but not yet receiving benefits	0
Total number of participants	58

Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council, and/or the employee associations. The City is currently funding this OPEB obligation based on a pay-as-you-go basis. For the measurement date ended June 30, 2019, the City's cash contributions were \$106,579.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 12: Other Post-Employment Benefits Plan (Continued)

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.50%
Inflation	2.75%
Salary Increases	2.75% per year
Investment Rate of Return	3.80%, net of expenses
Mortality Rate	2014 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	2009 CalPERS 2% @ 55 retirement rates for Miscellaneous employees.
Post-Retirement Turnover	2009 CalPERS 2% @ 60 retirement rates for Miscellaneous employees adjusted to reflect a minimum retirement age of 52.
Healthcare Trend Rate	4% per year

The actuary applied section 3.7.7(c)4 Actuarial Standards of Practice No. 6 and determined age-adjusted rates are not necessary and therefore, the Implicit Rate Subsidy is not applicable in calculating the total projection of benefit payments.

Change of Assumptions

In 2019, the discount rate was changed from 3.80% to 3.50%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent. The discount rate is based on the Bond Buyer 20 Bond Index. The City does not participate in a trust fiduciary fund.

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the Plan are as follows:

	Increase (Decrease)
	Total OPEB Liability/(Assets)
Roll back balance at June 30, 2018	\$ 4,059,091
Charges recongnized over the measurement period:	
Service Cost	184,378
Interest	143,562
Changes of assumptions	209,309
Contributions - employer	-
Net investment income	-
Benefit Payments	(99,021)
Administrative expense	-
Net Changes	438,228
Balance at June 30, 2019	\$ 4,497,319

CITY OF LAWSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 12: Other Post-Employment Benefits Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 5,295,784	\$ 4,497,319	\$ 3,875,178

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total 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 measurement period ended June 30, 2019:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 3,839,719	\$ 4,497,319	\$ 5,314,426

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$351,999. As of fiscal year ended June 30, 2019, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Changes of assumptions	\$ 185,250

Amount reported as deferred outflows related to OPEB will be recognized in future OPEB expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Inflows of Resources</u>
2020	\$ 37,050
2021	37,050
2022	37,050
2023	37,050
2024	37,050
	<u>\$ 185,250</u>

Note 13: Commitments and Contingencies

As of June 30, 2019, in the opinion of City Management, there were no additional outstanding commitments or contingencies that would have a significant effect on the financial position of the City.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 14: Net Position Restatement**a. Government-wide Financial Statements**

Restatement of governmental activities beginning net position for the year ended June 30, 2019, is summarized as follows:

	Governmental Activities
Net position, beginning of year, as originally reported	\$ 70,104,966
Restatement	(115,102)
Net position, beginning of year, as restated	<u>\$ 69,989,864</u>

Restatements were made in the amount of \$115,102 to correct prior year unavailable and receivable balances.

b. Governmental Fund Financial Statements

Restatement of governmental fund beginning fund balance for the year ended June 30, 2019, is summarized as follows:

	General Fund	Nonmajor Governmental Funds
Fund balance, beginning of year, as originally reported	\$ 14,754,483	\$ 4,138,176
Restatement	(300,694)	185,592
Fund balance, beginning of year, as restated	<u>\$ 14,453,789</u>	<u>\$ 4,323,768</u>

Restatements was made to correct prior year unavailable and receivable balances.

Note 15: Successor Agency to the Former Lawndale Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld AB 1X 26 that provides for the dissolution of all redevelopment agencies in the State of California. The Lawndale Successor Agency (the Successor Agency), a legally separate entity from the City itself, assumed the former Lawndale Redevelopment Agency (RDA)'s assets and obligations, and is responsible for winding down the remaining activities of the former RDA.

After enactment of the law, redevelopment agencies in the State of California could not enter into new projects, obligations or commitments. Subject to the control of an 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).

Successor agencies are only allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations as approved by the Successor Agency Oversight Board and the California Department of Finance.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 15: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)

a. Cash and Investments

As of June 30, 2019, cash and investments were reported in the accompanying financial statements as follows:

	Lawndale Successor Agency
Cash and investments	\$ 1,406,417
Cash and investments held with fiscal agents	3,646,578
Total	<u>\$ 5,052,995</u>

b. Notes and Loans Receivable

Anthony's Ready Mix

In October 2008, the former Lawndale Redevelopment Agency (RDA) sold a piece of property to Anthony's Ready Mix and accepted a loan. In April 2011, the former RDA assigned the loan receivable to the City's General Fund. In June of 2011, the California legislature approved AB1X 26 which set in motion the dissolution of redevelopment agencies and also contained language to invalidate asset transfers from redevelopment agencies to cities that occurred after January 1, 2011. As required by AB 1484 the Lawndale Successor Agency prepared an All Other Funds Due Diligence Review (DDR) that discloses the transfer of the loan from the Agency to the City. The State Controller's Office (SCO) conducted a review of the assets transferred by the former RDA, and issued a letter disallowing the transfer for the original balance of the note, in the amount of \$196,726. The outstanding balance of the notes receivable as of July 1, 2015, of \$182,352 was transferred back to the Successor Agency with cash totaling \$14,374 from repayments on the notes receivable. At June 30, 2019, the outstanding balance of the loan receivable was \$164,184.

c. Land Held for Development

The RDA had purchased properties for the purpose of making them available for sale to developers who have the ability to complete various projects consistent with the mission and activities of the RDA. Land held for development is valued at the lower of cost or estimated net realizable value determined upon the execution of a disposition and development agreement. The DOF approved the amended Long-Range Property Management Plan (LRPMP) and the related Resolution 2014-9 in its letter dated June 18, 2014. The amended LRPMP, states that properties, including the Hawthorne Blvd/Manhattan Beach Ave site and the Firmona house, will be retained by the Successor Agency for future sale and not transferred to the City. Proceeds from the sale of the properties would be retained by the Lawndale Successor Agency to pay enforceable obligations listed on the ROPS or submitted to the Los Angeles County Auditor-Controller's office for distribution to the affected taxing entities. In the letter, the DOF stated that "pursuant to HSC section 34191.3, the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former RDA." During fiscal year 2018-19, the Successor Agency sold its land held for development and the proceed of the sale was remitted to the County of Los Angeles.

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 15: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)

d. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2019, is as follows:

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
Tax Allocation Bonds					
Tax Allocation Bonds, Series 2009	\$ 18,730,000	\$ -	\$ 295,000	\$ 18,435,000	\$ 310,000
Bonds Discount	(110,461)	-	(4,234)	(106,227)	-
Total Tax Allocation Bonds	18,619,539	-	290,766	18,328,773	310,000
Direct Borrowings					
Tax Allocation Loan Agreement Note	1,245,809	-	69,758	1,176,051	72,305
Agreements with City	22,159,696	284,206	992,033	21,451,869	1,169,113
Total Direct Borrowings	23,405,505	284,206	1,061,791	22,627,920	1,241,418
Total	\$ 42,025,044	\$ 284,206	\$ 1,352,557	\$ 40,956,693	\$ 1,551,418

Tax Allocation Bonds, Series 2009

On November 1, 2009, the RDA issued \$20,545,000 of Tax Allocation Bonds, Series 2009 to finance public improvements and redevelopment projects benefitting the Project Areas. Interest rates range from 2% to 5.6% with interest payable semiannually on February 1 and August 1 and principal maturing annually on August 1. Pursuant to Assembly Bill 1X 26, the bond was transferred to the Successor Agency from the former RDA on February 1, 2012. The bond is secured solely by future tax increment revenues allocated to the Successor Agency. As of June 30, 2019, the outstanding principal on the bonds was \$18,435,000, and relating unamortized discount was \$106,227.

The debt service schedule for the Tax Allocation Bonds, Series 2009 is as follows:

Year Ending June 30,	Tax Allocation Bonds, Series 2009		
	Principal	Interest	Total
2020	\$ 310,000	\$ 989,713	\$ 1,299,713
2021	320,000	976,325	1,296,325
2022	335,000	961,988	1,296,988
2023	350,000	946,138	1,296,138
2024	370,000	928,575	1,298,575
2025-2029	2,155,000	4,322,175	6,477,175
2030-2034	3,065,000	3,628,763	6,693,763
2035-2039	4,415,000	2,589,813	7,004,813
2040-2044	5,765,000	1,198,313	6,963,313
2045-2046	1,350,000	37,125	1,387,125
Total	\$ 18,435,000	\$ 16,578,928	\$ 35,013,928

The remedies available to the Trustee and the owners of the Bonds upon an event of default under the Indenture are dependent upon regulatory and judicial actions enforceable through various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and by equitable remedies and proceedings.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 15: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)

Tax Allocation Loan Agreement Note

On April 30, 2002, the RDA entered into a Tax Allocation Loan Agreement with the California Infrastructure and Economic Development Bank (CIEDB). The CIEDB agreed to loan the former RDA an amount, up to \$2,000,000, to be used by the former RDA for the Hawthorne Boulevard Revitalization Project.

Pursuant to Assembly Bill 1X 26, the loan was transferred to the Successor Agency from the former RDA on February 1, 2012. The loan is secured by future tax increment revenues and bears interest at a rate of 3.65% per annum. As of June 30, 2007, the \$2,000,000 of loan proceeds were fully disbursed under the loan agreement. As of June 30, 2019, the outstanding principal on the note was \$1,176,051.

The debt service schedule for the Tax Allocation Loan Agreement Note is as follows:

Year Ending June 30,	Tax Allocation Loan Agreement Note		
	Principal	Interest	Total
2020	\$ 72,305	\$ 41,606	\$ 113,911
2021	74,944	38,919	113,863
2022	77,679	36,134	113,813
2023	80,515	33,247	113,762
2024	83,453	30,254	113,707
2025-2029	465,243	102,419	567,662
2030-2032	321,912	17,905	339,817
Total	<u>\$ 1,176,051</u>	<u>\$ 300,484</u>	<u>\$ 1,476,535</u>

Agreements with City

The City previously loaned the former RDA funds prior to dissolution for various redevelopment activities. The repayment of these amounts has been approved by the California Department of Finance. Additionally, the former RDA agreed to reimburse the City for the debt service on the lease, under the terms of a Public Works Agreement between the City and former RDA. This reimbursement has also been approved by the California Department of Finance. With the dissolution of the City's former RDA pursuant to AB 1X 26, repayment of the loans and reimbursement of the debt service on the lease is now being made by the Successor Agency.

During the 2015-16 fiscal year, the State of California passed Senate Bill 107 (SB 107) which amended the Health and Safety Code to require interest on loans between the City and the Successor Agency to be calculated quarterly using a 3% simple interest rate, from the previously required historical LAIF compounding interest rate. SB 107 also requires that any amount received relating to these outstanding balances must be applied towards the outstanding principal balance before it may be applied towards accrued interest. The Successor Agency experienced an extraordinary loss as a result of the revaluation of the receivables and interest income earned on the receivables.

**REQUIRED SUPPLEMENTARY
INFORMATION**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

Note 1: Stewardship, Compliance and Accountability

Budgetary Information

Procedures for establishing the budgetary data reflected in the budgetary comparison schedules are as follows:

- The annual budget adopted by the City Council provides for the general operation of the City. It includes a forecast of revenues for the fiscal year and proposed expenditures.
- The City Council approves total budgeted appropriations and any amendments to appropriations during the year for all governmental funds. This “appropriated budget” covers substantially all City expenditures, with the exception of debt service on bond issues which expenditures constitute legally authorized “non-appropriated budget.” Actual expenditures may not exceed budgeted appropriations at the fund level. All appropriations lapse at year-end unless a carryover is authorized by the City Manager.
- Purchase commitments are recorded as encumbrances when purchase orders or contracts are issued. These encumbrances represent an allocation of fund balances. When the related goods or services are received, the encumbrance is liquidated and an expenditure and liability for payment to the vendor are recorded.
- Budgets for the General Fund, Special Revenue Funds, and the Capital Projects Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP).
- For the year ended June 30, 2019, budgeted appropriations were not approved for the Local Law Enforcement Block, Justice Assisted Grant, LA County Parks Maintenance Grant, LA County Maintenance Grant – Hopper Park, County Maintenance Grant – William Green Special Revenue Funds, Metro STPL and Prop 1B capital project funds.

