

CITY OF LAWNSDALE, CALIFORNIA  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

PREPARED BY  
FINANCE DEPARTMENT

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CITY OF LAWNSDALE  
 FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2018

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CITY OF LAWNSDALE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2018

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## **BASIC FINANCIAL STATEMENTS**

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## 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, 2018, 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, 2018, 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.

### ***Emphasis of Matter***

As discussed in Note 11 to the financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The adoption of the standard required retrospective application of previously reported net position and reclassification of certain accounts as of July 1, 2017 as described in Note 11 to the basic financial statements. In addition, the net OPEB liability is reported in the Statement of Net Position in the amount of \$4,059,091 as of the measurement date. The City hired a qualified actuary to evaluate the Net OPEB Liability as of the measurement date as required by GASB Statement No. 75. The Net OPEB Liability is calculated by actuaries using estimates and actuarial techniques from actuarial valuation as of June 30, 2017. **The actuary applied the Section 3.7.7(c)(4) of the ASOP No. 6, as revised, and determined age-adjusted rates are not necessary and therefore, the Implicit Rate Subsidy is not applicable in calculating the total projection of benefits payments.** Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules for the General Fund, the Restricted Urban Development and the Lawndale Housing Authority major special revenue funds, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, and the schedule of changes in the total OPEB liability and related ratios 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.

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





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

*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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 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, Solt & Lughard, LLP*

Brea, California  
March 26, 2019

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY OF LAWDALE

STATEMENT OF NET POSITION  
JUNE 30, 2018

	<u>Primary Government</u>
	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments	\$ 12,913,411
Receivables:	
Accounts	1,385,127
Grants	983,581
Accrued interest	21,539
Notes and loans	384,201
Agreements with Successor Agency	22,159,696
Prepaid costs	733,400
Land held for development	634,983
Capital assets not being depreciated	6,969,288
Capital assets, net of depreciation	<u>37,900,580</u>
<b>Total Assets</b>	<b><u>84,085,806</u></b>
<b>Deferred Outflows of Resources</b>	
Deferred pension related outflows	<u>2,223,776</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>2,223,776</u></b>
<b>Liabilities</b>	
Accounts payable	2,038,954
Accrued liabilities	110,830
Accrued interest	7,745
Deposits payable	788,878
Noncurrent liabilities:	
Due within one year	240,211
Due in more than one year	943,435
Total OPEB obligation	4,059,091
Net pension liability	<u>7,233,212</u>
<b>Total Liabilities</b>	<b><u>15,422,356</u></b>
<b>Deferred Inflows of Resources</b>	
Deferred pension related inflows	<u>782,260</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>782,260</u></b>
<b>Net Position</b>	
Net investment in capital assets	44,308,151
Restricted for:	
Community development projects	253,019
Public safety	105,410
Parks and recreation	7,804,734
Public works	1,078,799
Capital projects	2,382,930
Air quality	131,525
Municipal services	11,338
Housing	1,748,593
Unrestricted	<u>12,280,467</u>
<b>Total Net Position</b>	<b><u>\$ 70,104,966</u></b>

CITY OF LAWNSDALE

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018

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
<b>Primary Government</b>					
Governmental Activities:					
General government	\$ 4,051,141	\$ 1,555,791	\$ -	\$ -	\$ (2,495,350)
Public safety	5,637,010	-	141,266	-	(5,495,744)
Municipal services	1,026,693	-	-	-	(1,026,693)
Planning and community development	2,052,068	200,452	-	600,667	(1,250,949)
Recreation and community services	2,495,460	-	8,578	-	(2,486,882)
Public works	4,335,750	630,519	42,685	2,948,188	(714,358)
Interest on long-term debt	20,624	-	-	-	(20,624)
<b>Total Governmental Activities</b>	<b>19,618,746</b>	<b>2,386,762</b>	<b>192,529</b>	<b>3,548,855</b>	<b>(13,490,600)</b>
<b>Total Primary Government</b>	<b>\$ 19,618,746</b>	<b>\$ 2,386,762</b>	<b>\$ 192,529</b>	<b>\$ 3,548,855</b>	<b>(13,490,600)</b>
<b>General Revenues</b>					
Taxes:					
Property taxes, levied for general purpose					1,415,740
Transient occupancy taxes					692,323
Sales taxes					2,836,285
Franchise taxes					746,337
Utility users tax					1,851,200
Motor vehicle in lieu - unrestricted					3,425,585
Use of money and property					519,326
Miscellaneous					100,161
<b>Total General Revenues</b>					<b>11,586,957</b>
Change in Net Position					(1,903,643)
Net Position, Beginning of Year					73,846,900
Restatement of Net Position					(1,838,291)
<b>Net Position, End of Year</b>					<b>\$ 70,104,966</b>

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**FUND FINANCIAL STATEMENTS**  
**Governmental Fund Financial Statements**  
**and**  
**Fiduciary Fund Financial Statements**

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

CITY OF LAWDALE

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Restricted Urban Development</u>	<u>Lawndale Housing Authority</u>	<u>Nonmajor Governmental Funds</u>
<b>Assets</b>				
Cash and investments	\$ 6,224,730	\$ 377,122	\$ 1,128,757	\$ 5,182,802
Receivables:				
Accounts	1,240,831	-	7	144,289
Grants	-	-	-	983,581
Accrued interest	10,254	632	1,921	8,732
Notes and loans	-	-	137,663	246,538
Agreements with Successor Agency	12,359,559	9,800,137	-	-
Prepaid costs	733,400	-	-	-
Due from other funds	1,260,477	-	-	-
Land held for development	147,900	-	487,083	-
<b>Total Assets</b>	<b>\$ 21,977,151</b>	<b>\$ 10,177,891</b>	<b>\$ 1,755,431</b>	<b>\$ 6,565,942</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,775,865	\$ 18,678	\$ 200	\$ 244,211
Accrued liabilities	89,632	-	3,125	18,073
Deposits payable	716,963	-	718	71,197
Due to other funds	-	-	-	1,260,477
<b>Total Liabilities</b>	<b>2,582,460</b>	<b>18,678</b>	<b>4,043</b>	<b>1,593,958</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	4,640,208	3,629,994	2,795	833,808
<b>Total Deferred Inflows of Resources</b>	<b>4,640,208</b>	<b>3,629,994</b>	<b>2,795</b>	<b>833,808</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepaid costs	733,400	-	-	-
Land held for development	147,900	-	-	-
Agreements with Successor Agency	7,719,351	-	-	-
Restricted for:				
Community development projects	-	-	-	253,019
Public safety	-	-	-	105,410
Recreation and community services	10,241	6,529,219	-	1,265,274
Public works	-	-	-	1,078,799
Capital projects	-	-	-	2,382,930
Air quality	-	-	-	131,525
Municipal services	-	-	-	11,338
Housing	-	-	1,748,593	-
Committed to:				
Unassigned	6,143,591	-	-	(1,090,119)
<b>Total Fund Balances</b>	<b>14,754,483</b>	<b>6,529,219</b>	<b>1,748,593</b>	<b>4,138,176</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 21,977,151</b>	<b>\$ 10,177,891</b>	<b>\$ 1,755,431</b>	<b>\$ 6,565,942</b>

CITY OF LAWNSDALE

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<b>Total Governmental Funds</b>
<b>Assets</b>	
Cash and investments	\$ 12,913,411
Receivables:	
Accounts	1,385,127
Grants	983,581
Accrued interest	21,539
Notes and loans	384,201
Agreements with Successor Agency	22,159,696
Prepaid costs	733,400
Due from other funds	1,260,477
Land held for development	634,983
	<hr/>
<b>Total Assets</b>	<b>\$ 40,476,415</b>
	<hr/>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 2,038,954
Accrued liabilities	110,830
Deposits payable	788,878
Due to other funds	1,260,477
	<hr/>
<b>Total Liabilities</b>	<b>4,199,139</b>
	<hr/>
<b>Deferred Inflows of Resources</b>	
Unavailable revenues	9,106,805
	<hr/>
<b>Total Deferred Inflows of Resources</b>	<b>9,106,805</b>
	<hr/>
<b>Fund Balances</b>	
Nonspendable:	
Prepaid costs	733,400
Land held for development	147,900
Agreements with Successor Agency	7,719,351
Restricted for:	
Community development projects	253,019
Public safety	105,410
Recreation and community services	7,804,734
Public works	1,078,799
Capital projects	2,382,930
Air quality	131,525
Municipal services	11,338
Housing	1,748,593
Committed to:	
Unassigned	5,053,472
	<hr/>
<b>Total Fund Balances</b>	<b>27,170,471</b>
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<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 40,476,415</b>
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CITY OF LAWDALE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

Total Fund Balances - Governmental Funds		\$ 27,170,471
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.		44,869,868
Deferred inflows of resources reported for the pension plan for government-wide statements are amortized:		
Employer contributions subsequent to the measurement date	\$ 600,369	
Changes in assumptions	1,227,800	
Differences between expected and actual experiences	9,896	
Net difference between projected and actual earnings	289,567	
Changes in employer's proportion	<u>96,144</u>	2,223,776
Accrued interest on long-term debt does not require current financial resources. Therefore, accrued interest is not reported as a liability in the governmental funds balance sheet.		(7,745)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. These include:		
Facility and site lease note	(561,717)	
Compensated absences	<u>(621,929)</u>	(1,183,646)
Governmental funds report all pension contributions as expenditures, however, in the statement of net position, the excess of the plan proportionate share of the total pension liability over the proportionate share of the plan fiduciary net position is reported as a net pension liability.		(7,233,212)
Governmental funds report all OPEB contributions as expenditures, however in the Statement of Net Position any excesses or deficiencies in contributions in relation to the Actuarially Determined Contribution (ADC) are recorded as an asset or a liability.		(4,059,091)
Deferred inflows of resources reported for the pension plan for government-wide statements are amortized:		
Changes in assumptions	(93,621)	
Differences between expected and actual experiences	(141,772)	
Differences between the employer's contributions and the employer's proportionate share of contributions	(403,953)	
Changes in employer's proportion	<u>(142,914)</u>	(782,260)
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred and reported as unavailable revenues in the governmental funds.		<u>9,106,805</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 70,104,966</u></b>