CITY OF LAWNSDALE

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 14,453,789	\$ 14,453,789	\$ 14,453,789	\$ -
Resources (Inflows):				
Taxes	7,712,532	8,492,532	8,517,529	24,997
Licenses and permits	711,240	811,240	767,713	(43,527)
Intergovernmental	3,575,194	3,575,194	3,615,968	40,774
Charges for services	827,550	1,232,050	1,240,401	8,351
Use of money and property	59,000	159,000	151,360	(7,640)
Fines and forfeitures	710,000	756,000	794,354	38,354
Miscellaneous	140,700	1,490,700	58,005	(1,432,695)
Transfers in	120,000	40,000	-	(40,000)
Proceeds from sale of capital asset	-	-	1,414,559	1,414,559
Amounts Available for Appropriations	28,310,005	31,010,505	31,013,678	3,173
Charges to Appropriation (Outflow):				
General government	3,502,208	3,618,630	3,706,071	(87,441)
Public safety	5,774,036	5,774,036	5,387,055	386,981
Municipal services	1,175,843	1,167,287	1,059,883	107,404
Community development	454,106	494,411	614,151	(119,740)
Parks and recreation	1,336,115	1,351,615	1,317,597	34,018
Public works	1,518,901	2,062,983	2,040,532	22,451
Capital outlay	21,000	29,557	8,557	21,000
Debt service:				
Principal retirement	40,099	40,099	38,799	1,300
Interest and fiscal charges	18,415	18,415	19,853	(1,438)
Transfers out	15,500	161,886	188,000	(26,114)
Total Charges to Appropriations	13,856,223	14,718,919	14,380,498	338,421
Budgetary Fund Balance, June 30	\$ 14,453,782	\$ 16,291,586	\$ 16,633,180	\$ 341,594

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 RESTRICTED URBAN DEVELOPMENT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,529,219	\$ 6,529,219	\$ 6,529,219	\$ -
Resources (Inflows):				
Use of money and property	1,500	1,500	2,113	613
Amounts Available for Appropriation	6,530,719	6,530,719	6,531,332	613
Charges to Appropriation (Outflow):				
Public works	100,000	114,377	64,835	49,542
Capital outlay	-	260,000	-	260,000
Transfers out	-	60,000	60,000	-
Total Charges to Appropriation	100,000	434,377	124,835	309,542
Budgetary Fund Balance, June 30	\$ 6,430,719	\$ 6,096,342	\$ 6,406,497	\$ 310,155

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 LAWNSDALE HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,748,593	\$ 1,748,593	\$ 1,748,593	\$ -
Resources (Inflows):				
Use of money and property	11,000	11,000	4,810	(6,190)
Miscellaneous	221,890	221,890	-	(221,890)
Transfers in	-	221,886	221,885	(1)
Amounts Available for Appropriation	1,981,483	2,203,369	1,975,288	(228,081)
Charges to Appropriation (Outflow):				
Community development	262,627	262,627	192,968	69,659
Total Charges to Appropriation	262,627	262,627	192,968	69,659
Budgetary Fund Balance, June 30	\$ 1,718,856	\$ 1,940,742	\$ 1,782,320	\$ (158,422)

CITY OF LAWDALE

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CALPERS COST SHARING MISCELLANEOUS PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

Measurement Date June 30	2018	2017	2016	2015	2014
Miscellaneous Plans					
Proportion of the Net Pension Liability	0.183962%	0.178809%	0.172048%	0.161308%	0.170490%
Proportionate Share of the Net Pension Liability	\$ 6,933,016	\$ 7,048,744	\$ 5,976,726	\$ 4,425,429	\$ 4,213,742
Covered Payroll	\$ 3,506,568	\$ 3,654,304	\$ 3,502,895	\$ 3,608,780	\$ 3,763,636
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	197.72%	192.89%	170.62%	122.63%	111.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule of Proportionate Share of the Net Pension Liability

Benefit Changes: None.

Changes of Assumptions: In 2018, demographic assumptions and inflate rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no chnages in the discount rate.

⁽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 five years are shown.

CITY OF LAWNSDALE

**SCHEDULE OF PLAN CONTRIBUTIONS
CALPERS COST SHARING MISCELLANEOUS PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Miscellaneous					
Actuarially Determined Contribution	\$ 726,239	\$ 600,369	\$ 564,502	\$ 492,655	\$ 408,984
Contribution in Relation to the Actuarially Determined Contribution	<u>(726,239)</u>	<u>(600,369)</u>	<u>(564,502)</u>	<u>(492,655)</u>	<u>(408,984)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,654,304	\$ 3,506,568	\$ 3,654,304	\$ 3,502,895	\$ 3,608,780
Contributions as a Percentage of Covered Payroll	19.87%	17.12%	15.45%	14.06%	11.33%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were derived from the June 30, 2016 funding valuation report.

Actuarial Cost Method:	Entry Age Normal
Amortization Method/Period:	For details, see June 30, 2016 Funding Valuation Report.
Asset Valuation Method:	Market Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation:	2.75%
Salary Increases:	Varies by Entry Age and Service
Payroll Growth:	3.00%
Investment Rate of Return:	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age:	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period of 1997 to 2011.
Mortality:	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

⁽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 five years are shown.

CITY OF LAWDALE, CALIFORNIA

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
 PARS RETIREMENT ENHANCEMENT PLAN
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

Measurement Date	2019	2018	2017	2016 **	2015
Total Pension Liability					
Service Cost	\$ 24,739	\$ 24,018	\$ 28,713	\$ -	\$ 45,100
Interest	56,830	53,113	50,372	-	42,181
Effect of Economic/Demographic Gains or Losses	-	11,039	-	-	-
Effect of Assumption Changes or Inputs	(42,305)	-	41,097	-	-
Changes in Assumptions	-	-	-	-	-
Benefit Payments, Including Refunds of employee Contributions	-	(21,451)	(14,562)	-	(8,974)
Net Change in Total Pension Liability	39,264	66,719	105,620	-	78,307
Total Pension Liability - Beginning	870,383	803,664	698,044	640,349	562,042
Total Pension Liability - Ending (a)	\$ 909,647	\$ 870,383	\$ 803,664	\$ 640,349	\$ 640,349
Plan Fiduciary Net Position					
Contribution - Employer	\$ 35,683	\$ 19,890	\$ 19,889	\$ -	\$ 39,254
Net Investment Income	42,049	40,514	60,634	-	14,293
Benefit Payments, Including Refunds of Employee Contributions	(42,305)	(21,451)	(14,562)	-	(8,974)
Administrative Expenses	(3,447)	(3,463)	(3,149)	-	(2,964)
Net Change in Fiduciary Net Position	31,980	35,490	62,812	-	41,609
Plan Fiduciary Net Position - Beginning	685,915	650,425	587,613	586,056	544,447
Plan Fiduciary Net Position - Ending (b)	\$ 717,895	\$ 685,915	\$ 650,425	\$ 586,056	\$ 586,056
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 191,752	\$ 184,468	\$ 153,239	\$ 54,293	\$ 54,293
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.9%	78.8%	80.9%	91.5%	91.5%
Covered Payroll *	\$ -	\$ 314,042	\$ 304,044	\$ 295,188	\$ 404,081
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	n/a	58.7%	50.4%	18.4%	13.4%

* There is no active employee eligible for the plan in 2019.

** No actuarial valuation was performed for 2016.

Notes to Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios:

Changes of Assumptions: There were no changes in assumptions

⁽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 five years are shown.

CITY OF LAWDALE, CALIFORNIA

**SCHEDULE OF PLAN CONTRIBUTIONS
 PARS RETIREMENT ENHANCEMENT PLAN
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 53,827	\$ 41,069	\$ 40,955	\$ 26,331	\$ 36,254
Contribution in Relation to the Actuarially Determined Contribution	<u>(35,683)</u>	<u>(19,890)</u>	<u>(19,889)</u>	<u>(19,636)</u>	<u>(39,254)</u>
Contribution Deficiency (Excess)	<u>\$ 18,144</u>	<u>\$ 21,179</u>	<u>\$ 21,066</u>	<u>\$ 6,695</u>	<u>\$ (3,000)</u>
Covered Payroll *	\$ -	\$ 314,042	\$ 304,044	\$ 295,188	\$ 404,081
Contributions as a Percentage of Covered Payroll	n/a	6.3%	6.5%	6.7%	9.7%

* There is no active employee eligible for the plan in 2019.

Note to Schedule of Plan Contributions:

Valuation Date:	June 30, 2017
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	10
Inflation	2.75%
Salary Increases	Consistent with the rates used to value the Miscellaneous Agency CalPERS Pension Plan (Entry Age 30).
Investment rate of return	6.50%
Payroll Growth	3.00%
Cost of Living Adjustments	2.00%
Mortality	Pre-retirement: Consistent with the Non-Industrial rates used to value Miscellaneous Agency CalPERS Pension Plans. Post-retirement: CalPERS 1997-2011 Healthy Retiree Tables with an assumed base year of 2008 and full generational projections using Scale AA.

⁽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 five years are shown.

CITY OF LAWDALE

SCHEDULE OF INVESTMENT RETURNS
PARS RETIREMENT ENHANCEMENT PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.18%	6.15%	10.14%	-0.14%	2.48%

⁽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 five years are shown.

CITY OF LAWNSDALE

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 184,378	\$ 179,443
Interest on the total OPEB liability	143,562	146,967
Actual and expected experience difference	-	-
Changes in assumptions	209,309	-
Changes in benefit terms	-	-
Benefit payments	(99,021)	(95,212)
Net change in total OPEB liability	438,228	231,198
Total OPEB liability - beginning	4,059,091	3,827,893
Total OPEB liability - ending (a)	\$ 4,497,319	\$ 4,059,091

Plan fiduciary net position as a percentage of the total OPEB liability 0.00% 0.00%

Covered-employee payroll \$ 3,654,304 \$ 3,506,568

Net OPEB liability as a percentage of covered-employee payroll 123.07% 115.76%

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

Notes to Schedule: None.

Changes in assumptions: The interest assumption changed from 3.80% to 3.50%.

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

NONMAJOR GOVERNMENTAL FUNDS

The following special revenue funds have been classified as nonmajor funds:

Gas Tax - To account for receipts and expenditures of money apportioned under Streets and Highways for maintenance, rehabilitation or improvement of public streets.

Air Quality - To account for funds provided by the State Transportation Act for the construction of pedestrian, bicycle and handicapped amenities.

Proposition A Local Transit Assistance - To account for the half-cent sales tax to improve local transit operations, reduce traffic congestion, and improve air quality.

Narcotics Forfeiture - To account for resources used solely for investigation, detection and prosecution of criminal drug activities.

State COPS Grant - To account for State assistance used to fund frontline municipal police services.

Local Law Enforcement Block - To account for Federal assistance block grant programs provided by the United States Department of Justice to support public safety and crime prevention efforts.

Used Oil Recycling Grant - To account for funds related to the City's used oil recycling program.

Lawndale Cable Usage Corporation - To track monies for the City's Cable Communication Program that provides audio visual services and local government TV access.

Department of Conservation Grant - To account for funds received and expended for park renovation projects.

Justice Assisted Grant - To account for federal funds in the City's law enforcement program.

Park Development - To account for funds received from developers for park improvements.

LA County Parks Maintenance Grant - To account for maintenance of parks and recreational facilities.

LA CO Maintenance Grant – Hopper Park - To account for maintenance related to Hopper Park.

CO Maintenance Grant – William Green - To account for maintenance related to William Green Park.

Measure M Local Return – To account for the half-cent sales tax for street improvements.

Safe Routes to School – To account for funds for a feasibility study for safe routes to local schools.

SB1 RMRA – To account for gas tax to be used for road and street infrastructure improvements.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

The following capital projects funds have been classified as nonmajor funds:

Proposition C Local Transit Assistance - To account for the half-cent sales tax to improve local transit operations, reduce traffic congestion, and improve air quality.

State Transit Program (Local) – To account for state funds for road and street infrastructure improvements.

Community Development Block Grant - To account for monies received and expended by the City as a participant in the Federal Community Block Grant programs.

Prop 1B - To account for state funds for road and street infrastructure improvements.

Safetea-Lu - To account for funds for road and street infrastructure improvements.

Prop C25 Grant - To account for funds for road and street infrastructure improvements.

Appropriations Act - To account for funds for road and street infrastructure improvements.

Metro STP-L - To account for funds for road and street infrastructure improvements.

Measure R - To account for local funds for road and street infrastructure improvements.

Metro STPL Exchange 2014 - To account for funds for road and street infrastructure improvements.

Metro STPL Exchange 2017 - To account for funds for road and street infrastructure improvements.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAWDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			
	Gas Tax	Air Quality	Proposition A Local Transit Assistance	Narcotics Forfeiture
Assets				
Cash and investments	\$ 125,577	\$ 124,447	\$ 1,380,155	\$ 54,392
Receivables:				
Accounts	-	11,301	-	-
Grants	-	-	-	-
Accrued interest	47	130	1,479	59
Notes and loans	-	-	-	-
Total Assets	\$ 125,624	\$ 135,878	\$ 1,381,634	\$ 54,451
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 47,572	\$ -	\$ 72,603	\$ -
Accrued liabilities	7,335	-	2,406	-
Due to other funds	-	-	-	-
Total Liabilities	54,907	-	75,009	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	54,451
Recreation and community services	-	-	1,306,625	-
Public works	70,717	-	-	-
Capital projects	-	-	-	-
Air quality	-	135,878	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	70,717	135,878	1,306,625	54,451
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 125,624	\$ 135,878	\$ 1,381,634	\$ 54,451

CITY OF LAWDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	State COPS Grant	Local Law Enforcement Block	Used Oil Recycling Grant	Lawndale Cable Usage Corporation
Assets				
Cash and investments	\$ 85,296	\$ 15,468	\$ 27,784	\$ 52,166
Receivables:				
Accounts	-	-	-	10,038
Grants	-	-	-	-
Accrued interest	107	-	-	43
Notes and loans	-	-	-	-
Total Assets	\$ 85,403	\$ 15,468	\$ 27,784	\$ 62,247
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 19,890	\$ -	\$ 12,071	\$ 490
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	19,890	-	12,071	490
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	65,513	15,468	-	-
Recreation and community services	-	-	-	-
Public works	-	-	15,713	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	61,757
Unassigned	-	-	-	-
Total Fund Balances	65,513	15,468	15,713	61,757
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 85,403	\$ 15,468	\$ 27,784	\$ 62,247

CITY OF LAWNSDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			
	Department of Conservation Grant	Justice Assisted Grant	Park Development	LA County Parks Maintenance Grant
Assets				
Cash and investments	\$ 25,880	\$ -	\$ 33,138	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	17,728	-	-
Accrued interest	-	-	36	-
Notes and loans	-	-	-	-
Total Assets	\$ 25,880	\$ 17,728	\$ 33,174	\$ -
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	17,728	-	-
Total Liabilities	-	17,728	-	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	25,880	-	33,174	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	25,880	-	33,174	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 25,880	\$ 17,728	\$ 33,174	\$ -

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	LA CO Maint Grant - Hopper Park	CO Maint Grant - William Green	Measure M Local Return	Safe Routes to School
Assets				
Cash and investments	\$ -	\$ -	\$ 786,922	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	-	-	-
Accrued interest	-	-	817	-
Notes and loans	-	-	-	-
Total Assets	\$ -	\$ -	\$ 787,739	\$ -
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 10,250	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	10,250	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	777,489	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	777,489	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 787,739	\$ -

CITY OF LAWDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Fund	Capital Projects Funds		
	SB1 RMRA	Proposition C Local Transit Assistance	State Transit Program (Local)	Community Development Block Grant
Assets				
Cash and investments	\$ 611,203	\$ 2,215,274	\$ -	\$ -
Receivables:				
Accounts	57,777	-	-	-
Grants	-	-	-	4,310
Accrued interest	615	2,314	-	-
Notes and loans	-	-	-	246,538
Total Assets	\$ 669,595	\$ 2,217,588	\$ -	\$ 250,848
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 195,045	\$ -	\$ 4,400
Accrued liabilities	-	3,666	-	1,028
Due to other funds	-	-	-	969
Total Liabilities	-	198,711	-	6,397
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	244,451
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	669,595	-	-	-
Capital projects	-	2,018,877	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	669,595	2,018,877	-	244,451
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 669,595	\$ 2,217,588	\$ -	\$ 250,848

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Capital Projects Funds			
	Prop 1B	Safetee-Lu	Prop C25 Grant	Appropriations Act
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	-	315,890	-
Accrued interest	-	-	-	-
Notes and loans	-	-	-	-
Total Assets	\$ -	\$ -	\$ 315,890	\$ -
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	-	-	303,819	-
Total Liabilities	-	-	303,819	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	315,890	-
Total Deferred Inflows of Resources	-	-	315,890	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	(303,819)	-
Total Fund Balances	-	-	(303,819)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 315,890	\$ -

CITY OF LAWDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Capital Projects Funds				
	Metro STP-L	Measure R	Metro STPL Exchange 2014	Metro STPL Exchange 2017
Assets				
Cash and investments	\$ -	\$ 769,836	\$ -	\$ 553,970
Receivables:				
Accounts	-	-	-	-
Grants	-	55,585	-	-
Accrued interest	-	732	-	601
Notes and loans	-	-	-	-
Total Assets	\$ -	\$ 826,153	\$ -	\$ 554,571
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 27,367	\$ -	\$ 3,031
Accrued liabilities	-	2,546	-	233
Due to other funds	-	40,969	-	-
Total Liabilities	-	70,882	-	3,264
Deferred Inflows of Resources				
Unavailable revenues	-	55,585	-	-
Total Deferred Inflows of Resources	-	55,585	-	-
Fund Balances				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	551,307
Capital projects	-	699,686	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	699,686	-	551,307
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 826,153	\$ -	\$ 554,571

CITY OF LAWDALE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Total Nonmajor Governmental Funds
Assets	
Cash and investments	\$ 6,861,508
Receivables:	
Accounts	79,116
Grants	393,513
Accrued interest	6,980
Notes and loans	246,538
	<u>246,538</u>
Total Assets	<u>\$ 7,587,655</u>
Liabilities, Deferred Inflows of Resources and Fund Balances	
Liabilities	
Accounts payable	\$ 392,719
Accrued liabilities	17,214
Due to other funds	363,485
	<u>363,485</u>
Total Liabilities	<u>773,418</u>
Deferred Inflows of Resources	
Unavailable revenues	371,475
	<u>371,475</u>
Total Deferred Inflows of Resources	<u>371,475</u>
Fund Balances	
Restricted for:	
Community development projects	244,451
Public safety	135,432
Recreation and community services	1,365,679
Public works	2,084,821
Capital projects	2,718,563
Air quality	135,878
Municipal services	61,757
Unassigned	(303,819)
	<u>(303,819)</u>
Total Fund Balances	<u>6,442,762</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,587,655</u>

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Gas Tax	Air Quality	Proposition A Local Transit Assistance	Narcotics Forfeiture
Revenues				
Intergovernmental	\$ 757,926	\$ 43,590	\$ 669,839	\$ -
Charges for services	-	-	840	-
Use of money and property	271	443	5,300	212
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	758,197	44,033	675,979	212
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	619,048	-
Public works	695,596	75	-	-
Capital outlay	-	39,605	-	-
Total Expenditures	695,596	39,680	619,048	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,601	4,353	56,931	212
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	62,601	4,353	56,931	212
Fund Balances				
Beginning of year, as originally reported	8,116	131,525	1,249,694	54,239
Restatements	-	-	-	-
Beginning of year, as restated	8,116	131,525	1,249,694	54,239
Fund Balances, End of Year	\$ 70,717	\$ 135,878	\$ 1,306,625	\$ 54,451

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	State COPS Grant	Local Law Enforcement Block	Used Oil Recycling Grant	Lawdale Cable Usage Corporation
Revenues				
Intergovernmental	\$ 148,747	\$ -	\$ 9,294	\$ -
Charges for services	-	-	-	42,074
Use of money and property	403	-	-	109
Contributions	-	-	-	-
Miscellaneous	-	-	-	15
Total Revenues	149,150	-	9,294	42,198
Expenditures				
Current:				
General government	-	-	-	650
Public safety	119,340	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	12,071	-
Capital outlay	-	-	-	-
Total Expenditures	119,340	-	12,071	650
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,810	-	(2,777)	41,548
Other Financing Sources (Uses)				
Transfers in	-	-	-	8,871
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	8,871
Net Change in Fund Balances	29,810	-	(2,777)	50,419
Fund Balances				
Beginning of year, as originally reported	35,703	15,468	18,490	11,338
Restatements	-	-	-	-
Beginning of year, as restated	35,703	15,468	18,490	11,338
Fund Balances, End of Year	\$ 65,513	\$ 15,468	\$ 15,713	\$ 61,757

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Department of Conservation Grant	Justice Assisted Grant	Park Development	LA County Parks Maintenance Grant
Revenues				
Intergovernmental	\$ 8,636	\$ 26,795	\$ -	\$ 499,931
Charges for services	-	-	17,492	-
Use of money and property	-	-	102	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	8,636	26,795	17,594	499,931
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	26,795	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	9,930
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	26,795	-	9,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,636	-	17,594	490,001
Other Financing Sources (Uses)				
Transfers in	17,244	-	-	-
Transfers out	-	-	-	(52,427)
Total Other Financing Sources (Uses)	17,244	-	-	(52,427)
Net Change in Fund Balances	25,880	-	17,594	437,574
Fund Balances				
Beginning of year, as originally reported	-	-	15,580	(437,574)
Restatements	-	-	-	-
Beginning of year, as restated	-	-	15,580	(437,574)
Fund Balances, End of Year	\$ 25,880	\$ -	\$ 33,174	\$ -

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	LA CO Maint Grant - Hopper Park	CO Maint Grant - William Green	Measure M Local Return	Safe Routes to School
Revenues				
Intergovernmental	\$ -	\$ -	\$ 469,597	\$ 34,854
Charges for services	-	-	-	-
Use of money and property	-	-	2,513	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	472,110	34,854
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	47,337	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	47,337	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	424,773	34,854
Other Financing Sources (Uses)				
Transfers in	11,441	40,986	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	11,441	40,986	-	-
Net Change in Fund Balances	11,441	40,986	424,773	34,854
Fund Balances				
Beginning of year, as originally reported	(11,441)	(40,986)	352,716	(34,854)
Restatements	-	-	-	-
Beginning of year, as restated	(11,441)	(40,986)	352,716	(34,854)
Fund Balances, End of Year	\$ -	\$ -	\$ 777,489	\$ -

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special	Capital Projects Funds		
	Revenue Fund	Proposition C Local Transit Assistance	State Transit Program (Local)	Community Development Block Grant
	SB1 RMRA			
Revenues				
Intergovernmental	\$ 493,362	\$ 555,613	\$ -	\$ 67,522
Charges for services	-	-	-	-
Use of money and property	1,608	8,245	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	494,970	563,858	-	67,522
Expenditures				
Current:				
General government	-	-	13	-
Public safety	-	-	-	-
Planning and community development	-	-	-	76,090
Recreation and community services	-	-	-	-
Public works	20,988	180,938	-	-
Capital outlay	-	338,767	-	-
Total Expenditures	20,988	519,705	13	76,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	473,982	44,153	(13)	(8,568)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	473,982	44,153	(13)	(8,568)
Fund Balances				
Beginning of year, as originally reported	195,613	1,974,724	13	253,019
Restatements	-	-	-	-
Beginning of year, as restated	195,613	1,974,724	13	253,019
Fund Balances, End of Year	\$ 669,595	\$ 2,018,877	\$ -	\$ 244,451

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Capital Projects Funds			
	Prop 1B	Safetea-Lu	Prop C25 Grant	Appropriations Act
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Contributions	-	-	-	174,087
Miscellaneous	-	-	-	6,580
Total Revenues	-	-	-	180,667
Expenditures				
Current:				
General government	7	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	7,509	-
Capital outlay	-	-	28,045	-
Total Expenditures	7	-	35,554	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7)	-	(35,554)	180,667
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(7)	-	(35,554)	180,667
Fund Balances				
Beginning of year, as originally reported	7	(21,538)	(268,265)	(180,667)
Restatements	-	21,538	-	-
Beginning of year, as restated	7	-	(268,265)	(180,667)
Fund Balances, End of Year	\$ -	\$ -	\$ (303,819)	\$ -