## CITY OF LAWDALE

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	General	Restricted Urban Development	Lawndale Housing Authority	Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 7,541,885	\$ -	\$ -	\$ -
Licenses and permits	718,379	-	-	-
Intergovernmental	3,425,585	-	-	3,680,580
Charges for services	895,682	-	-	46,366
Use of money and property	90,692	1,801	5,524	24,502
Fines and forfeitures	726,336	-	-	-
Miscellaneous	59,168	-	899	40,993
<b>Total Revenues</b>	<b>13,457,727</b>	<b>1,801</b>	<b>6,423</b>	<b>3,792,441</b>
<b>Expenditures</b>				
Current:				
General government	3,489,994	-	-	10,816
Public safety	5,513,774	-	-	123,236
Municipal services	1,003,393	-	-	-
Planning and community development	459,147	-	174,619	89,429
Recreation and community services	1,296,941	-	-	564,793
Public works	1,414,676	91,327	-	2,701,718
Capital outlay	361,575	64,832	-	733,636
Debt service:				
Principal retirement	37,542	-	-	-
Interest and fiscal charges	21,244	-	-	-
<b>Total Expenditures</b>	<b>13,598,286</b>	<b>156,159</b>	<b>174,619</b>	<b>4,223,628</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(140,559)	(154,358)	(168,196)	(431,187)
<b>Other Financing Sources (Uses)</b>				
Transfers in	230,052	-	224,180	866,777
Transfers out	(561,055)	(49,465)	-	(710,489)
<b>Total Other Financing Sources (Uses)</b>	<b>(331,003)</b>	<b>(49,465)</b>	<b>224,180</b>	<b>156,288</b>
Net Change in Fund Balances	(471,562)	(203,823)	55,984	(274,899)
Fund Balances, Beginning of Year	15,226,045	6,733,042	1,692,609	4,413,075
<b>Fund Balances, End of Year</b>	<b>\$ 14,754,483</b>	<b>\$ 6,529,219</b>	<b>\$ 1,748,593</b>	<b>\$ 4,138,176</b>

CITY OF LAWNSDALE

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	<b>Total Governmental Funds</b>
<b>Revenues</b>	
Taxes	\$ 7,541,885
Licenses and permits	718,379
Intergovernmental	7,106,165
Charges for services	942,048
Use of money and property	122,519
Fines and forfeitures	726,336
Miscellaneous	101,060
	<hr/>
<b>Total Revenues</b>	<b>17,258,392</b>
	<hr/>
<b>Expenditures</b>	
Current:	
General government	3,500,810
Public safety	5,637,010
Municipal services	1,003,393
Planning and community development	723,195
Recreation and community services	1,861,734
Public works	4,207,721
Capital outlay	1,160,043
Debt service:	
Principal retirement	37,542
Interest and fiscal charges	21,244
	<hr/>
<b>Total Expenditures</b>	<b>18,152,692</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(894,300)
	<hr/>
<b>Other Financing Sources (Uses)</b>	
Transfers in	1,321,009
Transfers out	(1,321,009)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>
	<hr/>
Net Change in Fund Balances	(894,300)
Fund Balances, Beginning of Year	28,064,771
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 27,170,471</b>
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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, 2018**

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Net Change in Fund Balances - Total Governmental Funds \$ (894,300)

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.

Capital assets	\$ 1,087,940	
Accumulated depreciation	<u>(2,049,730)</u>	(961,790)

Pension obligation 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. (346,826)

Interest payments on long-term debt are reported as an expenditure in the governmental funds when interest payments actually occur, but does not account for future interest due on long-term debt since accrued interest does not require current financial resources. The change in accrued interest is reported in the government-wide Statement of Activities. 620

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 37,542

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. 35,598

Governmental funds report all contributions in relation to the actuarially determined contribution (ADC) for OPEB as expenditures, however in the Statement of Activities only the ADC is an expense. (231,198)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 456,711

**Change in Net Position of Governmental Activities \$ (1,903,643)**



**FIDUCIARY FUND FINANCIAL STATEMENTS**

CITY OF LAWNSDALE

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018

	<u>Private-Purpose Trust Funds Lawndale Successor Agency</u>
<b>Assets</b>	
Cash and investments	\$ 1,608,380
Receivables:	
Accrued interest	1,333
Notes and loans	169,064
Land held for development	2,243,568
Restricted assets:	
Cash and investments held with fiscal agents	<u>4,106,067</u>
<b>Total Assets</b>	<b><u>8,128,412</u></b>
<b>Liabilities</b>	
Accounts payable	26,848
Accrued liabilities	3,438
Accrued interest	438,988
Deposits payable	15,896
Long-term liabilities:	
Due in one year	1,474,185
Due in more than one year	<u>40,550,859</u>
<b>Total Liabilities</b>	<b><u>42,510,214</u></b>
<b>Net Position</b>	
Held in trust for other purposes	<u>(34,381,802)</u>
<b>Total Net Position</b>	<b><u>\$ (34,381,802)</u></b>

CITY OF LAWNSDALE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2018

	<b>Private-Purpose Trust Funds Lawnsdale Successor Agency</b>
<b>Additions</b>	
Taxes	\$ 2,698,687
Interest income	48,978
<b>Total Additions</b>	<b><u>2,747,665</u></b>
<b>Deductions</b>	
Administrative expenses	238,300
Contractual services	423,287
Interest and fiscal charges	1,499,385
<b>Total Deductions</b>	<b><u>2,160,972</u></b>
Changes in Net Position	586,693
Net Position, Beginning of Year	<u>(34,968,495)</u>
<b>Net Position, End of Year</b>	<b><u>\$ (34,381,802)</u></b>

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NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018

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**Note 1: 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. 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.

The accompanying financial statements present the activities of the City, as the primary government, and its component units. The component units described below are included in the City's reporting entity because of the significance of their operations or financial relationship with the City.

Blended Component Units

A blended component unit is a separate legal entity from the primary government with activities considered to be integral to the primary government's reporting entity. While it is a separate legal entity, the City Council serves as the governing body, and the City has operational responsibility and/or fiscal responsibility over the component unit. Because of this, activities of the component units have been "blended" with that of the City, and are appropriately reported as funds of the City.

**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.

**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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

**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, 2018

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**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 nonspendable 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, 2018

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**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 nonspendable 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 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, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

**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, 2018

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**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, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

**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, 2018
Measurement Period:	July 1, 2017 to June 30, 2018

**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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

Fund Financial Statements

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

**Nonspendable** 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 nonspendable 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, 2018

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**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, 2018, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

**GASB Statement No. 75 – Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.** This Statement establishes standards for recognizing and measuring liabilities, deferred inflows and deferred outflows and expenses. The statement supersedes GASB Statement No. 45.

**Note 2: Stewardship, Compliance and Accountability**

**Deficit Fund Balance**

The following nonmajor governmental funds reported a deficit fund balance at June 30, 2018:

	Deficit Fund Balance
Governmental Funds:	
Nonmajor Governmental Funds:	
LA County Parks Maintenance Grant	\$ (437,574)
LA CO Maint Grant - Hopper Park	(11,441)
CO Maint Grant William Green	(40,986)
Safe Routes to School	(34,854)
Safetea-Lu	(21,538)
Prop C25 Grant	(268,265)
Appropriations Act	(180,667)
Metro STP-L	(94,794)
Metro STPL Exchange 2014	(69,260)
Fiduciary Fund	
Private Purpose Trust Fund	
Lawndale Successor Agency	(34,381,802)



CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

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**Note 3: Cash and Investments**

Summary of Cash and Investments

Cash and investments as of June 30, 2018, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 12,913,411
Fiduciary Funds:	
Cash and investments	1,608,380
Cash and investments held with fiscal agents	<u>4,106,067</u>
 Total	 <u>\$ 18,627,858</u>

Cash and investments as of June 30, 2018, consist of the following:

Cash on hand	\$ 1,150
Deposits with financial institutions	9,787,872
Restricted cash held with fiscal agents	4,106,067
Investments	<u>4,732,769</u>
 Total	 <u>\$ 18,627,858</u>

Deposits

At June 30, 2018, the carrying amount of the City's deposits was \$9,787,872 and the bank balance was \$9,915,309. The \$127,437 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, 2018, 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 LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

**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, 2018, consist of the following:

	Fair Value
Investments Authorized by CA Government Code/City Investment Policy	
Local Agency Investment Fund (LAIF)	\$ 4,251
Certificates of deposit	2,696,000
Federal agency issues	1,998,978
Money market	33,540
	<hr/>
Total Investments	\$ 4,732,769

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, 2018

**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, 2018:

Investment Type	Fair Value	Fair Value Measurement		
		Level 1	Level 2	Level 3
Local Agency Investment Fund (LAIF)	\$ 4,251	\$ -	\$ 4,251	\$ -
Certificates of deposit	2,696,000	-	2,696,000	-
Federal agency issues	1,998,978	-	1,998,978	-
Money market	33,540	33,540	-	-
<b>Total Investments</b>	<b>\$ 4,732,769</b>	<b>\$ 33,540</b>	<b>\$ 4,699,229</b>	<b>\$ -</b>

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 LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

**Note 3: Cash and Investments (Continued)**

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) 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
Local Agency Investment Fund (LAIF)	\$ 4,251	\$ 4,251	\$ -	\$ -
Certificates of deposit	2,696,000	496,000	1,208,000	992,000
Federal agency issues	1,998,978	1,998,978	-	-
Mutual funds	33,540	33,540	-	-
<b>Total Investments</b>	<b>\$ 4,732,769</b>	<b>\$ 2,532,769</b>	<b>\$ 1,208,000</b>	<b>\$ 992,000</b>

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	\$ 4,251	\$ -	\$ -	\$ 4,251
Certificates of deposit	Not Rated	2,696,000	-	-	2,696,000
Federal agency issues	Not Rated	1,998,978	-	1,998,978	-
Mutual funds	AAA	33,540	33,540	-	-
<b>Total Investments</b>		<b>\$ 4,732,769</b>	<b>\$ 33,540</b>	<b>\$ 1,998,978</b>	<b>\$ 2,700,251</b>

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	21.15%
Federal National Mortgage Association	Federal agency issues	997,800	21.08%

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

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**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, 2018.