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Capital Projects Funds			
	Metro STP-L	Measure R	Metro STPL Exchange 2014	Metro STPL Exchange 2017
Revenues				
Intergovernmental	\$ -	\$ 416,829	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	-	2,391	-	2,207
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	419,220	-	2,207
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	72,147	-	-
Capital outlay	-	55,586	-	24,011
Total Expenditures	-	127,733	-	24,011
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	291,487	-	(21,804)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	291,487	-	(21,804)
Fund Balances				
Beginning of year, as originally reported	(94,794)	408,199	(69,260)	573,111
Restatements	94,794	-	69,260	-
Beginning of year, as restated	-	408,199	-	573,111
Fund Balances, End of Year	\$ -	\$ 699,686	\$ -	\$ 551,307

CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Total Nonmajor Governmental Funds
Revenues	
Intergovernmental	\$ 4,202,535
Charges for services	60,406
Use of money and property	23,804
Contributions	174,087
Miscellaneous	6,595
	<hr/>
Total Revenues	4,467,427
	<hr/>
Expenditures	
Current:	
General government	670
Public safety	146,135
Planning and community development	76,090
Recreation and community services	628,978
Public works	1,036,661
Capital outlay	486,014
	<hr/>
Total Expenditures	2,374,548
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,092,879
	<hr/>
Other Financing Sources (Uses)	
Transfers in	78,542
Transfers out	(52,427)
	<hr/>
Total Other Financing Sources (Uses)	26,115
	<hr/>
Net Change in Fund Balances	2,118,994
	<hr/>
Fund Balances	
Beginning of year, as originally reported	4,138,176
Restatements	185,592
	<hr/>
Beginning of year, as restated	4,323,768
	<hr/>
Fund Balances, End of Year	\$ 6,442,762
	<hr/> <hr/>

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 8,116	\$ 8,116	\$ 8,116	\$ -
Resources (Inflows):				
Intergovernmental	846,283	846,283	757,926	(88,357)
Use of money and property	1,000	1,000	271	(729)
Amounts Available for Appropriation	855,399	855,399	766,313	(89,086)
Charges to Appropriation (Outflow):				
Public works	965,080	965,080	695,596	269,484
Total Charges to Appropriation	965,080	965,080	695,596	269,484
Budgetary Fund Balance, June 30	\$ (109,681)	\$ (109,681)	\$ 70,717	\$ 180,398

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 131,525	\$ 131,525	\$ 131,525	\$ -
Resources (Inflows):				
Intergovernmental	38,000	38,000	43,590	5,590
Use of money and property	100	100	443	343
Amounts Available for Appropriation	169,625	169,625	175,558	5,933
Charges to Appropriation (Outflow):				
Public works	-	240,000	75	239,925
Capital outlay	-	39,605	39,605	-
Total Charges to Appropriation	-	279,605	39,680	239,925
Budgetary Fund Balance, June 30	\$ 169,625	\$ (109,980)	\$ 135,878	\$ 245,858

CITY OF LAWNSDALE

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A LOCAL TRANSIT ASSISTANCE
YEAR ENDED JUNE 30, 2019**

	<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	\$ 1,249,694	\$ 1,249,694	\$ 1,249,694	\$ -
Resources (Inflows):				
Intergovernmental	653,045	653,045	669,839	16,794
Charges for services	400	400	840	440
Use of money and property	5,500	5,500	5,300	(200)
Miscellaneous	32,000	32,000	-	(32,000)
Amounts Available for Appropriation	<u>1,940,639</u>	<u>1,940,639</u>	<u>1,925,673</u>	<u>(14,966)</u>
Charges to Appropriation (Outflow):				
Parks and recreation	730,206	730,206	619,048	111,158
Capital outlay	-	200,000	-	200,000
Total Charges to Appropriation	<u>730,206</u>	<u>930,206</u>	<u>619,048</u>	<u>311,158</u>
Budgetary Fund Balance, June 30	<u>\$ 1,210,433</u>	<u>\$ 1,010,433</u>	<u>\$ 1,306,625</u>	<u>\$ 296,192</u>

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 STATE COPS GRANT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 35,703	\$ 35,703	\$ 35,703	\$ -
Resources (Inflows):				
Intergovernmental	112,000	112,000	148,747	36,747
Use of money and property	50	50	403	353
Amounts Available for Appropriation	147,753	147,753	184,853	37,100
Charges to Appropriation (Outflow):				
Public safety	121,000	121,000	119,340	1,660
Total Charges to Appropriation	121,000	121,000	119,340	1,660
Budgetary Fund Balance, June 30	\$ 26,753	\$ 26,753	\$ 65,513	\$ 38,760

CITY OF LAWNSDALE

**BUDGETARY COMPARISON SCHEDULE
USED OIL RECYCLING GRANT
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,490	\$ 18,490	\$ 18,490	\$ -
Resources (Inflows):				
Intergovernmental	-	-	9,294	9,294
Amounts Available for Appropriation	18,490	18,490	27,784	9,294
Charges to Appropriation (Outflow):				
Public works	9,100	9,100	12,071	(2,971)
Total Charges to Appropriation	9,100	9,100	12,071	(2,971)
Budgetary Fund Balance, June 30	\$ 9,390	\$ 9,390	\$ 15,713	\$ 6,323

CITY OF LAWNSDALE

**BUDGETARY COMPARISON SCHEDULE
LAWNSDALE CABLE USAGE CORPORATION
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,338	\$ 11,338	\$ 11,338	\$ -
Resources (Inflows):				
Charges for services	33,300	33,300	42,074	8,774
Use of money and property	30	30	109	79
Miscellaneous	250	250	15	(235)
Transfers in	-	-	8,871	8,871
Amounts Available for Appropriation	44,918	44,918	62,407	17,489
Charges to Appropriation (Outflow):				
General government	-	-	650	(650)
Transfers out	33,000	33,000	-	33,000
Total Charges to Appropriation	33,000	33,000	650	32,350
Budgetary Fund Balance, June 30	\$ 11,918	\$ 11,918	\$ 61,757	\$ 49,839

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 DEPARTMENT OF CONSERVATION GRANT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	9,000	9,000	8,636	(364)
Transfers in	-	-	17,244	17,244
Amounts Available for Appropriation	9,000	9,000	25,880	16,880
Budgetary Fund Balance, June 30	\$ 9,000	\$ 9,000	\$ 25,880	\$ 16,880

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 PARK DEVELOPMENT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 15,580	\$ 15,580	\$ 15,580	\$ -
Resources (Inflows):				
Charges for services	500	500	17,492	16,992
Use of money and property	25	25	102	77
Amounts Available for Appropriation	16,105	16,105	33,174	17,069
Budgetary Fund Balance, June 30	\$ 16,105	\$ 16,105	\$ 33,174	\$ 17,069

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 MEASURE M LOCAL RETURN
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 352,716	\$ 352,716	\$ 352,716	\$ -
Resources (Inflows):				
Intergovernmental	460,431	460,431	469,597	9,166
Use of money and property	200	200	2,513	2,313
Amounts Available for Appropriation	813,347	813,347	824,826	11,479
Charges to Appropriation (Outflow):				
Public works	-	98,413	47,337	51,076
Total Charges to Appropriation	-	98,413	47,337	51,076
Budgetary Fund Balance, June 30	\$ 813,347	\$ 714,934	\$ 777,489	\$ 62,555

CITY OF LAWNSDALE

**BUDGETARY COMPARISON SCHEDULE
SAFE ROUTES TO SCHOOL
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (34,854)	\$ (34,854)	\$ (34,854)	\$ -
Resources (Inflows):				
Intergovernmental	-	-	34,854	34,854
Amounts Available for Appropriation	(34,854)	(34,854)	-	34,854
Charges to Appropriation (Outflow):				
Capital outlay	-	11,977	-	11,977
Total Charges to Appropriation	-	11,977	-	11,977
Budgetary Fund Balance, June 30	\$ (34,854)	\$ (46,831)	\$ -	\$ 46,831

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 SB1 RMRA
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 195,613	\$ 195,613	\$ 195,613	\$ -
Resources (Inflows):				
Intergovernmental	554,061	554,061	493,362	(60,699)
Use of money and property	200	200	1,608	1,408
Amounts Available for Appropriation	749,874	749,874	690,583	(59,291)
Charges to Appropriation (Outflow):				
Public works	743,198	743,198	20,988	722,210
Total Charges to Appropriation	743,198	743,198	20,988	722,210
Budgetary Fund Balance, June 30	\$ 6,676	\$ 6,676	\$ 669,595	\$ 662,919

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C LOCAL TRANSIT ASSISTANCE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,974,724	\$ 1,974,724	\$ 1,974,724	\$ -
Resources (Inflows):				
Intergovernmental	541,684	541,684	555,613	13,929
Use of money and property	10,000	10,000	8,245	(1,755)
Amounts Available for Appropriation	2,526,408	2,526,408	2,538,582	12,174
Charges to Appropriation (Outflow):				
Public works	439,587	439,587	180,938	258,649
Capital outlay	-	793,430	338,767	454,663
Total Charges to Appropriation	439,587	1,233,017	519,705	713,312
Budgetary Fund Balance, June 30	\$ 2,086,821	\$ 1,293,391	\$ 2,018,877	\$ 725,486

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 253,019	\$ 253,019	\$ 253,019	\$ -
Resources (Inflows):				
Intergovernmental	332,997	332,997	67,522	(265,475)
Amounts Available for Appropriation	586,016	586,016	320,541	(265,475)
Charges to Appropriation (Outflow):				
Community development	121,626	121,626	76,090	45,536
Capital outlay	211,371	211,371	-	211,371
Total Charges to Appropriation	332,997	332,997	76,090	256,907
Budgetary Fund Balance, June 30	\$ 253,019	\$ 253,019	\$ 244,451	\$ (8,568)

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 PROP C25 GRANT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (268,265)	\$ (268,265)	\$ (268,265)	\$ -
Resources (Inflows):				
Intergovernmental	95,326	1,947,750	-	(1,947,750)
Amounts Available for Appropriation	(172,939)	1,679,485	(268,265)	(1,947,750)
Charges to Appropriation (Outflow):				
Public works	95,325	95,325	7,509	87,816
Capital outlay	-	1,852,424	28,045	1,824,379
Total Charges to Appropriation	95,325	1,947,749	35,554	1,912,195
Budgetary Fund Balance, June 30	\$ (268,264)	\$ (268,264)	\$ (303,819)	\$ (35,555)

CITY OF LAWNSDALE

BUDGETARY COMPARISON SCHEDULE
 APPROPRIATIONS ACT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (180,667)	\$ (180,667)	\$ (180,667)	\$ -
Resources (Inflows):				
Contributions	-	174,087	174,087	-
Miscellaneous	-	-	6,580	6,580
Amounts Available for Appropriation	(180,667)	(6,580)	-	6,580
Budgetary Fund Balance, June 30	\$ (180,667)	\$ (6,580)	\$ -	\$ 6,580

CITY OF LAWDALE

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 408,199	\$ 408,199	\$ 408,199	\$ -
Resources (Inflows):				
Intergovernmental	480,980	915,071	416,829	(498,242)
Use of money and property	1,000	1,000	2,391	1,391
Amounts Available for Appropriation	890,179	1,324,270	827,419	(496,851)
Charges to Appropriation (Outflow):				
Public works	277,232	378,098	72,147	305,951
Capital outlay	285,072	907,616	55,586	852,030
Total Charges to Appropriation	562,304	1,285,714	127,733	1,157,981
Budgetary Fund Balance, June 30	\$ 327,875	\$ 38,556	\$ 699,686	\$ 661,130

CITY OF LAWDALE

**BUDGETARY COMPARISON SCHEDULE
METRO STPL EXCHANGE 2017
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 573,111	\$ 573,111	\$ 573,111	\$ -
Resources (Inflows):				
Use of money and property	-	-	2,207	2,207
Amounts Available for Appropriation	573,111	573,111	575,318	2,207
Charges to Appropriation (Outflow):				
Capital outlay	300,000	573,000	24,011	548,989
Total Charges to Appropriation	300,000	573,000	24,011	548,989
Budgetary Fund Balance, June 30	\$ 273,111	\$ 111	\$ 551,307	\$ 551,196

STATISTICAL SECTION

This part of the City of Lawndale's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and wellbeing have changed over time.</i>	117
Revenue Capacity <i>These schedules contain trend information to help the reader assess the government's most significant revenue source, property tax.</i>	120
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	128
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	130
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	136

Sources: Unless otherwise notes, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF LAWDALE

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Investment in capital assets (net of debt)	\$ 42,993,707	\$ 44,308,151	\$ 45,232,399	\$ 45,929,475	\$ 41,632,026	\$ 41,303,660	\$ 39,758,551	\$ 40,567,520	\$ 30,670,978	\$ 26,057,678
Restricted	14,946,011	13,516,348	13,878,261	12,998,959	25,108,842	5,971,750	5,131,368	4,180,641	12,139,977	7,351,260
Unrestricted	14,601,717	12,280,467	14,736,240	16,089,931	(1,881,516)	23,838,865	30,431,748	36,617,212	10,343,999	19,468,984
Total primary government net position	\$ 72,541,435	\$ 70,104,966	\$ 73,846,900	\$ 75,018,365	\$ 64,859,352	\$ 71,114,275	\$ 75,321,667	\$ 81,365,373	\$ 53,154,954	\$ 52,877,922

Source: City of Lawndale, Finance Department

CITY OF LAWDALE
Changes in Net Position
Last Nine Fiscal Years
(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:									
Governmental activities:									
General government	\$ 4,074,964	\$ 4,051,141	\$ 3,974,826	\$ 3,375,499	\$ 3,494,495	\$ 3,644,909	\$ 3,336,790	\$ 3,277,266	\$ 3,204,153
Public safety	5,533,190	5,637,010	5,481,018	5,166,327	4,984,084	4,767,707	4,744,660	4,567,440	4,567,840
Municipal services	1,078,957	1,026,693	1,161,697	1,090,955	5,109,539	4,676,472	5,446,000	5,086,433	5,121,295
Planning & community development	1,478,685	1,344,843	2,342,003	1,808,464	1,869,744	1,378,366	1,511,370	3,568,319	4,666,135
Recreation & community services	1,943,391	1,891,344	2,520,125	1,934,189	1,839,218	1,938,500	1,840,035	1,712,014	1,642,338
Public works	4,400,419	5,647,091	2,845,551	3,821,975	-	-	-	-	-
Interest on long-term debt	19,318	20,624	22,083	23,516	24,565	25,914	13,277	447,168	1,517,463
Total primary government expenses	<u>18,528,924</u>	<u>19,618,746</u>	<u>18,347,303</u>	<u>17,220,925</u>	<u>17,321,645</u>	<u>16,431,868</u>	<u>16,892,132</u>	<u>18,658,640</u>	<u>20,719,224</u>
Program revenues:									
Governmental activities:									
Charges for services									
General government	1,696,097	1,555,791	1,516,849	1,446,541	1,465,754	536,706	522,334	593,495	836,409
Public safety	-	-	-	-	12,200	597,372	553,723	582,465	562,262
Planning & community development	205,715	200,452	344,716	417,392	324,518	277,134	383,194	240,298	354,930
Other activities	961,062	630,519	399,385	334,282	2,164,047	335,099	281,859	244,957	204,520
Operating contributions & grants	727,699	192,529	289,943	461,251	1,155,002	143,560	139,215	64,825	100,000
Capital contributions & grants	3,410,974	3,548,855	3,036,855	7,526,062	2,317,196	1,777,527	451,796	1,968,800	2,692,869
Total primary government program revenue	<u>7,001,547</u>	<u>6,128,146</u>	<u>5,587,748</u>	<u>10,185,528</u>	<u>7,438,717</u>	<u>3,667,398</u>	<u>2,332,121</u>	<u>3,694,840</u>	<u>4,750,990</u>
Total net revenues (expenses)	(11,527,377)	(13,490,600)	(12,759,555)	(7,035,397)	(9,882,928)	(12,764,470)	(14,560,011)	(14,963,800)	(15,968,234)
General revenues and other changed in net position:									
Governmental activities:									
Taxes:									
Property tax, levied for general purpose	1,625,047	1,415,740	1,393,299	1,264,229	1,257,326	1,207,732	2,123,835	890,896	860,017
Property tax, Redevelopment tax increment	-	-	-	-	-	-	-	1,972,109	4,812,576
Transient occupancy tax	704,869	692,323	661,089	634,358	580,084	507,149	490,448	452,648	407,273
Sales tax	3,705,062	2,836,285	3,011,518	3,043,063	2,621,117	4,937,756	4,632,826	4,673,172	3,905,301
Franchise tax	762,816	746,337	719,734	760,317	600,595	577,720	494,445	427,277	504,479
Motor vehicle in lieu	3,615,968	3,425,585	3,259,248	3,124,005	2,967,075	2,853,843	2,797,818	2,772,165	2,892,525
Utility user tax	1,719,735	1,851,200	1,900,519	1,890,350	2,000,513	2,060,637	2,048,093	2,191,320	2,107,158
Investment income	-	-	-	-	110,233	99,903	116,388	135,534	333,253
Extraordinary items	1,414,559	-	-	5,042,253	-	-	-	-	-
Other general revenues	530,892	619,487	642,683	765,103	708,890	1,088,816	652,451	375,510	432,684
Total primary government revenue	<u>14,078,948</u>	<u>11,586,957</u>	<u>11,588,090</u>	<u>16,523,678</u>	<u>10,845,833</u>	<u>13,333,556</u>	<u>13,356,304</u>	<u>13,890,631</u>	<u>16,255,266</u>
Primary government change in net position, before any restatement of net position	\$ 2,551,571	\$ (1,903,643)	\$ (1,171,465)	\$ 9,488,281	\$ 962,905	\$ 569,086	\$ (1,203,707)	\$ (1,073,169)	\$ 287,032

The City of Lawndale has elected to show only nine years of data on this schedule since 2010 data is not classified in a consistent manner with other years shown.

CITY OF LAWDALE
Fund Balances of Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund:									
Nonspendable	\$ 7,702,065	\$ 8,600,651	\$ 9,452,893	\$ 9,510,896	\$ 11,504,529	\$ 927,304	\$ 3,032,263	\$ 6,904,925	\$ 7,303,787
Restricted	10,613	10,241	9,769	9,191	8,463	7,718	7,374	7,016	6,746
Committed	1,400,000	-	-	-	2,810,000	3,013,384	3,013,240	3,043,980	4,012,785
Assigned	-	-	-	-	245,962	153,496	222,555	195,104	391,868
Unassigned	7,520,502	6,143,591	5,763,383	6,929,628	2,857,327	14,214,377	15,426,052	11,221,961	11,560,364
Total general fund	\$ 16,633,180	\$ 14,754,483	\$ 15,226,045	\$ 16,449,715	\$ 17,426,281	\$ 18,316,279	\$ 21,701,484	\$ 21,372,986	\$ 23,275,550
All other governmental funds:									
Special revenue funds									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,083	\$ -	\$ -	\$ -
Restricted	11,421,078	10,366,294	9,910,179	10,006,156	4,304,127	5,259,292	4,912,033	8,629,477	9,014,063
Committed	-	-	-	-	-	7,495,609	10,624,274	12,319,580	12,316,681
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(524,855)	(490,001)	(432,709)	(701,781)	(553,245)	(518,309)	(738,453)	(991,389)
Capital project funds									
Restricted	3,514,320	3,139,813	3,958,313	2,982,818	-	-	-	-	-
Unassigned	(303,819)	(565,264)	(539,765)	(1,280,168)	-	-	-	-	(14,042,465)
Debt service funds									
Restricted	-	-	-	-	-	-	-	-	12,139,286
Total all other governmental funds:	\$ 14,631,579	\$ 12,415,988	\$ 12,838,726	\$ 11,276,097	\$ 3,602,346	\$ 12,688,739	\$ 15,017,998	\$ 20,210,604	\$ 18,436,176

The City of Lawndale has elected to show only nine years of data on this schedule since data was not available for 2010.

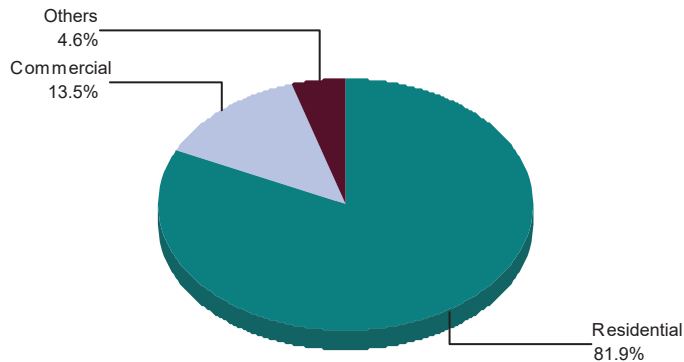
THE CITY OF LAWNSDALE

2018/19 USE CATEGORY SUMMARY

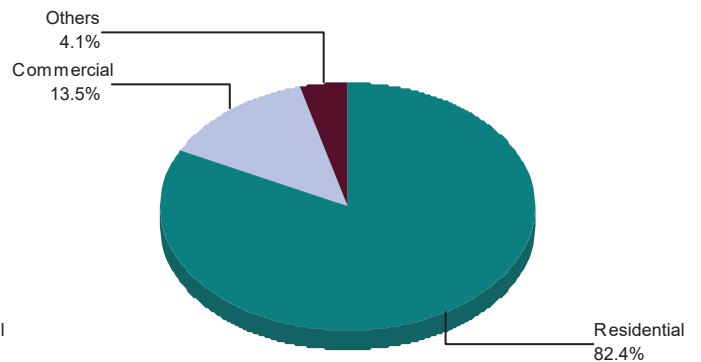
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	5,237	\$1,968,243,826 (81.9%)	\$1,964,008,507 (82.4%)
Commercial	376	\$323,243,826 (13.5%)	\$321,895,050 (13.5%)
Industrial	73	\$40,150,894 (1.7%)	\$40,150,894 (1.7%)
Institutional	17	\$9,317,294 (0.4%)	\$4,746,172 (0.2%)
Recreational	1	\$343,520 (0.0%)	\$343,520 (0.0%)
Vacant	81	\$11,116,571 (0.5%)	\$11,116,571 (0.5%)
Exempt	66	\$9,774,004 (0.4%)	\$0 (0.0%)
Cross Reference	[3]	\$2,561,562 (0.1%)	\$2,561,562 (0.1%)
Unsecured	[489]	\$37,730,273 (1.6%)	\$37,713,273 (1.6%)
TOTALS	5,851	\$2,402,481,770	\$2,382,535,549