As of June 30, 2018, 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, 2018, are as follows:

Lawndale Housing Authority:	
Housing rehabilitation loan program	\$ 137,663
Nonmajor Governmental Funds:	
Housing rehabilitation loan program	<u>246,538</u>
Total	<u>\$ 384,201</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, 2018, the outstanding receivable balance for the housing rehabilitation loan program was \$384,201.

The balance of the forgivable loans receivable was \$87,000 at June 30, 2018 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 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 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 LAWNDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

**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, 2018, agreements with the Successor Agency receivable were reported in the accompanying financial statements as follows:

	Principal	Accrued Interest	Balance at June 30, 2018
General Fund			
Public Works Agreement	\$ 691,106	\$ 204,107	\$ 895,213
2000 Cooperation Agreement	3,456,310	2,174,477	5,630,787
2001 Cooperation Agreement	3,335,699	1,990,634	5,326,333
2009 Loan Agreement	-	117,396	117,396
2009 Purchase Agreement	236,236	153,594	389,830
Subtotal General Fund	7,719,351	4,640,208	12,359,559
Restricted Urban Development			
2000 Financing Agreement	6,170,143	3,629,994	9,800,137
Total	<u>\$ 13,889,494</u>	<u>\$ 8,270,202</u>	<u>\$ 22,159,696</u>

**Note 6: Interfund Receivables, Payables and Transfers**

**a. Due To/From Other Funds:**

As of June 30, 2018, the City had the following due to/from other funds:

Due to Other Funds	Due from Other Funds
Nonmajor Governmental Funds	General Fund
	<u>\$ 1,260,477</u>

Due to/from other funds are short-term loans to cover temporary cash shortages. The General Fund loaned various nonmajor governmental funds \$1,260,477 at June 30, 2018.

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

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

b. Transfers In/Out:

Transfers in and out for the year ended June 30, 2018, were as follows:

Transfers In	Transfers Out			Total
	General Fund	Restricted Urban Development	Other Non-Major Governmental Fund	
General Fund	\$ -	\$ -	\$ 230,052	\$ 230,052
Lawndale Housing Authority	174,715	49,465	-	224,180
Non-Major Governmental Funds	386,340	-	480,437	866,777
	<u>\$ 561,055</u>	<u>\$ 49,465</u>	<u>\$ 710,489</u>	<u>\$ 1,321,009</u>

The General Fund transferred \$386,340 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 \$174,715 and \$49,465 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 \$230,052 to the General fund for recycling, the cable video van, and to close out funds.

Note 7: Capital Assets

A summary of changes in capital assets activity for the year ended June 30, 2018, is as follows:

	Balance at June 30, 2017	Additions	Construction Placed in Service	Disposals	Balance at June 30, 2018
Capital assets not depreciated:					
Land	\$ 5,215,937	\$ -	\$ -	\$ -	\$ 5,215,937
Construction in progress	1,058,219	1,012,787	(317,655)	-	1,753,351
Total capital assets not being depreciated	6,274,156	1,012,787	(317,655)	-	6,969,288
Capital assets being depreciated:					
Building and structures	18,437,776	-	-	-	18,437,776
Improvements other than buildings	479,040	-	-	-	479,040
Vehicles, machinery and equipment	2,653,152	75,153	317,655	80,772	2,965,188
Infrastructure	36,342,402	-	-	-	36,342,402
Total capital assets being depreciated	57,912,370	75,153	317,655	80,772	58,224,406
Accumulated depreciation:					
Building and structures	5,971,099	588,586	-	-	6,559,685
Improvements other than buildings	304,312	15,740	-	-	320,052
Vehicles, machinery and equipment	1,776,244	186,559	-	80,772	1,882,031
Infrastructure	10,303,213	1,258,845	-	-	11,562,058
Total accumulated depreciation	18,354,868	2,049,730	-	80,772	20,323,826
Total capital assets being depreciated, net	39,557,502	(1,974,577)	317,655	-	37,900,580
Total capital assets, net	\$ 45,831,658	\$ (961,790)	\$ -	\$ -	\$ 44,869,868

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

**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, 2018, is as follows:

General government	\$ 95,792
Municipal services	6,090
Planning and community development	614,913
Public works	1,322,138
Recreation and community services	10,797
	<hr/>
Total	<u>\$ 2,049,730</u>

**Note 8: Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018	Due Within One Year
Notes:					
Facility and site lease note	\$ 599,259	\$ -	\$ 37,542	\$ 561,717	\$ 38,799
Other long-term liabilities:					
Compensated absences	657,527	-	35,598	621,929	201,412
Total	<u>\$ 1,256,786</u>	<u>\$ -</u>	<u>\$ 73,140</u>	<u>\$ 1,183,646</u>	<u>\$ 240,211</u>

Facility and Site Lease Note

In 2005, the City and the former RDA entered into a Public Works Agreement, as authorized by 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).



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

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**Note 8: Long-Term Liabilities (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, 2018, are as follows:

Year Ended June 30,	Facility and Site Lease Note		
	Principal	Interest	Total
2019	\$ 38,799	\$ 18,168	\$ 56,967
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
2024-2028	244,590	39,397	283,987
2029-2030	109,690	3,705	113,395
Total	<u>\$ 561,717</u>	<u>\$ 120,275</u>	<u>\$ 681,992</u>

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 paid to employees within any one year is not expected to be material. The amount recorded does not exceed a normal year's accumulation. This liability will be paid in future years from future resources primarily from the general fund. In prior years, compensated absences have been liquidated primarily by the general fund. As of June 30, 2018, the compensated absences balance outstanding is \$621,929.

**Note 9: Liability, Workers' Compensation, and Purchased Insurance**

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

The City 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 9: 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 2017-18 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 9: 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 \$28,665,242. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City of Lawndale purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Lawndale property currently has earthquake protection in the amount of \$8,715,508. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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 2017-18.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

**Note 10: 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.

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	6.896%	6.250%
Required employer contribution rates	8.921%	6.533%

\*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.

CITY OF LAWDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

**Note 10: Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2018, contributions recognized as a reduction to the City's net pension liability was \$564,502.

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

As of June 30, 2018, the City reported a net pension liability for its proportionate share of the net pension liability of the Miscellaneous Plans of \$7,048,744.

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, 2017, 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, 2016, rolled forward to June 30, 2017, 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, 2016 and 2017, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.172048%
Proportion - June 30, 2017	<u>0.178809%</u>
Change - Increase (Decrease)	<u><u>0.006761%</u></u>

For the year ended June 30, 2018, the City recognized pension expense relating to the Miscellaneous Plans of \$307,946. At June 30, 2018, 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	\$ 600,369	\$ -
Changes of assumptions	1,227,800	(93,621)
Differences between expected and actual experiences	9,896	(141,772)
Net difference between projected and actual earnings on pension plan investments	277,678	-
Changes in employer's proportion	96,144	(142,914)
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(403,953)
Total	<u>\$ 2,211,887</u>	<u>\$ (782,260)</u>

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

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**Note 10: Defined Benefit Pension Plan (Continued)**

\$600,369 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, 2018. 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
2018	\$ (7,925)
2019	629,543
2020	372,502
2021	(164,862)
Total	<u>\$ 829,258</u>

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and the June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
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 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016, valuation was based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be accessed on the CalPERS website under Forms and Publications.

Change of Assumptions

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

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**Note 10: Defined Benefit Pension Plan (Continued)**Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 PERF fund. The expected rate of return was set by calculating the 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 rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (1)	Real Return Years 11+ (2)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100.0%		

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

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**Note 10: 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%
Miscellaneous	\$ 11,095,923	\$ 7,048,744	\$ 3,696,796

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. It 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, 2018

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**Note 10: Defined Benefit Pension Plan (Continued)**

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms of the Plan:

<u>Description</u>	<u>Number of members</u>
Actives	2
Terminated vested and other inactive	2
Retirees and beneficiaries	2
<b>Total</b>	<b>6</b>

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.

***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, 2017 and June 30, 2018 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	Varies by Entry Age and Service
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.00%
Mortality	Consistent with non-industrial rates used to value the Miscellaneous CalPERS Pension Plan
Retirement	Retirement rates of 20% per year for ages 55 to 69 and 100% at ages 70 and up
Maximum Benefits and Salary	Final average compensation is subject to 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.

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.

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

**Note 10: Defined Benefit Pension Plan (Continued)**

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, 2018.

<b>Asset Class</b>	<b>Index</b>	<b>Target Allocation</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
Cash	BofA Merrill Lynch 90-Day T-Bills	2.66%	0.31%	0.31%
Core Fixed Income	Barclays Aggregate	46.59%	2.14%	2.02%
Equity Market	Russell 3000	37.19%	4.59%	3.32%
Foreign Developed Equity	MSCI EAFE NP	8.58%	5.52%	3.91%
Emerging Market Equity	MSCI Emerging Markets NR	3.57%	7.82%	4.59%
Real Estate Investment Trust	FTSE NAREIT Equity REIT	1.41%	5.04%	3.27%
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.85%	1.85%
Portfolio Real Mean Return			3.54%	3.15%
Portfolio Nominal Mean Return			5.85%	5.52%
Portfolio Standard Deviation				8.57%
<b>Long-Term Expected Rate of Return</b>				<b>6.50%</b>

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, 2018

**Note 10: 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, 2017	\$ 803,664	\$ 650,425	\$ 153,239
Changes for the year:			
Service Cost	24,018	-	24,018
Interest on the Total Pension Liability	53,113	-	53,113
Effect of Economic/Demographic Gains or Losses	11,039	-	11,039
Benefit Payments	(21,451)	(21,451)	-
Employer Contributions	-	19,890	(19,890)
Net Investment Income	-	40,514	(40,514)
Administrative Expenses	-	(3,463)	3,463
Balance as of June 30, 2018	\$ 870,383	\$ 685,915	\$ 184,468

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

The following presents the net pension liability of the City of Lawnsdale, 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	\$ 966,388	\$ 870,383	\$ 783,722
Fiduciary Net Position	685,915	685,915	685,915
Net Pension Liability	\$ 280,473	\$ 184,468	\$ 97,807

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

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**Note 10: Defined Benefit Pension Plan (Continued)**

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

As of the start of the measurement period, July 1, 2017, the net pension liability was \$153,239. For the measurement period ending June 30, 2018, the City incurred a pension expense of \$58,771 for the PARS Plan. As of the measurement date, June 30, 2018, the net pension liability is \$184,468.

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, 2018, 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 \$11,889. This amount reflects the net difference between the projected and actual earnings of the pension plan investment.

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
2019	\$ 9,910
2020	4,961
2021	(3,434)
2022	452
	\$ 11,889

**Note 11: 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, 2018 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

CITY OF LAWNSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

**Note 11: Other Post-Employment Benefits Plan (Continued)**

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, 2018, the City's cash contributions were \$90,572.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.80%
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	According to the CalPERS 2009 Turnover rate tables
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.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.80 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)
	<u>Total OPEB Liability/(Assets)</u>
Roll back balance at June 30, 2017	\$ 3,827,893
Charges recongnized over the measurement period:	
Service Cost	179,443
Interest	146,967
Changes of assumptions	-
Contributions - employer	-
Net investment income	-
Benefit Payments	(95,212)
Administrative expense	-
Net Changes	<u>231,198</u>
Balance at June 30, 2018	<u>\$ 4,059,091</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2018

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**Note 11: 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, 2018:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Total OPEB Liability	\$ 4,760,016	\$ 4,059,091	\$ 3,500,518

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, 2018:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	\$ 3,513,436	\$ 4,059,091	\$ 4,715,744

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

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$90,572. As of fiscal year ended June 30, 2018, the City did not report deferred inflows or outflows of resources related to OPEB.

**Note 12: Commitments and Contingencies**

As of June 30, 2018, 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.

**Note 13: Net Position Restatement**

Beginning net position was restated by \$(1,838,291) due to the implementation of GASB Statement No. 75 – *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

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**Note 14: 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.

**a. Cash and Investments**

As of June 30, 2018, cash and investments were reported in the accompanying financial statements as follows:

	Lawndale Successor Agency
Cash and investments	\$ 1,608,380
Cash and investments held with fiscal agents	4,106,067
	<hr/>
Total	\$ 5,714,447
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**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 ABx1 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, 2018, the outstanding balance of the loan receivable was \$169,064.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

**Note 14: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)**

**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."

As of June 30, 2018, the Successor Agency has total land held for development of \$2,243,568.

**d. Long-Term Debt**

A description of long-term debt outstanding of the Successor Agency as of June 30, 2018, is as follows:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018	Due Within One Year
Bonds:					
Tax Allocation Bonds, Series 2009	\$ 19,015,000	\$ -	\$ 285,000	\$ 18,730,000	\$ 295,000
Bonds Discount	(114,697)	-	(4,236)	(110,461)	-
Subtotal Bonds	<u>18,900,303</u>	<u>-</u>	<u>280,764</u>	<u>18,619,539</u>	<u>295,000</u>
Notes and Agreements:					
Tax Allocation Loan Agreement Note	1,313,111	-	67,302	1,245,809	69,759
Agreements with City	22,848,207	432,388	1,120,899	22,159,696	1,109,426
Subtotal Notes and Agreements	<u>24,161,318</u>	<u>432,388</u>	<u>1,188,201</u>	<u>23,405,505</u>	<u>1,179,185</u>
Total	<u>\$ 43,061,621</u>	<u>\$ 432,388</u>	<u>\$ 1,468,965</u>	<u>\$ 42,025,044</u>	<u>\$ 1,474,185</u>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

**Note 14: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)**

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 loan was transferred to the Successor Agency from the former RDA on February 1, 2012. The loan is secured solely by future tax increment revenues allocated to the Successor Agency. As of June 30, 2018, the outstanding principal on the bonds was \$18,730,000, and relating unamortized discount was \$110,461.

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
2019	\$ 295,000	\$ 1,002,200	\$ 1,297,200
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
2024-2028	2,045,000	4,434,825	6,479,825
2029-2033	2,795,000	3,789,913	6,584,913
2034-2038	4,185,000	2,826,313	7,011,313
2039-2043	5,465,000	1,507,138	6,972,138
2044-2046	2,630,000	146,575	2,776,575
Total	<u>\$ 18,730,000</u>	<u>\$ 17,581,128</u>	<u>\$ 36,311,128</u>

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, 2018, the outstanding principal on the note was \$1,245,809.

CITY OF LAWSDALE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2018

**Note 14: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)**

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
2019	\$ 69,759	\$ 44,199	\$ 113,958
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
2024-2028	448,860	119,102	567,962
2029-2032	421,747	31,477	453,224
Total	\$ 1,245,809	\$ 344,684	\$ 1,590,493

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.

As of June 30, 2018, agreements with City were reported in the accompanying financial statements as follows:

	Principal	Accrued Interest	Balance at June 30, 2018
Lawndale Successor Agency			
Public Works Agreement	\$ 691,106	\$ 204,107	\$ 895,213
2000 Cooperation Agreement	3,456,310	2,174,477	5,630,787
2000 Financing Agreement	6,170,143	3,629,994	9,800,137
2001 Cooperation Agreement	3,335,699	1,990,634	5,326,333
2009 Loan Agreement	-	117,396	117,396
2009 Purchase Agreement	236,236	153,594	389,830
Total	\$ 13,889,494	\$ 8,270,202	\$ 22,159,696

**Note 14: Successor Agency to the Former Lawndale Redevelopment Agency (Continued)**

Debt Service Requirements

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate-Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$60,061,317 with annual debt service requirements as indicated on the previous pages. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of obligations incurred by the dissolved redevelopment agency was \$2,698,687 and the debt service obligation on the bonds was \$2,968,350.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

CITY OF LAWNSDALE

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

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

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.65 percent (net of administration expense) to 7.15 percent in fiscal year 2016-17.

(1) Historical information is required only for measurement for which GASB Statement No. 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

CITY OF LAWNSDALE

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

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

(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 four years are shown.

**Note to Schedule:**

Valuation Date: June 30, 2015

Methods and assumptions used to determine contribution rates:

Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Assets valuation method	15 year smoothed market
Inflation	2.75%
Salary Increases	3.3% to 14.20%
Investment rate of return	7.50% net of pension plan investment and administrative expense, including inflation
Retirement age	minimum 50 years
Mortality	RP-2000 Heath Annuitant Mortality Table

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)**

	<b>2018</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 179,443
Interest on the total OPEB liability	146,967
Actual and expected experience difference	-
Changes in assumptions	-
Changes in benefit terms	-
Benefit payments	(95,212)
<b>Net change in total OPEB liability</b>	<b>231,198</b>
<b>Total OPEB liability - beginning</b>	<b>3,827,893</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 4,059,091</b>

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

**Covered-employee payroll** \$ 3,506,568

**Net OPEB liability as a percentage of covered-employee payroll** 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:** There were no changes in assumptions.



CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,666,122	\$ 7,666,122	\$ 7,541,885	\$ (124,237)
Licenses and permits	655,000	705,000	718,379	13,379
Intergovernmental	3,378,496	3,407,996	3,425,585	17,589
Charges for services	627,550	827,550	895,682	68,132
Use of money and property	59,000	94,580	90,692	(3,888)
Fines and forfeitures	695,000	695,000	726,336	31,336
Miscellaneous	197,500	197,500	59,168	(138,332)
<b>Total Revenues</b>	<b>13,278,668</b>	<b>13,593,748</b>	<b>13,457,727</b>	<b>(136,021)</b>
<b>Expenditures</b>				
Current:				
General government				
City council	165,459	166,404	129,272	37,132
City attorney	360,000	360,000	491,924	(131,924)
City clerk	310,949	310,949	254,869	56,080
City manager	490,769	490,769	482,176	8,593
Administrative services	110,776	110,776	106,353	4,423
Cable TV	197,020	197,020	180,233	16,787
General operations	1,168,897	1,184,897	1,156,079	28,818
Finance	426,597	511,597	534,924	(23,327)
Information systems	154,109	154,109	154,164	(55)
Public safety	5,589,394	5,565,394	5,513,774	51,620
Municipal services	1,193,264	1,119,389	1,003,393	115,996
Planning and community development	435,090	526,444	459,147	67,297
Recreation and community services	1,364,821	1,316,628	1,296,941	19,687
Public works	1,263,182	1,355,810	1,414,676	(58,866)
Capital outlay	273,000	716,634	361,575	355,059
Debt service:				
Principal retirement	38,799	38,799	37,542	1,257
Interest and fiscal charges	19,852	19,852	21,244	(1,392)
<b>Total Expenditures</b>	<b>13,561,978</b>	<b>14,145,471</b>	<b>13,598,286</b>	<b>547,185</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(283,310)	(551,723)	(140,559)	(683,206)
<b>Other Financing Sources (Uses)</b>				
Transfers in	214,916	214,916	230,052	15,136
Transfers out	(185,000)	(185,000)	(561,055)	(376,055)
<b>Total Other Financing Sources (Uses)</b>	<b>29,916</b>	<b>29,916</b>	<b>(331,003)</b>	<b>(360,919)</b>
Net Change in Fund Balance	\$ (253,394)	\$ (521,807)	(471,562)	\$ (1,044,125)
Fund Balance, Beginning of Year			15,226,045	
<b>Fund Balance, End of Year</b>			<b>\$ 14,754,483</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 RESTRICTED URBAN DEVELOPMENT  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 1,500	\$ 1,500	\$ 1,801	\$ 301
<b>Total Revenues</b>	<b>1,500</b>	<b>1,500</b>	<b>1,801</b>	<b>301</b>
<b>Expenditures</b>				
Current:				
Public works	118,911	118,911	91,327	27,584
Capital outlay	340,000	340,000	64,832	275,168
<b>Total Expenditures</b>	<b>458,911</b>	<b>458,911</b>	<b>156,159</b>	<b>302,752</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(457,411)	(457,411)	(154,358)	(302,451)
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(49,465)	(49,465)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(49,465)</b>	<b>(49,465)</b>
Net Change in Fund Balance	\$ (457,411)	\$ (457,411)	(203,823)	\$ (351,916)
Fund Balance, Beginning of Year			6,733,042	
<b>Fund Balance, End of Year</b>			<b>\$ 6,529,219</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 LAWNSDALE HOUSING AUTHORITY  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 11,000	\$ 11,000	\$ 5,524	\$ (5,476)
Miscellaneous	225,000	225,000	899	(224,101)
<b>Total Revenues</b>	<b>236,000</b>	<b>236,000</b>	<b>6,423</b>	<b>(229,577)</b>
<b>Expenditures</b>				
Current:				
Planning and community development	258,110	258,110	174,619	83,491
<b>Total Expenditures</b>	<b>258,110</b>	<b>258,110</b>	<b>174,619</b>	<b>83,491</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,110)	(22,110)	(168,196)	(313,068)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	224,180	224,180
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>224,180</b>	<b>224,180</b>
Net Change in Fund Balance	\$ (22,110)	\$ (22,110)	55,984	\$ (88,888)
Fund Balance, Beginning of Year			1,692,609	
<b>Fund Balance, End of Year</b>			<b>\$ 1,748,593</b>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2018

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**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, 2018, budgeted appropriations were not approved for the Local Law Enforcement Block, Used Oil Recycling Grant, LA County Parks Maintenance Grant, Metro TOD Grant, LA County Maintenance Grant – Hopper Park, County Maintenance Grant – William Green, Measure M Local Return special revenue funds and the State Transit Program (Local), Prop 1B, Appropriations Act, Highway Safety Improvement, Measure R Grant, Prop C 25%, Metro STPL Exchange 2014, and Local Transportation Funds capital project funds.

## **SUPPLEMENTARY INFORMATION**

## 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.

**Hawthorne Boulevard Maintenance** - To account for funds received and expended on the Hawthorne Boulevard Maintenance projects.

**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.

**Metro TOD Grant** - To account for Metro TOD grant funds used in connection with zoning ordinance for the Marine Ave Transit Station.

**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:

**TDA Article 3 Local Transportation** - To account for funds provided by the State Transportation Act for the construction of pedestrian, bicycle and handicapped amenities.

**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 revenues and expenditures made available by the Los Angeles County Metropolitan Transportation Authority (STP-L).

**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.

**Highway Safety Improvement Program** - To account for funds for road and street infrastructure improvements.

**Measure R Grant** - To account for funds for the construction of Inglewood Avenue 405 on ramp.

**Prop C 25%** - To accounts for County grant for Inglewood Avenue widening project.

**Measure R Grant Traffic Improvement** - To account for City-Wide traffic signal improvements.

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

**Local Transportation Funds** - To account for funds for road and street infrastructure improvements.

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

CITY OF LAWNSDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds			
	Gas Tax	Air Quality	Proposition A Local Transit Assistance	Narcotics Forfeiture
<b>Assets</b>				
Cash and investments	\$ 70,717	\$ 109,608	\$ 1,314,989	\$ 54,149
Receivables:				
Accounts	-	21,917	-	-
Grants	-	-	-	-
Accrued interest	-	-	2,147	90
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ 70,717</b>	<b>\$ 131,525</b>	<b>\$ 1,317,136</b>	<b>\$ 54,239</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 52,701	\$ -	\$ 65,038	\$ -
Accrued liabilities	6,262	-	2,404	-
Deposits payable	3,638	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>62,601</b>	<b>-</b>	<b>67,442</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	54,239
Recreation and community services	-	-	1,249,694	-
Public works	8,116	-	-	-
Capital projects	-	-	-	-
Air quality	-	131,525	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>8,116</b>	<b>131,525</b>	<b>1,249,694</b>	<b>54,239</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 70,717</b>	<b>\$ 131,525</b>	<b>\$ 1,317,136</b>	<b>\$ 54,239</b>



CITY OF LAWDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	State COPS Grant	Local Law Enforcement Block	Used Oil Recycling Grant	Lawndale Cable Usage Corporation
<b>Assets</b>				
Cash and investments	\$ 64,200	\$ 15,468	\$ 18,490	\$ 614
Receivables:				
Accounts	-	-	-	10,792
Grants	-	-	-	-
Accrued interest	123	-	-	35
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ 64,323</b>	<b>\$ 15,468</b>	<b>\$ 18,490</b>	<b>\$ 11,441</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 28,620	\$ -	\$ -	\$ 103
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>28,620</b>	<b>-</b>	<b>-</b>	<b>103</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	35,703	15,468	-	-
Recreation and community services	-	-	-	-
Public works	-	-	18,490	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	11,338
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>35,703</b>	<b>15,468</b>	<b>18,490</b>	<b>11,338</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 64,323</b>	<b>\$ 15,468</b>	<b>\$ 18,490</b>	<b>\$ 11,441</b>

CITY OF LAWNSDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds			
	Hawthorne Boulevard Maintenance	Department of Conservation Grant	Justice Assisted Grant	Park Development
<b>Assets</b>				
Cash and investments	\$ 10,684	\$ -	\$ -	\$ 15,554
Receivables:				
Accounts	-	8,578	-	-
Grants	-	-	-	-
Accrued interest	-	-	-	26
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ 10,684</b>	<b>\$ 8,578</b>	<b>\$ -</b>	<b>\$ 15,580</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 10,684	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	8,578	-	-
<b>Total Liabilities</b>	<b>10,684</b>	<b>8,578</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	15,580
Public works	-	-	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,580</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,684</b>	<b>\$ 8,578</b>	<b>\$ -</b>	<b>\$ 15,580</b>

CITY OF LAWNSDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	LA County Parks Maintenance Grant	Metro TOD Grant	LA CO Maint Grant - Hopper Park	CO Maint Grant - William Green
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	437,575	-	11,441	40,984
Accrued interest	-	-	-	-
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ 437,575</b>	<b>\$ -</b>	<b>\$ 11,441</b>	<b>\$ 40,984</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	437,574	-	11,441	40,986
<b>Total Liabilities</b>	<b>437,574</b>	<b>-</b>	<b>11,441</b>	<b>40,986</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	437,575	-	11,441	40,984
<b>Total Deferred Inflows of Resources</b>	<b>437,575</b>	<b>-</b>	<b>11,441</b>	<b>40,984</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	(437,574)	-	(11,441)	(40,986)
<b>Total Fund Balances</b>	<b>(437,574)</b>	<b>-</b>	<b>(11,441)</b>	<b>(40,986)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 437,575</b>	<b>\$ -</b>	<b>\$ 11,441</b>	<b>\$ 40,984</b>

CITY OF LAWNSDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds			Capital Projects Funds
	Measure M Local Return	Safe Routes to School	SB1 RMRA	TDA Article 3 Local Transportation
<b>Assets</b>				
Cash and investments	\$ 352,191	\$ -	\$ 124,787	\$ -
Receivables:				
Accounts	-	-	70,717	32,285
Grants	-	-	-	-
Accrued interest	525	-	109	-
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ 352,716</b>	<b>\$ -</b>	<b>\$ 195,613</b>	<b>\$ 32,285</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 22,822	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	12,032	-	32,285
<b>Total Liabilities</b>	<b>-</b>	<b>34,854</b>	<b>-</b>	<b>32,285</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	352,716	-	195,613	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	(34,854)	-	-
<b>Total Fund Balances</b>	<b>352,716</b>	<b>(34,854)</b>	<b>195,613</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 352,716</b>	<b>\$ -</b>	<b>\$ 195,613</b>	<b>\$ 32,285</b>

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

(CONTINUED)