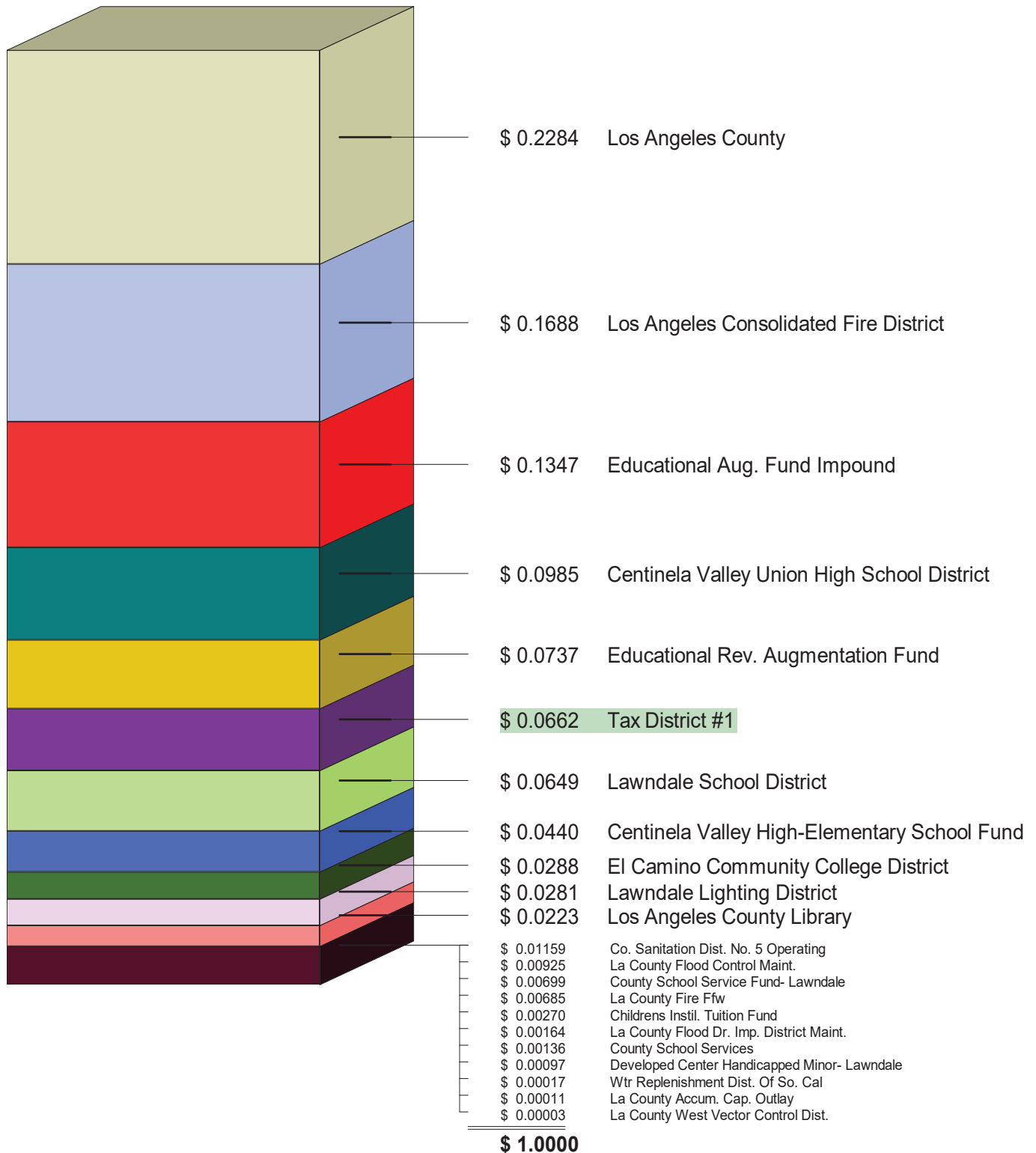
ASSESSED VALUE



NET TAXABLE VALUE



THE CITY OF LAWNSDALE PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 05164, Excluding Redevelopment Factors & Additional Debt Service

Data Source: Los Angeles County Assessor 2018/19 Annual Tax Increment Tables

Prepared On 12/19/2019 By MV

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

THE CITY OF LAWNSDALE

2018/19 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	5,785	0	489
TRAs	9	0	5
Values			
Land	1,388,171,425	0	0
Improvements	965,202,399	0	0
Personal Property	768,097	0	19,652,225
Fixtures	835,572	0	18,078,048
Aircraft	0	0	0
Total Value	\$2,354,977,493	\$0	\$37,730,273
Exemptions			
Real Estate	10,155,217	0	0
Personal Property	0	0	17,000
Fixtures	0	0	0
Aircraft	0	0	0
Homeowners*	14,221,682	0	0
Total Exemptions*	\$10,155,217	\$0	\$17,000
Total Net Value	\$2,344,822,276	\$0	\$37,713,273

Combined Values	Total
Total Values	\$2,392,707,766
Total Exemptions	\$10,172,217
Net Total Values	\$2,382,535,549

* Note: Homeowner Exemptions are not included in Total Exemptions

Data Source: Los Angeles County Assessor 2018/19 Combined Tax Rolls
 This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

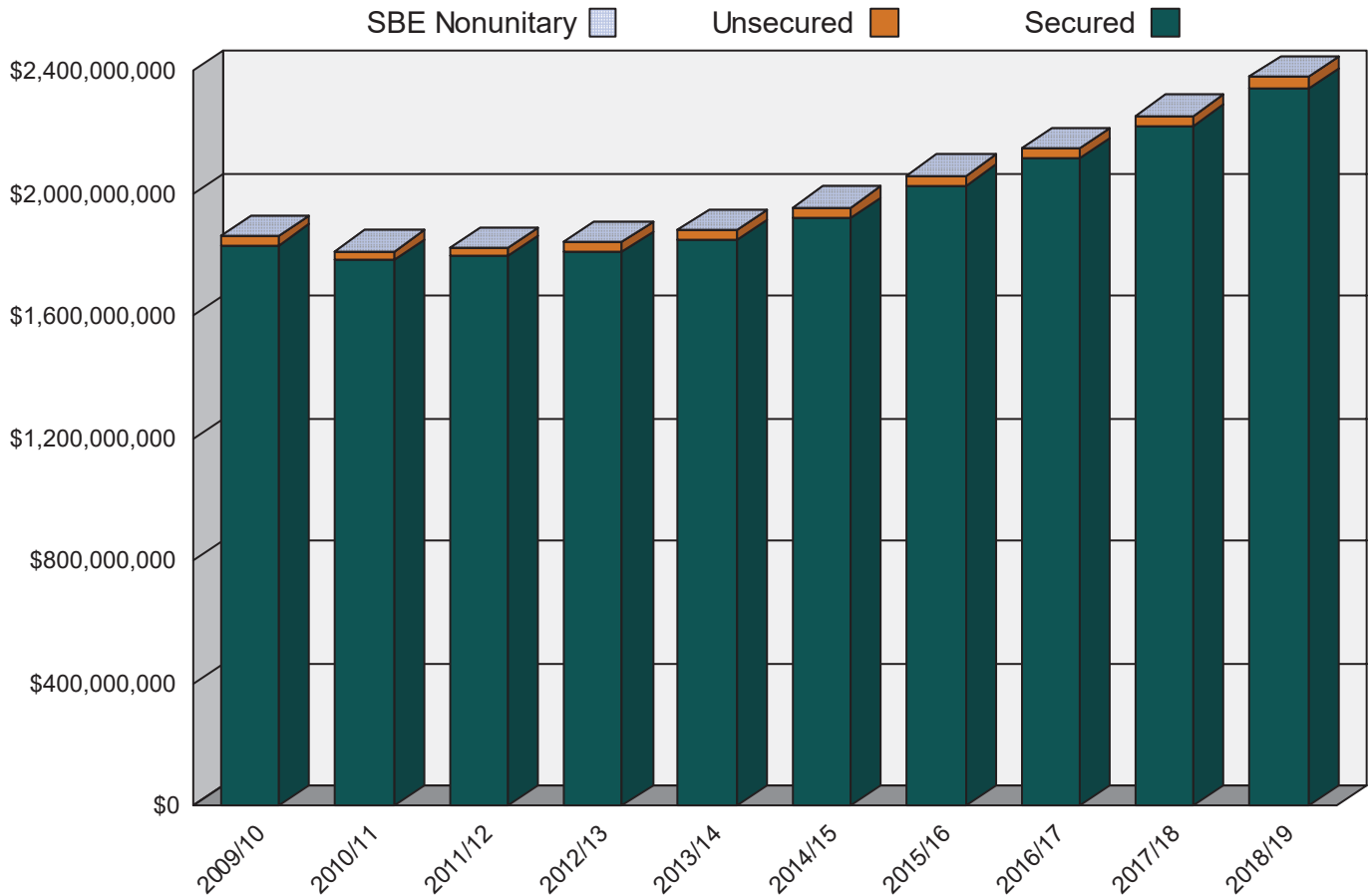
Prepared On 12/19/2019 By MV

THE CITY OF LAWNSDALE

NET TAXABLE ASSESSED VALUE HISTORY

2009/10 - 2018/19 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2009/10	\$1,831,477,610	\$28,979,163	\$0	1,860,456,773	
2010/11	\$1,784,384,720	\$28,152,145	\$0	1,812,536,865	-2.58%
2011/12	\$1,795,390,440	\$28,336,944	\$0	1,823,727,384	0.62%
2012/13	\$1,808,651,374	\$31,655,954	\$0	1,840,307,328	0.91%
2013/14	\$1,846,823,697	\$32,531,368	\$0	1,879,355,065	2.12%
2014/15	\$1,920,865,673	\$33,753,426	\$0	1,954,619,099	4.00%
2015/16	\$2,026,901,378	\$31,785,416	\$0	2,058,686,794	5.32%
2016/17	\$2,114,593,655	\$32,592,158	\$0	2,147,185,813	4.30%
2017/18	\$2,221,993,832	\$33,589,535	\$0	2,255,583,367	5.05%
2018/19	\$2,344,822,276	\$37,713,273	\$0	2,382,535,549	5.63%



THE CITY OF LAWNSDALE

ASSESSED VALUE OF TAXABLE PROPERTY

2009/10 - 2018/19 Taxable Property Values

Category	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Residential	1,526,252,163	1,481,103,614	1,493,363,657	1,503,565,769	1,530,140,085	1,600,481,244	1,693,948,565	1,767,690,552	1,857,261,345	1,964,008,507
Commercial	255,433,748	255,225,571	255,129,317	259,048,063	268,725,979	271,985,676	283,088,415	297,091,922	312,684,592	321,895,050
Industrial	32,203,458	32,439,312	32,194,766	32,451,951	33,487,063	33,168,890	33,489,492	34,333,192	35,350,627	40,150,894
Institutional	3,653,897	3,663,893	3,670,360	3,909,609	4,078,791	4,445,001	4,190,700	4,307,889	4,631,070	4,746,172
Recreational	343,278	342,463	345,040	351,939	358,976	360,604	367,807	373,415	581,585	343,520
Vacant	12,164,398	10,215,293	9,282,251	7,890,420	8,570,509	9,058,336	9,383,970	8,327,163	8,973,277	11,116,571
Cross Reference	1,426,668	1,394,552	1,405,049	1,433,623	1,462,294	1,365,922	2,432,429	2,469,522	2,511,336	2,561,562
Unsecured	28,979,163	28,152,145	28,336,944	31,655,954	32,531,368	33,753,426	31,785,416	32,592,158	33,589,535	37,713,273
Exempt	[10,548,379]	[10,489,204]	[9,935,933]	[11,641,044]	[11,677,961]	[11,533,961]	[11,503,609]	[9,823,786]	[9,794,868]	[9,774,004]
Unknown		22								
TOTALS	1,860,456,773	1,812,536,865	1,823,727,384	1,840,307,328	1,879,355,065	1,954,619,099	2,058,686,794	2,147,185,813	2,255,583,367	2,382,535,549
Total Direct Rate	0.31108	0.30522	0.30607	0.30992	0.06627	0.06627	0.06627	0.06627	0.06617	0.06624

Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited 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 of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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.