	Capital Projects Funds			
	Proposition C Local Transit Assistance	State Transit Program (Local)	Community Development Block Grant	Prop 1B
<b>Assets</b>				
Cash and investments	\$ 2,034,107	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	-	149,773	-
Accrued interest	3,298	13	-	7
Notes and loans	-	-	246,538	-
<b>Total Assets</b>	<b>\$ 2,037,405</b>	<b>\$ 13</b>	<b>\$ 396,311</b>	<b>\$ 7</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 27,135	\$ -	\$ 9,631	\$ -
Accrued liabilities	5,951	-	114	-
Deposits payable	29,595	-	-	-
Due to other funds	-	-	133,547	-
<b>Total Liabilities</b>	<b>62,681</b>	<b>-</b>	<b>143,292</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	253,019	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	13	-	-
Capital projects	1,974,724	-	-	7
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>1,974,724</b>	<b>13</b>	<b>253,019</b>	<b>7</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,037,405</b>	<b>\$ 13</b>	<b>\$ 396,311</b>	<b>\$ 7</b>

CITY OF LAWDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

Capital Projects Funds				
	Safetea-Lu	Prop C25 Grant	Appropriations Act	Metro STP-L
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	280,338	-	63,470
Accrued interest	-	-	-	-
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 280,338</b>	<b>\$ -</b>	<b>\$ 63,470</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 20,659	\$ -	\$ -
Accrued liabilities	418	379	-	63
Deposits payable	-	-	6,580	23,075
Due to other funds	21,120	247,227	174,087	71,656
<b>Total Liabilities</b>	<b>21,538</b>	<b>268,265</b>	<b>180,667</b>	<b>94,794</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	280,338	-	63,470
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>280,338</b>	<b>-</b>	<b>63,470</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	(21,538)	(268,265)	(180,667)	(94,794)
<b>Total Fund Balances</b>	<b>(21,538)</b>	<b>(268,265)</b>	<b>(180,667)</b>	<b>(94,794)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 280,338</b>	<b>\$ -</b>	<b>\$ 63,470</b>

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2018

(CONTINUED)

Capital Projects Funds				
	Measure R	Highway Safety Improvement	Measure R Grant	Prop C 25%
<b>Assets</b>				
Cash and investments	\$ 418,280	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Grants	-	-	-	-
Accrued interest	710	-	-	-
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ 418,990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	2,482	-	-	-
Deposits payable	8,309	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>10,791</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital projects	408,199	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>408,199</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 418,990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF LAWDALE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<b>Capital Projects Funds</b>			
	<b>Measure R Grant Traffic Improvement</b>	<b>Metro STPL Exchange 2014</b>	<b>Local Transportation Funds</b>	<b>Metro STPL Exchange 2017</b>
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 578,964
Receivables:				
Accounts	-	-	-	-
Grants	-	-	-	-
Accrued interest	-	684	-	965
Notes and loans	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 684</b>	<b>\$ -</b>	<b>\$ 579,929</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,818
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	69,944	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>69,944</b>	<b>-</b>	<b>6,818</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	(69,260)	-	573,111
Capital projects	-	-	-	-
Air quality	-	-	-	-
Municipal services	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>(69,260)</b>	<b>-</b>	<b>573,111</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 684</b>	<b>\$ -</b>	<b>\$ 579,929</b>



CITY OF LAWNSDALE

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2018

	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>	
Cash and investments	\$ 5,182,802
Receivables:	
Accounts	144,289
Grants	983,581
Accrued interest	8,732
Notes and loans	246,538
	<u>246,538</u>
<b>Total Assets</b>	<b><u>\$ 6,565,942</u></b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 244,211
Accrued liabilities	18,073
Deposits payable	71,197
Due to other funds	1,260,477
	<u>1,260,477</u>
<b>Total Liabilities</b>	<b><u>1,593,958</u></b>
<b>Deferred Inflows of Resources</b>	
Unavailable revenues	<u>833,808</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>833,808</u></b>
<b>Fund Balances</b>	
Restricted for:	
Community development projects	253,019
Public safety	105,410
Recreation and community services	1,265,274
Public works	1,078,799
Capital projects	2,382,930
Air quality	131,525
Municipal services	11,338
Unassigned	<u>(1,090,119)</u>
<b>Total Fund Balances</b>	<b><u>4,138,176</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 6,565,942</u></b>

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Gas Tax	Air Quality	Proposition A Local Transit Assistance	Narcotics Forfeiture
<b>Revenues</b>				
Intergovernmental	\$ 704,100	\$ 42,685	\$ 624,810	\$ -
Charges for services	-	-	672	-
Use of money and property	36	441	5,846	250
Miscellaneous	-	-	34,915	-
<b>Total Revenues</b>	<b>704,136</b>	<b>43,126</b>	<b>666,243</b>	<b>250</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	564,793	-
Public works	814,209	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>814,209</b>	<b>-</b>	<b>564,793</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,073)	43,126	101,450	250
<b>Other Financing Sources (Uses)</b>				
Transfers in	118,143	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>118,143</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	8,070	43,126	101,450	250
Fund Balances, Beginning of Year	46	88,399	1,148,244	53,989
<b>Fund Balances, End of Year</b>	<b>\$ 8,116</b>	<b>\$ 131,525</b>	<b>\$ 1,249,694</b>	<b>\$ 54,239</b>

## CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	State COPS Grant	Local Law Enforcement Block	Used Oil Recycling Grant	Lawndale Cable Usage Corporation
<b>Revenues</b>				
Intergovernmental	\$ 139,416	\$ -	\$ 9,134	\$ -
Charges for services	-	-	-	40,894
Use of money and property	363	-	-	101
Miscellaneous	-	-	-	33
<b>Total Revenues</b>	<b>139,779</b>	<b>-</b>	<b>9,134</b>	<b>41,028</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	10,816
Public safety	114,480	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>114,480</b>	<b>-</b>	<b>-</b>	<b>10,816</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,299	-	9,134	30,212
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(30,178)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,178)</b>
Net Change in Fund Balances	25,299	-	9,134	34
Fund Balances, Beginning of Year	10,404	15,468	9,356	11,304
<b>Fund Balances, End of Year</b>	<b>\$ 35,703</b>	<b>\$ 15,468</b>	<b>\$ 18,490</b>	<b>\$ 11,338</b>

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Hawthorne Boulevard Maintenance	Department of Conservation Grant	Justice Assisted Grant	Park Development
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 8,578	\$ 1,850	\$ -
Charges for services	-	-	-	4,800
Use of money and property	-	-	-	65
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>8,578</b>	<b>1,850</b>	<b>4,865</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	8,756	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	179,559	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>179,559</b>	<b>-</b>	<b>8,756</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,559)	8,578	(6,906)	4,865
<b>Other Financing Sources (Uses)</b>				
Transfers in	179,559	-	-	-
Transfers out	-	(112,105)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>179,559</b>	<b>(112,105)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	-	(103,527)	(6,906)	4,865
Fund Balances, Beginning of Year	-	103,527	6,906	10,715
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,580</b>

## CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	LA County Parks Maintenance Grant	Metro TOD Grant	LA CO Maint Grant - Hopper Park	CO Maint Grant - William Green
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(26,170)	-	-
<b>Total Other Financing Sources (Uses)</b>	-	(26,170)	-	-
Net Change in Fund Balances	-	(26,170)	-	-
Fund Balances, Beginning of Year	(437,574)	26,170	(11,441)	(40,986)
<b>Fund Balances, End of Year</b>	<b>\$ (437,574)</b>	<b>\$ -</b>	<b>\$ (11,441)</b>	<b>\$ (40,986)</b>

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			Capital Projects Funds
	Measure M Local Return	Safe Routes to School	SB1 RMRA	TDA Article 3 Local Transportation
<b>Revenues</b>				
Intergovernmental	\$ 351,774	\$ 19,363	\$ 195,504	\$ 32,285
Charges for services	-	-	-	-
Use of money and property	942	-	109	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>352,716</b>	<b>19,363</b>	<b>195,613</b>	<b>32,285</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	54,217	-	32,299
<b>Total Expenditures</b>	<b>-</b>	<b>54,217</b>	<b>-</b>	<b>32,299</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	352,716	(34,854)	195,613	(14)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	352,716	(34,854)	195,613	(14)
Fund Balances, Beginning of Year	-	-	-	14
<b>Fund Balances, End of Year</b>	<b>\$ 352,716</b>	<b>\$ (34,854)</b>	<b>\$ 195,613</b>	<b>\$ -</b>

## CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Capital Projects Funds			
	Proposition C Local Transit Assistance	State Transit Program (Local)	Community Development Block Grant	Prop 1B
<b>Revenues</b>				
Intergovernmental	\$ 518,324	\$ -	\$ 600,667	\$ -
Charges for services	-	-	-	-
Use of money and property	9,823	46	-	25
Miscellaneous	-	-	-	6,045
<b>Total Revenues</b>	<b>528,147</b>	<b>46</b>	<b>600,667</b>	<b>6,070</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	89,429	-
Recreation and community services	-	-	-	-
Public works	819,051	-	-	-
Capital outlay	80,808	-	503,317	-
<b>Total Expenditures</b>	<b>899,859</b>	<b>-</b>	<b>592,746</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(371,712)	46	7,921	6,070
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(11,475)	-	(6,194)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(11,475)</b>	<b>-</b>	<b>(6,194)</b>
Net Change in Fund Balances	(371,712)	(11,429)	7,921	(124)
Fund Balances, Beginning of Year	2,346,436	11,442	245,098	131
<b>Fund Balances, End of Year</b>	<b>\$ 1,974,724</b>	<b>\$ 13</b>	<b>\$ 253,019</b>	<b>\$ 7</b>

CITY OF LAWNSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

<b>Capital Projects Funds</b>				
	<b>Safetea-Lu</b>	<b>Prop C25 Grant</b>	<b>Appropriations Act</b>	<b>Metro STP-L</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	3	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	31,243	37,652	-	487,887
Capital outlay	-	46,090	-	-
<b>Total Expenditures</b>	<b>31,243</b>	<b>83,742</b>	<b>-</b>	<b>487,887</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,240)	(83,742)	-	(487,887)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	480,437
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>480,437</b>
Net Change in Fund Balances	(31,240)	(83,742)	-	(7,450)
Fund Balances, Beginning of Year	9,702	(184,523)	(180,667)	(87,344)
<b>Fund Balances, End of Year</b>	<b>\$ (21,538)</b>	<b>\$ (268,265)</b>	<b>\$ (180,667)</b>	<b>\$ (94,794)</b>