Data Source: Los Angeles County Assessor 2009/10 - 2018/19 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 12/19/2019 By MV

THE CITY OF LAWNSDALE

DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
El Camino Community College	0.01487	0.01614	0.01688	0.01849	0.01750	0.01742	0.01745	0.02294	0.02120	0.02223
Hawthorne School District	0.07406	0.09394	0.09252	0.11286	0.10797	0.10620	0.10176	0.09553	0.08818	0.08395
Lawndale Elementary School Dist	0.04760	0.05429	0.04363	0.04919	0.04651	0.04334	0.04207	0.04064	0.06143	0.06385
Metropolitan Water District	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Wiseburn-Centimela Unified	0.02918	0.03161	0.04985	0.05906	0.04369	0.08365	0.07241	0.08296	0.06531	0.10111
Total Direct & Overlapping² Tax Rates	1.17001	1.19968	1.20659	1.24309	1.21918	1.25411	1.23719	1.24558	1.23963	1.27464
City's Share of 1% Levy Per Prop 13³	0.06624	0.06624	0.06624	0.06624	0.06624	0.06624	0.06624	0.06624	0.06624	0.06624
Voter Approved City Debt Rate										
Redevelopment Rate⁴	1.00430	1.00370	1.00370							
Total Direct Rate⁵	0.31108	0.30522	0.30607	0.30992	0.06627	0.06627	0.06627	0.06627	0.06617	0.06624

Notes:
¹In 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 of assessed property values for the payment of any voter approved bonds.
²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.
³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.
⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

THE CITY OF LAWNDALE

2018/19 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value % of Net AV	Parcels	Value % of Net AV	Value % of Net AV	% of Net AV	
1) LAWNDALE MARKET PLACE LLC	8	\$13,327,629 0.57%			\$13,327,629 0.56%		Commercial Successor Agency
2) LLS GROUP 4 LLC	14	\$11,005,000 0.47%			\$11,005,000 0.46%		Residential Successor Agency
3) 94-20 NORTHERN BLVD REALTY (Pending Appeals On Parcels)	1	\$9,419,977 0.40%			\$9,419,977 0.40%		Commercial Successor Agency
4) LAWNDALE LLC	4	\$8,085,864 0.34%			\$8,085,864 0.34%		Commercial Successor Agency
5) BAYTOWER CORPORATE CENTER	1	\$7,595,151 0.32%	1	\$5,300 0.01%	\$7,600,451 0.32%		Commercial Successor Agency
6) RICH LAWNDALE LLC	1	\$7,203,299 0.31%			\$7,203,299 0.30%		Commercial Successor Agency
7) LARCH ASSOCIATES LLC	1	\$7,110,640 0.30%			\$7,110,640 0.30%		Residential TD #1
8) G AND M GAPCO LLC (Pending Appeals On Parcels)	2	\$5,415,058 0.23%	1	\$1,351,338 3.58%	\$6,766,396 0.28%		Commercial Successor Agency
9) SBP ENTERPRISES LLC	1	\$6,686,502 0.29%			\$6,686,502 0.28%		Commercial Successor Agency
10) TABIBI FARIBA DDS	10	\$6,496,589 0.28%			\$6,496,589 0.27%		Residential TD #1
Top Ten Total	43	\$82,345,709 3.51%	2	\$1,356,638 3.60%	\$83,702,347 3.51%		
City Total		\$2,344,822.276		\$37,713,273	\$2,382,535,549		

Top Owners last edited on 12/18/19 by MaheaV using sales through 06/30/19 (Version R.1)

Data Source: Los Angeles County Assessor 2018/19 Combined Tax Rolls and the SBE Non Unitary Tax Roll

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 12/19/2019 By MV

THE CITY OF LAWNDALE

2009/10 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value % of Net AV	Parcels	Value % of Net AV	Value % of Net AV	% of Net AV	
1) LAWNDALE MARKET PLACE LLC	6	\$11,471,837 0.63%			\$11,471,837	0.62%	Commercial Successor Agency
2) SCP 2006 C23 CATX GL LP SUB (Pending Appeals On Parcels)	1	\$8,323,200 0.45%			\$8,323,200	0.45%	Commercial Successor Agency
3) LAWNDALE LLC	4	\$7,144,445 0.39%			\$7,144,445	0.38%	Commercial Successor Agency
4) BAYTOWER CORPORATE CENTER	1	\$6,710,840 0.37%			\$6,710,840	0.36%	Commercial Successor Agency
5) FARIBA TABIBI	9	\$6,462,878 0.35%			\$6,462,878	0.35%	Residential TD #1
6) RICH LAWNDALE LLC	1	\$6,364,611 0.35%			\$6,364,611	0.34%	Commercial Successor Agency
7) BAN DEVELOPMENT	12	\$6,270,091 0.34%			\$6,270,091	0.34%	Residential TD #1
8) SBP ENTERPRISES LLC	1	\$5,907,987 0.32%			\$5,907,987	0.32%	Commercial Successor Agency
9) SATNAAM INVESTMENTS	1	\$5,560,537 0.30%			\$5,560,537	0.30%	Commercial Successor Agency
10) MARIO AND MARIA ALVAREZ	1	\$5,517,950 0.30%			\$5,517,950	0.30%	Residential TD #1
Top Ten Total	37	\$69,734,376 3.81%	0	\$0 0.00%	\$69,734,376	3.75%	
City Total		\$1,831,477,610		\$28,979,163	\$1,860,456,773		

Top Owners last edited on 7/28/10 by nicholec using sales through 06/30/10 (Version th.0)

Data Source: Los Angeles County Assessor 2009/10 Combined Tax Rolls and the SBE Non Unitary Tax Roll

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 12/19/2019 By MV

THE CITY OF LAWDALE

DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2019

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Overlapping Debt			
*320.05 METROPOLITAN WATER DISTRICT	23,317,224	0.133	30,998
501.51 HAWTHORNE SD DS 1997 SERIES B	1,179,530	0.519	6,125
501.52 HAWTHORNE SD DS 1997 SERIES C	2,170,405	0.519	11,270
501.53 HAWTHORNE SD DS 1997 SERIES 2004 D	50,364	0.519	262
501.54 HAWTHORNE SD DS 2004 2005 SERIES A	488,951	0.519	2,539
501.56 HAWTHORNE SD DS 2004 SERIES 2005B	2,510,102	0.519	13,034
501.57 HAWTHORNE SD DS 2004, SERIES C 2008	7,936,599	0.519	41,210
501.58 HAWTHORNE SD DS 2008,2009 SERIES A	5,664,016	0.519	29,410
501.59 HAWTHORNE SD DS 2008 2012 SERIES B	11,156,770	0.519	57,931
501.60 HAWTHORNE SD DS REF BONDS 2004 2015 SERIES A	5,360,000	0.519	27,831
501.61 HAWTHORNE SD DS REF BONDS 97, 2015 SERIES B	37,585,000	0.519	195,157
545.52 LAWDALE ELEMENTARY SD DS 1998 SERIES C	2,950,000	59.466	1,754,241
545.53 LAWDALE ELEMENTARY SD DS 2010 REF BOND	7,975,000	59.466	4,742,397
545.54 LAWDALE ELEMENTARY SD DS 2016 SERIES A 2017	14,595,000	59.466	8,679,032
545.55 LAWDALE ELEMENTARY SD DS 2017 REF BOND	10,000,000	59.466	5,946,579
725.54 CENTINELA-WISEBURN UNION HSD 2002 REF BOND S-A	11,085,000	22.656	2,511,429
725.56 CENTINELA-WISEBURN UNION HSD 2004 REF BOND S-A	24,765,000	22.656	5,610,783
725.57 CENTINELA-WISEBURN UNION HSD 2008 SERIES A	19,148,502	22.656	4,338,304
725.58 CENTINELA-WISEBURN UNION HSD 2010, 11 SERIES A	479,358	22.656	108,604
725.59 CENTINELA-WISEBURN UNION HSD 2010, 12 SERIES B	5,587,649	22.656	1,265,943
725.61 CENTINELA-WISEBURN UNION HSD 2008 2013 SERIES B	4,950,000	22.656	1,121,477
725.62 CENTINELA-WISEBURN UNION HSD DS 2008 2014 SERIES C	17,460,000	22.656	3,955,755
725.63 CENTINELA-WISEBURN UNION HSD 2008, 2014 SERIES D	6,730,000	22.656	1,524,755
725.64 CENTINELA-WISEBURN UNION HSD 2016 REF BOND	26,790,000	22.656	6,069,569
725.66 CENTINELA-WISEBURN UNION HSD 2016 REF BOND C	138,180,000	22.656	31,306,198
725.67 CENTINELA-WISEBURN SFID DS 2016 2017 SERIES A	110,000,000	13.674	15,041,790
797.53 EL CAMINO CCD DS 2002 SERIES 2012C	177,350,103	2.146	3,805,484
797.54 EL CAMINO CCD DS 2012 REF BONDS	30,935,000	2.146	663,787
797.55 EL CAMINO CCD DS 2012 SERIES 2016 A	90,750,000	2.146	1,947,265
797.56 EL CAMINO CCD DS 2016 REF BONDS	71,165,000	2.146	1,527,021
797.57 EL CAMINO CCD DS 2012 SERIES 2018B	50,000,000	2.146	1,072,873
Total Overlapping Debt			103,409,050

2018/19 Assessed Valuation: \$1,618,096,520 After Deducting \$764,439,029 Incremental Value.

Debt To Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping Debt	6.39%
	Total Debt	6.39%

*This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2018/19 Lien Date Tax Rolls
 This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 12/19/2019 By MV

THE CITY OF LAWNSDALE

DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2010

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Direct Debt			
181.01 I-BANK PARK CONSTRUCTION LOAN	860,000	100.000	860,000
Total Direct Debt			860,000
Overlapping Debt			
*320.05 METROPOLITAN WATER DISTRICT	121,475,156	0.159	193,674
501.51 HAWTHORNE S.D. DS 1997 SERIES B	4,961,382	0.631	31,297
501.52 HAWTHORNE SD DS 1997 SER C	3,229,844	0.631	20,374
501.53 HAWTHORNE SD DS 1997 SER 2004 D	1,492,115	0.631	9,412
501.54 HAWTHORNE SCHOOL DISTRICT 2004 2005 SERIES A	7,710,061	0.631	48,636
501.55 HAWTHORNE SCHOOL DS REF BONDS 97 2005 S. E	7,820,000	0.631	49,329
501.56 HAWTHORNE CSD DS 2004 SERIES 2005B	5,108,625	0.631	32,226
501.57 HAWTHORNE SD 2004, SERIES C 2008	9,036,599	0.631	57,004
545.50 LAWNSDALE ELEMENTARY S.D. DS 1998 SERIES A	8,010,000	60.771	4,867,734
545.51 LAWNSDALE ELEMENTARY SD DS 1998 SERIES B	11,460,000	60.771	6,964,323
725.54 CENTINELA UNION HSD DS 02 REF. BOND S-A	16,195,000	12.941	2,095,742
725.56 CENTINELA VALLEY UNION HSD DS 04 REF. BOND S-A	33,770,000	12.941	4,370,065
797.50 EL CAMINO CCS DS 2002 S-2003A	6,680,000	2.314	154,547
797.51 EL CAMINO CCD DS 2005 REF. BONDS	29,413,943	2.314	680,513
797.52 EL CAMINO CCD DS 2002 SERIES 2006B	139,150,000	2.314	3,219,335
Total Overlapping Debt			22,794,211
Total Direct and Overlapping Debt			23,654,210

2009/10 Assessed Valuation: \$1,374,922,272 After Deducting \$485,534,501 Incremental Value.

Debt To Assessed Valuation Ratios:	Direct Debt	0.06%
	Overlapping Debt	1.66%
	Total Debt	1.72%

*This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Data Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2009/10 Lien Date Tax Rolls
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