CITY OF LAWDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

(CONTINUED)

	<b>Capital Projects Funds</b>			
	<b>Measure R</b>	<b>Highway Safety Improvement</b>	<b>Measure R Grant</b>	<b>Prop C 25%</b>
<b>Revenues</b>				
Intergovernmental	\$ 388,174	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	1,875	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>390,049</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	330,710	-	-	485
Capital outlay	8,547	-	-	-
<b>Total Expenditures</b>	<b>339,257</b>	<b>-</b>	<b>-</b>	<b>485</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,792	-	-	(485)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	45,157	9,968	24,975
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>45,157</b>	<b>9,968</b>	<b>24,975</b>
Net Change in Fund Balances	50,792	45,157	9,968	24,490
Fund Balances, Beginning of Year	357,407	(45,157)	(9,968)	(24,490)
<b>Fund Balances, End of Year</b>	<b>\$ 408,199</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	<b>Capital Projects Funds</b>			
	<b>Measure R Grant Traffic Improvement</b>	<b>Metro STPL Exchange 2014</b>	<b>Local Transportation Funds</b>	<b>Metro STPL Exchange 2017</b>
<b>Revenues</b>				
Intergovernmental	\$ 43,916	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Use of money and property	14	1,891	-	2,672
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>43,930</b>	<b>1,891</b>	<b>-</b>	<b>2,672</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Planning and community development	-	-	-	-
Recreation and community services	-	-	-	-
Public works	-	-	922	-
Capital outlay	-	-	-	8,358
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>922</b>	<b>8,358</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,930	1,891	(922)	(5,686)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	8,538	-
Transfers out	(43,930)	(480,437)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(43,930)</b>	<b>(480,437)</b>	<b>8,538</b>	<b>-</b>
Net Change in Fund Balances	-	(478,546)	7,616	(5,686)
Fund Balances, Beginning of Year	-	409,286	(7,616)	578,797
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ (69,260)</b>	<b>\$ -</b>	<b>\$ 573,111</b>

CITY OF LAWSDALE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2018

	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>	
Intergovernmental	\$ 3,680,580
Charges for services	46,366
Use of money and property	24,502
Miscellaneous	40,993
	<hr/>
<b>Total Revenues</b>	<b>3,792,441</b>
	<hr/>
<b>Expenditures</b>	
Current:	
General government	10,816
Public safety	123,236
Planning and community development	89,429
Recreation and community services	564,793
Public works	2,701,718
Capital outlay	733,636
	<hr/>
<b>Total Expenditures</b>	<b>4,223,628</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(431,187)
	<hr/>
<b>Other Financing Sources (Uses)</b>	
Transfers in	866,777
Transfers out	(710,489)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>156,288</b>
	<hr/>
Net Change in Fund Balances	(274,899)
Fund Balances, Beginning of Year	4,413,075
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 4,138,176</b>
	<hr/>

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 GAS TAX  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 938,133	\$ 746,678	\$ 704,100	\$ (42,578)
Use of money and property	1,000	1,000	36	(964)
<b>Total Revenues</b>	<b>939,133</b>	<b>747,678</b>	<b>704,136</b>	<b>(43,542)</b>
<b>Expenditures</b>				
Public works	968,155	968,155	814,209	153,946
Capital outlay	80,000	314,431	-	314,431
<b>Total Expenditures</b>	<b>1,048,155</b>	<b>1,282,586</b>	<b>814,209</b>	<b>468,377</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,022)	(534,908)	(110,073)	(511,919)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	118,143	118,143
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>118,143</b>	<b>118,143</b>
Net Change in Fund Balance	<u>\$ (109,022)</u>	<u>\$ (534,908)</u>	8,070	<u>\$ (393,776)</u>
Fund Balance, Beginning of Year			46	
<b>Fund Balance, End of Year</b>			<b>\$ 8,116</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 AIR QUALITY  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 213,000	\$ 213,000	\$ 42,685	\$ (170,315)
Use of money and property	100	100	441	341
<b>Total Revenues</b>	<b>213,100</b>	<b>213,100</b>	<b>43,126</b>	<b>(169,974)</b>
<b>Expenditures</b>				
Capital outlay	285,000	285,000	-	285,000
<b>Total Expenditures</b>	<b>285,000</b>	<b>285,000</b>	<b>-</b>	<b>285,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,900)	(71,900)	43,126	(454,974)
Net Change in Fund Balance	<u>\$ (71,900)</u>	<u>\$ (71,900)</u>	43,126	<u>\$ (454,974)</u>
Fund Balance, Beginning of Year			88,399	
<b>Fund Balance, End of Year</b>			<b><u>\$ 131,525</u></b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 PROPOSITION A LOCAL TRANSIT ASSISTANCE  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 622,980	\$ 622,980	\$ 624,810	\$ 1,830
Charges for services	360	360	672	312
Use of money and property	2,500	2,500	5,846	3,346
Miscellaneous	32,000	32,000	34,915	2,915
<b>Total Revenues</b>	<b>657,840</b>	<b>657,840</b>	<b>666,243</b>	<b>8,403</b>
<b>Expenditures</b>				
Current:				
Recreation and community services	670,678	670,678	564,793	105,885
Capital outlay	200,000	200,000	-	200,000
<b>Total Expenditures</b>	<b>870,678</b>	<b>870,678</b>	<b>564,793</b>	<b>305,885</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(212,838)	(212,838)	101,450	(297,482)
Net Change in Fund Balance	\$ (212,838)	\$ (212,838)	101,450	\$ (297,482)
Fund Balance, Beginning of Year			1,148,244	
<b>Fund Balance, End of Year</b>			<b>\$ 1,249,694</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 NARCOTICS FORFEITURE  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ 350	\$ 350	\$ 250	\$ (100)
<b>Total Revenues</b>	<b>350</b>	<b>350</b>	<b>250</b>	<b>(100)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	350	350	250	(100)
Net Change in Fund Balance	<u>\$ 350</u>	<u>\$ 350</u>	250	<u>\$ (100)</u>
Fund Balance, Beginning of Year			53,989	
<b>Fund Balance, End of Year</b>			<b>\$ 54,239</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 STATE COPS GRANT  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 139,416	\$ 39,416
Use of money and property	50	50	363	313
<b>Total Revenues</b>	<b>100,050</b>	<b>100,050</b>	<b>139,779</b>	<b>39,729</b>
<b>Expenditures</b>				
Current:				
Public safety	121,000	121,000	114,480	6,520
<b>Total Expenditures</b>	<b>121,000</b>	<b>121,000</b>	<b>114,480</b>	<b>6,520</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,950)	(20,950)	25,299	33,209
Net Change in Fund Balance	\$ (20,950)	\$ (20,950)	25,299	\$ 33,209
Fund Balance, Beginning of Year			10,404	
<b>Fund Balance, End of Year</b>			<b>\$ 35,703</b>	



CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 LAWNSDALE CABLE USAGE CORPORATION  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 33,300	\$ 33,300	\$ 40,894	\$ 7,594
Use of money and property	30	30	101	71
Miscellaneous	250	250	33	(217)
<b>Total Revenues</b>	<b>33,580</b>	<b>33,580</b>	<b>41,028</b>	<b>7,448</b>
<b>Expenditures</b>				
Current:				
General government	33,000	33,000	10,816	22,184
<b>Total Expenditures</b>	<b>33,000</b>	<b>33,000</b>	<b>10,816</b>	<b>22,184</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	580	580	30,212	(14,736)
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(30,178)	(30,178)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(30,178)</b>	<b>(30,178)</b>	<b>-</b>
Net Change in Fund Balance	\$ 580	\$ (29,598)	34	\$ (14,736)
Fund Balance, Beginning of Year			11,304	
<b>Fund Balance, End of Year</b>			<b>\$ 11,338</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 HAWTHORNE BOULEVARD MAINTENANCE  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
Current:				
Public works	\$ 185,000	\$ 185,000	\$ 179,559	\$ 5,441
<b>Total Expenditures</b>	<b>185,000</b>	<b>185,000</b>	<b>179,559</b>	<b>5,441</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,000)	(185,000)	(179,559)	(5,441)
<b>Other Financing Sources (Uses)</b>				
Transfers in	185,000	185,000	179,559	(5,441)
<b>Total Other Financing Sources (Uses)</b>	<b>185,000</b>	<b>185,000</b>	<b>179,559</b>	<b>(5,441)</b>
Net Change in Fund Balance	\$ -	\$ -	-	\$ (10,882)
Fund Balance, Beginning of Year			-	
<b>Fund Balance, End of Year</b>			<b>\$ -</b>	