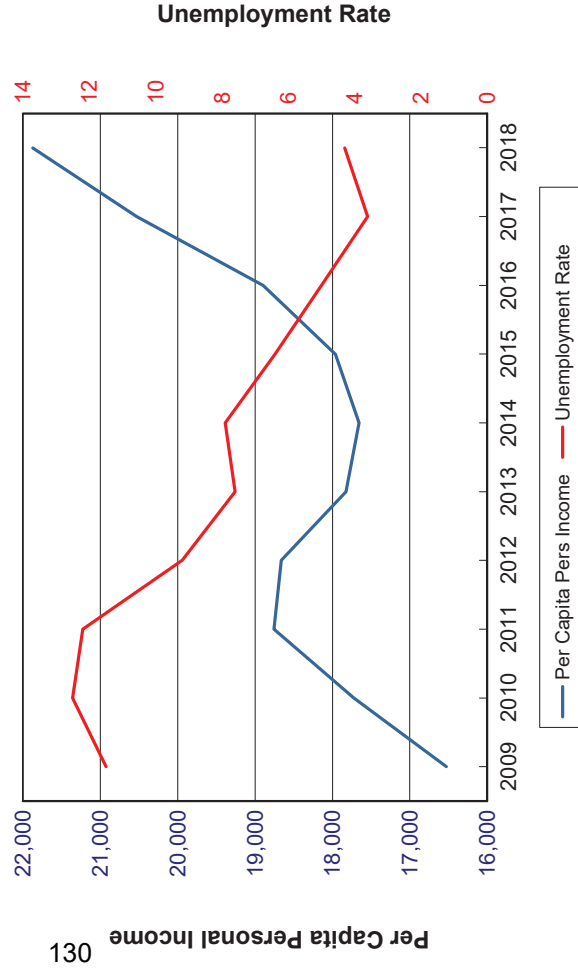
Prepared On 12/19/2019 By MV

THE CITY OF LAWNSDALE

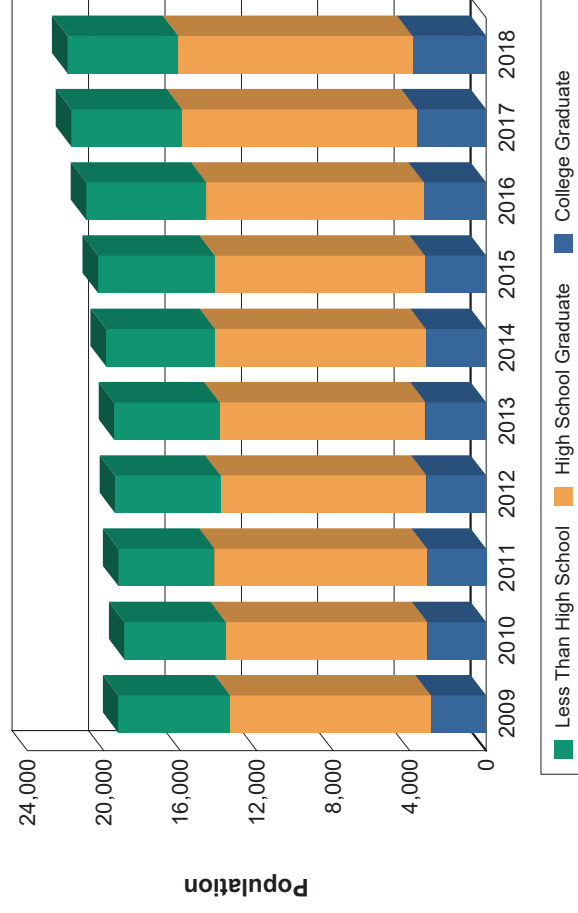
DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2009	33,469	\$553,218	\$16,529	11.5%	29.4	69.6%	15.1%
2010	33,641	\$596,119	\$17,720	12.5%	30.7	72.0%	16.3%
2011	32,887	\$616,796	\$18,755	12.2%	30.5	73.9%	16.1%
2012	33,058	\$616,961	\$18,663	9.2%	31.1	71.6%	16.1%
2013	33,228	\$592,356	\$17,827	7.6%	31.6	71.7%	16.3%
2014	33,242	\$586,954	\$17,657	7.9%	31.9	71.4%	15.9%
2015	33,496	\$601,597	\$17,960	6.4%	32.5	70.0%	15.8%
2016	33,365	\$630,432	\$18,895	5.0%	32.8	70.0%	15.6%
2017	33,607	\$690,055	\$20,533	3.6%	34.9	73.3%	16.8%
2018	33,436	\$731,315	\$21,872	4.3%	35.0	73.6%	17.6%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department 2000-2009 Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries

2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

CITY OF LAWNSDALE
Principal Employers
Current Year and Ten Years Ago

Employer	2019		2009	
	Number of Employees	Percent of Total City Employment	Number of Employees	Percent of Total City Employment
City of Lawndale	99	2.98%	105	3.64%
VCA Advanced Veterinary Care	76	2.29%	40	1.39%
Target Store	75	2.26%		
El Super #43	72	2.17%		
McDonald's	72	2.17%	60	2.08%
Corepower Yoga LLC	53	1.60%		
Options For Life Inc	50	1.51%		
American Drilling Company	43	1.30%	68	2.36%
Carbro Corporation	40	1.20%	56	1.94%
Guitar Center	40	1.20%	47	1.63%
Value Plus Food Warehouse			91	3.15%
La Vida Medical Group			82	2.84%
Big Saver Foods			66	2.29%
El Pollo Inka	38	1.14%	44	1.52%
WEMS			42	1.46%
Property Prep			41	1.42%
Spires Restaurant	35	1.05%	36	1.25%
99 Cents Only Store			36	1.25%
Westwood Building Materials	24	0.72%	32	1.11%

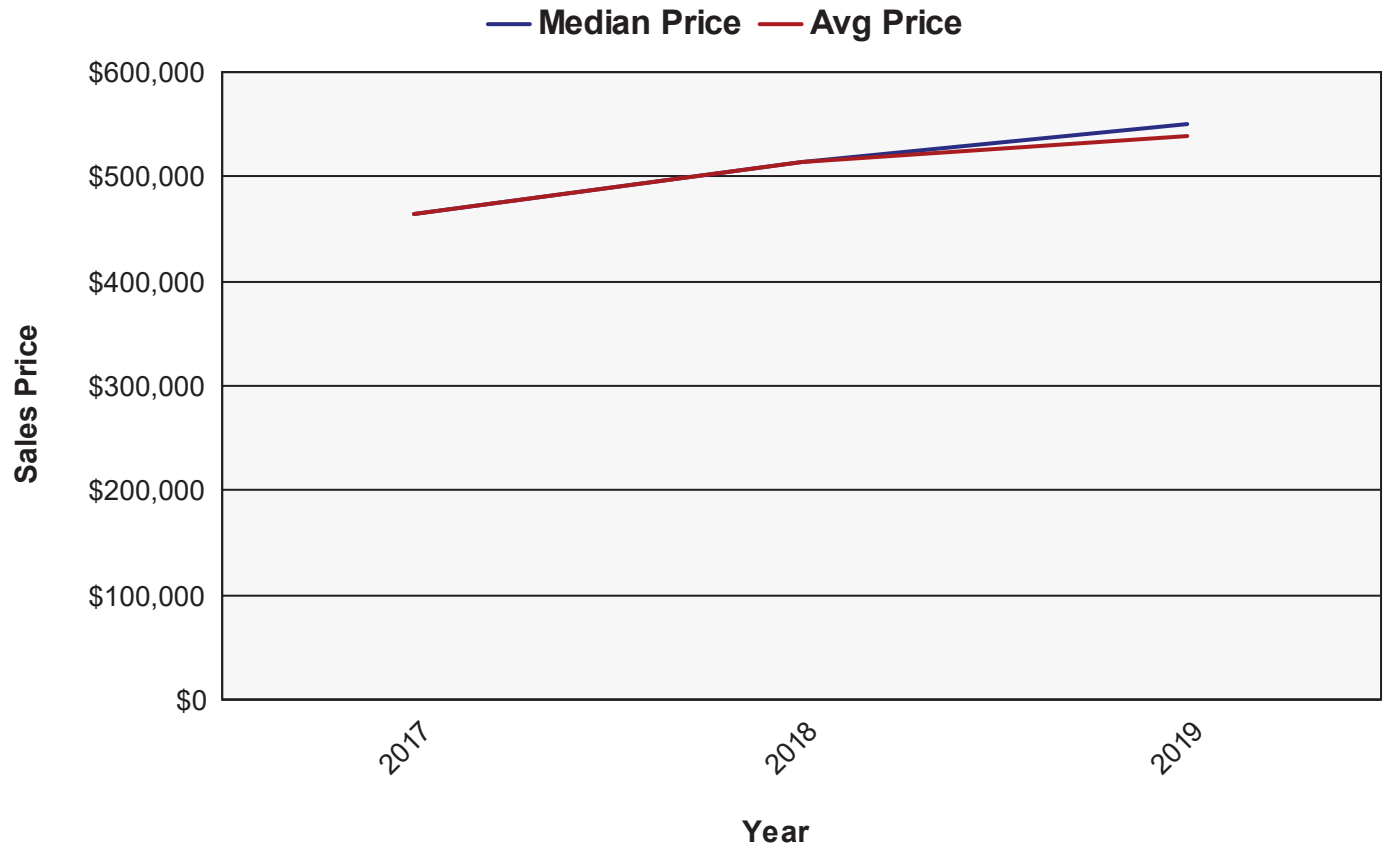
Source: City of Lawndale, Finance Department
US Census Bureau

THE CITY OF LAWNSDALE

SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2017 - 11/30/2019)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2017	147	\$463,901	\$465,000	
2018	128	\$513,266	\$514,500	10.65%
2019	111	\$539,716	\$550,000	6.90%



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: Los Angeles County Recorder

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 12/19/2019 By MV

CITY OF LAWNSDALE
TOP 25 SALES TAX PRODUCERS
FOR FISCAL YEAR 2018-19

Business Name	Business Category
Arco	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Austra Motors	Used Automotive Dealers
Capitol Wholesale Electric Supply	Plumbing/Electrical Supplies
Chevron	Service Stations
Cooks Lumber & Hardware	Building Materials
CVS Pharmacy	Drug Stores
Dunn Edwards Paint	Paint/Glass/Wallpaper
El Pollo Inka	Casual Dining
Guitar Center	Music Stores
Hawthorne Motors	Used Automotive Dealers
Hawthorne Motors Express	Used Automotive Dealers
McDonald's	Quick-Service Restaurants
Panda Express	Fast-Casual Restaurants
RJ's Construction & Landscaping Supplies	Contractors
Sherwin Williams	Paint/Glass/Wallpaper
Shilpark Paint	Paint/Glass/Wallpaper
Smart & Final	Grocery Stores
United Oil	Service Stations
USA Gasoline	Service Stations
Video & Audio Center	Electronics/Appliance Stores
Vio's Auto Sales	Used Automotive Dealers
Westwood Building Materials	Building Materials

Percent of Fiscal Year Total Paid By Top 25 Accounts = 64.79%

* Firms Listed Alphabetically
 Period: July 2018 Thru March 2019

Printed 12/19/2019

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

CITY OF LAWNSDALE
TOP 25 SALES TAX PRODUCERS
FOR FISCAL YEAR 2009-10

Business Name	Business Category
99 Cents Only	Variety Stores
Anthony's Ready Mix	Contractors
Arco	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Big Saver Foods	Grocery Stores
Capitol Wholesale Electric Supply	Plumbing/Electrical Supplies
Chevron	Service Stations
Cook's Lumber & Hardware	Building Materials
CVS Pharmacy	Drug Stores
Dunn Edwards Paint	Paint/Glass/Wallpaper
El Pollo Inka	Casual Dining
Fry's Shell	Service Stations
Guitar Center	Music Stores
Hawthorne Motors	Used Automotive Dealers
McDonald's	Quick-Service Restaurants
Pep Boys	Automotive Supply Stores
Rapid Gas	Service Stations
Shilpark Paint	Paint/Glass/Wallpaper
Smart & Final	Grocery Stores
Valu Plus	Grocery Stores
Video & Audio Center	Electronics/Appliance Stores
Vio's Auto Sales	Used Automotive Dealers
Westwood Building Materials	Building Materials

Percent of Fiscal Year Total Paid By Top 25 Accounts = 62.28%

* Firms Listed Alphabetically
 Period: July 2009 Thru March 2010

Printed 12/19/2019

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

City of Lawndale
 Taxable Sales by Category
 Last Ten Calendar Years
 (in thousands of dollars)
 Adjusted for Economic Data

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Apparel Stores	\$ 3,717	\$ 3,170	\$ 3,444	\$ 3,483	\$ 2,989	\$ 2,964	\$ 3,132	\$ 3,514	\$ 3,770	\$ 3,186
Food Stores	9,820	9,372	9,254	9,055	8,502	8,452	8,424	8,535	8,665	7,671
Eating and Drinking Places	28,970	29,281	31,062	32,185	31,274	35,618	39,436	42,042	44,616	46,218
Building Materials	32,678	29,271	32,823	32,585	37,516	41,597	42,282	44,902	46,850	51,029
Auto Dealers and Supplies	17,288	22,570	22,938	26,013	26,300	27,665	32,466	31,111	26,640	23,263
Service Stations	50,760	62,166	72,123	73,274	70,720	67,765	61,863	50,592	56,931	58,662
Other Retail Stores	35,914	33,178	32,771	33,688	32,752	35,962	38,287	41,706	49,874	51,287
All Other Outlets	38,683	40,415	41,916	43,834	47,220	50,637	57,109	59,679	64,204	65,033
Total	\$ 217,830	\$ 229,423	\$ 246,331	\$ 254,117	\$ 257,273	\$ 270,660	\$ 282,999	\$ 282,081	\$ 301,550	\$ 306,349

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

CITY OF LAWDALE
 Full-Time Equivalent City Employees by Function
 Last Ten Fiscal Years

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	39	39	39	39	38	38	38	38	41	41
Public safety	16	16	16	16	15	15	15	12	13	13
Community development	4	4	5	5	6	6	6	6	7	7
Culture and leisure	40	40	40	40	40	40	40	44	44	44
Total	99	99	100	100	99	99	99	100	105	105

Source: City of Lawndale, Finance Department

THIS PAGE INTENTIONALLY LEFT BLANK