CITY OF LAWDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 DEPARTMENT OF CONSERVATION GRANT  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 8,578	\$ (422)
<b>Total Revenues</b>	<b>9,000</b>	<b>9,000</b>	<b>8,578</b>	<b>(422)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,000	9,000	8,578	(422)
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(112,105)	(112,105)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(112,105)</b>	<b>(112,105)</b>	<b>-</b>
Net Change in Fund Balance	\$ 9,000	\$ (103,105)	(103,527)	\$ (422)
Fund Balance, Beginning of Year			103,527	
<b>Fund Balance, End of Year</b>			<b>\$ -</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 JUSTICE ASSISTED GRANT  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 1,850	\$ (13,150)
<b>Total Revenues</b>	<b>15,000</b>	<b>15,000</b>	<b>1,850</b>	<b>(13,150)</b>
<b>Expenditures</b>				
Current:				
Public safety	15,000	15,000	8,756	6,244
<b>Total Expenditures</b>	<b>15,000</b>	<b>15,000</b>	<b>8,756</b>	<b>6,244</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(6,906)	(19,394)
Net Change in Fund Balance	\$ -	\$ -	(6,906)	\$ (19,394)
Fund Balance, Beginning of Year			6,906	
<b>Fund Balance, End of Year</b>			<b>\$ -</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 PARK DEVELOPMENT  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 500	\$ 500	\$ 4,800	\$ 4,300
Use of money and property	25	25	65	40
<b>Total Revenues</b>	<b>525</b>	<b>525</b>	<b>4,865</b>	<b>4,340</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	525	525	4,865	4,340
Net Change in Fund Balance	\$ 525	\$ 525	4,865	\$ 4,340
Fund Balance, Beginning of Year			10,715	
<b>Fund Balance, End of Year</b>			<b>\$ 15,580</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SAFE ROUTES TO SCHOOL  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 66,194	\$ 19,363	\$ (46,831)
<b>Total Revenues</b>	<b>-</b>	<b>66,194</b>	<b>19,363</b>	<b>(46,831)</b>
<b>Expenditures</b>				
Capital outlay	-	66,194	54,217	11,977
<b>Total Expenditures</b>	<b>-</b>	<b>66,194</b>	<b>54,217</b>	<b>11,977</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(34,854)	(58,808)
Net Change in Fund Balance	\$ -	\$ -	(34,854)	\$ (58,808)
Fund Balance, Beginning of Year			-	
<b>Fund Balance, End of Year</b>			<b>\$ (34,854)</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SB1 RMRA  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 191,455	\$ 195,504	\$ 4,049
Use of money and property	-	-	109	109
<b>Total Revenues</b>	<b>-</b>	<b>191,455</b>	<b>195,613</b>	<b>4,158</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	191,455	195,613	4,158
Net Change in Fund Balance	\$ -	\$ 191,455	195,613	\$ 4,158
Fund Balance, Beginning of Year			-	
<b>Fund Balance, End of Year</b>			<b>\$ 195,613</b>	

CITY OF LAWNSDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TDA ARTICLE 3 LOCAL TRANSPORTATION  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 26,000	\$ 26,000	\$ 32,285	\$ 6,285
<b>Total Revenues</b>	<b>26,000</b>	<b>26,000</b>	<b>32,285</b>	<b>6,285</b>
<b>Expenditures</b>				
Capital outlay	20,000	60,000	32,299	27,701
<b>Total Expenditures</b>	<b>20,000</b>	<b>60,000</b>	<b>32,299</b>	<b>27,701</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,000	(34,000)	(14)	(21,416)
Net Change in Fund Balance	\$ 6,000	\$ (34,000)	(14)	\$ (21,416)
Fund Balance, Beginning of Year			14	
<b>Fund Balance, End of Year</b>			<b>\$ -</b>	



CITY OF LAWDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PROPOSITION C LOCAL TRANSIT ASSISTANCE  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 516,746	\$ 516,746	\$ 518,324	\$ 1,578
Use of money and property	6,500	6,500	9,823	3,323
<b>Total Revenues</b>	<b>523,246</b>	<b>523,246</b>	<b>528,147</b>	<b>4,901</b>
<b>Expenditures</b>				
Current:				
Public works	421,641	421,641	819,051	(397,410)
Capital outlay	956,720	2,132,036	80,808	2,051,228
<b>Total Expenditures</b>	<b>1,378,361</b>	<b>2,553,677</b>	<b>899,859</b>	<b>1,653,818</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(855,115)	(2,030,431)	(371,712)	(1,648,917)
Net Change in Fund Balance	\$ (855,115)	\$ (2,030,431)	(371,712)	\$ (1,648,917)
Fund Balance, Beginning of Year			2,346,436	
<b>Fund Balance, End of Year</b>			<b>\$ 1,974,724</b>	

CITY OF LAWDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 633,937	\$ 633,937	\$ 600,667	\$ (33,270)
<b>Total Revenues</b>	<b>633,937</b>	<b>633,937</b>	<b>600,667</b>	<b>(33,270)</b>
<b>Expenditures</b>				
Current:				
Planning and community development	130,620	131,632	89,429	42,203
Capital outlay	503,317	503,317	503,317	-
<b>Total Expenditures</b>	<b>633,937</b>	<b>634,949</b>	<b>592,746</b>	<b>42,203</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,012)	7,921	(75,473)
Net Change in Fund Balance	\$ -	\$ (1,012)	7,921	\$ (75,473)
Fund Balance, Beginning of Year			245,098	
<b>Fund Balance, End of Year</b>			<b>\$ 253,019</b>	

CITY OF LAWDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 SAFETEA-LU  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,731,320	\$ 1,731,320	\$ -	\$ (1,731,320)
Use of money and property	-	-	3	3
<b>Total Revenues</b>	<b>1,731,320</b>	<b>1,731,320</b>	<b>3</b>	<b>(1,731,317)</b>
<b>Expenditures</b>				
Current:				
Public works	42,521	42,521	31,243	11,278
Capital outlay	1,688,800	1,688,800	-	1,688,800
<b>Total Expenditures</b>	<b>1,731,321</b>	<b>1,731,321</b>	<b>31,243</b>	<b>1,700,078</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	(1)	(31,240)	(3,431,395)
Net Change in Fund Balance	\$ (1)	\$ (1)	(31,240)	\$ (3,431,395)
Fund Balance, Beginning of Year			9,702	
<b>Fund Balance, End of Year</b>			<b>\$ (21,538)</b>	

CITY OF LAWDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 PROP C25 GRANT  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,993,186	\$ 1,993,186	\$ -	\$ (1,993,186)
<b>Total Revenues</b>	<b>1,993,186</b>	<b>1,993,186</b>	<b>-</b>	<b>(1,993,186)</b>
<b>Expenditures</b>				
Current:				
Public works	94,672	94,672	37,652	57,020
Capital outlay	1,898,514	1,898,514	46,090	1,852,424
<b>Total Expenditures</b>	<b>1,993,186</b>	<b>1,993,186</b>	<b>83,742</b>	<b>1,909,444</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(83,742)	(3,902,630)
Net Change in Fund Balance	\$ -	\$ -	(83,742)	\$ (3,902,630)
Fund Balance, Beginning of Year			(184,523)	
<b>Fund Balance, End of Year</b>			<b>\$ (268,265)</b>	

CITY OF LAWNDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 METRO STP-L  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 38,960	\$ 38,960	\$ -	\$ (38,960)
<b>Total Revenues</b>	<b>38,960</b>	<b>38,960</b>	<b>-</b>	<b>(38,960)</b>
<b>Expenditures</b>				
Current:				
Public works	28,000	462,000	487,887	(25,887)
<b>Total Expenditures</b>	<b>28,000</b>	<b>462,000</b>	<b>487,887</b>	<b>(25,887)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,960	(423,040)	(487,887)	(13,073)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	480,437	480,437
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>480,437</b>	<b>480,437</b>
Net Change in Fund Balance	\$ 10,960	\$ (423,040)	(7,450)	\$ 467,364
Fund Balance, Beginning of Year			(87,344)	
<b>Fund Balance, End of Year</b>			<b>\$ (94,794)</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 MEASURE R  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 387,567	\$ 387,567	\$ 388,174	\$ 607
Use of money and property	1,000	1,000	1,875	875
<b>Total Revenues</b>	<b>388,567</b>	<b>388,567</b>	<b>390,049</b>	<b>1,482</b>
<b>Expenditures</b>				
Current:				
Public works	104,670	104,670	330,710	(226,040)
Capital outlay	305,000	510,000	8,547	501,453
<b>Total Expenditures</b>	<b>409,670</b>	<b>614,670</b>	<b>339,257</b>	<b>275,413</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,103)	(226,103)	50,792	(273,931)
Net Change in Fund Balance	\$ (21,103)	\$ (226,103)	50,792	\$ (273,931)
Fund Balance, Beginning of Year			357,407	
<b>Fund Balance, End of Year</b>			<b>\$ 408,199</b>	

CITY OF LAWNSDALE

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MEASURE R GRANT TRAFFIC IMPROVEMENT  
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 43,916	\$ 43,916
Use of money and property	-	-	14	14
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>43,930</b>	<b>43,930</b>
<b>Expenditures</b>				
Capital outlay	-	507,800	-	507,800
<b>Total Expenditures</b>	<b>-</b>	<b>507,800</b>	<b>-</b>	<b>507,800</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(507,800)	43,930	(463,870)
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(43,930)	43,930
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(43,930)</b>	<b>43,930</b>
Net Change in Fund Balance	\$ -	\$ (507,800)	-	\$ (419,940)
Fund Balance, Beginning of Year			-	
<b>Fund Balance, End of Year</b>			<b>\$ -</b>	

CITY OF LAWNSDALE

SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 METRO STPL EXCHANGE 2017  
 YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Use of money and property	-	-	2,672	2,672
<b>Total Revenues</b>	<b>300,000</b>	<b>300,000</b>	<b>2,672</b>	<b>(297,328)</b>
<b>Expenditures</b>				
Capital outlay	300,000	300,000	8,358	291,642
<b>Total Expenditures</b>	<b>300,000</b>	<b>300,000</b>	<b>8,358</b>	<b>291,642</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(5,686)	(588,970)
Net Change in Fund Balance	\$ -	\$ -	(5,686)	\$ (588,970)
Fund Balance, Beginning of Year			578,797	
<b>Fund Balance, End of Year</b>			<b>\$ 573,111</b>	